

Operator

Good day, everyone. Welcome to Kosmos Energy First Quarter 2013 Conference Call. Just a reminder, today's call is being recorded. At this time, let me turn the call over to Brad Whitmarsh, VP of Investor Relations at Kosmos Energy.

Brad Whitmarsh

Thanks, Brenda. And thanks all of you for joining us today. This morning, we issued our first quarter earnings release, which is available on the Investors page of the kosmosenergy.com website, and we anticipate filing our first quarter 10-Q with the SEC later today. Joining me on the call with our prepared comments are Greg Dunlevy, Executive VP and CFO; Darrell McKenna, Chief Operating Officer; and Brian Maxted, our CEO.

Following our prepared comments we will have a question-and-answer session. [Operator Instructions]

Before we get started, I'd like to mention that this conference call includes certain forward-looking statements based on our current expectations. The risks associated with forward-looking statements have been outlined in the earnings release and in our SEC filings. We may also refer to certain non-GAAP financial measures in our discussion. Management believes these measures are important in looking at the company's historical and future performance and these are commonly referred to metrics in the industry. These measures are provided in addition to and should be read in conjunction with our information contained in the financial statements prepared in accordance with GAAP and in our SEC filings.

At this time, I'd like to turn the call over to Greg.

W. Greg Dunlevy

Thanks, Brad, and good morning, everyone. In my prepared comments this morning, I'll review our strong financial performance for the first quarter and provide a brief update on our expectations for the remainder of 2013.

Overall, our financial performance for the quarter was in line with our earlier expectations, including the sale of 2 Jubilee crude oil cargoes. Total revenues for the period were \$228 million or an average of almost \$115 per barrel of oil sold.

On the cost side, oil and gas operations expense for the first quarter 2013 averaged slightly above \$12 per barrel and include certain costs associated with drilling rig equipment maintenance. Excluding this amount and certain

well work over activity, our underlying operating cost was less than \$7 per barrel, reflecting a benefit of a strong increase in production starting late last year.

Exploration expense for the quarter was \$23 million and included amounts related to our ongoing 2D seismic acquisition offshore Mauritania as well as significant seismic processing and interpretation expense related to Suriname and Morocco. We also acquired additional seismic in other areas during the first quarter in support of new ventures' efforts as we focused on continuing to add strategic new areas to our high-impact exploration portfolio.

As disclosed previously, approximately \$10 million of the first quarter 2013 exploration amount related to the Sapale well. G&A, depletion and interest expense amounts were all consistent with our previous expectations.

Tax expense for the quarter was \$44 million, reflecting strong income generated in our Ghana operations. During the first quarter, we effectively utilized the majority of our remaining NOL in Ghana and have now moved in to a cash taxpaying position.

Financial results for the quarter also included the impact of the \$6 million derivative loss which primarily was related to the unrealized change in the value of our derivatives contracts. Net income for the period was \$0.05 per share.

Our strong underlying performance was also reflected in our cash provided by operating activities which totaled \$67 million after reduction of \$61 million for net change in working capital. This working capital changes essentially represent timing changes in our payables accounts. Excluding this, our operating cash flow exceeded our capital expenditures for the quarter, which totaled approximately \$100 million.

Our cash balance as of March 31, 2013 remained robust at approximately \$500 million, and we ended the quarter in substantially the same liquidity position as the end of last year with approximately \$1.1 billion in capacity between our cash and debt availability.

With Jubilee generating substantial current and future cash flows, combined with our existing liquidity, we continue to be well-positioned to internally fund our forward operating program, including our growing plans in Ghana, as well as our transformational exploration program.

At this time, I'd like to provide some brief comments on our expectations for the remainder of 2013. Beginning with our CapEx program, we are still anticipating total capital spend of approximately \$525 million for the year.

We have sold 3 cargoes Jubilee oil thus far in 2013 and still anticipate selling 9 cargoes net to Kosmos for the full year. Our current expectations are for 4 liftings in the first half of the year and 5 in the second half.

All of our full year cost items remain generally within prior guidance. Our Exploration expense guidance, which does not include any risk projection of well results, provides a quarter-to-quarter fluctuations primarily as a result of the timing of seismic and G&G expenditures. In the second quarter, we anticipate an increase in Exploration expense from the first quarter, mostly related to our ongoing 2D seismic acquisition program, offshore Mauritania, where we also plan to commence a 3D program in June.

