



VALUING OUR COMMITMENTS

MAKING AN IMPACT



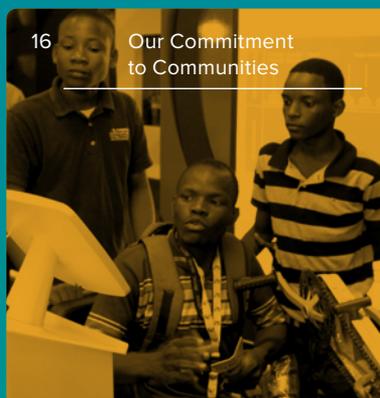
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ABOUT THIS REPORT

As an independent Exploration and Production company, we are committed to reporting our performance and actions to promote sustainable Corporate Social Responsibility (CSR) in a comprehensive, transparent and tangible manner on an annual basis. This report chronicles Cobalt's progress during the 2014 calendar year as it relates to our economic, environmental, social and governance performance. Enclosed are examples of how we are achieving our vision, which is to be One of the World's Most Admired E&P Companies, through our responsible business practices as they relate to Financial Stewardship; Ethics and Values; Health, Safety, Security and the Environment; a Team Culture and Corporate Citizenship.

In creating this report, we gathered input from key managers and executives which prioritized the issues most relevant to our stakeholders and operations, focusing on five key areas: Health, Safety, Security and the Environment (HSSE); Governance & Ethics; Community Initiatives; Human Resources; and Operations. It focuses on information that is most important to our internal and external stakeholders, including Cobalt employees, contractors, consultants, partners, shareholders and community members directly or indirectly affected by Company operations.

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LETTER FROM THE CEO



Joseph H. Bryant
Chairman and Chief Executive Officer

I am very pleased to present Cobalt International Energy Inc.'s Corporate Social Responsibility Report, which describes Cobalt's operations in deepwater exploration and development, as well as Cobalt's commitment to the communities where we operate. In creating this report, we prioritized the issues most relevant to our stakeholders and our operations focusing on five key areas: Health, Safety, Security and the Environment (HSSE); Governance & Ethics; Community Initiatives, Human Resources; and Operations.

Our HSSE

Cobalt is committed to operating world-wide in a safe, environmentally responsible manner, protecting and promoting the health, safety, security and well-being of our employees, contractors and the communities where we work and operate. Early in the life of Cobalt we put in place our HSSE Management System, which defines the policies and procedures that drive Cobalt's HSSE stewardship. Everyone who works at Cobalt is required to participate in annual training exercises and members of our incident management team participate in training drills throughout the year to ensure that all team members are prepared in the event of any emergency. Cobalt's management team encourages and expects our personnel, whether employees or contractors, to exercise their authority to stop work if they perceive a potentially unsafe situation.

As noted on page 11 of this report, in 2014 we experienced three Recordable Incidents. Following these incidents, we performed an extensive root cause investigation to determine the cause of the incidents. The safety of our people and the protection of the communities and environments where we work are Cobalt's highest priorities and, as a result of this investigation, we have put in place strict measures and practices that are focused on mitigating causal factors so we do not experience any future Recordable Incidents.

Our Governance & Ethics

Just as Cobalt put in place an HSSE Management System soon after the Company was formed, we also recognized the critical importance of having a robust Governance Model to ensure ongoing accountability and transparency to our stakeholders. Our Board of Directors, comprised of highly experienced and accomplished men and women, is responsible for the oversight of the Company, following the procedures set out in our Bylaws, Code of Business Ethics and Corporate Governance Guidelines.

In addition, Cobalt has in place a comprehensive Anti-Corruption Compliance Program that provides clear guidelines on what is and is not considered acceptable behavior. Cobalt provides rigorous in-depth training on anti-corruption laws and Cobalt's Anti-Corruption Compliance Program twice annually. All of Cobalt's staff, including those who work with foreign partners, must attend these training sessions. In addition to mandatory training, Cobalt's Anti-Corruption Compliance Program also provides for due diligence on third parties engaged in connection with our international operations, which helps ensure compliance with all anti-corruption laws.

Cobalt's Bylaws, Code of Business Ethics and Corporate Governance Guidelines can be accessed on Cobalt's website at www.cobaltintl.com.

Our Communities

Although we will not have any revenues from our operations until 2016 when our first production begins, we proactively instituted a social responsibility plan that would provide volunteer initiatives for Cobalt's personnel to contribute to the sustainability and improvement of the communities where we operate through education and health-related initiatives. We recognized that our most important assets are our people's time and talent, which we support to implement and execute our community programs.

As part of our license agreements for Angola Blocks 9, 20 and 21, we are providing scholarships to a number of Angolan students, as well as industry-specific training for our Angolan National employees. Additionally, in 2014, Cobalt's employees and contractors held a successful clothing drive benefiting the people of Angola and members of Cobalt's Angola team participated as guest speakers in the BAI Academy, providing educational awareness and information about Cobalt and the exploration and production industry.

I truly believe and have often said that our people are our greatest asset.

In Houston, we provided holiday gifts to Title 1 Science, Technology, Engineering and Math (STEM) school third graders as part of Cobalt's Angel Tree program and, in the fall, Cobalt's Houston-area personnel and their families participated in a fun run to raise funds for four spotlight charities, which resulted in raising over \$40,000 for these organizations. Furthermore, many of our employees spent time in Houston's classrooms as guest speakers and mentors for robotics, engineering and energy-focused programs.

We look forward to continuing these efforts in 2015 by expanding our outreach to high school STEM students in the IPAA/PESA Petroleum Academies of Houston through a two-week summer externship program and having members of Cobalt's Angola team participate again as guest speakers in the BAI Academy in Luanda.

Our People

I truly believe and have often said that our people are our greatest asset. We have been highly successful in attracting some of the most talented professionals in this industry and our success to date is a reflection of the quality of our people. We have grown to a staff of nearly 340 employees and contractors. Cobalt is an equal opportunity employer with a strong Diversity and Equal Opportunity Employment Policy that supports and encourages a diverse workforce. In fact, in the U.S., females make up more than 18% of Cobalt's Executive team and nearly 33% of Cobalt's professional staff are women. And, in Angola, 42% of Cobalt's Angolan national employees are female.

In 2015, we will continue our efforts in all of these areas of focus and in measuring our economic, environmental, social and governance performance. We will continue to work toward meeting the requirements set forth by established global reporting guidelines and to contribute further to the sustainability of the communities where we operate. We know that our communities expect us to operate with the highest standards of HSSE, governance and compliance and we hold ourselves to those same expectations. As we focus on the appraisal and development of our discoveries, we will continue to engage with stakeholders pursuant to our Stakeholder Engagement Plan (SEP), which was revised in 2014. We've instituted a formal Grievance Mechanism, which provides a means for Cobalt's internal and external stakeholders to submit their input on any issues they encounter by virtue of Cobalt's operations. We look forward to engaging with these communities and our stakeholders.

Operational Summary

Although Cobalt was formed less than ten years ago, our management and team have decades of experience, having worked on many of our industry's largest global projects, and have a deep understanding of the importance of operating in a safe, ethical and environmentally responsible manner. These experiences informed our actions early in the life of our Company as described above and are the reason that we implemented strict corporate governance programs and policies in keeping with Cobalt's core values, which are reflected in everything we do. These values provide the standards for the highest level of ethics, beliefs and practices and guide us as we achieve our Vision, which is to be one of the world's most admired exploration and production companies.

Cobalt's operations are focused in the below-salt basins in the deep waters of the U.S. Gulf of Mexico and offshore Angola and Gabon in West Africa. Since our founding in 2005, Cobalt has been successful in all of these focus areas, resulting in nine significant deepwater discoveries by the end of 2014. These results were delivered without compromise to our safety or environmental standards, which are principles we take very seriously.

While Cobalt currently has no production nor revenues, we look forward to our first production starting in 2016 when our Heidelberg Field in the Gulf of Mexico comes on line. In addition, we are advancing the appraisal and development of projects in both the Gulf of Mexico and offshore Angola in order to increase our production in the coming years.

Thank you for giving Cobalt this opportunity to share with you our values and our commitment to corporate social responsibility.

