

December 1-3, 2021

Stephens Investment Conference

TALOS
ENERGY



Cautionary Statements

Cautionary Statement Regarding Forward-Looking Statements

This presentation contains “forward-looking statements” for purposes of the federal securities laws. All statements, other than statements of historical fact included in this presentation, regarding our strategy, future operations, the impact of regulatory changes, financial position, estimated capital expenditures, production, revenues and losses, projected costs, prospects, plans and objectives of management are forward-looking statements. When used in this presentation, the words “could,” “believe,” “anticipate,” “intend,” “estimate,” “expect,” “project” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. These forward-looking statements are based on our current expectations and assumptions about future events and are based on currently available information as to the outcome and timing of future events.

We caution you that these forward-looking statements are subject to numerous risks and uncertainties, most of which are difficult to predict and many of which are beyond our control. These risks include, but are not limited to, the final terms of the lease agreement with the Texas General Land Office (“GLO”) and Carbonvert Inc. (“Carbonvert”), the success of the Company’s project with Freeport LNG Development, L.P. (“Freeport LNG”) and alliances with TechnipFMC plc (“TechnipFMC”), Storegga Geotechnologies Limited (“Storegga”) and other CCS ventures, the timing and results of any development with respect to the Company’s ongoing strategy to its Zama asset, commodity price volatility, inflation, lack of availability of drilling and production equipment and services, environmental risks, orders, regulations and directives issued by the Biden administration, COVID-19 impacts, failure to find, acquire or gain access to other discoveries and prospects or to successfully develop and produce from our current discoveries and prospects, geologic risk, drilling and other operating risks, well control risk, regulatory changes, the uncertainty inherent in estimating reserves and in projecting future rates of production, cash flow and access to capital, the timing of development expenditures, risks related to the integration of recently acquired assets, including the possibility that the anticipated benefits of the acquisitions are not realized when expected or at all, as well as other factors discussed under the heading “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2020 and other filings with the U.S. Securities and Exchange Commission (“SEC”).

Should one or more of these risks or uncertainties occur, or should underlying assumptions prove incorrect, our actual results and plans could differ materially from those expressed in any forward-looking statements. All forward-looking statements, expressed or implied, are expressly qualified in their entirety by this cautionary statement. This cautionary statement should also be considered in connection with any subsequent written or oral forward-looking statements that we or persons acting on our behalf may issue. All forward-looking statements speak only as of the date hereof. Except as otherwise required by applicable law, we disclaim any duty to update any forward-looking statements, to reflect events or circumstances after the date of this presentation.

Reserve Information

Reserve engineering is a process of estimating underground accumulations of oil, natural gas and NGLs that cannot be measured in an exact way. The accuracy of any reserve estimate depends on the quality of available data, the interpretation of such data and price and cost assumptions made by reserve engineers. In addition, the results of drilling, testing and production activities may justify revisions upward or downward of estimates that were made previously. If significant, such revisions would change the schedule of any further production and development drilling. Accordingly, reserve estimates may differ significantly from the quantities of oil, natural gas and NGLs that are ultimately recovered. In addition, we use the terms true vertical thickness (“TVT”), gross and net resource potential in this presentation, neither of which is a measure of “reserves” prepared in accordance with SEC guidelines or permitted to be included in SEC filings. These resource estimates are inherently more uncertain than estimates of reserves prepared in accordance with SEC guidelines.

Unless otherwise indicated, reserve estimates shown in this presentation were prepared based on specified management price parameters of \$65.00/bbl of oil and \$3.00 per MMBtu of natural gas in perpetuity, rather than price parameters that would be required in a filing with the SEC. We believe that the use of flat pricing provides useful information about our reserves, as the specified prices reflect what we believe to be reasonable assumptions as to average future commodity prices over the productive lives of our properties. However, we caution you that the pricing used in preparing the reserve report is not a projection of future oil and natural gas prices, and should be carefully considered in addition to, and not as a substitute for, SEC prices, when considering our oil, natural gas and NGL reserves. In addition, 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. In this presentation, we use certain broader terms such as “recoverable resources” that the SEC’s guidelines strictly prohibit from inclusion in filings with the SEC. These types of estimates do not represent, and are not intended to represent, any category of reserves based on SEC definitions, are by their nature more speculative than estimates of proved, probable and possible reserves and do not constitute “reserves” within the meaning of the SEC’s rules. These estimates are subject to greater uncertainties, and accordingly, are subject to a substantially greater risk of actually being realized. Investors are urged to consider closely the disclosures and risk factors in the reports we file with the SEC.

