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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, DC 20549

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported):

**August 3, 2018**

**KOSMOS ENERGY LTD.**

(Exact Name of Registrant as Specified in its Charter)

**Bermuda**

(State or other jurisdiction  
of incorporation)

**001-35167**

(Commission  
File Number)

**98-0686001**

(I.R.S. Employer  
Identification No.)

**Clarendon House**

**2 Church Street**

**Hamilton, Bermuda**

(Address of Principal Executive Offices)

**HM 11**

(Zip Code)

Registrant's telephone number, including area code: **+1 441 295 5950**

**Not Applicable**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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## **Item 1.01 Entry into a Material Definitive Agreement**

On August 3, 2018, Kosmos Energy Gulf of Mexico, LLC (“Purchaser”), a wholly owned subsidiary of Kosmos Energy Ltd. (“Kosmos”), entered into a Securities Purchase Agreement (the “Purchase Agreement”) with certain affiliates of First Reserve Corporation (the sellers under the Purchase Agreement, the “Seller”) to acquire 100% of the outstanding equity interests in the Deep Gulf Energy companies (collectively, “Deep Gulf Energy”).

In connection with the transactions contemplated by the Purchase Agreement (the “Transactions”), certain affiliates of First Reserve Corporation have entered into a support agreement with Purchaser, providing for, among other things, cooperation with certain regulatory filings and customary confidentiality provisions. In addition, Kosmos has executed a customary guaranty of Purchaser’s obligations under the Purchase Agreement in favor of the Seller.

### ***Transactions***

Subject to the terms and conditions set forth in the Purchase Agreement, at the closing of the Transactions, Purchaser will acquire Deep Gulf Energy on a cash-free and debt-free basis as of 12:01 a.m., Central Time, on July 1, 2018 (the “Effective Time”), for a purchase price of \$1.225 billion, to be paid (1) \$925 million in cash and (2) in a number of shares of Kosmos’ common stock (“Parent Common Equity”) equal to \$300 million divided by the volume-weighted average price of Parent Common Equity on the New York Stock Exchange for the 20 consecutive trading days ending on (and including) the trading day immediately prior to the date of the closing, rounded to three decimal places; *provided* that such price per share of Parent Common Equity will be no less than \$6.905 and no greater than \$9.343. The cash portion of the purchase price will be subject to customary adjustments for transaction expenses, working capital as of the Effective Time and for certain payments made or other value transfers for the benefit of Seller and certain of its related parties, including dividends, distributions and other similar payments, from the Effective Time through the closing, and other customary adjustments for a transaction of this type. The purchase price is also subject to certain adjustments in respect of title benefits or title defects relating to Deep Gulf Energy’s oil and gas properties. Purchaser may elect to increase the cash portion of the purchase price and to correspondingly reduce the equity portion of the purchase price by the number of shares equal to the increase in the cash purchase price divided by the share price calculated as set forth above.

Kosmos intends to fund the cash portion of the purchase price with borrowings under its existing credit facilities.

The Seller has agreed not to sell, contract to sell, pledge, dispose of or otherwise transfer, directly or indirectly, the shares of Parent Common Equity received as consideration for a period of six months following the closing date. Kosmos has agreed to file a resale shelf registration statement upon expiration of this lock-up period to facilitate the resale of the shares. In addition, the Seller has agreed that shares of Parent Common Equity equal to 10% of the purchase price (as adjusted for title defects and title benefits prior to the closing) will be subject to a 12-month holdback as partial security for claims by Purchaser against the Seller after the closing in accordance with the Purchase Agreement; provided that a portion of such shares will be released from the holdback six months after the closing.

### ***Conditions to Closing***

The consummation of the Transactions is subject to the satisfaction or waiver of certain customary conditions, including, among others: (1) the expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (as amended, the “HSR Act”), and certain other regulatory approvals, if applicable and (2) the absence of any injunction, order or award enjoining or otherwise prohibiting the Transactions. In addition, (x) Seller’s obligation to consummate the Transactions is also subject to the following additional conditions: (1) the accuracy, subject to customary materiality thresholds, of Purchaser’s representations and warranties under the Purchase Agreement, compliance in all material respects with the pre-closing covenants of Purchaser under the Purchase Agreement and the absence of a material adverse effect on Kosmos, (2) the approval for listing of the shares of Parent Common Equity as part of the purchase price on the New York Stock Exchange, and (3) the unadjusted purchase price will not have decreased by more than 10% due to title defects relating to Deep Gulf Energy’s oil and gas properties and (y) Purchaser’s obligation to consummate the Transactions is also subject to the following additional conditions: (1) the accuracy, subject to customary materiality thresholds, of the Seller’s representations and warranties under the Purchase Agreement, compliance in all material respects with the pre-closing covenants of the Seller and Deep Gulf Energy under the Purchase Agreement and the absence of a material adverse effect on Deep Gulf Energy, and (2) the unadjusted purchase price will not have increased by more than 10% due to title benefits relating to Deep Gulf Energy’s oil and gas properties.

