

**Operator**

Good day, everyone. Welcome to Kosmos Energy's Fourth Quarter and Full Year 2013 Conference Call. Just a reminder, this call is being recorded.

At this time, let me turn the call over to Jon Cappon, Manager of Investor Relations at Kosmos Energy. Please go ahead, sir.

**Jon Cappon**

Thank you, Operator, and thanks to all of you for joining us today. This morning, we issued our year end earnings release, which is available on the Investors page of the [kosmosenergy.com](http://kosmosenergy.com) website. Later this morning, we anticipate filing our 2013 10-K with the SEC which will be available on our website at that time as well.

Joining me on the call with our prepared comments are Darrell McKenna, Chief Operating Officer; Greg Dunlevy, Chief Financial Officer; and Brian Maxted, Chief Executive Officer and Chief Exploration Officer.

Following our prepared comments, we will have a question-and-answer session. Consistent with prior calls, I request participants to ask only one primary question and then one follow-up question. This will help ensure we get to all of you on the call. If there are questions that we aren't able to get to within our 45 minutes timeframe, please contact me later today.

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 such measures are important in looking at the company's historical and future performance, and these are commonly referred to industry metrics.

These measures are provided in addition to, and should be read in conjunction with, the information contained in our financial statements prepared in accordance with GAAP and included in our SEC filings.

At this time, I would like to turn the call over to Darrell.

**Darrell McKenna**

Thanks, Jon, and good morning, everyone. Performance at Jubilee remained strong throughout the fourth quarter and the field continued to exhibit

exceptional reservoir characteristics, high FPSO uptime and an excellent safety and environmental record.

The Jubilee field has been producing at an average sales volume rate of around 104,000 barrels oil per day since the New Year and averaged nearly 100,000 barrel oil per day during 2013. To-date, the Jubilee field partners have recovered around 90 million barrels of oil gross from the field.

We have drilled and completed five Phase 1A wells in Jubilee, three producers and two water injection wells and in aggregate -- and all five wells are currently online. Our first horizontal producer remains the most prolific well drilled in the field to-date and we are very encouraged with all the Phase 1A producing wells and have not seen any production degradation from scale effects on any of these wells.

This year we are planning to drill up to three development wells associated with the Phase 1A program in Jubilee. These wells were deferred into 2014 as a result of superior well performance and excess well deliverability, and will be timed based on FPSO capacity improvements.

Phase 1 wells also continued to perform well and no assets stimulation programs were conducted in the fourth quarter and none are currently scheduled in 2014. The water injection well workover is planned for later in the year.

With our field partners we are continuing to focus considerable resources on de-bottlenecking the Jubilee FPSO, as well deliverability exceeds current production constraints.

Late last year considerable effort went into analyzing all the major components of the system, including gas injection, water injection and fluid processing facilities. One of the gas compression trains was re-wheeled late last year as part of our gas handling initiative and our third gas injection well was completed in an effort to further mitigate gas handling constraints on the FPSO.

This third gas injection well had minimal impact on gas handling due to what appears to be limited connectivity with the main body of the field and a subsequent mechanical problem with the well.

The Jubilee partners are actively pursuing various gas solutions in concert with the Government of Ghana to address gas handling until the government's gas pipeline and process infrastructure is operational, which we are advised by the government is currently scheduled for late in this year.

This approval of the TEN plan of development last year, the focus has been on awarding of major contracts for the FPSO and the subsea infrastructure. All major contract awards have been completed. A version of the FPSO is currently underway in Singapore and development drilling in TEN began late in the fourth quarter.

The TEN development will combine production from Tweneboa, Enyenra and Ntomme fields. The development is projected to require the drilling and completion of up to 24 wells, of which a number have been drilled during the exploration and appraisal phase with Enyenra delivering first oil in 2016, staging up to the facility's design production rate of 80,000 barrel oil per day.

In the Greater Jubilee area, we are continuing to mature our appraisal and delineation plans for the Mahogany, Teak and Akasa areas, which we believe will ultimately be tied back to the Jubilee FPSO.

In January of this year, we signed a memorandum of understanding with the Ministry of Energy and the Ghanaian National Petroleum Corporation, which aligned and approved the appraisal programs for these three discovery areas.

