Kosmos and Morocco

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Agenda

• **Kosmos**
  – Business Plan and Execution
• **Morocco**
  – Boujdour Below and Above Ground
• Portfolio centered on the *Emerging* sector but also include interests in the *Growing* Sector to manage risk and the *Frontier* sector to provide longer term growth opportunity
• Six exploration assets – Ghana (2), Benin, Cameroon (2) and Morocco plus an economic interest in a 7th - Nigeria
• Total gross area c. 125,000 km² (c. 40,000 Km² net) operatorship, working interest up to 100%, average 30%
• Currently pursuing other select new ventures
### Kosmos Plan

#### Three exploration wells in 2007

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<tr>
<th>Asset</th>
<th>2004</th>
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<td>Tano Deep</td>
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<td>Nigeria</td>
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**New Ventures**
Kosmos Execution

- Belford Dolphin contracted (through Anadarko) to drill Ghana and Benin
- Deepwater Pathfinder hired (through Pioneer) to drill Nigeria
- Dynamically-positioned drillship contracted at very favorable rate for 2 firm and 2 option slots in 2008
Kosmos Energy Presentation

Kosmos in Boujdour Offshore

• 2004
  – Accessed Reconnaissance Permit

• 2005
  – Acquired 500 line km. of infill 2D seismic

• 2006
  – Assumed operatorship and signed Petroleum Agreement with 75% working interest and partner ONHYM 25% (carried through exploration)

• 2007
  – Attract new partner(s)
Boujdour Offshore Contract

- **Boujdour Offshore blocks I-XXIII**
  - Effective date June 26, 2006
  - Area 43,998 km² (I-XXIII sub-blocks)

- **Initial Period**
  - 1.5 years
  - Commitments - purchase 2D seismic and undertake geological studies ($2 Million)

- **First Extension Period**
  - 3 years
  - One exploration well
• Acreage is highly under-explored
• Multiple potential source rocks modeled as oil mature in kitchen catchment areas of principal trapping fairways
  – Jurassic
  – Early Cretaceous
  – Late Cretaceous
• Stacked, good quality Cretaceous reservoirs of the Tan Tan Delta ranging from shallow water clastics (proven in Well Spansah-51A) inboard to outboard deep water turbidite systems (interpreted from seismic)
Boujdour Trap

- Very large structural closures
  - Very large four-way hangingwall anticline
  - Multiple fault/three-way footwall culminations
Politics

- **Substantial recent progress in resolving political situation**
  - Following proposals by Morocco and Polisario to the UN in April, UN Secretary General makes recommendation to the Security Council
    - calls upon the parties ‘to enter into negotiations without pre-conditions, with a view to achieving a just, lasting and mutually acceptable political solution that will provide for the self-determination of the people of Western Sahara’
  - US (House of Representatives and State Department, as well as European nations) publicly support Morocco’s proposal
    - call it a ‘serious and credible proposal’ to provide for autonomy of the area and says ‘the new Moroccan proposal provides a realistic framework for a negotiated solution, which is the best way to ensure a lasting peace for all parties’
  - UN Security Council Resolution 1754 of April 30, 2007 passed unanimously
    - calls upon the parties ‘to enter renegotiations without preconditions in good faith, taking into account the developments of the last months, with a view to providing a lasting and mutually acceptable political solution...’
    - requests that negotiations be held under the auspices of the UN Secretary General and with support of the Member States
    - Extends MINURSO mandate to October 31, 2007 and requests progress report June 30 as well as final report
Boujdour Offshore Summary

- Company-making *frontier* exploration opportunity
  - high risk/very high reward

- Significant oil and gas potential
  - very large structural traps with many reservoirs – critical risk is charge

- Strong success economics
  - Favorable commercial/fiscal terms

- New, UN-sponsored initiatives in progress to peacefully resolve political situation
  - Security Council Resolution in April 2007 requests Morocco and Polisario to negotiate unconditionally