November 14, 2017

The Rt Hon Greg Clark MP
Secretary of State for Business
UK Department for Business, Energy and Industrial Strategy

Re: UK Reports on Payments to Governments Regulations 2014

Dear Sir,

In light of the Department for Business, Energy and Industrial Strategy’s review of the Reports on Payments to Governments Regulations, we would like to refer you to Kosmos’ long-held position on this important issue and express our support for transparency around payments to governments in the extractive industries.

Kosmos Energy is a frontier oil and gas exploration and production firm listed on the London and New York Stock Exchanges. We believe resource revenues are more likely to be managed in the best interests of a country if payments and receipts are made transparently, and if accountability measures are in place for the use of these revenues. Ideally, this process is underpinned by a national dialogue in which industry plays its part as a partner with government and civil society. Kosmos is committed to advocating for transparency in our dealings with host governments.

Kosmos is a Supporting Company of the Extractive Industries Transparency Initiative (EITI), a leading global standard that strengthens governance by promoting transparency and accountability in the oil, gas, and mining industries. We are committed to exceeding EITI requirements and have resolved to report and publish annually material payments to governments.

In 2014, prior to our London listing, we made a policy decision to disclose payments to governments at a project level, as laid out in the European Union Accounting Directive. We believe that this type of disclosure is beneficial to investors, civil society, and local communities, and reflects evolving international expectations.

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

For more information, please refer to page 9 of our 2016 Corporate Responsibility Report. Our disclosures can also be found on our website using this link: http://www.kosmosenergy.com/responsibility/transparency.php.
We are also encouraged that civil society is committed to using payments to governments data constructively – an essential element in ensuring that transparency policies achieve the aim of strong resource governance.

We welcome the UK Government’s efforts to enhance transparency in the oil, gas and mining sectors, including through the Reports on Payments to Governments Regulations. We also appreciate the opportunity to contribute to the Department for Business, Energy and Innovation’s review of the UK Regulations.

Yours Sincerely,

Reg Manhas