



Kosmos Energy Ltd - Production Prepayment Agreement

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Kosmos Energy Limited

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NEWS RELEASE

KOSMOS ENERGY SIGNS PRODUCTION PREPAYMENT AGREEMENT FOR UP TO \$200 MILLION

DALLAS, Texas, June 29, 2020 - [Kosmos Energy](#) (NYSE/LSE: KOS) ("Kosmos" or the "Company") announced today that it has entered into a crude oil prepayment agreement ("Prepayment Agreement") with Trafigura Trading LLC ("Trafigura").

The Prepayment Agreement provides up to \$200 million of crude oil sales primarily related to a portion of the Company's 2022 and 2023 Gulf of Mexico production, with \$150 million committed by Trafigura. Kosmos expects to execute \$50 million of advance crude oil sales in June 2020. Later this year, following the completion of the Prepayment Agreement conditions subsequent, an additional \$100-150 million of advance crude oil sales is expected, subject to finalizing additional commitments for \$50 million.

"At the start of the market downturn, Kosmos took decisive action to reduce costs, restructure hedges, and preserve liquidity. With this Prepayment Agreement, we have secured up to \$200 million in additional liquidity to help us manage the business during this time of unprecedented volatility. This liquidity also gives us the flexibility to take advantage of opportunities that may arise in a dislocated market," said Neal Shah, Chief Financial Officer.

Kosmos is evaluating the classification of the Prepayment Agreement as deferred revenue on its balance sheet, although such accounting treatment is subject to final analysis.

About Kosmos Energy

Kosmos is a full-cycle deepwater independent oil and gas exploration and production company focused along the Atlantic Margins. Our key assets include production offshore Ghana, Equatorial Guinea and U.S. Gulf of Mexico, as well as a world-class gas development offshore Mauritania and Senegal. We also maintain a sustainable exploration program balanced between proven basin infrastructure-led exploration (Equatorial Guinea and U.S. Gulf of Mexico), emerging basins (Mauritania, Senegal and Suriname) and frontier basins (Namibia, Sao Tome and Principe and South Africa).

Kosmos is listed on the New York Stock Exchange and London Stock Exchange and is traded under the ticker symbol KOS. As an ethical and transparent company, Kosmos is committed to doing things the right way. The Company's Business Principles articulate our commitment to transparency, ethics, human rights, safety and the environment. Read more about this commitment in the Kosmos 2018 Corporate Responsibility Report. For additional information, visit www.kosmosenergy.com.

About Trafigura

Founded in 1993, Trafigura is one of the largest physical commodities trading groups in the world. Trafigura sources, stores, transports and delivers a range of raw materials (including oil and refined products and metals and minerals) to clients around the world. The trading business is supported by industrial and financial assets, including 49.3 percent owned global oil products storage and distribution company Puma Energy; global terminals, warehousing and logistics operator Impala Terminals; Trafigura's Mining Group; and Galena Asset Management. The Company is owned by over 700 of its 8,000 employees who work in 80 offices in 41 countries around the world. For additional information, visit <https://www.trafigura.com>

Forward-Looking Statements

This press release 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 press release that address activities, events or developments that Kosmos expects, believes or anticipates will or may occur in the future are forward-looking statements. Kosmos' 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 Kosmos 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 Kosmos. When used in this press release, 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 Kosmos, 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 Kosmos' Securities and Exchange Commission ("SEC") filings. 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 press release, 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 press release. All forward-looking statements are qualified in their entirety by this cautionary statement.

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