

Mauritania / Senegal Farm-Out

Delivering Visible, Funded Growth

NYSE: KOS

January 2017

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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.

**Demonstrates Kosmos'
Strategy Is Delivering Value**

**Validates Quality and Scale
of Mauritania / Senegal Basin**

**Defines Path to Production
for Tortue Gas**

**Delivers Near-Term Transformational
Exploration Catalysts**

**Enhances Free Cash Flow
and Strengthens Balance Sheet**

Mauritania / Senegal Farm-Out

Transformative transaction effectively funds 100% of Kosmos' portion of Mauritania / Senegal expenditures for next several years ¹

Fixed Consideration: \$916 million

- \$162 million up front
- \$221 million E&A carry
- \$533 million Tortue carry

Variable Consideration: Up to \$2 billion

- Structured as a production royalty paid on up to 1 billion barrels of gross liquids capped at \$2/bbl
 - \$1/bbl at \$60/bbl Brent ³

✓ Simple, Aligned Partnership

- Kosmos retains exploration operatorship
- BP development operator bringing deepwater experience and LNG development / marketing expertise ²

✓ Advances Tortue Development

- World-class Tortue project will target FID by 2018 and first gas in ~2021

✓ Firm Exploration Program

- Three exploration wells in 2017 to delineate the basin
- Focused on outboard prospects with liquids potential

✓ Received approval from Mauritanian Government

- Farm-out of Mauritania Blocks C6, C8, C12, and C13 to BP already completed

	<u>Mauritania</u>		<u>Senegal</u>	
	Pre-Deal	Post-Deal	Pre-Deal	Post-Deal ⁴
Kosmos	90%	28%	60%	32.51%
BP	0%	62%	0%	32.49%
SMHPM	10%	10%	-	-
Petrosen	-	-	10%	10%
Timis Corp.	-	-	30%	25%

(1) Completion of transaction is expected in the first quarter of 2017 with an effective date of July 1, 2016 and is subject to customary conditions including government approvals

(2) BP is operator of development and production, Kosmos is operator of exploration

(3) Calculated as \$0.0167 per gross barrel produced from eligible discoveries within the Mauritania Blocks (\$0.00875 per gross barrel for discoveries within the Senegal blocks) multiplied by the average price of Brent crude oil during the relevant production quarter

(4) After exercise of an option to acquire an additional 5 percent participating interest from Timis Corporation in consideration for a future carry on a well in Senegal

Kosmos' Strategy is Delivering Value



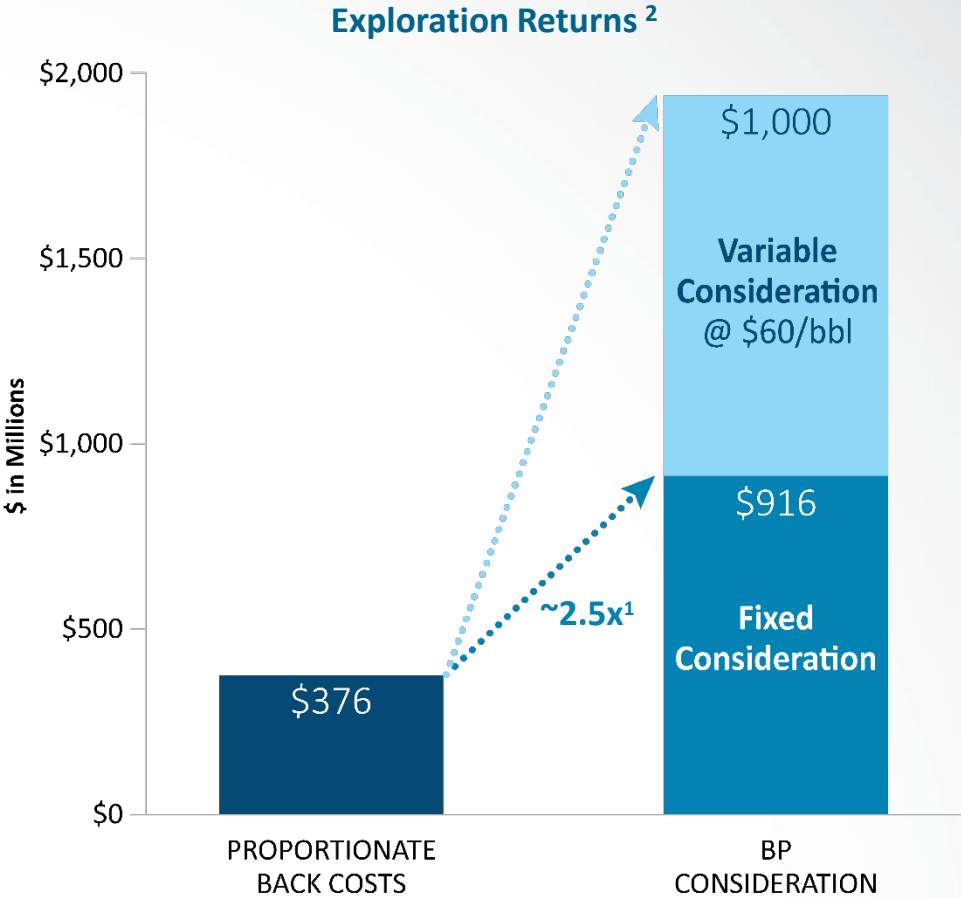
Farm-out transaction demonstrates that frontier exploration can deliver competitive returns when executed correctly

