



# 4<sup>th</sup> QUARTER 2020 EARNINGS

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February 25<sup>th</sup>, 2021



# IMPORTANT DISCLOSURES – EARNINGS DECK

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## 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 wells anticipated to be drilled and placed on production; future levels of development activity and associated production, capital expenditure, expense, and cash flow returns, and earnings expectations; the Company's 2021 production, expense and capital expenditure guidance; estimated inventory and reserve quantities and the present value thereof; and the implementation of the Company's business plans and strategy, as well as statements including the words "believe," "expect," "plans", "may", "will", "should", "could" 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, 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 on 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 and natural gas prices; changes in the supply of and demand for oil and natural gas, including as a result of the COVID-19 pandemic and various governmental actions taken to mitigate its impact or actions by, or disputes among, members of OPEC and other oil and natural gas producing countries, such as Russia, with respect to production levels or other matters related to the price of oil; our ability to drill and complete wells, operational, regulatory and environment risks; the cost and availability of equipment and labor; our ability to finance our activities; and other risks more fully discussed in our filings with the SEC, including our most recent Annual Reports 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](http://www.sec.gov).

## SUPPLEMENTAL NON-GAAP FINANCIAL MEASURES

This presentation includes non-GAAP financial measures such as "Adjusted Free Cash Flow," "Adjusted Discretionary Cash Flow," "Adjusted G&A," "Full Cash G&A Costs," "Adjusted Income," "Adjusted EBITDA", "Adjusted Total Revenue", and "PV-10." These measures, detailed below, are provided in addition to, and not as an alternative for, and should be read in conjunction with, the information contained in our financial statements prepared in accordance with GAAP (including the notes), included in our filings with the U.S. Securities and Exchange Commission (the "SEC") and posted on our website. Please see the appendix for reconciliations to the nearest GAAP measures.

Adjusted free cash flow is a supplemental non-GAAP measure that is defined by the Company as adjusted EBITDA less operational capital, capitalized interest, net interest expense and capitalized cash G&A (which excludes capitalized expense related to share-based awards). We believe adjusted 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. Adjusted 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).

Adjusted discretionary cash flow is a supplemental non-GAAP measure that Callon believes 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. Adjusted discretionary cash flow is defined by Callon as net cash provided by operating activities before changes in working capital and merger and integration expenses. Callon has included this information because changes in operating assets and liabilities relate to the timing of cash receipts and disbursements, which the Company may not control and the cash flow effect may not be reflected the period in which the operating activities occurred. Adjusted discretionary 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).

Adjusted G&A is a supplemental non-GAAP financial measure that excludes certain non-recurring expenses and non-cash valuation adjustments related to incentive compensation plans. Callon believes that the non-GAAP measure of adjusted G&A is useful to investors because it provides a meaningful measure of our recurring G&A expense and provides for greater comparability period-over-period.



# IMPORTANT DISCLOSURES – EARNINGS DECK (CONT)

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## SUPPLEMENTAL NON-GAAP FINANCIAL MEASURES (cont)

Full cash G&A is a supplemental non-GAAP financial measure that Callon defines as adjusted G&A – cash component plus capitalized G&A excluding capitalized expense related to share-based awards. Callon believes that the non-GAAP measure of full cash G&A is useful because it provides users with a meaningful measure of our total recurring cash G&A costs, whether expensed or capitalized, and provides for greater comparability on a period-over-period basis.

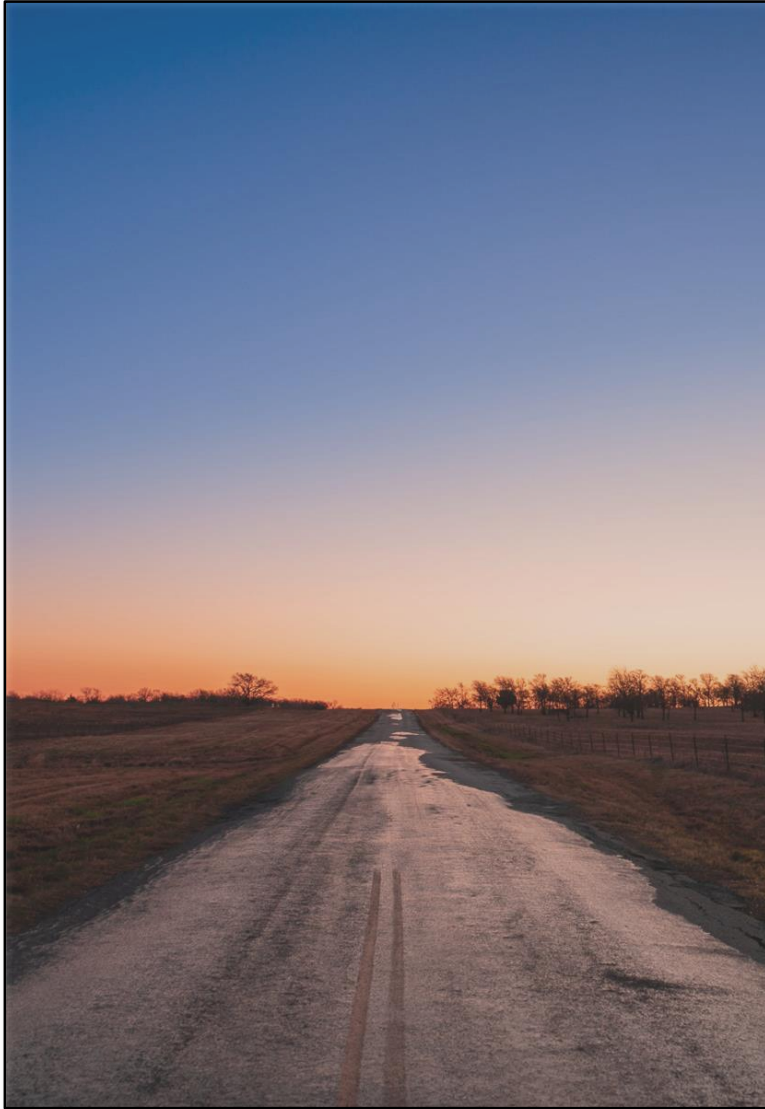
Callon calculates adjusted earnings before interest, income taxes, depreciation, depletion and amortization (“Adjusted EBITDA”) as net income (loss) before interest expense, income tax expense (benefit), depreciation, depletion and amortization, (gains) losses on derivative instruments excluding net settled derivative instruments, impairment of evaluated oil and gas properties, non-cash stock-based compensation expense, merger and integration expense, (gain) loss on extinguishment of debt, and other operating expenses. Adjusted EBITDA is not a measure of financial performance under GAAP. Accordingly, it should not be considered as a substitute for net income (loss), operating income (loss), cash flow provided by operating activities or other income or cash flow data prepared in accordance with GAAP. However, the Company believes that adjusted EBITDA provides additional information with respect to our performance or ability to meet our future debt service, capital expenditures and working capital requirements. Because adjusted EBITDA excludes some, but not all, items that affect net income (loss) and may vary among companies, the adjusted EBITDA presented above may not be comparable to similarly titled measures of other companies.

Callon believes that the presentation of pre-tax PV-10 value is relevant and useful to its investors because it presents the discounted future net cash flows attributable to reserves prior to taking into account future corporate income taxes and the Company’s current tax structure. The Company further believes investors and creditors use pre-tax PV-10 values as a basis for comparison of the relative size and value of its reserves as compared with other companies. The GAAP financial measure most directly comparable to pre-tax PV-10 is the standardized measure of discounted future net cash flows. Pre-tax PV-10 is calculated using the standardized measure of discounted future net cash flows before deducting future income taxes, discounted at 10 percent.