Joseph H. Bryant

Chairman and Chief Executive Officer

ABOUT COBALT

Cobalt International Energy, Inc. (NYSE: CIE) is a publicly traded independent exploration and production company which was formed in 2005 and is headquartered in Houston, Texas.

Through our experienced workforce, innovative technology and pioneering focus, we have built a carefully selected, world-class portfolio of assets in the deepwater regions of the Gulf of Mexico and offshore Angola and Gabon, West Africa.

In 2014, Cobalt expanded our global expertise to 205 employees, along with 116 contractors and 14 secondees, working in Houston, Luanda, Angola and offshore.

Since our founding in 2005, our oil-focused, below-salt exploration efforts have been successful in each of our operating areas, resulting in nine discoveries.

These nine discoveries include North Platte, Heidelberg and Shenandoah in the U.S. Gulf of Mexico; Cameia, Lontra, Mavinga, Bicular and Orca offshore Angola; and Diaman offshore Gabon.



OUR APPROACH

As Cobalt continues to grow, our approach to Corporate Social Responsibility (CSR) is expanding to reflect this growth.

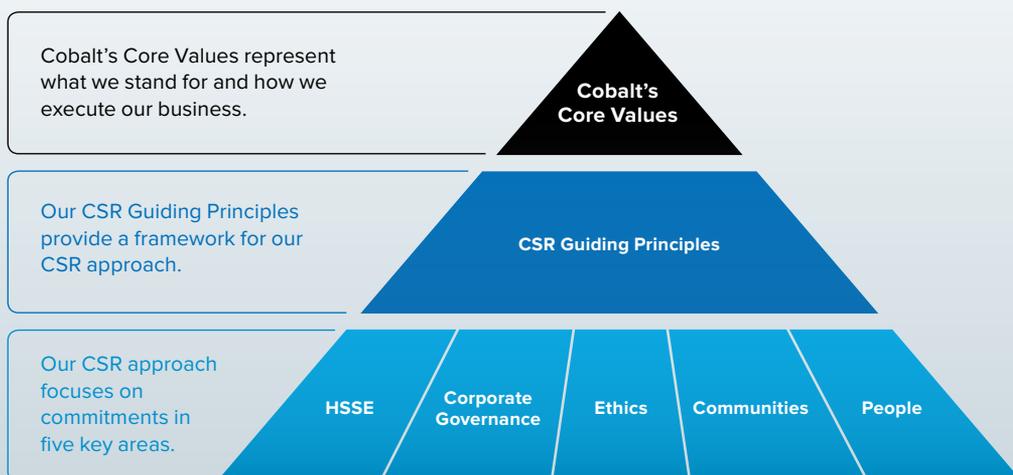
Cobalt's priorities are straight-forward. We look for opportunities that play to our strengths, and apply the following in our approach to these opportunities: purposeful innovation to deliver the greatest value; trust and respect in all our relationships; and safe, ethical and environmentally responsible operations.

We are proud to provide opportunities for our employees and the Company to contribute to education and health-related initiatives in domestic and international areas.

We realize that it is impossible to have a one-size-fits-all program, so we have been selective in our approach. Using our CSR Guiding Principles as the framework, our approach to CSR stems from a series of commitments that we have made to our partners, stakeholders, shareholders and employees. Cobalt's initiatives align with these commitments and are augmented by measurable goals and a comprehensive engagement strategy. This methodology allows Cobalt to select and develop programs with positive internal and external impact.

Our CSR Approach

All of Cobalt's CSR activities stem from our Core Values and, in alignment with our CSR Guiding Principles, form a group of commitments which focus on five key areas.



OUR VALUES

Cobalt is committed to living our values, making an impact and acting in an ethical and responsible manner, not out of obligation but because it's the right thing to do.

COMMITMENT TO HEALTH, SAFETY, SECURITY AND ENVIRONMENT

Apply the highest level health, safety, security and environmental standards in everything we do

OUTSTANDING VALUE FOR SHAREHOLDERS

Focus all our decisions to deliver the greatest value to our shareholders and investors

BEST TALENT, TEAM AND RESOURCES

Attract and leverage world class talent, team and resources, bringing together our core competencies for excellence

ACTION ORIENTED AND RESULTS FOCUSED

Action driven with thoughtful analysis, nimbleness, and efficiency to achieve results

LEGENDARY LEADERSHIP AND ENTREPRENEURSHIP

Be renowned leaders that navigate a strategy for high performance and entrepreneurship

TRUSTWORTHY AND INTEGRITY IN ALL THAT WE DO

Work with the highest levels of integrity, being trustworthy as partners and as colleagues

SOCIALLY AND PROFESSIONALLY REWARDING

Provide a positive productive work environment for great ideas to incubate and where significant contributions lead to substantial rewards



Cobalt is uncompromising in our core values because they provide the standards for the highest level of ethics, beliefs and practices that lead to world-class performance in achieving our vision, to be One of the World's Most Admired E&P Companies.

CSR GUIDING PRINCIPLES

Our focused approach allows us to be selective in the development and execution of Cobalt's CSR initiatives to ensure that we deliver meaningful, positive impact through strategic partnerships and thoughtful investment.

**CONDUCT ALL
BUSINESS ETHICALLY
AND WITH INTEGRITY**

**BUILD
RESULTS-FOCUSED
PROGRAMS THAT
ARE PURPOSEFUL AND
SUSTAINABLE**

**OPERATE IN A SAFE
AND RESPONSIBLE
MANNER WHILE
PROTECTING THE
ENVIRONMENTS WHERE
WE WORK**

**MAINTAIN CLEAR
ACCOUNTABILITY
THROUGH PUBLIC
REPORTING,
TRANSPARENCY
AND OPEN
COMMUNICATION**

**STRICTLY COMPLY
WITH COBALT'S
CORPORATE
GOVERNANCE
PROCEDURES
AND STANDARDS**

**INVEST IN
AND SUPPORT
COMMUNITY
INITIATIVES**

**CREATE GROWTH
AND EDUCATIONAL
OPPORTUNITIES
FOR CURRENT AND
FUTURE INDUSTRY
WORKFORCE**

**ADHERE TO COBALT'S
CORE VALUES**

**PRACTICE,
PREPARE
AND PLAN FOR
EMERGENCY
SITUATIONS**

OUR COMMITMENTS

HSSE

Cobalt is committed to operating world-wide in a safe, environmentally responsible manner, protecting and promoting the health, safety, security, and well-being of our employees, contractors and the communities in which we all work and operate. We believe that a proactive commitment to Health, Safety, Security and Environment (HSSE) and clear accountability for performance are critical to our success. Therefore, HSSE is a business priority for Cobalt.

An HSSE Advisory Team guides this by reviewing and advising on HSSE procedures and plans and promoting employee ownership and acceptance. Employees actively provide input, feedback and support and all employees are trained and are accountable for complying with HSSE standards.

CORPORATE GOVERNANCE

With oversight by a highly experienced, talented and diverse Board of Directors, Cobalt's corporate governance is designed to enhance our ability to pursue the objectives critical to energy exploration and development and intended to ensure ongoing accountability and transparency to shareholders.

Our 2014 Annual Report on Form 10-K and our Proxy Statement outline specifics on the structure and function of our Board and their roles in managing the risks that Cobalt faces. Visit Cobalt's website (www.cobaltintl.com) for these documents.

ETHICS

Cobalt is strongly committed to conducting our business with integrity and the highest ethical standards. This commitment is embodied in Cobalt's core principles and all Cobalt employees and representatives are expected to act in accordance with the highest standards of ethical behavior and honesty. Cobalt's reputation and successful business operation depends upon our fair dealings and ethical conduct.

Our reputation for integrity and excellence requires careful compliance with the spirit and letter of all applicable laws and regulations, as well as the highest regard for the standards of conduct and personal integrity. We are dedicated to preserving the trust that our partners, stakeholders and shareholders have placed in us.

In addition, Cobalt complies fully with the Foreign Corrupt Practices Act (FCPA), the principles set out in the Organization for Economic Cooperation and Development Convention Combatting Bribery of Foreign Public Officials in International Business Transactions (OECD Convention) and all other equivalent anti-corruption and anti-bribery legislation applicable to Cobalt (whether by virtue of its jurisdiction or incorporation or the conduct of its business operations).

