



# Annual Energy Conference

*Howard Weil*

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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.

# What Differentiates Kosmos?

*An asymmetric risk / reward opportunity*

- Self-Funded Explorer
- World-Class Production / Development Asset in Ghana
- Same Team, Same Exploration Strategy, New Transformational Portfolio



Morocco Coastline



Polarcus Amani

# A Self-funded Explorer

*World-class, de-risked Jubilee field organically funds ongoing development and transformational exploration program*

## Jubilee Production

- Long-life production plateau
- Significant production / reserve growth
- Low cost, efficient operations
- Steady, free cash flow

## Strong Balance Sheet

### Appraisal and Development

- High quality, high value projects
- TEN development underway
- MTA appraisal ongoing

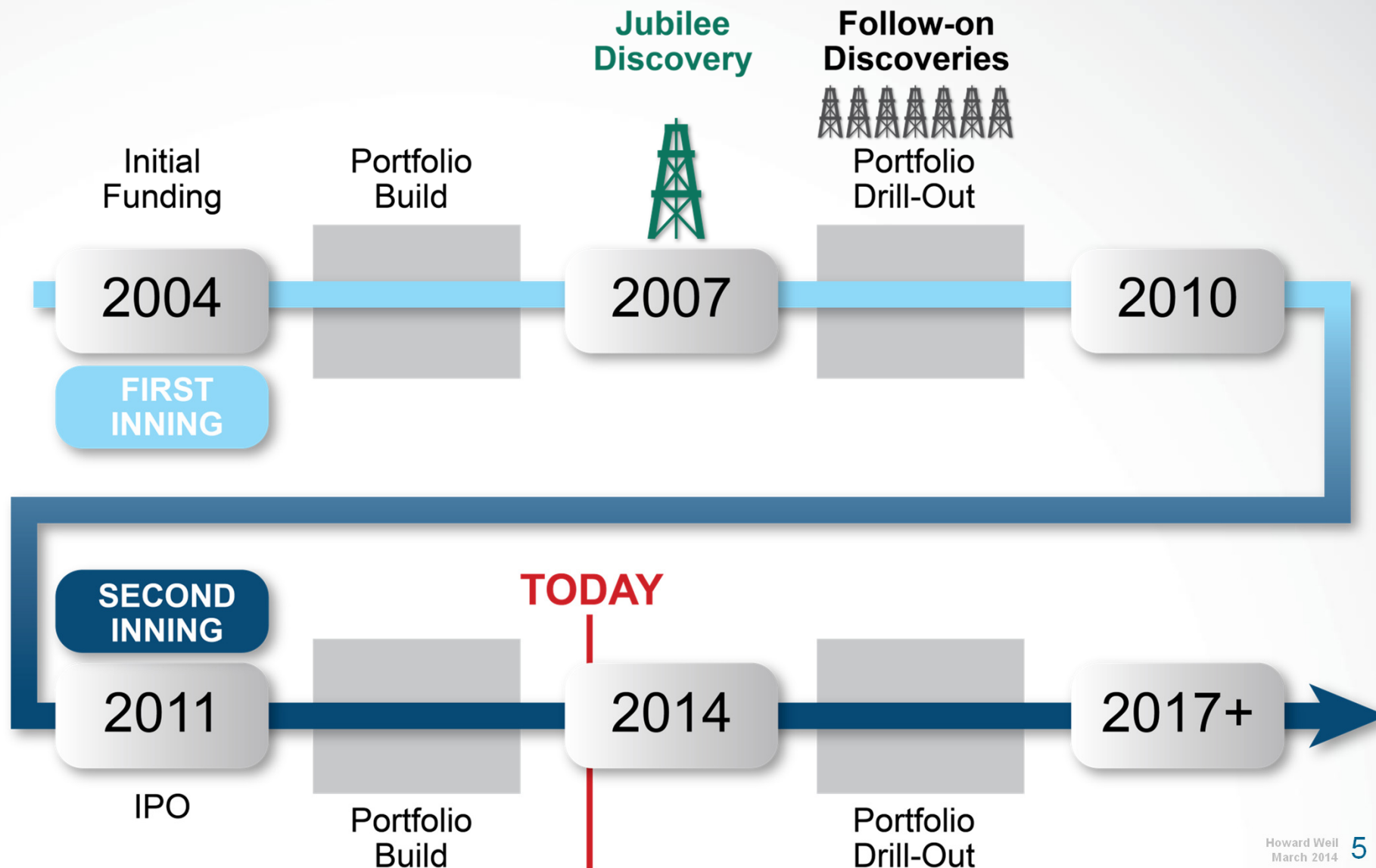
### Exploration

- Executing on high impact portfolio
- Focus on frontier and emerging basins
- Drilling operations ongoing



# Executing the “Second Inning”

*Kosmos poised to potentially create substantial value*



# Ghana Discoveries

## *Kosmos "First Inning" grand slam*

- **Opening the Tano Basin**

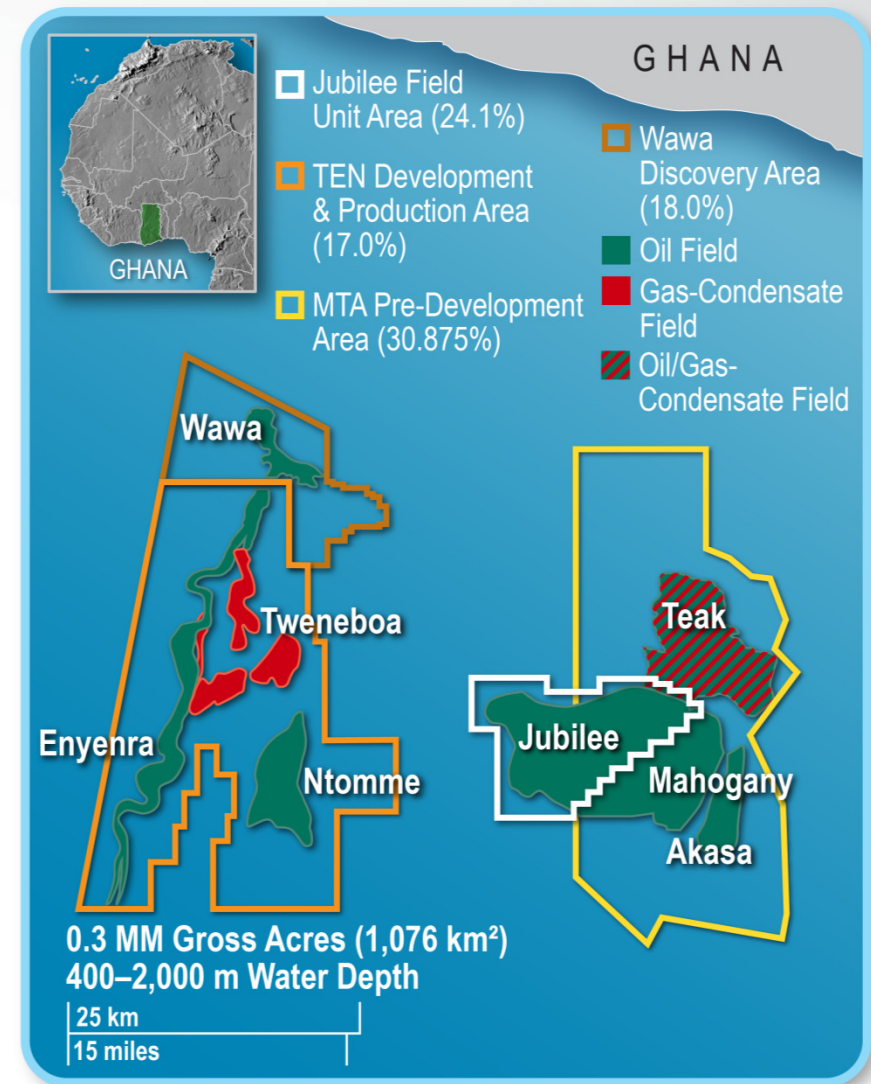
- Architect of the basin-opening Jubilee discovery
- Eight proven hydrocarbon discovery areas
- High value barrels with 2+ to 4 BBO in place
- Secures Company as a self-funded explorer
- Top quartile F&D cost performance

- **Greater Jubilee Area**

- Jubilee reservoir performance outstanding
- Several production enhancement opportunities
- MTA appraisal activity ongoing
- Plateau-extending, high value barrels in MTA
- Long-life production plateau of five to seven years

- **TEN Development**

- Second FPSO-based development in Ghana



# Jubilee Field Summary

## *A world-class, de-risked asset*

- **Field History**

- Discovered in 2007
- First oil late 2010
- Phased development approach
- Produced over 87 MMBO at year-end 2013

- **Strong Reservoir and Field Performance**

- 600+ MMBO recoverable
- 2013 net reserve replacement ratio of 140%
- Growing confidence of higher recovery factors

- **Well Deliverability Exceeds FPSO Capacity**

- Identifying de-bottlenecking opportunities
- Collectively working gas handling initiatives



**Kwame Nkrumah FPSO**



# Appraisal of Greater Jubilee

*High value barrels found in multiple discoveries to be tied back into Jubilee FPSO*

- **Multiple Discoveries**

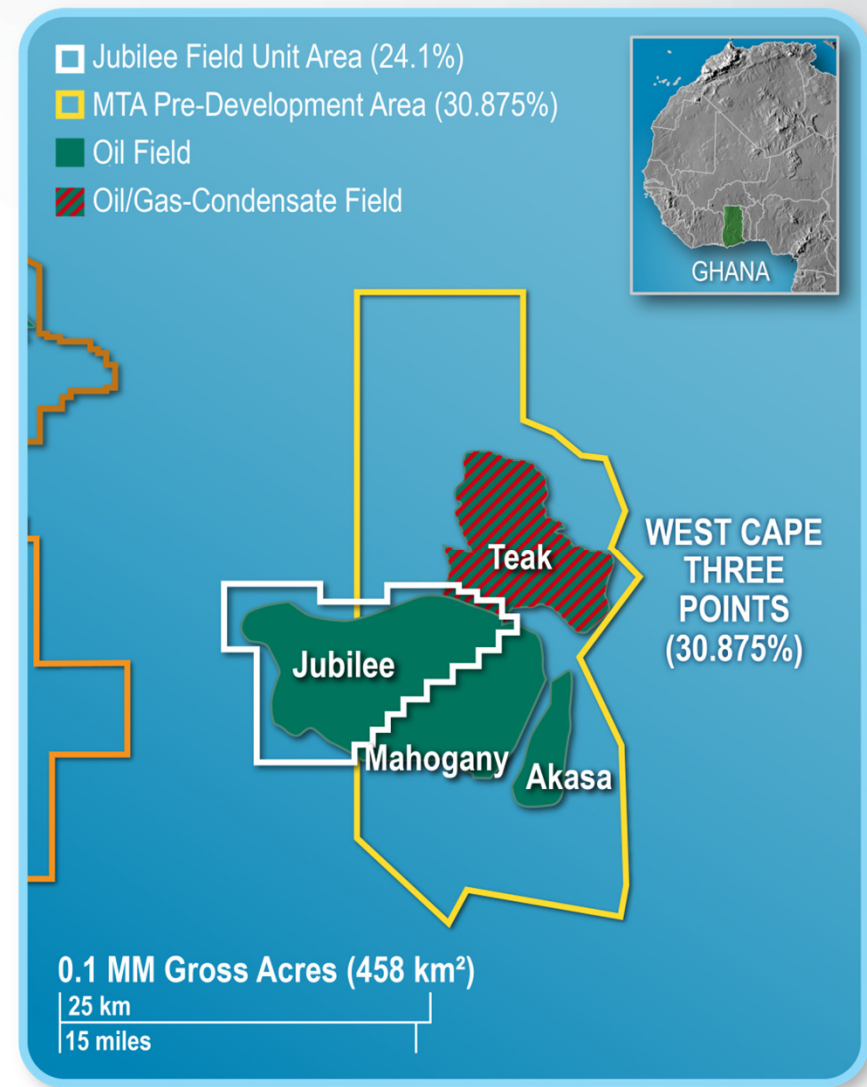
- Mahogany oil discovery
- Teak oil and gas condensate discovery
- Akasa oil discovery