Tax expense is often a bit more challenging to guide to. We anticipate our total tax expense per lifting going forward to be consistent with our amount from the first quarter this year, particularly if Brent remains \$100 per barrel. The amount of our current tax versus deferred will still fluctuate somewhat quarterly however, we would anticipate moving to a higher current portion towards the latter part of the year. The first quarter was a good start to the year for Kosmos, as we generate strong cash flows and maintain substantial liquidity to execute our future plans. Now I will turn the call over to Darrell for an operations review.

Darrell L. McKenna

Thanks, Greg. As mentioned, strong performance at Jubilee has continued through the early part of 2013, with the field exhibiting continued high well deliverability, good reservoir communication and conductivity and high FPSO uptime. Production averaged approximately 104,000 barrel of oil per day for the first quarter.

On the Phase 1A program, we continue to be encouraged with the 2 producing wells currently online, seeing no degradation of -- or scaling effects in either of the wells to date. The first of these wells have now been on production for over 5 months, given our further encouragement that the modified drilling and completion designs are working well. Our implementation of the Phase 1A program was impacted significantly in the first quarter by extended downtime of the Transocean cycle energy rig, which resulted from a number of equipment maintenance issues. The drilling rig has now resumed activities and we anticipate executing the remainder of the program throughout 2013 and into the early part of 2014.

Jointly with our partners, we continue to work on the assessment of potential debottlenecking opportunities on the FPSO. Near-term plans include rewheeling the gas compression system, which is expected to be completed by the end of the third quarter of this year. In addition, we

continue to study longer-term options for production enhancement on the FPSO analyzing all of the major components and systems, including gas injection, water support and oil capacity.

Looking forward, we anticipate production to exit the year at a record level, supported by existing well deliverability, FPSO debottlenecking, as well as the additional Phase 1A producers to be brought online through the year. We are prepared to commence gas export to the onshore gas network system when it is completed. Previous indications suggested that the gas system would be fully operational towards the latter part of this year. However, given the possibility of delays beyond the end of the year, we are currently studying multiple options to ensure sufficient gas handling capacity. We continue to discuss with our co-venturers and the government, the path forward for the approval of the 10 plan of development, which was submitted in November of last year. The FPSO and subsea tender reviews are both in the final optimization phase with awards expected upon PoD approval.

During the first quarter, we successfully drilled the Enyenra-6A appraisal well, nearly 3 kilometers south of the Enyenra-4. Results of the well, which included 18 meters of net pay, indicate a deeper than expected oil water content. Enyenra-6 has now been suspended for future use in the 10 development program.

On the West Cape Three Points Block, we continued to mature our appraisal and delineation plans for Mahogany, Teak and Akasa areas. We recently received an extension of the Teak appraisal period, which further aligns the appraisal of this field and supports the ultimate development as a tieback to the Jubilee FPSO. Combined, our Ghana assets represent a world class petroleum system and a platform from which we will grow the company. Let me now hand it over to Brian.

Brian F. Maxted

Thanks, Darrell. I want to transition today's discussion from the ongoing production and development programs in Ghana, to our high-impact exploration program elsewhere, which focuses on marking new petroleum systems in the near future.

Earlier in 2013, we have taken a number of strategic steps in progressing our exploration plans. These include a further expansion of our inventory of high-impact opportunities and a maturing of existing assets, the drill-ready stage. The prevailing competitive environment for high-quality exploration opportunities continues to be very intense.

Accordingly, we are leveraging our strategic insights and contrarian thoughts to try and differentiate ourselves in identifying new options to stay ahead of the industry. This strategy is expanding our technical playing field on that business of horizon. Ultimately, with us transitioning from primarily a West African explorer to more of an Atlantic margin player going forward. We're expanding our geographies and pursuing alternative exploration themes in support of building a portfolio which exposes Kosmos to multibillion barrel potential over the next several years.

We have an active new ventures program going on and we're aggressively pursuing a number of attractive opportunities. Most recently, execution of our strategy has led us into the highly perspective Porcupine Basin, offshore the West Coast of Ireland, where we were able to sign multiple farm-in agreements earlier this year. This opportunity provides us the chance to leverage our technical understanding and explore an overlooked, forgotten basin with a new perspective. Previous drilling in the area was proven in working hydrocarbon system, with both oil and natural gas generated primarily by Jurassic salt rocks. To date, the industry has overlooked the Cretaceous hydrocarbon potential.