Returns of ~2.5x proportionate back costs¹

- Based solely on fixed consideration reflecting the value of world-class basin opened by Kosmos

Further upside from a material ~30% retained interest and variable consideration

- Future high-impact exploration wells to be funded through E&A carry
- Variable consideration enables Kosmos to benefit from future potential liquids discoveries



(1) Based on \$376MM of back costs (proportionate to BP's acquired interest), undiscounted

(2) Assumes Mauritania discovery

Validates Quality of Mauritania/Senegal Basin **KOSMOS ENERGY.**

The highly competitive farm-out process and BP transaction validates Mauritania / Senegal as potentially one of the largest petroleum systems ever opened along the Atlantic margins

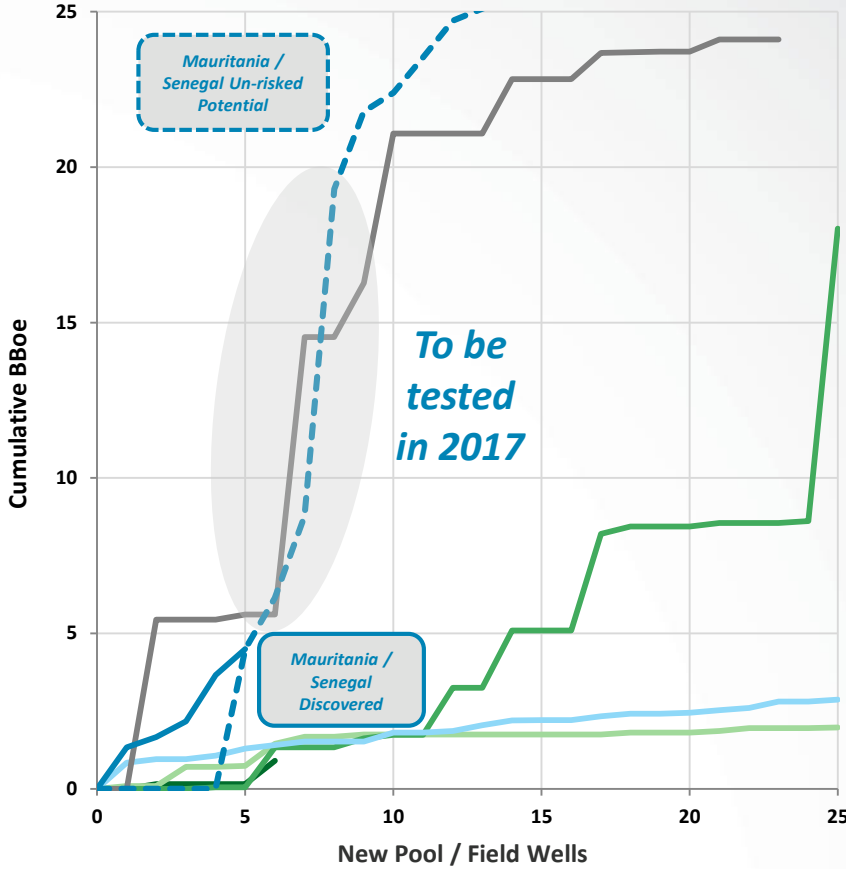
Offers a combination of the large discovered and delineated resource of 25 Tcf and 50 Tcf respectively, as well as significant de-risked exploration upside

