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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

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

For the fiscal year ended December 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	**98-0686001**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
8176 Park Lane **Dallas, Texas**	**75231**
(Address of principal executive offices)	(Zip Code)

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Trading Symbol**	**Name of each exchange on which registered:**
Common Stock $0.01 par value	KOS	New York Stock Exchange London Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

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 (Do not check if a smaller reporting company)	☐	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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

The aggregate market value of the voting and non-voting common stock held by non-affiliates, based on the per-share closing price of the registrant's common stock as of the last business day of the registrant's most recently completed second fiscal quarter was $2,764,469,395.

The number of the registrant's Common Stock outstanding as of February 23, 2023 was 459,584,934.

DOCUMENTS INCORPORATED BY REFERENCE

Part III, Items 10-14, is incorporated by reference from the Proxy Statement for the Annual Meeting of Shareholders which will be filed with the Securities and Exchange Commission not later than 120 days subsequent to December 31, 2022.

Certain exhibits previously filed with the Securities and Exchange Commission are incorporated by reference into Part IV of this report.

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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 subsidiaries. In addition, we have provided definitions for some of the industry terms used in this report in the "Glossary and Selected Abbreviations" beginning on page 4.

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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"	Revolving Credit Facility Agreement dated November 23, 2012 (as amended or as amended and restated from time to time).
"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, however, forecasted capital expenditures in relation to the additional interests in Ghana acquired in the October 2021 acquisition of Anadarko WCTP are not included, to (y) the aggregate loan amounts outstanding under the Facility.
"LIBOR"	London Interbank Offered Rate
"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.
"SOFR"	Secured Overnight Financing Rate
"SEC"	Securities and Exchange Commission.
"7.125% Senior Notes"	7.125% Senior Notes due 2026.
"7.750% Senior Notes"	7.750% Senior Notes due 2027.
"7.500% Senior Notes"	7.500% Senior Notes due 2028.
"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.
"SMH"	*Societe Mauritanienne des Hydrocarbures*
"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.

Cautionary Statement Regarding Forward-Looking Statements

This annual report on Form 10-K contains estimates and forward-looking statements, principally in "Item 1. Business," "Item 1A. Risk Factors" and "Item 7. 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 annual report on Form 10-K, may adversely affect our results as indicated in forward-looking statements. You should read this annual report on Form 10-K and the documents that we have filed as exhibits hereto 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 a potential regional or global recession, inflationary pressures and other varying macroeconomic conditions on us 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, applicable monetary/foreign exchange sectors 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, including the impact of the COVID-19 pandemic, 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, but not limited to, tropical storms and hurricanes, and the physical effects of climate change;
- 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;
- our ability to obtain surety or performance bonds on commercially reasonable terms;
- 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 this 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 annual report on Form 10-K 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.

PART I

Item 1. Business

General

Kosmos is a full-cycle, deepwater, independent oil and gas exploration and production company focused along the offshore Atlantic Margins. Our key assets include production offshore Ghana, Equatorial Guinea and the U.S. Gulf of Mexico, as well as world-class gas projects offshore Mauritania and Senegal. We also pursue a proven basin exploration program in Equatorial Guinea and the U.S. Gulf of Mexico. Kosmos is listed on the NYSE and LSE and is traded under the ticker symbol KOS.

Kosmos was founded in 2003 to find oil in under-explored or overlooked parts of West Africa. In its relatively brief history, we have successfully opened two new hydrocarbon basins through the discovery of the Jubilee field offshore Ghana in 2007 and the Greater Tortue Ahmeyim field in 2015 (which includes the Ahmeyim and Guembeul-1 discovery wells offshore Mauritania and Senegal in 2015 and 2016, respectively). Jubilee was one of the largest oil discoveries worldwide in 2007 and is considered one of the largest finds offshore West Africa discovered during that decade. The Greater Tortue Ahmeyim discovery was one of the largest natural gas discoveries worldwide in 2015 and is one of the largest gas discoveries ever offshore West Africa.

Over the past few years, our business strategy has evolved to focus on production enhancing infill drilling and well work, infrastructure-led exploration as well as value-accretive acquisitions. This strategic evolution was initially enabled by our acquisition of the Ceiba Field and Okume Complex assets offshore Equatorial Guinea in 2017, together with access to surrounding exploration licenses, and bolstered by the 2018 acquisition of Deep Gulf Energy, a deepwater company operating in the U.S. Gulf of Mexico, which further enhanced our production, exploitation and infrastructure-led exploration capabilities. Most recently, this strategy was demonstrated by the acquisition of additional interests in the Jubilee and TEN fields offshore Ghana in 2021 and the Kodiak and Winterfell fields in the U.S. Gulf of Mexico in 2022.

Our Business Strategy

As a full-cycle deepwater E&P company, our mission is to safely deliver production and free cash flow from a portfolio rich in opportunities through a disciplined allocation of capital and optimal portfolio management for the benefit of our shareholders and stakeholders. As a responsible company, we are working to supply the energy the world needs today, find and develop affordable and cleaner energy to advance the energy transition, and be a force for good in our host countries.

Our business strategy is designed to accomplish this mission by focusing on three key objectives: (1) maximize the value of our producing assets; (2) progress our discovered resources toward project sanction and into proved reserves, production, and cash flow through efficient appraisal, development and exploitation; and (3) add new lower carbon resources through an efficient low cost exploration program in proven basins or acquisitions. We are focused on increasing production, cash flows and reserves from our producing assets in Equatorial Guinea, Ghana, and the U.S. Gulf of Mexico. In Mauritania and Senegal, we are progressing our Greater Tortue Ahmeyim development with first gas for the project targeted in the fourth quarter of 2023 while advancing the second phase of the development, as well as advancing first phase development concepts for the BirAllah and Orca discoveries in Mauritania and the Yakaar-Teranga discoveries in Senegal. In addition, our portfolio contains an inventory of prospects, which we plan to continue to mature and high-grade for future drilling and development, providing us access to additional high return growth potential in the coming years. We are also working with our partners and host governments on projects to reduce the carbon intensity of our production assets, such as the elimination of routine flaring in Ghana and Equatorial Guinea.

Grow cash flow, proved reserves and production through exploitation, development and infrastructure-led exploration activities with increasing exposure to natural gas and LNG

We plan to grow cash flow, proved reserves and production by further exploiting our fields offshore Equatorial Guinea, Ghana, and the U.S. Gulf of Mexico. In Equatorial Guinea, our activity set is expanding beyond production optimization projects, such as utilizing electrical submersible pumps, to include development drilling and infrastructure-led exploration which, if successful, can be brought online quickly via subsea tieback to existing infrastructure. In Ghana, we plan to continue drilling additional development wells at the Jubilee field in the near term while working with partners to evaluate and high grade the future activity set to maximize value from the TEN fields. In the U.S. Gulf of Mexico, we plan to progress the Winterfell Field Development Plan, continue development drilling in existing fields and pursue a deep inventory of infrastructure-led exploration targets. In addition, the development of the first phase of the Greater Tortue Ahmeyim

development offshore Mauritania and Senegal continues to make good progress. Beyond the Phase 1 development of Greater Tortue Ahmeyim, growth is also expected to be realized through additional development phases of Greater Tortue Ahmeyim and through the phased development of our other natural gas discoveries in Mauritania and Senegal including the BirAllah and Orca discoveries in Mauritania and the Yakaar and Teranga discoveries in Senegal. During 2023, we plan to continue to mature development concepts for our existing discoveries in Mauritania, Senegal, the U.S. Gulf of Mexico and Equatorial Guinea, as well as mature additional infrastructure-led prospects in the U.S. Gulf of Mexico and Equatorial Guinea.

Focus on optimally developing our discoveries to initial production

Our approach to development is designed to deliver first production on an accelerated timeline, with low cost, lower carbon solutions, where we can leverage early learnings to improve future outcomes and maximize returns. In certain circumstances, we believe a phased approach can be employed to optimize full-field development. A phased approach facilitates refinement of the development plans based on experience gained in initial phases of production and by leveraging existing infrastructure as subsequent phases of development are implemented. Production and reservoir performance from the initial phases are monitored closely to determine the most efficient and effective techniques to maximize the recovery of reserves and returns. Other benefits include minimizing upfront capital costs, reducing execution risks through smaller initial infrastructure requirements, and enabling cash flow from the initial phases of production to fund a portion of capital costs for subsequent phases. Our development of the Jubilee Field is an example of this approach. The Greater Tortue Ahmeyim development is also being developed in a capitally efficient phased approach, consistent with our business strategy. This is anticipated to result in first gas approximately eight years after initial discovery. Finally, our approach to discoveries in the U.S. Gulf of Mexico is to develop them via subsea tie-back to existing host facilities with spare capacity, which reduces development costs and the average timeline to first production. The Winterfell discovery (2021) and subsequent appraisal success (early 2022) is an example of this, with development expected to deliver first production in around three years after initial discovery.

Apply our entrepreneurial culture, which fosters innovation and creativity, to continue our successful exploration and development program

Our employees are critical to the success of our business strategy, and we have created an environment that enables them to focus their knowledge, skills and experience on finding, developing and producing new fields and optimizing production from existing fields. Culturally, we have an open, team-oriented work environment that fosters entrepreneurial, creative and contrarian thinking. This approach enables us to fully consider and understand both risk and reward, as well as deliberately and collectively pursue ideas that create and maximize value and free cash flow.

We are led by an experienced management team with a successful track record. Our management team members average over 25 years of industry experience and have participated in discovering, developing, and maximizing the value of multiple large-scale upstream projects around the world. Our experience, industry relationships and technical expertise are our core competitive strengths and are crucial to our success.

Our returns focused exploration approach

Our exploration activity, which is deeply rooted in a fundamental, geologic approach, is focused on proven basins with high-graded infrastructure-led prospects and material play extension opportunities. We target specific areas with sufficient size to manage exploration risks and provide scale should the exploration concept prove successful. We also look for: (i) long-term contract durations to enable the “right” exploration program to be executed, (ii) play type diversity to provide multiple exploration concept options, (iii) prospect dependency to enhance the chance of replicating success, and (iv) attractive fiscal terms to maximize the commercial viability of discovered hydrocarbons. Alongside the subsurface analysis, Kosmos gains a thorough understanding of the “above-ground” dynamics in each of the countries in which we operate, which may influence a particular country’s relative desirability from an overall oil and natural gas operating and risk adjusted return perspective.

Our approach is aimed at areas where we have existing production and where there is sufficient infrastructure capacity to enable the development of new discoveries via subsea tieback. Acquisition of the Ceiba Field and Okume Complex in Equatorial Guinea and assets in the U.S. Gulf of Mexico have added high-quality prospectivity to our inventory of infrastructure-led exploration opportunities given their attractive acreage positions within proximity of existing infrastructure with excess capacity available. Existing infrastructure allows us to shorten the time cycle from discovery to first production, lower the capital requirements and increase the returns.

Pursuing value accretive, opportunistic transactions that meet our strategic and financial objectives

Since 2017, we have completed three separate significant acquisitions of oil and natural gas producing properties for total value of approximately $2.0 billion dollars, as of the effective date of the acquisitions. These acquisitions were targeted to increase and complement our existing properties, providing production diversification while increasing the quality of investment opportunities in our portfolio. Our experienced team of management and technical professionals intend to continue identifying, evaluating and pursuing transactions involving oil and natural gas properties that are complementary to our core operating areas, as well as opportunities in other basins where we can apply our existing knowledge, expertise and relationships to create shareholder value. Our focus is on transactions where we can leverage our operational experience and expertise to provide productivity and cost improvements, invest in additional developmental opportunities in such assets and implement an infrastructure-led exploration program for nearby prospects.

Secure a premium license to operate through industry-leading ESG performance

We recognize that advancing the societies in which we work and operating in a manner that protects the environment is critical for creating long-term returns. We aim to continuously improve our ESG credentials by working with a range of stakeholders, including shareholders, partners, suppliers, host governments and civil society organizations.

We aim to act as a force for good by advancing a “Just Energy Transition” in our host countries and communities – namely by supporting economic and social development in the places where we work through supplying affordable and cleaner energy while lowering emissions. We use the United Nations Sustainable Development Goals to understand how our activities promote economic and social progress in host countries. Our Business Principles reflect our shared values as a company, define how we conduct our business and set the standards to which we hold ourselves accountable. Our Business Principles are supported by more detailed policies, procedures, and management systems. Each year, we report on our ESG approach and performance in our Sustainability Report and on our website.

Most recently, we have focused on evaluating the costs, benefits, risks, and opportunities that climate change and the global energy transition may present to our business and integrating them into our business strategy. As part of this effort, we established governance structures to monitor and manage climate-related risks and opportunities; developed a strategy to measure and reduce greenhouse gas emissions from our own operations and mitigate remaining emissions through innovative nature-based solutions. We have published a Climate Risk and Resilience Report that adheres to the recommendations of the Task Force on Climate-related Disclosure (“TCFD”). The report reviews how we are identifying and managing climate-related risks and opportunities across four categories: Governance, Strategy, Risk Management, and Metrics and Targets. The report sets forth a scenario analysis demonstrating the resilience of our portfolio under a scenario aligned with the Paris Agreement’s goals, and our goal to achieve operated Scope 1 and Scope 2 carbon neutrality by 2030 or sooner. We achieved this goal in 2021, significantly earlier than expected, and have identified a pathway to maintain it through continual monitoring of emissions, assessment of emission reduction opportunities, and, for residual emissions, investment in high-quality carbon offsets. We recognize most of our production, and the associated GHG emissions, is derived from assets in which we are non-operating partners. We are therefore working with our partners to develop a consistent measurement approach to improve our understanding of these emissions and implement opportunities to reduce them.

Maintain financial discipline

Execution of our strategy requires us to maintain a conservative financial approach with a strong balance sheet, ample liquidity, and a commitment to low leverage. As of December 31, 2022, our liquidity was approximately $1 billion.

Additionally, we use derivative instruments to partially limit our exposure to fluctuations in oil prices. We have an active commodity hedging program where we aim to hedge a portion of our anticipated sales volumes on a one to two year rolling basis, with the goal to protect against the downside price scenario while still retaining partial exposure to the upside. As of December 31, 2022, we have hedged positions covering approximately 10.0 million barrels of oil production in 2023. We also maintain insurance to partially protect against loss of production revenues from certain of our producing assets.

Operations by Geographic Area

We currently have operations in Africa and the U.S. Gulf of Mexico. Presently, our operating revenues are generated from our operations offshore Ghana, Equatorial Guinea, and the U.S. Gulf of Mexico. The following tables provide a summary of certain key 2022 data for our geographic areas.

Geographic Area	Percentage of BOE Sales Volumes	Sales Volumes (Net to Kosmos) Oil (MMBbls)	NGL	Gas (Bcf)	Total (MMBoe)	Average Oil Oil (per Bbl)	NGL	Gas (per Bcf)	Total (per Boe)	Revenue (in Thousands)	Production costs per Boe(3)	Depletion, depreciation and amortization per Boe
For the year ended December 31, 2022												
Jubilee	49 %	11.40	—	—	11.40	101.23	—	—	101.23	$ 1,162,416	9.93	20.32
TEN	9 %	2.00	—	—	2.00	96.83	—	—	96.83	188,546	47.48	28.57
Ghana(1)	58 %	13.40	—	—	13.40	100.59	—	—	100.59	$ 1,350,962	15.37	21.52
Equatorial Guinea	14 %	3.30	—	—	3.30	104.24	—	—	104.24	346,783	27.23	16.16
Mauritania/Senegal	—	—	—	—	—	—	—	—	—	—	—	—
U.S. Gulf of Mexico	28 %	5.30	0.40	4.10	6.40	95.80	34.37	7.24	86.09	547,610	16.50	24.12
Total	100 %	22.00	0.40	4.10	23.10	100.00	34.37	7.24	97.13	$ 2,245,355	17.39	21.55
For the year ended December 31, 2021												
Jubilee	35 %	7.0	—	—	7.0	$ 71.21	—	—	$ 71.21	$ 500,541	$ 11.12	$ 23.93
TEN	10 %	2.0	—	—	2.0	73.82	—	—	73.82	143,691	37.47	37.30
Ghana(2)	45 %	9.0	—	—	9.0	$ 71.77	—	—	$ 71.77	$ 644,232	$ 16.83	$ 26.84
Equatorial Guinea	19 %	3.7	—	—	3.7	70.39	—	—	70.39	260,520	25.13	15.26
Mauritania/Senegal	—	—	—	—	—	—	—	—	—	—	—	—
U.S. Gulf of Mexico	36 %	5.8	0.5	4.9	7.2	67.35	28.62	3.85	59.57	427,261	14.21	23.44
Total	100 %	18.5	0.5	4.9	19.9	$ 70.10	$ 28.62	$ 3.85	$ 67.10	$ 1,332,013	$ 17.44	$ 23.54
For the year ended December 31, 2020												
Jubilee	31 %	6.7	—	—	6.7	$ 38.84	—	—	$ 38.84	$ 261,540	$ 14.60	$ 20.00
TEN	13 %	3.0	—	—	3.0	35.23	—	—	35.23	104,975	23.85	33.81
Ghana	44 %	9.7	—	—	9.7	$ 37.73	—	—	$ 37.73	$ 366,515	$ 17.44	$ 24.27
Equatorial Guinea	18 %	4.0	—	—	4.0	37.79	—	—	37.79	152,501	20.02	16.05
Mauritania/Senegal	—	—	—	—	—	—	—	—	—	—	—	—
U.S. Gulf of Mexico	38 %	6.8	0.6	5.9	8.4	39.39	10.25	2.00	34.08	285,017	10.56	21.74
Total	100 %	20.5	0.6	5.9	22.1	$ 38.29	$ 10.25	$ 2.00	$ 36.36	$ 804,033	$ 15.31	$ 21.97

(1) Our sales volumes during 2022 includes activity related to the interest pre-empted by Tullow prior to the March 17, 2022 closing date of the Tullow pre-emption transaction.

(2) Our sales volumes during 2021 includes activity related to our acquisition of additional interests in Ghana from October 13, 2021, the acquisition date, through December 31, 2021. Our year-end proved reserves also include the additional interests acquired.

(3) Substantially all NGLs and natural gas sales are associated production from our oil wells and, therefore, production costs metrics are presented under a common unit of measure.

Information about our deepwater fields is summarized in the following table.

Fields	License		Kosmos Participating Interest		Operator	Stage	License Expiration
Ghana(1)							
Jubilee	WCTP/DT	(2)	38.6 %	(2)	Tullow	Production	2034
TEN	DT		20.4 %	(4)	Tullow	Production	2036
U.S. Gulf of Mexico(1)							
Barataria	MC 521		22.5 %		Kosmos	Production	(8)
Big Bend	MC 697 / 698 / 742		5.3 %		QuarterNorth	Production	(8)
Gladden	MC 800		20.0 %		W&T	Production	(8)
Kodiak	MC 727 / 771		35.0 %		Kosmos	Production	(8)
Marmalard	MC 255 / 300		11.4 %		Murphy	Production	(8)
Nearly Headless Nick	MC 387		21.9 %		Murphy	Production	(8)
Danny Noonan	EC 381 / GB 506		30.0 %		Talos	Production	(8)
Odd Job	MC 214 / 215		Various	(5)	Kosmos	Production	(8)
SOB II	MC 431		11.8 %		Murphy	Production	(8)
S. Santa Cruz	MC 563		40.5 %		Kosmos	Production	(8)
Tornado	GC 281		35.0 %		Talos	Production	(8)
Winterfell	GC 943 / 944		25.0 %		Beacon	Appraisal	(8)
Mauritania							
Greater Tortue Ahmeyim(1)	Block C8	(3)	26.8 %		BP	Development	2049(9)
BirAllah	BirAllah		28.0 %	(6)	BP	Appraisal	2025
Orca	BirAllah		28.0 %	(6)	BP	Appraisal	2025
Senegal							
Greater Tortue Ahmeyim(1)	Saint Louis Offshore Profond	(3)	26.7 %		BP	Development	2044(10)
Teranga	Cayar Offshore Profond		30.0 %	(7)	BP	Appraisal	2024
Yakaar	Cayar Offshore Profond		30.0 %	(7)	BP	Appraisal	2024
Equatorial Guinea							
Ceiba Field and Okume Complex(1)	Block G		40.4 %		Trident	Production	2040
Asam	Block S		40.0 %		Kosmos	Appraisal	2024

(1) For information concerning our estimated proved reserves as of December 31, 2022, see "—Our Reserves."

(2) The Jubilee Field straddles the boundary between the WCTP petroleum contract and the DT petroleum contract offshore Ghana. To optimize resource recovery in this field, we entered into the Jubilee UUOA in July 2009 with GNPC and the other block partners of each of these two blocks. The Jubilee UUOA governs the interests in and development of the Jubilee Field and created the Jubilee Unit from portions of the WCTP petroleum contract and the DT petroleum contract areas. The interest percentage is subject to redetermination of the participating interests in the Jubilee Field pursuant to the terms of the Jubilee UUOA. Our current paying interest on development activities in the Jubilee Field is 43.05%.

(3) The Greater Tortue Ahmeyim Unit, which includes the Ahmeyim discovery in Mauritania Block C8 and the Guembeul discovery in the Senegal Saint Louis Offshore Profond Block, straddles the border between Mauritania and Senegal. To optimize resource recovery in this field, we entered into the GTA UUOA in February 2019 with the governments of Mauritania and Senegal and the other block partners of each of these two blocks. The GTA UUOA governs interests in and development of the Greater Tortue Ahmeyim Field and created the Greater Tortue Ahmeyim Unit from portions of the Mauritania Block C8 and the Senegal Saint Louis Offshore Profond Block areas. These interest percentages are subject to redetermination of the participating interests in the Greater Tortue Ahmeyim Field pursuant to the terms of the GTA UUOA.

(4) Our paying interest on development activities in the TEN fields is 22.8%. The table above reflects the acquisition of additional interests in Ghana in October 2021 and the pre-emption transaction with Tullow in March 2022. See "Item

8. Financial Statements and Supplementary Data—Note 3—Acquisitions and Divestitures" for discussion of pre-emption transaction with Tullow.

(5) Our interests in blocks MC 214 and MC 215 are 61.1% and 54.9%, respectively.

(6) The new PSC covering the BirAllah and Orca discoveries contains provisions for back-in rights for the Government of Mauritania. Kosmos' participating interest in the new PSC is currently 28.0% and this interest percentage does not give effect to the exercise of such back-in rights. Full election by SMH of their back-in rights would reduce Kosmos' participating interest to approximately 22.1%.

(7) PETROSEN has the option to acquire up to an additional 10% participating interest in a commercial development on the Saint Louis Offshore Profond and Cayar Offshore Profond Blocks. The interest percentage does not give effect to the exercise of such option.

(8) Our U.S. Gulf of Mexico blocks are held by production/operations, and the lease periods extend as long as production/governmental approved operations continue on the relevant block.

(9) License expiration date can be extended by an additional ten years subject to certain conditions being met.

(10) License expiration date can be extended by an additional twenty years subject to certain conditions being met.

Exploration License and Lease Areas

Country	Number of Blocks	Kosmos Average Participating Interest		Operator(s)	Current Phase Expiration Range	
Equatorial Guinea	3	64.7%	(1)	Kosmos	2024	
Mauritania	1	28.0%	(2)	BP	2025	
Sao Tome and Principe	1	58.9%	(3)	Kosmos	2023	
Senegal	1	30.0%	(4)	BP	2024	
U.S. Gulf of Mexico	49	39.3%		Kosmos, Murphy, Talos, QuarterNorth, Occidental, W&T Offshore, LLOG, Beacon, Houston Energy	through 2032	(5)

(1) Should a commercial discovery be made, GEPetrol's 20% carried interest will convert to a 20% participating interest for all development and production operations.

(2) Full election by SMH of their back-in rights would reduce Kosmos' participating interest to approximately 22.1%. SMH will pay its portion of development and production costs in a commercial development on the block. The interest percentage does not give effect to the exercise of such options.

(3) ANP-STP's carried interest may be converted to a full participating interest at any time. ANP-STP will reimburse any costs, expenses and any amount incurred on its behalf prior to the election.

(4) PETROSEN has the option to obtain up to an additional 10% paying interest in a commercial development on the Cayar Offshore Profond Block. The interest percentage does not give effect to the exercise of such option.

(5) Our U.S. Gulf of Mexico blocks can be held by operations or commercial production, and the corresponding lease periods extend as long as governmental approved operations continue on the relevant block. This can extend the lease expiration to a date later than 2032.

Ghana

The WCTP Block and DT Block are located within the Tano Basin, offshore Ghana. This basin contains a proven world-class petroleum system as evidenced by our discoveries. In October 2021, Kosmos completed the acquisition of Anadarko WCTP Company which owned a participating interest in the WCTP Block and DT Block offshore Ghana, including an 18.0% participating interest in the Jubilee Unit Area and an 11.1% participating interest in the TEN fields. Following closing of the acquisition, Kosmos' interest in the Jubilee Unit Area increased from 24.1% to 42.1%, and Kosmos' interest in the TEN fields increased from 17.0% to 28.1%. In November 2021, we received notice from Tullow Oil plc ("Tullow") and PetroSA that they were exercising 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 completion of the pre-emption process, 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%. The following is a brief discussion of our discoveries on our license areas offshore Ghana.

Jubilee Field

The Jubilee Field was discovered by Kosmos in 2007, with first oil produced in 2010. Appraisal activities confirmed that the Jubilee discovery straddled the WCTP and DT Blocks. Pursuant to the terms of the Jubilee UUOA, the discovery area was unitized for purposes of joint development by the WCTP and DT Block partners.

The Jubilee Field is located approximately 60 kilometers offshore Ghana in water depths of approximately 1,000 to 1,800 meters, which led to the decision to implement an FPSO based development. The FPSO is designed to provide water and natural gas injection to support reservoir pressure, to process and store oil and to export gas through a pipeline to the mainland. The Jubilee Field is being developed in a phased approach. The initial phase provided subsea infrastructure capacity for additional production and injection wells to be drilled in future phases of development. During 2022, we drilled two Jubilee Southeast wells, with a third drilled in January 2023. The two producer wells are expected to commence production in the middle of the year, after installation and tie-in to the subsea infrastructure.

The Government of Ghana completed the construction and connection of a gas pipeline from the Jubilee Field to transport natural gas to the mainland for processing and sale. In 2022, the partnership exported approximately 98 million standard cubic feet per day (gross) on average from the Jubilee field to the mainland. In December 2022, an interim gas sales agreement for 19 bcf (gross) was executed with the Government of Ghana, which allowed for gas to be sold at $0.50 per mmbtu. The 19 bcf is expected to be exported by the middle of 2023. The partnership is currently in discussions with the Government of Ghana regarding a future gas sales agreement covering both the Jubilee and TEN fields. Our inability to continuously export associated natural gas from the Jubilee Field could eventually impact our oil production and could cause us to re-inject or flare any natural gas we cannot export.

Oil production from the Jubilee Field averaged approximately 83,600 Bopd gross (31,300 Bopd net) during 2022.

TEN

The TEN fields are located in the western and central portions of the DT Block, approximately 48 kilometers offshore Ghana in water depths of approximately 1,000 to 1,700 meters. The discoveries are being jointly developed with shared infrastructure and a single FPSO, with first oil produced in 2016.

Similar to Jubilee, the TEN fields are being developed in a phased manner. The TEN PoD was designed to include an expandable subsea system that could provide for multiple phases. During the second quarter of 2022, the partnership drilled two new riser base wells at TEN to define the extent of the Ntomme reservoir supporting future TEN development. The first well was drilled to test two separate reservoir objectives and encountered better reservoir quality and thickness than expected but was water bearing. In October 2022, a second well targeting a different fairway was drilled. The well encountered approximately 5 meters of net oil pay with poorer than expected reservoir quality. Both wells have been plugged and abandoned. The partnership will continue to evaluate the full results of the two wells to high-grade and optimize the future drilling plans for TEN.

Oil production from TEN averaged approximately 23,600 Bopd gross (5,000 Bopd net) during 2022.

The construction and connection of a gas pipeline between the Jubilee and TEN fields to transport natural gas to the mainland for processing and sale was completed in 2017. In December 2017, we signed the TAG GSA. The partnership is currently in discussions with the Government of Ghana regarding a future gas sales agreement covering both the Jubilee and

TEN fields. Our inability to continuously export associated natural gas from the TEN fields could eventually impact our oil production and could cause us to re-inject or flare any natural gas we cannot export.

U.S. Gulf of Mexico

In the U.S. Gulf of Mexico, Kosmos maintains: (i) a portfolio of producing assets that Kosmos can continue to exploit, (ii) discovered resource opportunities, and (iii) a high-quality inventory of infrastructure-led exploration prospects across the DeSoto Canyon, Green Canyon, Keathley Canyon, Mississippi Canyon and Walker Ridge protraction areas. We expand our inventory through the U.S. Gulf of Mexico Federal lease sales and farm-in transactions. Our U.S. Gulf of Mexico assets averaged approximately 17,400 Boepd net (~ 83% oil) from 11 fields during 2022.

The following is a brief discussion of our key fields in the U.S. Gulf of Mexico.

Odd Job

The Odd Job field is producing from three Middle Miocene wells through the Delta House FPS, operated by Murphy. In June 2022, we executed, as operator of the Odd Job field, a contract for $131.6 million (gross) with Subsea 7 (US) LLC and OneSubsea LLC to fabricate and install a subsea pump in the Odd Job field. The project commenced in July 2022 with an expected online date around the middle of 2024. Net production during 2022 averaged approximately 4,700 Boepd net.

Tornado

The Tornado field is producing from three Pliocene wells through the Helix Producer I, a ship-shaped, dynamically-positioned production platform in the deepwater U.S. Gulf of Mexico, which is operated by Talos Energy. To help enhance overall recoveries in the Tornado field, the Tornado 4 water injection well was drilled and came online in 2020. During 2021, the Tornado 5 infill well was successfully drilled, completed and brought online. Net production during 2022 averaged approximately 5,000 Boepd net.

Kodiak

The Kodiak field is producing from two wells, which are completed in the Middle Miocene sands. These wells are flowing through the Devils Tower Spar platform, which is operated by ENI US Operating Co. Inc. (“ENI”). One of these wells, the Kodiak-3 infill well, was brought online in April 2021. The well experienced production issues and was shut-in. In March 2022, the Company commenced operations to plug back and side-track the original Kodiak-3 infill well. The well was sidetracked, and the Kodiak-3ST well was brought online in September 2022, with insurance proceeds covering a substantial portion of the costs incurred to return the well to production. Well results and initial production were in line with expectations, however well productivity declined through the end of the fourth quarter of 2022 and workover plans have been developed for remediation in the second half of 2023. Net production during 2022 averaged approximately 3,200 Boepd net.

Winterfell

In January 2021, we announced the Winterfell-1 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. During the third quarter of 2022, the Field Development Plan for the Winterfell field was approved by all partners and a drilling rig was secured by BOE Exploration & Production LLC (“Beacon”), the operator of the Winterfell field, to undertake the development drilling, including the sidetrack and completion of the Winterfell-1 well, completion of the Winterfell-2 well and drilling and completion of the Winterfell-3 well in an adjacent fault block to the southeast of the Winterfell-1 discovery well as part of the Field Development Plan. Host facility production handling agreement and midstream export agreement are expected to be completed within the next several months with first production for the project targeted to be in the first quarter of 2024.

Mauritania

The C8 and BirAllah blocks are located on the western margin of the Mauritania Salt Basin offshore Mauritania and range in water depths from 100 to 3,000 meters. These blocks are located in a proven petroleum system, with our primary targets being Cretaceous sands in structural and stratigraphic traps.

The C8 and BirAllah blocks cover an aggregate area of approximately 735 thousand acres (gross). We have acquired approximately 580 line-kilometers of 2D seismic data and 3,000 square kilometers of 3D seismic data covering portions of our blocks in Mauritania. Based on these 2D and 3D seismic programs, we have drilled three successful exploration wells and an appraisal well in Block C8 and what is now the BirAllah block.

In June 2022, at the conclusion of the second exploration period, Block C12, offshore Mauritania, was relinquished.

Senegal

The Saint Louis Offshore Profond and Cayar Offshore Profond Blocks are located in the Senegal River Cretaceous petroleum system and range in water depth from 300 to 3,100 meters. The area is an extension of the working petroleum system in the Mauritania Salt Basin. We acquired approximately 3,700 square kilometers of 3D seismic data over these Senegal blocks in 2015 and 2016. We have drilled three successful exploration wells and two appraisal wells.

The following is a brief discussion of our discoveries to date offshore Mauritania and Senegal.

Greater Tortue Ahmeyim Development

The Greater Tortue Ahmeyim discoveries are significant, play-opening gas discoveries for the outboard Cretaceous petroleum system and are located approximately 120 kilometers offshore Mauritania and Senegal. The Greater Tortue Ahmeyim development straddles Block C8 offshore Mauritania and Saint Louis Offshore Profond Block offshore Senegal.

We have drilled four exploration and appraisal wells within the Greater Tortue Ahmeyim development, Tortue-1, Guembeul-1, Ahmeyim-2 and Greater Tortue Ahmeyim-1 (GTA-1). The wells penetrated multiple, excellent quality gas reservoirs, including the Lower Cenomanian, Upper Cenomanian and underlying Albian. The wells successfully delineated the Ahmeyim and Guembeul gas discoveries and demonstrated reservoir continuity, as well as static pressure communication between the three wells drilled within the Lower Cenomanian reservoir. The discoveries range in water depths from approximately 2,700 meters to 2,800 meters, with total depths drilled ranging from approximately 5,100 meters to 5,250 meters.

The Tortue-1 discovery well, located in Block C8 offshore Mauritania, intersected approximately 117 meters of net hydrocarbon pay. A single gas pool was encountered in the Lower Cenomanian objective, which is comprised of three reservoirs totaling 88 meters in thickness over a gross hydrocarbon interval of 160 meters. A fourth reservoir totaling 19 meters was penetrated within the Upper Cenomanian target over a gross hydrocarbon interval of 150 meters. The exploration well also intersected an additional 10 meters of net hydrocarbon pay in the lower Albian section, which is interpreted to be gas.

The Guembeul-1 discovery well, located in the northern part of the Saint Louis Offshore Profond area in Senegal, is located approximately five kilometers south of the Tortue-1 exploration well in Mauritania. The well encountered 101 meters of net gas pay in two excellent quality reservoirs, including 56 meters in the Lower Cenomanian and 45 meters in the underlying Albian, with no water encountered.

The Ahmeyim-2 appraisal well is located in Block C8 offshore Mauritania, approximately five kilometers northwest, and 200 meters down-dip of the basin-opening Tortue-1 discovery. The well confirmed significant thickening of the gross reservoir sequences down-dip. The Ahmeyim-2 well encountered 78 meters of net gas pay in two excellent quality reservoirs, including 46 meters in the Lower Cenomanian and 32 meters in the underlying Albian.

The Greater Tortue Ahmeyim-1 (GTA-1) appraisal well was drilled on the eastern anticline within the unit development area of Greater Tortue Ahmeyim field. The GTA-1 well encountered approximately 30 meters of net gas pay in high quality Albian reservoir. The well was drilled in approximately 2,500 meters of water, approximately 10 kilometers inboard of the Guembeul-1A and Tortue-1 wells, to a total depth of 4,884 meters.

In 2017, we completed a DST on the Tortue-1 well, demonstrating that the Tortue field is a world-class resource and confirming key development parameters including well deliverability, reservoir connectivity, and fluid composition. The Tortue-1 well flowed at a sustained, equipment-constrained rate of approximately 60 MMcfd during the main extended flow period, with minimal pressure drawdown, providing confidence in well designs that are each capable of producing approximately 200 MMcfd. The DST results confirmed a connected volume per well consistent with the current development

scheme, which together with the high well rate is expected to result in a low number of development wells compared to equivalent schemes. Initial analysis of fluid samples collected during the test indicate Tortue gas is well suited for liquefaction given low levels of liquids and minimal impurities.

In December 2018, we and our partners announced that a final investment decision for Phase 1 of the Greater Tortue Ahmeyim project had been agreed. The Greater Tortue Ahmeyim project is designed to produce gas from a deepwater subsea system to a mid-water FPSO, which processes the gas to make it liquefaction ready, and sends the gas through a pipeline to a FLNG facility. The FLNG facility is protected behind a nearshore hub (which serves as a breakwater and LNG terminal) and is located on the Mauritania and Senegal maritime border. The FLNG facility for Phase 1 is designed to produce approximately 2.5 million tons per annum on average. The project will provide LNG for global export, as well as make gas available for domestic use in both Mauritania and Senegal. Following a competitive tender process, BP Gas Marketing ("BPGM") was selected as the buyer for the LNG offtake for Greater Tortue Ahmeyim Phase 1, and the Tortue Phase 1 SPA was executed in February 2020 with an initial term of 10 years with a seller's option to extend the term for an additional 10 years. Additionally, to optimize the commercial value of sales for the gas production from the first phase of Greater Tortue Ahmeyim, Kosmos has commenced a process with prospective buyers to utilize existing contractual rights under our existing Tortue Phase 1 SPA to potentially sell cargos in order to benefit from the robust forward gas price outlook, while meeting our contractual obligations to BPGM. BPGM has disagreed with our position, and we have agreed with BPGM to pursue international arbitration to interpret the relevant terms of the SPA.

Phase 1 of the project was approximately 90% complete at year-end 2022, with first gas for the project targeted in the fourth quarter of 2023. The FLNG is on track for sailaway in the first half of 2023, the hub terminal is largely complete and commissioning activities progressing, the subsea shallow water gas export pipeline from the FPSO to the hub terminal has been installed, and all four wells needed for first gas have been successfully drilled and completed. In January 2023, the FPSO departed from the COSCO yard in China to commence its 12,000 nautical mile journey to offshore Mauritania/Senegal. The partnership has also been focused on optimizing Phase 2 of the project to deliver competitive returns in the current environment. On Phase 2 of the Greater Tortue Ahmeyim LNG project, the partners (SMH, Petrosen, BP and Kosmos) have confirmed the development concept and will progress a gravity-based structure (GBS) with total capacity of between 2.5-3.0 million tonnes per annum. GBS LNG developments have a static connection to the seabed with the structure base providing LNG storage and a foundation for liquefaction facilities. The concept design will also include new wells and subsea equipment, maximizing the use of existing Phase 1 infrastructure. In July 2021, the Greater Tortue Ahmeyim project was granted the status of 'National Project of Strategic Importance' by the Presidents of Mauritania and Senegal, demonstrating the commitment of the host governments and the significance of the project to both countries.

Other Mauritania and Senegal Discoveries

BirAllah and Orca Discoveries

The BirAllah discovery (formerly known as Marsouin), located in the BirAllah block offshore Mauritania, is a significant, play-extending gas discovery, building on our successful exploration program in the outboard Cretaceous petroleum system offshore Mauritania. In November 2015, the Marsouin-1 well, located approximately 60 kilometers north of the Ahmeyim discovery, and was drilled to a total depth of 5,150 meters in nearly 2,400 meters of water. Based on analysis of drilling results and logging data, Marsouin-1 encountered at least 70 meters of net gas pay in Upper and Lower Cenomanian intervals comprised of excellent quality reservoir sands.

The Orca-1 well, located in the BirAllah block offshore Mauritania, was drilled in October 2019 and delivered a major gas discovery. The Orca-1 well, which targeted a previously untested Albian play, encountered 36 meters of net gas pay in excellent quality reservoirs. In addition, the well extended the Cenomanian play fairway by confirming 11 meters of net gas pay in a down-structure position relative to the original Marsouin-1 discovery well. The location of the Orca-1 well proved both the structural and stratigraphic components of the trap are working, thereby supporting a significant volume. The Orca-1 well was drilled in approximately 2,510 meters of water to a total measured depth of around 5,266 meters.

In total, we believe that Marsouin-1 and Orca-1 have de-risked more than sufficient resource to support a world-scale LNG project from the Cenomanian and Albian plays in the BirAllah area. The BirAllah and Orca discoveries are being analyzed as a potential joint development. In October 2022, the partnership and the government of Mauritania executed a new Production Sharing Contract ("PSC") covering the BirAllah and Orca discoveries. The new PSC provides the partnership up to thirty months to submit a development plan covering the BirAllah and/or Orca discoveries with the terms of the new PSC substantially similar to the former PSC for Block C8 with additional provisions for enhanced back-in rights for the Government of Mauritania, local content, SMH's capacity building and an environmental fund.

Yakaar and Teranga Discoveries

The Teranga discovery is located in the Cayar Offshore Profond block approximately 65 kilometers northwest of Dakar and was our second exploration well offshore Senegal. The Teranga-1 discovery well is located in nearly 1,800 meters of water and was drilled to a total depth of approximately 4,850 meters. The well encountered 31 meters of net gas pay in good quality reservoir in the Lower Cenomanian objective. Well results confirm that a prolific inboard gas fairway extends approximately 200 kilometers south from the Marsouin-1 well in Mauritania through the Greater Tortue Ahmeyim area on the maritime boundary to the Teranga-1 well in Senegal.

The Yakaar discovery is located in the Cayar Offshore Profond block offshore Senegal, approximately 95 kilometers northwest of Dakar in approximately 2,600 meters of water. The Yakaar-1 discovery well was drilled to a total depth of approximately 4,900 meters. The well intersected a gross hydrocarbon column of 120 meters in three pools within the primary Lower Cenomanian objective and encountered 45 meters of net pay. In September 2019, we completed the Yakaar-2 appraisal well, which encountered approximately 30 meters of net gas pay. The Yakaar-2 well was drilled approximately nine kilometers from the Yakaar-1 exploration well and further delineated the southern extension of the field.

The results of the Yakaar-2 well underpin our view that the Yakaar-Teranga resource base is world-scale and has the potential to support an LNG project that provides significant volumes of natural gas to both domestic and export markets. Development of Yakaar-Teranga is being considered in a phased approach with Phase 1 providing domestic gas and data to optimize the development of future phases. It could also support the country's "Plan Emergent Senegal" launched by the President of Senegal in 2014.

Equatorial Guinea

The EG-21, EG-24, and S blocks are located in the southern part of the Gulf of Guinea, in the Republic of Equatorial Guinea, west of the Rio Muni petroleum province with water depths up to 2,300 meters. These blocks are located in a proven petroleum system, with our primary targets being Cretaceous sands in structural and stratigraphic traps. We have over 7,500 square kilometers of 3D seismic over the blocks. The seismic data is being interpreted and high graded prospects for future drilling are being matured.

Ceiba Field and Okume Complex

In Equatorial Guinea, we maintain a 40.4% undivided participating interest in the Ceiba Field and Okume Complex. These offshore assets in the Gulf of Guinea provide cash flow through production with the potential to increase production through exploration opportunities with potential low cost tie-backs through the existing infrastructure.

The shared development of the Ceiba Field and Okume Complex consists of six subsea-well clusters that feed production to the Ceiba FPSO which is shared by both fields through a system of risers. The Okume Complex includes six platforms with an export line to move Okume production to the Ceiba FPSO.

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; harmonizing the expiration of the Ceiba Field and Okume Complex production licenses (from 2029 and 2034 respectively) to 2040. The license extensions support the next phase of investment in the licenses.

Oil production from the Ceiba Field and Okume Complex averaged approximately 30,900 Bopd gross (9,900 Bopd net) during 2022.

Asam Discovery

In October 2019, the S-5 exploration well was drilled to a total depth of 4,400 meters in Block S offshore Equatorial Guinea, encountering 39 meters of net oil pay in good-quality Santonian reservoir. The discovery was subsequently named Asam. In July 2020, an appraisal work program was approved by the government of Equatorial Guinea. The well is located within tieback range of the Ceiba FPSO and the appraisal work program is currently ongoing to establish the scale of the discovered resource and evaluate the optimum development solution. In December 2022, as part of the appraisal work program, the Asam field appraisal report was submitted to the government of Equatorial Guinea.

Sao Tome and Principe

We are the operator for the petroleum contract covering Block 5, offshore Sao Tome and Principe in the Gulf of Guinea. The block covers an area of approximately 0.5 million acres (gross) in water depths ranging from 2,150 to 3,000 meters.

Our block is adjacent to, and represents a potential extension of, a proven and prolific petroleum system offshore Equatorial Guinea and northern Gabon comprising Cretaceous post-rift source rocks and Late Cretaceous reservoirs.

In August 2017, we completed a 3D seismic survey of approximately 2,500 square kilometers offshore Sao Tome and Principe. Processing has been completed and the 3D seismic data has been integrated into our geological evaluation. We continue to mature an inventory of prospects on the license area in Sao Tome and Principe and will continue to refine and assess the prospectivity. In the fourth quarter of 2021, we received approval for a six month extension to the exploration phase for Block 5 offshore Sao Tome and Principe through November 2022. In the second quarter of 2022, we received approval for a second six month extension to May 2023 for the current exploration phase for Block 5 offshore Sao Tome and Principe.

Our Reserves

The following table sets forth summary information about our estimated proved reserves as of December 31, 2022. See “Item 8. Financial Statements and Supplementary Data—Supplemental Oil and Gas Data (Unaudited)” for additional information.

Our estimated proved reserves as of December 31, 2022, 2021, and 2020 were associated with our fields in Ghana, Equatorial Guinea, Mauritania, Senegal and the U.S. Gulf of Mexico.

Summary of Oil and Gas Reserves

	2022 Net Proved Reserves(1)			2021 Net Proved Reserves(1)			2020 Net Proved Reserves(1)		
	Oil, Condensate, NGLs(6)	Natural Gas(3)	Total	Oil, Condensate, NGLs(6)	Natural Gas(3)	Total	Oil, Condensate, NGLs(6)	Natural Gas(3)	Total
	(MMBbl)	(Bcf)	(MMBoe)	(MMBbl)	(Bcf)	(MMBoe)	(MMBbl)	(Bcf)	(MMBoe)
Reserves Category									
Proved developed									
Ghana(2)	43	40	50	52	56	61	26	23	30
Equatorial Guinea	20	16	23	20	11	22	21	11	23
Mauritania/Senegal	—	—	—	—	—	—	—	—	—
U.S. Gulf of Mexico	21	17	24	28	20	31	32	25	36
Total proved developed	84	73	96	100	87	115	79	60	89
Proved undeveloped									
Ghana(2)	56	9	58	68	12	70	42	8	43
Equatorial Guinea	5	—	5	5	—	5	4	—	4
Mauritania/Senegal(4)	7	618	110	8	590	106	—	—	—
U.S. Gulf of Mexico	6	7	8	4	6	5	2	2	3
Total proved undeveloped(5)	74	634	180	85	608	186	48	10	50
Total Kosmos proved reserves	158	707	276	185	695	301	127	70	139

(1) Totals within the table may not add as a result of rounding.

(2) Our reserves associated with the Jubilee Field are based on the 54.4%/45.6% redetermination split between the WCTP Block and DT Block. Table above reflects the acquisition of additional interests in Ghana in October 2021 and the pre-emption transaction with Tullow in March 2022. See “Item 8. Financial Statements and Supplementary Data—Note 3—Acquisitions and Divestitures” for discussion of pre-emption transaction with Tullow.

(3) These reserves include the estimated quantity of gas to be exported as LNG from the Greater Tortue Ahmeyim project, as a result of the Tortue SPA finalized in February of 2020. These reserves also include the estimated quantities of fuel gas required to operate the Jubilee and TEN FPSOs and Equatorial Guinea facilities during normal field operations and the

associated gas forecasted to be exported from TEN. Total proved natural gas reserves include fuel gas associated with the Jubilee and TEN fields offshore Ghana of approximately 22.9 Bcf, 30.0 Bcf and 14.0 Bcf for 2022, 2021 and 2020, respectively. Our natural gas reserves in Equatorial Guinea are all associated with fuel gas. If and when a subsequent gas sales agreement is executed for Jubilee, a portion of the remaining Jubilee gas may be recognized as reserves. If and when a gas sales agreement and the related infrastructure are in place for the TEN fields non-associated gas, a portion of the non-associated gas may be recognized as reserves.

(4) The Mauritania/Senegal Natural Gas reserves presented consists of LNG and Fuel Gas of approximately 51.0 Bcf and 51.0 Bcf in 2022 and 2021, respectively. We note that the LNG is presented as Plant Products in Mboe in our 2021 reserve report.

(5) Proved undeveloped reserves as of December 31, 2022 expected to be developed beyond five years since initial disclosure are all related to the Greater Tortue Ahmeyim project in Mauritania and Senegal which is a long-term project being developed under a continuous drilling program with long-term LNG sales obligations.

(6) Natural gas liquids proved reserves represent an immaterial amount of our total proved reserves. Therefore, we have aggregated natural gas liquids and crude oil/condensate reserves information.

Changes during the year ended December 31, 2022, at Greater Jubilee include a positive revision of 11.7 MMBoe primarily due to positive drilling results and field performance, offset by a negative revision of 7.5 MMBoe resulting from the conclusion of the Tullow pre-emption transaction in March 2022, as well as Jubilee net production of 11.3 MMBoe. These revisions resulted in the overall decrease in reserves of 7.1 MMBoe. Changes at TEN include a negative revision of 5.5 MMBoe, driven primarily by recent well performance. Additional negative revisions of 9.1 MMBoe resulted from the conclusion of the Tullow pre-emption transaction in March 2022, along with net TEN production of 2.0 MMBoe. These revisions resulted in the overall decrease in reserves of 16.7 MMBoe. Changes at Equatorial Guinea included a positive revision of 4.0 MMBoe driven by the Block G petroleum license extension and improved commodity prices. An additional positive revision of 0.9 MMBoe due to Ceiba production performance and topsides optimization was offset by net Equatorial Guinea production of 3.7 MMBoe. These revisions resulted in the overall increase in reserves of 1.2 MMBoe and changes in gas reserves were negligible. Changes at Mauritania/Senegal include a positive revision of 4.7 MMBoe of gas due to field extension resulting from the drilling of production wells, as well as a negative revision of 0.7 MMBoe in condensate based on an updated yield estimate. These revisions resulted in the overall increase in reserves of 4.0 MMBoe. Changes at the U.S. Gulf of Mexico include positive revisions of 3.0 MMBoe associated with the Winterfell discovery and 0.8 MMBoe related to the acquisition of an additional interest in the Kodiak field. These changes were offset by a negative revision of 2.0 MMBoe based on recent water breakthrough in Odd Job and Tornado, and Kodiak production issues. The U.S. Gulf of Mexico net production for the year ended December 31, 2022 was 6.4 MMBoe. These revisions resulted in the overall decrease in reserves of 4.6 MMBoe.

During the year ended December 31, 2022, we had an overall proved undeveloped reserves decrease of 5.6 MMBoe, as a result of several factors, including the impact of the Tullow pre-emption transaction in March 2022 (-7.9 MMBoe), optimization of future drilling in Jubilee (+4.0 MMBoe) and TEN (+2.1 MMBoe), Greater Tortue field extension that resulted from drilling of production wells and a downward condensate adjustment (+4.0 MMBoe), optimizing future development plans in the U.S. Gulf of Mexico (+1.3 MMBoe), purchase of minerals-in-place during 2022 in the Kodiak field (+0.2 MMBoe) and the Winterfell discovery (+3.0 MMBoe). Drilling activity impact on proved undeveloped volume change includes the drilling of three wells in Jubilee (-4.6 MMBoe), one well in TEN (-5.8 MMBoe), and one well in Kodiak (-2.0 MMBoe). We note that the changes in the proved undeveloped reserves in Equatorial Guinea were negligible.

In Greater Jubilee, we converted 4.6 MMBoe of proved undeveloped reserves to proved developed with the drilling of three wells at a cost of approximately $75.1 million. In TEN, we converted 5.8 MMBoe of proved undeveloped reserves to proved developed with the drilling of one well at a cost of approximately $13.6 million. In the U.S. Gulf of Mexico, we converted 2.0 MMBoe of proved undeveloped reserves to proved developed with the drilling of one well in Kodiak at a cost of $13.6 million.

Changes during the year ended December 31, 2021, at Greater Jubilee include a positive revision of 49.1 MMBoe, of which 39.9 MMBoe were acquired on October 13, 2021 in the acquisition of additional interests in Ghana. The other 9.2 MMBoe of additions were primarily due to field performance, positive drilling results, and optimization of future development plans. The additions were partially offset by net Greater Jubilee production of 7.4 MMBoe which includes production related to our acquisition of additional interests in Ghana commencing October 13, 2021, the acquisition date. Changes at TEN include a positive revision of 18.2 MMBoe, of which 16.2 MMBoe were acquired in the acquisition of additional interests in Ghana. The other 2.0 MMBoe of additions were primarily due to an increase in estimated associated gas sales. The additions were partially offset by net TEN production of 2.2 MMBoe. Changes at Equatorial Guinea included an increase of 3.7 MMBoe related to Okume Complex performance and drilling results, which was offset by 3.6 MMBoe of net production. Changes at the U.S. Gulf

of Mexico included an increase of 4.4 MMBoe related to strong performance of certain fields, offset by net U.S. Gulf of Mexico production of 7.2 MMBoe.

During the year ended December 31, 2021, we had an overall proved undeveloped reserves increase of 136.3 MMBoe as a result of several factors, including the acquisition of additional interests in Ghana (+22.7 MMBoe for Greater Jubilee and +6.6 MMBoe for TEN), optimization of future drilling in Greater Jubilee (+17.8 MMBoe), adding a future development well and optimizing future development plans in the U.S. Gulf of Mexico and Equatorial Guinea (+6.8 MMBoe), and the economic status of the Greater Tortue Ahmeyim project due to project progress and improved oil price (+106.5 MMBoe). Drilling activity impact on proved undeveloped volume change includes the drilling of two wells in Greater Jubilee (-17.1 MMBoe), one well in TEN (-3.6 MMBoe), two wells in Equatorial Guinea (-1.2 MMBoe), and one well in Tornado in the U.S. Gulf of Mexico (-2.1 MMBoe).

In Greater Jubilee, we converted 17.1 MMBoe of proved undeveloped reserves to proved developed with the drilling of two wells at a cost of $25.2 million. In TEN, we converted 3.6 MMBoe of proved undeveloped reserves with the drilling of one well at a cost of $8.9 million. In Equatorial Guinea we spent $35.6 million to drill two wells and to replace certain subsea infrastructure, which converted 1.8 MMBoe of proved undeveloped reserves to proved developed. In the U.S. Gulf of Mexico, we converted 2.1 MMBoe of proved undeveloped reserves to proved developed with the drilling of one well in Tornado at a cost of $19.0 million.

Changes during the year ended December 31, 2020, were primarily due to 2020 production as well as lower prices. Greater Jubilee includes a negative revision of 0.3 MMBoe related to delayed drilling of water injection wells that will provide needed pressure support to certain production wells, in addition to net Greater Jubilee production of 7.0 MMBoe. Changes at TEN included a decrease of 12.0 MMBoe related to performance, delayed drilling and alterations to future development plans, in addition to net TEN production of 2.9 MMBoe. Changes at Equatorial Guinea included an increase of 2.0 MMBoe due to strong base performance and positive stimulation results, offset by 4.0 MMBoe of net Equatorial Guinea production. Changes at the U.S. Gulf of Mexico included an increase of 2.0 MMBoe primarily due to positive drilling and performance at Kodiak and Tornado, offset by net U.S. Gulf of Mexico production of 8.3 MMBoe.

During the year ended December 31, 2020, we had an overall proved undeveloped reserves decrease of 3.3 MMBoe as a result of several factors, including adding additional wells to future development of Greater Jubilee (+4.7 MMBoe), a negative revision in TEN (-0.3 MMBoe), drilling of one well in TEN (-3.0 MMBoe), one well in the Kodiak field (-1.6 MMboe) and one well in the Tornado field (-0.9 MMBoe), and loss due to lower SEC pricing (-2.2 MMboe).

In TEN, we converted 3.0 MMBoe of proved undeveloped reserves to proved developed with the drilling of a new well, at a cost of $28.5 million. In the U.S. Gulf of Mexico, we spent $79.2 million to drill two new wells, which converted 2.5 MMBoe of proved undeveloped reserves to proved developed.

The Tortue Phase 1 SPA was signed on February 11, 2020, resulting in approximately 100 MMBoe of proved undeveloped reserves being recognized at that time as evaluated by the Company's independent reserve auditor, Ryder Scott, LP. Due to the decrease in commodity prices during 2020 and the related commodity price utilized to calculate proved reserves for SEC purposes, the field did not have proved reserves recognition as of December 31, 2020.

Estimated proved reserves

Unless otherwise specifically identified in this report, the summary data with respect to our estimated net proved reserves for the years ended December 31, 2022, 2021 and 2020 has been prepared by RSC, our independent reserve engineering firm for such years, in accordance with the rules and regulations of the SEC applicable to companies involved in oil and natural gas producing activities. These rules require SEC reporting companies to prepare their reserve estimates using reserve definitions and pricing based on 12-month historical unweighted first-day-of-the-month average prices, rather than year-end prices. For a definition of proved reserves under the SEC rules, see the “Glossary and Selected Abbreviations.” For more information regarding our independent reserve engineers, please see “—Independent petroleum engineers” below.

Our estimated proved reserves and related future net revenues, PV-10 and Standardized Measure were determined in accordance with SEC rules for proved reserves.

Future net revenues represent projected revenues from the sale of proved reserves net of production and development costs (including operating expenses and production taxes). Such calculations at December 31, 2022 are based on costs in effect at December 31, 2022 and the 12-month unweighted arithmetic average of the first-day-of-the-month price for the year ended December 31, 2022, adjusted for anticipated market premium, without giving effect to derivative transactions, and are held constant throughout the life of the assets. There can be no assurance that the proved reserves will be produced within the periods indicated or prices and costs will remain constant.

Independent petroleum engineers

Ryder Scott Company, L.P.

RSC, our independent reserve engineers for the years ended December 31, 2022, 2021 and 2020, was established in 1937. For over 80 years, RSC has provided services to the worldwide petroleum industry that include the issuance of reserves reports and audits, appraisal of oil and gas properties including fair market value determination, reservoir simulation studies, enhanced recovery services, expert witness testimony, and management advisory services. RSC professionals subscribe to a code of professional conduct and RSC is a Registered Engineering Firm in the State of Texas.

For the years ended December 31, 2022, 2021 and 2020, we engaged RSC to prepare independent estimates of the extent and value of the proved reserves of certain of our oil and gas properties. These reports were prepared at our request to estimate our reserves and related future net revenues and PV-10 for the periods indicated therein. Our estimated reserves at December 31, 2022, 2021 and 2020 and related future net revenues and PV-10 at December 31, 2022, 2021 and 2020 are taken from reports prepared by RSC, in accordance with petroleum engineering and evaluation principles which RSC believes are commonly used in the industry and definitions and current regulations established by the SEC. The December 31, 2022 reserve report was completed on January 20, 2023, and a copy is included as an exhibit to this report.

In connection with the preparation of the December 31, 2022, 2021 and 2020 reserves report, RSC prepared its own estimates of our proved reserves. In the process of the reserves evaluation, RSC did not independently verify the accuracy and completeness of information and data furnished by us with respect to ownership interests, oil and gas production, well test data, historical costs of operation and development, product prices or any agreements relating to current and future operations of the fields and sales of production. However, if in the course of the examination something came to the attention of RSC which brought into question the validity or sufficiency of any such information or data, RSC did not rely on such information or data until it had satisfactorily resolved its questions relating thereto or had independently verified such information or data. RSC independently prepared reserves estimates to conform to the guidelines of the SEC, including the criteria of "reasonable certainty," as it pertains to expectations about the recoverability of reserves in future years, under existing economic and operating conditions, consistent with the definition in Rule 4-10(a)(2) of Regulation S-X. RSC issued a report on our proved reserves at December 31, 2022, based upon its evaluation. RSC's primary economic assumptions in estimates included an ability to sell hydrocarbons at their respective adjusted benchmark prices and certain levels of future capital expenditures. The assumptions, data, methods and precedents were appropriate for the purpose served by these reports, and RSC used all methods and procedures as it considered necessary under the circumstances to prepare the report.

Technology used to establish proved reserves

Under the SEC rules, proved reserves are those quantities of oil and natural gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations. The term "reasonable certainty" implies a high degree of confidence that the quantities of oil and/or natural gas actually recovered will equal or exceed the estimate. Reasonable certainty can be established using techniques that have proved effective by actual comparison of production from projects in the same reservoir interval, an analogous reservoir or by other evidence using reliable technology that establishes reasonable certainty. Reliable technology is a grouping of one or more technologies (including computational methods) that have been field tested and have been demonstrated to provide reasonably certain results with consistency and repeatability in the formation being evaluated or in an analogous formation.

In order to establish reasonable certainty with respect to our estimated proved reserves, RSC employed technologies that have been demonstrated to yield results with consistency and repeatability. The technologies and economic data used in the estimation of our proved reserves include, but are not limited to, production and injection data, electrical logs, radioactivity logs, acoustic logs, whole core analysis, sidewall core analysis, downhole pressure and temperature measurements, reservoir fluid samples, geochemical information, geologic maps, seismic data, well test and interference pressure and rate data. Reserves attributable to undeveloped locations were estimated using performance from analogous wells with similar geologic depositional environments, rock quality, appraisal plans and development plans to assess the estimated ultimate recoverable reserves as a function of the original oil in place. These qualitative measures are benchmarked and validated against sound petroleum reservoir engineering principles and equations to estimate the ultimate recoverable reserves volume. These techniques include, but are not limited to, nodal analysis, material balance, and numerical flow simulation.

Internal controls over reserves estimation process

In our Reservoir Engineering team, we maintain an internal staff of petroleum engineering and geoscience professionals with significant experience that contribute to our internal reserve and resource estimates. This team works closely with our independent petroleum engineers to ensure the integrity, accuracy and timeliness of data furnished in their reserve and resource estimation process. Our Reservoir Engineering team is responsible for overseeing the preparation of our reserves estimates and has over 100 combined years of industry experience among them with positions of increasing responsibility in engineering and evaluations. Each member of our team holds a minimum of a Bachelor of Science degree in petroleum engineering or geology. The person primarily responsible for our Reservoir Engineering team is Mr. Douglas Trumbauer. Mr. Trumbauer is a Licensed Professional Engineer in the State of Texas (No. 78735) and has over 37 years of practical experience in petroleum engineering. He graduated from Pennsylvania State University in 1985 with a Bachelor of Science degree in Petroleum and Natural Gas Engineering. Mr. Trumbauer worked for DeGolyer and MacNaughton for 20 years prior to joining Kosmos Energy, and we believe he is proficient in applying industry standard practices to engineering and geoscience evaluations as well as understanding and applying SEC and other industry reserves definitions and guidelines.

The RSC technical person primarily responsible for preparing the estimates set forth in the RSC reserves report incorporated herein is Mr. Tosin Famurewa. Mr. Famurewa has been practicing consulting petroleum engineering at RSC since 2006. Mr. Famurewa is a Licensed Professional Engineer in the State of Texas (No. 100569) and has over 19 years of practical experience in petroleum engineering. He graduated from University of California at Berkeley in 2000 with Bachelor of Science Degrees in Chemical Engineering and Material Science Engineering, and he received a Master of Science degree in Petroleum Engineering from University of Southern California in 2007. Mr. Famurewa meets or exceeds the education, training, and experience requirements set forth in the Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information promulgated by the Society of Petroleum Engineers and is proficient in judiciously applying industry standard practices to engineering and geoscience evaluations as well as applying SEC and other industry reserves definitions and guidelines.

The Audit Committee provides oversight on the processes utilized in the development of our internal reserve and resource estimates on an annual basis. In addition, our Reservoir Engineering team meets with representatives of our independent reserve engineers to review our assets and discuss methods and assumptions used in preparation of the reserve and resource estimates. Finally, our senior management reviews reserve and resource estimates on an annual basis.

Gross and Net Undeveloped and Developed Acreage

The following table sets forth certain information regarding the developed and undeveloped portions of our license and lease areas as of December 31, 2022 for the countries in which we currently operate.

	Developed Area (Acres)		Undeveloped Area (Acres)		Total Area (Acres)		Current Phase Exploration	
	Gross	Net(1)	Gross	Net(1)	Gross	Net(1)	Range	
	(In thousands)							
Ghana(2)	163	53	34	11	197	64	—	(2)
Equatorial Guinea	65	26	1,798	1,297	1,863	1,323	2024	
Mauritania	—	—	735	204	735	204	2025	
Sao Tome and Principe	—	—	527	310	527	310	2023	
Senegal	—	—	917	271	917	271	2024	
U.S. Gulf of Mexico(3)	81	22	189	87	270	109	through 2032	(3)
Total	309	101	4,200	2,180	4,509	2,281		

(1) Net acreage based on Kosmos' participating interests, including any options or back-in rights which have been exercised (Jubilee, TEN, and Greater Tortue Ahmeyim fields), but before the exercise of any options or back-in rights that exist, but have not been exercised. Our net acreage in Ghana may be affected by any redetermination of interests in the Jubilee Unit and our net acreage in Mauritania and Senegal may be affected by any redetermination of interests in the Greater Tortue Ahmeyim Unit.

(2) The Exploration Period of the WCTP petroleum contract and DT petroleum contract has expired. The undeveloped area reflected in the table above represents acreage within our discovery areas that were not subject to relinquishment on the expiry of the Exploration Period. Table above reflects the acquisition of additional interests in Ghana in October 2021 and the pre-emption transaction with Tullow in March 2022. See “Item 8. Financial Statements and Supplementary Data—Note 3—Acquisitions and Divestitures” for discussion of pre-emption transaction with Tullow.

(3) Our developed U.S. Gulf of Mexico blocks are held by production/operations, and the lease periods extend as long as production/governmental approved operations continue on the relevant block. For undeveloped areas, the licenses are immaterial with various exploration phases, with all ending by 2032. Table above reflects additional interests acquired in U.S Gulf of Mexico. See “Item 8. Financial Statements and Supplementary Data—Note 3—Acquisitions and Divestitures” for discussion of acquisitions.

Productive Wells

Productive wells consist of producing wells and wells capable of production, including wells awaiting connections. For wells that produce both oil and gas, the well is classified as an oil well. The following table sets forth the number of productive oil and gas wells in which we held an interest at December 31, 2022:

	Productive Oil Wells		Productive Gas Wells		Total	
	Gross	Net	Gross	Net	Gross	Net
Ghana(2)	53	17.18	—	—	53	17.18
Equatorial Guinea	83	33.53	—	—	83	33.53
U.S. Gulf of Mexico(2)	21	5.99	—	—	21	5.99
Total(1)	157	56.70	—	—	157	56.70

(1) Of the 157 productive wells, 41 (gross) or 10.00 (net) have multiple completions within the wellbore.

(2) Table above reflects our additional interests acquired in Ghana and U.S. Gulf of Mexico. See “Item 8. Financial Statements and Supplementary Data—Note 3—Acquisitions and Divestitures” for discussion of potential pre-emption impact.

Drilling activity

The results of oil and natural gas wells drilled and completed for each of the last three years were as follows:

	Exploratory and Appraisal Wells(1)						Development Wells(1)							
	Productive(2)		Dry(3)		Total		Productive(2)		Dry(3)		Total		Total	Total
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Year Ended December 31, 2022														
Ghana(4)(5)	—	—	2	0.41	2	0.41	5	1.57	—	—	5	1.57	7	1.98
Equatorial Guinea	—	—	—	—	—	—	—	—	—	—	—	—	—	—
U.S. Gulf of Mexico	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Mauritania/Senegal	—	—	—	—	—	—	3	0.80	—	—	3	0.80	3	0.80
Total	—	—	2.00	0.41	2.00	0.41	8.00	2.37	—	—	8.00	2.37	10.00	2.78
Year Ended December 31, 2021														
Ghana(4)	—	—	—	—	—	—	4	1.54	—	—	4	1.54	4	1.54
Equatorial Guinea	—	—	—	—	—	—	2	0.80	—	—	2	0.80	2	0.80
U.S. Gulf of Mexico	—	—	1	0.38	1	0.38	1	0.29	—	—	1	0.29	2	0.67
Total	—	—	1	0.38	1	0.38	7	2.63	—	—	7	2.63	8	3.01
Year Ended December 31, 2020														
Ghana	—	—	—	—	—	—	1	0.17	2	0.34	3	0.51	3	0.51
Equatorial Guinea	—	—	—	—	—	—	—	—	—	—	—	—	—	—
U.S. Gulf of Mexico	—	—	1	0.40	1	0.40	1	0.35	—	—	1	0.35	2	0.75
Total	—	—	1	0.40	1	0.40	2	0.52	2	0.34	4	0.86	5	1.26

(1) As of December 31, 2022, 9 exploratory and appraisal wells have been excluded from the table until a determination is made if the wells have found proved reserves. Also excluded from the table are 15 development wells awaiting completion. These wells are shown as “Wells Suspended or Waiting on Completion” in the table below.

(2) A productive well is 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 producing well. Productive wells are included in the table in the year they were determined to be productive, as opposed to the year the well was drilled.

(3) A dry well is an exploratory or development well that is not a productive well. Dry wells are included in the table in the year they were determined not to be a productive well, as opposed to the year the well was drilled.

(4) Table above reflects the acquisition of additional interests in Ghana in October 2021 and the pre-emption transaction with Tullow in March 2022. See “Item 8. Financial Statements and Supplementary Data—Note 3—Acquisitions and Divestitures” for discussion of pre-emption transaction with Tullow.

(5) Includes the NT-10 and NT-11 wells which are considered step out wells from an accounting perspective but were drilled as part of the TEN Plan of Development.

The following table shows the number of wells that are in the process of being drilled or are in active completion stages, and the number of wells suspended or waiting on completion as of December 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(1)								
Jubilee Unit	—	—	1	0.39	—	—	9	3.47
TEN	—	—	—	—	—	—	5	1.02
Equatorial Guinea								
Block S	—	—	—	—	1	0.40	—	—
Okume	—	—	—	—	—	—	1	0.40
U.S. Gulf of Mexico								
Winterfell	—	—	—	—	2	0.50	—	—
Mauritania / Senegal								
Mauritania BirAllah Block	—	—	—	—	2	0.56	—	—
Greater Tortue Ahmeyim Unit	—	—	1	0.27	1	0.27	—	—
Senegal Cayar Profond	—	—	—	—	3	0.90	—	—
Total	—	—	2	0.66	9	2.63	15	4.89

(1) Table above reflects the acquisition of additional interests in Ghana in October 2021 and the pre-emption transaction with Tullow in March 2022. See “Item 8. Financial Statements and Supplementary Data—Note 3—Acquisitions and Divestitures” for discussion of pre-emption transaction with Tullow.

Domestic Supply Requirements

Many of our petroleum contracts or, in some cases, the applicable law governing such agreements, grant a right to the respective host country to purchase certain amounts of oil/gas produced pursuant to such agreements at international market prices for domestic consumption. In addition, in connection with the approval of the Jubilee Phase 1 PoD, the Jubilee Field partners agreed to provide the first 200 Bcf of natural gas produced from the Jubilee Field Phase 1 development to GNPC at no cost. As of January 1, 2023, the Jubilee partners had fulfilled this commitment, providing 200 Bcf of natural gas to the government of Ghana. The partnership is currently in discussions with the Government of Ghana regarding a future gas sales agreement covering both the Jubilee and TEN fields, pending reaching an agreement on acceptable commercial terms.

Significant License Agreements

Below is a discussion concerning the petroleum contracts governing our current drilling and production operations.

Ghana West Cape Three Points Block

Tullow is the operator of the West Cape Three Points Block, including the Mahogany and Teak discoveries. Under the WCTP petroleum contract, Kosmos is required to pay to the government of Ghana a fixed royalty of 5% and a potential sliding-scale royalty (“additional oil entitlement”), which comes into effect and escalates as the nominal project rate of return increases above a certain threshold. These royalties are to be paid in-kind or, at the election of the government of Ghana, in cash. A corporate tax rate of 35% is applied to profits at a country level.

The WCTP petroleum contract has a duration of 30 years from its effective date (July 2004). In July 2011, at the end of the seven-year Exploration Period, parts of the WCTP Block on which we had not declared a discovery area, were not in a development and production area, or were not in the Jubilee Unit, were relinquished (“WCTP Relinquishment Area”). We maintain rights to the Akasa discovery within the WCTP Block as the WCTP petroleum contract remains in effect after the end of the Exploration Period. We and our WCTP Block partners have certain rights to negotiate a new petroleum contract with respect to certain portions of the WCTP Relinquishment Area. We and our WCTP Block partners, the Ghana Ministry of

Energy and GNPC have agreed such WCTP petroleum contract rights to negotiate extend from July 21, 2011 until such time as either a new petroleum contract is negotiated and entered into with us or we decline to match a bona fide third-party offer GNPC may receive for the WCTP Relinquishment Area.

Ghana Deepwater Tano Block

Tullow is the operator of the Deepwater Tano Block. Under the DT petroleum contract, GNPC exercised its option to acquire an additional paying interest of 5% in the commercial discovery with respect to the Jubilee Field development and the TEN Fields development. Kosmos is required to pay to the government of Ghana a fixed royalty of 5% and a potential additional oil entitlement, which comes into effect and escalates as the nominal project rate of return increases above a certain threshold. These royalties are to be paid in-kind or, at the election of the government of Ghana, in cash. A corporate tax rate of 35% is applied to profits at a country level.

The DT petroleum contract has a duration of 30 years from its effective date (July 2006). In 2013, at the end of the seven-year Exploration Period, parts of the DT Block on which we had not declared a discovery area, were not in a development and production area, or were not in the Jubilee Unit, were relinquished ("DT Relinquishment Area"). Our existing Wawa discovery within the DT Block was not subject to relinquishment upon expiration of the Exploration Period of the DT petroleum contract, as the DT petroleum contract remains in effect after the end of the Exploration Period while commerciality is being determined. Pursuant to our DT petroleum contract, we and our DT Block partners have certain rights to negotiate a new petroleum contract with respect to certain portions of the DT Relinquishment Area until such time as either a new petroleum contract is negotiated and entered into with us or we decline to match a bona fide third-party offer GNPC may receive for the DT Relinquishment Area.

The Ghanaian Petroleum Exploration and Production Law of 1984 (PNDCL 84) (the "1984 Ghanaian Petroleum Law") and the WCTP and DT petroleum contracts form the basis of our exploration, development and production operations on the WCTP and DT blocks. Pursuant to these petroleum contracts, most significant decisions, including PoDs and annual work programs, for operations other than exploration and appraisal, must be approved by a joint management committee, consisting of representatives of certain block partners and GNPC. Certain decisions require unanimity.

Ghana Jubilee Field Unitization

The Jubilee Field, discovered by the Mahogany-1 well in June 2007, covers an area within both the WCTP and DT Blocks. To optimize resource recovery in the Jubilee Field, it was unitized and the Jubilee UUOA was agreed to in 2009 which governs each party's respective rights and duties in the Jubilee Unit and named Tullow as the Unit Operator. Although the Jubilee Field is unitized, Kosmos' participating interests in each block outside the boundary of the Jubilee Unit are not impacted by the Jubilee UUOA. Currently, the WCTP petroleum contract has a 54.367% participating interest in the Jubilee Unit and the DT petroleum contract has a 45.633% participating interest in the Jubilee Unit. Our participating interest in the Jubilee Unit is based on these allocations and any event of redetermination in the future would impact Jubilee Unit participating interest.

Greater Tortue Ahmeyim Unitization

The Greater Tortue Ahmeyim Field, discovered by the Tortue-1 well in May 2015, in Mauritania block C8 and by the Guembuel-1 well in January 2016, in the Saint-Louis Offshore Profond Block in Senegal covers an area within both the C8 and Saint-Louis Offshore Profond Blocks. Mauritania and Senegal agreed that the Greater Tortue Ahmeyim Field would be unitized for optimal resource recovery in the Inter-State Cooperation Agreement (ICA) signed in February 2018. The GTA UUOA was agreed between the contractor groups of the C8 and Saint-Louis Offshore Profond Blocks and approved by the appropriate Ministers in Mauritania and Senegal in February 2019. BP Mauritania and BP Senegal are co-Unit Operator and will allocate responsibilities for the initial development of the Greater Tortue Ahmeyim Field. During the second quarter of 2019, SMH and PETROSEN elected to increase their respective interest in their portion of the Greater Tortue Ahmeyim Unit to the maximum allowed percentages under the respective petroleum contracts. After the election, our interest in the exploration areas of Block C8 offshore Mauritania and in Saint Louis Offshore Profound offshore Senegal are unchanged, however, our interest in the Greater Tortue Ahmeyim Unit is now 26.8% in Mauritania and 26.7% in Senegal and is subject to redetermination of the participating interests pursuant to the terms of the GTA UUOA. In February 2019, Mauritania and Senegal each issued an exploitation authorization for the Greater Tortue Ahmeyim Unit area covered by the GTA UUOA.

Mauritania Agreements

Effective June 2012, we entered into petroleum contracts covering offshore Mauritania Blocks C8 and C12 with the Islamic Republic of Mauritania. The Mauritanian national oil company, SMH, retained a 10% carried interest during the

exploration period only. Should a commercial discovery be made, SMH's 10% carried interest is to be extinguished and SMH will have an option to obtain a participating interest between 10% and 14%. SMH will pay its portion of development and production costs in a commercial development. Cost recovery oil is apportioned to the contractor from up to 55% (62% for gas) of total production prior to profit oil being split between the government of Mauritania and the contractor. Profit oil is then apportioned based upon "R-factor" tranches, where the R-factor is cumulative net revenues divided by the cumulative investment. At the election of the government of Mauritania, the government may receive its share of production in cash or in kind. A corporate tax rate of 27% is applied to profits at the license level. The terms of exploration periods of these Offshore Blocks are ten years and initially included a first exploration period of four years followed by the second exploration period of three years and the third exploration period of three years. In June 2022, the exploration period of Block C8 offshore Mauritania expired. In October 2022, the partnership and the government of Mauritania executed a new Production Sharing Contract ("PSC") covering the BirAllah and Orca discoveries. The new PSC (named BirAllah) provides up to thirty months to submit a development plan covering the BirAllah and/or Orca discoveries with the terms of the new PSC substantially similar to the former PSC for Block C8 with additional provisions for enhanced back-in rights for the Government of Mauritania, local content, SMH's capacity building and an environmental fund. Kosmos' participating interest in the new PSC is 28.0% and full election by SMH of their back-in rights would reduce Kosmos' participating interest to approximately 22.1%. In 2022, at the conclusion of the second exploration period, Block C12 offshore Mauritania was relinquished.

Senegal Agreements

In June 2018, we entered the final renewal of the exploration period for the Senegal Cayar Offshore Profond and Saint Louis Offshore Profond Blocks. In July 2021, the term of the Cayar Offshore Profound license was extended for up to an additional three years, ending in July 2024. In the event of commercial success, we have the right to develop and produce oil and/or gas for a period of 25 years from the grant of an exploitation authorization from the government, which may be extended on two separate occasions for a period of 10 years each under certain circumstances. The exploration period of the St. Louis Offshore Profound license expired in July 2021.

Ceiba Field and Okume Complex

In Equatorial Guinea, we maintain a 40.4% undivided participating interest in the Ceiba Field and Okume Complex. 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 harmonizing the expiration of the Ceiba Field and Okume Complex production licenses (from 2029 and 2034 respectively) to 2040.

Equatorial Guinea Agreements

In March 2018, we entered into petroleum contracts covering Blocks EG-21 and S with the Republic of Equatorial Guinea. Kosmos currently holds an 80% participating interest in Block EG-21 and a 40% participating interest in Block S. The Equatorial Guinean national oil company, GEPetrol, currently has a 20% carried participating interest during the exploration period. Should a commercial discovery be made, GEPetrol's 20% carried interest will convert to a 20% participating interest. In December 2022, an extension was granted extending the first exploration sub-period for Block EG-21 to December 2024 and we received formal approval to proceed to the second exploration sub-period for Block S ending in December 2024.

In June 2018, we closed a farm-in agreement with a subsidiary of Ophir for Block EG-24, offshore Equatorial Guinea, whereby we acquired a 40% non-operated participating interest. In the first quarter of 2019, we acquired Ophir's remaining interest in and operatorship of the block, which resulted in Kosmos owning an 80% participating interest in Block EG-24. GEPetrol, currently has a 20% carried interest during the exploration period. In December 2022, we received formal approval to enter the second sub-period period ending in December 2024. Should a commercial discovery be made, GEPetrol's 20% carried interest will convert to a 20% participating interest for all development and production operations. In total, the exploration petroleum contracts cover approximately 7,500 square kilometers.

Sales and Marketing

As provided under the Jubilee UUOA and the WCTP and DT petroleum contracts, we are entitled to lift and sell our share of the Jubilee and TEN production as are the other Jubilee Unit and TEN partners. Over the years, we have entered into agreements with multiple oil marketing agents to market our share of the Jubilee and TEN fields oil, and we approve the terms of each sale proposed by such agent. We currently have crude oil marketing sales agreements over the Jubilee and TEN fields extending approximately two years.

In Equatorial Guinea, as provided under the petroleum contract for Block G, we are entitled to lift and sell our share of the Ceiba Field and Okume Complex production as are the other Block G partners. We have entered into an agreement with an oil marketing agent to market our share of the Ceiba Field and Okume Complex oil, and we approve the terms of each sale proposed by such agent.

In the U.S. Gulf of Mexico, we sell crude oil to purchasers typically through monthly contracts, with the sale taking place at multiple points offshore, depending on the particular property. Natural gas is sold to purchasers monthly through long-term contracts, with the sale taking place either offshore or at an onshore gas processing plant after the removal of NGLs. We actively market our crude oil and natural gas to purchasers, and sales prices for purchased oil and natural gas volumes are negotiated with purchasers and are based on certain published indices. Since most of the oil and natural gas contracts are generally month-to-month and at varying physical locations, there are very few dedications of production to any one purchaser. We sell the NGLs entrained in the natural gas that we produce. The arrangements to sell these products first requires natural gas to be processed at an onshore gas processing plant. Once the liquids are removed and fractionated (separated into the individual hydrocarbon chains for sale), the products are sold by the processing plant. The residue gas left over is sold to natural gas purchasers as natural gas sales (referenced above). The contracts for NGL sales are with the processing plant. The prices received for the NGLs are either tied to indices or are based on what the processing plant can receive from a third-party purchaser. The gas processing and subsequent sales of NGLs are subject to contracts with longer terms and dedications of life of lease production from the Company’s leases offshore.

There are a variety of factors which affect the market for oil, including the proximity and capacity of transportation facilities, demand for oil both within the local market and beyond, the marketing of competitive fuels and the effects of government regulations on oil production and sales. Our revenue can be materially affected by current economic conditions and the price of oil. However, based on the current demand for crude oil and the fact that alternative purchasers are available, we believe that the loss of one of our marketing agents and/or any of the purchasers identified by our marketing agent would not have a long-term material adverse effect on our financial position or results of operations. The continued economic disruption resulting from the COVID-19 pandemic, Russia’s invasion of Ukraine, a potential global recession, and other varying macroeconomic conditions could further 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.

In February 2020, we, along with the co-venturers in the Greater Tortue Ahmeyim Field signed the Tortue Phase 1 SPA with BPGM to sell LNG free on board (FOB) from the Greater Tortue Ahmeyim Field located offshore Mauritania and Senegal. The annual contract quantity under the Tortue Phase 1 SPA is 127,951,000 MMBtu (the “ACQ”) which is equivalent to approximately 2.45 million tonnes per annum, subject to limited downward adjustment by the sellers. The sales price for LNG under the Tortue Phase 1 SPA is set as a percentage of a crude oil price benchmark for the ACQ volumes (the “ACQ Sales Price”). The Tortue Phase 1 SPA has an initial term of up to twenty years that commences on the “Commercial Operations Date”, which occurs after completion of certain LNG project facilities’ performance tests. Additionally, to optimize the commercial value of sales for the gas production from the first phase of Greater Tortue Ahmeyim, Kosmos has commenced a process with prospective buyers to utilize existing contractual rights under our existing Tortue Phase 1 SPA to potentially sell cargos in order to benefit from the robust forward gas price outlook, while meeting our contractual obligations to BPGM. BPGM has disagreed with our position, and we have agreed with BPGM to pursue international arbitration to interpret the relevant terms of the SPA.

Competition

The oil and gas industry is competitive. We encounter strong competition from other independent operators and from major oil companies in acquiring licenses and leases. Many of these competitors have financial and technical resources and staff that are substantially larger than ours. As a result, our competitors may be able to pay more for desirable oil and natural gas assets, or to evaluate, bid for and purchase a greater number of licenses and leases than our financial or personnel resources will permit. Furthermore, these companies may also be better able to withstand the financial pressures of lower commodity prices, unsuccessful wells, volatility in financial markets and generally adverse global and industry-wide economic conditions. These companies may also be better able to absorb the burdens resulting from changes in relevant laws and regulations, which may adversely affect our competitive position.

Historically, we have also been affected by competition for drilling rigs and the availability of related equipment. Higher commodity prices generally increase the demand for drilling rigs, supplies, services, equipment and crews. Shortages of, or increasing costs for, experienced drilling crews and equipment and services may restrict our ability to drill wells and conduct our operations.

The oil and gas industry as a whole has experienced continued volatility. Globally, the impact of COVID-19, Russia's invasion of Ukraine, a potential recession, and other varying macroeconomic conditions has impacted supply and demand for oil and gas, which also resulted in significant variations in oil and gas prices. Dated Brent crude, the benchmark for our international oil sales, ranged from approximately $76 to $138 per barrel during 2022. HLS crude, the benchmark for our U.S. Gulf of Mexico oil sales, which generally trades at a discount to Dated Brent, ranged from approximately $68 to $125 during 2022. Excluding the impact of hedges, our realized oil price for 2022 was $100.00 per barrel.

Title to Property

We believe that we have satisfactory title to our oil and natural gas assets in accordance with standards generally accepted in the international oil and gas industry. Our licenses and leases are subject to customary royalty and other interests, liens under operating agreements and other burdens, restrictions and encumbrances customary in the oil and gas industry that we believe do not materially interfere with the use of, or affect the carrying value of, our interests.

Environmental Matters

General

We are subject to various stringent and complex international, foreign, federal, state and local environmental, health and safety laws and regulations governing matters including the emission and discharge of pollutants into the ground, air or water; the generation, storage, handling, use and transportation of regulated materials; and the health and safety of our employees. These laws and regulations may, among other things:

- require the acquisition of various permits before operations commence or for operations to continue;
- enjoin operations or facilities to comply with applicable regulations and permits;
- restrict the types, quantities and concentration of various substances that can be released into the environment in connection with oil and natural gas drilling, production and transportation activities;
- limit, cap, tax or otherwise restrict emissions of GHG and other air pollutants or otherwise seek to address or minimize the effects of climate change;
- limit or prohibit drilling activities in certain locations lying within protected or otherwise sensitive areas; and
- require measures to mitigate or remediate pollution, including pollution resulting from our block partners' or our contractors' operations.

These laws and regulations may also restrict the rate of oil and natural gas production below the rate that would otherwise be possible. Compliance with these laws can be costly; the regulatory burden on the oil and natural gas industry increases the cost of doing business in the industry and consequently affects profitability. We are committed to continued compliance with all environmental laws and regulations applicable to our operations in all countries in which we do business. We have established policies, operating procedures and training programs designed to limit the environmental impact of our operations and to identify and comply with changes in existing laws and regulations, however the cost of compliance with more stringent laws and regulations in the future could have a material adverse effect on our financial condition and results of operations.

Moreover, public interest in the protection of the environment continues to increase. Offshore drilling in some areas has been opposed by environmental groups and, in other areas, has been restricted. Our operations could be adversely affected to the extent laws or regulations are enacted or other governmental action is taken that prohibits or restricts offshore drilling or imposes environmental requirements that increase costs to the oil and gas industry in general, such as more stringent or costly waste handling, disposal or cleanup requirements or financial responsibility and assurance requirements.

Per common industry practice, under agreements governing the terms of use of the drilling rigs contracted by us or our block or lease partners, the drilling rig contractors typically indemnify us and our block partners in respect of pollution and environmental damage originating above the surface of the water and from such drilling rig contractor's property, including their drilling rig and other related equipment. Furthermore, pursuant to the terms of the operating agreements for our blocks and leases, except in certain circumstances, each block or lease partner is responsible for its share of liabilities in proportion to its participating interest incurred as a result of pollution and environmental damage, containment and clean-up activities, loss or damage to any well, loss of oil or natural gas resulting from a blowout, crater, fire, or uncontrolled well, loss of stored oil and

natural gas, as well as for plugging or bringing under control any well. We maintain insurance coverage typical of the industry in the areas we operate in; these include property damage insurance, loss of production insurance, wreck removal insurance, control of well insurance, general liability including pollution liability to cover pollution from wells and other operations. We also participate in an insurance coverage program for the FPSOs we own. We believe our insurance is carried in amounts typical for the industry relative to our size and operations and in accordance with our contractual and regulatory obligations.

International (Non-operated)

Tullow, BP, and Trident, our partners and the operators of (i) the Jubilee Unit and the TEN fields offshore Ghana, (ii) the various fields offshore Mauritania and Senegal, and (iii) the Ceiba Field and Okume Complex offshore Equatorial Guinea, respectively, maintain Oil Spill Response Plans ("OSRP") covering the joint operations. The OSRPs include access to Oil Spill Response Limited's ("OSRL") oil spill response services comprising technical expertise and assistance, including access to response equipment and dispersant spraying systems. The equipment includes capping stacks, debris removal, subsea dispersant and auxiliary equipment. The equipment meets industry accepted standards and can be deployed by air cargo and other conventional means to suit multiple application scenarios. Under the OSRPs, emergency response teams may be activated to respond to oil spill incidents.

In addition, Kosmos develops an emergency response plan and subscribes to a response organization to prepare and demonstrate our readiness to respond to a subsea well control incident in the event we are the operator.

U.S. Gulf of Mexico (Operated and Non-operated)

After the major well control incident and oil release in the U.S. Gulf of Mexico in 2010, the U.S. Department of Interior updated regulations which govern the type, amount and capabilities of response equipment that needs to be available to operators to respond to similar incidents. These regulations also dictate the type and frequency of training that operating personnel need to receive and demonstrate proficiency in. Kosmos also has an OSRP which is approved by the Bureau of Safety and Environmental Enforcement ("BSEE"). This OSRP would be activated if needed in the event of an oil spill or containment event in the U.S. Gulf of Mexico where Kosmos is the operator. Kosmos joined several cooperatives that were established to meet the requirements of the new regulations. For capping and containment, Kosmos joined the HWCG, LLC consortium whose capabilities include; (i) one dual ram capping stack rated to 15,000 psi and one valve capping stack rated to 20,000 psi, (ii) intervention equipment to cap and contain a well with the mechanical and structural integrity to be shut in at depths up to 10,000 feet, and (iii) the ability to capture and process 130,000 barrels of fluid per day and 220 Mmcf of gas per day. Kosmos is also a member of the Clean Gulf Associate ("CGA") Oil Spill Cooperative, which provides oil spill response capabilities to meet regulatory requirements. Equipment and services include a High Volume Open Sea Skimming System ("HOSS"), dedicated oil spill response vessels strategically positioned along the U.S. gulf coast, dispersants and dispersant delivery systems, various types of spill response booms and mobile wildlife rehabilitation equipment. Due to federal regulations, all of the HWCG and CGA equipment is dedicated to U.S. operations and cannot be utilized outside the country. In addition, Kosmos is also a member of the Marine Spill Response Corporation ("MSRC") which also provides various oil spill response services for coastal and inland environments in the U.S. Gulf of Mexico.

Human Capital Resources

Health and Safety

The health and safety of our employees and those that work with us is a priority for Kosmos. Employees and contractors are expected to take all necessary and reasonable actions to ensure safe operations by following safe work practices, complying with relevant policies and regulations, and completing all applicable training. To support our dedication to health, safety and the environment, we have a comprehensive Health, Safety, Environment and Security ("HSES") management system that applies to all Kosmos employees and contractors known as "The Standard." In addition to adoption of The Standard, Kosmos fosters a strong safety culture through online and in person training, regular emergency response drills, and impactful safety discussions.

The health of our employees and contractors continued to be a priority for 2022 including COVID-19 vaccination and testing policies, facilitating remote working flexibility for employees normally based in the office full-time, and safeguarding operations offshore through a variety of enhanced operational safeguards and monitoring measures, including strict pre-embarkation quarantine procedures, wellness screenings, and COVID-19 testing.

Culture, Engagement and Development

Kosmos aims to be a world-class company known for delivering results and being a workplace of choice. We pride ourselves on our ability to provide employees with careers that are professionally challenging, personally rewarding, and focused on delivering value. We aim to provide a stimulating and rewarding work environment through an inclusive culture that promotes entrepreneurial thinking, facilitates teamwork, and embraces ethical behavior.

Kosmos is committed to investing in the development of our employees. We support development through a blend of learning approaches including in-person and virtual training opportunities, on-the-job training, conferences, cross team projects and experiences and our leadership development program. Each year, all employees also have an opportunity to provide feedback on the employee experience and Kosmos culture through our annual employee opinion survey. Based on employee scores and feedback, Kosmos was named in the 2022 Top 100 Places to Work by the Dallas Morning News, as well as the Houston Chronicle. The feedback received through this annual survey is used to support continuous improvement and enhance the overall employee experience. In 2022, Kosmos had a retention rate of 95%.

Diversity and Inclusion

Kosmos focuses on recruiting, retaining, and developing a diverse and inclusive workforce that embraces our values and culture. We seek to promote diversity in our workforce both because it is the right thing to do and because it gives us access to the widest range of talents. Through social and educational events that address the different backgrounds and identities of employees, Kosmos helps foster a spirit of inclusion across the company. We promote and celebrate the array of diverse perspectives and experiences of Kosmos employees and applicants, whether in terms of race, ethnicity, sex, gender, sexual orientation, gender expression, religion, national origin, disability, or experiences.

We seek to employ qualified individuals from the countries in which we operate and are proud of our record of recruitment and retention of local staff. This year we maintained 100% local employees across all our host country offices.

As of December 31, 2022, we had 236 employees with 191 being based in the United States and 45 residing in our local offices. Our workforce was approximately 37% gender diverse and approximately 33% minority.

Employee Well-being

Kosmos offers employees a robust range of benefits, including health plans, equity opportunities, savings plans, short- and long-term incentives. All domestic employees are awarded equity in the company as part of the total reward package, aligning employee reward with shareholder interest. Our benefits package prioritizes emotional, physical, and financial health and wellness. We also offer a strong Employee Assistance Program (EAP), which offers free and confidential assessments, counseling, and follow-up services to employees with personal and/or work-related mental health problems.

These benefits are intended to both promote the long-term health and well-being of our employees and increase employee engagement and retention. Additionally, we believe that these benefits help facilitate a strong work-life balance and a culture that prioritizes overall employee wellness.

Corporate Information

In December 2018, Kosmos Energy Ltd. changed our jurisdiction of incorporation from Bermuda to the State of Delaware, USA. We maintain a registered office in Delaware at Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801. Our executive offices are maintained at 8176 Park Lane, Suite 500, Dallas, Texas 75231, and its telephone number is +1 (214) 445 9600.

Available Information

Kosmos is listed on the NYSE and LSE and our common stock is traded under the symbol KOS. We file or furnish annual, quarterly and current reports, proxy statements and other information with the SEC as well as the London Stock Exchange's Regulatory News Service (“LSE RNS”). The SEC maintains a website at http://www.sec.gov that contains documents we file electronically with the SEC. The LSE RNS maintains a website at http://www.londonstockexchange.com that contains documents we file electronically with the LSE RNS.

The Company also maintains an internet website under the name *www.kosmosenergy.com*. The information on our website is not incorporated by reference into this annual report on Form 10-K and should not be considered a part of this annual report on Form 10-K. Our website is included as an inactive technical reference only. We make available, free of charge, on our website, our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and, if applicable, amendments to those reports filed or furnished pursuant to Section 13(a) of the Exchange Act as soon as reasonably practicable after such reports are electronically filed with, or furnished to, the SEC.

Item 1A. Risk Factors

You should consider and read carefully all of the risks and uncertainties described below, together with all of the other information contained in this report, including the consolidated financial statements and the related notes included in "Item 8. Financial Statements and Supplementary Data." If any of the following risks actually occurs, our business, business prospects, financial condition, results of operations or cash flows could be materially adversely affected. The risks below are not the only ones we face. Additional risks not currently known to us or that we currently deem immaterial may also adversely affect us.

Summary Risk Factors

Our business is subject to a number of risks, including risks that may prevent us from achieving our business objectives or may adversely affect our business, financial condition, results of operations, cash flows, and prospects. These risks are discussed more fully below and include, but are not limited to, risks related to:

Our Oil and Natural Gas Operations

- We have limited proved reserves;
- We face substantial uncertainties in estimating the characteristics of our discoveries and our prospects;
- Drilling wells is speculative and may not result in any discoveries;
- Development wells may not result in commercially productive quantities of oil and gas reserves;
- Our identified drilling and infrastructure locations are scheduled out over time, making them susceptible to uncertainties;
- We are contractually obligated to drill wells and declare any discoveries in order to retain exploration and production rights;
- Inability of third parties who contract with us to meet their obligations may adversely affect our financial results;
- The unit partners' respective interests in the Jubilee Unit and Greater Tortue Ahmeyim Unit are subject to redetermination;
- We are not the operator on all of our license areas and facilities and do not hold all of the working interests in certain of our license areas;
- Our estimated proved reserves are based on many assumptions that may turn out to be inaccurate;
- The present value of future net revenues from our proved reserves will not necessarily be the same as the current market value of our estimated oil and natural gas reserves;
- We may not be able to commercialize our interests in any natural gas produced from our license areas;
- Our inability to access appropriate equipment and infrastructure in a timely manner may hinder our access to oil and natural gas markets or delay our oil and natural gas production;
- We are subject to numerous risks inherent to the exploration and production of oil and natural gas;
- We are subject to drilling and other operational and environmental risks and hazards;
- Our operations may be materially adversely affected by weather-related events, including, but not limited to, tropical storms and hurricanes, and the physical effects of climate change;
- The development schedule of oil and natural gas projects is subject to delays and cost overruns;
- Our offshore and deepwater operations involve special risks that could adversely affect our results of operations;
- We had, and continue to have, disagreements with certain host governments and contractual counterparties regarding certain of our rights and responsibilities and may have future disagreements with our host governments and/or contractual counterparties;
- The geographic locations of our licenses in Africa and the U.S. Gulf of Mexico subject us to a risk of loss of revenue or curtailment of production from factors specifically affecting those areas;

Our Business and Financial Condition

- A substantial or extended decline in oil and natural gas prices may adversely affect our business, financial condition and results of operations;
- Our business plan requires substantial additional capital;
- We may be required to take write-downs of the carrying values of our oil and natural gas assets due to decreases in the estimated future net cash flows from our operations, which may occur as a result of decreases in oil and natural gas prices, poor field performance, increased expenditures or changes in timing of investment, among other things, and

such decreases could result in reduced availability under our corporate revolver, commercial debt facility, and GoM Term Loan;

- We face various risks associated with increased activism against, or change in public sentiment for, oil and gas exploration, development, and production activities and ESG considerations including climate change and the transition to a lower carbon economy;
- The continued effects of the COVID-19 pandemic and outbreaks of other diseases may adversely affect our business operations and financial condition;
- Deterioration in the credit or equity markets could adversely affect us;
- We may incur substantial losses and become subject to liability claims as a result of future oil and natural gas operations, for which we may not have adequate insurance coverage;
- Slower global economic growth rates may materially adversely impact our operating results and financial position;
- Increased costs and availability of capital could adversely affect our business;
- Our derivative activities could result in financial losses or could reduce our income;
- Our commercial debt facility, revolving credit facility, indentures governing our Senior Notes and GoM Term Loan contain certain covenants that may inhibit our ability to make certain investments, incur additional indebtedness and engage in certain other transactions;
- Provisions of our Senior Notes could discourage an acquisition of us by a third-party;
- Our level of indebtedness may increase and thereby reduce our financial flexibility;
- We are a holding company and our ability to make payments on our outstanding indebtedness is dependent upon the receipt of funds from our subsidiaries;
- We may be subject to risks in connection with acquisitions and the integration of significant acquisitions may be difficult;
- If we fail to realize the anticipated benefits of a significant acquisition, our results of operations may be adversely affected;
- A cyber incident, including a breach of digital security, could result in information theft, data corruption, operational disruption, and/or financial loss;
- Our ability to utilize net operating loss carryforwards may be subject to certain limitations;
- Changes in the method of determining LIBOR, or the replacement of LIBOR with an alternative reference rate, may adversely affect interest expense related to outstanding debt;

Regulation

- Our business, operations and financial condition may be directly and indirectly adversely affected by political, economic, and environmental circumstances;
- More comprehensive and stringent regulation in the U.S. Gulf of Mexico has materially increased costs and delays in offshore oil and natural gas exploration and production operations;
- The oil and gas industry is intensely competitive and many of our competitors possess and employ substantially greater resources than us;
- Participants in the oil and gas industry are subject to numerous laws, regulations, and other legislative instruments that can affect the cost, manner or feasibility of doing business;
- We are subject to numerous health, safety and environmental laws and regulations which may result in material liabilities and costs;
- We may be exposed to assertions concerning or liabilities under anti-corruption laws;
- Federal regulatory law could have an adverse effect on our ability to use derivative instruments;

General Matters

- We are dependent on certain members of our management and technical team;
- We operate in a litigious environment;
- We face various risks associated with global populism;
- Our share price may be volatile, and purchasers of our common stock could incur substantial losses;
- A substantial portion of our total issued and outstanding common stock may be sold into the market at any time; and
- Holders of our common stock will be diluted if additional shares are issued.

Risks Relating to our Oil and Natural Gas Operations

We have limited proved reserves and areas that we decide to drill may not yield oil and natural gas in commercial quantities or quality, or at all.

We have limited proved reserves. A portion of our oil and natural gas assets consists of discoveries without approved PoDs and with limited well penetrations, as well as identified yet unproven prospects based on available seismic and geological information that indicates the potential presence of hydrocarbons. However, the areas we decide to drill may not yield oil or natural gas in commercial quantities or quality, or at all. Many of our current discoveries and all of our prospects are in various stages of evaluation that will require substantial additional analysis and interpretation. Even when properly used and interpreted, 2D and 3D seismic data and visualization techniques are only tools used to assist geoscientists in identifying subsurface structures and hydrocarbon indicators and do not enable the interpreter to know whether hydrocarbons are, in fact, present in those structures. Accordingly, we do not know if any of our discoveries or prospects will contain oil or natural gas in sufficient quantities or quality to recover drilling and completion costs or to be economically viable. Even if oil or natural gas is found on our discoveries or prospects in commercial quantities, construction costs of gathering lines, subsea infrastructure, other production facilities and floating production systems and transportation costs may prevent such discoveries or prospects from being economically viable, and approval of PoDs by various regulatory authorities, a necessary step in order to develop a commercial discovery, may not be forthcoming. Additionally, the analogies drawn by us using available data from other wells, more fully explored discoveries or producing fields may not prove valid with respect to our drilling prospects. We may terminate our drilling program for a discovery or prospect if data, information, studies and previous reports indicate that the possible development of a discovery or prospect is not commercially viable and, therefore, does not merit further investment. If a significant number of our discoveries or prospects do not prove to be successful, our business, financial condition and results of operations will be materially adversely affected.

The deepwater offshore Mauritania and Senegal, an area in which we currently focus a substantial amount of our development efforts, has only recently been considered economically viable for hydrocarbon production due to the costs and difficulties involved in drilling and development at such depths and the relatively recent discovery of commercial quantities of hydrocarbons in the region. Likewise, our deepwater offshore Sao Tome and Principe license has not yet proved to be an economically viable production area. We have limited proved reserves, and we may not be successful in developing additional commercially viable production from our other discoveries and prospects.

We face substantial uncertainties in estimating the characteristics of our discoveries and our prospects.

In this report we provide numerical and other measures of the characteristics of our discoveries and prospects. These measures may be incorrect, as the accuracy of these measures is a function of available data, geological interpretation and judgment. To date, a limited number of our prospects have been drilled. Any analogies drawn by us from other wells, discoveries or producing fields may not prove to be accurate indicators of the success of developing proved reserves from our discoveries and prospects. Furthermore, we have no way of evaluating the accuracy of the data from analog wells or prospects produced by other parties which we may use.

It is possible that few or none of our wells to be drilled will find accumulations of hydrocarbons in commercial quality or quantity. Any significant variance between actual results and our assumptions could materially affect the quantities of hydrocarbons attributable to any particular prospect.

Drilling wells is speculative, often involving significant costs that may be more than we estimate, and may not result in any discoveries or additions to our future production or reserves. Any material inaccuracies in drilling costs, estimates or underlying assumptions will materially affect our business.

Exploring for and developing hydrocarbon reserves involves a high degree of technical, operational and financial risk, which precludes definitive statements as to the time required and costs involved in reaching certain objectives. The budgeted costs of planning, drilling, completing and operating wells are often exceeded and can increase significantly when drilling costs rise due to rising inflationary pressure or a tightening in the supply of various types of oilfield equipment and related services or unanticipated geologic conditions.

Before a well is spud, we incur significant geological and geophysical (seismic) costs, which are incurred whether or not a well eventually produces commercial quantities of hydrocarbons or is drilled at all. Drilling may be unsuccessful for many reasons, including geologic conditions, weather, cost overruns, equipment shortages and mechanical difficulties or force majeure events. Exploratory wells bear a much greater risk of failure than development wells. In the past we have experienced unsuccessful drilling efforts, having drilled dry holes. Furthermore, the successful drilling of a well does not necessarily result in the commercially viable development of a field or be indicative of the potential for the development of a commercially viable field. A variety of factors, including geologic and market-related, can cause a field to become uneconomic or only marginally economic. A lack of drilling opportunities or projects that cease production may cause us to incur significant costs associated with an idle rig and/or related services, particularly if we cannot contract out rig slots to other parties. Many of our prospects that may be developed require significant additional exploration, appraisal and development, regulatory approval and commitments of resources prior to commercial development. In addition, a successful discovery would require significant capital expenditure in order to appraise, develop and produce oil and natural gas, even if we deemed such discovery to be commercially viable. See "—Our business plan requires substantial additional capital, which we may be unable to raise on acceptable terms or at all in the future, which may in turn limit our ability to develop our exploration, appraisal, development and production activities." In the international areas in which we operate, we face higher above-ground risks necessitating higher expected returns, the requirement for increased capital expenditures due to a general lack of infrastructure and underdeveloped oil and gas industries, and increased transportation expenses due to geographic remoteness, which either require a single well to be exceptionally productive, or the existence of multiple successful wells, to allow for the development of a commercially viable field. See "—Our operations may be adversely affected by political and economic circumstances in the countries in which we operate." Furthermore, if our actual drilling and development costs are significantly more than our estimated costs, we may not be able to continue our business operations as proposed and could be forced to modify our plan of operation.

Development drilling may not result in commercially productive quantities of oil and gas reserves.

Our exploration success has provided us with major development and appraisal projects on which we are moving forward, and any future exploration discoveries will also require significant development efforts to bring to production. We must successfully execute our development projects, including development drilling, in order to generate future production and cash flow. However, development drilling is not always successful and the profitability of development projects may change over time.

For example, in new development projects available data may not allow us to completely know the extent of the reservoir or choose the best locations for drilling development wells. A development well we drill may be a dry hole or result in noncommercial quantities of hydrocarbons. All costs of development drilling and other development activities are capitalized, even if the activities do not result in commercially productive quantities of hydrocarbon reserves. This puts a property at higher risk for future impairment if commodity prices significantly decrease or operating or development costs significantly increase.

Our identified drilling and infrastructure locations are scheduled out over time, making them susceptible to uncertainties that could materially alter the occurrence or timing of their drilling or infrastructure installation or modification.

Our management team has identified and scheduled drilling locations and possible infrastructure locations on our license and lease areas over a multi-year period. Our ability to drill and develop these locations depends on a number of factors, including the availability of equipment and capital, approval by block or lease partners and national and state regulators, seasonal conditions, oil prices, assessment of risks, costs and drilling results. For example, a shutdown of the U.S. federal government could delay the regulatory review and approval process associated with drilling or developmental activities within our license areas in the U.S. Gulf of Mexico. The final determination on whether to drill or develop any of these locations will be dependent upon the factors described elsewhere in this report as well as, to some degree, the results of our drilling and production activities with respect to our established wells and drilling locations. Because of these uncertainties, we do not know if the drilling locations we have identified will be drilled or infrastructure installed or modified within our expected timeframe or at all or if we will be able to economically produce hydrocarbons from these or any other potential drilling locations. As such, our actual drilling and development activities may be materially different from our current expectations, which could adversely affect our results of operations and financial condition.

Under the terms of certain of our petroleum contracts, we are contractually obligated to drill wells and declare any discoveries in order to retain exploration and production rights. In the competitive market for our license areas, failure to drill these wells or declare any discoveries may result in substantial license renewal costs or loss of our interests in the undeveloped parts of our license areas, which may include certain of our prospects or undeveloped discoveries.

In order to protect our exploration and production rights in our license areas, we may be required to meet various drilling and declaration requirements. In general, unless we make and declare discoveries within certain time periods specified in certain of our petroleum contracts and licenses, our interests in the undeveloped parts of our license areas may lapse. Should the prospects yield discoveries, we cannot assure you that we will not face delays in the appraisal and development of these prospects or otherwise have to relinquish these prospects. The costs to maintain petroleum contracts over such areas may fluctuate and may increase significantly since the original term, and we may not be able to renew or extend such petroleum contracts on commercially reasonable terms or at all. Our actual drilling activities may therefore materially differ from our current expectations, which could adversely affect our business.

Under certain petroleum contracts, we have work commitments to perform exploration and other related activities. Failure to do so may result in our loss of the licenses. As of December 31, 2022, we have unfulfilled drilling obligations for three development wells and one exploration well in Equatorial Guinea. In certain other petroleum contracts, we are in the initial exploration phases, some of which have certain obligations that have yet to be fulfilled. Over the course of the next several years, we may choose to enter into the next phase of those petroleum contracts which will likely include firm obligations to drill wells. Failure to execute our obligations may result in our loss of the licenses.

The Exploration Period of some of our petroleum contracts has expired. For each of our petroleum contracts, we cannot assure you that any renewals or extensions will be granted or whether any new agreements will be available on commercially reasonable terms, or, in some cases, at all. For additional detail regarding the status of our operations with respect to our various petroleum contracts, please see “Item 1. Business—Operations by Geographic Area.”

The inability of one or more third parties who contract with us to meet their obligations to us may adversely affect our financial results.

