Acquisition Presentation

Callon Petroleum

Southern Delaware Basin Entry
December 2016

Important Disclosures

FORWARD-LOOKING STATEMENTS

This presentation contains projections and other 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. These projections and statements reflect the Company's current views with respect to future events and financial performance as of this date. No assurances can be given, however, 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. For a summary of events that may affect the accuracy of these projections and forward-looking statements, see "Risk Factors" in our Form 10-K for the year ended December 31, 2015 filed with the Securities and Exchange Commission (the "SEC").

RESERVE-RELATED DISCLOSURES

The SEC permits oil and gas companies, in their filings with the SEC, to disclose only proved, probable and possible reserves that meet the SEC's definitions for such terms, and price and cost sensitivities for such reserves, and prohibits disclosure of resources that do not constitute such reserves. The Company uses the terms "estimated ultimate recovery" (or "EUR") that the SEC's rules may prohibit the Company from including in filings with the SEC. These estimates are by their nature more speculative than estimates of proved, probable and possible reserves, and accordingly are subject to substantially greater risk of being realized by the Company.

EUR estimates and potential horizontal well locations have not been risked by the Company. Actual locations drilled and quantities that may be ultimately recovered from the Company's interest may differ substantially from the Company's estimates. There is no commitment by the Company to drill all of the potential horizontal drilling locations. Factors affecting ultimate recovery include the scope of the Company's ongoing drilling program, which will be directly affected by the availability of capital, drilling and production costs, availability of drilling and completion services and equipment, drilling results, commodity price levels, lease expirations, regulatory approval and actual drilling results, as well as geological and mechanical factors. Estimates of type/decline curves and per-well EURs may change significantly as development of the Company's oil and gas assets provides additional data.

Type/decline curves, estimated EURs, recovery factors and well costs represent Company estimates based on evaluation of petrophysical analysis, core data and well logs, well performance from existing drilling and recompletion results and seismic data, and have not been reviewed by independent engineers. These are presented as hypothetical recoveries if assumptions and estimates regarding recoverable hydrocarbons, recovery factors and costs prove correct. As a result, such estimates may change significantly as results from more wells are evaluated. Estimates of EURs do not constitute reserves, but constitute estimates of contingent resources that the SEC has determined are too speculative to include in SEC filings. Unless otherwise noted, Internal Rate of Return (or "IRR") estimates are before taxes and assume Company-generated EUR and decline curve estimates based on Company drilling and completion cost estimates that do not include land, seismic, G&A or other corporate level costs.

This presentation includes certain estimates based on production, reserve and other data regarding the Pending Acquisition properties. The production, reserve and other data included have not been reviewed by our reserve engineer, DeGolyer and MacNaughton or any other independent reserve engineer, and may vary from what is presented here. We cannot assure you that these estimates are accurate.

Investors are urged to consider closely the disclosure in our Form 10-K for the year ended December 31, 2015 and other reports filed with the SEC, available on our website or by request by contacting Investor Relations: Callon Petroleum Company, 1401 Enclave Parkway, Suite 600, Houston, TX 77077. You may also email the Company at ir@callon.com.

You can also obtain our Form 10-K and other reports filed with the SEC by contacting the SEC directly at 1-800-SEC-0330 or by downloading it from the SEC's web site http://www.sec.gov.

METRIC CALCULATION METHODOLOGIES

$/Net Acre (Adj.): This calculation aims to normalize transaction purchase prices for the value of the production acquired to arrive at an implied "adjusted" valuation for the undeveloped acreage acquired. The "adjustment" value for the acquired production is determined by applying what management believes is a reasonable valuation multiple for the present value of a flowing equivalent barrel of production—based on prevailing NYMEX strip pricing at the time of the acquisition—to reported sustained production rates at the time of the acquisition. This "adjusted" undeveloped valuation is then divided by the net surface acreage acquired to yield a best-efforts, "apples-to-apples" transaction metric to use as a rough guide for relative valuation purposes.

$/ "Delineated" Net Hz Location (Adj.): This calculation aims to normalize transaction purchase prices for the value of the production acquired to arrive at an implied "adjusted" valuation for the inventory of undeveloped horizontal locations (net to the acquired interest), in zones, which management believes to have been sufficiently "delineated" by operated and/or offsetting industry activity to date. The "adjustment" value for the acquired production is determined by applying what management believes is a reasonable valuation multiple for the present value of a flowing equivalent barrel of production—based on prevailing NYMEX strip pricing at the time of the acquisition—to reported sustained production rates at the time of the acquisition. It also adjusts for management's estimates of value for midstream and water disposal infrastructure and net acreage that does not currently carry "delineated" well locations. This "adjusted" undeveloped valuation is then divided by the previously described net identified horizontal locations acquired to yield a best-efforts, "apples-to-apples" transaction metric to use as a rough guide for relative valuation purposes.

Net Effective Acreage: In geologic basins that feature a stratigraphic column with more than one potentially hydrocarbon-bearing interval, this metric aims to adjust the two-dimensional concept of net surface acreage for the three-dimensional aspect of the multiple prospective strata below the surface. Furthermore, this exercise accounts for the potential for varying interests across depths. After the potential of a given zone/depth is verified, the owner/lessor's interest (i.e., net acreage) in the applicable zone is counted. Once the respective interest/net acreage in each prospective zone is counted, the counts are summed to arrive at the owner/lessor's total interest across all zones or their "net effective acres".

Acquisition Rationale

Strategic Acquisition in Delaware Basin Core

- Accretive entrance into the core of the Southern Delaware Basin oil window and the creation of a 4th core operating area
  - Over 16,000 net acres concentrated in Ward County with established horizontal development in the Wolfcamp and Bone Spring formations
  - Robust “full-cycle” well economics create path for increased returns on capital
  - Catalyst for increased drilling activity in 2017, with a target of 5 operated rigs by early 2018
- Ideal acquisition for Callon to leverage its operational and technical expertise and position itself for future Delaware growth
  - Ward County acreage is located in a structurally quiet part of the Delaware Basin
  - Multiple “delineated” zones with the opportunity to enhance with next generation completion designs
  - Emerging zones being tested by offset operators offer delineation upside
  - Contiguous footprint for long lateral development
  - High oil content production with established foundation of infrastructure

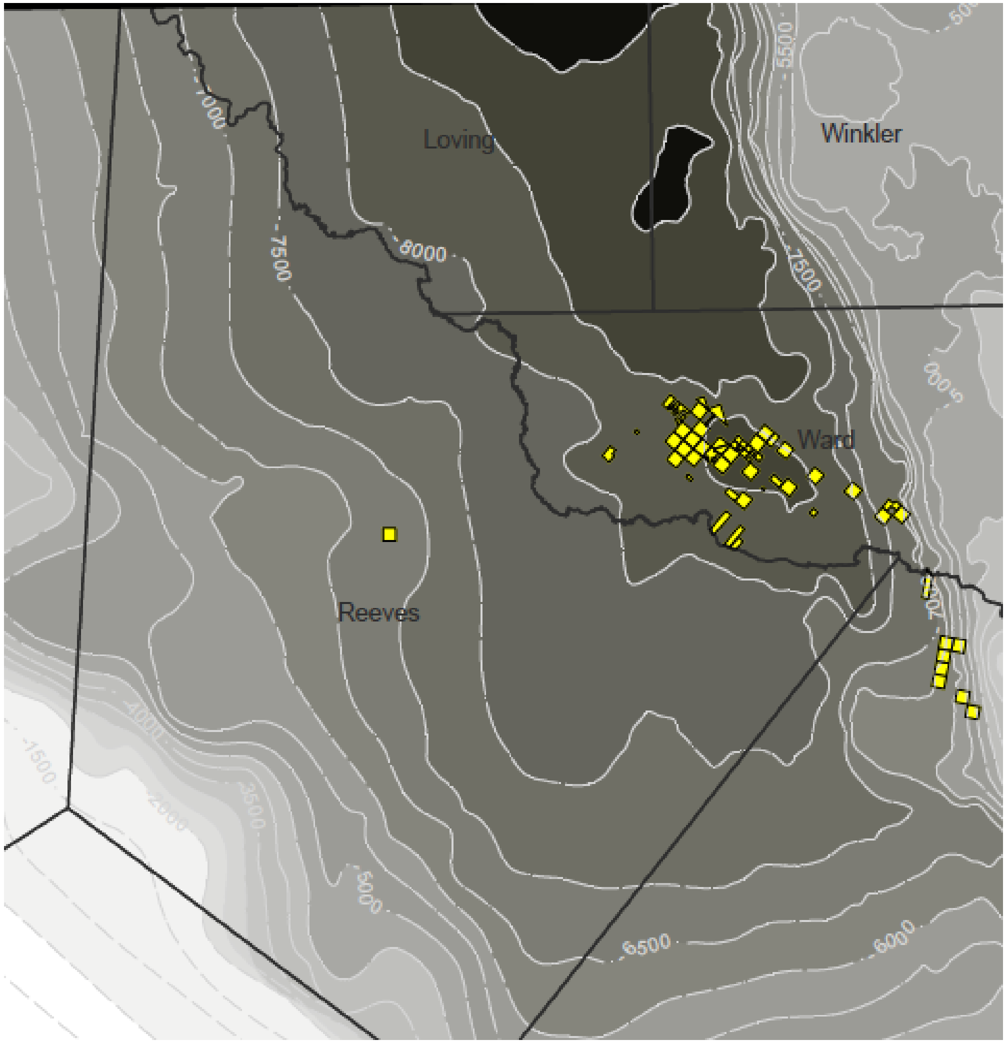
Acquisition Overview

- Acquiring 16,098 net acres in core area of Southern Delaware Basin oil window
  - Provides a scalable opportunity to enter the Delaware Basin
- Successful industry delineation across multiple benches of both the Wolfcamp and the Bone Spring in immediate area
- All leases are either HBP or early in primary term; no significant expiries until 2019, providing for operational and capital flexibility to maximize value realization
- Solid base of high oil-cut, lower decline production from legacy horizontal and vertical wells
- In-place infrastructure facilitates to support near-term development initiatives

