

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re KOSMOS ENERGY LTD SECURITIES § Consolidated Civil Action No. 3:12-cv-373-B
LITIGATION §
§ CLASS ACTION
§
§
This Document Relates To: §
ALL ACTIONS. §
§
§

NOTICE OF PENDENCY AND PROPOSED SETTLEMENT OF CLASS ACTION

IF YOU PURCHASED KOSMOS ENERGY LTD (“KOSMOS”) COMMON STOCK ISSUED PURSUANT TO OR TRACEABLE TO THE REGISTRATION STATEMENT AND PROSPECTUS UTILIZED IN CONNECTION WITH KOSMOS’ INITIAL PUBLIC OFFERING (“IPO”) FROM MAY 10, 2011 THROUGH AND INCLUDING JANUARY 10, 2012 AND WERE DAMAGED THEREBY (THE “SETTLEMENT CLASS”), YOU COULD RECEIVE A PAYMENT FROM A CLASS ACTION SETTLEMENT. CERTAIN PERSONS ARE EXCLUDED FROM THE DEFINITION OF THE SETTLEMENT CLASS AS SET FORTH IN THE STIPULATION OF SETTLEMENT.

A federal court authorized this Notice. This is not a solicitation from a lawyer.

- The Settlement will provide \$10,200,000 in cash to pay claims of all Settlement Class Members. For an estimate of how much you could receive from this Settlement, see the discussion at Question 9 of this Notice.
- The Settlement resolves a lawsuit claiming that Defendants issued a materially false and misleading Registration Statement and Prospectus in connection with Kosmos’ IPO in violation of §11, §12(a)(2) and §15 of the Securities Act of 1933.¹ The Defendants deny they did anything wrong. The Settlement avoids the costs and risks associated with continued litigation (including the danger of no recovery), provides a monetary benefit to the Settlement Class, and releases Defendants from liability.
- The proposed Settlement should be compared to the risk of no recovery. The claims in this case involve numerous complex legal and factual issues that would require extensive and costly expert testimony. Among the many issues about which the parties do not agree are: (1) whether any of the Defendants violated the securities laws or otherwise engaged in any wrongdoing; (2) whether a class could be certified; and (3) the amount of damages (if any) that could be recovered at trial.
- For the past two years, Lead Plaintiff’s Counsel have not received payment for their work investigating the facts, prosecuting this Litigation, and negotiating the proposed Settlement on behalf of the Lead Plaintiff and the Settlement Class. Lead Plaintiff’s counsel will ask the Court to approve the reimbursement of expenses actually incurred of no more than \$275,000 from the Settlement Fund and an award of attorneys’ fees of up to 22.5%, net of Court-approved expenses, plus interest earned at the same rate and for the same period as earned by the Settlement Fund. Lead Counsel also may apply for the reimbursement of the Lead Plaintiff’s expenses pursuant to 15 U.S.C. §77z-1(a)(4).
- Your legal rights are affected whether you act or don’t act. Read this Notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
Submit a Proof of Claim Form	The only way to get a payment.
Go to a Hearing	Ask to speak in Court about the fairness of the Settlement.
Do Nothing	Get no payment. Give up your rights.
Exclude Yourself	Get no payment. This is the only option that allows you to ever bring a lawsuit against Defendants concerning the legal claims at issue in this case.
Object	Write to the Court about why you don’t like the Settlement.

¹ The Defendants include the following: Kosmos; Brian F. Maxted, W. Greg Dunlevy, Sylvia Manor, John R. Kemp III, David I. Foley, Jeffrey A. Harris, David B. Krieger, Prakash A. Melwani, Adebayo O. Ogunlesi, Chris Tong, and Christopher A. Wright (collectively, the “Individual Defendants”); and Citigroup Global Markets Inc., Barclays Capital Inc., Credit Suisse Securities (USA) LLC, BNP Paribas Securities Corp., SG Americas Securities LLC, Credit Agricole Securities (USA) Inc., Scotia Capital (USA) Inc. (f/k/a Howard Weil Incorporated), HSBC Securities (USA) Inc., Jefferies & Company, Inc., Natixis Securities Americas LLC (f/k/a Natixis Bleichroeder LLC), and RBC Capital Markets LLC (collectively, the “Underwriter Defendants”).

