

# Citi 2016 Global Energy & Utilities Conference

NYSE: KOS

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## Cautionary Statements regarding Oil and Gas Quantities

The SEC permits oil and gas companies, in their filings with the SEC, to disclose only proved, probable and possible reserves that meet the SEC's definitions for such terms, and price and cost sensitivities for such reserves, and prohibits disclosure of resources that do not constitute such reserves. The Company uses terms in this presentation, such as "total un-risked resource potential," "total discovered," "net un-risked mean discovered resources," "net un-risked resource exposure," "de-risked plays," "defined growth resources," "de-risked prospectivity," "discovered resources," "potential," "gross resources" and other descriptions of volumes of reserves potentially recoverable that the SEC's guidelines strictly prohibit the Company from including in filings with the SEC. These estimates are by their nature more speculative than estimates of proved, probable and possible reserves and accordingly are subject to substantially greater risk of being actually realized. Investors are urged to consider closely the disclosures and risk factors in the Company's SEC filings, available on the Company's website at [www.kosmosenergy.com](http://www.kosmosenergy.com).

Potential drilling locations and resource potential estimates have not been risked by the Company. Actual locations drilled and quantities that may be ultimately recovered from the Company's interest may differ substantially from these estimates. There is no commitment by the Company to drill all of the drilling locations that have been attributed these quantities. Factors affecting ultimate recovery include the scope of the Company's ongoing drilling program, which will be directly affected by the availability of capital, drilling and production costs, availability of drilling and completion services and equipment, drilling results, agreement terminations, regulatory approval and actual drilling results, including geological and mechanical factors affecting recovery rates. Estimates of reserves and resource potential may change significantly as development of the Company's oil and gas assets provides additional data.

**Financial Strength to Create Value Through the Cycle**

**High-Quality, Growing Cash Flow from Ghana**

**Opened a World-class basin in Mauritania / Senegal with  
Significant Oil and Gas Potential**

**Continuing to High-Grade Exploration Portfolio  
in a Time of Opportunity**

# Financial Prudence

*Built financial strength over last five years, entering downturn in strong position*

## Substantial liquidity

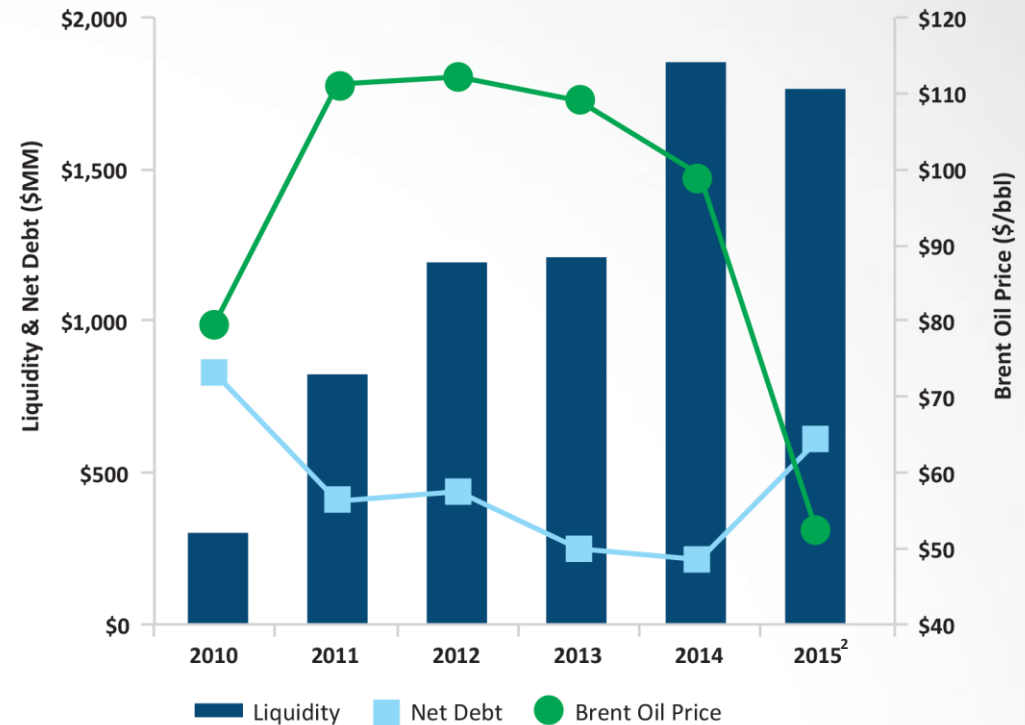
- \$1.5 Bn available<sup>1</sup>
- No near-term debt maturities

## Low leverage<sup>1</sup>

- 1.8x Net debt / LTM EBITDAX

## Disciplined hedging program

- MTM value of ~\$185MM<sup>1</sup>



1.) As of March 31, 2016

2.) As of December 31, 2015

*2016 capital program focuses on growing cash flow from Ghana, maximizing value of Tortue and finding oil in Mauritania / Senegal, and high-grading exploration portfolio*

