



# 1Q 2022 Results

NYSE/LSE: KOS

9 May  
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 mainly based 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](http://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 address the probable significance of the unavailable 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 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](http://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.

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

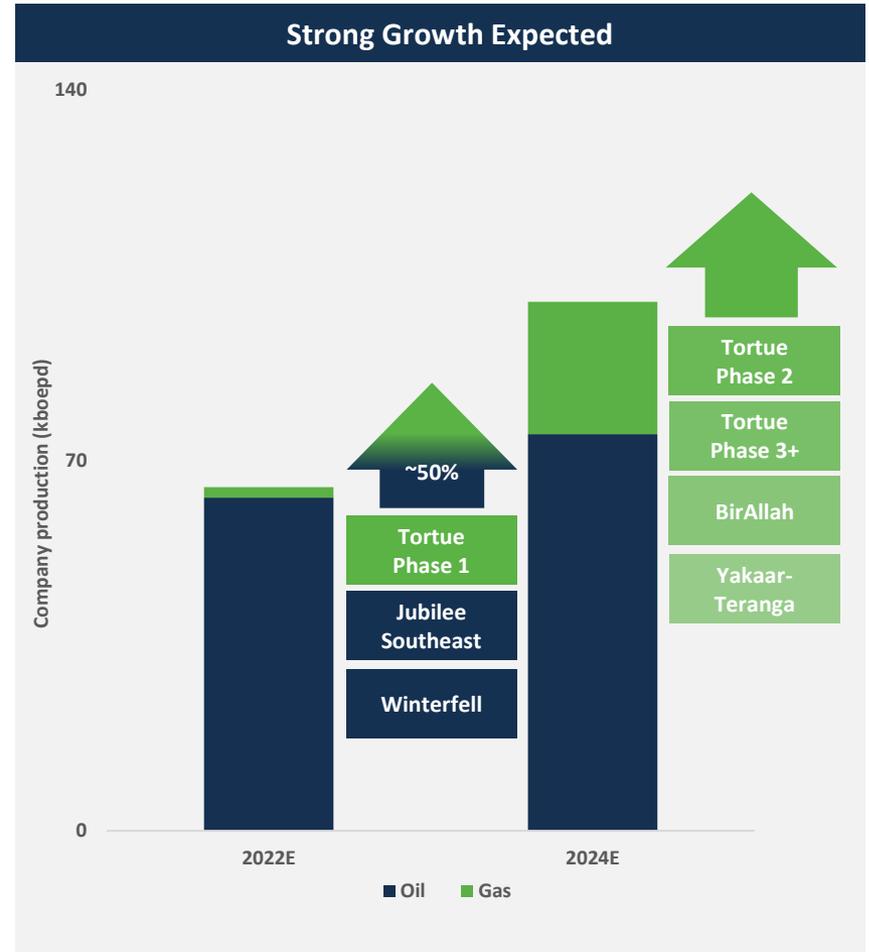
Low cost,  
high quality assets

Growing gas/  
LNG exposure

Robust balance sheet  
Rapid de-leveraging

Potential for material  
shareholder returns

Strong ESG credentials  
A portfolio fit for the future



