Kosmos Energy 4Q21 Results (updated for pre-emption)

NYSE/LSE: KOS

March 2022
Forward-Looking Statements
This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical facts, included in this presentation that address activities, events or developments that Kosmos Energy Ltd. ("Kosmos" or the "Company") expects, believes or anticipates will or may occur in the future are forward-looking statements. Without limiting the generality of the foregoing, forward-looking statements contained in this presentation specifically include the expectations of management regarding plans, strategies, objectives, anticipated financial and operating results of the Company, including as to the impact of the COVID-19 pandemic on the Company and the overall business environment, estimated oil and gas in place and recoverability of the oil and gas, estimated reserves and drilling locations, capital expenditures, typical well results and well profiles and production and operating expenses guidance included in the presentation. The Company’s estimates and forward-looking statements are based mainly on its current expectations and estimates of future events and trends, which affect or may affect its businesses and operations. Although the Company believes that these estimates and forward-looking statements are based upon reasonable assumptions, they are subject to several risks and uncertainties and are made in light of information currently available to the Company. When used in this presentation, the words “anticipate,” “believe,” “intend,” “expect,” “plan,” “will” or other similar words are intended to identify forward-looking statements. Such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the Company, which may cause actual results to differ materially from those implied or expressed by the forward-looking statements. Further information on such assumptions, risks and uncertainties is available in the Company’s Securities and Exchange Commission ("SEC") filings. The Company’s SEC filings are available on the Company’s website at www.kosmosenergy.com. Kosmos undertakes no obligation and does not intend to update or correct these forward-looking statements to reflect events or circumstances occurring after the date of this presentation, whether as a result of new information, future events or otherwise, except as required by applicable law. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. All forward-looking statements are qualified in their entirety by this cautionary statement. Management does not provide a reconciliation for forward-looking non-GAAP financial measures where it is unable to provide a meaningful or accurate calculation or estimation of reconciling items and the information is not available without unreasonable effort. This is due to the inherent difficulty of forecasting the occurrence and the financial impact of various items that have not yet occurred, are out of our control or cannot be reasonably predicted. For the same reasons, management is unable to provide the probable significance of the unavoidable information. Forward-looking non-GAAP financial measures provided without the most directly comparable GAAP financial measures may vary materially from the corresponding GAAP financial measures.

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, and certain other items that may affect the comparability of results and excludes non-recurring activity such as acquisitions, divestitures and NOC financing. 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 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 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.
A Differentiated Portfolio Fit For The Future

Near-term leverage to strong oil prices, long-term leverage to growing gas demand

- Low cost, high quality assets
- Growing gas/LNG exposure
- Robust balance sheet
  Rapid de-leveraging
- Potential for material shareholder returns
- Strong ESG credentials
  A portfolio fit for the future

Strong Growth Expected

Company production (kboepd)

2022E
2024E

- Tortue Phase 2
- Tortue Phase 3+
- BirAllah
- Yakaar-Teranga
- Jubilee
- Southeast
- Winterfell

~50%
Growth Underpinned By Significant Reserves Base

Record reserves base: 2P reserves-to-production life of >20 years

1P Reserves of ~300mmboe
- More than double YE2020, reflecting:
  - Robust replacement ratio from existing assets
  - Recognition of Tortue 1P reserves
  - Oxy Ghana acquisition
- 1P reserves-to-production of ~12 years

2P Reserves of ~580mmboe
- ~20% growth over YE2020
  - 114% reserve replacement ratio excluding Oxy Ghana impact
- 2P reserves-to-production of >20 years

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1. Kosmos reserves based on Ryder Scott Independent Reserves Report 1P (SEC) and 2P (PRMS)
Clear Path To De-leveraging

YE2021 leverage of ~2.5x in line with expectations...on track for below pre-COVID levels by YE2022

Growing EBITDAX

• 2022 EBITDAX expected to be materially enhanced
  – Higher production in Ghana
  – Higher oil/gas prices with improved hedging
  – Reducing unit costs/barrel

Significant Potential Debt Reduction

• Up to $500 million reduction in debt in 2022 at $75/barrel:
  – Robust FCF ~$200m¹
    ▪ ~$50 million FCF for every $5/barrel oil price increase²
  – Shell exploration success (capped at $100m)
  – Ghana pre-emption proceeds >$100m
  – NOC loan re-financing ~$100m

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¹ Assumes realized prices for 1Q and $75/barrel for 2Q-4Q22
² Includes hedging impact
Highly Cash Generative Portfolio

Material, sustainable FCF generation as Tortue Phase 1, Jubilee Southeast and Winterfell are delivered

Near-term funding focused on delivering Tortue Phase 1, Jubilee Southeast and Winterfell...