Finding and development (“F&D”) costs are non-GAAP metrics commonly used by the Company, as well as analysts and investors, to measure and evaluate the Company’s cost of adding proved reserves. Proved developed producing F&D cost (“PDP F&D”) is defined as the sum of exploration and development costs divided by the sum of reserves associated with transfers from proved undeveloped reserves, including any associated revisions except pricing revisions, and extensions and discoveries placed on production during 2020.

This definition of PDP F&D costs may differ significantly from definitions used by other companies to compute similar measures. As a result, the PDP F&D costs defined above may not be comparable to similar measures provided by other companies. Due to various factors, including timing differences, F&D costs do not necessarily reflect precisely the costs associated with particular reserves. For example, development costs may be recorded in periods before or after the periods in which the related reserves are recorded. In addition, changes in commodity prices can affect the magnitude of recorded increases or decreases in reserves independent of the related cost of such increases.

# A CLEAR PATH TO GENERATING INVESTOR VALUE



- **Durable adjusted organic free cash flow generation**
  - Over \$500 million<sup>1</sup> in estimated adjusted FCF<sup>2</sup> at \$50/Bbl WTI with substantial upside to higher oil price environments
  - Disciplined reinvestment in high-quality portfolio, adhering to scaled, “life of field” development philosophy
- **Absolute debt reduction and credit profile improvement remains top priority**
  - Target Net Debt to Adjusted EBITDA<sup>2</sup> < 2.5x by year end 2022
  - Accelerate organic deleveraging with additional monetizations as market conditions improve
- **Moderate cash flow reinvestment as operating model matures**
  - Corporate reinvestment rate<sup>3</sup> scenarios of 65% to 75%
  - Production to remain below FY 2020 levels
- **Advance our Sustainability initiatives**
  - 2020 a record year for safety and spill management
  - Investing to actively reduce flaring and lower overall emissions
  - Increasing compensation alignment with sustainability related corporate goals



1. Estimated value for combined FCF generation from 2021-2023 at \$50/Bbl WTI utilizing a reinvestment rate of 75% for 2022 and 2023.  
2. Adjusted EBITDA and adjusted FCF are non-GAAP measures. Please see the appendix for reconciliations to the nearest GAAP measures.  
3. Callon defines “reinvestment rate” as (Accrued Operational Capital Expenditures) / (Adjusted Discretionary Cash Flow - Capitalized Expenses).

# FOURTH QUARTER AND FULL YEAR 2020 HIGHLIGHTS

## 4Q20 RESULTS BUILD UPON 2H20 PIVOT

<b>94.9</b> MBoe/d	<b>Production</b>
<b>\$87.5</b> Million	<b>Operational Capex</b>
<b>\$45.0</b> Million	<b>Lease Operating Expense</b>
<b>\$167.8</b> Million	<b>Adjusted EBITDA<sup>1</sup></b>
<b>\$24.4</b> Million	<b>Adjusted Free Cash Flow<sup>1,3</sup></b>

## FULL YEAR 2020 OUTPERFORMS EXPECTATIONS

<b>101.6</b> MBoe/d	<b>Production</b> <i>(Guidance: 100-101 MBoe/d)</i>
<b>\$488.6</b> Million	<b>Operational Capex</b> <i>(Guidance: \$500-\$510 MM)</i>
<b>\$194.1</b> Million	<b>Lease Operating Expense</b> <i>(Guidance: \$200-\$205 MM)</i>
<b>\$709.7</b> Million	<b>Adjusted EBITDA</b> <i>(Consensus: \$699 MM)<sup>2</sup></i>
<b>\$10.7</b> Million	<b>Adjusted Free Cash Flow</b> <i>(\$135 MM improvement vs. 2019 PF<sup>4</sup>)</i>

**Reduced Absolute Debt by ~\$350 MM since 2Q20**

**Generated >\$120 MM of Adjusted FCF since 1Q20**

**Launched Inaugural Sustainability Report**

**Monetized ~\$170 MM in Assets**

**Exceeded Synergy Targets**

## MAJOR ACHIEVEMENTS

1. Adjusted EBITDA and Adjusted Free Cash Flow are non-GAAP measures. Please see the appendix for reconciliations to the nearest GAAP measures.

2. Source: Bloomberg as of Feb. 19, 2021.

3. Accrual basis.

4. Pro forma for Carrizo transaction.



# SUSTAINED ESG TRAJECTORY



## ENVIRONMENT

- 44% reduction in flared natural gas volumes
- 66% reduction in total spill volumes
- 10% increase in recycled produced water usage
- Partnered with beautification groups in Permian & Houston



## SOCIAL

- 10% improvement in safety TRIR to below 0.55 for another record year
- Quickly adapted operations with strict COVID-19 safety protocols
- Continued focus on diversity: 36% of employees represent minorities
- 4<sup>th</sup> straight year named a **Top Workplace by Houston Chronicle**
- Supported schools, food banks and first responders in our communities



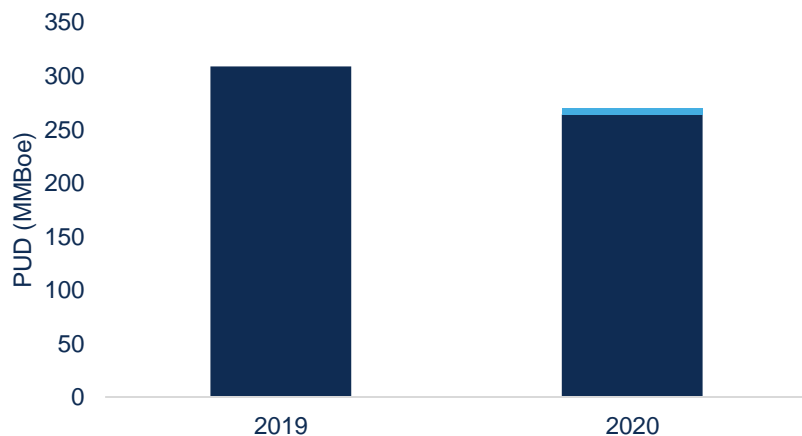
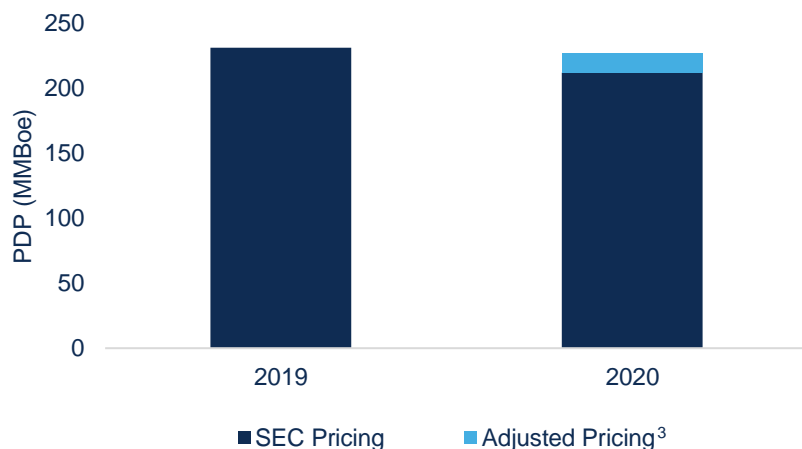
## GOVERNANCE

- Issued first comprehensive, SASB-aligned sustainability report
- Enhanced Board oversight of ESG by expanding the remit of the Nominating & ESG Committee
- Diverse board includes 1 minority and 2 female directors
- Finalizing comprehensive review and modification of executive compensation design