Committed to supporting a “Just Energy Transition” and enhancing energy security

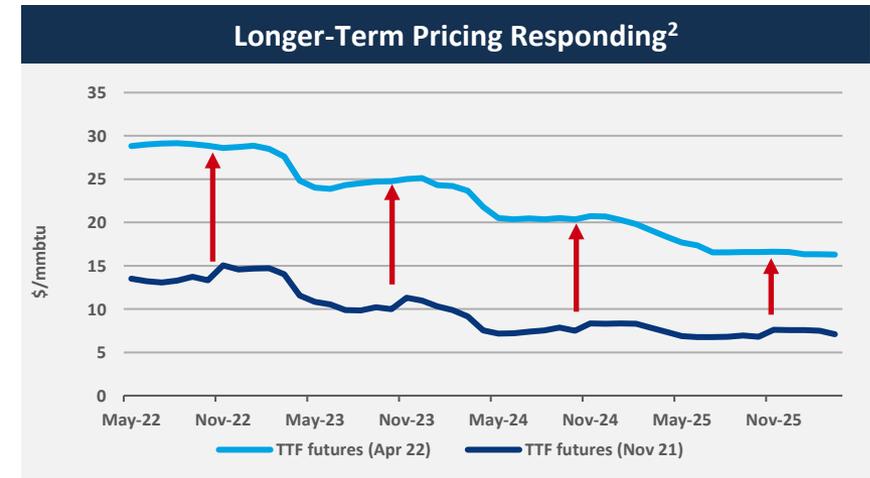
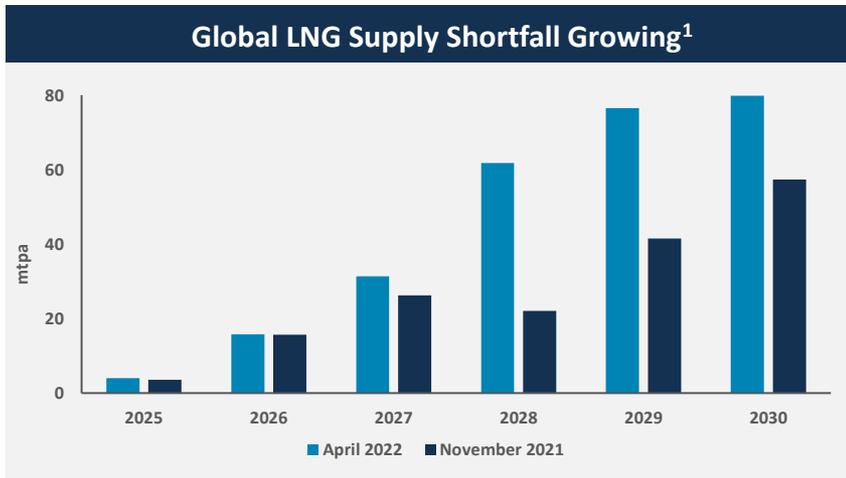
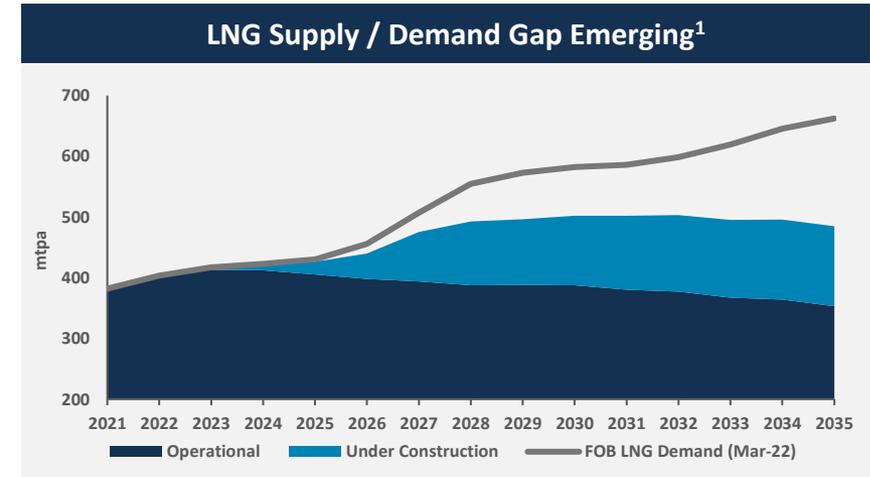
## Tightening global LNG markets

### The situation in Europe has brought forward / increased the LNG shortfall

- The market was already short prior to the Ukraine war due to underinvestment in supply and growing demand
- Incremental demand from Europe to displace Russian gas has created an even larger supply/demand gap
- As a result, short-term prices have traded at all time highs
- More importantly medium-term prices are also increasing

### New projects to supply market will need the following characteristics:

- Significant gas resource
- Low upstream and shipping costs
- Supportive governments