COMMUNITIES

We work hard to make sure everything we do has positive internal and external impact. Therefore, we have focused our efforts on community initiatives that create opportunities, shape a new generation of talent, generate Industry Awareness, leverage Cobalt's diverse and highly experienced talent base and align with our vision, values, guiding principles and strategy.

PEOPLE

Cobalt provides equal employment and advancement opportunities to all employees based on merit, qualifications and ability. Cobalt is an equal opportunity employer and does not discriminate against any person because of their race, color, creed, religion, gender, pregnancy, national origin, disability, age, genetic information, sexual orientation, veteran status, or any other characteristic protected by state, federal, or local law. A copy of Cobalt's Equal Opportunity Employment Policy can be accessed on Cobalt's website (www.cobaltintl.com).

We combine our talent with the very best data, state-of-the-art technology and a simple, focused business model that creates an agile enterprise, which acts in an ethical and responsible manner. Our goals align with this business model to ensure all of our successes and efforts create a truly special enterprise where our people can deliver extraordinary value to our shareholders.



OUR COMMITMENT TO HSSE

- » Our Health, Safety, Security and Environmental Policy
- » Protecting Our People
- » Workplace Safety
- » Crisis Management and Emergency Preparedness
- » Protecting the Environment

OUR HSSE

As an independent E&P company, we believe we have an obligation to our employees, contractors and the communities where we live and work to be uncompromising in operating with the highest safety and environmental standards.

Cobalt considers outstanding HSSE performance to be a critical factor for success in the Company's overall performance. Everyone who works for Cobalt either directly or indirectly is expected to understand, promote and assist in the implementation of Cobalt's HSSE policy and all related health, safety, security and environmental requirements.

Our Health, Safety, Security and Environmental Policy

We believe that a proactive commitment to HSSE and clear accountability for performance are critical to Cobalt's success. This is the basis for our enterprise HSSE management system and policy, which is designed to integrate HSSE into all aspects of our business and be applicable to world-wide operations.

Safety and Environmental Management System

Long before the adoption of the Safety and Environmental Management System (SEMS) Rule by the U.S. Government, Cobalt had developed a robust Health, Safety, Security and Environmental Management System that is implemented at all Cobalt facilities and operations.

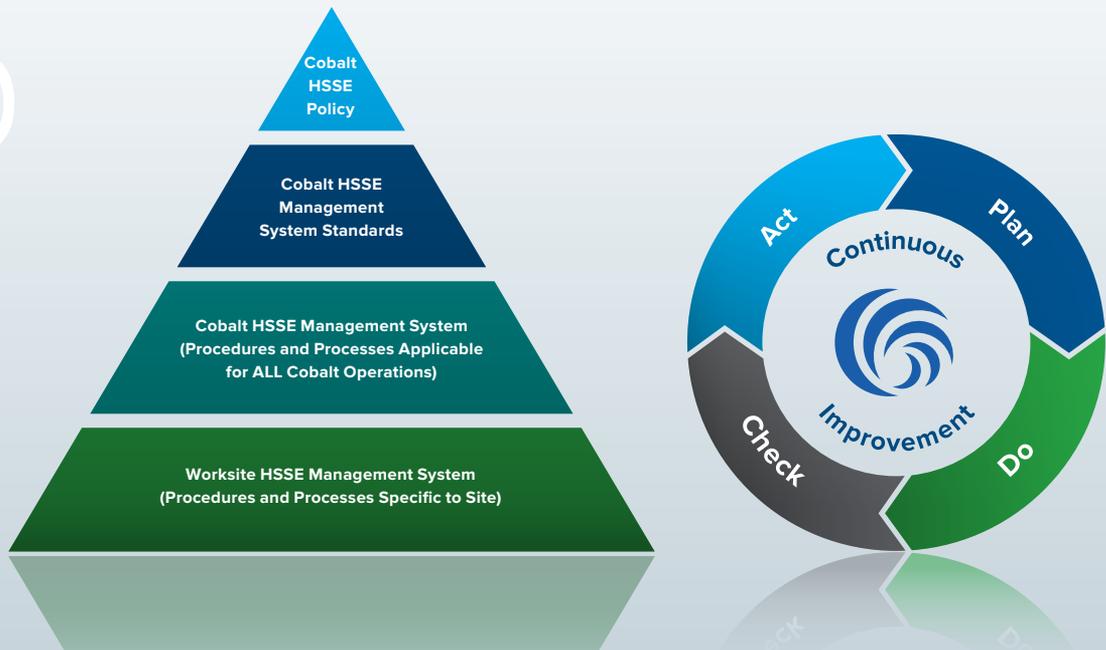
The Cobalt HSSE Management System includes a Personnel Participation Plan and relies upon personnel in our operations having ownership of the system.

Our management team encourages and expects everyone to provide observations, comments and recommendations regarding the HSSE Management System implementation at our onshore and offshore managed sites.

As a specialist in complex deepwater exploration, development and drilling, Cobalt is committed to operating worldwide in a safe and responsible manner by:

- » Complying with all health, safety, security, and environmental laws and regulations;
- » Communicating and confirming our HSSE responsibilities and performance to our employees, contractors, and other stakeholder groups;
- » Ensuring that everyone working with Cobalt understands their roles and responsibilities with regard to HSSE;
- » Actively managing relationships with our contractors to ensure their understanding of our expectations and their performance against our requirements;
- » Following relevant standards, good technical practices, and principles of risk management to ensure Cobalt's activities are conducted in a safe and responsible manner with minimal impact to the environment;
- » Maintaining a rigorous preventive medicine program to ensure that everyone working for Cobalt is fit and capable for the conditions in which they work;
- » Maintaining a secure working environment to protect our employees, our contractors and the Company's assets from risks of injury, property loss or damage resulting from hostile acts;
- » Measuring, auditing and reporting HSSE performance and maintaining an open dialogue with stakeholder groups and with the communities where we operate;
- » Undertaking appropriate reviews and evaluations of our operations to measure progress and to ensure compliance with this policy.

COBALT'S HSSE MANAGEMENT SYSTEM



This feedback, in conjunction with everyone being empowered to exercise Stop Work Authority when needed, helps ensure continued safe operations and HSSE improvement.

The apex of our HSSE Management System is our HSSE Policy. Standards define our expectations and requirements regarding each commitment in the HSSE Policy. The detailed processes and procedures necessary to support the standards are provided to ensure consistency in interpretation and implementation.

Protecting our People

In addition to our internal SEMS assessment, an Independent Third Party performed a SEMS Audit in May 2013 and certified that Cobalt's HSSE Management System conforms to the requirements of 30 CFR Part 250 Subpart S and API RP 75.

Our leaders are responsible to implement and continuously verify the effectiveness of the HSSE Management System.

Workplace Safety

Cobalt has established a Workplace Safety Program to assist in providing a safe and healthful work environment for employees, customers and visitors. Cobalt's management considers this to be a priority for the Company and its success depends on the personal commitment of everyone.

All HSSE incidents are managed by the appropriate response, based on severity, followed by an investigation and then developing preventive and corrective actions and lessons learned. This method allows us to foster a learning culture and continually improve our HSSE performance.

Crisis Management and Emergency Preparedness

Being prepared in case of a significant event is integral to Cobalt's operating model. Using Emergency Response Plans, which are consistent with the U.S. National Response Framework, National Incident Management System, Angola National Oil Spill Contingency Plan, and the Incident Command System (ICS), Cobalt has conducted large scale emergency preparedness exercises for our Angola and Gulf of Mexico operations, which tested subsea well containment, oil spill response, communications, response organization, and partnership integration.

Cobalt holds memberships with several industry cooperative response organizations that provide general and specific oil spill and well containment resources in the U.S. Gulf of Mexico including Helix Well Containment Group (HWCG), Clean Gulf Associates (CGA), the Marine Preservation Association (MPA), and National Response Corporation (NRC).

For preparedness in operations offshore West Africa, our industry partnerships include active participation with Wild Well Control, Braemar Howells, the West and Central African Aerial Surveillance and Dispersant Service, and Oil Spill Response Limited.

We also contract with service providers such as Witt-O'Briens, The Response Group, and J. Connor Consulting for the provision of additional emergency response management services to help us address incidents in our diverse operating areas.