- Total resource potential of greater than 25 BBoe gross, including liquids potential

Exclusive exploration partnership entered into with BP to acquire additional acreage in Mauritania and Senegal given shared view of resource potential

- Kosmos remains exploration operator

New Basin Creaming Curve Since 2000



- Mauritania / Senegal Basin
- Ghana Tano Basin
- Mozambique
- Suriname / Guyana Basin
- Brazil Pre-Salt
- Angola Pre-Salt

Source: IHS EDIN, Kosmos Energy

Tortue – Defined Path to Production

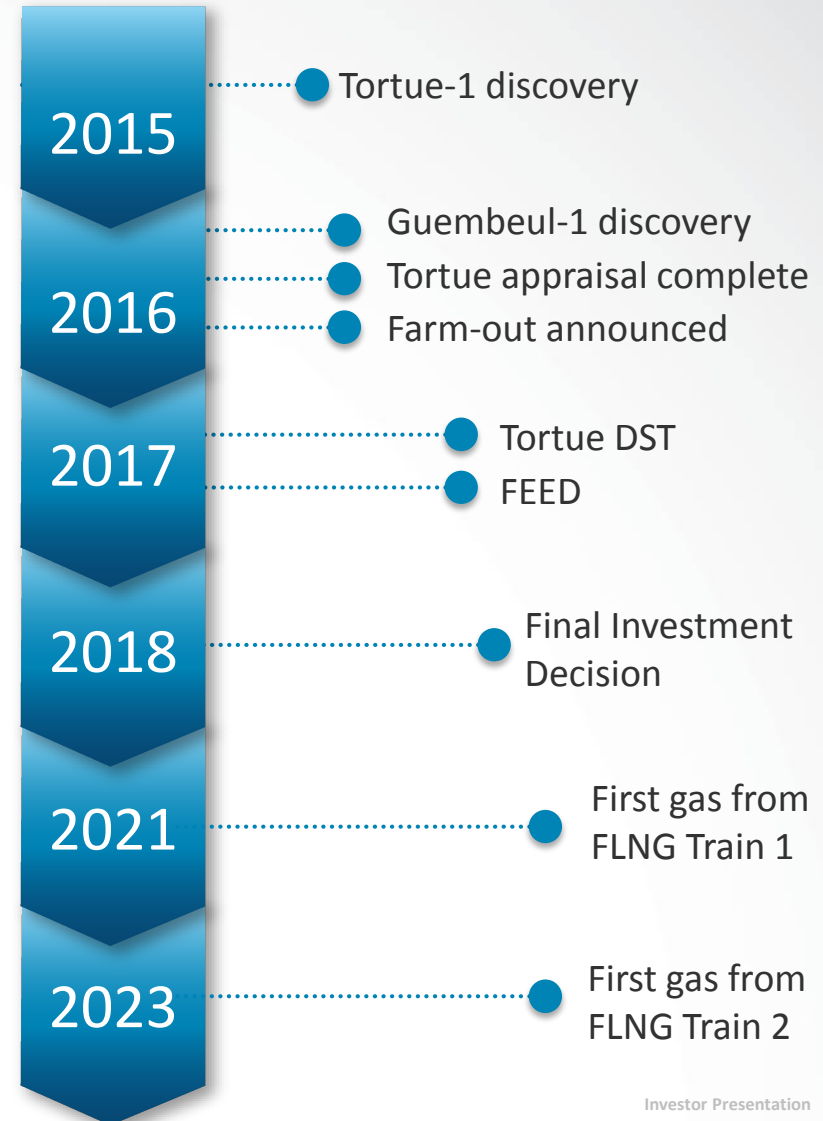
Simple, capable, and aligned partnership with shared vision for basin provides foundation for delivery of funded growth

