



1st QUARTER 2020 EARNINGS

May 11, 2020



IMPORTANT DISCLOSURES – EARNINGS DECK

FORWARD LOOKING STATEMENTS

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements include all statements regarding Callon Petroleum Company's ("Callon" or the "Company") wells anticipated to be drilled and placed on production; future levels of drilling activity and associated production and cash flow expectations; the Company's production guidance and capital expenditure forecast; estimated reserve quantities and the present value thereof; anticipated returns and financial position; and the implementation of the Company's business plans and strategy, as well as statements including the words "believe," "expect," "may," "will," "forecast," "outlook," "plans" and words of similar meaning. These statements reflect the Company's current views with respect to future events and financial performance based on management's experience and perception of historical trends, current conditions, anticipated future developments and other factors believed to be appropriate. No assurances can be given, however, as of this date, that these events will occur or that these projections will be achieved, and actual results could differ materially from those projected as a result of certain factors. Any forward-looking statement speaks only as of the date of which such statement is made and the Company undertakes no obligation to correct or update any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by applicable law. Some of the factors which could affect our future results and could cause results to differ materially from those expressed in our forward-looking statements include the volatility of oil, natural gas and natural gas liquids ("NGLs") prices or a prolonged period of low oil, natural gas or NGLs prices and the effects of actions by, or disputes among or between significant oil and natural gas producing countries, general economic conditions, including the availability of credit and access to existing lines of credit, the effects of excess supply of oil and natural gas resulting from reduced demand caused by the COVID-19 pandemic and the actions of certain oil and natural gas producing countries, our ability to drill and complete wells, operational, regulatory and environment risks, cost and availability of equipment and labor, our ability to finance our activities, the ultimate timing, outcome and results of integrating the operations of Carrizo Oil and Gas, Inc. ("Carrizo") and Callon and the ability of the combined company to realize anticipated synergies and other benefits in the timeframe expected or at all, and other risks more fully discussed in our filings with the Securities and Exchange Commission (the "SEC"), including our most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q and subsequent Quarterly Reports on Form 10-Q, available on our website or the SEC's website at www.sec.gov.

SUPPLEMENTAL NON-GAAP FINANCIAL MEASURES

This presentation includes non-GAAP measures, such as Adjusted EBITDA, Net Cash G&A, Gross Cash G&A, Free Cash Flow and other measures identified as non-GAAP. Reconciliations are available in the Appendix. Non-GAAP measures are not alternatives for, and should be read in conjunction with, the information contained in our financial statements prepared in accordance with GAAP, which are included in our SEC filings.

Adjusted EBITDA is a supplemental non-GAAP financial measure that is used by management and external users of our financial statements, such as industry analysts, investors, lenders and rating agencies. We define Adjusted EBITDA as net income (loss) before interest expense, income tax expense (benefit), depreciation, depletion and amortization, (gains) losses on derivative instruments excluding net settled derivative instruments, non-cash stock-based compensation expense, merger and integration expense, loss on extinguishment of debt, and other operating expenses. Management believes Adjusted EBITDA is useful because it allows it to more effectively evaluate our operating performance and compare the results of our operations from period to period and against our peers without regard to our financing methods or capital structure. We exclude the items listed above from net income (loss) in arriving at Adjusted EBITDA because these amounts can vary substantially from company to company within our industry depending upon accounting methods and book values of assets, capital structures and the method by which the assets were acquired. Adjusted EBITDA should not be considered as an alternative to, or more meaningful than, net income (loss) as determined in accordance with GAAP or as an indicator of our operating performance or liquidity. Certain items excluded from Adjusted EBITDA are significant components in understanding and assessing a company's financial performance, such as a company's cost of capital and tax structure, as well as the historic costs of depreciable assets, none of which are components of Adjusted EBITDA. Our presentation of Adjusted EBITDA should not be construed as an inference that our results will be unaffected by unusual or non-recurring items.

Free Cash Flow is a non-GAAP measure. Free Cash Flow is defined by the Company as Adjusted EBITDA less operational capital, capitalized interest, net interest expense and capitalized G&A. We believe free cash flow is a comparable metric against other companies in the industry and is a widely accepted financial indicator of an oil and natural gas company's ability to generate cash for the use of internally funding their capital development program and to service or incur debt. Free cash flow is not a measure of a company's financial performance under GAAP and should not be considered as an alternative to net cash provided by operating activities, or as a measure of liquidity, or as an alternative to net income (loss).

Net cash general and administrative expense ("Net Cash G&A") is a non-GAAP measure. Net Cash G&A is defined by the Company as general and administrative expense, net excluding the impact of non-cash stock-based compensation expense. Gross cash general and administrative expense ("Gross Cash G&A") is a non-GAAP measure. Gross Cash G&A is defined by the Company as Net Cash G&A excluding the impact capitalization and other allowable billings to working interest partners.



STRONG PERFORMANCE IN A TUMULTUOUS MARKET

HITTING THE NUMBERS IN 1Q20

Metric	1Q20 Result	Versus Guidance
Total production (MBoe/d)	101	Within
Oil cut (%)	64%	Above

LOE expense (\$MM)	\$52	Below
GP&T expense (\$MM)	\$14	Within
Net derivative settlements (\$MM)	\$25	Within

Operational capital (\$MM)	\$278
Adjusted EBITDA ⁽¹⁾ (\$MM)	\$218

REACTING QUICKLY TO MARKET CONDITIONS

2020 Capital Program Reduced

- ✓ \$975 million drops to \$600 million (or less)
- ✓ 2Q20 operational capital reduced to <\$100MM (~65% decrease)

G&A Cost Cutting

- ✓ Targeted 40% overall gross G&A reduction including Board and Executive compensation reductions of 25% - 35%

Hedging Advantage

- ✓ Restructured hedges to protect cash flow with MTM value of ~\$245 million
- ✓ Meaningful basis and “roll” hedge portfolio

Protecting Liquidity

- ✓ Borrowing base of \$1.7 billion with enhanced covenant flexibility

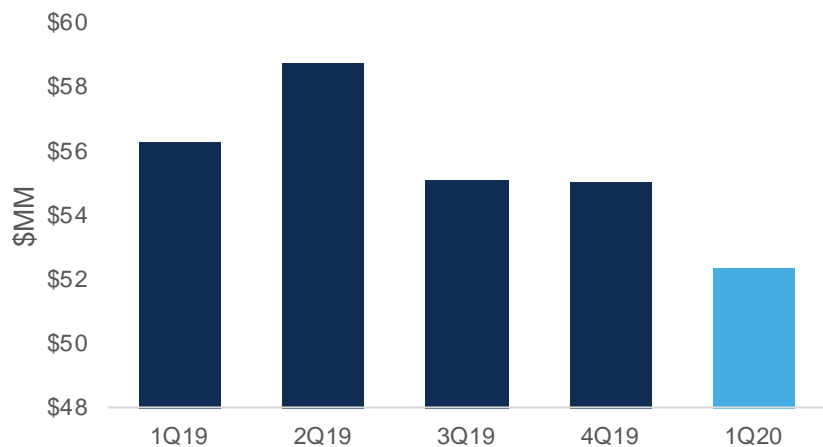
Pursuing Debt Reduction

- ✓ Taking action to preserve a meaningful path forward for the business
- ✓ Estimated free cash flow generation of \$25 - \$100 million over balance of 2020 under current reduced activity and pricing scenarios

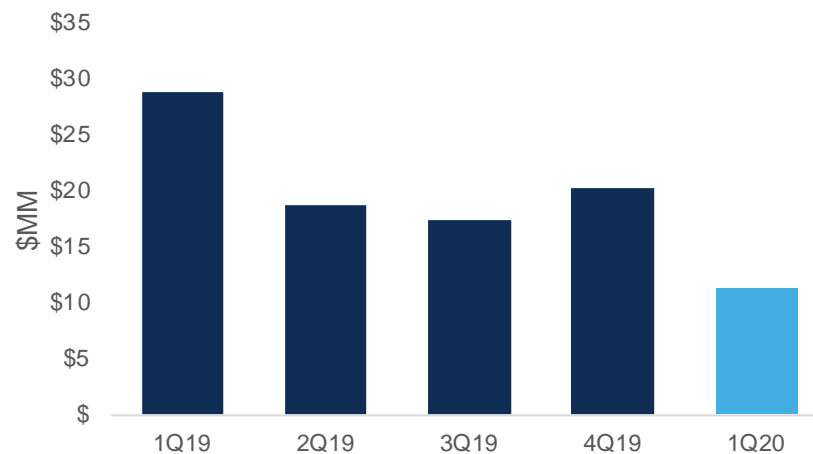
1. See appendix for reconciliation of Adjusted EBITDA