OUR HSSE



“Cobalt has a sound and effective HSSE Management System and our focus is more than just compliance. As our activities increase, we will continue to stay focused on identifying and minimizing HSSE risks and will leverage learnings to continue to improve our HSSE performance.”

– Fatima Benghe, HSSE Manager

Protecting the Environment

In the United States, we have established a robust recycling program both in our workplaces as well as in the Gulf of Mexico by participating in Recycle the Gulf. Recycle the Gulf donates recyclables to ARC of New Iberia, which employs disabled individuals. In addition, Cobalt’s contracted drilling crews are trained to prevent

and report marine debris to ensure we actively engage in the protection of marine resources. In the Gulf of Mexico, Cobalt’s Marine wildlife protection program includes training our vessel contractors and auditing their programs to ensure compliance. This resulted in no marine mammal strikes in 2014.

HSSE PERFORMANCE INDICATORS

Cobalt’s goal is to improve our Greenhouse Gas (GHG) emissions output as we expand our business by moving our West Africa and Gulf of Mexico assets into development and production, and continue our exploration and appraisal drilling operations. We recognize the possibility of needing to increase energy consumption while we work to meet these operational goals. Cobalt is committed to managing emissions to reduce GHG so that we may continue to play an important part in meeting the world’s increasing demand for energy.

YEAR	NO _x (tpy)	CO (tpy)	CO ₂ (tpy)	VOC (tpy)	PM ₁₀ (tpy)	SO ₂ (tpy)	Drilling Rig Diesel Consumed	Vessel Diesel Consumed
2014	1,439	382.29	72,635	36.83	44.97	22.71	4,704,302 gallons	1,906,603 gallons

This data reflects emissions from our Angola operations but does not include information from our Gulf of Mexico operations as we did not drill any operated wells in the Gulf of Mexico in 2014. The data was collected from drilling operations and related activities including support vessels, generators and controlled burning during well testing. These calculations do not include gasses emitted during flaring operations.

YEAR	Fatalities (Employees and Contractor Workforce)	Global Safety Performance – Total Recordable Incidents ¹	Global Safety Performance – Total Recordable Incident Rate (TRIR) ^{1,2}	Global Spills – Number ³	Marine Trash & Debris ⁴
2013	0	0	0.34	0	4
2014	0	3	0.62	1 [†]	0

¹ Includes all work-related workforce injury and illness incidents that result in a: Fatality; Restricted Work/Job Transfer (RW/JT); Lost Time Incident (LTI); Medical Treatment beyond First Aid (MT)

² TRIR calculated as per OSHA’s requirements (200,000 hours per year)

³ Chemicals or hydrocarbons that enter the water and/or reach land

⁴ Manmade items inadvertently lost to the sea

[†]100 liters of synthetic oil-based mud released during drilling operations in Angola in April, 2014

OUR COMMITMENT TO GOVERNANCE & ETHICS

- » Board of Directors
- » Compliance Program
- » Conducting Ethical Business
- » Education and Training



GOVERNANCE & ETHICS

Cobalt’s Governance Model is designed to enhance our ability to pursue the objectives critical to energy exploration and development and is intended to ensure ongoing accountability and transparency to shareholders. We are committed to conducting our business in a safe, responsible and transparent manner while maintaining compliance with all legal and regulatory requirements.

BOARD OF DIRECTORS AND COMMITTEES

- 1 Audit Committee
- 2 Compensation Committee
- 3 Nominating and Corporate Governance Committee



Joseph H. Bryant
Chairman of the Board of Directors and Chief Executive Officer, Cobalt International Energy, Inc.



Jack E. Golden
Former Group Vice President—Exploration and Production for BP



Kay Bailey Hutchison
Former U.S. Senator



Jon A. Marshall
Former CEO of GlobalSantaFe Corporation



Kenneth W. Moore
Managing Director of First Reserve Corporation



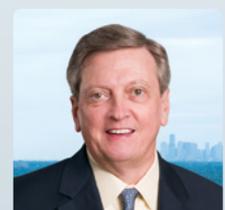
Myles W. Scoggins
President of the Colorado School of Mines



D. Jeff van Steenbergen
Co-founding and General Partner of KERN Partners Ltd.



William P. Utt
Former Chairman, President and CEO of KBR, Inc.



Martin H. Young, Jr.
Former Senior Vice President and Chief Financial Officer of Falcon Seaboard Diversified, Inc.

GOVERNANCE & ETHICS

Board of Directors

Our Board of Directors is responsible to Cobalt's shareholders for the oversight of the Company and follows the procedures and standards that are set forth in our Bylaws, Code of Business Ethics and Corporate Governance Guidelines.

Board Committees and Activities

The three standing committees of the Board are the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee.

Board's Role in Risk Oversight

Management has implemented an Enterprise Risk Management ("ERM") process to assist in the Board's oversight of our risks. Management, which is responsible for day-to-day risk management, conducts a risk assessment of our business annually. The risk assessment process is global in nature and identifies and assesses our risks, as well as steps to mitigate and manage the risks, which may be financial, operational or strategic in nature.

This annual risk assessment is updated regularly by management and reviewed quarterly by the Board. In addition, each of the Board's three committees has been tasked with monitoring specific risks applicable to their committees. Insights of these committee reviews are then discussed at full Board meetings.

Compliance Program

Cobalt has developed a comprehensive Compliance Program to establish principles for ethical business conduct by the Company and our personnel.

Anti-Corruption Compliance Policy

This policy is in place to ensure compliance with the anti-bribery and record-keeping provisions of the United States Foreign Corrupt Practices Act of 1977, as amended, the principles set out in the Organization for Economic Cooperation and Development Convention Combating Bribery of Foreign Public Officials in International Business Transactions, the United Nations Convention Against Corruption, and all other applicable anti-corruption and/or anti-bribery legislation applicable to Cobalt.

Cobalt's Anti-Corruption Compliance Policy provides Cobalt personnel and representatives with the tools and resources necessary to enable, monitor and enforce Cobalt's full compliance. This policy is made available to all of Cobalt's personnel during the onboarding procedure, on Cobalt's Intranet and through printed manuals that are readily available from our Compliance, Legal and Human Resources departments.

COBALT'S BOARD COMMITTEES ARE AUTHORIZED TO:

OUR AUDIT COMMITTEE:

- Approve and retain the independent auditors to conduct the annual audit of our books and records
- Review the proposed scope and results of the audit
- Review and pre-approve the independent auditors' audit and non-audit services rendered
- Approve the audit fees to be paid
- Review accounting and financial controls with the independent auditors and our financial and accounting staff
- Review and approve transactions between us and our directors, officers and affiliates
- Recognize and prevent prohibited non-audit services
- Establish procedures for complaints received by us, including regarding accounting matters
- Review our policies and practices with respect to risk assessment and risk management

- Oversee our anti-corruption programs
- Oversee our resource and reserve policies
- Approve any off-balance sheet financial activities
- Oversee and manage our fraud risks
- Oversee our enterprise risk management process
- Oversee internal audit functions
- Prepare the report of the Audit Committee that SEC rules require to be included in the annual proxy statement

OUR COMPENSATION COMMITTEE:

- Review, evaluate and determine the compensation philosophy arrangements for management, including the compensation for our Chief Executive Officer
- Establish general compensation policies with the objective to attract and retain superior talent, to reward individual performance and to achieve our financial goals
- Administer our stock incentive plans

- Evaluate the independence of its advisers
- Periodically review our succession planning
- Prepare the report of the Compensation Committee that SEC rules require to be included in the annual proxy statement

OUR NOMINATING AND CORPORATE GOVERNANCE COMMITTEE:

- Identify and nominate members for election to the Board
- Develop and recommend to the Board a set of corporate governance principles applicable to our Company
- Review any shareholder proposals submitted for inclusion in our proxy statement
- Oversee the evaluation of the Board and management

Due Diligence

Cobalt routinely conducts due diligence on third party vendors and other companies where it conducts business. In addition, Cobalt requests written confirmation of compliance with Anti-Corruption Laws and these relevant documents, including due diligence reports and compliance certificates, remain on file with Cobalt's Legal Department.