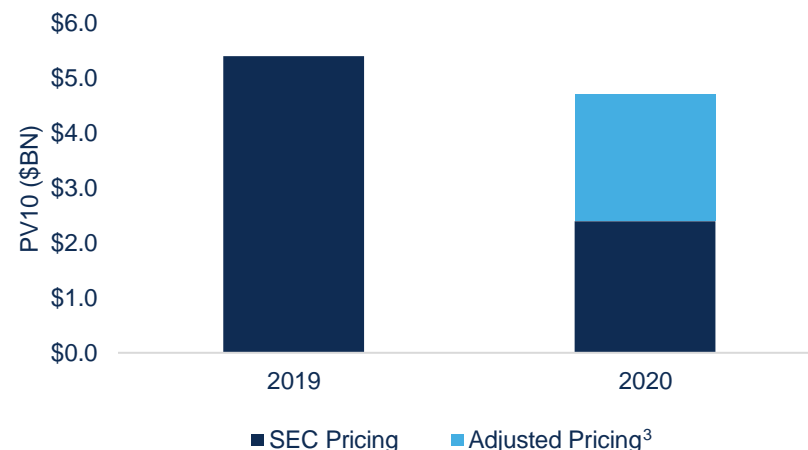
2020 ESG initiatives build a strong foundation for 2021 objectives

# SIGNIFICANT FOUNDATIONAL RESERVE VALUE

## RESERVE VOLUMES RESILIENT AT LOW PRICES



## ASSET VALUE UPSIDE FROM HIGH MARGIN PORTFOLIO



## HIGHLIGHTS

- > 30% decrease in benchmark SEC oil prices only reduced proved reserves volumes by 5%
- ~16 MMBoe divested in 2020
- 2020 reflects selective up-spacing and comprehensive co-development datapoints
- ~7 MMBoe of proved reserve volumes added from impacts of reduced LOE
- PDP Finding & Development (F&D) cost of \$10.65/Boe<sup>1</sup>

	YE 2019	YE 2020 (SEC) <sup>2</sup>	YE 2020 (Adj.) <sup>3</sup>
Benchmark WTI	\$55.69	\$39.57	\$50.00
Realized price	\$53.90	\$37.44	\$49.00



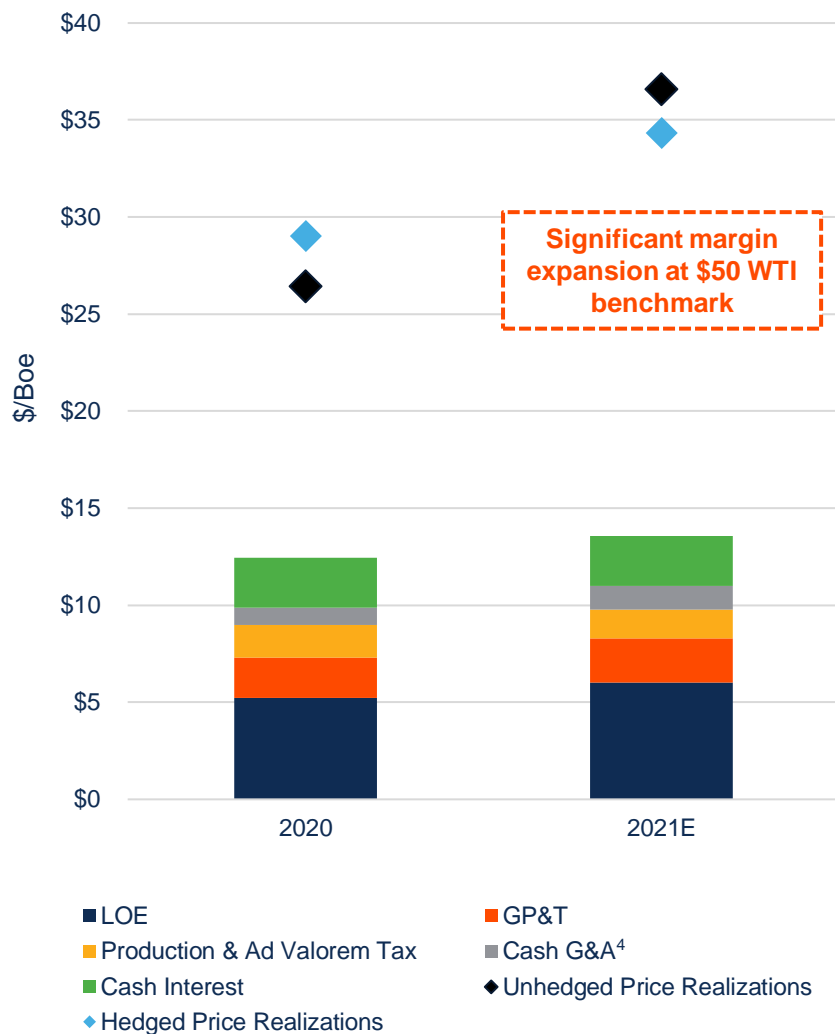
1. PDP F&D cost is defined as exploration and development costs, divided by the sum of reserves associated with transfers from proved undeveloped reserves during 2020 including any associated revisions except pricing revisions, and extensions and discoveries placed on production during 2020.

2. Callon's proved reserves as of December 31, 2020 were independently estimated by DeGolyer and McNaughton, utilizing SEC oil and gas prices of \$39.57/bbl and \$1.985/mmbtu, respectively.

3. To illustrate commodity price impact, an alternate pricing deck was applied to year end 2020 proved reserves utilizing constant benchmark prices of \$50/bbl WTI oil, \$2.75/mmbtu Henry Hub natural gas and \$22.50/bbl Mt. Belvieu NGL with assumed average realized differentials of (1.00)/bbl, (\$0.35)/mmbtu and (\$4.85)/bbl, respectively. Prices do not include the impact of commodity derivative instruments as we elected not to meet the criteria to qualify for hedge accounting treatment. Actual future prices may vary significantly from the alternate pricing deck.

# MANAGING CASH COSTS FOR IMPROVED MARGINS

## “ALL-IN” CASH COSTS<sup>1</sup> VS REALIZATIONS<sup>2</sup>



2020 Results	Permian	Eagle Ford
Daily production (MBoe/d)	67.9	33.7
% Oil	57%	76%
% NGL	22%	12%
Realized price <sup>3</sup> (\$/Boe)	\$25.09	\$29.20
<b>Production Costs:</b>		
LOE (\$/Boe)	\$4.71	\$6.25
Production and ad valorem taxes (\$/Boe)	\$1.59	\$1.87
GP&T (\$/Boe)	\$2.29	\$1.66
<b>Operating margin (\$/Boe)</b>	<b>\$16.50</b>	<b>\$19.43</b>

**Comparable operating cost structures with diversification across commodity mix and physical pricing points contribute to strong corporate margins**



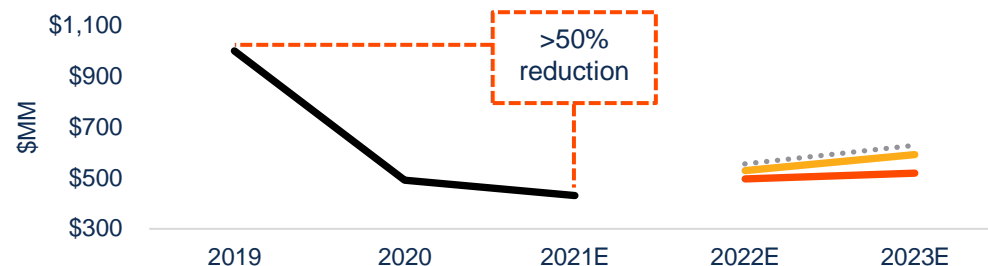
1. "All-in" Cash Costs include LOE, GP&T, Cash G&A, Cash Interest Expense, and Production and Ad Valorem Taxes. 2021 figures are based upon midpoints of guidance provided for operating cost categories.  
 2. Price realizations for 2020 are unhedged price per Boe per our earnings release. 2021 price realization are based upon example flat benchmark prices of \$50/bbl WTI oil, \$2.75/mmbtu Henry Hub natural gas and \$22.50/bbl Mt. Belvieu NGL with assumed average realized differentials of (\$1.00)/bbl, (\$0.35)/mmbtu and (\$4.85)/bbl, respectively.  
 3. Prices are exclusive of hedging.  
 4. Cash G&A is a non-GAAP measure. Please see the appendix for reconciliations to the nearest GAAP measures.



