



Kosmos Energy Provides Operational and Financial Update

01/27/16 11:47 GMT

Realizes 110% Reserve Replacement Ratio

DALLAS--(BUSINESS WIRE)--Jan. 27, 2016-- Kosmos Energy (NYSE: KOS) provided today an operational and financial update in advance of releasing its fourth quarter 2015 results.

Ghana

Gross production volumes from the Jubilee field averaged approximately 106,000 barrels of oil per day (bopd) during the fourth quarter, and 102,500 bopd for the full year 2015. There were three liftings net to Kosmos during the fourth quarter, resulting in sales of 2.8 million barrels. Gas exports continued to increase during the fourth quarter averaging approximately 92 million cubic feet per day and exiting the quarter at more than 110 million cubic feet per day. The Greater Jubilee Full Field Development Plan, which includes the Mahogany and Teak fields, was submitted to the Government of Ghana in December 2015 and approval is expected in the first half of 2016. The Tweneboa, Enyenra and Ntomme (TEN) project, our second major oil development in Ghana, remains on-budget and on-track to deliver first oil in the third quarter of 2016. The project is now over 80 percent complete. The TEN FPSO sailed from Singapore on January 23 and is expected to be on location in Ghana in March 2016.

Year-End 2015 Reserves

The Company's proved net reserves at the end of 2015 were 76.4 million barrels of oil equivalent, resulting in a 110% reserve replacement ratio on a net proved basis. Reserves increased primarily due to continued positive reservoir performance, more than offsetting the impact of lower oil prices. The Company's reported reserves are prepared by Ryder Scott Company, L.P., an independent reserve engineering firm.

Liquidity and 2015 Capital Program

Kosmos exited the fourth quarter of 2015 with \$1.8 billion of liquidity and \$614 million of net debt. This is compared to \$1.9 billion of liquidity and \$517 million of net debt as of September 30, 2015. Total capital expenditures in the fourth quarter were approximately \$265 million. For the full year ended December 31, 2015, total capital expenditures were approximately \$780 million, below previous guidance of \$800 million.

Hedging

As of the year-ended 2015, Kosmos' commodity derivative asset position had a mark-to-market value of approximately \$235 million. The fourth quarter results are expected to include a mark-to-market gain of approximately \$80 million related to the Company's oil derivative contracts. The Company's hedging position as of December 31, 2015 was 10.9 million barrels through 2018.

"With another year of greater than 100% reserve replacement, our Ghana asset continues to demonstrate its world class quality. Our focus for 2016 is to maintain our financial strength through the continued strong operating performance from Ghana together with the disciplined allocation of capital," said Andrew G. Inglis, chairman and chief executive officer.

About Kosmos Energy

Kosmos Energy is a leading independent oil and gas exploration and production company focused on frontier and emerging areas along the Atlantic Margin. Our assets include existing production and other major development projects offshore Ghana, as well as exploration licenses with significant hydrocarbon potential offshore Mauritania, Portugal, Sao Tome and Principe, Senegal, Suriname, Morocco and Western Sahara. 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 [2014 Corporate Responsibility Report](#). Kosmos is listed on the New York Stock Exchange and is traded under the ticker symbol KOS. 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.



View source version on businesswire.com: <http://www.businesswire.com/news/home/20160127005283/en/>

Source: Kosmos Energy

Kosmos Energy

Investor Relations

Neal Shah, +1-214-445-9628

nshah@kosmosenergy.com

or

Rhys Williams, +1-214-445-9693

rwilliams@kosmosenergy.com

or

Media Relations

Thomas Golembeski, +1-214-445-9674

tgolembeski@kosmosenergy.com