Key Acquisition Stats

Purchase Price	$615 MM
Production / Reserves:	
Net Daily Production [1]	~1,945 Boe/d (71% oil)
Estimated Net Proved Developed Reserves [2]	~4.3 MMBoe (87% oil)
Acreage & Inventory:	
Total Net Acres (% Op)	16,098 (80%)
Ward County Net Acres (% Op)	12,095 (75%)
"Delineated" Hz Locations (% Op) [3]	481 Gross (~66%)
Net Average Lateral Length	~7,500'
"Headline" Metric:	
$ / Net Acre (Adj.) [4]	$32,239

Ward County: Basin Deep & Basin Thick



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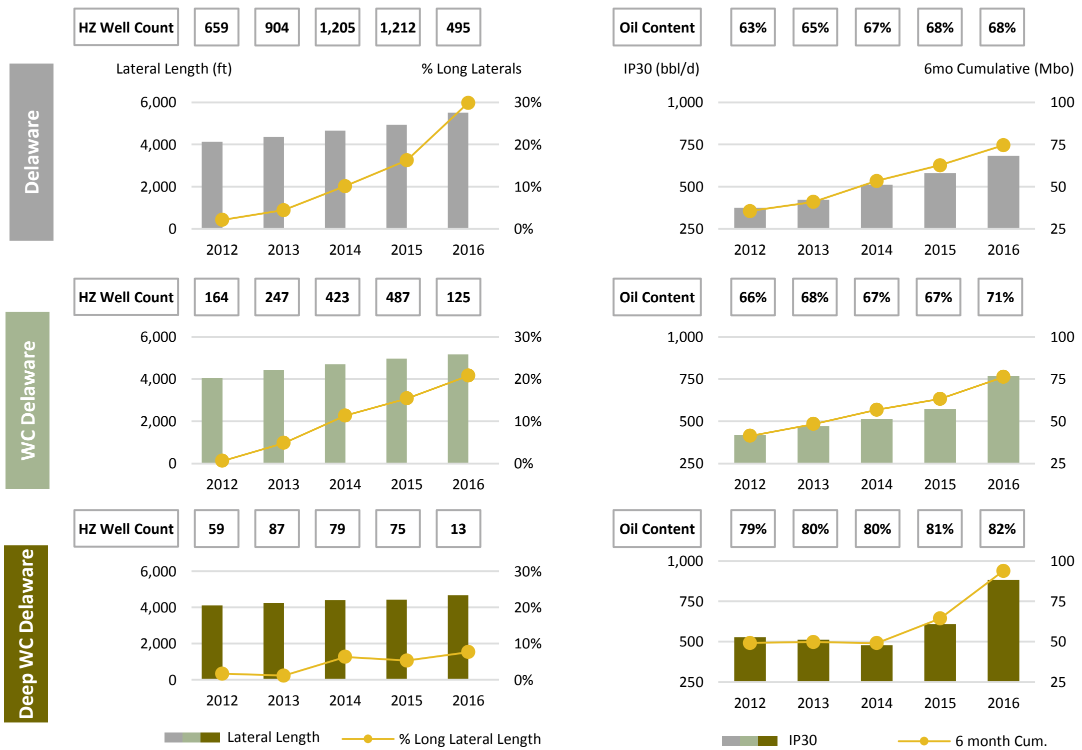
1) Estimated average production for the month of October 2016.
2) Acquisition net proven reserves according to internal Callon estimates as of October 1, 2016 effective date.
3) "Delineated" locations include only Upper WC A, Lower WC A, and WC B inventory in Ward County.
4) Calculated after allocating for PDP value (assuming $40,000 per flowing Boe/d) and $18.4mm for gas gathering infrastructure and saltwater disposal wells and facilities.

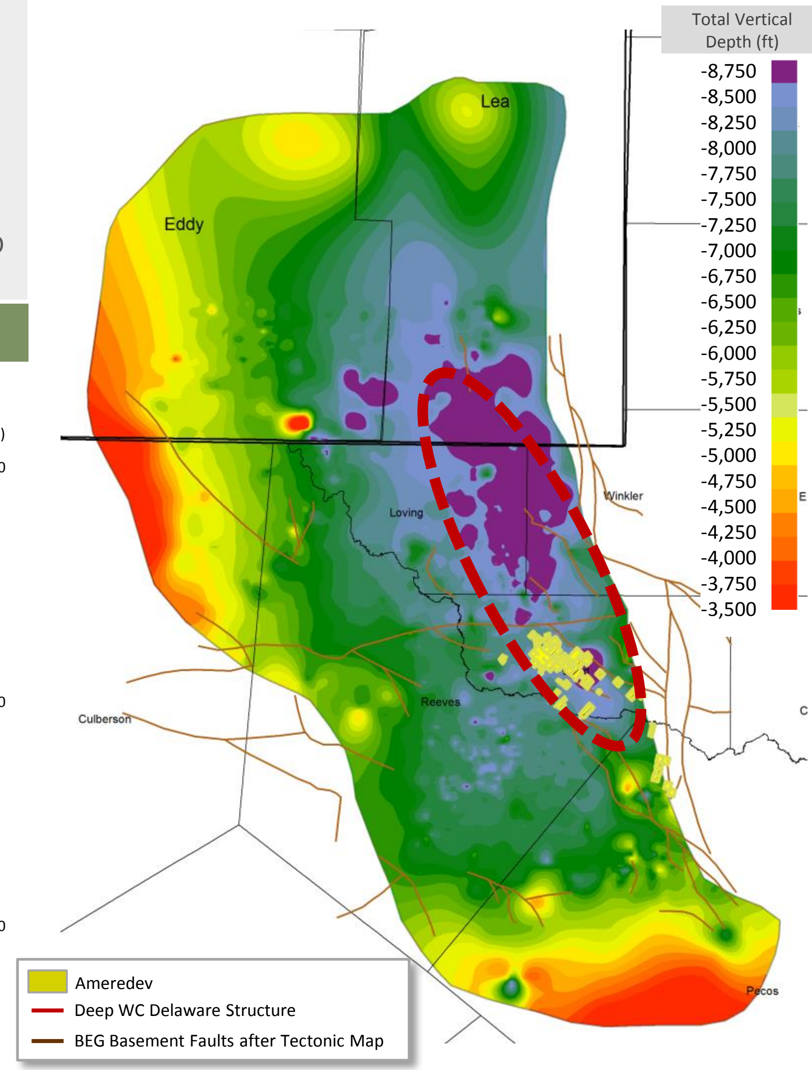
In the Heart of Delaware's "Rate of Change" Story

- Deepest portion of basin is concentrated in the Eastern side, where the acquisition acreage is providing greatest well deliverability potential due to large over pressuring, oil percentage, and distance away from structural complexity
- Well results improvement vs. time is driven by completion advancements: higher proppant loadings, closer stage spacing, cleaner carrier fluids (slickwater) all conducing more complex hydraulic fracture networks
- Well results demonstrate superior rock quality and upside potential considering short laterals drive historical data
- Wolfcamp wells in the Deep WC Delaware have averaged 883 bbl/d (IP-30) with over 93MBO in the first 6 months of production, without any lateral length or downtime normalization

Well Progression Over Time (1)(2)(3)



Top of the Wolfcamp Structure Map



1) All data per IHS.
2) Whole Delaware includes Bone Spring and Wolfcamp completions.
3) Deep WC Delaware (outlined in red in above map) excludes 25 wells out of 348 with uncharacteristic high % gas in the area (>40% excluded).

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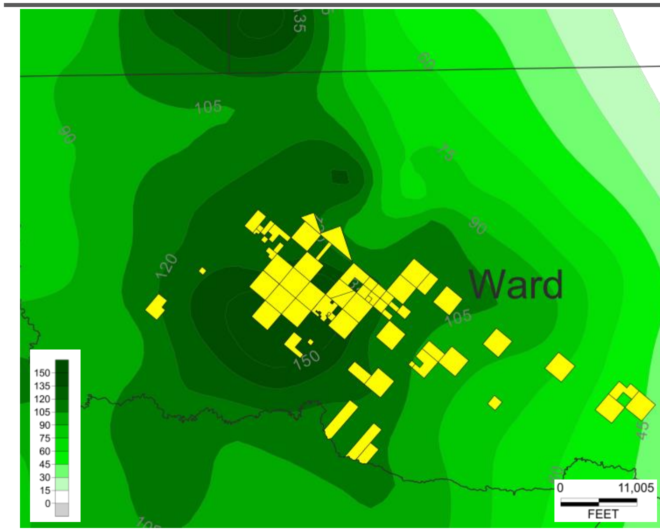
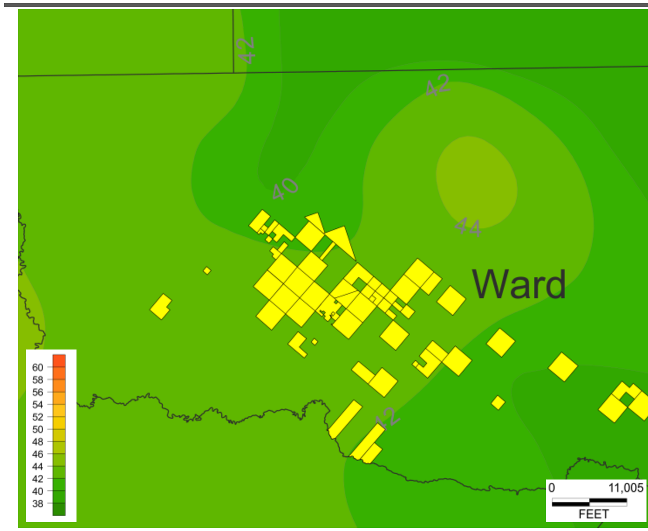
Optimally Positioned in the Core of the Delaware Basin