# STRONG ADJUSTED FCF FOR ABSOLUTE DEBT REDUCTION<sup>1</sup>

Planning Period	Price Assumption	Reinvestment Rate <sup>2</sup>
2022E / 2023E	\$50/Bbl	75%
	\$55/Bbl	70%
	\$60/Bbl	65%

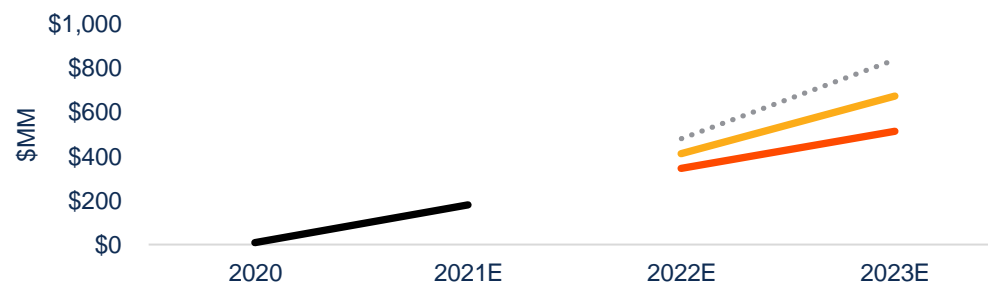
## OPERATIONAL CAPITAL EXPENDITURES



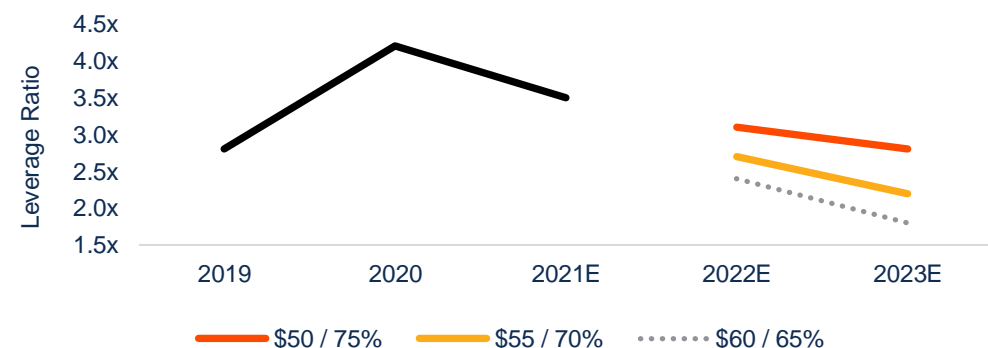
## HIGHLIGHTS

- FY 2021 Plan
  - \$430 MM Operational Capex (12% YoY Reduction)
  - Implied 75% Reinvestment Rate<sup>2</sup> at \$50/Bbl
  - Sustains production and increases FCF for debt repayment @ \$50/Bbl, while positioning for medium-term activity
- 2022 and 2023 scenarios at or below 75% reinvestment rates provide acceleration of FCF generation and associated deleveraging
- \$500 MM to \$800 MM of cumulative adjusted FCF over next three years (2021E @ \$50/Bbl)
- Production CAGRs of 1% - 4% over FY 2021 (approximates FY 2020 volumes by 2023 at top end of range)

## CUMULATIVE ADJUSTED FREE CASH FLOW



## NET DEBT / ADJUSTED EBITDA<sup>3</sup>



1. 2019 figures include Carrizo acquisition.  
 2. Callon defines "reinvestment rate" as (Accrued Operational Capital Expenditures) / (Adjusted Discretionary Cash Flow - Capitalized Expenses).  
 3. No assumed proceeds from asset monetizations included.

# A BALANCED APPROACH TO 2021 DEVELOPMENT

## 2021 KEY PROGRAM ELEMENTS

5 wells / 8,800'	Average Project Size / Net Lateral Feet per Well
3	Operated Rigs
1 - 2	Operated Completion Crews
55 - 65 / 90 - 100	Gross Wells Drilled / Completed (WI: 80 – 95%)

## 2021 CAPITAL ALLOCATION<sup>1</sup>



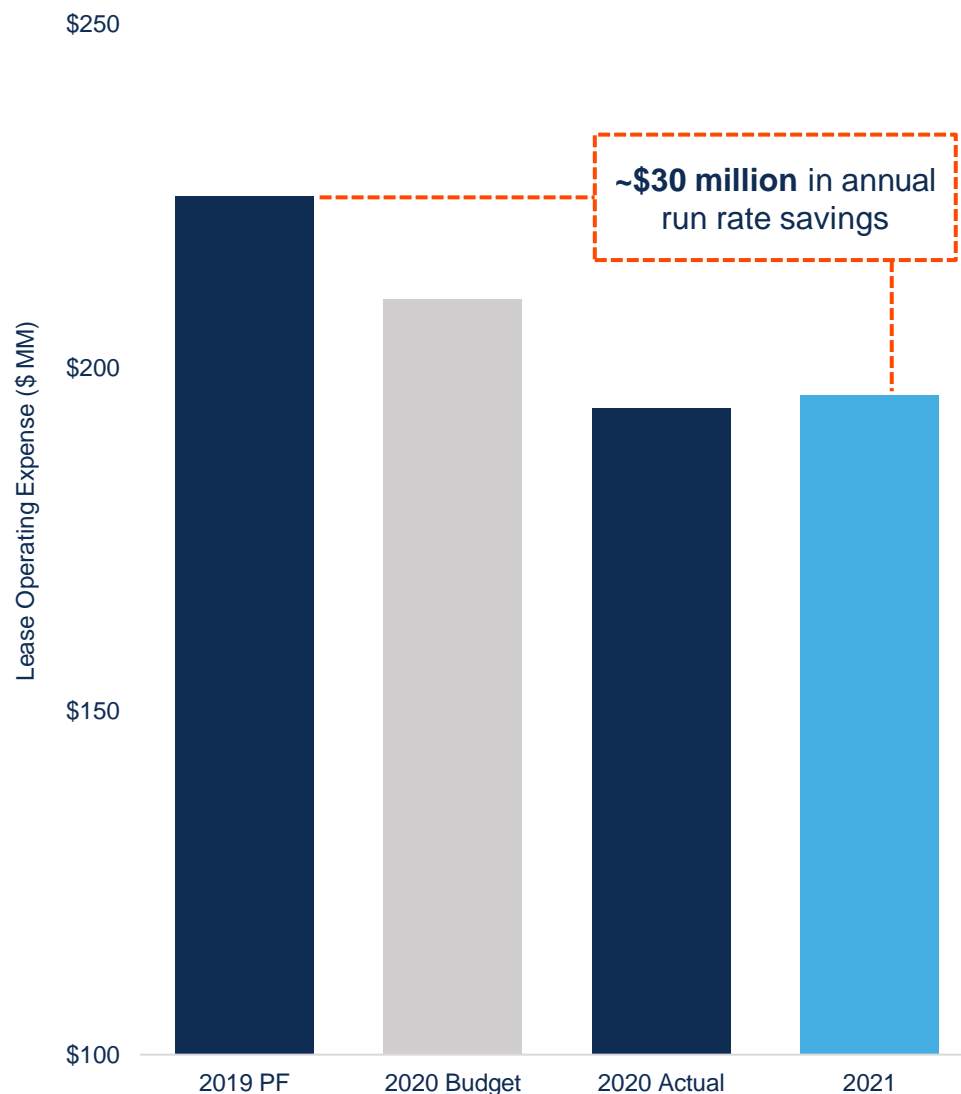
## HIGHLIGHTS

- Relatively equal deployment of capital across quarters with consistent pace of activity
- Balanced profile of project cash conversion cycles with diversified capital deployment
- Average project level IRRs<sup>2</sup> (including central facilities) of over 45% at flat \$45/Bbl WTI oil
- Program modified from previous guidance to provide improved operational activity flexibility into 2022

1. \$430 million operational capital budget includes all DC&E activity plus leasehold, seismic, and other. It does not account for capitalized interest and capitalized G&A costs which are provided as separate guidance items. Please see guidance slide for additional information.  
 2. Assumes flat \$45/Bbl and \$2.50/MMBtu.  
 3. "Other" category includes primarily cost associated with central field facilities and capitalized workovers.