STRONG INTEGRATION EXECUTION⁽¹⁾

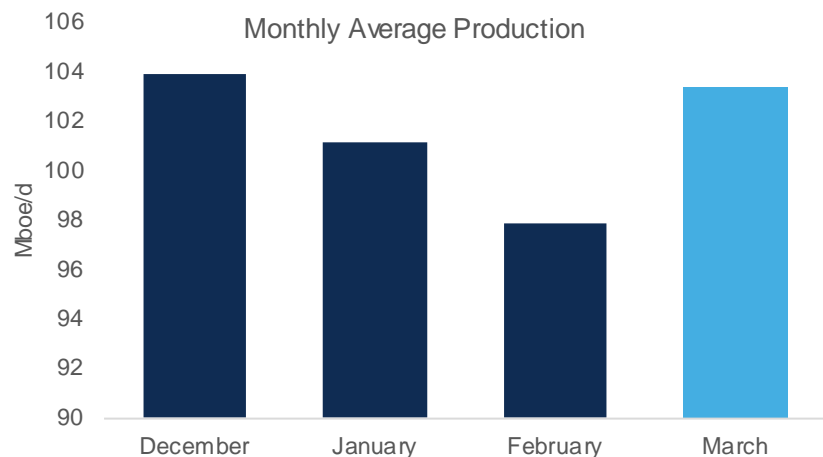
LOE REDUCED VERSUS PRO FORMA



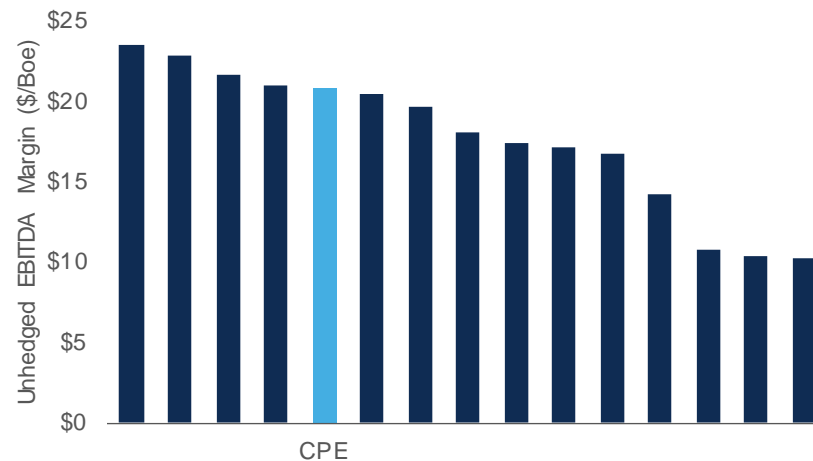
STRONG PRO FORMA NET CASH G&A REDUCTIONS⁽⁴⁾



EFFICIENT DUC CONVERSION ⁽²⁾



MAINTAINING STRONG UNHEDGED EBITDA MARGINS ⁽³⁾

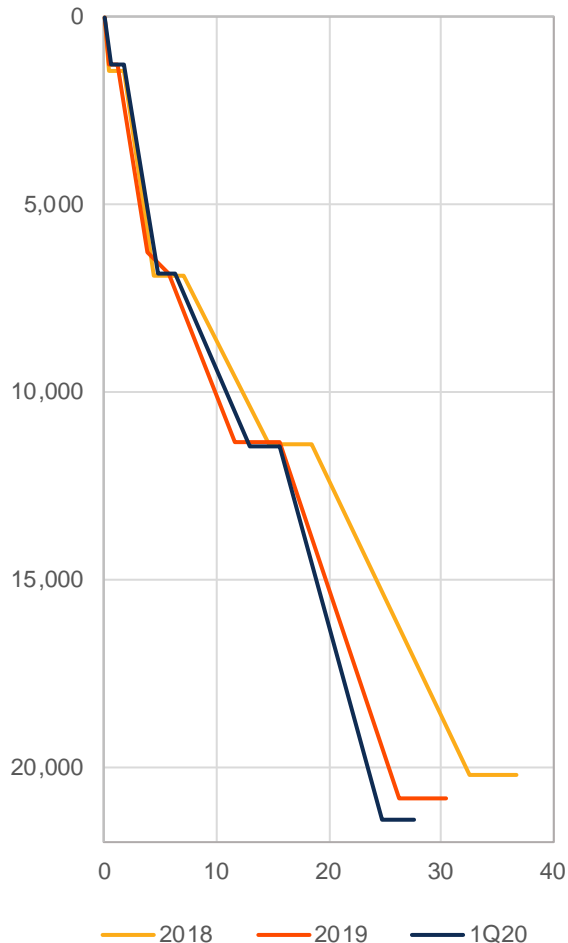


1. All 2019 data give effect to the Carrizo acquisition and represents combined Callon and Carrizo figures.
 2. DUC – drilled uncompleted wells.
 3. 1Q20 unhedged EBITDA/boe. Sourced from company filings of BCEI, CDEV, CXQ, EOG, FANG, HPR, LPI, MTDR, PDCE, PE, PXD, SM, WPX, and XEC.
 4. Net Cash G&A is a non-GAAP measure. See important disclosures for further information

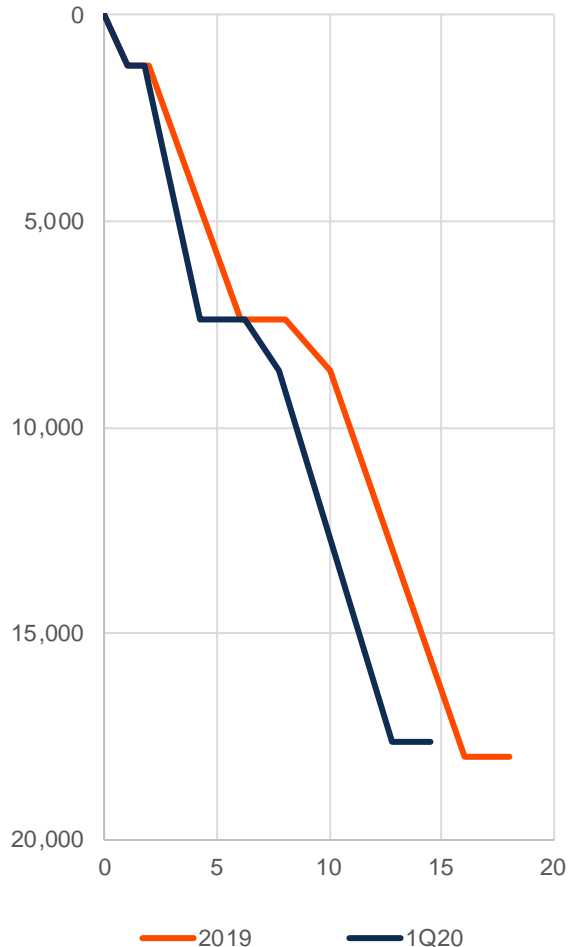
CONTINUOUS DRILLING IMPROVEMENTS⁽¹⁾

SCALED DEVELOPMENT IS DRIVING EFFICIENCY GAINS

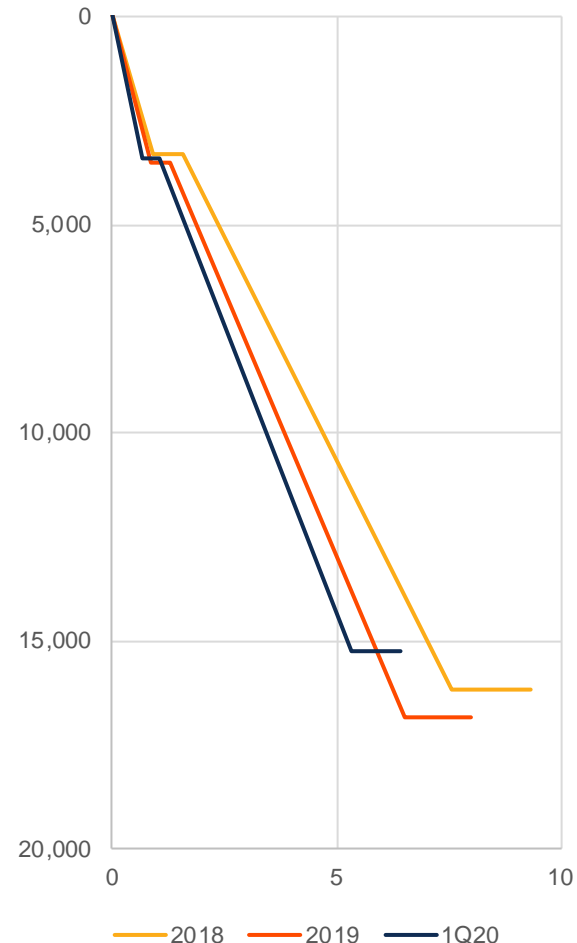
DELAWARE PERFORMANCE



MIDLAND PERFORMANCE



EAGLE FORD PERFORMANCE

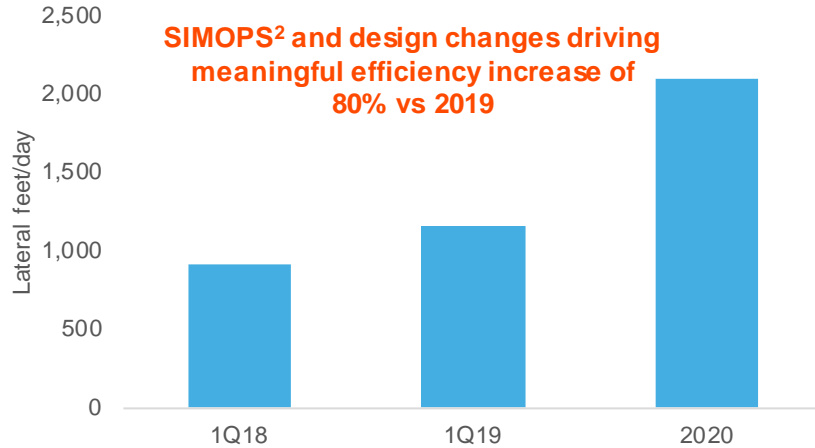


1. All 2018 and 2019 data give effect to the Carrizo acquisition and represents combined Callon and Carrizo figures.

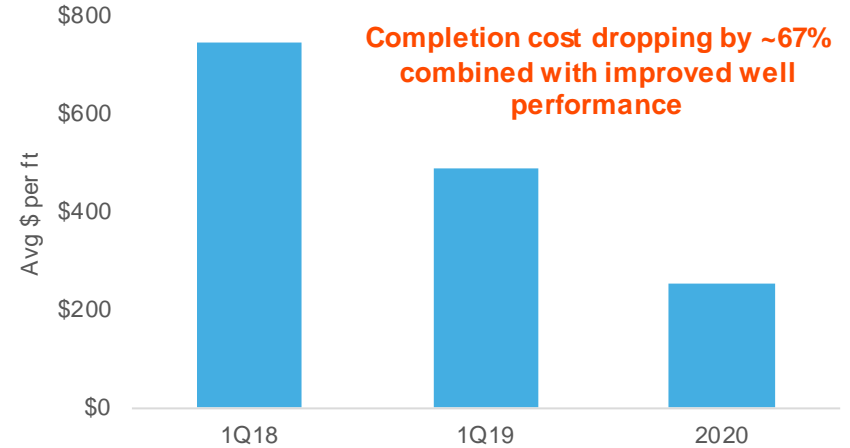


SCALE, LEARNINGS DRIVING COMPLETION EFFICIENCY⁽¹⁾

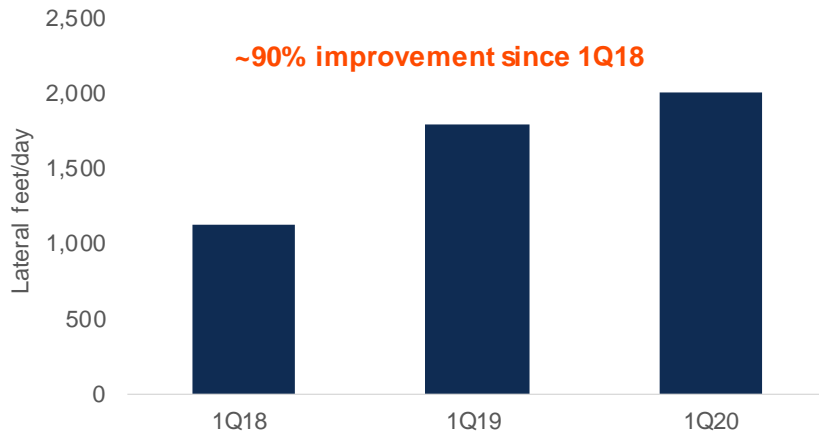
MIDLAND COMPLETION EFFICIENCY



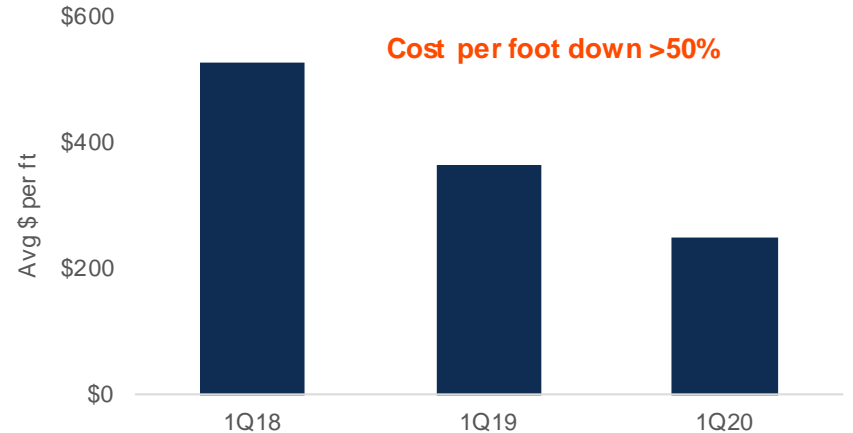
MIDLAND COMPLETION COSTS



EAGLE FORD COMPLETION EFFICIENCY



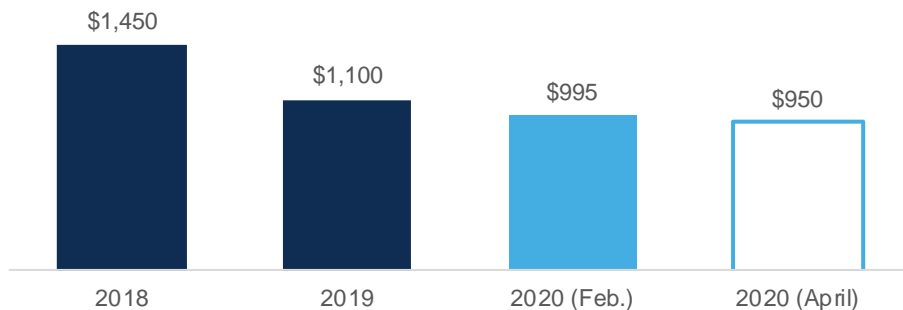
EAGLE FORD COMPLETION COSTS



1. All 2018 and 2019 data give effect to the Carrizo acquisition and represents combined Callon and Carrizo figures and targeted lateral length.
 2. Simultaneous operations.

SCALED DEVELOPMENT IMPROVES COST PROFILE (1)(2)

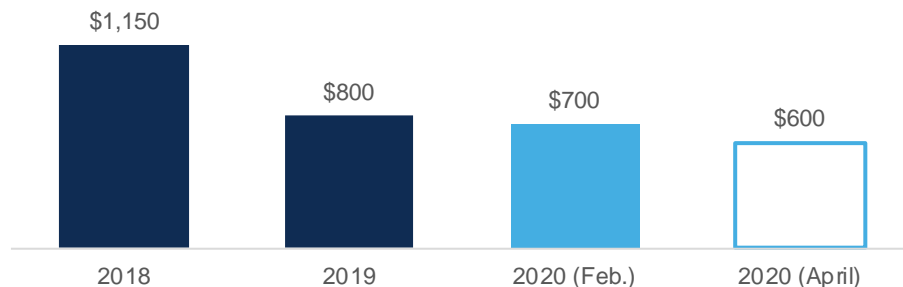
DELAWARE DC&E (\$000) / 1,000'



Scaled development drives lower costs

- Simultaneous operations improves completion cycle time efficiency and performance consistency
- Reduced mobilization/demobilization time
- Executing multi-pad development
- Consolidation of vendor services

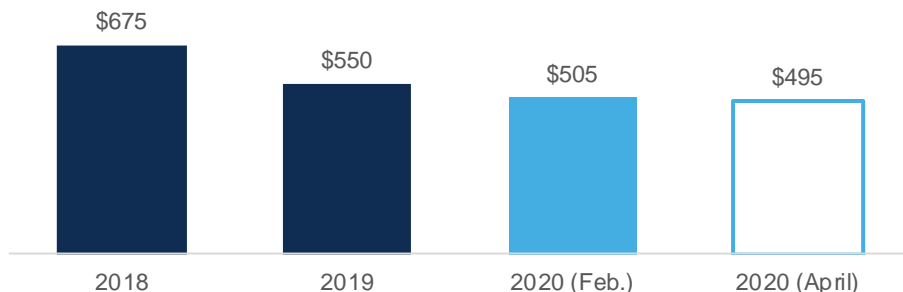
MIDLAND DC&E (\$000) / 1,000'



Design improvements increase well recoveries

- DC&E/1,000' declines while improving overall fluid efficiency
- Drilling activity and DUCs building strong base
- Continued shift to longer lateral development

EAGLE FORD DC&E (\$000) / 1,000'



Completion cost savings and upspacing enhance efficiency

- Local sand availability improves pricing
- Gains in stages/day as average project size increases
- Customized spacing parameters for all locations



1. All 2018 and 2019 data give effect to the Carrizo acquisition and represent combined Callon and Carrizo figures and targeted lateral length.
2. Drilling and completions includes equipment costs related to flowlines and testers.

KEY LEASE OPERATING EXPENSE REDUCTIONS

KEY CAPITAL PROJECTS BENEFITTING LOE AND FLOW ASSURANCE

- Eagle Ford: electrification project will eliminate ~40 diesel generators
 - Lowering monthly LOE and reducing emissions for the remainder of the year
- Delaware Basin electrification projects continue
 - Lower cost, greater reliability from substation infrastructure
- Midland Basin: Sidewinder disposal network and select SWDs
 - Increased reliability and reduced disposal costs

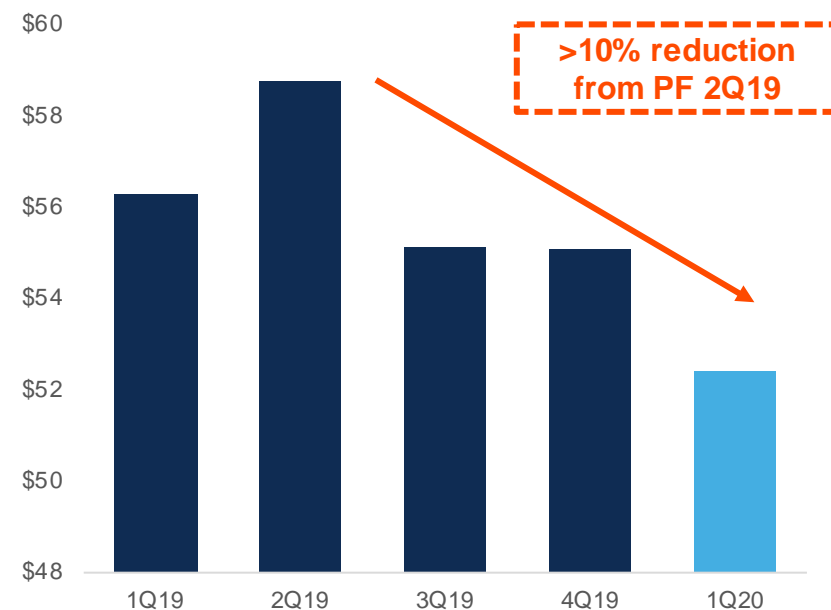
LOE OPTIMIZATION

- Peer leading unconventional ESP runtime performance
- Additional focus upon workover rig management, stricter payout metrics
- Leveraging in-house expertise to further optimize chemical treatment programs
- Monthly field-wide operating cost reviews

VENDOR COST CONCESSIONS

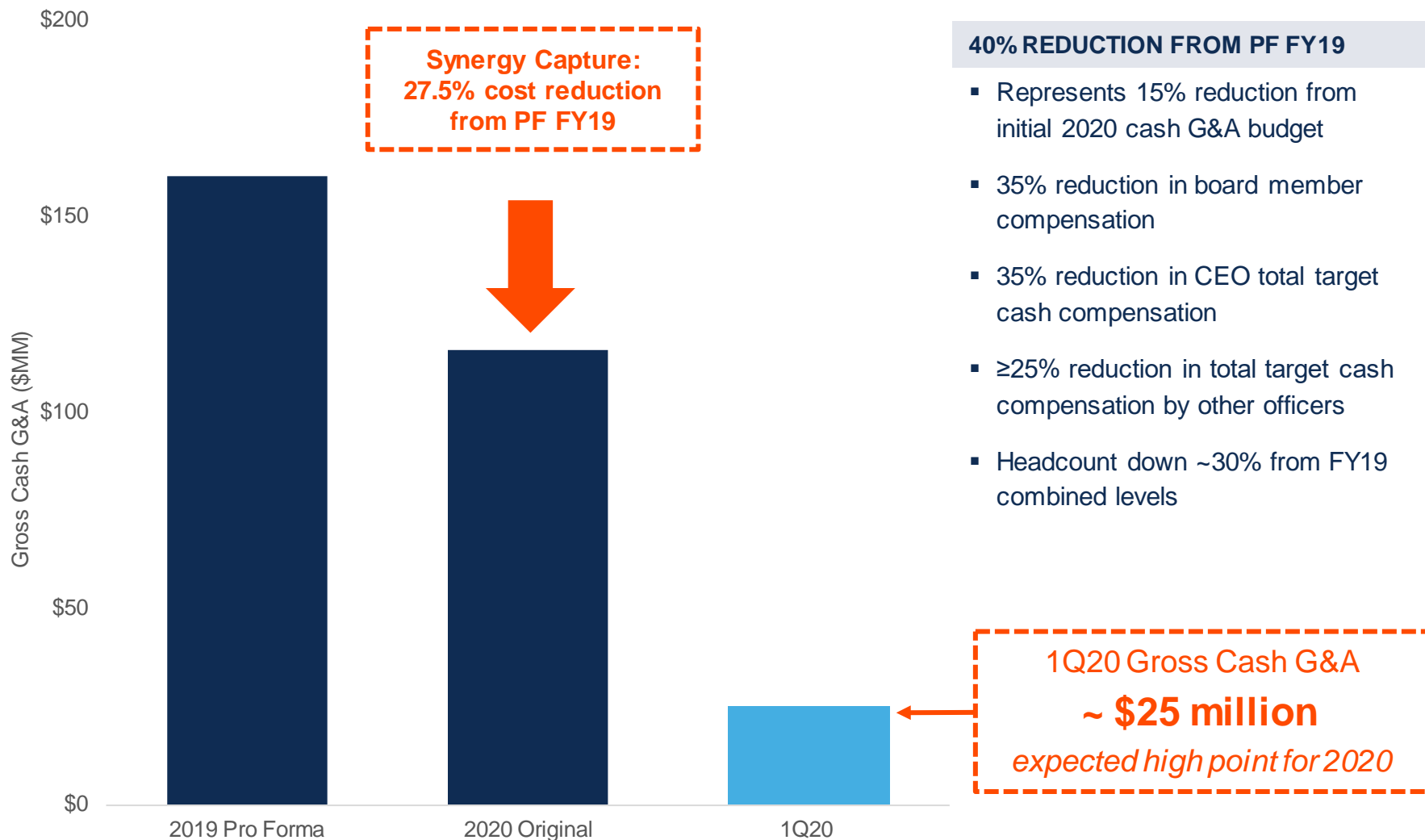
- Leveraging supply chain management expertise to drive negotiations
- Chemical, Equipment Rental, Repair and Maintenance, and Workover will be impacted

REDUCTIONS ARE MATERIALIZING (\$MM)⁽¹⁾



1. All 2019 data give effect to the Carrizo acquisition and represent combined Callon and Carrizo figures.

AGGRESSIVE G&A CUTS UNDERWAY⁽¹⁾⁽²⁾



1. All 2019 data give effect to the Carrizo acquisition and represent combined Callon and Carrizo figures.
2. Gross Cash G&A is a non-GAAP measure. See important disclosures for further information

RAPIDLY SHIFTING TO PRESERVE OPTIONALITY

Immediate Actions Taken

- Quickly reduced development activity and cost structure
- Re-directing future capital spend to shorter cash conversion cycle projects
- Implemented additional G&A reductions beyond attained synergy capture
- Aggressively hedged to protect cash flows

Disciplined Financial Strategy

- Reduced 2020 capital program by > 40%
- Capital allocation flexibility being implemented across portfolio based on cash conversion efficiency
- Focus on improving liquidity position and generating free cash flow

Diversified Portfolio

- Eagle Ford Shale and Midland Basin provide stable cash flows with lower capital intensity in volatile price environment
- Transfer of regional best practices continues to reduce costs
- Multiple marketing pricing points and offtake options diversify risk

DEVELOPMENT PROGRAM CRITICAL ELEMENTS

DEVELOPMENT PHILOSOPHY UNCHANGED

- Validation of larger scale development via cycle time improvements and cost savings
- Preserve inventory value, avoid “cherry-picking” individual locations to the detriment of the portfolio
- Shift activity to shorter cycle time Midland Basin and Eagle Ford Shale projects in the near-term

RAPID ACTIVITY SHIFT TO PRESERVE CAPITAL AND MAINTAIN FCF GENERATION

- Down from 9 rigs to 2 rigs in 27 days, dropping to 1 rig as of mid-May
- Completion operations suspended at a minimum until 3Q20
- Minimal costs associated with modifying contracts, ready to resume quickly when justified
- Voluntary shut-in framework that ensures unhedged coverage of operating costs and minimizes cost to return to service
 - Approximately 1,500 Bbl/d (gross) shut in during April, projecting 3,000 Bbl/d (gross) during May
 - May unhedged field-level netbacks (including gathering costs) currently forecast to be ~\$15/Bbl on average
 - Delayed PoPs (9-well WildHorse pad) until pricing environment improves

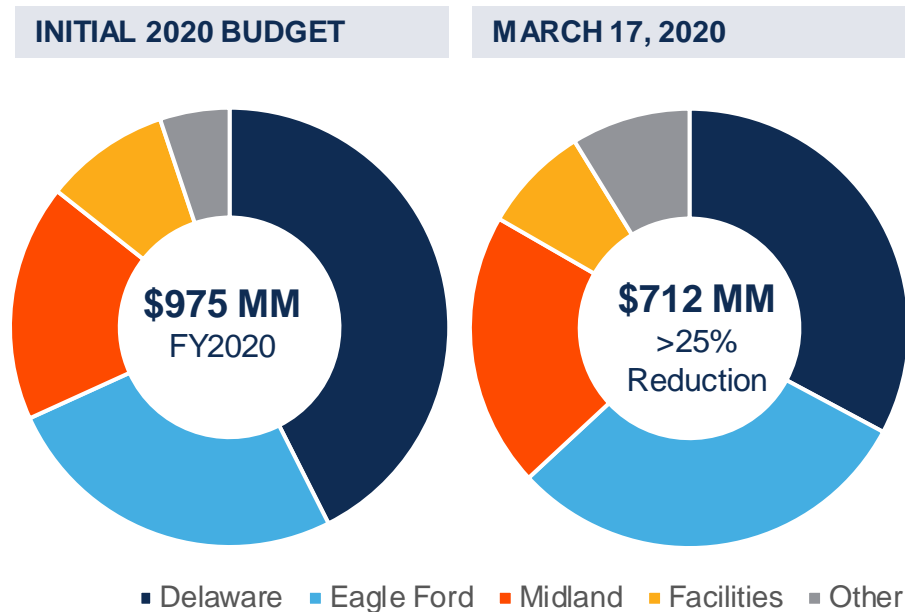
KEYS ELEMENTS TO SUPPORT RESUMPTION OF DEVELOPMENT ACTIVITY

- Incremental activity **CANNOT** diminish liquidity and **MUST** support sustainable free cash flow for debt reduction
- Ability to secure cash flow through additional hedging across products and pricing points
- Clarity of improving physical market flow and regional pricing consistency

MAINTAINING POSITIVE FREE CASH FLOW IS PRIORITY ONE



CAPITAL ALLOCATION FLEXIBILITY



CURRENT ACTIVITY
Significant Flexibility in Operational Capital With Minimum
40% - 45% Reduction in Spend vs Initial FY2020
FY 2020 of \$525 - \$600 MM assuming "return to activity" scenarios

2Q – 4Q 2020 Capital	\$700 MM ~\$235 mm avg run rate	\$437 MM ~ 40% run-rate decrease	\$250 - \$325 MM 50% - 65% run-rate decrease
Operated Rigs	8 - 9	~ 3.5 (2Q20 – 4Q20)	1 (as of mid-May)
Completion Crews	3 - 4	1 - 2	Suspended until at least 3Q
Gross Wells Drilled / Completed (WI: 80 – 95%)	165 / 160	119 / 129	Flexible

Note: Operational capital by asset area includes drilling, completions, and equipment. Other components includes non-operated activity, capitalized workovers, land, technology and potential lease extensions.

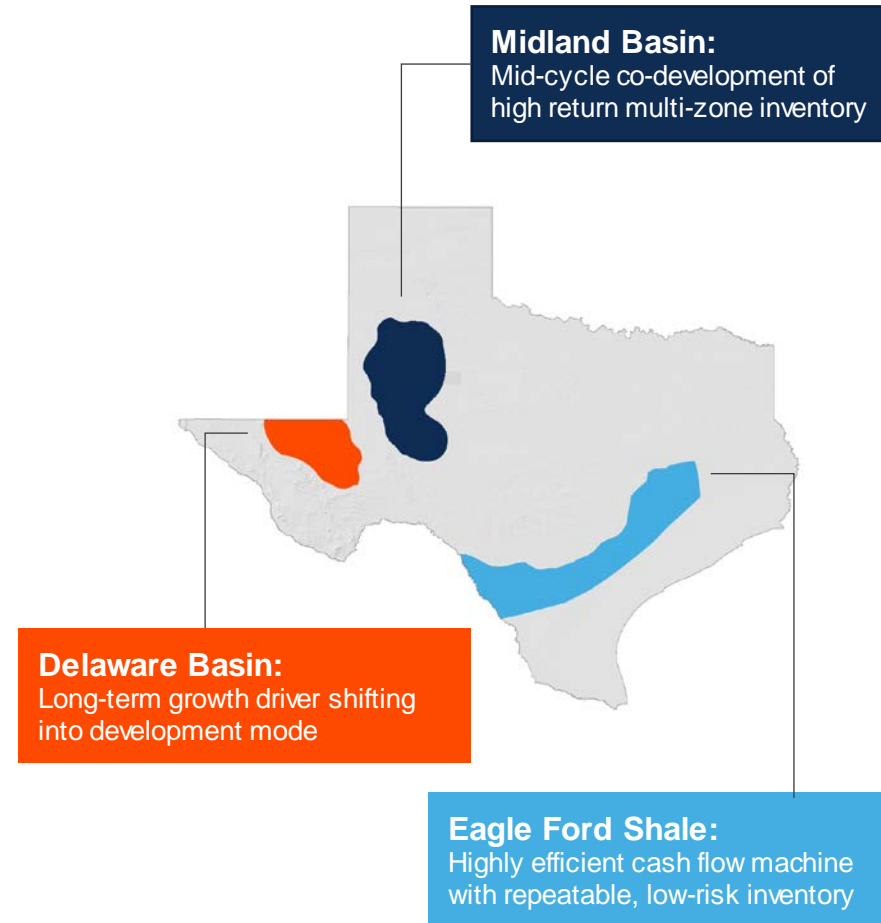


BALANCED PORTFOLIO PROVIDES OPTIONALITY

PIVOTING DEVELOPMENT

- Balanced allocation across areas as activity resumes
 - Comparable IRRs
 - Optimization of NPV vs initial capital intensity depending on price environment
- Recent SIMOPS development supports lower cost profile and reduced cycle times
- Firm transport and term sales agreements provide pricing and delivery diversification
- **Factors shaping our remaining 2020 outlook**
 - Less than \$100mm operational capital spend in 2Q with production expected above 105 MBoe/d
 - Based on current benchmark commodity price and basis expectations, potential to return to a modest level of completion activity at some point during 2H20 with an improving 2H20 and 2021 outlook
 - DUC backlog (~70 projected by June 30) provides a path to capital-efficient production support as needed in coming months
 - “Reduced activity” scenario parameters
 - Operational capital of \$150 - \$225mm in 2H20
 - Expectations of \$25 - \$100mm of FCF from 2Q - 4Q20 at average WTI of \$25 - \$30/Bbl over that period
 - Full year average 2020 daily oil production estimated to be inline with or above 1Q20 volumes and 2021 maintenance capital relative to 4Q20 less than \$500mm

COMPLIMENTARY ASSET PORTFOLIO



CONTINUED FOCUS ON SCALED, CAPITAL EFFICIENT CO-DEVELOPMENT

Note: Callon 1Q20 production of 101 Mboe/d used as reference only and should not be regarded as guidance for remainder of 2020 or outlook level for 2021. Capital figures provided are for illustrative purposes and represent one of many options that could potentially result from analysis of current macro and commodity pricing factors that remain in flux at current.



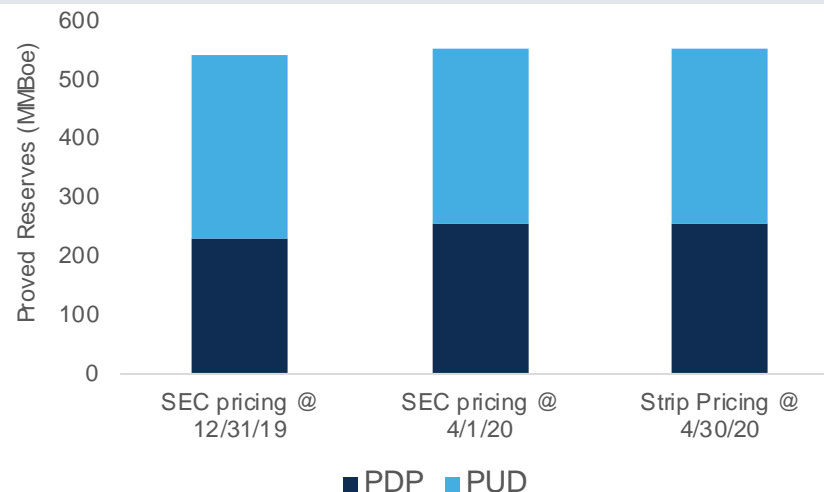
SUSTAINABLE RESERVE BASE

HIGH QUALITY RETURNS ACROSS THE PORTFOLIO

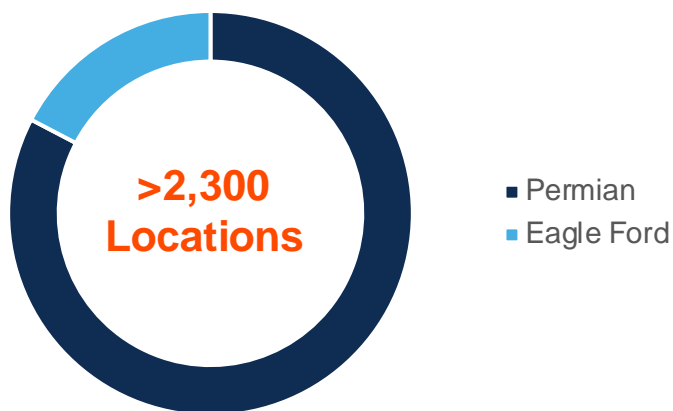
- PDP reserve base increased by 10% since year end 2019 based on SEC pricing
- Strength of PUD economics demonstrated by almost no reserve volume reductions under strip pricing from late April (2020 avg WTI of \$26.49/Bbl)
- 12/31/19 SEC realized oil pricing: \$53.90/Bbl
- 4/1/20 SEC realized oil pricing: \$54.63/Bbl
- 4/30/20 strip pricing for oil:

2020	2021	2022	2023	2024	2025	2026	2027
\$26	\$34	\$37	\$39	\$41	\$44	\$46	\$48

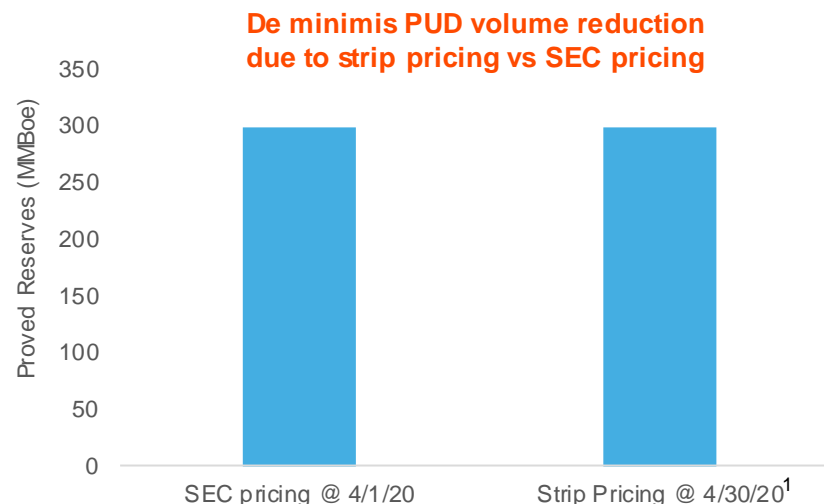
PROVED RESERVE FOUNDATION (SEC ESTIMATES)¹



SUBSTANTIAL DRILLING INVENTORY



RESILIENT PUD LOCATIONS (4/1/20 SEC RESERVES)



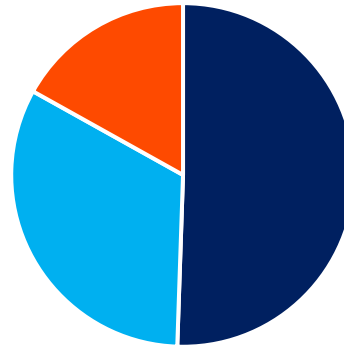
1. SEC pricing @ 12/31/19 represents the average realized prices for the previous 12 months reflected in the Company's most recent 10-K. SEC pricing @ 4/1/20 represents the average realized prices for the trailing 12-month period from April 1, 2019 through March 31, 2020. Strip pricing as of 4/30/20 reflects the NYMEX forward strip for oil and natural gas as reflected per Bloomberg as of the close of trading on 4/30/20.

MARKETING AND RISK MANAGEMENT

PROTECTING CASH FLOW

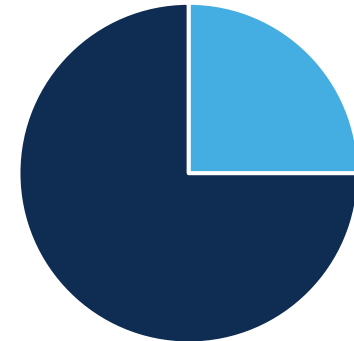
- Coordinated marketing efforts and hedging program support free cash flow
- Recognizing benefits of pricing point diversification with increased exposure to Gulf Coast, Brent, and Waterborne pricing
- Term oil sales agreements combined with firm capacity on gathering systems and long-haul pipelines provide flow assurance
- Locked in additional Eagle Ford volume transport for flow assurance
- 10 different high-quality buyers with access to refining and international markets
- Nearly 60,000 gross barrels per day of oil covered under term sales agreements
- Additional term deals pending and incremental FT coverage for May and June already acquired

2020 CRUDE PRICING POINTS



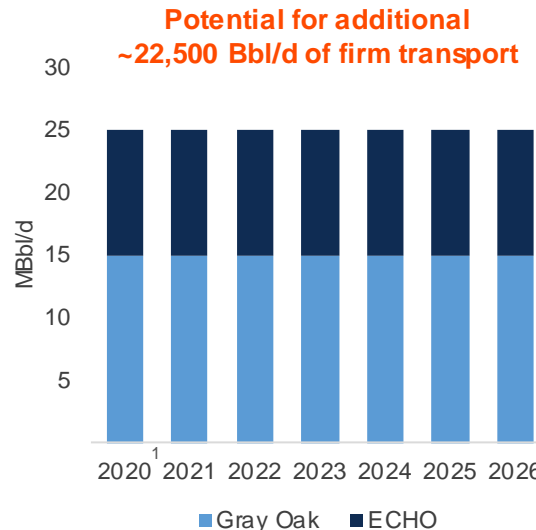
■ MEH ■ Midland ■ Brent/WASP

2020 GAS PRICING POINTS



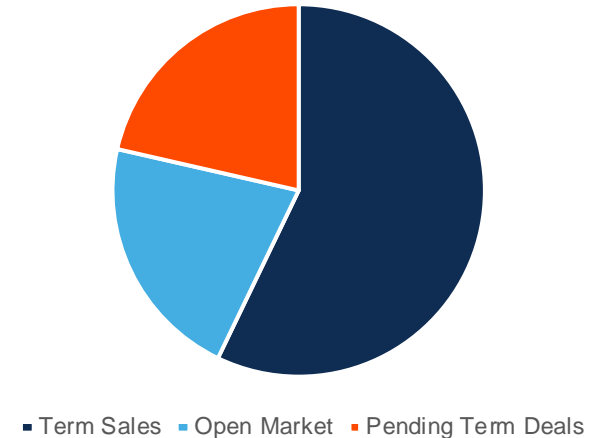
■ Permian ■ Gulf Coast

FIRM TRANSPORT TO GULF COAST



FIRM SALES TO GULF COAST

More than 75% of all barrels sold expected to be under term deals



1. 2020 Firm transportation on ECHO available as August 1, 2020.
2. Firm sales chart represents percentages of gross barrels sold.

SIGNIFICANT CASH FLOW PROTECTION

BALANCED HEDGE PORTFOLIO⁽¹⁾ ENSURES BASES ARE COVERED

- Restructured hedges for greater cash flow certainty
 - 16.5 MMBbls of oil hedged for the balance of 2020 (~60,000 Bbl/d)
 - 100% swaps at a weighted average price of ~\$43/Bbl
- Oil basis pricing is also well protected
 - Mid-Cush hedged at (\$1.24)/Bbl covering ~23,900 Bbl/d
 - MEH hedged at (\$0.24)/Bbl covering ~16,800 Bbl/d
 - Brent/WTI basis hedged at \$4.00/Bbl
- NYMEX CMA Roll hedges offset contango impact on oil pricing contracts
 - 5.7 MMBbls of coverage for 2Q20 and 3Q20
 - Average weighted position of (\$2.66) versus recent market price of (\$5.48)
 - ~ 40% of current oil contracts do not have “roll” provisions
- Added natural gas hedges
 - ~52 MMcf/d of gas production hedged for the balance of 2020
 - Waha gas basis exposure hedged at (\$1.08)/MMBtu

2020 Hedge Book Value



CONTINUE TO HEDGE FOR CASH FLOW PROTECTION, FOCUS ON 2021



1. Hedge contracts as of 4/28/2020. See appendix for additional details.
2. MTM calculation as of 5/1/2020 and includes value of current settled positions within 2Q20.

FINANCIAL POSITION

SPRING 2020 BORROWING BASE REDETERMINATION COMPLETED

- Borrowing base commitment level redetermined at \$1.7 billion
- Significant flexibility moving forward
 - Total leverage ratio test suspended until March 31, 2022
 - New secured leverage ratio test of 3.0x
 - Temporary suspension of current ratio test
 - Provides for secured debt issuance without borrowing base reduction
- Debt reduction initiatives underway
 - Free cash flow directed to absolute debt reduction
 - Joint ventures and asset monetizations
 - Traditional non-core asset sales progressed/staying engaged
 - Opportunistic liability management

CAPITALIZATION TABLE

	1Q 2020
Cash	\$15
Credit Facility	\$1,350
Senior Notes	\$1,900
Total Net Debt	\$3,235
Total Liquidity ⁽¹⁾	\$365
Net Debt to LTM EBITDA	2.8x
Total Secured Debt to LTM EBITDA	1.2x

LONG-DATED MATURITIES



1. Based on elected commitment amount of \$1.7 billion on a \$1.7 billion borrowing base and excludes LC's of \$17.6 million.



ADAPTING TO AN EVOLVING ENERGY LANDSCAPE

Short Term

- Take immediate actions to reduce cost, preserve liquidity, and protect cash flows
- Focus on free cash flow and liquidity maximization
- Evaluate and respond accordingly to current market dynamics
- Be opportunistic about liability management

Medium Term

- Focus on strategic priority to decrease absolute leverage
- Use free cash flow and potential monetization proceeds to reduce bank borrowings
- Optimize capital allocation across three premier areas with a mix of commodity, capital intensity/NPV, and cycle time characteristics

Long Term

- Ensure the sustainability of our company and business model
- Maintain focus on shareholder value creation
- Preserve long-term value proposition through “life-of-field” development
- Relentless pursuit of “best-in-class” ESG practices

APPENDIX

OIL HEDGE PORTFOLIO (1)

	2Q20	3Q20	4Q20	2Q-4Q 2020	FY 2021
WTI NYMEX (Bbls, \$/Bbl)					
Swaps					
Total Volumes	5,177,900	5,400,400	5,072,420	15,650,720	-
Total Daily Volumes	56,900	58,700	55,135	56,912	-
Avg. Sw ap	\$41.78	\$42.65	\$44.18	\$42.87	-
ICE BRENT (Bbls, \$/Bbl)					
Swaps					
Total Volumes	182,000	184,000	-	366,000	-
Total Daily Volumes	2,000	2,000	-	1,331	-
Avg. Sw ap	\$46.15	\$46.15	-	\$46.15	-
NYMEX WTI VS ICE BRENT DIFFERENTIAL (Bbls, \$/Bbl)					
Swaps					
Total Volumes	396,800	-	-	396,800	-
Total Daily Volumes	4,360	-	-	1,443	-
Avg. Sw ap	(\$4.00)	-	-	(\$4.00)	-
MAGELLAN EAST HOUSTON FIXED PRICE (Bbls/\$/Bbl)					
Swaps					
Total Volumes	136,500	184,000	184,000	504,500	-
Total Daily Volumes	1,500	2,000	2,000	1,835	-
Avg. Sw ap Price	\$59.61	\$58.23	\$57.19	\$58.22	-
MAGELLAN EAST HOUSTON DIFFERENTIAL VS WTI-CUSHING (Bbls/\$/Bbl)					
Swaps					
Total Volumes	1,356,201	1,820,802	1,435,202	4,612,205	-
Total Daily Volumes	14,903	19,791	15,600	16,772	-
Avg. Sw ap Price	(\$0.96)	\$0.08	\$0.03	(\$0.24)	-
MIDLAND-CUSHING DIFFERENTIAL (Bbls/\$/Bbl)					
Swaps					
Total Volumes	1,965,600	2,217,200	2,392,000	6,574,800	4,015,100
Total Daily Volumes	21,600	24,100	26,000	23,908	11,000
Avg. Sw ap Price	(\$1.84)	(\$1.13)	(\$0.84)	(\$1.24)	\$0.40
NYMEX WTI CMA ROLL (Bbls/\$/Bbl)					
Swaps					
Total Volumes	1,833,500	3,864,000	-	5,697,500	-
Total Daily Volumes	20,148	42,000	-	20,718	-
Avg. Sw ap Price	(\$2.46)	(\$2.75)	-	(\$2.66)	-

1. Callon hedge portfolio as of 04/28/2020. In addition to the above hedge positions, Callon holds short the following positions: 6,000 bpd Apr2-Dec20 \$42.50-strike WTI puts, 10,000 bpd Apr20-Jun20 WTI calls (avg. strike \$38.90), 10,000 bpd 2H20 WTI calls (avg. strike \$48.90) and 13,220 bpd Cal21 WTI calls (avg. strike \$63.62).



GAS HEDGE PORTFOLIO (1)

	2Q20	3Q20	4Q20	2Q-4Q 2020	FY 2021
NYMEX HENRY HUB (MMBtu, \$/MMBtu)					
Swaps					
Total Volumes	3,640,000	3,680,000	1,850,000	9,170,000	8,675,000
Total Daily Volumes	40,000	40,000	20,109	33,345	23,767
Avg. Swap Price	\$2.18	\$2.18	\$2.28	\$2.20	\$2.70
Three-way Collars					
Total Volumes	910,000	920,000	1,835,000	3,665,000	1,350,000
Total Daily Volumes	10,000	10,000	19,946	13,327	15,000
Avg. Short Call Price	\$2.75	\$2.75	\$2.73	\$2.74	\$2.70
Avg. Long Put Price	\$2.50	\$2.50	\$2.46	\$2.48	\$2.42
Avg. Short Put Price	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00
Collars					
Total Volumes	-	-	1,525,000	1,525,000	7,750,000
Total Daily Volumes	-	-	16,576	5,545	21,233
Avg. Short Call Price	-	-	\$3.25	\$3.25	\$2.93
Avg. Long Put Price	-	-	\$2.67	\$2.67	\$2.55
Total NYMEX Volume Hedged (MMBtu)	4,550,000	4,600,000	5,210,000	14,360,000	17,775,000
Average NYMEX Ceiling Price (\$/MMBtu)	\$2.29	\$2.29	\$2.72	\$2.45	\$2.80
Average NYMEX Floor Price (\$/MMBtu)	\$2.24	\$2.24	\$2.46	\$2.32	\$2.61
WAHA DIFFERENTIAL (MMBtu, \$/MMBtu)					
Swaps					
Total Volumes	6,097,000	6,624,000	6,261,000	18,982,000	-
Total Daily Volumes	67,000	72,000	68,054	69,025	-
Avg. Swap Price	(\$1.42)	(\$1.03)	(\$0.81)	(\$1.08)	-

1. Callon hedge portfolio as of 04/28/2020. In addition to the above hedge positions, Callon holds short the following positions: 33,000 mmbtu/d Cal20 \$3.50-strike calls, 20,000 mmbtu/d Cal21 calls (avg. strike \$3.09).



NON-GAAP ADJUSTED EBITDA RECONCILIATION ⁽¹⁾

(\$000s)	1Q 2020
Net income	\$216,565
(Gain) loss on derivatives contracts	(251,969)
Gain (loss) on commodity derivative settlements, net	25,126
Non-cash stock-based compensation expense	(2,972)
Merger and integration expenses	15,830
Other (income) expense	(1,029)
Income tax (benefit) expense	64,048
Interest expense	20,478
Depreciation, depletion, and amortization	131,463
Adjusted EBITDA	\$217,540
Less: Gain (loss) on commodity derivative settlements, net	25,126
Unhedged Adjusted EBITDA	192,414
Total Production MBOE	9,186
Adj. EBITDA Margin per BOE	\$20.95

1. See "Important Disclosures" slide for additional information related to Supplemental Non-GAAP Financial Measures



QUARTERLY CASH FLOW STATEMENT⁽¹⁾

(\$000s)	1Q'19	2Q'19	3Q'19	4Q'19 ⁽²⁾	1Q'20
Cash flows from operating activities:					
Net income (loss)	(19,543)	55,180	55,834	(23,543)	216,565
Adjustments to reconcile net income (loss) to net cash provided by operating activities:					
Depreciation, depletion and amortization	60,913	64,590	57,235	63,198	131,463
Amortization of non-cash debt related items	738	741	739	689	407
Deferred income tax (benefit) expense	(5,149)	16,691	17,902	5,857	64,048
(Gain) loss on derivative contracts	67,260	(14,036)	(21,809)	30,694	(251,969)
Cash paid for commodity derivative settlements, net	(290)	(1,157)	1,011	(3,353)	2,613
(Gain) loss on sale of other property and equipment	28	21	(13)	(126)	-
Non-cash loss on early extinguishment of debt	-	-	-	4,881	-
Non-cash expense related to equity share-based awards	4,545	1,754	1,569	1,899	3,776
Change in the fair value of liability share-based awards	1,881	(850)	(925)	1,518	(6,748)
Payments to settle asset retirement obligations	(664)	(107)	(654)	(2,723)	-
Payments for cash-settled restricted stock unit awards	(1,296)	(129)	-	-	(754)
Changes in current assets and liabilities:	-	-	-	-	890
Accounts receivable	(5,390)	44,071	(21,081)	(52,671)	115,873
Other current assets	(2,294)	(3,807)	929	1,006	(781)
Current liabilities	(26,003)	(10,251)	23,216	99,476	(83,688)
Other	(177)	(2,224)	(261)	10,776	-
Net cash provided by operating activities	74,559	150,487	113,692	137,578	191,695
Cash flows from investing activities:					
Capital expenditures	(193,211)	(166,219)	(143,995)	(137,115)	(224,448)
Acquisitions	(27,947)	(11,423)	(1,418)	(1,478)	-
Proceeds from sales of assets	13,879	260,417	5,656	14,465	10,240
Cash paid for settlements of contingent consideration arrangements, net	-	-	-	-	(40,000)
Additions to other assets	-	-	-	-	(158)
Net cash used in investing activities	(207,279)	82,775	(139,757)	(124,128)	(254,366)
Cash flows from financing activities:					
Borrowings on senior secured revolving credit facility	220,000	140,000	221,000	1,874,900	4,291,000
Payments on senior secured revolving credit facility	(90,000)	(365,000)	(126,000)	(314,500)	(4,226,000)
Repayment of Prior Credit Facility	-	-	-	(475,400)	-
Repayment of Carrizo's senior secured revolving credit facility	-	-	-	(853,549)	-
Repayment of Carrizo's preferred stock	-	-	-	(220,399)	-
Issuance of common stock	-	-	-	-	-
Payment of preferred stock dividends	(1,824)	(1,823)	(350)	-	-
Payment of deferred financing costs	-	(31)	-	(22,449)	(275)
Tax withholdings related to restricted stock units	(1,025)	(833)	(316)	(21)	(313)
Redemption of preferred stock	-	-	(73,012)	-	-
Other financing activities	-	(5)	-	-	(282)
Net cash provided by (used in) financing activities	127,151	(227,692)	21,322	(11,418)	64,130
Net change in cash and cash equivalents	(5,569)	5,570	(4,743)	2,032	1,459
Balance, beginning of period	16,051	10,482	16,052	11,309	13,341
Balance, end of period	10,482	16,052	11,309	13,341	14,800

1. See "Important Disclosures" slide for additional information related to Supplemental Non-GAAP Financial Measures.
2. Includes Carrizo results from December 21 to December 31, 2019.



NON-GAAP NET DEBT RECONCILIATION (1)

As of March 31, 2020

(in millions)

Long-term debt	\$3,250
Less Cash and cash equivalents	15
Net Debt	\$3,235

1. See "Important Disclosures" slide for additional information related to Supplemental Non-GAAP Financial Measures