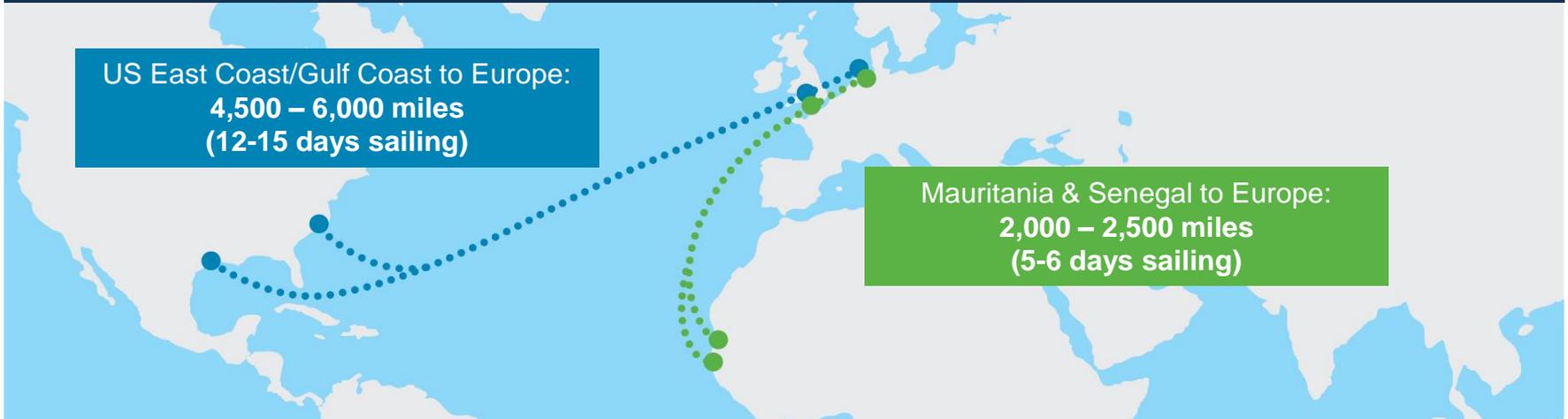
1. Source Wood Mackenzie

2. Source: Bloomberg

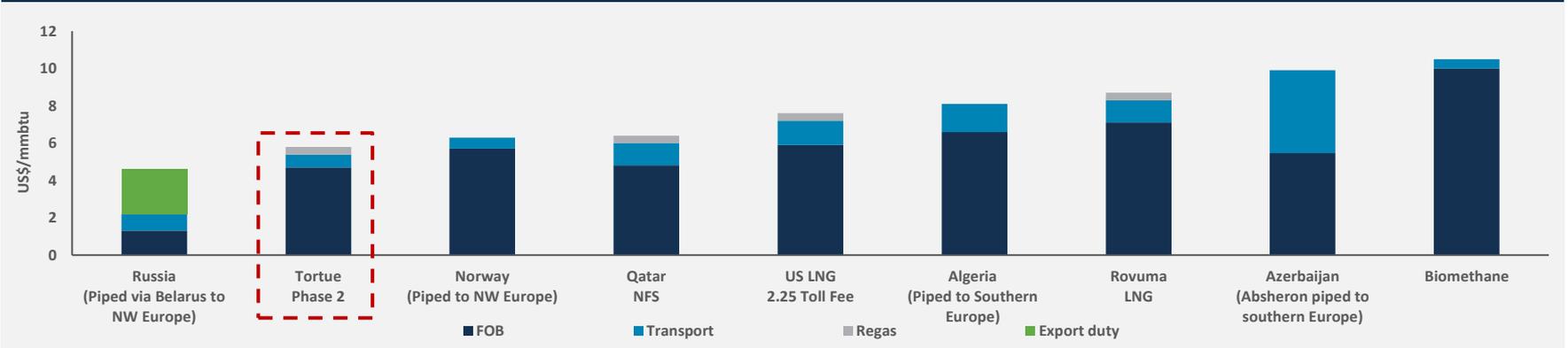
# Mauritania/Senegal: Cost Advantaged LNG Into Europe

