

Kosmos Energy Ltd.  
Form 424B7  
October 06, 2014

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Filed Pursuant to Rule 424(b)(7)  
Registration No. 333-182280

**The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not offers to sell these securities and we are not soliciting offers to buy these securities in any jurisdiction where the offer or sale is not permitted.**

**SUBJECT TO COMPLETION, DATED OCTOBER 6, 2014**

**Prospectus Supplement  
(To Prospectus dated June 22, 2012)**

**15,000,000 Shares**

## **Kosmos Energy Ltd.**

### **Common Shares**

The selling shareholders identified in this prospectus supplement are offering 15,000,000 common shares, par value \$0.01 per share. We will not receive any of the proceeds from the sale of the common shares.

Our common shares are listed on The New York Stock Exchange (the "NYSE") under the symbol "KOS." The last reported sale price of our common shares on the NYSE on October 3, 2014 was \$9.85 per share.

**Investing in our common shares involves a high degree of risk. See "Risk Factors" on page S-3 of this prospectus supplement and on page 5 of the accompanying prospectus. You should also consider the risk factors described in the documents incorporated by reference in this prospectus supplement and the accompanying prospectus.**

The underwriter has agreed to purchase the common shares from the selling shareholders at a price equal to \$ \_\_\_\_\_ per share, which will result in \$ \_\_\_\_\_ of proceeds to the selling shareholders (assuming no exercise of the underwriter's over-allotment option) before expenses, subject to the terms and conditions in the underwriting agreement among the underwriter, the selling shareholders and us.

The underwriter proposes to offer the common shares from time to time for sale in one or more transactions on the NYSE, in the over-the-counter market, through negotiated transactions or otherwise, at market prices prevailing at the time of sale, at prices related to such prevailing market prices or negotiated prices, subject to its right to reject any order in whole or in part. See "Underwriting."

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The selling shareholders have granted the underwriter the right to purchase, within a period of 30 days beginning on the date of this prospectus supplement, up to 2,250,000 additional common shares, solely to cover over-allotments, if any.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

Pursuant to the Companies Act 1981 of Bermuda, there is no requirement to file this prospectus supplement with the Registrar of Companies in Bermuda. Neither the Bermuda Monetary Authority, the Registrar of Companies of Bermuda nor any other relevant Bermuda authority or government body accept any responsibility for the financial soundness of any proposal or for the correctness of any of the statements made or opinions expressed herein.

Delivery of the common shares will be made on or about \_\_\_\_\_, 2014.

**Citigroup**

The date of this prospectus supplement is \_\_\_\_\_, 2014

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We and the selling shareholders have not, and the underwriter has not, authorized anyone to provide any information other than that contained in this prospectus supplement or the accompanying prospectus or incorporated by reference in this prospectus supplement or the accompanying prospectus or in any free writing prospectus prepared by or on behalf of us to which we have referred you. We, the selling shareholders and the underwriter take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We and the selling shareholders are not, and the underwriter is not, making an offer of these securities in any jurisdiction where the offer is not permitted. You should not assume that the information contained in this prospectus supplement or the accompanying prospectus or incorporated by reference in this prospectus supplement or the accompanying prospectus is accurate as of any date other than the date of such document. Our business, financial condition, results of operations and prospects may have changed since those dates. The terms "Kosmos," "we," "us," and "our" refer to Kosmos Energy Ltd. and our subsidiaries unless the context otherwise requires. The term "selling shareholders" refers, collectively, to the selling shareholders named in this prospectus supplement under the caption "Selling Shareholders."

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**ABOUT THIS PROSPECTUS SUPPLEMENT AND THE ACCOMPANYING PROSPECTUS**

This document consists of two parts. The first part is the prospectus supplement, which describes the specific terms of this offering of common shares and also adds to and updates the information contained or incorporated by reference in the accompanying prospectus. The second part is the accompanying prospectus, which describes more general information regarding our securities, some of which does not apply to this offering. You should read both this prospectus supplement and the accompanying prospectus, together with additional information described under the heading "Where You Can Find More Information and Incorporation of Information by Reference" in this prospectus supplement and in the accompanying prospectus in their entirety before making an investment decision.

If the information set forth in this prospectus supplement differs in any way from the information set forth in the accompanying prospectus or the information contained in any document incorporated by reference therein, the information contained in the most recently dated document shall control.

**CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This prospectus supplement, the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus contain estimates and forward-looking statements. Our estimates and forward-looking statements are mainly based on our current expectations and estimates of future events and trends, which affect or may affect our businesses and operations. Although we believe 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 us. Many important factors, in addition to the factors described in this prospectus supplement, the accompanying prospectus and documents incorporated by reference into this prospectus supplement and the accompanying prospectus, may adversely affect our results as indicated in forward-looking statements. You should read this prospectus supplement, the accompanying prospectus and documents incorporated by reference into this prospectus supplement and the accompanying prospectus completely and with the understanding that our actual future results may be materially different from what we expect.