For international joint ventures, Cobalt's policy is to conduct a review of the prospective joint venture partner or partners in order to determine their reputation, beneficial ownership, professional capability and experience, financial standing and credibility, as well as the history of their compliance with the applicable Anti-Corruption Laws.

U.S. Sanctions and Export Controls

To ensure compliance with U.S. trade sanctions, Cobalt has developed a specific U.S. Sanctions and Export Controls Policy. This policy is applicable to all Cobalt personnel wherever they operate and is specifically designed to help Cobalt identify transactions that may involve a sanctioned country or party.

Public Reporting Program

Everyone at Cobalt shares the common responsibility to act lawfully and ethically and, as such, Cobalt has established a culture of honesty and integrity with the expectation that all Cobalt personnel and representatives should immediately report any knowledge, awareness or suspicion of a potential violation of the applicable Anti-Corruption Laws, the Policy or the Compliance Program to Cobalt's Compliance Officer.

There are several ways to make reports, which include in person, through the Legal Department or Compliance Officer; anonymously through the Compliance Program hotline, (800) 338-9088; or by using the web submission system: www.cobalt.silentwhistle.com.

Cobalt's Audit Committee has established these confidential reporting systems for the receipt, retention, and treatment of problems, issues and concerns with respect to accounting, internal accounting controls, or auditing matters; our Code of Business Conduct and Ethics and other Company policies; non-compliance with laws; or any other matter reported. There is no reprisal for the submission of any information or report that is submitted in good faith and in reasonable belief.

Conducting Ethical Business

We strive to foster a culture of honesty and accountability and are committed to the highest level of ethical conduct, which is reflected in all of the Company's business activities and our relationships with employees,

customers, suppliers, partners, competitors, the government and the public, including our shareholders.

Code of Business Conduct and Ethics

Cobalt is strongly committed to conducting our business affairs with honesty and integrity and in full compliance with all applicable laws, rules and regulations. Our Code of Business Conduct and Ethics has been adopted by our Board of Directors and summarizes the standards that guide our actions.

Insider Trading Policy

Cobalt maintains a comprehensive Insider Trading Policy, which strictly adheres to U.S. Federal securities laws and guidance put forth by the Securities and Exchange Commission (the "SEC"). The prohibition against trading on insider information applies to Cobalt's directors, officers and all other employees, as well as any other person who may gain access to that information and applies to both domestic and international employees of Cobalt and its subsidiaries.

Auditing and Transparency

Testing and analysis of Cobalt's transactions and of Cobalt's books, records, and accounts for possible violation of the Anti-Corruption Policy or the Compliance Program is a part of Cobalt's routine audit process. Additionally, our Compliance Officer, in consultation with our Controller and Cobalt personnel performing audit functions, may conduct special reviews of Cobalt's compliance practices and the results of these auditing activities are communicated to the Audit Committee.

Related Party Transaction Policy

Cobalt has adopted a set of related party transaction policies to provide appropriate procedures for the disclosure, approval and resolution of any real or potential conflicts of interest. These policies state that all related party transactions, including any loans between Cobalt, our principal stockholders and our affiliates, must be approved by our Nominating and Corporate Governance Committee, after considering all relevant facts and circumstances.

Education and Training

Newly-hired Cobalt employees, in-house contractors, and secondees are required to view and complete Cobalt's Anti-Corruption training during their orientation period after beginning their employment or engagement.

Additionally, required Anti-Corruption training sessions are conducted at least annually for all Cobalt employees, in-house contractors, and secondees and Cobalt's Compliance Officer is required to attend at least one continuing education course related to Anti-Corruption compliance each year.

OUR COMMITMENT TO OUR COMMUNITIES

- » Community Engagement
- » Building Results-Focused Programs
- » Community Outreach
- » Growth and Educational Opportunities

OUR COMMUNITIES

We continue to develop and nurture strong relationships with our partners, contractors, stakeholders and communities to contribute through education and health-related initiatives in domestic and international areas. Our key focus areas include Education programs specifically related to Science, Technology, Engineering and Mathematics (STEM); Health and Wellness Programs and other selective community initiatives.

Community Engagement

Strong relationships with communities and other stakeholders is key to our success and stakeholder engagement is an important aspect of Cobalt's business model. Building relationships with our communities, employees, government officials, industry partners, contractors and investors helps us better understand questions, concerns and our overall impact.

In August, Cobalt completed the impact assessment process and developed the Environmental Impact Assessment report required for securing an environmental license for Angola Block 21 and the Cameia project. Through stakeholder engagement and extensive research, Cobalt evaluated all aspects of development operations and the impact these operations could have on physical, biological and socio-economic environments. As a result of these studies, we've developed a specific set of internal policies and standards related specifically to our Angola Cameia project, including a comprehensive Stakeholder Engagement process and multiple Grievance Mechanisms for reporting comments and concerns.

Building Results-Focused Programs

Having focus allows us to be selective in the development and execution of our community initiatives to ensure value creation through meaningful, strategic partnerships and thoughtful investment. Our goal is to expand on enterprises already in place in both the domestic and international sectors to build results-focused programs that are purposeful and sustainable.

As we continue to develop a better understanding around Angola's needs, we will expand our programs to continue building human capacity and positively contributing to Angola's national objective of increasing technical and offshore industry expertise.

We are committed to finding sustainable solutions and will continue this process by engaging in open dialogues with the Angolan Government and Sonangol to fully understand the scope of Angola's educational environment. With relationship-building, research and selective partnerships with established organizations, we will meet our goal of building and expanding upon results-focused programs.

Building relationships with our communities, employees, government officials, industry partners, contractors and investors helps us better understand questions, concerns and our overall impact.

Outreach

Cobalt Angel Tree Program

Cobalt partnered with The Rice School/La Escuela Rice, which is a Title 1 STEM school and houses HISD's "Technology and Spanish" Magnet program. Students wrote letters to request gifts and Cobalt's Angel Tree provided these wishes for a group of deserving third grade students (1).



Cobalt Charity Challenge

The First Annual Cobalt Charity Challenge encouraged Cobalt's personnel and families to come together and participate in the Katy Texas 10 run/walk event while raising money and awareness for four spotlight charities.

With 38 participants, the Cobalt Charity Challenge concluded with race day on Sunday, November 2, 2014, and collectively raised over \$40,000 for CanCare (2), Cherish Our Children International (3), Make-a-Wish [Texas, Gulf Coast and Louisiana] (4) and Offshore Energy Center (5).

OUR COMMUNITIES

Community Outreach

Cobalt is focused on opportunities that will shape a new generation of talent, generate industry awareness, leverage Cobalt's diverse and highly experienced personnel and align with our CSR commitments. In 2014, Cobalt's employees enthusiastically committed time and resources for a number of community-focused initiatives to improve the lives of our friends and neighbors.

Expanding Our Outreach

To meet our continuing Community Outreach goals, we feel it is important to capitalize on the exceptional experience of our workforce in ways that also involve family and friends. As a result, we have plans to implement additional initiatives, which include supplementary employee volunteer opportunities and focus on our key areas of Education and Health and Wellness.

Growth and Educational Opportunities

Cobalt is committed to shaping a new generation of talent by creating awareness, opportunities and scholarships for those who might not otherwise have exposure to our industry.

As part of our Production Sharing Contract for Block 20, offshore Angola and our Risk Services Agreements for Blocks 9 and 21, offshore Angola, we fund Angolan social projects, which include academic scholarships for Angolan citizens and the Sonangol Research and Technology Center.

Cobalt's Angolan scholarship program is managed by West Africa Management Services – Houston (WAMS), a scholarship management company that oversees scholarship programs for Sonangol Scholarship Recipients. Through WAMS, Cobalt provides scholarships to several Angolan college students selected by Sonangol who are pursuing degrees at institutions including the University of Houston, the University of South Carolina, and the University of Texas at San Antonio. Their fields of study include Business Administration, Computer Engineering, Petroleum Engineering, Electrical Engineering, Mechanical Engineering and Economics.

Domestically, our desire is to have the same lasting impact and we have partnered with the IPAA/PESA Petroleum Academies, which are part of the Houston Independent School District, to participate in their Guest Speaker Career Series and to provide Externship opportunities for high school students. Additionally, we are evaluating engineering and technology-based after-school programs that will allow Cobalt personnel to share technical expertise with middle school students through ongoing mentorships.