Lower upstream and transportation costs to Europe from Mauritania & Senegal

## Geographically Advantaged Gas Into Europe



## Cost Competitive Gas Into Europe<sup>1</sup>

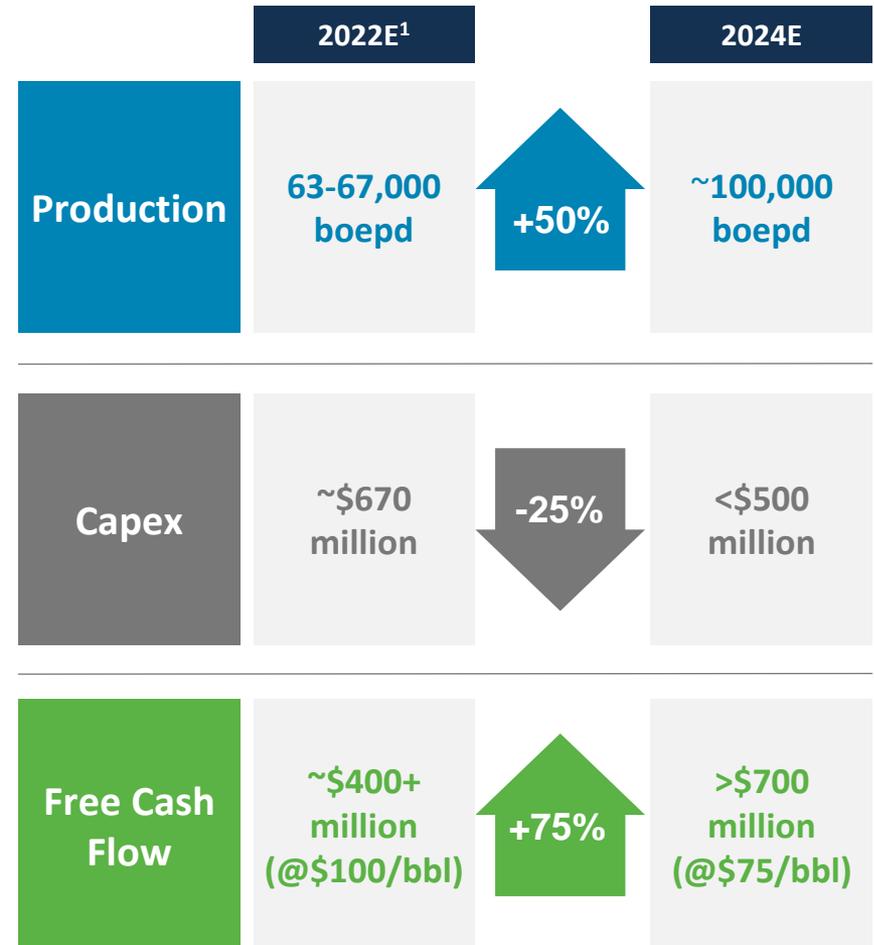


1. Source Wood Mackenzie

# Highly Cash Generative Portfolio

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

- 1Q22 demonstrated the free cash flow (“FCF”) potential of the portfolio...
  - ...~\$220 million of FCF with minimal capex for Mauritania & Senegal
- 
- Near-term funding focused on delivering Tortue Phase 1, Jubilee Southeast and Winterfell...
  - ...expected to increase production by over 50% by 2024 once fully ramped up
- 
- Scheduled capex is expected to fall significantly by 2024...
  - ...driving an expected material increase in sustainable FCF generation
- 
- Enabling material shareholder returns



1. Estimates for 2022 include impact of Tullow's pre-emption in Ghana, announced 21 March 2022. Excludes any acquisitions or divestitures

# 1Q Results



Production performing strongly and developments progressing while balance sheet continues to improve

## Production

- Production at the upper end of guidance: ~72,600 boepd net
- Jubilee production >90,000 bopd gross

## Developments

- Tortue Phase 1 and Jubilee Southeast remain on track in a more challenging environment
- Winterfell: Expecting FID around mid-year

## Free Cash Flow

- 1Q 2022: FCF of ~\$220 million

## Balance Sheet

- RBL re-determination & RCF refinancing, liquidity enhanced
- Net debt reduction of ~\$330 million during 1Q