- **Refining Resource Estimates**

- Multiple reservoirs
- Pools distributed stratigraphically
- Accumulations spread geographically

- **Recent Appraisal Activity**

- Akasa-2A appraisal well completed in 2013
- Mahogany area appraisal ongoing
- Further appraisal activities planned in 2014
- Expect to complete MTA appraisal this year





# TEN Development Project

## *Second major deepwater oil development project in Ghana*

### • TEN Project Summary

- Development of three discovery areas
- P50 Case ~250 MMBO
- Second FPSO-based development in Ghana
- Additional gas development planned

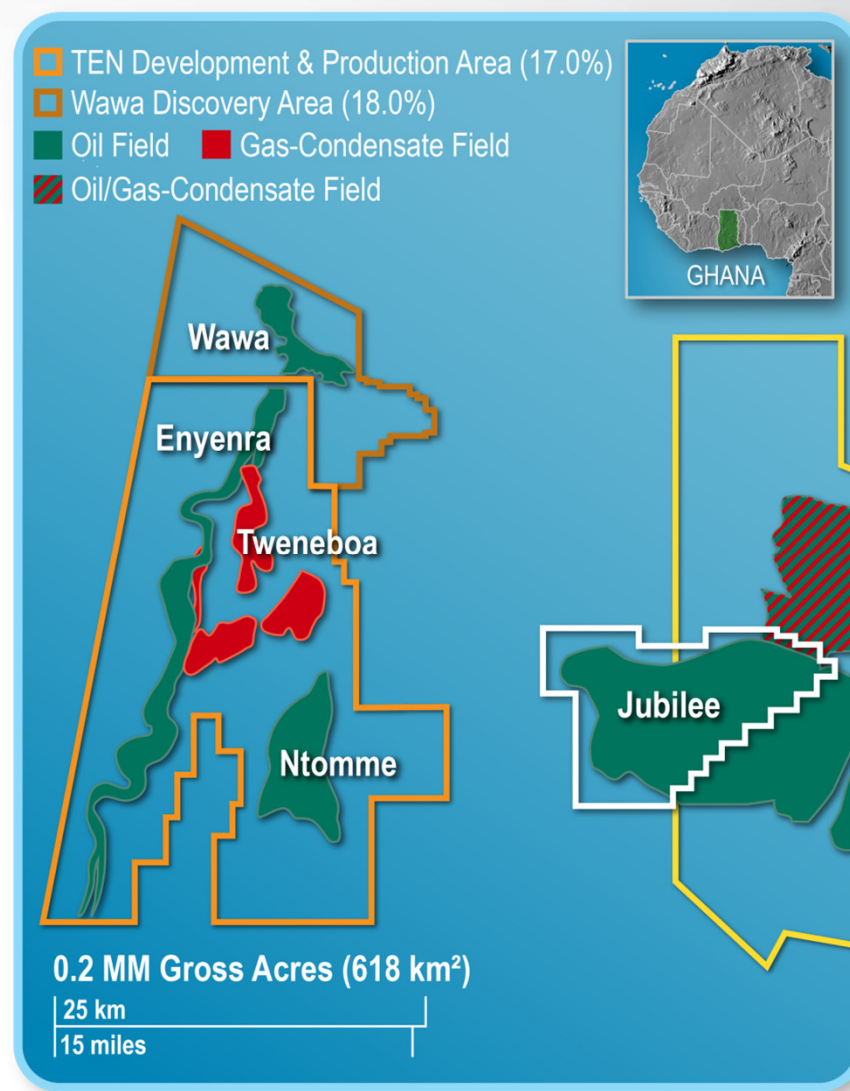
### • Phased Development Approach

- FPSO with 80 MBopd initial design capacity
- Expandable subsea system
- Larger subsea footprint than Jubilee
- All major contracts awarded

### • Gross Cost ~\$4.9 Billion

- Cost associated with Phases 1 and 2
- Assumes leased FPSO

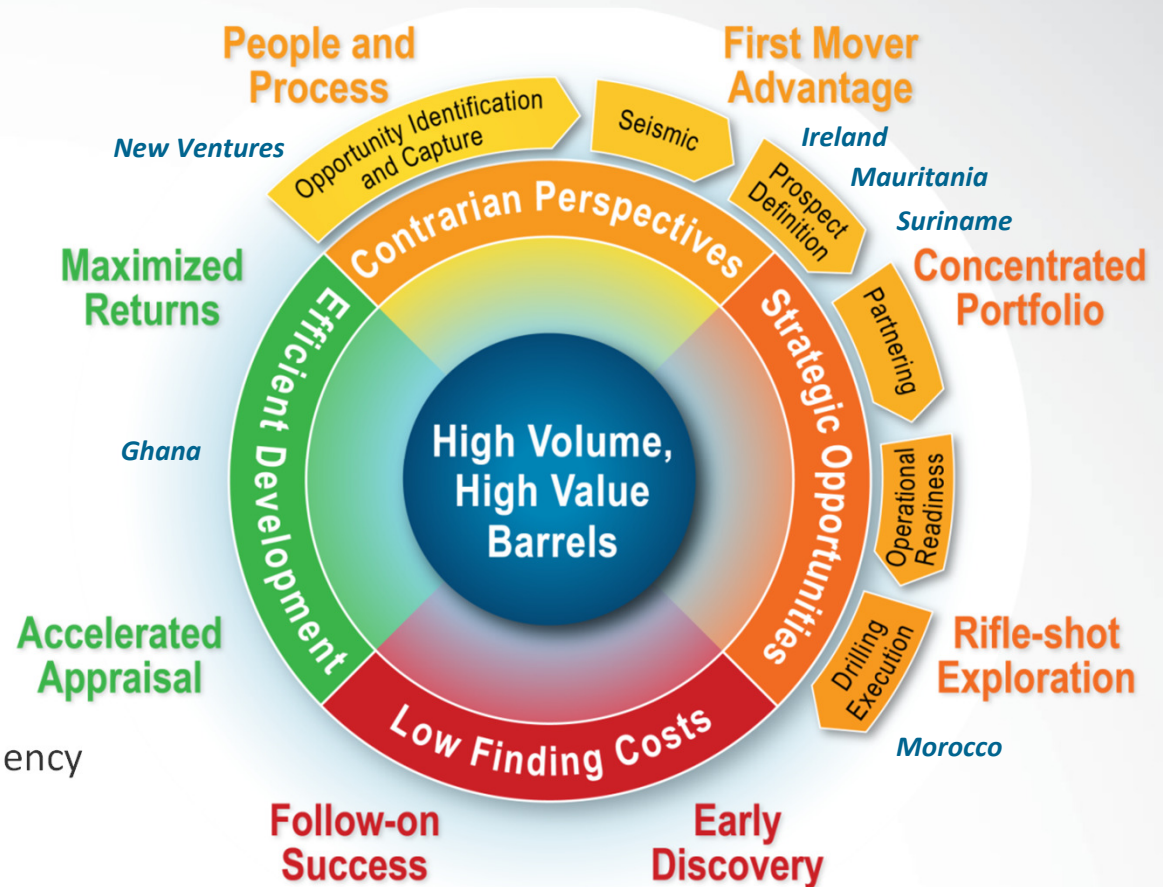
### • Targeted First Production 2016



# Proven Exploration Strategy

*Maximizing value by discovering and developing high volume, high value barrels*

- **Business**
  - Frontier and emerging basins
- **Geography**
  - Atlantic Margin focus
- **Geology**
  - Core Cretaceous theme
  - Salt basin concepts
- **Portfolio**
  - Concentrated in nature
  - Play diversity and prospect dependency
- **Drilling**
  - Rifle-shot exploration approach



# Top Quartile Explorer

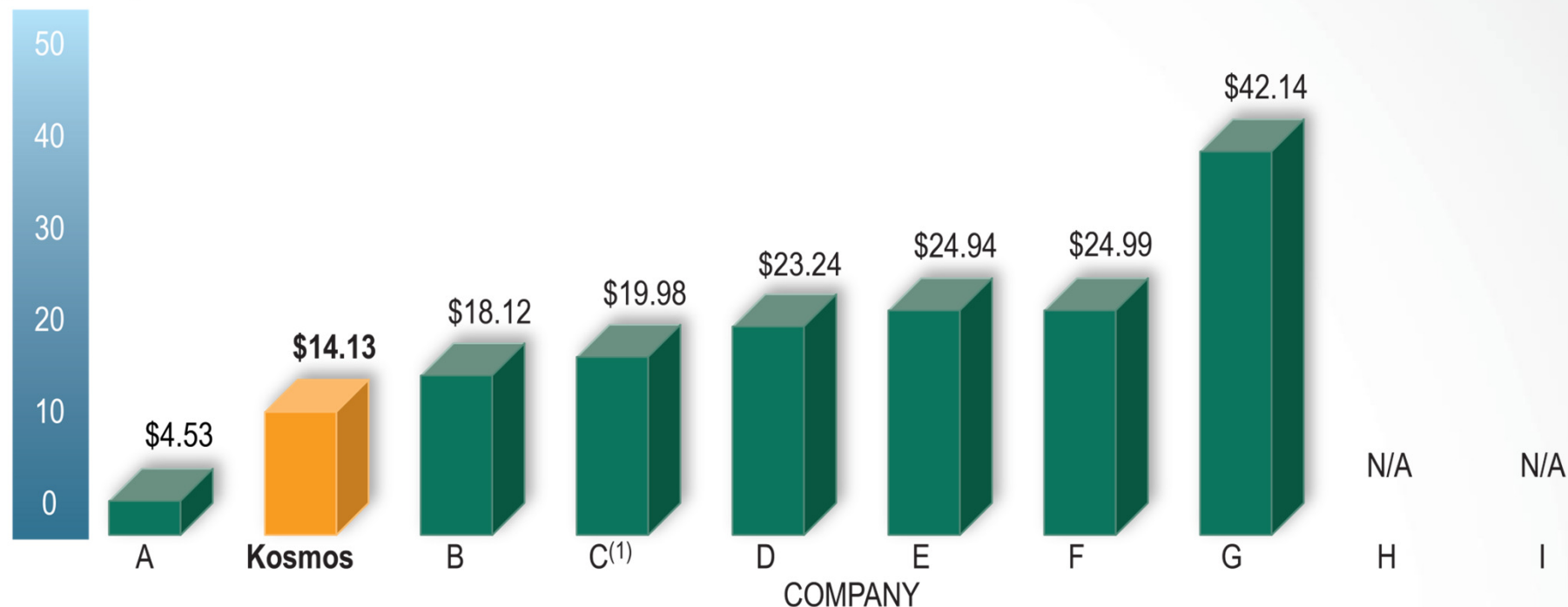


*Disciplined strategy allows us to operate efficiently and with high success*

- “First Inning” Results

- Emerging / frontier basin petroleum system success rate was 1 in 5 in initial portfolio
- Exploration strategy and performance has resulted in lower finding costs than peers

5 Year Weighted Average Finding Cost (\$/1P BOE)



Source: IHS Herold. Peer group includes: Afren, Anadarko, Cairn, Cobalt, Hess, Lundin, Noble, Ophir, Tullow  
 (1) Three year weighted average Finding Cost as five year unavailable

# Kosmos' "Second Inning"

*Capturing transformational exploration upside in a highly competitive environment*