Additionally, in upcoming Phase 1A Jubilee well we are planning to further appraise the underlying reservoirs associated with the Mahogany discovery. Our objective is to conclude our West Cape Three Points appraisal by year end.

In Morocco, we are in the advanced stages in our operational readiness for the upcoming exploration drilling activities. We recently finalized the rig contract for a single well slot on the Maersk Discoverer, which BP has on long-term contract. The Discoverer is a highly capable six-generation semi-submersible drilling rig which has been actively working in the Mediterranean region.

The rig is currently on contract to Kosmos and is in transit to commence operations on our initial exploration well offshore Morocco. Based on the current schedule, we expect to spud the FA-1 well in the Fom Assaka License in March. Drilling operations are expected to take around three months to complete.

In combination with our long-term rig contract with Atwood Oceanics for the Achiever drillship, which we anticipate to arrive late in the year, we expect to have the rig capacity in place to execute our high-impact exploration drilling campaign over the course of the next several years.

Our supply and demand assets are truly world-class, and form the foundation from which we expect to grow our business to ongoing development and appraisal programs. Jubilee produced a record volume of oil in 2013. Today more than ever, I remain confident of the upside potential our Ghanaian assets hold and that the potential will be fully realized.

Now, I will hand the call over to Greg.

**Greg Dunlevy**

Thank you, Darrell. I would like to highlight the financial position we ended the year with, largely a result of improved performance and production increases at Jubilee. Total corporate liquidity was \$1.2 billion at year end, including cash and cash equivalents of \$500 million. This marked Kosmos' strongest financial position since becoming a public company.

Overall, financial results for the fourth quarter and full year 2013 were largely in line with analyst's expectations. Total oil revenue for the fourth quarter was \$250 million and we recognized the net income of \$4 million or a penny per share. We finished the year with eight crude oil liftings, two of which occurred in the fourth quarter as expected. At the end of the year, we were in an under-lifted position, having lifted the sale of approximately 312,000 barrels less than our entitlement.

On the cost side, production expense was \$17 million or just under \$9 per barrel sold, with no work over operations conducted during the quarter. Exploration expense of \$36 million for the quarter was largely related to completion of our large 3-D seismic programs offshore Ireland and Mauritania.

The fourth quarter's portion of the cost incurred on the Akasa well which expensed as required. G&A, tax and interest expense amounts were consistent with our previous expectations and guidance. Fourth quarter DD&A per barrel was favorably impacted by the addition of proved reserves at year-end, resulting from positive Phase 1A development and field performance at Jubilee.

At this time, I would like to transition to our expectations for 2014. As announced earlier this month, our expected investment programs totaled \$575 million with around 70% of this targeted for development activity in Ghana and the remaining percentage allocated to our exploration programs.

Consistent with previous production guidance, we anticipate selling a total of eight cargoes of crude oil from Jubilee, net to Kosmos during 2014. With Jubilee, the average cargo size is 950,000 barrels, with a range of plus or

minus 5% at the buyer's discretion. As a reference, 2013's average sale was 970,000 barrels.

In the first quarter of this year, we anticipate two liftings of which the first has already been completed at 943,000 barrels. On the cost side, we anticipate total production expense in the range of \$11 to \$12 per barrels. G&A cost for the year are expected to be relatively in line with full year 2013 and DD&A should average around \$25 per barrel.

Exploration investments, based on our current CapEx guidance are expected to be approximately \$175 million for the year and maybe used as a proxy for exploration expense. Majority of the costs associated with drilling operations and seismic acquisition, also included a spending-related seismic processing and interpretation activities across our portfolio as well as potential new exploration opportunities.

Our 10-K filed later today will detail our current hedging positions, which totaled 11.2 million barrels with approximately 6 million barrels in 2014, and the balance associated with 2015 hedging. We expect to add further to our 2015 positions and to commence initial 2016 hedging in the near future.

Bearing in mind, the challenge of giving guidance on taxes, we project total tax expense to be approximately \$20 million to \$22 million crude lifting, consisting with the 2013 average, assuming Brent remains above \$100 per barrel. Maintaining adequate financial liquidity is critical to our business strategy, as it provides the capacity to internally fund our development and growth programs in Ghana, as well as our high-impact exploration programs to the point of success.