# RELENTLESS FOCUS ON OPERATING COST REDUCTIONS



## FY20 COST IMPROVEMENT DRIVERS

- Reduction in workovers, repairs, and maintenance from proactive efforts
- Improved sand management
- Optimization of chemical, gas lift, compression and water management programs through best practices
- ESG-focused improvements
  - Eagle Ford electrification program
  - Produced water recycling

## FY21 OPERATIONAL COST OBJECTIVES

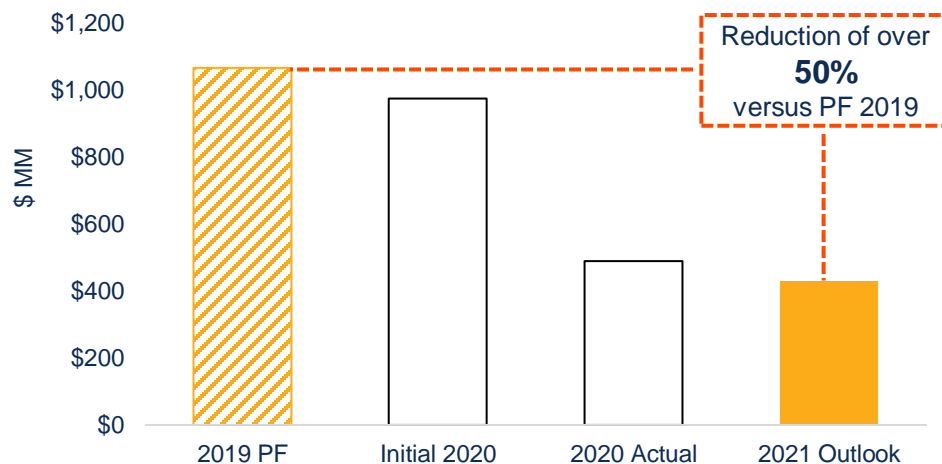
- Implement improved workover design to reduce downtime
- Chemical program refinement
- Continued optimization of gas lift, compression, and saltwater management
- ESG-focused objectives
  - Expand Eagle Ford electrification program
  - Increase field-wide produced water utilization
  - Tank vapor capture

# SUSTAINABLE CAPITAL EFFICIENCY GAINS

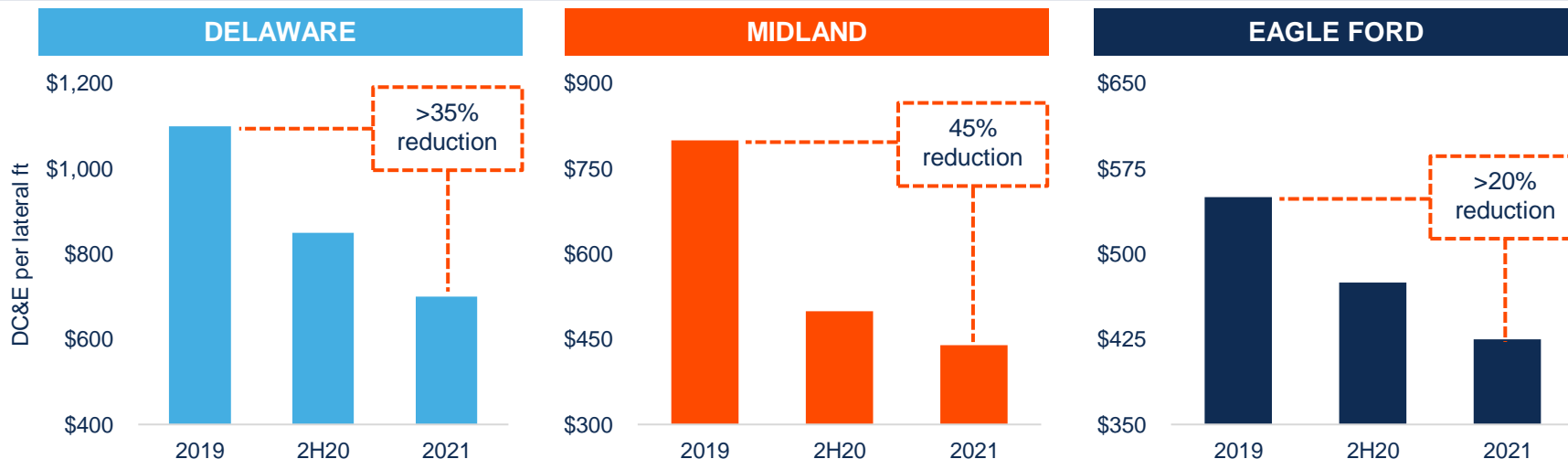
## CAPITAL EFFICIENCY IMPROVING

- Scaled development program benefits
  - Multi-well pads allow for cycle time reduction
  - Less crew moves = higher productivity
  - Utilization of existing infrastructure lowers capital
- Tailored enhancements to development model
  - Reduced water loadings
  - Customized spacing by project
  - Landing zone optimization
  - Flowback optimization