Our estimates and forward-looking statements may be influenced by the following factors, among others:

our ability to find, acquire or gain access to other discoveries and prospects and to successfully develop our current discoveries and prospects;

uncertainties inherent in making estimates of our oil and natural gas data;

the successful implementation of our and our block partners' prospect discovery and development and drilling plans;

projected and targeted capital expenditures and other costs, commitments and revenues;

termination of or intervention in concessions, rights or authorizations granted by the governments of Ghana, Ireland, Mauritania, Morocco (including Western Sahara), Portugal, Senegal or Suriname (or their respective national oil companies) or any other federal, state or local governments or authorities, to us;

our dependence on our key management personnel and our ability to attract and retain qualified technical personnel;

the ability to obtain financing and to comply with the terms under which such financing may be available;

the volatility of oil and natural gas prices;

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the availability, cost, function and reliability of developing appropriate infrastructure around and transportation to our discoveries and prospects;

the availability and cost of drilling rigs, production equipment, supplies, personnel and oilfield services;

other competitive pressures;

potential liabilities inherent in oil and natural gas operations, including drilling and production risks and other operational, mechanical and environmental hazards;

current and future government regulation of the oil and gas industry or regulation of the investment in or ability to do business with certain countries or regimes;

cost of compliance with laws and regulations;

changes in environmental, health and safety or climate change laws, greenhouse gas regulation or the implementation, or interpretation, of those laws and regulations;

environmental liabilities;

geological, technical, drilling, completion, production and processing problems;

military operations, civil unrest, terrorist acts, wars or embargoes;

the cost and availability of adequate insurance coverage;

our vulnerability to severe weather events;

our ability to meet our obligations under the agreements governing our indebtedness;

the availability and cost of financing and refinancing our indebtedness;

the amount of collateral required to be posted from time to time in our hedging transactions;

our success in risk management activities, including the use of derivative financial instruments to hedge commodity and interest rate risks; and

other risk factors discussed in this prospectus supplement, Item 1A. "Risk Factors" in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2014 and our Annual Report on Form 10-K for the year ended December 31, 2013

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incorporated by reference herein.

The words "believe," "may," "will," "aim," "estimate," "continue," "anticipate," "intend," "expect," "plan" and similar words are intended to identify estimates and forward-looking statements. Estimates and forward-looking statements speak only as of the date they were made, and, except to the extent required by law, we undertake no obligation to update or to review any estimate and/or forward-looking statement because of new information, future events or other factors. Estimates and forward-looking statements involve risks and uncertainties and are not guarantees of future performance. As a result of the risks and uncertainties described above, the estimates and forward-looking statements discussed in this prospectus supplement, the accompanying prospectus and documents incorporated by reference into this prospectus supplement and the accompanying prospectus might not occur, and our future results and our performance may differ materially from those expressed in these forward-looking statements due to, including, but not limited to, the factors mentioned above. Because of these uncertainties, you should not place undue reliance on these forward-looking statements.

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**SUMMARY**

*This summary highlights information contained elsewhere in this prospectus supplement or the accompanying prospectus, or incorporated by reference in this prospectus supplement or the accompanying prospectus. As a result, this summary does not contain all of the information that may be important to you or that you should consider before investing in our common shares. You should read carefully this entire prospectus supplement, the accompanying prospectus and any related free writing prospectus, together with all documents incorporated by reference herein and therein, which are described under "Where You Can Find More Information and Incorporation of Information by Reference" in this prospectus supplement and under "Where You Can Find More Information" in the accompanying prospectus.*

**Overview**

We are 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 Ireland, Mauritania, Morocco (including Western Sahara), Portugal, Senegal and Suriname.

Following our formation in 2003, we acquired multiple exploration licenses and established a new, major oil province in West Africa with the discovery of the Jubilee Field within the Tano Basin offshore Ghana in 2007. This was the first of our discoveries offshore Ghana; it was one of the largest oil discoveries worldwide in 2007 and is considered one of the largest finds offshore West Africa during the last decade. Oil production from the Jubilee Field commenced in November 2010.

In the near-term, we are focused on maximizing production and cash flow from the Jubilee Field; developing the Tweneboa-Enyenra-Ntomme project pursuant to a plan of development which was approved by the Ministry of Energy in 2013; appraising our other discoveries in Ghana; and executing a multi-year, exploration drilling program targeting multiple high impact opportunities along the Atlantic Margin.

**Corporate Information**

We were incorporated pursuant to the laws of Bermuda as Kosmos Energy Ltd. in January 2011 to become a holding company for Kosmos Energy Holdings. Kosmos Energy Holdings was formed as an exempted company limited by guarantee pursuant to the laws of the Cayman Islands in March 2004. Pursuant to the terms of a corporate reorganization that was completed simultaneously with the closing of our IPO, all of the membership interests in Kosmos Energy Holdings were exchanged for newly issued common shares of Kosmos Energy Ltd. and as a result, Kosmos Energy Holdings became a wholly-owned subsidiary of Kosmos Energy Ltd.

We maintain a registered office in Bermuda at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The telephone number of our registered office is (441) 295-5950. Our U.S. subsidiary maintains its headquarters at 8176 Park Lane, Suite 500, Dallas, Texas 75231 and its telephone number is (214) 445-9600. Our web site is [www.kosmosenergy.com](http://www.kosmosenergy.com). The information on, or accessible through, our web site does not constitute part of this prospectus supplement or accompanying prospectus.