We may be liable for certain costs if third parties who contract with us are unable to meet their commitments under such agreements. We are currently exposed to credit risk through joint interest receivables from our block and/or unit partners. If any of our partners in the blocks or unit in which we hold interests are unable to fund their share of the exploration, development and decommissioning expenses, we may be liable for such costs. In the past, certain of our partners have not paid their share of block costs in the time frame required by the joint operating agreements for these blocks. This has resulted in such party being in default, which in return requires Kosmos and its non-defaulting block partners to pay their proportionate share of the defaulting party’s costs during the default period. Should a default not be cured, Kosmos could be required to pay its share of the defaulting party’s costs going forward.

In addition, we contract with third parties to conduct drilling and related services on our development projects and exploration prospects. Such third parties may not perform the services they provide us on schedule or within budget. Furthermore, the drilling equipment, facilities and infrastructure owned and operated by the third parties we contract with is highly complex and subject to malfunction and breakdown. Any malfunctions or breakdowns may be outside our control and result in delays, which could be substantial. Any delays in our drilling campaign caused by equipment, facility or equipment malfunction or breakdown could materially increase our costs of drilling and cause an adverse effect on our business, financial position and results of operations.

Our principal exposure to credit risk will be through receivables resulting from the sale of our oil and to cover our commodity derivatives contracts. The inability or failure of our significant customers or counterparties to meet their obligations to us or their insolvency or liquidation may adversely affect our financial results. In addition, our oil and natural gas derivative arrangements expose us to credit risk in the event of nonperformance by counterparties. Joint interest receivables arise from our block partners. The inability or failure of third parties we contract with to meet their obligations to us or their insolvency or liquidation may adversely affect our financial results. We are unable to predict sudden changes in creditworthiness or ability to perform. Even if we do accurately predict sudden changes, our ability to negate the risk may be limited and we could incur significant financial losses.

The unit partners’ respective interests in the Jubilee Unit and Greater Tortue Ahmeyim Unit are subject to redetermination and our interests in each such unit may decrease as a result.

The interests in and development of the Jubilee Field are governed by the terms of the Jubilee UUOA. The parties to the Jubilee UUOA, the collective interest holders in each of the WCTP and DT Blocks, initially agreed that interests in the Jubilee Unit will be shared equally, with each block deemed to contribute 50% of the area of such unit. The respective interests in the Jubilee Unit were therefore initially determined by the respective interests in such contributed block interests. Pursuant to the terms of the Jubilee UUOA, the percentage of such contributed interests is subject to a process of redetermination once sufficient development work has been completed in the unit. The initial redetermination process was completed on October 14, 2011. As a result of the initial redetermination process, the tract participation was determined to be 54.4% for the WCTP Block

and 45.6% for the DT Block. Consequently, our Unit Interest (participating interest in the Jubilee Unit) was increased from 23.5% to 24.1% upon completion of the initial redetermination process. Following the acquisition of Anadarko WCTP Company, which owned a participating interest in the WCTP Block and DT Block, our Unit Interest (participating interest in the Jubilee Unit) increased from 24.1% to 42.1%. Following the completion of the pre-emption by Tullow in March of 2022, Kosmos' interest in the Jubilee Unit Area decreased from 42.1% to 38.6%. An additional redetermination could occur sometime if requested by a party that holds greater than a 10% interest in the Jubilee Unit. We cannot assure you that any redetermination pursuant to the terms of the Jubilee UUOA will not negatively affect our interests in the Jubilee Unit or that such redetermination will be satisfactorily resolved.

The interests in and development of the Greater Tortue Ahmeyim Field are governed by the terms of the GTA UUOA. The parties to the GTA UUOA, the collective interest holders in each of the Mauritania Block C8 and Senegal Saint Louis Offshore Profond blocks, initially agreed that interests in the Greater Tortue Ahmeyim Unit will be shared equally, with each block deemed to contribute 50% of the area of such unit. The respective interests in the Greater Tortue Ahmeyim Unit were therefore initially determined by the respective interests in such contributed block interests. Pursuant to the terms of the GTA UUOA, the percentage of such contributed interests is subject to a process of redetermination once sufficient development work has been completed in the unit. We cannot assure you that any redetermination pursuant to the terms of the GTA UUOA will not negatively affect our interests in the Greater Tortue Ahmeyim Unit or that such redetermination will be satisfactorily resolved.

We are not, and may not be in the future, the operator on all of our license areas and facilities and do not, and may not in the future, hold all of the working interests in certain of our license areas. Therefore, we have reduced control over the timing of exploration or development efforts, associated costs, and the rate of production of any non-operated and to an extent, any non-wholly-owned, assets.

As we carry out our exploration and development programs, we have arrangements with respect to existing license areas and may have agreements with respect to future license areas that result in a greater proportion of our license areas being operated by others. Currently, we are not the operator of the Jubilee Unit, the TEN fields, Ceiba and Okume, the Greater Tortue Ahmeyim Unit or certain producing fields in the U.S. Gulf of Mexico and do not hold operatorship in certain other offshore blocks. As a result, we may have limited ability to exercise influence over the operations of the discoveries or prospects operated by our block or unit partners, or which are not wholly-owned by us, as the case may be. Dependence on block or unit partners could prevent us from realizing our target returns for those discoveries or prospects. Further, because we do not have majority ownership in all of our properties, we may not be able to control the timing, or the scope, of exploration or development activities or the amount of capital expenditures and, therefore, may not be able to carry out one of our key business strategies of minimizing the cycle time between discovery and initial production. The success and timing of exploration and development activities will depend on a number of factors that will be largely outside of our control, including:

- the timing and amount of capital expenditures;
- if the activity is operated by one of our block partners, the operator's expertise and financial resources;
- approval of other block partners in drilling wells;
- the scheduling, pre-design, planning, design and approvals of activities and processes;
- selection of technology;
- the available capacity of processing facilities and related pipelines; and
- the rate of production of reserves, if any.

This limited ability to exercise control over the operations on our license areas may cause a material adverse effect on our financial condition and results of operations.

Our estimated proved reserves are based on many assumptions that may turn out to be inaccurate. Any significant inaccuracies in these reserve estimates or underlying assumptions will materially affect the quantities and present value of our reserves.

The process of estimating oil and natural gas reserves is technically complex. It requires interpretations of available technical data and many assumptions, including those relating to current and future economic conditions and commodity prices. Any significant inaccuracies in these interpretations or assumptions could materially affect the estimated quantities and present value of reserves shown in this report. See "Item 1. Business—Our Reserves" for information about our estimated oil and

natural gas reserves and the present value of our net revenues at a 10% discount rate ("PV-10") and Standardized Measure of discounted future net revenues (as defined herein) as of December 31, 2022.

In order to prepare our estimates, we must project production rates and the timing of development expenditures. We must also analyze available geological, geophysical, production and engineering data. The process also requires economic assumptions about matters such as oil and natural gas prices, drilling and operating expenses, capital expenditures, taxes and availability of funds.

Actual future production, oil and natural gas prices, revenues, taxes, development expenditures, operating expenses and quantities of recoverable oil and natural gas reserves will vary from our estimates. Any significant variance could materially affect the estimated quantities and present value of reserves shown in this report. In addition, we may adjust estimates of proved reserves to reflect production history, results of exploration and development, prevailing oil and natural gas prices and other factors, many of which are beyond our control.

The present value of future net revenues from our proved reserves will not necessarily be the same as the current market value of our estimated oil and natural gas reserves.

You should not assume that the present value of future net revenues from our proved reserves is the current market value of our estimated oil and natural gas reserves. In accordance with the SEC requirements, we have based the estimated discounted future net revenues from our proved reserves on the 12-month unweighted arithmetic average of the first-day-of-the-month price for the preceding twelve months, adjusted for an anticipated market premium, without giving effect to derivative transactions. Actual future net revenues from our oil and natural gas assets will be affected by factors such as:

- actual prices we receive for oil and natural gas;
- actual cost of development and production expenditures;
- derivative transactions;
- the amount and timing of actual production; and
- changes in governmental regulations or taxation.

The timing of both our production and our incurrence of expenses in connection with the development and production of oil and natural gas assets will affect the timing and amount of actual future net revenues from proved reserves, and thus their actual present value. In addition, the 10% discount factor we use when calculating discounted future net revenues may not be the most appropriate discount factor based on interest rates in effect from time to time and risks associated with us or the oil and gas industry in general. Actual future prices and costs may differ materially from those used in the present value estimates included in this report. Oil prices have recently experienced significant volatility. See "Item 1. Business—Our Reserves."

We may not be able to commercialize our interests in any natural gas produced from our license areas.

The development of the market for natural gas in certain of our international license areas is still in its early stages. Currently the infrastructure to transport and process natural gas on commercial terms is limited and the expenses associated with constructing such infrastructure ourselves may not be commercially viable given local prices currently paid for natural gas. Accordingly, there may be limited or no value derived from any natural gas produced from some of our international license areas.

In Ghana, we currently produce associated gas from the Jubilee and TEN fields. A gas pipeline from the Jubilee Field has been constructed to transport such natural gas for processing and sale. We granted the Government of Ghana the first 200 Bcf of natural gas exported from the Jubilee Field to shore at zero cost. As of January 1, 2023, the Jubilee partners have fulfilled this commitment, providing 200 Bcf of zero cost natural gas to the Government of Ghana. The Ghana partners are currently in discussions with the Government of Ghana regarding a future gas sales agreement covering both the Jubilee and TEN fields. We do not currently book proved gas reserves associated with natural gas sales from the Jubilee Field in Ghana. However, we expect to book gas reserves upon finalization and execution of a gas sales agreement for such Jubilee Field natural gas that will have a price associated with it. A gas pipeline from the TEN fields to the Jubilee Field was completed in 2017 to transport associated natural gas as well as non-associated natural gas for processing and sale. We finalized the TAG GSA, and as a result, we booked proved gas reserves for the associated natural gas from the TEN fields in Ghana. If and when a gas sales agreement and the related infrastructure are in place for the TEN fields non-associated gas, a portion of the remaining gas may be recognized as reserves.

In Mauritania and Senegal, we plan to export the majority of our gas resource to the LNG market. However, that plan is contingent on making additional final investment decisions on our gas discoveries and constructing the necessary infrastructure to produce, liquefy and transport the gas to the market. Additionally, such plans are contingent upon receipt of required partner and government approvals.

Our inability to access appropriate equipment and infrastructure in a timely manner may hinder our access to oil and natural gas markets or delay our oil and natural gas production.

Our ability to market our oil and natural gas production will depend substantially on the availability and capacity of processing facilities, oil and LNG tankers and other infrastructure, including FPSOs, owned and operated by third parties. Our failure to obtain such facilities on acceptable terms could materially harm our business. We also rely on continuing access to drilling rigs and construction vessels suitable for the environment in which we operate. The delivery of drilling rigs or construction vessels may be delayed or cancelled, and we may not be able to gain continued access to suitable rigs or vessels in the future. We may be required to shut in oil and natural gas wells because of the absence of a market or because access to processing facilities may be limited or unavailable. If that were to occur, then we would be unable to realize revenue from those wells until arrangements were made to deliver the production to market, which could cause a material adverse effect on our financial condition and results of operations. In addition, the shutting in of wells can lead to mechanical problems upon bringing the production back online, potentially resulting in decreased production and increased remediation costs.

Additionally, the future exploitation and sale of associated and non-associated natural gas and liquids and LNG will be subject to timely commercial processing and marketing of these products, which depends on the contracting, financing, building and operating of infrastructure by third parties. For example, we transport and process natural gas from the Jubilee and TEN fields to mainland Ghana through a pipeline and processing facilities that are controlled by the Government of Ghana. We cannot provide any assurance about uptime and availability of the pipeline and processing facilities. In addition, we are party to an interim gas sale agreement with the government of Ghana relating to the natural gas we produce from the Jubilee field that we expect to conclude by mid-2023. In the event we cannot put in place a new gas sales agreement on commercially reasonable terms, our ability to continuously extract and process natural gas may be harmed and we may be required to reinject or flare such natural gas in order to maintain crude oil production and or reduce our overall crude oil production, which may adversely impact our results of operations, financial condition and prospects.

We are subject to numerous risks inherent to the exploration and production of oil and natural gas.

Oil and natural gas exploration and production activities involve many risks that a combination of experience, knowledge and interpretation may not be able to overcome. Our future will depend on the success of our exploration and production activities and on the development of an infrastructure that will allow us to take advantage of our discoveries. Additionally, many of our license areas are located in deepwater, which generally increases the capital and operating costs, chances of delay, planning time, technical challenges and risks associated with oil and natural gas exploration and production activities. See "— Our offshore and deepwater operations involve special risks that could adversely affect our results of operation." As a result, our oil and natural gas exploration and production activities are subject to numerous risks, including the risk that drilling will not result in commercially viable oil and natural gas production. Our decisions to purchase, explore or develop discoveries, prospects or licenses will depend in part on the evaluation of seismic data through geophysical and geological analyses, production data and engineering studies, the results of which are often inconclusive or subject to varying interpretations.

Furthermore, the marketability of expected oil and natural gas production from our discoveries and prospects will also be affected by numerous factors. These factors include, but are not limited to, market fluctuations of prices (such as recent significant variations in oil and natural gas prices), proximity, capacity and availability of drilling rigs and related equipment, qualified personnel and support vessels, processing facilities, transportation vehicles and pipelines, equipment availability, access to markets and government regulations (including, without limitation, regulations relating to prices, taxes, royalties, allowable production, domestic supply requirements, importing and exporting of oil and natural gas, the ability to flare or vent natural gas, health and safety matters, environmental protection and climate change). The effect of these factors, individually or jointly, may result in us not receiving an adequate return on invested capital.

In the event that our currently undeveloped discoveries and prospects are developed and become operational, they may not produce oil and natural gas in commercial quantities or at the costs anticipated, and our projects may cease production, in part or entirely, in certain circumstances. Discoveries may become uneconomic as a result of an increase in operating costs to produce oil and natural gas, among other factors. Our actual operating costs and rates of production may differ materially from our current estimates. Moreover, it is possible that other developments, such as increasingly strict environmental, climate

change, and health and safety laws, regulations and executive orders and enforcement policies thereunder and claims for damages to property or persons resulting from our operations, could result in substantial costs and liabilities, delays, an inability to complete the development of our discoveries or the abandonment of such discoveries, which could cause a material adverse effect on our financial condition and results of operations.

We are subject to drilling and other operational and environmental risks and hazards.

The oil and natural gas business involves a variety of risks, including, but not limited to:

- fires, blowouts, spills, cratering and explosions;
- mechanical and equipment problems, including unforeseen engineering complications;
- uncontrolled flows or leaks of oil, well fluids, natural gas, brine, toxic gas or other pollutants or hazardous materials;
- gas flaring operations;
- marine hazards with respect to offshore operations;
- formations with abnormal pressures;
- pollution, environmental risks, and geological problems; and
- weather conditions and natural or man-made disasters.

These risks are particularly acute in deepwater drilling, exploration, and development. Any of these events could result in loss of human life, significant damage to property, environmental or natural resource damage, impairment, delay or cessation of our operations, lower production rates, adverse publicity, substantial losses and civil or criminal liability. We expect to maintain insurance against some, but not all, of these risks and losses. The occurrence of any of these events, whether or not covered by insurance, could have a material adverse effect on our financial position and results of operations.

Our operations may be materially adversely affected by weather-related events, including, but not limited to, tropical storms and hurricanes, and the physical effects of climate change.

Tropical storms, hurricanes and the threat of tropical storms and hurricanes often result in the shutdown of operations, particularly in the U.S. Gulf of Mexico, as well as operations within the path and the projected path of the tropical storms or hurricanes. In addition, the physical impacts of climate change in the areas in which our assets are located or in which we otherwise operate, including any corresponding increases to the severity and frequency of storms, floods and other weather events, could adversely impact our operations or disrupt transportation or other process-related services provided by our third-party contractors. Weather events have caused significant disruption to the operations of offshore and coastal facilities in the U.S. Gulf of Mexico region. In the future, during a shutdown period, we may be unable to access well sites and our services may be shut down. Additionally, tropical storms or hurricanes may cause evacuation of personnel and damage to our platforms and other equipment, which may result in suspension of our operations. The shutdowns, related evacuations and damage can create unpredictability in activity and utilization rates, as well as delays and cost overruns, which could have a material adverse effect on our business, financial condition and results of operations.

The development schedule of oil and natural gas projects, including the availability and cost of drilling rigs, equipment, supplies, personnel and oilfield services, is subject to delays and cost overruns.

Historically, some oil and natural gas development projects have experienced delays and capital cost increases and overruns due to, among other factors, the unavailability or high cost of drilling rigs and other essential equipment, supplies, personnel and oilfield services, mechanical and technical issues, as well as weather-related delays. The cost to develop our projects has not been fixed and remains dependent upon a number of factors, including the completion of detailed cost estimates and final engineering, contracting and procurement costs. Our construction and operation schedules may not proceed as planned and may experience delays or cost overruns. Any delays may increase the costs of the projects, requiring additional capital, and such capital may not be available in a timely and cost-effective fashion.

Our offshore and deepwater operations involve specific risks that could adversely affect our results of operations.

Offshore operations are subject to a variety of operating risks specific to the marine environment, such as capsizing, sinking, collisions and damage or loss to pipeline, subsea or other facilities or from weather conditions. We could incur

substantial expenses that could reduce or eliminate the funds available for exploration, development or license acquisitions, or result in loss of equipment and license interests.

Deepwater exploration generally involves greater operational and financial risks than exploration in shallower waters. Deepwater drilling generally requires more time and more advanced drilling technologies, involving a higher risk of equipment failure and usually higher drilling costs. In addition, there may be production risks of which we are currently unaware. If we participate in the development of new subsea infrastructure and use floating production systems to transport oil from producing wells, these operations may require substantial time for installation or encounter mechanical difficulties and equipment failures that could result in loss of production, significant liabilities, cost overruns or delays. For example, we have previously experienced mechanical issues at certain of our offshore production facilities, such as the turret bearing issue on the Jubilee FPSO. The equipment downtime caused by these mechanical issues negatively impacted oil production.

Furthermore, deepwater operations generally, and operations in Africa, in particular, lack the physical and oilfield service infrastructure present in other regions. As a result, a significant amount of time may elapse between a deepwater discovery and the marketing of the associated oil and natural gas, increasing both the financial and operational risks involved with these operations. Because of the lack and high cost of this infrastructure, further discoveries we may make in Africa may never be economically producible.

In addition, in the event of a well control incident, containment and, potentially, cleanup activities for offshore drilling are costly. The resulting regulatory costs or penalties, and the results of third-party lawsuits, as well as associated legal and support expenses, including costs to address negative publicity, could well exceed the actual costs of containment and cleanup. As a result, a well control incident could result in substantial liabilities, and have a significant negative impact on our earnings, cash flows, liquidity, financial position, and stock price.

We had, and continue to have, disagreements with certain host governments and contractual counterparties regarding certain of our rights and responsibilities and may have future disagreements with our host governments and/or contractual counterparties.

There can be no assurance that future disagreements will not arise with any host government, national oil companies, and/or contractual counterparties that may have a material adverse effect on our exploration, development or production activities, our ability to operate, our rights under our licenses and local laws or our rights to monetize our interests, but if such disagreements do arise we intend to vigorously dispute them if necessary.

As an example, multiple discovered fields and a significant portion of our proved reserves are located offshore Ghana. The WCTP petroleum contract, the DT petroleum contract and the Jubilee UUOA cover the two blocks and the Jubilee and TEN fields that form the basis of our current operations in Ghana. Pursuant to these petroleum contracts, most significant decisions, including our plans for development and annual work programs, must be approved by GNPC, the Petroleum Commission and/or Ghana's Ministry of Energy. We have previously had disagreements with the Ministry of Energy, GNPC, and the Ghana Revenue Authority (the "GRA") regarding certain of our rights and responsibilities under these petroleum contracts, the 1984 Ghanaian Petroleum Law and the Internal Revenue Act, 2000 (Act 592) (the "Ghanaian Tax Law"). For example, these included disagreements over sharing information with prospective purchasers of our interests, pledging our interests to finance our development activities, potential liabilities arising from discharges of small quantities of drilling fluids into Ghanaian territorial waters, the failure to approve the proposed sale of our Ghanaian assets, assertions that could be read to give rise to taxes or other payments payable under the Ghanaian Tax Law, failure to approve PoDs relating to certain discoveries offshore Ghana and the relinquishment of certain exploration areas on our licensed blocks offshore Ghana. The resolution of certain of these disagreements required us to pay agreed settlement costs to GNPC and/or the government of Ghana. In Ghana, as part of its normal course audit process the GRA has asserted that we have underpaid certain tax and other contractual fiscal obligations. We believe that these claims are without merit and we intend to vigorously dispute them if necessary, but there can be no assurance regarding the resolution of these or future disagreements.

Additionally, to optimize the commercial value of sales for the gas production from the first phase of Greater Tortue Ahmeyim, Kosmos has commenced a process with prospective buyers to utilize existing contractual rights under our existing Tortue Phase 1 SPA to potentially sell cargos in order to benefit from the robust gas price outlook, while meeting our contractual obligations to BPGM. BPGM has disagreed with our position, and the parties have agreed to pursue international arbitration to interpret the relevant terms of the SPA.

The geographic locations of our licenses in Africa and the U.S. Gulf of Mexico subject us to a risk of loss of revenue or curtailment of production from factors specifically affecting those areas.

A large portion of our current exploration licenses are located in Africa and, following our acquisition of Anadarko WCTP, a significant proportion of our total production comes from the Jubilee Unit Area and TEN fields offshore Ghana. Some or all of these licenses could be affected should any region experience any of the following factors (among others):

- severe weather, natural or man-made disasters or acts of God;
- delays or decreases in production, the availability of equipment, facilities, personnel or services;
- delays or decreases in the availability of capacity to transport, gather or process production;
- military conflicts, civil unrest or political strife; and/or
- international border disputes.

For example, oil and natural gas operations in our license areas in Africa may be subject to higher political and security risks than those operations under the sovereignty of the United States.

We plan to maintain insurance coverage for only a portion of the risks we face from doing business in these regions. There also may be certain risks covered by insurance where the policy does not reimburse us for all of the costs related to a loss. Further, as many of our licenses are concentrated in the same geographic area, a number of our licenses could experience the same conditions at the same time, resulting in a relatively greater impact on our results of operations than they might have on other companies that have a more diversified portfolio of licenses.

Risks Relating to our Business and Financial Condition

A substantial or extended decline in both global and local oil and natural gas prices may adversely affect our business, financial condition and results of operations.

The prices that we will receive for our oil and natural gas will significantly affect our revenue, profitability, access to capital and future growth rate. Historically, the oil and natural gas markets have been volatile and will likely continue to be volatile in the future. Oil and natural gas prices experienced significant volatility in the past few years and will likely continue to be volatile in the future. For example, Russia's invasion of Ukraine, the impacts of the ongoing COVID-19 pandemic, a potential global recession and other varying macroeconomic conditions and the effects on demand for oil and natural gas has resulted in significant variations in oil and natural gas prices. The prices that we will receive for our production and the levels of our production depend on numerous factors. These factors include, but are not limited to, the following:

- changes in supply and demand for oil and natural gas;
- the actions of the Organization of the Petroleum Exporting Countries;
- speculation as to the future price of oil and natural gas and the speculative trading of oil and natural gas futures contracts;
- global economic conditions;
- political and economic conditions, including embargoes in oil-producing countries or affecting other oil-producing activities, particularly in the Middle East, Africa, Russia and Central and South America;
- the continued threat of terrorism and the impact of military and other action, including U.S. military operations outside the United States;
- the level of global oil and natural gas exploration and production activity;
- the level of global oil inventories and oil refining capacities;
- weather conditions and natural or man-made disasters;
- technological advances affecting energy consumption;
- governmental regulations and taxation policies;
- proximity and capacity of transportation facilities;

- the development and exploitation of alternative fuels or energy sources;
- the price and availability of competitors' supplies of oil and natural gas; and
- the price, availability or mandated use of alternative fuels or energy sources.

Lower oil prices may not only reduce our revenues but also may limit the amount of oil that we can produce economically. A substantial or extended decline in oil and natural gas prices may materially and adversely affect our future business, financial condition, results of operations, liquidity or ability to finance planned capital expenditures. Additionally, a substantial or extended decline in oil and natural gas prices could result in surety companies seeking additional collateral to support existing surety or performance bonds, such as cash or letters of credit, and we cannot provide assurance that we will be able to satisfy such collateral demands. If we are required to provide collateral in the form of cash or letters of credit, our liquidity position could be negatively impacted and we may be required to seek alternative financing. To the extent we are unable to secure adequate financing or obtain surety or performance bonds on commercially reasonable terms, we may be forced to reduce our capital expenditures. These factors may make it more difficult for us to obtain the financial assurances required by the BOEM to conduct operations in the U.S. Gulf of Mexico. These difficulties could result in increased costs on our operations and consequently have a material adverse effect on our business and results of operations.

Our business plan requires substantial additional capital, which we may be unable to raise on acceptable terms or at all in the future, which may in turn limit our ability to develop our exploration, appraisal, development and production activities.

We expect our capital outlays and operating expenditures to be substantial as we expand our operations. Obtaining seismic data, as well as exploration, appraisal, development and production activities entail considerable costs, and we may need to raise substantial additional capital through additional debt financing, strategic alliances or future private or public equity offerings if our cash flows from operations, or the timing of, are not sufficient to cover such costs.

Our future capital requirements will depend on many factors, including:

- the scope, rate of progress and cost of our exploration, appraisal, development and production activities;
- the success of our exploration, appraisal, development and production activities;
- oil and natural gas prices;
- our ability to locate and acquire hydrocarbon reserves;
- our ability to produce oil or natural gas from those reserves;
- the terms and timing of any drilling and other production-related arrangements that we may enter into;
- the cost and timing of governmental approvals and/or concessions;
- the effects of competition by other companies operating in the oil and gas industry; and
- potential changes in investor and public preferences and sentiment towards ESG considerations including climate change and the transition to a lower carbon economy.

We do not currently have any commitments for future external funding beyond the capacity of our commercial debt facility and revolving credit facility. Additional financing may not be available on favorable terms, or at all. Even if we succeed in selling additional equity securities to raise funds, at such time the ownership percentage of our existing shareholders would be diluted, and new investors may demand rights, preferences or privileges senior to those of existing shareholders. If we raise additional capital through debt financing, the financing may involve covenants that restrict our business activities. If we choose to farm-out interests in our licenses, we would dilute our ownership interest subject to the farm-out and any potential value resulting therefrom, and may lose operating control or influence over such license areas.

Assuming we are able to commence exploration, appraisal, development and production activities or successfully exploit our licenses during the exploratory term, our interests in our licenses (or the development/production area of such licenses as they existed at that time, as applicable) could extend beyond the term set for the exploratory phase of the license to a fixed period or life of production, depending on the jurisdiction. If we are unable to meet our well commitments and/or declare commerciality of the prospective areas of our licenses during this time, we may be subject to significant potential forfeiture of all or part of the relevant license interests. If we are not successful in raising additional capital, we may be unable to continue our exploration and production activities or successfully exploit our license areas, and we may lose the rights to develop these

areas. See "—Under the terms of certain of our license agreements, we are contractually obligated to drill wells and declare any discoveries in order to retain exploration and production rights. In the competitive market for our license areas, failure to declare any discoveries and thereby establish development areas may result in substantial license renewal costs or loss of our interests in the undeveloped parts of our license areas, which may include certain of our prospects or undeveloped discoveries."

All of our proved reserves, oil production and cash flows from operations are currently associated with our licenses offshore Ghana, Equatorial Guinea, Mauritania, Senegal and the U.S. Gulf of Mexico. Should any event occur which adversely affects such proved reserves, oil production and cash flows from these licenses, including, without limitation, any event resulting from the risks and uncertainties outlined in this "Risk Factors" section, our business, financial condition, results of operations, liquidity or ability to finance planned capital expenditures may be materially and adversely affected.

We may be required to take write-downs of the carrying values of our oil and natural gas assets due to decreases in the estimated future net cash flows from our operations, which may occur as a result of decreases in oil and natural gas prices, poor field performance, increased expenditures or changes in timing of investment, among other things, and such decreases could result in reduced availability under our corporate revolver, commercial debt facility, and GoM Term Loan.

We capitalize costs to acquire, find and develop our oil and natural gas properties under the successful efforts accounting method. Under such method, we are required to perform impairment tests on our assets periodically and whenever events or changes in circumstances warrant a review of our assets. Based on specific market factors and circumstances at the time of prospective impairment reviews, and the continuing evaluation of appraisal and development plans, production data, oil and natural gas prices, economics and other factors, we may be required to write down the carrying value of our oil and natural gas assets. A write-down constitutes a non-cash charge to earnings. For example, if there is a significant and sustained drop in oil and natural gas prices, field performance is not as expected, or we encounter increased expenditures, we may incur future write-downs and charges.

In addition, our borrowing base under the commercial debt facility is subject to periodic redeterminations. We could be forced to repay a portion of our borrowings under the commercial debt facility due to redeterminations of our borrowing base. Redeterminations may occur as a result of a variety of factors, including oil and natural gas commodity price assumptions, assumptions regarding future production from our oil and natural gas assets, operating costs and tax burdens or assumptions concerning our future holdings of proved reserves. If we are forced to do so, we may not have sufficient funds to make such repayments. If we do not have sufficient funds and are otherwise unable to negotiate renewals of our borrowings or arrange new financing, we may have to sell significant assets. Any such sale could have a material adverse effect on our business and financial results.

We face various risks associated with increased activism against, or change in public sentiment for, oil and gas exploration development, and production activities and ESG considerations, including climate change and the transition to a lower carbon economy.

Opposition toward oil and gas drilling, development, and production activity has been growing globally. Companies in the oil and gas industry are often the target of activist efforts from both individuals and non-governmental organizations and other stakeholders regarding safety, human rights, climate change, environmental matters, sustainability, and business practices. Anti-development activists are working to, among other things, delay or cancel certain operations such as offshore drilling and development.

Future activist efforts could result in the following:

- delay or denial of drilling permits;
- shortening of lease terms or reduction in lease size;
- restrictions or delays on our ability to obtain additional seismic data;
- restrictions on installation or operation of gathering or processing facilities;
- restrictions on the use of certain operating practices;
- legal challenges or lawsuits;
- pressure or requirements for more analysis and disclosure of environmental and climate change-related risks;

- damaging publicity about us;
- increased regulation;
- increased costs of doing business;
- reduced access to financing and hedging;
- reduction in demand for our products; and
- other adverse effects on our ability to develop our properties and/or undertake production operations.

Activism may continue to increase regardless of whether the Biden administration in the U.S. is perceived to be following, or actually follows, through on President Biden's campaign commitments to promote decreased fossil fuel exploration and production in the U.S., including as a result of President Biden's environmental and climate change executive orders described later in this 10-K in the risk factor titled "*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.*" Our need to incur costs associated with responding to these initiatives or complying with any resulting new legal or regulatory requirements resulting from these activities that are substantial and not adequately provided for, could have a material adverse effect on our business, financial condition and results of operations. In addition, a change in public sentiment regarding the oil and gas industry could result in a reduction in the demand for our products or otherwise affect our results of operations or financial condition.

The continued effects of the COVID-19 pandemic has, and outbreaks of other diseases may, adversely affect our business operations and financial condition.

The global spread of the COVID-19 pandemic, travel restrictions, "shelter-in-place" and various quarantine measures and other governmental actions taken to inhibit its spread, created significant volatility, uncertainty and economic disruption in the markets in which we operate, which affected our business and operations and those of our suppliers, contractors and partners. For example, during the height of COVID-19, which has since abated, certain contracts necessary for our ongoing exploration, development and production operations were suspended or terminated as a consequence of the pandemic, and the pandemic constrained our ability and the ability of our suppliers, contractors and partners to develop and implement effective plans to explore for oil and gas and to develop or produce certain of our license areas. In addition, the measures taken to combat the pandemic limited access to qualified personnel, increased costs associated with ensuring the safety and health of our personnel, restricted the transportation of personnel, equipment and supplies to and from our areas of operation, and they have diverted the time, attention and resources of government agencies that are necessary to conduct our operations.

Access to our FPSOs and other production facilities could also be restricted and/or suspended as result of COVID-19 or outbreaks of other diseases. Our FPSOs and production facilities are able to operate for short periods of time without access to the mainland, but if travel restrictions are imposed again, we and the operators of the impacted fields could be required to cease production and other operations until such restrictions were lifted. Any losses we experience as a result of COVID-19 or outbreaks of other diseases that impact sales or delay production may not be covered by our insurance policies.

The extent to which our future results are affected by COVID-19 will largely depend on future developments that cannot be accurately predicted. In addition, any adverse effect of the COVID-19 pandemic on our business, results of operations, financial condition and cash flows may heighten many of the other risks described in the "Risk Factors" section of this report.

Significant outbreaks of other contagious diseases, and other adverse public health developments, could have a material impact on our business operations and financial condition. Many of our operations are currently, and will likely remain in the near future, in developing countries which are susceptible to outbreaks of disease and may lack the resources to effectively contain such an outbreak quickly. Such outbreaks may impact our ability to explore for oil and gas, develop or produce our license areas by limiting access to qualified personnel, increasing costs associated with ensuring the safety and health of our personnel, restricting transportation of personnel, equipment, supplies and oil and gas production to and from our areas of operation and diverting the time, attention and resources of government agencies which are necessary to conduct our operations. In addition, any losses we experience as a result of such outbreaks of disease which impact sales or delay production may not be covered by our insurance policies.

An epidemic of the Ebola virus disease occurred in parts of West Africa in 2014 and continued through 2015. A substantial number of deaths were reported by the World Health Organization ("WHO") in West Africa, and the WHO declared

it a global health emergency. It is impossible to predict the effect and potential spread of new outbreaks of the Ebola virus or other viruses in West Africa and surrounding areas. Should another Ebola or other virus outbreak occur, including to the countries in which we operate, or not be satisfactorily contained, our exploration, development and production plans for our operations could be delayed, or interrupted after commencement. Any changes to these operations could significantly increase costs of operations. Our operations require contractors and personnel to travel to and from Africa as well as the unhindered transportation of equipment and oil and gas production (in the case of our producing fields). Such operations also rely on infrastructure, contractors and personnel in Africa. If travel bans are implemented or extended to the countries in which we operate, or contractors or personnel refuse to travel there, we could be adversely affected. If services are obtained, costs associated with those services could be significantly higher than planned which could have a material adverse effect on our business, results of operations, and future cash flow. In addition, should an Ebola or other virus outbreak spread to the countries in which we operate, access to the FPSOs could be restricted and/or terminated. The FPSOs are potentially able to operate for a short period of time without access to the mainland, but if restrictions extended for a longer period we and the operator of the impacted fields would likely be required to cease production and other operations until such restrictions were lifted.

These or any further political or governmental developments or health concerns could result in social, economic and labor instability. These uncertainties could have a material impact on our business operations and financial condition.

Deterioration in the credit or equity markets could adversely affect us.

We have exposure to different counterparties. For example, we have entered or may enter into transactions with counterparties in the financial services industry, including commercial banks, investment banks, insurance companies, investment funds, and other institutions. These transactions expose us to credit risk in the event of default by our counterparty. Deterioration in the credit markets may impact the credit ratings of our current and potential counterparties and affect their ability to fulfill existing obligations to us and their willingness to enter into future transactions with us. We may have exposure to these financial institutions through any derivative transactions we have or may enter into. Moreover, to the extent that purchasers of our future production, if any, rely on access to the credit or equity markets to fund their operations, there is a risk that those purchasers could default in their contractual obligations to us if such purchasers were unable to access the credit or equity markets for an extended period of time.

We may incur substantial losses and become subject to liability claims as a result of future oil and natural gas operations, for which we may not have adequate insurance coverage.

We intend to maintain insurance against certain risks in the operation of the business we plan to develop and in amounts in which we believe to be reasonable. Such insurance, however, may contain exclusions and limitations on coverage or may not be available at a reasonable cost or at all. We may elect not to obtain insurance if we believe that the cost of available insurance is excessive relative to the risks presented. Losses and liabilities arising from uninsured and underinsured events could materially and adversely affect our business, financial condition and results of operations. Further, even in instances where we maintain adequate insurance coverage, potential delays related to receipt of insurance proceeds as well as delays associated with the repair or rebuilding of damaged facilities could also materially and adversely affect our business, financial condition and results of operations.

Slower global economic growth rates may materially adversely impact our operating results and financial position.

Market volatility and reduced consumer demand due to inflationary pressures or otherwise may increase economic uncertainty. Global economic growth drives demand for energy from all sources, including hydrocarbons. A lower future economic growth rate is likely to result in decreased demand growth for crude oil and natural gas production. A decrease in demand, notwithstanding impacts from other factors, could potentially result in lower commodity prices, which would reduce our cash flows from operations, our profitability and our liquidity and financial position.

Increased costs and availability of capital could adversely affect our business.

Our business and operating results can be harmed by factors such as the availability, terms and cost of capital, increases in interest rates or a reduction in credit rating. Changes in any one or more of these factors could cause our cost of doing business to increase, limit our access to capital, limit our ability to pursue acquisition opportunities, reduce our cash flows available for drilling and place us at a competitive disadvantage. Recent and continuing disruptions and volatility in the global financial markets and a potential global recession which have lead to an increase in interest rates during 2022 or a contraction in credit availability impacting our ability to finance our operations. We require continued access to capital. A significant reduction in the availability of credit could materially and adversely affect our ability to achieve our planned growth and operating results.

Our derivative activities could result in financial losses or could reduce our income.

To achieve more predictable cash flows and to reduce our exposure to adverse fluctuations in the prices of oil and natural gas, we have and may in the future enter into derivative arrangements for a portion of our oil and natural gas production, including, but not limited to, puts, collars and fixed-price swaps. In addition, we may in the future, hold swaps designed to hedge our interest rate risk. We do not currently designate any of our derivative instruments as hedges for accounting purposes and record all derivative instruments on our balance sheet at fair value. Changes in the fair value of our derivative instruments are recognized in earnings. Accordingly, our earnings may fluctuate significantly as a result of changes in the fair value of our derivative instruments.

Derivative arrangements also expose us to the risk of financial loss in some circumstances, including when:

- production is less than the volume covered by the derivative instruments;
- the counter-party to the derivative instrument defaults on its contract obligations; or
- there is an increase in the differential between the underlying price and actual prices received in the derivative instrument.

These types of derivative arrangements may limit the benefit we could receive from increases in the prices for oil and natural gas or beneficial interest rate fluctuations and may expose us to cash margin requirements. In addition, a reduction in our ability to access credit could reduce our ability to implement derivative arrangements on commercially reasonable terms.

Our commercial debt facility, revolving credit facility, the indentures governing our Senior Notes and our GoM Term Loan contain certain covenants that may inhibit our ability to make certain investments, incur additional indebtedness and engage in certain other transactions, which could adversely affect our ability to meet our future goals.

Our commercial debt facility, revolving credit facility, the indentures governing our Senior Notes and our GoM Term Loan include certain covenants that, among other things, restrict:

- our investments, loans and advances and certain of our subsidiaries' payment of dividends and other restricted payments;
- our incurrence of additional indebtedness;
- the granting of liens, other than liens created pursuant to the commercial debt facility, revolving credit facility, the indentures governing our Senior Notes or the GoM Term Loan and certain permitted liens;
- mergers, consolidations and sales of all or a substantial part of our business or licenses;
- the hedging, forward sale or swap of our production of crude oil or natural gas or other commodities;
- the sale of assets (other than production sold in the ordinary course of business); and
- in the case of the commercial debt facility, the revolving credit facility and the GoM Term Loan, our capital expenditures that we can fund with the proceeds of our commercial debt facility, revolving credit facility and GoM Term Loan.

Our commercial debt facility, revolving credit facility and GoM Term Loan require us to maintain certain financial ratios, such as debt service coverage ratios and cash flow coverage ratios. All of these restrictive covenants may limit our ability to move funds among our subsidiaries, operate our business, or expand or pursue our business strategies. Our ability to comply with these and other provisions of our commercial debt facility, revolving credit facility, the indentures governing our Senior Notes and our GoM Term Loan may be impacted by changes in economic or business conditions, our results of operations or events beyond our control. The breach of any of these covenants could result in a default under our commercial debt facility, revolving credit facility, the indentures governing our Senior Notes and our GoM Term Loan, in which case, depending on the actions taken by the lenders thereunder or their successors or assignees, such lenders could elect to declare all amounts borrowed under such debt instruments, together with accrued interest, to be due and payable. If we were unable to repay such borrowings or interest, our lenders, successors or assignees could proceed against their collateral. If the indebtedness under our commercial debt facility, revolving credit facility, the indentures governing our Senior Notes and our GoM Term Loan were to be accelerated, our assets may not be sufficient to repay in full such indebtedness. In addition, the limitations imposed by such

debt instruments on our ability to incur additional debt and to take other actions might significantly impair our ability to obtain other financing.

Provisions of our Senior Notes could discourage an acquisition of us by a third-party.

Certain provisions of the indentures governing our Senior Notes could make it more difficult or more expensive for a third-party to acquire us, or may even prevent a third-party from acquiring us. For example, upon the occurrence of a "change of control triggering event" (as defined in the indentures governing our Senior Notes), holders of the notes will have the right, at their option, to require us to repurchase all of their notes or any portion of the principal amount of such notes. By discouraging an acquisition of us by a third-party, these provisions could have the effect of depriving the holders of our common stock of an opportunity to sell their common stock at a premium over prevailing market prices.

Our level of indebtedness may increase and thereby reduce our financial flexibility.

At December 31, 2022, we had $0.6 billion outstanding and $618.0 million of committed undrawn available capacity under our commercial debt facility, subject to borrowing base availability. As of December 31, 2022, there were no borrowings outstanding under the Corporate Revolver and the undrawn availability was $250.0 million. As of December 31, 2022, we had $1.5 billion principal amount of Senior Notes outstanding and $145 million outstanding under the GoM Term Loan. In the future, we also may incur significant off-balance sheet obligations and/or significant indebtedness in order to make investments or acquisitions or to explore, appraise or develop our oil and natural gas assets.

Our level of indebtedness could affect our operations in several ways, including the following:

- a significant portion or all of our cash flows, when generated, could be used to service our indebtedness;
- a high level of indebtedness could increase our vulnerability to general adverse economic and industry conditions;
- the covenants contained in the agreements governing our outstanding indebtedness will limit our ability to borrow additional funds, dispose of assets, pay dividends and make certain investments;
- a high level of indebtedness may place us at a competitive disadvantage compared to our competitors that are less leveraged and therefore, may be able to take advantage of opportunities that our indebtedness could prevent us from pursuing;
- our debt covenants may also affect our flexibility in planning for, and reacting to, changes in the economy and in our industry;
- additional hedging instruments may be required as a result of our indebtedness;
- a high level of indebtedness may make it more likely that a reduction in our borrowing base following a periodic redetermination could require us to repay a portion of our then-outstanding bank borrowings; and
- a high level of indebtedness may impair our ability to obtain additional financing in the future for working capital, capital expenditures, acquisitions, general corporate or other purposes.

A high level of indebtedness increases the risk that we may default on our debt obligations. Our ability to meet our debt obligations and to reduce our level of indebtedness depends on our future economic performance. General economic conditions, risks associated with exploring for and producing oil and natural gas, oil and natural gas prices and financial, business and other factors affect our operations and our future economic performance. Many of these factors are beyond our control. We may not be able to generate sufficient cash flows to pay the interest on our indebtedness and future working capital, borrowings or equity financing may not be available to pay or refinance such indebtedness. Factors that will affect our ability to raise cash through an offering of our equity securities or a refinancing of our indebtedness include financial market conditions, the value of our assets and our performance at the time we need capital.

We are a holding company and our ability to make payments on our outstanding indebtedness, including our Senior Notes and our commercial debt facility, is dependent upon the receipt of funds from our subsidiaries by way of dividends, fees, interest, loans or otherwise.

We are a holding company, and our subsidiaries own all of our assets and conduct all of our operations. Accordingly, our ability to make payments of interest and principal on the Senior Notes and the commercial debt facility will be dependent on the generation of cash flow by our subsidiaries and their ability to make such cash available to us, by dividend, debt

repayment or otherwise. Unless they are guarantors, our subsidiaries will not have any obligation to pay amounts due on the Senior Notes or to make funds available for that purpose. Our subsidiaries may not be able to, or may not be permitted to, make distributions to enable us to make payments in respect of the Senior Notes or the commercial debt facility. Each subsidiary is a distinct legal entity and, under certain circumstances, legal and contractual restrictions may limit our ability to obtain cash from our subsidiaries. The indentures governing our Senior Notes limits the ability of our subsidiaries to incur consensual encumbrances or restrictions on their ability to pay dividends or make other intercompany payments to us, with significant qualifications and exceptions. In addition, the terms of the commercial debt facility limit the ability of the obligors thereunder, including our material operating subsidiaries that hold interests in our assets located offshore Ghana and Equatorial Guinea and their intermediate parent companies to provide cash to us through dividend, debt repayment or intercompany lending. In the event that we do not receive distributions from our subsidiaries, we may be unable to make required principal and interest payments on our indebtedness, including the Senior Notes and the commercial debt facility.

We may be subject to risks in connection with acquisitions and the integration of significant acquisitions may be difficult.

We periodically evaluate acquisitions of prospects and licenses, reserves and other strategic transactions that appear to fit within our overall business strategy. The successful acquisition of these assets or businesses requires an assessment of several factors, including:

- recoverable reserves;
- future oil and natural gas prices and their appropriate differentials;
- development and operating costs; and
- potential environmental and other liabilities.

The accuracy of these assessments is inherently uncertain. In connection with these assessments, we perform a review of the subject assets that we believe to be generally consistent with industry practices. Our review will not reveal all existing or potential problems nor will it permit us to become sufficiently familiar with the assets to fully assess their deficiencies and potential recoverable reserves. Inspections may not always be performed on every well, and environmental problems are not necessarily observable even when an inspection is undertaken. Even when problems are identified, the seller may be unwilling or unable to provide effective contractual protection against all or part of the problems. We may not be entitled to contractual indemnification for environmental liabilities and could acquire assets on an “as is” basis. Significant acquisitions and other strategic transactions may involve other risks, including:

- diversion of our management’s attention to evaluating, negotiating and integrating significant acquisitions and strategic transactions;
- the challenge and cost of integrating acquired operations, information management and other technology systems and business cultures with those of ours while carrying on our ongoing business;
- difficulty associated with coordinating geographically separate organizations; and
- the challenge of attracting and retaining personnel associated with acquired operations.

The process of integrating operations could cause an interruption of, or loss of momentum in, the activities of our business. Members of our senior management may be required to devote considerable amounts of time to this integration process, which will decrease the time they will have to manage our business. If our senior management is not able to effectively manage the integration process, or if any significant business activities are interrupted as a result of the integration process, our business could suffer.

If we fail to realize the anticipated benefits of a significant acquisition, our results of operations may be adversely affected.

The success of a significant acquisition (such as our 2018 acquisition of Deep Gulf Energy) will depend, in part, on our ability to realize anticipated growth opportunities from combining the acquired assets or operations with those of ours. Even if a combination is successful, it may not be possible to realize the full benefits we may expect in estimated proved reserves, production volume, cost savings from operating synergies or other benefits anticipated from an acquisition or realize these benefits within the expected time frame. Anticipated benefits of an acquisition may be offset by operating losses relating to changes in commodity prices, increased interest expense associated with debt incurred or assumed in connection with the transaction, adverse changes in oil and gas industry conditions, or by risks and uncertainties relating to the exploratory prospects of the combined assets or operations, or an increase in operating or other costs or other difficulties, including the

assumption of health, safety, and environmental or other liabilities in connection with the acquisition. If we fail to realize the benefits we anticipate from an acquisition, our results of operations may be adversely affected.

A cyber incident, including a breach of digital security, could result in information theft, data corruption, operational disruption, and/or financial loss.

The oil and gas industry has become increasingly dependent on digital technologies to conduct day-to-day operations including certain exploration, development and production activities. For example, software programs are used to interpret seismic data, manage drilling rigs, conduct reservoir modeling and reserves estimation, and to process and record financial and operating data.

We depend on digital technology, including information systems and related infrastructure as well as cloud application and services, to process and record financial and operating data, communicate with our employees and business partners, analyze seismic and drilling information, estimate quantities of oil and gas reserves and for many other activities related to our business. Our business partners, including vendors, service providers, co-venturers, purchasers of our production, and financial institutions, are also dependent on digital technology. The complexity of the technologies needed to explore for and develop oil and gas in increasingly difficult physical environments, such as deepwater, and global competition for oil and gas resources make certain information more attractive to thieves.

As dependence on digital technologies has increased, cyber incidents, including deliberate attacks or unintentional events, have also increased. A cyber-attack could include gaining unauthorized access to digital systems for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption, or result in denial-of-service on websites. For example, in 2021, the Colonial Pipeline was subject to a ransomware attack that disabled the pipeline for several days, affecting consumers throughout the eastern coast of the United States. A number of U.S. companies have also been subject to cyber-attacks in recent years resulting in unauthorized access to sensitive information and operational disruptions. Certain countries are believed to possess cyber warfare capabilities and are credited with attacks on American companies and government agencies.

Our technologies, systems, networks, and those of our business partners may become the target of cyber-attacks or information security breaches that could result in the unauthorized release, gathering, monitoring, misuse, loss or destruction of proprietary and other information, or other disruption of our business operations. In addition, certain cyber incidents, such as surveillance, may remain undetected for an extended period. A cyber incident involving our information systems and related infrastructure, or that of our business partners, could disrupt our business plans, harm our reputation and negatively impact our operations. We expect to maintain insurance against some, but not all, of these risks and losses. The occurrence of any of these events, whether or not covered by insurance, could have a material adverse effect on our financial position and results of operations. Although to date we have not experienced any significant cyber-attacks, there can be no assurance that we will not be the target of cyber-attacks in the future or suffer such losses related to any cyber-incident. As cyber threats continue to evolve, we may be required to expend significant additional resources to continue to modify or enhance our protective measures or to investigate and remediate any information security vulnerabilities.

Our ability to utilize net operating loss carryforwards may be subject to certain limitations.

Our ability to use our federal net operating losses to offset potential future taxable income and related income taxes that would otherwise be due is dependent upon our generation of future taxable income and we cannot predict with certainty when, or whether, we will generate sufficient taxable income to use all of our net operating losses. In addition, Section 382 of the Internal Revenue Code of 1986, as amended (the “Code”), contains rules that impose an annual limitation on the ability of a company with federal net operating loss carryforwards that undergoes an ownership change, which is generally any change in ownership of more than 50% of its stock (by value) over a three-year period, to utilize its federal net operating loss carryforwards in years after the ownership change. These rules generally operate by focusing on ownership changes among holders owning directly or indirectly 5% or more of the shares of stock of a company or any change in ownership arising from a new issuance of shares of stock by such company.

If we were to undergo an ownership change as a result of future transactions involving our common stock, including a follow-on offering of our common stock or purchases or sales of common stock between 5% holders, our ability to use our federal net operating loss carryforwards may be subject to limitation under Section 382 of the Code. If our federal net operating losses become subject to the limitation under Section 382 of the Code, we may be unable to fully utilize our federal net operating loss carryforwards to offset our taxable income, if any, in future years, which could have a negative impact on our financial position and results of operations.

In addition to the aforementioned federal income tax implications pursuant to Section 382 of the Code, most states follow the general provisions of Section 382 of the Code, either explicitly or implicitly resulting in separate state net operating loss limitations. Any limitation on our ability to use our state net operating loss carryforwards could also have a negative impact on our financial position and results of operations.

Changes in the method of determining LIBOR, or the replacement of LIBOR with an alternative reference rate, may adversely affect interest expense related to outstanding debt.

On July 27, 2017, the Financial Conduct Authority in the United Kingdom announced that it would no longer persuade or compel panel banks to submit the rates required to calculate LIBOR after the end of 2023. The announcement indicates that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2023. The continued existence of LIBOR after 2023, therefore, remains highly uncertain. While various governmental working groups are pursuing replacement rates, if LIBOR ceases to exist, we may need to renegotiate certain contracts or agreements and may not be able to do so on terms that are favorable to us.

Risks Relating to Regulation

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.

Oil and natural gas exploration, development and production activities are directly and indirectly subject to political, economic, and environmental uncertainties (including but not limited to those resulting from government elections and changes in energy policies), changes in laws and policies governing operations of companies, expropriation of property, cancellation or modification of contract rights, revocation of consents, approvals or royalty regimes, obtaining various approvals from regulators, foreign exchange restrictions, currency fluctuations, royalty increases, implementation of a carbon tax or cap-and-trade program, increased laws and regulations around climate change, and other risks arising out of governmental sovereignty, as well as risks of loss due to civil strife, acts of war, guerrilla activities, terrorism, acts of sabotage, territorial disputes and insurrection.

For example, the Biden administration has taken a number of actions that may result in stricter environmental, health and safety standards applicable to our operations and those of the oil and gas industry more generally. The Biden Administration issued the “Executive Order on Tackling the Climate Crisis at Home and Abroad” on January 27, 2021 (the “Climate Change Executive Order”). This executive order directed the Secretary of the Interior to halt indefinitely new oil and natural gas leases on federal lands and offshore waters pending completion of a review by the Secretary of the Interior of federal oil and gas permitting and leasing practices in light of the Biden administration’s concerns regarding the impact of these activities on the environment and climate. The Secretary of the Interior completed its review of permitting and leasing practices in November 2021 and issued a report recommending, among other things, an increase in royalty rates and financial assurance requirements. Litigation challenging the Climate Change Executive Order’s pause on new oil and gas leases commenced soon after the order was issued; this litigation is ongoing. However, in August 2022, the Inflation Reduction Act was passed by the U.S. Congress, and included provisions which required the DOI to hold previously announced offshore lease sales in the Gulf of Mexico and Alaska within two years. The BOEM has proposed for Lease Sale 259 to occur in March 2023. Nonetheless, in light of the litigation described above, there can be no assurance that Lease Sale 259 will go ahead as planned. In addition, the Climate Change Executive Order, among other things, establishes climate conditions as an essential element of U.S. foreign policy; establishes a White House office and a climate task force to coordinate and implement the Biden Administration’s domestic climate change agenda; directs federal agencies to procure carbon pollution-free electricity and zero-emission vehicles; eliminate fossil fuel subsidies as consistent with applicable law; identifies a goal of a carbon pollution-free power sector by 2035 and a net-zero emissions U.S. economy by 2050; and commits to a goal of conserving at least 30 percent of federal lands and oceans by 2030. Separately, in April 2021, President Biden announced a goal of reducing the United States’ greenhouse gas emissions by 50-52% below 2005 levels by 2030.

In addition, President Biden signed another executive order on January 20, 2021, titled “Executive Order on Protecting Public Health and the Environment and Restoring Science to Tackle the Climate Crisis” (the “Health and Environment Executive Order”), which among other things calls for a review of regulations and other executive actions promulgated, issued or adopted during the prior Presidential administration to assess whether they are, in the view of the Biden Administration, sufficiently protective of public health and the environment, including with respect to climate change, and consistent with science. The order also specifically calls for consideration of new regulations regarding methane emissions in the oil and gas sector, reassessment of decisions made by the prior administration limiting the size of certain national monuments, and incorporation of the impact of GHG emissions (known as the “social cost of carbon”) in decision making by federal agencies. These actions and any future changes to applicable environmental, health and safety, regulatory and legal requirements promulgated by the current Presidential administration and Congress may restrict our access to additional acreage and new leases in the deepwater U.S. Gulf of Mexico or lead to limitations or delays on our ability to secure additional permits to drill

and develop our acreage and leases or otherwise lead to limitations on the scope of our operations, or may lead to increases to our compliance costs. The potential impacts these changes on our future consolidated financial condition, results of operations or cash flows cannot be predicted.

In addition, we are subject both to uncertainties in the application of the tax laws in the countries in which we operate and to possible changes in such tax laws (or the application thereof), each of which could result in an increase in our tax liabilities. These risks may be higher in the developing countries in which we conduct a majority of our activities, as is the case in Ghana, where the GRA has disputed certain tax deductions we had claimed in prior fiscal years' Ghanaian tax returns as non-allowable under the terms of the Ghanaian Petroleum Income Tax Law, as well as non-payment of certain transactional taxes, contractual fiscal obligations and other payments. We have faced, and continue to face, similar tax related disputes with the Senegal, Mauritania, and Equatorial Guinea Tax Administration.

Additionally, monetary sector reform initiatives in the West African Monetary Union and the Central African Economic and Monetary Union, such as through the implementation of Regulation 02/18/ECMAC/UMAC/CM by the Bank of Central African States could restrict or prevent payments being made in a foreign currency; impose restrictions on offshore and onshore foreign currency accounts; and/or restrict or prevent the repatriation of revenues and debt proceeds. The implementation or realization of any of the foregoing could have an adverse impact on our financial condition and results of operations.

In addition, we are subject to uncertainties surrounding the economies and fiscal health of the countries in which we operate. For example, the Republic of Ghana has recently been subject to ratings downgrades on its sovereign debt and has since reached a staff-level agreement with the International Monetary Fund on economic policies and reforms which, if successful, could result in a three-year arrangement of about $3.0 billion to support the objective of restoring public debt sustainability. Ratings downgrades such as this one in Ghana have affected the Company's own credit ratings due to concerns over revenue dependence on a single country. A significant reduction in the availability of credit could materially and adversely affect our ability to achieve our planned growth and operating results.

Our operations in these areas increase our exposure to risks of war, local economic conditions, political disruption, civil disturbance, expropriation, piracy, tribal conflicts and governmental policies that may:

- disrupt our operations;
- require us to incur greater costs for security;
- impact our credit ratings and ability to access capital;
- restrict the movement of funds or limit repatriation of profits;
- lead to U.S. government or international sanctions; or
- limit access to markets for periods of time.

Some countries in the geographic areas where we operate have experienced political instability in the past or are currently experiencing instability. Disruptions may occur in the future, and losses caused by these disruptions may occur that will not be covered by insurance. Consequently, our exploration, development and production activities may be substantially affected by factors which could have a material adverse effect on our results of operations and financial condition. Furthermore, in the event of a dispute arising from non-U.S. operations, we may be subject to the exclusive jurisdiction of courts outside the United States or may not be successful in subjecting non-U.S. persons to the jurisdiction of courts in the United States or international arbitration, which could adversely affect the outcome of such dispute.

Our operations may also be adversely affected by laws and policies of the jurisdictions, including the jurisdictions where our oil and gas operating activities are located as well as the United Kingdom and the Cayman Islands and other jurisdictions in which we do business, that affect foreign trade and taxation. Changes in any of these laws or policies or the implementation thereof could materially and adversely affect our financial position, results of operations and cash flows.

More comprehensive and stringent regulation in the U.S. Gulf of Mexico has materially increased costs and delays in offshore oil and natural gas exploration and production operations.

In the U.S. Gulf of Mexico, regulatory initiatives are continually developed and implemented at the federal level to prevent major well control incidents. The Department of Interior ("DOI") through the BOEM and the Bureau of Safety and

Environmental Enforcement (“BSEE”), has issued a variety of regulations and Notices to Lessees and Operators (“NTLs”), intended to impose additional safety, permitting and certification requirements applicable to exploration, development and production activities in the U.S. Gulf of Mexico. These regulatory initiatives effectively slowed down the pace of drilling and production operations in the U.S. Gulf of Mexico as adjustments were being made in operating procedures, certification requirements and lead times for inspections, drilling applications and permits, and exploration and production plan reviews, and as the federal agencies evolved into their present-day bureaus. On May 15, 2019, BSEE published a final rule with an effective date of July 15, 2019 that revises requirements for well design, well control, casing, cementing, real-time monitoring (RTM), and subsea containment. These revisions modify regulations pertaining to offshore oil and gas drilling, completions, workovers, and decommissioning in accordance with Executive and Secretary of the Interior's Orders. Key features of the well control regulations include requirements for blowout preventers (BOPs), double shear rams, third-party reviews of equipment, real time monitoring data, safe drilling margins, centralizers, inspections and other reforms related to well design and control, casing, cementing and subsea containment. For a discussion of recent drilling and climate change executive orders signed by President Biden, see the risk factor earlier in this 10-K titled “*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*.”

In addition to the array of new or revised safety, permitting and certification requirements developed and implemented by the DOI in the past few years, there have been a variety of proposals to change existing laws and regulations that could affect offshore development and production, such as, for example, a proposal to significantly increase the minimum financial responsibility demonstration required under the Oil Pollution Act of 1990. To the extent the existing regulatory initiatives implemented and pursued over the past few years or any future restrictions, whether through legislative or regulatory means or increased or broadened permitting and enforcement programs, foster uncertainties or delays in our offshore oil and natural gas development or exploration activities, then such conditions may have a material adverse effect on our business, financial condition and results of operations. Any other new rules, regulations or legal initiatives by BOEM or other governmental authorities, including as a result of the current Presidential administration, that impose more stringent requirements regarding financial assurances, moratoria on new leases or otherwise adversely affecting our offshore activities could result in increased costs. In particular, as noted above, the current Presidential administration supports limitations on oil and gas exploration and production on federal areas. These restrictions and similar restrictions that may be issued in the future may limit our operations and adversely impact our future financial results.

The oil and gas industry, including the acquisition of exploratory licenses, is intensely competitive and many of our competitors possess and employ substantially greater resources than us.

The oil and gas industry is highly competitive in all aspects, including the exploration for, and the development of, new license areas. We operate in a highly competitive environment for acquiring exploratory licenses and hiring and retaining trained personnel. Many of our competitors possess and employ financial, technical and personnel resources substantially greater than us, which can be particularly important in the areas in which we operate. These companies may be better able to withstand the financial pressures of unsuccessful drilling efforts, sustained periods of volatility in financial markets and generally adverse global and industry-wide economic conditions, and may be better able to absorb the burdens resulting from changes in relevant laws and regulations, which could adversely affect our competitive position. Our ability to acquire additional prospects and to find and develop reserves in the future will depend on our ability to evaluate and select suitable licenses and to consummate transactions in a highly competitive environment. Also, there is substantial competition for available capital for investment in the oil and gas industry. As a result of these and other factors, we may not be able to compete successfully in an intensely competitive industry, which could cause a material adverse effect on our results of operations and financial condition.

Participants in the oil and gas industry are subject to numerous laws, regulations, and other legislative instruments that can affect the cost, manner or feasibility of doing business.

Exploration and production activities in the oil and gas industry are subject to local laws and regulations. We may be required to make large expenditures to comply with governmental laws and regulations, particularly in respect of the following matters:

- licenses for drilling operations;
- tax increases, including retroactive claims;
- unitization of oil accumulations;
- local content requirements (including the mandatory use of local partners and vendors); and

- safety, health and environmental requirements, liabilities and obligations, including those related to remediation, investigation or permitting.

Under these and other laws and regulations, we could be liable for personal injuries, property damage and other types of damages. Failure to comply with these laws and regulations also may result in the suspension or termination of our operations and subject us to administrative, civil and criminal penalties. Moreover, these laws and regulations could change, or their interpretations could change, in ways that could substantially increase our costs. These risks may be higher in the developing countries in which we conduct a majority of our operations, where there could be a lack of clarity or lack of consistency in the application of these laws and regulations. Any resulting liabilities, penalties, suspensions or terminations could have a material adverse effect on our financial condition and results of operations.

For example, Ghana's Parliament has enacted the Petroleum Revenue Management Act, the Petroleum Commission Act of 2011, and the 2016 Ghanaian Petroleum Law. There can be no assurance that these laws will not seek to retroactively, either on their face or as interpreted, modify the terms of the agreements governing our license interests in Ghana, including the WCTP and DT petroleum contracts and the Jubilee UUOA, require governmental approval for transactions that effect a direct or indirect change of control of our license interests or otherwise affect our current and future operations in Ghana. Any such changes may have a material adverse effect on our business. We also cannot assure you that government approval will not be needed for direct or indirect transfers of our petroleum agreements or interests thereunder based on existing legislation.

We are subject to numerous health, safety and environmental laws and regulations which may result in material liabilities and costs.

We are subject to various international, foreign, federal, state and local health, safety and environmental laws and regulations governing, among other things, the emission and discharge of pollutants into the ground, air or water, the generation, storage, handling, use, transportation and disposal of regulated materials and the health and safety of our employees, contractors and communities in which our assets are located. We are required to obtain environmental permits from governmental authorities for our operations, including drilling permits for our wells. We maintain policies and processes to comply with these various permits and laws and regulations to which we are subject. If determined that we have violated or failed to comply with such requirements, we could be fined or otherwise sanctioned by regulators, including through the revocation of our permits or the suspension or termination of our operations. Additionally, there is a risk that such requirements could change in the future or become more stringent. If we fail to obtain, maintain or renew permits in a timely manner or at all (due to opposition from partners, community or environmental interest groups, governmental delays or other reasons), or if we face additional requirements imposed as a result of changes in or enactment of laws or regulations, such failure to obtain, maintain or renew permits or such changes in or enactment of laws or regulations could impede or affect our operations, which could have a material adverse effect on our results of operations and financial condition.

We, as an interest owner or as the designated operator of certain of our past, current and future interests, discoveries and prospects, could be held liable for some or all health, safety and environmental costs and liabilities arising out of our actions and omissions as well as those of our block partners, third-party contractors, predecessors or other operators. To the extent we do not address these costs and liabilities or if we do not otherwise satisfy our obligations, our operations could be suspended or terminated. We have contracted with and intend to continue to hire third parties to perform services related to our operations. There is a risk that we may contract with third parties with unsatisfactory health, safety and environmental records or that our contractors may be unwilling or unable to cover any losses associated with their acts and omissions. Accordingly, we could be held liable for all costs and liabilities arising out of their acts or omissions, which could have a material adverse effect on our results of operations and financial condition.

We are not fully insured against all risks and our insurance may not cover any or all health, safety or environmental claims that might arise from our operations or at any of our license areas. If a significant accident or other event occurs and is not covered by insurance, such accident or event could have a material adverse effect on our results of operations and financial condition.

We take measures to prevent the release of regulated substances. If a release of regulated substances were to occur, which may be significant, under certain environmental laws, we could be held responsible for all of the costs relating to any contamination at our current or former facilities and at any third-party waste disposal sites used by us or on our behalf. In addition, offshore oil and natural gas exploration and production involves various hazards, including human exposure to regulated substances, which include naturally occurring radioactive, and other materials. As such, we could be held liable for any and all consequences arising out of human exposure to such substances or for other damage resulting from the release of any regulated or otherwise hazardous substances to the environment, property or to natural resources, or affecting endangered species.

In addition, we expect continued and increasing attention to climate change issues and emissions of GHGs, including methane (a primary component of natural gas) and carbon dioxide (a byproduct of oil and natural gas combustion). For example, in April 2016, 195 nations, including Ghana, Mauritania, Sao Tome and Principe, Senegal and the United States, signed and officially entered into an international climate change accord (the "Paris Agreement"). The Paris Agreement calls for signatory countries to set their own GHG emissions targets, make these emissions targets more stringent over time and be transparent about the GHG emissions reporting and the measures each country will use to achieve its GHG targets. A long-term goal of the Paris Agreement is to limit global temperature increase to well below two degrees Celsius from temperatures in the pre-industrial era. The Paris Agreement is in effect a successor to the Kyoto Protocol, an international treaty aimed at reducing emissions of GHGs, to which various countries and regions, including Ghana, Mauritania, Sao Tome and Principe and Senegal, are parties. In 2012, the Kyoto Protocol was extended by amendment through 2020 in the so-called Doha Amendment, which entered into force in late December 2020 after the requisite number of parties ratified it in October 2020. In November 2022, the international community gathered in Egypt at the 27th Conference to the Parties on the UN Framework Convention on Climate Change ("COP27"), during which multiple announcements were made, including the EPA's announcement of more stringent revisions to previously proposed methane emissions rules for the oil and gas sector. The previously proposed rules, and EPA's November 2022 revisions, establish requirements for methane emissions from existing and modified oil and gas sources and impose additional requirements for new sources. In addition, in March 2022, the SEC proposed rules requiring disclosure of a range of climate change-related information, including, among other things, companies' climate change risk management; short- medium- and long-term climate-related financial risks; and disclosure of Scope 1, Scope 2 and (for certain companies) Scope 3 emissions. The SEC's proposed climate disclosure rules have not yet been finalized, but implementation of the rules as proposed could be costly and time consuming. It cannot be determined at this time what effect the Paris Agreement, COP27, the EPA's proposed methane emission rules, the SEC's proposed climate change disclosure rules and any other related GHG emissions targets, regulations, executive orders or other requirements, will have on our business, results of operations and financial condition. This legislative and regulatory uncertainty, however, could result in a disruption to our business or operations. For a discussion of recent environmental and climate change executive orders signed by President Biden, see the risk factor earlier in this 10-K titled "*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.*"

Health, safety and environmental laws and regulations are complex, change frequently and have tended to become increasingly stringent over time. Our costs of complying with current and future climate change, health, safety and environmental laws, the actions or omissions of our block partners and third-party contractors and our liabilities arising from releases of, or exposure to, regulated substances may adversely affect our results of operations and financial condition. See "Item 1. Business—Environmental Matters" for more information.

We may be exposed to assertions concerning or liabilities under the U.S. Foreign Corrupt Practices Act and other anti-corruption laws, and any such assertions or determination that we violated the U.S. Foreign Corrupt Practices Act or other such laws could result in significant costs to Kosmos and have a material adverse effect on our business.

We are subject to the U.S. Foreign Corrupt Practices Act ("FCPA") and other laws that prohibit improper payments or offers of payments to foreign government officials and political parties for the purpose of obtaining or retaining business or otherwise securing an improper business advantage. In addition, the United Kingdom has enacted the Bribery Act of 2010, and we may be subject to that legislation under certain circumstances. We do business and may do additional business in the future in countries and regions in which we may face, directly or indirectly, corrupt demands by officials. We face the risk of unauthorized payments or offers of payments by one of our employees, contractors or consultants. Our existing safeguards and any future improvements may prove to be less than effective in preventing such unauthorized payments, and our employees and consultants may engage in conduct for which we might be held responsible. Violations of the FCPA or other anti-corruption laws may result in severe criminal or civil sanctions, and we may be subject to other liabilities, which could negatively affect our business, operating results and financial condition. In addition, the U.S. government may seek to hold us liable for successor liability for FCPA violations committed by companies in which we invest in (for example, by way of acquiring equity interests in, participating as a joint venture partner with, acquiring the assets of, or entering into certain commercial transactions with) or that we acquire.

While we believe we maintain a robust compliance program (including policies, procedures, and controls) and corresponding compliance culture, from time-to-time assertions may be raised, including by media outlets or competitors, related to our operations or assets which, notwithstanding the lack of veracity of such assertions, may attract the interest of regulators or affect the market perception of Kosmos. On June 3, 2019, the BBC *Panorama* broadcast a television program, which included various assertions concerning the Cayar Offshore Profond and Saint Louis Offshore Profond Blocks offshore Senegal in which the Company holds interests, which we believe are inaccurate and misleading. We, BP (block operator) and the Government of Senegal all promptly issued independent statements strongly refuting these assertions. As noted in our statement, Kosmos conducted extensive pre-transaction due diligence, and we believe we acquired our interests in the blocks in compliance with applicable laws. After the program aired, certain government agencies requested that Kosmos voluntarily

provide information related to the Senegal blocks and other blocks. We have cooperated with these requests to ensure that these agencies have an accurate and complete understanding concerning the history of the blocks. After an extensive review lasting over three-years, the SEC informed us in December, 2022 that it had closed its investigation with no enforcement action recommended. There can be no assurance that other regulatory bodies will not make further regulatory inquiries or take other actions.

Federal regulatory law could have an adverse effect on our ability to use derivatives to reduce the effect of commodity price, interest rate and other risks associated with our business.

At times, we use derivatives, specifically cash-settled commodity options and interest rate swaps, to hedge risks associated with our business, including commodity price and interest rate risk. The Commodity Futures Trading Commission ("CFTC") has jurisdiction over derivatives, including swaps and cash-settled commodity options, which are regulated as swaps under the Commodity Exchange Act.

Of particular importance to us, the CFTC has implemented regulations that establish position limits for certain futures and economically equivalent swaps and require exchanges to do the same. Certain bona fide hedging positions are exempt from these position limits. As the relevant provisions of these rules for the Company are phased in over the next several years, they may increase costs or, if we are unable to meet the specific requirements of the relevant hedging exemption, we may be subject to certain position limits.

The CFTC has designated certain interest rate swaps for mandatory clearing and exchange trading. The CFTC has not yet proposed rules designating any other classes of swaps, including commodity swaps, for mandatory clearing or exchange trading. The application of the mandatory clearing and trade execution requirements may change the cost and availability of the swaps that the Company uses for hedging.

Swap dealers that we transact with need to comply with margin and segregation requirements for uncleared swaps. While our uncleared swaps are not directly subject to those margin requirements as a result of the fact that they are used by us for hedging purposes, due to the increased costs to dealers for transacting uncleared swaps in general, our costs for these transactions may increase.

The Commodity Exchange Act also requires certain of the counterparties to our derivatives instruments to be registered with the CFTC and be subject to substantial regulation. These requirements could significantly increase the cost of derivatives, reduce the availability of derivatives to protect against risks we encounter, and reduce our ability to monetize or restructure our existing derivatives. If we reduce our use of derivatives as a result of these regulations, our results of operations may become more volatile and our cash flows may be less predictable, which could adversely affect our ability to plan for and fund capital expenditures. Our revenues could also be adversely affected if a consequence of the legislation and regulations is to lower commodity prices.

The European Union and other non-U.S. jurisdictions have also implemented or are implementing similar regulations with respect to the derivatives market. To the extent we transact with counterparties in foreign jurisdictions, we or our transactions may become subject to such regulations. The impact of such regulations could be similar to those described above with respect to U.S. rules.

Any of these consequences could have a material adverse effect on our consolidated financial position, results of operations, or cash flows.

General Risk Factors

We are dependent on certain members of our management and technical team.

Our performance and success largely depend on the ability, expertise, judgment and discretion of our management and the ability of our technical team to identify, discover, evaluate, develop, and produce reserves. The loss or departure of one or more members of our management and technical team could be detrimental to our future success. Additionally, a significant amount of shares in Kosmos held by members of our management and technical team has vested. There can be no assurance that our management and technical team will remain in place. If any of these officers or other key personnel retires, resigns or becomes unable to continue in their present roles and is not adequately replaced, our results of operations and financial condition could be materially adversely affected. Our ability to manage our growth, if any, will require us to continue to train, motivate and manage our employees and to attract, motivate and retain additional qualified personnel. Competition for these

types of personnel is intense, and we may not be successful in attracting, assimilating and retaining the personnel required to grow and operate our business profitably.

We operate in a litigious environment.

Some of the jurisdictions within which we operate have proven to be litigious environments. Oil and gas companies, such as us, can be involved in various legal proceedings, such as title or contractual disputes, in the ordinary course of business.

From time to time, we may become involved in various legal and regulatory proceedings arising in the normal course of business. We cannot predict the occurrence or outcome of these proceedings with certainty, and if we are unsuccessful in these disputes and any loss exceeds our available insurance, this could have a material adverse effect on our results of operations.

Because we maintain a diversified portfolio of assets overseas, the complexity and types of legal procedures with which we may become involved may vary, and we could incur significant legal and support expenses in different jurisdictions. If we are not able to successfully defend ourselves, there could be a delay or even halt in our exploration, development or production activities or other business plans, resulting in a reduction in reserves, loss of production and reduced cash flows. Legal proceedings could result in a substantial liability and/or negative publicity about us and adversely affect the price of our common stock. In addition, legal proceedings distract management and other personnel from their primary responsibilities.

We face various risks associated with global populism.

Globally, certain individuals and organizations are attempting to focus public attention on income distribution, wealth distribution, and corporate taxation levels, and implement income and wealth redistribution policies. These efforts, if they gain political traction, could result in increased taxation on individuals and/or corporations, as well as, potentially, increased regulation on companies and financial institutions. Our need to incur costs associated with responding to these developments or complying with any resulting new legal or regulatory requirements, as well as any potential increased tax expense, could increase our costs of doing business, reduce our financial flexibility and otherwise have a material adverse effect on our business, financial condition and results of our operations.

Our share price may be volatile, and purchasers of our common stock could incur substantial losses.

Our share price may be volatile. The stock market in general has experienced extreme volatility that has often been unrelated to the operating performance of particular companies. The market price for our common stock may be influenced by many factors, including, but not limited to:

- the price of oil and natural gas;
- the success of our exploration and development operations, and the marketing of any oil and natural gas we produce;
- operational incidents;
- regulatory developments in the United States and foreign countries where we operate;
- the recruitment or departure of key personnel;
- quarterly or annual variations in our financial results or those of companies that are perceived to be similar to us;
- market conditions in the industries in which we compete and issuance of new or changed securities;
- analysts’ reports or recommendations;
- the failure of securities analysts to cover our common stock or changes in financial estimates by analysts;
- the inability to meet the financial estimates of analysts who follow our common stock;
- the issuance or sale of any additional securities of ours;
- investor perception of our company and of the industry in which we compete; and

- general economic, political and market conditions.

A substantial portion of our total issued and outstanding common stock may be sold into the market at any time. This could cause the market price of our common stock to drop materially, even if our business is doing well.

All of the shares sold in our public offerings are freely tradable without restrictions or further registration under the federal securities laws, unless purchased by our "affiliates" as that term is defined in Rule 144 under the Securities Act of 1933, as amended (the "Securities Act"). Substantially all of the remaining shares of common stock are restricted securities as defined in Rule 144 under the Securities Act (unless they have been sold pursuant to Rule 144 to date). Restricted securities may be sold in the U.S. public market only if registered or if they qualify for an exemption from registration, including by reason of Rule 144 or Rule 701 under the Securities Act. All of our restricted shares are eligible for sale in the public market, subject in certain circumstances to the volume, manner of sale limitations with respect to shares held by our affiliates and other limitations under Rule 144. Additionally, we have registered all our shares of common stock that we may issue under our employee benefit plans. These shares can be freely sold in the public market upon issuance, unless pursuant to their terms these share awards have transfer restrictions attached to them. Sales of a substantial number of shares of our common stock, or the perception in the market that the holders of a large number of shares intend to sell common stock, could reduce the market price of our common stock.

Holders of our common stock will be diluted if additional shares are issued.

We may issue additional shares of common stock, preferred shares, warrants, rights, units and debt securities for general corporate purposes, including, but not limited to, repayment or refinancing of borrowings, working capital, capital expenditures, investments and acquisitions. We continue to actively seek to expand our business through complementary or strategic acquisitions, and we may issue additional shares of common stock in connection with those acquisitions. We also issue restricted shares to our executive officers, employees and independent directors as part of their compensation. If we issue additional shares of common stock in the future, it may have a dilutive effect on our current outstanding shareholders.

Item 1B. Unresolved Staff Comments

Not applicable.

Item 2. Properties

See "Item 1. Business." We also have various operating leases for rental of office space, office and field equipment, and vehicles. See "Item 8. Financial Statements and Supplementary Data—Note 15—Commitments and Contingencies" for the future minimum rental payments. Such information is incorporated herein by reference.

Item 3. Legal Proceedings

From time to time, we may be involved in various legal and regulatory proceedings arising in the normal course of business. While we cannot predict the occurrence or outcome of these proceedings with certainty, we do not believe that an adverse result in any pending legal or regulatory proceeding, individually or in the aggregate, would be material to our consolidated financial condition or cash flows; however, an unfavorable outcome could have a material adverse effect on our results of operations for a specific interim period or year.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Common Stock Trading Summary

Our common stock is traded on the NYSE and LSE under the symbol KOS.

As of February 23, 2023, based on information from the Company's transfer agent, Computershare Trust Company, N.A., the number of holders of record of Kosmos' common stock was 120. On February 23, 2023, the last reported sale price of Kosmos' common stock, as reported on the NYSE, was $7.50 per share.

Kosmos does not currently pay a dividend. Any decision to pay dividends in the future is at the discretion of our Board of Directors and depends on our financial condition, results of operations, capital requirements and other factors that our Board of Directors deems relevant. Certain of our subsidiaries are currently restricted in their ability to pay dividends to us pursuant to the terms of the Senior Notes, the Facility, the Corporate Revolver, and the GoM Term Loan unless we meet certain conditions, financial and otherwise.

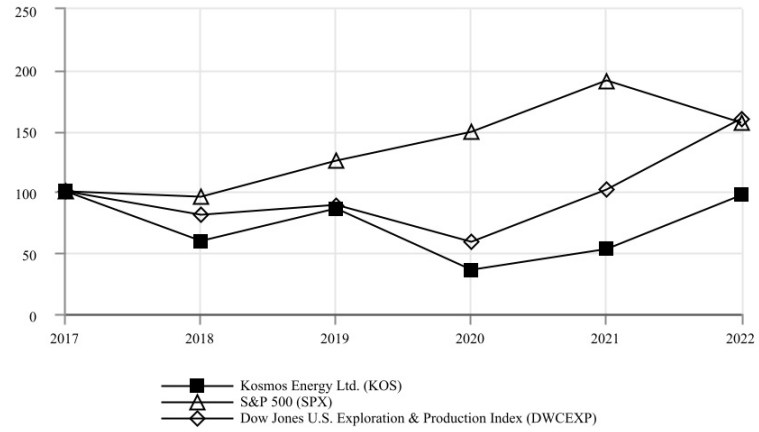
Issuer Purchases of Equity Securities

Under the terms of our LTIP, we have issued restricted share units to our employees. On the date that these restricted share units vest, we provide such employees the option to sell shares to cover their tax liability, via a net exercise provision pursuant to our applicable restricted share unit award agreements and the LTIP, at either the number of vested share units (based on the closing price of our common stock on such vesting date) equal to the minimum statutory tax liability owed by such grantee or up to the maximum statutory tax liability for such grantee. The Company may repurchase the restricted share units sold by the grantees to settle their tax liability. The repurchased share units are reallocated to the number of share units available for issuance under the LTIP.

Share Performance Graph

The following Performance Graph and related information shall not be deemed "soliciting material" or to be "filed" with the SEC, nor shall such information be incorporated by reference into any future filings under the Securities Act of 1933 or Securities Exchange Act of 1934, each as amended, except to the extent that the Company specifically incorporates it by reference into such filings.

The following graph illustrates changes over the five-year period ended December 31, 2022, in cumulative total stockholder return on our common stock as measured against the cumulative total return of the S&P 500 Index and the Dow Jones U.S. Exploration & Production Index. The graph tracks the performance of a $100 investment in our common stock and in each index (with the reinvestment of all dividends).



	December 31,					
	2017	2018	2019	2020	2021	2022
Kosmos Energy Ltd. (KOS)	$ 100.00	$ 59.40	$ 85.80	$ 36.00	$ 53.00	$ 97.30
S&P 500 (SPX)	100.00	95.60	125.70	148.80	191.50	156.80
Dow Jones U.S. Exploration & Production Index (DWCEXP)	100.00	80.70	89.00	58.90	101.60	159.80

Item 6. Selected Financial Data

See “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Item 8. Financial Statements and Supplementary Data” for consolidated financial information as of and for the three years ended December 31, 2022.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those discussed in the forward-looking statements as a result of various factors, including, without limitation, those set forth in "Cautionary Statement Regarding Forward-Looking Statements" and "Item 1A. Risk Factors." The following discussion of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and the notes thereto included elsewhere in this annual report on Form 10-K.

Overview

Kosmos is a full-cycle, deepwater, independent oil and gas exploration and production company focused along the offshore Atlantic Margins. Our key assets include production offshore Ghana, Equatorial Guinea and the U.S. Gulf of Mexico, as well as world-class gas projects offshore Mauritania and Senegal. We also pursue a proven basin exploration program in Equatorial Guinea and the U.S. Gulf of Mexico.

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

Recent Developments

Corporate

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 million to $250 million and extends the maturity date from May 2022 to the end of 2024. In anticipation of the cessation of the LIBOR, as part of the refinancing, interest for the Corporate Revolver was linked to the 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. In November 2022, we amended the Corporate Revolver and the Facility to update the interest rate benchmark under the Facility from LIBOR to term SOFR and to update the interest rate benchmark under the Corporate Revolver from compounded SOFR to term SOFR, each change to be effective as of April 19, 2023. The Corporate Revolver was also amended to reflect that The Standard Bank of South Africa Limited has been appointed as the new Facility Agent.

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. During the fourth quarter of 2022, we received formal notice from Shell that an appraisal plan for one of the first four exploration wells had been submitted under the terms of Shell's Petroleum Agreement with Namibia. As a result, we received additional proceeds of $50.0 million from Shell in the fourth quarter of 2022 related to the transaction.

Ghana

During the year ended December 31, 2022, Ghana production averaged approximately 107,200 Bopd gross (36,300 Bopd net). Jubilee production averaged approximately 83,600 Bopd gross (31,300 Bopd net) and TEN production averaged approximately 23,600 Bopd gross (5,000 Bopd net).

The multi-year development drilling program in Ghana continued to progress in 2022 with the successful drilling and completion of one producer well and two water injector wells in the Jubilee Field (all successfully brought online during 2022) and the completion of one water injector well and one producer well at TEN (both successfully brought online during 2022). During 2022, the partnership drilled two new riser base wells at TEN to further define the extent of the Ntomme reservoir supporting potential future TEN development. The first well was drilled to test two separate reservoir objectives and encountered better reservoir quality and thickness than expected but was water bearing. In October 2022, a second well targeting a different fairway was drilled. The well encountered approximately 5 meters of net oil pay with poorer than expected reservoir quality. Both wells have been plugged and abandoned. The partnership will continue to evaluate the full results of the two wells to high-grade and optimize the future drilling plans for TEN. In the fourth quarter of 2022, drilling operations commenced on the Jubilee Southeast project, successfully drilling two wells, with a third drilled in January 2023. The three wells consisted of two producer wells and one water injector well. The two producer wells are expected online in the middle of 2023.

In July 2022, the Jubilee partners completed the transition of the operations & maintenance (O&M) services for the Jubilee FPSO from external provider MODEC, Inc. to Tullow.

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 were exercising 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 process, 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.

In connection with the approval of the Jubilee Phase 1 PoD in 2009, the Jubilee Field partners agreed to provide the first 200 Bcf of natural gas produced from the Jubilee Field Phase 1 development to the Government of Ghana at no cost. As of January 1, 2023, the Jubilee partners have fulfilled this commitment, providing 200 Bcf of natural gas to the Government of Ghana. From 2018 through 2022, approximately 19 Bcf of the first 200 Bcf of natural gas was substituted from the TEN fields in order to maintain consistent gas volumes to shore for Ghana domestic power purposes. Effective January 1, 2023, the volume of approximately 19 Bcf of Jubilee gas (in restoration of the amount originally substituted from TEN) will be sold to Ghana under the terms of the TAG GSA at $0.50 per mmbtu over a period of approximately six months. The Jubilee and TEN partners are currently in discussions with the Government of Ghana regarding a future gas sales agreement.

U.S. Gulf of Mexico

During the year ended December 31, 2022, U.S. Gulf of Mexico production averaged approximately 17,400 Boepd (net) (~83% oil). Production for the fourth quarter of 2022 was impacted by planned and unplanned facilities shutdowns as well as loop currents in the Gulf of Mexico.

In March 2022, the Company commenced operations to plug back and side-track the original Kodiak-3 infill well located in Mississippi Canyon. The well was sidetracked, and the Kodiak-3ST well was brought back online in early September 2022, with insurance proceeds covering a substantial portion of the costs incurred to return the well to production. Well results and initial production were in line with expectations, however well productivity declined through the end of the fourth quarter of 2022 and workover plans have been developed for remediation in the second half of 2023.

In June 2022, Kosmos completed the acquisition of an additional 5.9% interest in the Kodiak oil field from Marubeni by exercising our preferential right to purchase for a total purchase price of approximately $29.0 million. As a result of the transaction, our working interest increased from 29.1% to 35.0%.

In January 2021, we announced the Winterfell-1 exploration well encountered approximately 26 meters (85 feet) of net oil pay in two intervals. The Winterfell-1 well 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. During the third quarter of 2022, the Field Development Plan for the Winterfell field was approved by all partners and a drilling rig was secured by Beacon, the operator of the Winterfell field, to undertake the development drilling, including the sidetrack and completion of the Winterfell-1 well, completion of the Winterfell-2 well and drilling and completion of the Winterfell-3 well in an adjacent fault block to the southeast of the Winterfell-1 discovery well as part of the Field Development Plan. The Winterfell development project continues to make progress. Drilling of the wells for the first phase of the development is expected to start in the third quarter of 2023 with first production for the project targeted to be around the end of the first quarter of 2024. Host facility production handling and midstream export agreements are expected to be completed and signed within the next several months.

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. Additionally, in September 2022, Kosmos completed the acquisition of an additional 3.2% interest in the Winterfell area in Green Canyon Blocks 943, 944, 987 and 988 and an additional 1.4% interest in Green Canyon blocks 899 and 900 for $6.6 million. As a result of the two transactions, our participating interests in the Green Canyon Blocks 943, 944, 987 and 988 is now 25.0% and our participating interests in the Green Canyon Blocks 899 and 900 is now 37.8%.

In June 2022, we executed, as operator of the Odd Job field, a contract for $131.6 million (gross) with Subsea 7 (US) LLC and OneSubsea LLC to fabricate and install a subsea pump in the Odd Job field. The project commenced in July 2022 with an expected online date around the middle of 2024. Kosmos' average working interest in the Odd Job field is approximately 54.9%.

In the second half of 2023, Kosmos plans to drill the Tiberius infrastructure-led exploration prospect, which is located in block 964 of Keathley Canyon (33% working interest) in the prolific outer Wilcox play.

Equatorial Guinea

Production in Equatorial Guinea averaged approximately 30,900 Bopd gross (9,900 Bopd net) for the year ended December 31, 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 harmonizing the expiration of the Ceiba Field and Okume Complex production licenses (from 2029 and 2034 respectively) to 2040. The license extensions support the next phase of investment in the licenses. As part of the extension, during the second quarter of 2022, Kosmos paid a signature bonus and agreed to undertake a future work program including the drilling of three development wells on Block G in either the Ceiba Field or Okume Complex and the drilling of one exploration well in Block S offshore Equatorial Guinea.

In August 2022, the partnership entered into a drilling rig contract for the next drilling campaign, which is expected to commence in the second half of 2023. The first well is expected to be online by the end of the fourth quarter of 2023 with subsequent wells online early in 2024.

In October 2022, we entered into a farm-out agreement with Panoro Energy ASA (Panoro) to farm-out a 6.0% participating interest in Block S offshore Equatorial Guinea, which will result in our participating interest in Block S reducing to 34.0%. The transaction is awaiting governmental approvals. During the fourth quarter of 2022, we received approval from the Government of Equatorial Guinea to enter the second sub-period phase of the Block S exploration license with a scheduled expiration in December 2024. During 2023, Kosmos and partners plan to progress the infrastructure-led exploration prospect, Akeng Deep in Block S for drilling in early 2024.

In December 2022, we received approval from the Government of Equatorial Guinea for a two year extension to the current exploration phase for Block EG-21 offshore Equatorial Guinea through December 2024. Kosmos currently holds an 80% participating interest in Block EG-21.

In December 2022, we received approval from the Government of Equatorial Guinea to enter the second exploration sub-period for Block EG-24 offshore Equatorial Guinea which has a scheduled expiration in December 2024 and no well commitments.

Mauritania and Senegal

In June 2022, the exploration period of Block C8 offshore Mauritania expired. In October 2022, the partnership and the government of Mauritania executed a new Production Sharing Contract (“PSC”) covering the BirAllah and Orca discoveries, which were previously included in the former Block C8 PSC. The new PSC provides up to thirty months to submit a development plan covering the BirAllah and/or Orca discoveries with the terms of the new PSC substantially similar to the former PSC for Block C8 with additional provisions for enhanced back-in rights for the Government of Mauritania, local content, SMH’s capacity building and an environmental fund. Kosmos’ participating interest in the new PSC is 28.0% and full election by SMH of their back-in rights would reduce Kosmos’ participating interest to approximately 22.1%.

In June 2022, at the conclusion of the second exploration period, Block C12 offshore Mauritania was relinquished.

Greater Tortue Ahmeyim Unit

Phase 1 of the Greater Tortue project continued to make good progress in 2022 with first gas for the project targeted to be in the fourth quarter of 2023. The following milestones were achieved through the year-end and filing date:

- FLNG: on track for sailaway in second quarter of 2023 as construction, mechanical completion activities, and commissioning work continues.
- FPSO: On January 20, 2023, the FPSO vessel departed the COSCO shipyard in Qidong, China. It has begun its 12,000 nautical mile journey to its final destination offshore Mauritania/Senegal, after first making a stop in Singapore. Once on location, its final stage of hookup and commissioning work is expected to commence.
- Hub Terminal: As its construction is complete, work is focused on progressing the final hookup and commissioning and preparing it for the integration into the other project elements.
- Subsea: The infield umbilical installation and 70% of the pipelay have been completed. Work is focused on completing the remaining flowline installation and completing the subsea structures currently under construction.

- Drilling: successfully drilled and completed all four wells and demobilized the rig in February 2023. Expected production capacity is significantly more than what is required for first gas.

On Phase 2 of the Greater Tortue Ahmeyim LNG project, the partners (SMH, Petrosen, BP and Kosmos) have confirmed the development concept and will progress a gravity-based structure (GBS) with total capacity of between 2.5-3.0 million tonnes per annum. GBS LNG developments have a static connection to the seabed with the structure base providing LNG storage and a foundation for liquefaction facilities. The concept design will also include new wells and subsea equipment, maximizing the use of existing Phase 1 infrastructure. In July 2021, the Greater Tortue Ahmeyim project was granted the status of ‘National Project of Strategic Importance’ by the Presidents of Mauritania and Senegal, demonstrating the commitment of the host governments and the significance of the project to both countries.

Sao Tome and Principe

In the second quarter of 2022, we received approval for a six month extension to May 2023 for the current exploration phase for Block 5 offshore Sao Tome and Principe.

Results of Operations

All of our results, as presented in the table below, represent operations from the Jubilee and TEN fields in Ghana, the U.S. Gulf of Mexico and Equatorial Guinea. Certain operating results and statistics for the years ended December 31, 2022, 2021 and 2020 are included in the following tables. For a discussion of the year ended December 31, 2021 compared to the year ended December 31, 2020, please refer to Part II, Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended December 31, 2021.

	Years ended December 31,		
	2022(2)	2021(1)	2020
	(In thousands, except per volume data)		
Sales volumes:			
Oil (MBbl)	22,012	18,525	20,531
Gas (MMcf)	4,076	4,904	5,867
NGL (MBbl)	426	508	602
Total (MBoe)	23,117	19,850	22,111
Total (Boepd)	63,335	54,384	60,412
Revenues:			
Oil sales	$ 2,201,199	$ 1,298,577	$ 786,159
Gas sales	29,504	18,898	11,706
NGL sales	14,652	14,538	6,168
Total revenues	$ 2,245,355	$ 1,332,013	$ 804,033
Average oil sales price per Bbl	$ 100.00	$ 70.10	$ 38.29
Average gas sales price per Mcf	7.24	3.85	2.00
Average NGL sales price per Bbl	34.39	28.62	10.25
Average total sales price per Boe	97.13	67.10	36.36
Costs:			
Oil and gas production, excluding workovers	$ 387,888	$ 332,203	$ 336,662
Oil and gas production, workovers	15,168	13,803	1,815
Total oil and gas production costs	$ 403,056	$ 346,006	$ 338,477
Depletion, depreciation and amortization	$ 498,256	$ 467,221	$ 485,862
Average cost per Boe:			
Oil and gas production, excluding workovers	$ 16.78	$ 16.74	$ 15.23
Oil and gas production, workovers	0.66	0.70	0.08
Total oil and gas production costs	17.44	17.44	15.31
Depletion, depreciation and amortization	21.55	23.54	21.97
Total oil and gas production costs, depletion, depreciation and amortization	$ 38.99	$ 40.98	$ 37.28

(1) Includes activity related to our acquisition of additional interests in Ghana commencing October 13, 2021, the acquisition date.

(2) Includes activity related to the pre-emption transaction with Tullow on March 13, 2022.

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.

Year Ended December 31, 2022 vs. 2021

	Years Ended December 31,		Increase
	2022(2)	2021(1)	(Decrease)
	(In thousands)		
Revenues and other income:			
Oil and gas revenue	$ 2,245,355	$ 1,332,013	$ 913,342
Gain on sale of assets	50,471	1,564	48,907
Other income, net	3,949	262	3,687
Total revenues and other income	2,299,775	1,333,839	965,936
Costs and expenses:			
Oil and gas production	403,056	346,006	57,050
Facilities insurance modifications, net	6,243	(1,586)	7,829
Exploration expenses	134,230	65,382	68,848
General and administrative	100,856	91,529	9,327
Depletion, depreciation and amortization	498,256	467,221	31,035
Impairment of long-lived assets	449,969	—	449,969
Interest and other financing costs, net	118,260	128,371	(10,111)
Derivatives, net	260,892	270,185	(9,293)
Other expenses, net	(9,054)	10,111	(19,165)
Total costs and expenses	1,962,708	1,377,219	585,489
Income (loss) before income taxes	337,067	(43,380)	380,447
Income tax expense (benefit)	110,516	34,456	76,060
Net income (loss)	$ 226,551	$ (77,836)	$ 304,387

(1) Includes activity related to our acquisition of additional interests in Ghana commencing October 13, 2021, the acquisition date.

(2) Includes activity related to the pre-emption transaction with Tullow on March 13, 2022.

Oil and gas revenue. Oil and gas revenue increased by $913.3 million during the year ended December 31, 2022 as compared to the year ended December 31, 2021 as a result of higher production rates at Jubilee and our acquisition of additional interests in Ghana during the fourth quarter of 2021 which drove increased sales volumes in Ghana as well as higher average oil prices. We sold 23,117 MBoe at an average realized price per barrel of oil equivalent of $97.13 in 2022 and 19,850 MBoe at an average realized price per barrel of oil equivalent of $67.10 in 2021.

Gain on sale of assets. During the fourth quarter of 2022, we received $50.0 million from Shell under the terms of our 2020 farm-out agreement.

Oil and gas production. Oil and gas production costs increased by $57.1 million during the year ended December 31, 2022 as compared to the year ended December 31, 2021 as a result of our acquisition of additional interests and sales volumes in Ghana.

Exploration expenses. Exploration expenses increased by $68.8 million during the year ended December 31, 2022, as compared to the year ended December 31, 2021 primarily as a result of the $64.2 million of previously capitalized costs related to the BirAllah and Orca discoveries incurred under the Block C8 license offshore Mauritania that were written off to exploration expense in 2022 with the expiration of the exploration period of Block C8, approximately $15.8 million related to the exit of leases in the U.S. Gulf of Mexico and Mauritania business units in 2022, and approximately $13.7 million of

exploration expense recorded in 2022 related to two abandoned Ntomme step out wells compared to the 2021 activity including the Zora exploration well, which did not find hydrocarbons and was plugged and abandoned in August 2021 with $14.1 million of well costs charged to exploration expense in 2021.

General and administrative. General and administrative costs increased by $9.3 million during the year ended December 31, 2022, as compared to the year ended December 31, 2021 primarily as a result of increased compensation and benefits, travel costs and professional fees during the year ended December 31, 2022.

Depletion, depreciation and amortization. Depletion, depreciation and amortization increased $31.0 million during the year ended December 31, 2022, as compared to the year ended December 31, 2021 as a result of higher sales volumes in the current year.

Impairment of long-lived assets. Impairment of long-lived assets increased $450.0 million during the year ended December 31, 2022, as compared to the year ended December 31, 2021 as a result of a negative proved oil and gas reserve revision at TEN, primarily driven by recent well performance, which resulted in impairment charges of $450.0 million for the year ended December 31, 2022.

Interest and other financing costs, net. Interest and other financing costs, net decreased by $10.1 million during the year ended December 31, 2022, as compared to the year ended December 31, 2021 primarily as a result of $15.2 million for loss on extinguishment of debt during 2021 related to the Facility amendment, $4.4 million loss on extinguishment of debt during 2021 related to the Bridge Notes and increased capitalized interest in 2022 related to the Greater Tortue Ahmeyim project, offset by increased interest expense on the 7.750% Senior Notes and the 7.500% Senior Notes and guarantee fees on the Greater Tortue FPSO transaction.

Derivatives, net. During the years ended December 31, 2022 and 2021, we recorded a loss of $260.9 million and $270.2 million, respectively, on our outstanding hedge positions. The changes recorded were a result of changes in the forward curve of oil prices during the respective periods.

Other expenses, net. Other expenses, net decreased $19.2 million during the year ended December 31, 2022, as compared to the year ended December 31, 2021 primarily as a result of $7.0 million insurance settlements and approximately $3.0 million gain on asset retirement obligations.

Income tax expense (benefit). For the years ended December 31, 2022 and December 31, 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.

Oil prices are historically 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 capital program for 2023.

As such, our 2023 capital budget is based on our exploitation and production plans for Ghana, Equatorial Guinea and the U.S. Gulf of Mexico, our infrastructure-led exploration and appraisal program in the U.S. Gulf of Mexico and Equatorial Guinea, and our appraisal and development activities in the U.S. Gulf of Mexico, Mauritania and Senegal.

Our future financial condition and liquidity can be impacted by, among other factors, the success of our exploitation, 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, the reliability of our oil and gas production facilities, our ability to continuously export oil and gas, our ability to secure and maintain partners and their alignment with respect to capital plans, 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.

In March 2022, we refinanced the Corporate Revolver by replacing it with a new revolving credit facility agreement. The total size of the Corporate Revolver reduced from $400 million to $250 million and the maturity date extended from May 2022 to December 31, 2024.

In October 2022, during the Fall 2022 redetermination, the Company's lending syndicate approved a borrowing base for the facility of approximately $1.24 billion. As of December 31, 2022, borrowings under the Facility totaled $625.0 million and the undrawn availability under the facility was $618.0 million.

Sources and Uses of Cash

The following table presents the sources and uses of our cash and cash equivalents for the years ended December 31, 2022, 2021 and 2020:

	Years Ended December 31,		
	2022	2021	2020
	(In thousands)		
Sources of cash, cash equivalents and restricted cash:			
Net cash provided by operating activities	$ 1,130,476	$ 374,344	$ 196,145
Net proceeds from issuance of senior notes	—	839,375	—
Net proceeds from issuance of common stock	—	136,006	—
Borrowings under long-term debt	—	725,000	300,000
Advances under production prepayment agreement	—	—	50,000
Proceeds on sale of assets	168,703	6,354	99,118
	1,299,179	2,081,079	645,263
Uses of cash, cash equivalents and restricted cash:			
Oil and gas assets	787,297	472,631	379,593
Acquisition of oil and gas properties	22,078	465,367	—
Notes receivable from partners	63,183	41,733	65,112
Payments on long-term debt	405,000	1,050,000	250,000
Tax withholdings on restricted stock units	2,753	1,100	4,947
Dividends	655	512	19,271
Deferred financing costs	6,288	24,604	5,922
	1,287,254	2,055,947	724,845
Increase (decrease) in cash, cash equivalents and restricted cash	$ 11,925	$ 25,132	$ (79,582)

Net cash provided by operating activities. Net cash provided by operating activities in 2022 was $1.1 billion compared with net cash provided by operating activities of $374.3 million in 2021 and $196.1 million in 2020, respectively. The increase in cash provided by operating activities in the year ended December 31, 2022 when compared to the same period in 2021 is primarily a result of increased oil prices and increased production. The increase in cash provided by operating activities in the year ended December 31, 2021 when compared to the same period in 2020 is primarily a result of higher oil prices.

The following table presents our liquidity and financial position as of December 31, 2022 and 2021:

	Years Ended December 31,	
	2022	2021
	(In thousands)	
7.125% Senior Notes	$ 650,000	$ 650,000
7.750% Senior Notes	400,000	400,000
7.500% Senior Notes	450,000	450,000
Borrowings under the Facility	625,000	1,000,000
GoM Term Loan	145,000	175,000
Total long-term debt	2,270,000	2,675,000
Cash and cash equivalents	183,405	131,620
Total restricted cash	3,416	43,276
Net debt	$ 2,083,179	$ 2,500,104
Availability under the Facility	$ 618,034	$ 235,155
Availability under the Corporate Revolver	$ 250,000	$ 400,000
Available borrowings plus cash and cash equivalents	$ 1,051,439	$ 766,775

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

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.

2023 *Capital Program*

We estimate we will spend approximately $700-$750 million of capital for the year ending December 31, 2023, excluding any acquisitions or divestiture of oil and gas properties during the year. This capital expenditure budget consists of:

- Approximately $250-$300 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 $350-$400 million related to the developments of Jubilee Southeast in Ghana, Phase 1 of Greater Tortue Ahmeyim in Mauritania and Senegal, and Winterfell in the U.S. Gulf of Mexico
- Approximately $50-$100 million related to progressing our infrastructure-led exploration and appraisal programs in the U.S. Gulf of Mexico and Equatorial Guinea, as well as the appraisal plans of our greater gas

resources in Mauritania and Senegal, including Phase 2 of Greater Tortue Ahmeyim, BirAllah and Yakaar-Teranga.

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. 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 the Jubilee and TEN fields in Ghana and the Ceiba and Okume fields in Equatorial Guinea, however, excludes the additional interests in Jubilee and TEN acquired in the October 2021 acquisition of Anadarko WCTP.

In October 2022, during the Fall 2022 redetermination, the Company's lending syndicate approved a borrowing base of approximately $1.24 billion. As of December 31, 2022, borrowings under the Facility totaled $625.0 million and the undrawn availability under the facility was $618.0 million. On November 23, 2022, the Company amended the Facility to update the interest rate benchmark from LIBOR to term SOFR, to be effective as of April 19, 2023.

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 December 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.

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 September 30, 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 SOFR 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, if any, 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. On November 23, 2022, the Company amended the Corporate Revolver to update the interest rate benchmark from compounded SOFR to term SOFR, to be effective as of April 19, 2023, and to reflect that The Standard Bank of South Africa Limited has been appointed as the new Facility Agent. As of December 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 September 30, 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 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 million subject to certain conditions. As of December 31, 2022, borrowings under the GoM Term Loan totaled $145 million.

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 presents maturities by expected debt maturity dates, 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 take into account amortization of deferred financing costs.

	Years Ending December 31,							Asset (Liability) Fair Value at December 31,
	2023	2024	2025	2026	2027	Thereafter	Total	2022
	(In thousands, except percentages)							
Fixed rate debt:								
7.125% Senior Notes	$ —	$ —	$ —	$ 650,000	$ —	$ —	$ 650,000	$ 558,201
7.750% Senior Notes	—	—	—	—	400,000	—	400,000	335,592
7.500% Senior Notes	—	—	—	—	—	450,000	450,000	361,958
Variable rate debt:								
Weighted average interest rate	8.81 %	8.71 %	8.35 %	8.46 %	8.68 %	— %		
Facility(1)	$ —	$ —	$ 177,548	$ 268,880	$ 178,572	$ —	$ 625,000	$ 625,000
GoM Term Loan	30,000	30,000	85,000	—	—	—	145,000	145,000
Total principal debt repayments (1)	$ 30,000	$ 30,000	$ 262,548	$ 918,880	$ 578,572	$ 450,000	$ 2,270,000	
Interest & commitment fees on long-term debt	199,756	185,465	163,115	115,704	53,124	16,875	734,039	
Operating leases(2)	4,032	4,104	4,175	4,246	4,192	6,652	27,401	
Purchase obligations(3)	68,198	34,976	—	—	—	—	103,174	

(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 December 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.

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

(3) Represents gross contractual obligations to execute planned future capital projects. Other joint owners in the properties operated by Kosmos will be billed for their working interest share of such costs. 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 11 of Notes to the Consolidated Financial Statements included in "Item 8. Financial Statements and Supplementary Data" for additional information regarding these liabilities.

We currently have a commitment to drill three development wells and one exploration well in Equatorial Guinea. In Mauritania and Senegal, we have a $200.2 million FPSO Contract Liability related to the deferred sale of the Greater Tortue FPSO.

In February 2019, Kosmos and BP signed Carry Advance Agreements with the national oil companies of Mauritania and Senegal, which obligate us separately to finance the respective national oil companies' share of certain development costs. Kosmos' total share for the two agreements combined is currently estimated at approximately $240.0 million, of which $196.9 million has been incurred through December 31, 2022, excluding accrued interest. These amounts will be repaid through the national oil companies' share of future revenues.

Critical Accounting Policies

This discussion of financial condition and results of operations is based upon the information reported in our consolidated financial statements, which have been prepared in accordance with generally accepted accounting principles in the United States. The preparation of our financial statements requires us to make assumptions and estimates that affect the reported amounts of assets, liabilities, revenues and expenses, as well as the disclosure of contingent assets and liabilities as of the date the financial statements are available to be issued. These estimates could change materially if different information or assumptions were used. We base our assumptions and estimates on historical experience and other sources that we believe to be reasonable at the time. Actual results may vary from our estimates. Our significant accounting policies are detailed in "Item 8. Financial Statements and Supplementary Data—Note 2—Accounting Policies." We have outlined below certain accounting policies that are of particular importance to the presentation of our financial position and results of operations and require the application of significant judgment or estimates by our management.

Revenue Recognition. We recognize revenues on the volumes of hydrocarbons sold to a purchaser. The volumes sold may be more or less than the volumes to which we are entitled based on our ownership interest in the property. These differences result in a condition known in the industry as a production imbalance. A receivable or liability is recognized only to the extent that we have an imbalance on a specific property greater than the expected remaining proved reserves on such property. As of December 31, 2022 and 2021, we had no oil and gas imbalances recorded in our consolidated financial statements.

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.

Exploration and Development Costs. We follow the successful efforts method of accounting for our oil and gas properties. Acquisition costs for proved and unproved properties are capitalized when incurred. Costs of unproved properties are transferred to proved properties when a determination that proved reserves have been found. Exploration costs, including geological and geophysical costs and costs of carrying unproved properties, are expensed as incurred. Exploratory drilling costs are capitalized when incurred. If exploratory wells are determined to be commercially unsuccessful or dry holes, the applicable costs are expensed and recorded in exploration expense on the consolidated statement of operations. Costs incurred to drill and equip development wells, including unsuccessful development wells, are capitalized. Costs incurred to operate and maintain wells and equipment and to lift oil and natural gas to the surface are expensed as oil and gas production expense.