## OPERATIONAL CAPITAL EVOLUTION

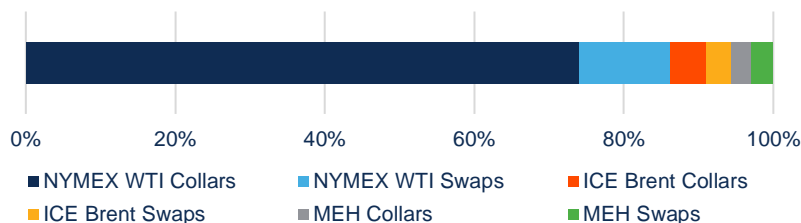


## PUSHING THE BOUNDARY ON CAPITAL EFFICIENCY (\$ / LATERAL FOOT)

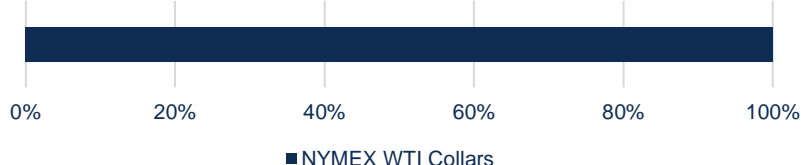


# CASH FLOW PROTECTION WITH UPSIDE PARTICIPATION

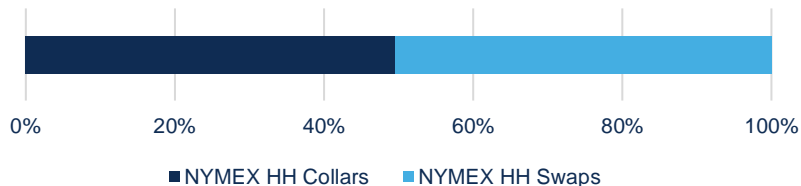
## 2021 Oil Hedges



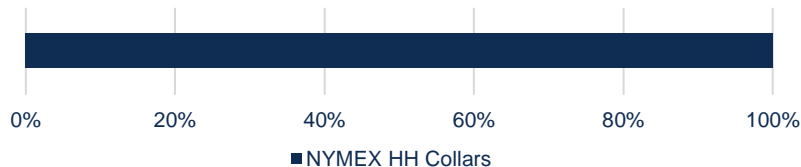
## 2022 Oil Hedges



## 2021 Gas Hedges



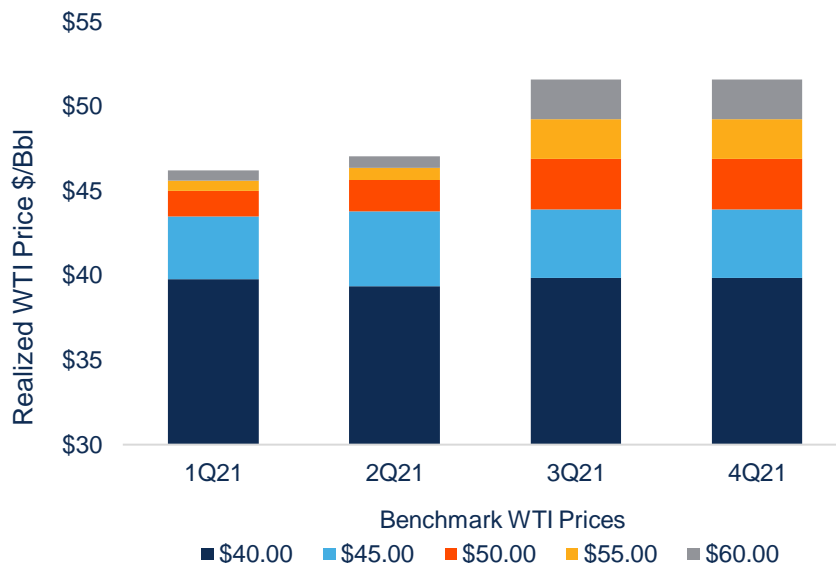
## 2022 Gas Hedges



## 2021 PROTECTED WITH 2022 UPSIDE POTENTIAL

- 2021 oil production ~70% hedged
  - ~80% hedged in 1H21, ~60% hedged in 2H21
- Ongoing optimization has increased exposure to higher oil prices across physical pricing points
- 2021 natural gas floor ~60% hedged
- 2022 program has commenced
  - Initial positions provide upside to \$60 WTI
  - Cash flow protection for debt reduction goals

## WTI INDEX PRICE SENSITIVITY<sup>1</sup>

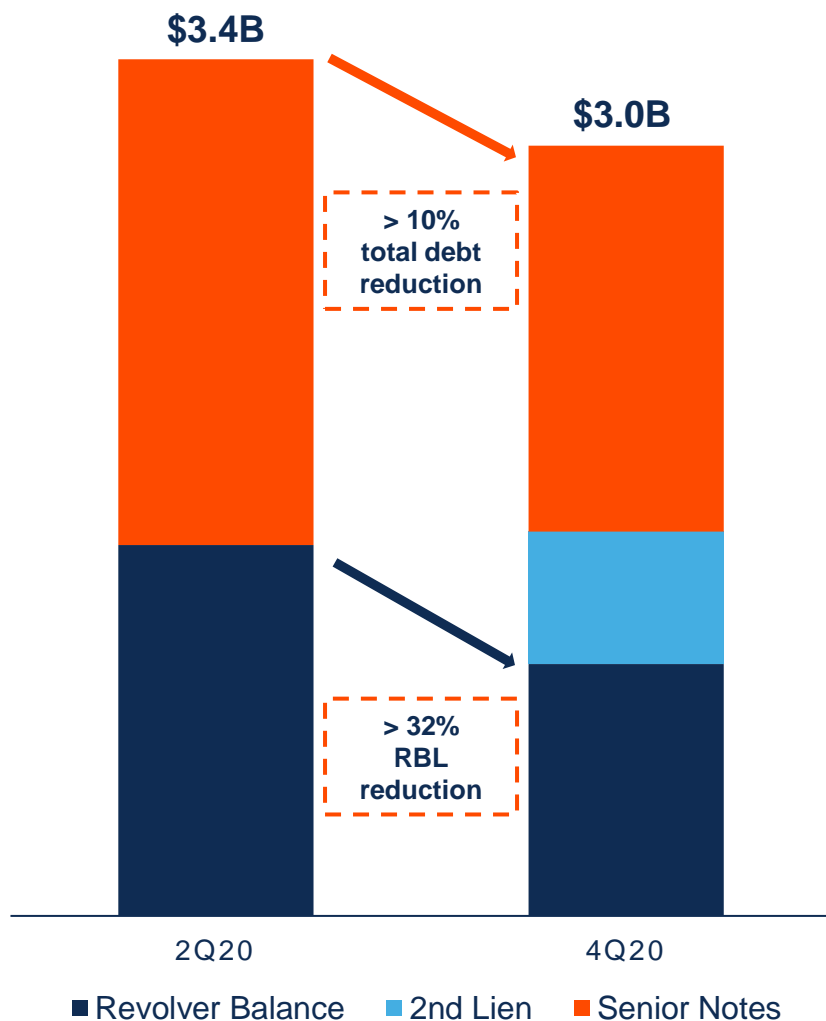


1. Realized WTI price after hedges. Assumes constant MEH and Brent pricing.

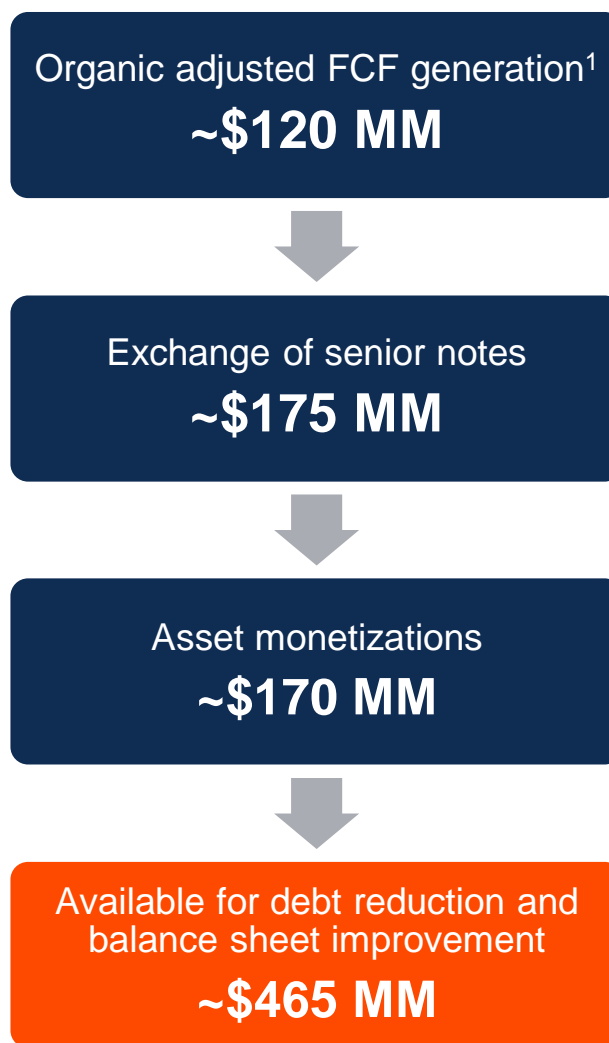


# ADVANCING OUR DELEVERING GOALS

## MEANINGFUL PROGRESS SINCE MARCH 2020



## KEY MILESTONES IN REDUCING OUR NET DEBT



1. Adjusted free cash flow total based on 2Q to 4Q 2020. Adjusted Free Cash Flow is a non-GAAP measure. Please see the appendix for reconciliations to the nearest GAAP measures.