ANGOLA SOCIAL INVESTMENTS: COMMITMENT TO EDUCATION

	2014	2013
Scholarships	\$ 709,895	\$ 482,155
Contributions to the Sonangol Research and Technology Center	\$ 42,855,000	\$ 42,855,000

Education

OUR COMMITMENT TO PEOPLE

- » Recruitment and Retention
- » Total Rewards
- » Local Hiring, Diversity and Equal Opportunity Employment
- » Professional Opportunities



OUR PEOPLE

Our workforce of almost 340 highly-skilled professionals (approximately 60% are employees and 40% are contracted staff) in the United States and West Africa have an average of more than 25 years of oil exploration, development and production experience.

Members of our management team have negotiated globally significant commercial agreements and developed many long-standing relationships with independent, major and national oil companies, host governments, service providers, and strategic partnerships – all of which enhance Cobalt’s competitiveness and our ability to deliver.

Cobalt’s management and staff have a proven, differentiated track record of successfully participating in our industry’s largest global projects over the past two decades. We have played key roles in major offshore discoveries, and have been instrumental in bringing these large-scale global hydrocarbon projects through development to production.

Our people combine the best data and technology with the expertise and collective insight necessary to locate the next best opportunities, and reduce cycle times at every phase of the exploration, appraisal, development and production process.

Recruitment and Retention

We embrace a culture of opportunity where exceptional performance, guided by our core values, delivers outstanding results and a rewarding professional experience.

At Cobalt, our people are vitally important to us. Throughout the organization, our culture thrives on and fosters an entrepreneurial spirit. Individuals have come to us for the opportunity to work for a company that is motivated and focused, with a clear vision and a business model that enables us to do what we do best: find, develop and produce hydrocarbons in a way that delivers the greatest

value. Attracting talented and diverse people remains an important strategic objective for Cobalt – one that is critical to building on our vision to be *One of the World’s Most Admired E&P Companies*.

We know that with extraordinary people, we can do extraordinary things. The Cobalt team encompasses highly experienced geoscientists, engineers, business professionals and technologists, led by a management team with a proven record of success.

“In joining Cobalt, your thoughts, opinions and ideas are valued and openly welcomed and you will be inspired by the people you work with every day. Yes, Cobalt has great technology, access to great seismic data and a straight-forward business model, but I am in no doubt that Cobalt’s people are the single biggest reason for the Company’s success so far, and will be the key reason for Cobalt’s future success. Everyone who joins Cobalt is part of achieving something truly exceptional.”



– Wanda Lewis, VP Human Resources

OUR PEOPLE

Our workforce has grown by 460% since 2010, which greatly expanded our global expertise in Houston, Luanda and offshore. Unencumbered by big company bureaucracy, our highly experienced people allow us to successfully compete with some of the world's largest E&P companies in technically-challenging basins.

Total Rewards

Cobalt's compensation and benefits approach is designed to attract, retain, and motivate a talented workforce that delivers exceptional performance in achieving Cobalt's strategies and objectives. Cobalt's total rewards approach is competitively above average to relevant industry market comparisons and is aligned with in-country Total Rewards practices where we operate. For our U.S.-based employees, the Total Rewards Package is made up of base pay, bonus, benefits and Long-term Incentive Plan (LTIP). And, for our Angolan employees, Cobalt offers generous compensation programs in alignment with Angolan Labor Laws to help our team members thrive.

Compensation

We have designed our compensation program to attract and retain highly experienced individuals who have competing opportunities at more established companies, as well as to motivate and reward them for the successful execution of the Company's business plan. We currently have a market-based compensation program, in which we compare our compensation programs and benchmark jobs through compensation surveys matching our jobs to similar jobs in companies within our industry.

At the beginning of each year, Cobalt's executive team develops annual corporate Key Performance Indicators (KPIs) that are deemed critical to our success and these are approved by the Board of Directors. After the Board approves the KPIs, they are communicated throughout the organization to ensure that every team and every individual understands them and sets objectives that support the delivery of Cobalt's KPIs. Early in the following year, the Board evaluates the organization's performance against these KPIs to determine the level of bonus payout for the organization. Simply put, the Board will determine the bonus pool based on the level of performance against the established KPIs.



We hire superior employees expecting them to deliver superior performance and we reward outstanding contributions appropriately. One critical factor in maintaining competitive compensation is by way of our performance management process, which enables an individual's extraordinary performance to be rewarded in alignment with his/her individual impact to Cobalt's success.

The performance management process begins with every employee understanding the annual Cobalt KPIs and then, with support from his or her supervisor, setting individual fit-for-purpose goals. Individual goals are aligned to delivering team goals that in the aggregate will deliver Cobalt's KPIs. Employees draft individual goals and agree to them with their supervisors in March. At mid-year, employees have a performance check-in with their supervisors to validate delivery is on track and to confirm or adjust the priorities for the second half of the year. Finally, at the end of the year, every employee, with input from his or her supervisor, summarizes what was delivered throughout the year.

OUR PEOPLE

As our business grows, Cobalt increases the development of competency and continued training for our Angolan and U.S.-based employees. We are fully committed to investing in employee development through individual annual progressive training plans that are developed, implemented and results measured. When our shareholders benefit, our employees benefit.

Benefits

Cobalt understands the importance of the maintenance and improvement of health for our employees and their families so we offer a variety of benefits. Eligible participants in Cobalt's health and welfare plan have the opportunity to take part in comprehensive health coverage and income protection benefits, which may include:

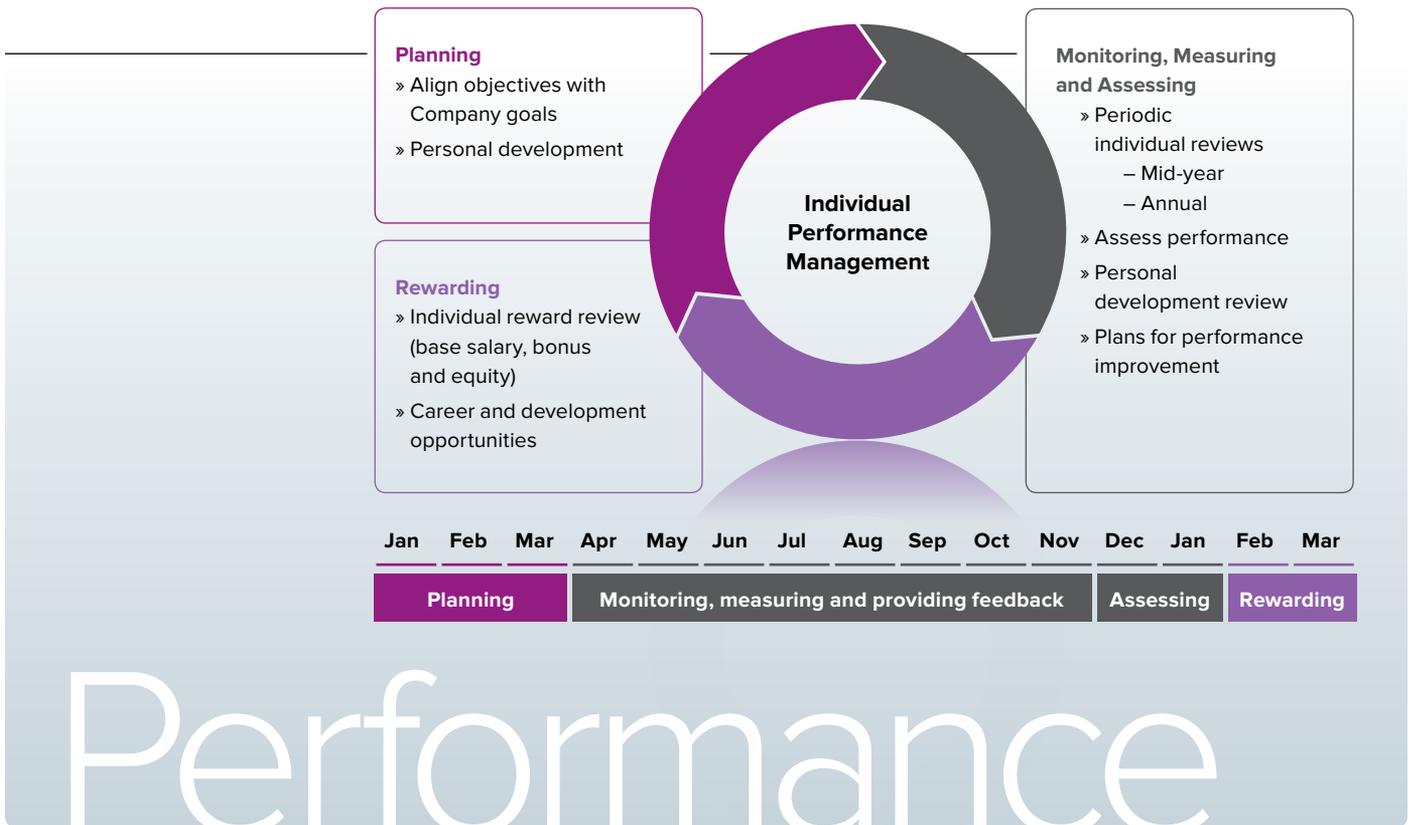
- » Medical
- » Dental
- » Vision
- » Flexible Spending Accounts
- » Health Savings Accounts
- » Basic and voluntary life insurance
- » Accidental death and personal loss (AD&PL)
- » Short term and long term disability benefits
- » Employee assistance program
- » A variety of additional voluntary benefits