Income Taxes. We account for income taxes as required by the ASC 740—Income Taxes ("ASC 740"). We make certain estimates and judgments in determining our income tax expense for financial reporting purposes. These estimates and judgments occur in the calculation of certain tax assets and liabilities that arise from differences in the timing and recognition of revenue and expense for tax and financial reporting purposes. Our federal, state and international tax returns are generally not prepared or filed before the consolidated financial statements are prepared; therefore, we estimate the tax basis of our assets and liabilities at the end of each period as well as the effects of changes in tax laws or tax rates, tax credits, and net operating loss carryforwards. Adjustments related to these estimates are recorded in our tax provision in the period in which we file our income tax returns. Further, we must assess the likelihood that we will be able to realize or utilize our deferred tax assets. If realization is not more likely than not, we must record a valuation allowance against such deferred tax assets for the amount we would not expect to recover, which would result in no benefit for the deferred tax amounts. As of December 31, 2022 and 2021, we have a valuation allowance to reduce certain deferred tax assets to amounts that are more likely than not to be realized. If our estimates and judgments regarding our ability to realize our deferred tax assets change, the benefits associated with those deferred tax assets may increase or decrease in the period our estimates and judgments change. On a quarterly basis, management evaluates the need for and adequacy of valuation allowances based on the expected realizability of the deferred tax assets and adjusts the amount of such allowances, if necessary.

ASC 740 provides a more-likely-than-not standard in evaluating whether a valuation allowance is necessary after weighing all of the available evidence. When evaluating the need for a valuation allowance, we consider all available positive and negative evidence, including the following:

- the status of our operations in the particular taxing jurisdiction, including whether we have commenced production from a commercial discovery;
- whether a commercial discovery has resulted in significant proved reserves that have been independently verified;

- the amounts and history of taxable income or losses in a particular jurisdiction;
- projections of future income, including the sensitivity of such projections to changes in production volumes and prices;
- the existence, or lack thereof, of statutory limitations on the period that net operating losses may be carried forward in a jurisdiction; and
- the creation and timing of future income associated with the reversal of deferred tax liabilities in excess of deferred tax assets.

Estimates of Proved Oil and Natural Gas Reserves. Reserve quantities and the related estimates of future net cash flows affect our periodic calculations of depletion and assessment of impairment of our oil and natural gas properties. Proved oil and natural gas reserves are the estimated quantities of crude oil, natural gas and natural gas liquids that geological and engineering data demonstrate with reasonable certainty to be recoverable in future periods from known reservoirs under existing economic and operating conditions. As additional proved reserves are discovered, reserve quantities and future cash flows will be estimated by independent petroleum consultants and prepared in accordance with guidelines established by the SEC and the FASB. The accuracy of these reserve estimates is a function of:

- the engineering and geological interpretation of available data;
- estimates of the amount and timing of future operating cost, production taxes, development cost and workover cost;
- the accuracy of various mandated economic assumptions; and
- the judgments of the persons preparing the estimates.

Asset Retirement Obligations. We account for asset retirement obligations as required by ASC 410 — Asset Retirement and Environmental Obligations. Under these standards, the fair value of a liability for an asset retirement obligation is recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. If a reasonable estimate of fair value cannot be made in the period the asset retirement obligation is incurred, the liability is recognized when a reasonable estimate of fair value can be made. If a tangible long-lived asset with an existing asset retirement obligation is acquired, a liability for that obligation is recognized at the asset's acquisition or in service date. In addition, a liability for the fair value of a conditional asset retirement obligation is recorded if the fair value of the liability can be reasonably estimated. We capitalize the asset retirement costs by increasing the carrying amount of the related long-lived asset by the same amount as the liability. We record increases in the discounted abandonment liability resulting from the passage of time in depletion, depreciation and amortization in the consolidated statement of operations. Estimating the future restoration and removal costs requires management to make estimates and judgments because most of the removal obligations are many years in the future and contracts and regulations often have vague descriptions of what constitutes removal. Additionally, asset removal technologies and costs are constantly changing, as are regulatory, political, environmental, safety and public relations considerations.

Inherent in the present value calculation are numerous assumptions and judgments including the ultimate settlement amounts, inflation factors, credit adjusted discount rates, timing of settlement and changes in the legal, regulatory, environmental and political environments. To the extent future revisions to these assumptions impact the present value of the existing asset retirement obligations, a corresponding adjustment is made to the oil and gas property balance.

Impairment of Long-lived Assets. We review our long-lived assets for impairment when changes in circumstances indicate that the carrying amount of an asset may not be recoverable. ASC 360 — Property, Plant and Equipment requires an impairment loss to be recognized if the carrying amount of a long-lived asset is not recoverable and exceeds its fair value. The carrying amount of a long-lived asset is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. That assessment shall be based on the carrying amount of the asset at the date it is tested for recoverability, whether in use or under development. Assets to be disposed of and assets not expected to provide any future service potential to us are recorded at the lower of carrying amount or fair value. Oil and gas properties are grouped in accordance with ASC 932 — Extractive Activities-Oil and Gas. The basis for grouping is a reasonable aggregation of properties typically by field or by logical grouping of assets with significant shared infrastructure.

For long-lived assets whereby the carrying value exceeds the estimated future undiscounted cash flows, the carrying amount is reduced to fair value. Fair value is generally estimated using the income approach described in the ASC 820 — Fair Value Measurement. If applicable, we utilize prices and other relevant information generated by market transactions involving assets and liabilities that are identical or comparable to the item being measured as the basis for determining fair value. The expected future cash flows used for impairment reviews and related fair value measurements are typically based on judgmental assessments of future production, pricing estimates, capital and operating costs, market-based weighted average cost of capital,

and risk adjustment factors applied to reserves. These assumptions are applied to develop future cash flow projections that are then discounted to estimated fair value, using a market-based weighted-average cost of capital. Although we base the fair value estimate of each asset group on assumptions we believe to be reasonable, those assumptions are inherently unpredictable and uncertain, and actual results could differ from the estimate. Negative revisions of estimated reserve quantities, increases in future cost estimates, divestiture of a significant component of the asset group, or sustained decreases in crude oil prices could lead to a reduction in expected future cash flows and possibly an additional impairment of long-lived assets in future periods.

We believe the assumptions used in our analysis to test for impairment are appropriate and result in a reasonable estimate of future cash flows and fair value. Kosmos has consistently used an average of third-party industry forecasts to determine our pricing assumptions. Where unproved reserves exist, an appropriately risk-adjusted amount of these reserves may be included in the evaluation.

Acquisition Accounting. The purchase price in an acquisition (business combination or asset acquisition) is allocated to the assets acquired and liabilities assumed based on their relative fair values as of the acquisition date, which may occur many months after the deal announcement date. Therefore, while the consideration to be paid may be fixed, the fair value of the assets acquired, and liabilities assumed is subject to change during the period between the announcement date and the acquisition date. The most significant estimates in the allocation typically relate to the value assigned to future recoverable oil and natural gas reserves and unproved properties. As the allocation of the purchase price is subject to significant estimates and subjective judgments, the accuracy of this assessment is inherently uncertain.

New Accounting Pronouncements

See “Item 8. Financial Statements and Supplementary Data—Note 2—Accounting Policies” for a discussion of recent accounting pronouncements.

Item 7A. 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” 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 year ended December 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	(275,465)
Contract maturities	344,468
Fair value of contracts outstanding as of December 31, 2022	$ 2,688

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 during 2022 ranged between $76.36 and $137.64 per Bbl for Dated Brent, with Heavy Louisiana Sweet experiencing similar volatility during 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, call options and swaps. 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 December 31, 2022. Volumes and weighted average prices are net of any offsetting derivatives entered into.

				Weighted Average Price per Bbl				
Term	Type of Contract	Index	MBbl	Net Deferred Premium Payable/(Receivable)	Sold Put	Floor	Ceiling	Asset (Liability) Fair Value at December 31, 2022(1)
2023:								(In thousands)
Jan — Dec	Three-way collars	Dated Brent	6,000	$ 1.34	$ 49.17	$ 71.67	$ 107.58	(2,975)
Jan — Dec	Two-way collars	Dated Brent	4,000	1.90	—	72.50	117.50	4,492

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

In January 2023, we entered into Dated Brent three-way collar contracts for 1.0 MMBbl from January 2024 through December 2024 with a sold put price of $45.00 per barrel, a floor price of $70.00 per barrel and a ceiling price of $100.00 per barrel.

At December 31, 2022, our open commodity derivative instruments were in a net asset position of $1.5 million. As of December 31, 2022, a hypothetical 10% price increase in the commodity futures price curves would decrease future pre-tax earnings by approximately $30.8 million. Similarly, a hypothetical 10% price decrease would increase future pre-tax earnings by approximately $31.1 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, Corporate Revolver and GoM Term Loan, which as of December 31, 2022 total approximately $770.0 million and have a weighted average interest rate of 8.3%, 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 $3.6 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 8. Financial Statements and Supplementary Data

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Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Kosmos Energy Ltd.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Kosmos Energy Ltd. (the Company) as of December 31, 2022 and 2021, the related consolidated statements of operations, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2022, and the related notes and financial statement schedules listed in the Index at Item 15(a) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2022, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 28, 2023 expressed an unqualified opinion thereon.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company‘s management. Our responsibility is to express an opinion on the Company‘s consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical audit matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Depletion of oil and gas properties, net

Description of the Matter

At December 31, 2022, the net book value of the Company's oil and gas properties, net was $3.8 billion, and depletion expense was $471.4 million for the year then ended. As described in Note 2, the Company follows the successful efforts method of accounting for its oil and natural gas properties. Proved properties and support equipment and facilities are depleted using the unit of production method based on estimated proved oil and natural gas reserves. Capitalized exploratory drilling costs that result in a discovery of proved reserves and development costs are depleted using the unit-of-production method based on estimated proved developed oil and natural gas reserves for the related field. The Company's oil and natural gas reserves are estimated by independent reserve engineers. Proved oil and natural gas reserves are the estimated quantities of crude oil, natural gas and natural gas liquids that geological and engineering data demonstrate with reasonable certainty to be recoverable in future periods from known reservoirs under existing economic and operating conditions. Significant judgment is required by the Company's independent reserve engineers in evaluating geological and engineering data when estimating proved oil and natural gas reserves. Estimating reserves also requires the selection of inputs, including historical production, oil and natural gas price assumptions and future operating and capital cost assumptions, among others. Because of the complexity involved in estimating oil and natural gas reserves, management used independent reserve engineers to prepare the estimate of reserve quantities as of December 31, 2022.

Auditing the Company's depletion calculation is complex because of the use of the work of independent reserve engineers and the evaluation of management's determination of the inputs described above used by the independent reserve engineers in estimating proved oil and natural gas reserves.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of the controls over the Company's process to calculate depletion, including management's controls over the completeness and accuracy of the inputs provided to the independent reserve engineers for use in estimating the proved oil and natural gas reserves.

Our audit procedures included, among others, evaluating the professional qualifications and objectivity of the independent reserve engineers used to prepare the estimate of proved oil and natural gas reserves. We evaluated the completeness, accuracy, relevance, and reliability, as applicable, of the inputs described above used by the independent reserve engineers in estimating proved oil and natural gas reserves by agreeing them to source documentation or performing analytical procedures based on review of corroborative evidence and consideration of any contrary evidence. For proved undeveloped reserves, we evaluated management's development plan for compliance with the Securities and Exchange Commission rule that undrilled locations are scheduled to be drilled within five years, unless specific circumstances justify a longer time, by assessing consistency of the development projections with the Company's drill plan and the availability of capital relative to the drill plan. We also tested the mathematical accuracy of the depletion calculations, including comparing the estimated proved oil and natural gas reserve amounts used to the Company's reserve report.

Asset Retirement Obligations

Description of the Matter

At December 31, 2022, the Company's asset retirement obligations totaled $302.5 million. As described in Note 2, the fair value of a liability for an asset retirement obligation is recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. If a tangible long lived asset with an existing asset retirement obligation is acquired, a liability for that obligation is recognized at the asset's acquisition or in-service date. Because of the complexity involved in estimating the expected cash outflows, management used a specialist to estimate the expected cash outflows for the Company's asset retirement obligations as of December 31, 2022.

Auditing the Company's asset retirement obligations was complex and highly judgmental due to the significant estimation required by management to determine the estimated present value of the amount of dismantlement, removal, site reclamation and similar activities associated with the Company's oil and natural gas properties. In particular, the estimate was sensitive to significant assumptions such as the expected cash outflows for asset retirement obligations and the ultimate productive life of the properties.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of the controls over the Company's process to estimate asset retirement obligations, including controls over management's review of the significant assumptions described above.

Our audit procedures included, among others, testing the significant assumptions discussed above and the underlying data used by the Company. For example, we evaluated expected cash outflows for asset retirement obligations by comparing to recent offshore activities and costs. We also compared the ultimate productive life of the properties to forecasts of production based on estimates of oil and natural gas reserves, as estimated by independent reserve engineers. We involved our specialists to assist in our evaluation of the expected cash flows for asset retirement obligations.

Impairment of long-lived assets

Description of the Matter

As described in Note 5 to the consolidated financial statements, the Company recorded an impairment of $450.0 million during the year ended December 31, 2022 related to certain oil and gas proved properties. A year-end reserve revision triggered an assessment of these long-lived assets for impairment. The Company evaluated this long-lived asset group and determined the carrying value was not recoverable through the estimated undiscounted future cash flows. As a result, the Company recognized an impairment, which is the amount by which the asset group's carrying value exceeded its estimated fair value.

Auditing the Company's discounted cash flows used to measure impairment was complex and judgmental as the determination of fair value was based on future production, pricing estimates, capital and operating costs, market-based weighted average cost of capital, and risk adjustment factors.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design, and tested the operating effectiveness of controls over the Company's process to determine the fair value of the asset group and measure the impairment. This included controls over management's review of the significant assumptions underlying the fair value determination and of the completeness and accuracy of the data used in the determination of the fair value.

Our audit procedures included, among others, evaluating the significant assumptions and testing the completeness and accuracy of underlying data used in the calculation of the fair value. We evaluated the professional qualifications and objectivity of the engineering specialist primarily responsible for the preparation of the estimated proved reserves used in the valuation. We involved valuation specialists to assist in our evaluation of the valuation methodologies applied and the significant assumptions used to determine the fair value of the asset group, including the discount rate, risk adjustment factors, and forward-looking commodity prices.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2004.
Dallas, Texas
February 28, 2023

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Kosmos Energy Ltd.

Opinion on Internal Control over Financial Reporting

We have audited Kosmos Energy Ltd.'s internal control over financial reporting as of December 31, 2022, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Kosmos Energy Ltd. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2022, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2022 and 2021, the related consolidated statements of operations, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2022, and the related notes and financial statement schedules listed in the Index at Item 15(a) and our report dated February 28, 2023 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control over Financial Reporting appearing in Item 9A. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Dallas, Texas
February 28, 2023

KOSMOS ENERGY LTD.

CONSOLIDATED BALANCE SHEETS

(In thousands, except share data)

	December 31,	
	2022	**2021**
Assets		
Current assets:		
Cash and cash equivalents	$ 183,405	$ 131,620
Restricted cash	—	42,971
Receivables:		
Joint interest billings, net	28,851	36,908
Oil sales	67,483	134,004
Other	23,401	6,614
Inventories	133,515	165,247
Prepaid expenses and other	24,722	18,899
Derivatives	7,344	5,689
Total current assets	468,721	541,952
Property and equipment:		
Oil and gas properties, net	3,837,437	4,177,323
Other property, net	5,210	6,664
Property and equipment, net	3,842,647	4,183,987
Other assets:		
Restricted cash	3,416	305
Long-term receivables	235,696	191,150
Deferred financing costs, net of accumulated amortization of $13,263 and $19,912 at December 31, 2022 and December 31, 2021, respectively	4,640	1,090
Derivatives	1,725	1,026
Other	23,143	21,141
Total assets	$ 4,579,988	$ 4,940,651
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 212,275	$ 184,403
Accrued liabilities	325,206	250,670
Current maturities of long-term debt	30,000	30,000
Derivatives	6,773	65,879
Total current liabilities	574,254	530,952
Long-term liabilities:		
Long-term debt, net	2,195,911	2,590,495
Derivatives	778	6,298
Asset retirement obligations	300,800	322,237
Deferred tax liabilities	468,445	711,038
Other long-term liabilities	251,952	250,394
Total long-term liabilities	3,217,886	3,880,462
Stockholders' equity:		
Preference shares, $0.01 par value; 200,000,000 authorized shares; zero issued at December 31, 2022 and December 31, 2021	—	—
Common stock, $0.01 par value; 2,000,000,000 authorized shares; 500,161,421 and 496,152,331 issued at December 31, 2022 and December 31, 2021, respectively	5,002	4,962
Additional paid-in capital	2,505,694	2,473,674
Accumulated deficit	(1,485,841)	(1,712,392)
Treasury stock, at cost, 44,263,269 shares at December 31, 2022 and December 31, 2021, respectively	(237,007)	(237,007)
Total stockholders' equity	787,848	529,237
Total liabilities and stockholders' equity	$ 4,579,988	$ 4,940,651

See accompanying notes.

KOSMOS ENERGY LTD.

CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share data)

	Years Ended December 31,		
	2022	2021	2020
Revenues and other income:			
Oil and gas revenue	$ 2,245,355	$ 1,332,013	$ 804,033
Gain on sale of assets	50,471	1,564	92,163
Other income, net	3,949	262	2
Total revenues and other income	2,299,775	1,333,839	896,198
Costs and expenses:			
Oil and gas production	403,056	346,006	338,477
Facilities insurance modifications, net	6,243	(1,586)	13,161
Exploration expenses	134,230	65,382	84,616
General and administrative	100,856	91,529	72,142
Depletion, depreciation and amortization	498,256	467,221	485,862
Impairment of long-lived assets	449,969	—	153,959
Interest and other financing costs, net	118,260	128,371	109,794
Derivatives, net	260,892	270,185	17,180
Other expenses, net	(9,054)	10,111	37,802
Total costs and expenses	1,962,708	1,377,219	1,312,993
Income (loss) before income taxes	337,067	(43,380)	(416,795)
Income tax expense (benefit)	110,516	34,456	(5,209)
Net income (loss)	$ 226,551	$ (77,836)	$ (411,586)
Net income (loss) per share:			
Basic	$ 0.50	$ (0.19)	$ (1.02)
Diluted	$ 0.48	$ (0.19)	$ (1.02)
Weighted average number of shares used to compute net income (loss) per share:			
Basic	455,346	416,943	405,212
Diluted	474,857	416,943	405,212
Dividends declared per common share	$ —	$ —	$ 0.0452

See accompanying notes.

KOSMOS ENERGY LTD.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(In thousands)

	Common Stock		Additional Paid-in	Accumulated	Treasury	
	Shares	Amount	Capital	Deficit	Stock	Total
Balance as of December 31, 2019	445,779	$ 4,458	$ 2,297,221	$ (1,222,970)	$ (237,007)	$ 841,702
Dividends ($0.0452 per share)	—	—	(18,576)	—	—	(18,576)
Equity-based compensation	—	—	33,561	—	—	33,561
Restricted stock units	3,939	39	(39)	—	—	—
Tax withholdings on restricted stock units	—	—	(4,947)	—	—	(4,947)
Net loss	—	—	—	(411,586)	—	(411,586)
Balance as of December 31, 2020	449,718	4,497	2,307,220	(1,634,556)	(237,007)	440,154
Public offering of common stock	43,125	432	135,574			136,006
Dividends	—	—	227	—	—	227
Equity-based compensation	—	—	31,786	—	—	31,786
Restricted stock units	3,309	33	(33)	—	—	—
Tax withholdings on restricted stock units	—	—	(1,100)	—	—	(1,100)
Net loss	—	—	—	(77,836)	—	(77,836)
Balance as of December 31, 2021	496,152	4,962	2,473,674	(1,712,392)	(237,007)	529,237
Dividends	—	—	(39)	—	—	(39)
Equity-based compensation	—	—	34,852	—	—	34,852
Restricted stock units	4,009	40	(40)	—	—	—
Tax withholdings on restricted stock units	—	—	(2,753)	—	—	(2,753)
Net income	—	—	—	226,551	—	226,551
Balance as of December 31, 2022	500,161	$ 5,002	$ 2,505,694	$ (1,485,841)	$ (237,007)	$ 787,848

See accompanying notes.

KOSMOS ENERGY LTD.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	Years Ended December 31,		
	2022	**2021**	**2020**
Operating activities			
Net income (loss)	$ 226,551	$ (77,836)	$ (411,586)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depletion, depreciation and amortization (including deferred financing costs)	508,657	477,801	495,209
Deferred income taxes	(197,487)	(69,174)	(42,587)
Unsuccessful well costs and leasehold impairments	86,941	18,819	23,157
Impairment of long-lived assets	449,969	—	153,959
Change in fair value of derivatives	275,465	277,705	22,800
Cash settlements on derivatives, net (including $(327.9) million and $(224.4) million and $(2.7) million on commodity hedges during 2022, 2021, and 2020)	(344,468)	(231,767)	(10,944)
Equity-based compensation	34,546	31,651	32,706
Gain on sale of assets	(50,471)	(1,564)	(92,163)
Loss on extinguishment of debt	192	19,625	2,902
Other	(10,099)	(3,538)	15,922
Changes in assets and liabilities:			
(Increase) decrease in receivables	68,829	(34,246)	92,093
(Increase) decrease in inventories	10,335	(14,581)	(23,167)
(Increase) decrease in prepaid expenses and other	(11,039)	15,218	7,882
Increase (decrease) in accounts payable	3,724	(33,359)	71,947
Increase (decrease) in accrued liabilities	78,831	(410)	(141,985)
Net cash provided by operating activities	1,130,476	374,344	196,145
Investing activities			
Oil and gas assets	(787,297)	(472,631)	(379,593)
Acquisition of oil and gas properties	(22,078)	(465,367)	—
Proceeds on sale of assets	168,703	6,354	99,118
Notes receivable from partners	(63,183)	(41,733)	(65,112)
Net cash used in investing activities	(703,855)	(973,377)	(345,587)
Financing activities			
Borrowings under long-term debt	—	725,000	300,000
Payments on long-term debt	(405,000)	(1,050,000)	(250,000)
Advances under production prepayment agreement	—	—	50,000
Net proceeds from issuance of senior notes	—	839,375	—
Net proceeds from issuance of common stock	—	136,006	—
Tax withholdings on restricted stock units	(2,753)	(1,100)	(4,947)
Dividends	(655)	(512)	(19,271)
Deferred financing costs	(6,288)	(24,604)	(5,922)
Net cash provided by (used in) financing activities	(414,696)	624,165	69,860
Net increase (decrease) in cash, cash equivalents and restricted cash	11,925	25,132	(79,582)
Cash, cash equivalents and restricted cash at beginning of period	174,896	149,764	229,346
Cash, cash equivalents and restricted cash at end of period	$ 186,821	$ 174,896	$ 149,764
Supplemental cash flow information			
Cash paid for:			
Interest, net of capitalized interest	$ 85,791	$ 91,032	$ 103,674
Income taxes, net of refund received	$ 247,889	$ 137,421	$ 104,061
Non-cash activity:			
Production Prepayment Agreement converted to GoM Term Loan	$ —	$ —	$ 50,000

See accompanying notes.

KOSMOS ENERGY LTD.

Notes to Consolidated Financial Statements

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 offshore Atlantic Margins. Our key assets include production offshore Ghana, Equatorial Guinea and the U.S. Gulf of Mexico, as well as world-class gas projects offshore Mauritania and Senegal. We also pursue a proven basin exploration program in Equatorial Guinea 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

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Kosmos Energy Ltd. and its wholly-owned subsidiaries. They also include the Company's share of the undivided interest in certain assets, liabilities, revenues and expenses. Investments in corporate joint ventures, which we exercise significant influence over, are accounted for using the equity method of accounting. All intercompany transactions have been eliminated.

Investments in companies that are partially owned by the Company are integral to the Company's operations. The other parties, who also have an equity interest in these companies, are independent third parties that share in the business results according to their ownership. Kosmos does not invest in these companies in order to remove liabilities from its balance sheet.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and the disclosures of contingent assets and liabilities. These estimates could change materially if different information or assumptions were used. We base our assumptions and estimates on historical experience and other sources that we believe to be reasonable at the time. Actual results could differ from these estimates.

Reclassifications

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

Cash, Cash Equivalents and Restricted Cash

	December 31,		
	2022	2021	2020
	(In thousands)		
Cash and cash equivalents	$ 183,405	$ 131,620	$ 149,027
Restricted cash - current	—	42,971	195
Restricted cash - long-term	3,416	305	542
Total cash, cash equivalents and restricted cash shown in the consolidated statements of cash flows	$ 186,821	$ 174,896	$ 149,764

Cash and cash equivalents includes 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 December 31, 2021, we exceeded this ratio and restricted approximately $42.9 million in cash to meet our requirements. As of March 31, 2022, our net leverage ratio was below 2.50x, therefore in May 2022, we released $59.1 million from restricted cash upon submission of the net leverage test as of March 31, 2022. As of December, 31, 2022 our net leverage ratio remained below 2.50x.

Receivables

Our receivables consist of joint interest billings, oil and gas sales, related party and other receivables. Receivables from joint interest owners are stated at amounts due, net of any allowances for doubtful accounts. As required by ASU 2016-13, "Measurement of Credit Losses on Financial Instruments", we determine our allowance based on historical experience, current conditions and reasonable and supportable forecasts by considering the length of time past due, future net revenues of the debtor’s ownership interest in oil and natural gas properties we operate, and the owner’s ability to pay its obligation, among other things. We had an allowance for doubtful accounts of $7.0 million and $5.2 million in current joint interest billings receivables as of December 31, 2022 and 2021, respectively.

Inventories

Inventories consisted of $125.3 million and $149.5 million of materials and supplies and $8.2 million and $15.7 million of hydrocarbons as of December 31, 2022 and 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. We recorded write downs of $1.5 million, $1.2 million and $8.6 million during the years ended December 31, 2022, 2021 and 2020 for materials and supplies inventories as Other expenses, net in the consolidated statements of operations and other in the consolidated statements of cash flows.

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.

Leases

We account for leases in accordance with ASC Topic 842, Leases, (“ASC 842”). We determine if an arrangement is a lease at contract inception. In the normal course of business, the Company enters into various lease agreements for real estate and equipment related to its exploration, development and production activities that are currently accounted for as operating leases. Operating leases are included in Other assets, Accrued liabilities, and Other long-term liabilities on our consolidated balance sheets. The lease liabilities are initially and subsequently measured at the present value of the unpaid lease payments at the lease commencement date. We monitor for events or changes in circumstances that require a reassessment of a lease. When a reassessment results in the re-measurement of a lease liability, a corresponding adjustment is made to the carrying amount of the corresponding ROU asset unless doing so would reduce the carrying amount of the ROU asset to an amount less than zero. In that case, the amount of the adjustment that would result in a negative ROU asset balance is recorded in profit or loss.

Exploration and Development Costs

The Company follows the successful efforts method of accounting for its oil and gas properties. Acquisition costs for proved and unproved properties are capitalized when incurred. Costs of unproved properties are transferred to proved properties

when a determination that proved reserves have been found. Exploration costs, including geological and geophysical costs and costs of carrying unproved properties, are expensed as incurred. Exploratory drilling costs are capitalized when incurred. If exploratory wells are determined to be commercially unsuccessful or dry holes, the applicable costs are expensed and recorded in exploration expense on the consolidated statement of operations. Costs incurred to drill and equip development wells, including unsuccessful development wells, are capitalized. Costs incurred to operate and maintain wells and equipment and to lift oil and natural gas to the surface are expensed as oil and gas production expense.

The Company evaluates unproved property periodically for impairment. The impairment assessment considers results of exploration activities, commodity price outlooks, planned future sales or expiration of all or a portion of such projects. If it is determined that future appraisal drilling or development activities are unlikely to occur, the associated capitalized costs are recorded as exploration expense in the consolidated statement of operations.

Depletion, Depreciation and Amortization

Proved properties and support equipment and facilities are depleted using the unit-of-production method based on estimated proved oil and natural gas reserves. Capitalized exploratory drilling costs that result in a discovery of proved reserves and development costs are depleted using the unit-of-production method based on estimated proved developed oil and natural gas reserves for the related field.

Depreciation and amortization of other property is computed using the straight-line method over the assets' estimated useful lives (not to exceed the lease term for leasehold improvements), ranging from one to eight years.

	Years Depreciated
Leasehold improvements	1 to 8
Office furniture, fixtures and computer equipment	3 to 7

Amortization of deferred financing costs is computed using the straight-line method over the life of the related debt.

Capitalized Interest

Interest costs from external borrowings are capitalized on major projects with an expected construction period of one year or longer. Capitalized interest is added to the cost of the underlying asset and is depleted on the unit-of-production method in the same manner as the underlying assets.

Asset Retirement Obligations

The Company accounts for asset retirement obligations as required by ASC 410—Asset Retirement and Environmental Obligations. Under these standards, the fair value of a liability for an asset retirement obligation is recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. If a reasonable estimate of fair value cannot be made in the period the asset retirement obligation is incurred, the liability is recognized when a reasonable estimate of fair value can be made. If a tangible long-lived asset with an existing asset retirement obligation is acquired, a liability for that obligation is recognized at the asset's acquisition or in service date. In addition, a liability for the fair value of a conditional asset retirement obligation is recorded if the fair value of the liability can be reasonably estimated. We capitalize the asset retirement costs by increasing the carrying amount of the related long-lived asset by the same amount as the liability. We record increases in the discounted abandonment liability resulting from the passage of time in depletion, depreciation and amortization in the consolidated statement of operations. Estimating the future restoration and removal costs requires management to make estimates and judgments because most of the removal obligations are many years in the future and contracts and regulations often have vague descriptions of what constitutes removal. Additionally, asset removal technologies and costs are constantly changing, as are regulatory, political, environmental, safety and public relations considerations.

Inherent in the present value calculation are numerous assumptions and judgments including the ultimate settlement amounts, inflation factors, credit adjusted discount rates, timing of settlement and changes in the legal, regulatory, environmental and political environments. To the extent future revisions to these assumptions impact the present value of the existing asset retirement obligations, a corresponding adjustment is made to the oil and gas property balance.

Acquisition Accounting

The purchase price in an acquisition (business combination or asset acquisition) is allocated to the assets acquired and liabilities assumed based on their relative fair values as of the acquisition date, which may occur many months after the deal announcement date. Therefore, while the consideration to be paid may be fixed, the fair value of the assets acquired, and liabilities assumed is subject to change during the period between the announcement date and the acquisition date. The most significant estimates in the allocation typically relate to the value assigned to future recoverable oil and natural gas reserves and unproved properties. As the allocation of the purchase price is subject to significant estimates and subjective judgments, the accuracy of this assessment is inherently uncertain.

Impairment of Long-lived Assets

We review our long-lived assets for impairment when changes in circumstances indicate that the carrying amount of an asset may not be recoverable. ASC 360 — Property, Plant and Equipment requires an impairment loss to be recognized if the carrying amount of a long-lived asset is not recoverable and exceeds its fair value. The carrying amount of a long-lived asset is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. That assessment shall be based on the carrying amount of the asset at the date it is tested for recoverability, whether in use or under development. Assets to be disposed of and assets not expected to provide any future service potential to us are recorded at the lower of carrying amount or fair value. Oil and gas properties are grouped in accordance with ASC 932 — Extractive Activities-Oil and Gas. The basis for grouping is a reasonable aggregation of properties typically by field or by logical grouping of assets with significant shared infrastructure.

For long-lived assets whereby the carrying value exceeds the estimated future undiscounted cash flows, the carrying amount is reduced to fair value. Fair value is generally estimated using the income approach described in the ASC 820 — Fair Value Measurement. If applicable, we utilize prices and other relevant information generated by market transactions involving assets and liabilities that are identical or comparable to the item being measured as the basis for determining fair value. The expected future cash flows used for impairment reviews and related fair value measurements are typically based on judgmental assessments of future production, pricing estimates, capital and operating costs, market-based weighted average cost of capital, and risk adjustment factors applied to reserves. These assumptions are applied to develop future cash flow projections that are then discounted to estimated fair value, using a market-based weighted-average cost of capital. Although we base the fair value estimate of each asset group on assumptions we believe to be reasonable, those assumptions are inherently unpredictable and uncertain, and actual results could differ from the estimate. Negative revisions of estimated reserve quantities, increases in future cost estimates, divestiture of a significant component of the asset group, or sustained decreases in crude oil prices could lead to a reduction in expected future cash flows and possibly an additional impairment of long-lived assets in future periods.

We believe the assumptions used in our analysis to test for impairment are appropriate and result in a reasonable estimate of future cash flows and fair value. Kosmos has consistently used an average of third-party industry forecasts to determine our pricing assumptions. Where unproved reserves exist, an appropriately risk-adjusted amount of these reserves may be included in the evaluation.

Derivative Instruments and Hedging Activities

We utilize oil derivative contracts to mitigate our exposure to commodity price risk associated with our anticipated future oil production. These derivative contracts consist of collars, put options, call options and swaps. We also have used interest rate derivative contracts to mitigate our exposure to interest rate fluctuations related to our long-term debt. Our derivative financial instruments are recorded on the balance sheet as either assets or liabilities and are measured at fair value. We do not apply hedge accounting to our derivative contracts. See Note 9—Derivative Financial Instruments.

Estimates of Proved Oil and Natural Gas Reserves

Reserve quantities and the related estimates of future net cash flows affect our periodic calculations of depletion and assessment of impairment of our oil and natural gas properties. Proved oil and natural gas reserves are the estimated quantities of crude oil, natural gas and natural gas liquids that geological and engineering data demonstrate with reasonable certainty to be recoverable in future periods from known reservoirs under existing economic and operating conditions. As additional proved reserves are discovered, reserve quantities and future cash flows will be estimated by independent petroleum consultants and prepared in accordance with guidelines established by the SEC and the FASB. The accuracy of these reserve estimates is a function of:

- the engineering and geological interpretation of available data;
- estimates of the amount and timing of future operating cost, production taxes, development cost and workover cost;

- the accuracy of various mandated economic assumptions; and
- the judgments of the persons preparing the estimates.

Revenue Recognition

We recognize revenues on the volumes of hydrocarbons sold to a purchaser. The volumes sold may be more or less than the volumes to which we are entitled based on our ownership interest in the property. These differences result in a condition known in the industry as a production imbalance. A receivable or liability is recognized only to the extent that we have an imbalance on a specific property greater than the expected remaining proved reserves on such property. As of December 31, 2022 and 2021, we had no oil and gas imbalances recorded in our consolidated financial statements.

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:

	Years Ended December 31,		
	2022	2021	2020
	(In thousands)		
Revenues from contract with customer - Equatorial Guinea	$ 349,443	$ 257,628	$ 149,033
Revenues from contract with customer - Ghana	1,362,875	654,644	375,603
Revenues from contract with customers - U.S. Gulf of Mexico	547,610	427,261	285,017
Provisional oil sales contracts	(14,573)	(7,520)	(5,620)
Oil and gas revenue	$ 2,245,355	$ 1,332,013	$ 804,033

Equity-based Compensation

For equity-based compensation awards, compensation expense is recognized in the Company's financial statements over the awards' vesting periods based on their grant date fair value. The Company utilizes (i) the closing stock price on the date of grant to determine the fair value of service vesting restricted stock units and (ii) a Monte Carlo simulation to determine the fair value of restricted stock units with a combination of market and service vesting criteria. Forfeitures are recognized in the period in which they occur.

Restructuring Charges

The Company accounts for restructuring charges and related termination benefits in accordance with ASC 712-Compensation-Nonretirement Postemployment Benefits. Under this standard, the costs associated with termination benefits are recorded during the period in which the liability is incurred. During the years ended December 31, 2022, 2021 and 2020, we recognized zero, $2.6 million and $16.5 million, respectively, in restructuring charges for employee severance and related benefit costs incurred as part of a corporate reorganization in Other expenses, net in the consolidated statement of operations.

Income Taxes

The Company accounts for income taxes as required by ASC 740—Income Taxes. Under this method, deferred income taxes are determined based on the difference between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Valuation allowances are established when necessary to reduce deferred tax assets to the amounts expected to be realized. On a quarterly basis, management evaluates the need for and adequacy of valuation allowances based on the expected realizability of the deferred tax assets and adjusts the amount of such allowances, if necessary.

We recognize tax benefits from uncertain tax positions only if it is more likely than not that the tax position will be sustained upon examination by the tax authorities, based on the technical merits of the position. Accordingly, we measure tax benefits from such positions based on the most likely outcome to be realized.

Foreign Currency Translation

The U.S. dollar is the functional currency for all of the Company's material foreign operations. Foreign currency transaction gains and losses and adjustments resulting from translating monetary assets and liabilities denominated in foreign currencies are included in other expenses. Cash balances held in foreign currencies are not significant, and as such, the effect of exchange rate changes is not material to any reporting period.

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 readily 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 international operations. The continued economic disruption resulting from the COVID-19 pandemic, Russia's invasion of Ukraine, a potential global recession, 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.

Recent Accounting Standards

Not Yet Adopted

In March 2020, the FASB issued ASU 2020-04, "Reference Rate Reform (Topic 848)," which provides optional expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships and other transactions affected by the cessation of the LIBOR. The guidance was amended effective October 5, 2022 by ASU 2022-06, "Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848, to extend the sunset date of Topic 848 and can be applied prospectively through December 31, 2024. As we implement the cessation of LIBOR into our current contracts and hedging relationships, the Company is evaluating whether to apply any of these expedients and, if elected, will adopt these standards when LIBOR is discontinued.

3. Acquisitions and Divestitures

2022 Transactions

In March 2022, Kosmos completed the acquisition of an additional 5.5% interest in 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. Additionally, in September 2022, Kosmos completed the acquisition of an additional 3.2% interest in the Winterfell area in Green Canyon Blocks 943, 944, 987 and 988 and an additional 1.4% interest in Green Canyon Blocks 899 and 900 for $6.6 million. As a result of the two transactions, our participating interests in the Green Canyon Blocks 943, 944, 987 and 988 is now 25.0% and our participating interests in the Green Canyon Blocks 899 and 900 is 37.8%.

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 harmonizing the expiration of the Ceiba Field and Okume Complex production licenses (from 2029 and 2034 respectively) to 2040. As part of the extension, during the second quarter of 2022, Kosmos paid a signature bonus and agreed to undertake a work program including the drilling of three development wells on Block G in either the Ceiba Field or Okume Complex and the drilling of one exploration well in Block S offshore Equatorial Guinea.

In June 2022, Kosmos completed the acquisition of an additional 5.9% interest in the Kodiak oil field from Marubeni by exercising our preferential right to purchase for a total purchase price of approximately $29.0 million. The purchase price was based on an initial purchase price of $38.3 million reduced by certain purchase adjustments totaling approximately $9.3 million. The purchase price allocation was based on the estimated fair value of identifiable assets acquired and liabilities assumed primarily comprised of $27.1 million of oil and gas properties, net. As a result of the transaction, our working interest increased from 29.1% to 35.0%.

In June 2022, at the conclusion of the second exploration period, Block C12 offshore Mauritania was relinquished.

In October 2022, we entered into a farm-out agreement with Panoro Energy ASA (Panoro) to farm-out a 6.0% participating interest in Block S offshore Equatorial Guinea, which will result in our participating interest in Block S reducing

to 34.0%, in exchange for cash consideration totaling approximately $1.8 million. The transaction is awaiting governmental approvals.

2021 Transactions

In October 2021, Kosmos completed the acquisition of Anadarko WCTP Company ("Anadarko WCTP"), a subsidiary of Occidental Petroleum Corporation, which owns a participating interest in the WCTP Block and DT Block offshore Ghana, including an 18.0% participating interest in the Jubilee Unit Area and an 11.1% participating interest in the TEN fields. In consideration for the acquisition, Kosmos paid $455.9 million in cash based on an initial purchase price of $550.6 million reduced by certain purchase price adjustments totaling $94.7 million. Additionally, we incurred $9.5 million of transaction related costs, which were capitalized as part of the purchase price. Following closing of the acquisition, Kosmos' interest in the Jubilee Unit Area increased from 24.1% to 42.1%, and Kosmos' interest in the TEN fields increased from 17.0% to 28.1%.

Kosmos initially funded the purchase price through the issuance of $400.0 million aggregate principal amount of floating rate senior notes due 2022 ("Bridge Notes") and $75.0 million of borrowings under Kosmos' Facility. Kosmos then refinanced the Bridge Notes in full with the proceeds from the issuance of $400.0 million of 7.750% Senior Notes due 2027 and cash on hand. Kosmos also received $136.6 million in proceeds from a public issuance of 43.1 million shares of Kosmos' common stock with proceeds used to repay a portion of outstanding borrowings under the Facility during the fourth quarter of 2021. The purchase price allocation was based on the estimated fair value of identifiable assets acquired and liabilities assumed.

	Purchase Price Allocation (in thousands)
Fair value of assets acquired:	
Proved oil and gas properties	$ 718,159
Accounts receivable and other	95,847
Total assets acquired	$ 814,006
Fair value of liabilities assumed:	
Asset retirement obligations	$ 28,342
Accounts payable and accrued liabilities	113,704
Deferred tax liabilities	206,593
Total liabilities assumed	$ 348,639
Purchase price:	
Cash consideration paid	$ 455,886
Transaction related costs	9,481
Total purchase price	$ 465,367

As a result of the acquisition of Anadarko WCTP, $104.4 million of revenues and $10.3 million of direct operating expenses have been included in our consolidated statements of operations for the period from October 13, 2021 to December 31, 2021.

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 were exercising their pre-emption rights in relation to Kosmos' acquisition of Anadarko WCTP. After execution of definitive transaction documentation and receipt of government approvals, Kosmos concluded the pre-emption transaction with Tullow in March 2022. Following the completion of the pre-emption process, 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.

In 2021, at the conclusion of the second exploration period, Block C13 offshore Mauritania was relinquished.

2020 Transactions

During the third quarter of 2020, Kosmos entered into an agreement with Shell to farm down interests in a portfolio of frontier exploration assets for cash consideration of $96.0 million and future contingent consideration of up to $100.0 million. Under the terms of the agreement, Shell acquired Kosmos' participating interest in blocks offshore Sao Tome and Principe (excluding Block 5 offshore Sao Tome and Principe), Suriname, Namibia and South Africa. Kosmos received proceeds totaling $95.0 million during the fourth quarter of 2020 resulting in gain on sale of assets of $92.1 million for the year ended December 31, 2020. The remaining proceeds of $1.0 million related to Kosmos' participating interest in South Africa were received during the third quarter of 2021. The potential contingent consideration is payable by Shell depending on the results of the first four exploration wells drilled by Shell 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 under the relevant host government contract for any of the first four exploration wells, Shell is 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. During the fourth quarter of 2022, we received formal notice from Shell that an appraisal plan for one of the first four exploration wells had been submitted under the terms of Shell’s Petroleum Agreement with Namibia. As a result, we received additional proceeds of $50.0 million in the fourth quarter of 2022 related to the transaction with Shell resulting in Gain on sale of assets of $50.0 million for the year ended December 31, 2022.

In October 2020, Kosmos withdrew from Block C6 offshore Mauritania.

In May 2020, a withdrawal notice for our blocks offshore Cote d'Ivoire was issued to partners and the Government of Cote d’Ivoire.

In July 2020, we provided notice that we declined to enter the final exploration phase of the Suriname Block 45 petroleum agreement.

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 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 December 31, 2022 and 2021, the current portion of the joint interest billing receivables due from GNPC for the TEN fields' development costs were $6.4 million and $7.9 million, respectively, and the long-term portions were $17.3 million and $20.9 million.

Notes Receivable

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 companies’ share of certain development costs incurred through first gas production for Greater Tortue Ahmeyim Phase 1, currently targeted to be in the fourth 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 December 31, 2022 and 2021, the balance due from the national oil companies including interest was $218.4 million and $145.2 million, respectively, which is classified as Long-term receivables in our consolidated balance sheets. Interest income on the long-term notes receivable was $10.1 million, $7.1 million and $3.8 million for the years ended December 31, 2022, 2021 and 2020, 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 targeted to be in the fourth 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 Greater Tortue FPSO. As of December 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:

	December 31,	
	2022	2021
	(In thousands)	
Oil and gas properties:		
Proved properties	$ 6,953,435	$ 6,725,453
Unproved properties	341,334	451,454
Total oil and gas properties	7,294,769	7,176,907
Accumulated depletion	(3,457,332)	(2,999,584)
Oil and gas properties, net	3,837,437	4,177,323
Other property	60,730	58,598
Accumulated depreciation	(55,520)	(51,934)
Other property, net	5,210	6,664
Property and equipment, net	$ 3,842,647	$ 4,183,987

We recorded depletion expense of $471.4 million, $442.3 million and $460.9 million and depreciation expense of $3.6 million, $3.9 million and $5.5 million for the years ended December 31, 2022, 2021 and 2020, respectively. In connection with fair value assessments for oil and gas proved properties, we recorded long-lived asset impairments of $450.0 million related to the TEN Fields in Ghana, zero and $154.0 million related to oil and gas proved properties in the U.S. Gulf of Mexico during the years ended December 31, 2022, 2021 and 2020, respectively, in our consolidated statement of operations. Additionally, during the year ended December 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 in March 2022, $64.2 million as a result of the write-off of previously capitalized costs related to the BirAllah and Orca discoveries incurred under the C8 license to exploration expense, offset by additions of $53.1 million related to the acquisition of an additional working interest in the Kodiak oil field, the extension of the Block G licenses in Equatorial Guinea, and the acquisitions of additional participating interests in the Winterfell area. See Note 3 — Acquisitions and Divestitures and Note 6 — Suspended Well Costs.

6. Suspended Well Costs

The Company capitalizes exploratory well costs as unproved properties within oil and gas properties until a determination is made that the well has either found proved reserves or is impaired. If proved reserves are found, the capitalized exploratory well costs are reclassified to proved properties. Well costs are charged to exploration expense if the exploratory well is determined to be impaired.

The following table reflects the Company's capitalized exploratory well costs on drilled wells as of and during the years ended December 31, 2022, 2021 and 2020.

	Years Ended December 31,		
	2022	2021	2020
	(In thousands)		
Beginning balance	$ 218,180	$ 186,289	$ 445,790
Additions to capitalized exploratory well costs pending the determination of proved reserves	25,209	31,891	4,001
Reclassification due to determination of proved reserves(1)	(34,614)	—	(263,502)
Capitalized exploratory well costs charged to expense(2)	(62,818)	—	—
Ending balance	$ 145,957	$ 218,180	$ 186,289

(1) Activity for the year ended December 31, 2022 represents the reclassification of exploratory well costs associated with the Winterfell discovery in Green Canyon Block 944 in the U.S. Gulf of Mexico. Activity for the year ended December 31, 2020 represents the reclassification of exploratory well costs associated with the Greater Tortue Ahmeyim Unit as a result of the execution of the Tortue Phase 1 SPA in February 2020.

(2) Represents the impairment of exploratory well costs associated with the BirAllah and Orca Discoveries as a result of the expiration of the exploration period of Block C8 in June 2022.

The following table provides 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:

	Years Ended December 31,		
	2022	2021	2020
	(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	32,770	30,389	66,573
Exploratory well costs capitalized for a period of four to six years	113,187	166,888	119,716
Ending balance	$ 145,957	$ 218,180	$ 186,289
Number of projects that have exploratory well costs that have been capitalized for a period greater than one year	2	3	3

As of December 31, 2022, the projects with exploratory well costs capitalized for more than one year since the completion of drilling are related to the Yakaar and Teranga discoveries in the Cayar Offshore Profond block offshore Senegal and the Asam discovery in Block S offshore Equatorial Guinea.

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 2022, we have continued progressing appraisal studies and maturing the first phase development 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. The discovery was subsequently named Asam. In July 2020, an appraisal work program was approved by the Government of Equatorial Guinea. The well is located within tieback range of the Ceiba FPSO and the appraisal work program is currently ongoing to integrate all available data into models to establish the scale of the discovered resource and evaluate the optimum development solution. During the fourth quarter of 2022, we received approval from the Government of Equatorial Guinea to enter the second sub-period phase of the Block S exploration license with a scheduled expiration in December 2024. Engineering has continues to progress concepts around required subsea infrastructure necessary for a subsea tieback. Additionally, in December 2022 the Asam field appraisal report was submitted to the Government of Equatorial Guinea. Following additional evaluation, a decision regarding commerciality will be made.

7. Leases

We have commitments under operating leases primarily related to office leases. Our leases have initial lease terms ranging from one year to ten years. Certain lease agreements contain provisions for future rent increases.

The components of lease cost for the years ended December 31, 2022 and 2021 is as follows:

	December 31,	
	2022	**2021**
	(In thousands)	
Operating lease cost	$ 3,882	$ 3,971
Variable lease cost	1,825	1,780
Short-term lease cost(1)	13,970	10,790
Total lease cost	$ 19,677	$ 16,541

(1) Includes $12.5 million and $9.4 million during the years ended December 31, 2022 and 2021, respectively, of costs associated with short-term drilling contracts.

Other information related to operating leases at December 31, 2022 and 2021, is as follows:

	December 31	
	2022	**2021**
	(In thousands, except lease term and discount rate)	
Balance sheet classifications		
Other assets (right-of-use assets)	$ 16,044	$ 17,578
Accrued liabilities (current maturities of leases)	2,181	1,905
Other long-term liabilities (non-current maturities of leases)	18,007	20,351
Weighted average remaining lease term	6.5 years	7.5 years
Weighted average discount rate	9.8 %	9.8 %

The table below presents supplemental cash flow information related to leases during the years ended December 31, 2022 and 2021:

	December 31,	
	2022	**2021**
	(In thousands)	
Operating cash flows for operating leases	$ 7,170	$ 6,460
Investing cash flows for operating leases(1)	12,449	9,350

(1) Represents costs associated with short-term drilling contracts.

Future minimum rental commitments under our leases at December 31, 2022, are as follows:

	Operating Leases(1)
	(In thousands)
2023	$ 4,032
2024	4,104
2025	4,175
2026	4,246
2027	4,192
Thereafter	6,652
Total undiscounted lease payments	$ 27,401
Less: Imputed interest	(7,213)
Total lease liabilities	$ 20,188

(1) Does not include purchase commitments for jointly owned fields and facilities where we are not the operator and excludes commitments for exploration activities, including well commitments, in our petroleum contracts.

8. Debt

	December 31,	
	2022	2021
	(In thousands)	
Outstanding debt principal balances:		
Facility	$ 625,000	$ 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	145,000	175,000
Total long-term debt	2,270,000	2,675,000
Unamortized deferred financing costs and discounts(1)	(44,089)	(54,505)
Total debt, net	2,225,911	2,620,495
Less: Current maturities of long-term debt	(30,000)	(30,000)
Long-term debt, net	$ 2,195,911	$ 2,590,495

(1) Includes $25.2 million and $31.0 million of unamortized deferred financing costs related to the Facility; $16.7 million and $20.2 million of unamortized deferred financing costs and discounts related to the Senior Notes; and $2.2 million and $3.3 million of unamortized deferred financing costs related to the GoM Term Loan as of December 31, 2022 and December 31, 2021, respectively.

Facility

The Facility supports our oil and gas exploration, appraisal and development programs and corporate activities. 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 the Jubilee and TEN fields in Ghana and the Ceiba and Okume fields in Equatorial Guinea, 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.

In May 2021, the Company entered into an amended and restated facility agreement and certain ancillary documents. As part of this amendment to the Facility in May 2021, the Company incurred $15.2 million for loss on extinguishment of debt during the year ended December 31, 2021. During the year ended December 31, 2022, the Company made principal repayments totaling $375.0 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. In October 2022, during the Fall 2022 redetermination, the Company's lending syndicate approved a borrowing base of approximately $1.24 billion. On November 23, 2022, the Company amended the Facility to update the interest rate benchmark from LIBOR to term SOFR, to be effective as of April 19, 2023. As of December 31, 2022, borrowings under the Facility totaled $625.0 million and the undrawn availability under the facility was $618.0 million.

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 December 31, 2021, we exceeded this ratio and restricted approximately $42.9 million in cash to meet our requirements. As of March 31, 2022, our net leverage ratio was below 2.50x, and therefore, we released $59.1 million from restricted cash in May 2022 upon submission of the net leverage test as of March 31, 2022. As of December, 31, 2022 our net leverage ratio remained below 2.50x.

Interest on the Facility is the aggregate of the applicable margin (3.75% to 5.00%, depending on the length of time that has passed from the date the Facility was entered into) and LIBOR. Effective April 19, 2023, interest on the Facility will be the aggregate of the applicable margin (3.75% to 5.00%, depending on the length of time that has passed from the date the Facility was entered into), plus the term SOFR reference rate administered by CME Group Benchmark Administration Limited for the relevant period published and a credit adjustment spread. Interest is payable on the last day of each interest period (and, if the interest period is longer than six months, on the dates falling at six-month intervals after the first day of the interest period). We pay commitment fees on the undrawn and unavailable portion of the total commitments, if any. Commitment fees are equal to 30% per annum of the then-applicable respective margin when a commitment is available for utilization and, equal to 20% per annum of the then-applicable respective margin when a commitment is not available for utilization. We recognize interest expense in accordance with ASC 835—Interest, which requires interest expense to be recognized using the effective interest method. We determined the effective interest rate based on the estimated level of borrowings under the Facility.

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 December 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.

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 assets held by our subsidiaries. We were in compliance with the financial covenants below contained in the Facility as of September 30, 2022 (the most recent assessment date), which requires the maintenance of:

- the field life cover ratio (as defined in the glossary), not less than 1.30x; and
- the loan life cover ratio (as defined in the glossary), not less than 1.10x through March 31, 2024 and 1.30x after March 31, 2024; and
- the interest cover ratio (as defined in the glossary), not less than 2.25x; and
- the debt cover ratio (as defined in the glossary), not more than 3.50x as amended.

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 SOFR 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, if any, as of March 31 or September 30 in any calendar year.

The Company capitalized $6.1 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. On November 23, 2022, the Company amended the Corporate Revolver to update the interest rate benchmark from compounded SOFR to term SOFR, to be effective as of April 19, 2023, and to reflect that The Standard Bank of South Africa Limited has been appointed as the new Facility Agent. As of December 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.

Interest accrues at a rate equal to the SOFR administered by the Federal Reserve Bank of New York plus a credit adjustment spread plus a 7.0% margin plus mandatory costs, if applicable. Effective April 19, 2023, interest on the Corporate Revolver will be the aggregate of a 7.0% margin, the term SOFR reference rate administered by CME Group Benchmark Administration Limited for the relevant period published and a credit adjustment spread. Interest is payable on the last day of each interest period (and, if the interest period is longer than six months, on the dates falling at six-month intervals after the first day of the interest period). We pay commitment fees on the undrawn portion of the total commitments. Commitment fees for the lenders are equal to 30% per annum of the respective margin when a commitment is available for utilization.

The Corporate Revolver expires on December 31, 2024. 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 below contained in the Corporate Revolver as of September 30, 2022 (the most recent assessment date), which requires the maintenance of:

- the interest cover ratio (as defined in the glossary), not less than 2.25x; and

- the debt cover ratio (as defined in the glossary), not more than 3.50x as amended.

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. We will pay interest in arrears on the 7.125% Senior Notes 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, the 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.

On or after April 4, 2022, the Company may redeem all or a part of the 7.125% Senior Notes at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest:

Year	Percentage
On or after April 4, 2022	103.563 %
On or after April 4, 2023	101.781 %
On or after April 4, 2024	100.000 %

We may also redeem the 7.125% Senior Notes in whole, but not in part, at any time if changes in tax laws impose certain withholding taxes on amounts payable on the 7.125% Senior Notes at a price equal to the principal amount of the 7.125% Senior Notes plus accrued interest and additional amounts, if any, as may be necessary so that the net amount received by each holder after any withholding or deduction on payments of the 7.125% Senior Notes will not be less than the amount such holder would have received if such taxes had not been withheld or deducted.

Upon the occurrence of a change of control triggering event as defined under the 7.125% Senior Notes indenture, the Company will be required to make an offer to repurchase the 7.125% Senior Notes at a repurchase price equal to 101% of the principal amount, plus accrued and unpaid interest to, but excluding, the date of repurchase.

If we sell assets, under certain circumstances outlined in the 7.125% Senior Notes indenture, we will be required to use the net proceeds to make an offer to purchase the 7.125% Senior Notes at an offer price in cash in an amount equal to 100% of the principal amount of the 7.125% Senior Notes, plus accrued and unpaid interest to, but excluding, the repurchase date.

The 7.125% Senior Notes indenture restricts the ability of the Company and its restricted subsidiaries to, among other things: incur or guarantee additional indebtedness, create liens, pay dividends or make distributions in respect of capital stock, purchase or redeem capital stock, make investments or certain other restricted payments, sell assets, enter into agreements that restrict the ability of the Company’s subsidiaries to make dividends or other payments to the Company, enter into transactions with affiliates, or effect certain consolidations, mergers or amalgamations. These covenants are subject to a number of important qualifications and exceptions. Certain of these covenants will be terminated if the 7.125% Senior Notes are assigned an investment grade rating by both Standard & Poor’s Rating Services and Fitch Ratings Inc. and no default or event of default has occurred and is continuing. 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 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.

At any time prior to November 1, 2023, and subject to certain conditions, the Company may, on one or more occasions, redeem up to 40% of the original principal amount of the 7.750% Senior Notes with an amount not to exceed the net cash proceeds of certain equity offerings at a redemption price of 107.750% of the outstanding principal amount of the 7.750% Senior Notes, together with accrued and unpaid interest and premium, if any, to, but excluding, the date of redemption. Additionally, at any time prior to November 1, 2023 the Company may, on any one or more occasions, redeem all or a part of the 7.750% Senior Notes at a redemption price equal to 100%, plus any accrued and unpaid interest, and plus a “make-whole” premium. On or after November 1, 2023, the Company may redeem all or a part of the 7.750% Senior Notes at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest:

Year	Percentage
On or after November 1, 2023	103.875 %
On or after November 1, 2024	101.938 %
On or after November 1, 2025	100.000 %

We may also redeem the 7.750% Senior Notes in whole, but not in part, at any time if changes in tax laws impose certain withholding taxes on amounts payable on the 7.750% Senior Notes at a price equal to the principal amount of the 7.750% Senior Notes plus accrued interest and additional amounts, if any, as may be necessary so that the net amount received by each holder after any withholding or deduction on payments of the 7.750% Senior Notes will not be less than the amount such holder would have received if such taxes had not been withheld or deducted.

Upon the occurrence of a change of control triggering event as defined under the 7.750% Senior Notes indenture, the Company will be required to make an offer to repurchase the 7.750% Senior Notes at a repurchase price equal to 101% of the principal amount, plus accrued and unpaid interest to, but excluding, the date of repurchase.

If we sell assets, under certain circumstances outlined in the 7.750% Senior Notes indenture, we will be required to use the net proceeds to make an offer to purchase the 7.750% Senior Notes at an offer price in cash in an amount equal to 100% of the principal amount of the 7.750% Senior Notes, plus accrued and unpaid interest to, but excluding, the repurchase date.

The 7.750% Senior Notes indenture restricts the ability of the Company and its restricted subsidiaries to, among other things: incur or guarantee additional indebtedness, create liens, pay dividends or make distributions in respect of capital stock, purchase or redeem capital stock, make investments or certain other restricted payments, sell assets, enter into agreements that restrict the ability of the Company's subsidiaries to make dividends or other payments to the Company, enter into transactions with affiliates, or effect certain consolidations, mergers or amalgamations. These covenants are subject to a number of important qualifications and exceptions. Certain of these covenants will be terminated if the 7.750% Senior Notes are assigned an investment grade rating by both Standard & Poor’s Rating Services and Fitch Ratings Inc. and no default or event of default has occurred and is continuing. 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.

At any time prior to March 1, 2024, and subject to certain conditions, the Company may, on one or more occasions, redeem up to 40% of the original principal amount of the 7.500% Senior Notes with an amount not to exceed the net cash proceeds of certain equity offerings at a redemption price of 107.500% of the outstanding principal amount of the 7.500% Senior Notes, together with accrued and unpaid interest and premium, if any, to, but excluding, the date of redemption. Additionally, at any time prior to March 1, 2024 the Company may, on any one or more occasions, redeem all or a part of the 7.500% Senior Notes at a redemption price equal to 100%, plus any accrued and unpaid interest, and plus a “make-whole” premium. On or after March 1, 2024, the Company may redeem all or a part of the 7.500% Senior Notes at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest:

Year	Percentage
On or after March 1, 2024	103.750 %
On or after March 1, 2025	101.875 %
On or after March 1, 2026	100.000 %

We may also redeem the 7.500% Senior Notes in whole, but not in part, at any time if changes in tax laws impose certain withholding taxes on amounts payable on the 7.500% Senior Notes at a price equal to the principal amount of the 7.500% Senior Notes plus accrued interest and additional amounts, if any, as may be necessary so that the net amount received by each holder after any withholding or deduction on payments of the 7.500% Senior Notes will not be less than the amount such holder would have received if such taxes had not been withheld or deducted.

Upon the occurrence of a change of control triggering event as defined under the 7.500% Senior Notes indenture, the Company will be required to make an offer to repurchase the 7.500% Senior Notes at a repurchase price equal to 101% of the principal amount, plus accrued and unpaid interest to, but excluding, the date of repurchase.

If we sell assets, under certain circumstances outlined in the 7.500% Senior Notes indenture, we will be required to use the net proceeds to make an offer to purchase the 7.500% Senior Notes at an offer price in cash in an amount equal to 100% of the principal amount of the 7.500% Senior Notes, plus accrued and unpaid interest to, but excluding, the repurchase date.

The 7.500% Senior Notes indenture restricts the ability of the Company and its restricted subsidiaries to, among other things: incur or guarantee additional indebtedness, create liens, pay dividends or make distributions in respect of capital stock, purchase or redeem capital stock, make investments or certain other restricted payments, sell assets, enter into agreements that restrict the ability of the Company’s subsidiaries to make dividends or other payments to the Company, enter into transactions with affiliates, or effect certain consolidations, mergers or amalgamations. These covenants are subject to a number of important qualifications and exceptions. Certain of these covenants will be terminated if the 7.500% Senior Notes are assigned an investment grade rating by both Standard & Poor’s Rating Services and Fitch Ratings Inc. and no default or event of default has occurred and is continuing. The 7.500% Senior Notes contain customary cross default provisions.

GoM Term Loan

In September 2020, the Company entered into a five-year $200 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 million subject to certain conditions. The GoM Term Loan bears interest at an effective rate of approximately 6.9% per annum and matures in 2025, with quarterly principal repayments having started in the fourth quarter of 2021. As of December 31, 2022, $30.0 million of the total $145 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.

We were in compliance with the covenants, representations and warranties contained in the GoM Term Loan as of September 30, 2022 (the most recent assessment date). The GoM Term Loan contains customary cross default provisions.

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

	Payments Due by Year						
	Total	2023	2024	2025	2026	2027	Thereafter
	(In thousands)						
Principal debt repayments(1)	$ 2,270,000	$ 30,000	$ 30,000	$ 262,548	$ 918,880	$ 578,572	$ 450,000

(1) Includes the scheduled maturities for outstanding principal debt balances. The scheduled maturities of debt related to the Facility as of December 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.

Interest and other financing costs, net

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

	Years Ended December 31,		
	2022	2021	2020
	(In thousands)		
Interest expense	$ 180,046	$ 146,706	$ 119,857
Amortization—deferred financing costs	10,401	10,580	9,347
Loss on extinguishment of debt	192	19,625	2,902
Capitalized interest	(84,342)	(46,098)	(25,013)
Deferred interest	(3,318)	(3,401)	2,402
Interest income	(12,139)	(10,257)	(4,773)
Other, net	27,420	11,216	5,072
Interest and other financing costs, net	$ 118,260	$ 128,371	$ 109,794

Capitalized interest for the years ended December 31, 2022, 2021 and 2020 was $84.3 million, $46.1 million and $25.0 million, respectively, primarily related to spend on the Greater Tortue Ahmeyim project.

9. 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 Measurements and Disclosures.

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 December 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)	Weighted Average Price per Bbl: Sold Put	Weighted Average Price per Bbl: Floor	Weighted Average Price per Bbl: Ceiling
2023:							
Jan — Dec	Three-way collars	Dated Brent	6,000	$ 1.34	$ 49.17	$ 71.67	$ 107.58
Jan — Dec	Two-way collars	Dated Brent	4,000	1.90	—	72.50	117.50

In January 2023, we entered into Dated Brent three-way collar contracts for 1.0 MMBbl from January 2024 through December 2024 with a sold put price of $45.00 per barrel, a floor price of $70.00 per barrel and a ceiling price of $100.00 per barrel.

See Note 10—Fair Value Measurements for additional information regarding the Company's derivative instruments.

The following tables disclose the Company's derivative instruments as of December 31, 2022 and 2021 and gain/(loss) from derivatives during the years ended December 31, 2022, 2021 and 2020.

Type of Contract	Balance Sheet Location	Estimated Fair Value Asset (Liability) December 31, 2022	Estimated Fair Value Asset (Liability) December 31, 2021
		(In thousands)	
Derivatives not designated as hedging instruments:			
Derivative assets:			
Commodity	Derivatives assets—current	$ 7,344	$ 5,689
Provisional oil sales	Receivables: Oil sales	1,170	(853)
Commodity	Derivatives assets—long-term	1,725	1,026
Derivative liabilities:			
Commodity	Derivatives liabilities—current	(6,773)	(65,879)
Commodity	Derivatives liabilities—long-term	(778)	(6,298)
Total derivatives not designated as hedging instruments		$ 2,688	$ (66,315)

ɔe of Contract	Location of Gain/(Loss)	Amount of Gain/(Loss) Years Ended December 31, 2022	2021	2020
			(In thousands)	
rivatives not designated as hedging instruments:				
Provisional oil sales	Oil and gas revenue	$ (14,573)	$ (7,520)	$ (5,620)
Commodity	Derivatives, net	(260,892)	(270,185)	(17,180)
Total derivatives not designated as hedging instruments		$ (275,465)	$ (277,705)	$ (22,800)

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 December 31, 2022 and 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.

10. Fair Value Measurements

In accordance with ASC 820—Fair Value Measurements, 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 December 31, 2022 and 2021, for each fair value hierarchy level:

	Fair Value Measurements Using:			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
	(In thousands)			
December 31, 2022				
Assets:				
Commodity derivatives	$ —	$ 9,069	$ —	$ 9,069
Provisional oil sales	—	1,170	—	1,170
Liabilities:				
Commodity derivatives	—	(7,551)	—	(7,551)
Total	$ —	$ 2,688	$ —	$ 2,688
December 31, 2021				
Assets:				
Commodity derivatives	$ —	$ 6,715	$ —	$ 6,715
Provisional oil sales	—	(853)	—	(853)
Liabilities:				
Commodity derivatives	—	(72,177)	—	(72,177)
Total	$ —	$ (66,315)	$ —	$ (66,315)

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 9—Derivative Financial Instruments for additional information regarding the Company's derivative instruments.

Provisional Oil Sales

The value attributable to provisional oil sales derivative 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 December 31, 2022 and 2021:

	December 31, 2022		December 31, 2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	(In thousands)			
7.125% Senior Notes	$ 645,699	$ 558,201	$ 644,572	$ 632,587
7.750% Senior Notes	395,893	335,592	395,131	386,428
7.500% Senior Notes	445,564	361,958	444,892	424,688
GoM Term Loan	145,000	145,000	175,000	175,000
Facility	625,000	625,000	1,000,000	1,000,000
Total	$ 2,257,156	$ 2,025,751	$ 2,659,595	$ 2,618,703

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.

As a result of a negative proved oil and gas reserve revision at TEN, primarily driven by recent well performance, we reviewed our TEN long-lived assets for impairment at December 31, 2022, which resulted in impairment charges of $450.0 million for the year ended December 31, 2022, reducing the carrying value of the TEN Fields to the estimated fair value of $235.7 million. As part of our impairment analysis, the average per barrel Dated Brent price of third-party industry forecasts used for purposes of determining discounted future cash flows was in the low-$80s adjusted for inflation. We also took account

of the delayed future investment in the field. The expected future cash flows were discounted using a rate of approximately 10 percent which the Company believes is a market-based weighted average cost of capital for industry peers determined appropriate at the time of the valuation.

No impairment of proved oil and gas properties was recognized for the year December 31, 2021 as no impairment indicators were identified.

As a result of the impact of COVID-19 on the demand for oil and the related significant decrease in oil prices in 2020, our long-lived assets were reviewed for impairment at March 31, 2020, which resulted in impairment charges of $150.8 million in connection with the fair value assessments for oil and gas proved properties in the U.S. Gulf Mexico, reducing the carrying value of the properties to their estimated fair values of $243.7 million. As part of our 2020 impairment analysis, the average per barrel Dated Brent price of third-party industry forecasts used for purposes of determining discounted future cash flows ranged from the mid-$30s in 2020 increasing to the mid-$50s over several years. The expected future cash flows were discounted using a rate of approximately 10 percent, which the Company believes is a market-based weighted average cost of capital for industry peers determined appropriate at the time of the valuation. During the fourth quarter of 2020 the Company recorded additional impairment charges totaling approximately $3.2 million resulting in impairment charges totaling $154.0 million for the year ended December 31, 2020.

These impairment charges are included in Impairments of long-lived assets on the consolidated statement of operations. If we experience material declines in oil pricing expectations, 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.

11. Asset Retirement Obligations

The following table summarizes the changes in the Company's asset retirement obligations:

	December 31,	
	2022	2021
	(In thousands)	
Asset retirement obligations:		
Beginning asset retirement obligations	$ 325,459	$ 251,421
Liabilities incurred during period	13,696	38,967
Liabilities settled during period	(9,277)	(8,705)
Revisions in estimated retirement obligations	(50,600)	22,744
Accretion expense	23,256	21,032
Ending asset retirement obligations	$ 302,534	$ 325,459

The asset retirement obligations reflect the estimated present value of the amount of dismantlement, removal, site reclamation, and similar activities associated with our oil and gas properties. The Company utilizes current cost experience to estimate the expected cash outflows for retirement obligations. The Company estimates the ultimate productive life of the properties, a risk-adjusted discount rate, and an inflation factor in order to determine the current present value of this obligation. To the extent future revisions to these assumptions impact the present value of the existing asset retirement obligation, a corresponding adjustment is made to the oil and gas property balance. During the year ended December 31, 2022, our asset retirement obligations were reduced by approximately $10.0 million as a result of concluding the Tullow pre-emption transaction in March 2022 and approximately $66.2 million as a result of the extension of the Block G licenses in Equatorial Guinea in May 2022. The liabilities incurred during the year ended December 31, 2021 include $28.3 million associated with our acquisition of additional interests in Ghana. The revisions in estimated retirement obligations during 2022 and 2021 are related to changes in the estimated timing, scopes of work and costs.

12. Equity-based Compensation

Restricted Stock Awards and Restricted Stock Units

Our Long-Term Incentive Plan ("LTIP") provides for the granting of incentive awards in the form of stock options, stock appreciation rights, restricted stock awards, restricted stock units, among other award types. In April 2021, the board of directors approved amendments to the LTIP which added 11.0 million shares to the LTIP which were approved at the corresponding Annual Stockholders Meeting. The LTIP as amended provides for the issuance of 61.5 million shares pursuant to

awards under the LTIP. As of December 31, 2022, the Company had approximately 5.9 million shares that remain available for issuance under the LTIP.

The Company granted restricted stock units with service vesting criteria and with a combination of market and service vesting criteria under the LTIP. Substantially, all of these awards vest over a three year period. Upon vesting, restricted stock units become issued and outstanding stock.

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

	Service Vesting Restricted Stock Units	Weighted- Average Grant-Date Fair Value	Market / Service Vesting Restricted Stock Units	Weighted-Average Grant-Date Fair Value
	(In thousands)		(In thousands)	
Outstanding at December 31, 2019:	4,731	$ 5.71	7,798	$ 8.42
Granted(1)	3,481	5.48	3,394	8.37
Forfeited(1)	(1,187)	6.12	(726)	8.03
Vested	(2,185)	5.91	(2,607)	9.47
Outstanding at December 31, 2020:	4,840	5.34	7,859	8.11
Granted(1)	2,905	2.57	6,744	3.91
Forfeited(1)	(649)	4.05	(1,998)	5.50
Vested	(2,400)	5.19	(1,372)	9.95
Outstanding at December 31, 2021:	4,696	3.88	11,233	5.28
Granted(1)	2,820	4.70	3,388	6.98
Forfeited(1)	(147)	3.92	(389)	6.21
Vested	(2,453)	4.21	(2,191)	5.98
Outstanding at December 31, 2022:	4,916	4.18	12,041	5.61

(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 December 31, 2022, total equity-based compensation to be recognized on unvested restricted stock units is $20.1 million over a weighted average period of 1.7 years.

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 $12.33 per award. The Monte Carlo simulation model utilizes multiple input variables that determined the probability of satisfying the market condition stipulated in the award grant and calculates 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 ranged from 0.2% to 2.5%. The expected quarterly dividends ranged from $0.000 to $0.050 commensurate with our current dividend experience.

In January 2023, we granted 2.1 million service vesting restricted stock units and 2.7 million market and service vesting restricted stock units to our employees under our long-term incentive plan. We expect to recognize approximately $49.0 million of non-cash compensation expense related to these grants over the next three years.

We record equity-based compensation expense equal to the grant date fair value of share-based payments over the vesting periods of the LTIP awards. The following table summarizes certain information related to our share-based payments:

	Years Ended December 31,		
	2022	2021	2020
	(In thousands)		
Share-based compensation expense	$ 34,546	$ 31,651	$ 32,706
Total tax benefit	5,933	5,786	4,694
Net tax shortfall (windfall)	673	6,307	1,175
Fair value of awards vested	22,205	9,435	26,039

13. Income Taxes

We provide for income taxes based on the laws and rates in effect in the countries in which our operations are conducted. The relationship between our pre-tax income or loss from continuing operations and our income tax expense or benefit varies from period to period as a result of various factors which include changes in total pre-tax income or loss, the jurisdictions in which our income (loss) is earned and the tax laws in those jurisdictions.

In March 2020, the Coronavirus Aid, Relief, and Economic Security ACT ("CARES Act") became law. Among other things, the CARES Act permits taxpayers to carry back U.S. taxable losses generated during tax years 2018 through 2020 to the five tax years preceding the loss year to obtain tax refunds. Certain of our U.S. legal entities qualify for such relief and we recorded a current tax benefit of $4.9 million during the first quarter of 2020, with a total $12.2 million income tax refund claim. Other provisions of the CARES Act are not expected to have a material impact to our tax expense.

During the year ended December 31, 2022, our deferred tax liability decreased by approximately $242.7 million. Approximately $44.6 million of the decrease is the result of concluding the Tullow pre-emption transaction in March 2022. See Note 3 - Acquisitions and Divestitures. The remaining $198.1 million decrease in our deferred tax liability is primarily the result of originating and reversing temporary differences.

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

	Years Ended December 31,		
	2022	2021	2020
	(In thousands)		
United States	$ 73,529	$ (75,948)	$ (338,746)
Foreign	263,538	32,568	(78,049)
Income (loss) before income taxes	$ 337,067	$ (43,380)	$ (416,795)

The components of the provision for income taxes attributable to our income (loss) before income taxes consist of the following:

	Years Ended December 31,		
	2022	2021	2020
	(In thousands)		
Current:			
United States	$ 7,174	$ 282	$ (12,208)
Foreign	300,829	103,348	49,586
Total current	308,003	103,630	37,378
Deferred:			
United States	84	1,202	34,831
Foreign	(197,571)	(70,376)	(77,418)
Total deferred	(197,487)	(69,174)	(42,587)
Income tax expense (benefit)	$ 110,516	$ 34,456	$ (5,209)

Our reconciliation of income tax expense (benefit) computed by applying our statutory rate and the reported effective tax rate on income or (loss) from continuing operations is as follows:

	Years Ended December 31,		
	2022	2021	2020
	(In thousands)		
Tax at statutory rate	$ 70,784	$ (9,110)	$ (87,527)
Foreign income (loss) taxed at different rates	20,663	17,344	(1,771)
Non-deductible compensation	3,012	2,775	890
Non-deductible and other items	3,993	1,719	387
Tax shortfall (windfall) on equity-based compensation, net	673	6,307	1,175
Change in valuation allowance	11,391	15,421	86,539
U.S. tax loss carryback rate differential	—	—	(4,902)
Total tax expense (benefit)	$ 110,516	$ 34,456	$ (5,209)
Effective tax rate(1)	33 %	79 %	1 %

(1) The effective tax rate during the years ended December 31, 2022, 2021 and 2020, were impacted by (gains) and losses of $21.0 million, $61.6 million and $(2.9) million, respectively, incurred in jurisdictions in which we are not subject to taxes and therefore do not generate any income tax benefits or where there are valuation allowances offsetting the corresponding deferred tax assets.

The effective tax rate for the United States is approximately 10%, 2% and 7% for the years ended December 31, 2022, 2021 and 2020, respectively. The effective tax rate in the United States is impacted by the effect of non-deductible expenditures and equity-based compensation tax shortfalls and tax windfalls equal to the difference between the income tax benefit recognized for financial statement reporting purposes compared to the income tax benefit realized for tax return purposes. For the years ended December 31, 2022, 2021 and 2020, our effective tax rate in the United States is impacted by changes in valuation allowances on a portion of our deferred tax assets totaling $(12.3) million, $6.6 million and $96.6 million, respectively.

The effective tax rate for Ghana is approximately 35%, 35% and 35% for the years ended December 31, 2022, 2021 and 2020, respectively. The effective tax rate in Ghana is impacted by non-deductible expenditures.

The effective tax rate for Equatorial Guinea is approximately 36%, 35% and 34% for the years ended December 31, 2022, 2021 and 2020, respectively, and is impacted by non-deductible expenditures.

Our operations in other foreign jurisdictions have a 0% effective tax rate because they reside in countries with a 0% statutory rate or we have incurred losses in those countries and have full valuation allowances against the corresponding net deferred tax assets.

Deferred tax assets and liabilities, which are computed on the estimated income tax effect of temporary differences between financial and tax bases in assets and liabilities, are determined using the tax rates expected to be in effect when taxes are actually paid or recovered. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. The tax effects of significant temporary differences giving rise to deferred tax assets and liabilities are as follows:

	December 31,	
	2022	2021
	(In thousands)	
Deferred tax assets:		
Foreign capitalized operating expenses	$ 196,018	$ 172,836
Foreign net operating losses	19,297	35,518
United States net operating losses	81,040	109,094
United States deferred interest expense	17,421	6,725
Equity compensation	7,916	12,424
Unrealized derivative losses	—	21,710
Asset retirement obligation and other	67,083	55,859
Total deferred tax assets	388,775	414,166
Valuation allowance	(312,968)	(318,343)
Total deferred tax assets, net	75,807	95,823
Deferred tax liabilities:		
Depletion, depreciation and amortization related to property and equipment	(512,019)	(806,861)
Other deferred tax liabilities	(32,233)	—
Total deferred tax liabilities	(544,252)	(806,861)
Net deferred tax liability	$ (468,445)	$ (711,038)

The Company has foreign net operating loss carryforwards of $61.6 million, that will not expire. Additionally, the Company has $385.9 million of United States net operating loss that will not expire. All of these losses currently have offsetting valuation allowances.

The Company is open to tax examinations in the United States for federal income tax return years 2019 through 2021 in Ghana to federal income tax return years 2019 through 2021, and in Equatorial Guinea to federal income tax return years 2019 through 2021.

As of December 31, 2022, the Company had no material uncertain tax positions. The Company’s policy is to recognize potential interest and penalties related to income tax matters in income tax expense.

14. Net Income (Loss) Per Share

In the calculation of basic net income per share, participating securities are allocated earnings based on actual dividend distributions received plus a proportionate share of undistributed net income, if any. We calculate basic net income per share under the two-class method. Diluted net income (loss) per share is calculated under both the two-class method and the treasury stock method and the more dilutive of the two calculations is presented. The computation of diluted net income (loss) per share reflects the potential dilution that could occur if all outstanding awards under our LTIP were converted into shares of common stock or resulted in the issuance of shares of common stock that would then share in the earnings of the Company. During periods in which the Company realizes a loss from continuing operations securities would not be dilutive to net loss per share and conversion into shares of common stock is assumed not to occur.

Basic net income (loss) per share is computed as (i) net income (loss), (ii) less income allocable to participating securities (iii) divided by weighted average basic shares outstanding. The Company’s diluted net income (loss) per share is computed as (i) basic net income (loss), (ii) plus diluted adjustments to income allocable to participating securities (iii) divided by weighted average diluted shares outstanding.

	Years Ended December 31,		
	2022	2021	2020
	(In thousands, except per share data)		
Numerator:			
Net income (loss) allocable to common stockholders	$ 226,551	$ (77,836)	$ (411,586)
Denominator:			
Weighted average number of shares outstanding:			
Basic	455,346	416,943	405,212
Restricted stock units(1)	19,511	—	—
Diluted	474,857	416,943	405,212
Net income (loss) per share:			
Basic	$ 0.50	$ (0.19)	$ (1.02)
Diluted	$ 0.48	$ (0.19)	$ (1.02)

(1) Our restricted stock units are not considered to be participating securities and, therefore, are excluded from the basic net income (loss) per share calculation.

(2) For the years ended December 31, 2022, 2021 and 2020, we excluded 0.1 million, 19.0 million and 6.1 million outstanding restricted stock units, respectively, from the computations of diluted net income per share because the effect would have been anti-dilutive.

15. 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 three development wells and one exploration well in Equatorial Guinea. In Mauritania and Senegal, we have a $200.2 million FPSO Contract Liability related to the deferred sale of the Greater Tortue FPSO.

Performance Obligations

As of December 31, 2022 and 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 $9.7 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.

16. Additional Financial Information

Accrued Liabilities

Accrued liabilities consisted of the following:

	December 31,	
	2022	2021
	(In thousands)	
Accrued liabilities:		
Exploration, development and production	$ 80,598	$ 61,881
Revenue payable	26,087	31,986
Current asset retirement obligations	1,732	3,222
General and administrative expenses	32,069	27,980
Interest	44,740	31,117
Income taxes	127,183	69,392
Taxes other than income	1,524	2,854
Derivatives	6,440	19,302
Other	4,833	2,936
	$ 325,206	$ 250,670

Gain on sale of assets

During the year ended December 31, 2020, we recognized a $92.1 million gain related to the farm down of interests in blocks offshore Sao Tome & Principe, Suriname and Namibia to Shell. During the fourth quarter of 2022, we received formal notice from Shell that an appraisal plan for one well had been submitted under the terms of Shell's Petroleum Agreement with Namibia. As a result, we recognized an additional $50.0 million gain related to the additional proceeds of $50.0 million received in the fourth quarter of 2022 related to the transaction with Shell.

Other Expenses, net

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

	Years Ended December 31,		
	2022	2021	2020
	(In thousands)		
Loss on disposal of inventory	$ 1,521	$ 1,239	$ 8,607
Gain on insurance settlements	(7,000)	—	—
(Gain) loss on asset retirement obligations liability settlements	(3,278)	6,351	1,966
Restructuring charges	(4)	2,584	16,474
Other, net	(293)	(63)	10,755
Other expenses, net	$ (9,054)	$ 10,111	$ 37,802

The restructuring charges for the years ended December 31, 2021 and 2020 are for employee severance and related benefit costs incurred as part of a corporate reorganization.

17. Business Segment Information

Kosmos is engaged in a single line of business, which is the exploration, development and production of oil and gas. At December 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(3)	Corporate & Other	Eliminations	Total
				(in thousands)			
Years ended December 31, 2022							
Revenues and other income:							
Oil and gas revenue	$ 1,350,962	$ 346,783	$ —	$ 547,610	$ —	$ —	$ 2,245,355
Gain on sale of assets	—	—	—	471	50,000	—	50,471
Other income, net	428	3,350	—	2,405	386,002	(388,236)	3,949
Total revenues and other income	1,351,390	350,133	—	550,486	436,002	(388,236)	2,299,775
Costs and expenses:							
Oil and gas production	206,486	90,602	—	105,968	—	—	403,056
Facilities insurance modifications, net	6,243	—	—	—	—	—	6,243
Exploration expenses	14,987	7,378	82,526	22,763	6,576	—	134,230
General and administrative	15,310	6,703	9,798	15,794	180,594	(127,343)	100,856
Depletion, depreciation and amortization	289,058	53,765	412	153,407	1,614	—	498,256
Impairment of long-lived assets	450,357	—	—	(388)	—	—	449,969
Interest and other financing costs, net(1)	64,620	(2,494)	(69,644)	11,180	114,598	—	118,260
Derivatives, net	—	—	—	—	260,892	—	260,892
Other expenses, net	233,785	8,397	(1,178)	10,339	496	(260,893)	(9,054)
Total costs and expenses	1,280,846	164,351	21,914	319,063	564,770	(388,236)	1,962,708
Income (loss) before income taxes	70,544	185,782	(21,914)	231,423	(128,768)	—	337,067
Income tax expense (benefit)	28,091	72,814	—	(1,010)	10,621	—	110,516
Net income (loss)	$ 42,453	$ 112,968	$ (21,914)	$ 232,433	$ (139,389)	$ —	$ 226,551
Consolidated capital expenditures	$ 98,540	$ 36,036	$ 407,982	$ 111,016	$ (41,986)	$ —	$ 611,588
As of December 31, 2022							
Property and equipment, net	$ 1,202,937	$ 396,737	$ 1,396,884	$ 829,242	$ 16,847	$ —	$ 3,842,647
Total assets	$ 2,886,242	$ 1,463,211	$ 2,026,776	$ 3,695,641	$ 19,554,236	$ (25,046,118)	$ 4,579,988

(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.

(2) 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 a reduction in Consolidated capital expenditures for the year ended December 31, 2022.

(3) Includes activity related to our acquisition of an additional interest in the Kodiak oil field commencing June 9, 2022, the acquisition date. Additionally, cash consideration paid of $29.0 million is included in Consolidated capital expenditures for the year ended December 31, 2022.

	Ghana (2)	Equatorial Guinea	Mauritania / Senegal	U.S. Gulf of Mexico	Corporate & Other	Eliminations	Total
				(in thousands)			
Year ended December 31, 2021							
Revenues and other income:							
Oil and gas revenue	$ 644,232	$ 260,520	$ —	$ 427,261	$ —	$ —	$ 1,332,013
Gain on sale of assets	—	—	—	—	1,564	—	1,564
Other income, net	6	—	—	1,279	395,073	(396,096)	262
Total revenues and other income	644,238	260,520	—	428,540	396,637	(396,096)	1,333,839
Costs and expenses:							
Oil and gas production	151,079	93,032	—	101,895	—	—	346,006
Facilities insurance modifications, net	(1,586)	—	—	—	—	—	(1,586)
Exploration expenses	1,527	5,700	10,639	41,230	6,286	—	65,382
General and administrative	12,179	4,343	8,601	17,665	172,869	(124,128)	91,529
Depletion, depreciation and amortization	240,901	56,468	61	168,142	1,649	—	467,221
Interest and other financing costs, net(1)	51,279	(1,661)	(44,831)	15,875	109,493	(1,784)	128,371
Derivatives, net	—	—	—	—	270,185	—	270,185
Other expenses, net	206,466	41,891	(2,189)	30,118	4,010	(270,185)	10,111
Total costs and expenses	661,845	199,773	(27,719)	374,925	564,492	(396,097)	1,377,219
Income (loss) before income taxes	(17,607)	60,747	27,719	53,615	(167,855)	1	(43,380)
Income tax expense (benefit)	(4,290)	37,487	—	(4,958)	6,217	—	34,456
Net income (loss)	$ (13,317)	$ 23,260	$ 27,719	$ 58,573	$ (174,072)	$ 1	$ (77,836)
Consolidated capital expenditures	$ 575,472	$ 77,364	$ 170,690	$ 96,897	$ 3,791	$ —	$ 924,214
As of December 31, 2021							
Property and equipment, net	$ 1,885,116	$ 460,975	$ 918,683	$ 901,392	$ 17,821	$ —	$ 4,183,987
Total assets	$ 3,125,835	$ 911,159	$ 1,346,622	$ 3,258,264	$ 17,108,138	$ (20,809,367)	$ 4,940,651

(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.

(2) Includes activity related to our acquisition of additional interests in Ghana commencing October 13, 2021, the acquisition date. Additionally, the acquisition purchase price of $465.4 million is included in Consolidated capital expenditures.

	Ghana	Equatorial Guinea	Mauritania / Senegal	U.S. Gulf of Mexico	Corporate & Other	Eliminations	Total
				(in thousands)			
Year ended December 31, 2020							
Revenues and other income:							
Oil and gas revenue	$ 366,515	$ 152,501	$ —	$ 285,017	$ —	$ —	$ 804,033
Gain on sale of assets	—	—	—	84	92,079	—	92,163
Other income, net	2	—	—	280	120,135	(120,415)	2
Total revenues and other income	366,517	152,501	—	285,381	212,214	(120,415)	896,198
Costs and expenses:							
Oil and gas production	169,357	80,813	—	88,307	—	—	338,477
Facilities insurance modifications, net	13,161	—	—	—	—	—	13,161
Exploration expenses	182	8,290	8,189	26,792	41,163	—	84,616
General and administrative	13,506	4,865	7,464	12,607	129,801	(96,101)	72,142
Depletion, depreciation and amortization	235,772	64,786	61	181,898	3,345	—	485,862
Impairment of long-lived assets	—	—	—	153,959	—	—	153,959
Interest and other financing costs, net(1)	54,530	(1,248)	(27,339)	17,373	73,612	(7,134)	109,794
Derivatives, net	—	—	—	—	17,180	—	17,180
Other expenses, net	(27,925)	2,281	4,829	54,485	21,312	(17,180)	37,802
Total costs and expenses	458,583	159,787	(6,796)	535,421	286,413	(120,415)	1,312,993
Income (loss) before income taxes	(92,066)	(7,286)	6,796	(250,040)	(74,199)	—	(416,795)
Income tax expense (benefit)	(30,486)	2,428	—	26,061	(3,212)	—	(5,209)
Net income (loss)	$ (61,580)	$ (9,714)	$ 6,796	$ (276,101)	$ (70,987)	$ —	$ (411,586)
Consolidated capital expenditures	$ 44,146	$ 38,126	$ 126,803	$ 123,197	$ (58,293)	$ —	$ 273,979
As of December 31, 2020							
Property and equipment, net	$ 1,293,372	$ 426,365	$ 580,920	$ 998,204	$ 22,052	$ —	$ 3,320,913
Total assets	$ 1,397,802	$ 689,222	$ 823,411	$ 3,171,851	$ 12,654,827	$ (14,869,520)	$ 3,867,593

(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.

	Years Ended December 31,		
	2022	2021	2020
	(In thousands)		
Consolidated capital expenditures:			
Consolidated Statements of Cash Flows - Investing activities:			
Oil and gas assets	$ 787,297	$ 472,631	$ 379,593
Acquisition of oil and gas properties	22,078	465,367	—
Proceeds on sale of assets	(168,703)	(6,354)	(99,118)
Adjustments:			
Changes in capital accruals	396	(18,534)	(42,315)
Exploration expense, excluding unsuccessful well costs and leasehold impairments(1)	47,289	46,563	61,459
Capitalized interest	(84,343)	(46,098)	(25,013)
Other	7,574	10,639	(627)
Total consolidated capital expenditures	$ 611,588	$ 924,214	$ 273,979

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

KOSMOS ENERGY LTD.
Supplemental Oil and Gas Data (Unaudited)

Net proved oil and gas reserve estimates presented were prepared by Ryder Scott Company, L.P. (“RSC”) for the years ended December 31, 2022, 2021 and 2020. RSC are independent petroleum engineers located in Houston, Texas. RSC has prepared the reserve estimates presented herein and meet the requirements regarding qualifications, independence, objectivity and confidentiality set forth in the Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information promulgated by the Society of Petroleum Engineers. We maintain an internal staff of petroleum engineers and geoscience professionals who work closely with our independent reserve engineers to ensure the integrity, accuracy and timeliness of data furnished to independent reserve engineers for their reserves estimation process.

Net Proved Developed and Undeveloped Reserves

The following table is a summary of net proved developed and undeveloped oil and gas reserves to Kosmos' interest in the Jubilee and TEN fields in Ghana, Equatorial Guinea, Mauritania, Senegal and the U.S. Gulf of Mexico.

	Ghana	Equatorial Guinea	Mauritania / Senegal	U.S. Gulf of Mexico	Total Oil	Ghana	Equatorial Guinea	Mauritania / Senegal	U.S. Gulf of Mexico	Total Gas	Kosmos Total
	Oil, Condensate, NGLs (MMBbls)(5)					Natural Gas (Bcf)					(MMBoe)
Net proved developed and undeveloped reserves at December 31, 2019(1)	88	26	—	40	154	45	12	—	35	92	169
Extensions and discoveries(4)	—	—	—	—	—	—	—	600	—	600	100
Production	(10)	(4)	—	(7)	(21)	—	—	—	(6)	(6)	(22)
Revision in estimate(2)(4)	(10)	2	—	2	(6)	(14)	(1)	(600)	(2)	(617)	(109)
Purchases of minerals-in-place	—	—	—	—	—	—	—	—	—	—	—
Net proved developed and undeveloped reserves at December 31, 2020(1)(4)	68	24	—	34	127	31	11	—	27	69	139
Extensions and discoveries	—	—	—	—	—	—	—	—	—	—	—
Production	(10)	(4)	—	(6)	(20)	—	—	—	(5)	(5)	(21)
Revision in estimate(2)	10	4	8	4	26	10	—	590	5	605	127
Purchases of minerals-in-place(3)	52	—	—		52	27	—	—		27	57
Net proved developed and undeveloped reserves at December 31, 2021(1)	120	24	8	32	185	68	11	590	27	695	301
Extensions and discoveries	—	—	—	3	3	—	—	28	1	29	8
Production	(13)	(4)	—	(6)	(23)	—	—	—	(4)	(4)	(24)
Revision in estimate(2)	7	4	(1)	(2)	7	(5)	5	(1)	—	—	7
Purchase of minerals-in-place	—	—	—	1	1	—	—	—	—	—	1
Sales of minerals-in-place	(14)	—	—	—	(14)	(14)	—	—	—	(14)	(16)
Net proved developed and undeveloped reserves at December 31, 2022(1)	99	25	7	27	158	49	16	618	24	707	276
Proved developed reserves(1)											
December 31, 2019	47	23	—	34	104	31	12	—	28	71	116
December 31, 2020	26	21	—	32	79	23	11	—	25	59	89
December 31, 2021	52	20	—	28	100	56	11	—	20	87	115
December 31, 2022	43	20	—	21	84	40	16	—	17	73	96
Proved undeveloped reserves(1)(6)											
December 31, 2019	41	3	—	6	50	14	—	—	7	21	53
December 31, 2020	42	4	—	2	48	8	—	—	2	10	50
December 31, 2021	68	5	8	4	85	12	—	590	6	608	186
December 31, 2022	56	5	7	6	74	9	—	618	7	634	180

(1) The sum of proved developed reserves and proved undeveloped reserves may not add to net proved developed and undeveloped reserves as a result of rounding.

(2) The revisions in estimates in 2022 are related to:

- In Ghana, we had negative revisions of 14.3 MMBbl of oil and 14.2 Bcf of gas resulting from the conclusion of the Tullow pre-emption transaction in March 2022 in the Jubilee and TEN fields. Jubilee had a positive revision of 11.0 MMBbl due to positive drilling results and field performance and a negative revision of 3.0 Bcf related to changes in remaining field life, in addition to Jubilee net production of 11.3 MMBbl. TEN had a negative revision of 6.1 MMBbl and 9.6 Bcf due to recent well performance and updated reservoir model forecast, in addition to the net TEN production of 2.0 MMBbl. In Ghana, the increase in commodity prices resulted in a positive revision of 2.2 MMBbl and 7.1 Bcf. The overall decreases in reserves for the year ended December 31, 2022 were 6.6 MMBbl and 2.8 Bcf for Jubilee and 13.9 MMBbl and 16.7 Bcf for TEN.
- In EG, we had a positive revision of 0.9 MMBbl of oil based on production performance and topsides optimization in Ceiba, offset by net production of 3.7 MMBbl. The increase in commodity prices along with the license extension in Ceiba from 2029 to 2040 and in Okume from 2034 to 2040 resulted in a positive revision of 3.2 MMBbl and 5.2 Bcf. Overall, EG had an increase in reserves of 0.4 MMBbl and 5.2 Bcf.
- In Mauritania/Senegal, we had a additions of 28.1 Bcf due to a field extension that resulted from drilling of production wells. We also had a 0.7 MMBbl negative revision in condensate reserves based on an updated yield estimate. We note that the increase in commodity prices did not result in revisions of estimates.
- In the U.S. Gulf of Mexico, we had a negative revision of 2.1 MMBbl and positive revision of 0.3 Bcf of gas based on recent water breakthrough in Odd Job and Tornado, Kodiak production performance, in addition to the net production of 5.7 MMBbl and 4.0 Bcf. The Winterfell discovery added 2.9 MMBbl and 1.0 Bcf of gas. The purchase of additional interest in the Kodiak field resulted in a positive revision of 0.8 MMBbl. We note the changes in commodity prices in the U.S. Gulf of Mexico were not material. The overall decrease in reserves for the U.S. Gulf of Mexico were 4.1 MMBbl and 2.7 Bcf.

The revisions in estimates in 2021 are related to:

- In Ghana, we had 5.5 MMBbl of positive revisions in estimates (primarily related to the Jubilee Field) related to overall field performance, including positive drilling results on our proved undeveloped well locations and optimized future well locations. We had 8.0 Bcf of positive revisions in estimates in the TEN field related to the updated reservoir model forecast. The increase in commodity prices resulted in positive revisions in estimates of 4.1 MMBbl of oil reserves and 1.7 Bcf of gas reserves.
- In Equatorial Guinea, we had 3.0 MMBbl of positive revisions in estimates due to overall field performance and positive drilling results and 0.7 MMBbl of positive revisions in estimates due to the increase in commodity prices. We note changes in Equatorial Guinea gas reserves was not material.
- In Mauritania/Senegal, we had 8.2 MMBbl and 590.0 Bcf of positive revisions in proved undeveloped reserve estimates related to the economic status of Phase 1 of the Greater Tortue project due to the project progress and improved commodity prices.
- In the U.S. Gulf of Mexico, we had positive revisions of 0.6 MMBbl and 3.2 Bcf of gas reserves related to strong performance of certain fields across our portfolio. The increase in commodity prices resulted in positive revisions of 3.0 MMBbl and 1.3 Bcf, respectively.

The revisions in estimates in 2020 are related to:

- In Ghana, we had 5.1 MMBbl and 1.2 Bcf of negative revisions in estimates (primarily related to the TEN Field) related to overall field performance, delayed drilling and our future development plans. The decrease in commodity prices resulted in negative revisions in estimates of 4.8 MMBbl and 12.0 Bcf (all related to the TEN Field).
- In Equatorial Guinea, we had 2.0 MMBbl of positive revisions in estimates due to overall field performance and positive stimulation support. We note that the decreases in commodity prices during the year did not have a material impact to the proved reserves as both fields' economic limit did not change from the previous evaluation. We note changes in gas reserves was not material.
- In the U.S. Gulf of Mexico, we had positive revisions of 2.0 MMBbl related to positive drilling results and strong performance of certain fields across our portfolio. The impact of commodity price changes and overall impacts to gas reserves was not material.

(3) The purchases of minerals-in-place during 2021 is related to our acquisition of additional interests in the Jubilee field and TEN fields offshore Ghana, resulting in total proved oil reserve additions of 38.7 MMBbl and 12.8 MMBbl and total proved gas reserve additions of 7.2 Bcf and 20.1 Bcf, respectively.

(4) The Tortue Phase 1 SPA was signed on February 11, 2020, resulting in approximately 600 Bcf of proved undeveloped net gas reserves being recognized at that time as evaluated by the Company's independent reserve auditor, Ryder Scott, LP. Due to the decrease in commodity prices during 2020 and the related commodity price utilized to calculate proved reserves for SEC purposes, the field did not have proved reserves recognition as of December 31, 2020.

(5) Natural gas liquids proved reserves represent an immaterial amount of our total proved reserves. Therefore, we have aggregated natural gas liquids and crude oil/condensate reserves information.

(6) The changes in proved undeveloped reserves in 2022 are related to:

- In Ghana, we converted 4.6 MMBbl of oil in Jubilee of proved undeveloped reserves to proved developed reserves during the year by drilling three wells at a cost of approximately $75.1 million. In TEN, we converted 5.1 MMBbl and 4.1 Bcf of gas of proved undeveloped reserves to proved developed reserves during the year by drilling one well at a cost of approximately $13.6 million. We had a decrease in proved undeveloped reserves of 4.3 MMBbl in Jubilee and 3.0 MMBbl and 3.3 Bcf in TEN related to the sale of minerals-in-place during 2022. The Jubilee field had an increase in proved undeveloped reserves of 4.0 MMBbl related to optimization of future drilling. The TEN field had a proved undeveloped reserves increase of 1.4 MMBbl and 4.1 Bcf related to an updated plan of development. The overall proved undeveloped reserves decreased by 5.0 MMBbl in Jubilee and by 6.7 MMBbl and 3.3 Bcf in TEN.
- In Equatorial Guinea, During the year ended December 31, 2022, EG had no material changes in proved undeveloped reserves.
- In Mauritania/Senegal, we had a proved undeveloped reserves increase of 28.1 Bcf due to a field extension that resulted from drilling of production wells. We also had a 0.7 MMBbl negative revision in condensate reserves based on an updated yield estimate.
- In the U.S. Gulf of Mexico, we had a proved undeveloped reserves increase of 1.0 MMBbl and 1.8 Bcf due based on an updated plans of development in the Odd Job, Marmalard, and Big Bend fields. We converted 1.6 MMBbl and 2.2 Bcf from proved undeveloped by drilling one well in Kodiak at a cost of $13.6 million. The Winterfell discovery added 2.9 MMBbl and 1.0 Bcf of gas of proved undeveloped reserves. We added 0.2 MMBbl of proved undeveloped reserves related to our purchase of minerals-in-place during 2022 in the Kodiak field. The overall proved undeveloped reserves in the U.S. Gulf of Mexico increased by 2.4 MMBbl and 0.6 Bcf.

The changes in proved undeveloped reserves in 2021 are related to:

- In Ghana, Jubilee had a proved undeveloped reserves increase of 17.8 MMBbl related to optimization of future drilling. Related to our purchases of minerals-in-place during 2021, we added 28.5 MMBbl and 4.7 Bcf of proved undeveloped reserves. We converted 20.7 MMBbl of proved undeveloped reserves to proved developed reserves during the year by drilling three wells at a cost of $34.1 million.
- In Equatorial Guinea, During the year ended December 31, 2021, EG had a PUD increase of 2.9 MMBbl related to adding a future development well and optimizing future development plans in EG. We converted 1.8 MMBbl of proved undeveloped reserves to proved developed reserves during the year by drilling two wells and replacing certain subsea infrastructure at a cost of $35.6 million.
- In the U.S. Gulf of Mexico, we had a proved undeveloped reserves increase of 3.5 MMBbl of oil reserves and 6.3 Bcf of gas reserves related to adding a future development well and optimizing future development plans. We converted 1.8 MMBbl and 1.8 Bcf of gas proved undeveloped reserves to proved developed reserves through drilling of one well in Tornado at a cost of $19.0 million.

The changes in proved undeveloped reserves in 2020 are related to:

- In Ghana, Jubilee had a proved undeveloped reserves increase of 4.7 MMBbl related to adding additional wells to future development of Greater Jubilee. We converted 3.3 MMBbl of proved undeveloped reserves to proved developed reserves during the year by drilling one well in TEN at a cost of $28.5 million.
- In the U.S. Gulf of Mexico, we had a negative proved undeveloped reserves decrease of 1.0 MMBbl and 3.6 Bcf primarily related to changes in the development plans in the Marmalard field. Additionally, we converted 2.2 MMBbl

and 1.8 Bcf of gas proved undeveloped reserves to proved developed reserves through drilling of one well in Tornado at a cost of $79.2 million.

Net proved reserves were calculated utilizing the twelve month unweighted arithmetic average of the first-day-of-the-month oil price for each month based on the respective benchmark price in the period January through December 2022. The average price is adjusted for crude handling, transportation fees, quality, and a regional price differential.

Proved oil and gas reserves are defined by the SEC Rule 4.10(a) of Regulation S-X as those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recovered under current economic conditions, operating methods, and government regulations. Inherent uncertainties exist in estimating proved reserve quantities, projecting future production rates and timing of development expenditures.

Capitalized Costs Related to Oil and Gas Activities

The following table presents aggregate capitalized costs related to oil and gas activities:

	Ghana	Equatorial Guinea	Mauritania / Senegal	U.S. Gulf of Mexico	Other	Kosmos Total
			(In millions)			
As of December 31, 2022						
Unproved properties	$ —	$ 85	$ 114	$ 130	$ 13	$ 342
Proved properties	3,705	526	1,282	1,440	$ —	6,953
	3,705	611	1,396	1,570	13	7,295
Accumulated depletion	(2,502)	(214)	—	(741)	—	(3,457)
Net capitalized costs	$ 1,203	$ 397	$ 1,396	$ 829	$ 13	$ 3,838
As of December 31, 2021						
Unproved properties	$ —	$ 86	$ 167	$ 185	$ 13	$ 451
Proved properties	4,116	545	752	1,313	—	6,726
	4,116	631	919	1,498	13	7,177
Accumulated depletion	(2,231)	(170)	—	(599)	—	(3,000)
Net capitalized costs	$ 1,885	$ 461	$ 919	$ 899	$ 13	$ 4,177

Costs Incurred in Oil and Gas Activities

The following tables reflects total costs incurred, both capitalized and expensed, for oil and gas property acquisition, exploration, and development activities for the year.

	Ghana	Equatorial Guinea	Mauritania / Senegal	U.S. Gulf of Mexico	Other(1)	Kosmos Total
	(In millions)					
Year ended December 31, 2022						
Property acquisition:						
Unproved	$ —	$ 2	$ —	$ 19	$ —	$ 21
Proved	—	7	—	27	—	34
Exploration	15	9	74	31	5	134
Development(3)(5)	226	37	486	17	—	766
Total costs incurred	$ 241	$ 55	$ 560	$ 94	$ 5	$ 955
Year ended December 31, 2021						
Property acquisition:						
Unproved	$ —	$ 1	$ —	$ (2)	$ (1)	$ (2)
Proved(2)	718	1	—	—	—	719
Exploration	—	8	16	60	6	90
Development(4)	112	79	333	46	—	570
Total costs incurred	$ 830	$ 89	$ 349	$ 104	$ 5	$ 1,377
Year ended December 31, 2020						
Property acquisition:						
Unproved	$ —	$ —	$ —	$ 5	$ (1)	$ 4
Proved	—	(2)	—	—	—	(2)
Exploration	—	7	21	34	34	96
Development	39	20	129	99	—	287
Total costs incurred	$ 39	$ 25	$ 150	$ 138	$ 33	$ 385

(1) Includes Africa (excluding Ghana, Equatorial Guinea, Mauritania and Senegal), Europe and South America.

(2) Includes $718.2 million of oil and gas properties acquired as a result of the purchase price allocation of the estimated fair value of identifiable assets acquired and liabilities assumed in the acquisition of additional interests in Ghana discussed in “Note 3—Acquisitions and Divestitures.”

(3) Includes $132.4 million of capitalized oil and gas properties settled against our Long-term receivable from BP Operator in Mauritania and Senegal discussed in “Note 4—Joint Interest Billings and Long-term Receivables.”

(4) Includes $67.8 million of capitalized oil and gas properties settled against our Long-term receivable from BP Operator in Mauritania and Senegal discussed in “Note 4—Joint Interest Billings and Long-term Receivables.”

(5) Excludes $66.2 million reduction of capitalized asset retirement costs resulting from the extension of the Block G licenses in Equatorial Guinea in May 2022.

Standardized Measure for Discounted Future Net Cash Flows

The following table provides projected future net cash flows based on the twelve month unweighted arithmetic average of the first-day-of-the-month oil price for Brent crude in the period January through December 2022. The average price is adjusted for crude handling, transportation fees, quality, and a regional price differential.

Because prices used in the calculation are average prices for that year, the standardized measure could vary significantly from year to year based on market conditions that occur.

The projection should not be interpreted as representing the current value to Kosmos. Material revisions to estimates of proved reserves may occur in the future; development and production of the reserves may not occur in the periods assumed; actual prices realized are expected to vary significantly from those used; and actual costs may vary. Kosmos' investment and operating decisions are not based on the information presented, but on a wide range of reserve estimates that include probable as well as proved reserves and on a wide range of different price and cost assumptions.

The standardized measure is intended to provide a better means to compare the value of Kosmos' proved reserves at a given time with those of other oil producing companies than is provided by comparing raw proved reserve quantities.