...expected to increase group production by over 50% by 2024 once fully ramped up

Scheduled capex is expected to fall significantly by 2024

Key developments funded and producing...

...driving an expected material increase in sustainable FCF generation

Enabling material shareholder returns

<table>
<thead>
<tr>
<th></th>
<th>2022E¹</th>
<th></th>
<th>2024E</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Production</strong></td>
<td>63-67,000 boepd</td>
<td>+50%</td>
<td>~100,000 boepd</td>
</tr>
<tr>
<td><strong>Capex</strong></td>
<td>~$670 million</td>
<td>-25%</td>
<td>&lt;$500 million</td>
</tr>
<tr>
<td><strong>Free Cash Flow</strong> (@$75/bbl)</td>
<td>~$200 million</td>
<td>+250%</td>
<td>&gt;$700 million</td>
</tr>
</tbody>
</table>

¹. Estimates for 2022 include impact of Ghana pre-emption, announced 21 March 2022
Commitment to Sustainability and a ‘Just’ Energy Transition

Strong ESG performance is an indicator of a business capable of delivering long term value

**Environment**

**Reducing Emissions**
- Accelerating timeline to achieve carbon neutrality for Scope 1 and Scope 2 operated emissions
- Planning for new equity emissions disclosure
- Gas weighting of our portfolio set to increase as Tortue begins production

**Social Performance**

**Investing in People and Communities**
- 100% local employees in all host countries of operation
- Consistently named a top workplace in Houston and Dallas
- Capital investment supports ‘just’ transition and access to energy in Africa
- Social investment through an expanded Kosmos Innovation Center and other programs

**Governance**

**Living our Values**
- Experienced and diverse Board of Directors
- Chairman and CEO-led Climate Change Task Force
- Industry-leading position on transparency
- Publication of all petroleum agreements and project-level payments to governments is a key differentiator
2021: A Year of Momentum
2021: Operational Momentum

Operational momentum building

>75,000 boepd exit rate achieved by YE21

LNG development progressing

Tortue Phase 1 ~70% complete at YE21

Enhanced reserves base

>20-year 2P reserves/production

Accretive, value-additive M&A

Successful OXY Ghana transaction

Strong ESG agenda

Supporting a “Just Transition” in Africa
Jubilee Drilling Enhances Performance

**Production**

- **4Q Production:**
  - Jubilee: ~80,000 bopd (~32,000 net\(^1\))
  - TEN: ~27,000 bopd (~7,000 net\(^1\))

- **FY21 Production:**
  - Jubilee: ~75,000 bopd (~21,000 net\(^1\))
  - TEN: ~33,000 bopd (~6,000 net\(^1\))

**Improved operational performance**

- Returned to drilling at Jubilee and TEN with four wells
  - Jubilee: 2 producers, 1 water injector
  - TEN: 1 gas injector
- High levels of water injection, gas offtake and FPSO uptime

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1. Assumes Oxy Ghana assets were acquired on 1 October 2021
2. 30-day rolling average
2021: Oxy Ghana Transaction Accelerates Strategy

Strategic, value-accretive M&A

Right transaction, right time
- Kosmos was uniquely positioned to execute the transaction
  - Strong track record in Ghana
  - Equity and bond investor support

Strong operational and financial performance
- The assets have performed well since the acquisition closed in October 2021
  - Payback expected to reduce to <2 years at current strip

Pre-emption update
- Tullow and PetroSA both exercised pre-emption rights
  - Pre-emption transaction with Tullow has been completed (announced 21st March 2022)
  - Process for PetroSA ongoing and subject to approval by the Government of Ghana
- Net proceeds approximately $125 million

<table>
<thead>
<tr>
<th>Interests Post Pre-emption</th>
<th>Jubilee</th>
<th>TEN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kosmos</td>
<td>38.32% (+14.3%)</td>
<td>19.76% (+2.8%)</td>
</tr>
<tr>
<td>Tullow (Op)</td>
<td>38.98%</td>
<td>54.84%</td>
</tr>
<tr>
<td>Petro SA</td>
<td>3.01%</td>
<td>4.45%</td>
</tr>
<tr>
<td>GNPC</td>
<td>19.69%</td>
<td>20.95%</td>
</tr>
</tbody>
</table>

1. As per announcement of 21 March 2022, ~$118m has been received from Tullow, with the remainder expected from PetroSA
2021: Equatorial Guinea – Return To Drilling

First infill wells drilled on the assets since 2015

Production

• 4Q Production: ~30,000 bopd (~10,000 net)
• FY21 Production: ~30,000 bopd (~10,000 net)

Successful infill drilling campaign

• First drilling campaign since 2015
• Two jackup wells drilled
  – OG-01
  – OB-14
• Ceiba and Okume currently producing at levels not seen in over 18 months