1Q production of ~72,600 boepd at the upper end of guidance

## Ghana

1Q net production  
~42,300 bopd<sup>1</sup>

### Production / Operations

- Jubilee production averaged ~91,000 bopd, gross in 1Q
  - FPSO uptime ~99%
  - Successful Jubilee water injector drilled and completed in the quarter
  - Production pre-shut down of ~95,000 bopd, gross
  - Jubilee 2-week shutdown commenced 29th April
  - Plan to complete second water injector and producer in 2Q
- TEN performing as expected with average production of ~25,000 bopd gross in 1Q and FPSO uptime of ~99%

### Developments

- Jubilee Southeast progressing with first oil targeted mid 2023

## Equatorial Guinea

1Q net production  
~11,500 bopd

### Production

- Consistent performance at ~35,000 bopd gross
- Ceiba FPSO uptime ~99% in 1Q post 2020/2021 reliability projects
- Successful completion of Okume upgrade project
- 2<sup>nd</sup> ESP program underway

## Gulf of Mexico

1Q net production  
~18,800 boepd

### Production / Operations

- Average production of ~18,800 boepd net impacted by unplanned facility downtime
  - All facilities online in 2Q
- April production ~22,000 boepd net
- Drilling Kodiak sidetrack well with production expected in 3Q

### Developments

- Expecting Winterfell FID around mid-year 2022 with first oil approximately 18 months later

Continuing to deepen in existing asset base on attractive terms

## GoM – Winterfell

- Acquired additional 5.5% working interest in Winterfell from Red Willow
  - Net working interest now ~22% in central Winterfell blocks and 36.5% interest in the northern blocks
- ~\$10 million consideration offset by capital reductions elsewhere
- ~2-year payback post first oil @\$75/barrel expected

## GoM – Kodiak

- Exercised preferential right to purchase an additional 5.9% interest in Kodiak from Marubeni
  - Net working interest would increase to ~35% in Kodiak
- ~\$21 million (+\$7 million deferred) consideration funded through recycling a portion of the Ghana pre-emption proceeds
- Payback and IRR at \$75/barrel of ~13 months and >95%
  - Payback and IRR at strip of ~10 months and >180%

## Equatorial Guinea – Block G

- Ceiba/Okume license extension from 2029/2034 to 2040 to support the next phase of investment
- Expected to increase 2P reserve base by ~6 mmboe net
- Adds an additional ~\$100 million of NPV10 at \$75/barrel net to Kosmos

## Low Cost, High Value Resource Additions<sup>1</sup>

**Resource Additions**

**~12 mmboe**

**Acquisition Price (\$/bbl)**

**~\$4/boe**

Tortue Phase 1 ~75% complete 1Q22. Progressing next development projects

## Phase 1: All Key Workstreams Making Progress

- **Hub Terminal:** Construction continues on schedule with the 21st and final caisson shipped offshore in early March 2022 and 3 caissons left to be installed
- **Subsea:** The offshore construction campaign is expected to commence in May 2022
- **Drilling:** Commenced with top holes completed on two of the four wells required for first gas
- **FPSO:** Mooring piles have been pre-installed offshore and work on the FPSO in the shipyard continues with mechanical completion activities and inspection tests
- **FLNG:** Commenced pipe rack outfitting and equipment installation and testing

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## Future Gas Developments

- **Tortue Phase 2:** Development scheme optimization ongoing with development decision expected around mid-year
- **BirAllah/Yakaar-Teranga:** Continue to progress development concepts