Employees are encouraged to select the benefits that best fit their lifestyle and individual or family needs.

Local Hiring, Diversity and Equal Opportunity Employment

As an equal opportunity employer, Cobalt does not discriminate against any person because of their race, color, creed, religion, gender, pregnancy, national origin, disability, age, genetic information, sexual orientation, veteran status, or any other characteristic protected by state, federal, or local law. Cobalt provides equal employment and advancement opportunities to all employees based on merit, qualifications and ability. We are unwavering in our commitment to further progress Angolanization and continue to implement an active and diverse global sourcing for high talent nationals.

Cobalt complies fully with the Americans with Disabilities Act (ADA), applicable state law and the Angola Labor Law to ensure that equal opportunity in employment for qualified individuals is provided. Cobalt's Diversity and Equal Opportunity Employment policy has the full support of Cobalt's management, including the Chairman and Chief Executive Officer. While we do not participate in collective bargaining agreements, Cobalt seeks to have a workforce that clearly reflects the markets in which we operate.



OUR PEOPLE

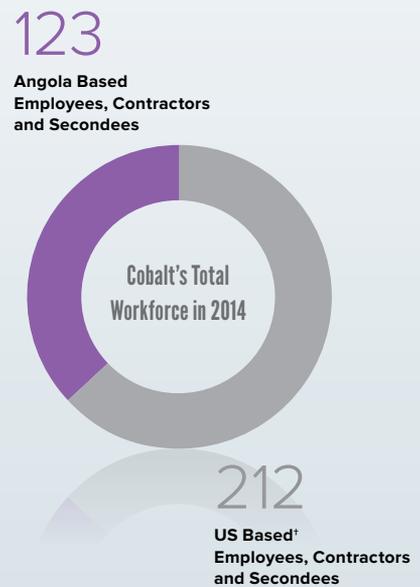
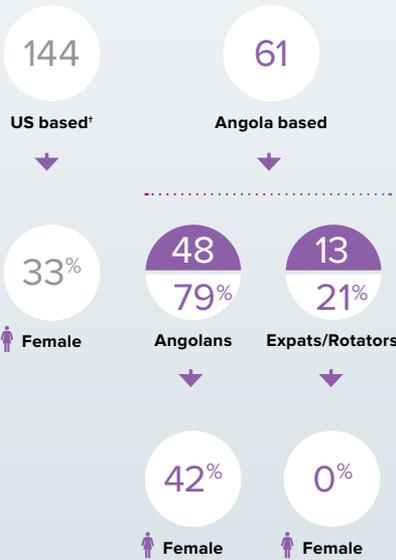
HUMAN RESOURCES DATA



Employees
(61% of overall workforce)

Contractors/Secondees
(39% of overall workforce)

Cobalt's total workforce in 2014



US EMPLOYEE STATISTICS*

	Female	Minority
Executives	18.18%	0%
First/Mid-level Managers	19.05%	14.29%
Professionals	32.69%	22.12%
Administrative Support	100.0%	14.29%
TOTAL	32.87%	18.88%

EMPLOYEE AGE GROUP STATISTICS**

	Angola	US	Total
Below 30	9	3	12
30-50	36	68	104
51 and over	5	84	89
TOTAL	50	155	205

* We are unwavering in our commitment to further progress Angolanization and continue to implement an active and diverse global sourcing for high talent nationals.

**US expatriates are included in the US number, regardless of work location. Other expatriates are included in the Angola number.

Workforce

OUR PEOPLE

Professional Opportunities

Many of our employees are actively involved with area universities as a means of fostering and maintaining relationships with students who have active interest in the Oil & Gas industry. By way of these relationships and even in the absence of a formal internship program, we have been able to grant internship opportunities to area students as a means to explore their interests in the industry.

Cobalt has partnered with the IPAA/PESA Petroleum Academies, which are part of the Houston Independent School District, to participate in their Science, Technology, Engineering and Math (STEM) programs for high school students. Additionally, Cobalt sponsors and mentors students involved in the All-Earth EcoBot Challenge, which is an engineering and technology-based after-school program in the Houston area.



“It is vital that young people, including young women and minorities, are encouraged to consider the abundant and diverse career opportunities that our industry provides so that they can prepare themselves for these exciting career opportunities. This industry offers a bright jobs future and it is important for all of us to share this message.”

– Lynne Hackedorn, VP of Government & Public Affairs

IPAA/PESA Guest Speaker Series



James Painter, Executive Vice President, speaks with a group of freshmen at the IPAA/PESA Milby Academy.

