

Creating The Premier Atlantic Margin Deepwater E&P

NYSE/LSE: 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 "discovered resources," "potential," "significant resource upside," "resource," "net resources," "recoverable resources," "discovered resource," "world-class discovered resource," "significant defined resource," "gross unrisked resource potential," "defined growth resources," "recovery potential" and similar terms or 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.

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.

DGE Acquisition – A Natural Step in Kosmos' Continued Evolution

Kosmos' Evolution to Full-Cycle E&P

Pure Explorer / 2C Delineator

- Explorer, drill bit led
- Equity funded

Outstanding Exploration Success…

- ✓ Jubilee / TEN discoveries: **World-class oilfields**
- ✓ Commercial success rate: **~30%**

Exploration-Led Diversified E&P

- High-impact, focused exploration
- Cash flow generation

…Progressed into a More Balanced Portfolio..

- ✓ Production: **~45** Mboed[1]
- ✓ Mauritania & Senegal discoveries: **40** Tcf
- ✓ Tortue partially monetized & proceeding to FID around YE:18
- ✓ EG Acquisition: **45+** MMboe[2] (**~1 year** payback)[3]

Full-Cycle E&P

- Larger production / cash flow base
- Balanced growth
- Commitment to dividend

…And Growing Organically and Inorganically into the Premier, Deepwater, Full-Cycle E&P

dge DEEP GULF ENERGY COMPANIES

- ✓ Consistent with **business strategy**
- ✓ **High-quality, cash generating** assets
- ✓ **Strong management** team
- ✓ **Opportunity-rich, short-cycle Gulf of Mexico (GoM)**

Consistent with Kosmos' Enduring Strategy

Atlantic Margin Focus	Differentiated Deepwater Skillset	High Margin Resources	Low Cost, Efficient Model	Strong Balance Sheet

1. *Net entitlement production for Jubilee, TEN and EG*
2. *Net identified 2P / 2C remaining recoverable resource, Kosmos internal estimate*
3. *Payback of initial $231m net closing consideration assuming ~$70 per barrel Brent*

Transaction Overview

A highly attractive, immediately accretive entry point into the Gulf of Mexico

Transaction	• **Kosmos to acquire Deep Gulf Energy[1] (DGE)** • **Entry point into GoM with ~25 Mboed production / ~80 MMboe 2P reserves[2]** • **Creates operating platform for growth**
Consideration and Financing	• **Purchase Price of $1,225 million, comprised of:** – $925 million cash, funded from existing and available sources of liquidity – $300 million newly issued Kosmos shares to First Reserve • **Fully funded from existing liquidity and new shares issued**
Timing	• **Expected closing in 3Q 2018** – Subject to regulatory approvals and other customary closing conditions
Financial Highlights	• **2018E Cashflow Per Share Accretion** ~35%[3] • **Acquisition EV / 2018E EBITDAX** 3.4x vs. Kosmos at ~6.4x[4] • **Acquisition EV / 2P Reserves** ~$15/boe vs. Kosmos at ~$21/boe[4] • **NPV-10 Breakeven Price** ~$48 per barrel WTI[5] • **Commencement of Dividend** Expected quarterly from 1Q 2019

1. *Includes Deep Gulf Energy LP, Deep Gulf Energy II, LLC and Deep Gulf Energy III, LLC (collectively "DGE") from First Reserve*
2. *Production represents 30 day average as of July 30, 2018, estimated 2P reserves as of June 30, 2018*
3. *Cash flow per share defined as cash flow from operations divided by average annual common shares outstanding.*
4. *Kosmos EV calculated using 2Q:18 quarter end shares outstanding and net debt and July 30, 2018 closing share price. Bloomberg consensus EBITDAX on July 30, 2018.*
5. *Breakeven WTI price for 10% unlevered internal rate of return*

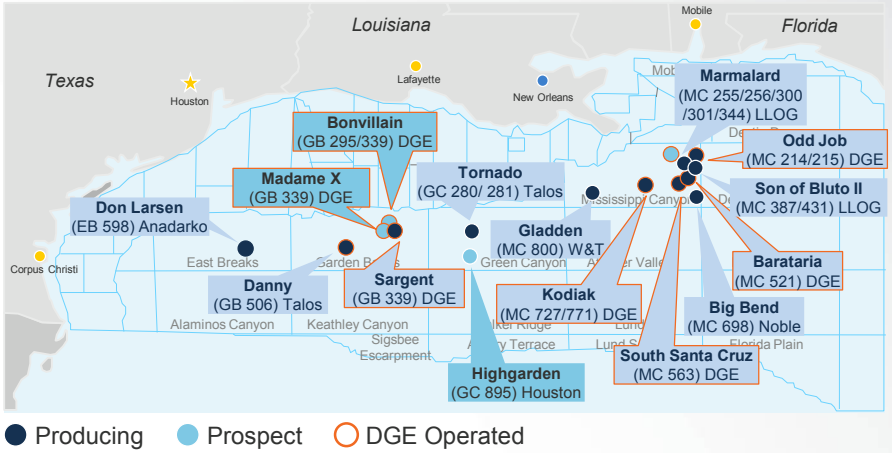
DGE – A Leading Gulf Of Mexico Operator

High-quality asset base with experienced management team establishes complementary GoM business for Kosmos