- The following **deadlines** apply to your rights and options in this Litigation:

Submit Claim:	August 18, 2014
Request Exclusion:	July 3, 2014
File Objection:	July 3, 2014
Court Hearing on Fairness of Settlement:	September 24, 2014
- The Court in charge of this case must decide whether to approve the Settlement. Payments will be made if the Court approves the Settlement and, if there are any appeals, after appeals are resolved. Please be patient.

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BASIC INFORMATION

1. Why did I receive this notice package?

You may have purchased Kosmos common stock from May 10, 2011 through January 10, 2012, inclusive.

The Court directed that this Notice be sent to you because you have a right to know about a proposed Settlement of a class action lawsuit, and about all of your options, before the Court decides whether to approve the Settlement.

If the Court approves the Settlement, and after any objections or appeals are resolved, the Claims Administrator appointed by the Court will make the payments that the Settlement allows.

This Notice explains the lawsuit, the Settlement, Settlement Class Members' legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of the case is Judge Jane J. Boyle of the United States District Court for the Northern District of Texas, Dallas Division (the "Court"), and the case is known as *In re Kosmos Energy Ltd Securities Litigation*, Consolidated Civil Action No. 3:12-cv-373-B.

2. What is this lawsuit about?

The Litigation claims that the Registration Statement and Prospectus (collectively, the "Offering Documents") issued in connection with Kosmos' IPO contained materially false and misleading statements about the performance and expected production of an oil field off the shore of Ghana known as the "Jubilee Field" in violation of §11, §12(a)(2) and §15 of the Securities Act of 1933. All Defendants deny they did anything wrong or that Lead Plaintiff or other Members of the Settlement Class suffered any damage.

3. Why is this a class action?

In a class action, one or more people called plaintiffs (in this case the Nursing Homes and Related Industries Pension Plan, which was appointed by the Court as Lead Plaintiff, and George M. Mounger) sue on behalf of people who have similar claims. Here, all these people are called the Settlement Class or Settlement Class Members. One court resolves the issues for all Settlement Class Members, except for those who timely and validly exclude themselves from the Settlement Class.

4. Why is there a settlement?

The Court did not decide in favor of Lead Plaintiff or Defendants. Instead, all parties agreed to a Settlement with the assistance of Judge Layn R. Phillips (Ret.), an experienced and highly respected mediator of complex actions like this. By agreeing to a Settlement, the parties avoid the cost and uncertainty of further litigation and a trial (including any appeals) and allow eligible Settlement Class Members who submit valid claims to receive a payment. Plaintiffs and their attorneys believe the Settlement is in the best interest of the Settlement Class.

WHO IS IN THE SETTLEMENT?

To see if you will receive money from this Settlement, you first have to determine if you are a Settlement Class Member.

5. How do I know if I am part of the Settlement?

The Settlement Class includes all Persons who purchased Kosmos common stock issued pursuant or traceable to the Registration Statement and Prospectus utilized in connection with Kosmos' IPO from May 10, 2011 through and including January 10, 2012 and were damaged thereby.

6. What are the exceptions to being included?

You are not a Settlement Class Member if you are a Defendant, Blackstone, Warburg and each of their respective Related Parties (as defined in ¶1.21 of the Stipulation). You are also not a Settlement Class Member if you timely and validly request exclusion from the Settlement Class pursuant to this Notice.

7. I'm still not sure if I am included.

If you are still not sure if you are included, you can ask for free help. You can call Rick Nelson of Robbins Geller Rudman & Dowd LLP at 1-800-449-4900 or visit www.kosmossecuritiessettlement.com for more information.

THE SETTLEMENT BENEFITS – WHAT YOU GET

8. What does the Settlement provide?

Defendants have agreed to pay \$10,200,000 in cash. The balance of this fund after payment of Court-approved attorneys' fees and expenses and the costs of claims administration, including the costs of printing and mailing this Notice and the cost of publishing newspaper notice will be divided among all eligible Settlement Class Members who send in valid claim forms.

9. How much will my payment be?

Your share of the fund will depend on the number of shares of Kosmos common stock represented by valid claims made by Members of the Settlement Class and the amount of those claims, the number of shares of Kosmos common stock you held, and when you bought and sold them. Assuming that all of the investors who purchased Kosmos common stock between May 10, 2011 and January 10, 2012 issued pursuant to, or traceable to, the Registration Statement and Prospectus utilized in Kosmos' IPO and suffered damages therefrom participate in this Settlement, Lead Plaintiff's Counsel estimate that the estimated average distribution will be approximately \$0.30 per share of Kosmos common stock before the deduction of Court-approved fees and expenses, as described in Question 17 below (estimated to be approximately \$0.07 per share), and the cost of notice and claims administration. Historically, less than all eligible investors submit claims, resulting in higher average distributions per share.

