



Andrew G. Inglis
Chairman and Chief Executive Officer

18 May 2016

Johan H. Andresen, Chair
Council on Ethics for the Government Pension Fund Global
P.O. Box 8008 Dep
N-0030
Oslo
Norway

Dear Mr. Andresen,

I write to request a meeting with you to discuss the Council on Ethics' position with respect to Kosmos Energy's hydrocarbon exploration activities offshore Western Sahara. As you should be aware, Kosmos Energy has had a constructive dialogue with the Council (both the current and past versions) and its Secretariat for over two years. From our side this dialogue has been open and honest with our aim being to explain to you in detail our activities and intentions in Western Sahara. Over the past six months the dialogue has shifted to focus on the Council's Draft Recommendation for divestment. We fundamentally disagree with this Recommendation and the rationale for it and have sought to engage with the Council to express our views.

Most recently, Reg Manhas (Kosmos SVP External Affairs) and Seth Luxenberg (Kosmos community relations liaison based in the Western Sahara) met with the Secretariat on May 4th in Oslo. Seth provided the Secretariat with his first-hand knowledge and perspective of life in Western Sahara, including the complex social and political dynamics, as well as the local population's view towards Kosmos, hydrocarbon exploration, the Government of Morocco and Polisario. Our aim was as always to be helpful and illuminate for the Secretariat and Council the realities on the ground.

Unfortunately, the candid discussion Reg and Seth held with the Secretariat highlighted a number of concerns that I have with the Council's process and reasoning. Based on the Draft Recommendation, the Council considers Kosmos' exploration activities offshore Western Sahara to be "a serious violation of a fundamental ethical norm;" but, when challenged to explain this position, the Council appears unable or unwilling to do so. It seems to Kosmos that the Council is using this criterion as a "check the box" position to reach a conclusion in response to what we understand to be substantial political and NGO pressure in Norway. This is not a very edifying rationale for the Council's Recommendation.

This is especially concerning when the Council's lack of explanation of its position is examined against the Abraham Sofaer opinion letter that was provided to you in April. Mr. Sofaer is the former Legal Advisor to the U.S. State Department with a distinguished career in public international law, including appearances before the International Court of Justice. Mr. Sofaer is currently the George P. Shultz Senior Fellow at the Hoover Institution at Stanford University.

It seems to us that the Council has misread the position of the United Nations regarding our activities. As we have pointed out many times (most recently during the May 4th meeting with the Secretariat), the United Nations Secretary General report to the Security Council on the Western Sahara has, for the past three years, referenced hydrocarbon exploration activities in a completely neutral way and has stated that we, along with other stakeholders, must consider the interests of the local inhabitants of the Western Sahara as paramount. Kosmos completely agrees with and abides by this principle: everything we have done and continue to do regarding our Western Sahara exploration is done with the interests of the local inhabitants as paramount.

From a fairness and due process perspective, we are disappointed that Council members declined the opportunity to meet with Reg and Seth in Oslo, when there would have been an opportunity to discuss and debate these critical issues. Instead, when Kosmos first proposed the May meeting, the Secretariat informed us that the Council members did not see a need to meet with either Reg or Seth. This was a lost opportunity for the Council to obtain new information of the on the ground situation in the territory as well as to discuss the important policy and ethical issues at hand. Making a decision without a hearing appears to us to be a breach of established ethical and legal practice.

Kosmos has spent the last five years working with international experts to understand the issues and ensure our activities met with international law. If exploration leads to a commercial success, our activity will bring real economic opportunity for the people of the territory, which is lacking now in many areas of their lives. A divestment from Kosmos will not change the status quo in the Western Sahara, nor improve the lives of the people there. I am concerned that the Council of Ethics' deliberations may be taking place with a misinterpretation of international law and without a full view of the facts about our activities there, the positive events in the last 10 years, and most importantly, the complex social contours and opinions of the local population.

We intend to continue our transparent dialogue and information sharing with the Council and the Secretariat. It is our view that the Council should observe Kosmos and use its shareholding power to maintain the dialogue and watch our activities to ensure they continue to have a positive impact and adhere to our Business Principles and the U.N. Legal Opinion.

In light of the foregoing, it is my request that we meet to discuss these issues face to face before any decision is taken.

Best regards,



Andrew G. Inglis