DGE – Key Highlights

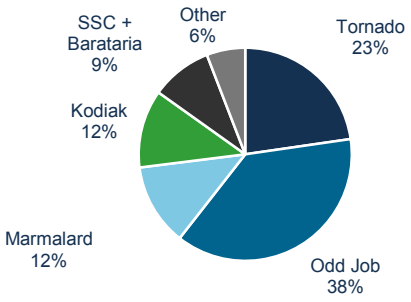
- **A Leading Deepwater GoM Company**
  - Founded in 2005, headquartered in Houston
  - Focus on oil-prone areas near infrastructure
- **Material Oil Reserves and Production**
  - 2P Reserves: ~80 MMBoe; ~85% oil
  - Current Production: ~25 Mboe/d; ~85% oil
- **Proven Operator & Excellent Safety Record**
  - Over 50% operated net production from 16 wells
  - Operate to control quality, timing, and cost
  - No single lost time incident since inception
- **Experienced Team with Value Creation Track Record**
  - Senior management brings 20+ years on avg. of executing projects in deepwater GoM
- **Free Cash Flow Positive with High Cash Margins**
  - ~75% EBITDAX margin – competitive with best shale
- **Pipeline of Attractive Growth Projects**
  - Strong inventory of organic prospects
  - Opportunity-rich GoM enables further inorganic growth
- **Low Risk, Short-Cycle Strategy**
  - 15 out of 19 wells drilled successfully since 2012
  - 18 months from discovery to production

DGE – Asset Overview

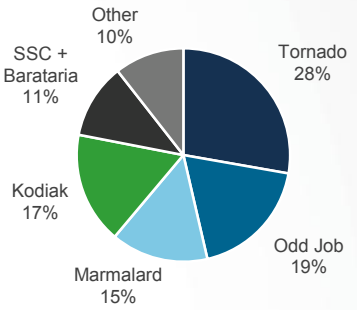


DGE – Reserves and Production

2P Reserves: ~80 MMboe[1]
(~85% Oil)



Net Production: 25 Mboed[2]
(~85% Oil)

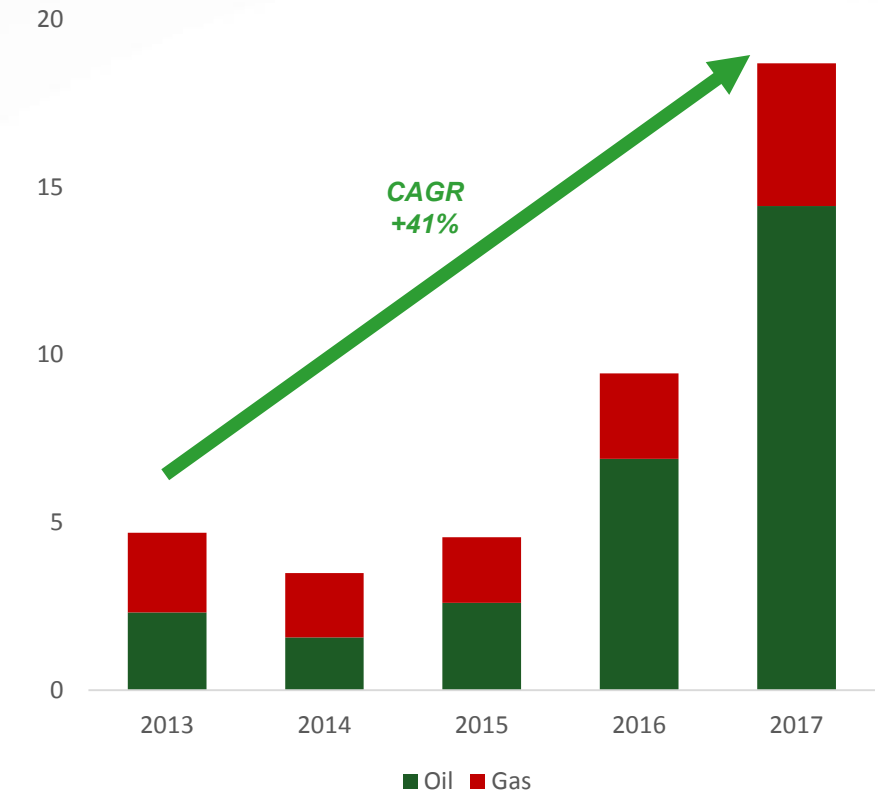


1. *Estimated 2P reserves as of June 30, 2018*
2. *30-day average production as of July 30, 2018*