The Settlement Fund less taxes, notice and administration costs, attorneys' fees, and litigation expenses ("Net Settlement Fund") will be distributed to Settlement Class Members who submit valid, timely Proof of Claim and Release forms ("Claimants") under the Plan of Allocation (the "Plan") described below. The Plan provides that Claimants will be eligible to participate in the distribution of the Net Settlement Fund only if Claimants have a net investment loss.

To the extent there are sufficient funds in the Net Settlement Fund, each Claimant will receive an amount equal to the Claimant's "Claim," as defined below. If, however (and as is more likely), the amount in the Net Settlement Fund is not sufficient to permit payment of the total Claim of each Claimant, then each Claimant shall be paid the percentage of the Net Settlement Fund that each Claimant's claim bears to the total of the claims of all Claimants. Payment in this manner shall be deemed conclusive against all Claimants.

The Plan has been prepared by Lead Plaintiff's Counsel with the assistance of a damages consultant. Defendants do not agree with the characterization that any damages were suffered by Lead Plaintiff or the Settlement Class.

The calculation of claims below is not an estimate of the amount you will receive. It is a formula for allocating the Net Settlement Fund among all Authorized Claimants. A Claim will be calculated as follows:

For shares of Kosmos common stock issued pursuant or traceable to the Company's Registration Statement and Prospectus which were acquired between May 10, 2011 through and including January 10, 2012, and

- 1) sold on or prior to January 10, 2012, the claim per share is the Purchase Price per share (not to exceed \$18 per share, the IPO price) less the Sales Price per share.
- 2) retained at the close of trading on January 10, 2012 and/or sold after January 10, 2012, the claim per share is the Purchase Price per share (not to exceed \$18 per share, the IPO price) less \$14.21 (the closing price of Kosmos stock on the date the lawsuit was filed).

The First-In, First-Out ("FIFO") method will be applied to such holdings, purchases, and sales for purposes of calculating a Claim. Investment gains achieved in connection with transactions in Kosmos common stock will be offset against losses suffered in connection with transactions in Kosmos common stock in calculating Claimants' losses. Although short sales will have no recognized loss under the Plan, any recognized gain attributable to such short sales will be used to offset recognized losses from other transactions. Furthermore, market gains or losses attributable to short sales will be calculated as part of the market gain or loss calculation.

Kosmos common stock acquired by means of a gift, inheritance, or operation of law shall only be considered if the shares in question were issued pursuant to, or traceable to, the Registration Statement and Prospectus utilized in Kosmos' IPO by the donor, decedent, or transferor, and the donor, decedent, or transferor does not submit a claim form with respect to the shares. In such instances, the recipient must provide documentation of the original purchase in addition to the transfer.

Payment pursuant to the Plan shall be conclusive against all Claimants. No Person shall have any claim against Lead Plaintiff's Counsel, Lead Plaintiff, the Claims Administrator, Defendants and their Related Parties, or any Person designated by Lead Plaintiff's Counsel based on distributions made substantially in accordance with the Stipulation and the Settlement contained therein, the Plan, or further order(s) of the Court. No Settlement Class Member shall have any claim against Defendants for any Released Claims. All Settlement Class Members who fail to complete and file a valid and timely Proof of Claim and Release form shall be barred from participating in distributions from the Net Settlement Fund (unless otherwise ordered by the Court), but otherwise shall be bound by all of the terms of the Stipulation, including the terms of any judgment entered and the releases given.

HOW YOU OBTAIN A PAYMENT – SUBMITTING A PROOF OF CLAIM FORM

10. How will I obtain a payment?

To qualify for payment, you must be an eligible Settlement Class Member, send in a valid claim form, and properly document your Claim as requested in the claim form. A claim form is enclosed with this Notice. You may also obtain a Proof of Claim form at www.kosmossecuritiessettlement.com. Read the instructions carefully, fill out the form, include all the documents the form asks for, sign it, and mail it in the enclosed envelope postmarked no later than August 18, 2014.

11. When will I receive my payment?

The Court will hold a hearing on September 24, 2014 to decide whether to approve the Settlement. If Judge Boyle approves the Settlement, there may be appeals. It is always uncertain whether these appeals can be resolved, and resolving them can take time, perhaps several years. Everyone who sends in a claim form will be informed of the determination with respect to their Claim. Please be patient.

