Kosmos Energy Provides Ghana Pre-emption Update

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DALLAS--(BUSINESS WIRE)--Mar. 21, 2022-- Kosmos Energy (NYSE/LSE: KOS) (“Kosmos” or the “Company”) announced in November 2021 that it had received notice from Tullow Oil plc (“Tullow”) and PetroSA that they intend to exercise their pre-emption rights in relation to the sale of Occidental Petroleum’s interests in the Jubilee and TEN fields in Ghana to Kosmos, announced October 13, 2021.

After execution of definitive transaction documentation and receipt of required government approvals, Kosmos and Tullow have now concluded their pre-emption transaction. For PetroSA, the process is ongoing and remains subject to execution of definitive agreements and required government approvals.

Following completion of the pre-emption by both Tullow and PetroSA, Kosmos’ ultimate interest in Jubilee will be reduced by 3.8% to 38.3% (Kosmos retains ~80% of the original acquired interest), and Kosmos’ ultimate interest in TEN will be reduced by 8.3% to 19.8% (Kosmos retains ~25% of the original acquired interest).

Consideration paid to Kosmos from Tullow after taking into account closing adjustments was approximately $118 million in the first quarter. An additional ~$10 million is expected to be payable on completion of the PetroSA pre-emption process. Kosmos plans to accelerate debt reduction with the proceeds.

The net 2022 production impact of the pre-emption exercise for Kosmos is a reduction of approximately 4,000 barrels of oil per day, based on the March 17 closing date, and is expected to result in one less Ghana cargo lifting this year and a reduction in 2022 capital expenditure of approximately $30 million.

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. 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 our Corporate Responsibility Report. For additional information, visit 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 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.

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.

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