- **Atlantic Margin Focus**

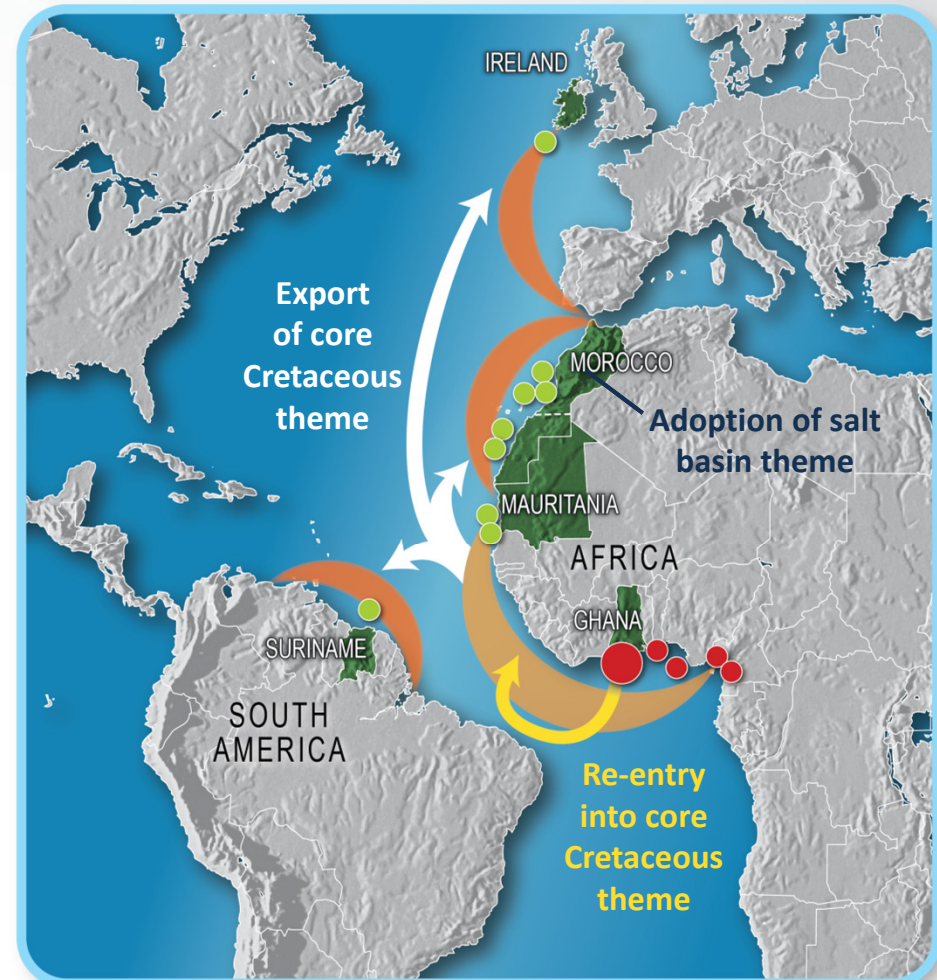
- Export of core Cretaceous theme
  - Latin America (Suriname)
  - North Atlantic (Ireland)
- First-mover into Northwest Africa
  - Salt basins (Northern Morocco)
  - Core Cretaceous theme (Western Sahara)
- Re-entry into core Cretaceous theme
  - West Africa Transform Margin (Mauritania)

- **Maturing High Impact Program**

- Very large acreage position captured
- Seismic acquired / processing ongoing
- Multiple well tests annually beginning 2014

- **Active New Ventures Program**

- Very selectively pursuing additional opportunities



● "First Inning"  
Petroleum System Tests

● Potential "Second Inning"  
Petroleum System Tests

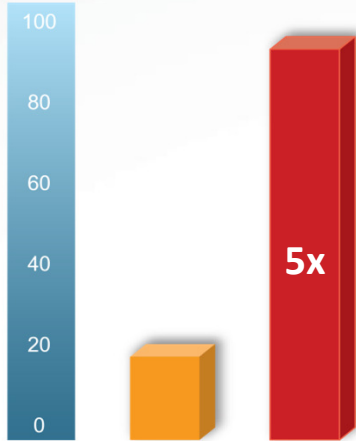


# Transformational Exploration Portfolio

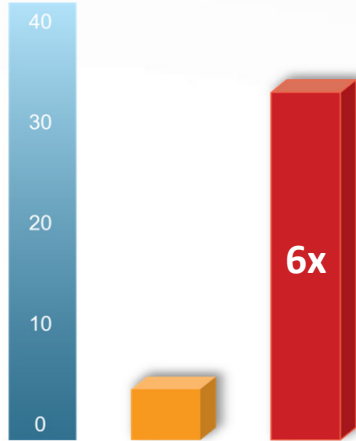


*Significant opportunity through execution discipline and focused organic expansion*

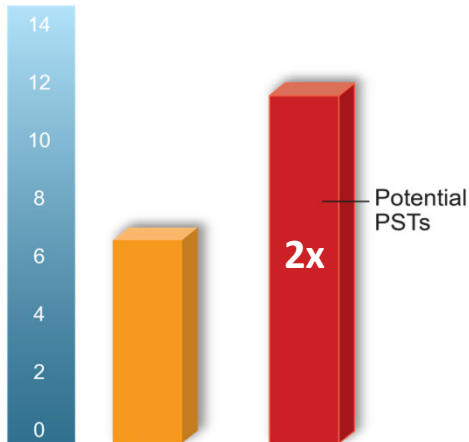
Portfolio Size (Gross)  
(Square Kilometers)



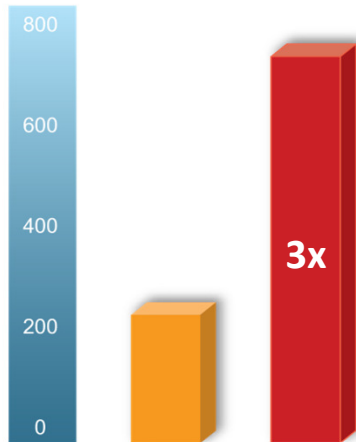
Unrisked Exploration Potential  
(MMBOE)



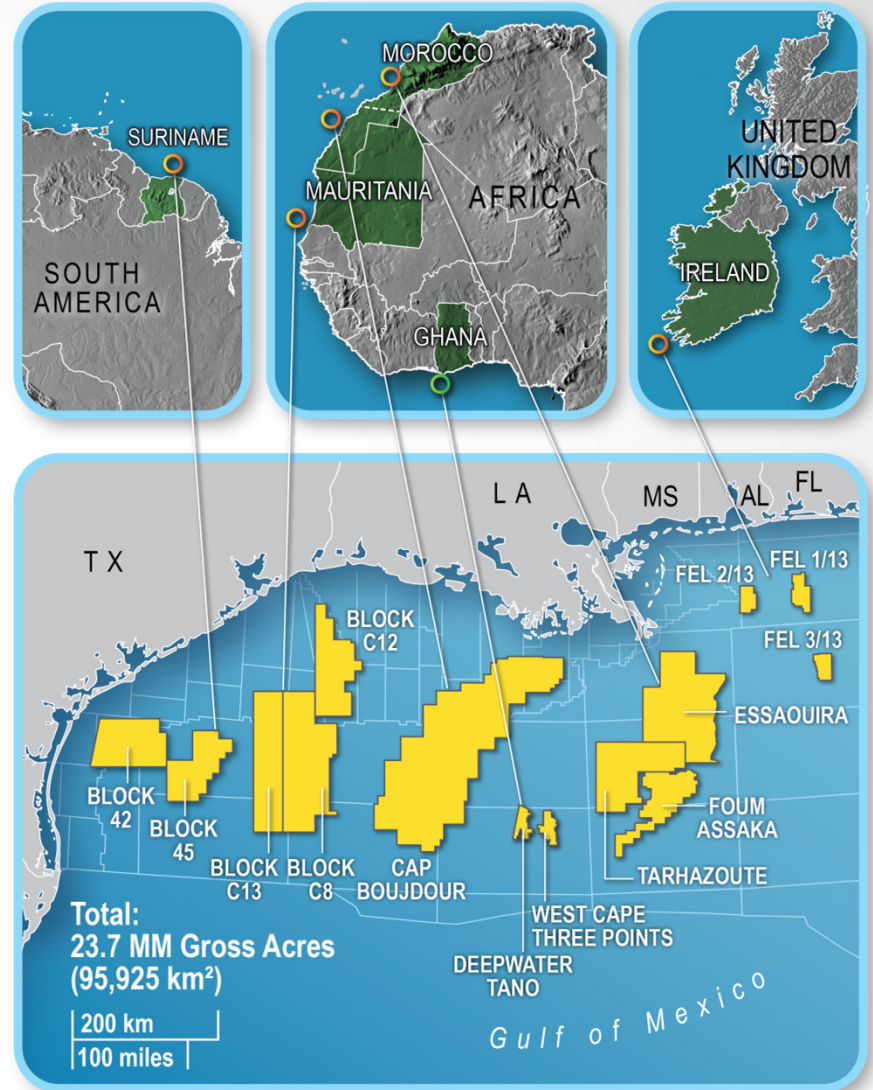
Potential Petroleum System Tests  
(Number of Tests)



Investment Level  
(\$ Million)



■ First Inning Portfolio ■ Second Inning Portfolio

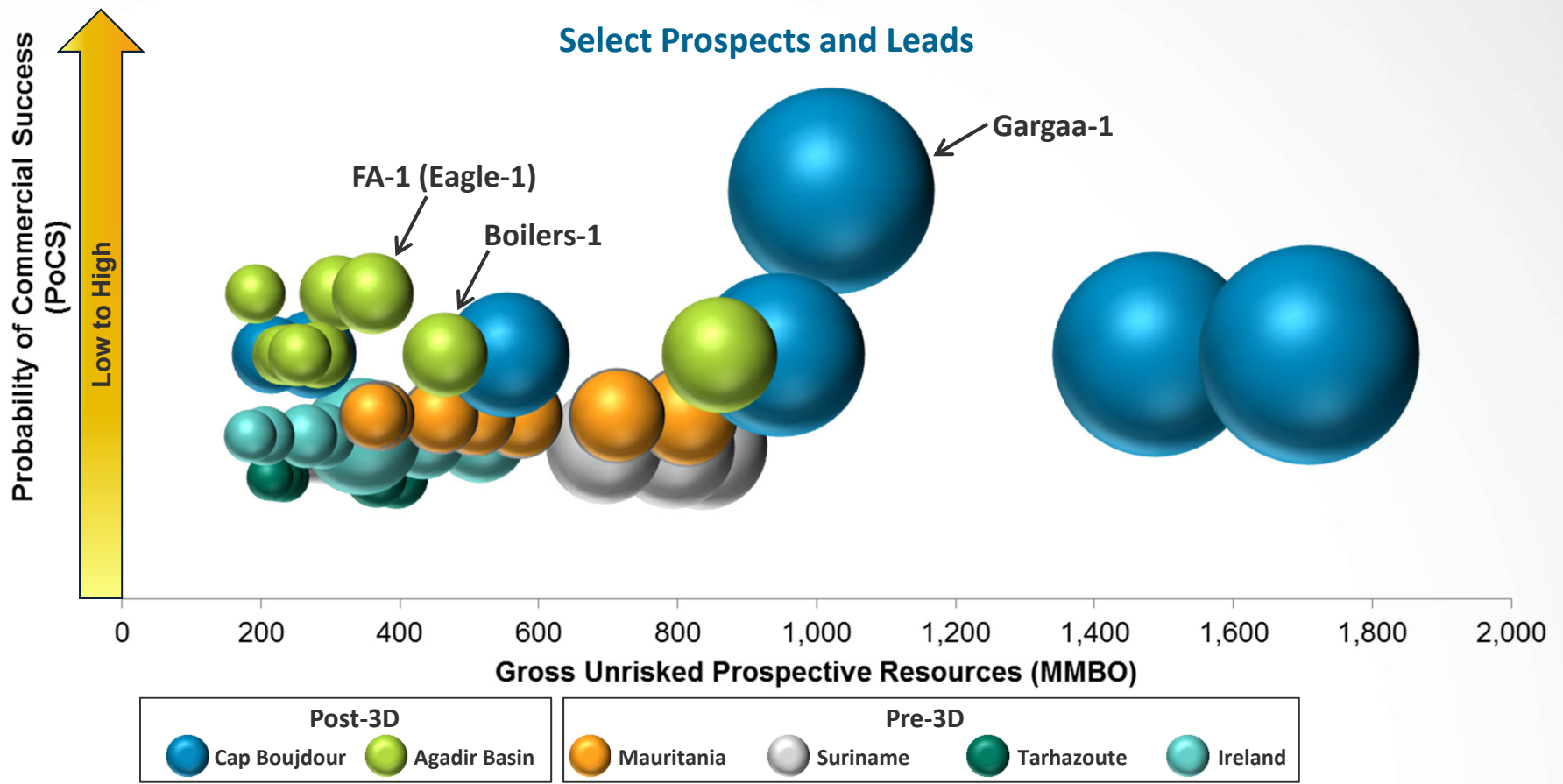


# Supermajor Scale Portfolio

## Maturation of opportunities to the drilling stage

- **Significant Exploration Upside**

- Total gross recoverable resource Pmean of >30 BBoe un-risked (>5 BBoe risked)
- Substantial follow-on potential in the event of success