BP operates development of Tortue project

- Targeting FID by 2018
- First gas expected in ~2021
- Partnership benefits from BP’s extensive LNG marketing expertise

Expected to materially grow Kosmos cash flow with a cost-competitive project largely funded through initial development, with expansion capacity

- Anticipate project breakeven of < \$5 per Mcf



Near-Term Exploration Catalysts

Second phase exploration program with a focus on finding liquids is underway to mature and test up to four prospects on each basin floor fan fairway in Mauritania / Senegal with an aggregate potential of 10-15 BBoe

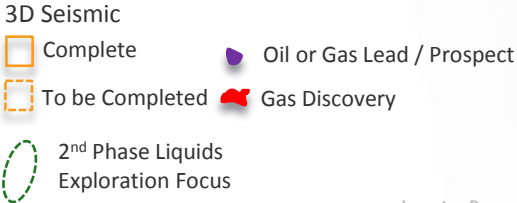
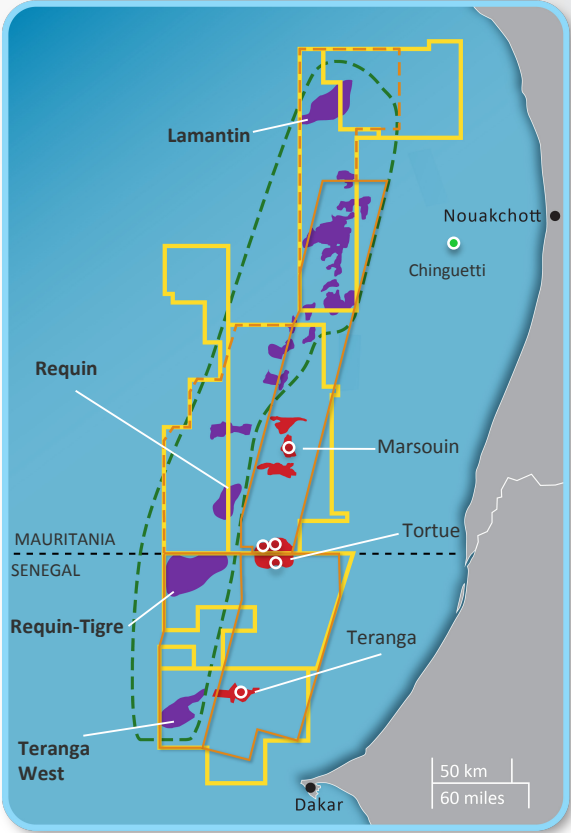
Multiple, new 3D seismic surveys are ongoing to mature and rank the prospect inventory

- Outboard Senegal: Processing near completion
- Outboard Mauritania: Acquisition / early processing

Up to 4 exploration wells to be drilled starting 2Q 2017 through early '18, including 2 in Mauritania and 2 in Senegal. Likely prospects:

- Mauritania: Lamantin / Requin
- Senegal: Requin-Tigre / Teranga West

Plan to utilize Atwood Achiever on 2017 program including first three wells and DST



Enhanced Free Cash Flow Generation



Farm-out creates additional free cash flow generation and strengthens balance sheet