## Ghana Capex

- TEN project to first oil
- Jubilee FPSO integrity

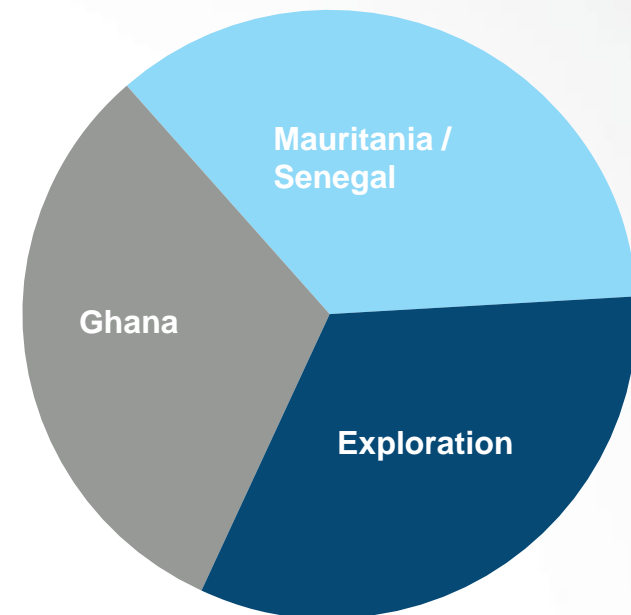
## Mauritania / Senegal Capex

- Greater Tortue appraisal
- Senegal oil exploration
- Mauritania / Senegal seismic

## Exploration Capex

- Suriname seismic
- Sao Tome entry
- Rig management

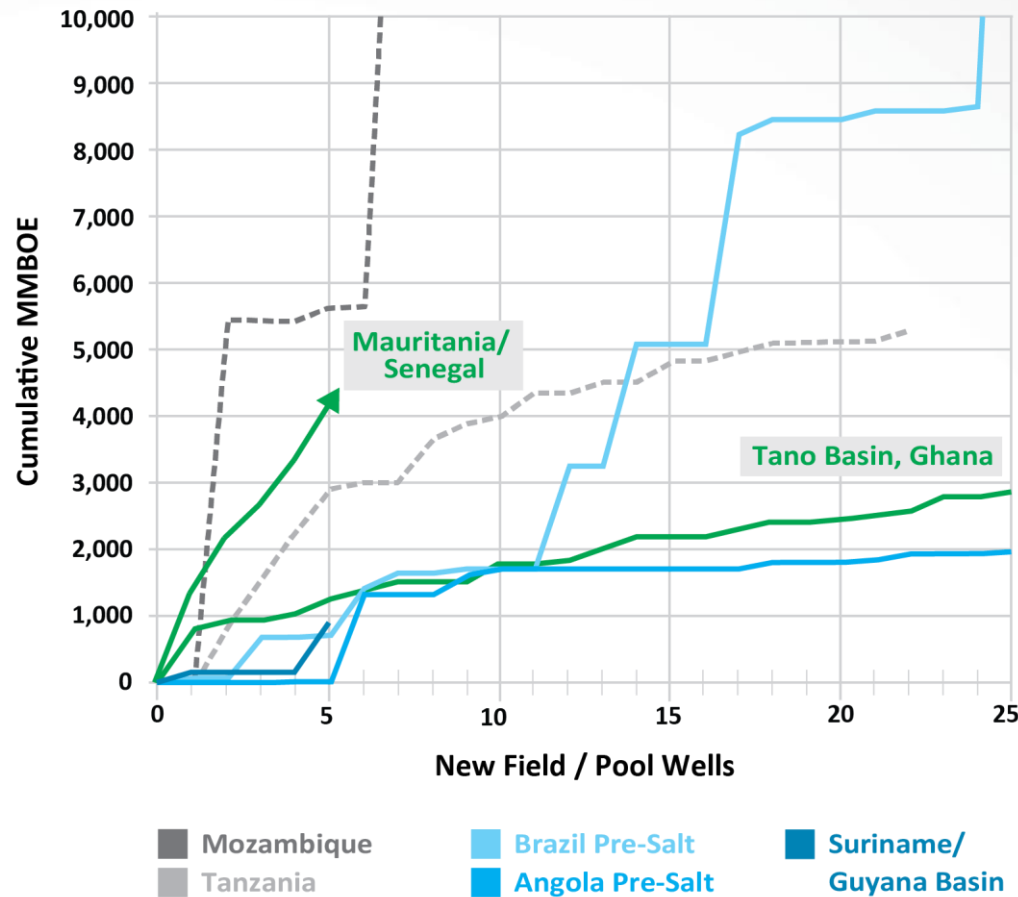
**2016 Capital Budget  
\$650MM**



# Industry Leader in Basin-Opening Exploration

*Over the last decade, Kosmos has opened two new petroleum systems with significant follow-on potential along the Atlantic Margins*

## Discovered Resources by Basin



# Tano Basin – Ghana

*Foundation asset continues to demonstrate world-class quality with growing cash flow*

## Ghana asset provides growth with high margin

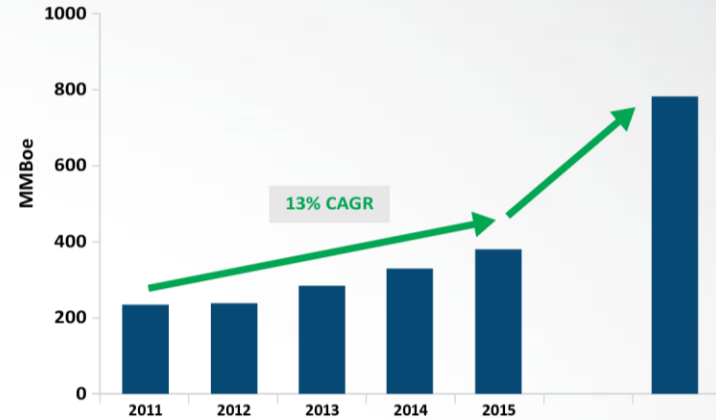
- Sustained >100% reserve replacement
- TEN expected to increase gross production by ~80 Mbopd in 2017
- High-margin Jubilee cash flow with low opex