Note: Bubble size proportional to net risked prospective resources (MMBO); Cap Boujdour includes some leads defined by 2D only

# Exploration Drilling Calendar

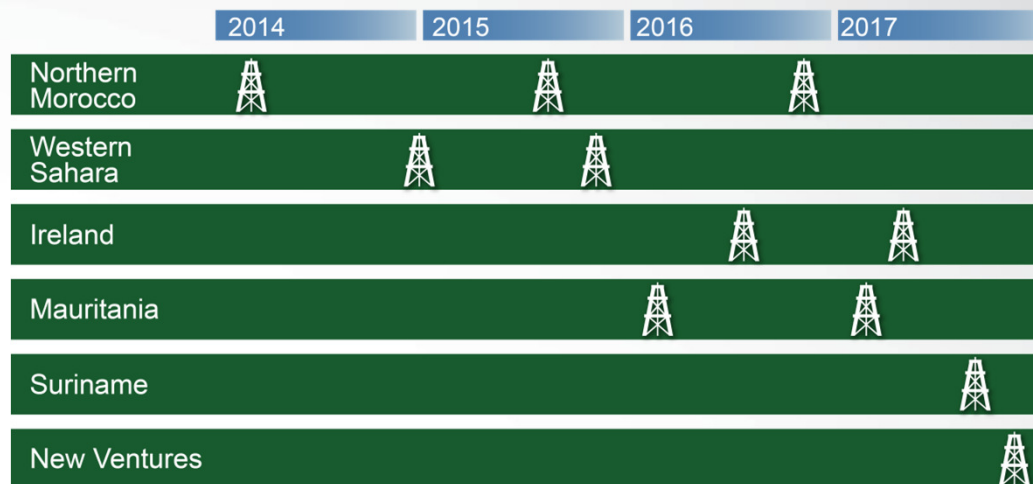
*Rig capacity secured to drill two to three new petroleum systems per year*

- **Atwood Achiever**

- New-build 6<sup>th</sup> generation drillship
- Three year contract
- Initial well scheduled late 2014

- **Maersk Discoverer**

- 6<sup>th</sup> generation semi-submersible
- Single rig slot assigned from BP
- First well in northern Morocco underway



Play-Opening Exploration Well

Note: Indicative Drilling Calendar



**Maersk Discoverer**



**Atwood Achiever**



# Northwest Africa Portfolio

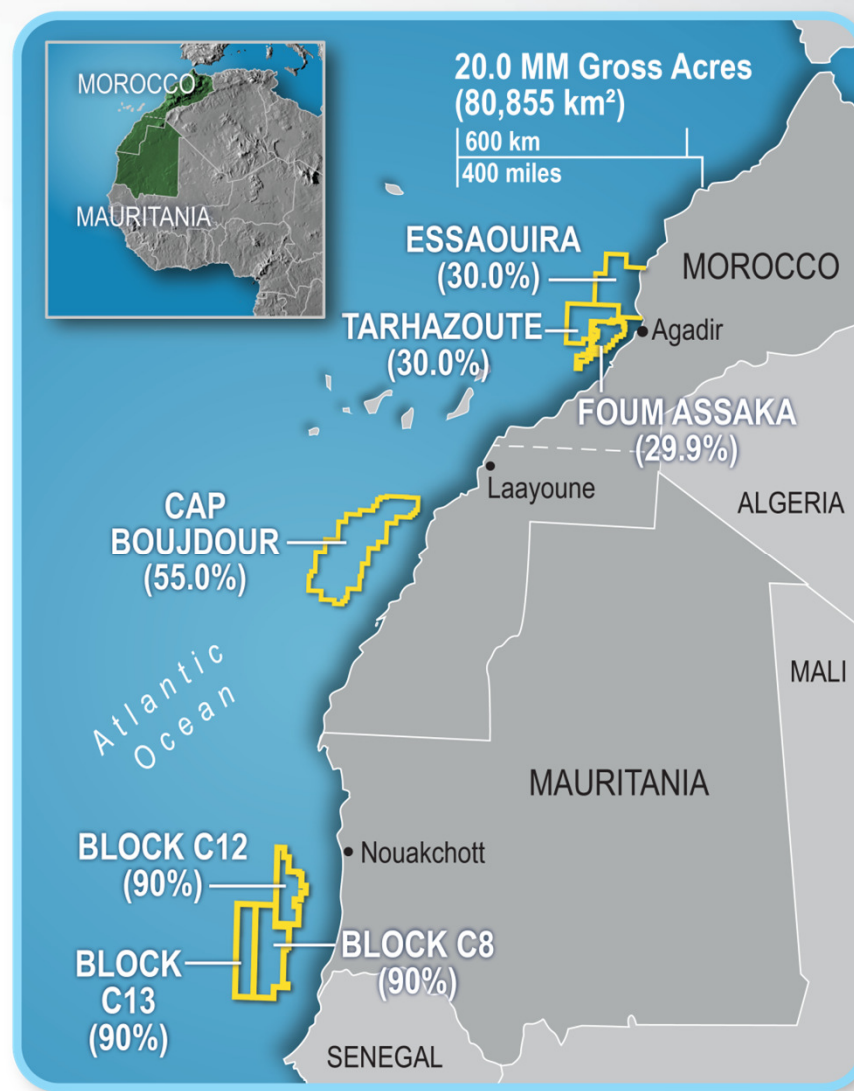
*Major acreage position offers several significant frontier basin opportunities*

- **Three Large Potential Petroleum Systems**

- First-mover advantage
- Strategic positions of choice
- Competitive fiscal terms
- Offshore Agadir basin, northern Morocco
- Offshore Aaiun basin, Cap Boujdour area
- Mauritania's salt basin
- Each basin offers multi-billion barrel potential

- **Multiple Wells In 2014 - 2016**

- Initial Morocco 3D seismic acquired
- Mauritania 3D seismic acquired
- Morocco prospect inventory matured
- Morocco farm-outs finalized
- Drilling rigs contracted
- Exploration drilling underway in northern Morocco
- Multiple independent exploration wells planned
- All three basins to be tested

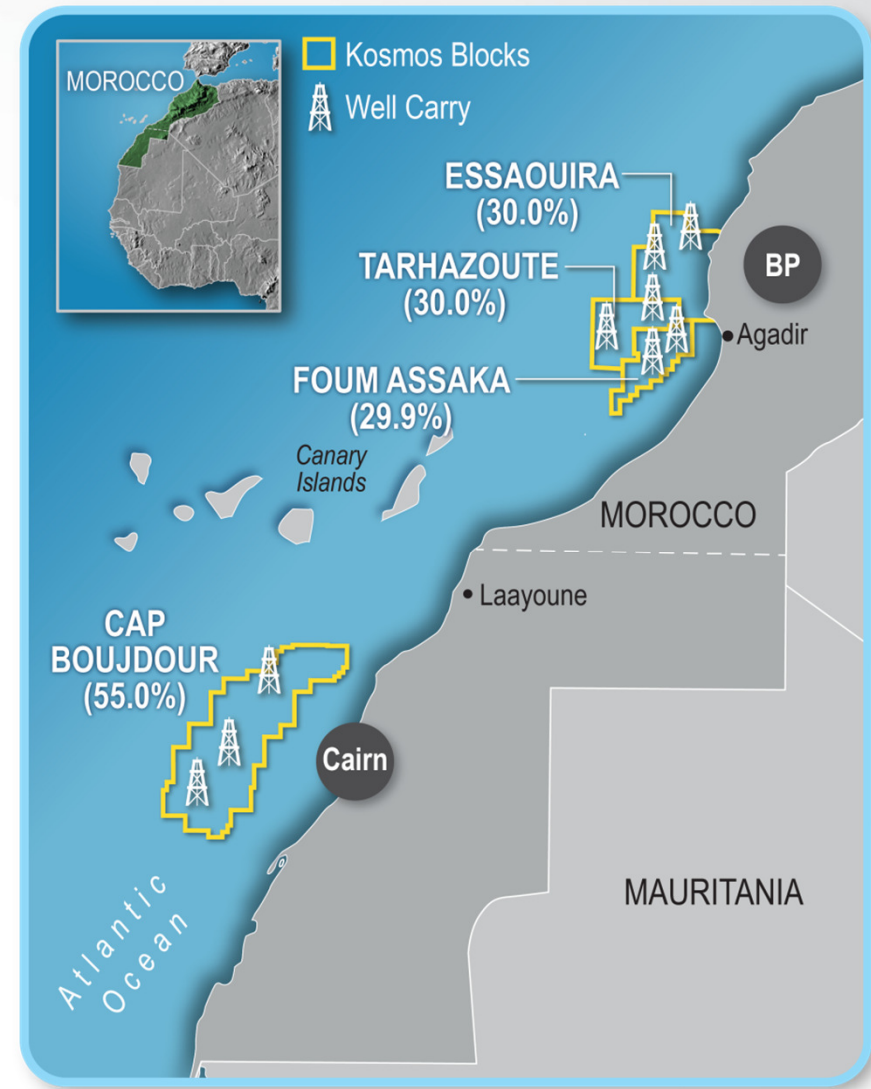




# Successful Morocco Farm-out

## *Farm-out results validate potential of Kosmos' Moroccan portfolio*

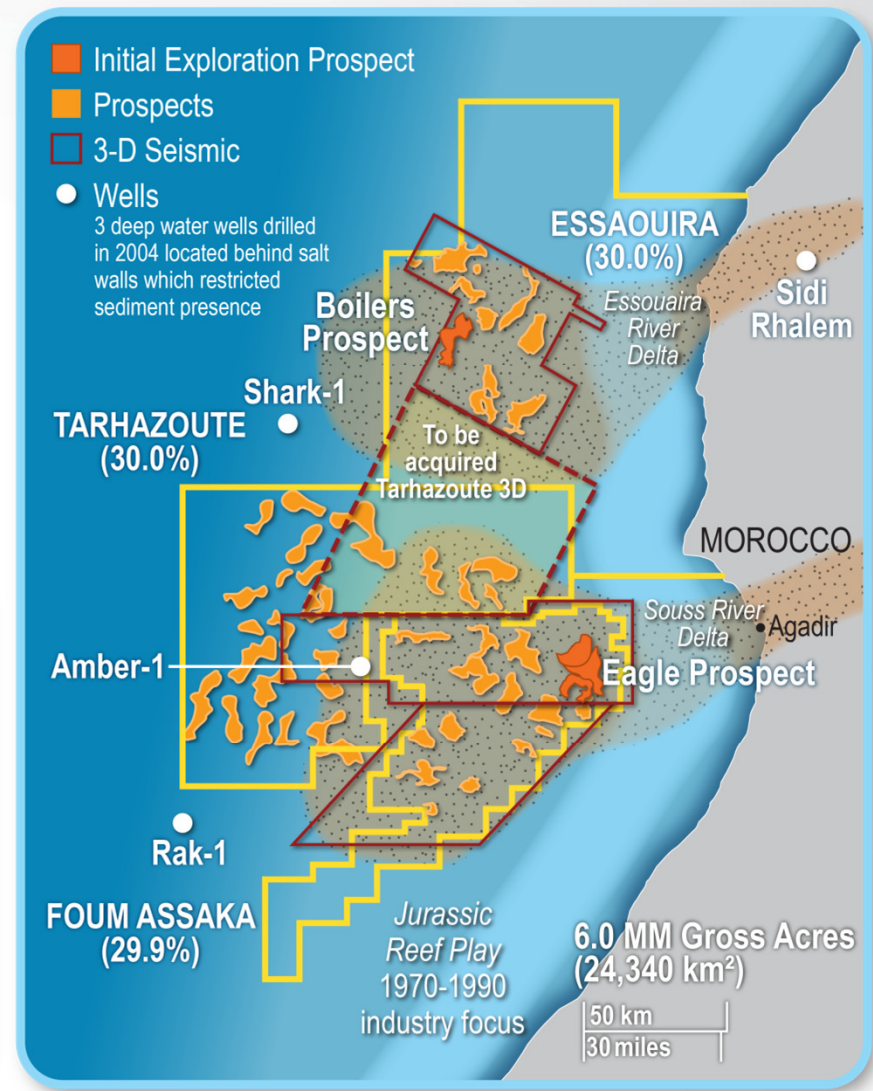
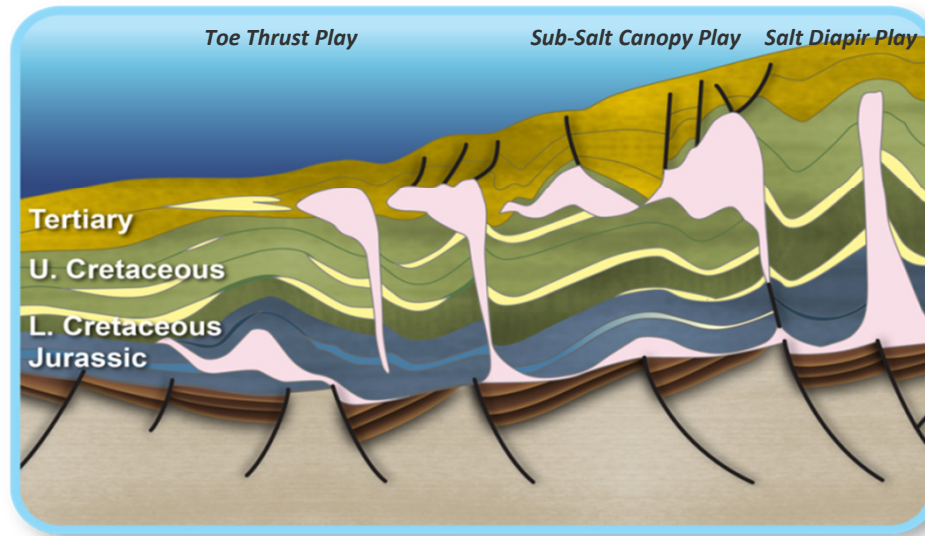
- **Highly Successful Farm-out Initiative**
  - Among the best terms in West Africa
- **Agadir Farm-out (KOS 30%)**
  - BP farmed into all three Agadir Basin licenses
  - Potential carry of up to ~\$240MM
  - Up to three firm initial exploration wells
  - Up to three contingent exploration wells
  - Kosmos retains operatorship
- **Cap Boujdour Farm-out (KOS 55%)**
  - Cairn farmed into the Cap Boujdour Contract Area
  - Potential carry of up to ~\$70MM
  - One firm exploration well
  - Up to two contingent appraisal wells
  - Kosmos retains operatorship and material equity