1. 30-day rolling average
Winterfell unlocks ~100 mmboe gross resource potential with further upside

Production

• 4Q Production: ~21,000 boepd
• FY21 Production: ~20,000 boepd

Infill drilling campaign

• Tornado-5 exceeding expectations

Infrastructure-led exploration

• Winterfell discovery and follow-on appraisal success
• ~100 mmboe gross resource potential in the central Winterfell area
• Close proximity to several potential host platforms

1. 30-day rolling average
2021: Tortue Development – Significant Progress

All key workstreams making progress: ~70% complete at YE21

**FPSO**
- The last four of the eight process modules were successfully lifted onto the deck at year-end
- Mechanical completion of the process sub-systems is underway

**Hub Terminal**
- Construction complete of the 21st (and final) caisson of the breakwater
- Piling installation (commenced in 4Q21) for the jetty in preparation for the delivery of the hub terminal facilities

**Subsea**
- The Amazon (pipe laying vessel) completed its nautical trials in the North Sea in preparation for the offshore installation campaign in 2Q22

**FLNG**
- All four mixed refrigerant compressors lifted onboard
- Pipe rack installation operations commenced
2021: Financial Delivery

- Re-Financed RBL Facility
  - $1.25bn Facility Size
- Increased Liquidity
  - >$750m at YE21
- Tortue FPSO Sale & Leaseback
  - ~$375m net capex saving
- Materially Reduced Leverage
  - ~2.5x at YE21
- Raised Hedge Floors/Ceilings
  - Ave. 2022 ceiling ~$80/bbl (~60% production)
- Strong FCF from base business
  - FY21 base business FCF of ~$175m

1. Excludes working capital
# 4Q21 Financials

A record quarter: sales volumes and EBITDAX at all time highs

<table>
<thead>
<tr>
<th></th>
<th>3Q 2021A</th>
<th>4Q 2021A</th>
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<tr>
<td><strong>Net Production</strong>1</td>
<td>~49,300 boe/day</td>
<td>~70,000 boe/day</td>
</tr>
<tr>
<td><strong>Sales</strong></td>
<td>~33,000 boe/day</td>
<td>~82,000 boe/day</td>
</tr>
<tr>
<td><strong>Realized Price</strong>2</td>
<td>$47.7/boe</td>
<td>$65.2/boe</td>
</tr>
<tr>
<td><strong>EBITDAX</strong></td>
<td>~$79 million</td>
<td>~$340 million</td>
</tr>
<tr>
<td><strong>Opex</strong></td>
<td>$16.7/boe</td>
<td>$17.8/boe</td>
</tr>
<tr>
<td><strong>DD&amp;A</strong></td>
<td>$21.6/boe</td>
<td>$23.2/boe</td>
</tr>
<tr>
<td><strong>G&amp;A</strong>3</td>
<td>$22 million</td>
<td>$25 million</td>
</tr>
<tr>
<td><strong>Exploration Expense</strong>4</td>
<td>$12 million</td>
<td>$22 million</td>
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<tr>
<td><strong>Net Interest</strong></td>
<td>$27 million</td>
<td>$38 million</td>
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<tr>
<td><strong>Tax Exp. / (Benefit)</strong></td>
<td>$0.2/boe</td>
<td>$7.6/boe</td>
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<tr>
<td><strong>Base Business Capex</strong>5</td>
<td>$72 million</td>
<td>$104 million</td>
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1. 4Q21A assumes Oxy Ghana assets were acquired on 1 October 2021
2. Includes derivatives cash settlements
3. Approximately 65% cash
4. Excludes dry hole costs and leasehold impairments
5. Excludes Mauritania & Senegal and acquisitions
2021: Strengthened Financial Position

Continuing to optimize the capital structure

### Significant Liquidity

<table>
<thead>
<tr>
<th></th>
<th>Q4 20</th>
<th>Q1 21</th>
<th>Q2 21</th>
<th>Q3 21</th>
<th>YE21</th>
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</thead>
<tbody>
<tr>
<td>Cash &amp; Cash Equivalents</td>
<td>$149</td>
<td>$95</td>
<td>$150</td>
<td>$111</td>
<td>$132</td>
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<tr>
<td>RCF Availability</td>
<td>$300</td>
<td>$350</td>
<td>$400</td>
<td>$400</td>
<td>$400</td>
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<tr>
<td>RBL Availability</td>
<td>$569</td>
<td>$320</td>
<td>$235</td>
<td>$85</td>
<td>$235</td>
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### No Near-Term Maturities