DGE –Track Record of Creating Value

High success rates and short-cycle times lead to repeatable production and reserves growth and attractive returns

DGE – Net Historical Production (Mboed)



DGE – Net 2P Reserve Growth (MMboe)



Source: DGE company information

A Highly Complementary Acquisition

Building on Kosmos' strategy and accelerating the Company's evolution to a full-cycle E&P

GoM complements Kosmos' deepwater strategy

- Short-cycle deepwater assets with low costs driving attractive returns

Creating the premier Atlantic Margin deepwater E&P

- Entry into the world-class GoM basin with significant growth potential

Adding DGE management team and operating capabilities to bolster Kosmos' existing expertise

- DGE leadership team creates operating platform for growth

Short-cycle developments and low risk "exploration" opportunities

- Short-cycle developments complement Kosmos' longer term Tortue project
- Active near-term GoM E&A program underpinned by prospect inventory of ~50 MMboe net resources

Strong incremental free cash flow allows commencement of dividend

- Commitment to dividend commencing 1Q:19

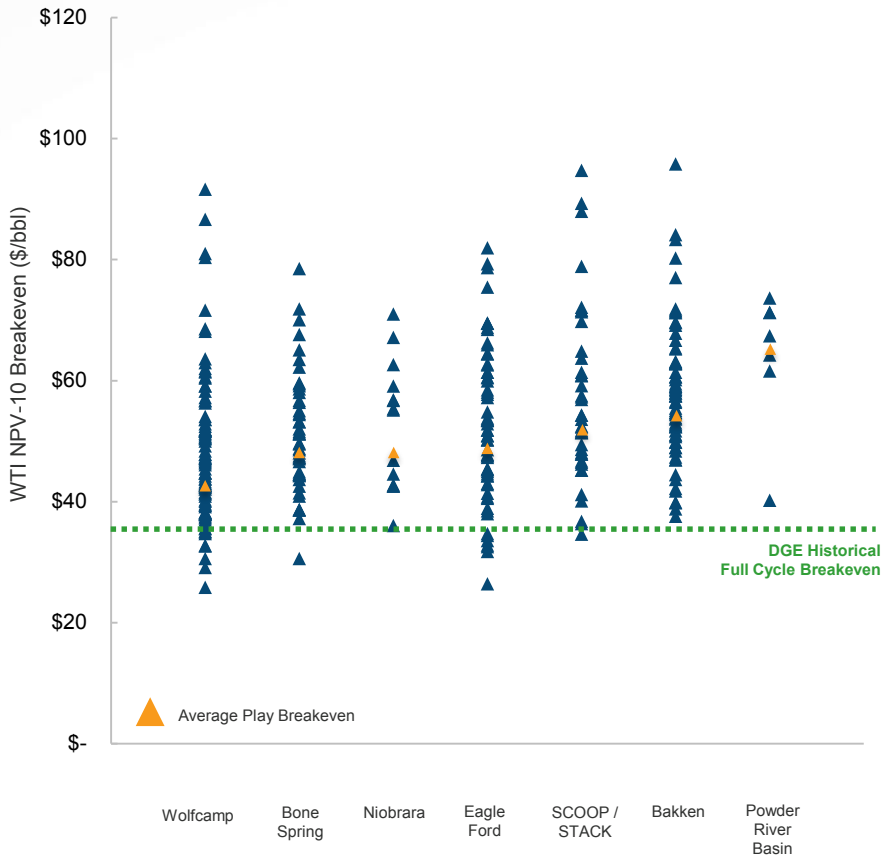
Accelerates Kosmos' evolution to a full-cycle deepwater E&P

- Upscaled portfolio with a diversified production base and meaningful free cash flow generation