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**The Offering**

Common shares offered by the selling shareholders	15,000,000 common shares, par value \$0.01 per share. The selling shareholders have granted to the underwriter an option to purchase up to 2,250,000 additional common shares on the same terms and conditions to cover over-allotments, if any, for a period of 30 days from the date of this prospectus supplement.
Trading symbol for our common shares	Our common shares are listed on the NYSE under the symbol "KOS."
Use of Proceeds	We will not receive any of the proceeds from the sale of the common shares.
Dividend Policy	We do not anticipate paying any dividends on our common shares in the foreseeable future. However, we may change this policy in the future. See "Dividend Policy."
Risk Factors	An investment in our common shares involves certain risks. You should carefully consider the risks described in this prospectus supplement, under "Item 1A. Risk Factors" of our Quarterly Report on Form 10-Q for the quarter ended June 30, 2014 and our Annual Report on Form 10-K for the year ended December 31, 2013, as well as other information included in this prospectus supplement, the accompanying prospectus or any free writing prospectus prepared by or on behalf of us or incorporated by reference herein or therein, before making a decision to purchase the common shares offered hereby. Additional risks and uncertainties that we do not know about or that we currently believe are not material may also adversely affect our business, financial condition, results of operations and prospects.

All applicable share, per share and related information in this prospectus supplement speaks as of June 30, 2014, unless otherwise indicated.



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**RISK FACTORS**

*An investment in our common shares involves a high degree of risk. You should consider carefully the risk factor described below, as well as the risk factors described in "Item 1A. Risk Factors" of our Quarterly Report on Form 10-Q for the quarter ended June 30, 2014 and Annual Report on Form 10-K for the year ended December 31, 2013, and all other information contained in or incorporated by reference in this prospectus supplement and the accompanying prospectus before deciding to invest in the common shares. If any of the risks actually occur, they may materially harm our business, financial condition, operating results or cash flow. As a result, the market price of our common shares could decline, and you could lose all or part of your investment. Additional risks and uncertainties that are not yet identified or that we think are immaterial may also materially harm our business, operating results, financial condition or cash flow and could result in a complete or partial loss of your investment.*

*This prospectus supplement, the accompanying prospectus and the incorporated documents also contain forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by us described below and elsewhere in this prospectus supplement and the accompanying prospectus and the documents incorporated by reference in this prospectus supplement and the accompanying prospectus. See "Special Note on Forward-Looking Statements" in the accompanying prospectus and "Cautionary Note Regarding Forward-Looking Statements" in this prospectus supplement and any documents incorporated by reference herein.*

***An epidemic of the Ebola virus disease is ongoing in West Africa and may adversely affect our business operations and financial condition.***

An epidemic of the Ebola virus disease is ongoing in parts of West Africa. A substantial number of deaths have been reported by the World Health Organization ("WHO") in West Africa, and the WHO has declared it a global health emergency. It is impossible to predict the effect and potential spread of the Ebola virus in West Africa and surrounding areas.

Should the Ebola virus continue to spread, including to the countries in which we operate, or not be satisfactorily contained, our exploration, development and production plans for our West African operations could be delayed, or interrupted after commencement. Any changes to these operations could significantly increase costs of operations. Our operations in West Africa require contractors and personnel to travel to and from the area as well as the unhindered transportation of equipment and oil and gas production (in the case of our producing fields). Such operations also rely on infrastructure, contractors and personnel in West Africa. Several countries have announced travel bans to the certain West African countries. If bans are extended to the countries in which we operate, including Ghana, or contractors or personnel refuse to travel there, we could be adversely affected. If services are obtained, costs associated with those services could be significantly higher than planned which will have a material adverse effect on our business, results of operations, and future cash flow.

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We will not receive any of the proceeds from the sale of the common shares. We will pay the expenses, other than underwriting discounts and commissions, associated with the sale of common shares by the selling shareholders.

**PRICE RANGE OF OUR COMMON SHARES**

Our common shares are traded on the NYSE under the symbol "KOS." On October 3, 2014, the last reported sale price for our common shares on the NYSE was \$9.85 per share. As of June 30, 2014, we had approximately 212 shareholders of record. The following table sets forth, for the periods indicated, the reported high and low sale prices for our common shares.

	Price Range	
	High	Low
<b>Year Ending December 31, 2014</b>		
Fourth Quarter (through October 3, 2014)	\$ 10.10	\$ 9.81
Third Quarter	11.23	9.24
Second Quarter	11.27	10.00
First Quarter	11.60	9.88
<b>Year Ended December 31, 2013</b>		
Fourth Quarter	\$ 11.42	\$ 10.03
Third Quarter	11.15	9.71
Second Quarter	12.17	10.09
First Quarter	13.05	10.15
<b>Year Ended December 31, 2012</b>		
Fourth Quarter	\$ 12.65	\$ 9.55
Third Quarter	11.75	8.19
Second Quarter	13.70	10.03
First Quarter	15.13	12.30

**DIVIDEND POLICY**

At the present time, we intend to retain all of our future earnings, if any, generated by our operations for the development and growth of our business. Additionally, we are subject to Bermuda legal constraints that may affect our ability to pay dividends on our common shares and make other payments. Under the Bermuda Companies Act, we may not declare or pay a dividend if there are reasonable grounds for believing that we are, or would after the payment be, unable to pay our liabilities as they become due or that the realizable value of our assets would thereafter be less than our liabilities. Pursuant to the terms of certain of our debt agreements, we are restricted in our ability to pay dividends and certain of our subsidiaries are restricted in their ability to pay dividends to us unless certain conditions, financial and otherwise, are met. Any decision to pay dividends in the future is at the discretion of our board of directors and depends on our financial condition, results of operations, capital requirements and other factors that our board of directors deems relevant.

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The following table sets forth the number of common shares owned by the selling shareholders prior to this offering, the number of common shares to be offered for sale by the selling shareholders in this offering, the number of common shares to be owned by the selling shareholders after completion of this offering and the percentage of our issued and outstanding common shares owned by the selling shareholders prior to this offering and to be owned after the completion of this offering.

Beneficial ownership of shares is determined under the rules of the SEC and generally includes any shares over which a person exercises sole or shared voting or investment power. Percentage of beneficial ownership is based on 386,830,220 common shares issued and outstanding as of July 28, 2014.

The underwriter of this offering has an option to purchase up to 2,250,000 additional common shares to cover over-allotments, if any. The following table assumes that such option will not be exercised.

Except as indicated in footnotes to this table, we believe that the shareholders named in this table have sole voting and investment power with respect to all common shares shown to be beneficially owned by them, based on information provided to us by such shareholders.

Name and Address of Beneficial Owner	Shares Beneficially Owned Before the Offering		Number of Shares Being Offered*	Shares Beneficially Owned After the Offering*	
	Number	Percent		Number	Percent
Warburg Pincus Funds(1)	126,258,651	32.64%	8,250,000	118,008,651	30.51%
Blackstone Funds(2)	103,302,512	26.70%	6,750,000	96,552,512	24.96%

\*

Assumes no exercise of the underwriter's over-allotment option.

(1)

The Warburg Pincus Funds are comprised of the following entities: Warburg Pincus International Partners, L.P., a Delaware limited partnership ("WPIP"), and two affiliated partnerships who collectively hold 63,129,331 shares, and Warburg Pincus Private Equity VIII, L.P., a Delaware limited partnership ("WP VIII"), and two affiliated partnerships who collectively hold 63,129,320 shares. The total number of shares reported by WPIP includes 2,525,177 shares that are owned by its affiliated partnership Warburg Pincus Netherlands International Partners I, C.V., a company incorporated under the laws of the Netherlands, and 93,427 shares that are owned by its affiliated partnership WP-WPIP Investors, L.P., a Delaware limited partnership. WPIP expressly disclaims beneficial ownership with respect to any common shares other than the common shares owned of record by WPIP. The total number of shares reported by WP VIII includes 1,773,765 shares that are owned by its affiliated partnership Warburg Pincus Netherlands Private Equity VIII I, C.V., a company incorporated under the laws of the Netherlands, and 176,944 shares that are owned by its affiliated partnership WP-WPVIII Investors, L.P., a Delaware limited partnership. WP VIII expressly disclaims beneficial ownership with respect to any shares other than the shares owned of record by WP VIII. Warburg Pincus Partners L.P., a Delaware limited partnership ("Partners LP"), is the general partner of WPIP and WP VIII. Warburg Pincus Partners GP, LLC, a Delaware limited liability company ("Partners GP"), is the general partner of Partners LP. Warburg Pincus & Co., a New York general partnership ("WP"), is the managing member of Partners GP. WPIP and WP VIII are managed by Warburg Pincus LLC, a New York Limited Liability Company ("WP LLC"). Mr. Landy and Mr. Krieger are Directors of Kosmos. Mr. Landy is a Managing General Partner of WP and a Managing Member and Co-Chief Executive Officer of WP LLC. Mr. Krieger is a Partner of WP and a Managing Director and Member of WP LLC. All shares indicated as owned by Messrs. Landy and Krieger are included because of their affiliation with the Warburg Pincus Funds. Charles R. Kaye is also a Managing

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General Partner of WP and a Managing Member and Co-Chief Executive Officer of WP LLC and, together with Mr. Landy, may be deemed to control the Warburg Pincus Funds. Messrs. Kaye, Landy and Krieger disclaim beneficial ownership of all shares held by the Warburg Pincus Funds. The address of the Warburg Pincus Funds, Mr. Kaye, Mr. Landy and each of the other Warburg Pincus entities listed in this footnote is 450 Lexington Avenue, New York, New York 10017. The number of common shares being offered includes (i) 4,125,000 common shares by WPIP and (ii) 4,125,000 common shares by WP VIII. Should the underwriter's over-allotment option be exercised, the Warburg Pincus Funds will provide up to 1,237,500 common shares to be sold pursuant to this option.

(2)

The Blackstone Funds (as hereinafter defined) are comprised of the following entities: Blackstone Capital Partners (Cayman) IV L.P. ("BCP Cayman IV"), Blackstone Capital Partners (Cayman) IV-A L.P. ("BCP Cayman IV-A"), Blackstone Family Investment Partnership (Cayman) IV-A L.P. ("BFIP"), Blackstone Family Investment Partnership (Cayman) IV-A SMD L.P. ("BFIP SMD") and Blackstone Participation Partnership (Cayman) IV L.P. ("BPP", together with BCP Cayman IV, BCP Cayman IV-A, BFIP and BFIP SMD, the "Blackstone Funds"). The Blackstone Funds beneficially own (i) 96,754,959 shares, which are held by BCP Cayman IV, (ii) 1,577,884 shares, which are held by BCP Cayman IV-A, (iii) 2,557,688 shares, which are held by BFIP, (iv) 2,123,635 shares, which are held by BFIP SMD and (v) 288,346, which are held by BPP. The general partner of BFIP SMD is Blackstone Family GP L.L.C., which is wholly owned by Blackstone's senior managing directors and controlled by Mr. Stephen A. Schwarzman, its founder. The general partner of BCP Cayman IV and BCP Cayman IV-A is Blackstone Management Associates (Cayman) IV L.P. ("BMA"). Blackstone LR Associates (Cayman) IV Ltd ("BLRA") and BCP IV GP L.L.C. ("BCP IV") are the general partners of BMA. BCP IV is the general partner of BFIP and BPP. Blackstone Holdings III L.P. is the sole member of BCP IV. The general partner of Blackstone Holdings III L.P. is Blackstone Holdings III GP L.P. The general partner of Blackstone Holdings III GP L.P. is Blackstone Holdings III GP Management L.L.C. The sole member of Blackstone Holdings III GP Management L.L.C. is The Blackstone Group L.P. The general partner of The Blackstone Group L.P. is Blackstone Group Management L.L.C. Blackstone Group Management L.L.C. is wholly owned by Blackstone's senior managing directors and controlled by its founder, Stephen A. Schwarzman. Mr. Stephen A. Schwarzman is director and controlling person of BLRA. Each of such Blackstone entities and Mr. Schwarzman may be deemed to beneficially own the shares beneficially owned by the Blackstone Funds directly or indirectly controlled by it or him, but each disclaims beneficial ownership of such shares. Mr. Foley and Mr. Melwani are Senior Managing Directors of Blackstone Group Management L.L.C. and neither is deemed to beneficially own the shares beneficially owned by the Blackstone Funds. The address of each of the Blackstone Funds, Mr. Stephen A. Schwarzman and each of the other Blackstone entities listed in this footnote is c/o The Blackstone Group, L.P., 345 Park Avenue, New York, New York 10154. The number of common shares being offered includes (i) 6,330,589 common shares by BCP Cayman IV, (ii) 103,240 common shares by BCP Cayman IV-A, (iii) 162,720 common shares by BFIP, (iv) 18,345 common shares by BPP and (v) 135,106 common shares by BFIP SMD. Should the underwriter's over-allotment option be exercised, the Blackstone Funds will provide up to 1,012,500 common shares to be sold pursuant to this option.

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**CERTAIN TAX CONSIDERATIONS**

**Bermuda Tax Considerations**

At the present time, there is no Bermuda income or profits tax, withholding tax, capital gains tax, capital transfer tax, estate duty or inheritance tax payable by us or by our shareholders in respect of our shares. We have obtained an assurance from the Bermuda Minister of Finance under the Exempted Undertakings Tax Protection Act 1966 that, in the event that any legislation is enacted in Bermuda imposing any tax computed on profits or income, or computed on any capital asset, gain or appreciation or any tax in the nature of estate duty or inheritance tax, such tax shall not, until March 31, 2035, be applicable to us or to any of our operations or to our shares, debentures or other obligations except insofar as such tax applies to persons ordinarily resident in Bermuda or is payable by us in respect of real property owned or leased by us in Bermuda.

**U.S. Federal Income Tax Considerations**

The following is a summary of the material U.S. federal income tax consequences to a U.S. Holder (as defined below) of owning and disposing of our common shares, but it does not purport to be a comprehensive description of all tax considerations that may be relevant to a particular person's decision to acquire our common shares. This summary does not discuss any state, local or foreign tax considerations. This discussion applies only to a U.S. Holder that acquires our common shares pursuant to this offering and holds them as capital assets for tax purposes. In addition, it does not describe all of the tax consequences that may be relevant in light of the U.S. Holder's particular circumstances, including alternative minimum tax consequences, Medicare contribution tax consequences and tax consequences applicable to U.S. Holders subject to special rules, such as:

certain financial institutions;

dealers or traders in securities who use a mark-to-market method of tax accounting;

persons holding our common shares as part of a hedging transaction, straddle, wash sale, conversion transaction or integrated transaction or persons entering into a constructive sale with respect to our common shares;

persons whose functional currency for U.S. federal income tax purposes is not the U.S. dollar;

entities classified as partnerships for U.S. federal income tax purposes;

tax-exempt entities, including "individual retirement accounts"; or

persons that own or are deemed to own ten percent or more of our voting shares.

If an entity that is classified as a partnership for U.S. federal income tax purposes holds our common shares, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and the activities of the partnership. Partnerships holding our common shares and partners in such partnerships should consult their tax advisers as to the particular U.S. federal income tax consequences of holding and disposing of our common shares.

This discussion is based on the Internal Revenue Code of 1986, as amended (the "Code"), administrative pronouncements, judicial decisions, and final, temporary and proposed Treasury regulations, all as of the date of this prospectus supplement, any of which is subject to change, possibly with retroactive effect. U.S. Holders should consult their tax advisers concerning the U.S. federal, state, local and foreign tax consequences of owning and disposing of our common shares in their particular circumstances.

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A "U.S. Holder" is a holder who, for U.S. federal income tax purposes, is a beneficial owner of our common shares and is:

a citizen or individual resident of the United States;

a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any state therein or the District of Columbia; or

an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

This discussion assumes that we are not, and will not become, a passive foreign investment company, as described below.

***Taxation of Distributions***

As discussed above under "Dividend Policy," we do not currently intend to pay dividends. In the event that we do pay dividends, distributions paid on our common shares, other than certain *pro rata* distributions of common shares, will be treated as dividends to the extent paid out of our current or accumulated earnings and profits (as determined under U.S. federal income tax principles). The amount of the dividend will be treated as foreign-source dividend income to U.S. Holders and will not be eligible for the dividends-received deduction generally available to U.S. corporations under the Code. Subject to certain holding period and other requirements, dividends on our common shares that are paid to non-corporate U.S. Holders will be eligible for reduced tax rates so long as our common shares continue to trade on the NYSE.

***Sale or Other Disposition of Common Shares***

For U.S. federal income tax purposes, gain or loss realized on the sale or other disposition of our common shares will be capital gain or loss, and generally will be long-term capital gain or loss if the U.S. Holder held our common shares for more than one year. The amount of the gain or loss will equal the difference between the U.S. Holder's tax basis in the common shares disposed of and the amount realized on the disposition, in each case as determined in U.S. dollars. This gain or loss will generally be U.S.-source gain or loss for foreign tax credit purposes. Non-corporate U.S. Holders are generally eligible for reduced tax rates on long-term capital gains. The deductibility of capital losses is subject to limitation.

***Passive Foreign Investment Company Rules***

Based on management estimates and projections of future operations and revenue, we do not believe we will be a passive foreign investment company (a "PFIC") for U.S. federal income tax purposes for our current taxable year and we do not expect to become one in the foreseeable future. In general, a non-U.S. corporation is a PFIC for any taxable year in which (i) 75% or more of its gross income consists of passive income (such as dividends, interest, rents and royalties) or (ii) 50% or more of the average quarterly value of its assets consists of assets that produce, or are held for the production of, passive income. Because our PFIC status is a factual determination that is made annually and depends on the composition of our income and the composition and value of our assets from time to time, there can be no assurance that we will not be a PFIC for any taxable year.

If we were a PFIC for any taxable year during which a U.S. Holder held our common shares, gain recognized by a U.S. Holder on a sale or other disposition (including certain pledges) of our common shares would be allocated ratably over the U.S. Holder's holding period for the common shares. The amounts allocated to the taxable year of the sale or other disposition and to any year before we became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for individuals or corporations, as appropriate, for

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that taxable year, and an interest charge would be imposed on the tax on such amount allocated to that taxable year. Similar rules would apply to the extent that any distribution received by a U.S. Holder on its common shares exceeds 125% of the average of the annual distributions on the common shares received during the preceding three years or the U.S. Holder's holding period, whichever is shorter. Certain elections may be available that would result in alternative treatments (such as mark-to-market treatment) of the common shares. U.S. Holders should consult their tax advisers to determine whether any of these elections would be available and, if so, what the consequences of the alternative treatments would be in their particular circumstances. If we were a PFIC for any year during which a U.S. Holder held our common shares, we generally would continue to be treated as a PFIC with respect to that holder for all succeeding years during which the U.S. Holder held our common shares, even if we subsequently ceased to meet the requirements for PFIC status. U.S. Holders should consult their tax advisers regarding the potential availability of a "deemed sale" election that would allow them to eliminate the continuation of PFIC status under these circumstances.

Dividends on our common shares that we pay to non-corporate U.S. Holders will not be eligible for the reduced tax rates described above if we are a PFIC in the taxable year in which the dividends are paid or the prior taxable year. In addition, if a U.S. Holder owns our common shares during any year in which we are a PFIC, the holder generally must file annual reports containing such information as the U.S. Treasury may require on Internal Revenue Service ("IRS") Form 8621 (or any successor form) with respect to us, generally with the holder's federal income tax return for that year.

***Information Reporting and Backup Withholding***

Payments of dividends and sales proceeds that are made within the United States or through certain U.S.-related financial intermediaries generally are subject to information reporting, and may be subject to backup withholding, unless (i) the U.S. Holder is a corporation or other exempt recipient or (ii) in the case of backup withholding, the U.S. Holder provides a correct taxpayer identification number and certifies that it is not subject to backup withholding. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against the holder's U.S. federal income tax liability and may entitle it to a refund, provided that the required information is timely furnished to the IRS.

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**UNDERWRITING**

We and the selling shareholders have entered into an underwriting agreement with Citigroup Global Markets Inc., as underwriter of this offering. Under the terms and subject to the conditions contained in the underwriting agreement, the selling shareholders have agreed to sell to the underwriter 15,000,000 common shares.

The underwriting agreement provides that the underwriter is obligated to purchase all of the common shares in the offering if any are purchased, other than those shares covered by the over-allotment option described below.

The selling shareholders have granted to the underwriter the right to purchase, within a period of 30 days beginning on the date of this prospectus supplement, up to 2,250,000 additional common shares on the same terms and conditions. The number of shares that each selling shareholder will sell should this option be exercised in full is set forth under the heading "Selling Shareholders." To the extent this right is exercised for a number of shares less than the full amount of the option, the selling shareholders will provide shares to be sold pursuant to this right proportionally. This option may be exercised only to cover any over-allotments.

Subject to certain conditions, the underwriter has agreed to purchase the common shares from the selling shareholders at a price equal to \$ \_\_\_\_\_ per share, which will result in \$ \_\_\_\_\_ of proceeds to the selling shareholders (assuming no exercise of the underwriter's over-allotment option) before expenses. We will not receive any proceeds from the sale of the shares.

The underwriter may receive from purchasers of the common shares nominal brokerage commissions in amounts agreed with the purchasers. The underwriter proposes to offer the common shares for sale from time to time in one or more transactions on the NYSE, in the over-the-counter market, through negotiated transactions or otherwise at market prices prevailing at the time of sale, at prices related to prevailing market prices or at negotiated prices. The offering of the shares by the underwriter is subject to receipt and acceptance and subject to the underwriter's right to reject any order in whole or in part. The underwriter may effect such transactions by selling the shares to or through dealers and such dealers may receive compensation in the form of discounts, concessions, or commissions from the underwriter and/or purchasers of shares for whom they may act as agents or to whom they may sell as principal. The underwriter may change the offering price and other selling terms. The difference between the price at which the underwriter purchases common shares and the price at which the underwriter resells such common shares may be deemed underwriting compensation.

Sales of common shares outside the United States may be made by affiliates of the underwriter. The underwriter has informed us that it does not intend to confirm sales to discretionary accounts that exceed 5% of the total number of common shares offered by it.

We estimate that the total expenses for this offering, excluding underwriting discounts and commissions, will be approximately \$ \_\_\_\_\_, and will be paid by us.

We have agreed that we will not, for a period of 60 days after the date of the underwriting agreement (i) offer, sell, issue, contract to sell, pledge or otherwise dispose of our common shares or securities convertible into or exchangeable or exercisable for our common shares, (ii) offer, sell, issue, contract to sell, contract to purchase or grant any option, right or warrant to purchase our common shares or securities convertible into or exchangeable or exercisable for our common shares, (iii) enter into any swap, hedge or any other agreement that transfers, in whole or in part, the economic consequences of ownership of our common shares or securities convertible into or exchangeable or exercisable for our common shares, (iv) establish or increase a put equivalent position or liquidate or decrease a call equivalent position in our common shares or securities convertible into or exchangeable or exercisable for our common shares within the meaning of Section 16 of the Exchange Act or (v) file with the SEC a registration statement under the Securities Act relating to our common shares or



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securities convertible into or exchangeable or exercisable for our common shares, or publicly disclose the intention to take any such action, without the prior written consent of the underwriter. The restrictions described in this paragraph do not apply to:

grants of restricted shares, restricted stock units, share options other than equity grants in accordance with the terms of an incentive plan described in the documents incorporated by reference into this prospectus supplement and the accompanying prospectus as in existence as of the date hereof;

the issuance of common shares upon the exercise of an option or warrant or the conversion of a security granted under an incentive plan described in the documents incorporated by reference into this prospectus supplement and the accompanying prospectus as existing on or otherwise outstanding as of the date hereof;

the filing of a registration statement on Form S-8 relating to the offering of securities in accordance with the terms of an incentive plan described in the documents incorporated by reference into this prospectus supplement and the accompanying prospectus as in effect on the date hereof; or

the registration of common shares pursuant to the terms of the registration rights agreement described in the documents incorporated by reference into this prospectus supplement and the accompanying prospectus as in existence as of the date hereof.

Certain of our officers and directors and the selling shareholders have agreed that they will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any of our common shares or securities convertible into or exchangeable or exercisable for our common shares, enter into a transaction that would have the same effect, or enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of our common shares or securities convertible into or exchangeable or exercisable for our common shares, whether any of these transactions are to be settled by delivery of our common shares, securities convertible into or exchangeable or exercisable for our common shares, or such other securities, in cash or otherwise, or publicly disclose the intention to make any such offer, sale, pledge or disposition, or to enter into any such transaction, swap, hedge or other arrangement or make any demand for or exercise any right with respect to the registration of any of our common shares or securities convertible into or exchangeable for our common shares, without, in each case, the prior written consent of the underwriter for a period of 60 days after the date of the underwriting agreement. The restrictions described in this paragraph do not apply to:

the sale of the common shares by the selling shareholders to the underwriter in connection with this offering;

transfers or distributions of common shares or any security convertible into common shares (i) as a bona fide gift or gifts, (ii) to any trust for the direct or indirect benefit of the transferee or an immediate family member, (iii) by testate or intestate succession, (iv) to general or limited partners, members, or shareholders of the transferor, or to any corporation, partnership, limited liability company or other person or entity that is a direct or indirect affiliate of the transferor or (v) to any corporation, partnership, limited liability company or other business entity with whom the transferor shares in common an investment manager or advisor, in each case who has investment discretionary authority with respect to the transferor's and such other entity's investments pursuant to an investment management, investment advisory or similar agreement, *provided* that in each case of (i) through (v), each donee, distributee or transferee agrees to be bound in writing by the terms of the lock-up agreement prior to such transfer and no filing by any party (donor, donee, transferor or transferee) under the Exchange Act shall be required or shall be voluntarily made in connection with such transfer;

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transactions relating to common shares or other securities convertible into or exchangeable or exercisable for any common shares acquired in the open market or any directed share program;

transfers of common shares that are used for the primary purpose of satisfying any tax or other governmental withholding obligation, with respect to any award of equity-based compensation granted pursuant to equity incentive plans;

the establishment of a trading plan pursuant to Rule 10b5-1 under the Exchange Act for the transfer of common shares or any securities convertible into or exchangeable or exercisable for any common shares, *provided* that such plan does not permit such transfers during the lock-up period; and

transactions relating to common shares or any security convertible into or exchangeable or exercisable for any common shares executed under a trading plan pursuant to Rule 10b-1 under the Exchange Act as existing on the date of the underwriting agreement providing for the transfer of common shares or any security convertible into or exchangeable or exercisable for any common shares.

Certain of our officers, directors and employees have established trading plans pursuant to Rule 10b5-1 and may sell, pledge or otherwise dispose, directly or indirectly, common shares (or securities convertible into or exchangeable for any common shares) during the lock-up period.

We and the selling shareholders have agreed to indemnify the underwriter against certain liabilities under the Securities Act, or contribute to payments that the underwriter may be required to make in that respect.

**Price Stabilization and Short Positions**

In connection with the offering, the underwriter may engage in stabilizing transactions, over-allotment transactions and covering transactions in accordance with Regulation M under the Exchange Act.

Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum.

Over-allotment involves sales by the underwriter of shares in excess of the shares the underwriter is obligated to purchase, which creates a short position. The short position may be either a covered short position or a naked short position. In a covered short position, the amount of shares over-allotted by the underwriter is not greater than the amount of shares that it may purchase in the over-allotment option. In a naked short position, the amount of shares involved is greater than the amount of shares in the over-allotment option. The underwriter may close out any covered short position by either exercising its over-allotment option and/or purchasing shares in the open market.

Covering transactions involve purchases of the common shares in the open market after the distribution has been completed in order to cover syndicate short positions. In determining the source of shares to close out the short position, the underwriter will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through the over-allotment option. If the underwriter sells more shares than could be covered by the over-allotment option, a naked short position, the position can only be closed out by buying shares in the open market. A naked short position is more likely to be created if the underwriter is concerned that there could be downward pressure on the price of the shares in the open market after pricing that could adversely affect investors who purchase in the offering.

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These stabilizing transactions and covering transactions, as well as purchases by the underwriter for its own accounts, may have the effect of raising or maintaining the market price of our common shares or preventing or retarding a decline in the market price of the common shares. As a result the price of our common shares may be higher than the price that might otherwise exist in the open market. These transactions may be effected on the NYSE and, if commenced, may be discontinued at any time.

**Affiliations**

The underwriter and its affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. The underwriter and its affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for us, our affiliates and the selling shareholders, for which they received or will receive customary fees and expenses. For instance, affiliates of the underwriter are lenders under our commercial debt facility. In the ordinary course of their various business activities, the underwriter and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own accounts and for the accounts of their customers, and such investment and securities activities may involve our securities and/or our instruments. The underwriter and its affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

**Selling Restrictions**

The shares are offered for sale in those jurisdictions in the United States, Europe, Asia and the Middle East and elsewhere where it is lawful to make such offers. The underwriter has represented and agreed that it has not offered, sold or delivered and will not offer, sell or deliver any of the shares directly or indirectly, or distribute this prospectus supplement and the accompanying prospectus or any other offering material relating to the shares, in or from any jurisdiction except under circumstances that will result in compliance with the applicable laws and regulations thereof and that will not impose any obligations on us except as set forth in the underwriting agreement.

**Australia**

No prospectus or other disclosure document (as defined in the Corporations Act 2001 (Cth) of Australia ("Corporations Act")) in relation to the shares has been or will be lodged with the Australian Securities & Investments Commission ("ASIC"). This document has not been lodged with ASIC and is only directed to certain categories of exempt persons. Accordingly, if you receive this document in Australia:

- (a) you confirm and warrant that you are either:
  - (i) a "sophisticated investor" under section 708(8)(a) or (b) of the Corporations Act;
  - (ii) a "sophisticated investor" under section 708(8)(c) or (d) of the Corporations Act and that you have provided an accountant's certificate to us which complies with the requirements of section 708(8)(c)(i) or (ii) of the Corporations Act and related regulations before the offer has been made;
  - (iii) a person associated with the company under section 708(12) of the Corporations Act; or
  - (iv) a "professional investor" within the meaning of section 708(11)(a) or (b) of the Corporations Act, and to the extent that you are unable to confirm or warrant that you are an exempt sophisticated investor, associated person or professional investor under the

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