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The Transaction is expected to close around the end of the third quarter of 2018.

### ***Representations and Warranties; Covenants***

The Purchase Agreement contains mutual customary representations, warranties and covenants of each of Purchaser, Kosmos, Seller and Deep Gulf Energy. Seller has agreed to cause Deep Gulf Energy to operate its business in the ordinary course consistent with past practice and to comply with certain interim operating covenants, and Purchaser and Kosmos have also agreed to comply with certain interim operating covenants. Subject to certain exceptions, each of Seller and Purchaser has agreed to use commercially reasonable efforts to consummate the Transactions, and Kosmos has agreed to take any and all steps and undertakings necessary to resolve any objections or impediments made or asserted by any governmental authority with respect to certain required regulatory approvals, except as would reasonably be expected to be, individually or in the aggregate, material to the condition, assets, liabilities, businesses or results of operations of Kosmos and its subsidiaries, taken as a whole (after giving effect to the transactions contemplated by the Purchase Agreement and, for such purpose, treating Kosmos and its subsidiaries as if it were a company that is the same size and scale of Deep Gulf Energy). The Purchase Agreement contains certain indemnification rights for the benefit of each of the Seller and Kosmos, subject to limitations set forth in the Purchase Agreement.

### ***Termination***

The Purchase Agreement contains certain customary termination rights for each of Purchaser and Seller, including, among others, in the event that, subject to certain exceptions, (i) the closing has not occurred on or before November 3, 2018 (the “End Date”), provided that the End Date may be extended until February 1, 2019, subject to certain conditions, if certain regulatory approvals have not been obtained, or (ii) there has been a breach of a representation, warranty or covenant of the other party such that there is a failure of the related closing condition and the breach is incurable or has not been cured within 30 days.

The foregoing description of the Purchase Agreement does not purport to be complete and is qualified in its entirety to the full text of the Purchase Agreement, which Kosmos expects to file as an exhibit to its Quarterly Report on Form 10-Q for the fiscal quarter ending September 30, 2018.

### ***Forward-Looking Statements***

This Current Report on Form 8-K 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, including statements about the consummation of the proposed transaction and the anticipated benefits thereof, 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. Further information on such assumptions, risks and uncertainties is available in Kosmos’ Securities and Exchange Commission (“SEC”) filings. When used in this Current Report on Form 8-K, 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, including the failure to consummate the proposed transaction on the anticipated terms and timing or at all. 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 Current Report on Form 8-K, 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 Current Report on Form 8-K. All forward-looking statements are qualified in their entirety by this cautionary statement.

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**Item 7.01****Regulation FD Disclosure**

On August 6, 2018, Kosmos issued a press release announcing the entry into the agreement referred to above. A copy of the press release issued by Kosmos is attached hereto as Exhibit 99.1. The information in this Item 7.01 and Exhibit 99.1 shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to liabilities of that Section.

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**Item 9.01**

**Financial Statements and Other Exhibits**

Exhibit  
Number

Description of Exhibit

99.1

Press Release, dated August 6, 2018

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: August 9, 2018

KOSMOS ENERGY LTD.

By: /s/ Jason E. Doughty

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Jason E. Doughty

Senior Vice President, General Counsel and Corporate Secretary

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**INDEX TO EXHIBITS**

<u>Exhibit Number</u>	<u>Description of Exhibit</u>
99.1	Press Release, dated August 6, 2018

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## NEWS RELEASE

### KOSMOS ENERGY ENTERS GULF OF MEXICO WITH \$1.225 BILLION ACQUISITION OF DEEP GULF ENERGY

**DALLAS, Texas, August 6, 2018** – Kosmos Energy (NYSE/LSE: KOS) announced today that the company has entered into an agreement to acquire Deep Gulf Energy (“DGE”)<sup>1</sup>, a leading deepwater company operating in the Gulf of Mexico, from First Reserve and other shareholders for a total consideration of \$1.225 billion, subject to certain adjustments. By acquiring DGE, Kosmos adds to its deepwater Atlantic Margin portfolio an established business with attractive assets and a strong record of growing production and reserves through infrastructure-led exploration. This immediately accretive acquisition enhances the scale of the company and is expected to generate significant free cash flow, enabling Kosmos to return cash to shareholders through a dividend, beginning in the first quarter of 2019.

