



# Kosmos Energy: March Marketing

NYSE/LSE: KOS

March  
2024

## 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 National Oil Company ("NOC") financing. NOC financing refers to the amounts funded by Kosmos under the Carry Advance Agreements that the Company has in place with the national oil companies of each of Mauritania and Senegal related to the financing of the respective national oil companies' share of certain development costs at Greater Tortue Ahmeyim. The Company defines net debt as total long-term debt less cash and cash equivalents and total 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.

Leading independent, deepwater E&P company focused on meeting the world's growing demand for cleaner energy

## Supply the energy the world needs today

*Increasing low cost, lower carbon oil production in Ghana, Gulf of Mexico and Equatorial Guinea*



## Find and develop cleaner energy for the future

*World-class gas and LNG projects offshore Mauritania & Senegal*



## Be a force for good in our host countries

*Accelerating economic and social progress in our countries of operation*



## World Class Portfolio With Longevity

- Diversified portfolio of world class assets
- Advantaged oil portfolio today...
- ...Growing an advantaged gas position
- >20 year 2P reserves-to-production life, before further discovered resource growth (e.g. Tiberius, Yakaar-Teranga)

## Differentiated Growth In The Right Assets

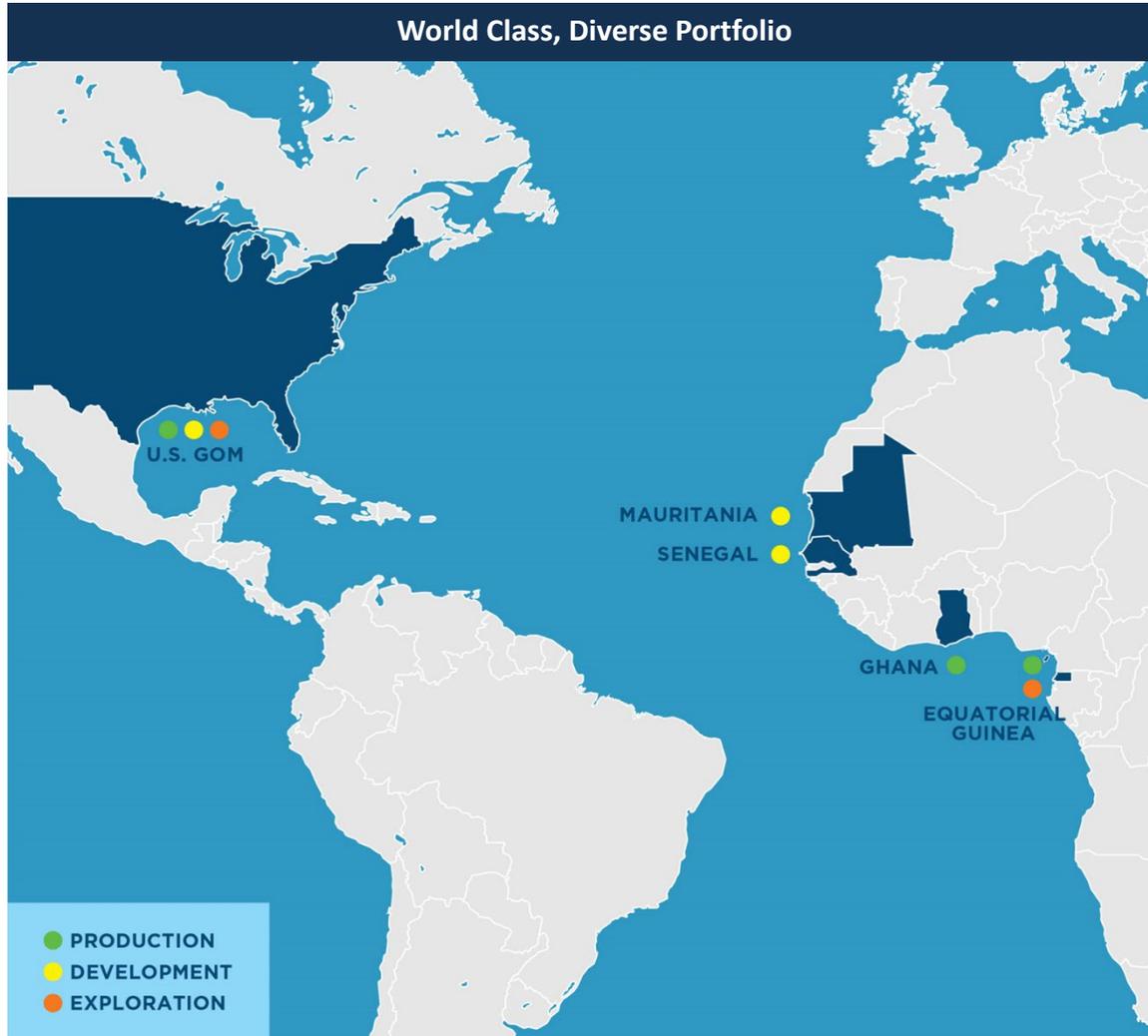
- Production expected to increase to ~90,000 boepd by YE24 (+50% vs 2H22)
- Gas production in portfolio expected to grow from ~10% to ~25% by YE24
- Growth 2025+ through investment in selective value-accretive projects