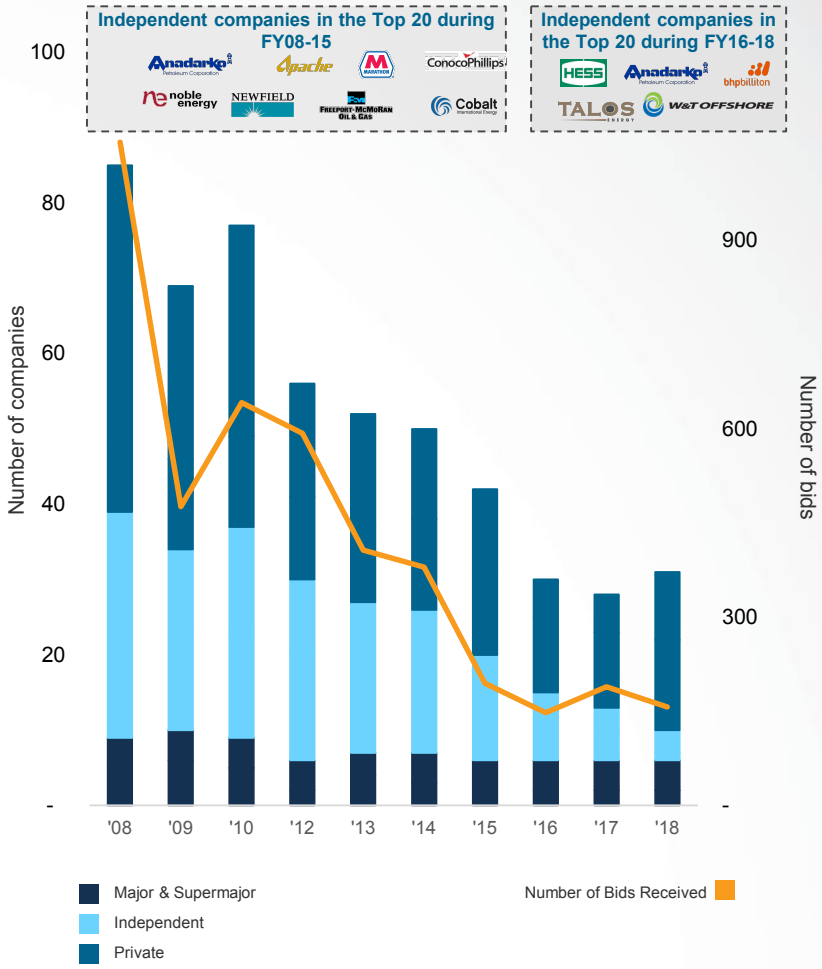
Why Invest In the GoM Now?

Attractive economics and a favorable competitive landscape in a proven basin

GoM Highly Competitive Source of Supply[1]



GoM Operators & Historical Leasing Activity[2]



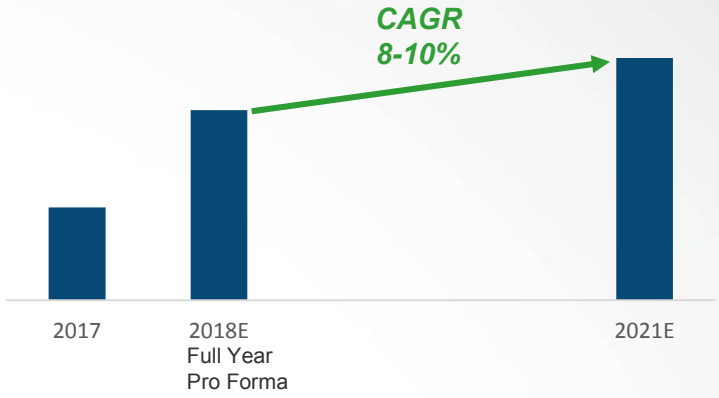
Source: 1. Wood Mackenzie – Lower 48 shale breakeven data, DGE – Historical full cycle breakeven data
2. BOEM

Creating The Premier Atlantic Margin Deepwater E&P

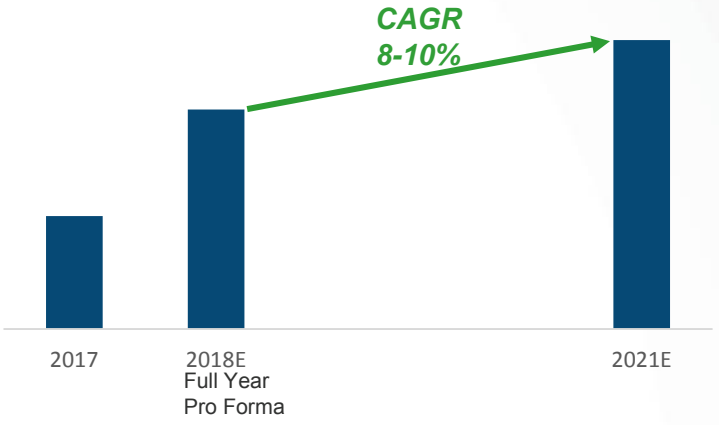
Combined company with a portfolio of high quality, low cost deepwater assets creates platform to double production and EBITDAX over 4 years



Kosmos & DGE Production (Mboed)[1]



Kosmos & DGE EBITDAX ($MM)[1]