Spec to these seismic data suggest the number of sizable stratigraphic plays with significant upside which we'll target with a 3D program later this year. In addition to the Ireland capture, we have a number of other near-term new venture possibilities underway, all focused on building out our asset inventory to deliver substantial drilling opportunity each year going forward. The first of these drilling opportunities is currently ongoing at the Sipo-1 prospect on shore Cameroon and Ndian River Block. Drilling had progressed slower than anticipated, however, we are now approaching the targeted depth and we anticipate results relatively soon.

In support of maturing our existing assets to the drilling stage, we're in the midst of executing these seismic programs and integrating interpretation of the state into our or petroleum system analysis. At the same time, we are focused on attracting strategic license partners to our areas to join our exploration efforts, mitigate risks and manage costs. In Mauritania, we're leveraging our exploration understanding to pursue a similar petroleum system concept to the Tano Basin in offshore Ghana. We're in the process of acquiring seismic data with 2D shoot [ph] currently underway that will cover the entirety of our 27,000 square kilometer position. Data acquisition for 2D should be completed later this month, and we then anticipate to launch 3D program to commence following this.

Across the Atlantic in our offshore Suriname position, we have recently received a fast track processing volume and anticipate the final data set to proceed later this year. We are pleased with the early look at the

prospectivity from what we've seen today. Our plans on moving forward quickly to commence a multi well drilling program offshore Morocco, as early as late this year. In the Agadir basin, our interpretation of the most up-to-date pre-stack time and depth seismic volumes are very encouraging. The southern acreage continues to be de-risked through reprocessing, and as we refine the prospectivity of this massive 50,000 square kilometer position, we'll be targeting petroleum systems with very substantial potential.

Critical steps in the preparation for drilling included finalizing all our prospects, securing rig capacity and completing the farm-out of our acreage. These processes are all currently underway.

Through the identification capture and maturing of our exploration portfolio to the drilling stage, we are delivering substantial risk value upside for Kosmos. Combined with our reserve and production growth opportunity in Ghana, I'm confident we're building the right exploration portfolio which we believe will continue our track record of creating significant shareholder value through a new field discovery and follow-on development. Operator, we'd like to open the call for questions at this time.

Question-and-Answer Session

Operator

[Operator Instructions] Our first question comes from the line of Brendan Warn with Jefferies.

Brendan Warn - Jefferies & Company, Inc., Research Division

It's Brendan Warn from Jefferies. I guess asking a question about your activities on the horizon and certainly focused on Morocco, and I appreciate it's still early in terms of starting that program, but can you give us some sort of indication of, call it, net perspective resource that would be tested over 2014? And you may want to frame it in just in this number of wells or exploration spent in the region please?

Brian F. Maxted

Yes. It's Brian. We're in 2 potential petroleum systems in offshore Morocco, I think, as you all know, in the north in the Agadir basin which is a pre- and post- salt play, and then to the south, we've got a larger tradition [ph] offshore southern Morocco, which covers the guts of the Aaiun basin. And both of these are multibillion barrel opportunities. We did release some potential numbers on Southern Morocco as part of our IPO prospectus a couple of years ago. We continue to refine the potential in terms of both volume and indeed, in reducing risk and we're very pleased with the

progress we've made in those assets. In the north, the evaluation is now coming together, that the acquisition of the acreage was, in the last couple of year, as you know, we're now going to final versions and volumes of our seismic data in, and that's coming together very nicely and the geologic concepts with which we entered that basin are being proven out from the 3D seismic programs that we've acquired. So that we've got, as we hope to have in all of our strategic opportunities, significant play diversity and multiple prospects to test in, in what is an aggregate, a multibillion barrel, untested, albeit frontier portfolio but with all the necessary elements of our working petroleum system present. The key issue is obviously, when and how are we going to test that prospectivity. We've indicated previously to the market that will be as early as the end of this year. We currently, in the midst of a procurement program, for a rig or rigs to undertake that program. We expect that program to continue through 2014, and probably, the exploration of these basins will be in a series of phases. I don't expect 1 or 2 wells to condemn these petroleum systems, and I think to fully test or as we say, give the geology a chance to work, we'll be seeing several wells needing to be drilled over the course of several years.

Brendan Warn - Jefferies & Company, Inc., Research Division

Okay. In terms of 2014, so you see one rig just drilling back-to-back across a couple of your regions, I'm just trying to frame what do we price in, in terms of the upside for 2014?