- Located in core of Southern Delaware Basin over-pressured oil window
  - Core of position holds a projected > 150 MMBo/section in Upper Wolfcamp
  - Features over-pressured intervals in both Bone Spring and Wolfcamp
  - Bone Spring and Wolfcamp wells produce high-quality crude oil (~40 - 44 API gravity)
- Core area features structurally quiet basin floor with minimal faulting through position
- Contiguous initial core acreage position sets up well for long lateral development
  - Over 50% of "Day 1" gross "delineated" horizontal locations are 1.5 – 2 mile laterals

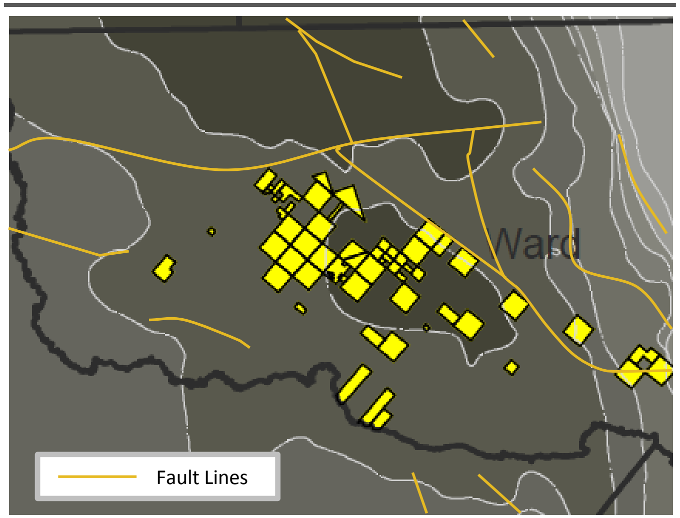
Wolfcamp A&B OOIP



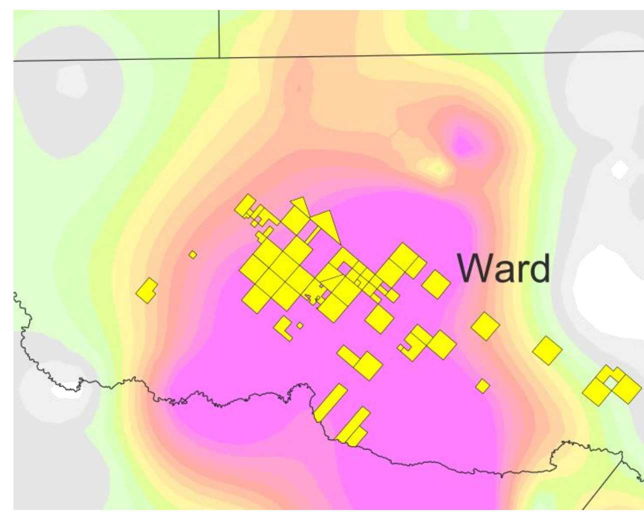
Wolfcamp Oil Gravity



Regional Basement Faults



Upper Wolfcamp Pressure Gradient

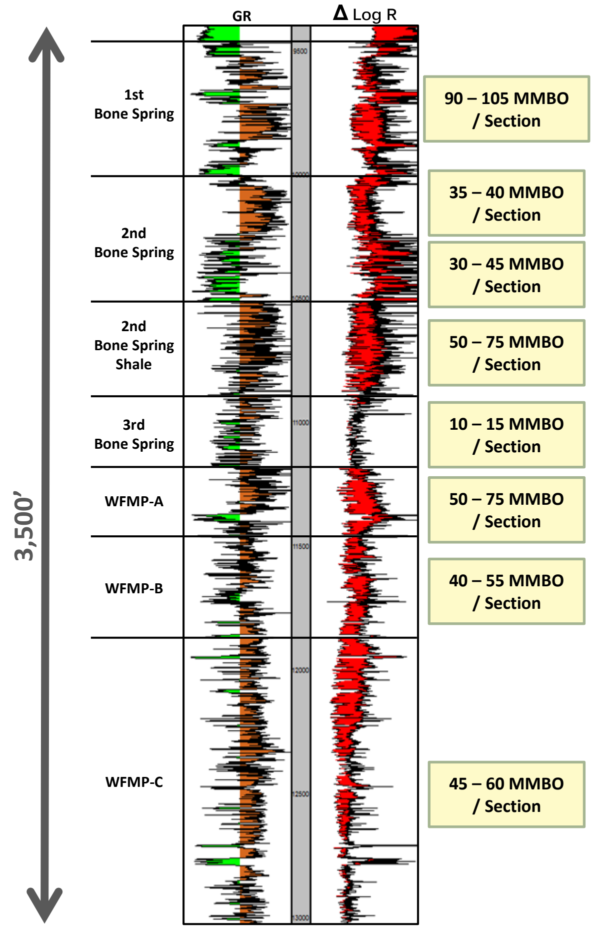


1) Source(s): Management's interpretation of Seller-provided and offsetting technical data.

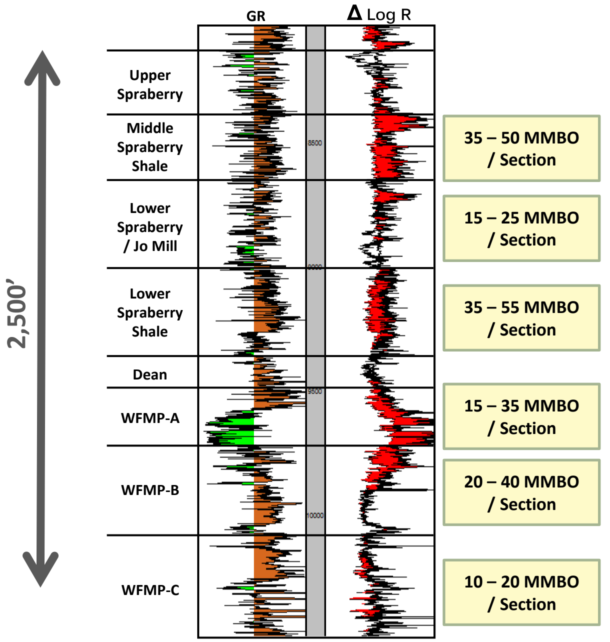
Ward County "Stacks" Up Well Against Core Midland Basin

Bone Spring and Wolfcamp Gross Column is ~40% Larger than Midland Basin Analogue

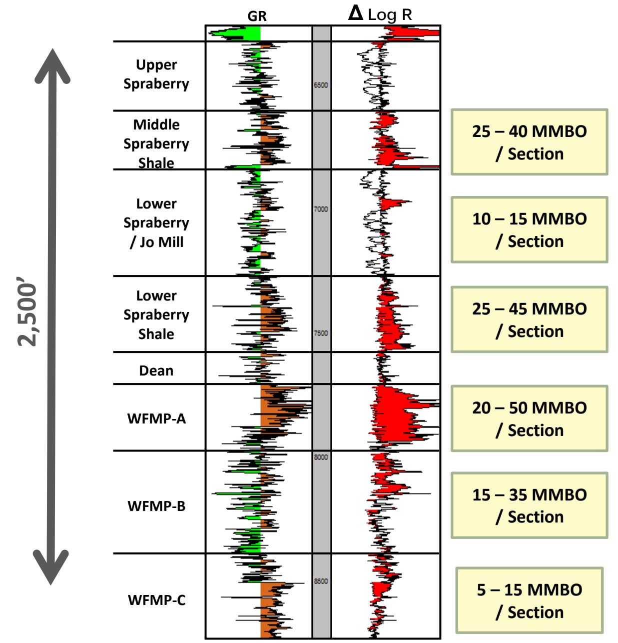
Ameredev (1)



Monarch (1)



WildHorse (1)



- Strong resource in place in multiple de-risked benches (Wolfcamp A/B, 3rd Bone Spring) that have analogs to Callon's current Midland Basin asset base
  - Enables Callon to leverage core institutional expertise earned in the Midland Basin into entering a new basin, shortening the learning curve
- Meaningful upside potential in additional stacked pay zones (Wolfcamp C, 1st, 2nd Bone Spring and Avalon Shales, Upper Bone Spring & Delaware Sands)
- Ward "Wolfbone" OIP is ~2x that of the core Midland Basin "Wolfberry"
- Even before including the Avalon Shale and Delaware Sands, Ward County column offers ~1,000 ft. more of gross pay than analogous interval in Midland Basin core

1) Sources: NuTech, internal Callon geological and petrophysical analysis. All metrics presented are estimates based on geological and petrophysical analyses. Actual conditions may vary from the estimates presented here. Ameredev reference wells are the Hellbender State 15 1V for the Wolfcamp interval and Chatterfrog 151 1H for the Bone Spring interval,. Reference wells for the Callon Legacy assets are the Pecan Acres 23 #8 for Monarch and the Ray #1 for WildHorse.