12. What am I giving up to receive a payment or stay in the Settlement Class?

Unless you timely and validly exclude yourself, you are staying in the Settlement Class, and that means that you cannot sue, continue to sue, or be part of any other lawsuit against the Defendants about the Released Claims in this case. It also means that all of the Court's orders will apply to you and legally bind you and you will release your Claims in this case against the Defendants. The terms of the release are included in the enclosed claim form.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you do not want a payment from this Settlement, but you want to keep the right to sue or continue to sue the Defendants on your own for the Released Claims in this case, then you must take steps to get out of the Settlement Class. This is called excluding yourself or is sometimes referred to as opting out of the Settlement Class.

13. How do I get out of the Settlement Class?

To exclude yourself from the Settlement, you must send a letter by mail saying that you want to be excluded from the class in *In re Kosmos Energy Ltd Securities Litigation*, Consolidated Civil Action No. 3:12-cv-373-B. You must provide the following information: (a) name; (b) address; (c) telephone number; (d) amount of Kosmos common stock purchased between May 10, 2011 and January 10, 2012, inclusive and/or sold at any time after May 10, 2011; (e) prices paid or received for such stock; (f) the date of each purchase or sale transaction; and (g) a statement that you wish to be excluded from the Settlement Class. **You must mail your exclusion request postmarked no later than July 3, 2014 to:**

Kosmos Securities Litigation
Claims Administrator
c/o Gilardi & Co. LLC
P.O. Box 8040
San Rafael, CA 94912-8040

You cannot exclude yourself on the phone or by e-mail. If you ask to be excluded, you will not receive any settlement payment, and you cannot object to the Settlement. You will not be legally bound by anything that happens in this lawsuit.

14. If I do not exclude myself, can I sue Defendants for the same thing later?

No. Unless you timely and validly exclude yourself, you give up any right to sue the Defendants for the Released Claims in this Settlement. If you have a pending lawsuit against any of the Defendants, speak to your lawyer in that case immediately. **Remember, the exclusion deadline is July 3, 2014.**

15. If I exclude myself, can I receive money from this Settlement?

No. If you exclude yourself, do not send in a Proof of Claim form. But, you may be able to sue, continue to sue, or be part of a different lawsuit against Defendants.

THE LAWYERS REPRESENTING YOU

16. Do I have a lawyer in this case?

Yes. The Court appointed Robbins Geller Rudman & Dowd LLP to represent you and other Settlement Class Members. These lawyers are called Lead Counsel. You will not be charged directly for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

17. How will the lawyers be paid?

In the two years that this Litigation has been pending, Lead Counsel have not been paid for their services on behalf of Lead Plaintiff and the Settlement Class, nor for their substantial expenses. The fee requested is to compensate Lead Counsel for their work investigating the facts, litigating the case over the past two years, and negotiating the Settlement.

Lead Plaintiff's counsel will ask the Court to approve the reimbursement of expenses actually incurred of no more than \$275,000 and a payment of no more than 22.5% of the Settlement Fund for attorneys' fees. The fee requested is well within the range of fees awarded to class counsel in similar cases. Lead Counsel may also seek the Court's approval to award the Lead Plaintiff reasonable costs and expenses directly relating to the representation of the Settlement Class in an amount not to exceed \$18,000. The Court may award less than these amounts.

OBJECTING TO THE SETTLEMENT

You can tell the Court that you do not agree with the Settlement or some part of it.

18. How do I tell the Court that I do not like the Settlement?

If you are a Settlement Class Member, you can object to the Settlement if you do not like any part of it. You can state the reasons why you think the Court should not approve any of the relief sought. The Court will consider your views. To object, you must send a letter saying that you object to the Settlement in *In re Kosmos Energy Ltd Securities Litigation*, Consolidated Civil Action No. 3:12-cv-373-B. Be sure to include your name, address, telephone number, your signature, the number of shares of Kosmos common stock purchased on or between May 10, 2011 and January 10, 2012 and the reason(s) why you object to the Settlement. **Mail the objection to the Court, Lead Counsel and Defense Counsel in time for it to be received no later than July 3, 2014:**

COURT

Clerk of the Court
U.S. DISTRICT COURT FOR THE
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION
Earle Cabell Federal Building
and United States Courthouse
1100 Commerce Street
Room 1452
Dallas, TX 75242

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47th Floor
New York, NY 10166

19. What's the difference between objecting and excluding?

Objecting is simply telling the Court that you do not like something about the Settlement. You can object **only** if you stay in the Settlement Class.