## Production plateau through 2020+

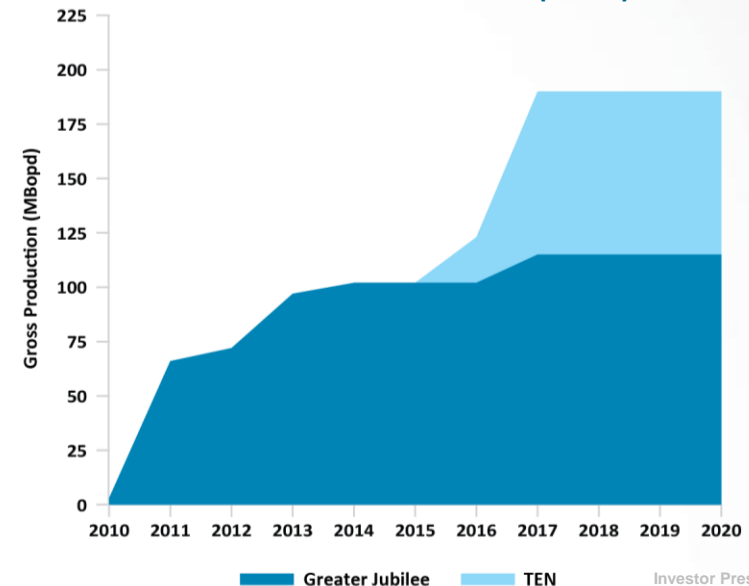
- Submitted Greater Jubilee full field development plan in December 2015

## Growing reserves and production expected to provide free cash flow in 2017+

Jubilee 1P EUR



Ghana Production Outlook (Gross)



# Outboard Mauritania / Senegal

*The outboard Cretaceous petroleum system offshore south Mauritania and north Senegal is a super-major scale hydrocarbon province with a world-class gas resource and substantial follow-on potential for both gas and oil*

## Large Scale

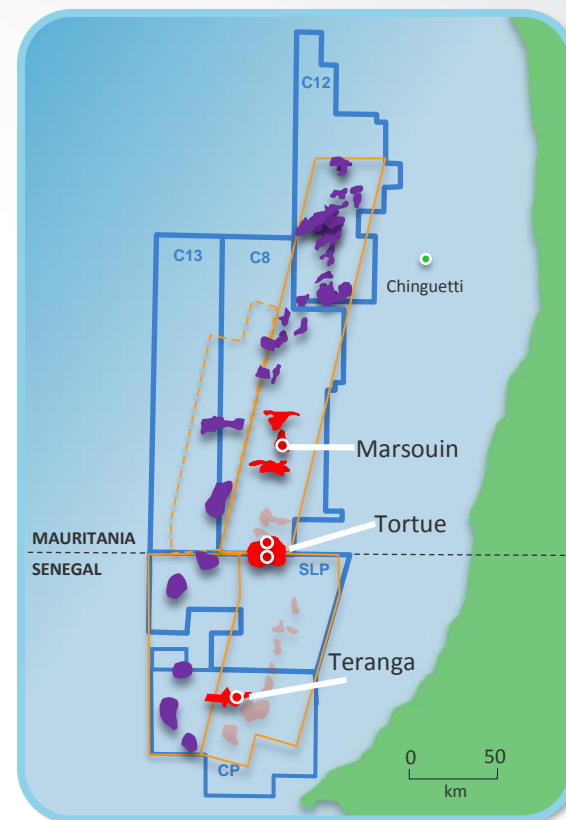
- ~40,000 km<sup>2</sup> acreage position
  - Equivalent to ~1,700 GoM blocks and ~10x the size of original Ghana licenses
  - Average 75% working interest and operatorship

## Early Stage

- Only 4 exploration wells / limited 3D seismic
  - 100% success rate
  - 3 trends tested with ~25 Tcf Pmean gross discovered resource
  - Overall gas resource > 50 Tcf including follow-on exploration on trend

## De-risked

- Proven petroleum system
  - Multiple prolific oil and gas source rocks
  - High quality reservoirs
  - Calibrated seismic and AVO tool
  - Untested trends with significant oil / gas potential



3D Seismic

Complete

To be Completed

Leads / Prospects

Gas

Oil or Gas

Gas Discovery



# Inboard Senegal River Gas Trend

*~25 Tcf of discovered gas resource along inboard Senegal River fairway of S. Mauritania and N. Senegal with total potential of over 50 Tcf in well-delineated and calibrated sands*