# FINANCIAL POSITION

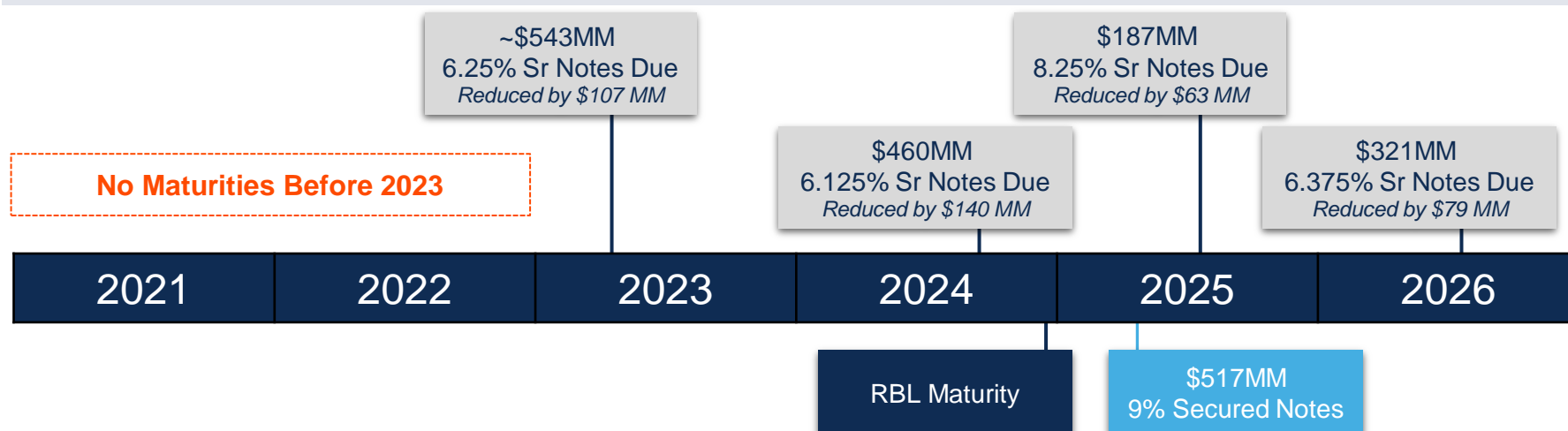
## HIGHLIGHTS

- Path to further debt reduction
  - Organic adjusted free cash flow
  - Various asset monetizations in process
- Significantly improved financial position
  - Liquidity position solidified
  - Working capital position normalized
  - Credit facility utilization of ~60% and decreasing
  - Net Debt / *Unhedged* EBITDA<sup>1</sup> estimated < 3x by YE 2021
- Key goals
  - < 2.5x Net Debt / Adjusted EBITDA by YE 2022
  - Opportunistic refinancing of near-term maturities

## CAPITALIZATION TABLE

	4Q20
Cash	\$20
Credit Facility	\$985
Second Lien Notes	517
Senior Notes	1,511
<b>Total Net Debt</b>	<b>2,993</b>
<b>Total Borrowing Base</b>	<b>\$1,600</b>

## PRO FORMA LONGER DATED MATURITIES



1. Unhedged EBITDA excludes gain/loss on commodity derivative settlements.

# 2021 GUIDANCE

	2021 GUIDANCE
<b>Total production (MBoe/d)</b>	<b>90.0 – 92.0</b>
Oil	63%
NGL	19%
Gas	18%
<b>Income statement expenses (in millions, except where noted)</b>	
LOE, including workovers	<b>\$190.0 - \$210.0</b>
Gathering, Processing, and Transportation	<b>\$70.0 - \$80.0</b>
Production taxes, including ad valorem (% of total oil, natural gas, and NGL revenues)	6.5%
Adjusted G&A: cash component <sup>1</sup>	<b>\$35.0 - \$45.0</b>
Adjusted G&A: non-cash component <sup>2</sup>	<b>\$5.0 - \$15.0</b>
Cash interest expense, net	<b>\$80.0 - \$90.0</b>
Estimated effective income tax rate	22%
<b>Capital expenditures (in millions, accrual basis)</b>	
Total Operational Capital <sup>3</sup>	<b>\$430.0</b>
Capitalized interest <sup>4</sup>	<b>\$95.0 - \$105.0</b>
Capitalized G&A	<b>\$28.0 - \$38.0</b>
<b>Gross Operated Wells Drilled / Completed</b>	<b>55 - 65 / 90 - 100</b>



1. Excludes the change in fair value and amortization of share-based incentive awards and other non-recurring expenses.
2. Amortization of equity-settled, share based incentive awards and other non-recurring expenses.
3. Includes facilities, equipment, seismic, land, and other items, excludes capitalized expenses.
4. Capitalized interest includes both cash and non-cash capitalized items



# GUIDING PRINCIPLES FOR A SUSTAINABLE BUSINESS

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# APPENDIX

# OIL HEDGES<sup>1</sup>

	1Q21	2Q21	3Q21	4Q21	FY 2021	1Q22	2Q22	3Q22	4Q22	FY 2022
<b>NYMEX WTI (Bbls, \$/Bbl)</b>										
<b>Swaps</b>										
Total Volumes	450,000	273,000	552,000	552,000	1,827,000	-	-	-	-	-
Total Daily Volumes	5,000	3,000	6,000	6,000	5,005	-	-	-	-	-
Avg. Swap	\$48.25	\$41.62	\$42.10	\$42.10	\$43.54	-	-	-	-	-
<b>Collars</b>										
Total Volumes	2,903,975	2,776,025	2,772,325	2,750,450	11,202,775	900,000	455,000	-	-	1,355,000
Total Daily Volumes	32,266	30,506	30,134	29,896	30,693	10,000	5,000	-	-	3,712
Avg. Short Call Price	\$46.36	\$46.59	\$49.14	\$49.18	\$47.80	\$60.00	\$60.00	-	-	\$60.00
Avg. Long Put Price	\$39.15	\$39.30	\$40.68	\$40.73	\$39.95	\$45.00	\$45.00	-	-	\$45.00
Total WTI Volume Hedged (Bbls)	3,353,975	3,049,025	3,324,325	3,302,450	13,029,775	900,000	455,000	-	-	1,355,000
Average WTI Ceiling Price (\$/Bbl)	\$46.62	\$46.15	\$47.97	\$47.99	\$47.20	\$60.00	\$60.00	-	-	\$60.00
Average WTI Floor Price (\$/Bbl)	\$40.37	\$39.51	\$40.92	\$40.96	\$40.46	\$45.00	\$45.00	-	-	\$45.00
<b>ICE BRENT (Bbls, \$/Bbl)</b>										
<b>Swaps</b>										
Total Volumes	283,700	221,300	-	-	505,000	-	-	-	-	-
Total Daily Volumes	3,152	2,432	-	-	1,384	-	-	-	-	-
Avg. Swap	\$37.33	\$37.35	-	-	\$37.34	-	-	-	-	-
<b>Collars</b>										
Total Volumes	180,000	182,000	184,000	184,000	730,000	-	-	-	-	-
Total Daily Volumes	2,000	2,000	2,000	2,000	2,000	-	-	-	-	-
Avg. Short Call Price	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	-	-	-	-	-
Avg. Long Put Price	\$45.00	\$45.00	\$45.00	\$45.00	\$45.00	-	-	-	-	-
Total Brent Volume Hedged (Bbls)	463,700	403,300	184,000	184,000	1,235,000	-	-	-	-	-
Average Brent Ceiling Price (\$/Bbl)	\$42.25	\$43.06	\$50.00	\$50.00	\$44.82	-	-	-	-	-
Average Brent Floor Price (\$/Bbl)	\$40.31	\$40.80	\$45.00	\$45.00	\$41.87	-	-	-	-	-
<b>MAGELLAN EAST HOUSTON FIXED PRICE (Bbls, \$/Bbl)</b>										
<b>Swaps</b>										
Total Volumes	450,000	-	-	-	450,000	-	-	-	-	-
Total Daily Volumes	5,000	-	-	-	1,233	-	-	-	-	-
Avg. Swap Price	\$46.50	-	-	-	\$46.50	-	-	-	-	-
<b>Collars</b>										
Total Volumes	-	409,500	-	-	409,500	-	-	-	-	-
Total Daily Volumes	-	4,500	-	-	1,122	-	-	-	-	-
Avg. Short Call Price	-	\$47.00	-	-	\$47.00	-	-	-	-	-
Avg. Long Put Price	-	\$41.00	-	-	\$41.00	-	-	-	-	-
<b>MIDLAND-CUSHING DIFFERENTIAL (Bbls, \$/Bbl)</b>										
<b>Swaps</b>										
Total Volumes	851,000	667,500	612,000	892,400	3,022,900	-	-	-	-	-
Total Daily Volumes	9,456	7,335	6,652	9,700	8,282	-	-	-	-	-
Avg. Swap Price	\$0.31	\$0.21	\$0.13	\$0.33	\$0.26	-	-	-	-	-