Excluding yourself is telling the Court that you do not want to be paid and do not want to release any claims you think you may have against Defendants. If you exclude yourself, you cannot object to the Settlement because it does not affect you.

THE COURT'S FAIRNESS HEARING

The Court will hold a hearing to decide whether to approve the Settlement. You may attend and you may ask to speak, but you do not have to.

20. When and where will the Court decide whether to approve the Settlement?

The Court will hold a fairness hearing at 2:00 p.m., on September 24, 2014, before the Honorable Jane J. Boyle at the U.S. District Court for the Northern District of Texas, Dallas Division, Earle Cabell Federal Building and United States Courthouse, 1100 Commerce Street, Courtroom 1516, Dallas, Texas. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. Judge Boyle will listen to people who have asked to speak at the hearing. The Court will also consider whether to approve the fee and expense requests. The Court may decide the issues at the hearing or take them under consideration. We do not know how long these decisions will take.

21. Do I have to come to the hearing?

No. Lead Counsel will answer questions Judge Boyle may have. But you are welcome to come at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you mailed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary.

22. May I speak at the hearing?

You may ask the Court for permission to speak at the fairness hearing. To do so, you must send a letter saying that it is your intention to appear in *In re Kosmos Energy Ltd Securities Litigation*, Consolidated Civil Action No. 3:12-cv-373-B. Be sure to include your name, address, telephone number, the number of shares of Kosmos common stock purchased on or between May 10, 2011 and January 10, 2012, and your signature. **Your notice of intention to appear must be received no later than July 3, 2014, by the Clerk of the Court, Lead Counsel, and one of Defendants' Counsel**, at the addresses listed above in Question 18.

You cannot speak at the hearing if you exclude yourself from the Settlement Class.

IF YOU DO NOTHING

23. What happens if I do nothing at all?

If you do nothing, you will not receive any money from this Settlement. In addition, unless you exclude yourself, you will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against the Defendants about the Released Claims in this case.

GETTING MORE INFORMATION

24. Are there more details about the Settlement?

This Notice summarizes the proposed Settlement. More details are in the Stipulation of Settlement dated as of April 28, 2014. You can obtain a copy of the Stipulation of Settlement by writing to or calling Rick Nelson, Shareholder Relations, Robbins Geller Rudman & Dowd LLP, 655 West Broadway, Suite 1900, San Diego, CA 92101, 1-800-449-4900, or from the Clerk's office at the United States District Court for the Northern District of Texas, Dallas Division, 1100 Commerce Street, Room 1452, Dallas, TX 75242 during regular business hours. The Stipulation may also be downloaded at www.kosmossecuritiessettlement.com.

25. How do I get more information?

You can call 1-800-449-4900 or write to Rick Nelson, Shareholder Relations, Robbins Geller Rudman & Dowd LLP, 655 West Broadway, Suite 1900, San Diego, CA 92101 or visit www.kosmossecuritiessettlement.com.

SPECIAL NOTICE TO NOMINEES

The Court has ordered that if you held any Kosmos common stock purchased on or between May 10, 2011 and January 10, 2012 as nominee for a beneficial owner, then, within ten (10) days after you receive this Notice, you must either: (1) send a copy of this Notice by first class mail to all such Persons; or (2) provide a list of the names and addresses of such Persons to the Claims Administrator:

Kosmos Securities Litigation
Claims Administrator
c/o Gilardi & Co. LLC
P.O. Box 8040
San Rafael, CA 94912-8040
1-877-289-2663
www.kosmossecuritiessettlement.com

If you choose to mail the Notice and Proof of Claim yourself, you may obtain from the Claims Administrator (without cost to you) as many additional copies of these documents as you will need to complete the mailing.

Regardless of whether you choose to complete the mailing yourself or elect to have the mailing performed for you, you may obtain reimbursement for or advancement of reasonable administrative costs actually incurred or expected to be incurred in connection with forwarding the Notice and which would not have been incurred but for the obligation to forward the Notice, upon submission of appropriate documentation to the Claims Administrator.

DO NOT TELEPHONE THE COURT REGARDING THIS NOTICE

DATED: May 5, 2014

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION