

NYSE: CIE

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# Multiple Catalysts To Grow Shareholder Value

November 2012

# Forward Looking Statements



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# Cobalt – Our Story



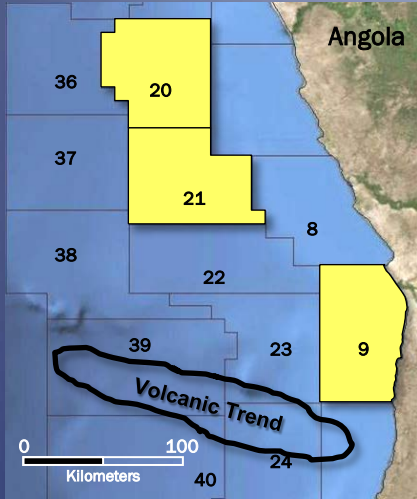
- ▶ Enviably oil focused portfolio
  - » Extraordinary value potential via multiple catalysts
  - » Operating control; Material working interests
  - » Diverse and deep prospect inventory with unique follow-on potential
- ▶ Leadership and functional expertise
  - » Global industry leadership
  - » Expertise across the value chain
  - » Success-driven talent pool growth
- ▶ Focused relationships
  - » Partners/Regulators/NOC's
- ▶ Superior balance sheet
  - » Exploration program currently funded
  - » No debt
  - » Financial discipline



# West Africa Deepwater Pre-salt

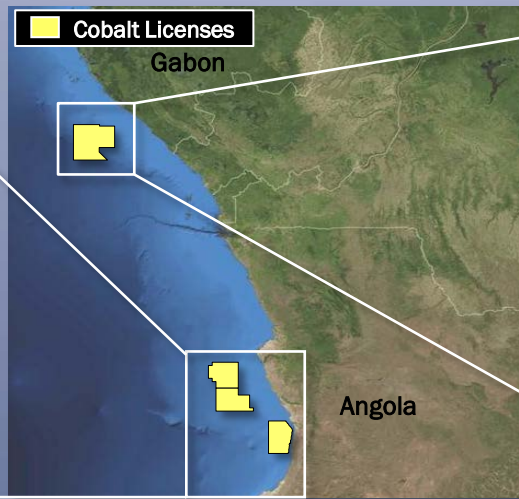


## Cobalt's Premier Position in Emerging World-Class Oil Basins



### Angola, North Kwanza Basin

- ▶ Proven Pre-salt oil on all Cobalt blocks
- ▶ Prolific source rocks
- ▶ Proven carbonate reservoirs
- ▶ Numerous large structures confirmed via new 3-D seismic
- ▶ 2 rig program will drill 4-6 Pre-salt wells in 2013



### Gabon, Diaba Block

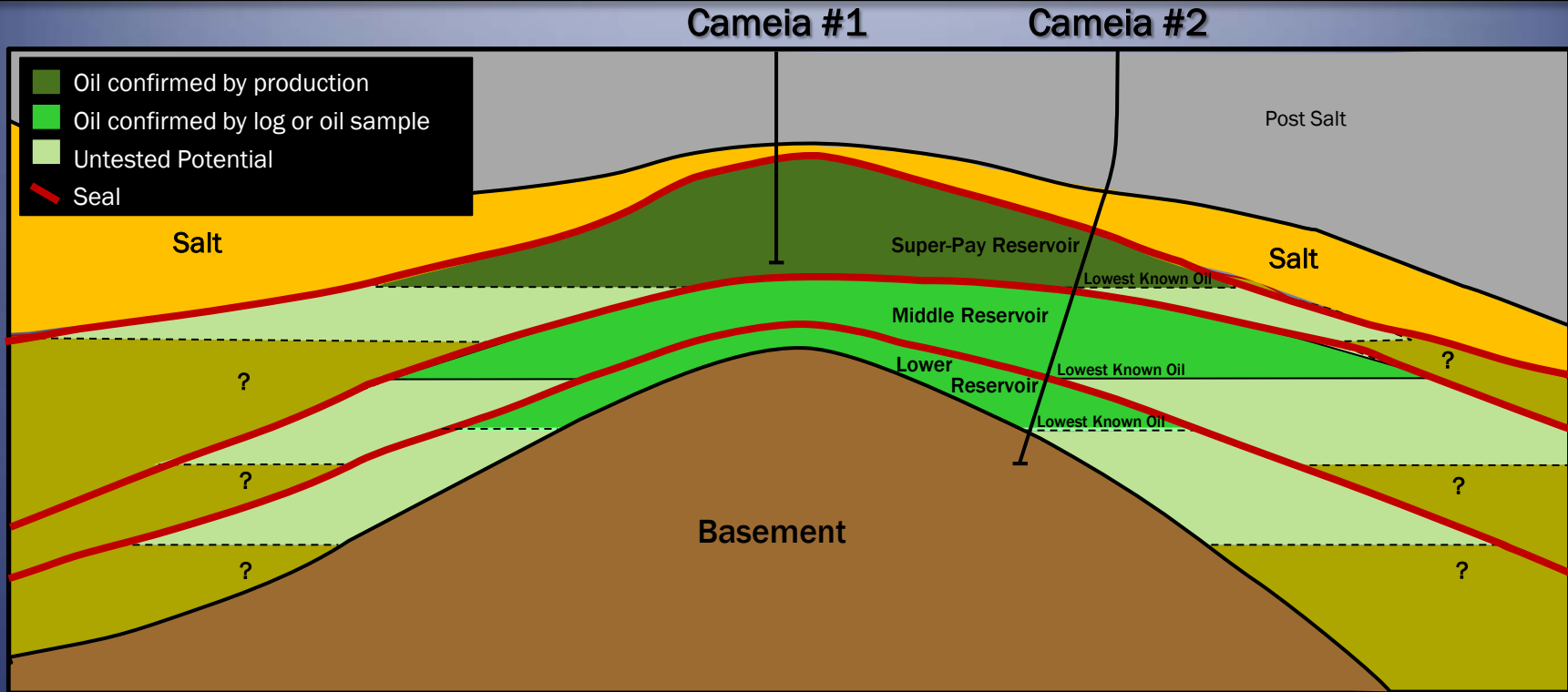
- ▶ First Pre-salt well planned in early 2013
- ▶ Proven Pre-salt play onshore and near shore
- ▶ Numerous large structures confirmed via new 3-D seismic
- ▶ Similar source rocks as Angola
- ▶ Sandstone reservoirs expected

# Cobalt has Proven: The North Kwanza Pre-salt Basin has World-Class Potential



- ▶ Salt layer is a competent seal
  - » Has been proven effective in virtually all Pre-salt penetrations
- ▶ Robust hydrocarbon generation potential
  - » Indications of oil in the majority of Pre-salt penetrations in the North Kwanza Basin
- ▶ Exceptional reservoir systems – repeatability likely based on Brazil analogues
  - » Very high quality oil or condensate
  - » Very high flow rates
- ▶ Pre-salt structures well imaged by state-of-the-art 3-D seismic
- ▶ No known technical barriers to commercial development
  - » Continuing focus on well design optimization and cost efficiency
  - » Drill bit technology improving to reduce number of drilling days