### Hub Terminal (Jetty Piling)



### Floating LNG



Business delivering substantial and sustainable cash generation

**1Q22 EBITDAX**

**~\$430 million** (4Q21: ~\$340 million)

**1Q22 Net Debt**

**~\$2.2 billion** (4Q21: \$2.5 billion)

**1Q22 Leverage**

**~1.9x** (4Q21: ~2.5x)

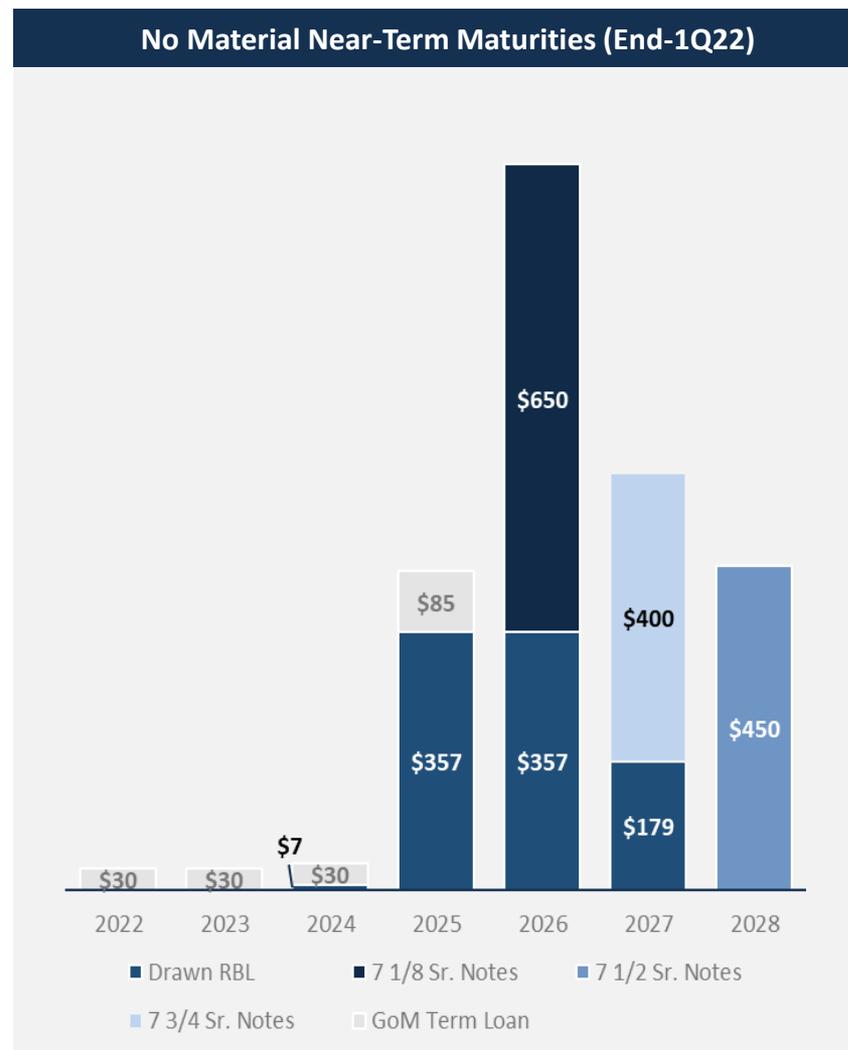
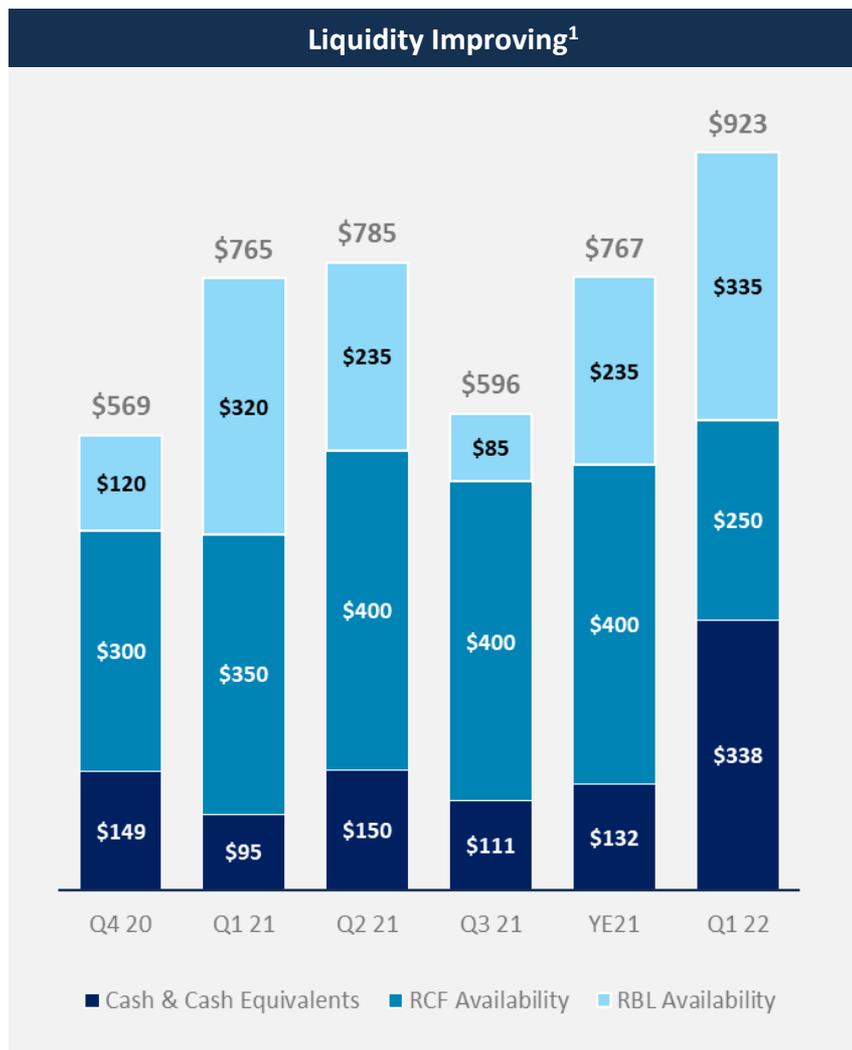
**1Q22 Free Cash Flow**