	Ghana	Equatorial Guinea	Mauritania / Senegal	U.S. Gulf of Mexico	Total
			(In millions)		
At December 31, 2022					
Future cash inflows	$ 10,076	$ 2,507	$ 6,419	$ 2,532	$ 21,534
Future production costs	(1,586)	(877)	(2,696)	(359)	(5,518)
Future development and abandonment costs	(1,395)	(610)	(753)	(489)	(3,247)
Future tax expenses	(2,399)	(465)	(340)	(190)	(3,394)
Future net cash flows	4,696	555	2,630	1,494	9,375
10% annual discount for estimated timing of cash flows	(1,394)	43	(1,498)	(365)	(3,214)
Standardized measure of discounted future net cash flows	$ 3,302	$ 598	$ 1,132	$ 1,129	$ 6,161
At December 31, 2021					
Future cash inflows	$ 8,308	$ 1,661	$ 4,314	$ 1,981	$ 16,264
Future production costs	(2,079)	(621)	(2,853)	(334)	(5,887)
Future development and abandonment costs	(1,640)	(478)	(822)	(284)	(3,224)
Future tax expenses	(1,546)	(307)	(43)	(117)	(2,013)
Future net cash flows	3,043	255	596	1,246	5,140
10% annual discount for estimated timing of cash flows	(983)	37	(671)	(262)	(1,879)
Standardized measure of discounted future net cash flows	$ 2,060	$ 292	$ (75)	$ 984	$ 3,261
At December 31, 2020					
Future cash inflows	$ 2,791	$ 986	$ —	$ 1,244	$ 5,021
Future production costs	(1,197)	(577)	—	(249)	(2,023)
Future development and abandonment costs	(765)	(352)	—	(306)	(1,423)
Future tax expenses	(251)	(131)	—	(7)	(389)
Future net cash flows	578	(74)	—	682	1,186
10% annual discount for estimated timing of cash flows	(214)	101	—	(109)	(222)
Standardized measure of discounted future net cash flows	$ 364	$ 27	$ —	$ 573	$ 964

Changes in the Standardized Measure for Discounted Cash Flows

	Ghana	Equatorial Guinea	Mauritania / Senegal	U.S. Gulf of Mexico	Total
			(In millions)		
Balance at December 31, 2019	$ 1,426	$ 294	$ —	$ 1,099	$ 2,819
Purchase of minerals in place	—	—	—	—	—
Sales and transfers 2020	(197)	(72)	—	(197)	(466)
Extensions and discoveries	—	—	80	—	80
Net changes in prices and costs	(1,292)	(390)	(80)	(633)	(2,395)
Previously estimated development costs incurred during the period	44	33	—	126	203
Net changes in development costs	(65)	(19)	—	(57)	(141)
Revisions of previous quantity estimates	(95)	27	—	44	(24)
Net changes in tax expenses	440	88	—	81	609
Accretion of discount	212	52	—	118	382
Changes in timing and other	(109)	14	—	(8)	(103)
Balance at December 31, 2020	$ 364	$ 27	$ —	$ 573	$ 964
Purchase of minerals in place	981	—	—	—	981
Sales and transfers 2021	(493)	(167)	—	(325)	(985)
Extensions and discoveries	—	—	—	—	—
Net changes in prices and costs	1,232	479	(75)	602	2,238
Previously estimated development costs incurred during the period	91	73	—	42	206
Net changes in development costs	(187)	(124)	—	(38)	(349)
Revisions of previous quantity estimates	367	128	—	153	648
Net changes in tax expenses	(421)	(146)	—	(74)	(641)
Accretion of discount	53	12	—	58	123
Changes in timing and other	73	10	—	(7)	76
Balance at December 31, 2021	$ 2,060	$ 292	$ (75)	$ 984	$ 3,261
Purchase of minerals in place	—	—	—	47	47
Sales of minerals in place	(243)	—	—	—	(243)
Sales and transfers 2022	(1,144)	(256)	—	(442)	(1,842)
Extensions and discoveries	—	—	171	46	217
Net changes in prices and costs	2,340	422	868	673	4,303
Previously estimated development costs incurred during the period	207	28	387	59	681
Net changes in development costs	(119)	(8)	(150)	(94)	(371)
Revisions of previous quantity estimates	645	192	(9)	(117)	711
Net changes in tax expenses	(882)	(143)	(77)	(87)	(1,189)
Accretion of discount	271	52	—	106	429
Changes in timing and other	167	19	17	(46)	157
Balance at December 31, 2022	$ 3,302	$ 598	$ 1,132	$ 1,129	$ 6,161

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. 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 December 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.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Our internal control has been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of our financial statements for external purposes in accordance with U.S. generally accepted accounting principles. All internal control systems have inherent limitations, including the possibility of human error and the possible circumvention of or overriding of controls. The design of an internal control system is also based in part upon assumptions and judgments made by management. As a result, even an effective system of internal controls can provide no more than reasonable assurance with respect to the fair presentation of financial statements and the processes under which they were prepared. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that internal control may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Under the supervision and with the participation of management, including our Chief Executive Officer and our Chief Financial Officer, we assessed the effectiveness of our internal control over financial reporting as of the end of the period covered by this report based on the framework in "Internal Control—Integrated Framework (2013)" issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on the assessment, our Chief Executive Officer and our Chief Financial Officer concluded that our internal control over financial reporting was effective to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of our financial statements for external purposes in accordance with U.S. generally accepted accounting principles.

Ernst & Young LLP, the independent registered public accounting firm that audited our consolidated financial statements included in this annual report on Form 10-K, has issued an attestation report on the effectiveness of internal control over financial reporting as of December 31, 2022 which is included in "Item 8. Financial Statements and Supplementary Data."

Item 9B. Other Information

Disclosures Required Pursuant to Section 13(r) of the Securities Exchange Act of 1934

Not applicable.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this item is incorporated herein by reference to the 2023 Proxy Statement, which will be filed with the SEC not later than 120 days subsequent to December 31, 2022.

Item 11. Executive Compensation

The information required by this item is incorporated herein by reference to the 2023 Proxy Statement, which will be filed with the SEC not later than 120 days subsequent to December 31, 2022.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this item is incorporated herein by reference to the 2023 Proxy Statement, which will be filed with the SEC not later than 120 days subsequent to December 31, 2022.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this item is incorporated herein by reference to the 2023 Proxy Statement, which will be filed with the SEC not later than 120 days subsequent to December 31, 2022.

Item 14. Principal Accounting Fees and Services

The information required by this item is incorporated herein by reference to the 2023 Proxy Statement, which will be filed with the SEC not later than 120 days subsequent to December 31, 2022.

PART IV

Item 15. Exhibits, Financial Statement Schedules

(a) The following documents are filed as part of this report:

(1) Financial statements

The financial statements filed as part of the Annual Report on Form 10-K are listed in the accompanying index to consolidated financial statements in Item 8, Financial Statements and Supplementary Data.

(2) Financial statement schedules

Schedule I—Condensed Parent Company Financial Statements

Under the terms of agreements governing the indebtedness of subsidiaries of Kosmos Energy Ltd. for 2022, 2021 and 2020 (collectively “KEL,” the “Parent Company”), such subsidiaries may be restricted from making dividend payments, loans or advances to KEL. Schedule I of Article 5-04 of Regulation S-X requires the condensed financial information of the Parent Company to be filed when the restricted net assets of consolidated subsidiaries exceed 25 percent of consolidated net assets as of the end of the most recently completed fiscal year.

The following condensed parent-only financial statements of KEL have been prepared in accordance with Rule 12-04, Schedule I of Regulation S-X and included herein. The Parent Company’s 100% investment in its subsidiaries has been recorded using the equity basis of accounting in the accompanying condensed parent-only financial statements. The condensed financial statements should be read in conjunction with the consolidated financial statements of Kosmos Energy Ltd. and subsidiaries and notes thereto.

The terms “Kosmos,” the “Company,” and similar terms refer to Kosmos Energy Ltd. and its wholly-owned subsidiaries, unless the context indicates otherwise. Certain prior period amounts have been reclassified to conform with the current year presentation. Such reclassifications had no impact on our reported net income, current assets, total assets, current liabilities, total liabilities or shareholders equity.

KOSMOS ENERGY LTD.

CONDENSED PARENT COMPANY BALANCE SHEETS

(In thousands, except share data)

	December 31,	
	2022	2021
Assets		
Current assets:		
Cash and cash equivalents	$ 2,286	$ 6,693
Derivatives receivable - related party	413	1,474
Prepaid expenses and other	1,051	957
Derivatives	—	5,689
Derivatives—related party	—	1,217
Total current assets	3,750	16,030
Investment in subsidiaries at equity	2,403,785	2,092,915
Long-term note receivable from subsidiary	—	—
Deferred financing costs, net of accumulated amortization of $13,263 and $19,912 at December 31, 2022 and December 31, 2021, respectively	4,640	1,090
Derivatives	—	1,026
Derivatives—related party	—	84
Restricted cash	305	305
Long-term deferred tax asset	461	18,687
Total assets	$ 2,412,941	$ 2,130,137
Liabilities and shareholders' equity		
Current liabilities:		
Accounts payable	$ 14	$ 242
Accounts payable to subsidiaries	114,312	80,595
Accrued liabilities	27,500	32,239
Derivatives	—	1,217
Derivatives - related party	—	5,689
Total current liabilities	141,826	119,982
Long-term debt, net	1,483,267	1,479,808
Derivatives	—	84
Derivatives - related party	—	1,026
Other long-term liabilities	—	—
Shareholders' equity:		
Preference shares, $0.01 par value; 200,000,000 authorized shares; zero issued at December 31, 2022 and December 31, 2021	—	—
Common stock, $0.01 par value; 2,000,000,000 authorized shares; 500,161,421 and 496,152,331 issued at December 31, 2022 and December 31, 2021, respectively	5,002	4,962
Additional paid-in capital	2,505,694	2,473,674
Accumulated deficit	(1,485,841)	(1,712,392)
Treasury stock, at cost, 44,263,269 shares at December 31, 2022 and 2021, respectively	(237,007)	(237,007)
Total shareholders' equity	787,848	529,237
Total liabilities and shareholders' equity	$ 2,412,941	$ 2,130,137

KOSMOS ENERGY LTD.

CONDENSED PARENT COMPANY STATEMENTS OF OPERATIONS

(In thousands)

	Years Ended December 31,		
	2022	2021	2020
Revenues and other income:			
Oil and gas revenue	$ —	$ —	$ —
Other income—related party	75,740	20,307	2,642
Total revenues and other income	75,740	20,307	2,642
Costs and expenses:			
General and administrative	44,180	38,810	40,162
General and administrative recoveries—related party	(3,772)	79	4,112
Interest and other financing costs, net	123,247	98,649	59,200
Interest and other financing costs, net—related party	—	(2,446)	(5,889)
Derivatives, net	75,740	20,307	2,642
Other expenses, net	17	(61)	—
Equity in (earnings) losses of subsidiaries	(415,546)	(57,195)	315,423
Total costs and expenses	(176,134)	98,143	415,650
Income (loss) before income taxes	251,874	(77,836)	(413,008)
Income tax expense (benefit)	25,323	—	(1,422)
Net income (loss)	$ 226,551	$ (77,836)	$ (411,586)
Dividends declared per common share	$ —	$ —	$ 0.0452

KOSMOS ENERGY LTD.

CONDENSED PARENT COMPANY STATEMENTS OF CASH FLOWS

(In thousands)

	Years Ended December 31,		
	2022	2021	2020
Operating activities			
Net income (loss)	$ 226,551	$ (77,836)	$ (411,586)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Equity in (earnings) losses of subsidiaries	(415,546)	(57,195)	315,423
Equity-based compensation	34,546	31,651	32,706
Depreciation and amortization	6,359	5,638	8,644
Deferred income taxes	18,034	—	(1,422)
Other income—related party	(4,353)	6,582	(2,642)
Change in fair value on derivatives	75,741	20,307	2,642
Cash settlements on derivatives	(70,327)	(28,363)	—
Loss on extinguishment of debt	192	4,403	—
Changes in assets and liabilities:			
Decrease in receivables	306	134	856
(Increase) decrease in prepaid expenses and other	(94)	(49)	(480)
Decrease due to/from related party	33,214	218,008	162,897
Increase (decrease) in accounts payable and accrued liabilities	(4,159)	18,003	2,509
Net cash provided by (used in) operating activities	(99,536)	141,283	109,547
Investing activities			
Investment in subsidiaries	104,676	(1,001,494)	(190,089)
Net cash provided by (used in) investing activities	104,676	(1,001,494)	(190,089)
Financing activities			
Borrowings under long-term debt	—	100,000	100,000
Payments on long-term debt	—	(200,000)	—
Net proceeds from issuance of senior notes	—	839,375	—
Net proceeds from issuance of common stock	—	136,006	—
Tax withholdings on restricted stock units	(2,753)	(1,100)	(4,947)
Dividends	(655)	(512)	(19,271)
Deferred financing costs	(6,139)	(8,031)	(496)
Net cash provided by (used in) financing activities	(9,547)	865,738	75,286
Net increase (decrease) in cash and cash equivalents	(4,407)	5,527	(5,256)
Cash, cash equivalents and restricted cash at beginning of period	6,998	1,471	6,727
Cash, cash equivalents and restricted cash at end of period	$ 2,591	$ 6,998	$ 1,471

Schedule II

Kosmos Energy Ltd.

Valuation and Qualifying Accounts

For the Years Ended December 31, 2022, 2021 and 2020

Description	Balance January 1,	Additions		Deductions From Reserves	Balance December 31,
		Charged to Costs and Expenses	Charged To Other Accounts		
2022					
Allowance for credit losses	$ 5,189	$ 2,509	$ (687)	$ —	$ 7,011
Allowance for deferred tax assets	$ 318,343	$ (5,616)	$ —	$ —	$ 312,727
2021					
Allowance for credit losses	$ 5,675	$ 1,019	$ (1,505)	$ —	$ 5,189
Allowance for deferred tax assets	$ 288,288	$ 30,055	$ —	$ —	$ 318,343
2020					
Allowance for credit losses	$ 2,748	$ 1,800	$ 1,127	$ —	$ 5,675
Allowance for deferred tax assets	$ 201,749	$ 86,539	$ —	$ —	$ 288,288

Schedules other than Schedule I and Schedule II have been omitted because they are not applicable or the required information is presented in the consolidated financial statements or the notes to consolidated financial statements.

(3) Exhibits

See “Index to Exhibits” on page 139 for a description of the exhibits filed as part of this report.

Item 16. Form 10-K Summary

None

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

Date: February 28, 2023

By: /s/ NEAL D. SHAH
Neal D. Shah
Senior Vice President and Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ ANDREW G. INGLIS Andrew G. Inglis	Chairman of the Board of Directors and Chief Executive Officer (Principal Executive Officer)	February 28, 2023
/s/ NEAL D. SHAH Neal D. Shah	Senior Vice President and Chief Financial Officer (Principal Financial Officer)	February 28, 2023
/s/ RONALD W. GLASS Ronald W. Glass	Vice President and Chief Accounting Officer (Principal Accounting Officer)	February 28, 2023
/s/ SIR RICHARD B. DEARLOVE Sir Richard B. Dearlove	Director	February 28, 2023
/s/ ROY A. FRANKLIN Roy A. Franklin	Director	February 28, 2023
/s/ DEANNA L. GOODWIN Deanna L. Goodwin	Director	February 28, 2023
/s/ ADEBAYO O. OGUNLESI Adebayo O. Ogunlesi	Director	February 28, 2023
/s/ STEVEN M. STERIN Steven M. Sterin	Director	February 28, 2023

INDEX OF EXHIBITS

Exhibit Number	Description of Document
	Governing Documents
3.1	Certificate of Incorporation of the Company (filed as Exhibit 3.1 to the Company's Form 8-K12g-3 filed December 28, 2018 (File No. 000-56014), and incorporated herein by reference).
3.2	Bylaws of the Company (filed as Exhibit 3.2 to the Company's Form 8-K12g-3 filed December 31, 2018 (File No. 000-56014), and incorporated herein by reference).
4.1	Form of Common Stock Certificate (filed as Exhibit 4.1 to the Company's Form 8-K12g-3 filed December 28, 2018 (File No. 000-56014), and incorporated herein by reference).
4.2	Description of the Company's Capital Stock (filed as Exhibit 4.2 to the Company's Annual Report on Form 10-K for the year ended December 31, 2019, and incorporated herein by reference.)
	Operating Agreements
	Certain of the agreements listed below have been filed pursuant to the Company's voluntary compliance with international transparency standards and are not material contracts as such term is used in Item 601(b)(10) of Regulation S-K.
	Ghana
10.1	Petroleum Agreement in respect of West Cape Three Points Block Offshore Ghana dated July 22, 2004 among the GNPC, Kosmos Ghana and the E.O. Group (filed as Exhibit 10.1 to the Company's Registration Statement on Form S-1/A filed March 3, 2011 (File No. 333-171700), and incorporated herein by reference).
10.2	Joint Operating Agreement in respect of West Cape Three Points Block Offshore Ghana dated July 27, 2004 between Kosmos Ghana and E.O. Group (filed as Exhibit 10.2 to the Company's Registration Statement on Form S-1/A filed March 3, 2011 (File No. 333-171700), and incorporated herein by reference).
10.3	Petroleum Agreement in respect of the Deepwater Tano Contract Area dated March 10, 2006 among GNPC, Tullow Ghana, Sabre and Kosmos Ghana (filed as Exhibit 10.3 to the Company's Registration Statement on Form S-1/A filed March 3, 2011 (File No. 333-171700), and incorporated herein by reference).
10.4	Joint Operating Agreement in respect of the Deepwater Tano Contract Area, Offshore Ghana dated August 14, 2006, among Tullow Ghana, Sabre Oil and Gas Limited, and Kosmos Ghana (filed as Exhibit 10.4 to the Company's Registration Statement on Form S-1/A filed March 3, 2011 (File No. 333-171700), and incorporated herein by reference).
10.5	Unitization and Unit Operating Agreement covering the Jubilee Field Unit located offshore the Republic of Ghana dated July 13, 2009, among GNPC, Tullow, Kosmos Ghana, Anadarko WCTP, Sabre and E.O. Group (filed as Exhibit 10.6 to the Company's Registration Statement on Form S-1/A filed March 3, 2011 (File No. 333-171700), and incorporated herein by reference).
10.6	Settlement Agreement, dated December 18, 2010 among Kosmos Ghana, Ghana National Petroleum Corporation and the Government of the Republic of Ghana (filed as Exhibit 10.32 to the Company's Registration Statement on Form S-1/A filed April 14, 2011 (File No. 333-171700), and incorporated herein by reference).
	Sao Tome and Principe
10.7	Production Sharing Contract relating to Block 5 Offshore Sao Tome between the Democratic Republic of Sao Tome and Principe and Equator Exploration STP Block 5 Limited dated April 18, 2012 (filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2016, and incorporated herein by reference).
10.8	Amendment No. 1, dated November 24, 2014, to the Production Sharing Contract relating to Block 5 Offshore Sao Tome between the Democratic Republic of Sao Tome and Principe and Equator Exploration STP Block 5 Limited dated April 18, 2012 (filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2016, and incorporated herein by reference).
10.9	Amendment No. 2, dated September 15, 2015, to the Production Sharing Contract relating to Block 5 Offshore Sao Tome between the Democratic Republic of Sao Tome and Principe and Equator Exploration STP Block 5 Limited dated April 18, 2012 (filed as Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2016, and incorporated herein by reference).
10.10	Amendment No. 3, dated February 19, 2016, to the Production Sharing Contract relating to Block 5 Offshore Sao Tome between the Democratic Republic of Sao Tome and Principe, Equator Exploration STP Block 5 Limited and Kosmos Energy Sao Tome and Principe dated April 18, 2012 (filed as Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2016, and incorporated herein by reference).
	Senegal

Exhibit Number	Description of Document
10.11	Hydrocarbon Exploration and Production Sharing Contract for the Cayar Offshore Profond between the Republic of Senegal and Petro-Tim Limited and Societe des Petroles du Senegal dated January 17, 2012 (filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2014, and incorporated herein by reference).
10.12	Hydrocarbon Exploration and Production Sharing Contract for the Saint Louis Offshore Profond between the Republic of Senegal and Petro-Tim Limited and Societe des Petroles du Senegal dated January 17, 2012 (filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2014, and incorporated herein by reference).
10.13	Sale and Purchase Agreement relating to the sale and purchase of shares in Kosmos BP Senegal Limited (formerly Normandy Ventures Limited) between BP Indonesia Oil Terminal Investment Limited and Kosmos Energy Senegal dated December 15, 2016 (filed as Exhibit 10.31 to the Company's Annual Report on Form 10-K of the year ended December 31, 2016, and incorporated herein by reference).
	Mauritania
10.14	Exploration and Production Contract between The Islamic Republic of Mauritania and Kosmos Energy Mauritania (Bloc C8) dated April 5, 2012 (filed as Exhibit 10.17 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2013, and incorporated herein by reference).
10.15	Exploration and Production Contract between The Islamic Republic of Mauritania and Kosmos Energy Mauritania (Bloc C12) dated April 5, 2012 (filed as Exhibit 10.18 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2013, and incorporated herein by reference).
10.16*	Exploration and Production Contract between The Islamic Republic of Mauritania and BP Mauritania Investments Limited, Kosmos Energy Mauritania, and Societe Mauritanienne Des Hydrocarbures (BirAllah) dated November 7, 2022.
	Equatorial Guinea
10.17	Share Sale and Purchase Agreement relating to the sale and purchase of shares in Hess International Petroleum, Inc. between Hess Equatorial Guinea Investments Limited, Hess Corporation, Kosmos Energy Equatorial Guinea, Kosmos Energy Operating and Trident Energy E.G. Operations, Ltd. dated October 23, 2017 (filed as Exhibit 10.43 to the Company's Annual Report on Form 10-K of the year ended December 31, 2017, and incorporated herein by reference).
10.18	Production Sharing Contract relating to Block G Offshore Republic of Equatorial Guinea between the Republic of Equatorial Guinea and Triton Equatorial Guinea, Inc. dated March 26, 1997 (filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2018, and incorporated herein by reference).
10.19	Amendment No. 1, dated January 1, 2000, to the Production Sharing Contract relating to Block G Offshore Republic of Equatorial Guinea between Triton Equatorial Guinea, Inc., Energy Africa Equatorial Guinea Limited, and the Republic of Equatorial Guinea represented by the Ministry of Mines and Energy (filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2018, and incorporated herein by reference).
10.20	Amendment No. 2, dated December 15, 2005, to the Production Sharing Contract relating to Block G Offshore Republic of Equatorial Guinea between Amerada Hess Equatorial Guinea, Energy Africa Equatorial Guinea Limited, and the Republic of Equatorial Guinea represented by the Ministry of Mines, Industry and Energy (filed as Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2018, and incorporated herein by reference).
10.21	Amendment No. 3, dated October 22, 2017, to the Production Sharing Contract relating to Block G Offshore Republic of Equatorial Guinea between Hess Equatorial Guinea, Tullow Equatorial Guinea Limited, and the Republic of Equatorial Guinea represented by the Ministry of Mines and Hydrocarbons (filed as Exhibit10.4 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2018, and incorporated herein by reference).
10.22	Production Sharing Contract relating to Block EG-21 Offshore Republic of Equatorial Guinea between the Republic of Equatorial Guinea, Guinea Ecuatorial de Petroleos and Kosmos Energy Equatorial Guinea dated October 10, 2017 (filed as Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2018, and incorporated herein by reference).
10.23	Production Sharing Contract relating to Block S Offshore Republic of Equatorial Guinea between the Republic of Equatorial Guinea, Guinea Ecuatorial de Petroleos and Kosmos Energy Equatorial Guinea dated October 10, 2017 (filed as Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2018, and incorporated herein by reference).
10.24	Production Sharing Contract relating to Block EG-24 Offshore Equatorial Guinea between the Republic of Equatorial Guinea, Guinea Ecuatorial de Petroleos and Ophir Equatorial Guinea (EG-24) Limited dated October 2017 (filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2018, and incorporated herein by reference).
	Greater Tortue Ahmeyim

Exhibit Number	Description of Document
10.25††	Agreement for a Long Term Sale and Purchase of LNG, dated February 11, 2020, between LA Societe Mauritanienne des Hydrocarbures et de Patrimoine Minier, BP Mauritania Investments Limited, Kosmos Energy Investments Limited, La Societe des Petroles du Senegal, BP Senegal Investments Limited, Kosmos Energy Investments Senegal Limited and BP Gas Marketing Limited (filed as Exhibit 10.46 to the Company's Annual Report on Form 10-K for the year ended December 31, 2019, and incorporated herein by reference).
	Financing Agreements
10.26	Indenture, dated as of April 4, 2019, among the Company, the guarantors names therein, Wilmington Trust, National Association, as trustee, transfer agent, registrar and paying agent and Banque Internationale à Luxembourg S.A., as Luxembourg listing agent, transfer agent and paying agent (including the Form of Notes) (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed April 4, 2019 (File No. 001-35167), and incorporated herein by reference).
10.27	Deed of Amendment and Restatement relating to the Facility Agreement, dated February 5, 2018 among Kosmos Energy Finance International, Kosmos Energy Operating, Kosmos Energy International, Kosmos Energy Development, Kosmos Energy Ghana HC, Kosmos Energy Senegal, Kosmos Energy Mauritania, Kosmos Energy Equatorial Guinea, Kosmos Energy Investments Senegal Limited, BNP Paribas and Standard Chartered Bank (filed as Exhibit 10.10 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2018, and incorporated herein by reference).
10.28	Amended and Restated Revolving Credit Facility Agreement, dated August 6, 2018, 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 (filed as Exhibit 1.1 to the Company's Current Report on Form 8-K filed August 7, 2018 (File No. 001-35167), and incorporated herein by reference).
10.29††	Prepayment Agreement dated June 26, 2020 between Kosmos Energy Gulf of Mexico Operations, LLC and Trafigura Trading LLC (filed as Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2020, and incorporated herein by reference).
10.30††	Senior Secured Term Loan Credit Agreement, dated September 30, 2020, among Kosmos Energy Ltd., Kosmos Energy GoM Holdings, LLC, Kosmos Energy Gulf of Mexico Operations, LLC, the Other Guarantors named therein, the Initial Lenders named therein and CLMG CORP, as Term Loan Collateral Agent and Administrative Agent (filed as Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2020, and incorporated herein by reference).
10.31	Indenture dated March 4, 2021 among the Company, the guarantors named therein, Wilmington Trust, National Association, as trustee, paying agent, transfer agent and registrar, and Banque Internationale à Luxembourg S.A., as Luxembourg listing agent, Luxembourg paying agent and Luxembourg transfer agent. (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed March 4, 2021 (File No. 001-35167), and incorporated herein by reference).
10.32	Amended and Restated Facility Agreement, effective May 12, 2021 among Kosmos Energy Finance International, Kosmos Energy Operating, Kosmos Energy International, Kosmos Energy Development, Kosmos Energy Ghana HC, Kosmos Energy Equatorial Guinea, ABSA Bank Limited, Credit Agricole Corporate and Investment Bank, ING Belgium SA/NV, Natixis, N.B.S.A Limited, Societe Generale, London Branch, The Standard Bank of South Africa Limited, Isle of Man Branch, Standard Chartered Bank, and SMBC Bank International PLC (filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2021, and incorporated herein by reference).
10.33	Indenture dated October 13, 2021 among Kosmos Energy Ltd., the guarantors named therein and Wilmington Trust, National Association, as trustee, paying agent, transfer agent and registrar (filed as Exhibit 1.1 to the Company's Current Report on Form 8-K filed October 13, 2021 (File No. 001-35167), and incorporated herein by reference).
10.34	Indenture dated October 26, 2021 among Kosmos Energy Ltd., the guarantors named therein, Wilmington Trust, National Association, as trustee, paying agent, transfer agent and registrar, and Banque Internationale à Luxembourg S.A., as Luxembourg listing agent, Luxembourg paying agent and Luxembourg transfer agent (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed October 26, 2021 (File No. 001-35167), and incorporated herein by reference).
10.35	Supplemental Indenture dated February 25, 2022 among Kosmos Energy Ltd., the guarantors named therein and, Wilmington Trust, National Association, as trustee, paying agent, transfer agent and registrar (filed as Exhibit 10.56 to the Company's Annual Report on Form 10-K for the year ended December 31, 2021, and incorporated herein by reference).
10.36	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 (filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2022, and incorporated herein by reference).

Exhibit Number	Description of Document
10.37*	Amended and Restated Facility Agreement, amended as of November 23, 2022, among Kosmos Energy Finance International, Kosmos Energy Operating, Kosmos Energy International, Kosmos Energy Development, Kosmos Energy Ghana HC, Kosmos Energy Equatorial Guinea, Kosmos Equatorial Guinea, Inc., Kosmos International Petroleum, Inc., ABSA Bank Limited, Credit Agricole Corporate and Investment Bank, ING Belgium SA/NV, Natixis, N.B.S.A Limited, Societe Generale, London Branch, The Standard Bank of South Africa Limited, Isle of Man Branch, Standard Chartered Bank, and SMBC Bank International PLC.
10.38*	Revolving Credit Facility Agreement, amended as of November 23, 2022, among Kosmos Energy Ltd., as Original Borrower, certain of its subsidiaries listed therein, as Guarantors, The Standard Bank of South Africa Limited, as Facility Agent, Crédit Agricole Corporate and Investment Bank, as Security and Intercreditor Agent, and the financial institutions listed therein, as Lenders.
	Agreements with Shareholders and Directors
10.39	Form of Director Indemnification Agreement (filed as Exhibit 10.27 to the Company's Registration Statement on Form S-1/A filed April 14, 2011 (File No. 333-171700), and incorporated herein by reference).
10.40	Shareholders Agreement, dated as of May 10, 2011, among Kosmos Energy Ltd. and the other parties signatory thereto (filed as Exhibit 9.1 to the Company's Annual Report on Form 10-K for the year ended December 31, 2012, and incorporated herein by reference) (the "Shareholders Agreement").
10.41	Amended and Restated Registration Rights Agreement, dated as of October 7, 2009, among Kosmos Energy Holdings and the other parties signatory thereto (filed as Exhibit 10.32 to the Company's Annual Report on Form 10-K for the year ended December 31, 2012, and incorporated herein by reference).
10.42	Joinder Agreement to the Registration Rights Agreement, dated as of May 10, 2011, among Kosmos Energy Ltd. and the other parties signatory thereto (filed as Exhibit 10.33 to the Company's Annual Report on Form 10-K for the year ended December 31, 2012, and incorporated herein by reference).
10.43	Amendment No. 1 to the Registration Rights Agreement, dated as of February 8, 2013, among Kosmos Energy Ltd. and the other parties signatory thereto (filed as Exhibit 10.34 to the Company's Annual Report on Form 10-K for the year ended December 31, 2012, and incorporated herein by reference).
	Management Contracts/Compensatory Plans or Arrangements
10.44†	Long Term Incentive Plan (filed as Exhibit 99.1 to the Company's Registration Statement on Form S-8 filed May 16, 2011 (File No. 333-174234), and incorporated herein by reference).
10.45†	Long Term Incentive Plan (amended and restated as of January 23, 2015) (filed as Exhibit 99 to the Company's Registration Statement on Form S-8 filed October 2, 2015 (File No. 333-207259), and incorporated herein by reference).
10.46†	Long Term Incentive Plan (amended and restated as of January 23, 2017) (filed as Exhibit 10.64 to the Company's Annual Report on Form 10-K for the year ended December 31, 2016, and incorporated herein by reference).
10.47†	Long Term Incentive Plan (amended and restated as of March 27, 2018) (filed as Exhibit 99 to the Company's Registration Statement on Form S-8 filed November 15, 2018 (File No. 333-207259), and incorporated herein by reference).
10.48†	Long Term Incentive Plan (amended and restated as of April 20, 2021) (filed as Exhibit 99 to the Company's Registration Statement on Form S-8 filed June 9, 2021 (File No. 333-256933), and incorporated herein by reference).
10.49†	Annual Incentive Plan (filed as Exhibit 10.22 to the Company's Registration Statement on Form S-1/A filed March 30, 2011 (File No. 333-171700), and incorporated herein by reference).
10.50†	Form of Restricted Stock Award Agreement (Service-Vesting) (filed as Exhibit 10.50 to the Company's Annual Report on Form 10-K for the year ended December 31, 2014, and incorporated herein by reference).
10.51†	Form of Restricted Stock Award Agreement (Performance-Vesting) (filed as Exhibit 10.51 to the Company's Annual Report on Form 10-K for the year ended December 31, 2014, and incorporated herein by reference).
10.52†	Form of RSU Award Agreement (Service-Vesting) (filed as Exhibit 10.52 to the Company's Annual Report on Form 10-K for the year ended December 31, 2014, and incorporated herein by reference).
10.53†	Form of RSU Award Agreement (Performance-Vesting) (filed as Exhibit 10.13 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2015, and incorporated herein by reference).
10.54†	Form of Directors RSU Award Agreement (Service-Vesting) (filed as Exhibit 10.54 to the Company's Annual Report on Form 10-K for the year ended December 31, 2014, and incorporated herein by reference).
10.55†	Form of Directors Award Agreement (Elective Shares) (filed as Exhibit 10.73 to the Company's Annual Report on Form 10-K for the year ended December 31, 2021, and incorporated herein by reference).

Exhibit Number	Description of Document
10.56†	Offer Letter, dated September 1, 2011, between Kosmos Energy, LLC and Jason Doughty (filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2014, and incorporated herein by reference).
10.57†	Offer Letter, dated May 22, 2013, between Kosmos Energy, LLC and Christopher Ball (filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2014, and incorporated herein by reference).
10.58†	Offer Letter, dated January 10, 2014, between Kosmos Energy, LLC and Andrew Inglis (filed as Exhibit 10.58 to the Company's Annual Report on Form 10-K for the year ended December 31, 2013, and incorporated herein by reference).
10.59†	Offer Letter between Kosmos Energy Gulf of Mexico, LLC and Richard R. Clark dated August 3, 2018 (filed as Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2019, and incorporated herein by reference).
10.60†	Kosmos Energy Ltd. Change in Control Severance Policy for U.S. Employees (amended and restated as of January 19, 2022) (filed as Exhibit 10.81 to the Company's Annual Report on Form 10-K for the year ended December 31, 2021, and incorporated herein by reference).
10.61†	Offer Letter, dated November 12, 2019, between Kosmos Energy, LLC and Ronald Glass (filed as Exhibit 10.73 to the Company's Annual Report on Form 10-K for the year ended December 31, 2019, and incorporated herein by reference).
10.62†	Offer Letter, dated November 12, 2019, between Kosmos Energy, LLC and Neal D. Shah (filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2020, and incorporated herein by reference).
10.63†	Kosmos Energy Deferred Compensation Plan (effective February 1, 2017) (filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2017, and incorporated herein by reference).
	Deep Gulf Energy Acquisition
10.64	Securities Purchase Agreement by and among DGE Group Series Holdco, LLC, and each of its three designated series, DGE Group Series Holdco, LLC, Series I, DGE Group Series Holdco, LLC, Series, II, DGE Group Series Holdco, LLC, Series III, and Kosmos Energy Gulf of Mexico, LLC dated August 3, 2018 (filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed November 5, 2018 (File No. 001-35167), and incorporated herein by reference).
	Anadarko WCTP Acquisition
10.65	Share Purchase Agreement dated October 13, 2021 between Kosmos Energy Ghana Holdings Limited and Anadarko Offshore Holding Company, LLC (filed as Exhibit 2.1 to the Company's Current Report on Form 8-K filed October 13, 2021 (File No. 001-35167), and incorporated herein by reference).
	Other Exhibits
10.66††	Asset Sale Agreement related to Blocks 3013 and 3113 (North Cape Ultra Deep) offshore South Africa, dated September 8, 2020, between Shell Offshore Upstream South Africa B.V. and Kosmos Energy South Africa Limited (filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2020, and incorporated herein by reference).
10.67††	Share Sale and Purchase Agreement related to the sale and purchase of shares of KE Namibia Company, KE STP Company, and KE Suriname Company, dated September 8, 2020, between Kosmos Energy Operating, Kosmos Energy Holdings and B.V. Dordtsche Petroleum Maatschappij (filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2020, and incorporated herein by reference).
10.68††	Portfolio Agreement, dated September 8, 2020, between Kosmos Energy Operating and B.V. Dordtsche Petroleum Maatschappij (filed as Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2020, and incorporated herein by reference).
10.69	Parent Guarantee Agreement, dated September 30, 2020, between Kosmos Energy Ltd. and CLMG CORP. related to the Senior Secured Term Loan Credit Agreement, dated September 30, 2020, among Kosmos Energy Ltd., Kosmos Energy GoM Holdings, LLC, Kosmos Energy Gulf of Mexico Operations, LLC and CLMG CORP (filed as Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2020, and incorporated herein by reference).
14.1	Code of Business Conduct and Ethics (filed as Exhibit 14.1 to the Company's Annual Report on Form 10-K for the year ended December 31, 2011, and incorporated herein by reference).
21.1*	List of Subsidiaries.
23.1*	Consent of Ernst & Young LLP.
23.2*	Consent of Ryder Scott Company, L.P.
31.1*	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

Exhibit Number	Description of Document
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.
99.1*	Report of Ryder Scott Company, L.P.
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.

* Filed herewith.

** Furnished herewith.

† Management contract or compensatory plan or arrangement.

†† Certain confidential portions of this Exhibit have been omitted pursuant to Item 601(b) of Regulation S-K because the identified confidential portions (i) are not material and (ii) would be competitively harmful if publicly disclosed.

ISLAMIC REPUBLIC OF MAURITANIA

HONOUR – BROTHERHOOD – JUSTICE

EXPLORATION AND PRODUCTION CONTRACT

BETWEEN

THE ISLAMIC REPUBLIC OF MAURITANIA

AND

BP MAURITANIA INVESTMENTS LIMITED

KOSMOS ENERGY MAURITANIA

SOCIETE MAURITANIENNE DES HYDROCARBURES

BirAllah

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APPENDIX 1: EXPLORATION PERIMETER

THE PROJECTED COORDINATE SYSTEM IS WGS84/UTM28N

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BETWEEN

The Islamic Republic of Mauritania (hereafter referred to as “the State”), represented for purposes of these presents by the Minister in Charge of Crude Hydrocarbons

ON THE ONE HAND,

AND

BP Mauritania Investments Limited a company incorporated and organised under the laws of England and Wales having its registered office at Chertsy Road, Sunbury On Thames, Middlesex, United Kingdom, TW16 7BP and with a registered branch in Mauritania with registration number 94860/GU/15869 (hereinafter referred to as “BPMIL”)

Kosmos Energy Mauritania, a company under the Cayman Islands laws, having its registered headquarters at 4th Floor Century Yard, Cricket Square, PO Box 32322, George Town, Grand Cayman KY1, 1209 (hereafter referred to as “KEM”),

Société Mauritanienne des Hydrocarbures (SMH), the national hydrocarbons company of Mauritania, etablished by decree n°. 2009-168 of May 3, 2009, as repealed and replaced by decree no. 2021-049 of April 28, 2021, under the laws of the Islamic Republic of Mauritania, whose registered office is Ilot K Tevragh Zeina, BP 4344, Nouakchott, Mauritania (hereinafter referred to as “SMH”)) .

ON THE OTHER HAND,

BPMIL, KEM and SMH being hereafter collectively referred to as the “Contractor”. The State and the Contractor being hereafter collectively referred to as “Parties” or individually “Party”.

WHEREAS:

The State, owner of the deposits and natural accumulations of hydrocarbons contained in the soil and the subsoil of the national territory, wishes to promote the discovery and the production of

hydrocarbons in order to promote economic expansion within the framework instituted by Law No. 2010-033 of 20 July 2010 containing the Crude Hydrocarbons Code, as thereafter modified;

The Contractor wishes to explore and to exploit, within the framework of this exploration-production contract and pursuant to the Crude Hydrocarbons Code, the hydrocarbons which may be contained in the perimeter described in Appendix 1 of this Contract, and has shown it possesses the technical and financial means necessary for this purpose.

IT HAS BEEN AGREED AS FOLLOWS:

ARTICLE 1: DEFINITIONS

The terms utilised in this text have the following meaning:

1.1 “Calendar Year” means a period of twelve (12) consecutive months commencing on the first (1st) of January and terminating on the thirty-first (31st) of the following December.

1.2 “Contract Year” means a period of twelve (12) consecutive months beginning on the Effective Date or the anniversary date of said Effective Date.

1.3 “Appendices” (also called Annexes) means the appendices to this Contract consisting of:

The Exploration Perimeter constituting Appendix 1

The Accounting Procedure constituting Appendix 2

The model bank guarantee constituting Appendix 3

1.1 “Exploration Authorisation” means the authorisation referred to in Article 3 of this Contract by which the State authorises the Contractor to carry out, on an exclusive basis, all works of prospection and exploration of Hydrocarbons within the Exploration Perimeter.

1.2 “Exploitation Authorisation” means the authorisation granted to the Contractor to carry out, on an exclusive basis, all works of development and of exploitation of the deposits of Hydrocarbons within the Exploitation Perimeter.

1.3 “Barrel” means “U.S. barrel”, or 42 American gallons (159 litres) measured at the temperature of 60 °F (15.6 °C) and at atmospheric pressure.

1.4 “BTU” means the British unit of energy “British Thermal Unit” in such manner that a million BTU (MMBTU) is equal to approximately 1055 joules.

1.5 “Annual Budget” means the detailed estimate of the cost of Petroleum Operations defined in an Annual Work Program.

1.6 “Crude Hydrocarbons Code” means Law No. 2010-033 of 20 July 2010 containing the Crude Hydrocarbons Code, its amendments and its application texts.

1.7 “Environmental Code” means Law No. 2000-045 of 26 July 2000 containing the Environmental Code, its amendments and its application texts.

1.8 “Contractor” means collectively or individually the company(ies) signing this Contract as well as any entity or company to which an interest would be assigned in application of Articles 21 and 22 of this Contract.

1.9 “Contract” means this text as well as its appendices and amendments.

In the case of contradiction between the provisions of this text and those of its appendices, the provisions of this text shall prevail.

1.10 “Petroleum Costs” means all the costs and expenses incurred by the Contractor in execution of Petroleum Operations provided for in this Contract and determined according to the Accounting Procedure, the subject of Appendix 2 to this Contract.

1.11 “Effective Date” means the date of entry into force of this Contract such as it is defined in Article 30.

1.12 “Dollar” means the dollar of the United States of America ($).

1.13 “State” means the Islamic Republic of Mauritania.

1.14 “Gross Negligence” means imprudence or negligence of such gravity that it raises a presumption of malicious intent on the part of the person responsible for such action**.**

1.15 “Wet Gas” means Natural Gas containing a fraction of elements becoming liquid at ambient pressure and temperature, justifying the creation of a facility to recover such liquids.

1.16 “Natural Gas” means all gaseous hydrocarbons produced from a well, including Wet Gas and Dry Gas which may be associated or non-associated with liquid hydrocarbons and the residual gas which is obtained after extraction of the liquids from Natural Gas.

1.17 “Associated Natural Gas” means the Natural Gas existing in a reservoir in a solution with Crude Petroleum or in the form of “Gas Cap” in contact with Crude Petroleum, and which is produced or may be produced in association with the Crude Petroleum.

1.18 “Non-Associated Natural Gas” means Natural Gas excluding Associated Natural Gas.

1.19 “Dry Gas” means Natural Gas containing essentially methane, ethane and inert gases.

1.20 “Hydrocarbons” means liquid and gaseous or solid hydrocarbons, in particular oil sands and oil shale.

1.21 “Ministry” means the Ministry in Charge of Crude Hydrocarbons.

1.22 “Minister” means the Minister in Charge of Crude Hydrocarbons.

1.23 “Operator” means the company designated in Article 6.2 here below in charge of the conduct and the execution of Petroleum Operations or any company which would later be substituted for it according to applicable terms.

1.24 “Petroleum Operations” means all operations of exploration, exploitation, storage, transport and marketing of Hydrocarbons, including therein operations of evaluation/appraisal, development, production, separation, processing up until the Delivery Point, as well as the remediation of the sites to their prior condition, and, more generally, all other operations directly or indirectly linked to the foregoing, carried out by the Contractor within the framework of this Contract, with the exclusion of refining and distribution of petroleum products.

1.25 “Ouguiya” means the currency of the Islamic Republic of Mauritania.

1.26 “Exploitation Perimeter” means the Exploration Perimeter for which the State, within the context of this Contract, grants to the Contractor an Exploitation Authorisation pursuant to the provisions of Article 9 here below**.**

1.27 “Exploration Perimeter” means the surface defined in Appendix 1 for which the State, in the context of this Contract, grants to the Contractor an Exploration Authorisation pursuant to the provisions of Article 2.1 here below.

1.28 “Crude Petroleum” means all liquid Hydrocarbons in the natural state or obtained from Natural Gas by condensation or separation as well as asphalt.

1.29 “Delivery Point” means:

For Crude Petroleum, the loading point F.O.B. of the Crude Petroleum as may be further defined more precisely in the possible lifting agreement(s) the Parties may enter into.

For Natural Gas, the Delivery Point set by common agreement between the Parties pursuant to Article 15 of this Contract.

1.1 “Remediation Plan” means the document detailing the programme of work to be carried out by the Contractor at the expiration, the surrender or the cancelling of the Exploitation Authorisation, pursuant to Article 23.2 here below.

1.2 “Annual Work Program” means the descriptive document, item by item, of the Petroleum Operations to be carried out during the course of a Calendar Year within the framework of this Contract prepared pursuant to the provisions of Articles 4, 5 and 9 here below.

1.3 “Affiliated Company” means:

a) Any company or any other entity which controls or is controlled, directly or indirectly, by a company or entity, party to this contract, or

b) Any company or any other entity which controls or is controlled, directly or indirectly, by a company or entity which itself controls directly or indirectly any company or entity, party to this contract.

For purposes of this definition, the term “control” means the direct or indirect ownership by a company or any other entity of a percentage of capital stock or shares greater than fifty percent (50%) of the voting rights at the shareholders’ meeting of another company or entity.

1.4 “Central Bank Rate” means 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 the upper bound and lower bound ranges of that target.

1.5 “Third Party” means any natural person or legal entity other than the State, the Contractor and the Affiliated Companies of the Contractor.

1.6 “Quarter” means a period of three (3) consecutive months beginning on the first day of January, April, July or October of each Calendar Year.

ARTICLE 2: SCOPE OF APPLICATION OF THE CONTRACT

Pursuant to the Crude Hydrocarbons Code, the State hereby authorises the Contractor to carry out on an exclusive basis in the Exploration Perimeter defined in Appendix 1 the appropriate and necessary Petroleum Operations within the framework of this Contract.

2.1 This Contract is entered into for the duration of the Exploration Authorisation such as provided for in Article 3 of this Contract, and, in the case of a commercial discovery, for the duration of the Exploitation Authorisation which will have been granted, such as defined in Article 9.8 here below.

2.2 Unless otherwise agreed, this Contract shall terminate if, at the expiration of the exploration phase provided for in Article 3, the Contractor has not notified the State of its decision to develop a commercial Hydrocarbons deposit and applied for an Exploitation Authorisation relative to such deposit, pursuant to the provisions of Article [9.4] here below.

Unless there is an early termination, this Contract will expire upon the expiration of the Exploitation Authorisation.

2.3 The expiration, surrender or termination of this Contract for whatever reason it may be, shall not free the Contractor from his obligations under this Contract, which came into being prior to the time of such expiration, surrender or termination, which obligations must be carried out by the Contractor.

2.4 The Contractor shall have the responsibility to carry out the Petroleum Operations provided for in this Contract. For their execution he undertakes to comply with good oilfield practice of the international petroleum industry and to comply with norms and standards decreed by Mauritanian regulations in matters of industrial safety, protection of the environment, and operational techniques.

2.5 The Contractor shall supply all the financial and technical means necessary for the proper functioning of the Petroleum Operations and shall bear in full all the risks linked to the execution of said Operations, and without prejudice to the provisions of Article 21 of this Contract. The Petroleum Costs borne by the Contractor shall be recoverable by the Contractor pursuant to the provisions of Article 10 here below.

2.6 During the period of validity of the Contract, the production resulting from the Petroleum Operations shall be shared between the State and the Contractor pursuant to the provisions of Article 10 here below.

ARTICLE 3: EXPLORATION AUTHORIZATION

3.1 The Exploration Authorisation in the Exploration Perimeter defined in Appendix 1 shall be granted to the Contractor for an exploration period of a single thirty- (30-) month phase.

The exploration period mentioned hereinabove in Article 3.1 is segmented into three sub-phases as follows:

a) sub-phase 1: selection of concept for a duration of 12 months;

b) sub-phase 2: evaluation of concept for a duration of 6 months;

c) sub-phase 3: FEED: if the Parties wish to proceed to this sub-phase, the duration will be 12 months, and the Contractor must notify this decision via a decision note to the Ministry 45 days before the end of sub-phase 2.

It is recognised that the objective of the State and the Contractor is to reach a final investment decision (FID) for the BirAllah discovery by the end of the exploration period and, without prejudice to any other provision of this Contract (including, but not limited to, the Contractor's right to not proceed to a later sub-phase), the Parties will work in good faith to attempt to attain this objective insofar as this is commercially reasonable and under the control of the Parties.

3.2 (a) Sub-phase 1 will begin on the Contract's Effective Date. At the end of every sub-phase, the Contractor will have the option to pass to the next sub-phase, provided that the conditions in paragraph (b) or (c), as the case may be, here below, are met.

(b) The Contractor will have the right to begin sub-phase 2 if it has fulfilled for sub-phase 1 the work obligations stipulated in Article 4 here below.

(c) The Contractor will have the right to begin sub-phase 3 by providing a decision note at least forty-five (45) days before the end of sub-phase 2. In the decision note cited in Article 3.1 (c), the Contractor must transmit the details of the strategy for passing to sub-phase 3, and other documents demonstrating the Contractor's engagement with the market for the placement of the contracts envisaged for sub-phase 3. The decision note will include a calendar updated with steps to reach a final investment decision (FID). If this decision note does not show a way to attain an FID by a date falling before the end of sub-phase 3, the Minister may terminate this Contract at the end of this sub-phase 2.

(d) The Contractor may, upon notification and provided he meets the conditions in paragraph (b) and (c) hereinabove, as the case may be, commence a sub-phase (and, in consequence, end the sub-phase immediately preceding it) before the end of the time period allowed for the sub-phase immediately preceding it.

(e) early termination of a sub-phase in accordance with paragraph (d) hereinabove does not reduce the overall period of thirty (30) months for the exploration phase, and the duration of the later sub-phases may be adjusted to take into account any time unused in a previous sub-phase.

3.3 If, upon the expiration of a duration of thirty (30) months of the exploration period defined in article 3.1, the Contractor has not submitted a request for a Mining Authorisation accompanies, from the FEED study, and a detailed development and production programme as described in article 9.5, the Exploration Authorisation is deemed to be cancelled.

3.4 Not applicable

3.5 Not applicable

3.6 Not applicable

3.7 Not applicable

3.8 The Contractor may at any time notify the Minister that he is surrendering the totality of the Exploration Perimeter. In this case, the Exploration Authorisation shall terminate automatically on the date of said notification. In all cases, no voluntary surrender during the course of any sub-phase of the exploration period shall reduce the minimum work commitments stipulated in

Article 4 here below corresponding to the said sub-phase, nor does it reduce or terminate the corresponding bank guarantee.

3.9 Upon the expiration of the exploration period, the Contractor must relinquish the surface of the Exploration Perimeter outside of any Exploration Perimeter granted pursuant to an application for an Exploitation Authorisation covered in Article 9.5. However, if, upon the expiration of the exploration period, the Contractor has submitted an application for an Exploitation Authorisation accompanied by the FEED study and a detailed development and production programme, currently processed by the Minister, the Exploration Authorisation shall continue to be in effect until the Minister's decision.

ARTICLE 4: EXPLORATION WORKS OBLIGATION

4.1 During the thirty- (30-) month duration of the exploration period defined in Article 3.1 hereinabove, the Contractor undertakes to carry out the following work:

During sub-phase 1, of a duration of twelve (12) months starting from the Effective Date, the Contractor must conduct a development concept selection study. At the end of this sub-phase, the Contractor must submit the study report (and the relevant associated documents) to the Ministry.

During sub-phase 2, of a duration of six (6) months, the Contractor will examine the development concept selection study and submit, at the end of this sub-phase 2, a development concept evaluation report to the Ministry. Insofar as the Contractor is of the opinion that a final investment decision is conceivable and wishes to pass to sub-phase 3, the report will contain a programme with updated steps and calendar for the FEED study.

During sub-phase 3, of a duration of twelve (12) months, the Contractor must conduct a FEED development study.

At the end of this third sub-phase, the Contractor must give the Ministry the FEED study development report and the relevant associated documents.

Subject to any other provision of the Contract, for each sub-phase initiated, the Parties will work with diligence and good faith toward the objectives of the sub-phase in question.

If, at the end of sub-phase 1 or sub-phase 3, the corresponding study has not been completed and/or its deliverables have not been submitted to the Ministry, the Minister may end the Exploration Authorisation.

4.2 Does not apply

4.3 Does not apply

4.4 Does not apply

4.5 Does not apply

4.6 Within the thirty (30) days following the Effective Date, the Contractor must remit to the Minister a bank guarantee, issued by an international bank of first order, pursuant to Appendix 3, of ten million Dollars ($10,000,000), covering his minimum work commitments for sub-phase 1 of the exploration period defined in Article 4.1 hereinabove.

In case of a passage to sub-phase 3, the Contractor must also remit to the Minister, within thirty (30) days after receipt of a letter from the Minister certifying passage to the said sub-phase, a bank guarantee, issued by an international bank of first order, pursuant to Appendix 3, of a value of ten million Dollars ($10,000,000), and copies of the contracts that have been assigned and of the calls for tender for the contracts to be assigned according to the contracting strategy of the contracts for sub-phase 3.

If, upon expiration of sub-phase 1 or sub-phase 3, or in the case of total surrender or termination of the Contract, the Contractor has not carried out the work programme for the said sub-phase as stipulated in Article 4.1 or has not submitted to the Ministry the deliverables pertaining thereto, the Minister shall have the right to call the guarantee corresponding to the sub-phase in question.

ARTICLE 5: PRESENTATION AND APPROVAL OF ANNUAL WORK PROGRAMS

5.1 Not later than (2) months after the Effective Date, the Contractor shall prepare and submit to the Ministry for approval an Annual Work Program, detailed item by item, including therein the corresponding Annual Budget for all of the Exploration Perimeter, specifying the Petroleum Operations relating to the period running from the Effective Date to the following 31 December.

Thereafter, not later than (3) months prior to the start of each Calendar Year, the Contractor shall prepare and submit to the Ministry for approval an Annual Work Program, detailed item by item, including therein the corresponding Annual Budget for all of the Exploration Perimeter, then, if applicable, for the Exploitation Perimeter, in specifying the Petroleum Operations which he proposes to carry out over the course of the following Calendar Year.

Each Annual Work Program and corresponding Annual Budget shall be itemised between the different activities of exploration, and if applicable, of appraisal for each discovery, of development and of production for each commercial deposit.

5.2 If the Ministry deems that revisions or modifications to the Annual Work Program and to the corresponding Annual Budget are necessary and appropriate, it must so notify the Contractor in writing with all supporting documentation deemed appropriate within a time period of sixty (60) days following their receipt. In such case, the Ministry and the Contractor shall meet as soon as possible in order to study the revisions or modifications requested and establish by common agreement the Annual Work Program and the corresponding Annual Budget in their definitive form, according to good oilfield practice in the international petroleum industry. The date of adoption of the Annual Work Program and of the corresponding Annual Budget shall be the above-cited mutually agreed date.

In the absence of notification by the Ministry to the Contractor of his wish for revision or modification within the time period of the above-referenced sixty (60) days, said Annual Work Program and corresponding Annual Budget shall be deemed accepted by the Ministry upon the date of expiration of said time period.

In all cases, each operation of the Annual Work Program, for which the Ministry has not requested revision or modification, must be carried out by the Contractor within the time periods set forth.

5.3 The Parties accept that the results obtained during the course of the works taking place, or that special circumstances may justify changes to an Annual Work Program and to the corresponding Budget. In such case, after notification to the Ministry, the Contractor may make such changes provided that the fundamental objectives of said Annual Work Program are not modified.

ARTICLE 6: OBLIGATIONS OF THE CONTRACTOR IN THE CONDUCT OF PETROLEUM OPERATIONS

6.1 Without prejudice to the provisions of Article 21 here below, the Contractor must furnish all necessary funds and purchase or rent all tools, equipment and construction supplies that are indispensable for the execution of Petroleum Operations. The Contractor is responsible for the preparation and the execution of the Annual Work Programs which are to be carried out in the most appropriate manner in compliance with good oilfield practice in the international petroleum industry.

6.2 Upon the Effective Date of this Contract, BP Mauritania Investments Limited is designated as Operator and shall be responsible for the conduct and the execution of the Petroleum

Operations. The Operator, in the name of and on the behalf of the Contractor, shall communicate to the Minister all reports and information referred to in this Contract. Any change of Operator contemplated by the entities of the Contractor must receive the prior approval of the Minister, which approval shall not be withheld without reasonable justification provided therefor.

6.3 The Operator must maintain during the term of the Contract in Mauritania, a branch which shall in particular be staffed with a responsible person having authority for the conduct of the Petroleum Operations and to whom any notification with regard to this Contract can be sent.

6.4 The Contractor must during the course of the Petroleum Operations take all necessary measures for the protection of the environment.

He must in particular, for any Petroleum Operation subject to prior authorisation according to the Environmental Code, submit to the Minister, depending on the case, the studies or notices of environmental impact required for this type of operation, carry out the measures and comply with restrictions set forth in the environmental management plan, furnish the declarations and submit himself to the oversight provided for in the Environmental Code

The Contractor must moreover take all reasonable measures according to good oilfield practice in the international petroleum industry in order to:

a) Ensure that all of the facilities and equipment utilised for purposes of the Petroleum Operations be at all times in good repair and in conformity with the applicable norms, including therein those which result from international conventions ratified by the Islamic Republic of Mauritania and relative to the prevention of pollution;

b) avoid losses and dumping:

- of Hydrocarbons, including the flaring of Natural Gas, (with the exception of the cases provided for in Article 40 of the law instituting the Crude Hydrocarbons Code, under penalty of a fine which shall be later be determined by a decree taken by the Council of Ministers and which shall not under any circumstances exceed twenty (20) per cent of the then current market price of Natural Gas in Mauritania),

The above-cited fine shall not be considered a recoverable Petroleum Cost nor a deductible charge.

c) DOES NOT APPLY.

d) Store the Hydrocarbons produced in the facilities and receptacles constructed for this purpose;

e) Without prejudice to the provisions of Article 23.2 here below, dismantle facilities which are no longer necessary to the Petroleum Operations and return the sites to their original condition;

f) and, generally, prevent pollution of the soil and of the subsoil, of the water and of the atmosphere, as well as prevent harm to fauna and flora.

6.5 The Contractor must, during the course of the Petroleum Operations, take all necessary measures to ensure the safety and protect the health of persons according to good oilfield practices in the international petroleum industry and the Mauritanian regulations in force, and in particular to put into place:

a) Appropriate means for prevention, rapid response and handling of risks, including the risks of blow-out;

b) Measures for information, training and means adapted to the risks encountered, including therein individual protective equipment, fire-fighting materials as well as means of first-aid and prompt evacuation of victims.

6.6 All works and facilities set up by the Contractor under this Contract must, according to the nature and circumstances, be constructed, shown with markers and sign posts and equipped in such fashion as to allow at any time and in complete safety free passage within the Exploration Perimeter and the Exploitation Perimeter.

6.7 While carrying out his right of construction, to execute works, and to maintain all facilities necessary for the purposes of this Contract, the Contractor should not occupy lands situated less than five hundred (500) meters away from any religious buildings, whether cultural or not, burial grounds, walled enclosures, courts and gardens, dwelling places, groups of dwelling places, villages, built-up areas, wells, springs , reservoirs, roads, routes, railways, water conduits, pipelines, works of public utility, civil engineering works, without the prior consent of the Minister. The Contractor shall be required to repair any damages which his works may have caused to occur.

6.8 The Contractor commits to participate in implementing local content development and preparing national human resources and national suppliers, service providers and entrepreneurs in the participation in and the support of the Petroleum Operations. He also commits to granting preference to Mauritanian enterprises and products, on equivalent

conditions in terms of price, quantity, quality, terms for payment and timeframe of delivery, and to require his subcontractors to make a similar commitment

6.9 All contracts of supply, construction or service of a value greater than seven hundred fifty thousand ($750,000) Dollars where works of exploration/appraisal are concerned and one million five hundred thousand ($1,500,000) Dollars where works of development/exploitation are concerned, must be the subject of a call for bids from Mauritanian and foreign bidders, unless there is a prior consent from the Minister.

6.10 Copies of such contracts entered into during the course of each Quarter shall be sent to the Minister within the thirty (30) days following the end of the relevant Quarter.

6.11 The Contractor undertakes to grant preference, on equivalent economic terms, in the purchase of goods necessary for the Petroleum Operations, taking into account rental terms and any other lease arrangements and to require from his subcontractors a similar commitment**.**

6.12 To this end, every Annual Budget referred to in Article 5 must specify all the draft rental contracts of an annual value greater than seven hundred fifty thousand (750,000) Dollars.

6.13 Without prejudice to the obligation and responsibility of the Contractor in respect of protecting the environment, the Parties agree to collaborate to support the management of environmental risks in a precautionary manner. To this end, the Contractor agrees to contribute to the financing of the Environmental Committee by the payment of an amount of one hundred thousand Dollars ($100,000) per Calendar Year during the validity of the Exploration Authorisation, and, starting from the granting of an Exploitation Authorisation, and an amount of three hundred fifty thousand Dollars ($350,000) per Calendar Year, and, as of the first commercial production, an amount of seven hundred fifty thousand ($750,000) per Calendar Year. The above-cited payments shall be considered to be recoverable Petroleum Costs with respect to the provisions of Article 10.2 hereinabove and as deductible charges on the Industrial and Commercial Income Tax in conformity with Article 82 of the Crude Hydrocarbons Code. Contractor shall have the right to be represented on the Environmental Committee for the duration of this Contract and shall appoint one (1) representative for this purpose.

ARTICLE 7: RIGHTS OF THE CONTRACTOR IN THE CONDUCT OF PETROLEUM OPERATIONS

7.1 The Contractor has the exclusive right to carry out Petroleum Operations inside of the Exploration Perimeter or any Exploitation Perimeter resulting therefrom, as long as the

Petroleum Operations are in conformity with the terms and conditions of this Contract, of the Crude Hydrocarbons Code as well as with the provisions of the laws and regulations in force in Mauritania, and that they are executed according to good oilfield practice in the international petroleum industry.

7.2 For purposes of the execution of the Petroleum Operations, the Contractor shall benefit from the rights set forth in Article 54 of the Crude Hydrocarbons Code.

7.3 The costs, compensation payments, and in general all charges resulting from occupation of lands referred to in Articles 55 to 57 of the Crude Hydrocarbons Code shall be at the expense of the Contractor and shall be recoverable as Petroleum Costs pursuant to the provisions of Article 10.2 here below.

7.4 The expiration of an Exploration Authorisation or of an Exploitation Authorisation, or the voluntary relinquishment, partial or total of an Exploration Perimeter or of an Exploitation Perimeter has no effect with regard to the rights resulting from Article 7.2 hereinabove for the Contractor, on works and facilities executed in application of the provisions of this Article 7, provided that said works and facilities continue to be utilised in the framework of the Contractor's activity on the portion kept or on other exploration or exploitation perimeters in Mauritania.

7.5 Subject to the provisions of Articles 6.8 and 6.9 hereinabove, the Contractor has freedom of choice concerning suppliers and subcontractors and shall benefit from the customs regime set forth in Article 18 of this Contract.

7.6 Unless there are provisions to the contrary in the Contract, no restriction shall be set upon the entry, the stay, freedom of movement, employment and repatriation of persons and their families as well as their goods, for the employees of the Contractor and those of his subcontractors, subject to compliance with employment legislation and regulations as well as social laws in force in Mauritania.

The Ministry shall facilitate the delivery to the Contractor, as well as to his agents, to his subcontractors and to their families, all administrative authorisations which may possibly be required in relation with the Petroleum Operations carried out in the framework of this Contract, including entry and exit visas.

ARTICLE 8: MONITORING OF PETROLEUM OPERATIONS AND ACTIVITY REPORTS – CONFIDENTIALITY

8.1 The Petroleum Operations shall be subject to monitoring by the Ministry pursuant to the provisions of Title VIII of the Crude Hydrocarbons Code. The duly mandated representatives of the Ministry shall in particular have the right to monitor the Petroleum Operations, to inspect facilities, equipment, materials, and to audit said procedures, norms, records and books pertaining to the Petroleum Operations. Said such representatives shall make every effort not to disrupt the normal conduct of Contractor's operations.

In order to allow the exercise of the rights referred to hereinabove, the Contractor shall furnish to the representatives of the Ministry and to the other agents of the State in charge of the supervision of Petroleum Operations reasonable assistance in the matter of means of transport and of lodging. The reasonable expenses for transport and lodging directly linked to monitoring and inspection shall be at the expense of the Contractor. Such expenses shall be considered as recoverable Petroleum Costs according to the provisions of Article 10.2 of this Contract and as deductible charges for purposes of the calculation of Industrial and Commercial Income Tax.

8.2 The Contractor shall keep the Ministry regularly informed of the status of the Petroleum Operations. He must in particular supply the Ministry with the following programmes and information:

a) A work programme for any geological or geophysical campaign, at least thirty (30) days before the beginning of the campaign in question and specifying in particular its location, its objectives, the techniques and equipment utilised, the name and address of the enterprise which will carry out the work, the starting date and the projected duration, the number of kilometres of seismic lines, the estimated costs and the safety measures put into place if the usage of explosives is contemplated.

b) A work programme for any well, at least thirty (30) days before the spudding of the well in question and specifying in particular its precise location, a detailed description of the works contemplated, including the well techniques and the associated operations, its depth, its geological objective, the start date and the projected duration, the estimated costs of the programme, a summary of the geological and geophysical data which prompted the Contractor's decision, the name and address of the drilling contractor as well as the designation of the well site, the name and address of all other subcontractors recruited for such operation, and the safety measures envisioned.

c) An advance notice of thirty (30) days concerning any abandonment of a producing well and forty-eight (48) hours when it concerns a non-producing well.

d) An advance notice of forty-eight (48) hours concerning any suspension of drilling or resumption of drilling after a suspension of greater than thirty (30) days.

Any accident involving a stoppage of work or material damage or death occurring in the framework of the Petroleum Operations must be immediately notified to the Minister and not later than within twenty-four (24) hours.

8.3 The Ministry may require from Contractor the execution, at the expense of the latter, of all work necessary to ensure safety and hygiene within the framework of the Petroleum Operations, pursuant to Article 6.5 hereinabove.

8.4 The Ministry shall have access to all original data resulting from Petroleum Operations undertaken by the Contractor within the Exploration Perimeter and Exploitation Perimeter such as geological, geophysical, petrophysical, drilling, reports concerning commencement of exploitation and all other reports generally required for the Petroleum Operations.

8.5 The Contractor commits to furnishing to the Ministry the following periodic reports:

a) Daily reports on drilling activities;

b) Weekly reports on geophysical works;

c) Starting from the date of granting of an Exploitation Authorisation, within fifteen (15) days following the end of each Quarter, a detailed report on development activities;

d) Starting from the start-up of production, within fifteen (15) days following the end of each month, an exploitation report specifying in particular each of the quantities of Hydrocarbons produced, utilised in Petroleum Operations, stored, lost or flared, and sold, during the course of the preceding month as well as an estimate of each of the quantities in question for the current month. With regard to Hydrocarbons sold, the report shall specify for each sale the identity of the buyer, the quantity sold and the price obtained;

e) Within the fifteen (15) days following the end of each Quarter, a report relative to Petroleum Operations carried out during the Quarter elapsed, containing in particular a description of the Petroleum Operations carried out and a detailed statement of the

Petroleum Costs incurred, categorised in particular by Exploration Perimeter / Exploitation Perimeter and by type;

f) Within the three (3) months following the end of each Calendar Year, a report relative to the Petroleum Operations carried out during the Calendar Year elapsed, as well as a detailed statement of Petroleum Costs incurred, categorised in particular by Exploration Perimeter / Exploitation Perimeter and by type and a statement of the personnel employed by the Contractor, indicating the number of employees, their nationality, their duties, the total amount of the salaries as well as a report on medical care and instruction given to them.

g) A report, every month, during the exploration period, on the activities relating to the sub-phases**.**

h) Any other report generally required within the framework of Petroleum Operations**.**

8.6 Moreover, the following reports, data and documents shall be furnished to the Ministry during the month following their drafting or their being obtained:

a) Two (2) copies of the geological reports made in the framework of exploration;

b) Two (2) copies of geophysical reports made in the framework of exploration. The Ministry shall have access to the originals of all recordings made (magnetic tapes or other format) and may, upon request, obtain copies;

c) Two (2) copies of reports of commencement and termination of drilling for each of the wells drilled;

d) Two (2) copies of all measures, tests, and well loggings recorded during the course of drilling (drilling termination reports);

e) Two (2) copies of each report of analyses (petrography, biostratigraphy, geochemistry or other) carried out on the core samples, the cuttings or fluids sampled in each one of the wells drilled, including therein raw data and supporting items with media for copying photos pertaining thereto;

f) A representative portion of the core samples taken, well cuttings taken from each well as well as fluid samples collected during the production tests shall also be supplied within reasonable periods of time.

g) Moreover, the Contractor may freely export core samples taken, drill cuttings taken and fluids produced;

h) And in a general fashion, two (2) copies of all other reports generally required for Petroleum Operations.

Reports, studies and other results referred to in this Article 8.6, as well as those referred to in Article 8.5 hereinabove, shall be supplied in a suitable medium in digital and/or hard copy.

8.7 The Parties undertake to consider as confidential and to not communicate to Third Parties or to publish, except with the prior consent of the Minister, data and information of a technical nature related to the Petroleum Operations and which would not already be in the public domain, for the entire duration of the Contract.

In the case of relinquishment of a surface area or surrender of a perimeter , the Contractor undertakes to consider as confidential and to not communicate to Third Parties or to publish, except with the prior consent of the Minister, the data and information relating to the perimeter in question and which would not already be in the public domain.

After the surrender, termination or expiration of the Contract, the Contractor undertakes to consider as confidential and to not communicate to Third Parties or to publish, except with the prior consent of the Minister, the data and information relating to Petroleum Operations and which would not already be in the public domain.

8.8 Notwithstanding the provisions of Article 8.7, the State may communicate the data and information:

a) To all suppliers of services and professional consultants providing services in the framework of the monitoring of Petroleum Operations, after obtaining a similar commitment of confidentiality;

b) To any bank, institution or financial establishment with which an entity of the State solicits or obtains financing, after obtaining a similar commitment of confidentiality;

c) In the framework of any contentious proceeding in a legal, administrative or arbitrational matter.

8.9 Notwithstanding the provisions of Article 8.7, the Contractor may communicate the data and information:

a) To any Affiliated Company bound by a similar commitment of confidentiality;

b) To any suppliers of services and professional consultants providing services in the framework of Petroleum Operations, after obtaining a similar commitment of confidentiality;

c) To any company with a bona fide interest in the carrying out of a possible assignment, after obtaining from such company a commitment to keep confidential such information and to utilise it only for the purposes of such assignment;

d) To any bank or financial establishment with which an entity of the Contractor solicits or obtains financing, after obtaining a similar commitment of confidentiality;

e) When and to the extent that the regulations of a recognised stock exchange require the information;

f) Within the framework of any contentious proceeding in a legal, administrative or arbitrational matter.

8.10 The Contractor must report to the Minister the soonest possible any information relative to mineral substances encountered during the Petroleum Operations.

8.11 The Contractor must participate in the implementation of the Extractive Industries Transparency Initiative (EITI) pursuant to Article 98 of the Crude Hydrocarbons Code.

ARTICLE 9: GRANTING OF AN EXPLOITATION AUTHORIZATION

9.1 The BirAllah discovery, made in the Exploration Perimeter in 2015 and confirmed by the Orca-1 appraisal wells in 2019, has identified one or more major gas deposits with GIIP (gas initially in place). The work programme for evaluating the deposit(s) to be carried out by the Contractor under this Contract is now provided under Article 4.1.

9.2 Does not apply.

9.3 Within the three (3) months following the completion of the evaluation works, and not later than thirty (30) days prior to the end of the exploration period (as provided in Article 3.1) , as possibly extended pursuant to the provisions of this Contract or the Crude Hydrocarbons Code, the Contractor shall submit to the Minister a detailed report giving all the technical and economic information relative to the deposit so discovered and appraised, and establishing the commercial character or not of the said discovery. Such report shall in particular include the following information: the geological and petrophysical, characteristics, and the estimated

delimitation of the deposit; the results of the production tests carried out, the nature, properties and volume of Hydrocarbons which it contains, a preliminary technical and economic study on the placement of the deposit into production.

9.4 Any quantity of Hydrocarbons produced from a discovery before the discovery has been declared commercial, if it is not utilised for the carrying-out of the Petroleum Operations, or lost, shall be subject to the provisions of Article 10 of this Contract.

9.5 A deposit considered by the Contractor to be commercially exploitable gives him the right to an Exploitation Authorisation. In such case, the Contractor shall submit to the Minister, within the three (3) months following the submission of the report referred to in Article 9.3 hereinabove, and not later than thirty (30) days prior to the expiration of the exploration period (as provided in Article 3.1), an application for an Exploitation Authorisation. Said application shall specify the lateral and stratigraphic delimitation of the Exploitation Perimeter, which shall cover only the presumed limits of the deposit discovered and appraised in the Exploration Perimeter then currently valid and shall be accompanied by technical justifications necessary for said delimitation. The above-cited application for an Exploitation Authorisation shall be accompanied by a detailed development and production programme, including in particular for the deposit in question:

a) An estimate of the recoverable reserves, proven and probable and of the corresponding production profile, as well as a study of the methods of recovery of hydrocarbons and development of natural gas;

b) A description of the works and facilities required to put the field into production, such as number of wells, facilities required for production, separation, processing, storage and transport of Hydrocarbons;

c) A programme and a schedule for carrying out the said works and facilities, including start-up date for production;

d) An estimate of development investments and exploitation costs itemised for each year as well as an economic study confirming the commercial character of the deposit;

e) The methods for financing such investments by each one of the entities making up the Contractor;

f) An environmental impact study of the development project, carried out by the Contractor pursuant to the provisions of the Environmental Code.

g) An outline of a Rehabilitation Plan to return the sites to their original condition at the end of exploitation.

The Minister may propose revisions or modifications to the development and production programme referred to above, as well as to the Exploitation Perimeter applied for, in notifying the Contractor thereof with all justifying supporting data deemed appropriate, within the ninety (90) days following receipt of the said programme. The provisions of Article 5.2 hereinabove shall apply to said programme with regard to its adoption.

When the results acquired during the course of development justify changes to the development and production programme, said programme may be modified in utilising the same procedure as that referred to hereinabove for its initial adoption.

9.6 The Exploitation Authorisation shall be granted by the Minister within forty-five (45) days following the date of adoption by the Parties of the development and production programme. The granting of an Exploitation Authorisation entails *ipso facto* the cancellation of the Exploration Authorisation.

9.7 Does not apply

9.8 Does not apply

9.9 In the event that a deposit extends beyond the boundaries of the currently valid Exploration Perimeter, the Minister may require the Contractor to exploit such deposit together with the holder of the adjacent perimeter following the provisions of Article 53 of the Crude Hydrocarbons Code. Within the twelve (12) months following the written request of the Minister, the Contractor must submit to him, for approval, a draft development and production programme of the relevant deposit drawn up in agreement with the holder of the adjacent perimeter.

In the case where the deposit extends over one or more other perimeters which are not under contract, the process of extension of the contractual perimeter may be undertaken, pursuant to the provisions of the Crude Hydrocarbons Code.

9.10 The Contractor must start up the development operations including the necessary studies, not later than six (6) months following the date of granting of the Exploitation Authorisation

referred to in Article 9.6 hereinabove and must pursue them with the maximum diligence. The Contractor undertakes to carry out the development and production operations according to good oilfield practice in the international petroleum industry, making it possible to ensure the optimum recovery of Hydrocarbons contained in the deposit. The Contractor undertakes to proceed as soon as possible with studies of assisted recovery in consultation with the Ministry and to utilise such processes if, in the estimation of Contractor, such processes will lead under the economic conditions to an improvement of the rate of recovery.

9.11 The duration of the exploitation period during which the Contractor is authorised to ensure the production of a deposit declared to be commercial is set at twenty-five (25) years if the exploitation is for deposits of Crude Petroleum and thirty (30) years if the exploitation is for deposits of Dry Gas, starting from the date of granting of the corresponding Exploitation Authorisation.

Upon the expiration of the initial period of exploitation defined hereinabove, the Exploitation Authorisation may be renewed for an additional maximum period of ten (10) years upon an application by Contractor providing supporting information submitted to the Minister at least one (1) year prior to said expiration, provided that the Contractor has fulfilled all his contractual obligations during the initial exploitation period and that he proves that additional commercial production from the Exploitation Perimeter remains possible during the additional period applied for.

9.12 For any deposit having given rise to the granting of an Exploitation Authorisation, the Contractor must, without prejudice to the provisions of Article 21 here below, carry out at his own expense all appropriate and necessary Petroleum Operations to place the deposit into exploitation, in conformity with the adopted development and production programme.

However if the Contractor believes, on the basis of technical knowledge acquired on such deposit, and can make the accounting proof during the course of the development and production programme or during the course of exploitation that producing from such deposit cannot be, or can no longer be, commercially profitable, even though the discovery well and the appraisal works have led to the granting of an Exploitation Authorisation pursuant to this Contract, the Minister undertakes to not obligate the Contractor to pursue the works and to explore with the Contractor, to the extent possible, technical and economic improvements which would permit the Contractor to consider the profitable exploitation of said deposit. In the case where the Contractor decides not to pursue the exploitation works and if the Minister asks him to, the Contractor shall surrender the relevant Exploitation Authorisation and the rights which are attached thereto.

9.13 The Contractor may at any time, subject to so notifying the Minister in writing with an advance notice of at least six (6) months, surrender totally or in part an Exploitation Authorisation, provided that he has satisfied all obligations provided for in this Contract**.**

9.14 The Contractor undertakes for the duration of the Exploitation Authorisations to produce annually quantities of Hydrocarbons from each deposit according to generally accepted norms in the international petroleum industry in taking principally into consideration the rules for the proper conservation of deposits and the optimal recovery of the reserves of Hydrocarbons under economic conditions for the duration of the relevant Exploitation Authorisations.

9.15 The ceasing of production of a deposit for a duration greater than six (6) consecutive months, decided upon by the Contractor without the consent of the Minister, may lead to the cancellation of this Contract within the terms set forth in Article 25 here below.

9.16 The Minister may place the Contractor on notice by registered letter with return receipt to remedy the following shortcomings within a time period of three (3) months, if the latter, without duly justified reasons has not submitted an application for an Exploitation Authorisation within the time period referred to in Article 9.4 hereinabove.

If the Contractor has not remedied the above shortcomings within the mentioned time period, the Minister may then demand that he relinquish immediately and without compensation all his rights within the presumed boundaries of said discovery, including the Hydrocarbons which could be produced from it.

The State may then carry out all works of appraisal, development and production of such discovery upon condition however that it does not cause damage to the performance of the Petroleum Operations of the Contractor in the Exploration Perimeter or any Exploitation Perimeter governed by the Contract.

ARTICLE 10: RECOVERY OF PETROLEUM COSTS AND PRODUCTION SHARING

10.1 From the commencement of regular Hydrocarbons production carried out pursuant to an Exploitation Authorisation or an early production authorisation, that production shall be shared and sold in accordance with the provisions hereafter.

10.2 For the recovery of Petroleum Costs, the Contractor shall freely retain each Quarter, and for each Exploitation Authorisation, a share of total production equal to fifty-five percent (55%) for Crude Petroleum and sixty-two percent (62%) for Dry Gas, calculated on total production which is not utilised for Petroleum Operations, nor wasted, or, if applicable, a lower percentage of production, or only a lower percentage which would be necessary and would suffice.

The value of the share of total production allocated for the petroleum cost recovery of the Contractor as defined in the preceding subparagraph shall be calculated in accordance with the provisions of Articles 14 and 15 here below.

In the course of a Calendar Year, should the Petroleum Costs not yet recovered by the Contractor pursuant to the provisions of this Article 10.2 exceed the equivalent in value of fifty-five percent (55%) with respect to Crude Petroleum and sixty-two percent (62%) with respect to Dry Gas, of the total production calculated as indicated hereinabove, the excess which cannot be recovered for the Calendar Year under consideration shall be carried forward to the following Calendar Year(s) until full recovery of Petroleum Costs or the termination of this Contract. The recovery of Petroleum Costs for any Quarter shall be scheduled in the order stipulated in the Accounting Procedure.

10.3 The volume of Hydrocarbons, related to the Exploitation Authorisation, which remains for each Quarter after the Contractor has taken from total production the share necessary to the recovery of Petroleum Costs under the provisions of Article 10.2 hereinabove, shall be shared between the State and the Contractor in the following manner, in the ratio of the applicable figure for the ratio “R” defined as follows::

Value of “R”	Share of the State	Share of the Contractor
Less than 1	31%	69%
Greater than or equal to 1 and less than 1.5	33%	67%
Greater than or equal to 1.5 and less than 2	35%	65%
Greater than or equal to 2 and less than 2.5	37%	63%
Greater than or equal to 2.5 and less than 3	39%	61%
Greater than or equal to 3	42%	58%

For the application of this Article, the ratio “R” means to the ratio of “Cumulative Net Revenue” of Contractor over “Cumulative Investments” in the Exploitation Perimeter, where:

“Cumulative Net Revenue” means the sum, calculated from the Effective Date until the end of the preceding Quarter, of the value of Hydrocarbons obtained by Contractor pursuant to the provisions of Articles 10.2 and 10.3 hereinabove; less the Exploitation Petroleum Costs incurred by the Contractor, as such are defined and determined under the provisions of the Accounting Procedure.

“Cumulative Investments” means the sum, from the Effective Date up until the end of the preceding Quarter, of the Exploration Petroleum Costs and the Development Petroleum Costs incurred by the Contractor as defined and determined under the provisions of the Accounting Procedure.

10.4 The State may receive its share of production defined in Article 10.3 hereinabove, either in kind, or in cash.

10.5 If the State wishes to receive in kind all of part of its share of production defined in Article 10.3 hereinabove, the Minister shall advise the Contractor in writing not less than ninety (90) days prior to the commencement of the relevant Quarter and specify the exact quantity it wishes to receive in kind during said Quarter and the modalities of delivery, which must be specified in the lifting contract.

For this purpose, it is agreed that the Contractor shall not commit to the sale of a part of the State production, for a term which exceeds one hundred and eighty (180) days, unless he shall have obtained the written consent of the Minister.

10.6 If the State wishes to receive in cash all or part of its share of production specified in Article 10.3 hereinabove, or if the Minister has failed to notify the Contractor of its decision to take a portion of the State's production in kind in accordance with Article 10.5 hereinabove, the Contractor is obligated to sell the State share of production which the State wishes to take in cash during the relevant Quarter, and to proceed with the liftings of such share in the course of such Quarter, and to pay the State within thirty (30) days following each lifting, an amount equal to the quantity corresponding to the portion of the State production share, multiplied by the sale price F.O.B., after deduction of the costs attributable to such sales.

The Minister shall be entitled to request the settling of the sales of the State share of production effected by the Contractor either in Dollars or in any other convertible currency in which the transaction took place.

ARTICLE 11: TAX REGIME

11.1 Each of the entities which make up the Contractor shall be subject to the Industrial and Commercial Income Tax levied on the net profits earned in relation to the Petroleum Operations in accordance with Articles 66 to 74 of the Crude Hydrocarbons Code and the provisions of the Accounting Procedure found in Appendix 2 of this Contract.

The rate of this tax is set at twenty-seven percent (27%) for the entire duration of the Contract such as defined in Article 2.2 hereinabove.

For the purposes of setting the amount of the Industrial and Commercial Income Tax, the value of Hydrocarbons sold by the Contractor under Articles 10.2 and 10.3 hereinabove to be included in net taxable profit shall be established in accordance with the provisions of Article 14 here below.

11.2 Without prejudice to the provisions of Article 21 here below, the Contractor shall pay to the State the following surface rentals:

a) four Dollars ($4) per square kilometre and per year during the exploration period;

b) one hundred seventy Dollars ($170) per square kilometre and per year during the validity of the Exploitation Authorisation.

The surface rentals referred to in paragraphs a), b) and c) hereinabove shall be paid in advance and per year, not later than the first day of each Contract Year, for the entire Contract Year, according to the extent of the Exploration Perimeter held by the Contractor upon the due date of said rentals.

The surface rental relative to an Exploitation Authorisation shall be paid in advance and per year, at the beginning of each Calendar Year following the granting of the Exploitation Authorisation or for the Calendar Year of said grant, within thirty (30) days of the date of the grant, prorated over time for the remaining duration of the current Calendar Year, according to the extent of the Exploitation Perimeter upon such date.

In the case of relinquishment of the surface during the course of a Calendar Year or during the course of an event of Force Majeure, the Contractor shall have no right to any reimbursement of surface rentals already paid.

The amounts referred to in this Article 11.2 are not considered recoverable Petroleum Costs under the provisions of Article 10.2 hereinabove, nor are they considered as deductible costs for setting the basis of the Industrial and Commercial Income Tax in accordance with Article 76 of the Crude Hydrocarbons Code.

11.3 The Contractor shall be subject to taxes and fees as well as to withholdings at source and other tax obligations applicable to contractors pursuant to Title VI of the Crude Hydrocarbons Code.

11.4 The subcontractors of the Contractor as well as the personnel of the Contractor and of his subcontractors shall be subject to the generally applicable tax provisions, subject to the provisions of Title VI of the Crude Hydrocarbons Code which are applicable to them.

11.5 The shareholders of the entities making up the Contractor and their Affiliated Companies shall benefit from the exemptions provided for in Article 86 of Title VI of the Crude Hydrocarbons Code.

11.6 Except for taxes, fees and dues provided in Title VI of the Crude Hydrocarbons Code, for special taxes related to the utilisation of drinking water or of irrigation water provided for in

Article 6 .4 hereinabove, for the surface rentals provided for in Article 11.2 hereinabove, for the bonuses provided for in Article 13 here below and for the payment referred to in Article 12.2 here below, the Contractor shall not be subject to any tax, fees, royalties, payments and contributions of any nature whatsoever, be they national, regional or municipal, either in effect now or in the future, which may burden the Petroleum Operations, and of any revenue derived therefrom or more generally, the property, the activities or action of the Contractor, including its facility, its money transfers, and its operation in implementation of this contract, provided, however, that these exemptions are only applicable to Petroleum Operations.

Pursuant to Article 83-2º of the Crude Hydrocarbons Code, the rendering of services directly related to Petroleum Operations shall, in particular, be subject to VAT at the rate of zero, when the service rendered, the right transferred or the item rented are reused or exploited in Mauritania, pursuant to Article 177 B of the General Tax Code.

The foregoing exemptions in this Article do not cover services actually rendered to Contractor by public Mauritanian administrations and local governmental departments or units. However, the tariffs levied in such cases on the Contractor, its subcontractors, transporters, customers and agents must be reasonable in relation to the services rendered and must not exceed the tariffs generally applicable for these same services by the same public Mauritanian administrations and local governmental departments or units**.** The cost of these services shall be considered recoverable Petroleum Costs in accordance with Article 10.2 of this Contract.

ARTICLE 12: PERSONNEL

12.1 From the beginning of the Petroleum Operations, the Contractor undertakes to ensure the employment on a priority basis, with equal qualification, of Mauritanian personnel and to contribute to the training of such personnel, in order to allow their accession to all employment as qualified workers, supervisors, management, engineers and directors.

To this end, the Contractor shall establish in agreement with the Ministry at the end of each Calendar Year, a recruitment plan of Mauritanian personnel and a plan for training and skills improvement in order to attain a greater and greater participation of Mauritanian personnel in the Petroleum Operations.

12.2 The Contractor must also contribute to the training and skills improvement of the agents of the Ministry and to the other purposes referred to in Article 80 of the Crude Hydrocarbons Code, according to a plan established by the Ministry at the end of each Calendar Year.

To this end, the Contractor shall pay to the State, for said training and job skills improvement plan, an amount of three hundred thousand Dollars ($300,000) per Calendar Year during the validity of the Exploration Authorisation, and, starting from the granting of an Exploitation Authorisation, an amount of six hundred thousand Dollars ($600,000) per Calendar Year. The above-cited payments shall be considered to be non-recoverable Petroleum Costs with respect to the provisions of Article 10.2 hereinabove but as deductible charges on the Industrial and Commercial Income Tax in conformity with Article 82 of the Crude Hydrocarbons Code.

ARTICLE 13: BONUSES

13.1 The Contractor shall the State a signature bonus in the amount of one million Dollars ($1,000,000) within the thirty (30) days after the Effective Date.

13.2 Moreover, the Contractor shall pay to the State the following production bonuses:

a) six million Dollars ($6,000,000) when the regular commercial production of Hydrocarbons extracted from the Exploitation Perimeter(s) reaches for the first time an average rate equal to twenty-five thousand (25,000) Barrels of Crude Petroleum per day during a period of thirty (30) consecutive days;

b) eight million Dollars ($8,000,000) when the regular commercial production of Hydrocarbons extracted from the Exploitation Perimeter(s) reaches for the first time an average rate equal to fifty thousand (50,000) Barrels of Crude Petroleum per day for a period of thirty (30) consecutive days;

c) twelve million Dollars ($12,000,000) when the regular commercial production of Hydrocarbons extracted from the Exploitation Perimeter(s) reaches for the first time an average rate equal to one hundred thousand (100,000) Barrels of Crude Petroleum per day for a period of thirty (30) consecutive days;

d) twenty million Dollars ($20,000,000) when the regular commercial production of Hydrocarbons extracted from the Exploitation Perimeter(s) reaches for the first time an average rate equal to one hundred fifty thousand (150,000) Barrels of Crude Petroleum per day for a period of thirty (30) consecutive days.

Each of the sums referred to in paragraphs a), b), c) and d) hereinabove shall be paid within the thirty (30) days following the above-cited period of reference.

13.3 The sums referred to in Articles 13.1 and 13.2 hereinabove shall not be considered as recoverable Petroleum Costs with respect to the provisions of Article 10.2 hereinabove, nor considered to be deductible charges for the determination of the Industrial and Commercial Income Tax pursuant to Article 79 of the Crude Hydrocarbons Code.

ARTICLE 14: PRICE AND MEASUREMENT OF HYDROCARBONS

14.1 The unitary market price of the Crude Petroleum used in consideration for purposes of Articles 10 and 11 hereinabove shall be the “Market Price” F.O.B. the Delivery Point, expressed in Dollars per Barrel, as determined here below for each Quarter.

A Market Price shall be established for each type of Crude Petroleum or blend of Crude Petroleums.

14.2 The Market Price applicable to Crude Petroleum lifted in the course of a Quarter shall be calculated at the end of each Quarter under consideration, and shall be equal to the weighted average of prevailing prices obtained by the Contractor and the State in the course of their sale of Crude Petroleum to Third Parties in the course of the Quarter under consideration, adjusted as appropriate to reflect differentials in quality and density, and on the terms of F.O.B. delivery and payment terms provided the quantity sold in such manner to Third Parties in the course of the Quarter under consideration corresponds to no less than thirty percent (30%) of the total of the volumes of Crude Petroleum extracted from the Exploitation Perimeters existing under this Contract, taken as a whole, and sold in the course of the said Quarter.

14.3 If such Third Party sales do not take place during the Quarter under consideration, or if they constitute less than thirty percent (30%) of the total of the quantities of Crude Petroleum of the Exploitation Perimeter granted under the present Contract taken as a whole and sold in the course of the said Quarter, the Market Price shall be arrived at by comparison with the “Current

International Market Price" for the Quarter under consideration of the qualities of Crude Petroleum produced in Mauritania and in neighbouring producing countries, taking into account differentials of quality, density, transport and terms of payment.

"Current International Market Price" shall be a reference price based on Dated Brent prices, as such are published in "Platt's Crude Oil Marketwire" or similar internationally recognised publication, averaged for the month(s) during which sales were made and adjusted for differences in quality, API gravity, terms of FOB delivery and payment terms. If Dated Brent is replaced by another internationally recognised reference crude, the published quotes of the replacement crude shall be used instead.

14.4 In particular the following transactions are not taken into account in calculating the Market Price of the Crude Petroleum:

a) Sales in which the buyer is an Affiliated Company of the seller as well as sales between entities making up the Contractor;

b) Sales which include some consideration other than payment in freely-convertible currency or sales attributable in whole or in part to motivations other than the usual economic incentives attached to sales of Crude Petroleum on the international market (such as barter contracts, sales from government to government or to governmental units).

14.5 A committee presided over by the Minister or his delegate and including other representatives of the State and those of the Contractor shall meet at the request of its president, at the end of each Quarter, to establish, according to the stipulations of this Article 14, the Market Price of the Crude Petroleum produced, applicable to the Quarter elapsed. The decisions of the committee shall be by unanimous vote.

If no agreement can be reached by the committee on a decision within a time period of thirty (30) days after the end of the relevant Quarter, the Market Price of the Crude Petroleum produced shall be definitively determined by an expert of international reputation, appointed by agreement of the Parties, or, if such agreement is not reached, by the International Centre for Expertise of the International Chamber of Commerce. The expert shall establish the price according to the stipulations of this Article 14 within a time period of twenty (20) days after his appointment. The costs of expertise shall be shared equally between the Parties.

14.6 While awaiting the determination of the price, the Market Price provisionally applicable to a Quarter shall be the Market Price of the preceding Quarter. Any necessary adjustment shall be

made not later than thirty (30) days after the determination of the Market Price for the Quarter under consideration.

14.7 The Contractor shall measure all the Hydrocarbons produced after extraction of water and connected substances, in utilising, with the consent of the Ministry, the instruments and procedures in conformity with the methods in force in the international petroleum industry. The Ministry shall have the right to examine such measures and to check the instruments and procedures utilised.

If during the course of exploitation the Contractor wishes to modify such instruments and procedures, he must obtain the prior consent of the Ministry.

If, during the course of an inspection carried out by the Ministry, it is verified that the measuring instruments are inaccurate and exceed the acceptable tolerances, and that this condition of fact is confirmed by an independent expert, the inaccuracy in question shall be considered as having existed for half of the period since the preceding inspection, unless a different period is demonstrated. The accounting of the Petroleum Costs and the shares of production and liftings of the Parties shall be the subject of appropriate adjustments within thirty (30) days following receipt of the expert's report.

14.8 For Dry Gas, the provisions of this Article 14 shall apply *mutatis mutandis*, subject to the provisions of Article 15 here below.

ARTICLE 15: NATURAL GAS

Non-Associated Natural Gas

15.1 In the case where the discovery referred to in [Article 9.1] hereinabove concerns a deposit of Non-Associated Natural Gas[for which the Contractor has undertaken to carry out works pursuant to this Contract hereinabove, the Minister and the Contractor shall jointly carry out, in parallel with the works on the discovery in question pursuant to Article 4.1 , a market study intended to evaluate the possible market outlets for such Natural Gas, both on the local and the export markets, as well as the means necessary for its marketing, and shall consider the possibility of a joint marketing of their shares of production. The study shall in particular determine the quantities for which sale on the local market can be assured as a fuel or as a raw material, the facilities and arrangements necessary for the sale of such Natural Gas to the utilising enterprises or to the entity of the State in charge of its distribution, as well as the

discounted price which shall be determined pursuant to the principles set forth in Article 15.8 here below.

If following the evaluation of a discovery of Non-Associated Natural Gas, it is shown that the development requires specific economic terms in order to make it economically viable in the opinion of each of the two Parties, the Parties may agree, on an exceptional basis, on said terms.

15.2 In the case where the Parties should decide to jointly exploit such Natural Gas in order to supply the local market, or in the case where the Contractor should decide to exploit it for export, the latter shall submit, prior to the end of the Exploration Authorisation, an application for an Exploitation Authorisation which the Minister shall grant within the terms set forth in Article 9.6 hereinabove.

The Contractor shall then proceed with the development and the production of such Natural Gas pursuant to the development and production programme submitted to the Minister and approved by the latter within the terms provided for in Article 9.5. The provisions of this Contract applicable to Crude Petroleum shall apply *mutatis mutandis* to the Natural Gas, subject to the special provisions provided for in Articles 15.7 to 15.9 here below.

In the case where the production is intended in whole or in part for the local market, a supply contract shall be entered into, under the supervision of the Minister, between the Contractor and the enterprise of the State responsible for the distribution of the gas. The Contract shall define the obligations of the parties in the matter of delivery and lifting of the commercial gas and may contain a clause obligating the purchaser to pay a portion of the price in the event of a default in the lifting of the contractual quantities.

15.3 If an application for an Exploitation Authorisation has not been submitted within the time periods allowed for in Article 9.5 hereinabove, the surface comprising the extent of the deposit of Non-Associated Natural Gas shall be, upon the request of the Minister, relinquished to the State, which shall be able to undertake for its own account all works of placement into exploitation of the deposit in question.

Associated Natural Gas

15.4 In the event of a discovery of a commercially exploitable deposit of Crude Petroleum containing Associated Natural Gas, the Contractor shall indicate in the report provided for in Article 9.2 hereinabove whether he considers that the production of such Associated Natural Gas is likely to exceed the quantities necessary for the purposes of Petroleum Operations relative to the production of Crude Petroleum, including therein the operations of reinjection,

and whether it considers that such excess is likely to be produced in marketable quantities. In the case where the Contractor will have advised the Minister of such an excess amount, the Parties shall jointly evaluate the possible markets for such excess amount, both on the local and the export markets, including therein the possibility of a joint marketing of their shares of production of such excess amount as well as the means necessary for its marketing.

In the case where the Parties should agree to exploit the excess amount of the Associated Natural Gas, or in the case where the Contractor should decide to exploit such amount for export, the Contractor shall indicate in the development and production programme referred to in Article 9.5 hereinabove the additional facilities necessary for the development and exploitation of such excess amount and his estimate of the costs pertaining thereto.

The Contractor must then proceed with the development and the exploitation of such excess amount pursuant to the development and production programme submitted and approved by the Minister within the terms set forth in Article 9.5 hereinabove, and the provisions of this Contract applicable to the Crude Petroleum shall apply *mutatis mutandis* to the excess quantity of Natural Gas, subject to the special provisions set forth in Articles 15.7 to 15.9 here below.

A similar procedure to that described in the paragraph hereinabove shall be followed if the marketing of the Associated Natural Gas is decided upon during the course of the exploitation of a deposit.

15.5 In the case where the Contractor should decide not to exploit the excess amount of Associated Natural Gas and if the State should at any time desire to utilise it, the Minister shall so advise the Contractor, in which case:

a) The Contractor shall freely place at the disposal of the State all or a portion of the excess amount which the State desires to lift, at the exit point of the separation facilities;

b) The State shall be responsible for the collection, the processing, compression and transport of such excess amount from the above-mentioned separation facilities, and shall bear all additional costs pertaining thereto;

c) The construction of the facilities necessary for the operations referred to in paragraph b) hereinabove, as well as the lifting of the excess amount by the State, shall be accomplished pursuant to good oilfield practices in the international petroleum industry and in such a manner so as not to impede production, lifting and transport of the Crude Petroleum by the Contractor.

15.6 Any excess amount of Associated Natural Gas which is not utilised within the framework of Articles 15.4 and 15.5 hereinabove must be reinjected by the Contractor, unless Contractor technically demonstrates that such reinjection would result in a reduction of maximum oil recovery, in which case Contactor shall be authorised to flare said excess and shall be subject to the penalty provided for in Article 6.4.

Common Provisions

15.6 The Contractor shall have the right to dispose of his share of production of Natural Gas, pursuant to the provisions of this Contract. He shall also have the right to proceed with the separation of liquids of all Natural Gas produced, and to transport, store, as well as to sell on the local or export market his share of the liquid Hydrocarbons thus separated, which Hydrocarbons shall be considered as Crude Petroleum for purposes of their sharing between the Parties according to Article 10 hereinabove.

15.7 For purposes of this Contract, the Market Price of the Natural Gas, expressed in Dollars per million of BTU, shall be equal:

a) To the price obtained from buyers with regard to export sales of Natural Gas to Third Parties;

b) With regard to sales on the local market of the Natural Gas as a fuel, to a price to be mutually agreed upon between the Minister or the national entity in charge of the distribution of gas on the local market, and the Contractor, on the basis in particular of the market rate of a fuel substitute for Natural Gas.

15.8 For purposes of the application of Articles 10.2, 10.3 and 13.2 hereinabove, the quantities of Natural Gas available after deduction of quantities reinjected, flared and those utilised for purposes of the Petroleum Operations shall be expressed in number of Barrels of Crude Petroleum such that one hundred sixty-five (165) cubic meters of Natural Gas measured at a temperature of 15.6 °C and at an atmospheric pressure of 1.01325 bars are deemed to be equal to one (1) Barrel of Crude Petroleum, except as otherwise agreed between the Parties.

ARTICLE 16: TRANSPORT OF HYDROCARBONS BY PIPELINES

16.1 The Contractor shall have the right, for the validity term of the Contract and within the terms defined in Title V of the Crude Hydrocarbons Code, to process and transport within its own facilities inside of the territory of Mauritania and to cause to be processed and transported, while retaining ownership, the products resulting from its exploitation activities or its share of such products, to points of storage, processing, lifting, or gross consumption.

16.2 In the case where agreements having as their purpose to permit or to facilitate transport by pipelines of Hydrocarbons through other states should come to be agreed upon between such states and the Mauritanian State, the latter shall grant to the Contractor without discrimination all the benefits which could result from the execution of such agreements.

16.3 Within the framework of its transport operations, the Contractor shall benefit from the rights and shall be subject to the obligations provided for in Title V of the Crude Hydrocarbons Code.

ARTICLE 17: OBLIGATION FOR SUPPLYING THE DOMESTIC MARKET

17.1 The Contractor has the obligation of participating in meeting the needs of domestic consumption of Hydrocarbons, except for exports of petroleum products, pursuant to the provisions of Article 41 of the Crude Hydrocarbons Code.

17.2 The Minister shall notify the Contractor in writing, not later than the 1st of October of each Calendar Year, the quantities of Hydrocarbons which the State chooses to purchase pursuant to this Article, during the course of the following Calendar Year. The deliveries shall be made, to the State or to the person designated by the Minister, by quantities and at regular time intervals during the course of said Year, according to terms set by agreement of the parties.

17.3 The price of the Hydrocarbons so sold by the Contractor to the State shall be the Market Price established according to the provisions of Articles 14 and 15.8 hereinabove; it shall be payable to the Contractor in Dollars within sixty (60) days from the date of delivery. A sales contract shall be entered into between the State and the Contractor which shall establish payment procedures and pertaining guarantees.

ARTICLE 18: IMPORTATION AND EXPORTATION

18.1 The Contractor shall have the right to import into Mauritania, for its account or for that of its subcontractors, all merchandise, materials, machines, equipment, spare parts and consumable materials necessary for the proper execution of Petroleum Operations and specified in a customs list established by the Ministry, upon the proposal of the Contractor, pursuant to Article 92 of the Crude Hydrocarbons Code.

It is understood that the Contractor and his subcontractors undertake to proceed with the importing defined hereinabove only to the extent that said materials and equipment are not available in Mauritania upon equivalent conditions in terms of price, quantity, quality, terms of payment and time period for delivery.

18.2 The imports and re-exports of the Contractor and of his subcontractors are subject to the customs regime set forth in Articles 90 to 96 of the Crude Hydrocarbons Code.

18.3 The Contractor, his clients and their transporters shall have, for the duration of the Contract, the right to freely export at the point of exportation chosen for such purpose, free of all customs duties and taxes and at any time whatsoever and pursuant to the provisions of the Crude Hydrocarbons Code, the portion of Hydrocarbons to which the Contractor is entitled according to the provisions of the Contract, after deduction of all deliveries made to the State pursuant to Article 17. However, the Contractor undertakes, at the request of the State, not to sell the Hydrocarbons produced in Mauritania to countries declared hostile to the State.

ARTICLE 19: FOREIGN EXCHANGE

19.1 The Contractor shall benefit from the rights and is subject to the obligations provided for in Title VII of the Crude Hydrocarbons Code in matters of control of foreign exchange and of protection of investments.

ARTICLE 20: BOOK-KEEPING, MONETARY UNIT, ACCOUNTING

20.1 The records and books of account of the Contractor shall be kept according to the accounting rules generally utilised in the international petroleum industry, pursuant to the regulations in force and with the Accounting Procedure defined in Appendix 2 of this Contract.

20.2 The records and books of account shall be kept in the English language and denominated in Dollars. They shall be fully supported by detailed documentation proving the expenses and receipts of the Contractor with respect to this Contract.

Such records and books of account shall be utilised in particular to determine Petroleum Costs, and the net profits of the Contractor subject to the Industrial and Commercial Income Tax pursuant to Articles 66 *et seq* of the Crude Hydrocarbons Code. They must contain the accounts of the Contractor highlighting the sales of Hydrocarbons under the terms of this Contract.

For informational purposes, the accounting of profits and balance sheets shall be kept in Ouguiyas.

20.3 The originals of the records and accounting books referred to in Article 20.1 hereinabove can be kept at the central headquarters of the Contractor, up until the Contractor is granted the first Exploitation Authorisation, with at least one copy in Mauritania. Starting from the month during the course of which such Exploitation Authorisation is granted to the Contractor, the originals of said records and accounting books as well as the supporting documents pertaining thereto shall be kept in Mauritania.

20.4 The Minister, after having informed the Contractor in writing, may cause to have the records and books of account relative to the Petroleum Operations examined and verified by auditors of his choice or by his own agents, according to the terms specified in the Accounting Procedure. He shall have a period of three (3) years following the end of a given Calendar Year to carry out the examinations or verifications concerning said Calendar Year and present to the Contractor his objections for any contradictions or errors noted at the time of such examinations or verifications. The Parties may agree to extend this time period by one additional year if special circumstances so justify it.

For Petroleum Costs incurred before the first year of production of Hydrocarbons, the time period of verification and of rectification is extended to the end of the second Calendar Year following the Calendar Year during which the first lifting of Hydrocarbons takes place.

The Contractor is required to furnish all necessary assistance to persons appointed by the Minister for this purpose and to facilitate the services they are rendering. The reasonable expenses for examination and of verification shall be reimbursed to the State by the Contractor

and shall be considered to be recoverable Petroleum Costs according to the provisions of Article 10.2 hereinabove.

20.5 The sums due to the State or to the Contractor shall be payable in Dollars or in a convertible currency chosen by common agreement between the Parties.

In the event of a delay in payment, the sums due shall bear interest at the Central Bank Rate +5% starting from the day that they should have been paid up until their payment, with monthly compounding of interest if the payment is more than thirty (30) days late.

ARTICLE 21: PARTICIPATION OF THE STATE

21.1 The State shall acquire on the Effective Date, through the National Enterprise (Société Mauritanienne des Hydrocarbures – SMH) referred to in Article 6 of the Crude Hydrocarbons Code, a carried interest of ten percent (10%) in the rights and obligations of the Contractor in the Exploration Perimeter (the "Carried Interest"). The entities of the Contractor, other than the National Enterprise, shall finance the share of the latter in all Petroleum Costs corresponding to the exploration Petroleum Operations including therein the evaluation/assessment of discoveries incurred in the Exploration Perimeter, during the entire duration of the Exploration Authorisation which is the subject of Article 3 hereinabove.

Additionally, to assist the National Enterprise with capacity building the Contractor, other than the National Enterprise, will advance to the National Enterprise, for each Calendar Year during the exploration period until first production is achieved from an Exploration Perimeter, an annual amount of three hundred fifty thousand Dollars ($350,000) reimbursable by the National Enterprise in the event there is exploitation from the Exploration Perimeter. The Contractor will not be subject to any tax or charge of any nature on account of this reimbursement or any gains resulting therefrom. The method of reimbursement of these amounts will be as specified in the joint ownership agreement (JOA).

The National Enterprise, as an entity of the Contractor, shall benefit on account of and pro rata to its participation (including by any additional Non-Carried Participation as defined in Article 21.9 (a) here below, where applicable) from the same rights and benefits and is subject to the same obligations as the other members of the Contractor, subject to the provisions of this Article 21.

21.2 The State shall have the option to acquire, through the National Enterprise, a participation in the Petroleum Operations in any Exploitation Perimeter resulting from the Exploration Perimeter within the limits indicated in Article 21.3 here below for its own purposes (the "State Retained Interest").

In such case, the National Enterprise shall be the beneficiary, on account of and pro rata to its participation, of the same rights and subject to the same obligations as those of the Contractor defined in this Contract, subject to the provisions of this Article 21.

In order to avoid any ambiguity, the participation of the State in the Exploration Perimeter shall continue to be carried by the entities of the Contractor pursuant to the provisions of Article 21.1 hereinabove.

21.3 In the case of the exercise by the State of the option of participating in an Exploitation Perimeter mentioned in Article 21.2 hereinabove, such participation may not be less than ten percent (10%) and may not exceed fourteen percent (14%).

21.4 Not later than six (6) months starting from the date of the grant of an Exploitation Authorisation, the Minister must notify the Contractor in writing of the decision of the State to exercise its option to participate by specifying the percentage chosen within the limit set forth in Article 21.3 hereinabove.

Said participation shall take effect starting from the date of receipt of notification of the exercise of the option of the State.

In order to avoid any ambiguity, except by Non-Carried Participation as defined in Article 21.9 (a) here below (where applicable), the State shall have no participation in Petroleum Operations in any Exploitation Perimeter from the Exploration Perimeter if he does not exercise the option[s] mentioned in Article 21.2 hereinabove.

21.5 Starting from the effective date of its participation, which is the subject of Articles 21.2 to 21.4 hereinabove, the State shall finance the Petroleum Costs in the relevant Exploitation Perimeter pro rata to its participation.

The State shall reimburse to the entities of the Contractor, other than the National Enterprise, in accordance with Article 21.6 here below, pro rata to its participation, the Petroleum Costs not yet recovered relative to said Exploitation Perimeter and incurred since the Effective Date (with the exclusion of exploitation Petroleum Costs (OPEX) and financing costs), up until the date of receipt of notification referred to in Article 21.4 hereinabove.

The Contractor shall not be subject to any tax of any type whatsoever, by reason of such reimbursements and/or any reimbursement pursuant to Article 21.9 or possible added value pertaining thereto.

21.6 The State shall assign and shall continue to assign to the Contractor thirty percent (30%) of the share of production to which it is entitled from its participation and as recovery of Petroleum Costs pursuant to Article 10.2 hereinabove and the Accounting Procedure constituting Appendix 2, until the cumulative value of such transfers or reimbursements, appraised according to the provisions of Articles 14 and 15 hereinabove, is equal to one hundred fifteen percent (115%) of the Petroleum Costs prior to the Effective Date of the participation and referred to in the second paragraph of Article 21.5 hereinabove.

21.7 In order to remove any ambiguity, the reimbursement of the exploration Petroleum Costs stipulated in Articles 21.5 and 21 .6 hereinabove does not in any way include the sums paid by the Contractor with respect to Article 13 of this Contract.

21.8 The reimbursements which will be made by the State with respect to the provisions of Articles 21.5 and 21.6 hereinabove, shall be paid in kind by the State which shall transfer to the entities of the Contractor, other than the National Enterprise, each Quarter at the Delivery Point the percentage of its quarterly share of production of Hydrocarbons stipulated in said Articles.