1. Callon hedge portfolio as of 02/19/2021. In addition to the above hedges, Callon holds short the following positions: 13,220 bpd Cal21 WTI calls (avg. strike \$63.62), 5,000 bpd 2Q21 \$47-strike WTI swaptions, 5,000 bpd Cal22 \$52.18-strike WTI swaptions. Callon owes deferred premiums for 1Q21-2Q22 of the following amounts (\$MM): \$2.9, \$2.8, \$2.7, \$2.7, \$2.0, \$0.9. In February 2021, we executed offsetting ICE Brent swaps on 159,300 Bbls, resulting in a locked-in loss of approximately \$2.9 million which we will pay as the applicable contracts settle.



# GAS AND NGL HEDGES<sup>1</sup>

	1Q21	2Q21	3Q21	4Q21	FY 2021	1Q22	2Q22	3Q22	4Q22	FY 2022
<b>NYMEX HENRY HUB (MMBtu, \$/MMBtu)</b>										
<b>Swaps</b>										
Total Volumes	-	3,822,000	3,864,000	3,437,000	11,123,000	-	-	-	-	-
Total Daily Volumes	-	42,000	42,000	37,359	30,474	-	-	-	-	-
Avg. Sw ap Price	-	\$2.59	\$2.59	\$2.62	\$2.60	-	-	-	-	-
<b>Three-way Collars</b>										
Total Volumes	1,350,000	-	-	-	1,350,000	-	-	-	-	-
Total Daily Volumes	15,000	-	-	-	3,699	-	-	-	-	-
Avg. Short Call Price	\$2.70	-	-	-	\$2.70	-	-	-	-	-
Avg. Long Put Price	\$2.42	-	-	-	\$2.42	-	-	-	-	-
Avg. Short Put Price	\$2.00	-	-	-	\$2.00	-	-	-	-	-
<b>Collars</b>										
Total Volumes	4,050,000	1,820,000	1,840,000	1,840,000	9,550,000	1,800,000	-	-	-	1,800,000
Total Daily Volumes	45,000	20,000	20,000	20,000	26,164	20,000	-	-	-	4,932
Avg. Short Call Price	\$3.36	\$2.80	\$2.80	\$2.80	\$3.04	\$3.88	-	-	-	\$3.88
Avg. Long Put Price	\$2.71	\$2.50	\$2.50	\$2.50	\$2.59	\$2.78	-	-	-	\$2.78
Total NYMEX Volume Hedged (MMBtu)	5,400,000	5,642,000	5,704,000	5,277,000	22,023,000	1,800,000	-	-	-	1,800,000
Average NYMEX Ceiling Price (\$/MMBtu)	\$3.20	\$2.66	\$2.66	\$2.69	\$2.80	\$3.88	-	-	-	\$3.88
Average NYMEX Floor Price (\$/MMBtu)	\$2.63	\$2.56	\$2.56	\$2.58	\$2.59	\$2.78	-	-	-	\$2.78
<b>WAHA DIFFERENTIAL (MMBtu, \$/MMBtu)</b>										
<b>Swaps</b>										
Total Volumes	4,050,000	4,095,000	4,140,000	4,140,000	16,425,000	-	-	-	-	-
Total Daily Volumes	45,000	45,000	45,000	45,000	45,000	-	-	-	-	-
Avg. Sw ap Price	(\$0.42)	(\$0.42)	(\$0.42)	(\$0.42)	(\$0.42)	-	-	-	-	-
<b>MT. BELVIEU PURITY ETHANE (Bbls/\$/Bbl)</b>										
<b>Swaps</b>										
Total Volumes	450,000	455,000	460,000	460,000	1,825,000	-	-	-	-	-
Total Daily Volumes	5,000	5,000	5,000	5,000	5,000	-	-	-	-	-
Avg. Sw ap Price	\$7.62	\$7.62	\$7.62	\$7.62	\$7.62	-	-	-	-	-

1. Callon hedge portfolio as of 02/19/2021. In addition to the above hedge positions, Callon holds short 20,000 mmbtu/d Cal21 calls (avg. strike \$3.09).

# NON-GAAP ADJUSTED EBITDA<sup>1</sup>

(\$000s)	4Q 20	FY 2020
Net loss	(\$505,071)	(2,533,621)
Loss on derivatives contracts	125,739	27,773
Gain (loss) on commodity derivative settlements, net	(7,938)	95,856
Non-cash stock-based compensation expense	2,968	2,663
Impairment of evaluated oil and gas properties	585,767	2,547,241
Merger and integration expense	2,120	28,482
Other expense	5,328	14,625
Income tax expense	6,755	122,054
Interest expense, net of capitalized amounts	26,486	94,329
Depreciation, depletion and amortization	96,037	480,631
Gain on extinguishment of debt	(170,370)	(170,370)
Adjusted EBITDA	\$167,821	\$709,663

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



# NON-GAAP ADJUSTED FREE CASH FLOW<sup>1</sup>

(\$000s)	2Q 20	3Q 20	4Q 20	FY 2020
Net cash provided by operating activities	\$97,801	\$135,701	\$134,578	\$559,775
Changes in working capital and other	40,078	14,473	12,011	33,993
Change in accrued hedge settlements	(14,480)	(5,993)	(5,055)	(3,015)
Cash interest expense, net	21,944	24,246	24,167	90,428
Merger and integration expense	8,067	2,465	2,120	28,482
Adjusted EBITDA	\$153,410	\$170,892	\$167,821	\$709,663
Less: Operational capex	85,087	38,408	\$87,488	488,623
Less: Capitalized interest	20,924	20,675	23,015	88,599
Less: Interest expense, net	22,682	24,683	26,486	94,329
Less: Capitalized cash G&A	6,740	6,831	6,465	27,407
Adjusted Free Cash Flow	\$17,977	\$80,295	\$24,367	\$10,705

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

# NON-GAAP FULL CASH G&A COSTS<sup>1</sup>

<b>(\$000s)</b>	4Q 20	FY 2020
Total G&A expense	\$10,614	\$37,187
Change in the fair value of liability share-based awards (non-cash)	(2,500)	4,110
Restricted stock share-based compensation (non-cash) and other non-recurring expenses	(580)	(7,771)
Adjusted G&A — cash component	\$7,534	\$33,526
Capitalized cash G&A	6,465	\$27,606
Full Cash G&A Costs	\$13,999	\$61,132
Total Production (MBoe)	8,732	37,193
G&A Expense per Boe	\$1.22	\$1.00
Full Cash G&A per Boe	\$1.60	\$1.64
Adjusted Cash G&A per Boe	\$0.86	\$0.90

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



# NON-GAAP NET DEBT RECONCILIATION<sup>1</sup>

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	<u>As of December 31, 2020</u>
	(in millions)
Long-term debt	\$3,013
Less: Cash and cash equivalents	20
<b>Net Debt</b>	<b>\$2,993</b>

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





# NON-GAAP PV-10 RECONCILIATION<sup>1</sup>

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	As of December 31,	
	2019	2020
Standardized measure of discounted future net cash flows	\$4,951	\$2,310
Add: present value of future income taxes discounted at 10% per annum	419	35
PV-10	5,370	2,345

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