Use of Non-GAAP Financial Measures

This presentation includes the use of certain measures that have not been calculated in accordance with U.S. generally acceptable accounting principles (GAAP), including EBITDA, Net Debt, Free Cash Flow and PV-10. Non-GAAP financial measures have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP. This presentation also includes PV-10, which is a non-GAAP financial measure used by management, investors and analysts to estimate the present value, discounted at 10% per annum, of the estimated future cash flows of our estimated proved reserves before income tax and derivatives. Management believes that PV-10 provides useful information to investors because it is widely used by professional analysts and sophisticated investors in evaluating oil and natural gas companies. Because there are many unique factors that can impact an individual company when estimating the amount of future income taxes to be paid, we believe the use of a pre-tax measure is valuable for evaluating us. PV-10 should not be considered as an alternative to the standardized measure of discounted future net cash flows as computed under GAAP.

Use of Projections

This presentation contains projections, including production volumes and capital expenditures. Our independent auditors have not audited, reviewed, compiled, or performed any procedures with respect to the projections for the purpose of their inclusion in this presentation, and accordingly, have not expressed an opinion or provided any other form of assurance with respect thereto for the purpose of this presentation. These projections are for illustrative purposes only and should not be relied upon as being indicative of future results. The assumptions and estimates underlying the projected information are inherently uncertain and are subject to a wide variety of significant business, economic and competitive risks and uncertainties that could cause actual results to differ materially from those contained in the projected information. Even if our assumptions and estimates are correct, projections are inherently uncertain due to a number of factors outside our control. Accordingly, there can be no assurance that the projected results are indicative of our future performance after completion of the transaction or that actual results will not differ materially from those presented in the projected information. Inclusion of the projected information in this presentation should not be regarded as a representation by any person that the results contained in the projected information will be achieved.

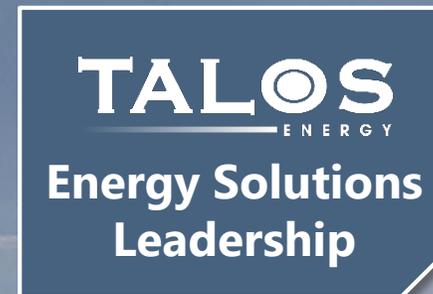
Industry and Market Data; Trademarks and Trade Names

This presentation has been prepared by us and includes market data and other statistical information from sources we believe to be reliable, including independent industry publications, governmental publications or other published independent sources. Some data is also based on our good faith estimates, which are derived from our review of internal sources as well as the independent sources described above. Although we believe these sources are reliable, we have not independently verified the information and cannot guarantee its accuracy and completeness. We own or have rights to various trademarks, service marks and trade names that we use in connection with the operation of our businesses. This presentation also contains trademarks, service marks and trade names of third parties, which are the property of their respective owners. The use or display of third parties’ trademarks, service marks, trade names or products in this presentation is not intended to, and does not imply, a relationship with us or an endorsement or sponsorship by us. Solely for convenience, the trademarks, service marks and trade names referred to in this presentation may appear without the ®, TM or SM symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, their rights or the right of the applicable licensor to these trademarks, service marks and trade names.