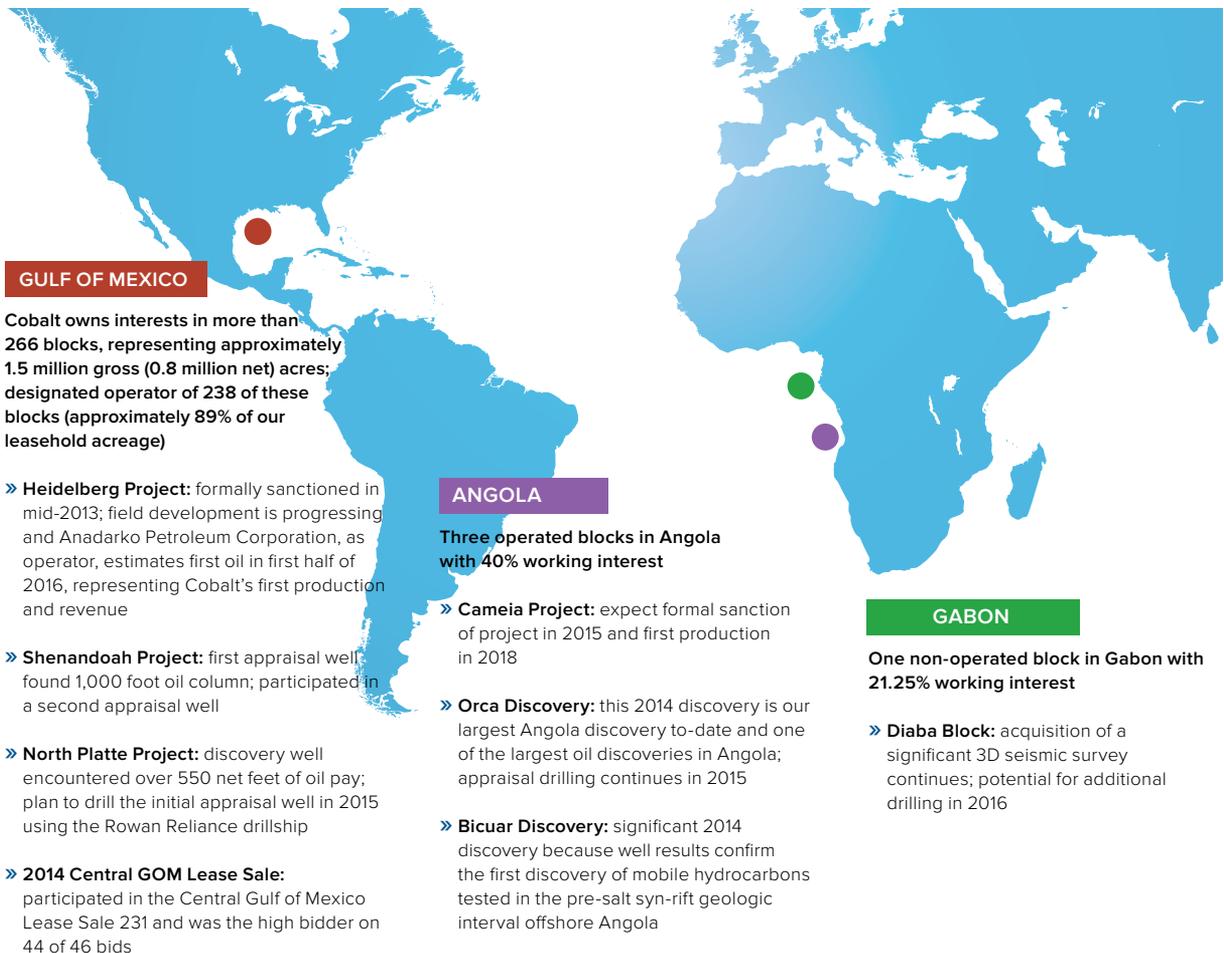


Jim Geary, Senior Geologist for Cobalt's West Africa Exploration, gives a presentation to freshmen students at Westside Academy as part of the IPAA/PESA Guest Speaker Career Series.

OPERATIONAL SNAPSHOT

Focusing on just these few key deepwater basins has produced exceptional drilling success in the Company's core areas. This discriminating "first mover" approach has led to the acquisition of a number of key leases and licenses, putting Cobalt in competition with the world's biggest oil companies.

OUR DIVERSE OPERATING AREAS



OPERATIONAL SNAPSHOT

Our World-Class Operations

are possible by setting lofty goals, achieving outstanding performance and delivering on our promises. At Cobalt, we have always believed that maximum shareholder value is created with the exploration drill bit. Simply stated, we want to be the first to recognize new deepwater exploration plays, acquire significant acreage positions, then proceed with the detailed exploration work, which culminates in drilling exploration wells. There are no shortcuts in this process. It takes vision, confidence, and discipline to set a course for wells that will not be on the drilling schedule for several years.

During 2014 we began laying the foundation for our next wave of exploration prospects that will mature toward the end of this decade. We are actively evaluating exploration opportunities around the world which are aligned with our core strengths centered on high potential, high value, oil-focused deepwater exploration.

Our World-Class Performance

means we are able to achieve more, with less capital, while never compromising our safety or environmental standards. Cobalt reached a milestone in 2013 by joining our partners in sanctioning our Heidelberg discovery and booking Cobalt's first proved reserves, which will be producing in 2016. When this oil and gas starts flowing, we will have achieved what many thought impossible—moving from an aspirational business plan to producing oil and gas in deepwater organically in ten years.

Additionally, we made two significant discoveries at the beginning of 2014. In January we announced our Bicular #1A discovery in Block 21 offshore Angola. This discovery was particularly important because it was the first syn-rift discovery, a new geologic horizon that holds great potential for further pre-salt exploration. Bicular represented our fourth consecutive discovery in Angola's Kwanza Basin. In addition, in February we followed up Bicular's January success by announcing that our Orca #1 exploration well in Block 20 also offshore Angola resulted in our fifth significant Angolan oil discovery. Beyond these five discoveries in Blocks 20 and 21 we have numerous additional prospects in our Angolan inventory, as well as a number of appraisal wells that we will drill on our discoveries.

We are actively pursuing the sanction of our Cameia project with our Block 21 partner, and once sanctioned, we will embark on the development of Cameia in order to achieve first production from this field later in this decade.

In the Gulf of Mexico, our successful Inboard Lower Tertiary Shenandoah appraisal and North Platte discovery wells are significant because they reduce the geologic risk in several additional prospects Cobalt owns in the Inboard Lower Tertiary trend. We and our partners are working to advance both Shenandoah and North Platte through the appraisal phase, and while this work is required of both Shenandoah and North Platte, we remain very excited about the potential of these fields.

As of December 31, 2014, Cobalt's estimated net proved undeveloped reserves totaled 8.4 MMBbbls of oil and 3.7 Bcf of natural gas. All of our proved reserves are attributable to our interest in the Heidelberg field in the U.S. Gulf of Mexico.

Estimated Net Proved Reserves as of December 31, 2014

	Oil (MMBbbls)	Natural Gas (Bcf)	Total (MMBOE)
Proved Developed	0	0	0
Proved Undeveloped	8.4	3.7	9.0

OPERATIONAL SNAPSHOT

Our 2014 Annual Report on Form 10-K contains these consolidated financial statements as well as other pertinent financial information. Please visit www.cobaltintl.com to view this document.

Results of Operations

We operate our business in two geographic segments: the U.S. Gulf of Mexico and West Africa. The discussion of the results of operations and the period-to-period comparisons presented below for each operating segment and our consolidated operations analyzes our historical results. The following discussion may not be indicative of future results.

Fiscal Year ended December 31, 2014 as compared to year ended December 31, 2013:

	Year Ended December 31,		Increase (Decrease)	Percentage Change
	2014	2013		
	(\$ in thousands)			
U.S. Gulf of Mexico Segment:				
Oil and gas revenue	\$ —	\$ —	\$ —	—%
Operating costs and expenses				
Seismic and exploration	31,531	48,688	(17,157)	(35)%
Dry hole expense and impairment	133,223	207,039	(73,816)	(36)%
General and administrative	71,767	72,777	(1,010)	(1)%
Depreciation and amortization	1,693	1,328	365	27%
Total operating costs and expenses	238,214	329,832	(91,618)	28%
Operating income (loss)	(238,214)	(329,832)	(91,618)	28%
West Africa Segment:				
Oil and gas revenue	\$ —	\$ —	\$ —	—%
Operating costs and expenses				
Seismic and exploration	54,036	25,525	28,511	112%
Dry hole expense and impairment	103,707	144,011	(40,304)	(28)%
General and administrative	43,093	32,770	10,323	32%
Depreciation and amortization	2,891	546	2,345	429%
Total operating costs and expenses	203,727	202,852	875	0%
Operating income (loss)	(203,727)	(202,852)	875	0%
Consolidated Operations:				
Oil and gas revenue	\$ —	\$ —	\$ —	—%
Operating costs and expenses				
Seismic and exploration	85,567	74,213	11,354	15%
Dry hole expense and impairment	236,930	351,050	(114,120)	(33)%
General and administrative	114,860	105,547	9,313	9%
Depreciation and amortization	4,584	1,874	2,710	145%
Total operating costs and expenses	441,941	532,684	(90,743)	(17)%
Operating income (loss)	(441,941)	(532,684)	(90,743)	(17)%
Other income (expense)				
Gain (loss) on sale of assets	(12)	2,993	(3,005)	(100)%
Interest income	5,958	6,043	(85)	(1)%
Interest expense	(74,768)	(65,376)	9,392	14%
Total other income (expense)	(68,822)	(56,340)	12,482	22%
Net income (loss) before income tax	(510,763)	(589,024)	(78,261)	(13)%
Income tax expense (benefit)	—	—	—	—
Net income (loss)	\$ (510,763)	\$ (589,024)	\$ (78,261)	(13)%

IPIECA/API/OGP AND GRI INDEX

This report was guided by the Oil & Gas Industry Guidance on Voluntary Sustainability Reporting, a joint publication of IPIECA, the American Petroleum Institute (API) and the International Association of Oil & Gas Producers (OGP) as well as the Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines.

It contains Standard Disclosures from the G4 Guidelines but has not fulfilled all the requirements of either 'in accordance' option and, with the exception of excerpts from our 2014 Annual Report on Form 10-K, has not been evaluated or received external assurance from an independent third party.

This index provides a cross-reference noting where representative IPIECA/API/OGP indicators and GRI disclosures are either fully or partially addressed.

REPORT SECTIONS	IPIECA/API/OGP Indicators	GRI (G4 Guidelines)	PAGE
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