However, the State reserves the option to make said reimbursements in Dollars for which the payment in full must take place within a time period of ninety (90) days starting from the effective date of the participation referred to in Article 21.4 hereinabove.

In the event that the payment of all said reimbursements within the time periods provided hereinabove does not take place, the reimbursement in kind such as referred to in Articles 21.5 and 21.6 hereinabove shall apply.

21.9

(a) In addition to the State's participation as it is described in Articles 21.1 and 21.3 hereinabove, throughout the exploration period and within four (4) months after the date an Exploitation Authorisation is granted ("**the Option Period**"), the State may, through the National Enterprise and by written notice by the Minister to the Contractor, acquire an additional non-carried participation of up to fifteen percent (15%) (the "**Non-Carried Participation**").

(b) The State shall reimburse to the entities of the Contractor, other than the National Enterprise, pro rata to the Non-Carried Participation, the related and incurred Petroleum Costs that have not yet been recovered since the Effective Date, up until the date the notification from the State of its choice to acquire the Non-Carried Participation is received (this date being the "**Date of Notification of Non-Carried Participation**"). In order to make this participation effective, these Petroleum Costs must be reimbursed within sixty (60) days of the Date of Notification of Non-Carried Participation. The State's participation in the Non-Carried Participation will take effect retrospectively from the Date of Notification of Non-Carried Participation once the Petroleum Costs cited above have been reimbursed. Starting from the Date of Notification of Non-Carried Participation, the State shall finance the Petroleum Costs pro rata to the Non-Carried Participation assumed.

If definitive conditions are agreed for the transfer of all or part of the Non-Carried Participation acquired by the National Enterprise to a proposed third-party assignee, the other entities of the Contractor surrender any rights of first refusal over the assignment of this Non-Carried Participation that may be applicable by virtue of the joint ownership agreement (JOA). Notwithstanding the above, the Parties maintain their option to exercise their rights of first refusal in the case where all or part of the Non-Carried Participation is assigned by the National Enterprise to an assignee in an "economic" transaction (i.e., for purely financial compensation).

The practical methods of participation of the State stipulated in this Article 21 as well as the rules and obligations of the entities of the Contractor, including therein the National Enterprise, shall be determined in a joint ownership contract (JOA), substantially conforming to the AIPN model JOA, which shall be entered into between these entities and shall enter into force not later than ninety (90) days starting from the Effective Date. Said joint ownership agreement (JOA) shall be amended as necessary and in particular to take into account, if applicable, the exercise by the State of its participation, which is the subject of Articles 21.2 or 21.9 (a) hereinabove. An assignment of interest under this Contract is the subject of (and must take effect simultaneously to) an equivalent assignment of interest in accordance with the terms of the joint ownership agreement (JOA).

To avoid any ambiguity, with the exception of the surrender of the right of first refusal described in the second paragraph hereinabove, nothing in this Article 21 limits the rights that the entities of the Contractor may have by virtue of the joint ownership agreement JOA, including, without being limited to, any right that the entities of the Contractor may have by virtue of the JOA to refuse to consent to an assignment of any interest (including a Non-Carried Participation) to a proposed assignee, whether it is because of the proposed assignee's lack of

financial capacity or technique, an incapacity to contract with the proposed assignee because of the applicable law, or otherwise.

21.10 The National Enterprise, on the one hand, and the other entities making up the Contractor on the other hand, shall not be jointly and severally liable for the obligations resulting from this Contract vis-a-vis the State. The National Enterprise shall be individually responsible vis-à-vis the State for its obligations such as provided in this Contract. Any default of the National Enterprise to execute any of its obligations shall not be considered as a default of the other entities making up the Contractor and shall in no event be invoked by the State in order to cancel this Contract. The association of the National Enterprise to the Contractor, shall not under any circumstance cause void nor affect the rights of the other entities constituting the Contractor to have recourse to the arbitration clause provided in Article 28 here below.

ARTICLE 22: ASSIGNMENT

22.1 The rights and obligations resulting from this Contract may not be assigned to a Third Party, wholly or in part, by any of the entities making up the Contractor, without the prior approval of the Minister.

If within the three (3) months following notification to the Minister of a proposed assignment accompanied by the necessary information to prove the technical and financial means of the assignee as well as the terms and conditions of assignment, the Minister has not given notice of his opposition with reasonable justification, such assignment shall be deemed to have been approved by the Minister.

Starting from the date of approval, the assignee shall acquire the status of a member of the Contractor and must satisfy the obligations imposed upon the Contractor by this Contract.

Each of the entities making up the Contractor may freely and at any time assign all or a portion of its interests under the Contract to an Affiliated Company or to another entity of the Contractor provided that the Minister is notified beforehand.

22.2 Likewise, the Contractor, or any entity of the Contractor, shall be required to submit for prior approval of the Minister:

a) Any plan which would be likely to lead, in particular through a new allocation of capital stock, to a change of the direct control of the Contractor or of an entity comprising the Contractor. In particular the following shall be considered as elements of control of the Contractor, or of an entity comprising the Contractor: a change in the allocation of capital stock, the nationality of the majority shareholders, as well as the statutory provisions relative to the registered office and the rights and obligations attached to the company shares with respect to the majority required at the shareholder meetings. However, the transfers of company shares to Affiliated Companies may be freely made subject to prior declaration to the Minister for information and application of the provisions of Article 24.4 here below, if applicable. As for transfer of company shares to Third Parties, transfers shall not be subject to the approval of the Minister unless they result in the transfer of greater than thirty percent (30%) of the capital of the enterprise.

b) Any plan to pledge as security property and facilities earmarked for Petroleum Operations.

The plans referred to in paragraphs a) and b) shall be notified to the Minister. If within a time period of three (3) months, the Minister has not notified the Contractor or one of the entities in question of his opposition with reasonable justification to said plans, the plans shall be deemed approved.

22.3 When the Contractor is made up of several entities, it shall furnish to the Minister, within the month following its signature, a copy of the joint ownership agreement (JOA) binding the entities and of all modifications which could be made to said agreement, in specifying the name of the enterprise appointed as Operator for the Petroleum Operations. Any change of Operator shall be submitted to the approval of the Minister, pursuant to the provisions of Article 6.2 hereinabove.

22.4 The transfers made in violation of the provisions of this Article 22 shall be null and void.

ARTICLE 23: OWNERSHIP, USAGE AND ABANDONMENT OF PROPERTY

23.1 The Contractor shall be the owner of property, moveable and immoveable, which he will have acquired for purposes of the Petroleum Operations, and shall retain the full usage thereof, as well as the right to export them or to transfer them to Third Parties during the entire term of the Contract, provided that the State may acquire for free, at the request of the Minister, all or a portion of the property belonging to the Contractor which will have been utilised for the Petroleum Operations and for which the acquisition costs will have been fully recovered pursuant to Article 10 hereinabove in the following cases:

a) Upon expiration, surrender or termination of this Contract;

b) In the event of surrender or of expiration of an Exploitation Authorisation, with regard to the works and facilities situated in the Exploitation Perimeter and the equipment earmarked exclusively for Petroleum Operations in the Exploitation Perimeter in question.

23.2 Upon the expiration, surrender or termination of any Exploitation Authorisation, the Contractor must proceed with all operations necessary to rehabilitate its original condition in conformity with a Remediation Plan drawn up and financed within the following terms:

a) At least ninety (90) days after an approved deposit's commercial production, by virtue of a development programme, begins, unless otherwise agreed by the Parties before the end of this period, the Contractor shall prepare and submit to the Minister for approval a Remediation Plan of the site, in conformity with good oilfield practices of the international petroleum industry, which he proposes to carry out at the end of production operations, as well as the corresponding budget. Each Calendar Year the Contractor shall incorporate into the Remediation Plan the necessary revisions to take into account the changes of technical and financial parameters. The revised Remediation Plan shall become the new Remediation Plan which shall be taken into account for the calculation of the payments on the sequestered account;

b) The Remediation Plan shall include a detailed description of the works of removal and/or of securing of infrastructure such as the platforms, the storage facilities, the wells, pipes, gathering lines, etc., necessary for the protection of the environment and of persons;

c) The Minister may, in consultation with the Minister in charge of the Environment, propose revisions or modifications to the Remediation Plan, notifying the Contractor thereof in writing with all appropriate justifying supporting information, within the ninety (90) days following receipt of said Plan. The provisions of Article 5.2 hereinabove shall apply to said Plan with regard to its adoption. When the results acquired during the course of

exploitation justify changes to the Remediation Plan, said Plan and the corresponding budget may be modified in conformity with the adoption procedure described here before;

d) For purposes of financing the operations set forth in the Remediation Plan, the Contractor shall open, a sequestered account with a top tier international banking establishment acceptable to the Minister, which he will fund starting from the Quarter following the adoption of the Remediation Plan via annual payments of amounts and according to a schedule determined in agreement with the Minister;

e) The funds paid into the sequestered account shall be treated as recoverable Petroleum Costs according to the terms set forth in Article 10.2 hereinabove, and shall be considered to be deductible charges for the determination of the tax on industrial and commercial profits. Such funds, as well as the interest received on the sequestered account, shall be earmarked exclusively for the payment of expenses linked to the operations of the Remediation Plan;

f) The Contractor shall notify the Minister, with an advance notice of one hundred eighty (180) days, of his intention to start up the operations set forth in the Remediation Plan, unless the Minister notifies Contractor within thirty (30) days following the above-cited opinion that:

(i) the exploitation of the deposit of the Exploitation Perimeter in question shall be pursued by the State or by a Third Party, or

(ii) the State wishes to retain the facilities for justifiable reasons.

In the two cases cited in i) and ii) hereinabove, the sequestered account shall be transferred to the successor responsible party and Contractor is relieved of all liability with regard to the Remediation Plan and the sequestered account pertaining to the deposit in question;

g) In the case where the expenses necessary for the execution of the Rehabilitation Plan are greater than the amount available in the sequestered account, the excess amount shall be entirely at the expense of the Contractor;

h) The Contractor shall pay to the State upon completion of Rehabilitation Plan any residual amount of the sequestered account not utilised for the carrying out of the Rehabilitation Plan and which will have been recovered under this Article 10.2 hereinabove.

ARTICLE 24: LIABILITY AND INSURANCE

24.1 The Contractor shall indemnify and hold harmless any person, including the State, for any damage or loss that the Contractor, his employees or his subcontractors and their employees may cause to the person, property or rights of other persons, by reason of or during Petroleum Operations.

In the event the liability of the State is implicated by reason of or during the course of Petroleum Operations, the Minister must so advise the Contractor, who shall conduct the defence in this regard and shall indemnify the State for any sum which the latter is required to pay or any expense pertaining thereto which he has borne or which is incurred subsequent of a claim.

24.2 The Contractor shall obtain and maintain in force, and shall cause his subcontractors to obtain and to maintain in force, all insurance coverages relative to Petroleum Operations of the type and amounts in use in the international petroleum industry, in particular (a) general third party liability coverage, (b) coverage for environmental risks pertaining to the Petroleum Operations, (c) coverage for employee work-related accidents (d) any other insurance coverage required by the regulations in force.

The insurance coverages in question shall be obtained from top tier insurance companies pursuant to the applicable regulations.

The Contractor shall provide the Minister with certifications proving the obtaining of insurance coverage and the maintenance in force of the above-cited insurance coverages.

24.3 When the Contractor is made up of several entities, the obligations and responsibilities of the latter under this Contract shall be, without prejudice to the provisions of Article 21 hereinabove, joint and several with the exception of their obligations pertaining to the Industrial and Commercial Income Tax.

24.4 If one of the entities of the Contractor assigns all or a portion of his rights and obligations in connection with this Contract to an Affiliated Company, whenever the latter displays a lower level of financial and technical qualification, the parent company shall submit for the approval of the Minister a commitment guaranteeing the proper execution of the obligations arising from this Contract.

ARTICLE 25: TERMINATION OF THE CONTRACT

25.1 This Contract may be terminated, without compensation, in any of the following cases:

a) Serious and/or continued violation by the Contractor of the provisions of this Contract, of the Crude Hydrocarbons Code, or of the regulations in force applicable to the Contractor;

b) Failure to remit a bank guarantee pursuant to Article 4.6 hereinabove;

c) Delay of more than three (3) months of a payment due to the State;

d) Cessation of development works of a deposit for six (6) consecutive months without the consent of the Minister;

e) After the start-up of production on a deposit, cessation of his exploitation for a period of greater than six (6) months, decided upon by the Contractor without the consent of the Minister;

f) Non-execution by the Contractor within the time period prescribed by an arbitral award rendered pursuant to the provisions of Article 28 here below;

g) Bankruptcy, receivership or liquidation of the property of the Contractor.

25.2 Except for the case set forth in subparagraph g) hereinabove, the Minister may only pronounce the forfeiture provided for in Article 25.1 hereinabove after having placed the Contractor on notice, by registered letter with return receipt, to remedy the violation in question within the allowed time period specified in the notice from the time of receipt of such.

25.3

If there is a failure by the Contractor to remedy the violation which was the subject of the termination notice within the time period allowed, the termination of this Contract may be pronounced.

Any dispute as to the justification of the termination of the Contract pronounced by the Minister is open to recourse to arbitration pursuant to the provisions of Article 28 here below. In such a case, the Contract shall remain in force until an arbitral award confirms the justifiability of such termination, in which case the Contract will definitively terminate..

The termination of this Contract shall automatically entail the withdrawal of the Exploration Authorisation and of the currently valid Exploitation Authorisations.

ARTICLE 26: APPLICABLE LAW AND STABILIZATION OF TERMS

26.1 This Contract is governed by the laws and regulations of the Islamic Republic of Mauritania, supplemented by general principles of the laws of international commerce.

26.2 The Contractor shall be subject at all times to the laws and regulations in force in the Islamic Republic of Mauritania.

26.3 No legislative or regulatory provision occurring after the Effective Date of the Contract may be applied to the Contractor which would have as a direct or an indirect effect to diminish the rights of the Contractor or to increase his obligations under this Contract and the legislation and regulations in force upon the Effective Date of this Contract, without the prior agreement of the Parties.

However, it is agreed that the Contractor cannot, with reference to the preceding paragraph, oppose the application of the legislative and regulatory provisions which are generally applicable, adopted after the Effective Date of the Contract, in the matter of safety of persons and of protection of the environment or employment law

ARTICLE 27: FORCE MAJEURE

27.1 Any obligation resulting from this Contract which would be totally or partially impossible for a Party to carry out, other than payments for which it is responsible to pay, shall not be considered to be a violation of this Contract if said non-execution results from a case of Force Majeure, provided however that there is a direct link of cause and effect between impediment and the case of Force Majeure invoked.

27.2 For purposes of this Contract the following should be understood to be a case of Force Majeure: any event which is unforeseeable, irresistible or outside of the will of the Party invoking it, such as earthquake, accidents, strike, guerrilla actions, acts of terrorism, blockade, riot, insurrection, civil unrest, sabotage, acts of war, the Contractor being subject to any law, regulation, or any

other cause outside of his control and which has as a result of delaying or rendering momentarily impossible the execution of all or a portion of his obligations. The intention of the Parties is that the term Force Majeure be given the interpretation the most in conformity with the principles and customs of international law and with the practices of the international petroleum industry.

27.3 When a Party considers itself prevented from carrying out any of its obligations by reason of a case of Force Majeure, it must immediately so notify the other Party in writing specifying the elements of the type to establish the case of Force Majeure and to take, in agreement with the other Party, all appropriate and necessary provisions in order to allow a return to the normal execution of obligations affected by the Force Majeure after the case of Force Majeure ceases.

The obligations, other than those affected by the Force Majeure, must continue to be fulfilled pursuant to the provisions of this Contract.

27.4 If, following a case of Force Majeure, the execution of any of the obligations of this Contract was delayed, the duration of the delay resulting therefrom, increased by the delay which may be necessary for the repair of all damage caused by the case of Force Majeure, shall be added to the time period stipulated in this Contract for the execution of said obligation as well as to the duration of the currently valid Exploration Authorisation and of any Exploitation Authorisations.

ARTICLE 28: ARBITRATION AND EXPERTISE

28.1 In the event of a dispute between the State and the Contractor concerning the interpretation or the application of the provisions of this Contract, the Parties shall make good faith effort to resolve such dispute amicably.

With regard to the Market Price, the provisions of Article 14.5 hereinabove shall apply.

The Parties may also agree to submit any other dispute of a technical nature to an expert appointed by common agreement or by the International Centre for Expertise of the International Chamber of Commerce (“ICC”).

If, within a time period of ninety (90) days starting from the date of notification of a dispute, the Parties are not able to reach an amicable solution or following the proposal of an expert, said

dispute shall be submitted at the request of the most diligent Party to the ICC for arbitration following the rules set by the Rules of Arbitration of the ICC.

28.2 The location of the arbitration shall be Paris (France). The languages utilised during the proceedings shall be the French and English languages and the applicable law shall be the Mauritanian law, as well as the rules and customs of applicable international law in the matter.

The arbitrational court shall be made up of three (3) arbitrators. No arbitrator shall be a national of the countries of which the Parties are nationals.

The award of the court is rendered on a definitive and irrevocable basis. It is binding upon the Parties and is immediately executory.

The expenses of arbitration shall be borne in equal part by the Parties, subject to the decision of the court concerning their allocation.

The Parties formally and without reservation waive any right to attack such award, to impede its recognition and its execution by any means whatsoever.

28.3 The Parties shall conform to any protective measures ordered by the arbitrational court. Without prejudice to the power of the arbitrational court to recommend protective measures, each Party may solicit provisional or protective measures in application of the pre-arbitration emergency procedure rules of the ICC.

28.4 The introduction of an arbitrational procedure shall entail the suspension of the contractual provisions with respect to the subject of the dispute, but shall leave in place all other rights and obligations of the Parties with respect to this Contract.

28.5 Without prejudice to the provisions of Article 21 hereinabove, the costs and expert fees referred to in Article 28.1 hereinabove shall be borne by the Contractor up until the grant of the first Exploitation Authorisation and thereafter half by each of the Parties. Such costs shall be considered as recoverable Petroleum Costs with regard to Article 10 of this Contract.

ARTICLE 29: TERMS FOR APPLICATION OF THE CONTRACT

29.1 The Parties agree to cooperate in all ways possible in order to achieve the objectives of this Contract.

The State shall facilitate the Contractor in the exercise of his activities in granting to him all permits, authorisations, licenses and access rights necessary for the carrying out of the Petroleum Operations, and in placing at his disposal all appropriate services to said Operations of the Contractor , of his employees and agents on national territory.

Any application for the above-cited permits, authorisations, licenses and rights shall be submitted to the Minister who shall transmit it, if applicable to the relevant Ministries and entities, and shall ensure its follow-up. Such applications may not be refused without a legitimate reason and shall be diligently handled in a manner so as to not unduly delay the Petroleum Operations.

29.2 All notices or other communications related to this Contract must be sent in writing and shall be considered to have been validly made from the time they are, hand delivered against receipt, to the qualified representative of the concerned Party at the place of its principal establishment in Mauritania, or delivered in a stamped envelope, by registered mail with return receipt, or sent by telecopy confirmed by letter, and after confirmation of receipt by the recipient, at the address chosen by them and deemed authentic indicated here below:

For the Ministry:

Department of Crude Hydrocarbons

BP: 4921

Nouakchott- Mauritania

TEL/FAX: +222 524 43 07

For the Contractor:

BP Mauritania Investments Limited

Immeuble EL Emel-ZRA 433
B.P. 5485
Nouakchott
Mauritania
Telephone: +222 45454829
Attention: Mohamed Limam, VP Mauritania
Email: mohamed.limam @bp.com

With a Copy to

BP Mauritania Investments Limited:

Chertsey Road

Sunbury-on-Thames

Middlesex

TW16 7LN.

Telephone: +44 1932759801
Attention: Paul Barnes VP Gas and LCE Growth – Mauritania and Senegal
Email: paul.barnes@uk.bp.com

Kosmos Energy Mauritania
c/o Wilmington Trust
4th Floor, Century Yard
Cricket Square, Hutchins Dr.
Elgin Avenue, George Town
Grand Cayman KY1-1209
Cayman Islands
Telephone : +1-345-814-6703
FAX : +1-345-527-2105
Attention : _____
Email: mauritanianotifications@kosmosenergy.com

With Copy to:
Kosmos Energy Mauritania
c/o Kosmos Energy, LLC.
Attention: General Counsel
8176 Park Lane, Suite 500
Dallas, TX 75231
Fax: 214-445-9705
Email: KosmosGeneralCounsel@kosmosenergy.com

Société Mauritanienne des Hydrocarbures
Ilot K, Rue-42-133, No. 349,
BP 4344, Nouakchott, Mauritanie
Attention; le Directeur Général

Email:dgsmh@smhpm.mr

The notices shall be considered as having been made upon the date of confirmation of the receipt.

29.3 The State and the Contractor may at any time change their authorised representatives or choice of domicile mentioned in Article 29.2 hereinabove, subject to having so notified with an advance notice of at least ten (10) days.

29.4 This Contract may not be modified except by common agreement of the Parties and by the execution of an approved amendment entering into force within the terms provided in Article 30 here below.

29.5 Any waiver by the State of the execution of an obligation of the Contractor must be done in writing and signed by the Minister, and no possible waiver can be considered as a precedent if the State declines to act upon any of its rights which are recognised by this Contract.

29.6 Titles appearing in this Contract are inserted for purposes of convenience and of reference and in no way shall define, nor limit, nor describe the scope or the purpose of the provisions of the Contract.

29.7 Appendices 1, 2 and 3 attached hereto are an integral part of this Contract. However, in the event of conflict, the provisions of this Contract shall prevail over those of the Appendices.

29.8 Anti-bribery and Corruption

(a) In connection with this Contract:

a. Each party shall act in accordance with laws and regulations of the Islamic Republic of Mauritania ("Applicable Law") and any anti-corruption laws and obligations applicable to such party.

b. Each party shall as soon as possible notify and keep informed the other party of any investigation or proceeding relating to an alleged violation of Applicable Law or other anti-corruption laws and obligations applicable to such party.

(b) No party to this Contract shall:

a. use any of the funds related to the Contract for any unlawful contribution, liberality, entertainment or other unlawful expense relating to political activity;

b. make any direct or indirect payment to any foreign or domestic government official or employee in connection with this Contract or using funds related to the Contract; or

c. do anything, in connection with this Contract, which would violate in any way the anti-bribery laws and obligations applicable to such party.

ARTICLE 30: ENTRY INTO FORCE

Once signed by the Parties, this Contract shall be approved by decree made in the Council of Ministers and shall enter into force upon the date of publication of the said decree in the Official Journal, said date being designated under the name Effective Date and rendering said Contract binding upon the Parties.

In witness whereof, the Parties have signed this Contract in two (2) original copies.

Nouakchott, on _____

FOR

THE ISLAMIC REPUBLIC

OF MAURITANIA

THE MINISTER

FOR

THE CONTRACTOR

For and on behalf of BP:

Name: _____

SIGNATURE: _____

For and on behalf of Kosmos:

Name: _____

SIGNATURE: _____

For and on behalf of SMH:

Name: _____

SIGNATURE: _____

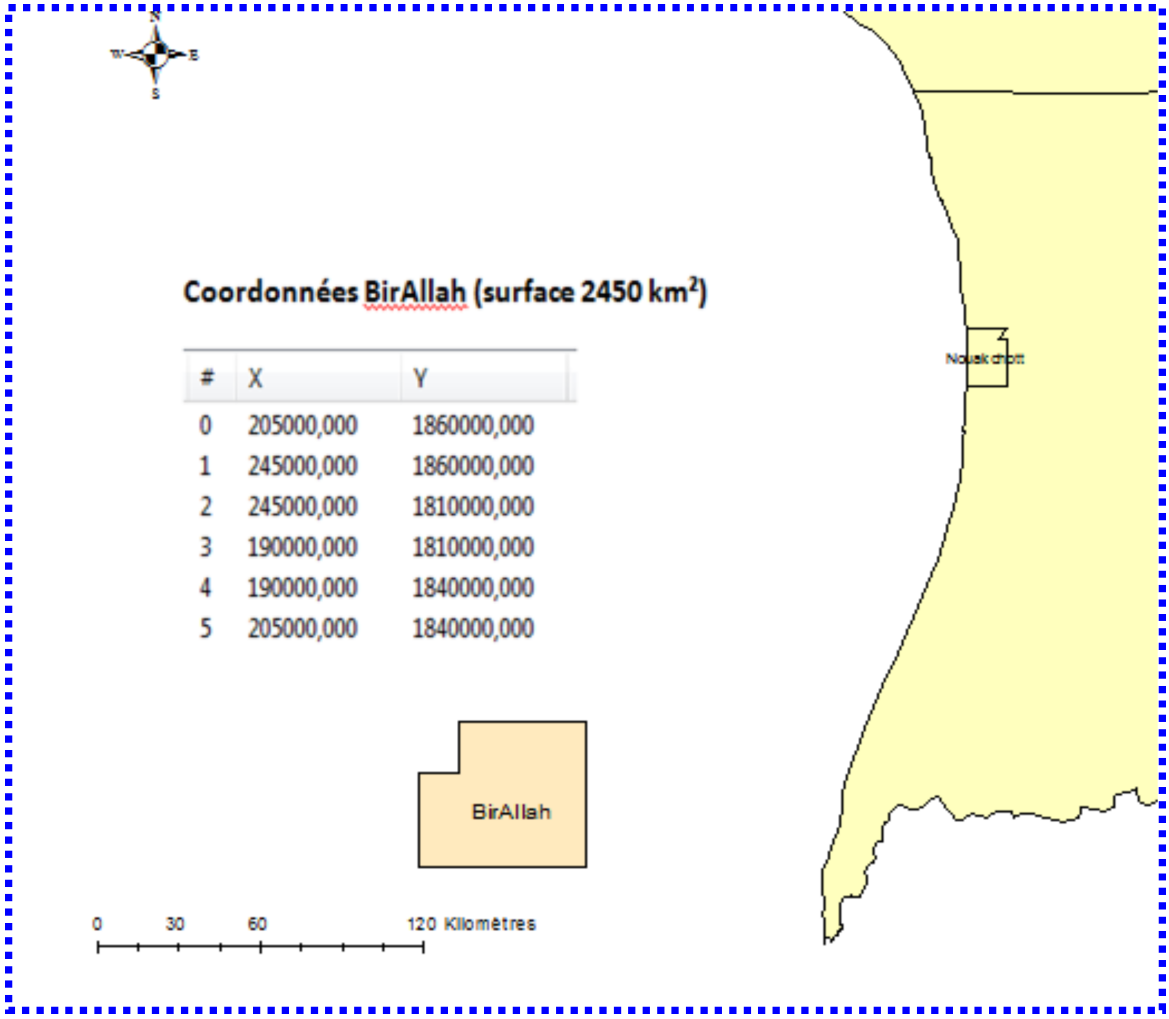
APPENDIX 1: EXPLORATION PERIMETER

Attached and being an integral part of the Contract between the Islamic Republic of Mauritania and the Contractor.

On the Effective Date, the initial Exploration Perimeter includes a surface area deemed to be equal to two thousand four hundred fifty (2450) Km^2

Such Exploration Perimeter is represented on the attached map with the indicated coordinates.

MAP OF THE EXPLORATION PERIMETER



The projected coordinate system is WGS84/UTM28N.

APPENDIX 2: ACCOUNTING PROCEDURE

Attached to and an integral part of the Contract between the Islamic Republic of Mauritania and Contractor.

ARTICLE 1: GENERAL PROVISIONS

1.1 Purpose

The purpose of this Accounting Procedure is to set the rules and methods of accounting for the verification of Petroleum Costs to provide for their recovery and for the purpose of sharing production in accordance with Article 10 of the Contract, as well as the rules to determine net profits of the Contractor for purposes of calculating the tax on industrial and commercial profits.

1.2 Statements

The accounts, books and registers of the Contractor shall be maintained consistent with the rules of the applicable accounting plan in Mauritania and the practices and methods in use in the international petroleum industry.

Pursuant to the provisions of Article 20.2 of the Contract, the accounts, books and registers of the Contractor shall be kept in the English language using the Dollar as the unit of account.

Anytime, whenever it is necessary to convert into Dollars expenses and revenue paid or received in any other currency, these currencies shall be valued on the basis of the rate of exchange quoted on the foreign-exchange market of Paris, in accordance with terms determined by mutual agreement.

1.3 Interpretation

The definitions of words which appear in this Appendix 2 are the same as those of the corresponding words as they appear in the Contract.

The word “Contractor”, has the meaning given to it by the Contract, and may sometimes refer to the Operator when the Contractor is made up of several entities and when Petroleum Operations are conducted by the Operator on behalf of all these entities, or sometimes the reference is to each of these entities whenever the obligation of each individual entity is being addressed.

ARTICLE 2: ACCOUNTING FOR PETROLEUM COSTS

2.1 General rules and principles. Classes and groupings

2.1.1 The Contractor shall at all times keep books of account specially reserved and organised for the booking of Petroleum Costs; they shall detail the expenses actually incurred by it and giving rise to recovery consistent with the provisions of the Contract and of this Appendix, the recovered Petroleum Costs, progressively as the production intended for such purpose becomes available, as well as the amounts which must be properly deducted or which have the effect of reducing the Petroleum Costs.

2.1.2 The accounting of Petroleum Costs must highlight at all times and for each Exploration Perimeter and for each Exploitation Perimeter derived therefrom:

The full amount of the Petroleum Costs paid by Contractor from Effective Date;

The full amount of the Petroleum Costs recovered;

The amounts which diminish or otherwise are a deduction from Petroleum Costs and the type of operations related to these amounts;

The balance of Petroleum Costs not yet recovered.

2.1.1 The accounting for Petroleum Costs shall comprise as debit entries all expenses actually incurred and directly related to Petroleum Operations in accordance with the Contract and the provisions of this Appendix, and considered chargeable to Petroleum Costs.

These expenses which have been actually incurred must:

Be actually incurred by Contractor;

Be necessary to the proper carrying out of Petroleum Operations;

Be properly incurred and supported by items and documents which allow an effective audit by the Ministry.

2.1.1 The accounting for Petroleum Costs shall include as credit entries the amount of recovered Petroleum Costs as and when this recovery takes place, and as and when the amounts are collected, the revenue and miscellaneous products which are to be deducted from or operate to diminish the Petroleum Costs.

2.1.2 The original text of contracts, invoices and other documents which support the Petroleum Costs must be available for examination by the Ministry and produced whenever it requests it.

2.1.3 Petroleum Costs are recovered in accordance with the following:

a) The priority order arranged by the type of costs:

Exploitation Petroleum Costs;

Development Petroleum Costs;

Exploration Petroleum Costs;

As these categories of Petroleum Costs are defined in Articles 3.2, 3.3 and 3.4 of this Appendix.

b) Priority based on geographic considerations:

Petroleum Costs incurred in an Exploitation Perimeter shall be the first to be recovered from the production extracted from that perimeter consistent with the order of priorities stipulated in paragraph a) hereinabove;

Petroleum Costs incurred outside of an Exploitation Perimeter shall be recovered in second priority from the production extracted from that perimeter consistent with the priority order specified in paragraph a) hereinabove.

Each entity which makes up the Contractor is entitled to its cost recovery upon commencement of production.

2.1.4 Accounting for Petroleum Costs must be true and accurate; it must be organised and the books must be kept and submitted in such manner that they can be easily grouped together and make the relevant Petroleum Costs clearly apparent, in particular as they relate to the following expenses:

exploration

appraisal

development

production of Crude Petroleum,

production of Natural Gas,

transportation of Hydrocarbons and storage thereof,

ancillary activities, auxiliary or subordinate, and separate from them,

as well as the amounts paid in the sequestered account in accordance with Article 23.2 of the Contract.

2.1.1 For each of the activities hereinabove listed, the accounting of Petroleum Costs must clearly show the following expenses:

a) Related to tangible assets, in particular those which refer to the purchase, creation, construction or carrying out of:

land parcels,

buildings (workshops, offices, storage areas, dwellings, laboratories, etc....),

facilities for loading and storage,

access roads and general infrastructure works,

facilities to transport Hydrocarbons (pipelines, tankers, etc.),

general equipment,

specific equipment and facilities,

vehicles for use of transport and civil engineering machinery,

materiel and tools (the normal useful life of which exceeds one year),

successful drilling,

other tangible assets.

b) Related to intangible assets, particularly those which relate to:

Surface investigation of geological or geophysical nature and related to laboratory work (studies, reprocessing, etc.),

Non-productive exploration wells which are not utilised in furtherance of the development plan,

Other intangible assets.

c) Related to raw materials consumables;

d) Operational for functioning expenses:

Involved here are expenses of whatever nature, excepting the overhead referred to below, and which are not accounted for in subparagraphs a) to c) above of this Article 2.1.8, and which are directly connected to the study, progress and the implementation of Petroleum Operations;

e) Non-operating expenses or overhead:

Involved here are expenses borne by the Contractor related to Petroleum Operations and connected to management or to administration of the said operations.

2.1.2 Moreover, the accounting of Petroleum Costs must show, for each category of expenses listed or defined in subparagraphs a) to d) of Article 2-1-8 above, all payments made to the following:

The Operator, for goods and services which it has itself furnished;

For the entities which make up the Contractor, the goods and services which they have supplied themselves;

Affiliated Companies;

Third Parties.

2.1 Analysis of expenses and methodology for attribution

2.2.1 The principles for attribution and the usual analytical methods of the Contractor in the matter of itemising and of reintegrating must be applied in a homogeneous manner, which is fair and does not discriminate against its activities taken as a whole. They must be submitted to the Ministry on its request.

The Contractor must inform Ministry of any change made by it in its principles and methodology.

2.2.2 Tangible assets constructed, manufactured, created or brought about by the Contractor in the furtherance of Petroleum Operations and dedicated to these operations as well as their normal maintenance shall be accounted for at the acquisition cost of construction, manufacturing, creation, or realisation.

2.2.3 Equipment, materials and consumables required for Petroleum Operations and not including those referred to above shall be:

a) Either acquired for immediate use, subject to the time spent in transport, and if necessary, the temporary storage by Contractor (provided they shall not have been commingled with his own inventory). This equipment, materials and consumables

acquired by the Contractor shall be valued, for their charging Petroleum Costs, at their landed price in Mauritania.

"The Landed price in Mauritania" includes the following items, which shall be accounted for in accordance with the analytic methodology of Contractor:

Purchase price less discounts and rebates,

Transport costs, insurance, transit costs, handling and customs (and other possible taxes and fees) from the storage site of the vendor to that of the Contractor or to the place they are utilised, as may be applicable,

b) Or supplied by the Contractor from its own inventory

New equipment and materials other than consumables, supplied by the Contractor from its own inventory, shall be valued for accounting purposes at the weighted purchase price calculated pursuant to the provisions of subparagraph a) of this Article 2.2.3, hereafter "net cost".

Materials and equipment which are depreciable and already used supplied by the Contractor from his own inventory or which originate from other activities he may have had, including those of Affiliated Companies, shall be valued for purposes of booking Petroleum Costs, in accordance with the following schedule:

- New Material (Condition "A"): New Material, never used: 100% (one hundred percent) of the net cost.
- Material in good condition (Condition "B"): Material in good condition and still utilisable for its original purpose without repair: 75% (seventy-five percent) of the net cost of the new material as defined hereinabove.
- Other used material (Condition "C"): Material which is still utilisable for its original purpose, but only after repair and upgrading: 50% (fifty percent) of the net cost of the new material as defined hereinabove.
- Material in poor condition (Condition "D"): Material not utilisable for its original purpose but still usable for another purpose: 25% (twenty-five percent) of net cost of the new material as defined hereinabove.

- Junk and scrap (Condition “E”): Materials unusable and not repairable: applicable price for junk.

2.2.3.1 The Operator does not guarantee the quality of the new material referred to above beyond the warranty furnished by the manufacturer or seller of the subject material. In the event of defective new material, Contractor will do its best to seek reimbursement or compensation from the manufacturer or the reseller; however, the corresponding credit shall only be booked after receipt of reimbursement for indemnification;

2.2.3.2 In the event used material referred to above is defective, the Contractor shall credit the account of the Petroleum Costs with the amount which it will have actually received as compensation.

2.2.3.3 Utilisation of materials, equipment and facilities which are Contractor’s own property

Materials, equipment and facilities which are Contractor’s own property and which are temporarily put into use to carry out Petroleum Operations, shall be charged to Petroleum Costs at a rental amount covering the following:

a) Maintenance and repairs,

b) A share of depreciation pro rata to the time period utilised for Petroleum Operations, calculated by applying to the original costs (initial cost before revaluation), a rate which shall not exceed the one provided by Article 4.2 here below.

c) The expenses of transport and operations and all other expenses have not been otherwise charged.

The invoiced price shall exclude any excess cost, arising in particular from breakdown or abnormal or inappropriate use of the same equipment and facilities in furtherance of the Contractor’s activities which are not Petroleum Operations.

In all events, costs charged as Petroleum Costs for use of this equipment and facilities shall not exceed those in common usage in Mauritania by Third Parties, nor shall they result in a cascading charge of expenses and profit margins.

The Contractor shall maintain detailed statement of materials, equipment and facilities which are owned by it and used in Petroleum Operations, it shall indicate the description and serial

number of each unit, the maintenance expenses, the relevant repairs, and the dates on which each item has been dedicated to and then withdrawn from Petroleum Operations. This statement must be delivered to the Ministry not later than March 1st of every year.

2.1 Operational expenses

2.3.1 Expenses of this type shall be charged to Petroleum Costs at the Contractor's actual cost for the charges for services involved, such as this price appears in the Contractor's accounts consistent with the applicable provisions of this Appendix. These expenses include in particular:

2.3.2 The taxes, fees and imposts due and payable in Mauritania under applicable regulations and the provisions of the Contract and directly related to Petroleum Operations.

Surface rentals, the BIC tax and the bonuses provided for respectively in Articles 11 and 13 of the Contract, as well as any other charge the recovery of which is disallowed by the provisions of this Contract or of this Appendix, shall not be charged to Petroleum Costs.

2.3.3 Personnel expenses and environment of the personnel

2.3.3.1 Principles

To the extent that they correspond to actual work and services and that they are not excessive with regard to the importance of the responsibilities exercised, to the work carried out, and to the customary practices, such expenses cover all payments made to employ and provide benefits to personnel working in Mauritania and hired for the conduct and execution of the Petroleum Operations or for their supervision. Such personnel includes persons recruited locally by the by the Contractor and those placed at the Contractor's disposal by the Affiliated Companies, the other Parties or Third Parties.

Such expenses are also deductible when they are connected to fixed premises of the Contractor abroad, when the activity of such premises is carried out exclusively for the benefit of the Petroleum Operations of the Contractor in Mauritania.

2.3.3.2 Expense Items

The expenses of personnel and personnel benefits shall include, on the one hand, all sums paid or reimbursed on account of such personnel referred to hereinabove, under legal and regulatory texts, collective agreements, employment contracts and the internal policies of the Contractor and, on the other hand, expenses paid for the benefit of such personnel:

a) Salaries and pay for active employment or holidays, overtime, bonuses and other compensation;

b) Employer contributions pertaining thereto resulting from legal and regulatory texts, collective agreements and terms of employment;

c) Expenses paid for the benefit of the personnel; these represent, in particular:

Expenses for medical and hospital assistance, social security and all other social expenses particular to the Contractor;

Expenses for transportation of employees, their families and their personal effects, when the assumption of such expenses is provided for in the employment contract;

Expenses for lodging of personnel, including therein provision of services related thereto, when the assumption of such expenses by the employer is provided for in the employment contract (water, gas, electricity, telephone);

Compensation paid upon the time of moving in and of departure of the salaried personnel;

Expenses paid to administrative personnel rendering the following services: management and recruitment of local personnel, management of expatriate personnel, personnel training, maintenance and operation of offices and lodging, when such expenses are not included in overhead or under other expense categories;

Expenses for office rental or their expense for occupancy, the expense of collective administrative services (secretarial services, furniture, office supplies, telephone, etc.).

2.3.3.3 Terms for booking charges

Personnel costs correspond:

Either to direct expenses charged to the corresponding Petroleum Costs account,

Or to indirect or common expenses charged to the Petroleum Costs account based upon data from analytical accounting and determined pro rata to the time dedicated to the Petroleum Operations.

2.3.4 Expenses paid by reason of the provision of services supplied by Third Parties, the entities comprising the Contractor and the Affiliated Companies shall include in particular:

2.3.4.1 Services rendered by Third Parties and by the Parties are booked at the Contractor's actual book costs, which means the price invoiced by the vendors, including all taxes, fees, and ancillary costs, if applicable; the actual costs shall be reduced by any rebates, discounts, kickbacks, or promotions the Contractor may have secured either directly or indirectly.

2.3.4.2 The technical assistance rendered to the Contractor by its Affiliated Companies: consisting of services and actions for the benefit of the Petroleum Operations and emanate from the departments and services of these Affiliated Companies who are engaged in the following activities:

Geology,

Geophysics,

Engineering,

Drilling and production,

Deposits and reservoir studies,

Economic studies,

Technical contracts,

Laboratories,

Purchases and transport in transit (except for charges comprised of those referred to in 2.2.3 hereinabove),

Designs,

Some administrative and legal services related to studies or to well-defined or occasional projects and which are not part of ordinary and regular business, nor of the legal proceedings referred to in 2.3.8 below.

Technical assistance is generally the subject of service contracts entered into between the Contractor and its Affiliated Companies.

The costs of technical assistance rendered by the Affiliated Companies are booked at actual cost for the Affiliated Company which renders the service. This actual cost includes, in particular, personnel expenses, the cost of raw materials, materials and consumables utilised, the cost of maintenance and repair, the cost of insurance, taxes, a portion of the amortisation of general investments calculated on the original acquisition cost or of the construction of related tangible items and of any other expenses which are related to these services and have not been otherwise booked elsewhere.

However, the price excludes any surcharges arising from, in particular, fixed assets or a non-regular or cyclical use of materials, facilities and equipment at an Affiliated Company.

In all cases, expenses related to these services must not exceed those which are normally incurred for similar services by technical service companies and independent laboratories. They must not result in cascading charges from profit margins.

Moreover, all of these services, including analytical studies, must be supported by reports to be submitted at the request of the Ministry. They must be the subject of written orders issued by the Contractor, and also of itemised invoices.

2.3.4.3 Whenever the Contractor utilises in Petroleum Operations, materiel, equipment or facilities which are the sole property of an entity which makes up the Contractor, the Contractor must charge the Petroleum Costs pro rata the usage time, and the corresponding entry must be determined in accordance with the customary methods and the principles defined in 2.3.4.2 above. This entry includes, in particular:

A portion of the annual depreciation calculated on the original “landed Mauritanian price” defined in 2.2.3 hereinabove;

A portion of the start-up cost, of insurance coverage, of ordinary maintenance, of financing, and of periodic check-ups.

Warehousing costs

Warehousing costs and handling costs (expenses incurred for personnel and for management of the services) are charged to Petroleum Costs pro rata the value of the items taken out of inventory.

Transportation expense: expenses of transport of personnel, of materiel or of equipment intended and dedicated to Petroleum Operations shall be booked as Petroleum Costs if they are not already included in the preceding paragraphs and if they have not been accounted in actual costs.

2.3.5 Damages and waste which impact jointly-owned properties

All expenses necessary to repair and restore to working condition equipment which has suffered damages or losses arising from fires, floods, storms, theft, accidents or any other cause, shall be booked in accordance with the principles defined in this Appendix.

Amounts recovered from insurance companies for these damages and losses shall be booked as a credit to Petroleum Costs.

2.3.6 Maintenance expenses

Maintenance expenses (routine maintenance and exceptional maintenance) of the materiel, equipment and facilities dedicated to Petroleum Operations shall be booked to Petroleum Costs at actual cost.

2.3.7 Insurance premiums and expenses related to the settlement of casualty losses shall be charged to Petroleum Costs:

a) Premiums and expenses related to mandatory insurance and to those arising under policies to cover the Hydrocarbons produced, the persons and the properties dedicated to Petroleum Operations or the third-party liability insurance of the Contractor within the purview of the said operations;

b) Expenses incurred by the Contractor as the result of a casualty which arose from Petroleum Operations, and those incurred in the settlement of all losses, claims, damages and other related costs which are not covered by the insurance policies;

c) Expenses disbursed in settlement of losses, claims, damages or legal proceedings which are not compensated by insurance and which do not relate to risk which the Contractor was required to insure against. The amounts recovered from insurance policies and guarantees are accounted for as provided for in Article 2.6.2 g) here below;

2.3.8 Legal costs

Petroleum Costs can be charged with expenses related to adversary legal proceedings, investigation, and settlement of disputes and claims (requests for reimbursement or compensation), which arise from Petroleum Operations or which become necessary in order to protect or recover properties, including, in particular, the fees of lawyers and experts, legal costs, investigation costs, cost of gathering evidence, as well as amounts disbursed in settlement of the disputes or the final settlement of any proceedings or claim.

Whenever these services are rendered by personnel of the Contractor, a compensatory payment shall be included in the Petroleum Costs which corresponds to time expended and costs actually incurred. The price charged in such manner shall not exceed that which would have been paid to Third Parties for identical or analogous services.

2.3.9 Interest, fees, and financial charges

The following are chargeable to Petroleum Costs: interest penalties for late payment incurred by the Contractor and related to borrowings from Third Parties as well as advances and loans from Affiliated Companies, to the extent that these borrowings and advances are used to finance the Petroleum Costs and related exclusively to petroleum development operations of a commercial deposit (excluded here are Petroleum Operations related to exploration and appraisal), and provided they do not exceed seventy percent (70%) of the total amount of these petroleum development costs. These borrowings and advances must be submitted for the approval of the Ministry.

In the case where such financing is secured by Affiliated Companies, the acceptable interest rates must not exceed the rate normally charged on the international financial markets for similar loans.

2.3.10 Foreign-exchange losses

Foreign-exchange losses related to borrowings and debts incurred by the Contractor under this Contract are chargeable to Petroleum Costs.

2.3.11 Disbursements related to expenses, verifications and audits of the Ministry, pursuant to the provisions of the Contract, are chargeable to Petroleum Costs.

2.3.12 Payments related to other expenses, including payments to Third Parties for the transport of Hydrocarbons to the Delivery Point shall be included in the Petroleum Costs. Involved here are all payments made or losses incurred related to or caused by the proper execution of the Petroleum Operations, provided the charge to Petroleum Costs is not disallowed under provisions of this Contract or of this Appendix, and provided they are not similar to expenses which the Ministry has disallowed and provided these expenses have received the approval of the Ministry. Moreover, except for contrary provisions in the law, the Contractor is at liberty, if it wishes, to make contributions of an economic, social, cultural or sport-related nature, with the mandatory exclusion of financing political activities. These contributions shall be debited to the Petroleum Costs account.

2.1 Overhead

These expenses pertain to those Petroleum Costs which have not been otherwise accounted for. They pertain to:

2.4.1 Expenses incurred outside of Mauritania

The Contractor shall add a reasonable sum on account of foreign overhead necessary to carry out the Petroleum Operations and borne by the Contractor and its Affiliated Companies, in such amount as they reflect the cost of the services rendered to the Petroleum Operations.

The amounts must be supported by accounting entries and copies of reports related to the services and works carried out; if an arbitrary sharing is utilised, there must be proof by means of supportive explanations and presentation of the rules utilised to arrive at such.

The amounts charged are considered provisional amounts arrived at on the basis of the Contractor’s experience, and they shall be adjusted annually in relation to the Contractor’s real costs, but they must not exceed the following caps:

- Before grant of the first Exploitation Authorisation: three percent (3%) of the Petroleum Costs excluding overhead;
- On the grant of the first Exploitation Authorisation: one and one-half percent (1.5%) of Petroleum Costs not including financial costs and overhead.

These percentages are applied to expenses, not including overhead, which are chargeable to Petroleum Costs for the Calendar Year under consideration.

2.4.1 Expenses disbursed inside of Mauritania

These expenses cover payment related to the following activities and services:

General management and general secretarial services;

Information and communication;

General administration (law department, insurance, taxes, computer services);

Accounting and budget;

Internal audit.

They must include services which have actually been required to advance the Petroleum Operations and which correspond to actual services rendered in Mauritania by the Contractor or the Affiliated Companies. They must not result in cascading of costs margins.

The amount must be actual amounts, whenever direct expenses are involved, and they must be amounts arrived at by sharing whenever indirect expenses are involved. In the latter case, the rules for sharing must be clearly defined and the amounts must be supported by analytical accounting.

2.2 Expenses not chargeable to Petroleum Costs

Payments paid in settlement of expenses, charges or costs not directly chargeable to Petroleum Operations, and those for which the deduction or charging for is disallowed by the provisions of the Contract or of this Appendix, or those which are not necessary for the conduct of Petroleum Operations, shall not be taken into account and shall not give rise to recovery.

Involved here are these types of payments:

a) Costs of a capital increase;

b) Expenses related to activities downstream of the Delivery Point, particularly marketing costs;

c) The expenses which relate to the period prior to the Effective Date;

d) Auditing expenses disbursed by the Contractor further to special relationships between the entities which make up the Contractor;

e) Expenses borne for meetings, studies and work carried out in furtherance of the association which ties together the entities which make up the Contractor and the purpose of which is not the proper conduct of the Petroleum Operations;

f) Interest, late payment fees, and financial charges other than those the chargeability of which is authorised pursuant to Article 2.3.9 of this Appendix.

g) Foreign-exchange losses incurred other than those which are chargeable under the provisions of this Contract.

h) Foreign-exchange losses which constitute a loss of earnings tied to risks related to the Contractor's own capital and self-financing by it.

2.1 Items to be booked as a credit to Petroleum Costs

The following must be credited to the Petroleum Costs account, in particular:

2.6.1 The proceeds from the quantities of Hydrocarbons which the Contractor takes in furtherance of the provisions of Article 10.2 of the Contract, multiplied by the related Market Price as defined in Article 14 of the Contract.

2.6.2 All other receipts, revenues, proceeds, connected profits, whether ancillary or accessory, directly or indirectly tied to Petroleum Operations, including in particular those derived from:

(A) The sale of associated substances;

(B) The transport and storage of products owned by Third Parties in the facilities dedicated to the Petroleum Operations;

(C) Reimbursements originating from insurance companies;

(D) Settlements arising out transactions or liquidations;

(E) Transfers or rentals already declared under Petroleum Costs

(F) Discounts, rebates, allowances and promotions received which have not been charged as a deduction from the actual costs of the properties to which they relate.

(G) Any other income or receipts similar to those listed above that are usually deducted from Petroleum Costs.

2.2 Materiel, equipment and facilities sold by the Contractor

2.7.1 The materials, equipment, facilities, and consumables which are not used or are not usable shall be withdrawn from Petroleum Operations; they must be either downgraded or considered as "junk and waste", or bought back by the Contractor for his own needs, or sold to Third Parties or to Affiliated Companies.

2.7.2 In the event of a disposal to the entities which make up the Contractor or to their Affiliated Companies, the prices shall be arrived at pursuant to the provisions of 2-2-3.b of this Appendix, or, should they exceed those which would be applicable under the provisions of that article, their price must be agreed by the Parties. Whenever the use of an item of property related to Petroleum Operations has been temporary and it does not fall under the price reduction referred

to in the above article, the said item shall be valued so that the Petroleum Costs are debited of a net amount which is equivalent to the value of the service rendered.

2.7.3 The sales to Third Parties of materials, equipment, facilities and consumables shall be effected by Contractor at the best possible price. All reimbursements or compensation granted to a buyer for a defective piece of equipment shall be debited to the Petroleum Costs account to the extent and at the time such are actually paid by the Contractor.

2.7.4 Whenever an asset is used for the benefit of a Third Party or the Contractor for activities which are not within the scope of this Contract, the amounts due in exchange therefor must be calculated at a rate which is not less than actual costs, unless the Ministry agrees otherwise.

ARTICLE 3: DETERMINATION OF THE RATIO "R"

3.1 For the purpose of arriving at the value of the "R" ratio in application of Article 10.3 of the Contract, the Petroleum Costs which impact the calculation of Net Cumulative Revenues and of Cumulative Investments shall be categorised and recorded separately according to the following categories.

3.2 Exploration Petroleum Costs

They are the Petroleum Costs incurred in the exploration Petroleum Operations inside an Exploration Perimeter, included in an Annual Work Program approved pursuant to the provisions of the Contract, and they shall include, without limitation:

3.2.1 Geochemical, geophysical, paleontological, geological, topographical studies and the seismic campaigning as well as studies and interpretations related thereto.

3.2.2 Coring, exploration wells, appraisal wells and wells drilled to supply water.

3.2.3 Labour costs, materiel, supplies and services used to service exploration wells or appraisal wells of a discovery and which are not completed as producers.

3.2.4 Equipment utilised exclusively to enhance and justify the objectives listed in Articles 3.2.1, 3.2.2 and 3.2.3 hereinabove, including access roads and acquired geological and geophysical information.

3.2.5 That portion of the Petroleum Costs incurred in construction of facilities and equipment, the overhead chargeable to exploration Petroleum Costs as such is derived from a fair allocation of the Petroleum Costs taken as a whole (including overhead) between exploration Petroleum Costs and the Petroleum Costs taken as a whole, with exception of overhead.

3.2.6 All the other Petroleum Costs incurred for the purpose of exploration between the Effective Date and the start-up of the commercial production of Hydrocarbons that are not included in Article 3.3 here below.

3.3 Petroleum Costs of Development

They are the Petroleum Costs incurred in development Petroleum Operations related to an Exploitation Authorisation, and they include, without limitation:

3.3.1 Development and production wells, including water-injection wells and gas-injection wells drilled for the purpose of enhancing recovery of Hydrocarbons as well as those intended to sequester and conserve natural gas.

3.3.2 The wells which have been completed by setting casing or equipment after a well has been drilled with intent to complete it as a producer well or a water-injection well or a gas-injection well drilled for the purpose of increasing the recovery rate of Hydrocarbons as well as those wells the purpose of which is sequestration and conservation of natural gas.

3.3.3 The costs of equipment related to production, transport and storage to the Delivery Point, such as pipelines, flow-lines, processing and production units, equipment on the well-head, underwater equipment, systems to increase recovery of Hydrocarbons, offshore platforms, production floating unit and/or production and storage floating units (FPO and FPSO), storage facilities, export terminals, port installations and auxiliary equipment, as well as access roads in relation to production activities.

3.3.4 Engineering studies and design studies related to the equipment referred to in Article 3.3.3.

3.3.5 The cost of construction, the overhead chargeable to Development Costs, as these are calculated according to the ratio of Development Costs over total Petroleum Costs, excluding overhead.

3.3.6 Financial charges pertaining to the financing of Development Costs are excluded.

3.4 Exploitation Petroleum Costs

These are the Petroleum Costs incurred in an Exploitation Perimeter consequent to the start-up of commercial Hydrocarbons production and which are neither exploration costs nor development costs nor overhead.

Exploitation costs include more particularly the reserves built up for the purpose of meeting losses or charges, including the reserve to fund the Rehabilitation Plan, which reserve has been

paid in full to the sequestered account opened for the purpose of financing rehabilitation of the site works in accordance with Article 23.2 of the Contract.

The portion of overhead which has not been allocated to either exploration or development costs shall be included in exploitation costs.

3.5 It is understood that depreciation of assets as calculated for the determination of taxable profits pursuant to the provisions of Article 4 here below are not Petroleum Costs and consequently, they do not enter into the determination of the Ratio "R".

ARTICLE 4: CHARGES WHICH ARE DEDUCTIBLE FOR DETERMINATION OF THE INDUSTRIAL AND COMMERCIAL INCOME TAX

4.1 Deductible charges

In accordance with Article 70 of the Crude Hydrocarbons Code, the charges which are deductible for the determination of the Industrial and Commercial Income Tax are made up of the following items, within the limits prescribed by this Accounting Procedure, and excluding those charges which are non-deductible as specified in Title 6 of the Crude Hydrocarbons Code and of costs non-chargeable to Petroleum as specified in Article 2.5 hereinabove of this Appendix:

The exploitation Petroleum Costs, as defined in the provisions of this Accounting Procedure;

The overhead in accordance with the provisions of Article 2-4 hereinabove of this Appendix;

Depreciation of assets which make up the development Petroleum Costs in according with the provisions of Article 4.2 below;

Interest, interest for late payments, and financial charges, in accordance with the Article 2.3.9 hereinabove;

Loss or wastage of materials and property arising out of destruction or casualty, uncollectible debts, and compensation paid to Third Parties on account of legal liability (unless these damages were caused by the Gross Negligence of the Contractor);

Reserves which are reasonable and justified created for the purpose of meeting losses or clearly defined charges which the prevailing circumstances make probable;

The non-recovered portion of deficits related to previous years within a limit of five (5) years following the fiscal year that shows a deficit.

4.2 Depreciation of fixed assets

Fixed assets of the Contractor that are required for Petroleum Operations are depreciated according to a straight-line depreciation method.

The minimum span of the depreciation period shall be:

ten (10) Calendar Years for assets related to the transport of Hydrocarbons production by pipeline;

five (5) Calendar Years for the other fixed assets.

The period of depreciation shall begin with the Calendar Year during which the said fixed assets have been acquired, or from the Calendar Year during which the fixed assets were placed into normal service if such latter year is after, pro rata temporis, the first Calendar Year in question.

4.3 Exploration Petroleum Costs

The petroleum Exploration Costs incurred by the Contractor for the Exploration Perimeter, including particularly the expenses of geological and geophysical exploration studies and the expenses of exploration drilling and appraisal of a discovery (excluding productive wells, which shall be considered assets which fall under the provisions of Article 4.2 hereinabove of this Appendix), are considered charges deductible in full from the year they are entered on the books or they may be depreciated at the rate chosen by the Contractor.

ARTICLE 5: INVENTORIES

5.1 Frequency

The Contractor shall keep a permanent inventory in both quantity and value of all property used in Petroleum Operations and he shall, with reasonable frequency, and not less than once a year, proceed to take a physical inventory as required by the Parties.

5.2 Notification

Written notification of the intention to take a physical inventory must be sent by the Contractor not less than ninety days (90) days prior to the commencement of the taking of such inventory, so that the Ministry and the entities which make up the Contractor may if they wish be represented at their own expense during the taking of said inventory.

5.3 Information

Should the Ministry or an entity which makes up the Contractor not be represented when an inventory is taken, such Party will remain bound by the result of the inventory taken by the Contractor, who must furnish to said Party a copy of the said inventory.

ARTICLE 6: STATEMENTS OF OPERATIONS AND WORK, STATUS REPORTS

6.1 Principles

Other than the statements and supply of information provided for elsewhere, the Contractor must submit to the Ministry under terms, conditions and timelines indicated below, the details of its operations and works carried out as they have been booked in its accounts, documents, reports and statements which it must keep in relation to the Petroleum Operations.

6.2 Statement of variations in fixed assets accounting and in inventory of materiel and consumables.

This statement must be received by the Ministry not later than the fifteenth day (15^{th}) day of the first month of each calendar Quarter. In particular, it shall state, for the preceding quarter what was acquired and created by way of fixed assets, of materiel and of consumables required for Petroleum Operations, for each deposit, and by major categories, as well as disposal of these items (assignments, wastage and losses, destruction, discarding and junk).

6.3 Statement of the quantities of Crude Petroleum and of Natural Gas which have been transported during each month

Such statement must reach the Ministry not later than the fifteenth (15^{th}) day of each month. For each deposit, it shall indicate the quantities of Crude Petroleum and of Natural Gas which have been transported in the course of the preceding month, between the field and the point of export or delivery, as well as the identification of the pipeline utilised and the cost of transport paid, whenever transport was carried out by Third Parties. The statement must also show how the products transported in such manner are shared between the Parties.

6.4 Statement of the recovery of Petroleum Costs

This statement must reach the Ministry not later than the fifteenth (15^{th}) day of each month. It shall show, for the preceding month, the breakdown of the Petroleum Costs account and must reflect, in particular, the following:

The Petroleum Costs which remain to be recovered as of the end of the preceding month;

The Petroleum Costs related to activities during the month in question;

The Petroleum Costs recovered in the course of the month indicating in particular quantities and value of production involved for this purpose;

The amounts which are booked to reduce or diminish Petroleum Costs in the course of the month in question;

The unrecovered Petroleum Costs as of the end of that month.

6.5 Statement of the determination of the ratio “R”

This statement must reach the Ministry not later than the fifteenth (15^{th}) day of the first month of each Quarter. It shall highlight each of the factors which enter into the determination of the “R” ratio as defined in Article 3 of this Accounting Procedure, as well as the resulting value of the ratio, which ratio is applicable during the subject Quarter.

6.6 Inventories of Crude Petroleum and of Natural Gas

This statement must reach the Ministry not later than the fifteenth (15^{th}) day of each month. It shall specify for the preceding month and for each storage location:

Inventory at the commencement of the month;

Addition to inventory in the course of the month;

Withdrawals from inventories during the course of the month;

Theoretical level of the inventory at the end of the month;

Inventory at the end of the month taken by measurement;

An explanation for discrepancies, if any.

6.7 Tax returns

The Contractor shall supply the Ministry with a copy of all returns which the entities which make up the Contractor are required to file with the Tax Administrations responsible for determining tax basis; and in particular, those which pertain to the BIC tax on together with all annexes, documents, and supporting information attached thereto.

6.8 Statement of payments of taxes and fees

Not later than the fifteenth (15^{th}) day of the first month of each Quarter, the Contractor shall prepare and submit to the Ministry a statement showing taxes, fees, and dues of any kind paid

by it in the course of the preceding calendar Quarter; it shall detail precisely the nature of the tax, fee and dues involved (surface rentals, customs duties, etc.), the kind of payment involved (on account, balances, corrections, etc.), the date and the amount of each payment, the designation of the tax collector responsible for the collection, and other further useful information.

6.9 Special provisions

The statements, lists, and information referred to in Articles 6.2 to 6.8 shall be produced and submitted in accordance with printed forms issued by the Ministry, after consultation with the Contractor.

The Ministry may, as needed, request that the Contractor furnish it with all other statements, reports and information that the Ministry deems useful.

APPENDIX 3: MODEL BANK GUARANTEE

Attached and being an integral part of the Contract between the Islamic Republic of Mauritania and the Contractor (On letterhead of the Bank)

To the Honourable Minister in Charge of Crude Hydrocarbons,
Nouakchott
Mauritania
Amount: -----
In letters: ----------

We have been informed that, upon the date of -----, the Mauritanian State entered into an exploration-production contract with the Contractor constituted by the following entities:

[BP Mauritania Investments Limited]
[Kosmos Energy Mauritania]

[Kosmos Energy Mauritania][BP Mauritania Investments Limited] --------, address -------- is the Principal and has been so designated here below.
Pursuant to Article 4.6 of this Contract, a bank guarantee of proper discharge of the minimum work obligations, for work committed to for each phase of the Exploration Period of the contract, must be remitted to the State.

That said, we (name of bank ----------, address ----------) referred to hereafter as “the Bank”, upon instructions from the Principal, commit ourselves through this Guarantee, in an irrevocable fashion, to pay to the Mauritanian State, independently of the validity and legal merits under the Contract in question and without raising any exception, nor objection arising from the said Contract, upon your first demand, any amount up to the maximum amount cited above in this letter of guarantee, upon receipt by ourselves of a demand for payment duly signed and a written confirmation on your part certifying that the Contractor has not fulfilled the minimum work obligations above-mentioned and specifying the nature as well of the estimated cost of the work not executed.

For reasons of identification, your written demand for payment will only be considered valid if it reaches us through the intermediary of our corresponding bank located in Mauritania (name-------, address ----------), accompanied by a declaration of the latter certifying that it proceeded with the verification of your signature.

Your call is also acceptable to the extent that it is fully transmitted to us by the bank in question by means of a telex/SWIFT confirming that it has sent us the original by registered mail or by another courier service and that the signature appearing there was verified by the latter.

The amount of the Guarantee shall be reduced by the amount of the expenditures made by _____, upon receipt by the Bank of a copy of a work completion statement signed by the Mauritanian State and attesting to said expenditures and to the resulting new Guarantee amount, in accordance with the model in Annex A.

Our guarantee is valid up until the ---------- (provide for 6 months after the end of the phase in question of the Exploration Period) and shall terminate automatically and entirely if your demand for payment or the telex/SWIFT does not reach us at the address hereinabove by such date at the latest, whether it is a business day or not.

All the bank fees in connection with this guarantee are at the expense of the Principal.

This guarantee is subject to the “Uniform Rules for Demand Guarantees of the ICC” of the International Chamber of Commerce (ICC Publication in force No. 758).

- Signature of the authorised representative and seal of the Bank

Annex A

Model notification of expenditure and reduction of guarantee to be used

Notification of expenditure and reduction of guarantee

To the Minister in Charge of Crude Hydrocarbons

Mauritanian State

Nouakchott

Mauritania

Purpose: Notification of expenditure and reduction of guarantee amount ref. XXXX

Honourable Minister,

We refer to the Exploration and Production Contract signed on ____, as well as the bank guarantee of proper discharge in the initial amount of USD ___given by _____on _____ under reference no. _____.

On ____ the amounts expended were USD____. Accordingly the amount of said guarantee is reduced to ____ (numbers plus letters).

Polite closure statement

Date:

Signature of Contracting Entity
Confirmation of Principal [(KOSMOS ENERGY)] ([BP Mauritania Investments Limited])

"**Stamp of the Minister in charge of Hydrocarbons**, authorised signature
Preceded by the statement “Agreed for the reduction of the guarantee in question in the amount of XXXX”
NAME + FUNCTION + STAMP of the Minister"

KOSMOS ENERGY FINANCE INTERNATIONAL

as Borrower

- and -

KOSMOS ENERGY FINANCE INTERNATIONAL, KOSMOS ENERGY OPERATING, KOSMOS ENERGY INTERNATIONAL, KOSMOS ENERGY DEVELOPMENT, KOSMOS ENERGY GHANA HC, KOSMOS ENERGY EQUATORIAL GUINEA, KOSMOS EQUATORIAL GUINEA, INC. AND KOSMOS INTERNATIONAL PETROLEUM, INC.

as Guarantors

- and -

ABSA BANK LIMITED (ACTING THROUGH ITS CORPORATE AND INVESTMENT BANKING DIVISION), CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK, ING BELGIUM SA/NV, NATIXIS, N.B.S.A. LIMITED, SOCIETE GENERALE, LONDON BRANCH, THE STANDARD BANK OF SOUTH AFRICA LIMITED, ISLE OF MAN BRANCH, STANDARD CHARTERED BANK AND SMBC BANK INTERNATIONAL PLC

as Mandated Lead Arrangers

- and -

THE FINANCIAL INSTITUTIONS LISTED IN SCHEDULE 2

as Original Lenders

AMENDED AND RESTATED

FACILITY AGREEMENT

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

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THIS AGREEMENT is dated 28 March 2011, as amended and/or amended and restated on 14 February 2012, 27 April 2012, 25 June 2012, 3 April 2013, 23 November 2012, 14 January, 2014, 14 March 2014, 30 September 2014, 1 October 2015, 22 February 2018, 19 October 2018, 30 November 2018, 20 December 2018, 31 January 2019, 7 April 2020, 31 July 2020, 12 August 2020, 12 May 2021, 18 November 2021, 23 November 2022 and 19 April 2023 and made between:

(1) **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; (the "**Original Borrower**" or "**KEFI**");

(2) **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 ("**KEEG**");

(3) **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 ("**KEO**");

(4) **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 ("**KEI**");

(5) **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 ("**KED**");

(6) **KOSMOS EQUATORIAL GUINEA, INC.** a company incorporated under the laws of the Cayman Islands with registered number 344326 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**”);

(7) **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 ("**KEG**");

(8) **KOSMOS INTERNATIONAL PETROLEUM INC.** a company incorporated under the laws of the Cayman Islands with registered number 344316 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 ("**KIPI**");

(9) **ABSA BANK LIMITED (ACTING THROUGH ITS CORPORATE AND INVESTMENT BANKING DIVISION), CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK, ING BELGIUM SA/NV, NATIXIS, N.B.S.A. LIMITED, SOCIETE GENERALE, LONDON BRANCH, THE STANDARD BANK OF SOUTH AFRICA LIMITED, ISLE OF MAN BRANCH, STANDARD CHARTERED BANK AND SMBC BANK INTERNATIONAL PLC** as mandated lead arrangers of the Facility (each a "**Mandated Lead Arranger**" and together, the "**Mandated Lead Arrangers**");

(10) **ABSA BANK LIMITED (ACTING THROUGH ITS CORPORATE AND INVESTMENT BANKING DIVISION), BNP PARIBAS, CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK, HSBC BANK PLC, SOCIETE GENERALE LONDON BRANCH AND STANDARD CHARTERED BANK a**s underwriters of the Facility (each an "**Underwriter**" and together, the "**Underwriters**");

(11) **THE FINANCIAL INSTITUTIONS** listed in Schedule 2 as lenders (the "**Original Lenders**");

(12) **SOCIETE GENERALE, LONDON BRANCH, THE STANDARD BANK OF SOUTH AFRICA LIMITED and CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK** each as a co-technical bank (together referred to as the "**Technical Bank**");

(13) **SOCIETE GENERALE, LONDON BRANCH** (as the "**Modelling Bank**");

(14) **STANDARD CHARTERED BANK GHANA LIMITED** as onshore account bank in Ghana on the terms and conditions set out in the KEG Onshore Project Accounts Agreement;

(15) **BANK OF AMERICA N.A.** as offshore account bank in New York on the terms and conditions set out in the KEG Offshore Project Accounts Agreement and the Borrower Offshore Project Accounts Agreement;

(16) **BANK OF AMERICA N.A.** as offshore account bank in London on the terms and conditions set out in the KEEG Offshore Project Accounts Agreement;

(17) **STANDARD CHARTERED BANK** as agent of the Finance Parties under this Agreement (the "**Facility Agent**");

(18) **CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK** in its capacity as Security Agent for the Secured Parties on the terms and conditions set out in the Intercreditor Agreement (the "**Security Agent**" which expression includes its successors in title and assigns or any person appointed as an additional trustee for the purpose of and in accordance with the Intercreditor Agreement); and

(19) **CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK** as the intercreditor agent (the "**Intercreditor Agent**")**.**

INTRODUCTION

(1) The Original Lenders agreed to provide a secured, revolving and amortising loan and letter of credit facility for loans of up to approximately USD 1.210 billion as of 12 May 2021.

(2) The Original Borrower exercised its right under clause 3.3 (*Additional Commitment*) to increase Total Commitments by USD 25 million on 9 June 2021. Such Commitments were provided by Deutsche Bank AG, Amsterdam Branch who acceded to this Agreement and the Intercreditor Agreement as a Lender.

(3) Crédit Agricole Corporate and Investment Bank (in its capacity as a Lender) increased its Commitment to USD 162,343,000 on 12 April 2022, bringing Total Commitments to USD 1.25 billion as of 12 April 2022.

(4) The parties have agreed to enter into this Agreement for the purpose of setting out the provisions on which such facility will be provided.

(5) The parties have agreed that on and from 19 April 2023, this Agreement shall be amended to refer to Term SOFR.

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.

"**2019 HY Notes**" means the 7.125% senior notes issued by KEL on 4 April 2019.

"**2019 HY Notes Maturity Date**" means 4 April 2026.

"**2022 Amendment Letter**" means the amendment letter dated 23 November 2022 between, amongst others, the Original Borrower and Standard Chartered Bank (as Facility Agent) in relation to, inter alia, the amendments required to comply with the implementation of foreign exchange regulations in Equatorial Guinea.

"**Accession Letter**" means a document substantially in the form set out in Schedule 9
Form of Accession Letter (*Form of Accession Letter*).

"**Account Bank**" means, as the context so requires, either the Onshore Account Bank, the Offshore Account Bank, or both of them.

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

"**Additional Borrower**" means a company which accedes to the terms of this Agreement as an additional borrower in accordance with clause 31 (*Changes to the Obligors*).

"**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 a company which accedes to the terms of this Agreement as an additional guarantor in accordance with clause 31 (*Changes to the Obligors*).

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

"**Additional Oil Entitlement**" shall have the meaning given to that term in the relevant Petroleum Agreement.

"**Affected Administrative Party**" has the meaning given to that term in clause 32.13 (*Replacement of Administrative Parties*).

"**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, the Security Agent, the Intercreditor Agent, the Technical Bank and the Modelling Bank and "**Agents**" shall be construed accordingly.

"**Agreed Form**" means in a form agreed between the Original Borrower and the Facility Agent.

"**Agreed Insurances**" means the insurances to be implemented and maintained by the Obligors in accordance with the Schedule of Insurances but excluding any insurances to the extent that the cover to be maintained is not available on reasonable commercial terms or no longer reflects insurance which would be implemented and maintained in accordance with good oil industry practice or ceases to be generally available in the market and provided that a maximum aggregate of up to 30 per cent. of reinsurance may be effected through a self-insurance programmes of the Obligors (such self-insurance being captive insurance and excluding non-insurance).

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

"**Amendment Agreements**" means each consent letter, amendment agreement or deed of amendment and restatement entered into between, amongst others, the Original Borrower and the Facility Agent from time to time in relation to the amendment or amendment and restatement of this Agreement.

"**Amendment Notice Period**" has the meaning given to that term in clause 32.18 (*Accession to the KEFI Intercreditor Agreement*).

"**Amortisation Schedule**" means the amortisation schedule set out in Schedule 5 (*Amortisation Schedule*), as amended, supplemented or replaced from time to time.

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

"**Approved Development**" means any Petroleum Asset in which an Obligor has an interest and which the Majority Lenders have agreed (acting reasonably) shall be a Borrowing Base Asset.

"**Assignments**" means the KEG Offshore Security Assignment, the KEG Onshore Security Assignment, the KEG Assignment of Reinsurance Rights, the KEG Offshore Accounts Security Agreement, together with any other Security Document entered into after the Signing Date which may give rise to a liability to pay stamp duty, documentary taxes or any other similar tax, charge or impost.

"**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 Investment**" means, at any time (subject to such being available), any of the following:

(A) a US Dollar denominated institutional money market fund with at least USD 1 billion of funds and an average rate of maturity not exceeding one year;

(B) a US Dollar denominated freely negotiable and marketable bond, treasury bill or debt security of a remaining maturity not exceeding one year issued by the United States of America or any agency or instrumentality thereof, or by any other sovereign government with a long-term credit rating of at least A3 by Moody's or A- by Standard & Poor's at such time;

(C) a US Dollar denominated time deposit (of an original maturity not exceeding six months) made in London or New York or any other place agreed between a Borrower and the Facility Agent with a bank authorised to carry on business there whose long-term debt securities are, at such time, rated at least A3 by Moody's or A- by Standard & Poor's;

(D) a US Dollar denominated instrument with a maturity of less than one year which has a short-term rating at such time of at least P1 by Moody's or A1 by Standard & Poor's or instruments with a maturity of less than one year issued by, or guaranteed by, entities whose short-term securities are rated at such time at least P1 by Moody's or A1 by Standard & Poor's; or

(E) any other investment agreed between the Facility Agent and the relevant Borrower.

"**Authorised Signatory**" means, in relation to a company or other legal person:

(C) one or more directors who are duly authorised whether singly or jointly, to act to bind that company or other legal person; or

(D) 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 the relevant Borrower or KEEG (as applicable) operates its business.

"**Availability Period**" means the availability period in respect of the Facility as determined in accordance with clause 6.1 (*Availability Period*).

"**Available Commitment**" means, at any time, a Lender's Commitment minus:

(E) the amount of its participation in any outstanding Loans; and

(F) 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 expiry of the Availability Period or all or a part of any Letters of Credit that have been cash collateralised by a Borrower depositing funds into the LC Cash Collateral Account.

"**Bail-In Action**" means the exercise of any Write-down and Conversion Powers.

"**Bail-In Legislation**" means:

(G) 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;

(H) 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

(I) in relation to the United Kingdom, the UK Bail-in Legislation.

"**Base Currency**" has the meaning given to it in clause 34.7 (*Currency of account*).

"**Basel II**" has the meaning given to it in clause 16.3 (*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".

"**BBA Cure Period**" has the meaning given to it in paragraph (A)(i) of clause 10.3 (*Aggregate outstandings exceed the Borrowing Base Amount*).

"**BEAC**" means the Bank of Central African States.

"**Bloc C8**" means Bloc C8 offshore Mauritania being the area described in appendix 1 of the Mauritania Exploration and Production Contract, 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 Mauritania Hydrocarbon Exploration and Production Sharing Contract.

"**Borrower**" means KEFI or any Additional Borrower unless it has ceased to be a Borrower in accordance with clause 31 (*Changes to the Obligors*).

"**Borrower Insurance Proceeds Account**" means an account designated "Borrower – Insurance Proceeds Account" established by the Original Borrower with the Offshore Account Bank in New York pursuant to clause 20 (*Bank Accounts and Cash Management*) which is secured in favour of the Secured Parties.

"**Borrower Offshore Accounts Security Agreement**" means the New York law governed security agreement dated 18 November 2021 between the Original Borrower and the Security Agent.

"**Borrower Offshore Proceeds Account**" means an account designated "Borrower – Offshore" established by the Original Borrower with the Offshore Account Bank in New York pursuant to clause 20 (*Bank Accounts and Cash Management*) which is secured in favour of the Secured Parties.

"**Borrower Offshore Project Accounts Agreement**" means the New York law governed offshore project accounts agreement, dated 18 November 2021, between the Original Borrower, the Offshore Account Bank and the Security Agent.

"**Borrower Offshore Security Assignment**" means the English law governed security assignment and debenture, dated on or about the date of this Agreement, between the Original Borrower and the Security Agent.

"**Borrowing Base Amount**" means the amount determined on a Forecast Date in accordance with clause 19.6 (*Calculation of Borrowing Base Amount*).

"**Borrowing Base Assets**" includes all interests, rights, activities, assets, entitlements and developments of the Obligors in:

(J) the Ghana Block Assets, including the Entitlement to all Unit Substances;

(K) the EG Block Assets;

(L) the assets in any Permitted Acquisition or Approved Development (which can be either Developed Assets or Developing Assets), which (but without prejudice to any other provision of this Agreement) the Original Borrower elects to include as a "Borrowing Base Asset",

but, in each case, excluding any of the foregoing which has ceased to be designated a Borrowing Base Asset in accordance with clause 19 (*Forecasts and Calculations*).

"**Break Costs**" means the amount (if any) by which:

(M) the interest which a Lender should have received for the period from the date of receipt of all or any part of its participation in a Loan or Unpaid Sum to the last day of the current Interest Period in respect of that Loan or Unpaid Sum, had the principal amount or Unpaid Sum received been paid on the last day of that Interest Period;

exceeds:

(N) the amount which that Lender would be able to obtain by placing an amount equal to the total sum received by it on deposit with a leading bank for a period starting on the date of receipt or recovery and ending on the last day of the current Interest Period.

The calculation of interest for the purposes of paragraph (A) shall exclude an amount equal to the Margin for the period referred to in that paragraph where a Borrower

prepays a Loan under clause 10.1 (*General*) or if clause 10.10 (*Right of repayment and cancellation in relation to a single Lender*) applies.

"**Brent Forward Curve**" means a Dated Brent Crude Oil forward curve for the relevant period as quoted by Platts, or such other internationally recognised quotation service as agreed between the Original Borrower and the Technical Bank (acting reasonably).

"**Business Day**" means a day (other than a Saturday or Sunday) when banks are open for business in London, Paris and New York and (in relation to the fixing of an interest rate) which is a US Government Securities Business Day.

"**Cameroon Accounts**" means the KEEG Cameroon Accounts and the KEGI Cameroon Accounts.

"**Cash Waterfall**" means the order of priority for application of amounts withdrawn from the Offshore Proceeds Accounts and the Onshore Working Capital Accounts as set out in clause 21.2 (*Withdrawals – No Default Outstanding*).

"**CEMAC**" means the Economic and Monetary Community of Central African States.

"**CEMAC Regulations**" means the following:

(O) CEMAC Regulation No. 02/18/CEMAC/UMAC/CM;

(P) CEMAC Regulation No.01/CEMAC/UMAC/CM;

(Q) CEMAC Regulation No.02/CEMAC/UMAC/CM;

(R) any implementing instructions or directives of BEAC applicable to the Extraction and Mining Sector including:

(i) BEAC Instruction No.001/GR/2022;

(ii) BEAC Instruction No.002/GR/2022;

(iii) BEAC Instruction No.003/GR/2022; and

(iv) Cooperation Protocol for Implementation of the Exchange Regulations in the Economic and Monetary Community of Central Africa by the Extraction and Mining Sector.

"**CFA**" or "**XAF**" or "**Central African Franc**" means the lawful currency of Equatorial Guinea.

"**Change of Control**" has the meaning given to that term in clause 10.6 (*Change of Control*).

"**Charge over Shares in KEEG**" means the English law governed charge over shares in KEEG dated 22 February 2018 between KEO and the Security Agent in connection with the inclusion of the EG Block Assets as a Borrowing Base Asset.

"**Charge over Shares in KED**" means the English law governed charge over shares in KED dated on or about the date of this Agreement between KEI and the Security Agent.

"**Charge over Shares in KEG**" means the English law governed charge over shares in KEG dated on or about the date of this Agreement between KED and the Security Agent.

"**Charge over Shares in KEH**" means the English law governed charge over shares in KEH between KEL and the "Security and Intercreditor Agent", as defined in the Revolving Credit Facility Agreement.

"**Charge over Shares in KEI**" means the English law governed charge over shares in KEI dated on or about the date of this Agreement between KEO and the Security Agent.

"**Charge over Shares in KEO**" means the English law governed limited recourse charge over shares in KEO dated on or about the date of this Agreement between KEH as chargor, KEO and the Security Agent (as amended or as amended and restated from time to time).

"**Charge over Shares in KIPI**" means the English law governed charge over shares in KIPI entered into on 27 February 2019 between KEEG and the Security Agent.

"**Charge over Shares in the Original Borrower**" means the English law governed charge over shares in the Original Borrower dated on or about the date of this Agreement between KEI as chargor and the Security Agent.

"**Charges over Shares**" means the Charge over Shares in KIPI, the Charge over Shares in KED, the Charge over Shares in KEEG, the Charge over Shares in KEG, the Charge over Shares in KEI, the Charge over Shares in KEO, the Charge over Shares in the Original Borrower and each Supplemental Charge over Shares.

"**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 and the amount of any other Commitment transferred to it; and

(B) in relation to any other Lender, the amount of any Commitment transferred to it,

to the extent not cancelled, reduced or transferred by it (including pursuant to clause 6.1 (*Availability Period*) and clause 28.35 (*HY Notes Maturity Date*)).

"**Completion**" means, in respect of a Developing Asset, the date on which the applicable Completion Test has been satisfied (as determined by the Technical Bank acting reasonably).

"**Completion Test**" means in respect of a Developing Asset, the tests as agreed between the Original Borrower and the Technical Bank (acting reasonably) and approved by the Majority Lenders (acting reasonably) which must be completed to show that such asset should reasonably be considered to be a commercially producing asset (being substantially equivalent to the date of commencement of commercial production under applicable Project Agreements) in order for that Developing Asset to be included in the Borrowing Base Assets as a Developed Asset.

"**Compliance Certificate**" means a certificate, substantially in the form set out in Schedule 11 (*Form of Compliance Certificate*)

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

"**Confidentiality Undertaking**" means a confidentiality undertaking substantially in the form of Schedule 13 (*Form of Confidentiality Undertaking*) or in any other form agreed between the Original Borrower and the Mandated Lead Arrangers.

"**Consolidated Cash and Cash Equivalents**" means, in relation to the KEL 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);

(E) any other instrument, security or investment approved in writing by the Majority Lenders.

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

(S) the outstanding principal amount of any Financial Indebtedness incurred;

(T) any fixed or minimum premium payable on the repayment or redemption of any instrument referred to in paragraph (A) above; and

(U) 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 KEL Group to another member of the KEL Group.

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

(V) 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 KEL Group which are not Obligors on an unsecured basis; and

(ii) entered into by that Relevant Entity in connection with its interest in the Greater Tortue Block Assets,

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

(W) 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 (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 KEL Group which are not 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 Obligor or any assets of any 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 KEL 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.

"**Consultants**" means the Technical Consultant, Environmental Consultant and the Reserves Consultant.

"**Consultation Period**" has the meaning given to it in clause 24.13(B) (*Forecast Notification Events*).

"**Contractor**" means the contractor under the EG PSC, the Mauritania Exploration and Production Contract, the Senegal Hydrocarbon Exploration and Production Sharing Contract, the WCTP PA and the DWT PA respectively from time to time.

"**CRD IV**" means EU CRD IV and UK CRD IV.

"**Credit Adjustment Spread**" means 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

"**CRS**" means:

(X) the Common Reporting Standard issued by the Organisation for Economic Cooperation and Development;

(Y) 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

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

"**Crude Oil**" shall have the meaning given to that term in the UUOA.

"**DCR**" means the debt cover ratio calculated pursuant to clause 27(B)(i) (*Financial Covenants*).

"**Debt Service Reserve Account**" or "**DSRA**" means an account designated "Kosmos - DSRA" established by the Original Borrower in respect of the Facility with the Offshore Account Bank in New York pursuant to clause 20 (*Bank Accounts and Cash Management*) which is secured in favour of the Secured Parties.

"**Deed of Acknowledgment and Release**" means the deed of acknowledgment and release dated on or about the date of this Agreement between KEH, KEI, KED, KEG, KEFI and KEO.

"**Deed of Subordination**" means each deed of subordination in respect of Financial Indebtedness of either (i) the Obligors owed to any member of the KEL Group, or (ii) Obligors owed to KEH, in each case substantially in the form of Schedule 14 (*Form of Deed of Subordination*).

"**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.

"**Definitions Agreement**" means the definitions agreement dated 13 July 2009 (as amended on 29 October, 2009, 24 December, 2009 and 23 August, 2010) between, inter alios, Kosmos Energy Finance (as original borrower), certain other Obligors and the Finance Parties named therein setting out the definitions and the rules of construction and interpretation used in the Finance Documents relating to the financing for the Jubilee Field Phase 1.

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

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

"**Developed Assets**" means each of: (i) the Ghana Block Assets, (ii) the EG Block Assets, (iii) any Developing Assets which have achieved Completion and, (iv) as applicable, Approved Developments and Permitted Acquisitions which have been approved as Developed Assets in accordance with clause 19.8 (*Approved Developments and Permitted Acquisitions*).

"**Developing Assets**" means as applicable, Approved Developments and Permitted Acquisitions which are to be counted as Developing Assets.

"**Discharge Date**" means the first date on which all liabilities (whether actual or contingent) owed to the Finance Parties (other than the Hedging Counterparties) 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 30.5 (*Procedure for transfer*).

"**Dispute**" has the meaning given to it in clause 45.1 (*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.

"**Distributions Reserve Account**" means each account designated "Kosmos - DRA" which is established and maintained by an Obligor pursuant to clause 20.6 (*Distributions Reserve Account*), with any bank and in any jurisdiction (and to the extent such account is held by an Account Bank, it is not held in its capacity as Account Bank).

"**Dividend Release Test**" means the conditions to be satisfied under clause 28.23 (*Distributions*) for the payment of a Shareholder Distribution.

"**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 JOA**" means the joint operating agreement dated 15 August 2006 between Tullow Ghana Limited, Sabre Oil and Gas Limited and KEG in respect of the DWT Block (and all amendments and supplements thereto (including pursuant to the DWT JOA Amendment Agreement, the DWT JOA Additional Amendment Agreement, the DWT JOA Second Amendment Agreement and the DWT JOA Third Amendment Agreement)).

"**DWT JOA Additional Amendment Agreement**" means the amendment agreement to the DWT JOA dated 12 November 2007 (effective as of 17 September 2007) between Tullow Ghana Limited, Sabre Oil and Gas Limited, KEG and Anadarko WCTP Company.

"**DWT JOA Amendment Agreement**" means the amendment agreement to the DWT JOA dated 18 July 2007 between Tullow Ghana Limited, Sabre Oil and Gas Limited, KEG and Anadarko WCTP Company.

"**DWT JOA Second Amendment Agreement**" means the amendment agreement to the DWT JOA dated 13 July 2009 between Tullow Ghana Limited, Sabre Oil and Gas Limited, KEG and Anadarko WCTP Company.

"**DWT JOA Third Amendment Agreement**" means the amendment agreement to the DWT JOA dated 26 October 2010 between Tullow Ghana Limited, Sabre Oil and Gas Limited, KEG and Anadarko WCTP Company.

"**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 27(B) (*Financial Covenants*), EBITDAX in relation to the KEL Group for any Measurement Period shall be adjusted by:

(a) including the EBITDAX of a subsidiary of KEL 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 KEL Group and/or the business or asset was not owned by a member of the KEL Group; and

(b) excluding the EBITDAX attributable to any subsidiary of KEL or to any business or asset sold during that Measurement Period.

"**Economic Assumptions**" means the economic assumptions agreed or determined in accordance with clause 19.1 (*Forecast Procedures*).

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

"**EG Block**" means Block G offshore Equatorial Guinea, being the area described in annex A and annex B of the EG PSC, 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 EG PSC.

"**EG Block Assets**" means all activities, assets and developments in the EG Contract Area (including exploration).

"**EG Contract Area**" means the portion of the original Block G contract area offshore Equatorial Guinea that contains the Ceiba and Okume complex fields.

"**EG First Restated JOA**" means the first restated joint operating agreement dated 1 January 2000 between Triton Equatorial Guinea, Inc. and Energy Africa Equatorial Guinea Limited in respect of the EG Block.

"**EG JOA**" means the joint operating agreement for field development and production dated 1 June 1999 between Triton Equatorial Guinea Inc. (a Cayman Islands company) and Energy Africa Equatorial Guinea Limited (an Isle of Man company) in respect of the EG Block (and all amendments and supplements thereto including pursuant to the EG First Restated JOA).

"**EG PSC**" means the production sharing contract dated 26 March 1997 between the Republic of Equatorial Guinea represented by the Ministry of Mines and Energy and Triton Equatorial Guinea Inc. (a Cayman Islands company) in respect of the EG Block (and all amendments and supplements thereto (including pursuant to the EG PSC First Amendment Agreement, the EG PSC Second Amendment Agreement and the EG PSC Third Amendment Agreement)).

"**EG PSC First Amendment Agreement**" means the first amendment agreement to the EG PSC dated 1 January 2000 between Triton Equatorial Guinea Inc. (a Cayman

Islands company), Energy Africa Equatorial Guinea Limited (an Isle of Man company) and the Republic of Equatorial Guinea represented by the Ministry of Mines and Energy.

"**EG PSC Second Amendment Agreement**" means the second amendment agreement to the EG PSC dated 15 December 2005 between Amerada Hess Equatorial Guinea Inc. (a Cayman Islands company), Energy Africa Equatorial Guinea Limited (an Isle of Man company) and the Republic of Equatorial Guinea represented by the Ministry of Mines, Industry and Energy.

"**EG PSC Third Amendment Agreement**" means the third amendment agreement to the EG PSC dated 22 October 2017 between Hess Equatorial Guinea Inc. (a Cayman Islands company), Tullow Equatorial Guinea Limited (an Isle of Man company) and the Republic of Equatorial Guinea represented by the Ministry of Mines and Hydrocarbons.

"**Enforcement Action**" shall have the meaning given to that term in the Intercreditor Agreement.

"**Entitlement**" means the Obligors' entitlement to and lifting by tankers of its share of crude oil delivered from a Field.

"**Environmental Consultant**" means Shaw Consultants International, Inc., (or any other reputable environmental consultant agreed to by the Technical and Modelling Bank (acting reasonably)) appointed in accordance with a scope of work and budget for fees and expenses agreed with the Original Borrower, BNP Paribas (as facility agent at the date of appointment) and the Technical and Modelling Bank.

"**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).

"**EO Participation Agreement**" means the participation agreement dated 1 June 2004 between KEG and EO (including, for the avoidance of doubt, any amendment, restatement or supplemental agreements or arrangements in relation thereto).

"**Equator Principles**" means those principles so titled and developed and adopted by the International Finance Corporation and various other financial institutions, as amended from time to time, details of which can be found at www.equator-principles.com.

"**Equatorial Guinea**" means the Republic of Equatorial Guinea.

"**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; 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 repeating Directives 2006/48/EC and 2006/49/EC.

"**euro**" or "**€**" is to the lawful currency for the time being of the Participating Member States.

"**Event of Default**" means any event or circumstance specified as such in clause 29 (*Events of Default*).

"**Existing Finance Documents**" means the Finance Documents as defined in the Definitions Agreement.

"**Existing Lender**" has the meaning given to it in clause 30.1 (*Assignments and transfers and changes in Facility Office by the Lenders*).

"**Facility**" means the facility made available under this Agreement as described in clause 3 (*The Facility*).

"**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 32.15 (*Facility Agent relationship with the Lenders*)) as the office or offices through which it will perform its obligations under this Agreement.

"Fallback Interest Period" means one (1) month.

"**FATCA**" means:

(AA) sections 1471 to 1474 of the Code or any associated regulations;

(AB) 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

(AC) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (A) or (B) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction.

"**FATCA Application Date**" means:

(AD) 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;

(AE) in relation to a "passthru payment" described in section 1471(d)(7) of the Code not falling within paragraph (A) above, the first date from 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 or on or about 5 February 2018, 12 August 2020 or 7 May 2021 between any Finance Party and the Original Borrower setting out any of the fees referred to in clause 14 (*Fees*) and any other fees payable by the Original Borrower to a Finance Party pursuant to a Finance Document or payable under this Facility.

"**Field**" means the Ghana Block Assets, the EG Block Assets and any other onshore or offshore block or oil and gas field or reserves in which an Obligor has from time to time, directly or indirectly, acquired an interest pursuant to a Permitted Acquisition.

"**Field Depletion Date**" means the projected date on which it is determined (in accordance with the Forecast Assumptions) that Net Cash Flow is negative on each remaining Forecast Date following that projected date.

"**Field Life Cover Ratio**" or "**FLCR**" means the ratio of A to B with:

(AF) “A” being the net present value of Net Cash Flow (calculated on the basis of the Forecast Assumptions) from the relevant Forecast Date until the Field Depletion Date plus the net present value of Relevant Capital Expenditure; and

(AG) “B” being the aggregate of all Loans outstanding under the Facility on that Forecast Date.

"**Final Information Memorandum**" means the information memorandum agreed between the Original Borrower and the Mandated Lead Arrangers and used by the Mandated Lead Arrangers during primary syndication of the Facility.

"**Final Maturity Date**" means, subject to clause 28.35 (*HY Notes Maturity Date*), the earlier of: (i) 31 March, 2027 and (ii) the Reserve Tail Date.

"**Final Repayment Date**" means the final repayment date for the Facility determined in accordance with clause 9 (*Repayment*) and/or the Amortisation Schedule, and references to the Final Repayment Date shall be construed as a reference to any Revised Final Repayment Date which may be determined in accordance with clause 9.2 (*Amendment to Amortisation Schedule*).

"**Final Reports**" means the reports prepared by the Reserves Consultant, the Technical Consultant and the Environmental Consultant in relation to the Borrowing Base Assets.

"**Finance Document**" means this Agreement, the Intercreditor Agreement, the KEFI Intercreditor Agreement, each Hedging Agreement, each Intercompany Loan Agreement, each Security Document, each Deed of Acknowledgment and Release, each Deed of Subordination, each Amendment Agreement, each Novation Agreement and each Fee Letter and any other document designated as such by the Original Borrower and the Facility Agent.

"**Finance Party**" means each of the Mandated Lead Arrangers, the Lenders, the Hedging Counterparties, the LC Issuing Banks, the LC Lenders, the Account Banks, the Facility Agent, the Security Agent, the Intercreditor Agent, the Modelling Bank and the Technical Bank and "**Finance Parties**" shall be construed accordingly.

"**Financial Close**" means the date on which the Facility Agent notifies the Original Borrower and the Lenders that it has received all of the Conditions Precedent in form and substance satisfactory to it (acting reasonably) and/or waived receipt of those Conditions Precedent in accordance with clause 2.1 (*Conditions Precedent to first Utilisation*).

"**Financial Covenants**" means the financial covenants listed under clause 27 (*Financial Covenants*).

"**Financial Covenant Test Date**" has the meaning given to it in clause 27(A) (*Financial Covenants*).

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

(AH) moneys borrowed;

(AI) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;

(AJ) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

(AK) 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;

(AL) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);

(AM) 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);

(AN) 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;

(AO) 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

(AP) 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).

"**Financing Costs**" means all amounts of interest, fees, commitment fees, or other costs and scheduled principal instalments payable by the Obligors under the Finance Documents.

"**First Currency**" has the meaning given to it in clause 17.1 (*Currency indemnity*).

"**Forecast**" means each Forecast prepared in accordance with clause 19 (*Forecasts and Calculations*).

"**Forecast Assumptions**" means the assumptions used in the production of a Forecast.

"**Forecast Date**" means:

(A) the date on which an asset becomes a Borrowing Base Asset;

(B) 31 March in each year commencing on and from 31 March 2019;

(C) any other date designated by the Original Borrower which falls no more than 90 days after the date on which the Reserves Consultant has, at the request of the Original Borrower, produced a new or updated reserves report, provided that such reserves report is produced on or after 31 March 2018;

(D) the date of disposal of a Borrowing Base Asset (other than a Permitted Disposal which falls under any of paragraphs (D) to (G) of the definition of "Permitted Disposal" set out below);

(E) 30 September in each year commencing on and from 30 September 2020;

(F) on request by the Original Borrower on any date immediately prior to the expiry of any BBA Cure Period if the Original Borrower is of the reasonable opinion that if a new Forecast were to be prepared, it would, or is likely to demonstrate that the aggregate of the outstandings under the Facility on that date does not exceed the Borrowing Base Amount as determined in that Forecast; and

(G) any date designated by the Facility Agent pursuant to clause 24.13(B) (*Forecast Notification Events*).

"**Forecast Notification Event**" means any of the following events:

(A) total annual production across all of the Borrowing Base Assets for any applicable year is reasonably expected by the Original Borrower to be at least 15% below the annual production forecast for that year; and

(B) an uninterrupted period of at least 60 days occurs during which (A) historical dated Brent oil prices have been on average 15% below the relevant price deck used in the applicable Forecast, and/or (B) realised dated Brent oil prices (inclusive of the Borrowers' and KEEG's hedging arrangements) have been on average below the relevant price deck used in the applicable Forecast.

"**Forecast Period**" means, in the case of the first Forecast Period, the period commencing on the date of Financial Close and ending at close of business on the first Forecast Date and, in the case of any subsequent Forecast Period, the period commencing on the expiry of the immediately preceding Forecast Period and ending at close of business on the next Forecast Date.

"**Forecasting Procedures**" means the procedures set out under clause 19 (*Forecasts and Calculations*) for preparing a Forecast.

"**FPSO**" means a floating production, storage and offloading vessel.

"**FPSO Construction Financing**" means any financing arrangements in relation to the construction of the FPSO to which an Obligor or member of the Group is a party.

"**Ghanaian Cedi**" means the lawful currency of Ghana.

"**Ghana**" means the Republic of Ghana, West Africa.

"**Ghana Block Assets**" means all activities, assets and developments in the Ghana Contract Area (including exploration).

"**Ghana Blocks**" means the WCTP Block and the DWT Block.

"**Ghana Contract Area**" shall have the meaning given to the term “Contract Area” in the WCTP PA or the DWT PA, as appropriate, or in any new petroleum agreements in Ghana applying to any part of such areas.

"**Ghana Working Capital Cedi Account**" means a Ghanaian Cedi account designated "Kosmos – Onshore Working Capital Account" established by KEG with the Onshore Account Bank in Ghana pursuant to clause 20 (*Bank Accounts and Cash Management*) which is secured in favour of the Secured Parties.

"**Ghana Working Capital USD Account**" means a USD account designated "Kosmos – Onshore Working Capital Account" established by KEG with the Onshore Account Bank in Ghana pursuant to clause 20 (*Bank Accounts and Cash Management*) which is secured in favour of the Secured Parties.

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

"**Government**" means the government of Equatorial Guinea, the government of Ghana, or the government of any other country in which a Borrowing Base Asset is situated, as appropriate.

"**Greater Tortue Block Assets**" means all activities, assets and developments in the Greater Tortue Contract Area (including exploration).

"**Greater Tortue Contract Area**" means the “Exploration Perimeter” for Bloc C8 as defined in the Mauritania Exploration and Production Contract and the “Contract Area” as defined in the Senegal Hydrocarbon Exploration and Production Sharing Contract for the Saint Louis Profond Block.

"**Gross Revenues**" means, for the relevant period of determination and without double counting, the USD equivalent of each of the following amounts to the extent received (or projected to be received or which are credits to an interest or account of an Obligor) by or on behalf of an Obligor (including the USD equivalent of any payment in kind) during that period from or in respect of the Borrowing Base Assets (other than any amount received or held on behalf of an Interested Third Party which is not related to a Borrowing Base Asset whether in cash or in kind):

(A) amounts received or to be received from the sale of crude oil, condensate, natural gas liquids and all output and product from the Borrowing Base Assets or otherwise received or to be received pursuant to any Project Agreement;

(B) amounts representing interest on the Project Accounts and interest or distributions or income of any kind in respect of Authorised Investments;

(C) all refunds of tax of any kind;

(D) all Insurance Proceeds;

(E) all damages or other payments for termination or non-performance or failure to perform or variation under any contract;

(F) all net amounts received under any Derivative Agreement;

(G) all amounts received in respect of any Permitted Disposal; and

(H) all other amounts which fall to be credited to the profit and loss account of an Obligor for the financial year in which the relevant period falls.

"**Group**" means KEO and each of its subsidiaries.

"**Guarantor**" means each Original Guarantor, KEFI, KEEG or any Additional Guarantor.

"**Hedging Agreement**" means an ISDA Master Agreement or similar agreement pursuant to which Hedging Transactions are entered into by a Borrower or KEEG with a

Hedging Counterparty and where the liability of the Obligors thereunder are secured by the Security Documents.

"**Hedging Counterparty**" means:

(A) any person which is named on the signing pages of the Intercreditor Agreement as a Hedging Counterparty and;

(B) any person which becomes a Party as a Hedging Counterparty pursuant to clause 13.5 (*Agent Accession Undertaking*) of the Intercreditor Agreement.

"**Hedging Transaction**" means any transaction entered into under a Hedging 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.

"**Historic Term SOFR**" means, in relation to any Loan, the most recent applicable Term SOFR for a period equal in length to the Interest Period of that Loan and which is as of a day which is no more than three (3) US Government Securities Business Days before the Quotation Day.

"**HY Noteholder Trustee Amendments**" has the meaning given to that term in clause 32.18(A) (*Accession to the KEFI Intercreditor Agreement*).

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

"**HY Notes**" means any debenture, bond (including convertible bonds but excluding performance bonds, bid bonds, retention bonds, advance payment bonds, letters of credit or trade credit related bonds), note, loan stock or other similar security issued by KEL from time to time pursuant to the terms of a HY Note Indenture.

"**HY Note Indenture**" means any indenture pursuant to which all or any of the HY Notes are constituted or any other agreement under which any of the HY Notes are constituted and any other agreement under which any guarantee for HY Notes is given.

"**ICR**" means the interest cover ratio calculated pursuant to clause 27(B)(ii) (*Financial Covenants*).

"**IFC**" means International Finance Corporation.

“**IFC Commitment**” has the meaning given to it in paragraph (A) of clause 3.4 (*IFC as Additional Lender*).

“**IFC Facility**” has the meaning given to it in paragraph (A) of clause 3.4 (*IFC as Additional Lender*).

“**IFC Rebalancing**” has the meaning given to it in paragraph (C) of clause 3.4 (*IFC as Additional Lender*).

"**Illegality Lender**" has the meaning given to that term in clause 10.2 (*Illegality*).

"**Increased Costs**" has the meaning given to that term in clause 16.1 (*Increased costs*).

"**Insolvency Event**" means, in relation to any Obligor, any circumstances described in clause 29.6 (*Insolvency*).

"**Insolvency Proceedings**" means, in relation to any Obligor, any circumstances described in clause 29.7 (*Insolvency proceedings*).

"**Insurance**" or "**Insurances**" means any or all of the contracts of insurance which the Obligors required from time to time to purchase or procure and maintain pursuant to the Schedule of Insurances.

"**Insurance Proceeds**" means all moneys which may at any time be or become payable to or received by an Obligor (other than proceeds in respect of third party liability insurances) under or pursuant to the Agreed Insurances and any reinsurance contract in which the relevant Obligor has an interest.

"**Insurance Proceeds Accounts**" means any of the KED Insurance Proceeds Account, the KEG Insurance Proceeds Account, the KEI Insurance Proceeds Account, the KEO Insurance Proceeds Account, the Borrower Insurance Proceeds Account and any account deemed to be an "Insurance Proceeds Account" in accordance with clause 20 (*Bank Accounts and Cash Management*) and which is secured in favour of the Secured Parties, each an "**Insurance Proceeds Account**".

"**Intercompany Loan Agreement**" means each loan agreement in Agreed Form pursuant to which a Borrower makes advances to an Obligor from the proceeds of a Utilisation under the Facility.

"**Intercreditor Agreement**" means the English law governed intercreditor agreement, entered into on or about the date of this Agreement, between, amongst others, BNP Paribas as facility agent on that date, the Lenders, the Hedging Counterparties, the Original Borrower and the Security Agent, as amended from time to time.

"**Interest Period**" means, in relation to a Loan, each period determined in accordance with clause 12 (*Interest Periods*) and, in relation to an Unpaid Sum, each period determined in accordance with clause 11.4 (*Default interest*).

"**Interested Third Party**" has the meaning given to the term in clause 20.2(A)(iii) (*Other bank accounts*).

"**Interpolated Historic Term SOFR**" means, in relation to any Loan, the rate (rounded to the same number of decimal places as Term SOFR) which results from interpolating on a linear basis between:

(A) either:

(i) the most recent applicable Term SOFR (as of a day which is not more than two (2) US Government Securities Business Days before the Quotation Day) for the longest period (for which Term SOFR is available) which is less than the Interest Period of that Loan; or

(ii) if no such Term SOFR is available for a period which is less than the Interest Period of that Loan, the most recent SOFR for a day which is no more than two (2) US Government Securities Business Days before the Quotation Day; and

(B) the most recent applicable Term SOFR (as of a day which is not more than two (2) US Government Securities Business Days before the Quotation Day) for the shortest period (for which Term SOFR is available) which exceeds the Interest Period of that Loan.

"**Interpolated Term SOFR**" means, in relation to any Loan, the rate (rounded to the same number of decimal places as Term SOFR) which results from interpolating on a linear basis between:

(A) either:

(i) the applicable Term SOFR (as of the Specified Time) for the longest period (for which Term SOFR is available) which is less than the Interest Period of that Loan; or

(ii) if no such Term SOFR is available for a period which is less than the Interest Period of that Loan, SOFR for the day which is two (2) US Government Securities Business Days before the Quotation Day; and

(B) the applicable Term SOFR (as of the Specified Time) for the shortest period (for which Term SOFR is available) which exceeds the Interest Period of that Loan.

"**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 KEH, or any of its subsidiaries from time to time (or any group of them), which is undertaken for the purpose of facilitating an IPO.

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

"**Joint Operating Agreements**" means:

(A) the DWT JOA;

(B) the WCTP JOA; and

(C) the EG JOA.

"**Jubilee Field**" means the hydrocarbon accumulation so named that is located approximately 63km offshore Ghana and which extends across the Ghana Blocks.

"**Jubilee Field Phase 1**" means the Phase 1 development of the Jubilee Field, as described in the Phase 1 Plan of Development for the Jubilee Field, including the Project Infrastructure and all appraisal, exploration, construction, operations, maintenance and exploitation works and activities, and the treatment, processing, storage, delivery, lifting and sale of Unit Substances therefrom.

"**Junior Hedging Agreement**" has the meaning given to the term “Hedging Agreement” in the intercreditor and security sharing agreement dated 1 August 2014 between KEL as the RCF Borrower and the HY Note Issuer, BNP Paribas as the Security and Intercreditor Agent (as subsequently succeeded by Crédit Agricole Corporate and Investment Bank), Standard Chartered Bank as the RCF Agent (as subsequently succeeded by ING Bank N.V.) and Wilmington Trust, National Association as the HY Noteholder Trustee as amended and/or restated from time to time.

"**KED Insurance Proceeds Account**" means an account designated "KED – Insurance Proceeds Account" established by KED with the Offshore Account Bank in London pursuant to clause 20 (*Bank Accounts and Cash Management*) which is secured in favour of the Secured Parties.

"**KED Offshore Proceeds Account**" means an account designated "Kosmos Energy Development – Offshore" established by KED with the Offshore Account Bank in

London pursuant to clause 20 (*Bank Accounts and Cash Management*) which is secured in favour of the Secured Parties.

"**KED Offshore Security Assignment**" means the English law governed security assignment and debenture, dated on or about the date of this Agreement, between KED and the Security Agent.

"**KEEG Cameroon Accounts**" means:

(AQ) a USD account established by KEEG with Citibank Cameroon SA in the Republic of Cameroon with account number 070056001; and

(AR) a XAF account established by KEEG with Citibank Cameroon SA in the Republic of Cameroon with account number 070052001.

"**KEEG EG Account**" means a XAF account established by KEEG with Société Générale S.A. in Equatorial Guinea with account number 37152843701-26.

"**KEEG Offshore Proceeds Account**" means an account or accounts where the designated name includes the words "Kosmos Energy Equatorial Guinea – Offshore" established by KEEG with the Account Bank in London pursuant to clause 20 (*Bank Accounts and Cash Management*) which is secured in favour of the Secured Parties.

"**KEEG Offshore Project Accounts Agreement**" means the English law governed offshore project accounts agreement, dated 22 February 2018, between KEEG, the Offshore Account Bank, the Facility Agent and the Security Agent.

"**KEEG Offshore Security Assignment**" means the English law governed security assignment and debenture, dated 22 February 2018, between KEEG and the Security Agent.

"**KEFI Intercreditor Agreement**" means the English law governed intercreditor agreement dated 23 November 2012 between the Security Agent, KEFI, KEL, Standard Chartered Bank as RCF Agent and BNP Paribas as security and intercreditor agent and as proceeds agent, for and on behalf of the Finance Parties and the "Security and Intercreditor Agent" for and on behalf of the "Finance Parties", both terms as defined in the KEL Guarantee.

"KEG Assignment of Reinsurance Rights" means the English law governed deed of insurance and reinsurance assignment to be entered into in accordance with the terms of this Agreement, between the insurers, the Security Agent and KEG.