# The Cameia Story



## What we now know

- ▶ A 'monster' hydrocarbon column
- ▶ Truly exceptional 'Super-Pay' reservoir confirmed
- ▶ Lateral continuity of a 'Super-Pay' reservoir confirmed
- ▶ Very high quality oil or condensate
- ▶ Multiple zones
- ▶ Both regional and inter-formational seals exist

## What we will learn

- ▶ Additional areal extension and distribution of the 'Super-Pay' reservoir
- ▶ Variation of reservoir fluids between separate reservoirs
- ▶ Reservoir system characteristics in middle and lower reservoirs
- ▶ The number of different reservoir and seal systems
- ▶ Lowest known oil in the system (oil-water contacts)

# North Kwanza Basin: Large Pre-salt Structures on Trend with Cameia #1 Discovery



Industry  
**DISCOVERY**  
**Baleia #1A**  
Mobil (1996)  
~300' Pre-salt Oil Column

**Cobalt**  
Prospect  
Lontra

**Cobalt**  
Prospect  
Idared

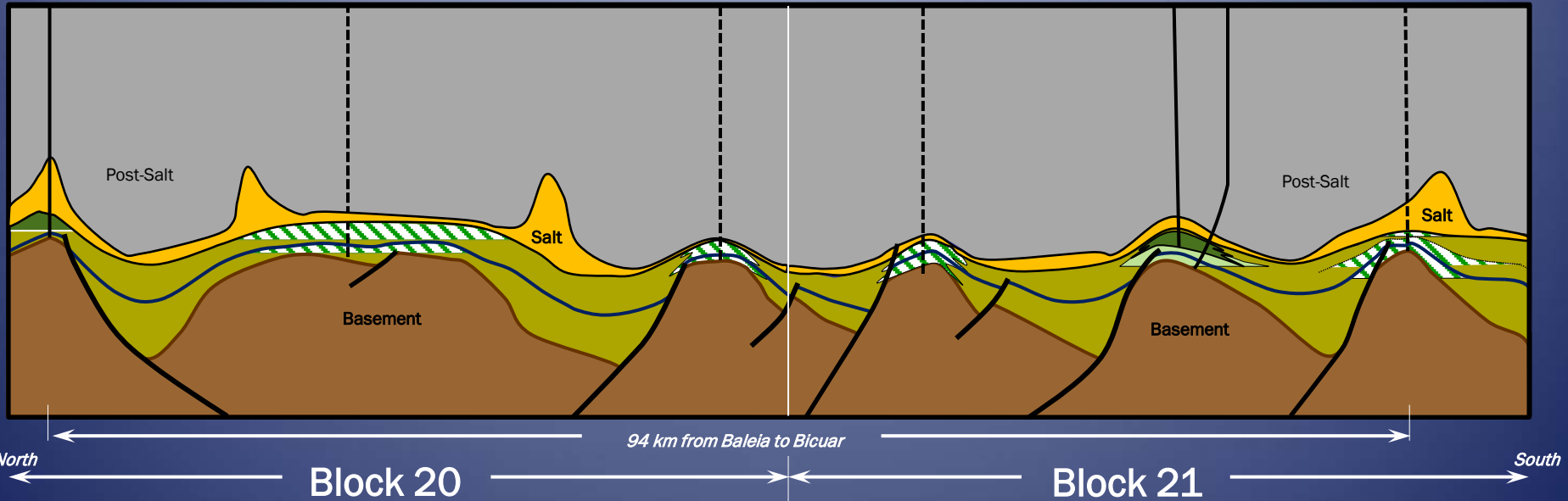
**Cobalt**  
Prospect  
Mavinga

**Cobalt**  
**DISCOVERY**  
**Cameia #1**  
(>5,000 Bpd)



**Cobalt**  
**APPRAISAL**  
**Cameia #2**

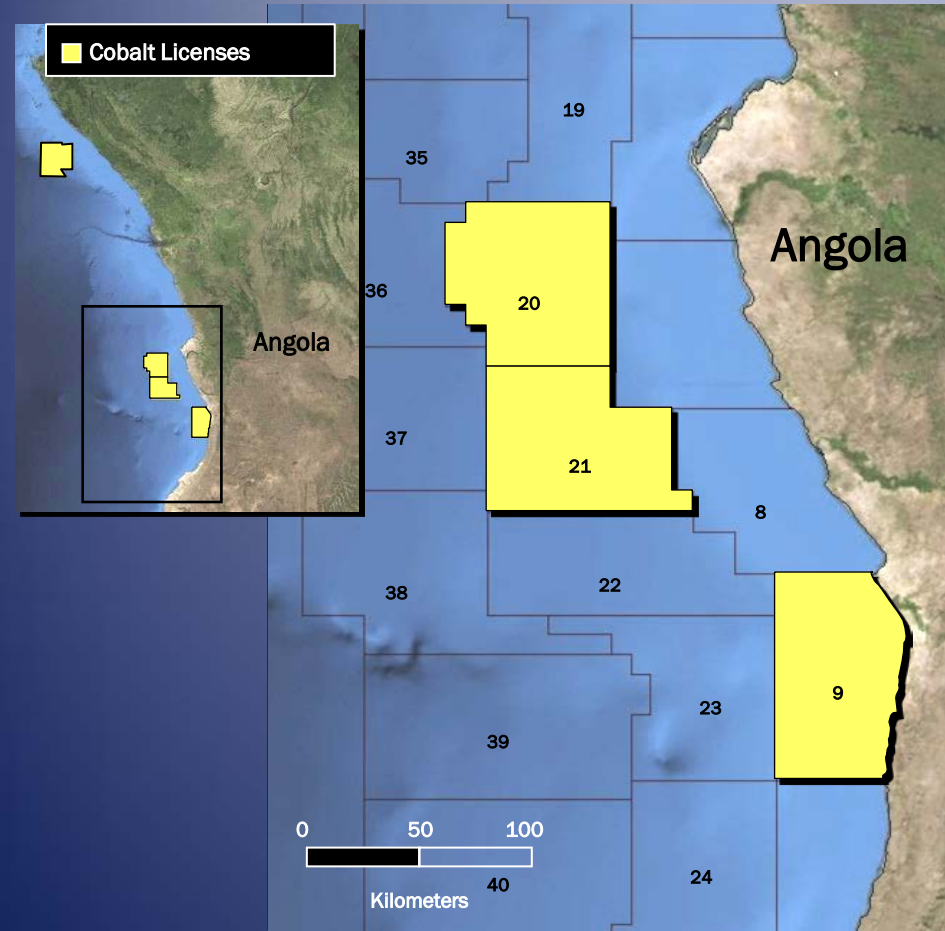
**Cobalt**  
Prospect  
Bicuar



# North Kwanza Pre-salt Basin Plan



- ▶ Cobalt is the 'frontrunner' in this emerging basin
  - » Plan to fully exploit this advantage by 2014
  