#### Transaction Highlights

- Immediately accretive:
  - Acquisition EV / 2018 estimated EBITDAX: 3.4x vs. Kosmos at 6.4x<sup>2</sup>
  - Acquisition EV / 2018 estimated 2P reserves: approximately \$15 per barrel of oil equivalent (boe) vs. Kosmos at approximately \$21 per boe
- Adds approximately 25,000 barrels of oil equivalent per day (boed) production (~85% oil), with an estimated reserves to production ratio of 8.8, growing 2018 pro forma production by 50% from approximately 45,000 to 70,000 boed
- Adds estimated 2P reserves of approximately 80 million barrels of oil equivalent<sup>3</sup> (MMboe), increasing total 2P reserves by 40% from over 200 MMboe to approximately 280 MMboe
- Adds experienced deepwater Gulf of Mexico management team with track record of delivering short-cycle, high-margin production
- Attractive acquisition with NPV-10 breakeven of approximately \$48.00 per barrel WTI
- Low asset retirement obligation of approximately \$100 million undiscounted
- Enables commencement of dividend payment in the first quarter of 2019, underpinned by expected production growth and sustainable free cash flow

Andrew G. Inglis, chairman and chief executive officer, said: “With this acquisition, Kosmos continues to grow into a larger, more balanced exploration and production company, with increasingly diversified production, a pipeline of world-class development projects, and a portfolio of short- and longer-cycle exploration opportunities. Over the last four years, Kosmos has doubled production, and this acquisition creates the platform to double production again in the next four years. With many competitors leaving the Gulf of Mexico to chase onshore shale plays, a huge opportunity has opened in the basin. The best deepwater assets can compete with the best of shale, and now is a good time to enter the Gulf of Mexico. This highly complementary transaction is immediately accretive – delivering sustainable production and free cash flow growth, and enabling dividend payments to begin in the first quarter of 2019.”



## Transaction Details

Under the terms of the transaction, Kosmos will acquire DGE for total consideration of \$1.225 billion, comprised of \$925 million in cash and \$300 million in Kosmos common shares issued to First Reserve, management, and other DGE shareholders. Kosmos intends to fund the cash portion of the purchase price with borrowings under its existing credit facilities. In connection with the transaction, Kosmos has received \$200 million of additional firm commitments to increase its reserves-based loan facility capacity.

The acquisition is expected to close around the end of the third quarter 2018, subject to receipt of regulatory approval and the satisfaction of customary closing conditions.

Evercore Inc. and Goldman Sachs & Co. LLC acted as financial advisors to Kosmos.

## Conference Call & Webcast Information

Kosmos will discuss the acquisition on the Company's second quarter 2018 earnings conference call on Monday, August 6, 2018 at 10:00 a.m. CDT.

Dial-in telephone numbers:

U.S. / Canada: +1.877.407.3982

International: +1.201.493.6780

Webcast: [investors.kosmosenergy.com](http://investors.kosmosenergy.com)

A slide presentation will be made available on the Investors page of Kosmos' website at [www.kosmosenergy.com](http://www.kosmosenergy.com) immediately after this news release is issued. A replay of the webcast will be available on the website for approximately 90 days following the event.

Note:

1. Includes Deep Gulf Energy LP, Deep Gulf Energy II, LLC and Deep Gulf Energy III, LLC (collectively "DGE")
2. Acquisition EBITDAX based on Kosmos's internal estimates which assume pricing based on the July 26, 2018 NYMEX WTI strip of \$67.32 per barrel in 2018. Kosmos enterprise value calculated using Kosmos's July 30, 2018 closing price and second quarter 2018 net debt. Kosmos EV / EBITDAX multiple calculated using Bloomberg consensus EBITDAX.
3. Estimated 2P reserves as of June 30, 2018

## About Kosmos Energy

Kosmos is a well-capitalized, pure play deepwater oil and gas company with growing production, a pipeline of development opportunities and a balanced exploration portfolio along the Atlantic Margins. Our assets include growing production offshore Ghana and Equatorial Guinea, a competitively positioned Tortue gas project in Mauritania and Senegal, and a sustainable exploration program balanced between proven basins (Equatorial Guinea), emerging basins (Mauritania, Senegal and Suriname) and frontier basins (Cote d'Ivoire and Sao Tome and Principe). 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 2017 Corporate Responsibility Report. For additional information, visit [www.kosmosenergy.com](http://www.kosmosenergy.com).

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### **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.

### **Inside Information**

This announcement contains inside information. The person responsible for arranging the release of this announcement is Jamie Buckland, Vice President, Investor Relations and Rhys Williams, Senior Manager, Investor Relations.

### **Non-GAAP Financial Measures**

EBITDAX, Adjusted net income (loss) and Adjusted net income (loss) per share 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 Facility EBITDAX definition includes 50% of the EBITDAX adjustments of Kosmos-Trident International Petroleum Inc. The Company defines adjusted net income (loss) as net income (loss) after adjusting for the impact of certain non-cash and non-recurring items, including non-cash changes in the fair value of derivative instruments, cash settlements on commodity derivatives, gain on sale of assets, and other similar non-cash and non-recurring charges, and then the non-cash and related tax impacts in the same period.

We believe that EBITDAX, Adjusted net income (loss), and Adjusted net income (loss) per share 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. Because EBITDAX, Adjusted net income (loss), and Adjusted net income (loss) per share excludes some, but not all, items that affect net income, these measures as presented by us may not be comparable to similarly titled measures of other companies.

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