"**KEG Insurance Proceeds Account**" means an account designated "KEG – Insurance Proceeds Account" established by KEG with the Offshore Account Bank in New York pursuant to clause 20 (*Bank Accounts and Cash Management*) which is secured in favour of the Secured Parties.

"**KEG Offshore Accounts Security Agreement**" means the New York law governed security agreement to be entered into in accordance with the terms of this Agreement between KEG and the Security Agent.

"**KEG Offshore Proceeds Account**" means an account or accounts where the designated name includes the words "Kosmos Energy Ghana HC – Offshore" established by KEG with the Offshore Account Bank in New York pursuant to clause 20 (*Bank Accounts and Cash Management*) which is secured in favour of the Secured Parties.

"**KEG Offshore Project Accounts Agreement**" means the New York law governed offshore project accounts agreement, dated 18 November 2021, between KEG, the Offshore Account Bank and the Security Agent.

"**KEG Offshore Security Assignment**" means the English law governed security assignment and debenture to be entered into in accordance with the terms of this Agreement, between KEG and the Security Agent.

"**KEG Onshore Project Accounts Agreement**" means the Ghanaian law governed onshore project accounts agreement dated on or about the date of this Agreement, between KEG, the Onshore Account Bank and BNP Paribas as facility agent on that date and BNP Paribas as Security Agent.

"**KEG Onshore Security Assignment**" means the Ghanaian law governed debenture to be entered into in accordance with the terms of this Agreement between KEG and the Security Agent.

"**KEGI Cameroon Accounts**" means:

(AS) a USD account established by KEGI with Citibank Cameroon SA in the Republic of Cameroon with account number 070055001; and

(AT) a XAF account established by KEGI with Citibank Cameroon SA in the Republic of Cameroon with account number 070051001.

"**KEGI Offshore Proceeds Account**" means an account or accounts where the designated name includes the words "Kosmos Equatorial Guinea, Inc. – Offshore" established by KEGI with the Offshore Account Bank in New York pursuant to clause 20

(Bank Accounts and Cash Management) of this Agreement which is secured in favour of the Secured Parties.

"**KEGI Offshore Project Accounts Agreement**" means the New York law governed offshore project accounts agreement dated on or about the date of the 2022 Amendment Letter between KEGI, the Offshore Account Bank in New York, the Facility Agent and the Security Agent.

"**KEGI Offshore Security Assignment**" means the New York law governed security agreement dated on or about the date of the 2022 Amendment Letter between KEGI and the Security Agent.

"**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 and KEO Offshore Security Assignment**" means the English law governed security assignment dated on or about the date of this Agreement between KEI, KEO and the Security Agent.

"**KEI Insurance Proceeds Account**" means an account designated "KEI – Insurance Proceeds Account" established by KEI with the Offshore Account Bank in London pursuant to clause 20 (*Bank Accounts and Cash Management*) which is secured in favour of the Secured Parties.

"**KEI Offshore Proceeds Account**" means an account designated "Kosmos Energy International – Offshore" established by KEI with the Offshore Account Bank in London pursuant to clause 20 (*Bank Accounts and Cash Management*) which is secured in favour of the Secured Parties.

"**KEI Offshore Security Assignment**" means the English law governed security assignment and debenture, dated on or about the date of this Agreement, between KEI and the Security Agent.

"**KEISL**" means Kosmos Energy Investments Senegal Limited, a company incorporated under the laws of England and Wales with company number 10520822 and having its registered office at 6th Floor 65 Gresham Street, London, United Kingdom, EC2V 7NQ.

"**KEL**" means 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.

"**KEL Group**" means KEL and each of its direct and indirect subsidiaries.

"**KEL Guarantee**" means the deed of guarantee entered by BNP Paribas as security and intercreditor agent, Kosmos Energy Limited, Kosmos Energy Operating, Kosmos Energy International, Kosmos Energy Development, Kosmos Energy Ghana HC and Kosmos Energy Finance International, dated on or around the date of this Agreement.

"**KEM** means Kosmos Energy Mauritania, a company incorporated under the laws of the Cayman Islands with registered number 266444 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.

"**KEO Insurance Proceeds Account**" means an account designated "KEO – Insurance Proceeds Account" established by KEO with the Offshore Account Bank in London pursuant to clause 20 (*Bank Accounts and Cash Management*) which is secured in favour of the Secured Parties.

"**KEO Offshore Proceeds Account**" means an account designated "Kosmos Energy Operating – Offshore" established by KEO with the Offshore Account Bank in London pursuant to clause 20 (*Bank Accounts and Cash Management*) which is secured in favour of the Secured Parties.

"**KEO Offshore Security Assignment**" means the English law governed security assignment and debenture, dated on or about the date of this Agreement, between KEO and the Security Agent.

"**KES**" means Kosmos Energy Senegal, a company incorporated under the laws of the Cayman Islands with registered number 290078 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.

"**LC Cash Collateral Account**" means an account designated "Kosmos - LC Cash Collateral Account" which is established and maintained by the Original Borrower pursuant to clause 20 (*Bank Accounts and Cash Management*), with the relevant LC Issuing Bank or Lender (as applicable, in accordance with the terms of clause 7.1(B)(viii)(a)), which is secured in favour of the relevant LC Issuing Bank or Lender, as applicable.

"**LC Issuing Bank**" means each Lender appointed to such role from time to time and who issues, pursuant to clause 7.6 (*Issue of Letters of Credit*), a Letter of Credit.

"**LC Lender**" means each Lender participating in a Letter of Credit, unless otherwise agreed.

"**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 30 (*Changes to the Lenders*),

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

"**Lender Accession Notice**" means a lender accession notice substantially in the form set out in Schedule 8 (*Form of Lender Accession Notice*).

"**Letter of Credit**" means a letter of credit:

(AU) substantially in the form set out in Schedule 12 (*Form of Letter of Credit*) subject to such amendments as any beneficiary may reasonably require;

(AV) in such form as already issued by the Original Borrower on the date of this Agreement (together with such amendments as may reasonably be required by the beneficiary thereunder); or

(AW) in any other form requested by the Original Borrower and agreed by the Facility Agent (pursuant to instructions from the Majority Lenders (acting reasonably)) and each LC Lender.

"**Liquidity Report Date"** means 31 December 2020, 31 March 2021, 30 June 2021 and 30 September 2021.

"**Liquidity Statement**" has the meaning given to it in clause 24.8 (*Sources and Uses*).

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

"**Loan Life Cover Ratio**" or "**LLCR**" means the ratio of A to B with:

(AX) “A” being the net present value of Net Cash Flow (calculated on the basis of the Forecast Assumptions) from the relevant Forecast Date until the Final Maturity Date plus the net present value of Relevant Capital Expenditure; and

(AY) “B” being the aggregate of all Loans outstanding under the Facility on the relevant Forecast Date.

"**Majority Lenders**" means, as applicable, those Lenders whose participation in advances under the Facility are equal to 66⅔ per cent. of the aggregate advances then outstanding, or if there are no advances outstanding, whose Commitments then aggregate at least 66⅔ per cent. of the Total Commitments under the Facility.

"**Margin**" means the percentage rate per annum determined in accordance with clause 11.2 (*Margin*).

“Market Disruption Event” has the meaning given to that term in clause 13.2 (*Market disruption*).

“Market Disruption Rate” means the percentage rate per annum which is the aggregate of the Reference Rate and the applicable Credit Adjustment Spread.

"**Material Adverse Effect**" means, in relation to any event (or series of events) or circumstance which occurs or arises (other than fluctuations in crude oil prices), that event (or events) or circumstance (or any effect or consequence thereof), 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 Borrowing Base Assets, 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.

"**Material Contracts**" means the following contracts and agreements in Agreed Form on 22 February 2018 (including all amendments and supplements thereto):

(AZ) Jubilee Field Unit Second Crude Oil Lifting Agreement between Ghana National Petroleum Corporation, Tullow Ghana Limited, Kosmos Energy Ghana HC, Anadarko WCTP Company and Sabre Oil & Gas Holdings Limited dated 1 March 2013;

(BA) Agreement in respect of the Engineering, Procurement, Installation, Commissioning and Charter (EPIC+Charter) of an Integrated FPSO Facility for the TEN Development Project (Contract No. ORD-TGHA1058081) between Tullow Ghana Limited and T.E.N. Ghana MV25 B.V. dated 14 August 2013;

(BB) Agreement for Provision of FPSO Operations and Maintenance Services for the TEN Development Project between Tullow Ghana Limited and T.E.N. Ghana MV25 B.V. dated 14 August 2013;

(BC) Agreement for the Operation and Maintenance of a Floating, Production, Storage and Offloading (FPSO) Facility for the Jubilee Field Unit between

Tullow Ghana Limited and Modec Management Services Private Limited dated 29 December 2011;

(BD) TEN Field Crude Oil Lifting Agreement between Ghana National Petroleum Corporation, Tullow Ghana Limited, Kosmos Energy Ghana HC, Anadarko WCTP Company and Petrosa Ghana Limited dated 30 August 2016;

(BE) Jubilee Field Master Crude Sales Agreement between Glencore Energy UK Limited and Kosmos Energy Ghana HC dated 16 December 2015;

(BF) TEN Field Master Crude Sales Agreement between Glencore Energy UK Limited and Kosmos Energy Ghana HC dated 13 September 2016;

(BG) Okume Complex and FPSO Sendje Ceiba Management, Operations and Maintenance Agreement between Hess Equatorial Guinea, Inc. and Wood Group Equatorial Guinea Limited dated 1 July 2006;

(BH) Ceiba Field, Block G Crude Oil Lifting Agreement between the Republic of Equatorial Guinea, Triton Equatorial Guinea, Inc. and Energy Africa Equatorial Guinea Limited dated 1 October 2001; and

(BI) Agreement for the Marketing and Offtake of Ceiba Blend Crude Oil between Hess Equatorial Guinea, Inc. and BP Oil International Limited dated 28 November 2017.

"**Mauritania**" means the Islamic Republic of Mauritania.

"**Mauritania Exploration and Production Contract**" means the exploration and production contract dated 5 April 2012 between Mauritania represented by the Minister in Charge of Crude Hydrocarbons and KEM in respect of Bloc C8 (and all amendments and supplements thereto).

"**Measurement Period**" means, in respect of the calculation of the DCR or the ICR, the period of 12 months ending on the Financial Covenant Test Date in question.

"**Model**" means the computer model in the Agreed Form at the Signing Date, as such model may be updated from time to time pursuant to clause 19 (*Forecasts and Calculations*).

"**Model Auditor**" means, as at the date of this Agreement, Operis Group plc appointed in accordance with a scope of work and budget for fees and expenses agreed with the Original Borrower, BNP Paribas (as facility agent at the date of appointment) and the Technical and Modelling Bank.

"**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 Original Borrower (both acting reasonably).

"**Net Cash Flow**" means, for any relevant period (but without any double counting):

(A) Net Revenues; minus

(B) Project Costs,

projected to be paid or received during that period converted if necessary into USD at the rate of exchange used in the Forecast Assumptions on the date of projected receipt or payment.

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

"**Net Revenues**" means Gross Revenues minus Royalty Payments and Additional Oil Entitlement payments.

"**New Lender**" has the meaning given to it in clause 30.1 (*Assignments and transfers and changes in Facility Office by the Lenders*).

"**New Project Agreement**" means any project agreement relating to any Approved Development or Permitted Acquisition over which the Lenders have, or are to receive, a Security Interest.

"**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 29.6 (*Insolvency*) or clause 29.7 (*Insolvency proceedings*) (disregarding paragraph (B) of clause 29.7) (*Insolvency proceedings*) applies or has occurred.

“**Novation Agreement**” means the Ghanaian law governed novation agreement, dated 22 February 2018, between KEG, Standard Chartered Bank (as the Onshore Account Bank), BNP Paribas (as the Security Agent and outgoing facility agent) and the Facility Agent in relation to the KEG Onshore Project Accounts Agreement.

"**Obligors**" means the Borrowers and the Guarantors which, as at 23 November 2022, are set out in Schedule 1 (*The Obligors*).

"**Offshore Account Bank**" means, as the context so requires, Bank of America N.A. or any other bank appointed as an “Offshore Account Bank” in accordance with clause 20.3 (*Appointment of Account Bank*).

“**Offshore Proceeds Accounts**" means any of the KED Offshore Proceeds Account, the KEEG Offshore Proceeds Account, the KEG Offshore Proceeds Account, the KEGI Offshore Proceeds Account, the KEI Offshore Proceeds Account, the KEO Offshore Proceeds Account, the Borrower Offshore Proceeds Account and any account deemed to be an "Offshore Proceeds Account" in accordance with clause 20.1 (*Project Accounts*), and which is secured in favour of the Secured Parties, each an "**Offshore Proceeds Account**".

"**Onshore Account Bank**" means, as the context so requires, either Standard Chartered Bank, or any other bank appointed as an “Onshore Account Bank” in accordance with clause 20.3 (*Appointment of Account Bank*).

"**Onshore Working Capital Accounts**" means the Ghana Working Capital Cedi Account, the Ghana Working Capital USD Account and any other onshore working capital account maintained by an Obligor in a jurisdiction where a Borrowing Base Asset is situated which is designated as such by the Original Borrower and the Facility Agent.

"**Operator**" means, in relation to each Borrowing Base Asset or each Developing Asset, the relevant operator of that Borrowing Base Asset or Developing Asset.

"**Operator Report**" means the report prepared by the Operator in relation to each Borrowing Base Asset and each Developing Asset.

"**ORGL LC**" means the Letter of Credit dated 24 December 2010 issued by BNP Paribas to Ocean Rig Ghana Limited as beneficiary originally at the request of Kosmos Energy Finance in respect of the obligations of Tullow Ghana Limited to the beneficiary thereof, under which the amount of USD 23,000,000 is outstanding on 28 March 2011.

"**Original Guarantor**" means KEO, KEI, KED and KEG.

"**Participating Interest**" has the meaning given to it in the relevant Petroleum Agreement and details of each such participating interest as at 5 February 2018 are as set out in clause 26.14 (*Assets*).

"**Participating Member State**" means any member state of the European Union that has adopted 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.

"**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 in respect of the implementation and development of the Borrowing Base Assets;

(D) which are included within a Forecast;

(E) in respect of which the aggregate consideration paid (which shall exclude the amount of any debt assumed) does not in any calendar year exceed USD 50 million (or its equivalent in other currencies), or such higher figure as the Majority Lenders may agree (acting reasonably);

(F) by an Obligor where the asset acquired or invested in is to be included as a Borrowing Base Assets as approved by the Majority Lenders (acting reasonably); or

(G) 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 country which is subject to a Sanctions Regime or any country designated by the Majority Lenders (acting reasonably).

"**Permitted Disposals**" means any:

(BJ) disposal permitted or not otherwise prohibited by clause 28.8 (*Disposals*);

(BK) disposals expressly permitted under any Project Agreement;

(BL) disposals of cash for purposes not prohibited by the Finance Documents;

(BM) disposals expressly required in order to comply with its obligations under the Project Agreements;

(BN) disposals of obsolete assets;

(BO) disposals on arm's length terms for market value of its Entitlements from a Field or petroleum products to which an Obligor is entitled by virtue of its ownership or investment in a Petroleum Asset; or

(BP) disposals not falling within paragraphs (A) to (F) above which are consented to by the Majority Lenders.

"**Permitted Financial Indebtedness**" means:

(BQ) any Financial Indebtedness arising under or contemplated by the Finance Documents;

(BR) any Financial Indebtedness the proceeds of which are applied, promptly on receipt by an Obligor, in making or procuring the making of a prepayment of all amounts outstanding under the Finance Documents in full;

(BS) any Financial Indebtedness subordinated to the Lenders on terms approved by the Majority Lenders (each acting reasonably) provided that there shall be no subordination in respect of amounts held in any Distributions Reserve Account;

(BT) any guarantee granted by an Obligor in favour of the Revolving Credit Facility Lenders and/or the HY Noteholders, which in either case is subordinated in accordance with the terms of the KEFI Intercreditor Agreement, or otherwise on terms acceptable to the Majority Lenders;

(BU) any Financial Indebtedness owed to an Obligor, provided that such Obligor (as subordinated lender) has entered into a Deed of Subordination;

(BV) any Financial Indebtedness arising under finance or capital leases of vehicles, plant, equipment or computers, provided that the aggregate capital value of all such items so leased under outstanding leases by members of the Group does not exceed USD 100 million (or its equivalent in other currencies) at any time;

(BW) any Financial Indebtedness arising under any Derivative Agreement that an Obligor may enter further to the provisions of clause 28.17(A) (*Hedging)*; or

(BX) any Financial Indebtedness otherwise approved by the Majority Lenders (such approval not to be unreasonably withheld or delayed).

"**Permitted Party**" has the meaning given to it in clause 30.7 (*Disclosure of information*).

"**Permitted Security**" means:

(A) any netting or set-off arrangement entered into in the ordinary course of financing arrangements for the purpose of netting or setting off debit and credit balances;

(B) any lien securing obligations no more than 90 days overdue arising by operation of law;

(C) any Security Interest arising under or contemplated by the Finance Documents or pursuant to the express terms of any Project Agreement;

(D) any title retention provisions in a supplier's standard conditions of supply of goods;

(E) any Security Interest created over or in respect of any Distributions Reserve Accounts; and

(F) any Security Interest not falling within (A) to (E) above which is consented to by the Majority Lenders.

"**Permitted Transferee**" shall have the meaning given to that term in clause 10.6 (*Change of Control*).

"**Petroleum Agreements**" means:

(BY) the DWT PA;

(BZ) the WCTP PA; and

(CA) the EG PSC.

"**Petroleum Asset**" means any assets related to the exploration for or exploitation, production, treatment, processing, transportation, storage, marketing and sale of petroleum products including, but without limitation, any contractual rights under any agreement entered into in relation to or incidental or ancillary thereto, any equity or participating interest in any entity which has such an interest or which conducts such activities and any right which would allow a person to obtain title to or an interest in any petroleum products.

"**Phase 1 Plan of Development for the Jubilee Field**" means the relevant plan for the development of the Jubilee Field Phase 1 approved by the government of Ghana.

"**Process Agent**" has the meaning given to it in clause 46 (*Service of Process*).

"**Project Accounts**" means any or all of each Debt Service Reserve Account, the LC Cash Collateral Account, the Offshore Proceeds Accounts, the Onshore Working Capital Accounts and the Insurance Proceeds Accounts, in each case, as established pursuant to clause 20 (*Bank Accounts and Cash Management*) and any account established further to clause 10.3 (*Aggregate outstandings exceed the Borrowing Base Amount*), with such accounts being secured in favour of the Secured Parties.

"**Project Accounts Agreements**" means the KEEG Offshore Project Accounts Agreement, the KEG Offshore Project Accounts Agreement, the KEG Onshore Project Accounts Agreement, the KEGI Offshore Project Accounts Agreement and the Borrower Offshore Project Accounts Agreement.

"**Project Agreements**" means (when entered into by the relevant Obligor and only while an Obligor is a party to such document):

(CB) each Petroleum Agreement (including any Required Approval or any Authorisation required for the production, transportation or sale of petroleum from a Borrowing Base Asset);

(CC) the Joint Operating Agreements;

(CD) the UUOA; and

(CE) each New Project Agreement and any other agreement which the Facility Agent and the Original Borrower agree shall be a Project Agreement,

as such documents may be updated, amended or replaced from time to time.

"**Project Costs**" means all costs and expenses (including without limitation exploration costs and any costs incurred under any Derivative Agreement, but, for the avoidance of doubt, excluding any Scheduled KEL Debt Payments and excluding any other payments relating to the Revolving Credit Facility or the HY Notes) incurred for and on behalf of an Obligor or in respect of which an Obligor is liable in relation to:

(A) the Ghana Contract Area and the EG Contract Area; and

(B) any other project, venture, Field or Petroleum Asset which can at that time be funded by the proceeds of a Utilisation made pursuant to clause 21.2(B) (*Withdrawals – No Default Outstanding*).

"**Project Infrastructure**" means:

(A) the FPSO for the Jubilee Field Phase 1;

(B) a taut-leg mooring system for the FPSO for the Jubilee Field Phase 1;

(C) seven production wells;

(D) five production drill centers;

(E) five production manifolds;

(F) four water injection wells;

(G) two water-injection drill centers;

(H) two water injection manifolds;

(I) three gas-injection wells;

(J) one gas-injection drill center;

(K) one gas-injection manifold;

(L) two riser bases;

(M) six subsea distribution units; and

(N) associated flowlines, risers, umbilicals and jumpers.

"**Published Rate**" means:

(A) SOFR; or

(B) the Term SOFR for any Quoted Tenor.

"**Published Rate Replacement Event**" means, in relation to a Published Rate:

(CF) the methodology, formula or other means of determining that Published Rate has, in the opinion of the Majority Lenders and the Original Borrower, materially changed;

(CG)

(i)

(a) the administrator of that Published Rate 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 that Published Rate is insolvent,

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

(ii) the administrator of that Published Rate publicly announces that it has ceased or will cease to provide that Published Rate permanently or indefinitely and, at that time, there is no successor administrator to continue to provide that Published Rate;

(iii) the supervisor of the administrator of that Published Rate publicly announces that such Published Rate has been or will be permanently or indefinitely discontinued; or

(iv) the administrator of that Published Rate or its supervisor announces that that Published Rate may no longer be used; or

(CH) the administrator of that Published Rate (or the administrator of an interest rate which is a constituent element of that Published Rate) determines that that Published Rate 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) that Published Rate is calculated in accordance with any such policy or arrangement for a period no less than thirty (30) days; or

(CI) in the opinion of the Majority Lenders and the Original Borrower, that Published Rate is otherwise no longer appropriate for the purposes of calculating interest under this Agreement.

"**Qualifying Bank**" means an internationally recognised bank:

(CJ) which is not on a Sanctions List or subject to a sanctions regime issued, imposed or administered by the United States or any member country of the European Union, or the European Union itself, the United Kingdom or the United Nations (or any agency of any of them) (a "**Sanctions Regime**"); or

(CK) which does not have its principal place of business in a country which is subject to a Sanctions Regime; or

(CL) which is not a bank whose principal place of business is in a country notified by the Original Borrower to BNP Paribas (as facility agent at the date of this Agreement) prior to signing of this Agreement; or

(CM) 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).

"**Quotation Day**" means, in relation to any period for which an interest rate is to be determined two US Government Securities Business Days before the first day of that period (unless market practice differs in the relevant syndicated loan market, in which case the Quotation Day will be determined by the Agent in accordance with that market practice (and if quotations would normally be given on more than one day, the Quotation Day will be the last of those days).

"**Quoted Tenor**" means, in relation to Term SOFR, any period for which that rate is customarily displayed on the relevant page or screen of an information service.

"**Receiver**" means a receiver or receiver and manager or administrative receiver of the whole or any part of the assets of the Obligors which from time to time are, or are expressed to be, the subject of the Security Interests created or evidenced or expressed to be created or evidenced under the Security Documents.

"**Reference Rate**" means in relation to any Loan:

(A) the applicable Term SOFR as of the Specified Time and for a period equal in length to the Interest Period of that Loan; or

(B) as otherwise determined pursuant to clause 13.1 (*Unavailability of Term SOFR*),

and if, in either case, the aggregate of that rate and the applicable Credit Adjustment Spread is less than zero, the Reference Rate shall be deemed to be such a rate that the aggregate of the Reference Rate and the applicable Credit Adjustment Spread is zero.

"**Relevant Capital Expenditure**" means capital expenditure incurred or to be incurred in relation to the Borrowing Base Assets in the next twelve months or, in respect of exploration and appraisal costs, in the next six months, as determined pursuant to a Forecast and which is or will be funded by the Facility or by contributions to the capital of an Obligor (including loans subordinated on terms acceptable to the Facility Agent (acting reasonably)).

"**Relevant Lender**" has the meaning ascribed to such term in clause 8.10 (*Cash collateralisation*).

"**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.

"**Repayment Date**" means the date specified as such in the Amortisation Schedule, as may be adjusted in accordance with clause 34.6 (*Business Days*).

"**Repayment Instalment**" means each repayment instalment required pursuant to the Amortisation Schedule (as adjusted from time to time).

"**Repeating Representations**" means the representations set out under:

(A) clauses 26.1 (*Status*), 26.2 (*Legal validity*), 26.3 (*Non-conflict*), 26.4 (*Powers and authority*), each as at the time the power or authority was exercised only; and

(B) clauses 26.5 (*Authorisations*), 26.9 (*Financial Statements and other factual information*), 26.10 (*Proceedings pending or threatened*), 26.11 (*Breach of laws*), 26.12 (*Ranking of security*), 26.13 (*Pari passu ranking*), 26.14 (*Assets*), 26.15 (*Project Agreements*), 26.16 (*No Immunity*), 26.17 (*Ownership of Obligors*), 26.18 (*Sanctions*) and 26.19 (*Anti-corruption law*).

"**Replacement Lender**" has the meaning given to that term in clause 10.10 (*Right of repayment and cancellation in relation to a single Lender*).

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

(A) formally designated, nominated or recommended as the replacement for a Published Rate by:

(i) the administrator of that Published Rate (provided that the market or economic reality that such reference rate measures is the same as that measured by that Published Rate); 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 Original Borrower, generally accepted in the international or any relevant domestic syndicated loan markets as the appropriate successor to a Published Rate; or

(C) in the opinion of the Majority Lenders and the Original Borrower, an appropriate successor to a Published Rate.

“**Reporting Time**” means:

(CN) in relation to the deadline for Lenders to report their cost of funds in accordance with clause 13.2(A)(ii) (*Market disruption*), close of business in London on the date falling three (3) Business Days after the Quotation 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); or

(CO) in relation to the deadline for Lenders to report their cost of funds for market disruption in accordance with clause 13.2(B) (*Market disruption*), close of business in London on the Quotation Day for the relevant Loan.

"**Required Approvals**" means all material approvals, licenses, consents and authorisations necessary in connection with the execution, delivery, performance or enforcement of any Finance Document or the development, construction and ownership of the relevant Obligor's interest in a Borrowing Base Asset.

"**Required Balance**" means:

(CP) at any time when the DCR is greater than 2.50:1.00, the greater of the balances which is required to meet the payment either of: (a) interest and fees only due and payable in the next six months on the Facility; and (b) Scheduled KEL Debt Payments due and payable in the next six months; and

(CQ) at any time when the DCR is less than or equal to 2.50:1.00, zero.

"**Reserve Tail Date**" means, at any time, the semi-annual Repayment Date immediately preceding the date on which a Forecast projects that the aggregate economically recoverable reserves remaining to be produced from the Borrowing Base Assets (as reflected in the current Forecast) is projected to be equal to or less than 25 per cent. of the aggregate of the economically recoverable reserves from the Borrowing Base Assets reflected in the Forecast agreed as a condition to first Utilisation. The Reserve Tail Date will be re-determined by each Forecast by reference to the aggregate of reserves for the Borrowing Base Assets adjusted for any reserves upgrades or downgrades, for additional reserves acquired pursuant to any Approved Development or Permitted Acquisition and for any disposal of reserves.

"**Reserves Consultant**" means RSC Group, Inc., (or any other reputable consultant agreed to by the Technical and Modelling Bank (acting reasonably)) appointed in accordance with a scope of work and budget for fees and expenses agreed with the Original Borrower, BNP Paribas (as facility agent at the date of appointment) and the Technical and Modelling Bank.

"**Reserves Consultant Appointment Letter**" means the consulting agreement dated 28 July 2014 between Kosmos Energy, LLC and the Reserves Consultant setting out the terms of appointment of the Reserves Consultant.

“Reserves Consultant Reliance Letter” means the reliance letter dated 9 February 2015 between BNP Paribas (as facility agent at the date of the letter), the Technical and Modelling Bank, Kosmos Energy, LLC, the Original Borrower and the Reserves Consultant.

"**Resignation Letter**" means a letter substantially in the form set out in Schedule 10 (*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).

"**Retiring Guarantor**" has the meaning given to it in clause 25.8 (*Release of Guarantors' right of contribution*).

"**Revised Final Repayment Date**" has the meaning given to that term in clause 9.2 (*Amendment to Amortisation Schedule*).

"**Revolving Credit Facility**" means the revolving credit facility of up to US$300 million provided to KEL pursuant to the terms of the Revolving Credit Facility Agreement.

"**Revolving Credit Facility Agreement**" means the agreement under which the Revolving Credit Facility is made available.

"**Revolving Credit Facility Lender**" means a "Lender", as defined under the Revolving Credit Facility 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;

(C) made or to be made to the same Borrower for the purpose of refinancing a maturing Loan.

"**Royalty Payments**" means royalties payable to the relevant Government by a contractor out of, or calculated by reference to, petroleum to which such contractor is entitled under the terms and conditions of the relevant Petroleum Agreement.

"**Saint Louis Profond Block**" means Saint Louis profond block offshore Senegal being the area described in appendix 1 of the Senegal Hydrocarbon Exploration and Production Sharing Contract, 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 Senegal Exploration and Production Sharing Contract.

"**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 OFAC, the United States Department of State and His Majesty's Treasury,

(together, the "**Sanctions Authorities**").

"**Sanctions List**" means the "Specially Designated Nationals and Blocked Persons" list maintained by OFAC, the Consolidated List of Financial Sanctions Targets and the Investments Ban List maintained by His Majesty's Treasury, or any similar lists maintained by, or public announcement of Sanctions designation made by, any of the Sanctions Authorities.

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

"**Schedule of Insurances**" means the schedule of insurances in the Agreed Form from time to time setting out the Agreed Insurances.

"**Scheduled KEL Debt Payment Distribution**" means a shareholder distribution as calculated and defined in clause 28.24 (*Scheduled KEL Debt Payment Distributions*).

"**Scheduled KEL Debt Payments**" means:

(CR) the scheduled interest, fees, costs and expenses (including tax gross up) related to the Revolving Credit Facility and the HY Notes but not including any principal related to the Revolving Credit Facility or the HY Notes; and/or

(CS) a scheduled payment due but unpaid under a Junior Hedging Agreement.

"**Second Currency**" has the meaning given to it in clause 17.1 (*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 3.3 (*Additional Commitment*) and clause 3.4 (*IFC as Additional Lender*), together with all costs, charges and expenses incurred by the Security 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.

"**Security Documents**" means each of the following documents:

(CT) the KEG Offshore Security Assignment;

(CU) the KEG Onshore Security Assignment;

(CV) the KEEG Offshore Security Assignment;

(CW) the KED Offshore Security Assignment;

(CX) the KEGI Offshore Security Assignment;

(CY) the KEI Offshore Security Assignment;

(CZ) the KEO Offshore Security Assignment;

(DA) the Borrower Offshore Security Assignment;

(DB) the KEI and KEO Offshore Security Assignment;

(DC) the Charge over Shares in KIPI;

(DD) the Charge over Shares in KED;

(DE) the Charge over Shares in KEG;

(DF) the Charge over Shares in KEO;

(DG) the Charge over Shares in KEI;

(DH) the Charge over Shares in KEEG;

(DI) the Charge over Shares in the Original Borrower;

(DJ) the KEG Assignment of Reinsurance Rights;

(DK) the KEG Offshore Project Accounts Agreement;

(DL) the KEG Onshore Project Accounts Agreement;

(DM) the KEEG Offshore Project Accounts Agreement;

(DN) the KEGI Offshore Project Accounts Agreement;

(DO) the Borrower Offshore Project Accounts Agreement;

(DP) each Supplemental Security Document;

(DQ) the Borrower Offshore Accounts Security Agreement;

(DR) the KEG Offshore Accounts Security Agreement; and

(DS) subject to the provisions of the Intercreditor Agreement, each other document evidencing or creating any Security Interest held or obtained from an Obligor for or in respect of any Secured Liabilities.

"**Security Interest**" means a mortgage, charge, pledge, lien or other security interest or any other agreement or arrangement having a similar effect.

"**Senegal**" means the Republic of Senegal.

"**Senegal Hydrocarbon Exploration and Production Sharing Contract**" means the hydrocarbon exploration and production sharing contract dated 7 January 2012 between Senegal represented by its Minister of State, Minister of International Cooperation, Air Transport, Infrastructure and Energy, PETRO-TIM Limited (predecessor in title to KEISL) and La Société des Pétroles du Senegal in respect of the Saint Louis Profond Block (and all amendments and supplements thereto).

"**Service Document**" has the meaning given to it in clause 46 (*Service of Process*).

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

"**Shareholder Affiliate**" means any Affiliate of a Shareholder, any trust of which a Shareholder or any of its Affiliates is a trustee, any partnership of which a 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 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 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 Shareholder Affiliate.

"**Shareholder Distribution**" means a shareholder distribution as calculated and defined in clause 28.23 (*Distributions*).

"**Signing Date**" means 28 March 2011.

"**SOFR**" means 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 (before any correction, recalculation or republication by the administrator) by the Federal Reserve Bank of New York (or any other person which takes over the publication of that rate).

"**Sources and Uses Statement**" has the meaning given to it in clause 24.8 (*Sources and Uses*).

"**Sources and Uses Statement Date**" has the meaning given to it in clause 24.8 (*Sources and Uses*).

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

"**Standard and Poor's**" means Standard & Poor's Ratings Service, a division of the McGraw-Hill Companies, Inc., and any successor thereto and if such corporation shall for any reason no longer perform the functions of a securities rating agency, Standard & Poor's shall be deemed to refer to any other internationally recognised rating agency agreed by the Facility Agent and the Original Borrower (both acting reasonably).

"**Sterling**" or "**£**" or is to the lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland.

"**Sum**" has the meaning given to it in clause 17.1 (*Currency indemnity*).

"**Supermajority Lenders**" means, as applicable, those Lenders whose participation in advances under the Facility are at least equal to 80 per cent. of the aggregate advances

then outstanding, or if there are no advances outstanding, whose Commitments then aggregate at least 80 per cent. of the Total Commitments under the Facility.

"**Supplemental Charge over Shares**" means each of the following documents:

(DT) the English law governed supplemental charge over shares in KED dated 22 February 2018 between KEI and the Security Agent;

(DU) the English law governed supplemental charge over shares in KEG dated 22 February 2018 between KED and the Security Agent;

(DV) the English law governed supplemental charge over shares in KEI dated 22 February 2018 between KEO and the Security Agent;

(DW) the English law governed supplemental limited recourse charge over shares in KEO dated 22 February 2018 between KEH as chargor, KEO and the Security Agent; and

(DX) the English law governed supplemental charge over shares in the Original Borrower dated 22 February 2018 between KEI and the Security Agent.

"**Supplemental Security Documents**" means each of the following documents:

(DY) the English law governed supplemental security assignment and debenture, dated 22 February 2018, between KED and the Security Agent;

(DZ) the English law governed supplemental security assignment and debenture, dated 22 February 2018, between KEI and the Security Agent;

(EA) the English law governed supplemental security assignment and debenture, dated 22 February 2018, between KEO and the Security Agent;

(EB) the English law governed supplemental security assignment and debenture, dated 22 February 2018, between the Original Borrower and the Security Agent;

(EC) the English law governed supplemental security assignment dated 22 February 2018, between KEI, KEO and the Security Agent; and

(ED) each Supplemental Charge over Shares.

"**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).

"**Technical and Modelling Bank**" means the Technical Bank and the Modelling Bank, provided that if the Technical Bank and the Modelling Bank cannot reach agreement on a certain issue, then the opinion of the Technical Consultant will be requested (to the extent a Technical Consultant is not already appointed and the parties do not agree on a replacement within 5 Business Days of notification of the failure to reach agreement, the Technical Bank and the Modelling Bank shall request the President of the Energy Institute of London to appoint an independent consultant within 5 Business Days). If no agreement can be reached after consulting the relevant Consultant, the final decision shall be determined by the Majority Lenders.

"**Technical Assumptions**" means the technical assumptions agreed or determined in accordance with clause 19.1 (*Forecast Procedures*).

"**Technical Consultant**" means Shaw Consultants International, Inc. (or any other reputable technical consultant agreed to by the Technical and Modelling Bank (acting reasonably)), appointed in accordance with a scope of work and budget for fees and expenses agreed with the Original Borrower, BNP Paribas (as facility agent at the date of appointment) and the Technical and Modelling Bank.

"**Term SOFR**" means the term SOFR reference rate administered by CME Group Benchmark Administration Limited (or any other person which takes over the administration of that rate) for the relevant period published (before any correction, recalculation or republication by the administrator) by CME Group Benchmark Administration Limited (or any other person which takes over the publication of that rate).

"**Third Parties Act**" has the meaning given to it in clause 1.4 (*Third Party Rights*).

"**Total Available Facility Amount**" means at any time the amount calculated as such pursuant to clause 3.2 (*Total Available Facility Amount*).

"**Total Commitments**" means the aggregate of the Commitments of the Lenders.

"**Total Facility Amount**" means at any time, the total facility made available under the Facility but as reduced by the amount of any cancellation of the Facility.

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

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

"**Transaction Document**" means each Finance Document and each Project Agreement.

"**Transfer Certificate**" means a certificate substantially in the form set out in Schedule 7 (*Form of Transfer Certificate*) or any other form agreed between the Facility Agent and the Original Borrower.

"**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.

"**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) 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**") as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**Withdrawal Act**"); and

(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) implemented 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 and its implementing measures ("**CRD**");

(C) direct EU legislation (as defined in the Withdrawal Act), which immediately before IP completion day (as defined in the European Union (Withdrawal Agreement) Act 2020) 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.

"**Unit Substances**" shall have the meaning given to that term in the UUOA.

"**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.

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

"**US Government Securities Business Day**" means any day other than:

(A) a Saturday or a 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.

"**US Tax Obligor**" means:

(EE) a Borrower which is resident for tax purposes in the United States of America; or

(EF) 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.

"**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 the relevant Loan is to be made.

"**Utilisation Request**" means a notice substantially in the form set out in Schedule 4 (*Utilisation Requests*) or in the Agreed Form.

"**UUOA**" means the unitization and unit operating agreement entered into between GNPC, Tullow Ghana Limited, KEG, Anadarko WCTP Company, Sabre Oil and Gas Holdings Limited and EO dated 13 July 2009.

"**VAT**" means:

(EG) any value added tax imposed by the Value Added Tax Act 1994;

(EH) 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

(EI) 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 paragraph (A) 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 the Contractor's rights thereunder are from time to time relinquished or surrendered pursuant to the WCTP PA.

"**WCTP JOA**" means the joint operating agreement dated 27 July 2004 between KEG and EO in respect of the West Cape Three Points Block offshore Ghana (and all amendments and supplements thereto (including pursuant to the WCTP JOA First Amendment Agreement and the WCTP JOA Second Amendment Agreement)).

"**WCTP JOA First Amendment Agreement**" means the amendment agreement to the WCTP JOA dated 13 July 2009 between KEG, EO, Anadarko WCTP Company, Tullow Ghana Limited and Sabre Oil and Gas Limited.

"**WCTP JOA Second Amendment Agreement**" means the amendment agreement to the WCTP JOA dated 26 October 2010 between KEG, EO, Anadarko WCTP Company, Tullow Ghana Limited and Sabre Oil and Gas Limited.

"**WCTP PA**" means the petroleum agreement dated 22 July 2004 between the government of Ghana, represented by its Minister for Energy, 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:

(EJ) 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;

(EK) 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; and

(EL) 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;

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, notarisation, 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 Facility Agent's **"cost of funds"** is a reference to the average cost (determined either on an actual or a notional basis) which the Facility 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 34.3 (*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**" or "**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 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 calendar 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 calendar month or if there is no numerically corresponding day in the month in which that period ends, that period shall end on the last Business Day in that later month (and references to "**months**" and "**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:

(xxi) which is controlled, directly or indirectly, by the first-mentioned company or corporation;

(xxii) more than half the issued share capital of which is beneficially owned, directly or indirectly, by the first-mentioned company or corporation; or

(xxiii) which is a subsidiary of another subsidiary of the first-mentioned company or corporation,

(xxiv) 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;

(xxv) 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;

(xxvi) 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

(xxvii) a provision of law is a reference to that provision as amended and re-enacted.

(B) Any provision of clause 10.2 (*Illegality*) and clause 28.34 (*Application of the Loans/Use of the Letters of Credit*) 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 other 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 a “Transaction Document” or any other agreement or instrument is (other than a reference to a “Finance Document”, “Transaction Document”, or any other agreement or instrument in “original form”) a reference to that Finance Document or Transaction 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 London 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.

(E) In the event that the three parties forming the Technical Bank cannot reach agreement on a certain issue, then, after consulting with the Original Borrower, those parties shall inform the Facility Agent and the Facility Agent shall request instructions from the Lenders with the final decision on the issue being determined by the Majority Lenders.

1.4 Third Party Rights

(A) Any Hedging Counterparty may enforce the terms of clause 21.2 (*Withdrawals – No Default Outstanding*), clause 25 (*Guarantee and Indemnity*) and clause 42.2(E) (*Exceptions*) by virtue of the Contracts (Rights of Third Parties) Act 1999 (the "**Third Parties Act**"). This clause 1.4(A) confers a benefit on each such Hedging Counterparty, and, subject to the remaining provisions of this clause 1.4, is intended to be enforceable by each Hedging Counterparty by virtue of the Third Parties Act.

(B) Any Account Bank may enforce the terms of this Agreement by virtue of the Third Parties Act. This clause 1.4(B) confers a benefit on each such Account Bank, and, subject to the remaining provisions of this clause 1.4, is intended to be enforceable by each Account Bank by virtue of the Third Parties Act.

(C) Subject to paragraph (A) and (B) above, 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.

(D) 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 Original Borrower 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 2.3 (*Waivers of Conditions Precedent*). The Facility Agent (acting reasonably) shall notify the Original Borrower 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

(i) the funds from that Utilisation are expected to be applied in payment of amounts subject to and in accordance with the Cash Waterfall within 90 days of the relevant drawdown date (other than making a distribution in accordance with paragraph (vii) of the Cash Waterfall) or are otherwise required to maintain a reasonable and prudent level of working capital in the Project Accounts;

(ii) the aggregate principal amount outstanding under the Facility does not exceed the Borrowing Base Amount, and the making of the Utilisation would not result in the aggregate principal amount outstanding under the Facility exceeding the Borrowing Base Amount; and

(iii) 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

(C) The Facility Agent, acting in accordance with the instructions of 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 Schedule 3 (*Conditions Precedent*).

(D) 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.

(E) Any waiver effected by the Facility Agent in accordance with this clause shall be binding on all Parties.

(F) 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*).

(G) Prior to the first Utilisation of the Facility (and not thereafter), any Default or Event of Default which arises by virtue of the fact that the Security Interests granted pursuant to the Security Documents are second-ranking (due to the subsistence during such period of Security Interests (as defined in the Existing Finance Documents) which were granted pursuant to the Existing Finance Documents), shall be deemed not to have arisen.

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 secured US Dollar revolving loan facility and a letter of 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:

(i) Loans (which, during the Availability Period only, shall include Rollover Loans); and

(ii) Letters of Credit up to an aggregate amount not exceeding USD 200 million.

3.2 Total Available Facility Amount

(C) The Total Available Facility Amount shall be computed in accordance with this clause 3.2.

(D) If at any time the aggregate amount of all Loans exceeds the Borrowing Base Amount, the Total Available Facility Amount shall be zero.

(E) Notwithstanding any increase to the Total Available Facility Amount by the addition of: (a) Additional Commitments pursuant to clause 3.3 (*Additional Commitment*) below; or (b) the IFC Commitment pursuant to clause 3.4 (*IFC as Additional Lender*) below and subject to paragraph (B) above, the Total Available Facility Amount shall be an amount equal to the lesser of:

(i) the Total Facility Amount less (1) the amount of all Loans which have not been either prepaid or repaid and (2) the aggregate amount of any Letters of Credit issued, or to be issued, under the Facility; and

(ii) the Borrowing Base Amount less (1) the amount of all Loans and (2) the aggregate amount of any Letters of Credit issued, or to be issued, under the Facility (only to the extent not cash collateralised by amounts standing to the credit of the LC Cash Collateral Account),

where the Borrowing Base Amount is determined by reference to the most recent Forecast prepared in accordance with the Forecasting Procedures.

(F) For the avoidance of doubt, if at any time a Letter of Credit is cash collateralised in whole in or part in accordance with clause 7.1(B), the Total Available Facility Amount shall, subject always to paragraphs (B) and (C) above, automatically increase by the amount of such deposit. Conversely, in the event that the whole or any part of the cash collateral is withdrawn in accordance with clause 7.1(B) of this Agreement, then the Total Available Facility Amount will reduce by the amount of such withdrawal.

3.3 Additional Commitment

(G) The Original Borrower 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 Facility Amount by the provision of additional commitments under the Facility (each such increase in commitments being an "**Additional Commitment**"), provided that:

(i) the Additional Commitment Notice is delivered at any time after 22 February 2018, and prior to the expiry of the Availability Period;

(ii) the increase is to take effect before the expiry of the Availability Period and the maximum aggregate amount of Additional Commitment (including all previous increases) does not exceed USD 500 million less any amount of IFC Commitment which has then been provided;

(iii) no Event of Default is continuing or would arise as a result of the provision of the Additional Commitment; and

(iv) 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.

(H) Each Additional Commitment Notice shall:

(i) confirm that the requirements of paragraph (A) above are fulfilled;

(ii) specify the date upon which the Additional Commitment is anticipated to be made available to the Borrowers (the "**Additional Commitment Date**"); and

(iii) where the Additional Lender is IFC, include any further details that may be required by the Facility Agent (acting reasonably) pursuant to clause 3.4 (*IFC as Additional Lender*).

(I) In the event that the Additional Lender is not a Party to this Agreement, the Original Borrower shall procure that each Additional Lender:

(i) delivers a Lender Accession Notice duly completed and signed on behalf of the Additional Lender and specifying its Additional Commitment to the Facility Agent; and

(ii) accedes to the Intercreditor Agreement in accordance with the terms of the Intercreditor Agreement,

in each case, on or prior to the Additional Commitment Date.

(J) 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 making utilisations from the Additional Commitment within five business days of the relevant Additional Commitment Date:

(a) in priority to utilisations from Commitments under the Facility; or

(b) to effect a prepayment under the Facility to the existing Lenders (which amount may be redrawn by the Borrowers),

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.

(K) Each Additional Lender may only become a party to this Agreement (and be entitled to share in the Security created under the Security Documents in accordance with the terms of the Finance Documents) if such Additional Lender simultaneously accedes to the Intercreditor Agreement in accordance with the terms of the Intercreditor Agreement.

(L) 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).

(M) 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.

(N) 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 an Original Lender 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".

3.4 IFC as Additional Lender

(O) In the event that the Additional Commitment is to be provided by IFC, subject to compliance with the provisions of clause 3.3 (*Additional Commitment*) and clause 3.5(B), IFC shall provide its Additional Commitment (the "**IFC Commitment**") through a separate tranche, facility or facilities ranking pari passu with the Facility (the "**IFC Facility**") details of which, together with any amendments to the Finance Documents as the Original Borrower and IFC (each acting reasonably) consider necessary, shall be provided with the Additional Commitment Notice.

(P) Any IFC Commitment shall be provided on substantially the same terms and conditions as the Facility, save that the IFC Facility shall include such additional or alternative terms and conditions as required by IFC's policies and practices (the rights in relation to which shall not be available to the Finance Parties).

(Q) In order to rebalance the Commitments and outstandings under the Facility and the IFC Facility to ensure that they are pro rata (the "**IFC Rebalancing**"), a Borrower will make utilisations under the IFC Facility:

(i) in priority to the Facility; or

(ii) to effect a prepayment under the Facility (which amount may be redrawn by a Borrower),

at that Borrower's election, in each case to procure, as far as practicable, the IFC Rebalancing, following which all drawings under the IFC Facility and the Facility shall be pro rata.

3.5 Amendments to Finance Documents

(R) The Parties shall, acting reasonably, make such amendments to the Finance Documents as may be necessary to increase the Total Facility Amount pursuant to clause 3.3 (*Additional Commitment*) above (including amendments to the Amortisation Schedule and such amendments as required to implement any alternative terms and conditions as required by IFC's policies and practices) 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 the Intercreditor Agreement entered into, or any amendment to the Finance Documents effected pursuant to clause 3.3 (*Additional Commitment*) above, by the Facility Agent, the Additional Lender or the Original Borrower, shall be binding on all Parties.

(S) Notwithstanding paragraph (A) above, any amendments to the Finance Documents or additional or alternative terms and conditions, in each case as may be reasonably required as a consequence of any IFC Commitment being provided to the Borrowers shall not require the consent of the Finance Parties, provided that such amendments are not prejudicial to the rights and obligations of the Finance Parties under this Agreement.

3.6 DELETED

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

The proceeds of any Loan or Letter of Credit may only be used by a Borrower for the following purposes:

(A) in the case of a first Utilisation of the Facility, to repay all amounts outstanding under the Existing Finance Documents in full;

(B) to pay Project Costs (including Relevant Capital Expenditure);

(C) to pay Financing Costs (other than principal and interest);

(D) to make advances to an Obligor under an Intercompany Loan Agreement to enable such Obligor to pay Project Costs;

(E) to fund the DSRA and the LC Cash Collateral Account;

(F) to meet all costs and expenses incurred in respect of making any Permitted Acquisition;

(G) to issue Letters of Credit under the Facility; and

(H) subject to clause 20.6 (*Distributions Reserve Account*) to fund the Distributions Reserve Account.

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 - Loans

6.1 Availability Period

Subject to the satisfaction of the relevant Conditions Precedent the Facility shall be available for drawing during the period from and including the Signing Date to and including the earlier of:

(A) the date falling one month prior to the Final Maturity Date; and

(B) any date imposed in accordance with clause 28.35 (*HY Notes Maturity Date*).

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

(C) 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 12 (*Interest Periods*).

(D) Only one Loan may be requested in each Utilisation Request and a maximum of 3 Utilisation Requests may be requested in any one month.

(E) A Borrower may not deliver a Utilisation Request if as a result of the proposed Utilisation 10 or more Loans would be outstanding.

6.4 Amount

A Borrower must notify the Facility Agent and the Technical and Modelling Bank (giving notice of not less than three Business Days' prior to the Utilisation Date) of the amount of any proposed Loan under the Facility that must be:

(F) a minimum of USD 10 million (or, in any event, such lesser amount as the Facility Agent may agree); and

(G) an integral multiples of USD 10 million (or, in any event, such lesser amount as the Facility Agent may agree),

or, if less, the balance of the Facility.

6.5 Lenders' participation

(H) If the conditions set out in this Agreement have been met, each Lender under the Facility 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.

(I) The amount of a Lender's participation in that Loan will be equal to the proportion borne by its Available Commitment to the Available Commitments under the Facility immediately prior to the making of the relevant Loan.

(J) The Facility Agent shall notify each Lender of the amount of each Loan under the Facility and the amount of its participation in each such Loan not less than 3 Business Days before the Utilisation Date.

(K) A Business Day for the purposes of clause 6 (*Utilisation*) shall mean a day (other than a Saturday or Sunday) when banks are open for business in London, New York and Paris.

7. Letters of Credit – Utilisation

7.1 General

(A) In this clause 7 and clause 8 (*Letters of Credit – General Provisions*):

(i) "**Expiry Date**" means, for a Letter of Credit, the last day of its Term;

(ii) "**LC Proportion**" means, in relation to a Lender in respect of any Letter of Credit, the proportion (expressed as a percentage) borne by the Available Commitment of such Lender under the Facility to the aggregate Available Commitments of all the Lenders under the Facility immediately prior to the issue of that Letter of Credit, adjusted to reflect any assignment or transfer under this Agreement to or by that Lender;

(iii) "**Renewal or Extension Request**" means a written notice delivered to the Facility Agent in accordance with clause 7.7 (*Renewal or extension of a Letter of Credit*);

(iv) "**Start Date**" means, for a Letter of Credit, the first day of its Term; and

(v) "**Term**" means each period determined under this Agreement for which an LC Issuing Bank is under a liability under a Letter of Credit.

(B) Any reference in this Agreement to:

(i) a "**Finance Party**" includes each of the LC Lenders and each of the LC Issuing Banks;

(ii) an amount borrowed under the Facility includes any amount utilised by way of Letter of Credit;

(iii) a Utilisation under the Facility made or to be made to the Original Borrower includes a Letter of Credit issued on its behalf;

(iv) a Lender funding its participation in a Utilisation under the Facility includes a Lender participating in a Letter of Credit;

(v) amounts outstanding under the Facility include amounts outstanding under or in respect of any Letter of Credit;

(vi) an outstanding amount of a Letter of Credit at any time is the maximum amount that is or may be payable in respect of that Letter of Credit at that time;

(vii) the Original Borrower "**repaying**" or "**prepaying**" a Letter of Credit means:

(a) the Original Borrower providing cash collateral for that Letter of Credit by depositing funds into the LC Cash Collateral Account;

(b) the maximum amount payable under the Letter of Credit being reduced in accordance with its terms; or

(c) an LC Issuing Bank being satisfied (acting reasonably) that it has no further liability under that Letter of Credit,

and the amount, subject to the Cash Waterfall, by which a Letter of Credit is repaid or prepaid under sub-paragraphs (viii)(a) and (viii)(b) below is the amount of the relevant cash collateral or reduction; and

(viii) the Original Borrower providing "**cash collateral**" for a Letter of Credit means the Original Borrower paying an amount in the currency of the Letter of Credit in to the LC Cash Collateral Account and the following conditions are met:

(a) the account is with an LC Issuing Bank (if the cash collateral is to be provided for all the Lenders) or with a Lender (if the cash collateral is to be provided for that Lender);

(b) withdrawals from the LC Cash Collateral Account may only be made at any time provided that:

(1) there is no Default or Event of Default outstanding at the time;

(2) the withdrawal does not occur during a BBA Cure Period;

(3) the latest Sources and Uses Statement does not show that there is a shortfall in funding projected to be available to meet Project Costs; and

(4) the Total Available Facility Amount at that time is equal to or exceeds the amount of the withdrawal; and

(c) any amount withdrawn from the LC Cash Collateral Account is deposited into the account from which the original payment was made into the LC Cash Collateral Account.

(C) Clause 6 (*Utilisation*) does not apply to a Utilisation by way of Letter of Credit.

(D) For the avoidance of doubt, in determining the amount of the Available Commitment and a Lender's LC Proportion of a proposed Letter of Credit for the purposes of this Agreement the Available Commitment of a Lender will be calculated taking account of any cash collateral provided for outstanding Letters of Credit, subject to the Total Available Facility Amount not exceeding the lesser of (i) the Total Facility Amount and (ii) the Borrowing Base Amount.

(E) A "Business Day" for the purposes of clause 7 (*Letters of Credit – Utilisation*) shall mean a day (other than a Saturday or Sunday) when banks are open for business in London, New York and Paris.

(F) The ORGL LC shall be deemed to have been issued by BNP Paribas as LC Issuing Bank (such appointment as LC Issuing Bank being solely in respect of the ORGL LC) pursuant to a Utilisation Request submitted by the Original Borrower in accordance with the terms of this Agreement and such utilisation shall be deemed to have occurred immediately after the first Utilisation under the Facility (the "**ORGL LC Utilisation**"). For the avoidance of doubt:

(i) BNP Paribas shall pay the cash collateral already posted with it pursuant to the ORGL LC to the Distributions Reserve Account; and

(ii) no conditions other than those which are required in order to facilitate the first Utilisation will be required to be satisfied in order for the ORGL LC Utilisation to be effective.

7.2 Letter of Credit Option

(G) The Facility may also be utilised by way of Letters of Credit at any time during the Availability Period.

(H) Letters of Credit may be issued under the Facility by any LC Issuing Bank or LC Issuing Banks as may be selected by the Original Borrower.

(I) The Original Borrower may at any time request any or all Lenders to agree to become a LC Issuing Bank. If any such Lender or Lenders so agree, the Original Borrower may in its absolute discretion decide which of those Lenders (if any) it wishes to appoint as a LC Issuing Bank.

(J) The Original Borrower may appoint any Lender as an LC Issuing Bank at any time by notice in writing to the Facility Agent (accompanied by a deed of accession in the form agreed between the Facility Agent and the Original Borrower, signed by the relevant Lender confirming its appointment as an LC Issuing Bank), following receipt of which the Facility Agent shall promptly countersign any such deed of accession on behalf of the Finance Parties (and in any event within 3 Business Days of receipt of the notice) and notify the Finance Parties (with a copy to the Original Borrower) that the relevant Lender has become an LC Issuing Bank.

7.3 Delivery of a Utilisation Request for Letters of Credit

Subject to a LC Issuing Bank having been appointed, the Original Borrower may request a Letter of Credit to be issued by delivery to the Facility Agent and one or more LC Issuing Banks (as may be selected by the Original Borrower) of a duly completed Utilisation Request substantially in the form of Part II of Schedule 4 (*Utilisation Requests*) not later than the third Business Day prior to the proposed Utilisation Date and a maximum of 3 such Utilisation Requests may be delivered in any one month, provided that there shall not, at any time, be more than 10 Letters of Credit outstanding.

7.4 Completion of a Utilisation Request for Letters of Credit

Each Utilisation Request for a Letter of Credit is irrevocable and will not be regarded as having been duly completed unless:

(K) it specifies that it is for a Letter of Credit;

(L) it specifies the amount that is to be utilised under the Facility;

(M) the proposed Utilisation Date is a Business Day within the Availability Period;

(N) the currency and amount of the Letter of Credit comply with clause 7.5 (*Amount*);

(O) the form of Letter of Credit is attached;

(P) the Expiry Date of the Letter of Credit falls on or before the Final Repayment Date for the Facility; and

(Q) the delivery instructions for the Letter of Credit are specified.

7.5 Amount

The amount of the proposed Letter of Credit must be an amount which is not more than the Total Available Facility Amount and which is a minimum of USD 5 million or, if less, the Total Available Facility Amount and which otherwise complies with clause 7.6(B)(ii).

7.6 Issue of Letters of Credit

(R) If the conditions set out in this Agreement have been met, the relevant LC Issuing Bank shall issue the Letter of Credit on the Utilisation Date.

(S) The relevant LC Issuing Bank will only be obliged to comply with paragraph (A) above if on the date of the Utilisation Request or Renewal or Extension Request and on the proposed Utilisation Date:

(i) in the case of a Letter of Credit renewed in accordance with clause 7.7 (*Renewal or extension of a Letter of Credit*), no Event of Default is continuing or would result from the proposed Utilisation and, in the case of any other Utilisation, no Default is continuing or would result from the proposed Utilisation;

(ii) the making of the proposed Utilisation would not result in (i) the aggregate principal amount outstanding under the Facility exceeding the lesser of the Total Facility Amount and the Borrowing Base Amount or (ii) the aggregate of all outstanding Letters of Credit issued by the LC Issuing Banks exceeding USD 200 million;

(iii) the Repeating Representations to be made by each Obligor are true in all material respects (or, in the case of a Repeating Representation that contains a materiality concept, true and correct in all respects); and

(iv) that LC Issuing Bank and the Lenders have completed all applicable know-your-customer and compliance requirements which are required by law in relation to the beneficiary of the Letter of Credit.

(T) The amount of each Lender's participation in each Letter of Credit will be equal to the proportion borne by the Available Commitment of such Lender under the Facility to the aggregate Available Commitments of all the Lenders under the Facility immediately prior to the issue of the Letter of Credit.

(U) The Facility Agent shall notify the relevant LC Issuing Banks and each Lender of the details of the requested Letter of Credit and its participation in that Letter of Credit by the Specified Time.

7.7 Renewal or extension of a Letter of Credit

(V) The Original Borrower may request any Letter of Credit issued on its behalf be renewed or extended by delivery to the Facility Agent and the relevant LC Issuing Bank of a Renewal or Extension Request by the sixth Business Day before the date of the proposed renewal.

(W) The Lenders shall treat any Renewal or Extension Request in the same way as a Utilisation Request for a Letter of Credit except that the conditions set out in paragraph (E) of clause 7.4 (*Completion of a Utilisation Request for Letters of Credit*) shall not apply.

(X) The terms of each renewed or extended Letter of Credit shall be the same as those of the relevant Letter of Credit immediately prior to its renewal, except that:

(i) its amount may be less than the amount of the Letter of Credit immediately prior to its renewal or extension;

(ii) (in relation to a renewal only) its Term shall start on the date which was the Expiry Date of the Letter of Credit immediately prior to its renewal, and shall end on the proposed Expiry Date specified in the Renewal or Extension Request subject to clause 7.4(F); and

(iii) (in relation to an extension only) its Term shall start on the date which was the Start Date of the Letter of Credit immediately prior to its extension, and shall end on the proposed Expiry Date specified in the Renewal or Extension Request subject to clause 7.4(F)

(Y) If the conditions set out in this Agreement have been met, the relevant LC Issuing Bank shall re-issue and/or amend any Letter of Credit pursuant to a Renewal or Extension Request.

8. Letters of Credit – General Provisions

8.1 When immediately repayable or prepayable

If a Letter of Credit or any amount outstanding under a Letter of Credit becomes payable, the Original Borrower shall repay or prepay that amount within five Business Days of demand by the relevant LC Issuing Bank.

8.2 Fee payable in respect of Letters of Credit

(A) The Original Borrower shall pay to each of the LC Issuing Banks a fronting fee in respect of each Letter of Credit issued by it, in the amount and at the times agreed in the letter between each relevant LC Issuing Bank and the Original Borrower. A reference in this Agreement to a Fee Letter shall include the letter referred to in this paragraph.

(B)

(i) Subject to (ii) below, the Original Borrower shall pay to the Facility Agent (for the account of each LC Lender) a letter of credit fee computed at the same rate as the Margin on the outstanding amount of each Letter of Credit for the period from the issue of that Letter of Credit until its Expiry Date. This fee shall be distributed according to each LC Lender's LC Proportion of that Letter of Credit.

(ii) The Original Borrower shall be entitled to deduct, from the letter of credit fee calculated as described in (i) above and paid to the Facility Agent, in respect of each Relevant Lender, an amount which is the product of the Margin and any Borrower Replacement Collateral (as defined in clause 8.10 below) held in respect of such Relevant Lender (the "**RL Reduction**"). The net fee distributed by the Facility Agent to each Relevant Lender shall be the fee calculated according to such Relevant Lender's LC Proportion then reduced by the amount of the RL Reduction.

(C) The accrued letter of credit fee on a Letter of Credit shall be payable quarterly (on each of 31 March, 30 June, 30 September and 31 December and as from the first of such dates falling after the date of issue of that Letter of Credit) and on the Expiry Date for that Letter of Credit.

(D) If the Original Borrower uses cash collateral to cover any part of a Letter of Credit then the fronting fee payable to the relevant LC Issuing Bank and the letter of credit fee payable for the account of each LC Lender shall not (in

respect of the part of the Letter of Credit covered by the cash collateral) be payable.

8.3 Claims under a Letter of Credit

(E) The Original Borrower irrevocably and unconditionally authorises each LC Issuing Bank to pay any claim made or purported to be made under a Letter of Credit and which appears on its face to be in order (a "**claim**").

(F) The Original Borrower shall immediately on demand pay to the Facility Agent for the account of the relevant LC Issuing Bank an amount equal to the amount of any claim under that Letter of Credit.

(G) The Original Borrower acknowledges that each LC Issuing Bank:

(i) is not obliged to carry out any investigation or seek any confirmation from any other person before paying a claim; and

(ii) deals in documents only and will not be concerned with the legality of a claim or any underlying transaction or any available set-off, counterclaim or other defence of any person.

(H) The obligations of the Original Borrower under this clause will not be affected by:

(i) the sufficiency, accuracy or genuineness of any claim or any other document; or

(ii) any incapacity of, or limitation on the powers of, any person signing a claim or other document.

8.4 Indemnities

(I) The Original Borrower shall immediately on demand indemnify each LC Issuing Bank against any cost, loss or liability incurred by such LC Issuing Bank (otherwise than by reason of such LC Issuing Bank's gross negligence or wilful misconduct and otherwise in respect of the obligation of any Lender to provide cash collateral pursuant to clause 8.10 (*Cash collateralisation*)) in acting as an LC Issuing Bank under any Letter of Credit.

(J) Each Lender shall (according to its LC Proportion) immediately on demand by the Facility Agent (acting on the instructions of the relevant LC Issuing Bank), indemnify each LC Issuing Bank against any cost, loss or liability incurred by

such LC Issuing Bank (otherwise than by reason of such LC Issuing Bank's gross negligence or wilful misconduct) in acting as such LC Issuing Bank under any Letter of Credit (unless that LC Issuing Bank has been reimbursed by the Original Borrower pursuant to a Finance Document).

(K) The Original Borrower shall immediately on demand reimburse any Lender for any payment it makes to an LC Issuing Bank under this clause 8.4 (*Indemnities*) (other than any Cash Deposit made pursuant to clause 8.10 (*Cash collateralisation*) but including in respect of any amount withdrawn from the Cash Deposit and payment to any LC Issuing Bank under clause 8.10(C) or 8.10(E)). In the absence of reimbursement of an LC Issuing Bank or Lenders by the Original Borrower pursuant to this clause 8.4 (*Indemnities*) within 5 Business Days of demand (the "**LC Payment Date**"), the Original Borrower shall be deemed to have requested a Loan of an amount (in Dollars) equal to the outstanding amount payable on the LC Payment Date and the Original Borrower shall be treated as having agreed to borrow that Loan on the LC Payment Date. The proceeds of each Loan made available by the Lenders in accordance with this clause 8.4(C) and deemed to be made to the Original Borrower shall be paid to an LC Issuing Bank (or, as the case may be, the Facility Agent on behalf of the Lenders) in satisfaction of the obligations of the Original Borrower in accordance with this clause 8.4 to reimburse that LC Issuing Bank or Lenders for the amount of the outstanding payment.

(L) The obligations of each Lender and the Original Borrower under this clause are continuing obligations and will extend to the ultimate balance of sums payable by that Lender or, as the case may be, the Original Borrower in respect of any Letter of Credit, regardless of any intermediate payment or discharge in whole or in part.

(M) The obligations of a Lender or the Original Borrower under this clause will not be affected by any act, omission, matter or thing which, but for this clause, would reduce, release or prejudice any of its obligations under this clause (without limitation and whether or not known to it or any other person) including:

(i) any time, waiver or consent granted to, or composition with, any Obligor, any beneficiary under a Letter of Credit or any other person;

(ii) the release of any other Obligor or any other person under the terms of any composition or arrangement;

(iii) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Obligor, any beneficiary under a Letter of

Credit or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;

(iv) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor, any beneficiary under a Letter of Credit or any other person;

(v) any amendment (however fundamental) or replacement of a Finance Document, any Letter of Credit or any other document or security;

(vi) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document, any Letter of Credit or any other document or security; or

(vii) any insolvency or similar proceedings.

8.5 Rights of contribution

The Original Borrower will not be entitled to any right of contribution or indemnity from any Finance Party in respect of any payment it may make under this clause 8.

8.6 Role of a LC Issuing Bank

(N) Nothing in this Agreement constitutes a LC Issuing Bank as a trustee or fiduciary of any other person.

(O) An LC Issuing Bank shall not be bound to account to any Lender for any sum, or the profit element of any sum received by it for its own account.

(P) An LC Issuing Bank may accept deposits from, lend money to and generally engage in any kind of banking or other business with any member of the Group.

(Q) An LC Issuing Bank 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.

(R) An LC Issuing Bank may engage, pay for and rely on the advice or services of any lawyers, accountants, surveyors or other experts.

(S) An LC Issuing Bank may act in relation to the Finance Documents through its personnel and agents.

(T) An LC Issuing Bank is not responsible for:

(i) the adequacy, accuracy and/or completeness of any information (whether oral or written) provided by any Party (including itself), or 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; or

(ii) 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, under or in connection with any Finance Document.

8.7 Exclusion of liability

(U) Without limiting paragraph (B) below, the relevant LC Issuing Bank will not be liable for any action taken by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct.

(V) No Party (other than an LC Issuing Bank) may take any proceedings against any officer, employee or agent of an LC Issuing Bank in respect of any claim it might have against that LC Issuing Bank 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 an LC Issuing Bank may rely on this clause subject to clause 1.4 (*Third Party Rights*) and the provisions of the Third Parties Act.

8.8 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 LC Lender confirms to each LC Issuing Bank 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, those listed in paragraphs (A) to (D) of clause 32.16 (*Credit appraisal by the Lenders*).

8.9 Amendments and Waivers

Notwithstanding any other provision of any Finance Document, an amendment or waiver which relates to the rights or obligations of an LC Issuing Bank may not be effected without the consent of that LC Issuing Bank.

8.10 Cash collateralisation

(W) If and for so long as:

(i) the long-term senior unsecured credit rating of a Lender is, or is reduced to, below BBB- (Standard & Poor's) or Baa3 (Moody's); or

(ii) it becomes unlawful in any applicable jurisdiction for a Lender to perform its obligations under clause 8.4 (*Indemnities*),

(any such Lender being a "**Relevant Lender**") then, within thirty five (35) Business Days of the date of publication by S&P or Moody's of such rating downgrade or the date upon which the obligations become unlawful, the Relevant Lender shall, unless otherwise agreed by each LC Issuing Bank, as security for (but without prejudice to) its obligations under clause 8.4 (*Indemnities*), pay to each LC Issuing Bank an amount equal to its LC Proportion of the aggregate outstandings under all Letters of Credit issued by that LC Issuing Bank at such date (the "**Cash Deposit**"). The Relevant Lender shall, within thirty five (35) Business Days of any increase in such aggregate outstandings, pay to that LC Issuing Bank an amount equal to its LC Proportion of any such increase (unless otherwise agreed by the Issuing Bank) (and any additional amount so paid shall form part of the Cash Deposit). If requested by a LC Issuing Bank, the Relevant Lender shall enter into security documentation over the Cash Deposit in form and substance satisfactory to that LC Issuing Bank (acting reasonably).

(X) Any Cash Deposit made pursuant to this clause 8.10 shall be placed by the relevant LC Issuing Bank in a separately designated bank account and shall bear interest (at the rate of interest customarily given by that LC Issuing Bank for short-term cash deposits in amounts equal to such Cash Deposit) from (and including) the date of deposit of any amounts in, until (but excluding) the date of withdrawal of any amounts from, such account (such amount held being the "**Borrower Replacement Collateral**").

(Y) An LC Issuing Bank shall only withdraw amounts standing to the credit of such account:

(i) for payment to that LC Issuing Bank up to (and including) the amount of the Cash Deposit in accordance with clause (E) below; and

(ii) in excess of the Cash Deposit, for payment to the Relevant Lender, if so instructed by the Relevant Lender.

(Z) Any Cash Deposit made pursuant to this clause 8.10 shall, on demand by the Relevant Lender, be repaid to such Relevant Lender provided that the long-term senior unsecured credit rating of such Relevant Lender is, or is greater than BBB- (Standard & Poor's) or Baa3 (Moody's).

(AA) Without prejudice to the provisions of clause 8.4(B), each Relevant Lender hereby irrevocably authorises each LC Issuing Bank to withdraw from any account established pursuant to this clause 8.10 in relation to such Relevant Lender such Relevant Lender's LC Proportion of the amount specified in any claim made under a Letter of Credit, up to the amount of the Relevant Lender's Cash Deposit in discharge of such Relevant Lender's obligations to it under clause 8.4(B).

(AB) If and to the extent the Relevant Lender at any time fails to comply with its payment obligations under clause 8.10(A), then (without prejudice to clause 8.4(B)):

(i) the Relevant Lender hereby irrevocably authorises any Agent to apply its entitlement to sums received by that Agent from any source in respect of payment under, and/or any other sum received by that Agent under or in respect of, the Finance Documents, towards such payment obligations;

(ii) the Original Borrower and each LC Issuing Bank may (in their sole discretion) agree that the Original Borrower shall pay an amount to that LC Issuing Bank:

(a) which may or may not be equal to the Relevant Lender's Cash Deposit or such part thereof as is unpaid by the Relevant Lender; and

(b) which shall be placed by that LC Issuing Bank in a separately designated bank account and shall bear interest (at the rate of interest customarily given by that LC Issuing Bank for short-term cash deposits in amounts equal to such amounts) from (and including) the date of deposit of any amounts in, until (but excluding) the date of withdrawal of any amounts from, such account,

and

(iii) that LC Issuing Bank may withdraw amounts standing to the credit of such account:

(a) to pay that LC Issuing Bank such Relevant Lender's LC Proportion of any claim made under a Letter of Credit; and

(b) as otherwise agreed between the Original Borrower and that LC Issuing Bank.

PART 4
PAYMENTS, CANCELLATION, INTEREST AND FEES

9. Repayment

9.1 Repayment of the Facility

(A) Subject to paragraph (B) below, all Loans outstanding under the Facility will be repaid semi-annually on each successive 31 March and 30 September commencing on 31 March 2024. Repayment Instalments will be sufficient to ensure that the Amortisation Schedule is met.

(B) Any repayment made during the Availability Period may be redrawn, but any repayment may not be redrawn after the expiry of the Availability Period.

9.2 Amendment to Amortisation Schedule

In the event that the Reserve Tail Date is earlier than the Final Maturity Date, the Amortisation Schedule will be deemed to be amended so that:

(C) the final Repayment Instalment for the Facility is to be paid on the Reserve Tail Date (the "**Revised Final Repayment Date**"); and

(D) the Repayment Instalment payable on each Repayment Date shall be adjusted on a pro rata basis so as to ensure that all Loans under the Facility are fully repaid on the Reserve Tail Date.

If this clause 9.2 applies, the Facility Agent shall provide each Lender with a revised Amortisation Schedule which incorporates such amendments.

9.3 DELETED

10. Prepayment and Cancellation

10.1 General

(A) Subject to there being no Event of Default outstanding and other than an obligation to make a prepayment where the aggregate outstandings under the Facility exceed the Borrowing Base Amount at the end of the BBA Cure Period or upon a Change of Control, prepayments in respect of the Facility shall be paid at the end of the next Interest Period falling not less than 15 days after the date on which the event giving rise to the obligation to make the prepayment occurs, and shall be applied pro rata to each Repayment Instalment under the Facility.

(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 expiry of the Availability Period.

(C) Any prepayment shall be made with accrued interest on the amount prepaid and, subject to Break Costs (excluding any Margin), without premium or penalty.

10.2 Illegality

(D) 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 Original Borrower, 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 10.10 (*Right of repayment and cancellation in relation to a single Lender*) on or before the first date applicable under paragraph (a) above in respect of which a payment is due and payable.

(E) 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 have notified the Lenders or, if earlier, the last day of any applicable grace period permitted by law.

(F) If it becomes unlawful (including as a result of any Sanctions) for an LC Issuing Bank to issue or leave outstanding any Letter of Credit or it becomes unlawful for any Affiliate of an Issuing Bank for that Issuing Bank to do so, the relevant LC Issuing Bank shall promptly notify the Facility Agent upon becoming aware of that event, and upon the Facility Agent notifying the Original Borrower, (i) the Facility shall cease to be available for the issue of Letters of Credit unless and until the relevant LC Issuing Bank is replaced by another Lender in accordance with paragraph (B)of clause 10.10 (*Right of repayment and cancellation in relation to a single Lender*) and (ii) the Original Borrower shall prepay all Letters of Credit issued by such LC Issuing Bank and use its reasonable endeavours to procure the release of such LC Issuing Bank from all outstanding Letters of Credit.

10.3 Aggregate outstandings exceed the Borrowing Base Amount

(G) In the event that a Forecast shows that the aggregate of the outstandings under the Facility on the relevant Forecast Date exceeds the Borrowing Base Amount as determined in such Forecast, a Borrower shall, within 90 days of the date of the relevant Forecast (in addition to Repayment Instalments under the Amortisation Schedule), make an additional mandatory repayment of the Facility as necessary to ensure that the aggregate of the outstandings under the Facility does not exceed the Borrowing Base Amount provided always that:

(i) subject to (ii) below, an Event of Default shall arise in respect of such mandatory prepayment only if such prepayment has not been made in full after a period of 90 days from the relevant Forecast Date (the "**BBA Cure Period**"); and

(ii) such mandatory repayment will be required at the expiry of the BBA Cure Period only if, at such time, a Forecast prepared immediately prior to the expiry of the BBA Cure Period confirms that the aggregate of the outstandings under the Facility exceeds the Borrowing Base Amount.

(H) The Obligors shall be entitled to make any such mandatory prepayment by (i) depositing cash into an account with the Account Bank in London or New York secured in favour of the Lenders (which shall be a Project Account) which has been established solely for this purpose or (ii) procuring a letter of credit on terms approved by the Facility Agent (acting reasonably), in favour of the Facility Agent, in each case, in an amount equal to the mandatory prepayment required. Any excess standing to the credit of such account on any Forecast Date shall be released and may be withdrawn by the relevant Borrower and applied for any purpose as it sees fit (without reference to the Cash Waterfall) provided that prior to being paid into such account none of the Secured Parties had any rights to such amounts (if any Secured Parties had any rights to such amount, such amount shall be paid into an Offshore Proceeds Account).

10.4 Permitted disposals

If, as a result of a Permitted Disposal, the amount outstanding under the Facility exceeds the Borrowing Base Amount, then the required amount of proceeds from such Permitted Disposal to ensure that there is no such excess, after having taken into account the impact of the Permitted Disposal on the Borrowing Base Amount will be used to make a prepayment of the Facility.

10.5 Insurance Receipts

(I) All Insurance Proceeds received by an Obligor in excess of USD10 million (or its equivalent in other currencies) in aggregate shall be paid into and retained in an Insurance Proceeds Account until applied in accordance with the terms of this clause.

(J) Subject to paragraph (C) below, all net proceeds of any insurance claim received by an Obligor in respect of a Borrowing Base Asset shall, unless the Majority Lenders otherwise agree, be first applied in prepayment of the Facility:

(i) where the aggregate amount of the insurance proceeds received by that Obligor is in excess of USD 100 million (or its equivalent in other currencies) (less expenses); or

(ii) where the aggregate amount of the insurance proceeds received by that Obligor is less than USD 100 million (or its equivalent in other currencies) but more than USD 10 million (or its equivalent in other currencies), to the extent not applied or committed to be applied to meet a third party claim or to cover operating losses of, or in the reinstatement of, a Borrowing Base Asset or purchase of a replacement Borrowing Base Asset or otherwise in amelioration of the

loss to a Borrowing Base Asset or reinvestment in the Borrowing Base Asset within, in each case, one year of receipt.

(K) Neither:

(i) any insurance proceeds paid to the Operator and applied by the Operator in meeting the cost, loss or liability for which that payment was made; nor

(ii) any proceeds of any insurance claim received by an Obligor in respect of business interruption,

shall be subject to the prepayment obligation in paragraph (B) above.

10.6 Change of Control

(L) 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) if the Majority Lenders so require, the Facility Agent shall, on not less than 30 days written notice to the Original Borrower, 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.

(M) For the purposes of paragraph (A) above, a "**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 Obligor 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 Shareholder (directly or indirectly) in KEO or the Original Borrower, or an IPO of any Obligor.

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

(i) an Affiliate of a Shareholder or KEH, so long as they remain an Affiliate (including any funds associated with Warburg Pincus and Blackstone Capital Partners or the Blackstone Group); or

(ii) 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 Original Borrower, demand that its participation in the Facility be prepaid in full and that its Commitment be immediately cancelled, provided that the Original Borrower may, in accordance with paragraph (B) of clause 10.10 (*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.

10.7 Automatic Cancellation

At the close of business in London 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.

10.8 Voluntary Cancellation

(O) The Original Borrower 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 undrawn Commitments under any Facility in whole or in part (but if in part, in a minimum amount of USD 1 million or, if less, the balance of the undrawn Commitments). 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 that Facility Agent.

(P) 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.

(Q) 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 Commitment (at that time) under the Facility.

10.9 Voluntary Prepayment of Loans

(R) 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 (10) Business Days' prior written notice to the Facility Agent.

(S) 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.

(T) Prepayment shall take effect:

(i) on the last day of the then current Interest Period; or

(ii) on any other date subject to payment by the relevant Borrower, on demand, of Break Costs (if any) in accordance with clause 13.4 (*Break Costs*).

(U) 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.

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

(V) If:

(i) the Original Borrower reasonably believes that the sum payable to any Lender by an Obligor is required to be increased under clause 15.2 (*Tax gross-up*);

(ii) the Original Borrower receives a notice from the Facility Agent under clause 15.3 (*Tax Indemnity*) or clause 16 (*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 13.2 (*Market disruption*),

the Original Borrower may, while (in the case of paragraphs (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;

(c) or replace that Lender in accordance with paragraph (B) below.

(W) The Original Borrower may:

(i) in the circumstances set out in paragraph (A) above or pursuant to clause 10.1 (*General*) or clause 10.2 (*Illegality*) or clause 10.6(A)(ii) (*Change of Control*), replace an Existing Lender (as defined in clause 30 (*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 30 (*Changes to the Lenders*); or

(ii) in the circumstances set out in paragraph (A)(iv)(b) of this clause 10.10, 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 Original Borrower (with such reasonable assistance from the Existing Lender as the Original Borrower 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 30.9 (*Pro rata interest settlement*)), fees (including, without limitation, any Break Costs to the date of payment) and all other amounts payable to the Existing Lender under this Agreement; and

(2) the requirements under clause 24.12 (*"Know your customer" and "customer due diligence" requirements*) have been satisfied in respect of the Replacement Lender.

(X) On receipt of a notice from the Original Borrower referred to in paragraph (A) above, the Commitment of that Lender shall immediately be reduced to zero.

(Y) On the last day of each Interest Period which ends after the Original Borrower has given notice under paragraph (A) above (or, if earlier, the date specified by the Original Borrower in that notice), the relevant Borrower shall repay that Lender's participation in the relevant Utilisation.

(Z) Paragraphs (A) and (B) do not in any way limit the obligations of any Finance Party under clause 18.1 (*Mitigation*).

11. Interest

11.1 Calculation of interest

The rate of interest on each Loan for each Interest Period is the percentage rate per annum which is the aggregate of the applicable:

(A) Margin;

(B) Reference Rate; and

(C) Credit Adjustment Spread.

11.2 Margin

The Margin applicable to a Loan shall be a percentage per annum as follows:

Years (counting from and including 2021)	Applicable Margin
1 to 3 (inclusive)	3.75%
4 to 5 (inclusive)	4.25%
6 to Final Maturity Date (inclusive)	5.00%

11.3 Payment of interest

A Borrower shall pay accrued interest on each Loan on the last day of each Interest Period (and, if the Interest Period is longer than six months, on the dates falling at six-monthly intervals after the first day of the Interest Period).

11.4 Default interest

(D) 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, subject to paragraph (B) below, 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.

(E) If any overdue amount consists of all or part of a Loan which became due on a day which was not the last day of an Interest Period relating to that Loan:

(i) the first Interest Period for that overdue amount shall have a duration equal to the unexpired portion of the current Interest Period relating to that Loan; and

(ii) the rate of interest applying to the overdue amount during that first Interest Period shall be 1.0 per cent. higher than the rate which would have applied if the overdue amount had not become due.

(F) 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.

11.5 Notification of rates of interest

The Facility Agent shall promptly notify the relevant Lenders and the relevant Borrowers of the determination of a rate of interest under this Agreement.

11.6 ESG

(G) Prior to 30 September 2021, the Original Borrower and one or more Lenders selected by the Original Borrower (the "**ESG Negotiators**") shall negotiate in good faith to agree the sustainability-linked key performance indicators (each a "**KPI**") for the KEL Group which apply to an adjustment to the Margin after 30 September 2021 and associated amendments, consents or waivers to this Agreement or the other Finance Documents on the basis of the following parameters:

(i) there shall be two KPIs with one KPI based on an internal measurement of the reduction in emissions/emissions intensity of the KEL Group and the other KPI based on an external assessment of the KEL Group's environmental, social and governance risks by a third party ratings body, MSCI or similar;

(ii) the performance against each KPI shall be assessed once per year and any changes to Margin will apply until the next occasion on which each KPI is assessed (the "**Margin Adjustment Period**");

(iii) the realisation of the agreed target for any KPI will result in the Margin applicable to a Loan during the Margin Adjustment Period decreasing by 0.025% per KPI;

(iv) the realisation of the agreed premium for any KPI will result in the Margin applicable to a Loan during the Margin Adjustment Period increasing by 0.025% per KPI; and

(v) one or more Lenders (which may or may not be the ESG Negotiators) shall be appointed as ESG coordinators ("**ESG Coordinators**") to represent the Lenders on an ongoing basis in respect of the assessment of the KPIs and any revised targets and premiums for such KPIs (and provision shall be made to carve out liability for the ESG coordinators in the performance of such role).

(H) If, prior to 30 September 2021, the Original Borrower and the ESG Negotiators have agreed the KPIs and the associated amendments, consents or waivers to this Agreement or the other Finance Documents in accordance with paragraph (A) ("**Agreed ESG Amendments**"), the Facility Agent shall submit the Agreed ESG Amendments to the Lenders and each Lender may within a fifteen Business Day period, submit their vote to the Facility Agent as to whether or not they approve of the Agreed ESG Amendments.

(I) If:

(i) each Lender votes to approve the Agreed ESG Amendments (other than the appointment of and the terms of the appointment of the ESG Coordinators); and

(ii) the Majority Lenders vote to approve the appointment of and the terms of the appointment of the ESG Coordinators,

then the Facility Agent shall, on behalf of all Finance Parties, effect such Agreed ESG Amendments (including the appointment of the ESG Coordinators).

(J) This clause 11.6 may not be amended or waived without the consent of all the Lenders.

12. Interest Periods

12.1 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, 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 behalf of the Majority Lenders).

(C) No Interest Period for a Loan under the Facility shall extend beyond the Final Maturity Date.

(D) The first Interest Period of each Loan shall commence on the Utilisation Date and end on the same day as the end of the selected Interest Period. In the case of each Loan (other than the first Loan under the Facility), each subsequent Interest Period shall end on the same day as the current Interest Period of any outstanding Loan made under the Facility.

12.2 Non-Business Days

If an Interest Period ends on a day which is not a Business Day, that Interest Period will instead end on the next Business Day, unless the next Business Day is in another month, in which case the Interest Period will end on the preceding Business Day.

12.3 Consolidation and division of Loans

(E) Subject to paragraph (B) below, if two or more Interest Periods for Loans under the Facility end on the same date, those Loans will, unless a Borrower specifies to the contrary in the Utilisation Request or in a notice to the Facility Agent, be consolidated into, and treated as, a single Loan under the Facility on the last day of the Interest Period.

(F) If a Borrower requests (in either a Utilisation Request or otherwise in a notice to the Facility Agent) that a Loan be divided into two or more Loans, that Loan will, on the last day of its Interest Period, be so divided into the amounts specified in such request, being an aggregate amount equal to the amount of the Loan immediately before its division.

13. Changes to the Calculation of Interest

13.1 Unavailability of Term SOFR

(A) If no Term SOFR is available for the Interest Period of a Loan, the applicable Reference Rate shall be the Interpolated Term SOFR for a period equal in length to the Interest Period of that Loan.

(B) If no Term SOFR is available for the Interest Period of a Loan and it is not possible to calculate the Interpolated Term SOFR, the Interest Period of that Loan shall (if it is longer than the applicable Fallback Interest Period) be shortened to the applicable Fallback Interest Period and the applicable Reference Rate for that shortened Interest Period shall be determined pursuant to the definition of "Reference Rate".

(C) If the Interest Period of a Loan is, after giving effect to paragraph (B) above, either the applicable Fallback Interest Period or shorter than the applicable Fallback Interest Period and, in either case, no Term SOFR is available for the Interest Period of that Loan and it is not possible to calculate the Interpolated Term SOFR, the applicable Reference Rate shall be the Historic Term SOFR for that Loan.

(D) If paragraph (C) above applies but no Historic Term SOFR is available for the Interest Period of the Loan, the applicable Reference Rate shall be the Interpolated Historic Term SOFR for a period equal in length to the Interest Period of that Loan.

(E) If paragraph (C) above applies but no Historic Term SOFR is available and it is not possible to calculate the Interpolated Historic Term SOFR, clause 13.2 (*Market disruption*) and 13.3 (*Alternative basis of interest or funding*) shall apply.

13.2 Market disruption

(F) If a Market Disruption Event occurs in relation to a Loan for any Interest Period or clause 13.1(E) (*Unavailability of Term SOFR*) 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.

(G) 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.

(H) The Facility Agent shall notify the relevant Borrower immediately upon receiving notice from the Lender(s).

(I) If this clause 13.2 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.

13.3 Alternative basis of interest or funding

(J) If a Market Disruption Event occurs or clause 13.1(E) (*Unavailability of Term SOFR*) 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.

(K) 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.

13.4 Break Costs

(L) Each Borrower shall, within three Business Days of demand by a Finance Party, pay to that Finance Party its Break Costs attributable to all or any part of a Loan or Unpaid Sum being paid by it on a day prior to the last day of an Interest Period for that Loan or Unpaid Sum.

(M) Each Lender shall, as soon as reasonably practicable after a demand by the Facility Agent, provide a certificate confirming the amount of its Break Costs for any Interest Period in respect of which they become, or may become, payable.

(N) If, following a payment by the relevant Borrower of all or part of a Loan or Unpaid Sum on a day other than the last day of an Interest Period for that Loan or Unpaid Sum, a Lender realises a profit, and no Event of Default is continuing, that Lender must pay an amount equal to that profit to that Borrower as soon as practicable.

13.5 FATCA Information

(O) 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.

(P) 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.

(Q) 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.

(R) 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.

(S) 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,

(T) If a Borrower is a US Tax Obligor or the Facility Agent reasonably believes that its obligations under FATCA or any other applicable law or regulation require it, each Lender shall, within ten Business Days of:

(i) where the Original Borrower is a US Tax Obligor and the relevant Lender is an Original Lender, the date of this Agreement;

(ii) where a Borrower is a US Tax Obligor on a Transfer Date and the relevant Lender is a New Lender, the relevant Transfer Date;

(iii) the date a new US Tax Obligor accedes as a Borrower; or

(iv) where a Borrower is not a US Tax Obligor, the date of a request from the Facility Agent,

supply to the Facility Agent:

(a) a withholding certificate on Form W-8, Form W-9 or any other relevant form; or

(b) 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 that other law or regulation.

(U) 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.

(V) If any withholding certificate, withholding statement, document, authorisation or waiver provided to 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 Facility Agent unless it is unlawful for the Lender to do so (in which case the Lender shall promptly notify the Facility Agent). The Facility Agent shall provide any such updated withholding certificate, withholding statement, documentation, authorisation or waiver to the relevant Borrower.

(W) 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.

(X) 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.

14. Fees

14.1 Commitment fee

(A) The Original Borrower shall pay to the Facility Agent for the account of each Lender a fee computed as follows:

(i) when Commitment is available for utilisation, at a rate equal to 30 per cent. per annum of the then applicable Margin; and

(ii) when Commitment is not then available for utilisation, at a rate equal to 20 per cent. per annum of the then applicable 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 uncancelled portion of the Commitments for the period from 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.

14.2 Front end and underwriting fees

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

14.3 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.

14.4 Security Agent fee

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

14.5 The Technical Bank fee

The Original Borrower shall pay to each co-technical bank (for its own account in each case) a technical bank fee in the amount and at the times agreed in a Fee Letter.

14.6 The Modelling Bank fee

The Original Borrower shall pay to the Modelling Bank (for its own account) a modelling bank fee in the amount and at the times agreed in a Fee Letter.

PART 5
TAXES, INCREASED COSTS AND INDEMNITIES

15. Tax Gross Up and Indemnities

15.1 Definitions

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 15.2 (*Tax gross-up*) or a payment under clause 15.3 (*Tax Indemnity*).

15.2 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 Original Borrower 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.

15.3 Tax Indemnity

(G) Except as provided below, the Original Borrower 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.

(H) Paragraph (A) above shall not apply:

(i) with respect to any Tax assessed on a Finance Party under the law of the 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; or

(ii) to the extent a loss, liability or cost is compensated for by an increased payment under clause 15.2 (*Tax gross-up*); or

(iii) to the extent a loss, liability or cost relates to a FATCA Deduction required to be made by a Party; or

(iv) 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 Original Borrower, unless a determination of the amount claimed could only be made on or after the first of those dates.

(I) 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 Original Borrower a copy of the notification by such Finance Party.

(J) 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).

15.4 Tax Credit

(K) 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.

(L) 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.

15.5 Stamp Taxes

The Original Borrower 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 or any breach by any Finance Party of the terms of clauses 28.28 (*Due execution of security assignments*) and 28.30 (*Lenders' custody of documents*).

15.6 Value added tax

(M) 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.

(N) 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.

15.7 FATCA Deduction

(O) 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.

(P) 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 Original Borrower, the Facility Agent and the other Finance Parties.

16. Increased Costs

16.1 Increased costs

(A) Subject to clause 16.3 (*Exceptions*) the Original 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.

16.2 Increased cost claims

(C) A Finance Party intending to make a claim pursuant to clause 16.1 (*Increased costs*) shall notify the Facility Agent of the event giving rise to the claim, following which the Facility Agent shall promptly notify the Original Borrower.

(D) Each Finance Party shall provide a certificate confirming the amount of its Increased Costs.

16.3 Exceptions

(E) Clause 16.1 (*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 15.2 (*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 15.3 (*Tax Indemnity*) (or might be or have been the subject of a claim under clause 15.3 (*Tax Indemnity*) but for any of the exclusions in paragraph (B) of clause 15.3 (*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 16.2 (*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 22 February 2018 (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).

(F) In this clause 16.3 (*Exceptions*), a reference to a "**Tax Deduction**" has the same meaning given to the term in clause 15.1 (*Definitions*).

17. Other Indemnities

17.1 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.

17.2 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:

(C) the occurrence of any Event of Default;

(D) a failure by an Obligor to pay any amount due under a Finance Document on its due date;

(E) 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

(F) a Utilisation (or part of a Utilisation) not being prepaid in accordance with a notice of prepayment given by a Borrower.

17.3 Indemnity to the Agents

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

(G) 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

(H) 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 34.9 (*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.

18. Mitigation by the Lenders

18.1 Mitigation

(A) Each Finance Party shall, in consultation with the Original Borrower, 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 10.2 (*Illegality*), clause 15.2 (*Tax gross-up*), clause 16.1 (*Increased costs*) or clause 13.2 (*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 Original Borrower promptly of any such notification from a Finance Party.

18.2 Limitation of liability

(D) 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 18.1 (*Mitigation*).

(E) A Finance Party is not obliged to take any steps under clause 18.1 (*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
FORECASTS AND CALCULATIONS AND BORROWING BASE AMOUNT

19. Forecasts and Calculations

19.1 Forecast Procedures

(A) Not less than 30 Business Days before any proposed or required Forecast Date, the Original Borrower and the Technical and Modelling Bank shall consult together with a view to preparing and agreeing the relevant Forecast including the Forecast Assumptions and all associated calculations and information. The Original Borrower shall ensure that a new or updated reserves report is prepared by the Reserves Consultant for the Forecast prepared for 31 March 2019 and for each Forecast prepared on subsequent Forecast Dates. Each party shall consult in good faith and act reasonably, and shall make available sufficiently experienced personnel, with a view to reaching agreement as soon as reasonably practicable. Each Forecast (and all Forecast Assumptions used) shall have due and proper regard to any reasonable view expressed by any of the Consultants in a report delivered for the purpose of preparing the Forecast, any plan of development, work program and budget and the provisions and requirements of the Project Agreements (and any updates thereto). Any product pricing proposal by the Technical and Modelling Bank shall be reasonable in the circumstances and shall be made in accordance with current business practices, applied on a consistent, reasonable and non-discriminatory basis and reflecting market practice at the time. The price of crude oil derived from a relevant Field will be subject to a floor which will be determined subject to and in accordance with the Forecasting Procedures, provided that the floor may not be reduced at any time to less than 70% of the average Brent Forward Curve for the next 36 months as at the date the relevant Forecast is prepared.

(B) The Original Borrower shall provide its proposed Forecast to each Lender and the Facility Agent 15 Business Days before the relevant Forecast Date and the Technical and Modelling Bank shall provide their commentary on such Forecast, including whether it agrees or disagrees with such Forecast (including, if applicable, details of the grounds for its determination not to agree with the Forecast). Each Lender shall have 10 Business Days to approve the Forecast and, once approved by the Majority Lenders that Forecast will apply for the relevant Forecast Period. If any such Lender has not objected in writing to the Forecast within such 10 Business Day period, then such Lender shall be deemed to have approved the Forecast. A Forecast shall only be deemed to have been accepted by such Lenders if it has been approved (or deemed approved) by the Majority Lenders. In making any objection, such Lenders

must act reasonably and no objection may be made other than on the grounds that a Forecast Assumption which has been used in the Forecast is not reasonable in the circumstances, or on the grounds of proven or manifest error.

(C) In making any determination in the Forecasting Procedures the Majority Lenders shall give due and proper regard to any information provided (including any report delivered by the Consultants for the purposes of the Forecast) or representations made by the Original Borrower and the Technical and Modelling Bank. Any determination shall take due and proper regard of any plan of development, work program and budget (and any updates thereto) and the provisions and requirements of the Project Agreements. In making any determination in accordance with the Forecasting Procedures in relation to product prices, the price of crude oil derived from a relevant Field will be subject to a floor which will be determined subject to and in accordance with the Forecasting Procedures, provided that the floor may not be reduced at any time to less than 70% of the average Brent Forward Curve for the next 36 months as at the date the relevant Forecast is prepared. Any determination in relation to product prices shall be reasonable in the circumstances and shall be made in accordance with current business practices, applied on a consistent, reasonable and non-discriminatory basis and reflecting market practice at the time.

(D) If the Majority Lenders do not approve the Forecast, the Original Borrower and the Technical and Modelling Bank shall prepare a revised Forecast which satisfies, in all reasonable respects, the objections of the Majority Lenders.

(E) If, for any reason, a Forecast is not agreed prior to the applicable Forecast Date, the then applicable Forecast shall continue to apply until the new Forecast is prepared and agreed in accordance with the Forecast Procedures.

19.2 Contents of Forecast

(F) Each Forecast will set out or include:

(i) the Technical Assumptions and Economic Assumptions upon which the Forecast is based (including, without limitation, on product prices);

(ii) an updated Model;

(iii) the calculation of the Borrowing Base Amount;

(iv) the calculation of any mandatory prepayment required because the aggregate of outstandings under the Facility exceeds the Borrowing Base Amount;

(v) calculations of the Field Life Cover Ratio and the Loan Life Cover Ratio;

(vi) the calculation of the Reserve Tail Date;

(vii) the aggregate economically recoverable proved (1P) reserves and the proved and probable (2P) reserves remaining to be produced from the Borrowing Base Assets (reflecting any updated reserves report produced by the Reserves Consultant in respect of that Forecast, or if no such updated reserves report has been produced, reflecting the immediately preceding reserves report as may be updated by the Original Borrower with the agreement of the Technical Consultant and the Technical and Modelling Bank (acting reasonably);

(viii) the revised Amortisation Schedule (if required) or confirmation that no revision to the Amortisation Schedule is required pursuant to clause 9.2 (*Amendment to Amortisation Schedule*); and

(ix) such other reasonable information as the Technical and Modelling Bank may reasonably require.

(G) All projections and calculations to be made under this clause shall be expressed and made in US Dollars (at the Facility Agent's spot rate of exchange at the time if so required (which the Facility Agent will provide promptly on request)).

19.3 New Borrowing Base Assets and removal of Borrowing Base Assets

(H) Whenever a new asset becomes, or is to become, a Borrowing Base Asset, a new Forecast must first be prepared and provided to each Lender for approval, in accordance with this clause 19 (*Forecasts and Calculations*), together with a Sources and Uses Statement, including that asset.

(I) Subject to paragraph (C) below, the Original Borrower may at any time elect that any asset (other than those situated in the Ghana Contract Area), which at that time is included as a Borrowing Base Asset, be excluded from the Borrowing Base Assets.

(J) Whenever a Borrowing Base Asset is to cease to be designated as a Borrowing Base Asset, a new Forecast must first be prepared and provided to each Lender for approval, in accordance with this clause 19 (*Forecasts and Calculations*), together with a Sources and Uses Statement, which does not include that Borrowing Base Asset.

19.4 Manner of Calculations

(K) All the calculations required for each Forecast will be calculated using the Model on the basis of the Technical Assumptions and Economic Assumptions determined for the purposes of that Forecast.

(L) Where the manner of determining any of the calculations required for a Forecast differs between the programme on which the Model operates and the provisions of the Finance Documents, the Finance Documents will prevail.

19.5 Borrowing Base Amount

The Borrowing Base Amount shall be determined on each Forecast Date pursuant to a Forecast prepared in accordance with the Forecasting Procedures. The Borrowing Base Amount so determined shall apply for the duration of the next succeeding Forecast Period or until a new Forecast is prepared.

19.6 Calculation of Borrowing Base Amount

(M) Subject to paragraph (C) below, the Borrowing Base Amount for the purposes of the Facility shall be the lesser of:

(i) the sum of: (a) the net present value of Net Cash Flow until the Field Depletion Date plus (b) the net present value of Relevant Capital Expenditure, divided by 1.4; and

(ii) the sum of: (a) the net present value of Net Cash Flow until the Final Maturity Date plus (b) the net present value of Relevant Capital Expenditure:

(a) prior to and including 31 March 2024, divided by 1.15; and

(b) after (but not including) 31 March 2024, divided by 1.35.

(N) The discount rate utilised to determine the net present values referred to in paragraph (A) above shall be eight per cent. and shall be applied in calculating the net present value of cash flows.

(O) In determining the reserves attributable to:

(i) the Ghana Block Assets and the EG Block Assets and any Developed Assets, such determination shall take account of the proved and probable (2P) reserves;

(ii) Developing Assets, such determination shall take account of proved (1P) reserves only.

(P) The contribution of the EG Block Assets to the Borrowing Base Amount will be capped, in aggregate, at USD 500 million or such larger amount as may be agreed by the Supermajority Lenders.

19.7 Model

(Q) The Technical and Modelling Bank and the Original Borrower may each make proposals with regard to amendments to the Model which it believes:

(i) in good faith are required for the purpose of correcting any manifest error in the form or structure of the Model; or

(ii) to incorporate additional assumptions.

(R) If the Technical and Modelling Bank and the Original Borrower are unable to agree on the required changes to the Model within 15 Business Days from the date on which such changes were proposed, then the matter shall, on the request of the Original Borrower or the Technical and Modelling Bank, be referred for resolution to an appropriate expert appointed by the Technical and Modelling Bank (being a person having appropriate independent expertise with respect to, but no interest in, the outcome of the matter referred to it).

(S) The costs of any references to an expert and the costs, if any, incurred in giving effect to any agreed revision to the Model will be borne by the Original Borrower except, in the case of the costs of any reference to an expert only, if the expert determines that any proposal by the Technical and Modelling Bank in respect of the changes to the Model which are in dispute could not be regarded as reasonable and are rejected by such expert, in which case such costs shall be borne by the Lenders.

(T) Any amendments to the Model will not be made until such time as such amendment has been agreed or determined (as appropriate) pursuant to paragraphs (A) and (B) above. Prior to such amendment being incorporated into the Model, the Model will continue to be utilised without such amendment.

(U) Where the manner of determining any of the calculations required for a Forecast is amended as a consequence of any amendments made to the Model, the Finance Documents shall be deemed to be amended to reflect any such amendment.

19.8 Approved Developments and Permitted Acquisitions

Prior to requesting the consent of the Majority Lenders to the carrying out of any Approved Development (or the inclusion of any Field or Petroleum Asset (or any part thereof) in the Borrowing Base Assets as an Approved Development) or to the making of any Permitted Acquisition, the Technical and Modelling Bank and the Original Borrower shall consult in good faith, and acting reasonably, they shall prepare a proposal for the consideration of each Lender which includes all relevant information for the Lenders to make an informed decision on whether to grant the requisite consent (including appropriate reports from the Technical Consultant, the Environmental Consultant and the Reserves Consultant). Any Approved Development or Permitted Acquisition must be compliant with the Equator Principles (as confirmed by the Environmental Consultant). The Technical and Modelling Bank shall include its recommendation with the proposal on whether consent should be given. In considering whether to grant any such consent, the Lenders shall act reasonably and shall take due and proper regard of any recommendation of the Technical and Modelling Bank (but without any liability on the part of the Technical and Modelling Bank and each Lender being deemed to make its own independent assessment) and the information provided with the proposal. If the Majority Lenders refuse their consent, they shall provide the Original Borrower with reasonable details of the reasons why they have refused their consent. A Permitted Acquisition may not take place in Iran, Libya, Myanmar, North Korea, Sudan, Syria, Cuba, Crimea, in any country or with any person which is subject to a Sanctions Regime or on a Sanctions List or any country designated by the Majority Lenders (acting reasonably).

PART 7
BANKS ACCOUNTS, CASH MANAGEMENT AND RESERVE EQUITY

20. Bank Accounts and Cash Management

20.1 Project Accounts

(A) (i) Each Obligor shall establish and maintain each of the Project Accounts, as required under the terms of this Agreement, with the Account Bank in London, New York or such other jurisdiction approved by the Facility Agent (acting reasonably).

(ii) Notwithstanding any other provision of this Agreement or any other Finance Document KEO may maintain and operate such bank accounts (which are not Project Accounts) as it, in its discretion, sees fit and may, subject to clause 28.26(B)-(C), receive and make withdrawals from any such account without restriction. Any amounts standing to the credit of any such account shall not be subordinated to the rights of the Lenders and shall not be available to the Finance Parties whether as secured or unsecured creditors of the Obligors and irrespective of whether an Event of Default has occurred. KEO may grant security over any such account in favour of any person and shall not be required to grant any Security Interest in favour of the Finance Parties.

(B) The Project Accounts, other than the Ghana Working Capital Cedi Account which shall be denominated in Ghanaian Cedi, shall be denominated in US Dollars. Any sum constituting interest paid in respect of the credit balance on any Project Account shall be treated in the same manner as any other sum credited to a Project Account.

(C) Each Project Account will be a separate account at the Account Bank. The Project Accounts will be maintained until the Discharge Date.

(D) Amounts may be deposited into:

(i) the Onshore Working Capital Accounts to the extent necessary to meet local onshore payments only, provided that the aggregate balance in such accounts may not exceed USD 10 million (or its equivalent in other currencies) or such higher amount agreed by the Facility Agent (acting on the instructions of the Majority Lenders, acting reasonably);

(ii) the accounts permitted to be opened and maintained pursuant to clause 20.2(A)(iii) to the extent necessary in connection with performing obligations as operator only; and

(iii) the accounts permitted to be opened and maintained pursuant to clause 20.2(A)(iv) and (v) to the extent necessary to meet local onshore payments and local tax payments only, provided that (subject to the CEMAC Regulations) the aggregate balance in such accounts (excluding amounts deposited to meet local tax payments) may not exceed USD 10 million (or its equivalent in other currencies) for a period of 30 consecutive days or such higher amount agreed by the Facility Agent (acting on the instructions of the Majority Lenders, acting reasonably).

(E) Subject to paragraph (D) above and to the order of payments provided for in the Cash Waterfall, each Obligor shall maintain the balance of the Offshore Proceeds Accounts and the Onshore Working Capital Accounts, which, when aggregated and taken together with amounts paid in advance for its liabilities under the Project Agreements, is prudent and reasonable.

20.2 Other bank accounts

(F) Each Obligor (but excluding KEO for these purposes) shall not open or maintain any bank accounts other than:

(i) the Project Accounts (including such other accounts established by KEG with the Account Bank which would be Project Accounts but for the execution of the KEG Onshore Security Assignment and the KEG Offshore Security Assignment by all the parties thereto in accordance with this Agreement), which shall not be overdrawn at any time and any withdrawals from such Project Accounts shall only be made out of cleared funds;

(ii) the Distributions Reserve Accounts, which shall not be overdrawn at any time; and

(iii) such accounts as may be necessary or appropriate for it to perform its obligations as an operator (including, in the case of KEEG, the two accounts it maintains with Bank of America N.A. in Dallas as operator in respect of exploration licences in Equatorial Guinea) or accounts into which moneys received from, or for the account of, any other party may be paid as required (but any money being related to any carried interest (including in respect of the carried interest of EO) in relation to

any Borrowing Base Asset shall be paid into an Offshore Proceeds Account) (an "**Interested Third Party**");

(iv) the Cameroon Accounts; and

(v) the KEEG EG Account,

provided that in no event shall such accounts referred to in (ii) and (iii) above, or any moneys standing to the credit of such accounts referred to in (ii) and (iii) above, be available to the Lenders (except on an unsecured basis following the occurrence of any of the events described in clause 29.6 (*Insolvency*) and/or clause 29.7 (*Insolvency proceedings*)) or subject to any restrictions under the Finance Documents and shall not be subject to any Security Interest in favour of any Finance Party (but may be secured in favour of any other person other than the Finance Parties).

(G) The Lenders will account to KEH and/or the relevant Obligor if and to the extent they receive any proceeds from any account of KEO (which is not a Project Account) as referred to in clause 20.1(A) or any other account referred to in 20.2(A)(ii) or (A)(iii) above, and shall hold any such moneys to the account of, and on trust for, KEH or, as the case may be, KEO.

(H) Any Lender that is in receipt of proceeds as described in paragraph (B) above shall:

(i) within five Business Days notify details of the receipt or recovery to the Original Borrower, KEH and the Facility Agent; and

(ii) within five Business Days of demand by KEH or KEO, pay an amount equal to such receipt or recovery to KEH or, as the case may be, KEO.

20.3 Appointment of Account Bank

(I) Any appointment of or change to an Account Bank will become effective only upon that Account Bank executing, or new Account Bank acceding to the terms of, the Project Accounts Agreements or such other terms as may be approved by the Original Borrower and the Facility Agent (acting reasonably).

(J) An Obligor may, with the consent of the Facility Agent (not to be unreasonably withheld or delayed), change an Account Bank to another bank which meets the requirements of paragraph (C) below, but subject to paragraph (A) above and clause 20.1 (*Project Accounts*). If an Account Bank resigns, then the relevant Obligor will appoint a replacement Account Bank which meets the requirements

of paragraph (C), but subject to paragraph (A) and clause 20.1 (*Project Accounts*).

(K) Each Account Bank shall be a bank whose long-term unguaranteed, unsecured securities or debt has a rating of A- or higher from Standard and Poor's or A3 or higher from Moody's (or equivalent) or such lower rating as the Facility Agent and the Original Borrower shall agree in writing.

