

May 7, 2008



Callon Petroleum Company Issues Guidance For Second Quarter, Full-Year 2008

NATCHEZ, Miss.--

Callon Petroleum Company (NYSE: CPE) is issuing guidance for the second quarter and full-year 2008. The guidance, found in the table below, is expressed in ranges for the detailed components.

Second Quarter and Full -Year 2008
Guidance Estimates
(In thousands, except per production unit amounts)

	Guidance for ----- 2nd Quarter 2008	Guidance for ----- Full -Year 2008
Estimated production volumes:		
Natural gas (Bcf)	1.6 -- 1.8	8.0 -- 8.5
Crude oil (Mbo)	275 -- 300	1,150 -- 1,300
MMcfe/d	36 -- 40	41 -- 45
Lease operating expenses:		
Cash	\$5,200 -- \$5,800	\$21,700 -- \$24,500
Non-cash	--	--
Total	\$5,200 -- \$5,800	\$21,700 -- \$24,500
General and administrative expenses:		
Cash	\$2,200 -- \$2,500	\$9,200 -- \$10,000
Non-cash	400 -- 500	1,700 -- 2,000
Total	\$2,600 -- \$3,000	\$10,900 -- \$12,000
Interest expense:		
Cash	\$4,300 -- \$4,800	\$24,000 -- \$25,200
Non-cash	600 -- 700	2,800 -- 3,000
Total	\$4,900 -- \$5,500	\$26,800 -- \$28,200

Early extinguishment of debt:

Cash	\$6,500 -- \$7,200	\$6,500 -- \$7,200
Non-cash	5,300 -- 5,800	5,300 -- 5,800
	-----	-----
Total	\$11,800 -- \$13,000	\$11,800 -- \$13,000
Medusa Spar LLC, net of tax	\$50 -- \$100	\$400 -- \$500
DD & A - Oil and gas properties	\$12,500 -- \$14,000	\$57,000 -- \$65,000
Accretion expense	\$1,000 -- \$1,100	\$4,000 -- \$5,000
Income tax rate	35%	35%
Cash income tax rate	0%	0%

The preceding guidance estimates contain assumptions that we believe are reasonable. These estimates are based upon information that is available as of the date of this news release. The company is not undertaking any obligation to update these estimates as conditions change or as additional information becomes available.

Listed below by quarter for 2008 are the company's hedges for natural gas and crude oil.

		6/30/08	9/30/08	12/31/08
Natural Gas				

Collars	Volume (MMcf)	525	525	525
	Ceiling	\$ 9.60	\$ 9.60	\$ 9.60
	Floor	\$ 7.50	\$ 7.50	\$ 7.50
Collars	Volume (MMcf)	150	150	150
	Ceiling	\$11.00	\$11.00	\$11.00
	Floor	\$ 8.00	\$ 8.00	\$ 8.00
Collars	Volume (MMcf)	150	150	150
	Ceiling	\$11.25	\$11.25	\$11.25
	Floor	\$ 8.00	\$ 8.00	\$ 8.00
Crude Oil				

Collars	Volume (Mbo)	45	45	45
	Ceiling	\$81.00	\$81.00	\$81.00
	Floor	\$65.00	\$65.00	\$65.00
Collars	Volume (Mbo)	45	45	45
	Ceiling	\$82.00	\$82.00	\$82.00
	Floor	\$65.00	\$65.00	\$65.00
Swap	Volume (Mbo)	45	45	45
	Swap price	\$91.00	\$91.00	\$91.00

Callon Petroleum Company is engaged in the exploration, development, acquisition and operation of oil and gas properties in the Gulf Coast region. The majority of Callon's properties and operations are concentrated in the offshore waters of the Gulf of Mexico.

This news release is posted on the company's website at www.callon.com and will be archived there for subsequent review. It can be accessed from the "News Releases" link on the left side of the homepage.

This news release contains projections and other forward-looking statements (including statements about fiscal fourth quarter and full-year financial and operating performance) 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. 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. 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:

- general economic and industry conditions;
- volatility of oil and natural gas prices;
- uncertainty of estimates of oil and natural gas reserves;
- impact of competition;
- availability and cost of seismic, drilling and other equipment;
- operating hazards inherent in the exploration for and production of oil and natural gas;
- difficulties encountered during the exploration for and production of oil and natural gas;
- difficulties encountered in delivering oil and natural gas to commercial markets;
- changes in customer demand and producers' supply;
- uncertainty of our ability to attract capital;
- compliance with, or the effect of changes in, the extensive governmental regulations regarding the oil and natural gas business;
- actions of operators of our oil and gas properties;
- weather conditions; and
- the risk factors discussed in our filings with the Securities and Exchange Commission, including but not limited to those in our Annual Report for the year ended December 31, 2007 on Form 10-K.

The preceding estimates reflect our review of continuing operations only. These estimates do not take into account any material transactions such as sales of debt and equity securities, acquisitions or divestitures of assets, and formations of joint ventures. We continually review these types of transactions and may engage in one or more of these types of transactions without prior notice.

Source: Callon Petroleum Company