## Charge

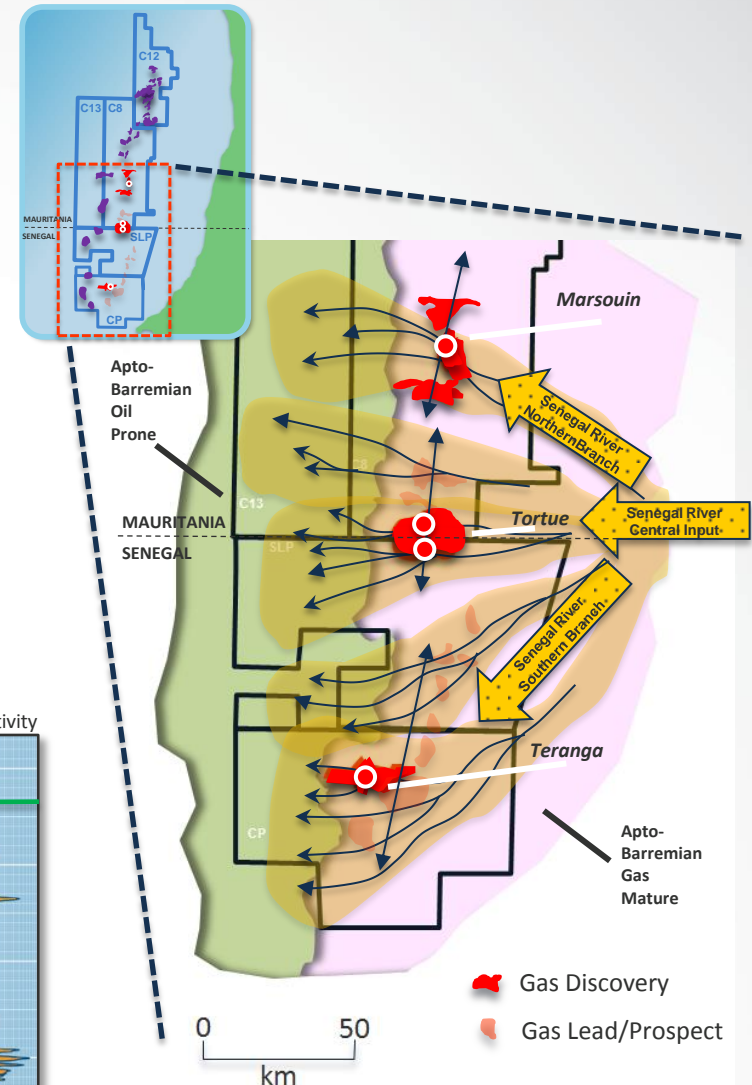
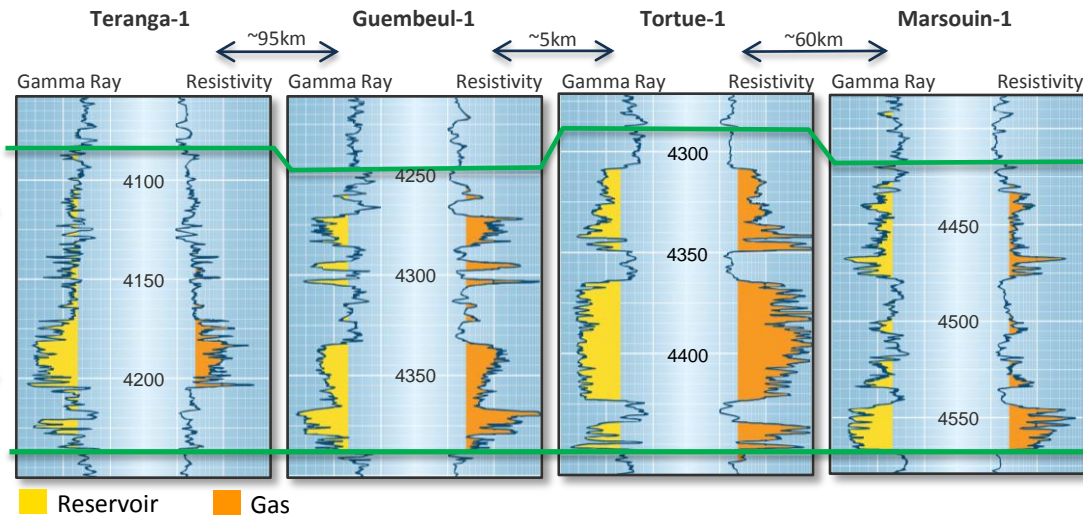
- Apto-Barremian is a major / dominant source system
  - Gas mature along inboard Senegal River fairways

## Reservoir

- Senegal River deepwater reservoir fairway extends ~200 km.
  - Regional presence and continuity
  - Good to excellent quality

## Trap

- Combination structural / stratigraphic traps
  - 3 fairways (including north, central and south) / 3 structural trends tested, proven and calibrated



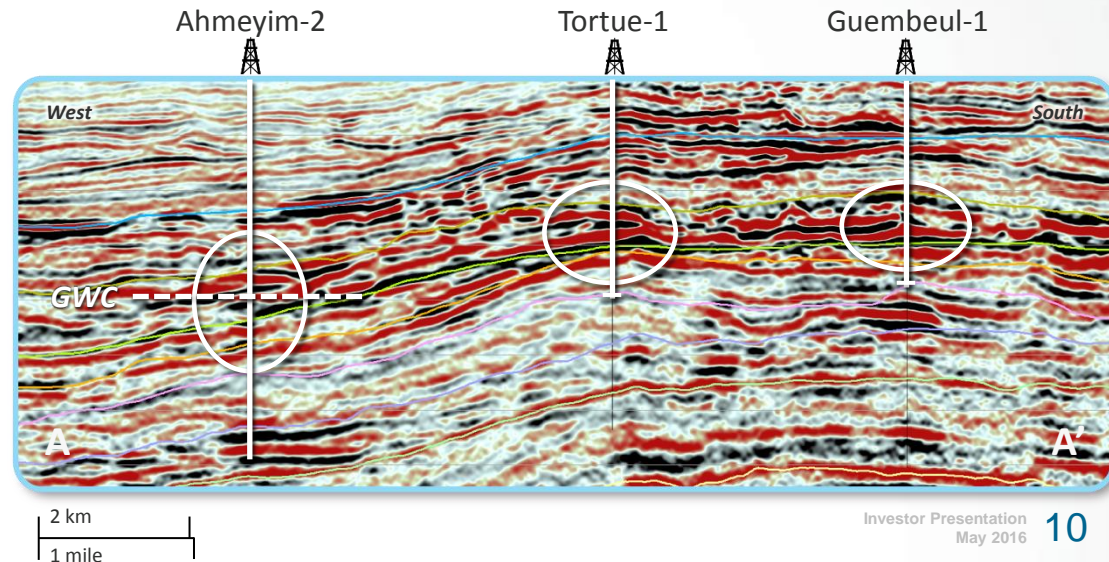
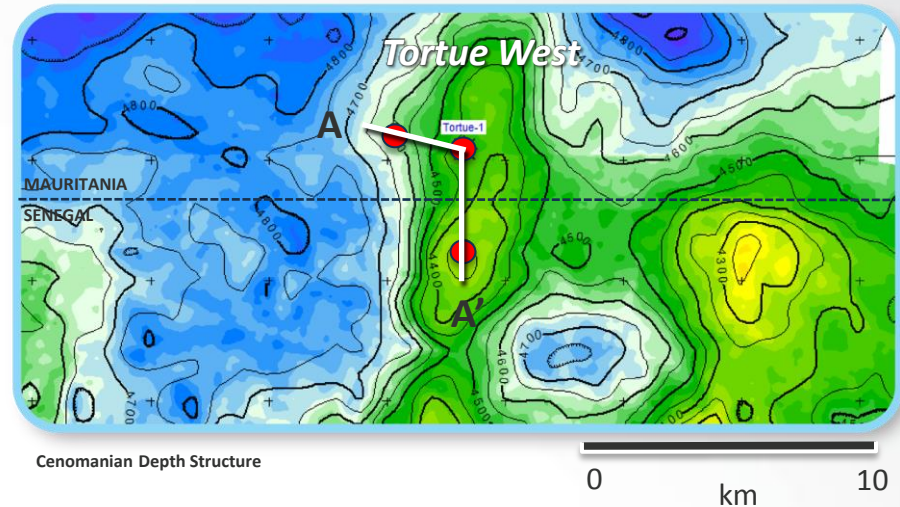
# Tortue Field