(L) If the Account Bank refuses to establish or maintain any Project Account, as required under the terms of this Agreement, the Original Borrower may appoint a replacement Account Bank in respect of the affected account which meets the requirements of paragraph (C), but subject to paragraph (A) and clause 20.1 (*Project Accounts*).

(M) If, in respect of any Project Account and Project Accounts Agreement, an Obligor or the Original Borrower is entitled to change the Account Bank or appoint a replacement Account Bank pursuant to this clause 20.3, subject to paragraph (A), the Security Agent shall, on the request of the relevant Obligor or Original Borrower, provide its written consent to a termination of such Project Accounts Agreement.

20.4 Security Documents and Project Accounts Agreements

(N) The Project Accounts shall be subject to a first ranking Security Interest in favour of the Secured Parties. The relevant Obligors shall forthwith upon any change to the Account Bank, or upon opening any Project Account which is not subject to the security constituted by the relevant Security Documents, execute and deliver to the Security Agent such supplemental Security Documents as the Security Agent and the Facility Agent may reasonably require in order to create a first priority Security Interest over that Project Account in favour of the Finance Parties. Such supplemental Security Documents must be in a form and in substance satisfactory to the Facility Agent and the Security Agent.

(O) The Original Borrower shall, before any Project Account is opened (other than in a country in which a Borrowing Base Asset is situated excluding Ghana), procure that the Obligor and the Account Bank have entered into the Project Accounts Agreements.

(P) In the case of execution of any of the Security Documents and Project Accounts Agreements referred to in paragraphs (A) and (B) above, the Original Borrower shall deliver to the Facility Agent documents which are the equivalent of those referred to in paragraph 1 of Schedule 3 (*Conditions Precedent*) in respect of such Security Documents and Project Accounts Agreements, together with any

legal opinions which the Facility Agent may reasonably require, such legal opinions to be provided at the reasonable expense of the Original Borrower. All such documents must be in a form and in substance satisfactory to the Facility Agent.

(Q) The detailed operating procedures for the Project Accounts will be agreed between the relevant Obligor which maintains that Project Account and each Account Bank, but in the event of any inconsistency between those procedures and the Project Accounts Agreements or this Agreement, the provisions of this Agreement shall prevail.

20.5 Control on withdrawals following Default

If a Default has occurred and is continuing and has not been waived, no Obligor may withdraw any moneys from the Project Accounts except:

(R) with the prior consent of the Facility Agent;

(S) to meet an Obligor's payment obligations under the Finance Documents (but not any payment obligations owed to any Junior Finance Party or the Proceeds Agent, each as defined in the KEFI Intercreditor Agreement) or the Project Agreements on the relevant due date; or

(T) to pay for Project Costs not included in paragraph (B) above where:

(i) the payment in question has been budgeted for and the Facility Agent have given their written consent to the relevant expenditure or cost being incurred; or

(ii) the failure to make the payment in question would materially and adversely affect the business or financial condition of the Borrowers or any other Obligor.

20.6 Distributions Reserve Account

(U) Each Obligor may maintain a Distributions Reserve Account into which the amount of any permitted distribution under clause 28.23 (*Distributions*), permitted indebtedness and contributions to the capital of an Obligor may be credited subject to compliance with the Cash Waterfall and such amounts shall not be subordinated to the rights of the Lenders. Amounts standing to the credit of the Distributions Reserve Accounts shall not be available to the Finance Parties whether as secured or unsecured creditors of the relevant Obligor and irrespective of whether an Event of Default has occurred. The Obligors may

grant security over their Distributions Reserve Account in favour of any person and shall not be required to grant any Security Interest over the Distributions Reserve Account in favour of the Finance Parties. Sums standing to the credit of the Distributions Reserve Accounts may be withdrawn and applied as the Obligor sees fit.

(V) The Lenders will account to KEH and/or the relevant Obligor if and to the extent they receive any proceeds from a Distributions Reserve Account or any account of KEO (which is not a Project Account), and shall hold any such moneys to the account of, and on trust for, KEH or, as the case may be, KEO. If any other person has a Security Interest or claim against amounts standing to the credit of a Distributions Reserve Account, any such interest or claim shall be limited to these amounts and they shall not have recourse to the assets of any Obligor generally, nor shall they be entitled to make any claim or enforce against, or initiate any Insolvency Proceedings of any kind, against any Obligor.

(W) Any Lender that is in receipt of proceeds as described in paragraph (B) above, shall turnover such proceeds to KEH or, as the case may be, KEO in accordance with paragraph (C) of clause 20.2 (*Other bank accounts*) above.

20.7 Instructions to Account Bank

(X) The Security Agent may not deliver an “Activation Notice” under (and as defined in) a Project Accounts Agreement until such times as a Default or an Event of Default has occurred and is continuing and has not been waived under this Agreement. The Security Agent shall copy any such “Activation Notice” given to the Account Bank pursuant to a Project Accounts Agreement to the relevant Obligor under such Project Accounts Agreement (but failure to deliver such “Activation Notice” to the relevant Obligor will not invalidate the “Activation Notice”).

(Y) If the Security Agent has issued an “Activation Notice” under (and as defined in) a Project Accounts Agreement where a Default has occurred but, notwithstanding the occurrence of such Default which is continuing, an Obligor is entitled to withdraw money from a Project Account in accordance with clause 20.5 (*Control on withdrawals following Default*), the Security Agent (i) shall do all things and take all such action which is reasonably requested by the Obligor, and which it is entitled to do or take under such Project Accounts Agreement, to facilitate the withdrawal of such moneys including instructing the Account Bank to permit such withdrawal or (ii) to the extent the funds in the relevant Project Account have been transferred to another account specified by the Security Agent pursuant to the terms of the relevant Project Accounts Agreement, shall do all things and take all such action which is reasonably requested by the

Obligor to disburse such funds from such account in accordance with the Obligor's request for such withdrawal (but only to the extent such funds remain in such account after the prior application by the Security Agent of such funds in satisfaction of liabilities of the Obligors (including in respect of the Secured Liabilities) in accordance with (and to the extent permitted by) the Finance Documents).

(Z) If the Security Agent has issued an "Activation Notice" under (and as defined in) a Project Accounts Agreement (the "**Existing Project Accounts Agreement**") and, at any time following the issuance of such "Activation Notice", no Default is continuing:

(i) the relevant Obligor under the Existing Project Accounts Agreement and the Security Agent shall, subject to paragraph (iv) below, do all things and take all such action as may be required or reasonably requested by the Obligor or Security Agent to procure the termination of the Existing Project Accounts Agreement and its replacement with a new Project Accounts Agreement ("**New Project Accounts Agreement**") with the Account Bank on substantially the same terms as the Existing Project Accounts Agreement;

(ii) if a new Project Account is established as a result of the entry into the New Project Accounts Agreement, the Security Agent shall do all things and take all such action which is reasonably requested by an Obligor, and which it is entitled to do or take pursuant to the Existing Project Accounts Agreement, to transfer any funds held in the original Project Account to the new Project Account established by the New Project Accounts Agreement;

(iii) to the extent that any funds in the original Project Account have been transferred to the Security Agent (or another account specified by the Security Agent) in accordance with the Existing Project Accounts Agreement, the Security Agent shall transfer any such funds (less any funds applied by the Security Agent towards satisfaction of liabilities of the Obligors (including in respect of the Secured Liabilities) in accordance with (and to the extent permitted by) the Finance Documents) to the Project Account which is the subject of the New Project Accounts Agreement; and

(iv) if, within 5 Business Days of request by the relevant Obligor, the Account Bank does not enter into the New Project Accounts Agreement, the Original Borrower shall be entitled to replace the Account Bank in accordance with clause 20.3(D) and each party shall

do all things, take all such action and execute all such documents and instruments requested by the Original Borrower to facilitate the appointment of the new Account Bank including the transfer of funds in the original Project Account (or in another account held by the Security Agent) to a new Project Account.

21. Operation of the Offshore Proceeds Accounts

21.1 Payments in

Unless a Finance Document expressly requires an amount to be paid into any other Project Account, each Obligor must ensure that:

(A) all Gross Revenues received;

(B) the proceeds of any Loan or amounts received under an Intercompany Loan Agreement pursuant to clauses 5.1(D), 21.2(A)(ii) and 21.2(A)(iii);

(C) the proceeds of repayment of any loan made pursuant to any FPSO Construction Financing;

(D) the proceeds of any Permitted Disposals; and

(E) any other amount payable to, or received by an Obligor (including payments received under any offtake contract (and the Obligors shall direct any person making such payments that any such payment shall be paid into that account only)), but excluding any amount which may be:

(i) credited to the Distributions Reserve Account of the Original Borrower;

(ii) lent to an Obligor under an Intercompany Loan Agreement pursuant to clause 21.2(A)(viii); or

(iii) credited to an account of KEO (which is not a Project Account),

are paid directly into an Offshore Proceeds Account.

Notwithstanding any other provision of this clause 21.1, if any payments are prohibited by the CEMAC Regulations from being paid into an Offshore Proceeds Account or any payments are required by the CEMAC Regulations to be paid into an onshore account, the relevant Obligor shall ensure that such amounts are paid into an Onshore Working Capital Account or, in respect of payments to be made in CEMAC, a Cameroon Account or the KEEG EG Account.

21.2 Withdrawals – No Default Outstanding

(F) Subject to paragraph (B) below, unless otherwise provided and unless there is a Default outstanding, amounts may only be withdrawn from the Offshore Proceeds Accounts and the Onshore Working Capital Accounts (including by way of transfer to any other account) if they are applied for the following purposes and subject to the following priority:

(i) *first*, payment of Project Costs provided that, if the latest Sources And Uses Statement shows that there is a shortfall in funding projected to be available, then such available funding must, unless the Majority Lenders otherwise agree, be allocated to meet costs in the following order of priority:

(a) the Ghana Contract Area and the EG Contract Area; and

(b) any other Project Costs.

In the event that there is any projected shortfall in funding, then the Facility may not be used for a purpose set out above unless each of the other purposes higher in the order of priority is fully funded by committed and available funding for the then applicable Forecast Period (including amounts under the Facility and assuming that there is no Default or Event of Default under the Finance Documents).

(ii) *secondly*, pari passu, payment of (or the funding of an Obligor, including by way of payment under any Intercompany Loan Agreement, to enable it to pay) any Financing Costs (excluding any payments of principal) under the Facility due but unpaid (applied to overdue amounts first, unpaid fees second, and unpaid interest third) or scheduled payments due but unpaid under a Hedging Agreement;

(iii) *thirdly*, pari passu, payments of (or the funding of an Obligor, including by way of payment under any Intercompany Loan Agreement to enable it to pay) principal under the Facility due but unpaid (applied to overdue amounts first and then to unpaid principal payments) and payment of (or the funding of a Borrower, including by way of payment under any Intercompany Loan Agreement to enable it to pay) any liabilities, including any early termination payment, due but unpaid under a Hedging Agreement;

(iv) *fourthly*, payment of any mandatory prepayments required because the outstandings under the Facility exceed the Borrowing Base Amount as determined by the most recent Forecast;

(v) *fifthly*, payment of Scheduled KEL Debt Payments which are made by way of a Scheduled KEL Debt Payment Distribution;

(vi) *sixthly*, payments required to be made into the DSRA up to the Required Balance;

(vii) *seventhly*, prepayments under the Finance Documents and/or providing cash collateral under any Letter of Credit; and

(viii) *lastly*, so long as the Dividend Release Test is met, to make distributions to its shareholders at the relevant Borrower's discretion, which shall include making payments to the Distributions Reserve Account and payments under any Intercompany Loan Agreement provided that the amount distributed shall be based on the aggregate amount standing to the credit of the Offshore Proceeds Accounts on the relevant payment date after the amounts in (i) to (vii) above have been deducted.

(G) Notwithstanding paragraph (A) above, so long as the Dividend Release Test is met, a Borrower may make a Utilisation in order to deposit an amount directly into a Distribution Reserve Account in an amount less than or equal to the amount by which the funding which is projected to be available to meet costs exceeds the aggregate costs (for these purposes excluding Shareholder Distributions), in each case, as set out in the latest Sources and Uses Statement.

22. Debt Service Reserve Account

22.1 Funding of Debt Service Reserve Account

(A) The Original Borrower shall ensure on an ongoing basis that deposits are made into the Debt Service Reserve Account in accordance with the Cash Waterfall until the balance of such account is not less than the Required Balance. The funding of the Debt Service Reserve Account shall continue in accordance with the Cash Waterfall until the Discharge Date.

(B) Failure to maintain the Required Balance standing to the credit of the Debt Service Reserve Account shall not constitute an Event of Default for the purposes of clause 29 (*Events of Default*), but failure to apply amounts from the

Project Accounts during the relevant Forecast Period in accordance with the Cash Waterfall shall constitute an Event of Default for the purposes of clause 29 (*Events of Default*).

(C) Notwithstanding the provisions of paragraphs (A) and (B) above, a Borrower may (without being restricted by the Cash Waterfall) make a Utilisation under the Facility to fund the Debt Service Reserve Account.

22.2 Withdrawals from Debt Service Reserve Account

(D) Subject to paragraph (B) below, amounts standing to the credit of the Debt Service Reserve Account may be withdrawn only to pay any Financing Costs under the Facility and to make Scheduled KEL Debt Payments in accordance with the Cash Waterfall.

(E) In addition, withdrawals may be made from the Debt Service Reserve Account to the extent the amount withdrawn is equal to or less than the amount (if any) by which the amount standing to the credit of the Debt Service Reserve Account exceeds the applicable Required Balance at that time. Any such withdrawal may be applied in accordance with, and for the purposes set out in, the Cash Waterfall.

23. Authorised Investments

23.1 Power of investment

Subject always to clause 20.1 (*Project Accounts*), an Obligor may require that such part of the amounts standing to the credit of any of the Project Accounts as it may consider prudent (having reasonable grounds for so considering) shall be invested from time to time in Authorised Investments in accordance with this clause 23 and in a manner consistent with the provisions of clause 28.17(A) (*Hedging*).

23.2 Type of investment

(A) The Obligors shall use their reasonable endeavours to procure that there are maintained from time to time a prudent spread of Authorised Investments and that the maturity of Authorised Investments is such that they can be liquidated to enable all payment obligations under the Finance Documents to be met on the due date.

(B) If any Authorised Investment ceases to be an Authorised Investment, the relevant Obligor which maintains that Authorised Investment will, as soon as reasonably practicable upon becoming aware of this, procure that the relevant

investment is replaced by an Authorised Investment or cash, provided that if it does not propose liquidating the relevant investment earlier than its maturity, it shall notify the Facility Agent that such investment is no longer an Authorised Investment promptly upon becoming aware of this and, subject to it having provided such notice, it will not be obliged to liquidate such investment before its maturity date unless the Facility Agent, acting reasonably, requests it to do so.

23.3 Realisations

(C) Upon the realisation (whether by way of disposal, maturity or otherwise) of any Authorised Investment, the net proceeds of realisation shall either immediately be credited directly to the Project Account from which the Authorised Investment or such investment was made, or (unless a Default has occurred and is continuing) immediately be invested in another Authorised Investment, whichever the relevant Obligor directs.

(D) Upon the receipt of any interest, dividends or other income from or in respect of any Authorised Investment, such interest, dividends or other income shall be credited to the Project Account concerned with the Authorised Investment or such other investment from which such interest, dividend or other income derives, or (if such interest, dividend or other income is derived from an Authorised Investment and such Authorised Investment is to be retained after such interest, dividend or other income is received and the relevant Obligor so requests) the relevant interest, dividend or other income shall be reinvested in that Authorised Investment.

23.4 Project Accounts include Authorised Investments

(E) Any reference in this Agreement to the balance standing to the credit of one of the Project Accounts shall be deemed to include a reference to the Authorised Investments in which all or part of such balance is for the time being invested. (other than for the purposes of determining the balance required to comply with clause 20.1 (*Project Accounts*)). In the event of any dispute as to the value of any Authorised Investment for the purpose of determining the amount deemed to be standing to the credit of a Project Account, that value shall be determined by the Facility Agent acting reasonably and in good faith and following consultation with the Original Borrower and having given due consideration to any representations given by the Original Borrower within the period required by the Facility Agent (which period shall not, in any event, be of shorter duration than five Business Days). If the Original Borrower so requests, the Facility Agent will give the Original Borrower details of the basis or method of its determination.

(F) An Obligor may, by notice in writing to the Facility Agent and the relevant Account Bank, deem an Authorised Investment to be concerned with a different Project Account so as to transfer Authorised Investments between Project Accounts, if:

(i) the aggregate amount standing to the credit of each Project Account remains the same; or

(ii) the transfer of an equivalent amount between those Project Accounts would be permitted.

23.5 Security over Authorised Investments

Prior to an Obligor making any Authorised Investment in England, that Obligor shall ensure that it has entered into the Offshore Security Assignment. To the extent that any Authorised Investment is made in a jurisdiction other than England, the relevant Obligor shall execute and deliver, such other security as the Facility Agent may reasonably require from time to time in order to ensure that such Authorised Investment is secured to the Finance Parties by way of first priority security, in a form and substance satisfactory to the Facility Agent and the Security Agent, acting reasonably.

23.6 Interest on balances in Project Accounts

Each sum credited to a Project Account from time to time shall, from the time it is so credited until the time it is withdrawn therefrom (whether for the purpose of making an Authorised Investment or otherwise for application in accordance with the terms of this Agreement), bear interest at such rate as the relevant Obligor may from time to time agree with the relevant Account Bank.

PART 8
FINANCIAL AND PROJECT INFORMATION

24. Information Undertakings

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

24.1 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.

24.2 Financial statements

(C) Before (but for the avoidance of doubt not after) KEL or any of its subsidiaries from time to time undertakes an IPO, the Original Borrower shall procure that KEH 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;

(ii) within 90 days of the end of each semi-annual period, its unaudited semi-annual consolidated financial statements for that period; and

(iii) within 90 days of the end of each quarter, its quarterly management reports for that period.

(D) After (but for the avoidance of doubt not before) KEL or any of its subsidiaries from time to time undertakes an IPO, the Original Borrower shall procure that KEL 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 quarterly management reports for that period.

(E) KEO 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) within 90 days of the end of each quarter, its quarterly management reports for that period.

(F) If any audited consolidated financial statements which have been provided to the Facility Agent pursuant to either clause (A)(i) or (B)(i) above contain an auditors' qualification then, in each case if instructed to do so by the Facility Agent (acting only on the instructions of the Majority Lenders):

(i) KEO 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), as soon as practicable, but in any event within 120 days of being so requested, its audited financial statements for its last financial year; and

(ii) each Borrower and KEEG 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), as soon as practicable, but in any event within 120 days of being so requested, its audited financial statements for its last financial year.

(G) If during any financial year of any Borrower or KEEG there is a material change in the nature and extent of the accounting transactions which that Borrower or KEEG enters into, it shall promptly inform the Facility Agent thereof and that Borrower or KEEG (as applicable) 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.

24.3 Year-end

KEO, the Borrowers and KEEG shall not change their Accounting Reference Date without the consent of the Majority Lenders.

24.4 Form of financial statements

(H) KEO and 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 company 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 company for the period to the date on which those financial statements were drawn up.

(I) Unless otherwise agreed with the Facility Agent, all accounts of KEH, KEL, KEO, KEEG and the Original Borrower delivered under this Agreement shall be prepared in accordance with the Approved Accounting Principles.

(J) KEO and 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.

(K) If requested by the Facility Agent, each of KEH, KEL, KEO, KEEG and 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.

24.5 Compliance Certificate

(L) KEO, KEEG and the Original Borrower must supply (and, in the case of the Original Borrower, procure that KEH and KEL supply) to the Facility Agent a compliance certificate with each set of financial statements sent to the Facility Agent under clauses 24.2(A), 24.2(B), 24.2(C), 24.2(D) and 24.2(E) above certifying the matters specified in clause 24.4(A)(ii) above.

(M) A compliance certificate supplied in accordance with paragraph (A) above must be signed by two Authorised Signatories of KEH, KEL, KEO, KEEG or the Original Borrower, as applicable.

24.6 Project Information and Hedging Information

(N) Each Obligor must (as soon as reasonably practicable) supply to the Facility Agent, in sufficient copies for all the Lenders if the Facility Agent so requests:

(i) any new updates to, and amendments to, each agreed budget, or development and/or work programme in relation to each Borrowing Base Asset owned by it as soon as reasonably practicable following receipt from the relevant Operator (and, in any event, within 21 days of receipt) and the latest Operator Report for each Borrowing Base Asset and each Developing Asset owned by it, as soon as reasonably practicable following receipt from the relevant Operator (and, in any event, within 21 days of receipt);

(ii) copies of all reports provided to any Authority by the Operator which have been copied to an Obligor (and in any event within 21 days of receipt);

(iii) such technical and commercial information which an Obligor has in its possession relating to a Field or Petroleum Assets or its or their condition and which is relevant to the interests of the Lenders under the Finance Documents as the Facility Agent may reasonably request from time to time (following prior consultation with the Original Borrower); and

(iv) promptly, details of any material updates or amendments to any Project Agreement.

(O) Subject to paragraph (C) below, the Original Borrower shall procure that the terms of appointment of the Technical Consultant shall require it (in consultation with the Technical and Modelling Bank) to prepare and deliver the following reports and information to the Technical and Modelling Bank and the Original Borrower for distribution to the Lenders:

(i) a quarterly report on the Project Costs which have been incurred, reconciled against draw-downs made, equity contributed and cash held in the Project Accounts;

(ii) a semi-annual report on the progress of each Developing Asset, including confirmation of the projected date for Completion and the aggregate of Project Costs required to achieve Completion (reconciled against the most recent Forecast) and whether there are, in its opinion, any other material issues or concerns of which it is aware in

relation to the Developing Asset which should be brought to the attention of the Lenders;

(iii) a semi-annual report on the operation of each Developed Asset, including the amount and timing of all Entitlement lifted by the Obligors and details of the disposal of that Entitlement (including price); and

(iv) in any of the foregoing reports, such additional information or commentary as the Technical and Modelling Bank may reasonably require (following prior consultation with the Original Borrower) in order for the Lenders (in the context of their interests under the Finance Documents) to be properly informed about the progress, implementation, development and operation of the Borrowing Base Assets,

and the Original Borrower shall provide the Technical Consultant and the Technical and Modelling Bank with reasonable assistance and provide each of them with such information and other documents as the Technical Consultant and/or the Technical and Modelling Bank may reasonably request in order for the Technical Consultant to prepare and deliver the reports and information referred to in (i) to (iv) above and/or the Technical and Modelling Bank to consider and review such reports and information. Such assistance shall include facilitating visits by the Technical Consultant and the Technical and Modelling Bank to the Borrowing Base Assets and the construction/fabrication facilities of any Obligor's contractors.

(P) The Technical Consultant shall not be obliged to prepare and deliver, and the Original Borrower shall not be obliged to assist in the preparation and delivery of, reports and information as detailed in clause 24.6(B)(i) to (iv) in relation to the Ghana Block Assets and/or the EG Block Assets subject to the right of the Technical and Modelling Bank or the Majority Lenders (acting reasonably) to request the same. Following such request the Technical Consultant shall prepare and deliver, and the Original Borrower shall assist in the preparation and delivery of, the reports and information in accordance with clause 24.6(B).

(Q) At any time when no Technical Consultant is appointed, the Facility Agent and Technical Bank may request that one is appointed and the Original Borrower shall procure such appointment on terms satisfactory to the Technical Bank (acting reasonably) within 10 Business Days of request.

(R) The Original Borrower must supply to the Facility Agent at the end of each quarter a summary of such information related to its hedging arrangements under clause 28.17 (*Hedging*) as is currently contained in the relevant SEC

Form 10-Q, including for the avoidance of doubt, nominal amount, net mark-to-market, and products used.

24.7 Information: Miscellaneous

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

(S) 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;

(T) promptly after becoming aware of them, the details of any material litigation, arbitration or administrative proceedings which are currently threatened or pending against the Guarantor or any member of the Group or in respect of or relevant to an interest in a Borrowing Base Asset;

(U) promptly after they have been issued, copies of any insurance policies in respect of all Agreed Insurances and any renewals in respect of such insurance policies;

(V) promptly after becoming aware of them, details of any claims made under any Insurance where the claim is for a sum in excess of USD 10 million (or its equivalent in other currencies); and

(W) promptly, such further information regarding the financial condition, assets, business and operations of the Guarantor or any member of the Group as the Facility Agent may reasonably request.

24.8 Sources and Uses

(X) The Original Borrower must supply to the Facility Agent on 31 March and 30 September in each year (each such date a "**Sources and Uses Statement Date**") and may supply to the Facility Agent at any other time (in sufficient copies for all the Lenders if the Facility Agent so requests) for the following twelve month period:

(i) a sources and uses statement ("**Sources and Uses Statement**") in the form set out in Part I of Schedule 15 to this Agreement; and

(ii) a liquidity statement ("**Liquidity Statement**") in the form set out in Part II of Schedule 15 to this Agreement.

(Y) In relation to any Sources and Uses Statement and/or any Liquidity Statement prepared on a Sources and Uses Statement Date, in the event that the aggregate costs to be applied under any Sources and Uses Statement and/or any Liquidity Statement delivered to the Facility Agent under paragraph (A) above exceed the funding which is projected to be available to meet those costs (respectively), then the Original Borrower shall consult with the Facility Agent and the Technical and Modelling Bank in good faith with a view to agreeing a plan pursuant to which the Original Borrower will be able to meet any projected shortfall in funding.

(Z) Notwithstanding paragraph (B) above, within 30 days of the relevant Sources and Uses Statement Date, the Original Borrower shall deliver to the Facility Agent the Original Borrower's remedial plan for the funding of any projected shortfall in funding shown in a Sources and Uses Statement and/or a Liquidity Statement. Each Borrower shall use all reasonable endeavours to comply with such plan (or any update thereto which it delivers to the Facility Agent), and shall consult on a regular basis with the Facility Agent and the Technical and Modelling Bank on the remedial steps being taken to fund any projected shortfall in funding.

(AA) In the event that the sum of Project Costs and Scheduled KEL Debt Payments specified under any Sources and Uses Statement delivered to the Facility Agent under paragraph (A)(i) above exceeds the funding which is projected to be available to meet those Project Costs and Scheduled KEL Debt Payments, then a Junior Payment Stop Event (as defined in the KEFI Intercreditor Agreement) will be deemed to have occurred in accordance with the process set out in clause 4.4 (*Issue of Junior Payment Stop Notice*) of the KEFI Intercreditor Agreement. Notwithstanding this clause 24.8(D), nothing shall block the payment of Scheduled KEL Debt Payments or the making of a Scheduled KEL Debt Payment Distribution which is paid or made from amounts standing to the credit of the Distributions Reserve Account.

(AB) A Default or an Event of Default will not occur solely as a result of a Sources and Uses Statement or a Liquidity Statement showing a shortfall in funding.

24.9 Approved Development

The Original Borrower must supply to the Facility Agent (in sufficient copies for all the Lenders if the Facility Agent so requests) quarterly and monthly project reports in respect of an Approved Development, to the extent that they are available from the Operator.

24.10 Compliance with Remedial Plan

Each Borrower shall use all reasonable endeavours to implement the remedial plan (or amended plan provided to the Facility Agent) and shall continue to consult on a regular basis with (and when requested by) the Facility Agent and the Technical Bank on implementation of the plan.

24.11 Notification of Default

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

24.12 "Know your customer" and "customer due diligence" requirements

(AC) 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 Original Borrower 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.

(AD) 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.

(AE) 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 (other than a subsidiary of an Obligor (excluding KEEG) which owns Borrowing Base Assets) becomes an Additional Guarantor pursuant to this Agreement.

(AF) 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.

24.13 Forecast Notification Events

(AG) The Original Borrower shall notify the Facility Agent and the Lenders promptly after becoming aware of any Forecast Notification Event.

(AH) Any such notification under clause 24.13(A) shall result in the commencement of a consultation period for a period ending 10 Business Days after the date of such notification (a "**Consultation Period**") during which time the Original Borrower and the Lenders will consult. Following the end of the Consultation Period, the Lenders will be required to submit their vote to the Facility Agent as to whether to waive or not waive the preparation of an interim Forecast as a result of the Forecast Notification Event in accordance with clause 42

(*Amendments and Waivers*). If the Majority Lenders do not waive the preparation of an interim Forecast relating to that Forecast Notification Event, the Original Borrower shall prepare a Forecast pursuant to clause 19 (*Forecasts and Calculations*) and the Facility Agent shall designate a Forecast Date which falls no more than 90 days after the last day of the Consultation Period relating to that Forecast Notification Event.

24.14 Use of websites

(AI) 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.

(AJ) Notwithstanding the above, the Original Borrower 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.

(AK) 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.

(AL) 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.

24.15 Liquidity Report

Within 10 Business Days following the filing of SEC Form 10-Q or SEC Form 10-K by KEL in respect of a quarter ending on a Liquidity Report Date, the Original Borrower must supply to the Facility Agent the following details in respect of the KEL Group as at the Liquidity Report Date:

(AM) details of the Consolidated Cash and Cash Equivalents; and

(AN) details of any available committed (but undrawn and uncancelled) amount available under any external finance source.

24.16 DAC6

(AO) In this clause 24.16, "**DAC6**" means the Council Directive of 25 May 2018 (2018/822/EU) amending Directive 2011/16/EU.

(AP) 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 9
GUARANTEE

25. Guarantee and Indemnity

25.1 Guarantee and indemnity

Each Guarantor irrevocably and unconditionally jointly and severally:

(A) guarantees to each Finance Party punctual performance by each Borrower of all that Borrower's obligations under the Finance Documents;

(B) undertakes with each Finance Party that whenever a Borrower does not pay any amount when due under or in connection with any Finance Document, that Guarantor shall immediately on demand pay that amount as if it was the principal obligor; and

(C) will, as an independent and primary obligation, indemnify each Finance Party immediately on demand against any cost, loss or liability suffered by that Finance Party if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal. The amount of the cost, loss or liability shall be equal to the amount which that Finance Party would otherwise have been entitled to recover.

25.2 Continuing guarantee

This guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by any Obligor under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part.

25.3 Reinstatement

If any payment by an Obligor or any discharge given by a Finance Party (whether in respect of the obligations of any Obligor or any security for those obligations or otherwise) is avoided or reduced as a result of insolvency or any similar event:

(D) the liability of each Obligor shall continue as if the payment, discharge, avoidance or reduction had not occurred; and

(E) each Finance Party shall be entitled to recover the value or amount of that security or payment from each Obligor, as if the payment, discharge, avoidance or reduction had not occurred.

25.4 Waiver of defences

The obligations of each Guarantor under this clause 25 will not be affected by an act, omission, matter or thing which, but for this clause, would reduce, release or prejudice any of its obligations under this clause 25 (without limitation and whether or not known to it or any Finance Party) including:

(F) any time, waiver or consent granted to, or composition with, any Obligor or other person;

(G) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;

(H) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;

(I) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor or any other person;

(J) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of any Finance Document or any other document or security including without limitation any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under any Finance Document or other document or security;

(K) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security; or

(L) any insolvency or similar proceedings.

25.5 Immediate recourse

Each Guarantor waives any right it may have of first requiring any Finance Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from that Guarantor under this clause 25. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

25.6 Appropriations

Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full, each Finance Party (or any trustee or agent on its behalf) may:

(M) refrain from applying or enforcing any other moneys, security or rights held or received by that Finance Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Guarantor shall be entitled to the benefit of the same; and

(N) hold in an interest-bearing suspense account any moneys received from any Guarantor or on account of any Guarantor's liability under this clause 25.

25.7 Deferral of Guarantors' rights

(O) Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full and unless the Facility Agent otherwise directs, no Guarantor will exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents or by reason of any amount being payable, or liability arising under this clause 25:

(i) to be indemnified by an Obligor;

(ii) to claim any contribution from any other guarantor of any Obligor's obligations under the Finance Documents;

(iii) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by any Finance Party;

(iv) to bring legal or other proceedings for an order requiring any Obligor to make any payment, or perform any obligation, in respect of which any Guarantor has given a guarantee, undertaking or indemnity under clause 25.1 (*Guarantee and indemnity*);

(v) to exercise any right of set-off against any Obligor; and/or

(vi) to claim or prove as a creditor of any Obligor in competition with any Finance Party.

(P) If a Guarantor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Finance Parties by the Obligors under or in connection with the Finance Documents to be repaid in full on trust for the Finance Parties and shall promptly pay or transfer the same to the Agent or as the Agent may direct for application in accordance with clause 34 (*Payment Mechanics*).

25.8 Release of Guarantors' right of contribution

If any Guarantor ceases to be a Guarantor (a "**Retiring Guarantor**") in accordance with the terms of the Finance Documents for the purpose of any sale or other disposal of that Retiring Guarantor then on the date such Retiring Guarantor ceases to be a Guarantor:

(Q) that Retiring Guarantor is released by each other Guarantor from any liability (whether past, present or future and whether actual or contingent) to make a contribution to any other Guarantor arising by reason of the performance by any other Guarantor of its obligations under the Finance Documents; and

(R) each other Guarantor waives any rights it may have by reason of the performance of its obligations under the Finance Documents to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under any Finance Document or of any other security taken pursuant to, or in connection with, any Finance Document where such rights or security are granted by or in relation to the assets of the Retiring Guarantor.

25.9 Additional security

This guarantee is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by any Finance Party.

PART 10
REPRESENTATIONS, COVENANTS, EVENTS OF DEFAULT

26. 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.

26.1 Status

(A) It is a limited liability company, duly incorporated and validly existing under the laws of its jurisdiction of incorporation.

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

26.2 Legal validity

Each Transaction 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 Transaction Document is in full force and effect.

26.3 Non-conflict

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

(C) any applicable law or regulation;

(D) its constitutional documents; or

(E) any agreement binding upon it,

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

26.4 Powers and authority

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

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

26.5 Authorisations

Except for the registration of any Security Document, all Required Approvals (except to the extent already provided as a Condition Precedent, or where required by any Authority in respect of any Security Interest granted (or to be granted) under the Security Documents) 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).

26.6 Stamp and registration duties

Except for registration fees, if any, payable in relation to the Security Documents, there is no stamp or registration duty or similar Tax or charge in respect of any Transaction 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).

26.7 No Default

No Default has occurred and is outstanding.

26.8 Final Information Memorandum

(F) The factual information in the Final Information Memorandum (other than that referred to in paragraph (B) below) was true in all material respects on the date of the Final Information Memorandum and did not omit anything material which was known to the Original Borrower at the time or contain anything that was materially misleading and, except to the extent advised in writing to the Facility Agent by the Original Borrower on or prior to Financial Close, so far as the Original Borrower is aware having made due and careful enquiry, no information has been disclosed to it nor have circumstances arisen nor has any event occurred since the date of the Final Information Memorandum which renders the information contained in the Final Information Memorandum materially misleading or materially incorrect.

(G) The statements of opinion, projections and forecasts in the Final Information Memorandum attributable to the Original Borrower were made in good faith, with due care and on what the Original Borrower believed to be reasonable assumptions at the relevant time and representing the views of the Original Borrower at the time.

26.9 Financial Statements and other factual information

(H) The most recent audited financial statements and interim financial statements delivered to the Facility Agent in accordance with clause 24.2 (*Financial statements*) (which, at the Signing Date, is the unaudited opening balance sheet of the Original Borrower as at 18 March 2011):

(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.

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

26.10 Proceedings pending or threatened

Except as disclosed to the Facility Agent in writing prior to the Signing Date, 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.

26.11 Breach of laws

(J) It has not breached any law or regulation which has, or could reasonably be expected to have, a Material Adverse Effect.

(K) 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.

26.12 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 28.6 (*Negative pledge*).

26.13 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.

26.14 Assets

(L) KEG holds the legal and beneficial interest in a 30.01736% per cent Participating Interest in the WCTP Block; and the legal and beneficial interest in an 17 per cent Participating Interest in the DWT Block.

(M) KEEG holds the legal and beneficial indirect interest in a 40.375 per cent. Participating Interest in the EG Blocks.

26.15 Project Agreements

As at 5 February 2018 and 22 February 2018 or, if later, the date a Project Agreement is delivered to the Facility Agent, so far as it is aware having made all due and careful enquiries:

(N) each copy of a Project Agreement delivered to the Facility Agent under this Agreement is true and complete;

(O) there is no other agreement in connection with, or arrangements which amend, supplement or affect any Project Agreement in any material respect; and

(P) no Obligor has a material obligation (being an obligation or liability exceeding USD 50 million (or its equivalent in other currencies)) under any agreement which is not a Project Agreement, a Finance Document, or a Material Contract.

26.16 No Immunity

In any proceedings taken in any relevant jurisdiction in relation to the Transaction 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.

26.17 Ownership of Obligors

(Q) KEH beneficially owns, indirectly, all of the issued share capital of the Guarantors and the Borrowers.

(R) The issued share capital of the Guarantors and the Borrowers is fully paid up and, to the extent beneficially owned by KEH, free of all encumbrances or other third party rights (other than pursuant to the Security Documents).

(S) To the extent that a member of the KEL 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.

26.18 Sanctions

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

(T) 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

(U) 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.

26.19 Anti-corruption law

Each member of the KEL 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.

26.20 Times for making representations

(V) The representations set out in this clause 26 (*Representations*) (other than the representations in clauses 26.8 (*Final Information Memorandum*), 26.4 (*Powers and authority*), 26.5 (*Authorisations*) and 26.15(B) (*Project Agreements*)) are made by each Obligor on the date of this Agreement. The representation in clause 26.8 (*Final Information Memorandum*) will be made on the date of the Final Information Memorandum and the representation in clause 26.4 (*Powers and authority*) will be made as at the time that the power or authority is exercised only. 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.

(W) When a representation is repeated, it is applied to the facts and circumstances existing at the time of repetition.

27. Financial Covenants

(A) On any Forecast Date (each such date a "**Financial Covenant Test Date**"), the Original Borrower shall ensure that:

(i) the Field Life Cover Ratio shall not be less than 1.30; and

(ii) the Loan Life Cover Ratio:

(a) for each Financial Covenant Test Date prior to and including 31 March 2024, shall not be less than 1.10; and

(b) for each Financial Covenant Test Date after (but not including) 31 March 2024, shall not be less than 1.30,

in each case, as calculated by the Technical and Modelling Bank (acting reasonably) on the basis of all information made available to it.

(B) On each Financial Covenant Test Date, the Original Borrower shall ensure that:

(i) the ratio of Consolidated Total Net Borrowings to EBITDAX shall be less than or equal to the ratio set out in column 2 below opposite that Financial Covenant Test Date which is set out in column 1:

Column 1 Financial Covenant Test Date	Column 2 Ratio
31 March 2021	4.75:1.00
30 September 2021	4.00:1.00
Any other Financial Covenant Test Date	3.50:1.00

; and

(ii) the ratio of EBITDAX to the Net Interest Payable shall be greater than or equal to 2.25:1.00.

(C) No later than three Business Days following each Financial Covenant Test Date, the Original Borrower shall send to the Facility Agent, a certificate signed by two authorised representatives setting out its calculation of the financial ratios referred to in this clause 27 as at such date.

28. General Undertakings

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

28.1 Corporate existence

Each Obligor shall maintain its corporate existence.

28.2 Authorisations

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

28.3 Compliance with laws

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

28.4 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.

28.5 Security

Subject to clause 28.28 (*Due execution of security assignments*) and clause 28.31 (*Security Documents: consents, ranking and perfection*), 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).

28.6 Negative pledge

Other than Permitted Security:

(A) an Obligor (but excluding KEO for the purposes of this sub-clause (A)) shall not create or permit to exist any Security Interest over any of its assets; and

(B) KEO shall not create or permit to exist any Security Interest over any of the assets as contained in clause 28.8(A)(ii)(1) - (5) below.

28.7 Conduct of other business

No Obligor shall conduct any business other than activities in connection with, or related, ancillary, or incidental to, its interests in the Borrowing Base Assets or its interests in any Petroleum Assets.

28.8 Disposals

(C) (i) 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 any Borrowing Base Asset or any interests therein or any of its shareholdings in any person holding any interest (whether directly or indirectly) in any Borrowing Base Asset.

(i) 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:

(1) any other Obligor;

(2) the assets of any other Obligor;

(3) any asset which is the subject of a Security Document;

(4) any Project Account; or

(5) any Borrowing Base Asset.

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.

(D) If an Obligor wishes to make a Permitted Disposal of an asset which is subject to a Security Interest in favour of the Finance Parties, then the Finance Parties shall, promptly upon request from the Original Borrower, absolutely and unconditionally release and discharge the relevant asset from that Security Interest and shall do all things necessary at the cost and expense of the Original Borrower to effect such discharge.

(E) The shares in the capital of KEO, KEEG or the Original Borrower may at any time be transferred to another holding company in which event the existing security over such shares shall be released subject to such new holding company providing substitute security over all shares in the capital of KEO, KEEG or the Original Borrower, as the case may be, on substantially the same terms and conditions.

28.9 Financial Indebtedness

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

28.10 Material contracts

No Obligor will enter into any contract or agreement that imposes material obligations on it except:-

(F) contracts or agreements entered into in the ordinary course of business and on arm's length terms (including in relation to Approved Developments and Permitted Acquisitions);

(G) contracts or agreements relating to a Permitted Disposal and entered into on arm's length terms;

(H) the Project Agreements and the EO Participation Agreement and contracts and agreements required or contemplated therein or in respect of the development and implementation of the Obligors' interest in the Fields;

(I) contracts or agreements otherwise permitted or contemplated by the Finance Documents;

(J) where the obligations and liabilities of the Obligor thereunder are fully funded by Permitted Financial Indebtedness or equity contributions; or

(K) with the approval of the Majority Lenders (acting reasonably).

28.11 Guarantees

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

28.12 Mergers

No Obligor may enter into any amalgamation, consolidation, demerger, merger 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 or reconstruction or winding-up.

28.13 Loans

(L) Except as provided in (B) below, no Obligor may be a creditor in respect of any Financial Indebtedness.

(M) Paragraph (A) does not apply to:

(i) any loans made pursuant to an Intercompany Loan Agreement;

(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; or

(v) any other credit approved by the Majority Lenders (acting reasonably).

28.14 Operation

As far as it is able to do so by exercising its rights under a Project Agreement to which it is a party, each Obligor will use its reasonable endeavours to procure that the Borrowing Base Assets are developed, operated and maintained in all material respects in accordance with the terms of that Project Agreement and applicable law and in accordance with good international oil industry practice.

28.15 Compliance with Project Agreements

(N) Each Obligor must comply with its obligations under the Project Agreements to which it is a party where failure to do so would have a Material Adverse Effect.

(O) In the event an Obligor fails to pay any sum due under any Project Agreement it shall take such steps as shall be reasonably available to it so as to permit such payment to be made on its behalf by any Finance Party or any person acting on behalf of any Finance Party.

28.16 Insurances

(P) Each Obligor will maintain all Agreed Insurances which it maintains in its own name, promptly pay all premiums and other monies payable under all its Agreed Insurances and promptly on written request produce to the Facility Agent a copy of each policy and evidence (reasonably acceptable to the Facility Agent) of payment of such sums (and allow the Lenders to implement such insurance at the cost of the Original Borrower in the event of any default in that regard) and exercise its rights under the Project Agreements to procure (as far as it is able) the maintenance of the Agreed Insurances.

(Q) On an annual basis commencing on 22 February 2018, the Original Borrower shall deliver a certificate to the Facility Agent, which is addressed to the Finance Parties from the Group's insurance broker confirming, among other things, (a) the Agreed Insurances are in place, effective and consistent with industry practice and (b) there are no overdue billed premiums.

28.17 Hedging

(R) The Obligors will maintain in place at all times a prudent risk management policy relating to managing their exposure to interest rates and fluctuations in the price of crude oil derived from a relevant Field. In relation to hedging which is implemented to manage exposure to fluctuations in the price of crude oil

derived from a relevant Field, the volume which may be hedged by instruments creating contingent liabilities will be capped at 90 per cent. of 2P Developed Assets (as determined in accordance with the applicable Forecast) which are producing, such cap to apply on a rolling annual basis and thereafter 75 per cent. shall be the relevant cap.

(S) To the extent that either the 90 per cent. cap or 75 per cent. cap, as applicable, is exceeded at any time, it shall not constitute a Default or an Event of Default under any circumstances provided that the Obligors have used their reasonable endeavours to take such reasonable action as is available to them to cure or mitigate the excess as soon as reasonably possible such that the cap is no longer exceeded.

(T) The Obligors will have the right to implement any hedging by either (i) entering into Hedging Agreements with one or more Hedging Counterparties; and/or (ii) entering into Derivative Agreements with counterparties who do not accede to the terms of the Intercreditor Agreement and where the relevant payments thereunder are a Project Cost.

(U) The Original Borrower will permit not less than three Lenders, selected at its discretion, to bid for a share of any hedging proposed by an Obligor

(V) If the Original Borrower or any Obligor makes any change to any internal hedging policies or procedures it has in place from time to time which could reasonably be expected to have a material impact on the hedging arrangements implemented by the Group as a whole, then it will notify the Facility Agent of the change and will provide reasonable details of the implications of the change.

28.18 Borrowing Base Assets

Save for the EG Block Assets, each Borrowing Base Asset will at all times be owned by an Obligor (excluding KEO).

28.19 Project Agreements

(W) No Obligor will agree to any amendment, waiver or termination of a Project Agreement which would have a Material Adverse Effect or approve or vote in favour of any work programme, budget or development plan which would commit an Obligor to expenditure which it would not be able to meet from funds available to it, after taking account of forecast Project Costs and Financing Costs.

(X) No term or condition of any Finance Document shall prevent any Obligor from complying with its express obligations under any Project Agreement, or require an Obligor to act or omit to act in a manner which would or might reasonably be expected to result in a breach of any provision of a Project Agreement including, but without limitation, KEG's obligations under the EO Participation Agreement.

(Y) In the event that an Obligor has an obligation under a Project Agreement to make a payment in respect of a Project Cost because of the default by another party in paying its share of the relevant Project Cost, then the Obligor shall promptly notify the Facility Agent of the additional payment obligation (including reasonable details of how it arose and any steps being taken by the parties in relation to the relevant default and such other additional information as the Facility Agent may reasonably request). In such an event, the Facility Agent will have the right (acting reasonably) to request a sources and uses test to be performed.

28.20 Eligible offtakers

An Obligor will enter into agreements for the sale of its Entitlement with offtakers whom that Obligor determines, acting reasonably and in accordance with a prudent marketing policy which it shall have in place from time to time, have the financial capability and technical capacity to perform their obligations in accordance with the relevant terms and taking account of the nature and size of the transaction. Financial capability may be measured by applying suitable ratings tests, through credit support structures (including specific payment terms, guarantees, security and letters of credit), the identity of the offtaker (such as their market experience and reputation and whether they are part of a larger corporate group), course of dealings, or such other reasonable criteria as that Obligor may apply from time to time. In assessing technical capacity, an Obligor shall have regard to the experience of the offtaker, whether the offtaker is sufficiently well equipped technically and managerially to perform its obligations, and the availability of third party services and support.

28.21 Tax affairs

Each Obligor must promptly file all tax returns required by law within the requisite time limits except to the extent contested in good faith and subject to adequate reserve or provision.

28.22 Permitted Acquisitions

No 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) which is not a Permitted Acquisition.

28.23 Distributions

(Z) Except for a Scheduled KEL Debt Payment Distribution (in relation to which clause 28.24 (*Scheduled KEL Debt Payment Distributions*) below, shall apply), each Obligor (but excluding KEO for these purposes, which may make, declare or pay a distribution of any kind at any time without restriction from any account which is not a Project Account (but subject to clause 28.8 (*Disposals*) and any projected distribution by KEO being included in any applicable Liquidity Statement)) may make, declare or pay a distribution (including any payment under any subordinated loan agreement falling within the terms of sub-paragraph (C) of the definition of Permitted Financial Indebtedness and including any funding pursuant to, or payment under, any Intercompany Loan Agreement) (a "**Shareholder Distribution**"), subject to:

(i) there being no Default or Event of Default outstanding and no Default or Event of Default would be caused by such Shareholder Distribution;

(ii) the latest Sources and Uses Statement not indicating a projected shortfall in funding to meet projected Project Costs (ignoring for these purposes any Scheduled KEL Debt Payments);

(iii) a limit on the amount of any Shareholder Distribution (which is not otherwise restricted by the terms of this clause 28.23) in accordance with paragraph (C) below.

(iv) no Shareholder Distribution being permitted during a BBA Cure Period; and

(v) such Shareholder Distribution being made, declared, or paid in compliance with the Cash Waterfall.

(AA) Any Shareholder Distribution permitted to be paid hereunder may be paid directly to the recipient or deposited into the Distributions Reserve Account, in accordance with the terms of this Agreement.

(AB) In the event that the latest Sources and Uses Statement indicates a projected shortfall (including for these purposes, any Scheduled KEL Debt Payments) the maximum Shareholder Distribution that shall be permitted at that time shall be an amount equal to:

(i) the aggregate of all sources which are set out in column A of the relevant Sources and Uses Statement; minus

(ii) the aggregate of all uses which are set out in column B of the relevant Sources and Uses Statement (ignoring for these purposes any Scheduled KEL Debt Payments).

28.24 Scheduled KEL Debt Payment Distributions

(AC) Each Obligor (but excluding KEO for these purposes) may make, declare or pay a distribution, or make any payment under an intercompany loan which constitutes Permitted Financial Indebtedness, in relation to a Scheduled KEL Debt Payment (a "**Scheduled KEL Debt Payment Distribution**"), to the extent that such payment is due and payable, subject to:

(i) the terms of clause 20.5 (*Control on withdrawals following Default*) of this Agreement; and

(ii) no Junior Payment Stop Event (as defined in the KEFI Intercreditor Agreement) having occurred and being continuing in accordance with the terms of clause 24.8(D) (*Sources and Uses*) of this Agreement and Clause 4.4 (*Issue of Junior Payment Stop Notice*) of the KEFI Intercreditor Agreement;

(iii) no Scheduled KEL Debt Payment Distribution being permitted during a BBA Cure Period; and

(iv) such Scheduled KEL Debt Payment Distribution being made, declared, or paid in compliance with the Cash Waterfall.

(AD) Any distribution or payment permitted to be paid hereunder may be paid directly to the recipient or deposited into the Distributions Reserve Account, in accordance with the terms of this Agreement.

(AE) Nothing in this clause 28.24 shall block the payment of Scheduled KEL Debt Payments or the making of a Scheduled KEL Debt Payment which is paid or made from amounts standing to the credit of the Distributions Reserve Account.

28.25 Constitutional documents

Each Obligor will not agree to any amendment to any of its constitutional documents in a manner that could adversely affect the interests of the Finance Parties.

28.26 Further assurance and turn over

(AF) Subject to clause 28.28 (*Due execution of security assignments*) and clause 28.31 (*Security Documents: consents, ranking and perfection*) each of the Obligors shall, at its own expense, promptly do all things, take all such action and execute all such other documents and instruments as may be requested by the Facility Agent from time to time and to the extent they are reasonably required or necessary for the purpose of giving effect to the provisions of the Finance Documents and the Project Agreements and for the purpose of perfecting and protecting the Lenders' rights with respect to the Security Interests which are required to be created or perfected by the Finance Documents when required thereunder.

(AG) KEO will account to the Facility Agent if and to the extent it receives any proceeds in breach of the terms of any Finance Document from:

(i) any asset which is the subject of a Security Document

(ii) any Borrowing Base Asset;

(iii) any Project Account (excluding amounts received from any other Obligor pursuant to clause 28.23 (*Distributions*);

(iv) any other Obligor which would otherwise be placed into an Offshore Proceeds Account pursuant to clause 21.1 (*Payments in*) (whether by way of cash, loan or otherwise),

and shall hold any such moneys to the account of, and on trust for, the Finance Parties.

(AH) If at any time KEO is in receipt of proceeds as described in paragraph (B) above it shall:

(i) within five Business Days notify details of the receipt or recovery to the Facility Agent; and

(ii) within five Business Days of demand by the Facility Agent, pay an amount equal to such receipt or recovery to the Facility Agent.

28.27 Delivery of certain documents

The Original Borrower shall use its reasonable endeavours to procure the delivery of the final report from the Technical Consultant to the Facility Agent in form and substance satisfactory to it no later than 15 Business Days from the date of this Agreement.

28.28 Due execution of security assignments

(AI) The Security Agent shall have safe custody and control of the Assignments (which term shall, for the avoidance of doubt for the purposes of this clause 28.28 (*Due execution of security assignments*), be deemed not to include the KEG Assignment of Reinsurance Rights until its execution by the relevant insurers, it being agreed that the Obligors shall take all such steps as may be reasonable (taking into account all of the circumstances at the time and the steps taken previously by that Obligor) to procure its execution by the relevant insurers). The Security Agent shall execute and date such documents for and on behalf of the Finance Parties in any of the following circumstances:

(i) if an Event of Default has occurred and is continuing and the Majority Senior Lenders have instructed the Security Agent to execute and date the Assignments for and on behalf of the Finance Parties; or

(ii) if instructed to do so at any time by the relevant Obligor.

(AJ) Each party to this Agreement irrevocably authorises the Security Agent to execute the Assignments for and on behalf of the Finance Parties and to date the Assignments when it is required to do so under paragraph (A) above. The Assignments shall be of no force or effect until they are duly executed by the Security Agent and dated for and on behalf of the Finance Parties in accordance with this clause 28.28 (*Due execution of security assignments*).

(AK) In the event that the Security Agent signs and dates the Assignments in accordance with this clause 28.28 (*Due execution of security assignments*), then the relevant Borrower (or a Borrower on a Guarantor's behalf) shall (and the Facility Agent may) without the requirement for any further authorisation from any Obligor make a Utilisation under the Facility to meet the payment of any stamp duty which is payable as a consequence of the Assignments being signed and dated. The relevant Obligor shall (and the Facility Agent shall if it effects the Utilisation under the Facility) apply the relevant funds promptly in payment of the relevant stamp duty and shall ensure that the Assignments are stamped and registered as soon as practicable (and in any event within any time period required by law). The relevant Obligor (or the Facility Agent, as the case may be) shall in each case notify the Security Agent and each Finance

Party upon making the payment of any stamp duty and the stamping and registration of the Assignments.

28.29 Stamp duty and other impost waiver

Each Obligor shall use its reasonable endeavours to seek a waiver or exemption from any stamp duty, documentary taxes or any other similar tax, charge or impost which may be payable upon the execution of any of the Assignments, or to obtain confirmation that no such duty, taxes, charges or impost would be payable upon execution. In the event that such waiver, exemption or confirmation is successfully obtained in relation to any Assignment, the Original Borrower shall promptly instruct the Security Agent to execute and date such Assignment(s) for and on behalf of the Finance Parties in accordance with clause 28.28(A)(ii) above.

28.30 Lenders' custody of documents

(AL) Each Lender undertakes that it shall not deliver any Finance Document or any other document or agreement into a country that would result in such Finance Document, other document or agreement (or any party to it) becoming subject to (or liable for payment of) any stamp duty, documentary taxes or any other similar tax, charge or impost (or impose any obligation upon a member of the Group or KEH to reimburse any other person for such a payment).

(AM) Paragraph (A) above shall not apply to a Lender at any time at which such Lender (i) has a right to take Enforcement Action; (ii) has the written consent of the Original Borrower; or (iii) is required to deliver such Finance Document or other document or agreement by any order or a court or regulatory authority or other legal or regulatory requirement.

28.31 Security Documents: consents, ranking and perfection

(AN) No Obligor shall be required to grant any assignment of rights under any contract, or Security Interest over any asset (including contracts and rights), where the consent of any Government or any governmental body, regulatory body or state-owned or controlled company or enterprise is required for the granting of such assignment or Security Interest.

(AO) With the exception of those consents referred to in paragraph (A) above, each Obligor shall use reasonable endeavours to seek any other third party consents required in relation to any relevant Security Document, provided that the obtaining of such consent shall not be a condition precedent to any Utilisation of the Facility and provided that there shall be no fixed date by which such consent must be obtained.

(AP) Each Obligor shall use reasonable endeavours to obtain acknowledgments to any notices of assignment served in relation to any relevant Security Document, provided that receipt of such acknowledgments shall not be a condition precedent to any Utilisation of the Facility.

(AQ) Where required by the terms of any agreement which is binding upon any Obligor, any Security Interest granted in favour of the Lenders shall be subordinated to the interests of the parties under such agreement.

(AR) With the exception of the Charges over Shares, perfection of any Security Interest shall not be a condition precedent to first Utilisation.

28.32 IPO Reorganisation

The Finance Parties agree that, notwithstanding the terms of any Finance Document which, but for this clause, may have prevented an Obligor from participating in and/or implementing an IPO Reorganisation, each Obligor may participate in and implement such an IPO Reorganisation and no term or condition of any Finance Document which would, but for this clause, prevent an IPO Reorganisation, shall prevent such an IPO Reorganisation or require KEH, or any Obligor or any of their respective subsidiaries to act, or omit to act, in a manner which would or might reasonably be expected to prevent, impede, restrict or result in the obstruction of, or delay to, an IPO Reorganisation, provided that: (i) such IPO Reorganisation is for the purposes of an IPO substantially as described in the Form S-1 filed by Kosmos Energy Ltd. with the United States Securities and Exchange Commission on 14 January 2011 (including any updated filing in relation to such Form S-1); and (ii) the interests of the Finance Parties are not materially prejudiced. Without limitation (and without prejudice to clause 28.8(C), the foregoing shall require the Finance Parties to release and discharge the Security Interests created pursuant to any Security Document, provided that immediately upon such release substantially equivalent security is granted in favour of the Finance Parties on substantially similar terms and such that the position of the Finance Parties is not materially prejudiced. Nothing in this clause 28.32 shall prevent any Obligor from acting or omitting to act in any way (including implementing an IPO Reorganisation) which would otherwise be permitted by the terms of the Finance Documents.

28.33 Ghanaian security

(AS) The Original Borrower shall use reasonable endeavours to obtain a legal opinion from Ghanaian counsel confirming that the consent obtained on 18 December 2010 from the Ghana National Petroleum Corporation and the Ministry of Energy of Ghana, which was required in relation to the grant of certain Security Interests (the "**Ghana Security Interests**") contemplated by the Security Documents (as defined in the Existing Finance Documents), would

extend to the grant of such Security Interests in favour of the Finance Parties in the context of the Finance Documents.

(AT) If such a legal opinion is obtained, the Original Borrower shall then promptly enter into security documents in the required form in order to grant to the Finance Parties equivalent Security Interests to the Ghana Security Interests in the context of the Finance Documents. Such security documents will be held by the Security Agent in accordance with clause 28.28 (*Due execution of security assignments*) above.

28.34 Application of the Loans/Use of the Letters of Credit

(AU) No Borrower shall (and shall ensure that no other member of the KEL 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) (including any Letter of Credit) 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 KEL Group, or a Finance Party or its US Affiliate being in breach of any Sanctions or becoming a Restricted Party.

(AV) No Obligor shall (and shall ensure that no other member of the KEL 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 KEL 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.

(AW) Each Obligor shall (and shall procure that each member of the KEL Group shall) comply with Sanctions and maintain in effect and enforce policies and procedures designed to ensure such compliance.

28.35 HY Notes Maturity Date

(AX) The Original Borrower shall, on or before the date falling eighteen months prior to the 2019 HY Notes Maturity Date (the "**relevant date**"):

(i) extend the maturity date for the 2019 HY Notes to no earlier than 30 June 2027; or

(ii) produce (a) a new Forecast (b) a new Sources and Uses Statement and (c) a new Liquidity Statement, in accordance with the Forecasting Procedures as at the relevant date which includes the full repayment of the 2019 HY Notes on the 2019 HY Notes Maturity Date and which shows that there are adequate funds available to the Group to meet all costs falling due and payable by the Group on or before the 2019 HY Notes Maturity Date, including the repayment of the 2019 HY Notes.

(AY) In the event that the Original Borrower cannot satisfy the requirements of either paragraph (A)(i) or (A)(ii) above, the Parties agree that the Final Maturity Date shall be the date falling six months prior to the 2019 HY Notes Maturity Date and the Availability Period shall expire on the date falling nine months prior to the 2019 HY Notes Maturity Date.

(AZ) Other than with respect to those 2019 HY Notes maturing on the 2019 HY Notes Maturity Date, the Original Borrower shall procure that the maturity date of any HY Notes shall not fall on or before the Final Repayment Date.

28.36 HY Noteholder Trustee accession

The Original Borrower shall procure that no HY Notes which are guaranteed by one or more Obligors shall be issued unless and until any HY Noteholder Trustee (as defined in the KEFI Intercreditor Agreement) has acceded to the KEFI Intercreditor Agreement, or otherwise with the consent of each Lender.

28.37 Intercompany Loan Agreement terms

(BA) The Borrowers shall make demands for repayment of any amounts outstanding under any Intercompany Loan Agreement so as to ensure that the Borrowers will have sufficient funds available to meet all payment obligations under this Agreement as and when they fall due for payment.

(BB) Each of KEEG and KEG shall use all amounts borrowed by it under an Intercompany Loan Agreement for the payment of Project Costs and for any other purpose set out in clause 5 (*Purpose*).

(BC) On or before the date on which a Borrower makes an Intercompany Loan to an Obligor, that Borrower shall:

(i) to the extent that such Security has not been effected under the terms of an existing Security Document, enter into a Security Document (in form and substance satisfactory to the Security Agent) for the purposes of creating Security over the Intercompany Loan provided by it in favour of the Security Agent;

(ii) deliver to the Security Agent, or procure the delivery to the Security Agent of, any legal opinion or other document that the Security Agent may reasonably require in connection with the entry into such Security Document; and

(iii) without prejudice to clause 21.22 (*Security*) promptly obtain all such Authorisations as may be necessary in order for such Security to be granted.

28.38 Anti-corruption law

(BD) No Borrower shall (and the Original Borrower shall ensure that no other member of the KEL 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 or other similar legislation applicable to it or the Finance Parties.

(BE) Each Obligor shall (and the Original Borrower shall ensure that each other member of the KEL Group will):

(i) conduct its businesses in compliance with applicable anti-corruption and anti-money laundering laws and regulations; and

(ii) maintains and enforces policies and procedures designed to promote and achieve compliance with such laws and regulations.

(BF) 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.

28.39 People with Significant Control regime

Each Obligor shall (and the Original Borrower shall ensure that each other member of the KEL Group will):

(BG) within the relevant timeframe, comply with any notice it receives pursuant to Part 21A of the Companies Act 2006 from any company incorporated in the United Kingdom whose shares are the subject of a Security Interest created or expressed to be created in favour of the Security Agent pursuant to the Security Documents; and

(BH) promptly provide the Security Agent with a copy of that notice.

28.40 Register of members

Each Obligor that has entered into a Security Document that creates, or purports to create, a Security Interest over any shares shall (and the Original Borrower shall ensure that each other member of the KEL Group will) ensure that 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.

28.41 Restriction on KEL distributions

The Original Borrower shall procure that between 1 November 2020 and 31 December 2021 (inclusive), KEL does not make, declare or pay any Shareholder Distribution to shareholders who receive such Shareholder Distribution in their capacity as a holder of common shares in KEL unless the ratio of Consolidated Total Net Borrowings to EBITDAX on the day the Shareholder Distribution is made, declared or paid is less than or equal to 3.50:1.00 (calculated as if such day was a Financial Covenant Test Date).

28.42 Operational carbon neutrality

The Obligors shall use reasonable endeavours to achieve carbon neutrality in respect of scope 1 and 2 CO2 emissions/emissions intensity for operated activities or facilities for the KEL Group (excluding any members of the KEL Group which were not members of the KEL Group on 12 May 2021) by or prior to 2030.

29. Events of Default

Each of the events or circumstances set out in this clause is an Event of Default (save for clause 29.17 (*Acceleration – all Lenders*) unless otherwise stated.

29.1 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.

29.2 Breach of financial covenant

The Original Borrower does not comply with the provisions of the Financial Covenants, provided that where the LLCR, FLCR, ICR or DCR has been breached, the Original Borrower 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 Original Borrower shall be entitled to remedy any such breach not more than twice in total and not more than once in any 12 month period.

29.3 Breach of other obligations

An Obligor does not comply with any other provision of the Finance Documents (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.

29.4 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:

(C) capable of remedy; and

(D) 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 26.18 (*Sanctions*) and clause 26.19 (*Anti-corruption law*).

29.5 Cross-default

(E) Except in relation to paragraph (C) below, any Financial Indebtedness of any Obligor is not paid when due nor within any applicable grace period.

(F) Except in relation to paragraph (C) below, 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.

(G) A Junior Event of Default (as defined in the KEFI Intercreditor Agreement) has occurred and the Security Agent has not, no later than 30 days after such occurrence, received a notice from the Security and Intercreditor Agent (as defined in the KEFI Intercreditor Agreement) stating that such Junior Event of Default is no longer continuing.

(H) 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 150 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.

29.6 Insolvency

Any of the following occurs in respect of an Obligor:

(I) 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

(J) 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.

29.7 Insolvency proceedings

(K) 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.

(L) Paragraph (A) does not apply to:

(i) any step or procedure which is part of a re-organisation of an Obligor on a solvent basis with the consent of the Majority Lenders (acting reasonably); or

(ii) an IPO Reorganisation pursuant to clause 28.32 (*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 150 million (or its equivalent in other currencies).

29.8 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 50 million (or its equivalent in other currencies), and is not discharged within 45 days.

29.9 Unlawfulness and Invalidity of the Finance Documents and Project Agreements

If:

(M) all or any part of a Finance Document is not, or ceases to be, a legal, valid, binding and enforceable obligation of an Obligor;

(N) following its execution, all or any part of a Project Agreement is not or ceases to be, a legal, valid, binding and enforceable obligation of an Obligor in circumstances which would have a Material Adverse Effect; or

(O) following its execution, all or any part of a Project Agreement is suspended, terminated or revoked in circumstances which would have a Material Adverse Effect,

and:

(i) the Obligors fail, within 60 days (or, in the case of a Finance Document, 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

(ii) the matter is not otherwise remedied within 60 days (or, in the case of a Finance Document, 30 days) of an Obligor becoming aware of the matter.

29.10 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).

29.11 Abandonment

(P) A Borrowing Base Asset is abandoned (other than as a consequence of unsuccessful exploration activities) in whole or in part and where such abandonment has or could reasonably be expected to have a Material Adverse Effect.

(Q) Without limiting the above paragraph, an Obligor will be deemed to have abandoned a Borrowing Base Asset if, after the Completion in respect of that Borrowing Base Asset, no petroleum is produced at a commercial level for a continuous period of 180 days and all necessary steps are not being diligently pursued with a view to recommencing production as soon as practically possible.

29.12 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 of any member of the Group or all or a material part of the Borrowing Base Assets or all or a material part of the rights of any member of the Group in relation thereto and such act has, or could reasonably be expected to have, a Material Adverse Effect.

29.13 Repudiation of Finance Documents

Any Finance Document is repudiated or rescinded by an Obligor.

29.14 Material Litigation

Any material litigation, arbitration or administrative proceedings are commenced, threatened or pending against any 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.

29.15 Breach or Termination of Project Agreements

Any party to a Project Agreement, following its execution, defaults under that Project Agreement or terminates a Project Agreement in circumstances which has, or would have, a Material Adverse Effect.

29.16 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 Original Borrower 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).

29.17 Acceleration – all Lenders

Subject to the terms of the Intercreditor Agreement, 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:

(R) cancel the Total Commitments whereupon they shall immediately be cancelled;

(S) 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

(T) 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

(U) exercise or direct the Security Agent to exercise any or all of its rights, remedies, powers or discretions under any of the Finance Documents.

PART 11
CHANGES TO LENDERS AND OBLIGORS AND ROLES

30. Changes to the Lenders

30.1 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 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.

30.2 Conditions of assignment and transfer or change in Facility Office

(C) The consent of the Original Borrower 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, an Affiliate of a Lender or a Qualifying Bank; or (ii) made at a time when an Event of Default is continuing.

(D) The consent of the Original Borrower is required for a change in Facility Office to a different jurisdiction. In the case of a change of Facility Office for which the Original Borrower's consent is not required, the Lender must notify the Original Borrower of the new Facility Office promptly on the change taking effect.

(E) The consent of the Original Borrower 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 Original Borrower within that time).

(F) In the event a Letter of Credit is outstanding, transfer or assignment of a Commitment shall require the prior consent of each LC Issuing Bank.

(G) 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 an Original Lender;

(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 Agreement); and

(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.

(H) A transfer will only be effective if the procedure set out in clause 30.5 (*Procedure for transfer*) is complied with.

(I) 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 15 (*Tax Gross Up and Indemnities*) or clause 16 (*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.

(J) 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.

(K) Any assignment or transfer of part of the Existing Lender's rights and/or obligations must be a minimum of USD 5 million and must not result in the Existing Lender retaining less than USD 5 million.

(L) 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.

30.3 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.

30.4 Limitation of responsibility of Existing Lenders

(M) 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.

(N) 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.

(O) 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.

30.5 Procedure for transfer

(P) Subject to the conditions set out in clause 30.2 (*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 Original Borrower 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.

(Q) 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.

(R) Subject to clause 30.9 (*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 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 an Original Lender 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**".

30.6 Copy of Transfer Certificate to the Original Borrower

The Facility Agent shall, as soon as reasonably practicable after it has executed a Transfer Certificate, send to the Original Borrower a copy of that Transfer Certificate.

30.7 Disclosure of information

(S) 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 (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 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) 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.

(T) 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).

(U) 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).

30.8 Security over Lenders' rights

In addition to the other rights provided to Lenders under this clause 30, 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:

(V) any charge, assignment or other Security Interest to secure obligations to a federal reserve or central bank; and

(W) 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.

1.1 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 30.5 (*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 (or, if the Interest Period is longer than six Months, on the next of the dates which falls at six Monthly intervals after the first day of that 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 30.9 (*Pro rata interest settlement*), have been payable to it on that date, but after deduction of the Accrued Amounts.

(B) In this clause 30.9 (*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 30.9 (*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.

31. Changes to the Obligors

31.1 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.

31.2 Additional Borrowers

(A) Subject to compliance with the provisions of paragraphs (C) and (D) of clause 24.12 (*"Know your customer" and "customer due diligence" requirements*), the Original Borrower may request that any subsidiary of KEL 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 Original Borrower delivers to the Facility Agent a duly completed and executed Accession Letter;

(iv) the Original Borrower 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 Original Borrower and the Lenders promptly upon being satisfied 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 Original Borrower, 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.

31.3 Resignation of a Borrower

(D) The Original Borrower may request that any Borrower (other than the Original Borrower) ceases to be a Borrower by delivering to the Facility Agent a Resignation Letter.

(E) The Facility Agent shall accept a Resignation Letter and notify the Original Borrower and the Lenders of its acceptance if:

(i) no Default is continuing or would result from the acceptance of the Resignation Letter (and the Original Borrower 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.

31.4 Additional Guarantor

(F) Subject to compliance with the provisions of paragraphs (C) and (D) of clause 24.12 (*"Know your customer" and "customer due diligence" requirements*), a Borrower may request that any of its subsidiaries becomes an Additional Guarantor. That subsidiary shall become an Additional Guarantor if:

(i) the relevant Borrower delivers to the Facility Agent an Accession Letter duly completed and executed by that Additional Guarantor and the relevant Borrower; 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.

(G) The Facility Agent shall notify the Original Borrower and the Lenders promptly upon being satisfied 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*).

31.5 Repetition of Representations

Delivery of an Accession Letter constitutes confirmation by the relevant subsidiary that the Repeating Representations 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.

32. Role of the Agents and the Arrangers

32.1 Appointment of the Agents

(A) Each other Finance Party (other than the relevant Agent) appoints each Agent to act in that capacity under and in connection with the Finance Documents.

(B) Each other Finance Party authorises each Agent to exercise the rights, powers, authorities and discretions specifically given to that Agent under or in connection with the Finance Documents together with any other incidental rights, powers, authorities and discretions.

32.2 Duties of the Facility Agent

(C) 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.

(D) 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.

(E) 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.

(F) 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.

(G) The Facility Agent's duties under the Finance Documents are solely mechanical and administrative in nature.

32.3 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.

32.4 No fiduciary duties

(H) Except as specifically provided in the Finance Documents, nothing in this Agreement constitutes an Agent or a Mandated Lead Arranger as a trustee or fiduciary of any other person.

(I) No 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.

32.5 Business with the Group

Each 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.

32.6 Rights and discretions of Agents

(J) Each 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.

(K) Each 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 29.1 (*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.

(L) Each Agent may engage, pay for and rely on the advice or services of any lawyers, accountants, surveyors or other experts.

(M) Each Agent may act in relation to the Finance Documents through its personnel and agents.

(N) Each Agent may disclose to any other Party any information it reasonably believes it has received as agent under this Agreement.

(O) Notwithstanding any other provision of any Finance Document to the contrary, no 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.

32.7 Lenders' instructions

(P) Unless a contrary indication appears in a Finance Document, each Agent shall (i) exercise any right, power, authority or discretion vested in it as 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;

(ii) the Supermajority Lenders if the relevant Finance Document stipulates the matter is a Supermajority Lender decision; and

(iii) in all other cases, the Majority Lenders,

in each case, in accordance with this Agreement and the Intercreditor Agreement (or, if so instructed, refrain from exercising any right, power, authority or discretion vested in it as 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.

(Q) 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 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 Agent.

(R) Each 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 Agreement 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.

(S) In the absence of instructions in accordance with this Agreement and the Intercreditor Agreement each Agent may act (or refrain from taking action) as it considers to be in the best interest of the Lenders.

(T) Neither Agent is 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.

(U) Each 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.

32.8 Responsibility for documentation

No Agent nor any Mandated Lead Arranger:

(V) is responsible for the adequacy, accuracy and/or completeness of any information (whether oral or written) supplied by an Agent, a Mandated Lead Arranger, an Obligor or any other person given in or in connection with any Finance Document or the Final Information Memorandum; or

(W) 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.

32.9 No duty to monitor

No Agent shall be bound to enquire:

(X) whether or not any Default has occurred;

(Y) as to the performance, default or any breach by any Party of its obligations under any Finance Document; or

(Z) whether any other event specified in any Finance Document has occurred.

32.10 Exclusion of liability

(AA) Without limiting paragraph (B) below (and without prejudice to the provisions of paragraph (E) of clause 34.9 (*Disruption to Payment Systems etc.*), no Agent shall 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.

(AB) No Party (other than the relevant Agent) may take any proceedings against any officer, employee or agent of that 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 relevant Agent may rely on this clause.

(AC) An 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 that 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.

32.11 Lenders' indemnity to the Agents

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 each 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 relevant Agent's gross negligence or wilful misconduct) (or, in the case of any cost, loss or liability pursuant to clause 34.9 (*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 an Agent under the Finance Documents (unless the relevant Agent has been reimbursed by an Obligor pursuant to a Finance Document).

32.12 Resignation of an Agent

(AD) An 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 Original Borrower.

(AE) Alternatively, an Agent may resign by giving notice to the other Finance Parties and the Original Borrower, in which case the Majority Lenders may appoint a successor Agent.

(AF) If the Majority Lenders have not appointed a successor Agent in accordance with paragraph (B) above within 30 days after notice of resignation was given, the relevant Agent may (with the prior written consent of the Original Borrower) appoint a successor Agent (acting through an office in the United Kingdom).

(AG) A retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents. This obligation shall not apply in the event the Agent is required to resign pursuant to paragraph (G) below.

(AH) An Agent's resignation notice shall only take effect upon the appointment of a successor.

(AI) Upon the appointment of a successor, a retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of clause 17.3 (*Indemnity to the Agents*) and this clause 32. 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.

(AJ) After consultation with the Original Borrower, the Majority Lenders may, by notice to an Agent, require it to resign in accordance with paragraph (B) above.

(AK) 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 13.5 (*FATCA Information*) and the Original Borrower 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 13.5 (*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 Original Borrower 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 Original Borrower 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 Original Borrower or that Lender, by notice to the Facility Agent, requires it to resign.

32.13 Replacement of Administrative Parties

(AL) If:

(i) in relation to the Facility Agent, the Security Agent or an LC Issuing Bank (or their respective holding companies), clause 29.6 (*Insolvency*) or clause 29.7 (*Insolvency proceedings*) (disregarding paragraph (B) of that clause) applies or has occurred; or

(ii) if the Facility Agent, the Security Agent or an LC Issuing Bank or any of their Affiliates repudiates its obligations under the Facility or (in its capacity as Lender) becomes a Non-Funding Lender,

The Original Borrower shall be entitled to request that the Majority Lenders appoint within 10 Business Days either a co-Agent or additional LC Issuing Bank or a replacement Agent or replacement LC Issuing Bank from one of their number or (subject to reasonable consultation with the Original Borrower), from outside the Lender group.

(AM) The Facility Agent, the Security Agent or any LC Issuing Bank to which either of the circumstances described in (A)(i) or (A)(ii) above applies (an "**Affected Administrative Party**") shall cease to be entitled to fees in respect of its role upon becoming an Affected Administrative Party.

(AN) Each Affected Administrative Party shall provide all assistance and documentation reasonably required to the Original Borrower and the other

Lenders to enable the uninterrupted administration of the Facility. This shall include, where the Affected Administrative Party is the Facility Agent, the provision to the Original Borrower 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.

32.14 Confidentiality

(AO) In acting as agent for the Finance Parties, an Agent shall be regarded as acting through its agency division or, in the case of the Technical and Modelling Bank, through the relevant division performing the role which shall be treated as a separate entity from any other of its divisions or departments.

(AP) If information is received by another division or department of an Agent, it may be treated as confidential to that division or department and the relevant Agent shall not be deemed to have notice of it.

32.15 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.

32.16 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 each 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:

(AQ) the financial condition, status and nature of the Guarantor and each member of the Group;

(AR) 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;

(AS) 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

(AT) the adequacy, accuracy and/or completeness of the Final Information Memorandum and any other information provided by the Agents, 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.

32.17 Deductions from amounts payable by Agents

If any Party owes an amount to an Agent under the Finance Documents, the Agent may, after giving notice to that Party, deduct an amount not exceeding that amount from any payment to that Party which the 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.

32.18 Accession to the KEFI Intercreditor Agreement

(AU) 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 KEFI Intercreditor Agreement, the KEL Guarantee and the Charge over Shares in KEH 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. The Original Borrower may by five Business Days written notice (the "**Amendment Notice Period**") to the Facility Agent request that such amendments and/or additions be made to the KEFI Intercreditor Agreement as any collateral agent, trustee or other representative of the HY Noteholders (whether appointed at that time or not) may reasonably require (the "**HY Noteholder Trustee Amendments**"). During the Amendment Notice Period, either:

(i) the Security Agent shall enter into any agreement effecting the HY Noteholder Trustee Amendments, on the instructions of the Majority Lenders; or

(ii) the Facility Agent shall notify the Original Borrower in writing of any determination by the Majority Lenders that the HY Noteholder Trustee Amendments would materially and adversely prejudice their interests.

(AV) If, on the instructions of the Majority Lenders, the Facility Agent is required to make the notification described in paragraph (ii) above, the Facility Agent shall promptly contact the Original Borrower in writing, setting out in reasonable detail the basis and reasons for that decision and the changes which the Majority Lenders (acting reasonably) would require for the Security Agent to enter into the KEFI Intercreditor Agreement with the HY Noteholder Trustee Amendments incorporated. If such changes are made, then the Security 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 changes required by the Majority Lenders.

32.19 Execution of the KEFI Intercreditor Agreement

The Security Agent is irrevocably authorised for and on behalf of each Finance Party and the Original Borrower is irrevocably authorised for and on behalf of each Obligor to enter into the KEFI Intercreditor Agreement in a form as substantially approved by the Majority Lenders and to enter into any agreements amending or adding to the KEFI Intercreditor Agreement when approved pursuant to clause 32.18 (*Accession to the KEFI Intercreditor Agreement*) above, and each Finance Party and each Obligor shall be bound by the terms of each such agreements when executed by the Security Agent and by the Original Borrower respectively, including any terms which impose obligations upon the Finance Parties or the Obligors.

32.20 Amendment of the KEFI Intercreditor Agreement

The Security Agent is irrevocably authorised for and on behalf of each Finance Party and the Original Borrower is irrevocably authorised for and on behalf of each Obligor to enter into any agreement amending the KEFI Intercreditor Agreement for the purpose of effecting any amendment as referred to in clause 32.18 (*Accession to the KEFI Intercreditor Agreement*) above, and each Finance Party and each Obligor shall be bound by the terms of any such amendment.

33. Consultants

33.1 Reserves Consultant

The Original Borrower and the Finance Parties hereby confirm the appointment of RSC Group, Inc. as Reserves Consultant upon the terms and conditions set out in the Reserves Consultant Appointment Letter and the Reserves Consultant Reliance Letter.

33.2 Terms of appointment of Consultants

Each Party acknowledges that each of the Consultants has been appointed to act as consultant and adviser to the Finance Parties in relation to technical matters relating to the Project within its own sphere of competence. Each Finance Party acknowledges that each of the Consultants (and each replacement Consultant appointed pursuant to clause 33.3 (*Termination and replacement*)) may also act as consultant and adviser to other Parties in relation to the Project. The fees and other terms of those appointments are set out in the appointment letters between the Consultants and the Original Borrower, copies of which have been given to, and consented to by, the Lenders. The Facility Agent may, acting reasonably and consistently with the agreed scope of work for the relevant Consultant, request it to provide advice or services in relation to the Project.

33.3 Termination and replacement

The Facility Agent may, if it has reasonable grounds to do so and (unless an Event of Default has occurred and is continuing) has first consulted with the Original Borrower, at any time terminate the appointment of a Consultant if it considers it necessary or appropriate to do so, and shall promptly give notice of any such termination to the Original Borrower. If the Facility Agent terminates the appointment of any Consultant it may appoint as a replacement Consultant any person approved (which approval shall include the identity of the replacement, the terms of appointment and approval of the fees and expenses to be payable to that person) for this purpose by the Original Borrower (which approval may not be unreasonably withheld or delayed or required while an Event of Default is continuing). The terms of any such appointment shall be set out in an appointment letter between such replacement Consultant (or additional consultant as appropriate) and the Original Borrower.

PART 12
ADMINISTRATION, COSTS AND EXPENSES

34. Payment Mechanics

34.1 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 (other than any Hedging Agreement), 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 London (or, as the case may be, Paris or New York) as the Facility Agent specifies.

34.2 Distributions by the Facility Agent

Subject to the terms of the Intercreditor Agreement, 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 London (or, as the case may be, Paris or New York).

34.3 Clawback

(C) 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.

(D) 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.

34.4 Partial Payments

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 those Finance Documents in accordance with the Cash Waterfall. This clause will override any appropriation made by an Obligor.

34.5 No set-off by Obligors

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.

34.6 Business Days

(E) 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).

(F) 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.

34.7 Currency of account

(G) 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**").

(H) 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.

(I) 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.

(J) Each payment in respect of costs, expenses or Taxes shall be made in the currency in which the costs, expenses or Taxes are incurred.

(K) Any amount expressed to be payable in a currency other than the Base Currency shall be paid in that other currency.

34.8 Change of currency

(L) 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 Original Borrower); 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).

(M) 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.

34.9 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 Original Borrower that a Disruption Event has occurred:

(N) the Facility Agent may, and shall if requested to do so by the Original Borrower, consult with the Original Borrower with a view to agreeing with the Original Borrower 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;

(O) the Facility Agent shall not be obliged to consult with the Original Borrower 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;

(P) 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;

(Q) any such changes agreed upon by the Facility Agent and the Original Borrower 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 42 (*Amendments and Waivers*);

(R) 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

(S) the Facility Agent shall notify the Finance Parties of all changes agreed pursuant to paragraph (D) above.

35. Set-Off

Subject to the terms of the Intercreditor Agreement 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.

36. Costs and Expenses

36.1 Transaction expenses

the Original Borrower 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:

(A) the negotiation, preparation, printing, and execution of:

(i) this Agreement and any other documents referred to in this Agreement; and

(ii) any other Finance Documents executed after the date of this Agreement;

(B) the appointments of the Consultants.

36.2 Amendment costs

If:

(C) an Obligor requests an amendment, waiver or consent; or

(D) an amendment is required pursuant to clause 34.8 (*Change of currency*),

the Original Borrower 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 or requirement.

36.3 Enforcement costs

The Original Borrower 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.

37. Notices

37.1 Communications in writing

Subject to clause 37.5 (*Electronic communication*), 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 or letter.

37.2 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 Obligors, 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 an 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 Obligors:

To: P.O. Box 32322
4th Floor Century Yard
Cricket Square
Elgin Avenue
George Town
Grand Cayman
KY1 – 1209
Cayman Islands

Fax: +1 345 946 4090

Attention: Andrew Johnson

Copy: 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 Facility Agent:

Name: Standard Chartered Bank – Loans Agency

Email: lisa.richardson@sc.com; emma.hattersley@sc.com;
loansagencyuk@sc.com

Address: 1 Basinghall Avenue, London, EC2V 5DD

Attention: Lisa Richardson, Emma Hattersley

Contact details of the Security Agent:

Name: Crédit Agricole Corporate and Investment Bank

Address: 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.milas@ca-cib.com; guillaume.granjoux@ca-cib.com

Attention: Christine Menage/ Mihaela Milas/ Guillaume Granjoux

Contact details of the Intercreditor Agent:

Name: Crédit Agricole Corporate and Investment Bank

Address: 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.milas@ca-cib.com; guillaume.granjoux@ca-cib.com

Attention: Christine Menage/ Mihaela Milas/ Guillaume Granjoux

Contact details of the Technical Bank:

Name: Societe Generale, London Branch

Address: One Bank Street,
Canary Wharf,
London,
E14 4SG,
United Kingdom

Attention: Mark Bromfield

Name: The Standard Bank of South Africa c/o
The Standard Bank of South Africa Limited, Isle of Man Branch

Address: Standard Bank House, One Circular Road
Douglas, Isle of Man

Attention: Neil Fairnie

Name: Crédit Agricole Corporate and Investment Bank

Address: 12, Place des Etats-Unis - CS 70052 - 92547 Montrouge Cedex, France

Attention: Hervé Henrion

Contact details of the Modelling Bank:

Address: One Bank Street,
Canary Wharf,
London,
E14 4SG,
United Kingdom

Attention: Mark Bromfield

37.3 Delivery

(D) Subject to clause 37.5 (*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 37.2 (*Addresses*), if addressed to that department or officer.

(E) 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).

(F) All notices from or to an Obligor shall be sent through the Facility Agent.

(G) Any communication or document made or delivered to the Original Borrower in accordance with this clause will be deemed to have been made or delivered to each of the Obligors.

37.4 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 37.2 (*Addresses*) or changing its own address or fax number, the Facility Agent shall notify the other Parties.

37.5 Electronic communication

(H) Any communication to be made between the Facility Agent and a Lender or the Facility Agent and the Original Borrower 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 or the Facility Agent and the Original Borrower:

(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.

(I) Any electronic communication made between the Facility Agent and a Lender or the Facility Agent and the Original Borrower 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 or by the Original Borrower to the Facility Agent only if it is addressed in such a manner as the Facility Agent shall specify for this purpose.

37.6 English language

(J) Any notice given under or in connection with any Finance Document must be in English.

(K) 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 either the Facility Agent or the Security 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.

38. Calculations and Certificates

38.1 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.

38.2 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.

38.3 Day count convention

Any interest, commission or fee accruing under a Finance Document will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360 days.

39. 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) the Final Maturity Date;

(xii) changes to any of the information previously supplied pursuant to paragraphs (i) to (xi) above; and

(xiii) such other information agreed between such Finance Party and the Original Borrower,

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) KEFI represents that none of the information set out in paragraphs (i) to (xiii) of paragraph (A) above is, nor will at any time be, unpublished price-sensitive information.

(D) The Facility Agent shall notify KEFI 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.

40. 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.

41. 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.

42. Amendments and Waivers

42.1 Required consents

(A) Subject to clause 42.2 (*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 2.3 (*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 Facility Agent may effect, on behalf of any Finance Party, any amendment or waiver permitted by this clause.

(C) Paragraph (C) of clause 30.9 (*Pro rata interest settlement*) shall apply to this clause 42.

(D) Notwithstanding the terms of this clause 42, in relation to an amendment, variation or waiver of the terms of the Intercreditor Agreement or the Security Documents, the terms of the Intercreditor Agreement shall prevail.

42.2 Exceptions

(E) Subject to clause 42.4 (*Changes to reference rates*) the following may not be effected without the consent of all the Lenders.

(i) amending the definition of "Majority Lenders" or “Supermajority 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;

(iv) increasing or 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 42 (*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 clause 25.1 (*Guarantee and indemnity*). Nothing in this clause (vii) shall require any consent to be obtained for any release of Security Interests, Security Documents (including but not limited to under releases made pursuant to clause 28.8(C)) or obligations of any Obligor pursuant to clause 25.1 (*Guarantee and indemnity*), which are permitted by clause 28.32 (*IPO Reorganisation*); or

(viii) amending, varying or waiving clause 26.18 (Sanctions), clause 26.19 (*Anti-corruption law*) or clause 28.38 (*Anti-corruption law*).

(F) An amendment to clause 28.35 (*HY Notes Maturity Date*) may not be effected without the consent of the Supermajority Lenders.

(G) An amendment of clause 19.6 (*Calculation of Borrowing Base Amount*) to reduce the figure of 1.4 or the figure of 1.15 or 1.35 (as applicable) may not be effected without the consent of the Majority Lenders.

(H) An amendment or waiver which relates to the rights or obligations of an Agent, an LC Issuing Bank or an Account Bank may not be effected without the consent of that Agent, LC Issuing Bank or that Account Bank.

(I) Any release of Security Interests granted pursuant to any Security Document, an amendment or waiver which relates to clause 21.2 (*Withdrawals – No Default Outstanding*), clause 25 (*Guarantee and Indemnity*) and the rights or obligations of a Hedging Counterparty, in each case, may not be effected without the consent of the relevant Hedging Counterparty.

(J) (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 Original Borrower 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 Original Borrower may have specified (as the case may be), and in any event within two Business Days of the expiration of such period, the Facility Agent shall notify the Original Borrower and the Lenders whether the requested amendment, waiver, consent or approval has been approved or given in accordance with the terms of this Agreement.

42.3 Disenfranchisement of Shareholder Affiliates

Notwithstanding any other provisions of this Agreement, for so long as a Shareholder Affiliate is a Lender and/or to the extent that a 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 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 Shareholder Affiliate acknowledges and agrees that:

(K) 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 Shareholder Affiliate and any associated participation of such Shareholder Affiliate in a Loan shall be deemed to be zero; and

(ii) such Shareholder Affiliate shall be deemed not to be a Lender;

(L) 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

(M) 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.

42.4 Changes to reference rates

Subject to clause 42.2(D), if a Published Rate Replacement Event has occurred, any amendment or waiver which relates to:

(N) providing for the use of a Replacement Reference Rate; and

(O)

(i) aligning any provision of any Finance Document to the use of that Replacement Reference Rate;

(ii) 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);

(iii) implementing market conventions applicable to that Replacement Reference Rate;

(iv) providing for appropriate fallback (and market disruption provisions) for that Replacement Reference Rate; or

(v) 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

43. 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 13
GOVERNING LAW AND ENFORCEMENT

44. 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.

45. Jurisdiction

45.1 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 45.1 and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law.

45.2 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.

"**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).

"**Later Arbitration**" means, where there is more than one arbitration commenced under this Agreement, any arbitration other than the Primary Arbitration.

45.3 Joinder

(F) 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.

(G) 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 45.5 (*Appointment of arbitrators*).

(H) 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.

45.4 Consolidation

(I) 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.

(J) 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.

45.5 Appointment of arbitrators

The tribunal shall be three arbitrators selected as follows:

(K) 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;

(L) 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;

(M) 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

(N) 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.

45.6 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.

45.7 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), involving one or several Finance Parties with no involvement of any Obligor.

46. Service of Process

(A) Without prejudice to any other mode of service allowed under any relevant law, each of the Obligors:

(i) irrevocably appoints KEISL 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 46 (*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 46 (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 46 (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) 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 46, "**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.

47. 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.

48. Acknowledgement regarding any Supported QFCS

To the extent that the Finance Documents provide support, through a guarantee or otherwise, for any 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 "U**.S. Special Resolution Regime**") in respect of such Supported QFC and QFC Credit Support:

(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 U.S. 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 U.S. 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. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. 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 U.S. 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.

(B) As used in this clause 48, the following terms have the following meanings:

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

"**Covered Entity**" means any of the following:

(i) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 Code of Federal Regulations § 252.82(b);

(ii) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 Code of Federal Regulations § 47.3(b); or

(iii) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 Code of Federal Regulations § 382.2(b).

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

"**QFC**" has the meaning assigned to the term “qualified financial contract” in, and shall be interpreted in accordance with, 12 United States Code 5390(c)(8)(D).

This Agreement has been entered into on the date stated at the beginning of this Agreement.

Schedule 1
The Obligors

The Borrowers

Name	Jurisdiction of Incorporation	Registered Number
Kosmos Energy Finance International	Cayman Islands	253656

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 Finance International	Cayman Islands	253656
Kosmos Energy Ghana HC	Cayman Islands	135710
Kosmos Energy Equatorial Guinea	Cayman Islands	269135
Kosmos Equatorial Guinea, Inc.	Cayman Islands	344326
Kosmos International Petroleum, Inc.	Cayman Islands	344316

Schedule 2

The Original Lenders

Original Lender	Commitment (USD)
ABSA Bank Limited (acting through its corporate and investment banking division)	100,000,000
Bank of America N.A.	50,000,000
Barclays Bank PLC	50,000,000
Crédit Agricole Corporate and Investment Bank	162,343,000
Deutsche Bank AG, Amsterdam Branch	25,000,000
Ecobank Ghana PLC	20,000,000
ING Belgium SA/NV	140,000,000
Natixis	100,000,000
N.B.S.A. Limited	113,906,000
SMBC Bank International Plc	60,000,000
Société Générale, London Branch	160,000,000
Standard Chartered Bank	68,751,000
MUFG Bank, Ltd.	50,000,000
The Standard Bank of South Africa Limited, Isle of Man Branch	150,000,000

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 (subject, in the case of the relevant Security Document, to the Lenders having agreed to the requirements of subordination in relation to any Security created in respect of a Project Agreement):

   (i) this Agreement;

   (ii) any Intercompany Loan Agreement;

   (iii) the KEG Offshore Project Accounts Agreement;

   (iv) the Borrower Offshore Project Accounts Agreement;

   (v) the KEG Onshore Project Accounts Agreement;

   (vi) the Intercreditor Agreement;

   (vii) the Charge over Shares in the Original Borrower;

   (viii) the Charge over Shares in KEO;

   (ix) the Charge over Shares in KEG;

   (x) the Charge over Shares in KED;

   (xi) the Charge over Shares in KEI;

   (xii) the Borrower Offshore Security Assignment;

   (xiii) the KEO Offshore Security Assignment;

   (xiv) the KEI Offshore Security Assignment;

   (xv) the KED Offshore Security Assignment;

   (xvi) the KEG Offshore Security Assignment;

(xii) the KEG Onshore Security Assignment;

(xiii) the KEI and KEO Offshore Security Assignment;

(xix) the Facility Agent Fee Letter;

(xx) the front end and underwriting Fee Letter;

(xxi) the Technical Bank Fee Letters;

(xxii) the Modelling Bank Fee Letters;

(xxiii) the Security Agent Fee Letter;

(xxiv) the Documentation Bank Fee Letter; and

(xxv) the BNP Paribas LC Issuing Fee Letter.

2. Provision of certified copies of each Obligor's constitutional documents and corporate resolutions authorising entry into and performance of the Finance Documents to which they are a party and certification as to solvency.

3. Receipt by the Facility Agent of appropriate legal opinions from Clifford Chance LLP, Walkers, Fugar & Company, Maples & Calder, Thompson & Knight and Bentsi-Enchill, Letsa & Ankomah.

4. Final Reports and/or letters issued by the Consultants (provided that there is only an obligation to provide an executive summary of the Final Report from the Technical Consultant as a condition precedent to first Utilisation).

5. Provision of a certificate from the Original Borrower that all Required Approvals on the date of the proposed utilisation have been obtained (including a schedule of all such Required Approvals).

6. Provision of a certificate in the agreed form certifying that complete copies of the following Project Agreements, including all amendments in relation thereto, have been delivered to the Agents under the Existing Finance Documents pursuant to the terms of the CTA (as defined in the Definitions Agreement):

(i) the DWT PA;

(ii) the DWT JOA;

(iii) the WCTP PA; and

(iv) the WCTP JOA,

together with certified copies of all other Project Agreements not referred to in paragraphs (i) to (iv) (inclusive) above (including, for the avoidance of doubt and without limitation, those documents listed under paragraphs (C), (D) and (E) of the definition of Project Agreements).

7. An audit of the Model prepared by the Model Auditor.

8. All share charges are entered into pursuant to condition precedent 1 above are perfected and fully valid and, where applicable (by adopting a consistent approach as was adopted for the Existing Finance Documents): (a) share certificates and blank stock transfer forms are delivered to the Security Agent; (b) certified copy registers of members are delivered to the Security Agent in relation to companies whose shares have been pledged; and (c) letter of undertaking from the Company whose shares are being charged.

9. Each Obligor (save for the Original Borrower and KEO) shall provide a certified copy of its most recent audited accounts, if any, and KEO shall provide a copy of the Form S-1 filed by Kosmos Energy Ltd. with the United States Securities and Exchange Commission on 23 March 2011, which includes the most recent audited consolidated accounts of the Group.

10. The Schedule of Insurances.

11. The following documents for release of the Security Interests (as defined in the Existing Finance Documents) created by under the Existing Finance Documents, in the form agreed by the Security Trustee (as defined in the Existing Finance Documents):

- deed of release between KEH, KEO, KEI, KED and BNP PARIBAS, as security trustee, releasing the security created by the existing charges over shares;
- deed of release between KED, Kosmos Energy Finance, KEG and KEO and BNP Paribas, as security trustee, releasing the security created by the existing debentures;
- deed of release between KEI, KEO and BNP Paribas, as security trustee, releasing the secured property under the existing security assignment.

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 a Deed of Subordination in respect of any Financial Indebtedness of such Additional Obligor and a deed, duly signed on behalf of the Additional Obligor and each other Obligor and KEH, substantially in the form of the Deed of Acknowledgment and Release.

3. Provision of certified copies of the Additional Obligor's constitutional documents and certificates of incorporation (or equivalent).

4. A copy of a resolution of the board of directors 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.

5. A specimen signature of each person authorised to execute the Accession Letter and any other documents and notices in connection with the Finance Documents.

6. 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.

7. 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.

8. A copy of any other 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.

9. If available, the latest audited financial statements of the Additional Obligor.

10. Receipt by the Facility Agent of any appropriate legal opinions.

11. If the proposed Additional Obligor is incorporated in a jurisdiction other than England and Wales, evidence that the process agent specified in clause 46 (*Service of Process*), if not an Obligor, has accepted its appointment in relation to the proposed Additional Obligor.

12. In respect of an Additional Obligor incorporated in the United Kingdom whose shares are to be the subject of a Security Interest created or expressed to be created in favour of the Security Agent pursuant to the Security Documents (a "**Charged Company**"), either:

(i) a certificate of an authorised signatory of the Original Borrower certifying that:

(A) each member of the KEL Group has complied within the relevant timeframe with any notice it has received pursuant to Part 21A of the Companies Act 2006 from that Charged Company; and

(B) no "warning notice" or "restrictions notice" (in each case as defined in Schedule 1B of the Companies Act 2006) has been issued in respect of those shares,

together with a copy of the "PSC register" (within the meaning of section 790C(10) of the Companies Act 2006) of that Charged Company which, in the case of a Charged Company that is a member of the KEL Group, is certified by an authorised signatory of the Original Borrower to be correct, complete and not amended or superseded as at a date no earlier than the date of the Accession Letter; or

(ii) a certificate of an authorised signatory of the Original Borrower certifying that such Charged Company is not required to comply with Part 21A of the Companies Act 2006.

Schedule 4
Utilisation Requests

Part I
Loans

From: **[●]** (the "**Borrower**")

To: **STANDARD CHARTERED BANK** (the "**Facility Agent**")

Dated:

Dear Sirs

Kosmos Energy Finance International – Facility Agreement
dated [●] (as amended or as amended and restate 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)
Amount:	[●] or, if less, the Total Available Facility Amount
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) the Loan is expected to be applied in payment of amounts subject to and in accordance with the Cash Waterfall within 90 days of the Utilisation Date or are

otherwise required for the Obligors to comply with clause 20.1 (*Project Accounts*) of the Agreement;

(d) the aggregate principal amount outstanding under the Facility does not exceed the Borrowing Base Amount and the making of the Utilisation would not result in the aggregate principal amount outstanding under the Facility exceeding the Borrowing Base Amount; and

(e) 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 the [Borrower/other] Offshore Proceeds 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]

Part II
Letters of Credit

From: Kosmos Energy Finance International

To: **STANDARD CHARTERED BANK** (the "**Facility Agent**")

[] (the "**LC Issuing Bank**")

Dated:

Dear Sirs

Kosmos Energy Finance International – Facility Agreement
dated [●] (as amended or as amended and restated from time to time)
(the "Agreement")

1. We wish to arrange for a Letter of Credit to be issued by the LC Issuing Bank on the following terms:

   Proposed Utilisation Date: [●] (or, if that is not a Business Day, the next Business Day)

   Amount: [●] or, if less, the Total Available Facility Amount

   Beneficiary: [●]

   Term or Expiry Date: [●]

2. We hereby certify that each condition specified in clause 7.6 (*Issue of Letters of Credit*) is satisfied on the date of this Utilisation Request.

3. We attach a copy of the proposed Letter of Credit.

4. This Utilisation Request is irrevocable and is a Finance Document.

Delivery Instructions:

[specify delivery instructions]

Yours faithfully

……

Authorised Signatory for
Kosmos Energy Finance International

Schedule 5

Amortisation Schedule

Repayment Date	Repayment Instalment (USD)	Total Facility Amount (USD)
31/03/2021	0	$1,250,000,000.00
30/09/2021	0	$1,250,000,000.00
31/03/2022	0	$1,250,000,000.00
30/09/2022	0	$1,250,000,000.00
31/03/2023	0	$1,250,000,000.00
30/09/2023	0	$1,250,000,000.00
31/03/2024	$178,571,428.57	$1,071,428,571.43
30/09/2024	$178,571,428.57	$892,857,142.86
31/03/2025	$178,571,428.57	$714,285,714,29
30/09/2025	$178,571,428.57	$535,714,285.71
31/03/2026	$178,571,428.57	$357,142,857.14
30/09/2026	$178,571,428.57	$178,571,428.57
31/03/2027	$178,571,428.57	0

Schedule 6

[intentionally left blank]

Schedule 7
Form of Transfer Certificate

To: **STANDARD CHARTERED BANK** as (the "**Facility Agent**")

From: [The Existing Lender] (the "**Existing Lender**") and [The New Lender] (the "**New Lender**")

Dated:

Dear Sirs

Kosmos Energy Finance International – 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 30.5 (*Procedure for transfer*):

   (A) The Existing Lender and the New Lender agree to the Existing Lender transferring to the New Lender by novation all or part of the Existing Lender's Commitment, rights and obligations referred to in the Schedule in accordance with clause 30.5 (*Procedure for transfer*).

   (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 37.2 (*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 30.4 (*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 or any non-contractual obligations arising out of or in connection with it governed by English law.

Note: The execution of this Transfer Certificate may not transfer a proportionate share of the Existing Lender's interest in the Security Interest created or expressed to be created in favour of the Security Agent pursuant to the Security Documents 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 Security Interest created or expressed to be created in favour of the Security Agent pursuant to the Security Documents 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 [●].

STANDARD CHARTERED BANK

By:

Schedule 8
Form of Lender Accession Notice

To: **STANDARD CHARTERED BANK** as Facility Agent

From: [*Additional Lender*]

Dated:

Dear Sirs,

Kosmos Energy Finance International - Facility Agreement
dated [●] (as amended or as amended and restated from time to time) (the "Facility Agreement")

1. We refer to the Facility Agreement. This is a Lender Accession Notice. Terms defined in the Facility 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 Facility Agreement as a Lender pursuant to clause [3.3] (*Additional Commitment*) of the Facility Agreement; and

   (b) to be bound by the terms of the Intercreditor Agreement as a [Lender/ Creditor].

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: [_____]

5. This Lender Accession Notice and any non-contractual obligations arising out of or in connection with it are governed by English law.

6. 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 Commitment Commencement Date is confirmed as [ ].

STANDARD CHARTERED BANK

By:

Schedule 9
Form of Accession Letter

From: [*name of subsidiary*] (the "**Company**") and [●] (the "**Borrower**")

To: **STANDARD CHARTERED BANK** (the "**Facility Agent**")

Dated:

Dear Sirs

Kosmos Energy Finance International – 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 as an Additional [Borrower]/[Guarantor] pursuant to clause [31.2 (*Additional Borrowers*)]/[31.4 (*Additional Guarantor*)] of the Agreement. The Company is a company duly incorporated under the laws of [*name of relevant jurisdiction*].

3. The Company's administrative details are as follows:

   Address:

   Fax No:

   Attention:

4. 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.

[Company]

[Borrower]

Schedule 10
Form of Resignation Letter

From: [*resigning Obligor*] and Kosmos Energy Finance International

To: **STANDARD CHARTERED BANK** (the "**Facility Agent**")

Dated:

Dear Sirs

Kosmos Energy Finance International - 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 [31.3 (*Resignation of a Borrower*)] of the Agreement, we request that [*resigning Obligor*] be released from its obligations as a Borrower 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 Finance International

Schedule 11
Form of Compliance Certificate

To: **STANDARD CHARTERED BANK** as Facility Agent

From: [Obligor]

Date:

Dear Sirs

Kosmos Energy Finance International – Facility Agreement
dated [●] (as amended or as amended and restated from time to time) (the "Agreement")

1. We refer to the Agreement. This is 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 as at [●], being the last occurring Forecast Date:

   (A) the Field Life Cover Ratio was [●];

   (B) the Loan Life Cover Ratio was [●];

   (C) the DCR was [●]; and

   (D) the ICR was [●],

   in each case, as demonstrated by the current Forecast Assumptions.

3. We set out below the calculations establishing the figures in paragraph 2 above:

   [●]

4. We confirm that as at [●], so far as we are aware having made diligent enquiries, no Default has occurred or is continuing.[1]

5. The balance of each Debt Service Reserve Account is as follows:

   [●]

[1] Note: 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
[Obligor]

……

Authorised Signatory for
[Obligor]

Schedule 12
Form of Letter of Credit

To: [Beneficiary] (the "**Beneficiary**")

Date:

Irrevocable Standby Letter of Credit no.[●]

At the request and for the account of [●], [LC Issuing Bank] (the "**LC Issuing Bank**") hereby establishes in your favour this irrevocable standby letter of credit ("**Letter of Credit**") not exceeding the Total L/C Amount on the following terms and conditions:

1. Definitions

In this Letter of Credit:

"**Business Day**" means a day (other than a Saturday or a Sunday) on which banks are open for general business in London.

"**Demand**" means a demand for a payment under this Letter of Credit in the form of the schedule to this Letter of Credit.

"**Expiry Date**" means [●].

"**Total L/C Amount**" means an aggregate amount not to exceed $[●] (USD [*insert amount in words*] only).

2. LC Issuing Bank's agreement

(A) The Beneficiary may request a drawing or drawings under this Letter of Credit by giving to the LC Issuing Bank a duly completed Demand. A Demand must be received by the LC Issuing Bank by [●] p.m. (London time) on the Expiry Date. Multiple drawings are permitted.

(B) Subject to the terms of this Letter of Credit, the LC Issuing Bank unconditionally and irrevocably undertakes to the Beneficiary that, within [ten] Business Days of receipt by it of a Demand, it shall pay to the Beneficiary the amount demanded in that Demand.

(C) The LC Issuing Bank will not be obliged to make a payment under this Letter of Credit if as a result the aggregate of all payments made by it under this Letter of Credit would exceed the Total L/C Amount.

3. Expiry

(A) The LC Issuing Bank will be released from its obligations under this Letter of Credit on the date (if any) notified by the Beneficiary to the LC Issuing Bank as the date upon which the obligations of the LC Issuing Bank under this Letter of Credit are released.

(B) Unless previously released under paragraph (A) above, on [●] p.m. ([London] time) on the Expiry Date the obligations of the LC Issuing Bank under this Letter of Credit will cease with no further liability on the part of the LC Issuing Bank except for any Demand validly presented under the Letter of Credit that remains unpaid.

(C) When the LC Issuing Bank is no longer under any further obligations under this Letter of Credit, the Beneficiary must return the original of this Letter of Credit to the LC Issuing Bank.

4. Payments

All payments under this Letter of Credit shall be made in [●] and for value on the due date to the account of the Beneficiary specified in the Demand.

5. Delivery of Demand

Each Demand shall be in writing, and, unless otherwise stated, may be made by letter, by registered mail or by courier on your letterhead, with the blanks appropriately completed, purportedly signed by your authorised officers bearing original handwritten signatures and must be received in legible form by the LC Issuing Bank at its address and by the particular department or officer (if any) as follows:

[●]

6. Assignment

The Beneficiary's rights under this Letter of Credit may not be assigned or transferred.

7. Amendment

The Letter of Credit may be amended only by written instrument signed by the LC Issuing Bank and the Beneficiary.

8. ISP 98

Except to the extent it is inconsistent with the express terms of this Letter of Credit, this Letter of Credit is subject to the International Standby Practices (ISP 98), International Chamber of Commerce Publication No. 590.

9. Governing Law

This Letter of Credit and any non-contractual obligations arising out of or in connection with it are governed by English law.

10. Jurisdiction

The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Letter of Credit (including any non-contractual obligations arising out of or in connection with this Letter of Credit).

Yours faithfully,

[*LC Issuing Bank*]

By:

SCHEDULE

FORM OF DEMAND

To: [*LC Issuing Bank*]

Date:

Dear Sirs

Standby Letter of Credit no. [●] **issued in favour of [BENEFICIARY] (the "Letter of Credit")**

We refer to the Letter of Credit. Terms defined in the Letter of Credit have the same meaning when used in this Demand.

1. We certify that the sum of [●] is due [and has remained unpaid for at least [●] Business Days] [under [set out underlying contract or agreement]]. We therefore demand payment of the sum of [●].