Brian F. Maxted

Yes, I think you need to think of it in terms of we've got 2 opportunities; north and south Morocco, we hope to test both. In the south, we have several place [ph] plays and play fairways [ph] to test, but there is more dependency in the south than in the north. And therefore, we see probably the initial program involving more wells in the north over the course of the first phase of the exploration program, both to test the post-sell prospectivity and the presell prospectively as well.

Operator

Our next question comes from the line of John Herrlin with Societe.

John P. Herrlin - Societe Generale Cross Asset Research

With Cameroon, when do you expect the well's 2D and has it, even though you've had delays is it working out with your seismic model?

Brian F. Maxted

Yes. Cameroon has proven quite challenging both from a logistical standpoint, above the ground and then drilling, as I mentioned in the notes, is going a little bit slower than we'd anticipated. But we are close to target, as I mentioned, but we'd expect to be finished sometime later this month. Assuming that we don't encounter any major, further major drilling issues. We've just shot a VSP in the well, and that has confirmed the structural configuration of our primary target trap. And we're encouraged from the observations in the well, thus far, but we haven't yet reached the target. But we expect [indiscernible] in the next couple of weeks.

John P. Herrlin - Societe Generale Cross Asset Research

With respect to Morocco and partnering, are you trying to partner to get, perhaps, exposure to other basins or just get a cash paying partner?

Brian F. Maxted

The answer to the cash paying partner is it's always nice to get, to leverage returns, of course, through farm-ins or farm-outs. But our priorities are -- the first point you mentioned of potential swapping acreage is a priority, probably more of a secondary priority. What we fundamentally focused on is getting the right partner that's going to join us in the right exploration program, which as we talked earlier with Brendan, is about staying the course to test frontier basins that have significant play diversity. In other words, we don't want to drill just 1 well and walk away and we need partners that we feel are strategically aligned to us and technically aligned in the way they about exploration and that's our priority. As well, of course, in the event that we're successful at the scale we hope to be, we would hope to have a partner on board that has got both the balance sheet and the technical and operational capability to be significantly contributing through the appraisal development production stages.

Operator

Our next question comes from the line of Ed Westlake with Crédit Suisse.

Edward Westlake - Crédit Suisse AG, Research Division

Just a quick question on Ghana, just obviously, you and Darrell have mentioned, the Enyenra has got the deeper oil wells contact. I guess, you probably refer to the operated about fishing [ph] in case that's changed your view of the results potentially, maybe just to reminder of what you think the TEN development holds?

Brian F. Maxted

Yes, Ed, let me make a couple of comments and then maybe Darrell can add on here. Yes, it's always nice to drill delineation wells down there [ph] and find more oil than you anticipated. I think we have a reasonably good handle on the static side of the TEN project in terms of volumes. The key issue in terms of recoverable reserves in TEN is around recovery factor and field and performance and how many wells do we need to drill and ultimately what the recovery factors are. Of course, to understand that better, we need to switch the field on, which is what the development is all about in terms of phasing it to allow us to understand how this reservoir performs, and then optimize the full field development. So we are encouraged by the appraisal [ph] results, but ultimately, the final answer is going to be as it's beginning to be in Jubilee, with understanding the dynamic reservoir performance of this field.

Darrell L. McKenna

I agree with that, that the dynamic piece of it is the key item and the upside we saw in some volume within the range that we previously talked about P10, P90.

Edward Westlake - Crédit Suisse AG, Research Division

Okay, and I guess, and any additional math, any updates on Jubilee reserves which you could share from the production data from the wells that you're drilling?

Brian F. Maxted

No specific update, we will just continue to say that we've got this wonderful problem of debottlenecking because the reservoirs are performing so spectacularly and it continues to be so and now that we've resolved the well productivity issues, we're seeing the true potential performance and upside in this field. And we think there is multiple opportunities for increasing the recovery factor in the field, given the performance that we've seen to date.

Operator

Our next question comes from the line of Anish Kapadia with TPH.

Anish Kapadia - Tudor, Pickering, Holt & Co. Securities, Inc., Research Division

Just another question on Ghana on the TEN development, could you just outline what the outstanding hurdles are and I think Paul [ph] mentioned there's a somewhat of a stumbling block with regard the gas prices, if you could explain that?