# Offshore Agadir Basin Petroleum System **KOSMOS** ENERGY.

*One of the last undrilled salt basins along the Atlantic Margin*

- **An Unexplored Salt Basin**
  - Salt-related structures similar to Gulf of Mexico
  - Evidence of a working petroleum system
  - Play diversity and prospect dependency
  - Multiple exploration wells planned
- **Multiple Prospects Defined for Drilling**
  - Prospect size range up to 500+ MMBOE
  - Initial exploration well underway

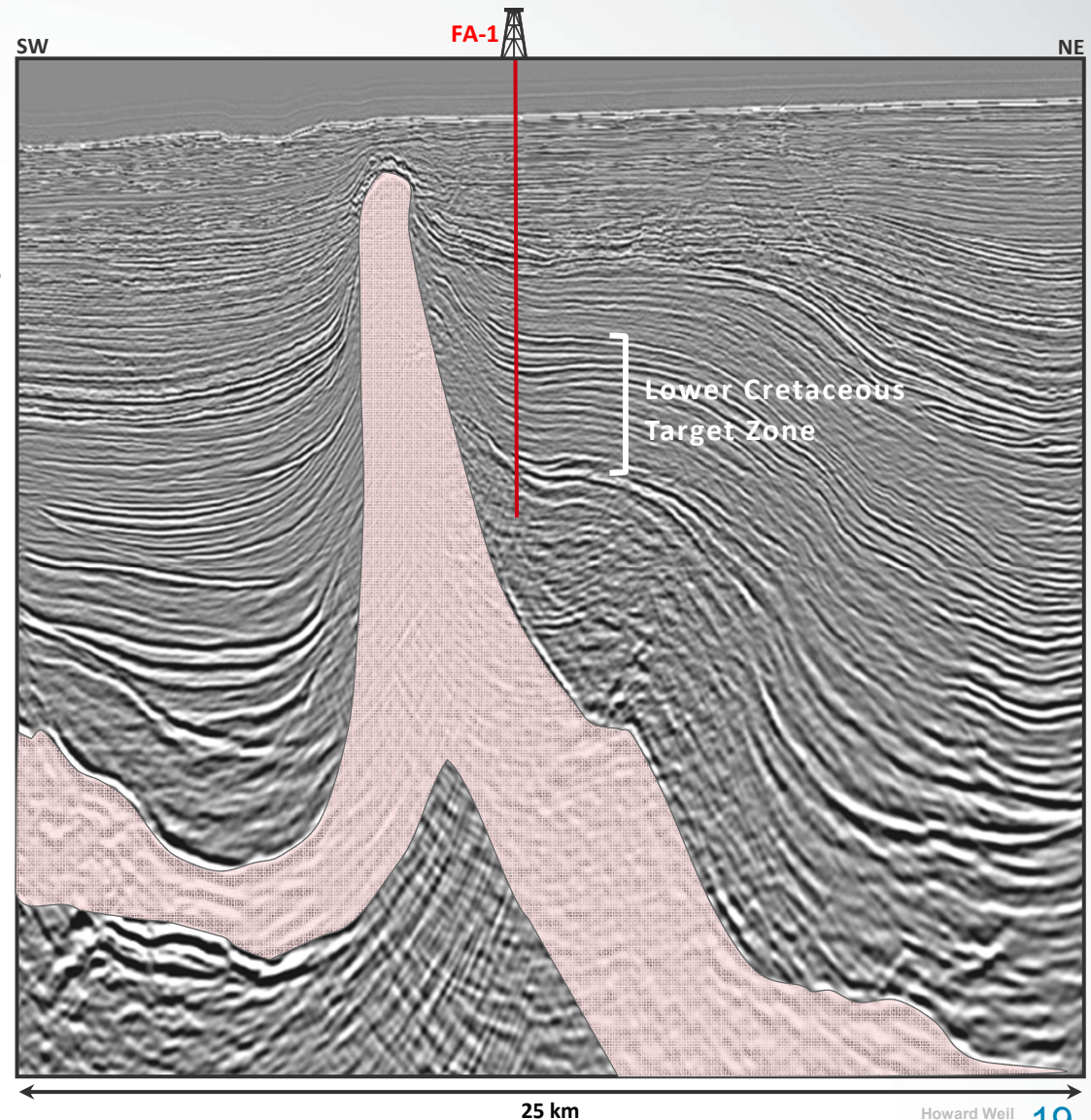
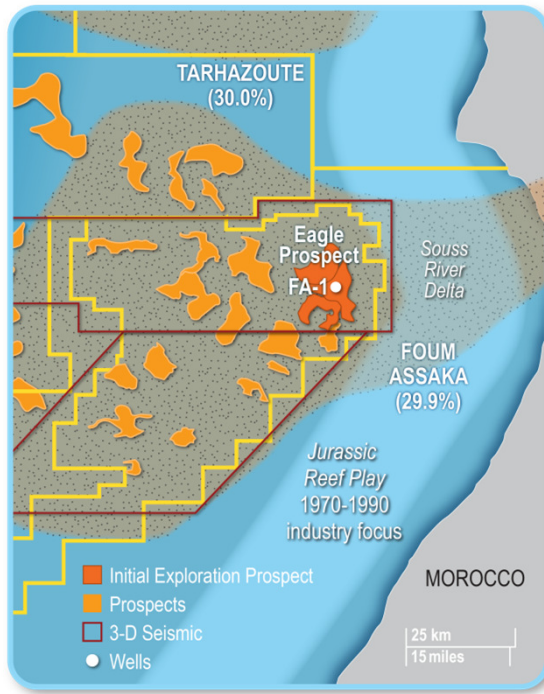




# Foum Assaka Block – FA-1 Well

*Eagle prospect is a large, salt-cored structure with significant resource potential*

- **FA-1 Summary - Pmean 360 MMBOE**
  - Formally Eagle-1 well
  - Drilling operations ongoing
  - Targeting Lower Cretaceous reservoirs
  - Multiple deepwater reservoir objectives
  - Water depth ~600 meters
  - Planned well TD ~4,000 meters

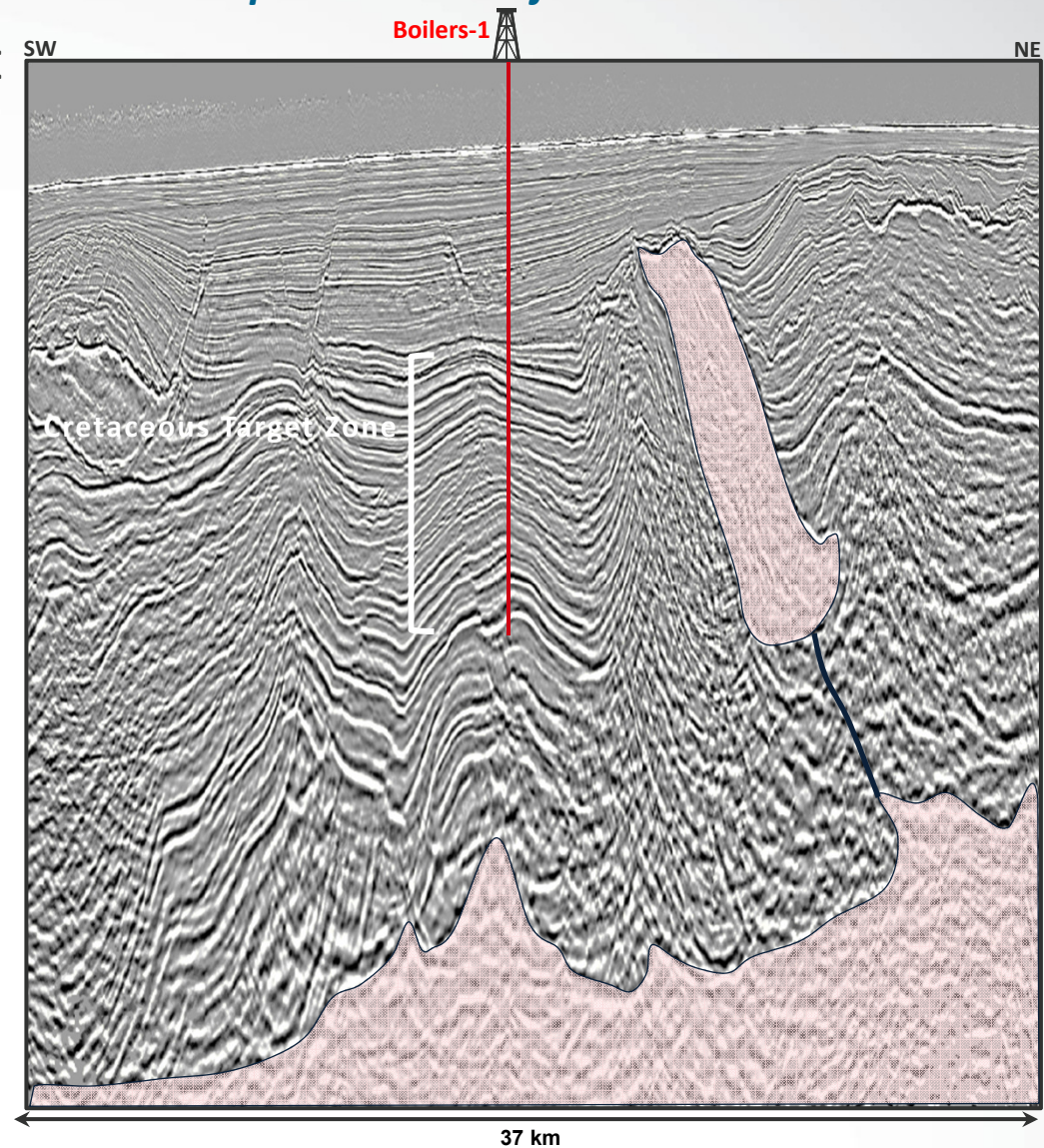
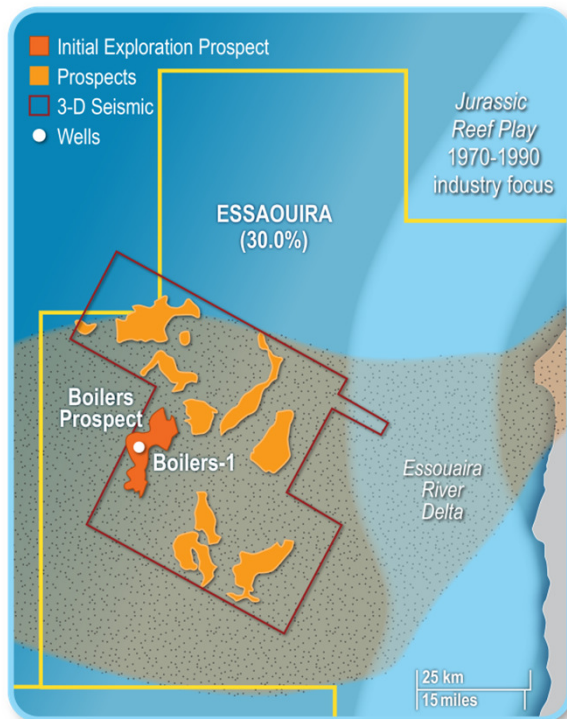