Ward County Neighborhood Well Result Map

1
State Eiland Unit 7-33 1H
Jagged Peak
LL: 9,910' | #/FT: 2,335
IP30/1,000': 144 Boe/d (83% oil)

2
Morrison H B - 13H
Oxy
LL: 9,485' | #/FT: 1,321
IP30/1,000': 142 Boe/ft (83% oil)

3
Monroe 34-195 Unit 2H
Anadarko
LL: 5,241' | #/FT: 1,344
IP30/1,000': 145 Boe/d (62% oil)

4
Walking O C3-28 4H
Anadarko/Parsley
LL: 4,343' | #/FT: 1,394
IP30/1,000': 117 Boe/d (89% oil)

5
Pyote Flats 98-34 1H
Jagged Peak
LL: 8,953' | #/FT: 1,826
IP 30/1,000': 156 Boe/d (84% oil)

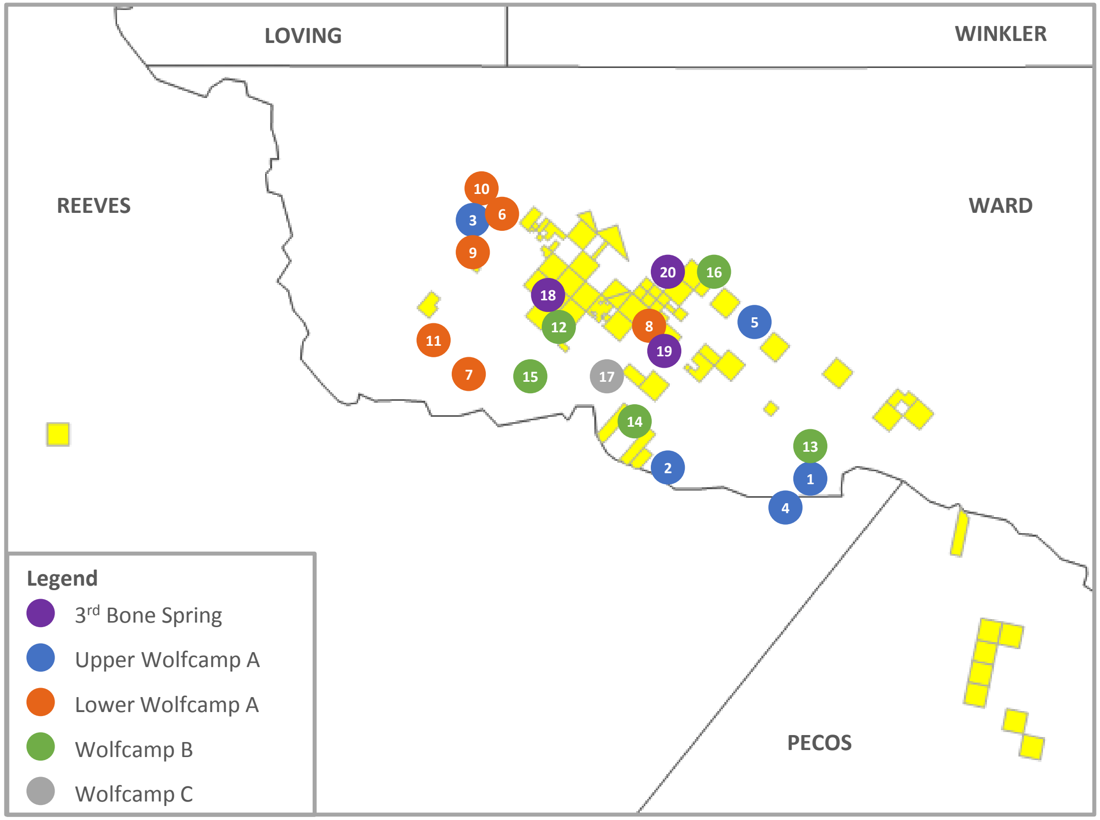
20
Miami Beach 43-123 1H
Cimarex
LL: 4,569' | #/FT: 688
IP30/1,000': 379 Boe/d (83% oil)

19
Autobahn 34-123 1H
Cimarex
LL: 4,235' | #/FT: 683
IP30/1,000': 390 Boe/d (84% oil)

18
Jitterbug 161 1H
Ameredev
LL: 3,513' | #/FT: 499
IP30/1,000': 193 Boe/d (83% oil)

17
Searls 34-115 2H
Cimarex
LL: 4,566' | #/FT: 1,321
IP30/1,000': 119 Boe/d (82% oil)

16
MARTINSVILLE 120 - 4H
Devon
LL: 4,158' | #/FT: 943
IP30/1,000': 124 Boe/d (88% oil)



6
ZPZ 34-196 WRD Unit 1H
Shell
LL: 4,422' | #/FT:1,572
IP30/1,000': 245 Boe/d (62% oil)

7
Stallcup Raymond 33-37 1H
Concho
LL: 6,887' | #/FT: N/A
IP30/1,000': 147 Boe/d (62% oil)

8
Carr 34-125 Unit 1H
Anadarko
LL: 4,014' | #/FT: 1,360
IP30/1,000': 324 Boe/d (85% oil)

9
Bramblett 34-197 WRD 1SL
Shell
LL: 4,303' | #/FT: 1,559
IP30/1,000': 108 Boe/d (61% oil)

10
Monroe 34-195 Unit 3H
Anadarko
LL: 5,419' | #/FT: 1,231
IP30/1,000': 162 Boe/d (62% oil)

15
Coopersmith 34-139 2HR
Anadarko
LL: 4,679' | #/FT: 1,238
IP30/1,000': 208 Boe/d (80% oil)

14
KHC 33-24 3H
Cimarex
LL: 8,891' | #/FT: 1,399
IP30/1,000': 141 Boe/d (86% oil)

13
Eiland 8-33 1H
Jagged Peak
LL: 8,525' | #/FT: 1,771
IP30/1,000': 78 Boe/d (86% oil)

12
WINCHESTER 34-142 - 5H
Cimarex
LL: 4,155' | #/FT: 1,406
IP 30/1,000': 135 Boe/d (83% oil)

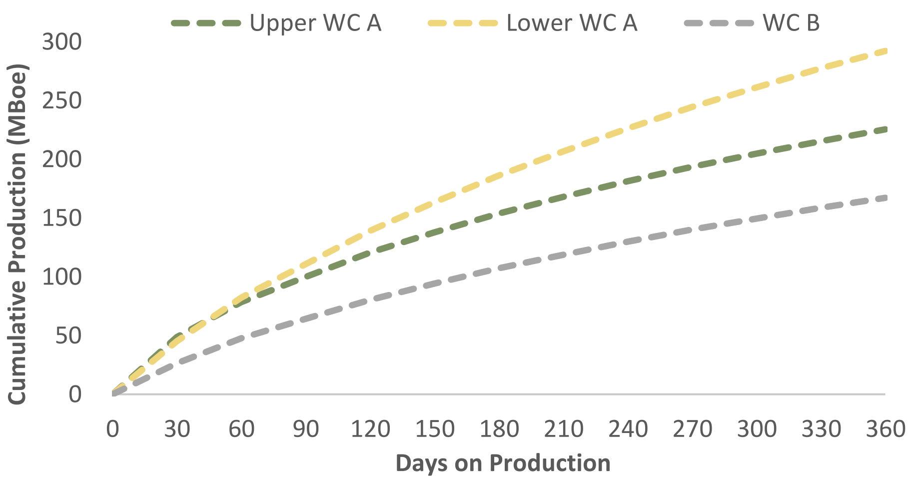
11
Constantan 34-174 (N) 1H
Concho
LL: 6,363' | #/FT: 1,317
IP 30/1,000': 221 Boe/d (57% oil)

1) Sources: IHS Performance Evaluator.
2) LL: lateral length; #/FT: Pound of proppant per lateral foot.

Ward County "Delineated" Well Inventory

Gross Horizontal Location Inventory

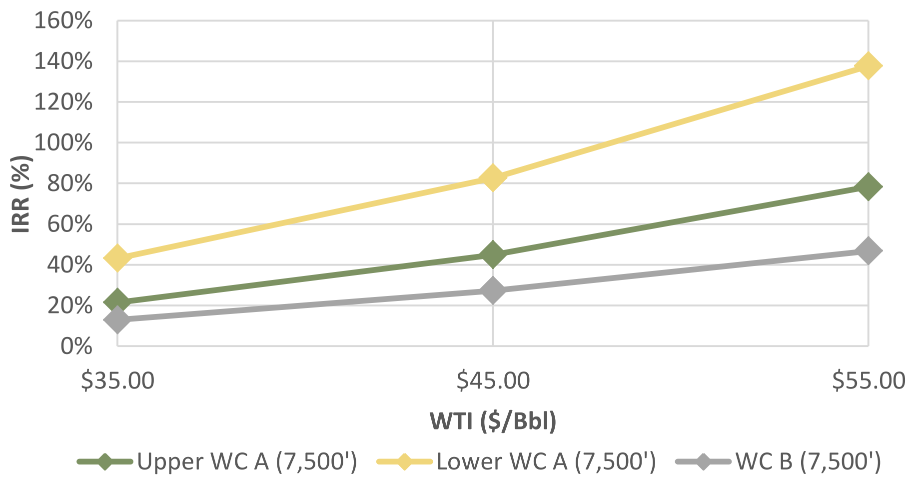
Ward County Type Curves [1]



Lateral Length Breakdown (Gross)

	10,000'	7,500'	< 7,500'	% 7,500+
Upper Wolfcamp A	29	28	95	38%
Lower Wolfcamp A	59	47	86	55%
Wolfcamp B	45	33	59	57%
Total	**133**	**108**	**240**	**50%**