Brian F. Maxted

Yes, Anish, Brian again. Well, look, I think you have to step back and take a broader perspective things to start with. You look back at the Jubilee development, that took -- PoD there took essentially 9 months to get resolved and been finalized and signed and approved. We're still within that timeframe on TEN. TEN is interesting in 2 things: one, just like Jubilee, it was submitted to the government just prior to an election, in this case, we didn't get the government changed but we did get a new administration with a new president. And I think that's one issue that we need to think about in terms of the timing of the approvals. The other is it's different in a sense that there's a significant amount of associated in and non-associated gas in this development, which brings into play the strategic resource that's important to Ghana, of the gas and making sure that the developments and the timing of that development and the pricing of it is right, because obviously, the Ghana is setting some precedence in these negotiations. And I think as Toa [ph] probably shared, that is one of the challenges at the moment, but it's in negotiation. And everybody is aligned and committed to getting the right compromise here to move the odd [indiscernible] forward. And indeed to bring the gas to shore, to generate power, given the country's current dependence on gas imports and the burning of oil for power generation, which obviously, they want to get away from quickly. So everybody's motivated to get this done, it just needs to -- it's a process and tell them [ph] on behalf of the partnership and negotiate with the government on it. So I just see it as something that's -- it's working and it's playing, we'll get done here sooner or later.

**Anish Kapadia - Tudor, Pickering, Holt & Co. Securities, Inc.,
Research Division**

Just one follow up, on the MTA fields, I'm just wondering, if you could outline a bit more detail, your current view in terms of the appraisal plan over there?

Brian F. Maxted

Yes. And we've recently got an extension on the Teak appraisal period there. I think we've previously declared that we're trying to integrate the MTA discoveries together in an integrated appraisal and development program, which is also in the process of negotiation with governments and this continues to move forward. And I think as we've previously indicated, that we see the most likely development solution and for those discoveries being tie-in to the Jubilee facility. And we continue to work towards finalizing the appraisal program, which we've now largely agreed with the government. And putting that program together to lead towards a clear develop -- phased

development plan here in the next few years. So that's where we are with MTA today, and I expect some progress to be made on that probably after the TEN PoD has been resolved. We'll see a government and partner focus on resolving the MTA development plan.

Operator

Our next question comes from the line Al Stanton with RBC.

Al Stanton - RBC Capital Markets, LLC, Research Division

You guys were one of the first in to Morocco, and while I appreciate another race, there's perception at least over here the likes of Genel and Cairn have perhaps overtaken you, in terms of drilling the first wells there, are you taking a slightly different approach to risk? Or is it rig contracting that appears to have slow down your progress? Or am I just, as I say, too worried of news like that?

Brian F. Maxted

It's Brian again. Look, it's one of our key drivers to our exploration strategy is to be first in. And as you correctly pointed out, we pretty much were first in, which gives you a choice, we're very happy with the choice that we've made in terms of the acreage we've got, the first thing. The second thing is what is crucial to our Exploration process is which as you know, we refer to as rifle shot exploration and concentrated portfolio, it's really around making sure if you're not drilling as many wells as others might be in a shotgun exploration approach, in a rifle shot exploration approach, you better do your homework up front and make sure you are drilling the right wells, more so than if you're drilling more wells. And really that it's a reflection of that, we're doing an enormous amount of petroleum system analysis work, we've shot a lot of seismic data, we're integrating that very, very carefully into our analysis. I think the other point to make relative to other players in the region is Cairn, for example, did farm-in, in the Agadir base in to a project that has already been matured over a couple of years. But then further south, both them and Genel are in, I'm presuming, a different play which is in shallow water, and in many respects, is a much simpler play. We have a substantial play diversity created by the salt in the area which requires a lot more work to do than maybe some of these simpler plays on the carbonate plays on the shelf, which in particularly Cairn and Genel are pursuing. So I would argue that that's the reasoning. We've always said that it's not how quickly to drill, it's whether you drill the right wells and being patient in exploration, historically has been a big key to our success. And that provides us with charges with you guys, of course, but we will remain disciplined around our exploration workflow and process.

Al Stanton - RBC Capital Markets, LLC, Research Division

And then if I could just quickly add a follow on question, I mean, you stress the Atlantic player tag, are you prepping us for a move into West Shetland, Norway, Greenland?

Brian F. Maxted

I think if you're a Deepwater Cretaceous player as we are to a large extent, you have to open up, and particularly in a very competitive environment in Sub-Saharan in Africa where following our success in the transfer margin, the industry followed us very quickly and the opportunity window closed real quick and is only now beginning to open in certain areas, we have to look further afield. And a lot of the ideas and thoughts that we have that we evolved several years ago in the South Atlantic are just as appropriate to some of the north Atlantic areas, further north such as Ireland. We, again, have a very measured approach toward expanding our geography before, because we're very cautious about strategy and ensuring that we don't lose competitive advantage by diluting ourselves over too big a geography. So if we do move further out from where we are, whether that is south into Namibia or in Uruguay or north into the West of Shetland, or offshore Canada, we will do it in a very disciplined way. But Ireland was a clear opportunity for us where we saw many similar opportunities conceptually to some of the things we were exploring further south.