*We have delineated the Tortue discovery to define a significant gas resource of ~15 Tcf*

## Well Results

- Tortue-1 & Guembeul-1 encountered >100 meters of net gas pay
  - Ahmeyim-2 encountered 78 meters of net gas pay
- Primary objective Lower Cenomanian
  - High-quality sand reservoirs with high net to gross and good reservoir continuity / connectivity
  - Demonstrated similar fluid and static pressure communication between wells
  - Delineated the down-dip extent of the field and the gas/water contact (GWC)
- Secondary objective Albian
  - Encountered net gas pay in two, high-quality sand reservoirs
  - Calibrated 3D seismic attributes (including AVO) and de-risked deeper Albian exploration potential

**Suggests Tortue West is a single, large gas pool**



# Monetizing Tortue

*Good progress being made both above the ground and below the ground*



## QUALITY RESOURCE



Deliver ~15 Tcf with  
high resource density,  
high well deliverability



## COMPETITIVE FISCAL TERMS



Competitive, flexible  
terms contemplating  
gas discoveries



## SUPPORTIVE GOVERNMENTS



Motivated host  
governments with desire  
to develop resource



## DEVELOPMENT STRATEGY

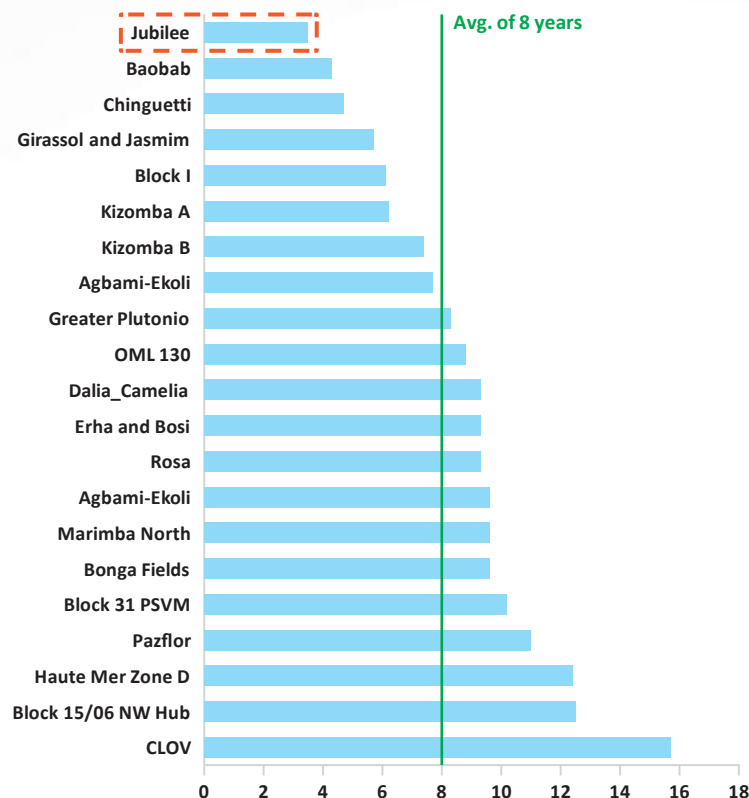


Strategic options are  
being evaluated

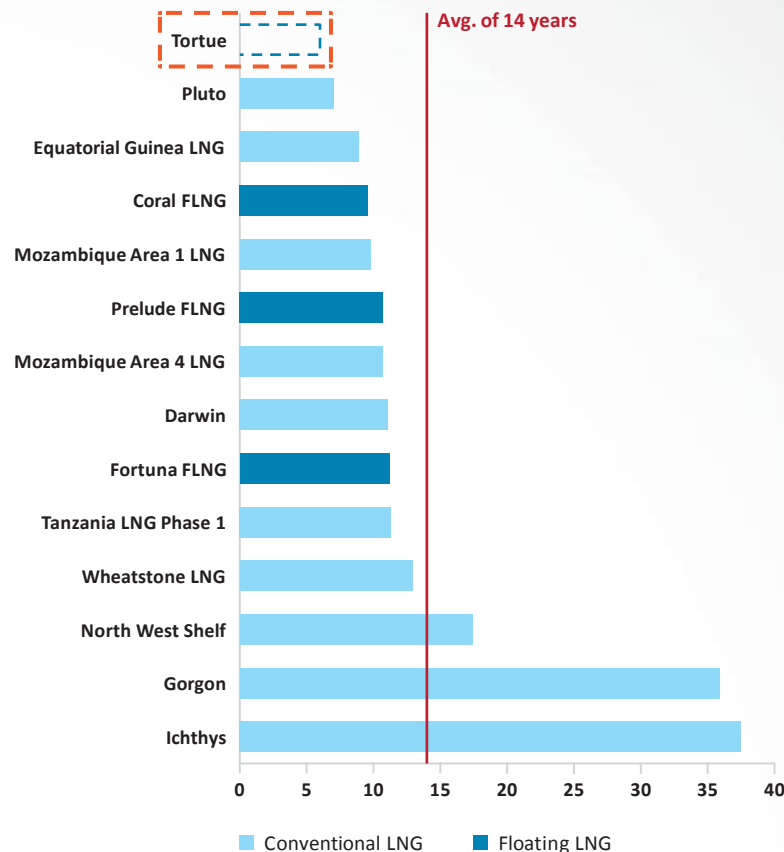
# Development Strategy

*Kosmos' strategy is founded on opening new basins with significant follow-on potential and accelerating to first production*