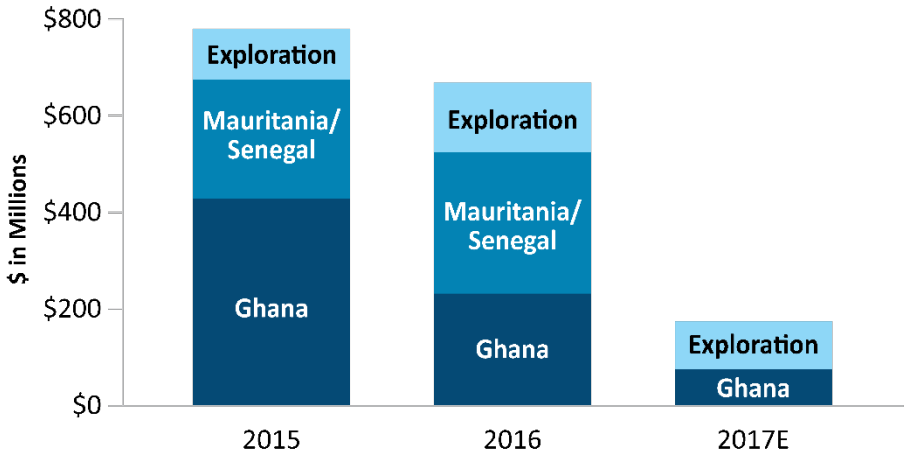
2017 Capex decreasing >75% from 2015

- 2017E Capex budget of \$175 million²

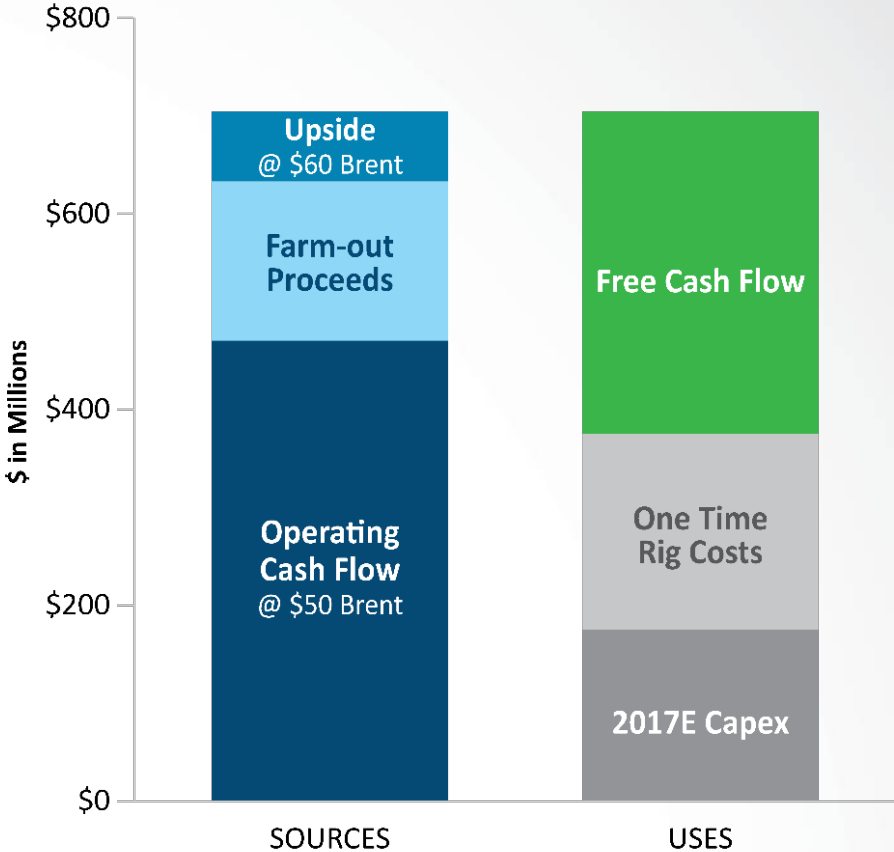
Substantial free cash flow generation

- ~\$250 million at \$50/bbl

2015-2017E Capex



2017E Cash Sources and Uses ¹



(1) Assumes 10 Ghana liftings net to Kosmos
 (2) Net of farm-out proceeds

Growing cash flow in Ghana combined with defined and funded growth in Mauritania / Senegal creates a robust investment opportunity

Growing cash flow in Ghana



- ~50% production growth expected from 2015-17¹
- Expected to generate ~\$500MM of EBITDAX per year through 2020+

Defined Production Growth for Tortue Gas



- Aligned partnership to deliver early gas from Tortue with break-even <\$5/Mcf FOB
- Expect FID by 2018 and first gas in ~2021

Transformational Near-Term Exploration Potential



- Four high-impact tests outboard Mauritania/Senegal targeting liquids starting 2Q 2017
- Maturing multi-well drilling program in Suriname and São Tomé targeting oil in proven oil provinces

Strong Balance Sheet and Free Cash Flow Generation



- Generating substantial free cash flow at \$50/bbl
- Fully carried activity set in Mauritania/Senegal for next several years, including E&A and development
- Strengthening balance sheet with substantial liquidity of ~\$1.2 billion at year-end 2016

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