## Strengthening Free Cash Flow Profile

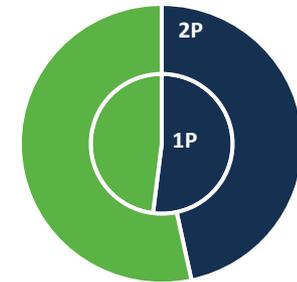
- Capex expected to fall as Winterfell and Tortue developments start up
- \$100-150 million/quarter of free cash flow<sup>1</sup> expected at mid-cycle prices post project delivery
- Cash to be prioritized for debt paydown and shareholder returns when appropriate

# World Class Portfolio With Longevity Of Resource Base

Diverse portfolio across emerging geographies / OECD and across oil / gas



## Reserves: Liquids vs. Gas<sup>1</sup>



### 1P Reserves of ~280mmboe

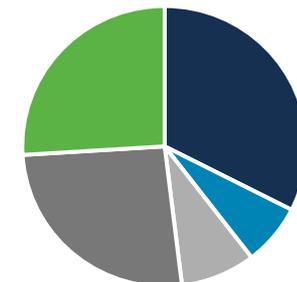
- 1P reserves-to-production of ~12 years
- Robust replacement ratio of >100% in 2023 from existing assets

### 2P Reserves of ~520mmboe

- 2P reserves-to-production of >20 years
- Split ~50:50 oil to gas

■ Liquids ■ Gas

## 2P Reserves + 2C Resources<sup>1</sup>



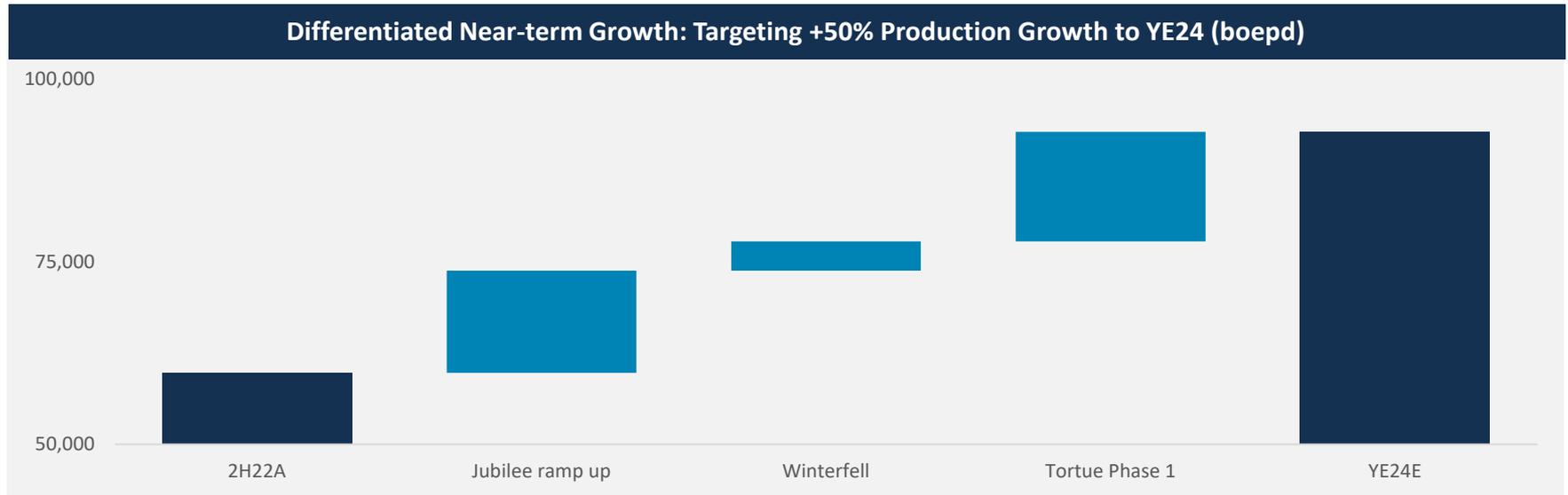
### 2P Reserves + 2C Resources ~700mmboe