Discovery to First Oil (years)<sup>1</sup>



Discovery to First Gas (years)<sup>2</sup>



Source: Wood Mackenzie, Offshore Technology, SubseaIQ

1.) African oil discoveries in > 2,500' of water currently on production

2.) African and Australian LNG projects supplied by offshore gas fields, first gas date for non-operational projects based on Wood Mackenzie estimates



# Evolving LNG Market

*Growing LNG demand and innovative technology are changing the LNG market*

## Growing global gas demand

- ~5% growth in LNG demand expected through 2030

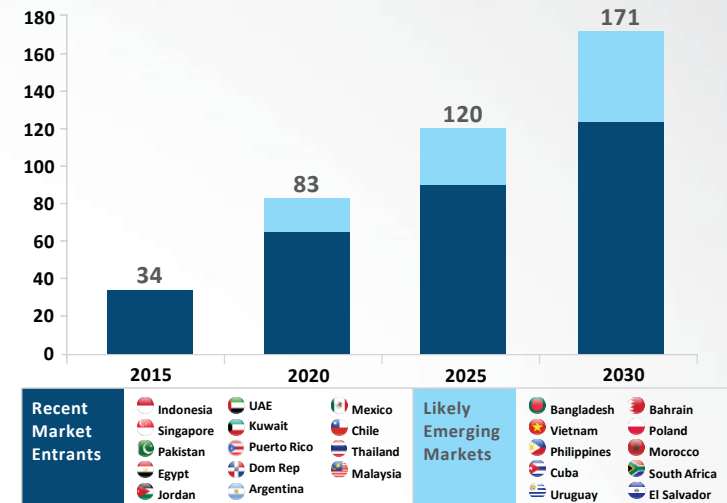
## New entrants to LNG market

- Largest share of global LNG growth to come from recent and emerging LNG buyers

## Evolving Technology

- Floating Storage and Regasification Unit (FSRU) technology providing rapid market penetration to new geographies
- Now make up ~75 MMTPA demand

**LNG Demand by Country for Recent and Likely Market Entrants (MTPA)**



**Number of LNG Importing Countries Incremental Since 2006**

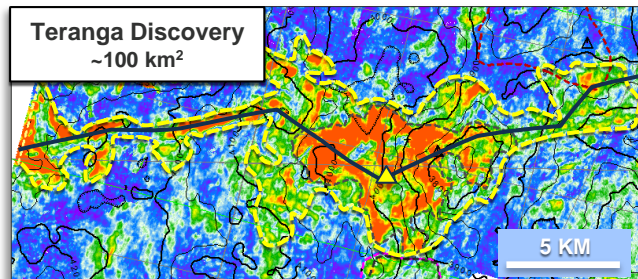


# Teranga-1 Well Results

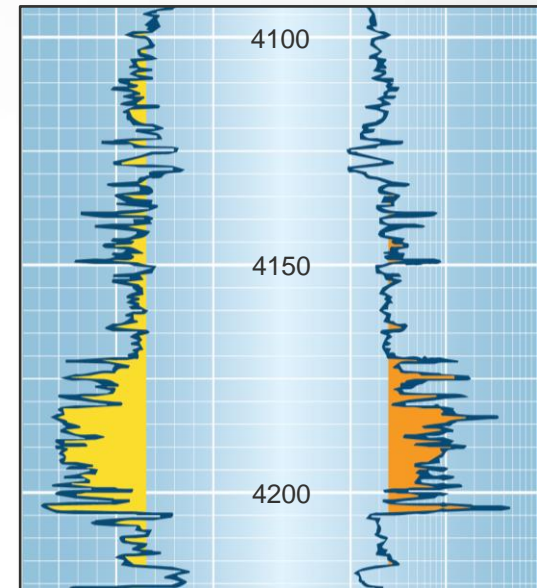
*Teranga is a significant gas discovery which maintains our 100% finding success rate and de-risks follow-on gas potential along the inboard Senegal Trend*

## Discovery Summary

- Resource
  - Pmean: 5 Tcf gross
- Reservoir
  - Good quality Cenomanian reservoir sand channel
- Pay
  - 31 Meters of net gas pay
- Fluid / Pool
  - Lean gas / single hydrocarbon column