- ▶ 2012 - 2014
  - » Complete Cameia #2 production test
  - » Drill 4-6 exploration wells
  - » Drill 3 appraisal wells
  - » Initial sanctioning of 'early production' projects
  
- ▶ 2015 +
  - » Prioritize and drill remaining portfolio
  - » Generate initial production and cash flow
  - » Build an "Angolan" company

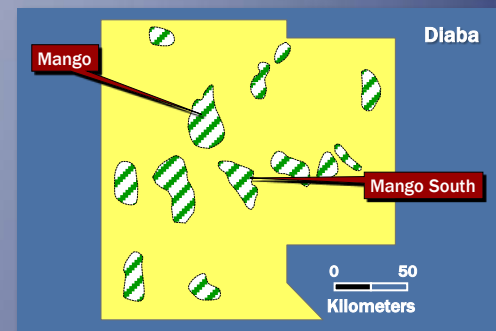
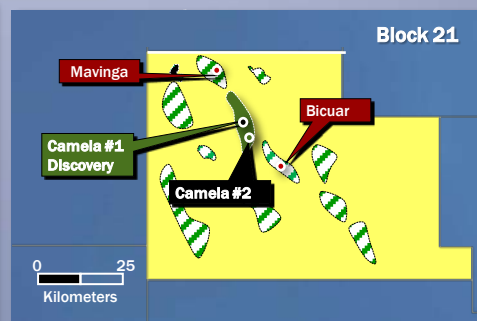
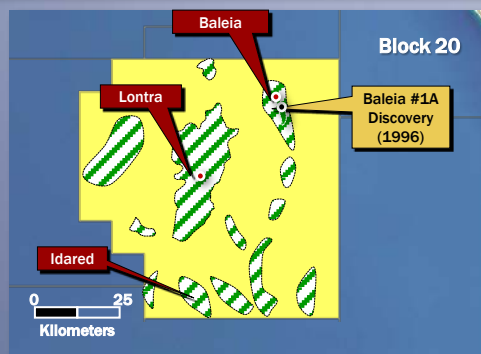
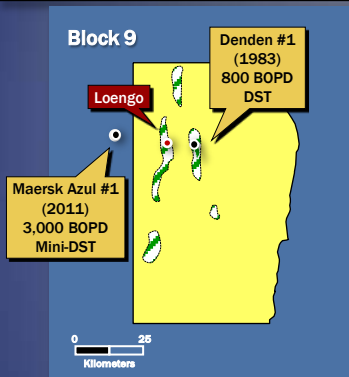


# Gabon – Diaba: Huge Pre-salt Potential – Large Structures



- ▶ Pre-salt play proven onshore and near shore
- ▶ Cobalt has 21.25% working interest
- ▶ New 6000 sq. km 3-D seismic confirmed large traps similar to discoveries
- ▶ Similar source rocks as Angola
- ▶ Sandstone reservoirs expected in Gabon compared to carbonate reservoirs in Angola
- ▶ Multiple Pre-salt prospects currently identified on large 8,900 sq. km block (~2x size of Angola blocks)
- ▶ Drilling rig contracted; anticipate drilling the first Pre-salt prospect in early 2013

# West Africa Pre-salt: Cobalt is Active Across the Value Chain



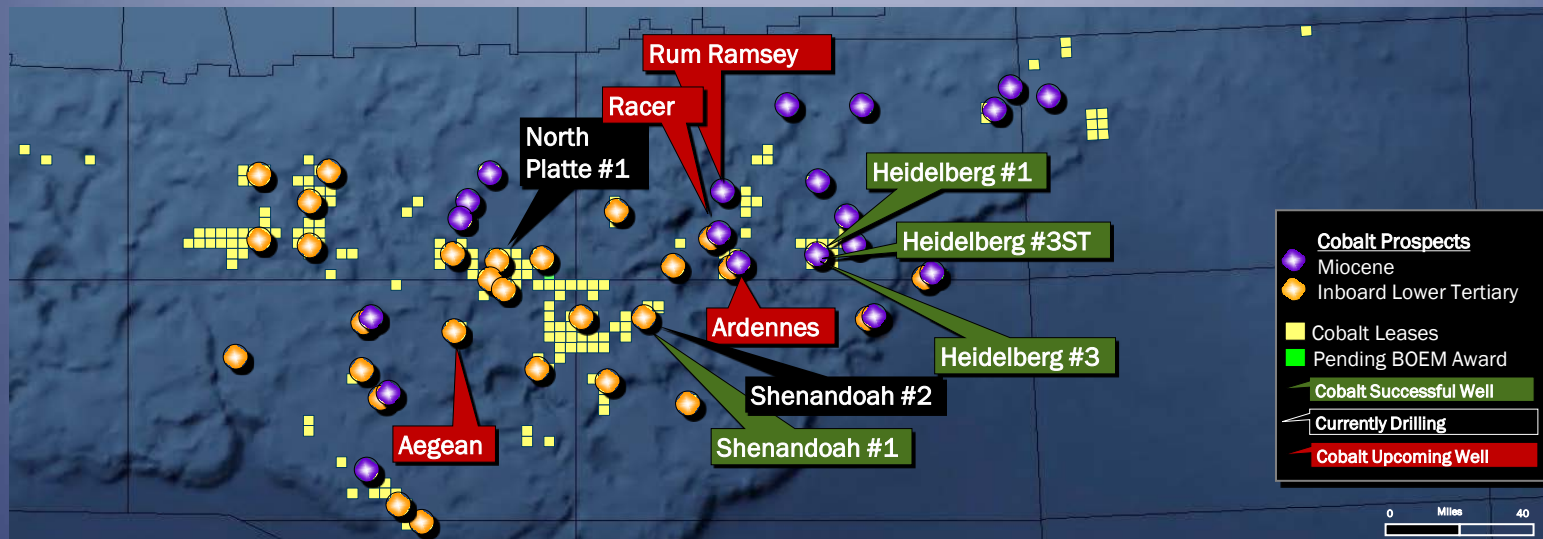
## Exploration to Production 'Conveyor Belt' in Full Motion

Maturing Prospects	Exploration Wells	Appraisal	Pre-Production
Angola			
Block 21 #4, #5, #6	Block 21 - Mavinga #1	Block 21 - Cameia #2	Block 21 - Cameia
	Block 21 - Bicular #1		
Block 20 #4, #5	Block 20 - Lontra #1		
	Block 20 - Idared #1		
	Block 20 - Baleia #1		
Block 9 #2	Block 9 - Loengo #1		
Gabon			
Diaba #3, #4	Diaba - Mango #1		
	Diaba - Mango South #1		

# Cobalt's Premier Gulf of Mexico Position



Emerging World-Class Inboard Lower Tertiary Trend Coupled with Assets in Proven Miocene