- Drawn RBL
- 7 1/8 Sr. Notes
- 7 3/4 Sr. Notes
- GoM Term Loan

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
<th>2028</th>
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<tr>
<td>$25</td>
<td>$30</td>
<td>$30</td>
<td>$107</td>
<td>$85</td>
<td>$357</td>
<td>$357</td>
<td>$179</td>
<td>$400</td>
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<tr>
<td>$30</td>
<td>$357</td>
<td>$357</td>
<td>$450</td>
<td>$650</td>
<td>$400</td>
<td>$450</td>
<td>$765</td>
<td>$767</td>
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</tbody>
</table>
2022: A Year of Delivery
2022: Ghana – Investing For Growth

Delivering sanctioned projects to access significant reserve base

**Jubilee Investment**
- **Maintenance**
  - Three wells: one producer, two water injectors
- **Growth**
  - Investment in Jubilee Southeast facilities to add lower GoR wells
  - Expected to increase gross field production to ~100,000 bopd
  - Drilling planned late 2022/early 2023 with first oil expected mid-2023

**TEN Investment**
- **Maintenance**
  - One producer, One water injector
- **Growth**
  - Two riser-based wells with production benefit expected 2023

**Emissions reduction**
- Aligned with the operator to eliminate routine flaring by 2025
**2022: Equatorial Guinea / Gulf of Mexico – High-Graded Program**

**Investing to maintain production with future growth potential**

### Equatorial Guinea Investment

- **Maintenance**
  - Three-to-four well ESP conversion program planned in 2022
  - Ceiba/Okume production optimization projects

- **Growth**
  - Pre-investment for 2023 infill program
  - High-graded Albian ILX opportunities

### Gulf of Mexico Investment

- **Maintenance**
  - Kodiak sidetrack. Funded by insurance proceeds
  - Production optimization at Odd Job and Marmalard

- **Growth**
  - Working with partners on low cost, lower carbon Winterfell development
    - Initial two-well development scheme
    - Targeting sanction around mid-year 2022
    - First oil approximately 18 months post sanction
  - High grading multiple prospects for future ILX drilling in 2023+
2022: Tortue Phase 1 – A Year Of Execution

First gas expected in 3Q 2023

**Tortue Phase 1 – Key Planned 2022 Milestones**

- **Wells**: Commence drilling in 2Q22
- **Subsea**: Kick-off offshore installation in 2Q22
- **Hub Terminal**: Commence facilities hook-up in 3Q22
- **FPSO**: Sail-away end 3Q22
- **FLNG**: Vessel power management system commissioning in 3Q22
2022: Beyond Tortue Phase 1...

Working to commercialize substantial gas resource in Mauritania & Senegal

Tortue Phase 2

- Optimization of upstream facilities expected to deliver expansion from 2.5mtpa to 5.0mtpa
- At an estimated cost of less than $1 billion (gross)
- Development decision expected around mid-year 2022

BirAllah

- Complete seismic reprocessing and reservoir modelling update
- Development concept selection

Yakaar-Teranga

- Advance pre-FEED studies and met-ocean / geophysical surveys
- Progress domestic gas sales discussions

~100 TCF Gas Initially In-Place De-Risked Across 3 Hubs

- BirAllah Hub ~50 TCF
- Tortue Hub ~25 TCF
- Yakaar/Teranga Hub ~25 TCF
Focused capital program in 2022

Key FY22 Guidance Items

**Net Production**  
63-67,000 boepd

**Total Capex**  
~$670 million

**Free Cash Flow** (@$75 Brent)  
~$200 million

**Potential Debt Paydown** (@$75 Brent)  
Up to $500 million

Base business capex focused on growing production and high-return infill and ILX wells
- $250-300 million maintenance capex
  - Development drilling/integrity spend (Ghana/EG/GoM)
- $100-150 million growth capex
  - Pre-investment in infrastructure for 2023+ growth
    - Ghana: Jubilee Southeast, TEN riser-based wells
    - GoM: Winterfell
    - EG: 2023 drilling campaign

M&S capex focused on progressing Tortue Phases 1&2 and other hubs (BirAllah/Yakaar-Teranga)
- ~$250 million: Phase 1 capex
- ~$50 million: Phase 2 / BirAllah advancement / Yakaar-Teranga

FY22 Capital Program

1. Guidance updated for Ghana pre-emption announced 21 March 2022
2. Assumes realized prices for 1Q and $75/barrel for 2Q-4Q22
3. Assumes completion of NOC loan re-financing and $100m of contingent payments from Shell as part of the exploration farm down in 2020
A Differentiated Portfolio Fit For The Future

- Low cost, high quality assets
- Growing gas/LNG exposure
- Robust balance sheet with rapid de-leveraging
- Potential for material shareholder returns
- Strong ESG credentials. A portfolio fit for the future