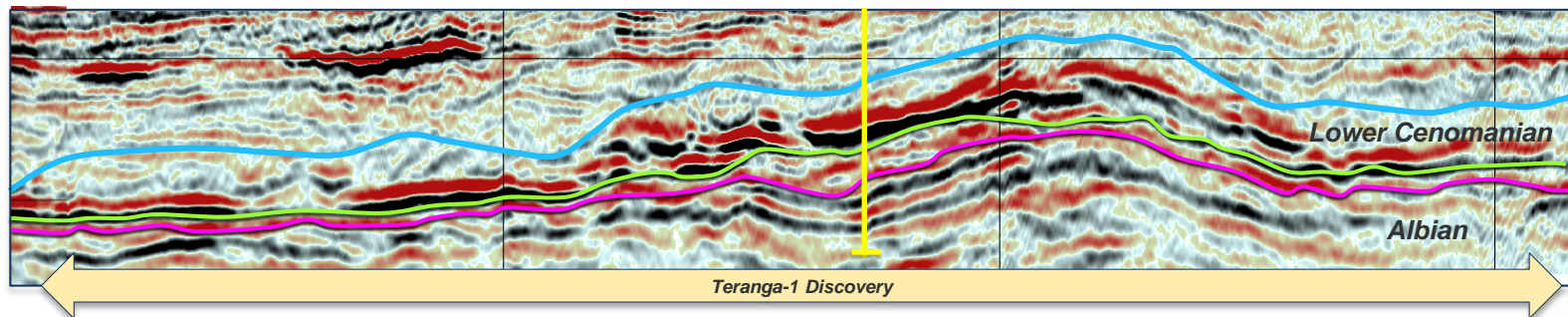
Teranga-1  
Lower Cenomanian  
Gamma Ray      Resistivity



■ Reservoir

■ Gas

Teranga-1



# Forward Program

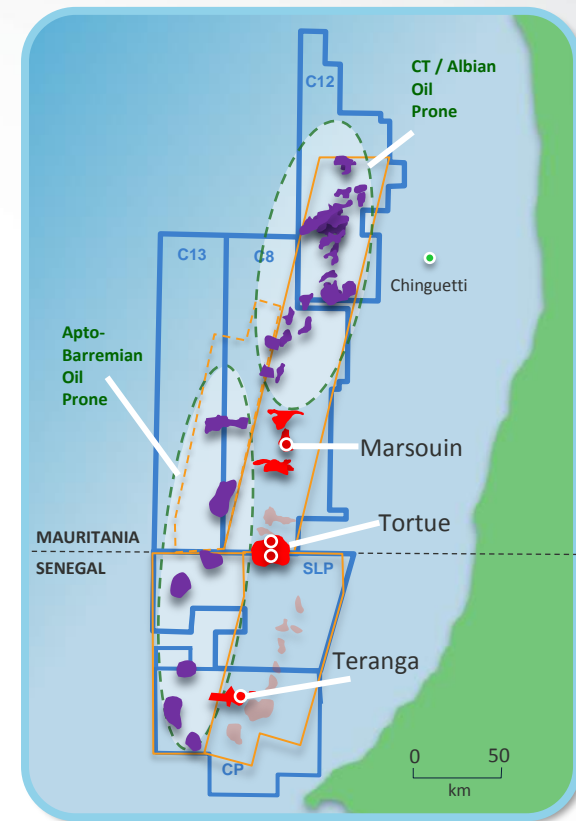
*The forward program will focus on gas commercialization and testing the two other independent fairways with oil potential*

## Seismic

- New 3D seismic acquisition, processing and interpretation ongoing
  - Processing outboard Senegal survey acquired in 1Q '16
  - Acquiring 3D outboard Mauritania in 3Q '16
  - Integrated view by 1Q'17

## Drilling

- Exploration drilling to resume in 2017 to test independent fairways with undrilled oil potential:
  - Outboard Mauritania / Senegal
  - Northern Mauritania