- 2P+2C reserves-to-production of >30 years
- Diversified geographic split

■ Ghana ■ EG ■ GoM  
■ Mauritania ■ Senegal

1. Kosmos reserves based on Ryder Scott Independent Reserves Report 1P (SEC) and 2P (PRMS). 2C is based on Ryder Scott and management estimates

Material growth planned for 2024 with operated growth opportunities for further value creation



**2025+ Quality Opportunity Set with Greater Control/Operatorship**

<p><b>Tiberius (Operator – Kosmos)</b></p> <p>High quality ILX development in the Gulf of Mexico</p> <p>Tieback to the nearby Lucius platform</p> <p>~100 mmboe of estimated gross recoverable resource potential</p>	<p><b>Yakaar-Teranga (Operator – Kosmos)</b></p> <p>~25 Tcf of discovered gas in place offshore Senegal</p> <p>Pre-FEED work ongoing</p> <p>Plan to farm down to ~33% once pre-FEED complete</p>	<p><b>Tortue Phase 2 (Operator – BP)</b></p> <p>Working with partnership to double total estimated project volumes to ~5.0mtpa</p> <p>Low cost scheme leveraging existing infrastructure from Phase 1</p>
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# Strengthening FCF Profile

As production grows and capex falls, free cash flow generation is expected to grow sharply with continued growth 2025+

		2H22A		YE24E
<b>Production</b>	Production increasing with additional Jubilee wells, first oil from Winterfell, and first gas from Tortue Phase 1	~60,000 boepd	↑	~90,000 boepd
<b>Capex/Quarter</b>	Significant decrease in capex expected as Winterfell and Tortue Phase 1 come online	~\$200 million	↓	~\$100 – \$150 million
<b>Free Cash Flow/Quarter</b>	Free cash flow <sup>1</sup> inflection point expected as development capex decreases and production increases	~\$25 million	↑	~\$100 – \$150 million

1. Free cash flow is a non-GAAP financial measure. See Slide 2 of this presentation for a definition and additional information. Forecasts exclude working capital

Strong focus on ESG recognized by MSCI with an AAA rating maintained in 2023

## Environment

### Reducing Emissions

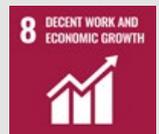
- Maintained carbon neutrality for Scope 1&2 operated emissions since 2021
- Announced a new target to reduce absolute Scope 1 equity emissions 25% in 2026, compared to our 2022 baseline
- Gas weighting of our portfolio set to increase as Tortue begins production



## Social Performance

### Investing in People and Communities

- 100% local employees in all host countries of operation
- Named a top workplace in Houston and Dallas again in 2023
- Capital investment supports ‘just’ transition and access to energy in Africa



## 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



# Fourth Quarter and Full Year 2023



Another year of progress in the delivery of our strategic goals

## Safe operations

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LTI/TRIR remain well below industry averages

## Production growth on track

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~66,000 boepd 4Q23  
+12% year-on-year

## Developments progressing

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JSE online and ramping  
Winterfell early 2Q24  
GTA Ph.1 ~90%

## Future growth opportunities secured

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Tiberius ILX success  
Yakaar-Teranga operatorship

## Strong ESG credentials

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MSCI: AAA rating

	4Q 2023A	FY 2023A
<b>Net Production</b>	~66,000boe/day	~63,000boe/day
<b>Realized Price<sup>1</sup></b>	~\$75.0/boe	~\$73.1/boe
<b>Opex</b>	~\$15.5/boe	~\$16.9/boe
<b>DD&amp;A</b>	~\$16.9/boe	~\$19.3/boe
<b>G&amp;A<sup>2</sup></b>	\$22 million	\$100 million
<b>Exploration Expense<sup>3</sup></b>	\$9 million	\$40 million
<b>Net Interest Expense<sup>4</sup></b>	\$22 million	\$96 million
<b>Tax Exp. / (Benefit)</b>	~\$2.9/boe	~\$6.9/boe
<b>Capex<sup>5</sup></b>	\$281 million	\$850 million

1. Includes derivatives cash settlements
2. Approximately 60% cash
3. Excludes leasehold impairments and dry hole costs
4. Includes impact of capitalized interest of ~\$35 million/quarter
5. Excludes acquisitions and divestitures

# 2024 Outlook



Efficient drilling and enhanced reservoir management supporting higher production through 2024