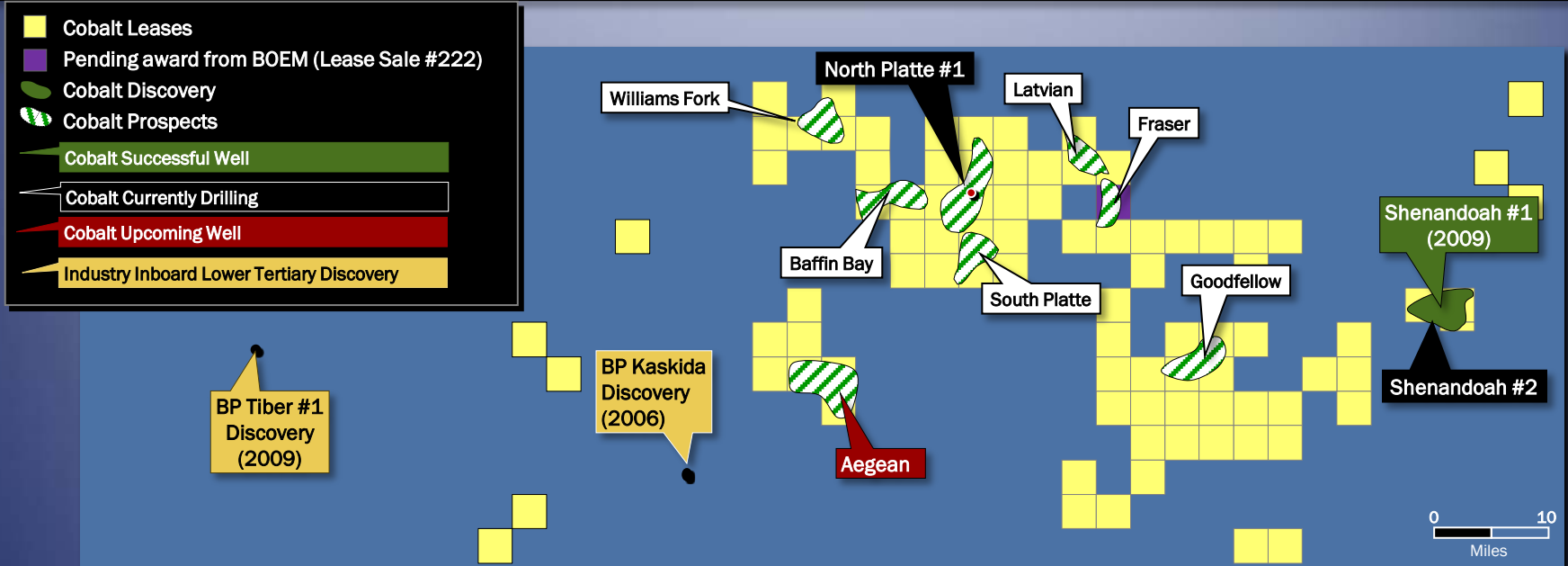
## Emerging Inboard Lower Tertiary Trend

- ▶ Proven oil play
  - » 3 industry discoveries in Inboard Trend
- ▶ Main industry focus at recent lease sales
  - » 13 high bid blocks >\$10MM
  - » 38 total bids
  - » Total exposure: \$840 MM
- ▶ Average 58% working Interest, operating control
- ▶ 4 Cobalt exploration wells in next 18 months

## Miocene

- ▶ Heidelberg on road to first production
- ▶ Proven petroleum systems
- ▶ Average 52% working interest, operating control
- ▶ 2 Cobalt exploration catalyst wells in next 18 months

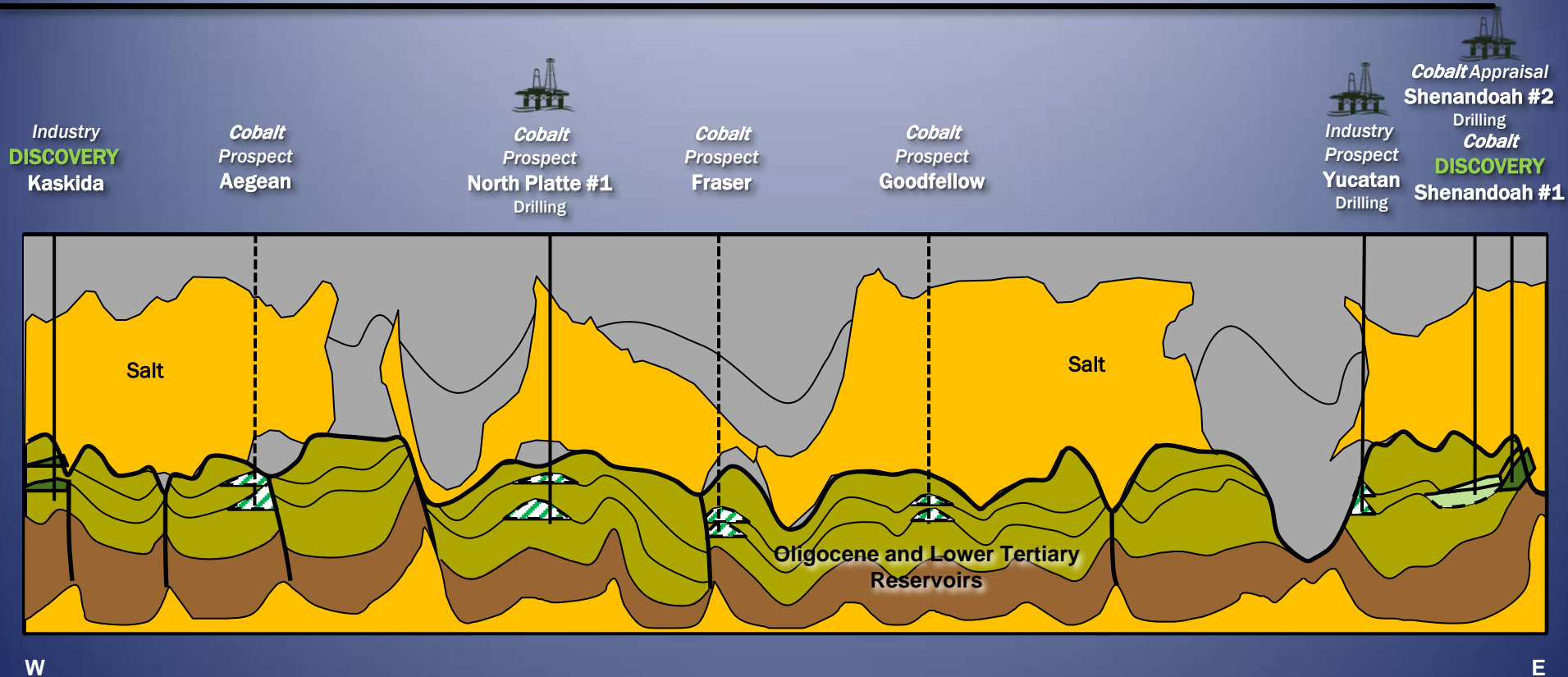
# Cobalt has a Dominant Position in the Emerging Inboard Lower Tertiary Trend



- ▶ Well-positioned in an emerging play
- ▶ Extensive prospect running room and optionality
- ▶ Significant multiple prospect inventory assembled before Shenandoah & Tiber discoveries
- ▶ Leveraged cost exposure through TOTAL alliance
- ▶ Proximity to infrastructure can accelerate time to first production

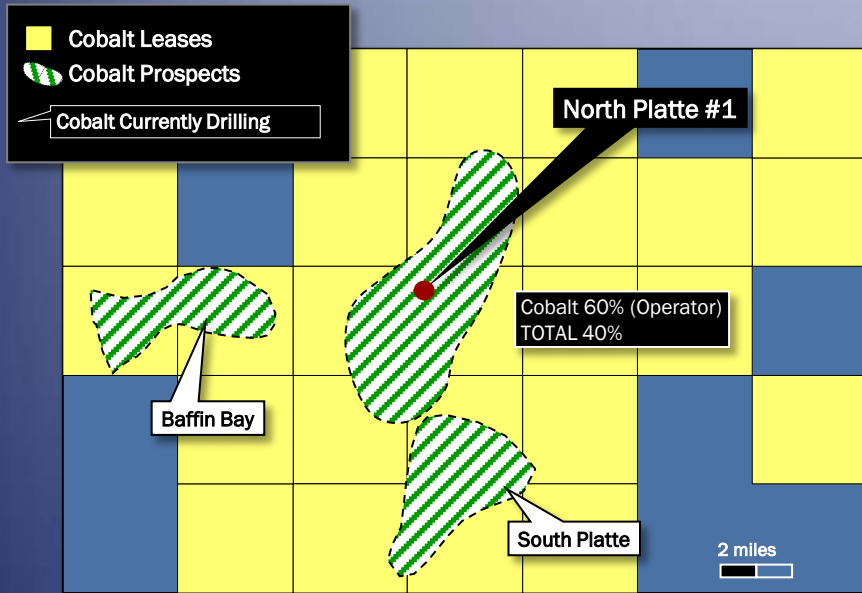
# Inboard Lower Tertiary:

Large Sub-salt Structures on Trend with Shenandoah and Industry Discoveries

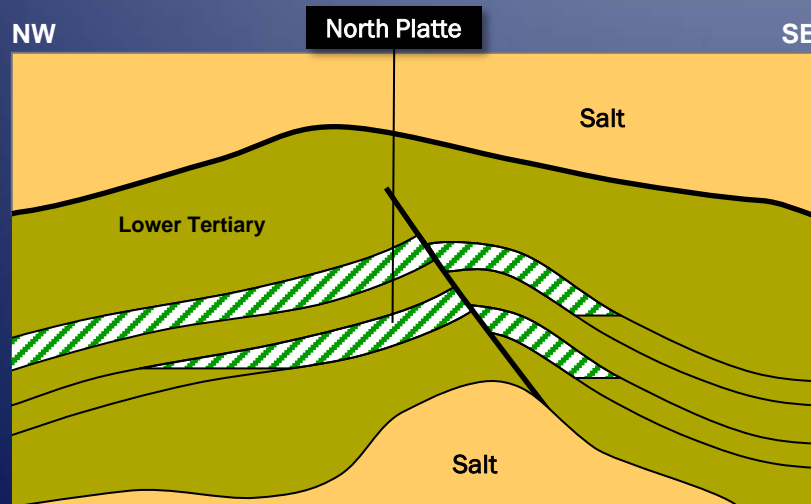


*Cobalt owns an interest in major Inboard Lower Tertiary prospects between Kaskida and Shenandoah*

# North Platte: Most Significant Exploration Well Being Drilled in GOM (2012)

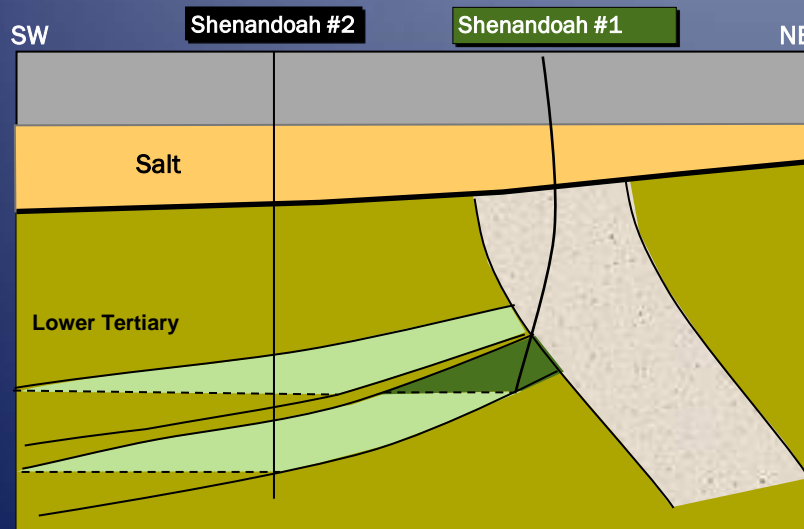
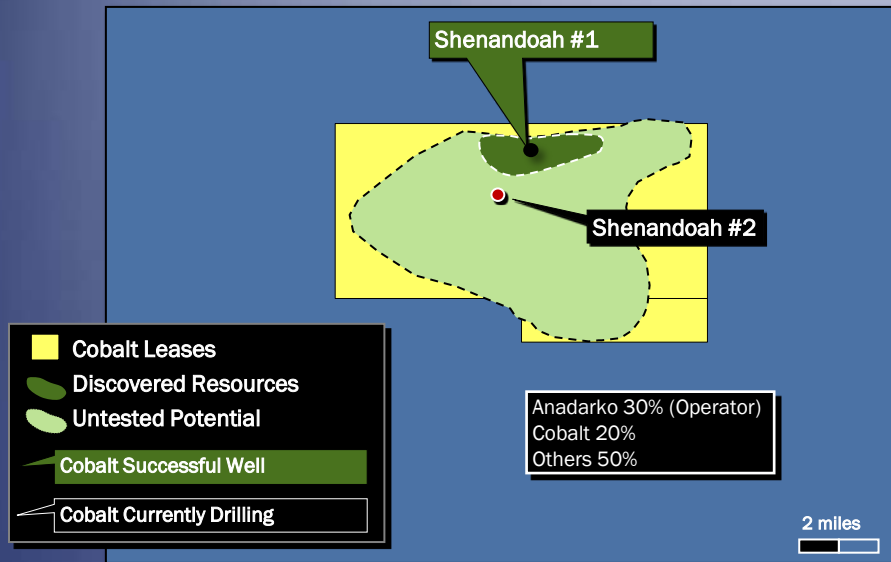


- ▶ North Platte prospect spud 3Q 2012; well results expected in 4Q 2012
- ▶ 4-way structure in heart of Inboard Lower Tertiary fairway
  - » On trend with Shenandoah, Kaskida and Tiber discoveries
  - » Gross unrisked resources: 400 – 850 MMBOE (mean-high range)
  - » 60% Cobalt-operated working interest; 20% cost interest in first well (to \$150mm)



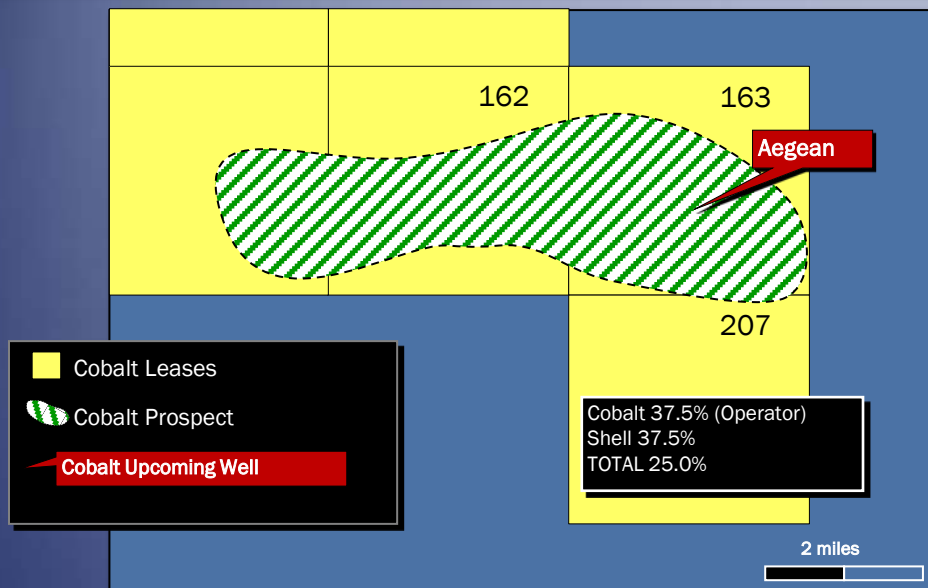
- ▶ Extensive running room in the Greater North Platte Complex
  - » 5 additional Cobalt prospects nearby North Platte with over 2 BBOE gross combined resource potential

# Shenandoah: Appraisal of Initial Inboard Lower Tertiary Discovery

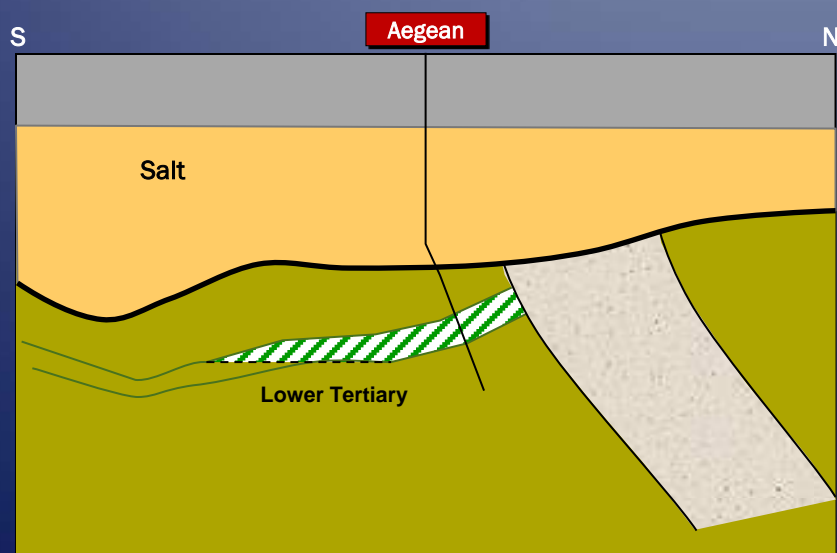


- ▶ Shenandoah Discovery (2009)
  - » Encountered more than 300 ft. of net oil pay in Inboard Lower Tertiary reservoir
- ▶ Recent 3-D WAZ seismic and reprocessing enhanced image of discovered reservoir and understanding of overall resource potential
- ▶ Shenandoah #2 appraisal well spud 3Q 2012; well results expected in late 4Q 2012
  - » Will appraise down dip extent of discovered reservoir and evaluate additional potential in Lower Tertiary reservoirs
- ▶ Operator estimates first oil 2017

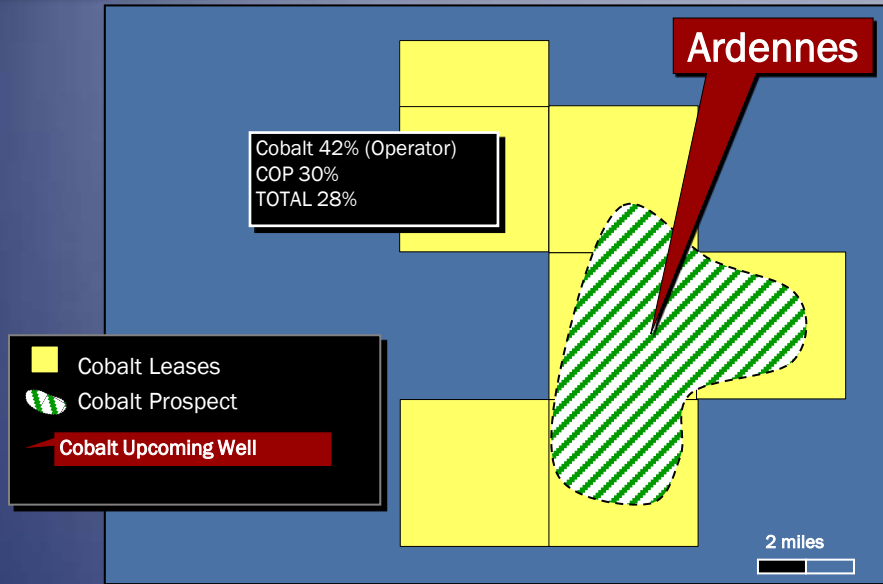
# Aegean Prospect: Highly Sought After Prospect in 2008 Lease Sale



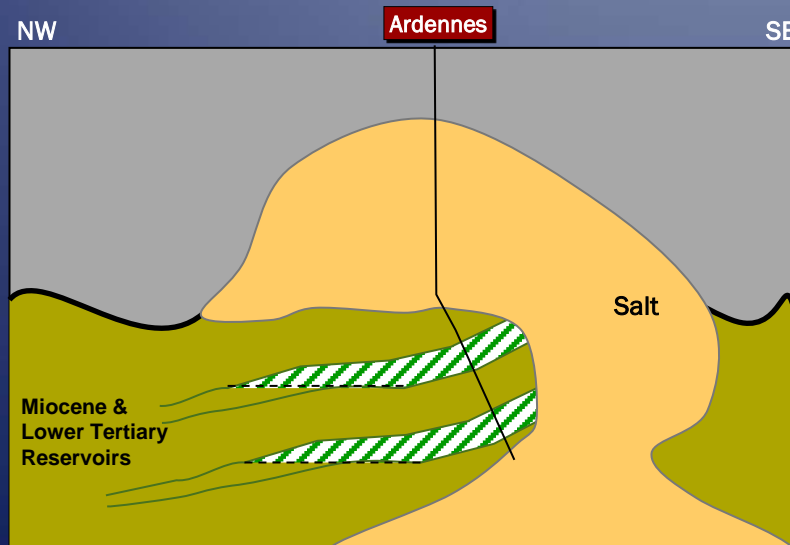
- ▶ Inboard Lower Tertiary target across multiple blocks; 3-way structural closure
- ▶ PTD: 35,000 ft.
- ▶ Spud date: late 4Q 2012/early 2013 (following North Platte)
- ▶ EP approved; APD filed
- ▶ Drill Rig – Ensco 8503
- ▶ KC 162, 163, 207 lease blocks
  - » Approximate bid exposure: \$ 330 MM
    - Cobalt \$105 MM
    - Chevron \$101 MM
    - Shell \$99 MM
    - Others \$25 MM



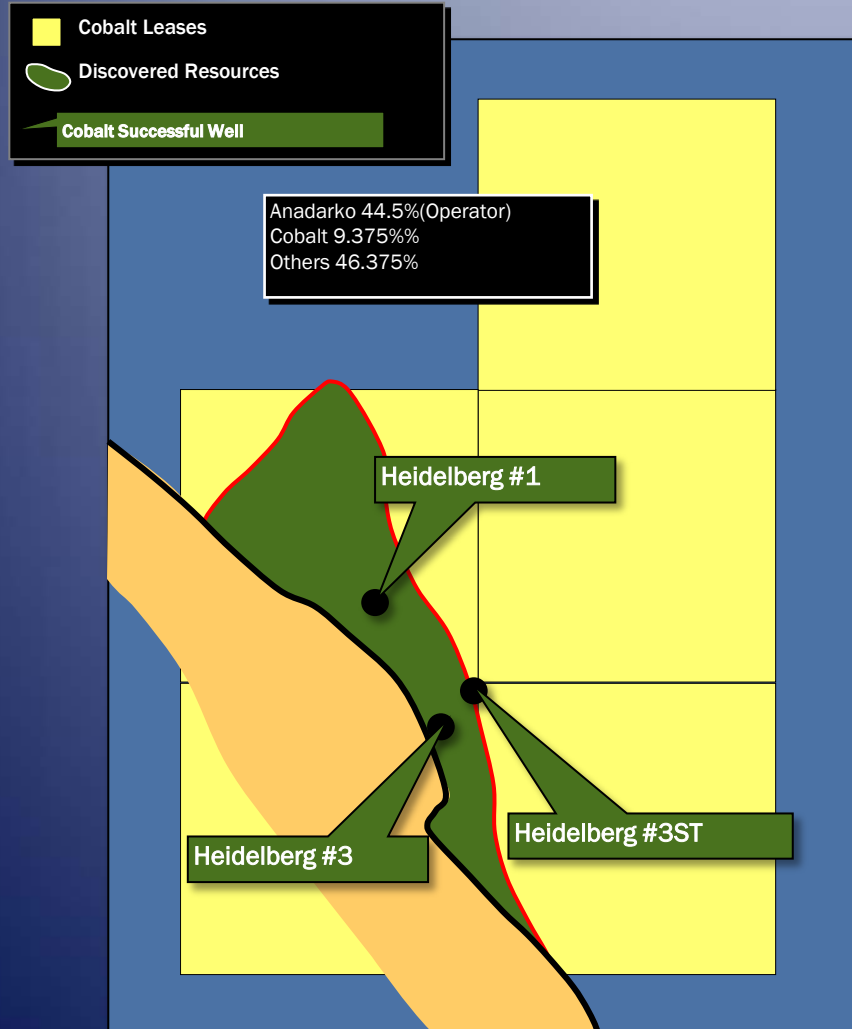
# Ardennes Prospect: Dual Targets



- ▶ Miocene and Inboard Lower Tertiary targets
- ▶ PTD: 36,000 ft.
- ▶ Spud date: 3Q 2013
- ▶ EP approved; APD filed
- ▶ Drill rig – Ensco 8503

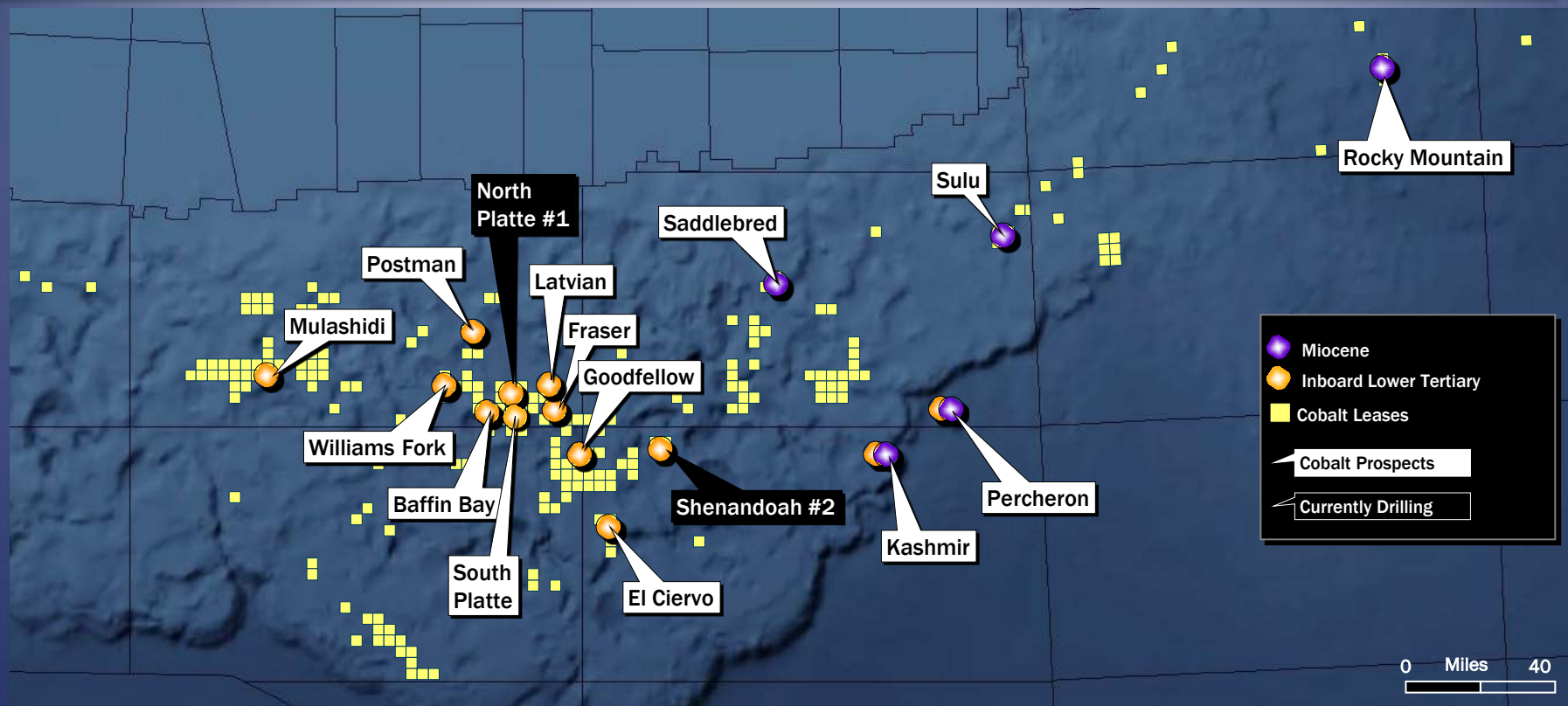


# Heidelberg: Fast Tracking to First Production



- ▶ Heidelberg #1 discovery (2009) encountered more than 200 ft. of net oil pay in Miocene reservoir
- ▶ Successful Heidelberg appraisal well confirmed commerciality (2012)
  - » Well encountered ~250 ft. of net oil pay on the southern flank of the field
  - » Geologic sidetrack added ~700 ft. of oil column and confirmed the down-dip extent of reservoir
- ▶ Operator fast tracking project sanction for 2013; estimates first oil in early 2016

# Gulf of Mexico: Currently Maturing 2014-2016 Drilling Program



## ► Inboard Lower Tertiary and Miocene prospects being matured

- » 13 prospects
- » 11 Cobalt operated prospects
- » 10 Inboard Lower Tertiary prospects

# Gulf of Mexico: Cobalt is Active Across the Value Chain



- ▶ Huge optionality in portfolio over next 24 months
- ▶ Leveraged cost exposure as a result of TOTAL alliance
- ▶ Dominant position in emerging Inboard Lower Tertiary play
- ▶ Significant progress and value creation in spite of GOM drilling moratorium

## Exploration to Production 'Conveyor Belt' in Full Motion

Maturing Prospects	Exploration Wells	Appraisal	Pre-Production
South Platte	North Platte #1	Shenandoah #2	Heidelberg
Baffin Bay	Aegean #1		
Latvian	Ardennes #1		
Williams Fork	Rum Ramsey #1		
Goodfellow	Racer #1		
El Ciervo			
Fraser			
Kashmir			
Mulashidi			
Percheron			
Rocky Mountain			
Saddelbred			
Sulu			

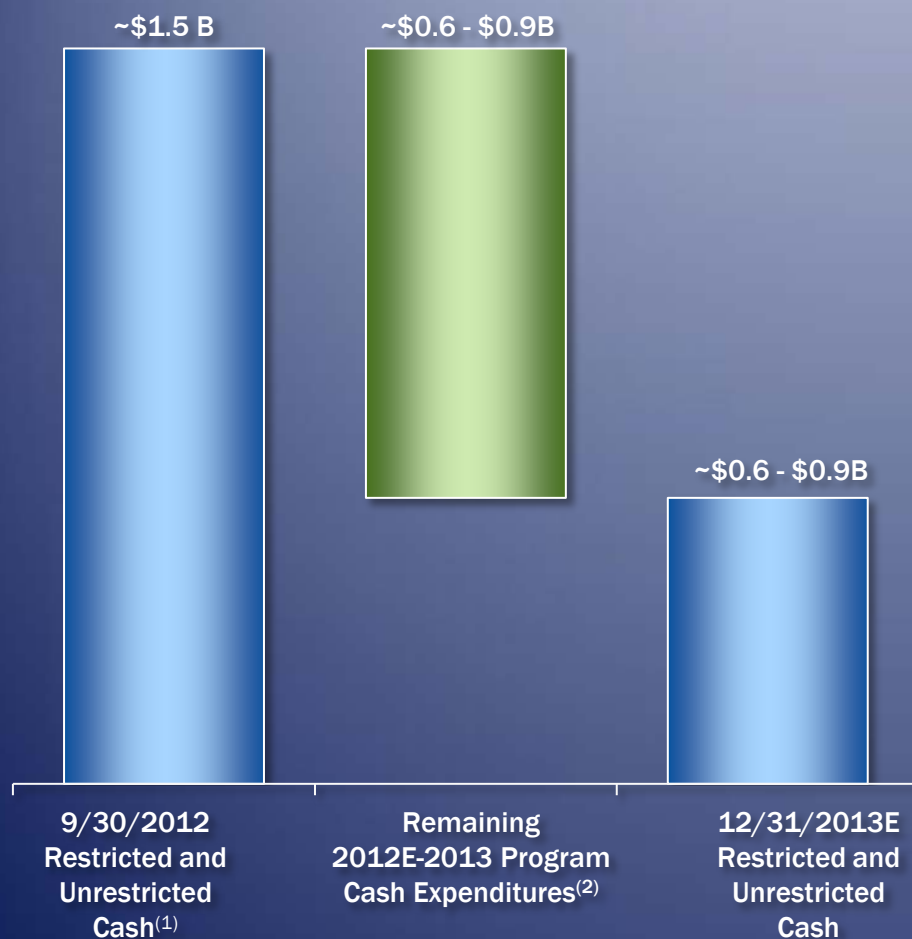
# People, Rigs, and Financing in Place to Implement Our Catalyst-Rich Drilling Program



Region	Operator (Rig)	Prospect (✓ Drilled or Drilling)
Gulf of Mexico	Cobalt (Ensco 8503)	<ul style="list-style-type: none"> <li>✓ North Platte</li> <li>• Aegean</li> <li>• Ardennes</li> </ul>
	Partner Operated	<ul style="list-style-type: none"> <li>✓ Heidelberg Appraisal</li> <li>✓ Shenandoah Appraisal</li> <li>• Rum Ramsey</li> <li>• Racer</li> </ul>
Angola	Cobalt (Ocean Confidence & Catarina)	<ul style="list-style-type: none"> <li>✓ Cameia #1</li> <li>✓ Cameia Appraisal</li> <li>• Mavinga</li> <li>• Bicuar</li> <li>• Lontra</li> <li>• Idared</li> <li>• Baleia</li> <li>• Loengo</li> </ul>
Gabon	Partner Operated	<ul style="list-style-type: none"> <li>• Mango</li> <li>• Mango South</li> </ul>



## 2012 – 2013 Fully Funded Exploration/Appraisal



- ▶ No debt
- ▶ 2012 cash expenditures estimate \$550-\$650 MM
- ▶ Financing principles
  - » Minimize shareholder dilution
  - » Maximize flexibility
  - » High grade portfolio
- ▶ Development Program to be funded through lowest cost of capital options
  - » Convertibles
  - » High yield
  - » Joint venture / farm-out
  - » Project finance

<sup>1</sup> As of 9/30/12. Unrestricted cash includes cash, cash equivalents, short-term investments and long-term investments. Restricted cash includes EnSCO Escrow and Cash Collateralized Angola LOCs

<sup>2</sup> W.A. ~\$350-\$550MM; GOM ~\$275-\$375MM; GOM expenditures are net of TOTAL Carry

# Multiple Catalysts to Grow Shareholder Value



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## Investor Relations Contact:

R. A. (Rich) Smith  
VP, Investor Relations & Planning  
Office: +1 713-579-9141

Cobalt International Energy, Inc.  
Cobalt Center  
920 Memorial City Way, Suite 100  
Houston, TX 77024  
Main: 713-579-9100