At the same time an improved balance sheet provides flexibility to capture attractive new exploration opportunities as they arise. With Jubilee continuing to generate considerable cash flow at our existing liquidity base, we remain well-positioned to execute on our strategy as a self-funded exploration company.

I will now turn the call over to Brian.

**Brian Maxted**

Thanks, Greg. Looking back, 2013 was a significant year for our company in many ways. In Ghana, we achieved record annual production from Jubilee. We received governmental approval for the TEN Plan of Developments. We continued to advance the appraisal of the MTA discoveries. Throughout the year, we significantly matured and derisk these assets, grew both production and reserves and realized record cash flows.

Over the next several years, our expected operating cash flows from Ghana based on a conservative [H5 daily provider rental] [ph] price, combined with our existing liquidity should enable us not only to internally finance all of that development capital needs and production expenses in Ghana, but also fund the world-class exploration drilling program, which will target multibillion barrel transformational opportunities beginning next month.

The self-funded explorer status differentiates us from many peers within our industry. Today, Kosmos remains very much an attractive asymmetric risk-reward opportunity. The recognized value of our Ghana asset essentially equates to today's stock price and provides investors good value protection.

Conversely, our exploration portfolio which includes large fully-operated acreage positions and a range of under explored frontier emerging basements is effectively free and offers investors a substantial near-term value growth opportunity. This too differentiates us from many of our industry peers.

And over the last quarter, we've continued to mature our exploration portfolio to further define and derisk substantial hydrocarbon potential. Moreover, we are now on a coast of commencing a multi-well, multi-year drilling program to test this portfolio.

In the Agadir Basin, offshore Morocco following the successful farm-out to BP late last year about three consecutive licenses which totaled nearly 25,000 square kilometers and where we now have an average working interest of about 30%, we expect to spud the FA-1 well on the Eagle prospect in Fom Assaka license next month with the Maersk Discoverer rig which is now contracted to Kosmos.

This will test the [salt diet] for play, one of 300 common concepts recognized in the salt basin, which is a multibillion dollar potential. New 3D seismic will be acquired late this year to better define the subsalt target and plays in the Essaouira and Tarhazoute respectively. Drilling these two licenses is expected to start as early as next year.

Catching within our 27,000 square kilometer Cap Boujdour license offshore Western Sahara where following the successful farm-out to Cairn Energy in 2013, we now have a 55% participating interest with Aaiun Basin. This is an undrilled cretaceous delta similar in size than present day Niger Fan. It represents potentially giant hydrocarbons problems with very significant aspiration prospectivity supported by performing indicators of a working performance system of direct and indirect. A new 3D seismic survey will be acquired later this year to define the hanging wall anticline and footwall fault block concept. We are currently planning to spud a well to test the giant

Ghana prospect on the hanging wall anticline play fairway in the fourth quarter of this year. Elsewhere in our portfolio the launch 2D and 3D seismic surveys we acquired in 2012 and 2013 are now at various stages of processing and interpretation.

Offshore Mauritania where we have a 90% working interest in three blocks, C8, 12 and 13 totaling 30,000 square kilometers, we are currently interpreting our new fast-track 2D and 3D seismic ahead of receiving the final versions during the second quarter of this year. Early results are very encouraging with both structural and combined structural stratigraphic cretaceous plays identified. Following completion of our evaluation, we expect to seek a partner later this year ahead of drilling in 2015.

Tullow recently announced the results of the Fregate in northeastern of acreage and we are excited by the technical lead through. Importantly, there appears a lot of concern with the presence of the working petroleum system within the cretaceous, including the potential for both oil and gas condensate.

Importantly, also, we believe our acreage position catches the down-dip and both fairway of the system. We also believe this distal slope based on our position is optimal for both an oil charge and thick reservoirs, which is the factors determine their [neutrality].

In Suriname where we have a 50% working interest in two blocks 42 and 45 totaling about 11,000 square kilometers one with our partner, Chevron, we'd now receive the final processed 3D seismic products and are identifying and defining leaks in prospects ahead of formulation and forward exploration strategy in mid 2014.

Similarly, in the Porcupine offshore Ireland where we have three blocks totaling approximately 2,600 square kilometers, participating interest 75%, 25%, we are currently interpreting the fast-track for 3D seismic acquired in 2013, while we wait the final process working which were expected to begin.

Again early technical works are encouraging and recently prospects are presently being identifying and defined. Following completion of our evaluation we expect to commence the farm-out effort to secure additional partners towards the end of the year ahead of possible drilling reserve lease in 2015.

While as an industry some are beginning to question the value of the deepwater exploration, given the strong progress we are making in developing that exploration portfolio, I am more confident than ever that Kosmos' self-funded explore business model is valid and intact for two reasons. Firstly, our strategic acreage positions which have been enabled by

organically grown contrarian ideas and which benefited from first move advantage, I totally fully manage the technical risks inherent in frontier and emerging basin exploration, while at the same time offering substantial hydrocarbon potential included in attractive commercial terms.

So to make sure there is substantial value growth opportunities present for us in the event of success. And secondly our successful farm-out efforts enable us to minimize net size of drilling cost and therefore leverage returns. Giving this we believe Kosmos is positioned to differentiate itself and hopefully our performance base to deliver top quartile exploration results going forward.

And finally, of course, how we would approach each of the Kosmos' exploration efforts going forward as Chief Exploration Officer following the recent appointment of Andy Inglis as Chairman and CEO. I am personally delighted Andy has chosen to join us or lead the company in future. We have been very fortunate to return such a tough caliber leader and I believe it's testament to the company and institution that we have.

Andy both strengthens management team today as well as provides for longer-term succession. Now Andy is very much looking forward to its new position and I can assure he would like to get started at the beginning of next month. Andy knows he has my full and complete support and I look forward to us having much success together going forward. I am proud to what I was able to accomplish as CEO since our IPO. Andy appointment enables me to singularly focus on my true passion and do what I do best, exploration. As I told the Board last year at start of the search given we have an exploration of that business strategy, I believe it's in the CEO role that I can provide the most value to the company and to shareholders going forward.

So today from an operating and financial and organizational standpoint, I believe Kosmos is perfectly and unique positioned to deliver substantial value and growth to its shareholders starting as early as the next few months given our high impact exploration drilling program is about to get underway in Morocco. Thank you.

Now, operator, we would like to open up the call for questions.

## **Question-and-Answer Session**

### **Operator**

(Operator Instructions) Our first question today is coming from Ed Westlake from Credit Suisse. Please proceed with your question.



**Ed Westlake - Credit Suisse**

Yes, good morning, Brian, everyone and congratulations again on getting Andrew on board for the future. A quick question around gas handling and debottlenecking of the FPSO, obviously [104] [ph] maybe is good, we know what the issues are, but maybe just provide any update in terms of when you think you will be able to get increased gas handling and therefore higher capacity on the FPSO?

**Brian Maxted**

Yeah. Thanks Ed. It's Brian here. Let me just pass that question straight onto Darrell. Darrell, do you want to take that?

**Darrell McKenna**

Yeah. Thanks Brian. Yeah, I just want to, just clarify that all the gas handling number of options are being looked at and that pass through getting the gas process facility on onshore completed and online and that's the preferred option front to back; several other short term and long-term options are being looked at, re-wheeling the compression, bypass and possible flare options as well, are all being looked at.

And we are confident that through mid year and year end, we'll see various progress being made on all these options and that the agencies, government of Ghana agencies are working together with Tullow as unit operator and all the partners on Jubilee - all these options along and secure a final solution for the gas handling for Jubilee.

**Ed Westlake - Credit Suisse**

And maybe just remind us, when you reckon that the onshore or that the sort of gas processing option will be complete?

**Darrell McKenna**

Yeah. We're taking these lines from the ministry of energy and the various agencies, GNGC, and right now they are saying latter half of 2014.

**Ed Westlake - Credit Suisse**

Okay. And then my second question just around the -- obviously behind that as you mentioned sort of confirmation in Mauritania, but maybe talk more broadly about whether there can be any acceleration of the drilling plan in terms of drill-ready prospects that you outlined obviously at the, sort of, Exploration Day late last year?

## **Brian Maxted**

Brian here, I'll be taking that. I mean as you know, our business model is making sure. I think as we've seen in the industry at large over the last year or two it's really crucial you do your homework upfront and in these frontier and emerging basins where you've got to deal with play risks, reservoir [inaudible] in particular and given the cost of exploration in deep water these days it's really important that to maximize the chances of early success and therefore exploration efficiency, we get it right more often than not. And so we're very much about trying to balance an accelerated exploration program on the one hand against ensuring that we don't cut any technical corners on the other.

I feel confident that we're going to add couple of wells in this year in Morocco and the Sahara. And then next year, we're trying to get lined up, hopefully, some follow-on wells in both of those areas, plus Mauritania and one on both Suriname and Ireland as well, possibly depending on timing of the technical schedule in Ireland, the weather window as well has also been a challenge for us.

We're conscious of trying to create value early for shareholders. Well, I'm not supposed to [inaudible] but it's, what's most important is just making sure we actually create value when we put the drill bit in the ground. So we won't be rushed, we expensed for years developing this portfolio, we got a great place and may just need the tender love and care now to get it across the line to the drilling stage.

## **Ed Westlake - Credit Suisse**

Makes a lot of sense. Thanks very much Brian.

## **Operator**

Thank you. Our next question is coming from Anish Kapadia from TPH. Please proceed with your question.

## **Anish Kapadia - TPH**

Hi. I got a question, kind of, going back to of course overall strategy. You mentioned operating costs are going up currently the first well in Morocco is going to cost somewhat \$120 million and we've seen the test rates in the industry come down over the last couple of years in deepwater? And also NAVs or NPVs per barrel could be coming down, getting some delays in contract terms. Just wondering when you pull all that together, how do you see the overall market, the opportunity throughout relative to maybe a couple of years ago?

## Brian Maxted

Yeah, Anish. This is Brian. Let me take that one. Obviously, we are conscious of the piece, the [inaudible] piece that you guys did a couple of weeks ago and obviously we have continued ongoing internal [compositions] [ph] around the self-funded explorer model, which as I mentioned in the call, the call script is very much that we feel is completely valid right now.

And there are a number of drivers to value through exploration. And we think our strategy is, pinpointed correctly to address constructively each of those drivers. I mean, I think in frontier and emerging basins, which is our playing field and where much of the failure that you refer to in the industry has happened in the last couple of years when you don't understand where to be in the basin from a play and source -- from a play -- source rock and reservoir standpoint, the only way you can manage that is to buy large tracts of acreage, not by acquiring small individual licenses and [licenses rental] [ph], et cetera.

So our strategy to create [contrarian ideas] [ph] and get in first in the basin get large acreage tract is crucial to success our exploration of frontier basins. I mean, if you recall back in 2005, '06 when we opened up the Transform margin we had -- we looked at everything between Mauritania and Togo and we chose Ghana. So we basically had a frontier exploration opportunity [inaudible] that we don't want that play. And we feel in Morocco and Sahara and to a lesser extent in Suriname but also in Ireland as well and certainly in Mauritania, we've had that opportunity.

So we're pretty comfortable with our acreage position in terms of it being able to manage - one of the key drivers of exploration success which obviously cross that risk. We managed returns in a number of ways. One is to get great commercial terms but again you only if you get in there first before success and most of our acreage has got very competitive contractual terms commensurate with the risks that we're taking.

And then I think the other key in terms of minimizing, reducing cost is being able to successfully farm out as we showed in Mauritania and minimize the expense that you actually put in the ground on the drilling stage.

And again, we did that in Morocco, hopefully we can, hopefully, we can continue to do it in other places like Mauritania and --already done it in Suriname but also in Ireland. And so I think the combination of those factors will ensure that we give ourselves the very best chance of not just having exploration success but creating substantial value through it.

In terms of the opportunities that are out there, I've always believe that quality exploration opportunities at frontier and emerging basins are few and

far between, and that's why we have a Rifle shot exploration program and the statutory around doing our homework for a significant amount of time to make sure we are in the right places. Oil is not easy to find and it's not everywhere and the industry is kind of finding that out.

**Anish Kapadia - TPH**

And just a kind of follow-up on that more specifically and kind of look at your acreage just like Suriname [inaudible] areas with most expensive wells, just the [fiscal] [ph] terms when it come up for (inaudible) looks like the worst out your portfolio? Does that kind of change its ranking again how you saw it versus when your originally got in (inaudible)?

**Brian Maxted**

Yeah. Look, I mean, exploration is a portfolio game, right, and you explore, you deliver successful portfolio exploration and Suriname is one piece. And you are absolutely right, I mean, in terms of the contractual terms, its one of the least capacity, it's obviously balanced by some of the others which have world-class commercial terms.

I'd also like to think its balances in some respect by the upside exploration potential. So it's not balance between the number of valves and the value, we are trying to find high-value valves lot often and certainly, Surinam is currently stand at the interpretation stages, they are very strategic to us.

**Anish Kapadia - TPH**

Okay. Thank you. And just one final one, on -- just with the recent capital well, any real change to the contingent reserves numbers I think coming in the range [10] million barrels, the NTA field, any of those changes to those or kind of any effect from that?

**Brian Maxted**

Yeah. Darrell, do you want take that on the reserve numbers on the NTA Discoverer?

**Darrell McKenna**

Yeah. I guess, the short answer to that is, no, there are no changes right now in terms of the reserve. The appraisal program is still ongoing. We have talked about deepening of Jubilee well to evaluate Mahogany, underlying piece of Jubilee, the cost of well thus -- the cost of two well was and achieved its objectives in terms of finding the water leg or water oil contact, we have kept that well as a water injection well and we have got some

ongoing work with respect to the Teak seismic and that appraisal program we believe completed by year end as we mentioned in the script.

**Anish Kapadia - TPH**

Thank you.

**Brian Maxted**

You're welcome, Anish.

**Operator**

Thank you. Our next question is coming from Pavel Molchanov from Raymond James. Please proceed with your question.

**Pavel Molchanov - Raymond James**

Yeah. Thanks for taking the question. At the technical update last year, you mentioned for SA1 the pre-drill estimate of 360 million barrels? Has anything changed in your mind since then?

**Brian Maxted**

Hi, Pavel. This is Brian. Not at all, I mean, that's, that process has been in place for about year or so. So, no change in prospect, obviously it's the first test on the [salt diet] play number of track times. On that [salt diet] per play is testing the flat to the [salt diet], it is also based on the on pay us four way closures as well but there after testing that four well.

So the good first test of the overall controlling system, so just to prospect that just a first well and really the first modern example in that basin based on post Gulf of Mexico ideas and its going to be an important well for us in terms of, specifically in terms of trying to demonstrate reservoir and charge looking in the system but no change in the prospect.

**Pavel Molchanov - Raymond James**

Okay. You may have touched on this in your comment? But given that Jubilee has been running at 104,000 a day year-to-day, whereas the operator had said 100 for the year as a whole? Is it -- are you getting the sense that guidance was perhaps overly cautious?

**Brian Maxted**

Yeah. And Darrell, do you want to take that one?

**Darrell McKenna**

Yeah. I actually think that the difference is sales versus gross volumes, there is a 3.5% shrinkage value that needs to be implied with the gross number and our 104 is the sales numbers, all our numbers are all the sales.

I think some of that maybe played in there. I will say on both the sales and the gross basis, we have been on track with in excess of 110 gross in recent days and weeks. So I think that may explain kind of the difference in the numbers.

**Pavel Molchanov - Raymond James**

Okay. That's helpful. And just last one on the TEN project as we sort of get closer towards 2016? Is there any more precise timetable for startup, second half, first half, that sort of thing?

**Brian Maxted**

Go ahead, Darrell.

**Darrell McKenna**

Yeah. No. No updates on that. We are still looking of 2016 startup, still a lot of things to do. I mean the good news is all the contracts have been awarded and the project team is just getting its pace right now. So we will updates on that as we go along.

**Pavel Molchanov - Raymond James**

All right. Appreciate it guys.

**Brian Maxted**

You welcome.

**Operator**

Thanks. Our next question is from Al Stanton from RBC Capital Markets. Please proceed with your question.

**Al Stanton - RBC Capital Markets**

Yes. Good morning. Couple of question, just sticking with the Jubilee and Mahogany area. Is Mahogany more gassy or less gassy than Jubilee, is there any merits in didn't extended well as to Mahogany?

**Brian Maxted**

Hey Al, it's Brian. Yeah let me ask Darrell to answer that.

## **Darrell McKenna**

No, Al, it's not more gassy, in fact its very similar to Jubilee in terms of composition and crude. One thing that we do is in Kosmos that is really stable on money and extended testing is the use of downhaul gauges for we actually confirm communication across reservoir on a dynamic basis after the rig is left.

So we've actually saved a lot of money been able to do that. And we'll apply that technology to all the fields along with our partners in both licensees. So right now we don't see any need for a long term test or getting tighter as we go and as to be very useful in terms of our thinking on a development farming basis.

## **Al Stanton - RBC Capital Markets**

To some extent, I was thinking of the context of given the gas constraint from the Jubilee excellency whether there was any method of fast tracking the appraisal of Mahogany or having slow it down on a given the gas handling issue?

## **Darrell McKenna**

Yeah. And that adds -- again, we need to finish our appraisal program on that before we could really look at any options on accelerating. And then it will be a function of subsea infrastructure timing and contracts and all that. So there is no opportunity right now. That's really advanced West Cape Three Points from a gas standpoint.

## **Brian Maxted**

And then I think, Al, from a three specific yield, question actually, the GLR is about the same and so I wouldn't really alleviate any of the three part issues that we currently facing.

## **Al Stanton - RBC Capital Markets**

Okay. And then done on the final part, its just a question for Greg. In terms of the -- did I hear the guidance right on OpEx being \$11 to \$12 a barrel. I'm just wondering, why the increase on the Q4 actuals. And also whether there's any patterns to 2014 that we should look at as per from quarter-to-quarter?

## **Greg Dunlevy**

No, Q -- fourth quarter this year did not have an work over as at all. And while we don't expect quite as much work over activity overall next year as

we did in 2013. We do expect some, so therefore we gave guidance at \$11 to \$12 per barrel, inclusive of work over activities.

**Al Stanton - RBC Capital Markets**

Thank you

**Greg Dunlevy**

Welcome.

**Operator**

Thank you. Our next question is coming from John Herrlin from Societe Generale. Please proceed with your question.

**John Herrlin - Societe Generale**

Yes, hi. In terms of Jubilee, what's the well production capacity now, not at least sold to the actual field itself, what's the capacity?

**Greg Dunlevy**

Let me, John. It's Brian here. Darrell, go ahead?

**Darrell McKenna**

Yeah, I guess, our well capacity really hasn't changed since our Investor Day that we had in New York, which we're citing around 150,000, 155,000ish barrel per day well potential. We talked about the fluid capacity on the FPSO has tested 127,000 barrels per day. Now all that is constraint, basically on the gas handling and gas exports issue which we're all working very hard to sell and take advantage of those various capacities.

**John Herrlin - Societe Generale**

Great. With the Morocco, why can it's going to be spud next month, if you have, say a prospective results from a, would you just stay ahead or would you just move on once you TD it?

**Brian Maxted**

We'll suspend it. This is Brian here. We will suspend it, John. We have not positioned ourselves for intermediate drills and tested. This is something that we have to come back and plan properly. Obviously, we would be declining all the various open haul data to give ourselves the best opportunity to understand what potential -- any potential flow rates reservoir quality maybe.



**John Herrlin - Societe Generale**

Okay. That's great. And then with Mauritania, did you say you have a remote control partner or did I miss that?

**Brian Maxted**

No, we haven't. We talked a quite about their ventures unsolicited. As we did in Morocco, what we found is, let's do our technical work properly, get it mature to basically to the drilling stage and will have a much more successful farm out effort. And we decline on -- at this point in time, we basically, we plan on doing that again. It's pretty straight forward interpretation. It's not quite got the technical complexity of the salt basin of Morocco had, so we would hope to update it sometime later in the year. The interpretations are ongoing right now as I mentioned.

**John Herrlin - Societe Generale**

Great. Thank you.

**Brian Maxted**

Okay. You are welcome.

**Operator**

Thank you. We have reached end of our question-and-answer session. I would like to turn the floor back over to Mr. Cappon for any closing or further comments.

**Jon Cappon**

Thank you, Kevin. We appreciate all of you joining us on the call today and your interest in Kosmos. If you have any further questions, please don't hesitate to contact me. Thank you very much.