## Ghana

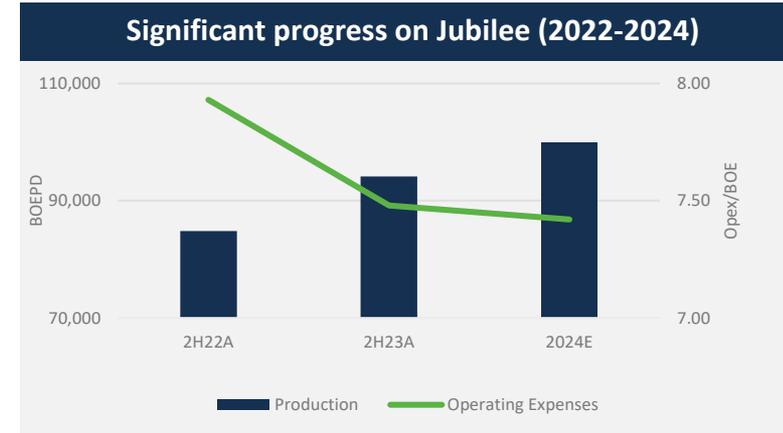
- FY24 oil guidance: ~116,500 bopd gross
  - ~40,000 bopd net to Kosmos
- FY24 gas guidance: ~6,000 boepd net to Kosmos

## Jubilee

- FY24 oil guidance (per the operator): ~100,000 bopd gross
- Five new wells expected online 1H24, completed ~6 months ahead of schedule
  - Three producer wells; two expected online in 1Q24
  - Two water injectors; one brought online in January
    - Targeting 100% voidage replacement to provide pressure support to maintain elevated production levels
- Interim Jubilee gas sales agreement (GSA) extended through May 2024 at ~\$3/mmbtu

## TEN

- FY24 oil guidance (per the operator): ~16,500 bopd gross
- Amended TEN draft plan of development and combined Jubilee/TEN GSA awaiting government approval
- Flaring reduced by >50% in 2023 due to injection optimization



Targeting first oil at Winterfell early 2Q24

## Gulf of Mexico

- FY24 guidance: 15,500 – 17,000 boepd net

## Production optimization

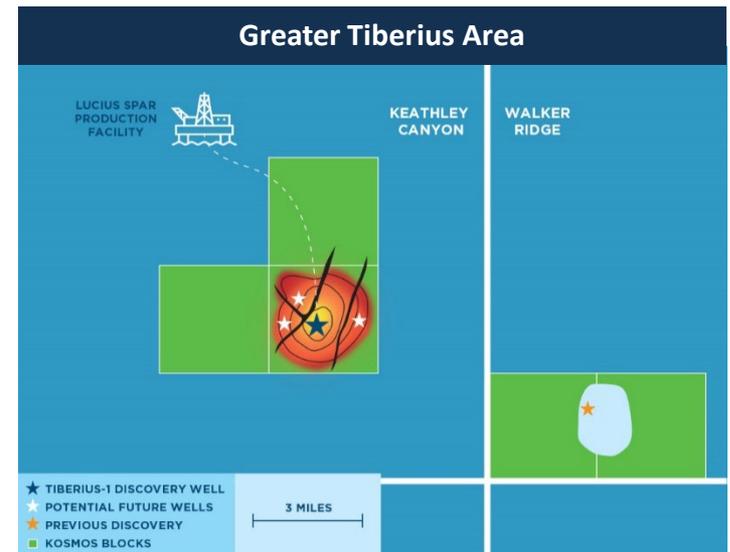
- Odd Job subsea pump project startup expected mid-year
- Kodiak-3 workover planned for mid-year

## Winterfell

- Kosmos: 25% working interest
- Phase 1 under development (~100 mmboe gross resource)
  - First oil expected early 2Q24
- Overall estimated resource at Greater Winterfell of up to 200 mmboe gross

## Tiberius

- Kosmos: 33% working interest and Operator
- Discovered ~250ft of net oil pay in the primary Wilcox target
- Rock and fluid analysis supports production potential; results inline with analogue Wilcox wells
- Phased development solution progressing
  - Subsea tie back to the Oxy-operated Lucius production facility (6 miles)
  - FID expected later this year