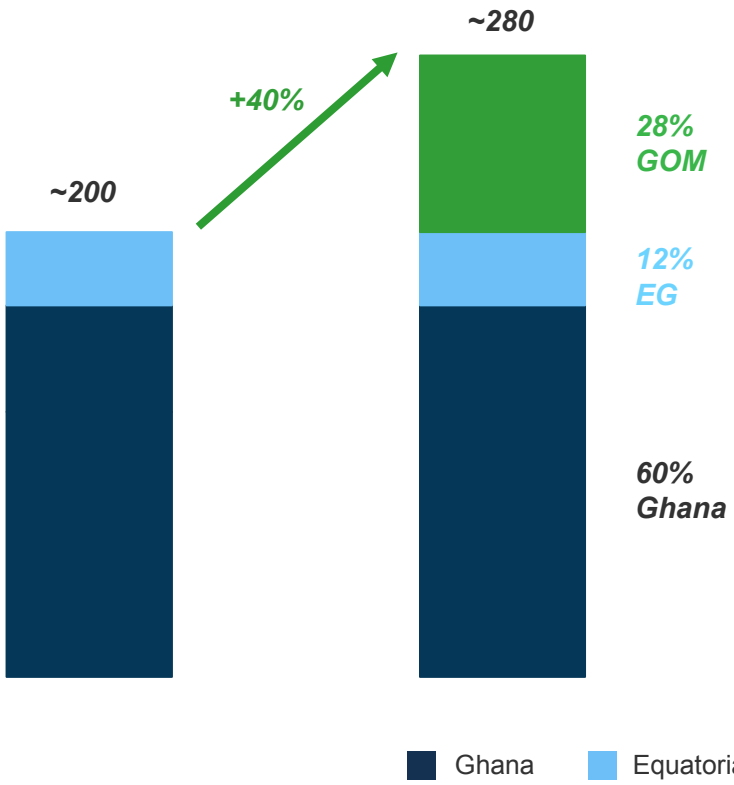


1. *Based on Kosmos internal forecast. 2018 estimated net entitlement production and EBITDAX are pro forma DGE acquisition as of January 1, 2018. Pricing based on July 26, 2018 strip; assumes 2018 and 2021 Brent price deck of $71.39 and $68.23, respectively, and WTI price deck of $67.32 and $59.75, respectively.*

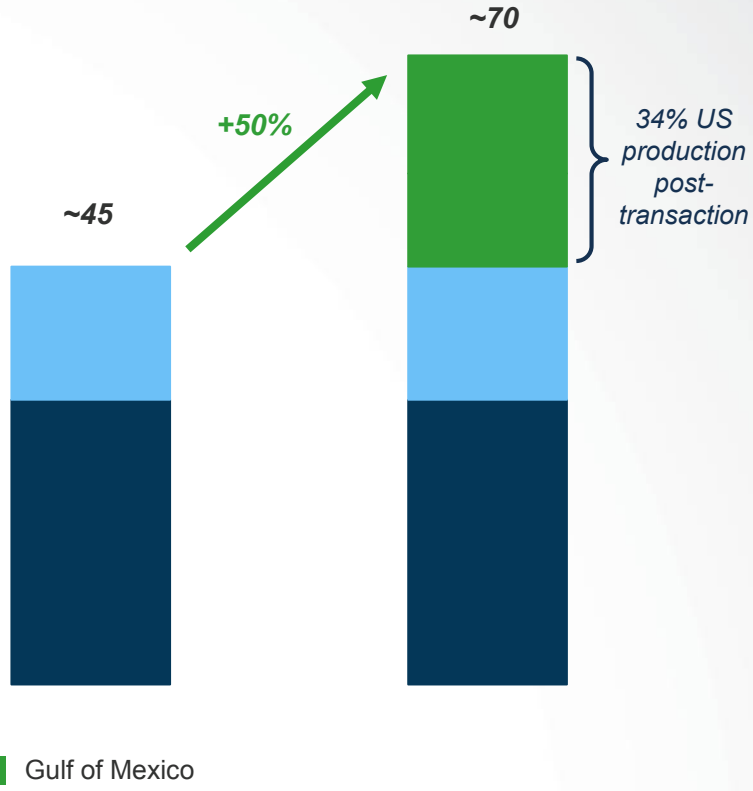
A Strong Combination

Acquisition creates scale and diversifies portfolio

2P Reserves[1] (MMboe)



Production 2018E (Mboed)[2]



Ghana Equatorial Guinea Gulf of Mexico

1. Kosmos 2P reserves as per Kosmos Energy 2017 10-K, DGE estimated 2P reserves as of June 30, 2018
2. Based on Kosmos internal forecast. 2018 estimated net entitlement production pro forma DGE acquisition as of January 1, 2018

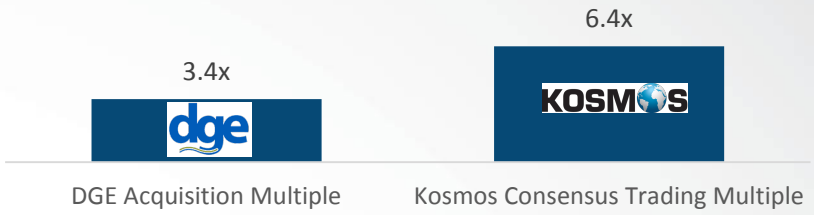
Immediately Accretive

Accretive to shareholders with significant free cash flow generation, supporting dividend payment