**~\$220 million** (4Q21: \$136 million)

**1Q22 Liquidity**

**~\$920 million** (4Q21: ~\$770m)

RBL re-determination and RCF re-financing complete



1. 1Q22 based on cash balance at 31 March 22; RBL availability increased from \$335 million to \$350 million in early April 2022

	1Q 2022A	1Q 2021A
<b>Net Production<sup>1</sup></b>	~72,600 boe/day	~53,100 boe/day
<b>Realized Price<sup>2</sup></b>	~\$88.3/boe	~\$45.0/boe
<b>Opex</b>	~\$19.1/boe	~\$13.9/boe
<b>DD&amp;A</b>	~\$24.4/boe	~\$23.3/boe
<b>G&amp;A<sup>3</sup></b>	\$26 million	\$22 million
<b>Exploration Expense<sup>4</sup></b>	\$9 million	\$7 million
<b>Net Interest</b>	\$33 million	\$25 million
<b>Tax Exp. / (Benefit)</b>	\$1.8/boe	\$(5.1) /boe
<b>Capex<sup>5</sup></b>	\$101 million	\$117 million

1. 1Q 2022 includes impact of Tullow's pre-emption in Ghana, announced 21 March 2022

2. Includes derivatives cash settlements

3. Approximately 65% cash

4. Excludes leasehold impairments of approximately \$2 million in both 1Q22 and 1Q21

5. Excludes acquisitions/sales of oil & gas assets

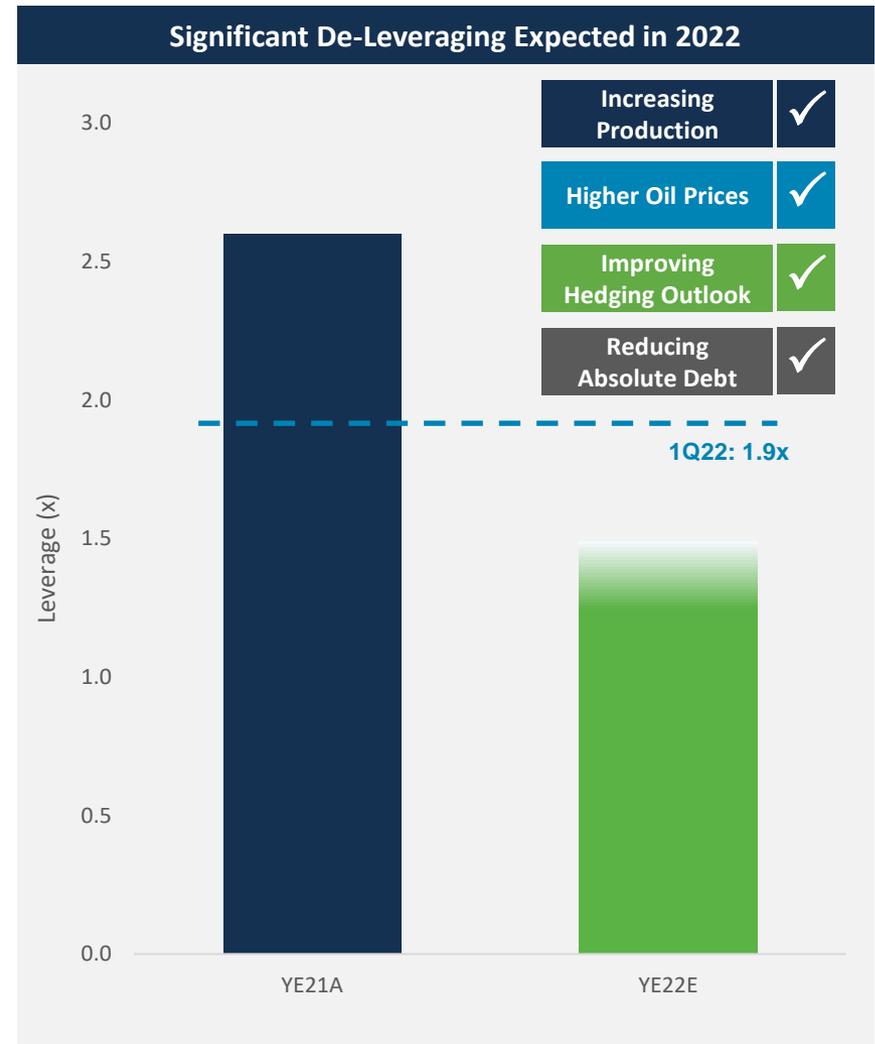
# Further De-leveraging Expected in FY22

~1.9x leverage at quarter end with further progress expected in near-term

## Increased Debt Reduction Potential

Expect ~\$550-600 million total debt reduction in 2022 at current prices

- Free cash flow of \$220 million in 1Q22 ✓