Steady production; drilling program deferred

## Equatorial Guinea

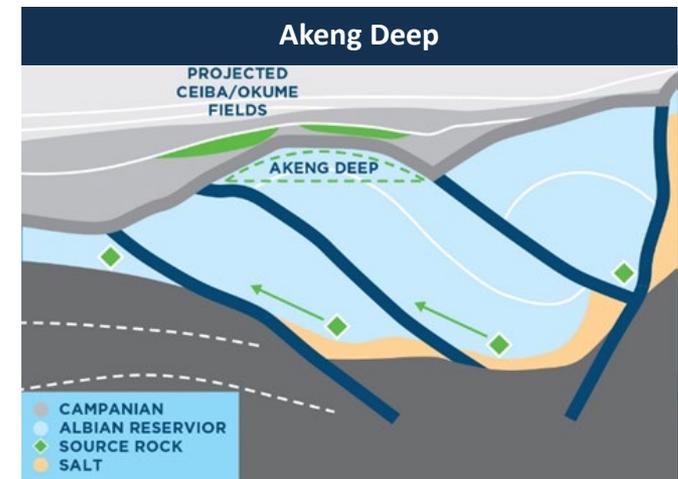
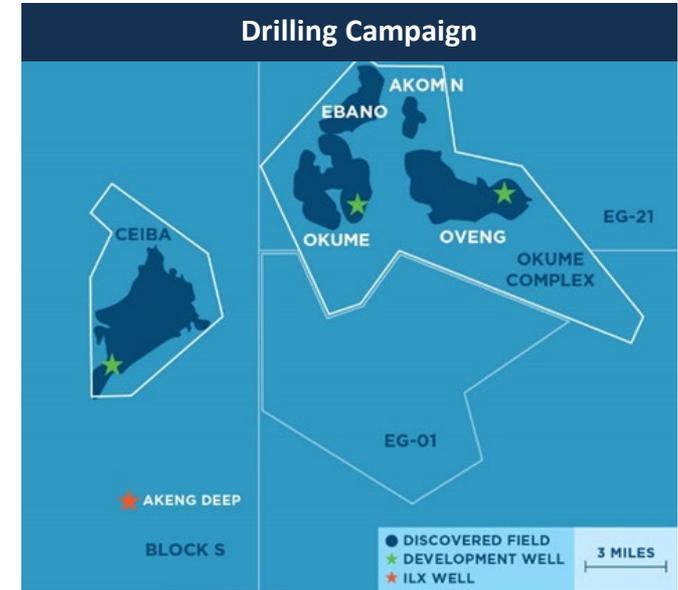
- FY24 guidance: ~8,000 bopd net
  - Guidance does not include production uplift from the infill drilling campaign

## Infill Well Campaign & Workover

- Campaign commenced with workovers in 4Q23
- The Operator terminated the drilling contract in early February 2024 due to safety issues with the drilling rig
- Completion of infill wells and ILX well deferred until replacement rig is contracted

## Akeng Deep ILX Well

- Four-way trap (KOS 34% working interest)
- Targeting a thick Albian section between the source rock and currently producing Campanian horizon in the Ceiba and Okume Fields
- Targeting resource of ~180 mmbbl gross with ~400 mmbbl follow on potential



First gas expected 3Q24



Hub Terminal



Floating LNG vessel



FPSO

- Key workstreams continue to progress:
  - Hub terminal: complete and handed over to operations
  - Floating LNG vessel arrived on location and mooring/connection to hub terminal ongoing. Golar working with the operator to advance commissioning
  - Subsea workscope progressing in line with expectations – completion targeted end-2Q24
  - FPSO expected to arrive on location early 2Q24 and remains on the critical path to first gas
- Cargo optimization arbitration ruling expected mid-2024
- Operator has served previous subsea contractor with a claim notice, Kosmos net share of potential recoverable damages estimated to be up to \$160 million



