

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer	
1 Issuer's name Callon Petroleum Company	
2 Issuer's employer identification number (EIN) 64-0844345	
3 Name of contact for additional information Mitzi P. Conn	4 Telephone No. of contact (601) 446-1440
5 Email address of contact MConn@callon.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 200 North Canal Street	
7 City, town, or post office, state, and Zip code of contact Natchez, MS 39120	
8 Date of action See below.	9 Classification and description Return of capital cash distribution
10 CUSIP number 13123X409	11 Serial number(s) N/A
12 Ticker symbol CPE.PRA	13 Account number(s) N/A

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **Return of capital cash distribution approved by Board of Directors based on records dates under Part II, item 15.**

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶

Declared	Ex-Date	Record	Payable	Per Share Payment
03/04/14	03/12/14	03/14/14	03/31/14	\$1.25
06/03/14	06/11/14	06/13/14	06/30/14	\$1.25
09/05/14	09/11/14	09/15/14	09/30/14	\$1.25
12/05/14	12/11/14	12/15/14	12/31/14	\$1.25

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **Change in basis equals return of capital cash distribution.**

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ IRC Section 312

18 Can any resulting loss be recognized? ▶ No

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ Year ended December 31, 2014

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶ Mitzi P. Conn Date ▶ January 15, 2015

Print your name ▶ Mitzi P. Conn Title ▶ Controller

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.