- Ghana pre-emption proceeds of ~\$118 million received from Tullow in March ✓
- Additional 2Q-4Q free cash flow at strip: ~\$200+ million
- Shell exploration success (capped at \$100 million)



**Producing Assets Generating Meaningful Free Cash Flow**

**Defined Growth Projects Progressing**

**Growing Exposure to International LNG**

**Leverage Falling Rapidly, Liquidity Enhanced**

**Portfolio for Energy Security / Energy Transition**

**KOSMOS**  **S**  
ENERGY.

	2Q 2022	FY 2022
<b>Production<sup>1,2</sup></b>	60,000 – 63,000 boe/day	63,000 – 67,000 boe/day
<b>Opex</b>	\$17.00 – \$19.00/boe	\$16.00 – \$18.00/boe
<b>DD&amp;A</b>	\$21.00 – \$23.00/boe	
<b>G&amp;A (~65% cash)</b>	\$24 – 26 million	\$90 – 100 million
<b>Exploration Expense<sup>3</sup></b>	\$10 – 15 million	~\$45 – \$55 million
<b>Net Interest</b>	~\$40 million/quarter	
<b>Tax</b>	\$13.00 – \$15.00/boe	\$10.00 – \$12.00/boe
<b>Capex<sup>4</sup></b>	~\$200 million	~\$670 million

Note: Ghana / Equatorial Guinea revenue calculated by number of cargos

1. 2Q 2022 cargo forecast – Ghana: 3 cargos / Equatorial Guinea 1.0 cargos. FY 2022 Ghana: 14 cargos / Equatorial Guinea 3.5 cargos. Average cargo sizes 950,000 barrels of oil.

2. GoM production: 2Q 2022 – 18,000-20,000 boepd / FY 2022 18,500-20,500 boepd. Oil/Gas/NGL split for 2021: GoM: ~80% / ~12% / ~8%

3. Excludes leasehold impairments

4. Excludes acquisitions/sales of oil & gas assets