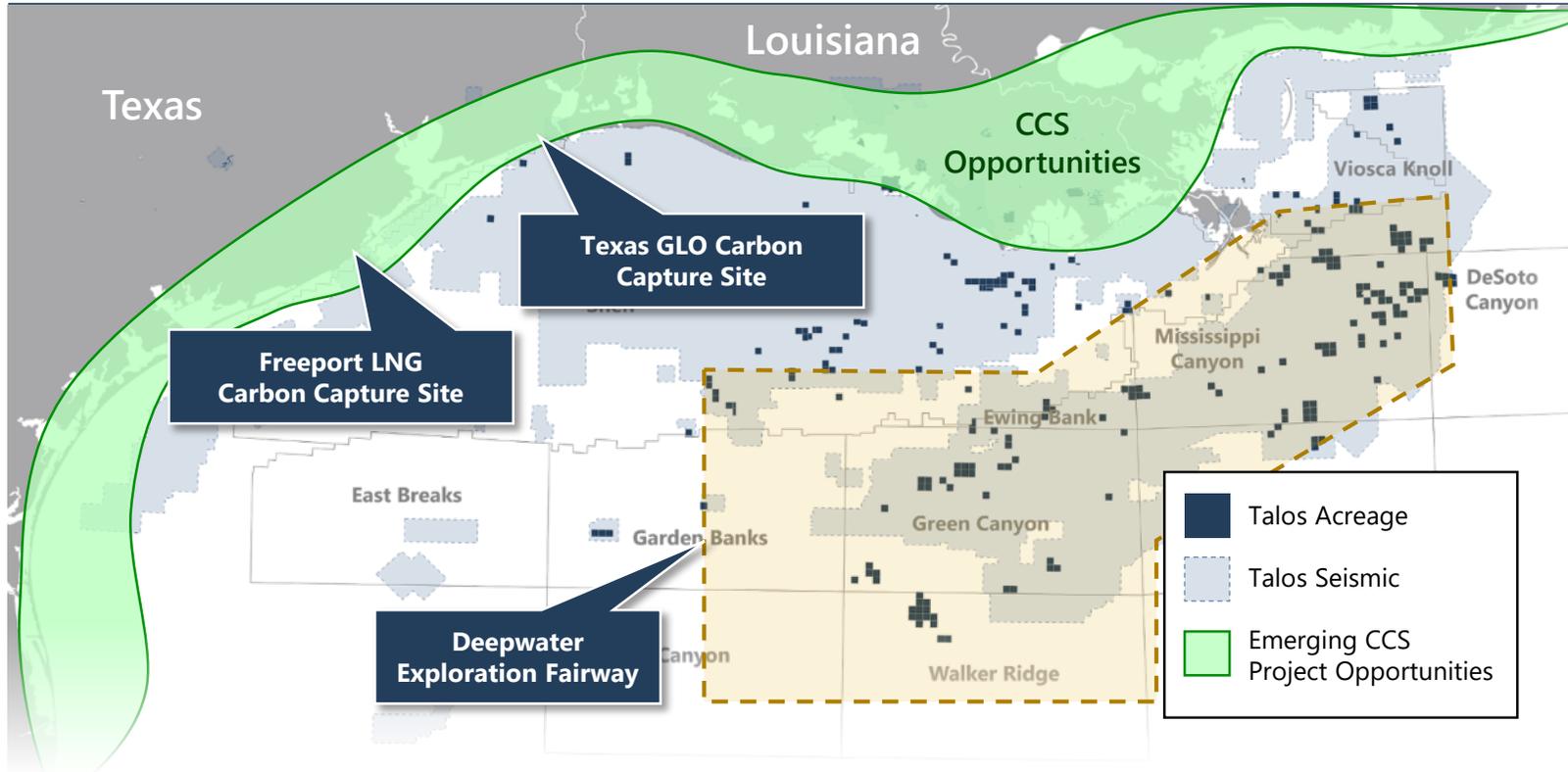
Talos Energy Mission & Corporate Evolution

Talos is committed to leveraging its technical, operational and commercial expertise to help supply society's growing need for secure, affordable energy while being responsible global citizens and building value for all stakeholders.

The Company has an established track record of safety, strong ethics and community support, and is actively expanding its hydrocarbons business while investing to expand low-carbon initiatives through its carbon capture and storage ventures.



Building A Leading Independent Energy Company



Attractive Operating Profile

- 64 – 66 MBoe/d (4Q 2021E)
- >75% Liquids
- >70% Deepwater
- >65% Operated
- High-quality, diverse producing asset base

Strong Credit

- ~\$375 MM of liquidity
- ~1.8x Leverage (Net Debt / 2021E EBITDA)
- ~3.9x Proved asset coverage



RAM POWELL



HP-1



AMBERJACK



POMPANO



GC-18



CCS PARTNERS



Notes: Credit figures as of September 30, 2021 unless otherwise noted. Asset coverage based on June 30, 2021 reserves utilizing SEC methodology at flat \$65.00 WTI / \$3.00 HH commodity prices before differentials in perpetuity. 2021E Leverage (Net Debt / EBITDA) based on September 30, 2021 Net Debt divided by consensus 2021E EBITDA per analyst estimates as of November 29, 2021.