# Essaouira Block – Boilers-1 Well

*Boilers prospect is a well-defined structure with multiple stacked objectives*

- **Boilers-1 Summary - Pmean 465 MMBOE**
  - Test Upper / Lower Cretaceous interval
  - Multiple, deepwater reservoir objectives
  - Well scheduled for 2H 2015
  - Water depth ~700 meters
  - Planned well TD ~5,000 meters

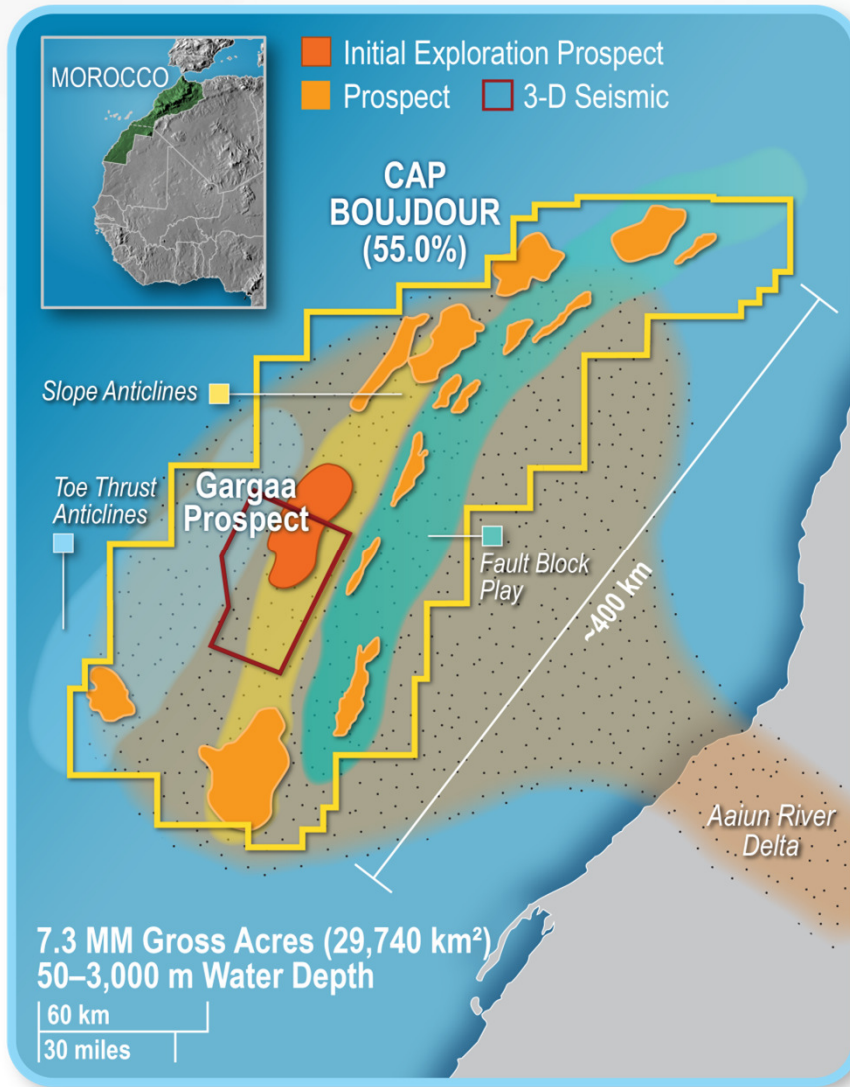




# Offshore Aaiun Basin Petroleum System



*One of the last undrilled Cretaceous Basins along the South Atlantic Margin*

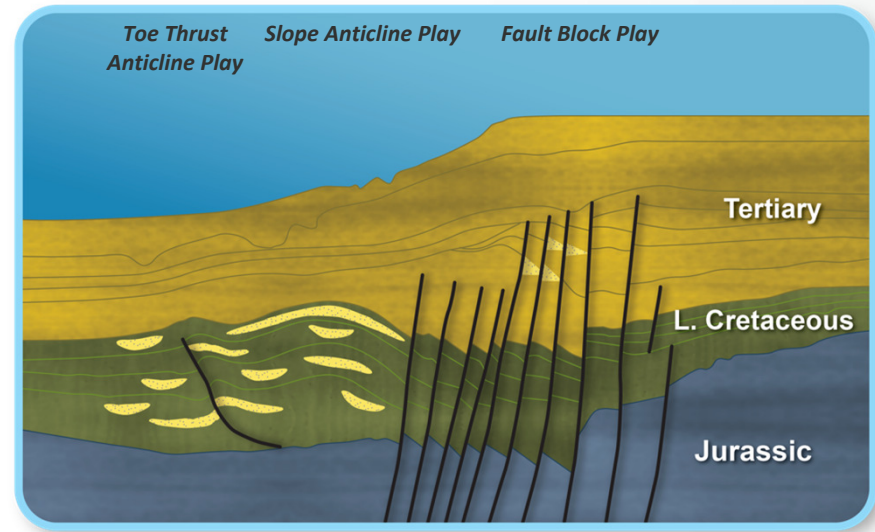


- **High Impact Exploration Potential**

- Unexplored Cretaceous Delta
- Similar in size to the Niger Fan
- Evidence for a working petroleum system
- Independent play concepts / fairways

- **Multiple Prospects Defined for Drilling**

- Prospect size range up to 1+ Bboe
- Well planning underway

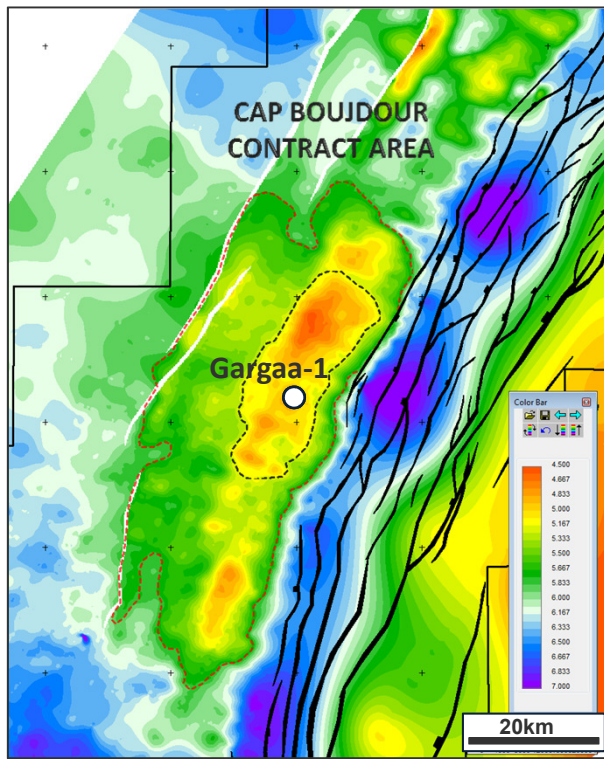


# Cap Boujdour Area – CB-1 Well

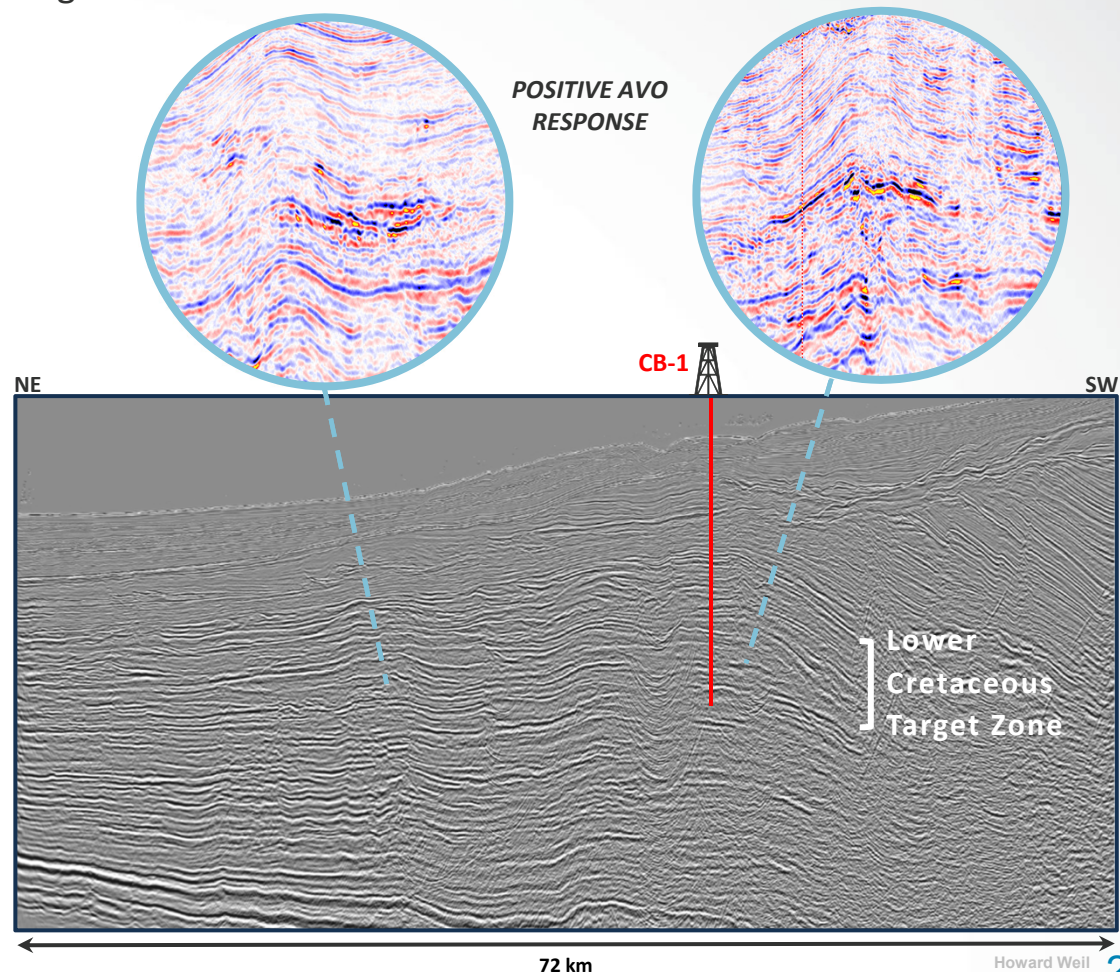
*Gargaa prospect is a large, simple four-way anticline with AVO support*

- **CB-1 Well Summary - Pmean 1+ BBOE**

- Targeting Lower Cretaceous deepwater reservoirs with AVO support
- Multiple, independent objectives within greater structural area
- Well scheduled for late 2014
- Water depth ~2,050 meters
- Planned well TD ~6,500 meters