### 3D Seismic

- Complete
- To be Completed

Exploration Focus

### Leads / Prospects

- Gas
- Oil or Gas
- Gas Discovery



# Suriname – Guyana Basin

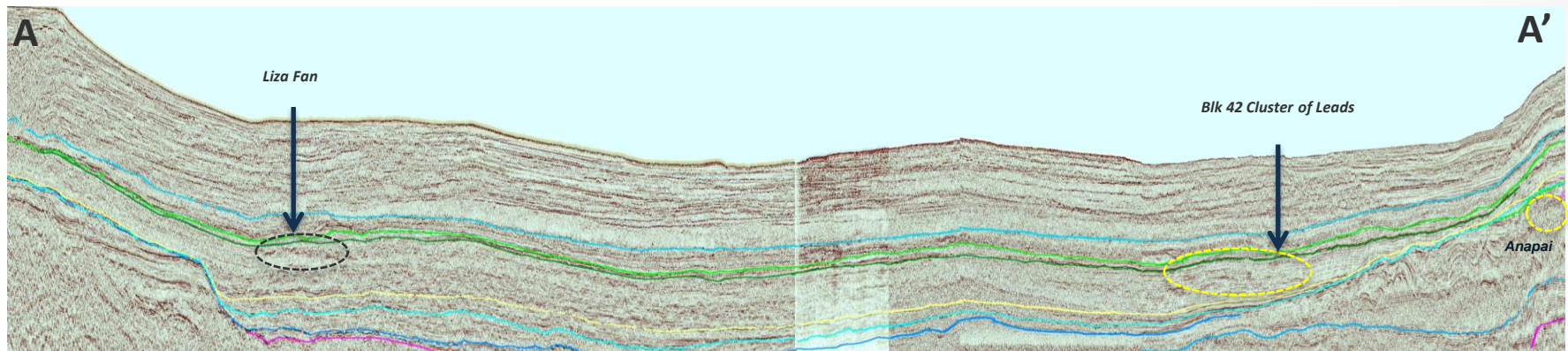
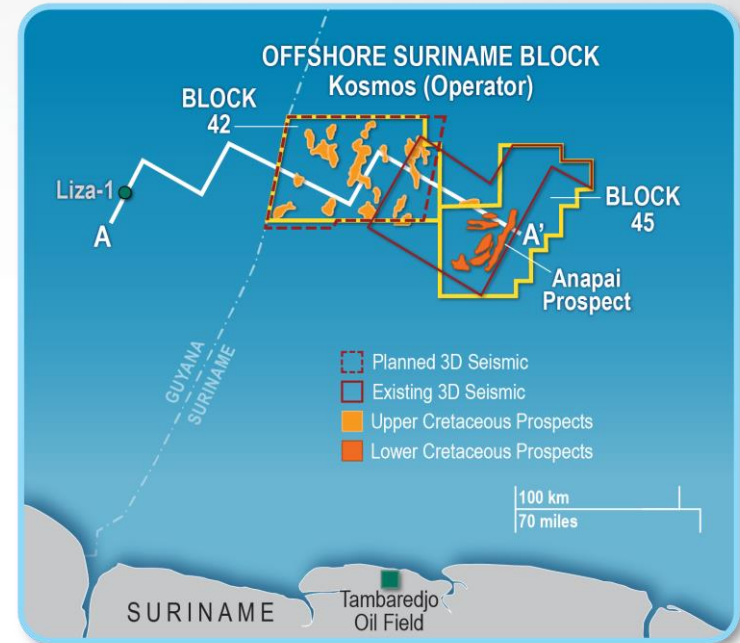
*High-graded basin ready for late 2017 / 2018 drilling*

**~11,000 km<sup>2</sup> position captures Cretaceous-age, outboard Guyana petroleum system (~475 GoM blocks)**

- 1+ BBoe currently identified potential in multiple Deepwater plays / fairways
- Recent oil discovery at Liza-1 validates Upper Cretaceous charge model and partially de-risks analog prospectivity

## Key Prospect – Anapai

- Cretaceous reservoirs trapped in large, structural trap with AVO support





# Opening the Next Petroleum System

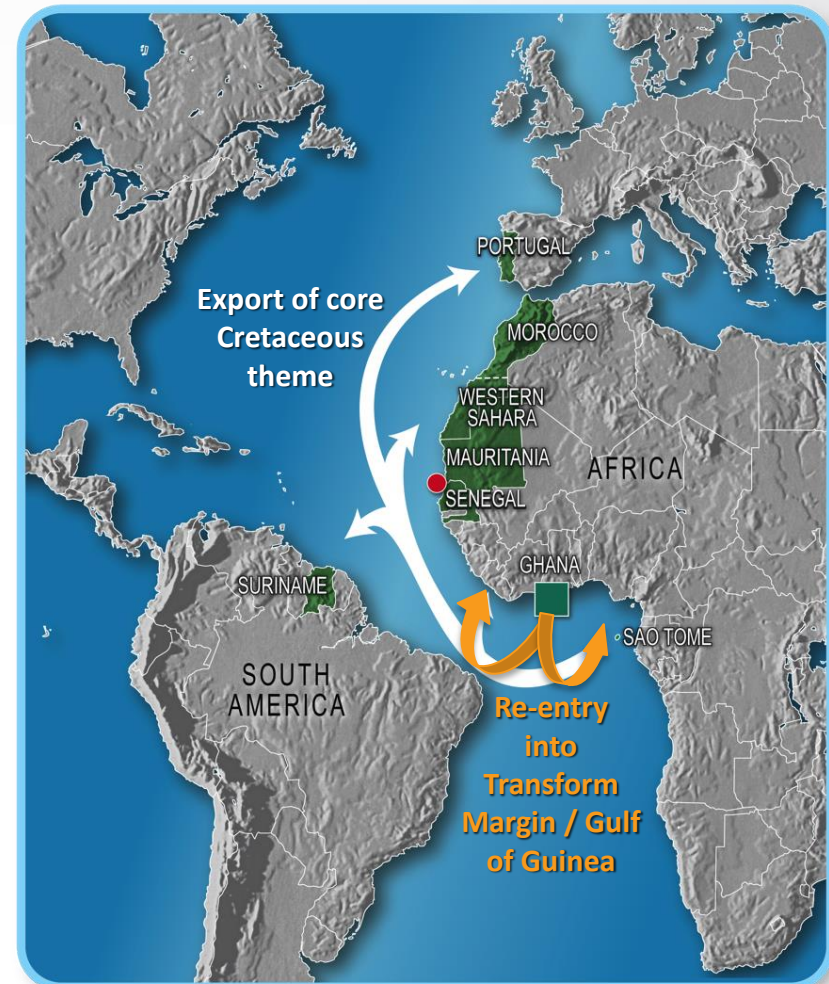
*Consistent with our counter-cyclical strategy, we are continuing to build and high-grade the exploration portfolio to deliver future success at a time of opportunity*

## Current Portfolio

- Taking advantage of deflated 3D seismic market to define and mature existing acreage for drilling

## New Ventures

- Leveraging our knowledge and insights, as well as motivated host governments and reduced industry competition, to identify and capture new exploration opportunities
  - Export of core Cretaceous theme
  - Re-entry into Transform Margin / Gulf of Guinea e.g. Sao Tome
  - New concepts



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