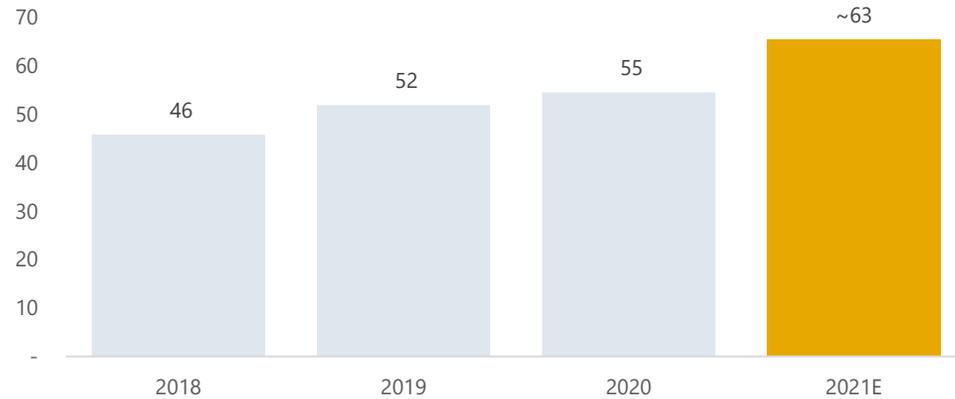
A Unique and Attractive Energy Investment Case

Management	<ul style="list-style-type: none">▪ Basin experts with >100 years of experience across three start-ups and multiple commodity cycles
Strategy	<ul style="list-style-type: none">▪ Differentiated offshore, conventional resource company and one of the largest independents in the basin
Resource	<ul style="list-style-type: none">▪ >240 MM Boe (Proved + Probable)▪ >\$4.0 BN Proved PV-10
Cash Flow Profile	<ul style="list-style-type: none">▪ History of generating positive net free cash flow▪ >\$100 MM of 2021E Free Cash Flow at Strip (~12% FCF Yield)
Balance Sheet	<ul style="list-style-type: none">▪ Expect to reach ~1.0 – 1.5x leverage target in 2022▪ HY Notes currently trade at ~106 – 107 with call date in ~14 months
Inventory	<ul style="list-style-type: none">▪ Balanced low-risk deepwater development▪ Exploration portfolio with major discoveries not yet included in the reserves report
Growth	<ul style="list-style-type: none">▪ Logical strategic consolidator with deep M&A experience
Low Carbon	<ul style="list-style-type: none">▪ Early leader in carbon capture with key recent project announcements

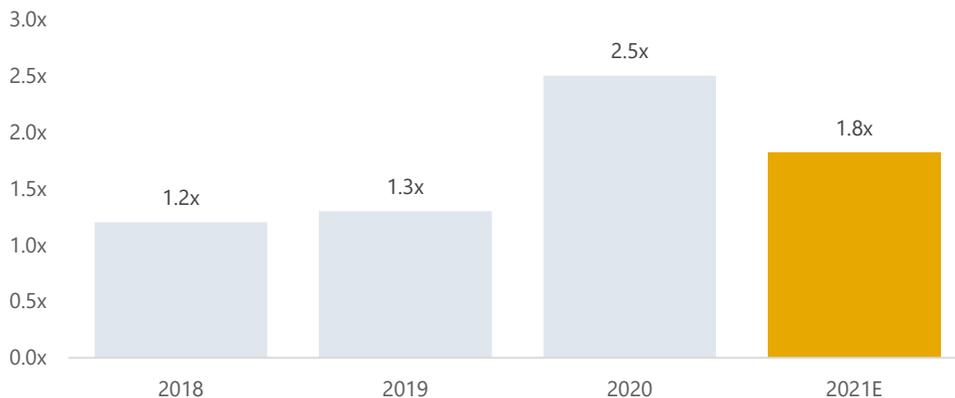
Solid Fundamental Trends

Since public listing, Talos has maintained strong fundamentals despite broader market challenges

Avg. Daily Production (MBoe/d)



Net Debt / EBITDA (x)