Proactively lowering borrowing costs and maintaining robust liquidity

## Transaction summary

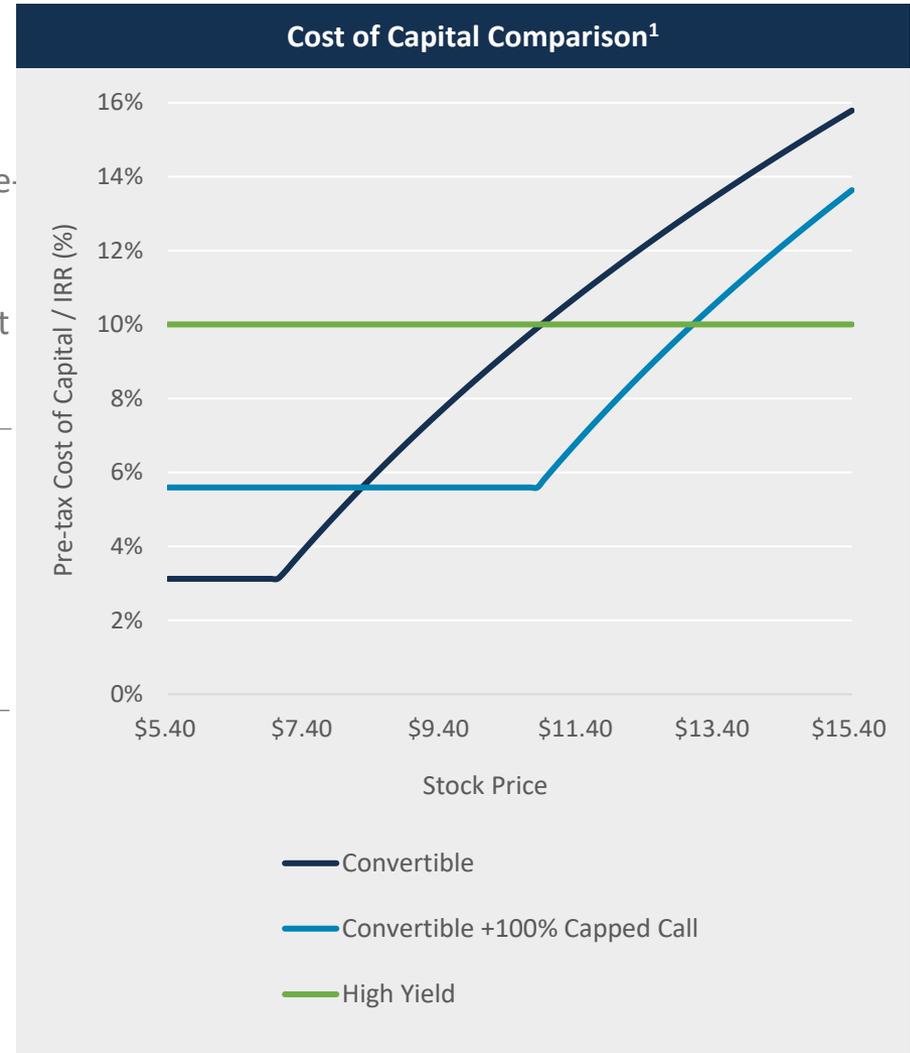
- Issued \$400 million 3.125% unsecured convertible bonds due 2030
- Proceeds to repay a portion of the floating rate reserve-based lending facility (~\$350m), purchased capped call/expenses (~50m)
- Net share settle base \$400m, upside in cash or stock at company's option

## Rationale

- Reduction of annual interest expense (~\$20m/year)
- Maintain robust liquidity ahead of undrawn \$250m revolving credit facility expiration at YE24

## Shareholder impact

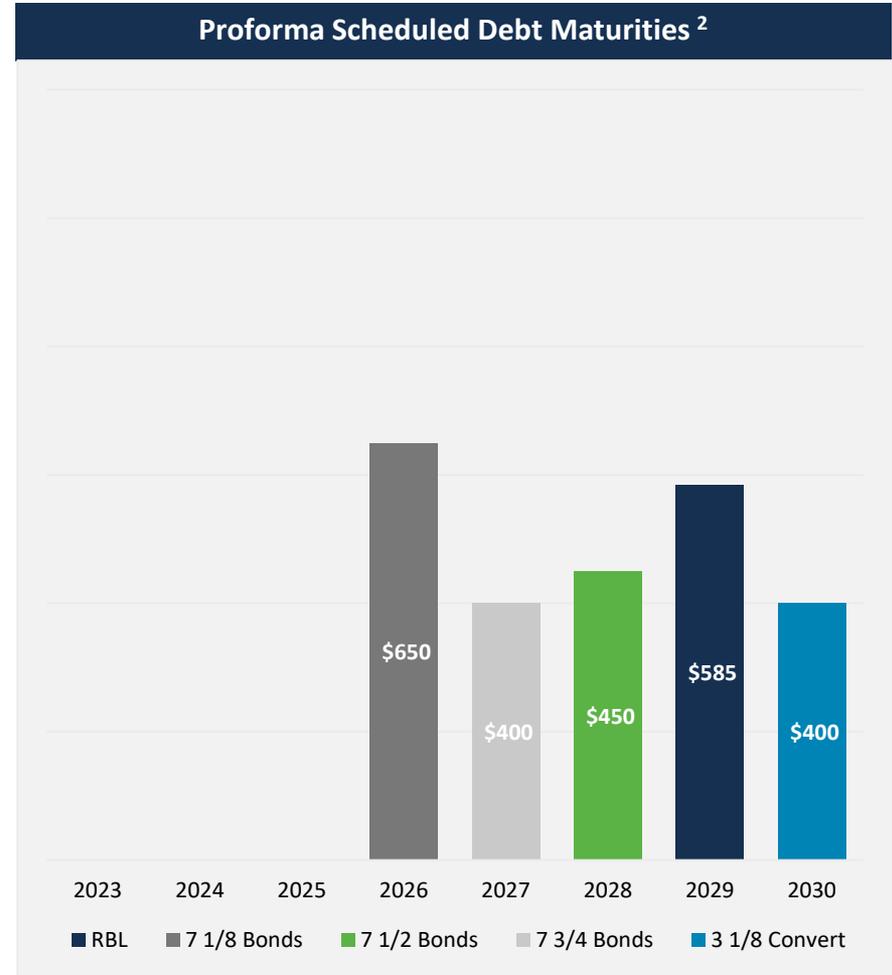
- Maintain strong liquidity in a volatile market
- No near-term debt maturities
- Interest savings to enhance free cash flow
- No dilution until share price is >\$10.80
  - Dilution of ~3% if share price is \$15/share