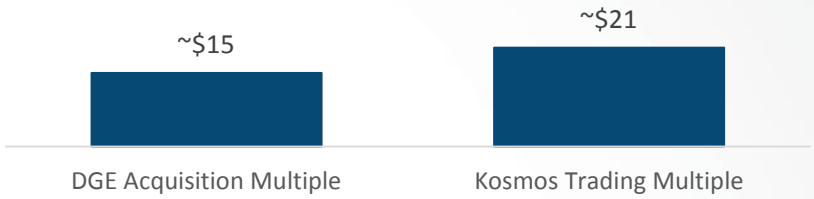
Immediately Accretive to Shareholders

- Acquisition EBITDAX and EV / 2P Reserves multiples substantially below Kosmos' publicly traded multiple
- Cash flow accretion of ~35% supporting future shareholder returns

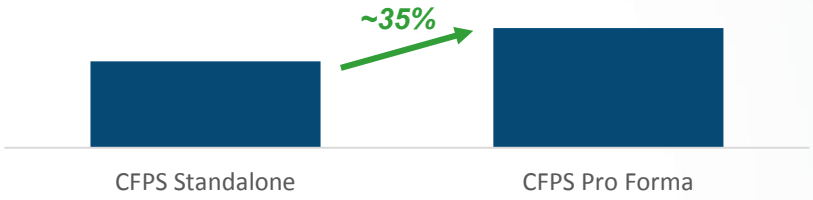
EV / 2018E EBITDAX[1]



EV / 2P Reserves ($/boe)



2018E Cash Flow per Share[2]



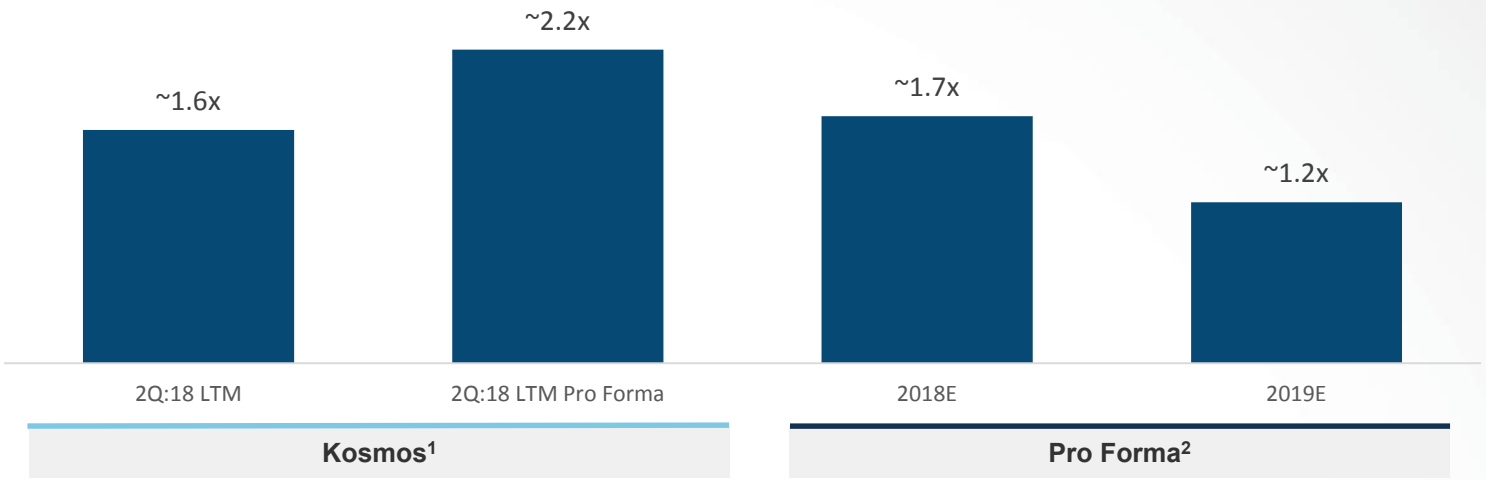
1. *Kosmos and DGE EBITDAX based on internal estimates. Kosmos EV calculated using 2Q:18 quarter end shares outstanding and net debt and July 30, 2018 closing share price. Bloomberg consensus EBITDAX on July 30, 2018*
2. *Cash flow per share based on internal estimates and defined as Cash flow from operations divided by average annual shares outstanding*

A Financially Resilient Company

Strong balance sheet maintained, supports strategy execution

Prudent Leverage Profile

We expect to reduce net debt / EBITDAX to below pre-transaction levels by YE2019



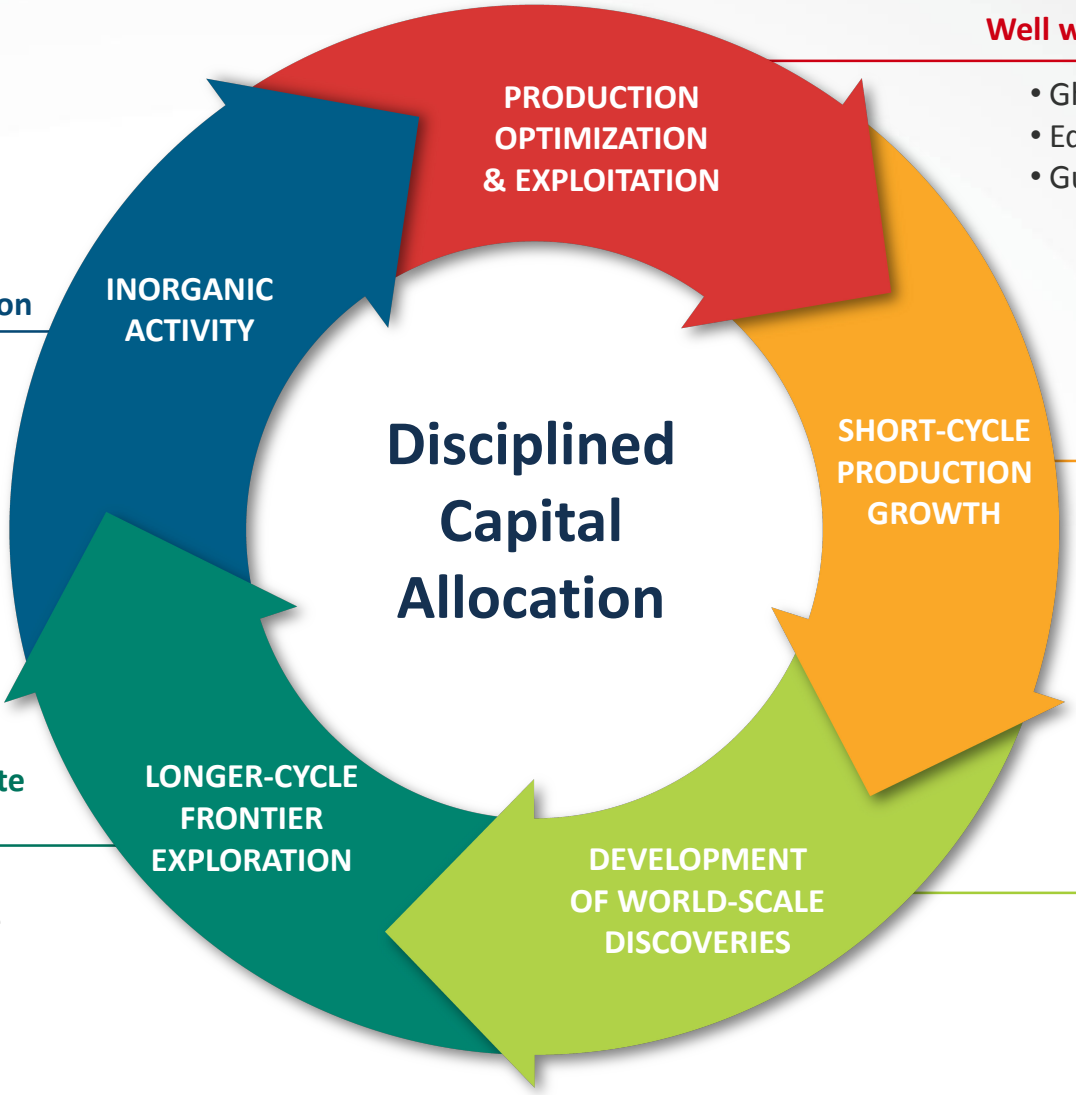
Strong balance sheet

Significant cash flow generation supports rapid deleveraging and dividend payment

1. *2Q:18 LTM, Pro Forma LTM, and 2018E Net Debt to EBITDAX includes 12 months of EBITDAX from Equatorial Guinea and Gulf of Mexico Assets*
2. *Oil prices based on June 15, 2018 strip; assumes 2018 and 2019 Brent price deck of $71.39 and $74.44, respectively, and WTI price deck of $67.32 and $65.68, respectively.*

Delivering Balanced, Full-Cycle Growth…

Leveraged the downturn to our advantage; building a balanced production, development and exploration portfolio for sustainable growth



Well work and infill drilling

- Ghana
- Equatorial Guinea
- Gulf of Mexico

Infrastructure-led exploration

- Equatorial Guinea
- Gulf of Mexico

Potential for multiple LNG hubs (Tortue/Yakaar)

- Mauritania
- Senegal

Potential for hub-scale discoveries which create future optionality

- Suriname
- Sao Tome & Principe
- Cote D'Ivoire

Well-positioned for deepwater consolidation

- Gulf of Mexico

…And Shareholder Returns

Robust, sustainable free cash flow and growth underpin dividend

- **Commitment to return excess capital to shareholders**
- **Targeting first annual dividend of ~$0.17/share for FY2019**
  - **Expected to be paid quarterly commencing 1Q 2019**
- **Dividend payment expected to increase steadily in line with company performance**