2. The amount specified in paragraph 1 is not in excess of the Total L/C Amount.

3. Payment should be made to the following account:

   Name:

   Account Number:

   Bank:

4. The date of this Demand is not later than the Expiry Date.

Yours faithfully

(Authorised Signatory) (Authorised Signatory)

For

[BENEFICIARY]

Schedule 13
Form of Confidentiality Undertaking

To: [*Purchaser's details*]

Re:

Kosmos Energy Finance International (the "**Company**") and up to USD 2 billion reserves based loan facility dated [ ] 2011 (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 14

Form of Deed of Subordination

THIS DEED is dated [ ] and made between:

(1) **[●]** (the "**Obligor**");

(2) **BNP PARIBAS** in its capacity as Security Agent for the Secured Parties on the terms and conditions set out in the Intercreditor Agreement (the "**Security Agent**") which expression includes its successors in title and assigns or any person appointed as an additional trustee for the purpose of and in accordance with the Intercreditor Agreement; and

(3) **[●]** (the "**Subordinated Party**").

BACKGROUND:

(1) Under the Facility, the Lenders have agreed to make available a USD[●] billion loan facility to (among others) the Original Borrower.

(2) The Subordinated Party has agreed to make, or may in the future make, loans available to the Obligor.

(3) The Obligor and the Subordinated Party have agreed that the Subordinated Debt (as defined below) shall be subordinated to the claims of the Secured Parties on the terms of this Deed.

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Deed:

"**Permitted Payment**" means any payment or receipt expressly permitted by clause 4 (*Permitted Payments*) so long as it is so permitted.

"**Subordinated Debt**" means all present and future moneys, debts, obligations and liabilities which are, or are expressed to be, or may become due, owing or payable by the Obligor to the Subordinated Party (in each case, whether alone or jointly, or jointly

and severally, with any other person, whether actually or contingently, and whether as principal, surety or otherwise) together with any related Additional Debt.

"**Subordinated Documents**" means any document evidencing or recording the terms of any Subordinated Debt.

"**Subordination Period**" means the period beginning on the date of this Deed and ending on the date on which all the Secured Liabilities have been unconditionally and irrevocably paid or discharged or satisfied in full and all commitments of the Secured Parties have expired or been cancelled.

1.2 Incorporation of defined terms

Terms defined in clause 1 (*Definitions*) of the facility agreement dated 28 March 2011 between, among others, Kosmos Energy Finance International and Standard Chartered Bank as facility agent (as amended or as amended and restated from time to time) (the "**Agreement**") by, *inter alios*, the parties to this Deed shall have the same meaning and construction when used herein.

1.3 Construction of particular terms

The rules of construction and interpretation set out in clause 1.3 (*Construction of particular terms*) of the Agreement shall apply to this Deed as if expressly set out herein.

1.4 Third Party Rights

(a) Subject to clause 1.4(b), the parties to this Deed do not intend that any term of this Deed should be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999, by any person who is not a party to this Deed.

(b) Each of the Secured Parties shall have the right to enforce the terms of this Deed.

2. RANKING

(a) The Secured Liabilities shall rank senior in priority to the Subordinated Debt.

(b) Except as provided in this Deed, any payment in respect of the Subordinated Debt is conditional upon the expiry of the Subordination Period.

(c) As between the Secured Parties, nothing in this Deed shall prejudice the ranking of the Secured Liabilities as set forth in the Intercreditor Agreement.

3. UNDERTAKINGS

3.7 Undertakings of the Obligor

(a) During the Subordination Period the Obligor shall not, and the Subordinated Party shall not require the Obligor to:

(i) pay, repay or prepay any principal, interest or other amount on or in respect of, or make any distribution in respect of, or redeem, purchase, acquire or defease, any of the Subordinated Debt whether in cash or in kind;

(ii) exercise any set-off against any Subordinated Debt;

(iii) create or permit to subsist any Security over any of its assets, or give any guarantee, for, or in respect of, any Subordinated Debt;

(iv) amend, terminate or give any waiver or consent under the Subordinated Documents, other than any amendment, termination, waiver or consent purely of a technical or administrative nature; or

(v) take or omit to take any action whereby the ranking and/or subordination contemplated by this Deed might be impaired or terminated.

(b) Notwithstanding paragraph (a) above, the Obligor may:

(i) do anything prohibited by paragraph (a) above with the prior written consent of the Security Agent; and

(ii) make any Permitted Payment.

3.8 Undertakings of the Subordinated Party

(a) During the Subordination Period, the Subordinated Party shall not:

(i) demand or receive payment, repayment or prepayment of any principal, interest or other amount on or in respect of, or any distribution in respect of, the Subordinated Debt in cash or in kind or apply any money or property in or towards discharge of the Subordinated Debt;

(ii) exercise any set-off against the Subordinated Debt;

(iii) permit to subsist or receive any Security, or any guarantee, for, or in respect of, the Subordinated Debt;

(iv) amend, terminate or give any waiver or consent under any Subordinated Document, other than any amendment, termination, waiver or consent purely of a technical or administrative nature;

(v) take or omit to take any action whereby the ranking and/or subordination contemplated by this Deed might be impaired;

(vi) take any Enforcement Action in relation to the Subordinated Debt; or

(vii) assign, transfer or otherwise dispose of any of its rights, benefit, title or interest in or to the Subordinated Debt.

(b) Notwithstanding paragraph (a) above, the Subordinated Party may:

(i) do anything prohibited by paragraph (a) above with the prior written consent of the Security Agent; and

(ii) receive and retain a Permitted Payment.

4. PERMITTED PAYMENTS

Subject to clause 6 (*Turnover*) and clause 7 (*Subordination on Insolvency*), unless:

(a) a Default is continuing; or

(b) an Insolvency Event or Insolvency Proceedings have occurred in which case clause 7 (*Subordination on Insolvency*) applies; or

(c) the aggregate of the outstandings under the Facility on the most recent Forecast Date exceeds the Borrowing Base Amount pursuant to clause 10.3 (*Aggregate outstandings exceed the Borrowing Base Amount*) of the Agreement and the earlier of the date of the mandatory prepayment to cure the deficiency or the date which is 90 days following that Forecast Date has not occurred (in which case the provisions of clause 7 (*Subordination on Insolvency*) shall apply),

the Obligor may pay and the Subordinated Party may receive and retain payments of [interest and principal] on the Subordinated Debt in accordance with clause 21.2 (*Withdrawals – No Default Outstanding*) of the Agreement, such payment or receipt to include payment or receipt by way of set-off.

5. REPRESENTATIONS

5.3 Representations of the Subordinated Party

The Subordinated Party makes the representations and warranties set out in this clause 5.1 on the date of this Deed:

(a) It is duly incorporated (if a corporate person) or duly established (in any other case except for a natural person) and validly existing under the law 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 and is proposed to be, conducted, and it has the power to enter into and perform all its obligations under this Deed and the transactions contemplated by this Deed.

(c) The obligations expressed to be assumed by it under this Deed are legal, valid, binding and enforceable obligations.

(d) The entry into and performance by it of, and the transactions contemplated by, this Deed does not and will not conflict with:

(i) any law applicable to it;

(ii) its constitutional documents; or

(iii) any agreement or instrument binding upon it or any of its assets.

(e) It has (or had at the relevant time) the power and authority to execute and deliver this Deed and it has the power and authority to perform its obligations under this Deed and the transactions contemplated thereby.

(f) 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.

(g) It is the sole beneficial owner of the Subordinated Debt owed to it.

5.4 Repetition

Each of the representations and warranties in clause 5.1 (*Representations of the Subordinated Party*) will be repeated on the date of each Utilisation Date and on the first

day of each Interest Period. Where a representation is repeated, it is applied to the facts and circumstances existing at the time of repetition.

6. TURNOVER

During the Subordination Period, if the Subordinated Party received or recovers:

(a) a payment (other than a Permitted Payment) in cash or in kind or distribution in respect of any of the Subordinated Debt from the Obligor or any other source; or

(b) the proceeds of any enforcement of any Security or any guarantee or other assurance against financial loss for any Subordinated Debt,

in each case, in contravention of clause 2 (*Ranking*) or 3 (*Undertakings*), the Subordinated Party shall:

(i) within three (3) Business Days notify details of the receipt or recovery to the Security Agent;

(ii) hold any such assets and moneys received or recovered by it (up to a maximum of an amount equal to the Secured Liabilities on trust for the Security Agent for application against the Secured Liabilities in accordance with the order and priority set forth in the Intercreditor Agreement; and

(iii) within three (3) Business Days of demand by the Security Agent, pay an amount equal to such receipt or recovery (up to a maximum of an amount equal to the Secured Liabilities) to the Security Agent for application against the Secured Liabilities in accordance with the order and priority set forth in the Intercreditor Agreement.

7. SUBORDINATION ON INSOLVENCY

7.8 Subordination

If an Insolvency Event or Insolvency Proceedings occur, the Subordinated Debt will be subordinate to the Secured Liabilities.

7.9 Filing of Claims

(a) If an Insolvency Event or Insolvency Proceedings occur or any Event of Default is continuing, the Security Agent may, and is hereby irrevocably authorised on behalf of the Obligor and the Subordinated Party to:

(i) take any Enforcement Action in relation to the Subordinated Debt;

(ii) demand, claim, enforce and prove for the Subordinated Debt;

(iii) file claims and proofs, give receipts and take any proceedings in respect of filing such claims or proofs and do anything which the Security Agent reasonably considers necessary or desirable to recover the Subordinated Debt; and

(iv) receive all distributions of the Subordinated Debt for application first against the Secured Liabilities in accordance with the order and priority set forth in the Intercreditor Agreement.

(b) If and to the extent that the Security Agent is not entitled, or elects not, to take any of the action mentioned in paragraph (a) above, the Subordinated Party will do so promptly on request by the Security Agent.

7.10 Distributions

If an Insolvency Event or Insolvency Proceedings occur, the Subordinated Party will:

(a) hold all payments and distributions in cash or in kind received or receivable by it in respect of the Subordinated Debt on trust for the Security Agent and promptly pay the same for application first against the Secured Liabilities in accordance with the order and priority set forth in the Intercreditor Agreement;

(b) within three Business Days of demand by Security Agent, pay an amount equal to any Subordinated Debt owing to it and discharged by set-off or otherwise to the Security Agent for application in accordance first against the Secured Liabilities in accordance with the order and priority set forth in the Intercreditor Agreement;

(c) promptly direct the trustee in bankruptcy, liquidator, assignee or other person distributing the assets of the Obligor or their proceeds to pay any and all distributions in respect of the Subordinated Debt directly to the Security Agent; and

(d) promptly undertake any action requested by the Security Agent to give effect to this clause 7.3.

7.11 Voting

(a) If an Insolvency Event or Insolvency Proceedings occur:

(i) the Security Agent may, and is hereby irrevocably so authorised on behalf of the Subordinated Party, to exercise all powers of convening meetings, voting and representation in respect of the Subordinated Debt; and

(ii) the Subordinated Party shall promptly execute and/or deliver to the Security Agent such forms of proxy and representation as it may require to facilitate any such action.

(b) If and to the extent that the Security Agent is not entitled, or elects not, to exercise a power under paragraph (a) above, the Subordinated Party will:

(i) exercise that power in such manner as the Security Agent directs; and

(ii) exercise that power so as not to impair the ranking and/or subordination contemplated by this Deed.

8. PROTECTION OF SUBORDINATION

8.11 Continuing subordination

The subordination provisions in this Deed shall remain in full force and effect by way of continuing subordination and shall not be affected in any way by any intermediate payment or discharge in whole or in part of the Secured Liabilities.

8.12 Waiver of defences

Neither the subordination in this Deed nor the obligations of the Obligor or the Subordinated Party shall be affected in any way by an act, omission, matter or thing which, but for this clause 8, would reduce, release or prejudice the subordination or any of those obligations in whole or in part, including, without limitation, the following:

(a) any time, waiver or consent granted to, or composition with, any person;

(b) the release of any person under the terms of any composition or arrangement with any creditor of any person;

(c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;

(d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any person;

(e) any amendment, novation, supplement, extension (whether of maturity or otherwise) or restatement (in each case, however fundamental and of whatever nature) or replacement of any Finance Document or any other document or security;

(f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security;

(g) any insolvency or similar proceedings; or

(h) any postponement, discharge, reduction, non-provability or other similar circumstance affecting any obligation of any person under any Finance Document resulting from any insolvency, liquidation or dissolution proceedings or from any law, regulation or order.

8.13 Immediate recourse

The Subordinated Party waives any right it may have of first requiring the Security Agent (or any other trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person claiming the benefit of this Deed. The Security Agent may refrain from applying or enforcing any money, rights or security.

8.14 Appropriations

The Security Agent (or any trustee or agent on its behalf) may, subject to its obligations under this Deed:

(a) apply any moneys or other assets received or recovered by it under this Deed or from any person against the Secured Liabilities, in accordance with the order and priority set forth in the Intercreditor Agreement;

(b) apply any moneys or other assets received or recovered by it from any person (other than any moneys or other assets received or recovered under the applicable Finance Documents or under this Deed) against any liability of the relevant person to it other than the Secured Liabilities owed to it; and

(c) unless or until such moneys or other assets received or recovered by it under the applicable Finance Documents or under this Deed in aggregate are sufficient to end the Subordination Period if otherwise applied in accordance with the provisions of this Deed, hold in an interest-bearing suspense account any moneys or other assets received from any person.

9. PRESERVATION OF DEBT

9.4 Preservation of Subordinated Debt

Notwithstanding any term of this Deed postponing, subordinating or preventing the payment of all or any part of the Subordinated Debt, the Subordinated Party shall, as between the Obligor and the Subordinated Party, be deemed to remain owing or due and payable (and interest, default interest or indemnity payments shall continue to accrue) in accordance with the Subordinated Documents.

9.5 No liability

The Security Agent will have no liability to the Obligor or to the Subordinated Party for any act, default, or omission in relation to the manner of exercise or any non-exercise of its rights, remedies, powers, authorities or discretions under this Deed or any failure to collect or preserve any Subordinated Debt or delay in doing so.

10. SUBROGATION

If any of the Secured Liabilities are wholly or partially paid out of any proceeds received in respect of or on account of the Subordinated Debt, the Subordinated Party will to that extent be subrogated to the Secured Liabilities so paid (and all securities and guarantees for those Secured Liabilities), but not before the expiry of the Subordination Period.

11. NO OBJECTION BY SUBORDINATED PARTY

The Subordinated Party is deemed to consent to, and the Subordinated Party shall not have any claim or remedy against the Obligor or any Secured Party by reason of:

(a) the entry by any of them into any Finance Document or any other agreement between any Secured Party and the Obligor;

(b) any waiver or consent given by any Secured Party under any Finance Document or any such other agreement; or

(c) any requirement or condition imposed by or on behalf of any Secured Party under any Finance Document or any such other agreement,

from time to time which breaches or causes an event of default or potential event of default (however described) under any Subordinated Document.

12. POWER OF ATTORNEY

(a) During the Subordination Period, the Subordinated Party, by way of security for the obligations of the Subordinated Party under this Deed, irrevocably appoints Security Agent as its attorney (with full power of substitution and delegation), on its behalf and in its name or otherwise as its act and deed, and in such manner as the attorney thinks fit to do anything which the Subordinated Party is obliged to do under this Deed but has not done, and the taking of action by the attorney shall (as between it and any third party) be conclusive evidence of its right to take such action.

(b) The Subordinated Party ratifies and confirms and agrees to ratify and confirm everything that such attorney does or purports to do in the exercise or purported exercise of the power of attorney granted by it in this clause 12.

13. NEW MONEY

The Subordinated Party agrees and acknowledges that the Secured Parties may, at their discretion, increase any amounts payable or make further advances under the Finance Documents and/or make further facilities available to a Borrower. Any such increased payments, further advances and/or additional facilities will be deemed to be made under the terms of the Finance Documents.

14. FAILURE OF TRUSTS

If any trust intended to arise pursuant to any provision of this Deed fails or for any reason (including the laws of any jurisdiction in which any assets, moneys, payments or distributions may be situated) cannot be given effect to, the Subordinated Party will pay to the Security Agent for application against the Secured Liabilities an amount equal to

the amount (or the value of the relevant assets) intended to be so held on trust for the Security Agent.

15. TRUSTS

(a) The Security Agent shall hold the benefit of this Deed upon trust for itself and the other relevant Secured Parties.

(b) The perpetuity period of the trusts created under this Deed shall be 125 years.

16. NON-CREATION OF CHARGE

No provision of this Deed is intended to or shall create a charge or other security.

17. CERTIFICATES AND DETERMINATIONS

Any certification or determination by the Security Agent of a rate or amount under this Deed will be, in the absence of manifest error, conclusive evidence of the matters to which it relates.

18. CHANGES TO THE PARTIES

18.3 The Obligor and the Subordinated Party

Neither the Obligor nor the Subordinated Party may assign or transfer any of its rights or obligations under this Deed without prior written consent of the Security Agent.

18.4 The Security Agent

(a) The Security Agent may assign or otherwise dispose of all or any of its rights under this Deed as permitted under the Finance Documents.

(b) References in this Deed to the Security Agent include any successor in title and assigns or any person appointed as an additional trustee for the purposes of and in accordance with the Intercreditor Agreement.

19. INFORMATION

19.9 Defaults

The Subordinated Party will notify the Security Agent of the occurrence of an event of default or potential event of default (however described) under or breach of any Subordinated Document, promptly upon becoming aware of it.

19.10 Amounts of Subordinated Debt

The Subordinated Party will, on request by the Security Agent from time to time notify it of details of the amount of outstanding Subordinated Debt.

20. NOTICES

20.8 Communications in writing

Any communication or document to be made or delivered under or in connection with this Deed shall be made in writing and, unless otherwise stated, may be made or delivered by fax or letter.

20.9 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 this Deed is that identified in accordance with the terms of this Agreement (or in the case of the Subordinated Party, the Finance Documents to which it is a party) or otherwise as notified to the other parties on the date of this Deed, or any substitute address, fax number or department or officer as the party notifies to the other parties by not less than five Business Days' notice.

20.10 Delivery

Any communication or document made or delivered by one person to another under or in connection with this Deed will only be effective:

(a) if by way of fax, when received in legible form; or

(b) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post 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 20.2 (*Addresses*), if addressed to that department or officer.

20.11 English language

Any notice given under or in connection with this Deed must be in English.

21. REMEDIES AND WAIVERS

No delay or omission by the Security Agent in exercising any right provided by law or under this Deed shall impair, affect, or operate as a waiver of, that or any other right. The single or partial exercise by the Security Agent of any right shall not, unless otherwise expressly stated, preclude or prejudice any other or further exercise of that, or the exercise of any other, right. The rights of the parties under this Deed are in addition to and do not affect any other rights available to them by law.

22. PARTIAL INVALIDITY

(a) If, at any time, any provision of this Deed 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 under the law of that jurisdiction or any other jurisdiction will in any way be affected or impaired.

(b) The parties shall enter into good faith negotiations, but without any liability whatsoever in the event of no agreement being reached, to replace any illegal, invalid or unenforceable provision with a view to obtaining the same commercial effect as this Deed would have had if such provision had been legal, valid and enforceable.

23. AMENDMENTS

No amendment may be made to this Deed (whether in writing or otherwise) without the prior written consent of the parties to this Deed.

24. COUNTERPARTS

This Deed may be executed in any number of counterparts, and by the parties on separate counterparts, but will not be effective until each party has executed at least one counterpart. Each counterpart shall constitute an original of this Deed, but all the counterparts will together constitute one and the same instrument.

25. EXECUTION AS A DEED

Each of the parties to this Deed intends it to be a deed and confirms that it is executed and delivered as a deed, in each case notwithstanding the fact that any one or more of the parties may only execute it under hand.

26. ENFORCEMENT

26.21 Jurisdiction

(a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute regarding the existence, validity or termination of this Deed and any non-contractual obligations arising out of or in connection with this Deed) (a "**Dispute**").

(b) The parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no party will argue to the contrary.

(c) This clause 26.1 is for the benefit of the Security Agent only. As a result, the Security Agent shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Security Agent may take concurrent proceedings in any number of jurisdictions.

(d) The Subordinated Party agrees that it will not take proceedings relating to a Dispute in relation to the Subordinated Debt in any other courts with jurisdiction.

26.22 Service of process

(a) Without prejudice to any other mode of service allowed under any relevant law the Subordinated Party (which is not incorporated in England and Wales) irrevocably appoints [*name*] of [*address*] as its agent for service of process in relation to any proceedings before the English courts in connection with this Deed.

(b) The Subordinated Party agrees that failure by a process agent to notify the relevant party of the process will not invalidate the proceedings concerned.

27. FURTHER ASSURANCE

Each of the Obligor and the Subordinated Party agrees that it will promptly, at the direction of the Security Agent (acting reasonably), execute and deliver at its own expense any document (to be executed as a deed or under hand) and do any act or thing in order to confirm or establish the validity and enforceability of the subordination effected by, and the obligations of the Obligor and the Subordinated Party under, this Deed.

28. GOVERNING LAW

This Deed is governed by and is to be construed in accordance with English law. Any matter, claim or dispute arising out of or in connection with this Deed, whether contractual or non-contractual, is to be governed by and construed in accordance with English law.

IN WITNESS of which this document has been executed as a deed and delivered on the date stated at the beginning of this Deed.

)
)
)

Per: _____

Executed and Delivered as a Deed by
[**name of Obligor**] in the presence of:

Title: Director/Attorney-in-Fact
Name:

Witness's Signature
(Name) ……..
(Address) ……..
(Occupation) ……..

Executed as a deed **BNP PARIBAS**
acting by [a director and its
[secretary/two directors]]

.....
Director

.....
[Secretary/Director]

[Address:
Fax Number:
Department:
Attention:]

Executed as a deed [**name of Subordinated Party**] acting by [a director and its
[secretary/two directors]]

.....
Director

.....
[Secretary/Director]

[Address:
Fax Number:
Department:
Attention:]

Schedule 15

Part I

Form of Sources and Uses Statement

"A " is the aggregate of:	**$ 000's**	**"B" is the aggregate of:**	**$ 000's**
Net Cash Flow minus Facility debt service (ds) for next 12 months as derived from latest Forecast		committed exploration and appraisal costs for next 12 month period, not included in Net Cash Flow calculation, for all Obligors	
Net free cash-flows after ds for next 12 month period from KEO assets other than the Borrowing Base Assets from corporate cash-flow model in respect of the Obligors using same economic assumptions as in Forecast		committed development costs, not included in Net Cash Flow calculation, for the next 12 months for all Obligors	
Cash balance of Obligors excluding balances of accounts used as collateral for Secured LCs or other specific purposes (other than such balances securing amounts taken into account in "B")		payment obligations under rigs contracts or other similar operational contracts, for the next 12 months, not included in the Net Cash Flow, for all Obligors	
Total Available Facility Amount less Relevant Capital Expenditures		payment obligations under a sale and purchase agreement in the context of an acquisition or otherwise, not included in the Net Cash Flow, for all Obligors for the next 12 months	
		any off balance sheet or contingent liability as per the capital commitments noted in the latest consolidated financials for KEO which could reasonably be expected to entail a cash outflow for the next 12 months	

Any other committed undrawn and uncancelled amount available under any other external finance source of KEO		approximate dividends or other shareholder payments projected to be paid by the Obligors for the next 12 months	
Amount provided by a person/persons to KEO or Obligors made available for the purpose of meeting projected liabilities unrelated to the Borrowing Base Assets that the Facility Agent is satisfied will be available		scheduled and default interest, fees, costs and expenses related to the Revolving Credit Facility and HY Notes otherwise referred to as Scheduled KEL Debt Payments over the next 12 months	
		any other material committed liability for the next 12 months period including any guarantee, indemnity or other contingent liability, which could be reasonably be expected to entail a cash outflow for the next 12 month period	
TOTAL ALL OBLIGORS		**TOTAL ALL OBLIGORS**	

Schedule 16

Part II
Form of Liquidity Statement

"A " is the aggregate of:	$ 000's	"B" is the aggregate of:	$ 000's
Net Cash Flow minus Facility debt service (ds) for next 12 months as derived from latest Forecast		committed exploration and appraisal costs for next 12 month period, not included in Net Cash Flow calculation, for KEO and its subsidiaries	
Net free cash-flows after ds for next 12 month period from KEO assets other than the Borrowing Base Assets from corporate cash-flow model in respect of all Obligors using same economic assumptions as in Forecast		committed development costs, not included in Net Cash Flow calculation, for the next 12 months for KEO and its subsidiaries	
Cash balance of KEO and its subsidiaries excluding balances of accounts used as collateral for Secured LCs or other specific purposes (other than such balances securing amounts taken into account in "B")		payment obligations under rigs contracts or other similar operational contracts, for the next 12 months, not included in the Net Cash Flow, for KEO and its subsidiaries	
Total Available Facility Amount less Relevant Capital Expenditures		payment obligations under a sale and purchase agreement in the context of an acquisition or otherwise, not included in the Net Cash Flow, for KEO and its subsidiaries for the next 12 months	

		any off balance sheet or contingent liability as per the capital commitments noted in the latest consolidated financials for KEO which could reasonably be expected to entail a cash outflow for the next 12 months	
Any other committed undrawn and uncancelled amount available under any other external finance source of KEO		approximate dividends or other shareholder payments projected to be paid by KEO and/or its subsidiaries for the next 12 months	
Amount provided by a person/persons to KEO or Obligors made available for the purpose of meeting projected liabilities unrelated to the Borrowing Base Assets that the Facility Agent is satisfied will be available (including amounts available to be drawn under RCF)		scheduled and default interest, fees, costs and expenses related to the Revolving Credit Facility and HY Notes otherwise referred to as Scheduled KEL Debt Payments over the next 12 months	
		any other material committed liability for the next 12 months period including any guarantee, indemnity or other contingent liability, which could be reasonably be expected to entail a cash outflow for the next 12 month period	
TOTAL KEO AND ITS SUBSIDIARIES		**TOTAL KEO AND ITS SUBSIDIARIES**	

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 -

THE STANDARD BANK OF SOUTH AFRICA LIMITED

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)

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THIS AGREEMENT is dated 31 March 2022, as amended and/or amended and restated on 23 November 2022 and 19 April 2023 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) **THE STANDARD BANK OF SOUTH AFRICA LIMITED** 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

(A) The Original Lenders agreed to provide a revolving credit facility for loans of up to no more than USD 250 million.

(B) 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**") was cancelled in full on or about the date of this Agreement.

(C) This Agreement replaced 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.

(D) The parties have agreed that on and from 19 April 2023, this Agreement shall be amended to refer to Term SOFR.

IT IS AGREED as follows:

PART 1

INTERPRETATION

1. DEFINITIONS AND INTERPRETATION

40.1 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 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*).

"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:

(F) 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

(G) 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:

(H) one or more directors who are duly authorised whether singly or jointly, to act to bind that company or other legal person; or

(I) 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:

(J) the amount of its participation in any outstanding Loans; and

(K) 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:

(L) 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;

(M) 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

(N) 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:

(O) 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;

(P) 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

(Q) 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*).

"Break Costs" means the amount (if any) by which:

(R) the interest which a Lender should have received for the period from the date of receipt of all or any part of its participation in a Loan or Unpaid Sum to the last day of the current Interest Period in respect of that Loan or Unpaid Sum, had the principal amount or Unpaid Sum received been paid on the last day of that Interest Period;

exceeds:

(S) the amount which that Lender would be able to obtain by placing an amount equal to the total sum received by it on deposit with a leading bank for a period starting on the date of receipt or recovery and ending on the last day of the current Interest Period.

The calculation of interest for the purposes of paragraph (A) shall exclude an amount equal to the Margin for the period referred to in that paragraph where a Borrower prepays a Loan under clause 8.1 (*General*) of this Agreement or if clause 8.13 (*Right of repayment and cancellation in relation to a single Lender*) of this Agreement applies.

"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 the fixing of an interest rate) which is a US Government Securities Business Day.

"Calculation Date" means

(T) 31 March and 30 September in each calendar year commencing on and from 31 March 2022; and

(U) 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:

(V) 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

(W) 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.

“Change of Control” has the meaning given to that term in clause 8.3 (*Change of Control*).

“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:

(X) in relation to an Original Lender, the amount set opposite its name under the heading “Commitment” in Schedule 2 (*The Original Lenders*) 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

(Y) 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*).

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

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

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

(Z) cash in hand or on deposit including, for the avoidance of doubt, restricted cash;

(AA) 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;

(AB) certificates of deposit, maturing within one year after the relevant date of calculation;

(AC) 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

(AD) 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:

(AE) the outstanding principal amount of any Financial Indebtedness incurred;

(AF) any fixed or minimum premium payable on the repayment or redemption of any instrument referred to in paragraph (A) above; and

(AG) 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**"):

(AH) 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

(AI) 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:

(AJ) 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;

(AK) 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

(AL) 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 Supported 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 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

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

"CRS" means:

(AM) the Common Reporting Standard issued by the Organisation for Economic Cooperation and Development;

(AN) 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

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

"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:

(AP) 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

(AQ) 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:

(AR) adding back Net Interest Payable;

(AS) adding back depletion and depreciation charged to the consolidated profit and loss account of the Group in accordance with the Approved Accounting Principles;

(AT) adding back amounts amortised to the consolidated profit and loss account of the Group;

(AU) adding back any amount attributable to exploration expense (except to the extent that any such exploration expenses have been capitalised);

(AV) 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;

(AW) 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;

(AX) adding back the amount attributable to any compensation which is paid by way of equity instruments in KEL;

(AY) 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:

(AZ) 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;

(BA) the filing of a notice of intent to terminate or the termination of any Single Employer Plan under Section 4041(c) of ERISA;

(BB) 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;

(BC) the failure by any Obligor or ERISA Affiliate to make a statutorily required contribution to any Single Employer Plan or Multiemployer Plan;

(BD) 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;

(BE) 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);

(BF) 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;

(BG) any withdrawal from any Single Employer Plan to which any Obligor or ERISA Affiliate is or is treated as a substantial employer; or

(BH) 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:

(BI) 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

(BJ) 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*).

"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*).

"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.

"Fallback Interest Period" means one (1) month.

"FATCA" means:

(BK) sections 1471 to 1474 of the Code or any associated regulations;

(BL) 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

(BM) 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:

(BN) 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

(BO) 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*) 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))* 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*).

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

(BP) moneys borrowed;

(BQ) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;

(BR) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

(BS) 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;

(BT) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);

(BU) 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);

(BV) 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;

(BW) 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

(BX) 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:

(BY) 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);

(BZ) 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

(CA) 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 ⅔ 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 ⅔ 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.

“Historic Term SOFR” means, in relation to any Loan, the most recent applicable Term SOFR for a period equal in length to the Interest Period of that Loan and which is as of a day which is no more than three (3) US Government Securities Business Days before the Quotation Day.

“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*).

“Increased Costs” has the meaning given to that term in clause 14.1 (*Increased costs*).

“Intercreditor Agreements” means both:

(CB) the KEFI Intercreditor Agreement; and

(CC) 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*).

"Interpolated Historic Term SOFR" means, in relation to any Loan, the rate (rounded to the same number of decimal places as Term SOFR) which results from interpolating on a linear basis between:

(CD) either:

(i) the most recent applicable Term SOFR (as of a day which is not more than two (2) US Government Securities Business Days before the Quotation Day) for the longest period (for which Term SOFR is available) which is less than the Interest Period of that Loan; or

(ii) if no such Term SOFR is available for a period which is less than the Interest Period of that Loan, the most recent SOFR for a day which is no more than two (2) US Government Securities Business Days before the Quotation Day; and

(CE) the most recent applicable Term SOFR (as of a day which is not more than two (2) US Government Securities Business Days before the Quotation Day) for the shortest period (for which Term SOFR is available) which exceeds the Interest Period of that Loan.

"Interpolated Term SOFR" means, in relation to any Loan, the rate (rounded to the same number of decimal places as Term SOFR) which results from interpolating on a linear basis between:

(CF) either:

(i) the applicable Term SOFR (as of the Specified Time) for the longest period (for which Term SOFR is available) which is less than the Interest Period of that Loan; or

(ii) if no such Term SOFR is available for a period which is less than the Interest Period of that Loan, SOFR for the day which is two (2) US Government Securities Business Days before the Quotation Day; and

(CG) the applicable Term SOFR (as of the Specified Time) for the shortest period (for which Term SOFR is available) which exceeds the Interest Period of that Loan.

"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:

(CH) any Original Lender; and

(CI) 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*),

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:

(CJ) any refinancing, novation, deferral or extension;

(CK) 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;

(CL) any claim for damages or restitution; and

(CM) 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.

“Majority Lenders” means, as applicable, those Lenders whose participation in advances under the Facility are equal to 66 ⅔ per cent. of the aggregate advances then outstanding or, if there are no advances outstanding, whose Commitments then aggregate at least 66 ⅔ 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*).

“Market Disruption Rate” means the percentage rate per annum which is the aggregate of the Reference Rate and the applicable Credit Adjustment Spread.

“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:

(CN) 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

(CO) 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*).

"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:

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

(CQ) 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;

(CR) any Lender which has repudiated its obligations under the Facility; or

(CS) 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*) (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:

(CT) which are made in the ordinary course of the day to day business of the acquiring company;

(CU) which are funded by equity or debt subordinated on terms acceptable to the Majority Lenders (acting reasonably);

(CV) which are permitted in accordance with the terms of the RBL Facility Agreement; or

(CW) 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:

(CX) made in the ordinary course of business of the disposing entity;

(CY) by a Non-Ghana Obligor of assets in exchange for other assets comparable or superior as to type, value and quality;

(CZ) by a Non-Ghana Obligor made for fair value and on an arm’s length basis;

(DA) by a Non-Ghana Obligor which is not reasonably likely to have a Material Adverse Effect;

(DB) of obsolete or redundant assets or waste;

(DC) by a Non-Ghana Obligor to another member of the Group;

(DD) made with the prior written consent of Majority Lenders;

(DE) permitted in accordance with the terms of the RBL Facility Agreement or any “Finance Document” (as defined therein);

(DF) 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

(DG) 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):

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

(DI) of any Ghana Obligor arising under any Project Finance;

(DJ) 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;

(DK) incurred pursuant to a guarantee for HY Notes or any other debt that ranks *pari passu* with the Facility; or

(DL) 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:

(DM) 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;

(DN) 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;

(DO) 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;

(DP) 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;

(DQ) any Security Interest entered into pursuant to any Finance Document;

(DR) 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;

(DS) any Security Interest provided in substitution for any Permitted Security over the same or substituted assets;

(DT) any Security Interest arising as a result of a disposal which is not prohibited under clause 20.8 (*Disposals*);

(DU) any Security Interest created or permitted to subsist with the prior written consent of the Majority Lenders;

(DV) 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

(DW) 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:

(DX) recourse to such Obligor for amounts limited to the cash flow from the Project; and/or

(DY) 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

(DZ) 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.

"Published Rate" means:

(EA) SOFR; or

(EB) the Term SOFR for any Quoted Tenor.

"Published Rate Replacement Event" means, in relation to a Published Rate:

(EC) the methodology, formula or other means of determining that Published Rate has, in the opinion of the Majority Lenders and the Obligors, materially changed;

(ED) (i)

(a) the administrator of that Published Rate or its supervisor publicly announces that such administrator is insolvent;

(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 that Published Rate is insolvent

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

(i) the administrator of that Published Rate publicly announces that it has ceased or will cease to provide that Published Rate permanently or indefinitely and, at that time, there is no successor administrator to continue to provide that Published Rate;

(ii) the supervisor of the administrator of that Published Rate publicly announces that such Published Rate has been or will be permanently or indefinitely discontinued; or

(iii) the administrator of that Published Rate or its supervisor announces that that Published Rate may no longer be used; or

(EE) the administrator of that Published Rate (or the administrator of an interest rate which is a constituent element of that Published Rate) determines that that Published Rate 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 Company) temporary; or

(ii) that Published Rate is calculated in accordance with any such policy or arrangement for a period no less than thirty (30) days; or

(EF) in the opinion of the Majority Lenders and the Company, that Published Rate is otherwise no longer appropriate for the purposes of calculating interest under this Agreement.

"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 Supported QFCSs*).

"Qualifying Bank" means an internationally recognised bank:

(EG) 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

(EH) which does not have its principal place of business in a country which is subject to a Sanctions Regime; or

(EI) 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

(EJ) 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).

"Quotation Day" means, in relation to any period for which an interest rate is to be determined, two US Government Securities Business Days before the first day of that period (unless market practice differs in the relevant syndicated loan market, in which case the Quotation Day will be determined by the Facility Agent in accordance with that market practice (and if quotations would normally be given on more than one day, the Quotation Day will be the last of those days)).

"Quoted Tenor" means, in relation to Term SOFR, any period for which that rate is customarily displayed on the relevant page or screen of an information service.

"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" means in relation to any Loan:

(EK) the applicable Term SOFR as of the Specified Time and for a period equal in length to the Interest Period of that Loan; or

(EL) as otherwise determined pursuant to clause 11.1 (*Unavailability of Term SOFR*),

and if, in either case, the aggregate of that rate and the applicable Credit Adjustment Spread is less than zero, the Reference Rate shall be deemed to be such a rate that the aggregate of the Reference Rate and the applicable Credit Adjustment Spread is zero.

"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.

"Related Fund" in relation to a fund (the "**first fund**"), means a fund which is managed or advised by the same investment manager or investment adviser as the first fund or, if it is managed by a different investment manager or investment adviser, a fund whose

investment manager or investment adviser is an Affiliate of the investment manager or investment adviser of the first fund.

"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 8.13 (*Right of repayment and cancellation in relation to a single Lender*).

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

(EM) formally designated, nominated or recommended as the replacement for a Published Rate by:

(i) the administrator of that Published Rate (provided that the market or economic reality that such reference rate measures is the same as that measured by that Published Rate); 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;

(EN) 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 a Published Rate; or

(EO) in the opinion of the Majority Lenders and the Company, an appropriate successor to a Published Rate.

"**Reporting Time**" means:

(A) in relation to the 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 Quotation 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); or

(B) in relation to the 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 Quotation Day for the relevant Loan.

"Representative" means any delegate, agent, manager, administrator, nominee, attorney, trustee or custodian.

"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:

(EP) 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;

(EQ) 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

(ER) 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).

"Rollover Loan" means one or more Loans:

(ES) made or to be made on the same day that a maturing Loan is due to be repaid;

(ET) the aggregate amount of which is equal to or less than the amount of the maturing Loan; and

(EU) 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:

(EV) the United States government;

(EW) the United Nations;

(EX) the European Union (or any of its members states);

(EY) the United Kingdom; or

(EZ) 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 His 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 His 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:

(FA) 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;

(FB) 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

(FC) 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:

(FD) the Deed of Guarantee;

(FE) 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

(FF) 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.

“SOFR” means 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 (before any correction, recalculation or republication by the administrator) by the Federal Reserve Bank of New York (or any other person which takes over the publication of that rate).

“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 Supported QFCSs*).

“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).

“Term SOFR” means the term SOFR reference rate administered by CME Group Benchmark Administration Limited (or any other person which takes over the administration of that rate) for the relevant period published (before any correction,

recalculation or republication by the administrator) by CME Group Benchmark Administration Limited (or any other person which takes over the publication of that rate).

"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*) or any other form agreed between the Facility Agent and the Company.

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

(FG) the proposed Transfer Date specified in the Transfer Certificate; and

(FH) 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:

(FI) CRR as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**Withdrawal Act**");

(FJ) 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;

(FK) 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

(FL) 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 Government Securities Business Day" means any day other than:

(FM) a Saturday or a Sunday; and

(FN) 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.

"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 Supported QFCSs*).

“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:

(FO) 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;

(FP) 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

(FQ) 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:

(FR) a Borrower which is resident for tax purposes in the United States of America; or

(FS) 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*).

“VAT” means:

(FT) any value added tax imposed by the Value Added Tax Act 1994;

(FU) 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

(FV) 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:

(FW) 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;

(FX) 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

(FY) 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.

40.2 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, notarisation, 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 Facility Agent's "**cost of funds**" is a reference to the average cost (determined either on an actual or a notional basis) which the Facility 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**" or "**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 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

calendar 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 calendar month or if there is no numerically corresponding day in the month in which that period ends, that period shall end on the last Business Day in that later month (and references to "**months**" and "**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) 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.

40.3 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.

40.4 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

40.1 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 2.3 (*Waivers of Conditions Precedent*). The Facility Agent (acting reasonably) shall notify the Company and the Lenders promptly upon being so satisfied.

40.2 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).

40.3 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

40.1 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).

40.2 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"; and

a "re-transfer" and "re-assignment" were references to respectively a "transfer" and "assignment".

40.3 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

40.1 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.

40.2 Monitoring

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

6. UTILISATION

40.1 Availability Period

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

40.2 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.

40.3 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.

40.4 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.

40.5 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

40.1 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

40.1 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, subject to Break Costs (excluding any Margin), 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.

40.2 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 8.13 (*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.

40.3 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 8.13 (*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.

40.4 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.

40.5 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.

40.6 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.

40.7 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.

40.8 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.

40.9 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.

40.10 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.

40.11 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).

40.12 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 Business 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) Prepayment shall take effect:

(i) on the last day of the then current Interest Period; or

(ii) on any other date subject to payment by the relevant Borrower, on demand, of Break Costs (if any) in accordance with clause 11.4 (*Break Costs*).

40.13 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) 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)(b) 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*)), fees (including, without limitation, any Break Costs to the date of payment) 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

40.1 Calculation of interest

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:

(A) Margin;

(B) Reference Rate; and

(C) Credit Adjustment Spread.

40.2 Payment of interest

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

40.3 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.

40.4 Notification of rates of interest

The Facility Agent shall promptly notify the relevant Lenders and the relevant Borrower of the determination of a rate of interest under this Agreement.

10. INTEREST PERIODS

40.1 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 behalf of the Majority 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.

40.2 Non-Business Days

If an Interest Period ends on a day which is not a Business Day, that Interest Period will instead end on the next Business Day, unless the next Business Day is in another month, in which case the Interest Period will end on the preceding Business Day.

11. CHANGES TO THE CALCULATION OF INTEREST

40.1 Unavailability of Term SOFR

(A) If no Term SOFR is available for the Interest Period of a Loan, the applicable Reference Rate shall be the Interpolated Term SOFR for a period equal in length to the Interest Period of that Loan.

(B) If no Term SOFR is available for the Interest Period of a Loan and it is not possible to calculate the Interpolated Term SOFR, the Interest Period of that Loan shall (if it is longer than the applicable Fallback Interest Period) be shortened to the applicable Fallback Interest Period and the applicable Reference Rate for that shortened Interest Period shall be determined pursuant to the definition of “Reference Rate”.

(C) If the Interest Period of a Loan is, after giving effect to paragraph (B) above, either the applicable Fallback Interest Period or shorter than the applicable

Fallback Interest Period and, in either case, no Term SOFR is available for the Interest Period of that Loan and it is not possible to calculate the Interpolated Term SOFR, the applicable Reference Rate shall be the Historic Term SOFR for that Loan.

(D) If paragraph (C) above applies but no Historic Term SOFR is available for the Interest Period of the Loan, the applicable Reference Rate shall be the Interpolated Historic Term SOFR for a period equal in length to the Interest Period of that Loan.

(E) If paragraph (D) above applies but no Historic Term SOFR is available and it is not possible to calculate the Interpolated Historic Term SOFR, clause 11.2 (*Market disruption*) and 11.3 (*Alternative basis of interest or funding*) shall apply.

40.2 Market disruption

(A) If a Market Disruption Event occurs in relation to a Loan for any Interest Period or clause 11.1(E) (*Unavailability of Term SOFR*) 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 promptly 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.

40.3 Alternative basis of interest or funding

(A) If a Market Disruption Event occurs or clause 11.1(E) (*Unavailability of Term SOFR*) 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.

40.4 Break Costs

(A) Each Borrower shall, within three Business Days of demand by a Finance Party, pay to that Finance Party its Break Costs attributable to all or any part of a Loan or Unpaid Sum being paid by it on a day prior to the last day of an Interest Period for that Loan or Unpaid Sum.

(B) Each Lender shall, as soon as reasonably practicable after a demand by the Facility Agent, provide a certificate confirming the amount of its Break Costs for any Interest Period in respect of which they become, or may become, payable.

(C) If, following a payment by the relevant Borrower of all or part of a Loan or Unpaid Sum on a day other than the last day of an Interest Period for that Loan or Unpaid Sum, a Lender realises a profit, and no Event of Default is continuing, that Lender must pay an amount equal to that profit to that Borrower as soon as practicable.

40.5 FATCA 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

40.1 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 uncancelled 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.

40.2 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.

40.3 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.

40.4 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

40.1 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*).

40.2 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 (*FATCA Information*) where that Lender is entitled to an exemption from or reduction of withholding Tax.

40.3 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).

40.4 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.

40.5 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.

40.6 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 or indemnify 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.

40.7 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

40.1 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.

40.2 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.

40.3 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

40.1 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.

40.2 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.

40.3 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

40.1 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.

40.2 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.

40.1 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.

40.2 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.

40.3 Year-end

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

40.4 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.

40.5 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.

40.6 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.

40.7 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.

40.8 "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.

40.9 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.

40.10 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.

40.1 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.

40.2 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.

40.3 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.

40.4 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.

40.5 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).

40.6 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).

40.7 No Default

No Default has occurred and is outstanding.

40.8 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.

40.9 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.

40.10 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.

40.11 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*).

40.12 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.

40.13 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.

40.14 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.

40.15 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.

40.16 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.

40.17 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.

40.18 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**").

40.19 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.

40.20 Solvency

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

40.21 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.

40.22 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*).

40.23 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

40.1 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.

40.2 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.

40.3 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.

40.1 Corporate existence

Each Obligor shall maintain its corporate existence.

40.2 Authorisations

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

40.3 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.

40.4 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.

40.5 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).

40.6 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 upon a Calculation Trigger Event*) for any Measurement Period is less than 1.50:1.00.

40.7 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.

40.8 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 upon a Calculation Trigger Event*), 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.

40.9 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.

40.10 Ghana Financial Indebtedness

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

40.11 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).

40.12 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.

40.13 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).

40.14 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).

40.15 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*).

40.16 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.

40.17 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.

40.18 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.

40.19 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.

40.20 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.

40.21 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).

40.22 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.

40.23 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).

40.24 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.

40.25 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.

40.26 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.

40.27 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.

40.1 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.

40.2 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.

40.3 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 27.2 (*Accession to the Intercreditor Agreements*) and 27.3 (*Authority of Facility Agent, the Company and the Security and Intercreditor Agent*) 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.

40.4 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*).

40.5 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.

40.6 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.

40.7 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).

40.8 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.

40.9 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.

40.10 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.

40.11 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.

40.12 Repudiation of Finance Documents

Any Finance Document is repudiated or rescinded by an Obligor.

40.13 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.

40.14 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).

40.15 ERISA Event of Default

Any ERISA Event shall have occurred that would reasonably be expected to have a Material Adverse Effect.

40.16 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.

40.17 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.

40.18 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

40.1 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

(i) 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.

40.2 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.

40.3 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.

40.4 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.

40.5 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**".

40.6 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.

40.7 Disclosure of information

(A) Any Finance Party may disclose to any of its Affiliates and Related Funds (including its or their head office, representative and branch offices in any jurisdiction) and any of its or their officers, directors, employees, professional advisers, auditors, partners and Representatives (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).

40.8 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.

40.9 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.

40.10 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

40.1 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.

40.2 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) Other than to the extent that the Majority Lenders notify the Facility Agent in writing to the contrary before the Facility Agent gives the notification described in paragraph (B) above, the Lenders authorise (but do not require) the Facility Agent to give that notification. The Facility Agent shall not be liable for any damages, costs or losses whatsoever as a result of giving any such notification.

(D) 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.

40.3 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,

(iii) whereupon that company shall cease to be a Borrower and shall have no further rights or obligations under the Finance Documents.

40.4 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*).

(C) Other than to the extent that the Majority Lenders notify the Facility Agent in writing to the contrary before the Facility Agent gives the notification described in paragraph (B) above, the Lenders authorise (but do not require) the Facility

Agent to give that notification. The Facility Agent shall not be liable for any damages, costs or losses whatsoever as a result of giving any such notification.

40.5 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).

40.6 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.

40.7 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.

40.8 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

40.1 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.

40.2 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.

(F) The Facility Agent shall have only those duties, obligations and responsibilities expressly specified in the Finance Documents to which it is expressed to be a party (and no others shall be implied).

40.3 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.

40.4 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.

40.5 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.

40.6 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;

(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; and

(iv) any instructions received by it from the Majority Lenders, any Lenders or any group of Lenders are duly given in accordance with the terms of the Finance Documents and, unless it has received notice of revocation, that those instructions have not been revoked.

(C) The Facility Agent may rely on a certificate from any person:

(i) as to any matter of fact or circumstance which might reasonably be expected to be within the knowledge of that person; or

(ii) to the effect that such person approves of any particular dealing, transaction, step, action or thing,

as sufficient evidence that that is the case and, in the case of paragraph (i) above, may assume the truth and accuracy of that certificate.

(D) The Facility Agent may engage and pay for the advice or services of any lawyers, accountants, tax advisers, surveyors or other professional advisers or experts if the Facility Agent in its reasonable opinion deems this to be necessary.

(E) Without prejudice to the generality of paragraph (D) above or paragraph (F) below, the Facility Agent may at any time engage and pay for the services of any lawyers to act as independent counsel to the Facility Agent (and so separate from any lawyers instructed by the Lenders) if the Facility Agent in its reasonable opinion deems this to be necessary.

(F) The Facility Agent may rely on the advice or services of any lawyers, accountants, tax advisers, surveyors or other professional advisers or experts (whether obtained by the Facility Agent or by any other Party) and shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever arising as a result of its so relying.

(G) The Facility Agent may act in relation to the Finance Documents through its personnel, officers, employees and agents.

(H) The Facility Agent may disclose to any other Party any information it reasonably believes it has received as agent under this Agreement.

(I) 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.

(J) Notwithstanding any provision of any Finance Document to the contrary, the Facility Agent is not obliged to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties, obligations or responsibilities or the exercise of any right, power, authority or discretion if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it.

40.7 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.

40.8 Responsibility for documentation

Neither the Facility Agent nor any Mandated Lead Arranger:

(A) is responsible or liable 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 or liable 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.

40.9 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.

40.10 Exclusion of liability

(A) Without limiting paragraph (B) below (and without prejudice to any other provision of any Finance Document excluding or limiting the liability of the Facility Agent), the Facility Agent will not be liable for:

(i) any damages, costs or losses to any person, any diminution in value, or any liability whatsoever arising as a result of taking or not taking any action under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct;

(ii) exercising, or not exercising, any right, power, authority or discretion given to it by, or in connection with, 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, other than by reason of its gross negligence or wilful misconduct; or

(iii) without prejudice to the generality of paragraphs (i) and (ii) above, any damages, costs or losses to any person, any diminution in value or any liability whatsoever (including, without limitation, for 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:

(A) any act, event or circumstance not reasonably within its control; or

(B) the general risks of investment in, or the holding of assets in, any jurisdiction,

including (in each case and without limitation) such damages, costs, losses, diminution in value or liability arising as a result of: nationalisation, expropriation or other governmental actions; any regulation, currency restriction, devaluation or fluctuation; market conditions affecting the execution or settlement of transactions or the value of assets (including any Disruption Event); breakdown, failure or malfunction of any third party

transport, telecommunications, computer services or systems; natural disasters or acts of God; war, terrorism, insurrection or revolution; or strikes or industrial action.

(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.

(D) Nothing in this Agreement shall oblige the Facility Agent to carry out:

(i) any “know your customer” or other checks in relation to any person; or

(ii) any check on the extent to which any transaction contemplated by this Agreement might be unlawful for any Lender or for any Affiliate of any Lender,

on behalf of any Lender and each Lender confirms to the Facility Agent that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Facility Agent.

(E) Without prejudice to any provision of any Finance Document excluding or limiting the Facility Agent's liability, any liability of the Facility Agent arising under or in connection with any Finance Document shall be limited to the amount of actual loss which has finally judicially determined to have been suffered (as determined by reference to the date of default of the Facility Agent or, if later, the date on which the loss arises as a result of such default) but without reference to any special conditions or circumstances known to the Facility Agent at any time which increase the amount of that loss. In no event shall the Facility Agent be liable for any loss of profits, goodwill, reputation, business opportunity or anticipated saving, or for special, punitive, indirect or consequential damages, whether or not the Facility Agent has been advised of the possibility of such loss or damages.

40.11 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).

40.12 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.

40.13 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.

40.14 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.

40.15 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.

40.16 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.

40.17 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

40.1 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).

40.2 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.

40.3 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.

40.4 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.

40.5 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.

40.6 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.

40.7 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.

40.8 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.

40.9 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.

40.10 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.

40.11 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.

40.12 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.

40.13 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.

40.14 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.

40.15 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.

40.16 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.

40.17 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.

40.18 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.

40.19 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.

40.20 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.

40.21 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.

40.22 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.

40.23 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

40.1 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.

40.2 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.

40.3 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.

40.4 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

40.1 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.

40.2 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).

40.3 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 the 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 the 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

40.1 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.

40.2 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).

40.3 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.

40.4 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)(i) to (iv) above.

(C) Paragraphs (A) and (B) above will override any appropriation made by an Obligor.

40.5 No set-off by Obligors

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.

40.6 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.

40.7 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.

40.8 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.

40.9 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 to any person, any diminution in value or any liability 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

40.1 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.

40.2 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*); or

(C) an Obligor requests an amendment or waiver under clause 37.4 (*Changes to reference rates*);

the Company shall, within fifteen (15) 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 or requirement.

40.3 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

40.1 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).

40.2 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.

40.3 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

40.1 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.

40.2 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

Fax: (345) 946 4090

Attention: Andrew Johnson

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 Facility Agent

Address:	The Standard Bank of South Africa Limited Head : Agency, 30 Baker Street, Rosebank, 2196, South Africa
Telephone:	+27(11) 721 9484
Email:	AgencySBSA@standardbank.co.za
Attention:	Head : Agency

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

40.3 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.

40.4 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.

40.5 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.

40.6 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

40.1 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.

40.2 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.

40.3 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

40.1 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 2.3 (*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.

40.2 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.

(i) 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.

40.3 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.

40.4 Changes to reference rates

Subject to clause 37.2(C), if a Published Rate Replacement Event has occurred, any amendment or waiver which relates to:

(A) providing for the use of a Replacement Reference Rate; and

(B) (i) aligning any provision of any Finance Document to the use of that Replacement Reference Rate;

(i) 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);

(ii) implementing market conventions applicable to that Replacement Reference Rate;

(iii) providing for appropriate fallback (and market disruption provisions) for that Replacement Reference Rate; or

(iv) 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).

40.5 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

12. Provision of an Accession Letter, duly executed by the Additional Obligor and the Original Borrower.

13. Provision of certified copies of the Additional Obligor's constitutional documents and certificates of incorporation (or equivalent).

14. 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.

15. A specimen signature of each person authorised to execute the Accession Letter and any other documents and notices in connection with the Finance Documents.

16. 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.

17. 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.

18. 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.

19. If available, the latest audited financial statements of the Additional Obligor.

20. Receipt by the Facility Agent of any appropriate legal opinions.

21. 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.

22. 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.

23. 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.

24. 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.

25. 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.

26. 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).

27. 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: **[THE STANDARD BANK OF SOUTH AFRICA LIMITED]** (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")

28. 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.

29. 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:	[ ]

30. 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).

31. 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.

32. This Utilisation Request is irrevocable and is a Finance Document.

Yours faithfully

……

Authorised Signatory for
[*Borrower*]

Schedule 5

Form of Transfer Certificate

To: [THE STANDARD BANK OF SOUTH AFRICA LIMITED] 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")

33. 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.

34. 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.

35. 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*).

36. The New Lender confirms that it is a Qualifying Bank.

37. 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.

38. This Transfer Certificate and any non-contractual obligations arising out of or in connection with it are governed by English law.

39. 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 [ ].

[THE STANDARD BANK OF SOUTH AFRICA LIMITED]

By:

Schedule 6

Form of Accession Letter

From: [*name of subsidiary*] (the "**Company**") and KOSMOS ENERGY LTD.

To: [THE STANDARD BANK OF SOUTH AFRICA LIMITED] (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")

40. 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.

41. 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].

42. [Kosmos Energy Ltd confirms that no Default is continuing or would occur as a result of the Company becoming an Additional Borrower.]

43. The Company's administrative details are as follows:

Address:

Fax No:

Attention:

44. 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: [THE STANDARD BANK OF SOUTH AFRICA LIMITED] (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")

45. 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.

46. 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.

47. We confirm that:

(a) no Default is continuing or would result from the acceptance of this request; and

(b) [ ].

48. 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: [THE STANDARD BANK OF SOUTH AFRICA LIMITED] (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")

49. 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.

50. 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.

51. We confirm that as at [ ], being the last occurring Calculation Date:

(C) the debt cover ratio was [ ]; and

(D) the interest cover ratio was [ ].

52. We set out below the calculations establishing the figures in paragraph 2 above:

[ ]

53. 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	Authorised Signatory for
[*Borrower*]	[*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:

54. *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.

55. *Permitted Disclosure*: We agree that you may disclose Confidential Information:

(F) 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;

(G) (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

(H) with our prior written consent.

56. *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.

57. *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.

58. *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.

59. *No Representation; Consequences of Breach, etc*: You acknowledge and agree that:

(I) 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

(J) 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.

60. *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.

61. *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.

62. *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.

63. *Third party rights*:

(K) 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.

(L) 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.

(M) 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.

64. *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.

65. *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.

66. *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: [THE STANDARD BANK OF SOUTH AFRICA LIMITED] 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")

67. 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.

68. [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]) 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.]

69. [Additional Lender's] Additional Commitment is USD [ ].

70. [Additional Lender's] administrative details are as follows:

Account details: [ ]

Facility Office Address: [ ]

Telephone No.: [ ]

Fax No.: [ ]

Attention: [ ]

71. The Additional Lender expressly acknowledges the limitations on the Lenders' obligations set out in paragraph (I) of clause 3.2 (*Additional Commitments*).

72. 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.

73. This Lender Accession Notice and any non-contractual obligations arising out of or in connection with it are governed by English law.

74. 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 [ ].

[**THE STANDARD BANK OF SOUTH AFRICA LIMITED**]

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), [THE STANDARD BANK OF SOUTH AFRICA LIMITED] (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), [THE STANDARD BANK OF SOUTH AFRICA LIMITED] (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: **[THE STANDARD BANK OF SOUTH AFRICA LIMITED]** 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

75. 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 [THE STANDARD BANK OF SOUTH AFRICA LIMITED] 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, [THE STANDARD BANK OF SOUTH AFRICA LIMITED] 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**").

76. 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.

77. 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.

78. This letter and any non-contractual obligations arising out of or in connection with it are governed by English law.

79. 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.	[the Retiring DGE Guarantor]
By:	By:
Title:	Title:

Accepted by **CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK** as Security and Intercreditor Agent

_____	_____
By:	By:
Title:	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)[4]		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)[5]		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)[6]		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 [*insert date*] (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)	
		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	

[4] 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).

[5] 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).

[6] 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 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			

List of Subsidiaries

Subsidiary	Jurisdiction of Incorporation
Kosmos Energy Ltd.	Delaware
Kosmos Energy Delaware Holdings, LLC	Delaware
Kosmos Energy Holdings	Cayman Islands
Kosmos Energy LLC	Texas
Kosmos Energy Operating	Cayman Islands
Kosmos Energy Ventures	Cayman Islands
Kosmos Energy Finance International	Cayman Islands
Kosmos Energy International	Cayman Islands
Kosmos Energy Development	Cayman Islands
Kosmos Energy Ghana HC	Cayman Islands
Kosmos Energy Suriname	Cayman Islands
Kosmos Energy Mauritania	Cayman Islands
Kosmos Energy Venture Holdings	Cayman Islands
Kosmos Energy Equatorial Guinea	Cayman Islands
Kosmos Energy Portugal	Cayman Islands
Kosmos Energy Senegal	Cayman Islands
Kosmos Energy Global Supply	Cayman Islands
Kosmos Energy Sao Tome and Principe	Cayman Islands
Kosmos Energy Sao Tome and Principe Block 4	Cayman Islands
Kosmos Energy Cote d'Ivoire	Cayman Islands
Kosmos Energy Namibia	Cayman Islands
Kosmos Energy GOM Holdings, LLC	Delaware
Kosmos Energy Gulf of Mexico, LLC	Delaware
Kosmos Energy Gulf of Mexico Management, LLC	Delaware
Kosmos Energy Gulf of Mexico Operations, LLC	Delaware
Houston Energy Deepwater Ventures V, LLC	Texas
Kosmos Energy Investments Senegal Limited	United Kingdom
Kosmos International Petroleum, Inc.	Cayman Islands
Kosmos Equatorial Guinea, Inc.	Cayman Islands
Kosmos Energy South Africa Limited	United Kingdom
Kosmos Energy Tortue Finance	Cayman Islands
Kosmos Energy Ghana Holdings Limited	United Kingdom
Kosmos Energy Ghana Investments	Cayman Islands
DWT - P Company	Cayman Islands
Kosmos Energy Holdings Equatorial Guinea	Cayman Islands
Kosmos Energy Investments Equatorial Guinea	Cayman Islands
Kosmos Energy Holdings Midstream Equatorial Guinea	Cayman Islands
Kosmos Energy Investments Midstream Equatorial Guinea	Cayman Islands
Kosmos Energy LNG Marketing Ltd.	United Kingdom

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statements (Form S-8, No. 333-256933, Form S-8, No. 333-228397, Form S-8, No. 333-207259, and Form S-8, No. 333-174234) pertaining to the Kosmos Energy Ltd. Long Term Incentive Plan and the Registration Statements (Form S-3, No. 333-257246, Form S-3, No. 333-230284 and Form S-3, No. 333-227084) of Kosmos Energy Ltd. and in the related Prospectus of our reports dated February 28, 2023, with respect to the consolidated financial statements and schedules and the effectiveness of internal control over financial reporting of Kosmos Energy Ltd., included in this Annual Report (Form 10-K) for the year ended December 31, 2022.

/s/ Ernst & Young LLP

Dallas, Texas
February 28, 2023

RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS

TBPELS REGISTERED ENGINEERING FIRM F-1580 FAX (713) 651-0849
1100 LOUISIANA SUITE 4600 HOUSTON, TEXAS 77002-5294 TELEPHONE (713) 651-9191

EXHIBIT 23.2

February 27, 2023

Mr. Paul Tooms
Kosmos Energy, LLC
8176 Park Lane, Suite 500
Dallas, Texas 75231

We hereby consent to (1) the reference of our firm and to the use of our reports of the Greater Jubilee, TEN, Ceiba, Okume, U.S. Gulf of Mexico, and Greater Tortue Project Areas effective December 31, 2022 and dated January 20, 2023, in the Kosmos Energy Ltd. Annual Report on Form 10-K for the year ended December 31, 2022, to be filed with the U.S. Securities Exchange Commission on or about February 27, 2023; and (2) the incorporation by reference of our reports of the Greater Jubilee, TEN, Ceiba, Okume, U.S. Gulf of Mexico, and Greater Tortue Project Areas effective December 31, 2022 and dated January 20, 2023 in the Kosmos Energy Ltd. Registration Statements (Form S-8, No. 333-174234, Form S-8, No. 333-207259, Form S-8, No. 333-228397, and Form S-8, No. 333-256933) and Registration Statements (Form S-3, No. 333-227084, Form S-3, No. 333-230284, and Form S-3, No. 333-257246,) and in any related prospectus, including any reference to our firm under the heading “Experts” in such prospectus.

/s/ Ryder Scott Company, L.P.

RYDER SCOTT COMPANY, L.P.
TBPELS Firm Registration No. F-1580

SUITE 2800, 350 7TH AVENUE, S.W. CALGARY, ALBERTA T2P 3N9 TEL (403) 262-2799
633 17TH STREET, SUITE 1700 DENVER, COLORADO 80202 TEL (303) 339-8110

Exhibit 31.1

Certification of Chief Executive Officer

I, Andrew G. Inglis, certify that:

1. I have reviewed this annual report on Form 10-K 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: February 28, 2023

/s/ ANDREW G. INGLIS

Andrew G. Inglis
Chairman of the Board of Directors and
Chief Executive Officer (Principal Executive Officer)

Exhibit 31.2

Certification of Chief Financial Officer

I, Neal D. Shah, certify that:

1. I have reviewed this annual report on Form 10-K 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: February 28, 2023

/s/ NEAL D. SHAH

Neal D. Shah
Senior Vice President and Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

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 annual report of Kosmos Energy Ltd. (the "Company") on Form 10-K for the period ended December 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: February 28, 2023

/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.

Exhibit 32.2

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 annual report of Kosmos Energy Ltd. (the "Company") on Form 10-K for the period ended December 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: February 28, 2023

/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.

Exhibit 99.1

KOSMOS ENERGY LIMITED

Estimated

Future Reserves and Income

Attributable to Certain Interests

and

Derived Through Certain Production Sharing Contracts

SEC Parameters

As of

December 31, 2022

\s\ Tosin Famurewa	\s\ Amara N. Okafor
Tosin Famurewa, P.E., S.P.E.C.	Amara N. Okafor, P.E.
TBPELS License No. 100569	TBPELS License No. 113166
Managing Senior Vice President / Director	Senior Vice President

[SEAL] **[SEAL]**

RYDER SCOTT COMPANY, L.P.
TBPELS Firm Registration No. F-1580

TBPELS REGISTERED ENGINEERING FIRM F-1580 FAX (713) 651-0849
1100 LOUISIANA SUITE 4600 HOUSTON, TEXAS 77002-5294 TELEPHONE (713) 651-9191

January 20, 2023

Kosmos Energy Limited
8176 Park Lane, Suite 500
Dallas, Texas 75231

Ladies and Gentlemen:

At your request, Ryder Scott Company, L.P. (Ryder Scott) has prepared an estimate of the proved reserves, future production, and income attributable to certain interests and derived through certain production sharing contracts of Kosmos Energy Limited (Kosmos) as of December 31, 2022. The subject properties are located in Ghana, offshore West Africa, in the West Cape Three Points (WCTP) and Deep Water Tano (DWT) blocks, hereafter referred to as the "Greater Jubilee and TEN Project Areas," Equatorial Guinea, offshore Central Africa, in the G and F blocks, hereafter referred to as the "Ceiba and Okume Project Areas" Mauritania and Senegal, offshore Northwest Africa, in the C-8 and St. Louis Offshore Profond blocks, hereafter referred to as the "Greater Tortue Project Area" and United States of America, federal waters offshore Louisiana and Texas, hereafter referred to as the "Gulf of Mexico Project Area." The reserves and income data were estimated based on the definitions and disclosure guidelines of the United States Securities and Exchange Commission (SEC) contained in Title 17, Code of Federal Regulations, Modernization of Oil and Gas Reporting, Final Rule released January 14, 2009 in the Federal Register (SEC regulations). Our third party study, completed on January 17, 2023 and presented herein, was prepared for public disclosure by Kosmos in filings made with the SEC in accordance with the disclosure requirements set forth in the SEC regulations.

The properties evaluated by Ryder Scott in this report represent 100 percent of Kosmos' total net proved liquid hydrocarbon and gas reserves as of December 31, 2022.

The estimated reserves and future net income amounts presented in this report, as of December 31, 2022, are related to hydrocarbon prices. The hydrocarbon prices used in the preparation of this report are based on the average prices during the 12-month period prior to the "as of date" of this report, determined as the unweighted arithmetic averages of the prices in effect on the first-day-of-the-month for each month within such period, unless prices were defined by contractual arrangements, as required by the SEC regulations. Actual future prices may vary considerably from the prices required by SEC regulations. The recoverable reserves volumes and the income attributable thereto have a direct relationship to the hydrocarbon prices actually received; therefore, volumes of reserves actually recovered and the amounts of income actually received may differ significantly from the estimated quantities presented in this report. At Kosmos' request, we have included estimated gross (100%) reserves, along with the estimated net reserves and income data. The results of this study are summarized as follows.

SEC PARAMETERS
Estimated Gross Reserves[1] Data
Derived Through Certain Interests of
Kosmos Energy Limited
As of December 31, 2022

	Proved			
	Developed			
	Producing	Non-Producing	Undeveloped	Total
Gulf of Mexico Project Area				
Gross Reserves				
Oil/Condensate – Mbbl	65,998	18,585	32,805	117,388
Plant Products – Mbbl	5,686	5,017	4,207	14,910
Sales Gas[2] – MMcf	56,298	43,530	42,803	142,631
LNG – MMcf	0	0	0	0
Fuel Gas – MMcf	0	0	0	0
Greater Jubilee and TEN Project Areas				
Gross Reserves				
Oil/Condensate – Mbbl	141,762	1,747	172,646	316,155
Plant Products – Mbbl	0	0	0	0
Sales Gas[2] – MMcf	84,986	0	43,984	128,970
LNG – MMcf	0	0	0	0
Fuel Gas – MMcf	79,520	0	0	79,520
Ceiba and Okume Project Areas				
Gross Reserves				
Oil/Condensate – Mbbl	49,236	12,312	14,879	76,427
Plant Products – Mbbl	0	0	0	0
Sales Gas[2] – MMcf	0	0	0	0
LNG – MMcf	0	0	0	0
Fuel Gas – MMcf	37,695	0	0	37,695
Greater Tortue Project Area				
Gross Reserves				
Oil/Condensate – Mbbl	0	0	31,891	31,891
Plant Products – Mbbl	0	0	0	0
Sales Gas[2] – MMcf	0	0	0	0
LNG – MMcf	0	0	2,449,614	2,449,614
Fuel Gas – MMcf	0	0	212,988	212,988

	Proved			
	Developed			
	Producing	Non-Producing	Undeveloped	Total
Total				
Gross Reserves				
Oil/Condensate – Mbbl	256,996	32,644	252,221	541,861
Plant Products – Mbbl	5,686	5,017	4,207	14,910
Sales Gas[2] – MMcf	141,284	43,530	86,787	271,601
LNG – MMcf	0	0	2,449,614	2,449,614
Fuel Gas – MMcf	117,215	0	212,988	330,203

[1]These volumes are 100% gross and do not represent net volumes to Kosmos' interests. Net reserves and income are shown below.
[2]Sales gas represents gross sales that is gas produced at the wellhead, less shrinkage after the extraction of plant products, consumed fuel gas and gas flared as part of operations.

SEC PARAMETERS
Estimated Net Reserves and Income Data
Derived Through Certain Interests of
Kosmos Energy Limited
As of December 31, 2022

	Proved			
	Developed			
	Producing[1]	Non-Producing	Undeveloped	Total
Gulf of Mexico Project Area				
Net Reserves				
Oil/Condensate – Mbbl	14,086	5,182	5,793	25,061
Plant Products – Mbbl	1,153	633	661	2,447
Sales Gas – MMcf	11,532	5,533	7,071	24,136
LNG – MMcf	0	0	0	0
Fuel Gas – MMcf	0	0	0	0
Income Data ($M)				
Future Gross Revenue	$1,400,117	$528,920	$603,092	$2,532,129
Deductions	396,638	113,686	337,626	847,950
Future Net Income (FNI)	$1,003,479	$415,234	$265,466	$1,684,179
Discounted FNI @ 10%	$ 864,518	$279,456	$155,279	$1,299,253
Greater Jubilee and TEN Project Areas[2]				
Net Reserves				
Oil/Condensate – Mbbl	42,625	641	56,067	99,333
Plant Products – Mbbl	0	0	0	0
Sales Gas – MMcf	16,804	0	8,697	25,501
LNG – MMcf	0	0	0	0
Fuel Gas – MMcf	22,868	0	0	22,868
Income Data ($M)				
Future Gross Revenue	$4,331,811	$65,308	$5,701,272	$10,098,391
Deductions	1,058,229	8,770	1,931,905	2,998,904
Future Net Income (FNI)	$3,273,582	$56,538	$3,769,367	$ 7,099,487
Discounted FNI @ 10%	$2,584,760	$37,041	$2,416,638	$ 5,038,439

	Proved			
	Developed			
	Producing[1]	Non-Producing	Undeveloped	Total
Ceiba and Okume Project Areas				
Net Reserves				
Oil/Condensate – Mbbl	15,988	4,023	4,804	24,815
Plant Products – Mbbl	0	0	0	0
Sales Gas – MMcf	0	0	0	0
LNG – MMcf	0	0	0	0
Fuel Gas – MMcf	16,020	0	0	16,020
Income Data ($M)				
Future Gross Revenue	$1,601,145	$402,922	$481,136	$2,485,203
Deductions	993,947	212,154	276,624	1,482,725
Future Net Income (FNI)	$ 607,198	$190,768	$204,512	$1,002,478
Discounted FNI @ 10%	$ 616,506	$171,883	$141,094	$ 929,483
Greater Tortue Project Area				
Net Reserves				
Oil/Condensate – Mbbl	0	0	7,463	7,463
Plant Products – Mbbl	0	0	0	0
Sales Gas – MMcf	0	0	0	0
LNG – MMcf	0	0	567,230	567,230
Fuel Gas – MMcf	0	0	50,817	50,817
Income Data ($M)				
Future Gross Revenue	$0	$0	$6,419,087	$6,419,087
Deductions	0	0	3,448,353	3,448,353
Future Net Income (FNI)	$0	$0	$2,970,734	$2,970,734
Discounted FNI @ 10%	$0	$0	$1,219,766	$1,219,766
Total				
Net Reserves				
Oil/Condensate – Mbbl	72,699	9,846	74,127	156,672
Plant Products – Mbbl	1,153	633	661	2,447
Sales Gas – MMcf	28,336	5,533	15,768	49,637
LNG – MMcf	0	0	567,230	567,230
Fuel Gas – MMcf	38,888	0	50,817	89,705
Income Data ($M)				
Future Gross Revenue	$7,333,073	$997,150	$13,204,587	$21,534,810
Deductions	2,448,814	334,610	5,994,508	8,777,932
Future Net Income (FNI)	$4,884,259	$662,540	$ 7,210,079	$12,756,878
Discounted FNI @ 10%	$4,065,784	$488,380	$ 3,932,777	$ 8,486,941

[1]*Proved depleted summary consisting of certain P&A liability costs are included with the proved developed producing summary for the Gulf of Mexico Project Area*
[2]*Following Kosmos' acquisition of Anadarko West Cape Three Points Company ("AWCTP"), Kosmos sent a notice to partners and the Ghanaian government informing them of the name change from AWCTP to Kosmos Energy Ghana Investments ("KEGIN"). Kosmos continues to hold its Ghana equity in the two separate companies, the original Kosmos Energy Ghana*

Holding Company ("KEGHC") and the new Kosmos Energy Ghana Investments ("KEGIN"). The net reserves above represent a summation of both companies. Detailed splits of these interests can be seen in the accompanying cash flow tables.

Liquid hydrocarbons are expressed in standard 42 U.S. gallon barrels and shown herein as thousands of barrels (Mbbl). Fuel gas volumes are attributed to those volumes of gas that are consumed for fuel in field operations, while sales gas volumes are reported on an “as sold basis.” Kosmos elected not to report fuel gas for the Gulf of Mexico Project Area. All gas volumes are expressed in millions of cubic feet (MMcf) at the official temperature and pressure bases of the areas in which the gas reserves are located. In this report, the revenues, deductions, and income data are expressed as thousands of U.S. dollars ($M).

The estimates of the reserves, future production, and income attributable to properties in this report were prepared using the economic software package PHDWin Petroleum Economic Evaluation Software, a copyrighted program of TRC Consultants L.C. and economic models developed in Microsoft EXCEL. These programs were used at the request of Kosmos. Ryder Scott has found these programs to be generally acceptable, but notes that certain summaries and calculations may vary due to rounding and may not exactly match the sum of the properties being summarized. Furthermore, one line economic summaries may vary slightly from the more detailed cash flow projections of the same properties, also due to rounding. The rounding differences are not material.

The deductions incorporate the normal direct costs of operating the wells, recompletion costs, development costs, and certain abandonment costs net of salvage. “Other deductions”, in the Greater Tortue Project Area, consist of BP’s carry balance credit to Kosmos, joint operating agreement (JOA) overhead cost and training cost. Deductions in the Greater Jubilee and TEN project areas include Additional Oil Entitlements (AOE). AOE is a contractual mechanism that prevents the contractor group from collecting “windfall profits” and is treated herein as a deduction to the future gross revenue; however, for the Greater Jubilee and TEN Project Areas our economic analysis indicates there are no AOE deductions for the proved reserves. The AOE calculation is determined at the block level and includes a rate of return calculation that is derived on an after corporate income tax basis based on interpretations of tax considerations made by Kosmos. In the Greater Jubilee and TEN Project Areas, abandonment costs (included in the “Development Costs” column of the cash flow projections) are triggered and escrowed several years before the economic limit is reached, and this may result in negative FNI values for certain years prior to abandonment.

Certain gas, oil and condensate processing and handling fees, including compression fees where applicable are included as “Other” and “Ad Valorem Taxes” deductions in the cash flows. The latter are not true ad valorem taxes but represent Kosmos’ throughput fee to Talos for processing and handling of the production volumes from the Tornado field in the Gulf of Mexico Project Area. The separate tracking of this throughput fee in the “Ad Valorem Taxes” column of the cash flows was done at Kosmos’ request.

There are no production taxes associated with any of the Project Areas. The future net income is before the deductions of U.S. state and federal or foreign income taxes and general administrative overhead, and has not been adjusted for outstanding loans that may exist, nor does it include any adjustment for cash on hand or undistributed income.

Liquid hydrocarbon reserves account for approximately 73 percent and gas reserves account for the remaining 27 percent of total future gross revenue from proved reserves.

The discounted future net income shown above was calculated using a discount rate of 10 percent per annum compounded annually. Future net income was discounted at four other discount rates which were also compounded annually. These results are shown in summary form as follows.

Discount Rate Percent	Discounted Future Net Income ($M) As of December 31, 2022 Total Proved
5	$10,213,104
15	$ 7,241,654
20	$ 6,303,319
25	$ 5,573,178

The results shown above are presented for your information and should not be construed as our estimate of fair market value.

Reserves Included in This Report

The proved reserves included herein conform to the definition as set forth in the Securities and Exchange Commission's Regulations Part 210.4-10(a). An abridged version of the SEC reserves definitions from 210.4-10(a) entitled "PETROLEUM RESERVES DEFINITIONS" is included as an attachment to this report.

The various reserves status categories are defined in the attachment entitled "PETROLEUM RESERVES STATUS DEFINITIONS AND GUIDELINES" in this report. The proved developed non-producing reserves included herein consist of the shut-in and behind pipe status categories.

No attempt was made to quantify or otherwise account for any accumulated gas production imbalances that may exist.

Reserves are "estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations." All reserves estimates involve an assessment of the uncertainty relating the likelihood that the actual remaining quantities recovered will be greater or less than the estimated quantities determined as of the date the estimate is made. The uncertainty depends primarily on the amount of reliable geologic and engineering data available at the time of the estimate and the interpretation of these data. The relative degree of uncertainty may be conveyed by placing reserves into one of two principal categories, either proved or unproved. Unproved reserves are less certain to be recovered than proved reserves, and may be further sub-categorized as probable and possible reserves to denote progressively increasing uncertainty in their recoverability. At Kosmos' request, this report addresses only the proved reserves attributable to the properties evaluated herein.

Proved oil and gas reserves are "those quantities of oil and gas which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible from a given date forward." The proved reserves included herein were estimated using deterministic methods. The SEC has defined reasonable certainty for proved reserves, when based on deterministic methods, as a "high degree of confidence that the quantities will be recovered."

Proved reserves estimates will generally be revised only as additional geologic or engineering data become available or as economic conditions change. For proved reserves, the SEC states that "as changes due to increased availability of geoscience (geological, geophysical, and geochemical), engineering, and economic data are made to the estimated ultimate recovery (EUR) with time, reasonably certain EUR is much more likely to increase or remain constant than to decrease." Moreover, estimates of proved reserves may be revised as a result of future operations, effects of regulation by governmental agencies or geopolitical or economic risks. Therefore, the proved reserves included in this report are estimates only and should not be construed as being exact quantities, and if

recovered, the revenues therefrom, and the actual costs related thereto, could be more or less than the estimated amounts.

The proved reserves reported herein are limited to the period prior to expiration of current contracts providing the legal rights to produce, or a revenue interest in such production unless evidence indicates that contract renewal is reasonably certain. Furthermore, the subject properties located in Ghana and Equatorial Guinea may be subjected to substantially varying contractual fiscal terms that affect the net revenue to Kosmos for the production of these volumes. The prices and economic return received for these net volumes can vary materially based on the terms of these contracts. Therefore, when applicable, Ryder Scott reviewed the fiscal terms of such contracts and discussed with Kosmos the net economic benefit attributed to such operations for the determination of the net hydrocarbon volumes and income thereof. Ryder Scott has not conducted an exhaustive audit or verification of such contractual information. Neither our review of such contractual information nor our acceptance of Kosmos representations regarding such contractual information should be construed as a legal opinion on this matter.

Ryder Scott did not evaluate the country and geopolitical risks in the countries where Kosmos operates or has interests. Kosmos operations may be subject to various levels of governmental controls and regulations. These controls and regulations may include, but may not be limited to, matters relating to land tenure and leasing, the legal rights to produce hydrocarbons, drilling and production practices, environmental protection, marketing and pricing policies, royalties, various taxes and levies including income tax and are subject to change from time to time. Such changes in governmental regulations and policies may cause volumes of proved reserves actually recovered and amounts of proved income actually received to differ significantly from the estimated quantities.

The estimates of proved reserves presented herein were based upon a detailed study of the properties in which Kosmos owns an interest; however, we have not made any field examination of the properties. No consideration was given in this report to potential environmental liabilities that may exist nor were any costs included for potential liabilities to restore and clean up damages, if any, caused by past operating practices.

Estimates of Reserves

The estimation of reserves involves two distinct determinations. The first determination results in the estimation of the quantities of recoverable oil and gas and the second determination results in the estimation of the uncertainty associated with those estimated quantities in accordance with the definitions set forth by the Securities and Exchange Commission's Regulations Part 210.4-10(a). The process of estimating the quantities of recoverable oil and gas reserves relies on the use of certain generally accepted analytical procedures. These analytical procedures fall into three broad categories or methods: (1) performance-based methods; (2) volumetric-based methods; and (3) analogy. These methods may be used individually or in combination by the reserves evaluator in the process of estimating the quantities of reserves. Reserves evaluators must select the method or combination of methods which in their professional judgment is most appropriate given the nature and amount of reliable geoscience and engineering data available at the time of the estimate, the established or anticipated performance characteristics of the reservoir being evaluated, and the stage of development or producing maturity of the property.

In many cases, the analysis of the available geoscience and engineering data and the subsequent interpretation of this data may indicate a range of possible outcomes in an estimate, irrespective of the method selected by the evaluator. When a range in the quantity of reserves is identified, the evaluator must determine the uncertainty associated with the incremental quantities of the reserves. If the reserves quantities are estimated using the deterministic incremental approach, the uncertainty for each discrete incremental quantity of the reserves is addressed by the reserves category assigned by the evaluator. Therefore, it is the categorization of reserves quantities as proved, probable and/or possible that addresses the inherent uncertainty in the estimated quantities reported. For proved reserves, uncertainty is defined by the SEC as reasonable certainty wherein the "quantities actually recovered are much more likely to be achieved than not." The SEC states that "probable reserves are those additional reserves that are less certain to be recovered than proved reserves but

which, together with proved reserves, are as likely as not to be recovered." The SEC states that "possible reserves are those additional reserves that are less certain to be recovered than probable reserves and the total quantities ultimately recovered from a project have a low probability of exceeding proved plus probable plus possible reserves." All quantities of reserves within the same reserves category must meet the SEC definitions as noted above.

Estimates of reserves quantities and their associated reserves categories may be revised in the future as additional geoscience or engineering data become available. Furthermore, estimates of reserves quantities and their associated reserves categories may also be revised due to other factors such as changes in economic conditions, results of future operations, effects of regulation by governmental agencies or geopolitical or economic risks as previously noted herein.

The reserves for the properties included herein were estimated by performance methods, the volumetric method, analogy, or a combination of methods. In certain cases, the reserves attributable to producing wells and/or reservoirs were estimated by performance methods. These performance methods include, but may not be limited to, decline curve analysis, material balance and/or reservoir simulation which utilized extrapolations of historical production and pressure data available through December 2022 in those cases where such data were considered to be definitive. The data utilized in this analysis were furnished to Ryder Scott by Kosmos and were considered sufficient for the purpose thereof. In other cases, producing reserves were estimated by the volumetric method, analogy, or a combination of methods. These methods were used where there were inadequate historical performance data to establish a definitive trend and where the use of production performance data as a basis for the reserves estimates was considered to be inappropriate. However, available performance data were used to ensure the volumetric parameters in our estimates derived from the volumetric method were appropriate.

The reserves for the properties included herein attributable to the non-producing and the undeveloped status categories were estimated by the volumetric method, analogy, or a combination of methods. The volumetric analysis utilized pertinent well and seismic data furnished to Ryder Scott by Kosmos or obtained from public data sources that were available through November 2022. The data utilized from the analogues in conjunction with well and seismic data incorporated into our volumetric analysis were considered sufficient for the purpose thereof.

To estimate economically producible proved oil and gas reserves and related future net cash flows, we consider many factors and assumptions including, but not limited to, the use of reservoir parameters derived from geological, geophysical and engineering data which cannot be measured directly, economic criteria based on current costs and SEC pricing requirements, and forecasts of future production rates. Under the SEC regulations 210.4-10(a)(22)(v) and (26), proved reserves must be anticipated to be economically producible from a given date forward based on existing economic conditions including the prices and costs at which economic producibility from a reservoir is to be determined. While it may reasonably be anticipated that the future prices received for the sale of production and the operating costs and other costs relating to such production may increase or decrease from those under existing economic conditions, such changes were, in accordance with rules adopted by the SEC, omitted from consideration in making this evaluation.

Kosmos has informed us that they have furnished us all of the material accounts, records, geological and engineering data, and reports and other data required for this investigation. In preparing our forecast of future proved production and income, we have relied upon data furnished by Kosmos with respect to property interests owned, contractual terms that govern future net income, production and well tests from examined wells, normal direct costs of operating the wells or leases and all the required facilities such as the FPSO, other costs such as transportation and/or processing fees, recompletion and development costs, development plans, abandonment costs after salvage, product prices based on the SEC regulations, adjustments or differentials to product prices, geological structural and isochore maps, well logs, core analyses, and pressure measurements. Ryder Scott reviewed such factual data for its reasonableness; however, we have not conducted an independent verification of the data furnished by Kosmos. We consider the factual data used in this report appropriate and sufficient for the purpose of preparing the estimates of reserves and future net revenues herein.

In summary, we consider the assumptions, data, methods and analytical procedures used in this report appropriate for the purpose hereof, and we have used all such methods and procedures that we consider necessary and appropriate to prepare the estimates of reserves herein. The proved reserves included herein were determined in conformance with the United States Securities and Exchange Commission (SEC) Modernization of Oil and Gas Reporting; Final Rule, including all references to Regulation S-X and Regulation S-K, referred to herein collectively as the "SEC Regulations." In our opinion, the proved reserves presented in this report comply with the definitions, guidelines and disclosure requirements as required by the SEC regulations.

Future Production Rates

For wells currently on production, our forecasts of future production rates are based on historical performance data. If a decline trend has been established, this trend was used as the basis for estimating future production rates. If no production decline trend has been established, one of the following occurred:

- future production rates were held constant, or adjusted for the effects of curtailment where appropriate, until a decline in ability to produce was anticipated. An estimated rate of decline was then applied until depletion of the reserves.

- future production rates were projected based on a type well derived from analogy to surrounding historical well production.

- future production rates were based on a combination of historical performance data, volumetric analysis and a numerical simulation model. Future production rates were held constant, or adjusted for the effects of curtailment where appropriate, until a decline in ability to produce was anticipated. An estimated "simulation based decline rate" was then applied until depletion of the reserves.

Test data and other related information were used to estimate the anticipated initial production rates for those wells or locations that are not currently producing. For reserves not yet on production, sales were estimated to commence at an anticipated date furnished by Kosmos. Wells or locations that are not currently producing may start producing earlier or later than anticipated in our estimates due to unforeseen factors causing a change in the timing to initiate production. Such factors may include delays due to weather, the availability of rigs, the sequence of drilling, completing and/or recompleting wells and/or constraints set by regulatory bodies.

The future production rates from wells currently on production or wells or locations that are not currently producing may be more or less than estimated because of changes including, but not limited to, reservoir performance, operating conditions related to surface facilities, compression and artificial lift, pipeline capacity and/or operating conditions, producing market demand and/or allowables or other constraints set by regulatory bodies.

Hydrocarbon Prices

The hydrocarbon prices used herein are based on SEC price parameters using the average prices during the 12-month period prior to the "as of date" of this report, determined as the unweighted arithmetic averages of the prices in effect on the first-day-of-the-month for each month within such period, unless prices were defined by contractual arrangements. For hydrocarbon products sold under contract, the contract prices, including fixed and determinable escalations, exclusive of inflation adjustments, were used until expiration of the contract.

Kosmos furnished us with the above mentioned average benchmark prices in effect on December 31, 2022. These initial SEC hydrocarbon prices were determined using the 12-month average first-day-of-the-month benchmark prices appropriate to the geographic area where the hydrocarbons are sold. These benchmark prices are prior to the adjustments for differentials as described herein. The table below summarizes the "benchmark prices" and "price reference" used for

the geographic areas included in the report. In certain geographic areas, the price reference and benchmark prices may be defined by contractual arrangements.

The product prices that were actually used to determine the future gross revenue for each property reflect adjustments to the benchmark prices for gravity, quality, local conditions, gathering and transportation fees and/or distance from market, NGL processing fees, referred to herein as “differentials.” The differentials used in the preparation of this report were furnished to us by Kosmos. The differentials furnished to us were accepted as factual data and reviewed by us for their reasonableness; however, we have not conducted an independent verification of the data used by Kosmos to determine these differentials.

In addition, the table below summarizes the net volume weighted benchmark prices adjusted for differentials and referred to herein as the “average realized prices.” The average realized prices shown in the table below were determined from the total future gross revenue before production taxes and the total net reserves for the geographic area and presented in accordance with SEC disclosure requirements for each of the geographic areas included in the report.

Geographic Area	Product	Price Reference	Average Benchmark Price	Average Realized Price
West Africa				
Greater Jubilee and TEN Project Areas	Oil	Brent	$100.25/Bbl	$101.51/Bbl
	Gas	Contract	$0.60/Mcf	$0.60/Mcf
Greater Tortue Project Area	Condensate	Brent	$100.25/Bbl	$100.25/Bbl
	LNG	([6])	$6.60/MMbtu	$10.05/Mcf
Central Africa				
Ceiba and Okume Project Areas	Oil	Brent	$100.25/Bbl	$100.14/Bbl
North America				
Gulf of Mexico Project Area	Oil/ Condensate	Heavy Louisiana Sweet	$94.92/Bbl	$91.44/Bbl
	NGLs	Heavy Louisiana Sweet	$94.92/Bbl	$34.24/Bbl
	Gas	Henry Hub	$6.36/MMbtu	$6.50/Mcf

[6]*The future LNG prices, as specified by Kosmos, are based on the Sales Purchase Agreement (SPA), which is indexed to Brent crude, with a specified heating value of 1.065 MMbtu/scf.*

The effects of derivative instruments designated as price hedges of oil and gas quantities are not reflected in our individual property evaluations.

Costs

Operating costs for the contract areas and wells in this report were furnished by Kosmos and are based on their operating expense reports and include only those costs directly applicable to the contract areas or wells. The operating costs include a portion of general and administrative costs allocated directly to the contract areas and wells. For operated properties, the operating costs include an appropriate level of corporate general administrative and overhead costs. The operating costs for non-operated properties include the COPAS overhead costs that are allocated directly to the leases and wells under terms of operating agreements. Certain gas, oil and condensate processing and handling fees, including compression fees where applicable are included as “Other” and “Ad Valorem Taxes” deductions in the cash flows. The latter are not true ad valorem taxes but represent Kosmos’ throughput fee to Talos for processing and handling of the production volumes from the Tornado field. The separate tracking of this throughput fee in the “Ad Valorem Taxes” column of the cash flows was done at Kosmos’ request. For some Gulf of Mexico Project Area assets, we calculated their operating costs using Lease Operating Statements (LOE) provided by Kosmos. For the remaining assets, the operating costs furnished to us were accepted as factual data and reviewed by us for their reasonableness; however, we have not conducted an independent verification of the operating cost data used by Kosmos. No deduction was made for loan repayments, interest expenses, or exploration and development prepayments that were not charged directly to the contract areas or wells.

Development costs were furnished to us by Kosmos and are based on authorizations for expenditure for the proposed work or actual costs for similar projects. The development costs furnished to us were accepted as factual data and reviewed by us for their reasonableness; however, we have not conducted an independent verification of these costs. The estimated net cost of abandonment after salvage was included for properties where abandonment costs net of salvage were material. The estimates of the net abandonment costs furnished by Kosmos were accepted without independent verification. Kosmos advises that their contractual share of Mississippi Canyon 697/698/741/742 (Big Bend) field, in the Gulf of Mexico Project Area, Plug and Abandonment (P&A) liability is zero.

The proved developed non-producing and undeveloped reserves in this report have been incorporated herein in accordance with Kosmos' plans to develop these reserves as of December 31, 2022. The implementation of Kosmos' development plans as presented to us and incorporated herein is subject to the approval process adopted by Kosmos' management. As the result of our inquiries during the course of preparing this report, Kosmos has informed us that the development activities included herein have been subjected to and received the internal approvals required by Kosmos management at the appropriate local, regional and/or corporate level. In addition to the internal approvals as noted, certain development activities may still be subject to specific partner AFE processes, Joint Operating Agreement (JOA) requirements or other administrative approvals external to Kosmos. Kosmos has provided written documentation supporting their commitment to proceed with the development activities as presented to us. Additionally, Kosmos has informed us that they are not aware of any legal, regulatory or political obstacles that would significantly alter their plans. While these plans could change or evolve from those under existing economic conditions as of December 31, 2022, such changes were, in accordance with rules adopted by the SEC, omitted from consideration in making this evaluation.

According to Item 1203 (d) of the SEC Regulations, an explanation should be included for the reasons "…why material amounts of proved undeveloped reserves … remain undeveloped for five years or more after disclosure as proved undeveloped reserves." A material amount of proved undeveloped reserves in the Greater Tortue Project Area of this report are forecast to be converted to developed status beyond the five-year time frame. A five-year time frame for converting undeveloped to developed reserves was adopted by the SEC, "unless specific circumstances justify a longer time frame." The Greater Tortue Project, a multi-billion dollar investment, is a partnership between BP Mauritania Investments Limited (BPMIL), BP Senegal Investments Limited (BPSIL), Kosmos Energy Mauritania (KEM), Kosmos Energy Investments Senegal Limited (KEISL), La Societe Mauritanienne Des Hydrocarbures et de Patrimione Miner (SMHPM), and La Societe Des Petroles du Senegal (PETROSEN), the last two being the National Oil Companies (NOC) of the governments of the Islamic Republic of Mauritania and the Republic of Senegal, respectively. There are several long lead items including major equipment, pipelines, infrastructure for facilities that include a floating liquefied natural gas (FLNG) vessel, a deep-water floating production storage and offloading (FPSO) facility, and LNG gas processing facilities in a deep offshore environment. The project has partnership commitment and alignment with about $5.87 Billion spent as of December 2022. All 4 major project segments – Subsea, FPSO, Hub Terminal and FLNG, are proceeding on schedule. It is Ryder Scott's opinion that these special circumstances allow for the recognition of proved reserves for locations that will be developed beyond the five-year time frame.

Current costs used by Kosmos were held constant throughout the life of the properties. However, in some contract areas, anticipated changes to operations during the field life-ramp-down, specifically consolidation of activates, reduced well count and/or fluid handling, and other synergies, are projected to result in certain cost reductions.

Standards of Independence and Professional Qualification

Ryder Scott is an independent petroleum engineering consulting firm that has been providing petroleum consulting services throughout the world since 1937. Ryder Scott is employee-owned and maintains offices in Houston, Texas; Denver, Colorado; and Calgary, Alberta, Canada. We have approximately eighty engineers and geoscientists on our permanent staff. By virtue of the size of our firm and the large number of clients for which we provide services, no single client or job represents a material portion of our annual revenue. We do not serve as officers or directors of any privately-owned or publicly-traded oil and gas company and are separate and independent from the operating and investment decision-making process of our clients. This allows us to bring the highest level of independence and objectivity to each engagement for our services.

Ryder Scott actively participates in industry-related professional societies and organizes an annual public forum focused on the subject of reserves evaluations and SEC regulations. Many of our staff have authored or co-authored technical papers on the subject of reserves related topics. We

encourage our staff to maintain and enhance their professional skills by actively participating in ongoing continuing education.

Prior to becoming an officer of the Company, Ryder Scott requires that staff engineers and geoscientists receive professional accreditation in the form of a registered or certified professional engineer's license or a registered or certified professional geoscientist's license, or the equivalent thereof, from an appropriate governmental authority or a recognized self-regulating professional organization. Regulating agencies require that, in order to maintain active status, a certain amount of continuing education hours be completed annually, including an hour of ethics training. Ryder Scott fully supports this technical and ethics training with our internal requirement mentioned above.

We are independent petroleum engineers with respect to Kosmos Energy Limited. Neither we nor any of our employees have any financial interest in the subject properties and neither the employment to do this work nor the compensation is contingent on our estimates of reserves for the properties which were reviewed.

The results of this study, presented herein, are based on technical analyses conducted by teams of geoscientists and engineers from Ryder Scott. The professional qualifications of the undersigned, the technical person primarily responsible for overseeing, reviewing and approving the evaluation of the reserves information discussed in this report, are included as an attachment to this letter.

Terms of Usage

The results of our third party study, presented in report form herein, were prepared in accordance with the disclosure requirements set forth in the SEC regulations and intended for public disclosure as an exhibit in filings made with the SEC by Kosmos.

Kosmos makes periodic filings on Form 10-K with the SEC under the 1934 Exchange Act. Furthermore, Kosmos has certain registration statements filed with the SEC under the 1933 Securities Act into which any subsequently filed Form 10-K is incorporated by reference. We have consented to the incorporation by reference in the registration statements on Forms S-3 and S-8 of Kosmos Energy Limited of the references to our name as well as to the references to our third party report for Kosmos Energy Limited, which appears in the December 31, 2022 annual report on Form 10-K of Kosmos Energy Limited. Our written consent for such use is included as a separate exhibit to the filings made with the SEC by Kosmos Energy Limited.

We have provided Kosmos with a digital version of the original signed copy of this report letter. In the event there are any differences between the digital version included in filings made by Kosmos and the original signed report letter, the original signed report letter shall control and supersede the digital version.

The data and work papers used in the preparation of this report are available for examination by authorized parties in our offices. Please contact us if we can be of further service.

Very truly yours,

RYDER SCOTT COMPANY, L.P.
TBPELS Firm Registration No. F-1580

\s\ Tosin Famurewa

Tosin Famurewa, P.E., S.P.E.C.
TBPELS License No. 100569
Managing Senior Vice President / Director **[SEAL]**

\s\ Amara N. Okafor

Amara N. Okafor, P.E.
TBPELS License No. 113166

Senior Vice President **[SEAL]**

TF-ANO (GR)/pl

Professional Qualifications of Primary Technical Person

The conclusions presented in this report are the result of technical analysis conducted by teams of geoscientists and engineers from Ryder Scott Company, L.P. (Ryder Scott). Tosin Famurewa was the primary technical person responsible for overseeing the estimate of the reserves, future production and income prepared by Ryder Scott presented herein.

Mr. Famurewa, an employee of Ryder Scott since 2006, is a Managing Senior Vice President responsible for coordinating and supervising staff and consulting engineers of the company in ongoing reservoir evaluation studies worldwide. Mr. Famurewa is also a member of Ryder Scott's Board of Directors. Before joining Ryder Scott, Mr. Famurewa served in a number of engineering and management positions with Chevron and Texaco. For more information regarding Mr. Famurewa's geographic and job specific experience, please refer to Ryder Scott's website at www.ryderscott.com/Employees.

Mr. Famurewa earned double Bachelor of Science degrees in Chemical Engineering and Material Science and Engineering from University of California at Berkeley in 2000 and a Master of Science degree in Petroleum Engineering from University of Southern California in 2007. He is a licensed Professional Engineer (P.E.) in the State of Texas and a SPE Certified Petroleum Engineer (S.P.E.C.). He is also a member of the Society of Petroleum Engineers (SPE) and the Society of Petroleum Evaluation Engineers (SPEE).

In addition to gaining experience and competency through prior work experience, the Texas Board of Professional Engineers requires a minimum of fifteen hours of continuing education annually, including at least one hour in the area of professional ethics, which Mr. Famurewa fulfills. Mr. Famurewa is a regular speaker on reserve related topics at the annual Sub-Saharan Africa Oil and Gas Conference in Houston, Texas USA.

Based on his educational background, professional training and more than 20 years of practical experience in the estimation and evaluation of petroleum reserves, Mr. Famurewa has attained the professional qualifications as a Reserves Estimator and Reserves Auditor as set forth in Article III of the "Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information" promulgated by the Society of Petroleum Engineers as of June 2019.

PETROLEUM RESERVES DEFINITIONS

As Adapted From:
RULE 4-10(a) of REGULATION S-X PART 210
UNITED STATES SECURITIES AND EXCHANGE COMMISSION (SEC)

PREAMBLE

On January 14, 2009, the United States Securities and Exchange Commission (SEC) published the "Modernization of Oil and Gas Reporting; Final Rule" in the Federal Register of National Archives and Records Administration (NARA). The "Modernization of Oil and Gas Reporting; Final Rule" includes revisions and additions to the definition section in Rule 4-10 of Regulation S-X, revisions and additions to the oil and gas reporting requirements in Regulation S-K, and amends and codifies Industry Guide 2 in Regulation S-K. The "Modernization of Oil and Gas Reporting; Final Rule", including all references to Regulation S-X and Regulation S-K, shall be referred to herein collectively as the "SEC regulations". The SEC regulations take effect for all filings made with the United States Securities and Exchange Commission as of December 31, 2009, or after January 1, 2010. Reference should be made to the full text under Title 17, Code of Federal Regulations, Regulation S-X Part 210, Rule 4-10(a) for the complete definitions (direct passages excerpted in part or wholly from the aforementioned SEC document are denoted in italics herein).

Reserves are estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. All reserve estimates involve an assessment of the uncertainty relating the likelihood that the actual remaining quantities recovered will be greater or less than the estimated quantities determined as of the date the estimate is made. The uncertainty depends chiefly on the amount of reliable geologic and engineering data available at the time of the estimate and the interpretation of these data. The relative degree of uncertainty may be conveyed by placing reserves into one of two principal classifications, either proved or unproved. Unproved reserves are less certain to be recovered than proved reserves and may be further sub-classified as probable and possible reserves to denote progressively increasing uncertainty in their recoverability. Under the SEC regulations as of December 31, 2009, or after January 1, 2010, a company may optionally disclose estimated quantities of probable or possible oil and gas reserves in documents publicly filed with the SEC. The SEC regulations continue to prohibit disclosure of estimates of oil and gas resources other than reserves and any estimated values of such resources in any document publicly filed with the SEC unless such information is required to be disclosed in the document by foreign or state law as noted in §229.1202 Instruction to Item 1202.

Reserves estimates will generally be revised only as additional geologic or engineering data become available or as economic conditions change.

Reserves may be attributed to either natural energy or improved recovery methods. Improved recovery methods include all methods for supplementing natural energy or altering natural forces in the reservoir to increase ultimate recovery. Examples of such methods are pressure maintenance, natural gas cycling, waterflooding, thermal methods, chemical flooding, and the use of miscible and immiscible displacement fluids. Other improved recovery methods may be developed in the future as petroleum technology continues to evolve.

Reserves may be attributed to either conventional or unconventional petroleum accumulations. Petroleum accumulations are considered as either conventional or unconventional based on the nature of their in-place characteristics, extraction method applied, or degree of processing prior to sale. Examples of unconventional petroleum accumulations include coalbed or coalseam methane (CBM/CSM), basin-centered gas, shale gas, gas hydrates, natural bitumen and oil shale deposits. These unconventional accumulations may require specialized extraction technology and/or significant processing prior to sale.

Reserves do not include quantities of petroleum being held in inventory.

Because of the differences in uncertainty, caution should be exercised when aggregating quantities of petroleum from different reserves categories.

RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(26) defines reserves as follows:

Reserves. *Reserves are estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. In addition, there must exist, or there must be a reasonable expectation that there will exist, the legal right to produce or a revenue interest in the production, installed means of delivering oil and gas or related substances to market, and all permits and financing required to implement the project.*

Note to paragraph (a)(26): Reserves should not be assigned to adjacent reservoirs isolated by major, potentially sealing, faults until those reservoirs are penetrated and evaluated as economically producible. Reserves should not be assigned to areas that are clearly separated from a known accumulation by a non-productive reservoir (i.e., absence of reservoir, structurally low reservoir, or negative test results). Such areas may contain prospective resources (i.e., potentially recoverable resources from undiscovered accumulations).

PROVED RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(22) defines proved oil and gas reserves as follows:

Proved oil and gas reserves. *Proved oil and gas reserves are those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible—from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations—prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within a reasonable time.*

(i) The area of the reservoir considered as proved includes:

(A) The area identified by drilling and limited by fluid contacts, if any, and

(B) Adjacent undrilled portions of the reservoir that can, with reasonable certainty, be judged to be continuous with it and to contain economically producible oil or gas on the basis of available geoscience and engineering data.

(ii) In the absence of data on fluid contacts, proved quantities in a reservoir are limited by the lowest known hydrocarbons (LKH) as seen in a well penetration unless geoscience, engineering, or performance data and reliable technology establishes a lower contact with reasonable certainty.

(iii) Where direct observation from well penetrations has defined a highest known oil (HKO) elevation and the potential exists for an associated gas cap, proved oil reserves may be assigned in the structurally higher portions of the reservoir only if geoscience, engineering, or performance data and reliable technology establish the higher contact with reasonable certainty.

(iv) Reserves which can be produced economically through application of improved recovery techniques (including, but not limited to, fluid injection) are included in the proved classification when:

(A) Successful testing by a pilot project in an area of the reservoir with properties no more favorable than in the reservoir as a whole, the operation of an installed program in the reservoir or an analogous reservoir, or other evidence using reliable technology establishes the reasonable certainty of the engineering analysis on which the project or program was based; and

(B) The project has been approved for development by all necessary parties and entities, including governmental entities.

(v) Existing economic conditions include prices and costs at which economic producibility from a reservoir is to be determined. The price shall be the average price during the 12-month period prior to the ending date of the period covered by the report, determined as an unweighted arithmetic average of the first-day-of-the-month price for each month within such period, unless prices are defined by contractual arrangements, excluding escalations based upon future conditions.

PETROLEUM RESERVES STATUS DEFINITIONS AND GUIDELINES

As Adapted From:
RULE 4-10(a) of REGULATION S-X PART 210
UNITED STATES SECURITIES AND EXCHANGE COMMISSION (SEC)

and

2018 PETROLEUM RESOURCES MANAGEMENT SYSTEM (SPE-PRMS)
Sponsored and Approved by:
SOCIETY OF PETROLEUM ENGINEERS (SPE)
WORLD PETROLEUM COUNCIL (WPC)
AMERICAN ASSOCIATION OF PETROLEUM GEOLOGISTS (AAPG)
SOCIETY OF PETROLEUM EVALUATION ENGINEERS (SPEE)
SOCIETY OF EXPLORATION GEOPHYSICISTS (SEG)
SOCIETY OF PETROPHYSICISTS AND WELL LOG ANALYSTS (SPWLA)
EUROPEAN ASSOCIATION OF GEOSCIENTISTS & ENGINEERS (EAGE)

Reserves status categories define the development and producing status of wells and reservoirs. Reference should be made to Title 17, Code of Federal Regulations, Regulation S-X Part 210, Rule 4-10(a) and the SPE-PRMS as the following reserves status definitions are based on excerpts from the original documents (direct passages excerpted from the aforementioned SEC and SPE-PRMS documents are denoted in italics herein).

DEVELOPED RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(6) defines developed oil and gas reserves as follows:

Developed oil and gas reserves are reserves of any category that can be expected to be recovered:

> *(i) Through existing wells with existing equipment and operating methods or in which the cost of the required equipment is relatively minor compared to the cost of a new well; and*
>
> *(ii) Through installed extraction equipment and infrastructure operational at the time of the reserves estimate if the extraction is by means not involving a well.*

Developed Producing (SPE-PRMS Definitions)

While not a requirement for disclosure under the SEC regulations, developed oil and gas reserves may be further sub-classified according to the guidance contained in the SPE-PRMS as Producing or Non-Producing.

Developed Producing Reserves
Developed Producing Reserves are expected quantities to be recovered from completion intervals that are open and producing at the effective date of the estimate.

Improved recovery reserves are considered producing only after the improved recovery project is in operation.

Developed Non-Producing
Developed Non-Producing Reserves include shut-in and behind-pipe Reserves.

Shut-In
Shut-in Reserves are expected to be recovered from:
(1) completion intervals that are open at the time of the estimate but which have not yet started producing;
(2) wells which were shut-in for market conditions or pipeline connections; or
(3) wells not capable of production for mechanical reasons.

Behind-Pipe
Behind-pipe Reserves are expected to be recovered from zones in existing wells that will require additional completion work or future re-completion before start of production with minor cost to access these reserves.

In all cases, production can be initiated or restored with relatively low expenditure compared to the cost of drilling a new well.

UNDEVELOPED RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(31) defines undeveloped oil and gas reserves as follows:

Undeveloped oil and gas reserves are reserves of any category that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion.

(i) Reserves on undrilled acreage shall be limited to those directly offsetting development spacing areas that are reasonably certain of production when drilled, unless evidence using reliable technology exists that establishes reasonable certainty of economic producibility at greater distances.

(ii) Undrilled locations can be classified as having undeveloped reserves only if a development plan has been adopted indicating that they are scheduled to be drilled within five years, unless the specific circumstances, justify a longer time.

(iii) Under no circumstances shall estimates for undeveloped reserves be attributable to any acreage for which an application of fluid injection or other improved recovery technique is contemplated, unless such techniques have been proved effective by actual projects in the same reservoir or an analogous reservoir, as defined in paragraph (a)(2) of this section, or by other evidence using reliable technology establishing reasonable certainty.