1. Cost of capital assuming the securities go to maturity; based on \$5.40 share price at 3/5/2024  
Convertible shown is 6-year, 3.125% up 30.0% structure with and without capped call +100%. Before tax for simplicity

# Optimized Maturity Schedule

No debt maturities until April 2026 post convertible offering and RBL refinancing

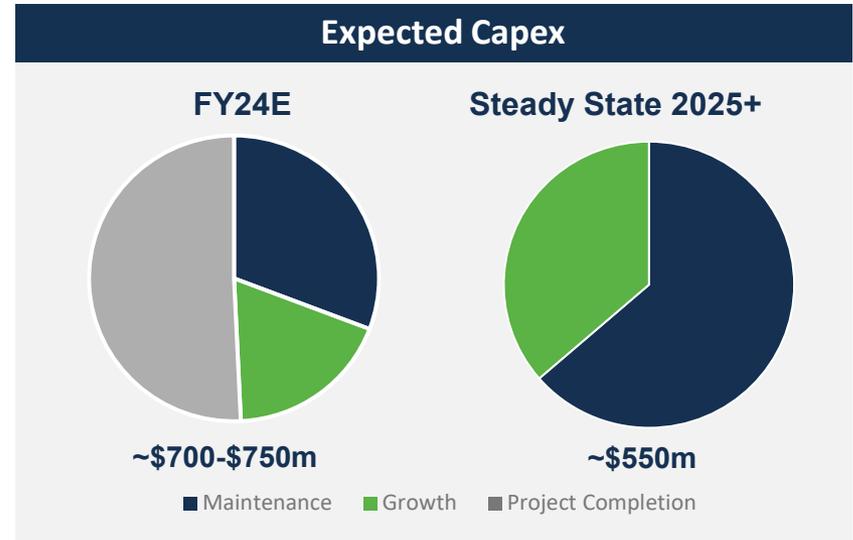


1. Scheduled debt maturities at YE 2023

2. Assumes \$400 million convertible offering post greenshoe exercise, of which ~\$350 million net proceeds (post capped call cost and fees) used to repay drawn RBL; post RCF expiry in December 2024

Debt paydown, disciplined investment in growth, and shareholder returns when appropriate

- FY24E capex of ~\$700-\$750 million
- Maintenance (~35-40%)
  - Ghana: Jubilee/JSE infill campaign
  - GoM: Odd Job subsea pump
- Growth (~60-65%)
  - M&S: Tortue Phase 1, Yakaar-Teranga
  - GoM: Winterfell, Tiberius



## Free Cash Flow

### Increase Financial Resilience

- Targeting net leverage long-term of <1.5x at sustainable oil prices
- And continued debt paydown beyond that level

