

Kosmos Energy Ltd.
Form 8-K
February 08, 2018

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):

February 5, 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**

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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. ☐

Item 1.01 Entry into a Material Definitive Agreement

On February 5, 2018, Kosmos Energy Ltd. (the **Company**) amended and restated its existing commercial debt facility (under which the Company's indirect subsidiaries, Kosmos Energy Finance International, Kosmos Energy Senegal and Kosmos Energy Mauritania, are the borrowers) by entering an amended and restated facility agreement (the **A&R RBL**), and certain ancillary documents. The A&R RBL will be effective upon satisfaction of customary conditions.

The A&R RBL makes certain amendments to the terms of the existing amended and restated commercial debt facility, subject to certain conditions and exceptions, including without limitation:

- the extension of the maturity date to March 31, 2025 (unless otherwise terminated pursuant to the A&R RBL);
- the extension of the amortization schedule such that amortization of principal is to commence in March 31, 2022 and continue in equal amounts every six months thereafter until the maturity date;
- commitment fees lowered from 40% to 30% of the applicable interest margin;
- maintaining interest margin at LIBOR plus 3.25% for the next four years;
- the inclusion of the Company's recently acquired producing assets in Equatorial Guinea in the calculation of borrowing base amounts as well as the Company's option to include the Greater Tortue development in the future following final investment decision, up to \$500 million in the aggregate; and
- the addition of Kosmos Energy Finance International, Kosmos Energy Investments Senegal Limited, Kosmos Energy Equatorial Guinea, Kosmos Energy Senegal and Kosmos Energy Mauritania as additional guarantors and pledged subsidiaries.

As a result of these amendments, (i) total availability under the A&R RBL has been increased from \$1.3 billion to \$1.5 billion as of the date of effectiveness and (ii) the Company has the option, subject to certain conditions and exceptions, to increase total available commitments up to an additional \$500 million.

The Company expects to incur approximately \$25 million in fees and expenses associated with entering into the A&R RBL, which such fees and expenses are expected to be amortized over the term of the A&R RBL.

The A&R RBL contains other customary representations and warranties, covenants and informational undertakings, in each case, subject to certain exceptions and conditions. The A&R RBL also provides for certain customary events of default, including, among other things, payment defaults, breach of representations and warranties, covenant defaults, cross-defaults to certain indebtedness, certain events of insolvency, judgment defaults, and repudiation or rescission of certain documents supporting the A&R RBL. If such an event of default occurs, the agents under such A&R RBL are entitled to take various actions, including the cancellation of any outstanding commitments, acceleration of amounts due thereunder and taking certain permitted enforcement actions under the ancillary security documents, subject in each case to the terms of the A&R RBL and such security documents.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant

The disclosure required by this item is included in Item 1.01 above and is incorporated herein by reference.

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: February 8, 2018

KOSMOS ENERGY LTD.

By: /s/ Thomas P. Chambers
Thomas P. Chambers
Senior Vice President and Chief Financial Officer