



1Q 2020 Results

NYSE/LSE: KOS

May 11
2020

Forward-Looking Statements

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Non-GAAP Financial Measures

EBITDAX, Adjusted net income (loss), Adjusted net income (loss) per share, free cash flow, and net debt are supplemental non-GAAP financial measures used by management and external users of the Company's consolidated financial statements, such as industry analysts, investors, lenders and rating agencies. The Company defines EBITDAX as Net income (loss) plus (i) exploration expense, (ii) depletion, depreciation and amortization expense, (iii) equity based compensation expense, (iv) unrealized (gain) loss on commodity derivatives (realized losses are deducted and realized gains are added back), (v) (gain) loss on sale of oil and gas properties, (vi) interest (income) expense, (vii) income taxes, (viii) loss on extinguishment of debt, (ix) doubtful accounts expense and (x) similar other material items which management believes affect the comparability of operating results. The Company defines Adjusted net income (loss) as Net income (loss) adjusted for certain items that impact the comparability of results. The Company defines free cash flow as net cash provided by operating activities less Oil and gas assets, Other property, Change in restricted cash, and certain other items that may affect the comparability of results. The Company defines net debt as the sum of notes outstanding issued at par and borrowings on the Facility and Corporate revolver less cash and cash equivalents and restricted cash.

We believe that EBITDAX, Adjusted net income (loss), Adjusted net income (loss) per share, free cash flow, Net debt and other similar measures are useful to investors because they are frequently used by securities analysts, investors and other interested parties in the evaluation of companies in the oil and gas sector and will provide investors with a useful tool for assessing the comparability between periods, among securities analysts, as well as company by company. EBITDAX, Adjusted net income (loss), Adjusted net income (loss) per share, free cash flow, and net debt as presented by us may not be comparable to similarly titled measures of other companies.

Any non-GAAP financial measures included herein will be accompanied by a reconciliation to the nearest corresponding GAAP measure either within the presentation or within our most recently issued Earnings Release (available on our website at <http://investors.kosmosenergy.com>).

This presentation also contains certain forward-looking non-GAAP financial measures, including free cash flow. Due to the forward-looking nature of the aforementioned non-GAAP financial measures, management cannot reliably or reasonably predict certain of the necessary components of the most directly comparable forward-looking GAAP measures, such as future impairments and future changes in working capital. Accordingly, we are unable to present a quantitative reconciliation of such forward-looking non-GAAP financial measures to their most directly comparable forward-looking GAAP financial measures. Amounts excluded from these non-GAAP measures in future periods could be significant.

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 unrisks 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.

Strong Production for the Quarter

- Q1 production unaffected by COVID-19 and averaged ~66,300 boepd
 - Gulf of Mexico averaged ~28,300 boepd net during quarter – top end of guidance
 - Ghana averaged ~26,500 bopd net during quarter – ahead of expectations
 - Equatorial Guinea averaged ~11,600 bopd net during quarter – in line
- Q1 Sales volumes of 43,700 boepd
 - Kosmos ended the quarter in an underlift position of 1.7 mmboe

Q1 costs in-line, Cost reduction benefits begin in 2Q

- In response to market volatility, costs for 2020 lowered by 30% (~\$250 million)
- Q1 production expense in line with original guidance although steps have been taken to reduce FY operating expenses by ~\$2 – \$3 / boe
- Q1 exploration expense in line with original guidance with reductions over remainder of the year primarily the result of deferred Gulf of Mexico ILX program and completion of the 2020 frontier exploration activity
- Q1 capital program unaffected by cost reductions although FY base business capex guidance is reduced by 40%

Impact of Exceptional & Non-recurring Items

- Non-cash impairments and restructuring charges in the quarter totaling ~\$170 million due to lower oil prices
- Q1 results included a mark-to-market gain of \$136 million, offset by \$12 million cash settlement related to the Company's oil derivative contracts
- \$72 million non-cash deferred tax expense related to the increased market value of hedges and a valuation allowance against deferred tax assets

Kosmos taking decisive actions to protect the business in 2020, positioning for increased activity in 2021

Protect People & Assets

- Employee health and safety remains our primary concern
- All offices and production hubs currently unaffected by COVID-19
- With low cost, low decline assets, production guidance remains within range

Maintain Balance Sheet

- Decisive actions being taken to protect 2020 cashflow
 - ~30% reduction in cash costs
 - Restructured hedging program
- Maintained liquidity through RBL re-determination
- No near term debt maturities

Prepare For The Future

- Deliver self-funded gas business in Mauritania & Senegal
- Progressing high quality portfolio of prospects for 2021
 - Infrastructure-led exploration (ILX) prospects: low breakevens, differentiated in a lower price world
 - Quality basin-opening prospects

Ghana

- 1Q net production of ~26,000bopd; slightly ahead of expectations and includes the impact of the January shutdown to enhance gas handling
- Jubilee and TEN currently unaffected by COVID-19
 - Jubilee: production consistently over 90,000 bopd post gas handling upgrade
 - TEN: Ntomme-09 completion on track (due online late 2Q)
- Full year production guidance remains: 27-29,000 bopd

Equatorial Guinea

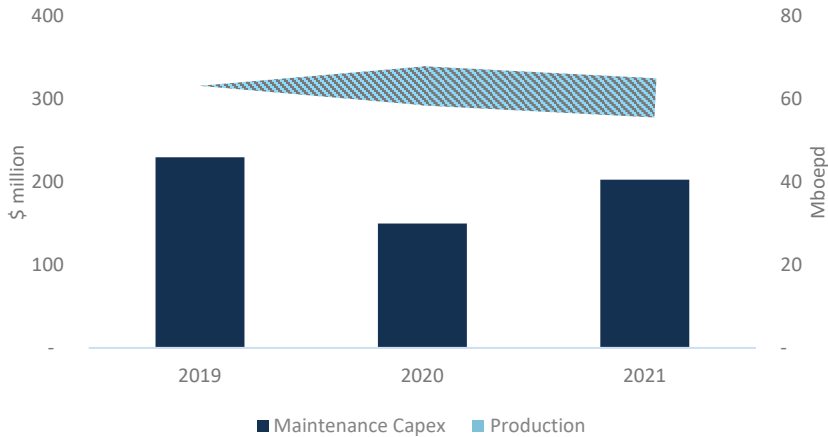
- 1Q net production of ~12,000bopd; in line with expectations
- Ceiba and Okume currently unaffected by COVID-19
- 0.5 cargos delayed from late March to early April. No change to annual cargo guidance
- Full year production guidance remains: 11-13,000 bopd

Gulf of Mexico

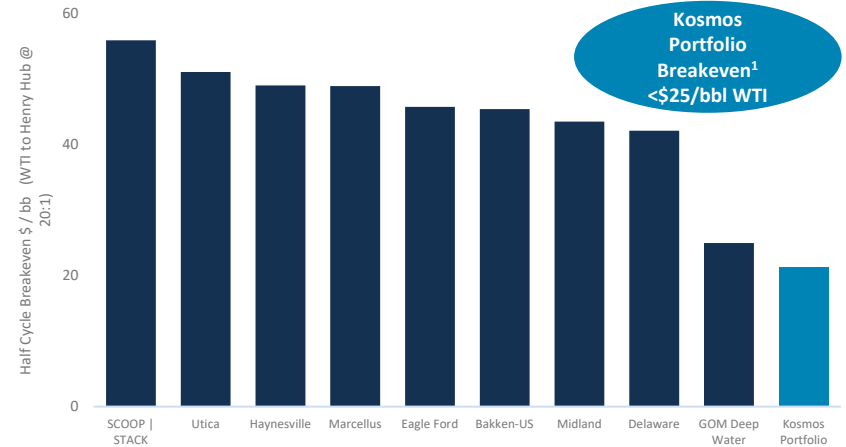
- 1Q net production of ~28,000boepd; at the top end of guidance
- Operations currently unaffected by COVID-19
- As a result of operator decision to shut in Delta House host platform for May and accelerate planned maintenance, 2Q net production likely to be ~7,000 boepd lower
 - Includes ~3,500 boepd from Odd Job, which has a positive operating margin at >\$10 HLS
- Drilling of Tornado waterflood well commenced 2Q
- Full year production at lower end of 24-28,000 boepd guidance range due to May shut-ins

Kosmos has an advantaged portfolio in a lower price world

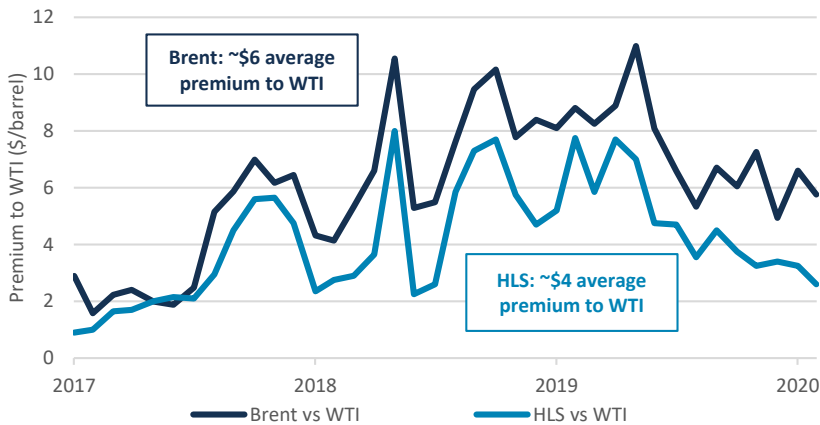
Low Decline Rates



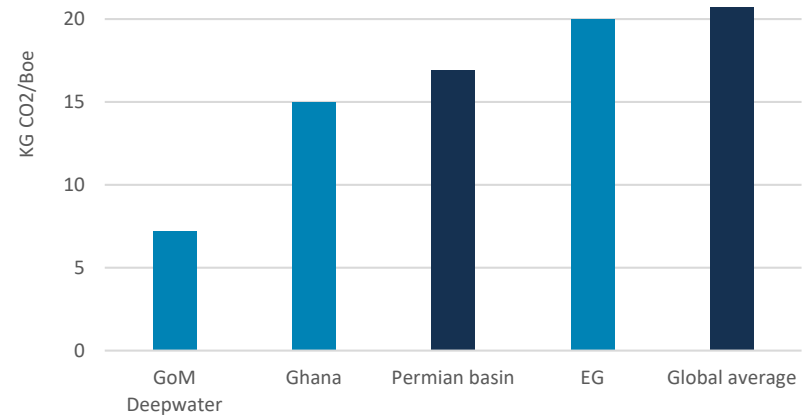
Low Cost, Low Breakeven



Advantaged Pricing



Lower Carbon²



Note 1: Half cycle breakeven includes drilling, completion and tie-in costs (excludes G&A, land acquisition costs, financing costs)
Source: RSEG and Internal Kosmos infill well data, based on average of planned Ghana, EG and Gulf of Mexico wells
Note 2: Operator data, Kosmos estimates, Chirality Research Inc. analysis of public data from U.S. EPA, U.S. EIA, BOEM, and OCI

We have taken decisive actions to lower the cash flow breakeven of the business in 2020

Reduced 2020 Costs (~\$250 million)

- Reducing base business capital expenditure by 40%; from \$325-375 million to \$200-225 million
- Reducing operating expenses by \$2-3/barrel
- Reducing cash G&A by approximately 40%

Suspended the dividend

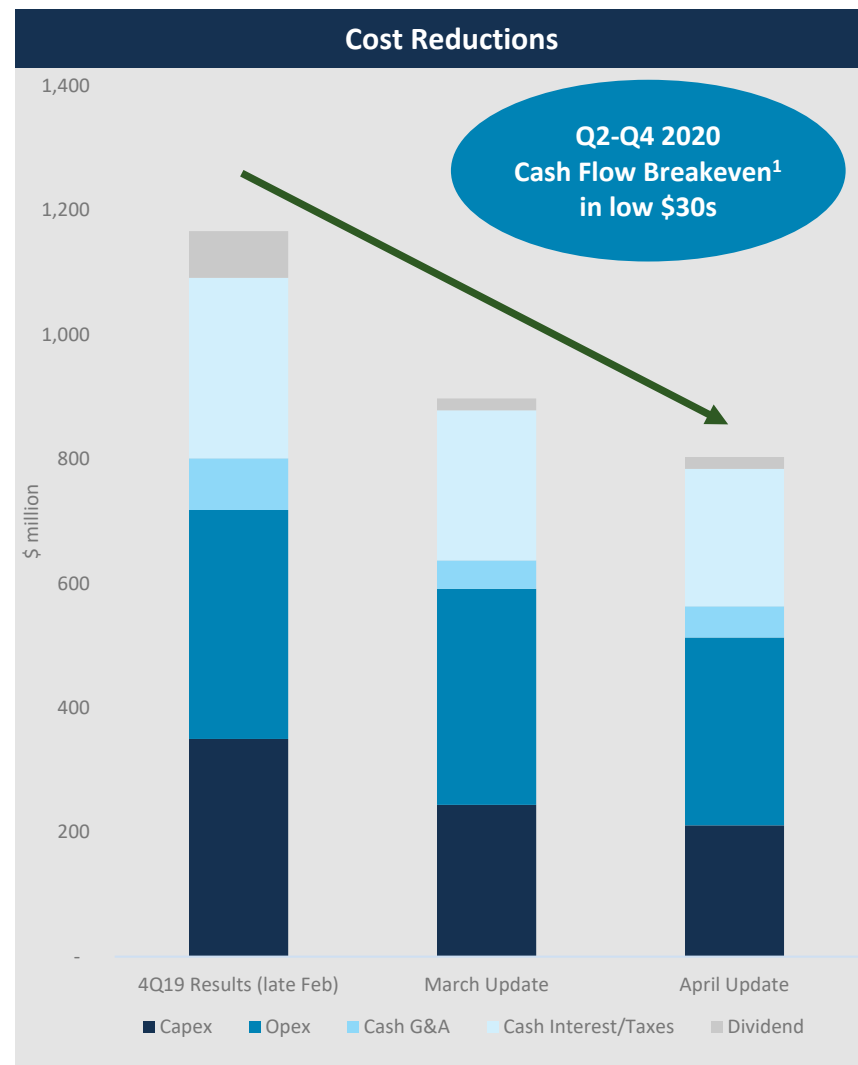
- 2020 saving of ~\$57 million

Restructured hedging portfolio

- Removing 80% of price exposure in the GoM and internationally in 2020
 - Brent: ~10 MMbbls hedged from April (\$43 floor)
 - LLS: ~4 MMbbls hedged from May (\$30 floor)
- At \$25 Brent / \$20 WTI, the hedging portfolio is worth more than \$200 million

Significant value in 2020 hedging portfolio at current oil prices²

		Brent Prices		
		\$20	\$25	\$30
WTI Prices	\$15	\$266	\$231	\$185
	\$20	\$248	\$213	\$168
	\$25	\$231	\$196	\$150



Note 1: Cash costs exclude Working Capital; \$/bbl based on midpoint 2020 production guidance; Capex represents base business
 Note 2: Assumes \$1.50 LLS premium to WTI; Represents FY benefit including realized hedge gains through Q1 2020

We have taken the necessary actions to maintain liquidity in the business in 2020

RBL Re-Determination Complete

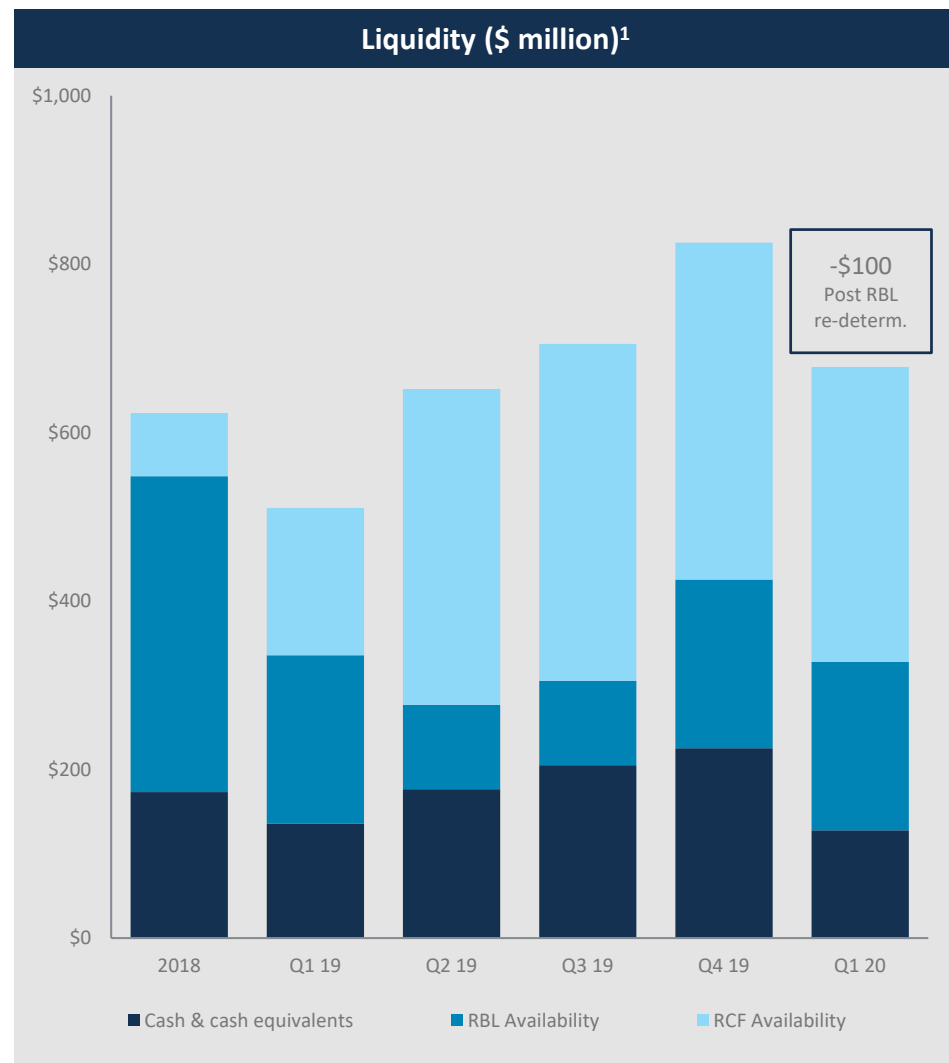
- Re-determination completed in early April with \$1.5 billion borrowing capacity (\$1.4 billion drawn)

No near term Maturities

- First RBL/RCF amortization payment not until 2022
- High-yield bonds mature in 2026

Liquidity

- Total liquidity at the beginning of 2Q 2020 of ~\$580 million



Tortue project delayed by 12 months with capital deferred and Kosmos's share covered by carry in 2020

Greater Tortue Ahmeyim

- Phase 1 execution: ~33% complete
- Following the signing of the Phase 1 SPA, Kosmos booked additional 1P reserves of ~100 MMBoe
- Disruption to the breakwater installation as a result of COVID-19 mitigation measures has resulted in a ~12-month delay
- Revised 2020 budget approved by the partnership
 - BP carry expected to last through 2020
 - Remaining capital expenditure spread over 2021/2022/2023
- Phases 2&3 FID 2023+

Sell-down

- Process ongoing to deliver self-funded gas development
 - Remote management presentations supported by virtual data rooms



Kosmos continues to progress high quality exploration catalysts for 2021

U.S. GULF OF MEXICO

SURINAME

Basin-Opening Exploration

- **High quality portfolio in attractive basins**
 - Three high-quality basin-opening wells are being progressed for drilling for 2021
 - Suriname – AVO supported. Cretaceous and carbonate plays
 - Namibia – AVO supported. Cretaceous play
 - São Tomé & Príncipe– AVO supported, 4 Way Cretaceous play

U.S. Gulf of Mexico

- **Deep hopper of future ILX opportunities**
 - Maintaining the option to drill 2-3 wells at 30-50% WI in 2021
 - Zora, Honey Ryder, Spencer, Tiberius, and Highland Rim
 - Flexibility to execute when the market starts to improve
 - Attractive economics <\$30 full cycle breakeven¹

SÃO TOMÉ & PRÍNCIPE

NAMIBIA

Appendix



Q1 2020 Highlights and Key Items

		Q1 2020E	Q1 2020A	
Strong Production for the Quarter	Net Production	63,000 – 67,000 boe/day	~66,300 boe/day	✓
	Sales Volumes	4.5 MMBoe	4.0 MMBoe	• Q1 ended 1.7 MMBoe underlift
Cost in-line or below Expectations	Opex	\$14.50-\$16.50/boe	\$15.50/boe	✓
	DD&A	\$22.00-\$24.00/boe	\$23.50/boe	✓
	G&A¹	\$30-\$34 million	\$21 million	✓
	Exploration Expense²	\$36-\$40 million	\$33 million	✓
Impact of Exceptional & Non-recurring Items	Tax	\$2.00-\$4.00/boe	\$16.50/boe	• GoM deferred tax allowances • Non-cash hedging MTM gain
	Impairment	-	~\$(170) million	• Non-cash asset impairments largely due to oil price • Restructuring charges
	Hedges MTM	-	\$136 million	✓

1. Q1 2020 G&A – Approximately 60% cash

2. Excludes dry hole expense of \$12 million in 1Q:20 primarily related to Oldfield

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