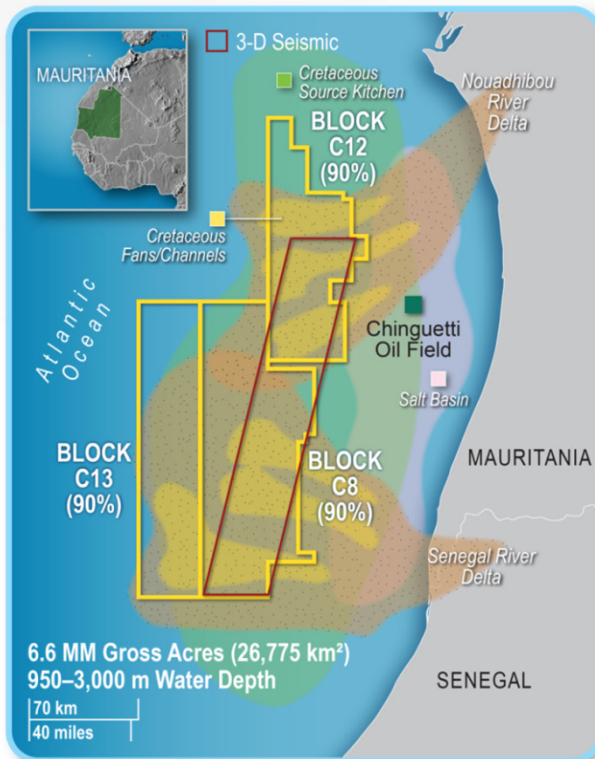
Lower Cretaceous Structure Map





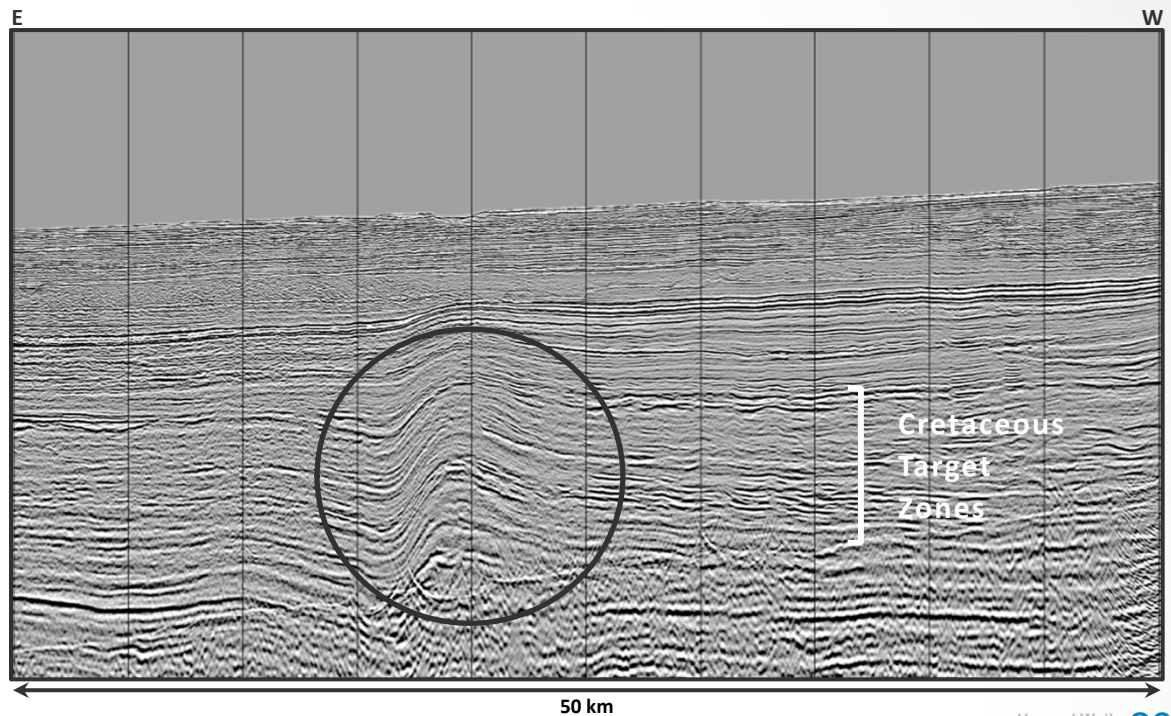
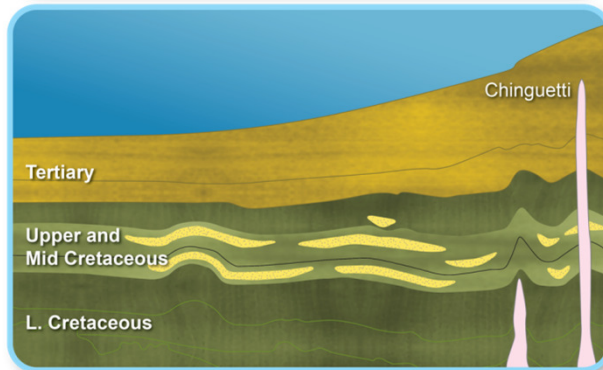
# Offshore Mauritania Petroleum System

## Second-cycle West Africa Transform Margin exploration opportunity



- **Cretaceous-age Basin-Floor Fans**

- Significant untested potential
- Down-dip of proven working petroleum system
- Structural and stratigraphic trapping elements
- 6,300 km 2D and 10,300 km<sup>2</sup> 3D seismic completed 2013
- Early seismic results very encouraging
- First well targeted 2016





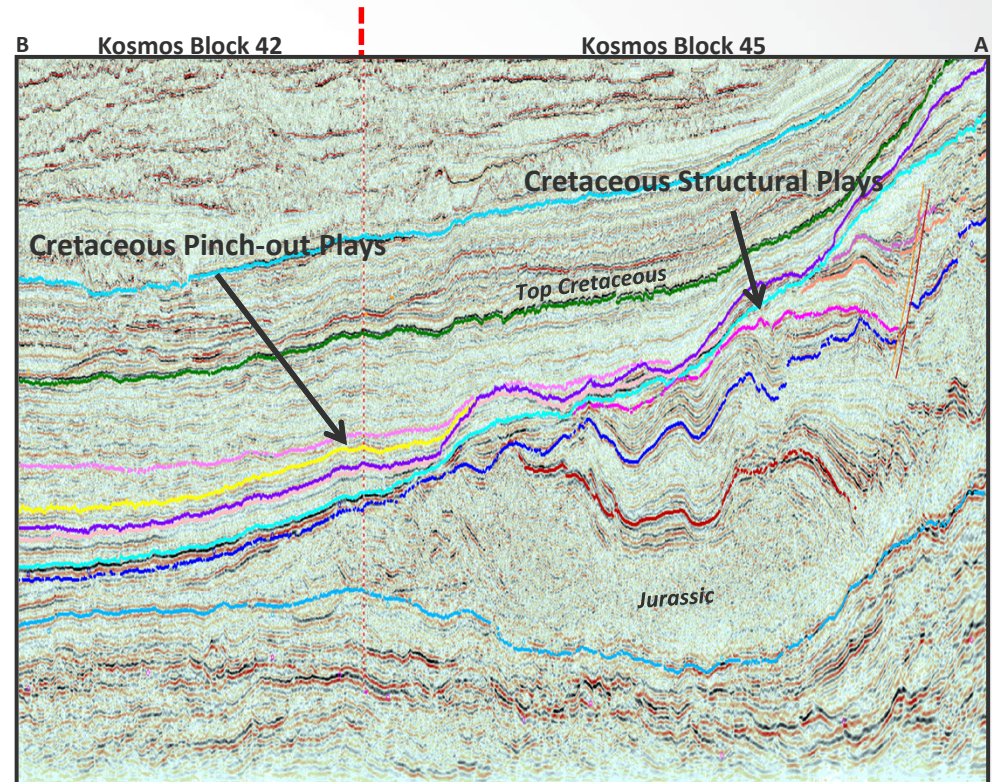
# Suriname – Guyana Petroleum System

*Expansion of our core geologic theme west across the Atlantic*



- **Key Position in a Proven Basin**

- Down-dip of the producing Tambaredjo oil field
- 2D / 3D seismic acquired
- Seismic interpretation ongoing
- Chevron 50% non-operating partner



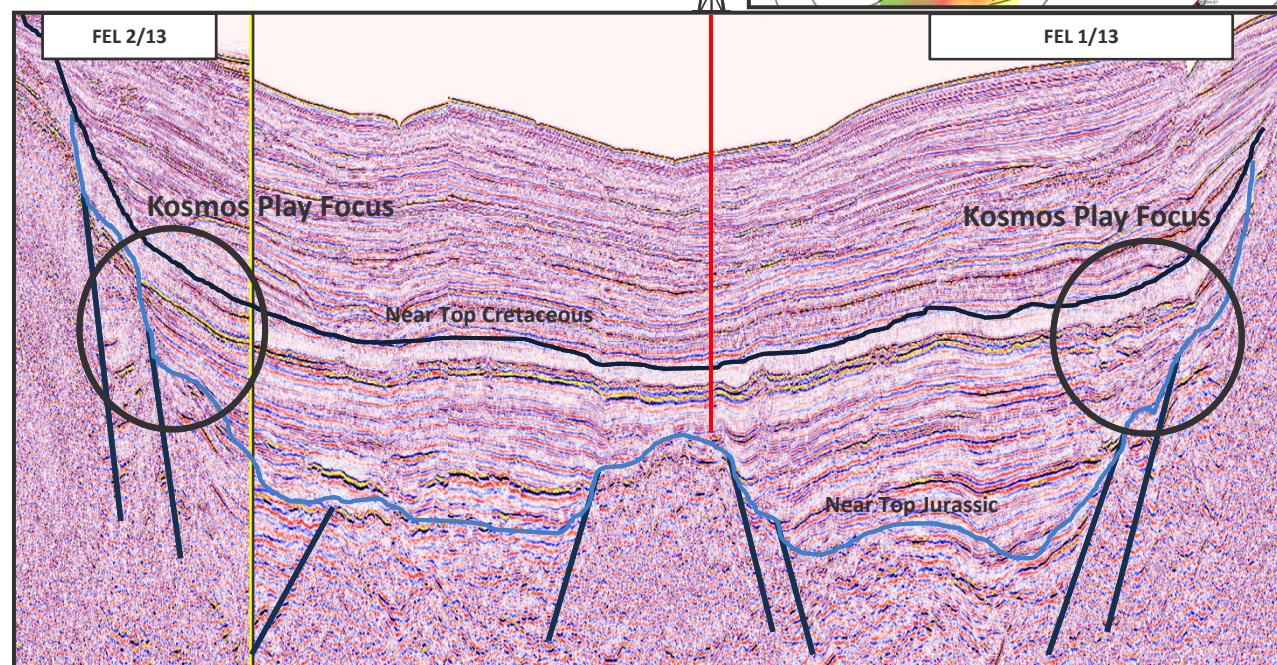
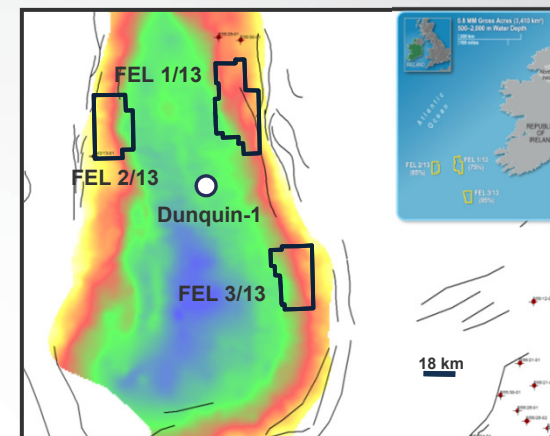


# Ireland – Porcupine Basin

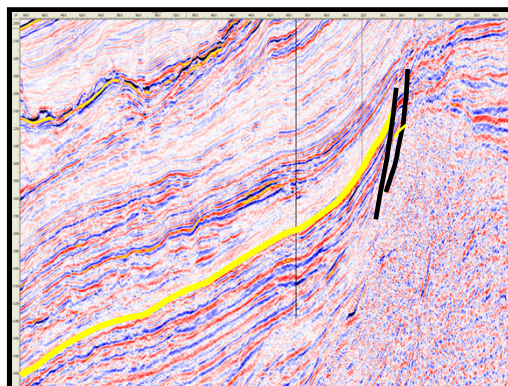
## Exploring the North Atlantic with a South Atlantic perspective

