



## **Kosmos Energy Successfully Completes Reserve Based Lending Facility Re-determination and Provides Operational Update**

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DALLAS--(BUSINESS WIRE)--Apr. 8, 2020-- [Kosmos Energy](#) (NYSE/LSE: KOS) ("Kosmos" or the "Company") announced today that it has successfully completed the re-determination of its reserve based lending credit facility ("RBL"). In addition, the company has identified a further \$75 million in cost reductions across capital and operating expenditures and gives an update on the Greater Tortue Ahmeyim LNG project in Mauritania and Senegal.

### **RBL Facility and Liquidity**

The Company's lending syndicate has approved an RBL borrowing base capacity of \$1.5 billion. In conjunction with the re-determination, Kosmos has voluntarily reduced its facility commitments from \$1.6 billion to \$1.5 billion. The borrowing base calculation includes value related to the Jubilee and TEN fields in Ghana and the Ceiba and Okume fields in Equatorial Guinea. Furthermore, the Company's producing assets in the Gulf of Mexico and its gas assets in Mauritania and Senegal have no debt secured against them. The first RBL amortization payment is scheduled for March 2022 and amortization continues every six months until final maturity in 2025.

As of April 1, 2020, following the RBL re-determination, the Company has approximately \$0.6 billion of available liquidity from the RBL, Revolving Credit Facility and cash on the balance sheet.

### **Further Operating and Capital Cost Reductions**

Kosmos has worked with its operators to identify a further \$75 million in savings across operating and capital expenditure in the base production businesses, bringing the total cost savings identified since mid-March to around \$235 million. The Company is now targeting total capital expenditure of \$200 – 225 million in 2020. The additional operational expenditure reductions represent approximately \$1-2 per barrel. These savings are expected to come from across the Kosmos portfolio and include the earlier termination of drilling activity and the removal of non-critical work that does not impact safety and asset integrity. Production guidance for the full year remains intact.

### **Greater Tortue Ahmeyim Project**

The operator's priority is maintaining the safety of its staff, contractors and the general public, and continued compliance with international and national restrictions to stop the spread of the coronavirus. With border closures, travel bans, social distancing restrictions and office closures arising from the coronavirus, the project's activities across global locations have been impacted. These ongoing restrictions have had an impact on time-critical workstreams, including the construction of the breakwater during the 2020 weather window. As a result, the Phase 1 project timeline is expected to be delayed by approximately 12 months, with first gas now expected in the first half of 2023. Phase 1 of the project is currently over 30% complete.

This delay is expected to result in a significant reduction in budgeted spend in 2020 as activity and milestone payments are delayed. With the re-phasing of the project timeline, we are working with the operator to establish a revised 2020 budget with the objectives of maintaining the project economics and extending the carry of our capital obligations through the end of this year. In addition, we continue with the Tortue sell down process to support a self-funded gas business.

Andrew G. Inglis, Kosmos Energy's Chairman and Chief Executive Officer said, "The underlying quality of our reserve base has allowed the company to successfully execute the RBL re-determination in a volatile environment. We thank our banks for their continued support. We have also further reduced our costs supporting our objective of lowering our cash flow breakeven in 2020. Coronavirus has impacted the operator's ability to execute the Greater Tortue Ahmeyim project. The year delay of the project as a result of missing the weather window is an inevitable consequence, but the safety of our people and those of our partners remains the priority during these unprecedented times. We are working with the operator to optimize the capital phasing of the project."

### **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 (Cote d'Ivoire, 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](http://www.kosmosenergy.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*

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