2019 Dividend ~$75mm

The Path to Full-Cycle E&P

The Premier Deepwater Atlantic Margin E&P

- **Building scale**
- **Sustainable growth in cash flow**

World-Class Asset Base

- **Balanced portfolio**
  - High-margin production
  - High-return, short-cycle exploration around infrastructure
  - World-class developments
  - Frontier exploration for hub-scale discoveries

Platform for Growth

- **Greater scale, enhanced skillset, and financial liquidity creates opportunities for further growth**

Financial Strength to Execute

- **Ability to fund growth, delever, and pay a sustainable dividend**



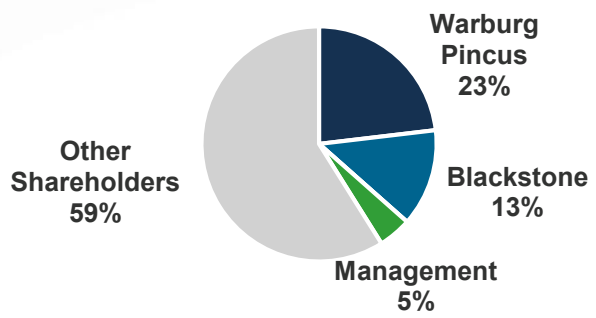
Appendix

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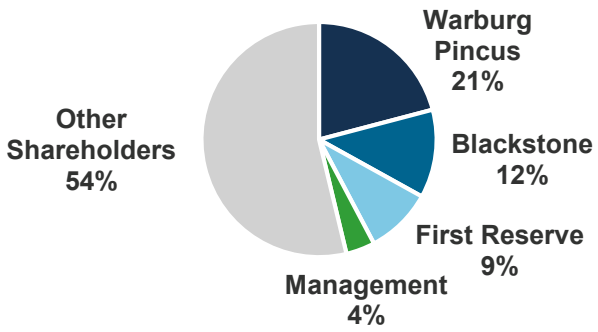
Ownership & Liquidity

Ownership Structure

Current Shareholder Ownership



Pro Forma Shareholder Ownership



Liquidity & Debt Capital Structure

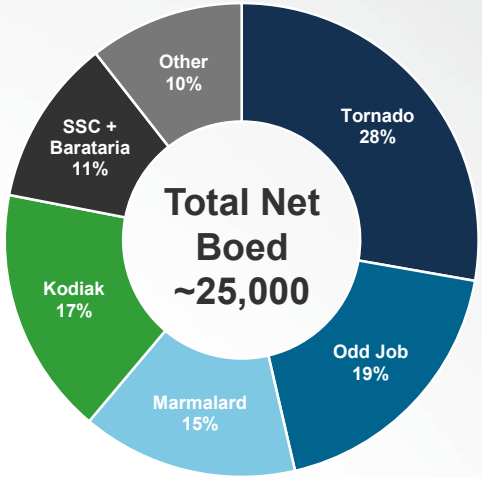
(US$ in millions)	2Q:18	Pro Forma[1]
Revolving Credit Facility – Undrawn	400	275
Reserve Based Lending – Undrawn[2]	800	200
Unrestricted Cash	117	117
Total Liquidity	**1,317**	**592**
Revolving Credit Facility	-	125
Reserve Based Lending Facility	700	1,500
Notes	525	525
Total Debt	**1,225**	**2,150**
Less Total Cash	146	146
Net Debt	**1,079**	**2,004**
Net Debt / LTM EBITDAX	**~1.6x**	**~2.2x**

1. *Pro-Forma Net Debt / EBITDAX includes 12 months of EBITDAX from assets in Equatorial Guinea and Gulf of Mexico*
2. *Includes $200 million of additional firm commitments to increase its reserves-based loan facility capacity*

Current Production & Costs

- **~25 Mboed as of July 2018**
  - 16 gross producing wells
  - ~85% oil
  - 50%+ operated
- **Costs**
  - ~$10/boe of LOE and transportation expense
- **Capex**
  - ~$50-$100 million annual exploitation capex from 2018-2021
- **Low Asset Retirement Obligation**
  - ~$100 million undiscounted
- **Oil Pricing**
  - Heavy Louisiana Sweet (HLS) linked
- **Hedging**
  - WTI hedges covering 2018-19

Current Production



Hedging

Executed Trades				
Hedging Instrument	Time Period	Notional Left (MMBbls)	Strike Price ($/bbl)	Sold Call ($/bbl)
2018 Hedges				
Swaps	FY 2018	1.0	54.41	
Swaps	FY 2018	0.4	56.08	
Puts	FY 2018	0.3	50.30	
Collars	2H 2018	0.1	62.29	66.35
2018 Total		**1.8**	**54.39**	**66.35**
2019 Hedges				
Swaps	FY 2019	1.2	52.22	
Swaps	1-3Q 2019	0.6	53.53	
Collars	1H 2019	0.3	57.77	63.70
2019 Total		**2.1**	**53.48**	**63.70**


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