Operator

[Operator Instructions] Our next question comes from the line of Pavel Molchanov with Raymond James.

Pavel Molchanov - Raymond James & Associates, Inc., Research Division

Going back to Ireland, where does this rank -- out of 6 countries, where does this rank in your kind of priority list, if you will?

Brian F. Maxted

Well, we are -- we don't think of countries, we think of petroleum systems. But you're right, from that, we're now in 6 or so petroleum, well, a few more petroleum systems than 6 actually, we're in 7 or 8. And because we've got a concentrated portfolio and because our exploration strategy's trying to deliver success with a few number of wells to minimize finding [ph] costs, every project is important to us. The difference is, is that some projects are at the drilling stage, such as Sipo, and that's a priority for us. Some are in maturing the prospects to the drilling stage such as Morocco, that's

important to us, and some are at the very early stage, either the geological concepts stage or the seismic stage, and they're also important to us. So you'll see as moving forward with Ireland, subject to the necessary government approvals here, reasonably quickly, and just like we did in Morocco, just like we did in Mauritania and just like we did Suriname, we will hope to be very quickly acquiring 3D seismic data here because I think as you're probably aware, there's just no 3D seismic over any of this well, very limited 3D seismic over this space and none over the areas that we're working. So we need to move forward with that reasonably quickly, and Ireland will be a priority for us.

Pavel Molchanov - Raymond James & Associates, Inc., Research Division

Okay. And then back to Ghana, I think one of the other questions mentioned the gas issue as a potential hurdle to getting TEN development approval, are you kind of behind schedule of where you would hope to be by this point in time or is it on track?

Brian F. Maxted

Yes, I mean, we're very careful to make any promises when you're negotiating, particularly in Africa. We've always said it'd be around the middle of this year, that was really based on what we saw and how we saw the process involving of Jubilee, and then in the original plan of development and then in the Phase 1A process that occurred 18 months or a year ago -- or so ago. So we're about there, needs to get done here reasonably soon. But I think as I said earlier, I think all parties are motivated. But it's -- given it's involving gas which is a strategic resource for the government, they are taking a great deal of care and making sure they've got terms that makes sense for them in the very long-term future. And we respect that.

Operator

Our next question comes from the line of Ed Westlake with Crédit Suisse.

Edward Westlake - Crédit Suisse AG, Research Division

Just a follow on around the capital program, obviously, this year, \$525 million, but as you go forward, you're going to be spending more on TEN plus also drilling deep offshore wells, obviously, we don't know the carrier, et cetera, just I mean it seems like you have a lot of liquidity, but any comments as to how you think that will be funded?

Brian F. Maxted

I'll let Greg take that one.

W. Greg Dunlevy

I think, as I mentioned in my earlier comments, we are well-positioned with cash flow from Ghana and liquidity within the company's capital structure to meet all of our currently anticipated needs, which includes all development in Ghana, all the exploration benches we are currently in, plus a number we would anticipate entering into over the next several years. That and an \$85 planning deck that we run at. As you will note, oil prices are a bit above \$85 of late and have continued to stay there. I think from a specific number, \$525 million is still our target for this year, given timing in TEN expenditures and the couple [ph] multiyear development cycle, we probably, we expect next year to be a little bit higher than this year, but not a whole lot as we shift more from Jubilee expenditures to TEN expenditures then doubling up on expenditures. So I don't think you'll see material ups or downs in Ghana in the next couple of years as we just move from different parts and phases of development or different fields of development there. In terms of the exploration program, we have a very good handle on costs. We don't assume we're going to get promotes on wells so we're conservative on our assumptions. And given all that, I still think we're very well-positioned financially, as I mentioned earlier, to meet all of our anticipated needs and forecast needs at an \$85 price tag.

Operator

It seems there are no further questions at this time. I'd like to turn the floor back over to Brad Whitmarsh for closing comments.

Brad Whitmarsh

Thanks again, Brenda. And I appreciate all of you joining us on the call today and if you have other questions, please don't hesitate to call me. Thank you.