- **Premier Basin-flank Acreage Position**

- Under-explored basin with existing nearby discoveries
- Up-dip of a working oil kitchen
- Potential for multiple source rocks
- Overlooked Cretaceous combination plays
- Large upside, fiscal terms commensurate with risk
- Accelerated 5,000 km<sup>2</sup> 3D seismic program completed 2013
- First well targeted in 2016



Ghana Analogy



Jubilee / Mahogany

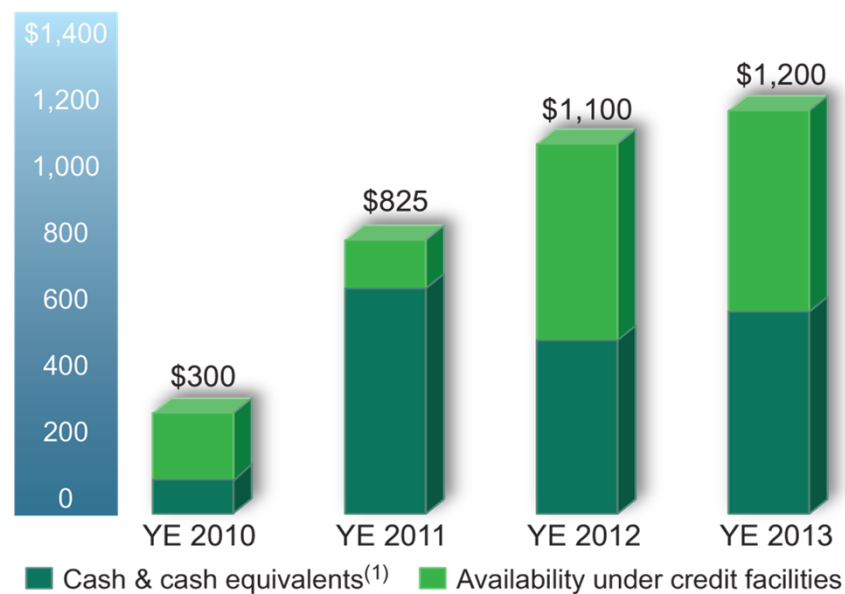
# Fully-Funded Financial Strategy



*Current financial strength of Kosmos is the best in our history*

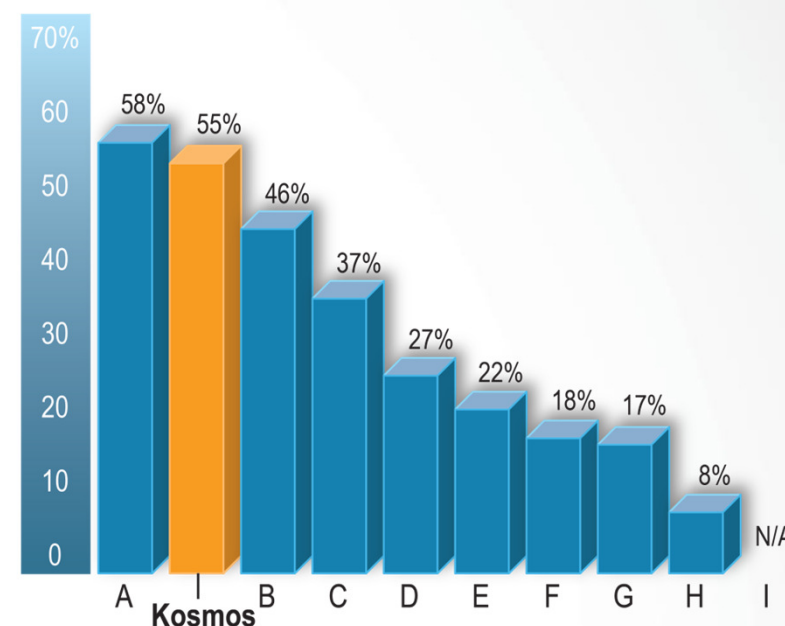
- **Q1 2014 Total Liquidity ~ \$1.5 Billion**
  - Recently amended RBL increases total liquidity and extends the maturity date
- **Stable Free Cash Flow**
  - Jubilee production contributes to our self-funded capital expenditure program
- **Disciplined Risk Management Philosophy**

Total Liquidity (\$MM)



(1) Excludes restricted cash

Liquidity as % of Total Assets



Source: FactSet, As of 6/30/13, Peer group includes Afren, Anadarko, Cairn, Cobalt, Hess, Lundin, Ophir, Noble, Tullow

# Capital Expenditures Outlook

*Focused on continuing Ghana development and advancing our high impact drilling program*

- **2014 Capital Program Summary**

- Forecast at approximately \$575mm
- Increased exploration activity planned
- Exploration capital reduced from benefits of Morocco farm-outs

- **Ghana Capital Expenditures**

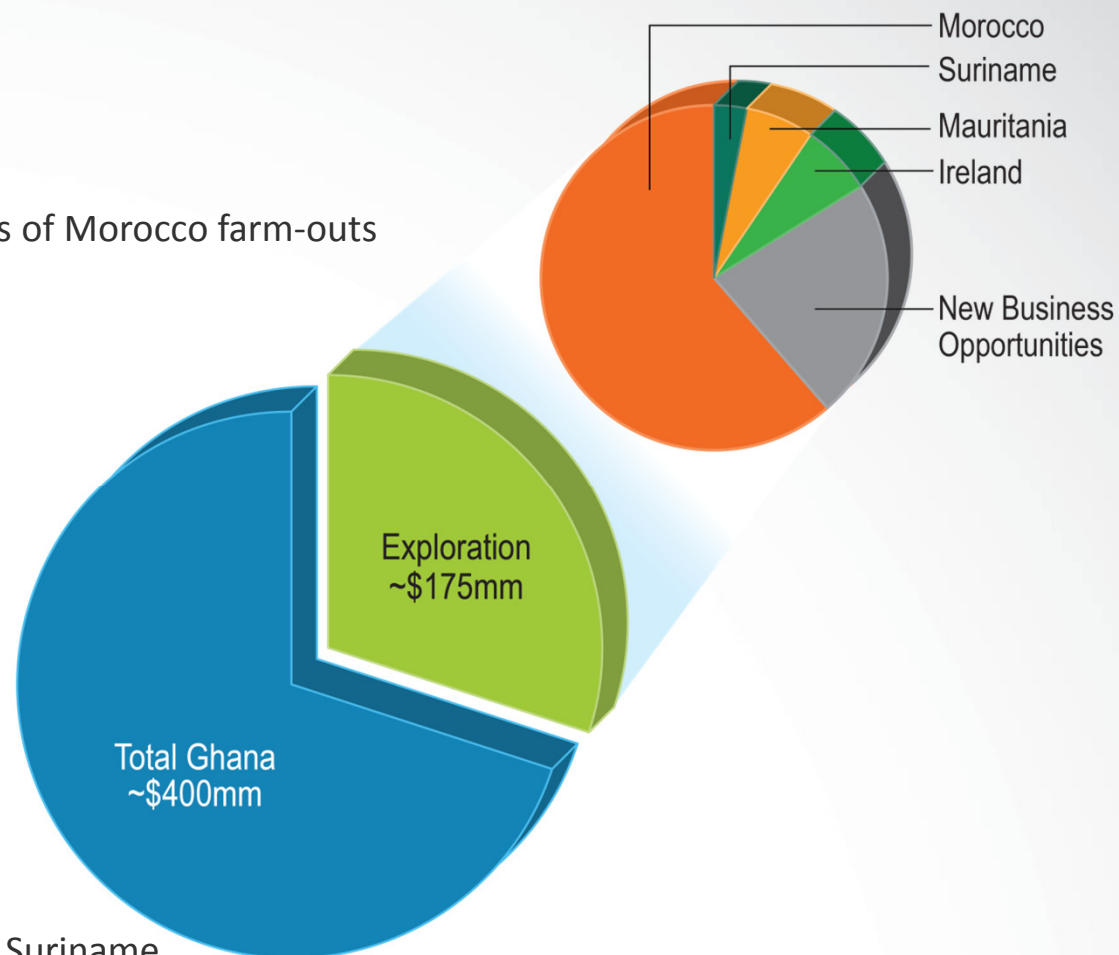
- Centered on Greater Jubilee and TEN
- ~\$70mm deferred from 2013

- **Morocco Capital Expenditures**

- Agadir and Cap Boujdour drilling
- Seismic activities
- Net of farm-outs

- **Additional Exploration Expenditures**

- Ongoing work in Ireland, Mauritania and Suriname
- Evaluation of potential new business opportunities





# De-risking Cash Flows

## *Reducing oil price exposure through robust commodity hedging program*

- **Hedging Philosophy**

- Significant forward production hedged
- Reduces near-term cash flow volatility
- Adds capacity to debt facility's borrowing base availability

- **Hedging Targets**

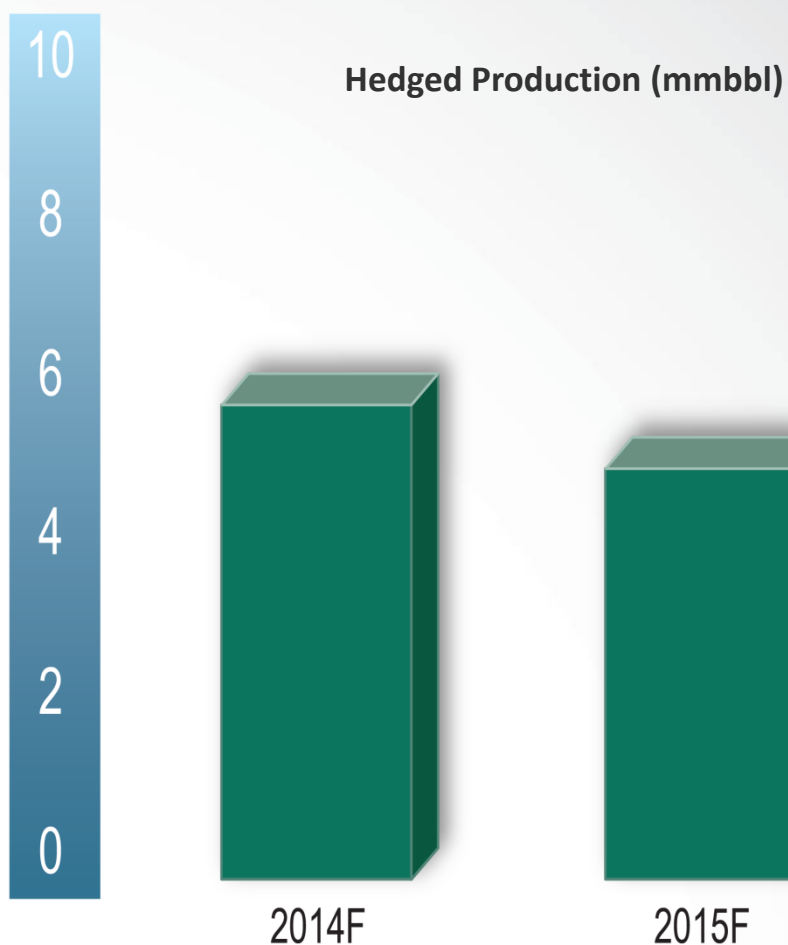
- Up to 75% of year one production
- Up to 50% of year two production
- Up to 20% of year three production

- **Hedging Type**

- Combination of three-way collars, puts, swaps

- **Hedging Protection**

- Full protection generally below \$85 to \$90





# Key Messages



## *Moving forward...*

- **Delivering Ghana Development / Production Asset**
  - Highly visible long-term reserves, production, and cash flow growth
- **Focused on “Second Inning” Exploration**
  - A differentiated and proven exploration strategy
  - An excellent track record of delivering out-sized returns to shareholders
  - Same concentrated portfolio and drilling philosophy successfully executed in the “First Inning”
  - Multi-well, multi-year drilling campaign designed to unlock multi-billion barrel resource potential
  - Exploration drilling program has commenced with the FA-1 well offshore Morocco
  - Potential to create substantial new value for shareholders
- **Self-Funded Explorer with Financial Strength and Flexibility**
  - Positioned to internally fund future Ghana development and exploration operations through success
  - Over \$1 billion in liquidity

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