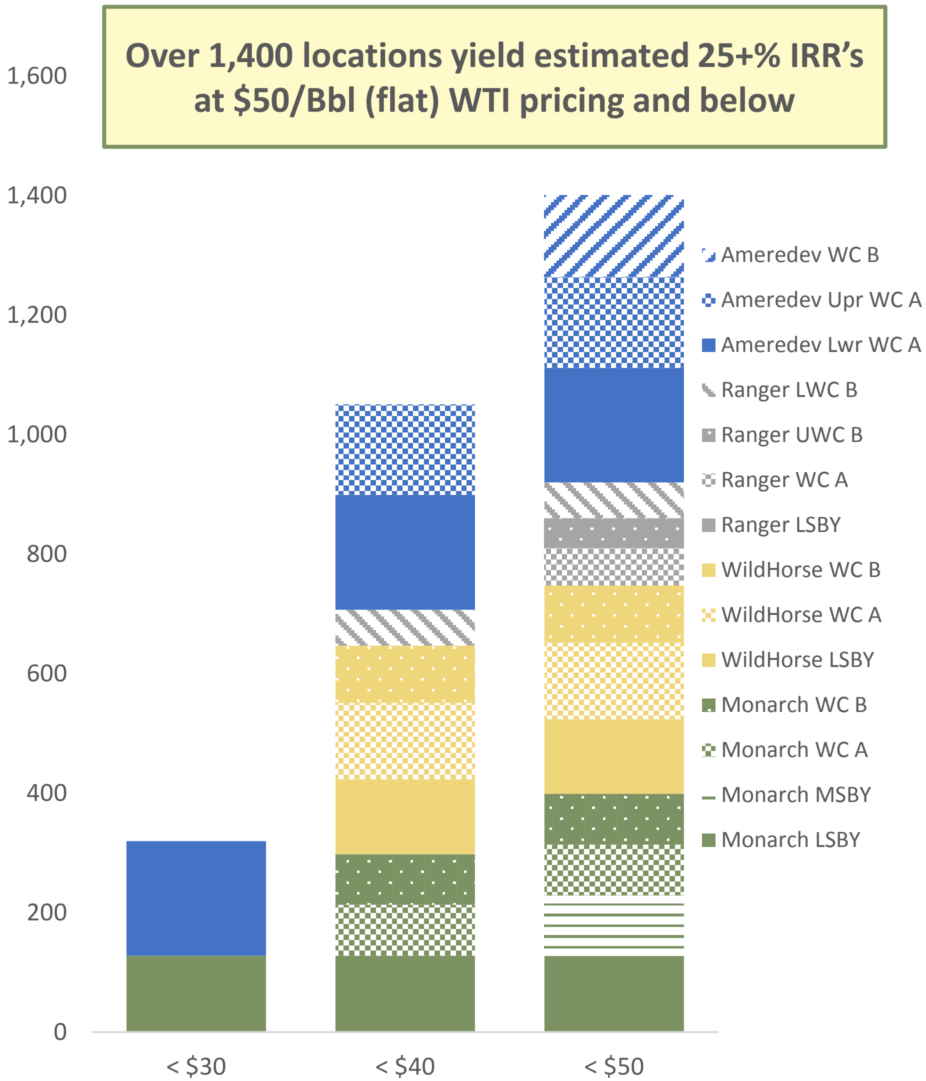
Type Curve IRRs at WTI Flat Pricing Scenarios [1,2]



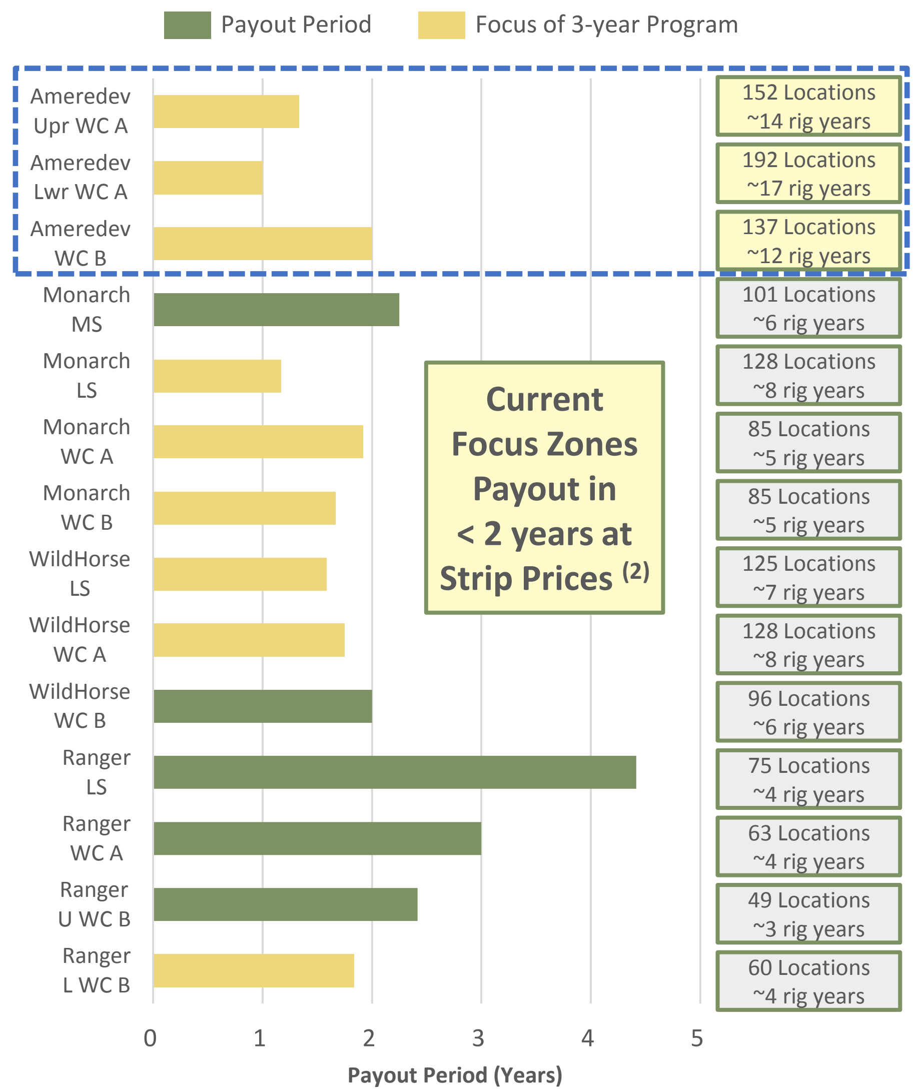
1) Reflects 2-stream type curves.
2) Assumes flat $2.50/MMBtu NYMEX natural gas prices.

Acquired Inventory Complements Existing Portfolio

"Delineated" Inventory Breakevens (Gross) (1)



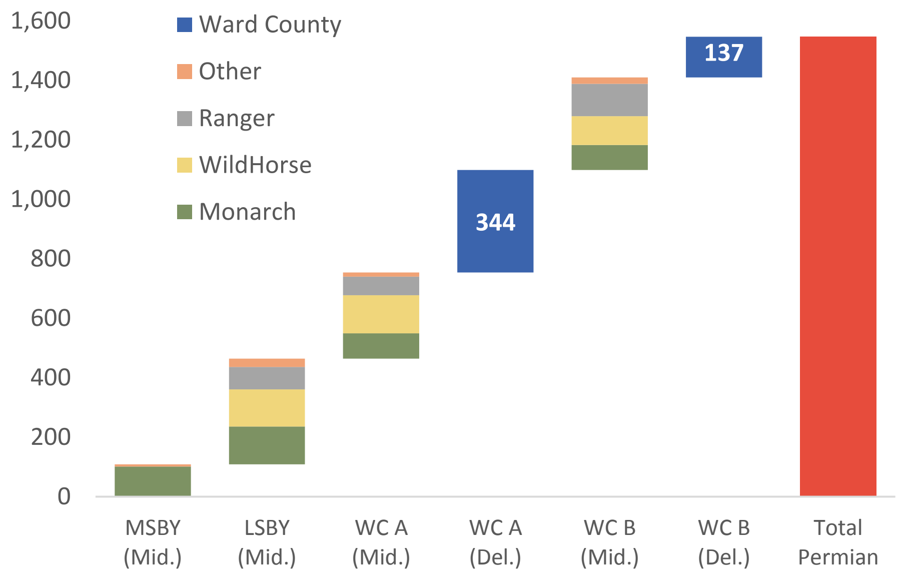
"Delineated" Inventory Payout (at Current Costs) (2)



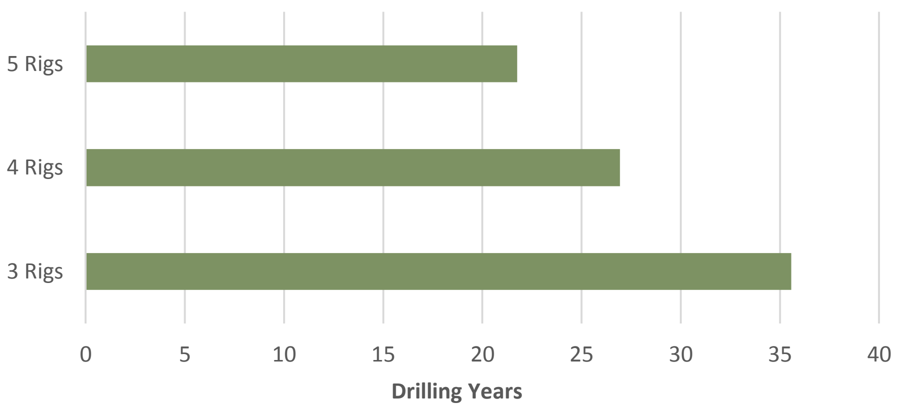
1) Flat WTI prices yielding single well IRRs of 25+%. Assumes current capital costs and lease operating expenses.
2) Payouts based on strip NYMEX pricing as of December 9, 2016. Assumes current capital costs and lease operating expenses. Rig years for legacy Midland Basin inventory assumes 17 gross wells per year. Rig years for acquired Delaware Basin assets assumes 11 gross wells per year.