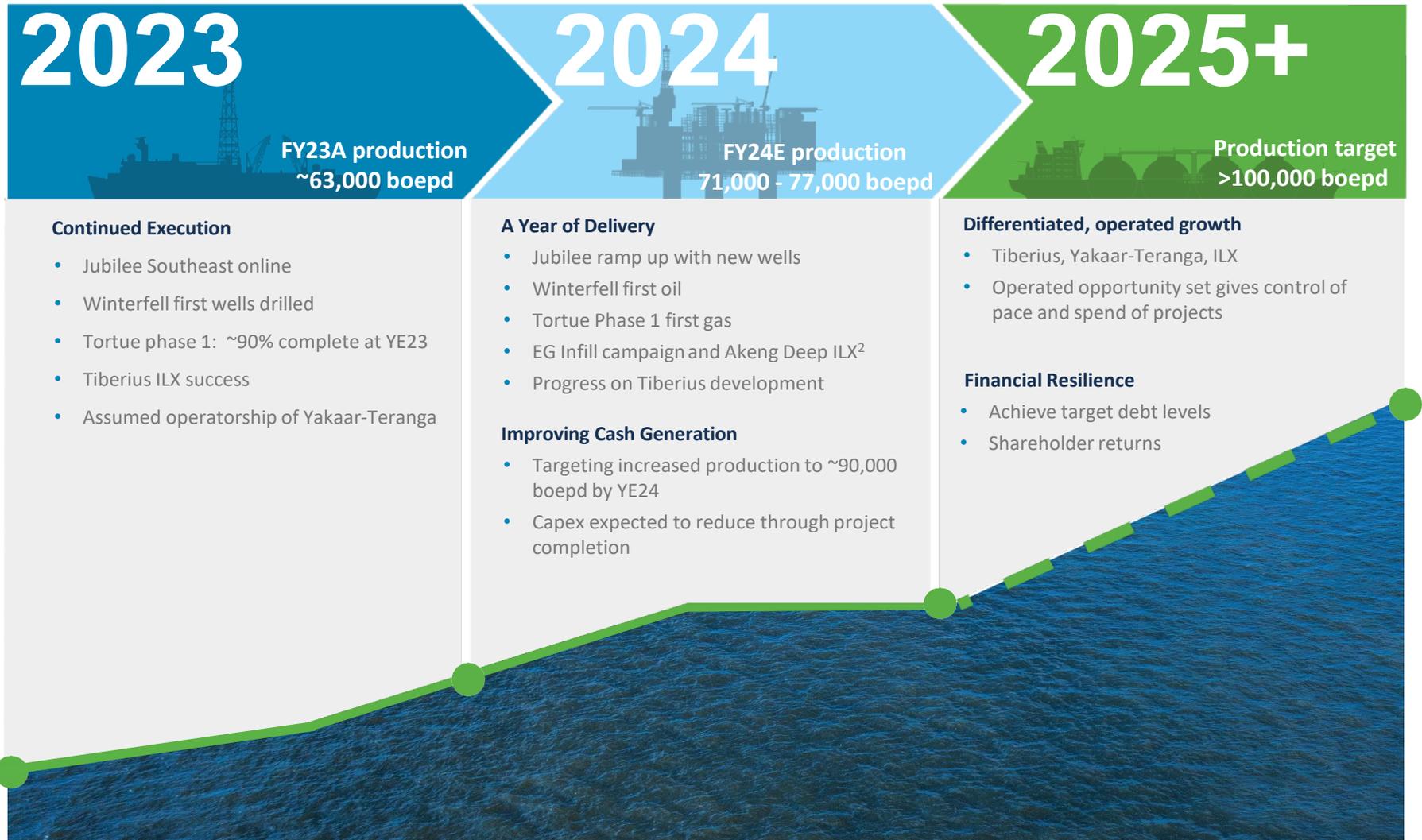
### Selective Growth

- Disciplined investment in selective value accretive growth opportunities:
  - Low cost, lower carbon gas
  - Short-cycle, low cost, lower carbon oil

### Shareholder Returns

- Post achievement of leverage targets

Growing production with reducing capex expected to drive significant growth in free cash flow



1. Company estimate  
2. Subject to rig availability

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

	1Q 2024	FY2024
<b>Production<sup>1,2</sup></b>	65,000 - 68,000 boe/day	71,000 - 77,000 boe/day
<b>Opex<sup>3</sup></b>	\$16.50 - \$18.00/boe	~\$15.00 - \$17.00/boe
<b>DD&amp;A</b>	\$18.00 - \$20.00/boe	
<b>G&amp;A<sup>4</sup></b>	\$25 - \$30 million	~\$100 - \$120 million
<b>Exploration Expense<sup>5</sup></b>	~\$10 - \$15 million	~\$40 - \$60 million
<b>Net Interest Expense<sup>6</sup></b>	~\$25 million	~\$150 million
<b>Tax Exp. / (Benefit)</b>	\$10.00 - \$12.00/boe	\$10.00 - \$12.00/boe
<b>Capex<sup>7</sup></b>	\$275 - \$325 million	\$700 - \$750 million

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

1. 1Q 2024 cargo forecast – Ghana: 3 cargos / Equatorial Guinea 1 cargo. FY 2024E Ghana: 15 cargos / Equatorial Guinea 3.0 cargos. Average cargo sizes 950,000.00 barrels of oil.

2. U.S. Gulf of Mexico Production: 1Q 2024 forecast 14,000 - 15,000 boe/day. FY2024E: 15,500 - 17,000 boe/day. Oil/Gas/NGL split for 2024: ~83%/~11%/~6%.

3. FY24 opex/boe excludes operating costs associated with Greater Tortue Ahmeyim, which are expected to commence later in the year and total approximately \$115-130 million

4. Approximately 60% cash

5. Excludes leasehold impairments and dry hole costs

6. Includes impact of capitalized interest in 1H24 relating to Greater Tortue Ahmeyim development expenditure until first gas; 2H24 interest expense expected to be ~\$50 million / quarter

7. Excludes acquisitions and divestitures