

November 9, 2020



Callon Petroleum Company Announces Upsized Debt Exchange

HOUSTON, Nov. 9, 2020 /PRNewswire/ -- Callon Petroleum Company (NYSE: CPE) ("Callon" or the "Company") today announced that the counterparties to the privately negotiated debt exchange announced on November 2nd have agreed to exercise substantially all of the remaining capacity under the negotiated agreement.

Under the terms of the upsized transaction, the Company will now exchange a total of \$389 million of principal of the Company's existing unsecured senior notes (the "Senior Notes") for \$217 million aggregate principal of new 9.00% Second Lien Notes due 2025, payable semi-annually (the "Second Lien Notes"), to be issued by Callon at a weighted average exchange ratio of approximately \$557 per \$1,000 of principal exchanged. Participants in the exchange will receive a total of 1.76 million warrants with a strike price of \$5.60.

Over 63% of the existing Senior Notes to be exchanged are due 2023 and 2024.

Upon completion of the exchange, Callon's total net debt will be reduced by approximately \$172 million and total cash interest expense by approximately \$6 million. The total amount outstanding under the Second Lien Notes will be \$517 million (\$617 million assuming the exercise of the debt exchange option held by the majority owner of the Second Lien Notes which will be reserved until September 30, 2021) relative to a total permitted principal amount of \$700 million.

The private debt exchange is scheduled to close on November 17th. Callon currently expects the borrowing base under its credit facility to remain unchanged at \$1.6 billion, and its next scheduled redetermination will take place in May 2021.

About Callon Petroleum Company

Callon Petroleum is an independent oil and natural gas company focused on the acquisition, exploration and development of high-quality assets in the leading oil plays of South and West Texas.

This news release is posted on the Company's website at www.callon.com and will be archived there for subsequent review under the "News" link on the top of the homepage.

Cautionary Statement Regarding Forward-Looking Information

This news release 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 including the words "believe," "expect,"

"may," "will," "forecast," "outlook," "assume," "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. These statements are subject to a number of known and unknown risks and uncertainties, which may cause the Company's actual results and performance to be materially different from any future results or performance expressed or implied by the forward-looking statements including 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 subsequent Quarterly Reports on Form 10-Q, available on our website or the SEC's website at www.sec.gov.

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