NAV Proposition

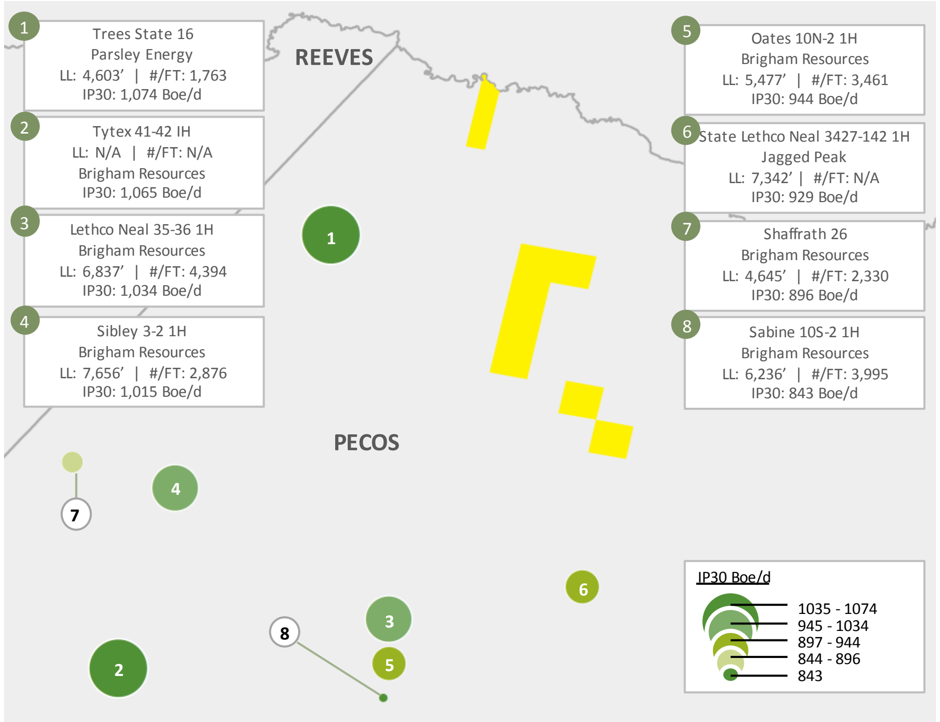
Gross "Delineated" Horizontal Locations



"Delineated" Inventory Life



Geographical & Geological Upside Opportunity (1)



- **Geography:** despite recent industry delineation success in both the Wolfcamp and Bone Spring in Pecos and proximity to Parsley/Brigham/Jagged Peak, Callon is carrying no well locations on the acquired Pecos County acreage
- **Geology:** Ward acreage offers meaningful stratigraphic upside as Callon is currently carrying no locations on both zones with offsetting development (i.e., 2nd & 3rd Bone Spring Sands, Wolfcamp C) and emerging zones (i.e., 1st & 2nd Bone Spring Shale, Avalon Shale, Delaware Sands)

1) Sources: IHS Performance Evaluator.

Ameredev Acquisition vs. Recent Comparable Transactions

Recent Southern Delaware Oil Window Transactions (2,3)

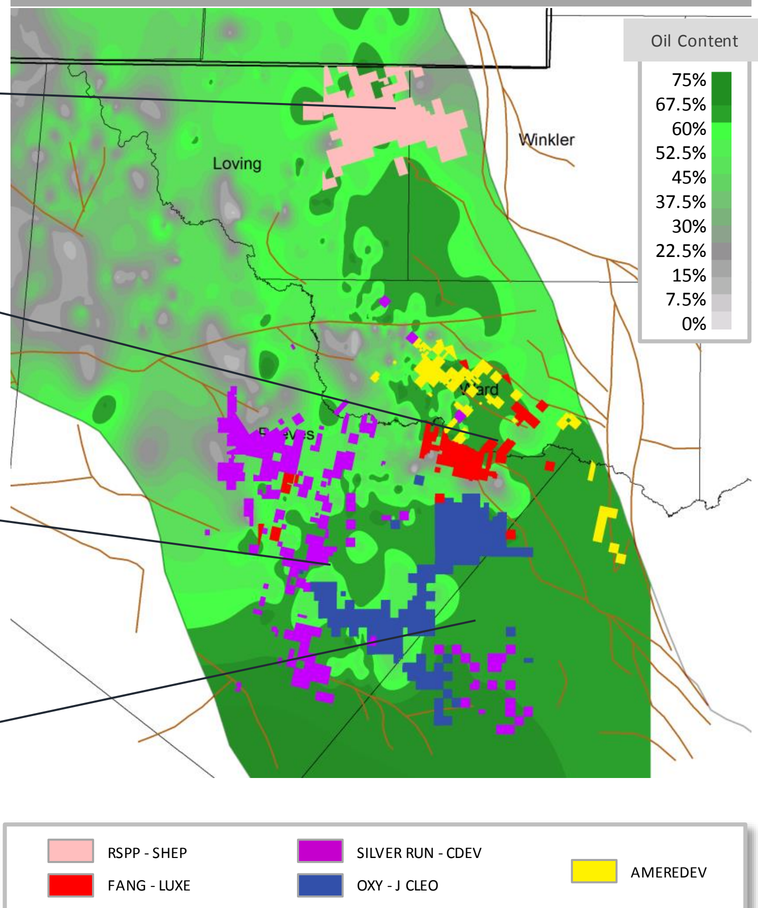
RSP Permian Acquisition of Silver Hill Energy Partners
10/13/16
Purchase Price: ~$2,400 mm
Production, net: ~15,000 boe/d
Acreage, net: ~41,000

Diamondback Energy Acquisition of Luxe Energy
7/13/16
Purchase Price: ~$560 mm
Production, net: ~1,000 boe/d
Acreage, net: ~19,180

Silver Run Acquisition of Centennial Resources
7/22/16
Purchase Price: ~$1,735 mm
Production, net: ~7,200 boe/d
Acreage, net: ~42,500

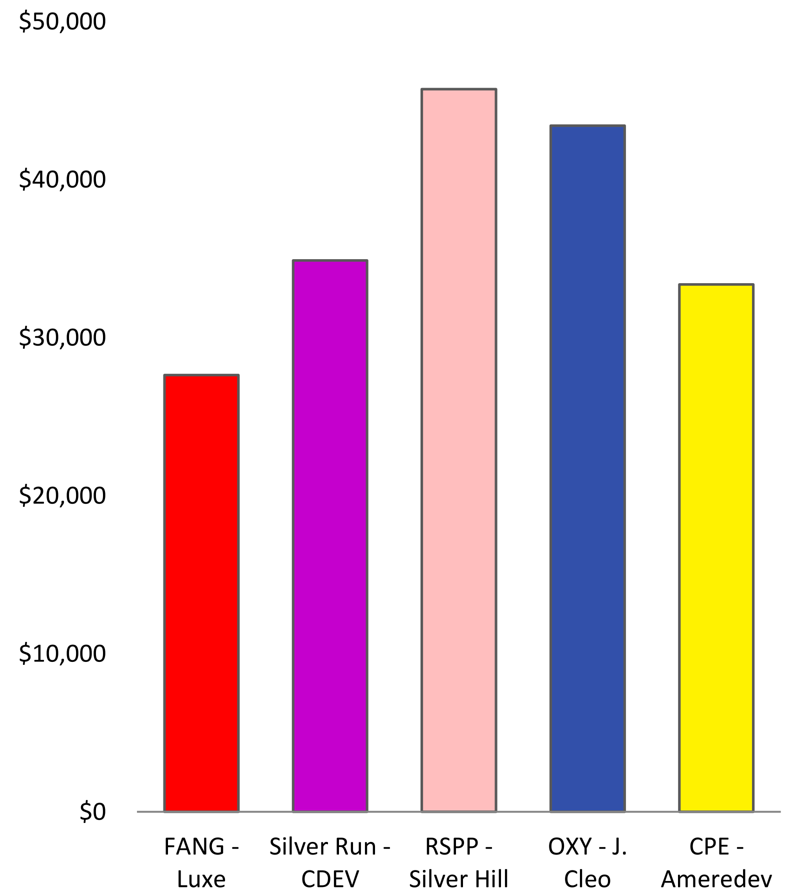
Occidental Petroleum Acquisition of J . Cleo
10/31/16
Purchase Price: ~$1,765 mm
Production, net: ~7,000 boe/d
Acreage, net: ~35,000

Wolfcamp Percent Oil Content by Bin (1)



Comparable Transaction Headline Metrics

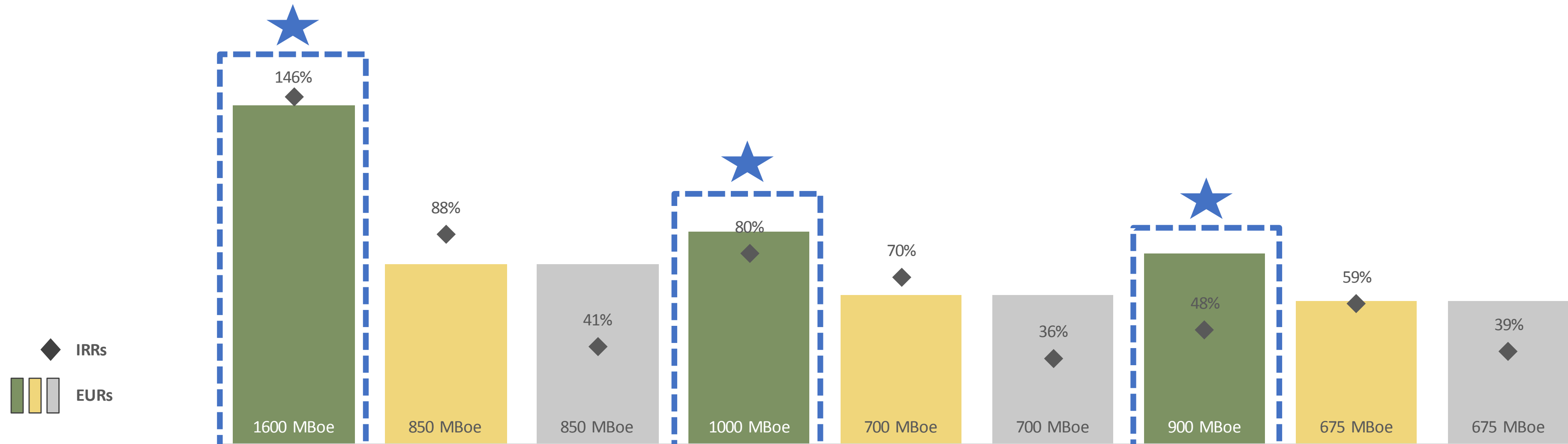
$/Adjusted Net Acre (2,3)



1) Shading represents the average percent oil content in 5% intervals.
2) Per company filings and 1Derrick.
3) $/Adj. acre assumes $30,000 boe/d for FANG/Luxe, $35,000 boe/d for Silver Run/Centennial, RSPP/Silver Hill and Oxy/J. Cleo and $40,000 boe/d for Ameredev.

Forecasted “Full-Cycle” Economics Comparison

- Forecasted “full-cycle” wellhead returns in-line with or better than recent Callon acquisitions
- Without credit for potential upside zones, acquired portfolio clears corporate hurdle rate even when burdened by the “price of admission”

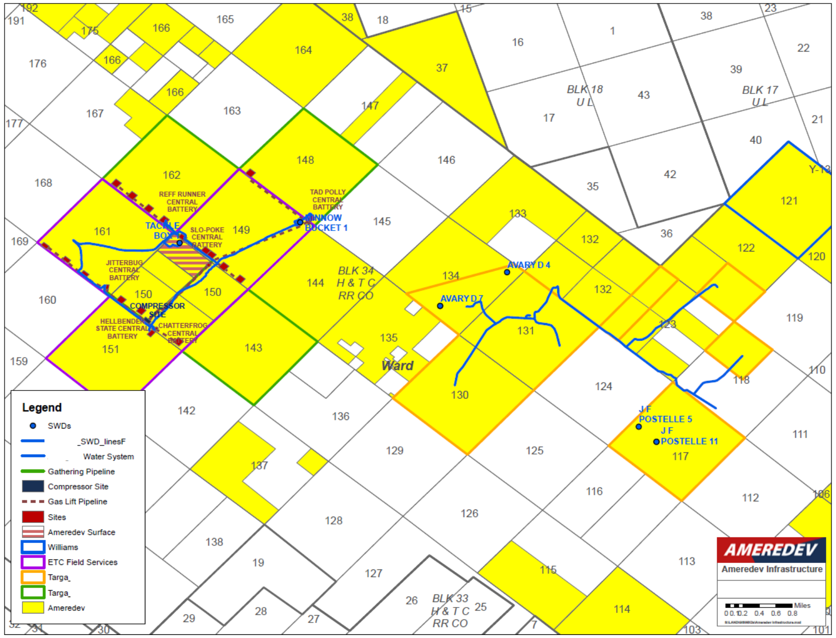


	Zone #1			Zone #2			Zone #3		
	Acquisition LWR WC-A	Element LSBY	Big Star LSBY	Acquisition UPR WC-A	Element WC-A	Big Star WC-A	Acquisition WC-B	Element WC-B	Big Star WC-B
Wellhead EUR	**1,600 MBoe**	850 MBoe		**1,000 MBoe**	700 MBoe		**900 MBoe**	675 MBoe	
% Oil	**70%**	87%		**82%**	88%		**86%**	87%	
D&C Cost ($M)	**$7,100**	$5,050		**$7,100**	$5,050		**$7,100**	$5,050	
Lateral Length (Ft)	**7,500**	7,500		**7,500**	7,500		**7,500**	7,500	
Well Spacing [1]	**8 wells/section**	8 wells/section		**7 wells/section**	8 wells/section		**6 wells/section**	6 wells/section	
Gross / Net Locations	**192 / 82**	61 / 41	64 / 59	**152 / 63**	59 / 39	70 / 65	**137 / 60**	47 / 32	49 / 45
Price Deck	**12/9 NYMEX**	8/19 NYMEX	4/8 NYMEX	**12/9 NYMEX**	8/19 NYMEX	4/8 NYMEX	**12/9 NYMEX**	8/19 NYMEX	4/8 NYMEX
Single Well IRR	**146%**	88%	41%	**80%**	70%	36%	**48%**	59%	39%
ROI	**8.9x**	6.9x	3.7x	**5.7x**	5.7x	3.6x	**4.4x**	5.3x	3.5x
PV-10 ($MM)	**$16.1**	$8.5	$4.5	**$9.5**	$6.6	$4.1	**$6.8**	$6.0	$4.1
"Full-Cycle" Returns [2]									
Single Well IRR	**77%**	42%	31%	**41%**	32%	24%	**26%**	28%	21%
PV-10 ($MM)	**$13.8**	$6.5	$4.6	**$7.2**	$4.6	$3.0	**$4.6**	$4.0	$2.6

1) Well spacing assumptions are based on geological and petrophysical surveys of the respective areas and through analogy to comparable producing zones/acreage.
2) “Full-cycle” IRRs and NPVs calculated by burdening ~$2.3 MM/net ”delineated” Hz location ($2.1MM/ “delineated” Hz Location for Element and ~$1.5MM/ “delineated” Hz Location for Big Star acquisition). To arrive at $/net “delineated” Hz location, $615mm purchase price was adjusted for ~$78mm of PDP value (1,945 Boe/d at $40,000/flowing Boe) and ~$18mm and ~$53mm for value allocated to associated infrastructure and acquired acreage to which no horizontal locations were described, and then divided by the total number of net “delineated” Hz locations.

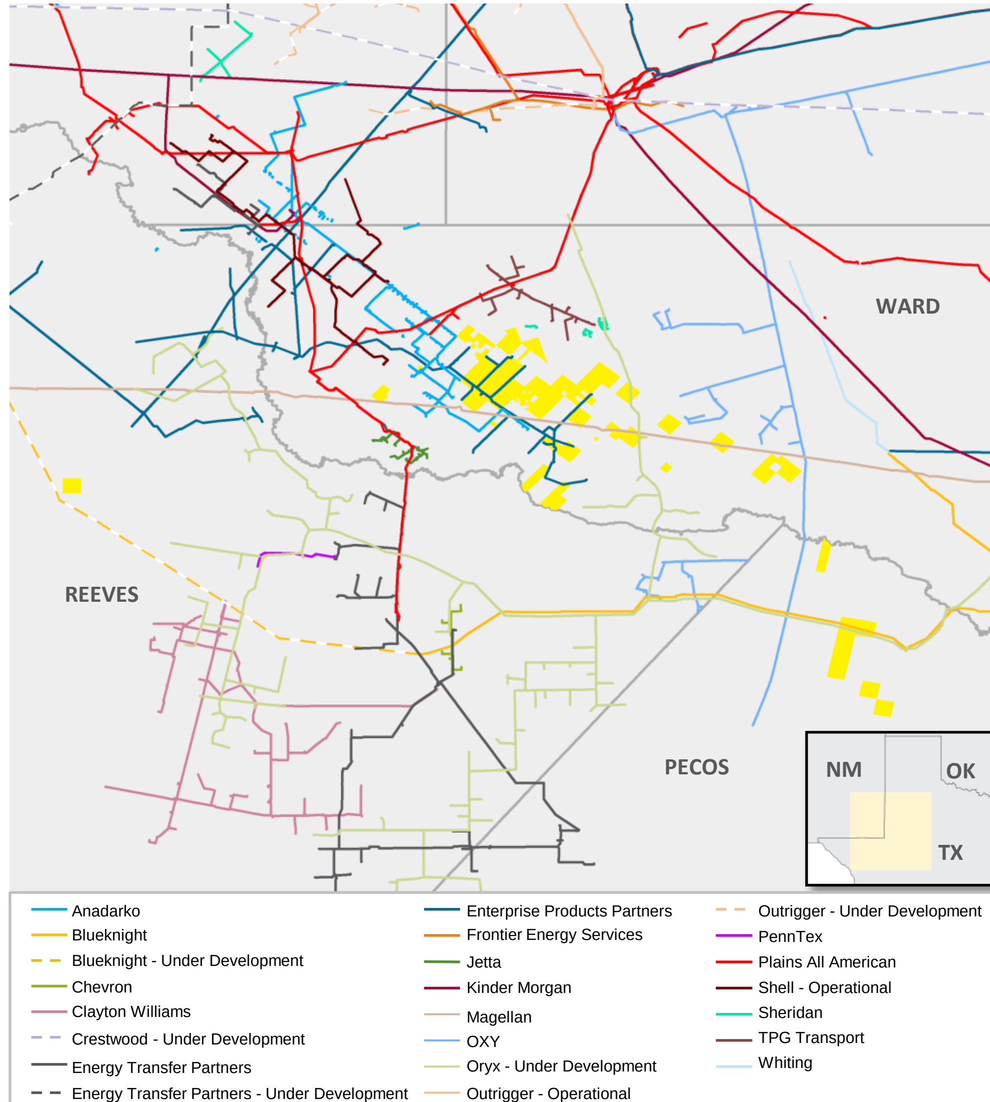
Ameredev Infrastructure & Ward County Takeaway

Head Start on Asset-level Infrastructure Build



- **Owned and controlled infrastructure foundation for future growth**
  - 13.6 miles of on lease gas gathering and gas lift return lines
  - Network of water sourcing and disposal infrastructure
    - 5 owned salt water disposal wells
    - 11.4 miles of produced water disposal lines and frac pond system
- **Oil takeaway on LACT system accessing two pipeline systems**

Greater Ward County Crude Takeaway Options (1)



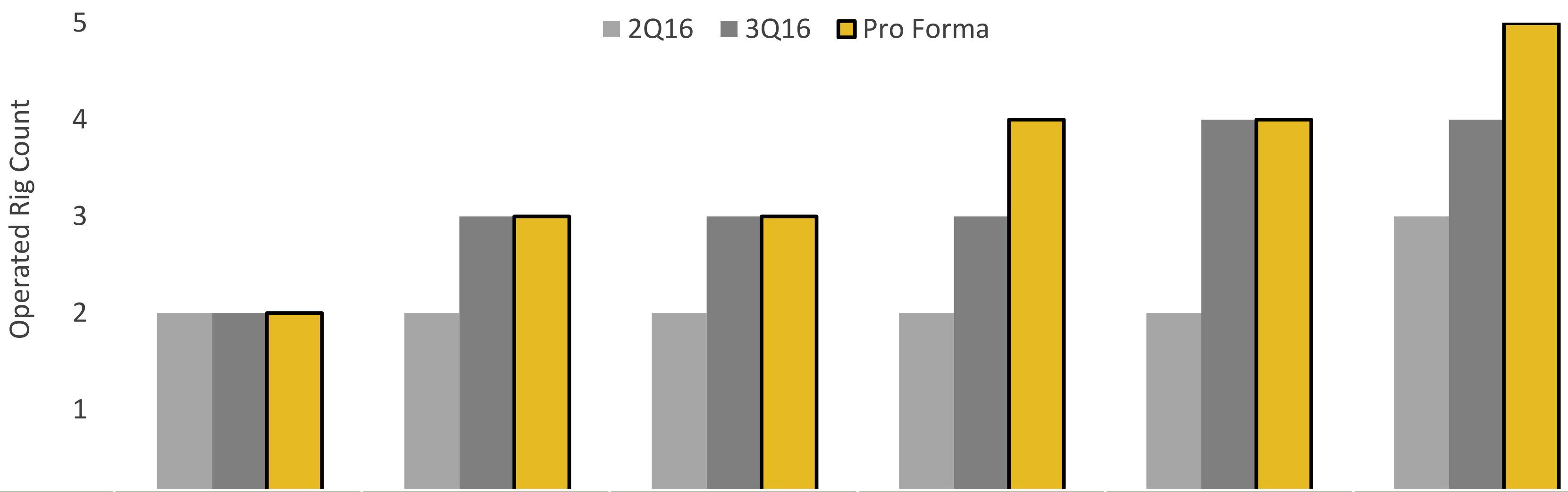
1) Sources: Seller data; Rextag

Pro Forma Base Development Plan

Illustrative Pro Forma Operated Rig Program [1]

Pro Forma Base Plan Highlights:

- Maintain 3-rig pace in 1H17, plus additional DUC completions and non-operated activity
- Reallocates previously announced, planned 4th rig from Midland to Delaware with incremental plans to accelerate the addition of a 5th rig, which would arrive in Midland Basin in late 2017 or early 2018
- Delaware Basin pace corresponds with valuation methodology for Ameredev acquisition

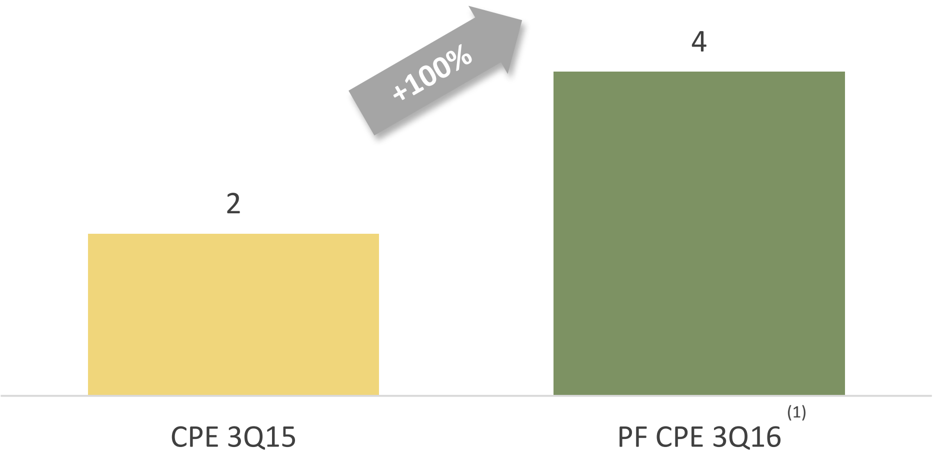


Pro Forma	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18
Midland	2	3	3	3	3	4
Delaware	Target closing 2/13/17	DUC activity + non-op	Planning + non-op	1 Op Rig + non-op	1 Op Rig + non-op	1 Op Rig + non-op

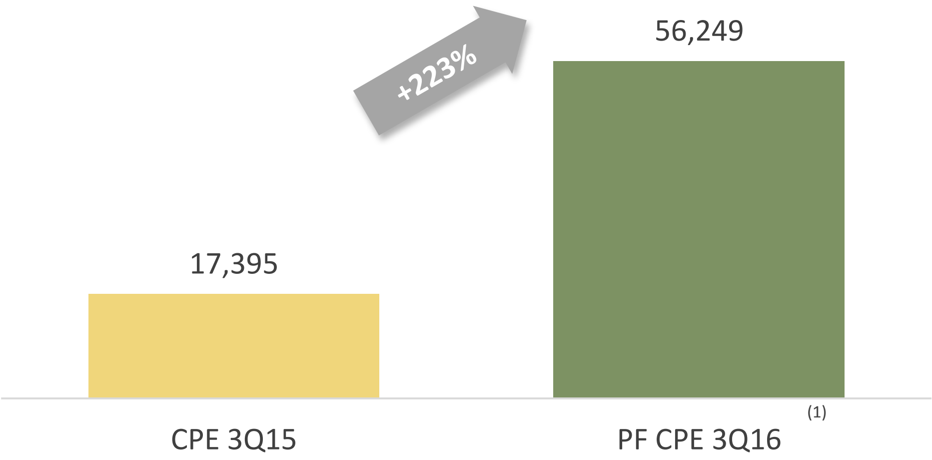
1) Illustrative pro forma operated rig program is based upon current management planning WTI price deck of $47.50/bbl in 2017 and $50.00/bbl in 2018. Changes in commodity prices, drilling costs, transportation costs and other costs and inputs may change our actual number of operated rigs in the future.

Permian Basin Growth

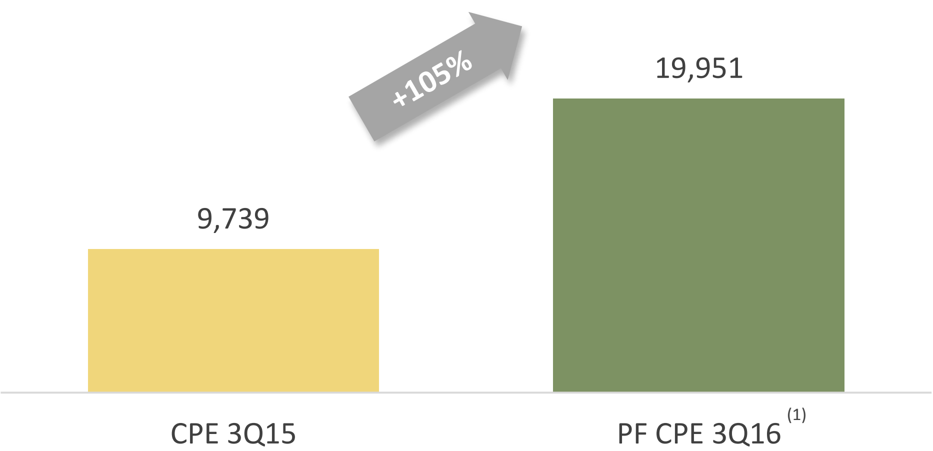
of Core Areas



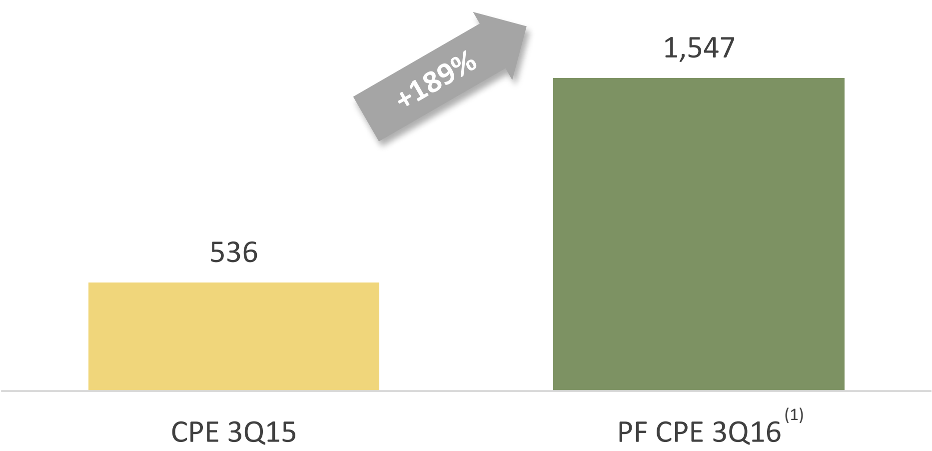
Net Acres



Daily Production (Boe/d) [2]



Gross "Delineated" Horizontal Locations



1) Pro forma for previously announced acquisition of Plymouth Petroleum and pending Ameredev acquisition.
2) Pro forma information based on data provided by seller for the Pending Acquisition for quarter ended September 30, 2016.

Callon Petroleum