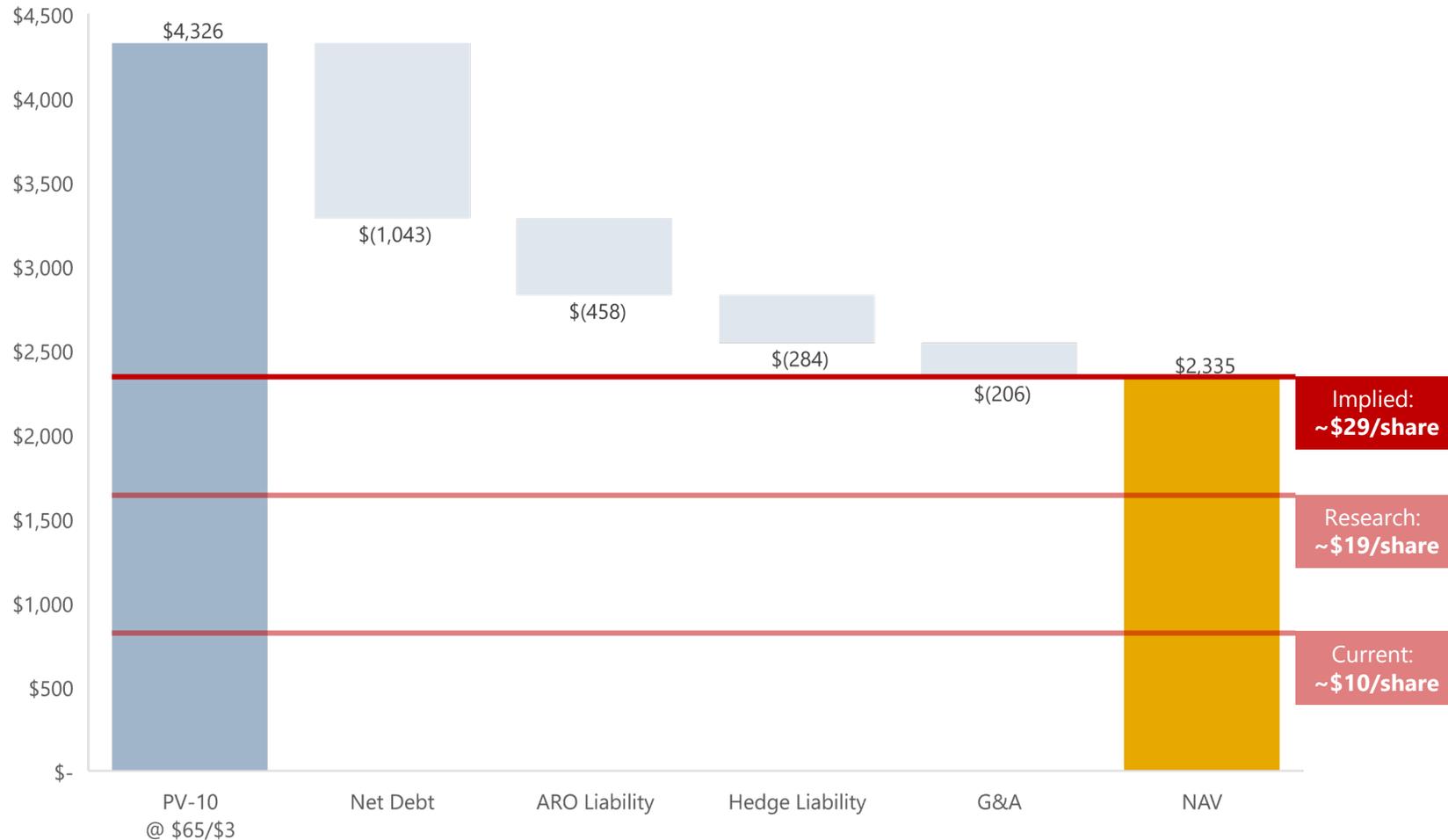


Commentary

- Since its public listing in May 2018, Talos has expanded reserves, increased production and maintained disciplined capital spending despite tumultuous commodity price and industry-specific challenges
- Simultaneously, the Company has managed a strong balance sheet, executed multiple acquisitions and achieved high-impact exploration success in offshore Mexico and deepwater U.S. GOM
- Flexible capital program balances low-risk reinvestment and high-impact catalysts

Compelling Equity Upside Story

Talos trades at a significant discount to fundamental value despite solid execution and a strong credit profile



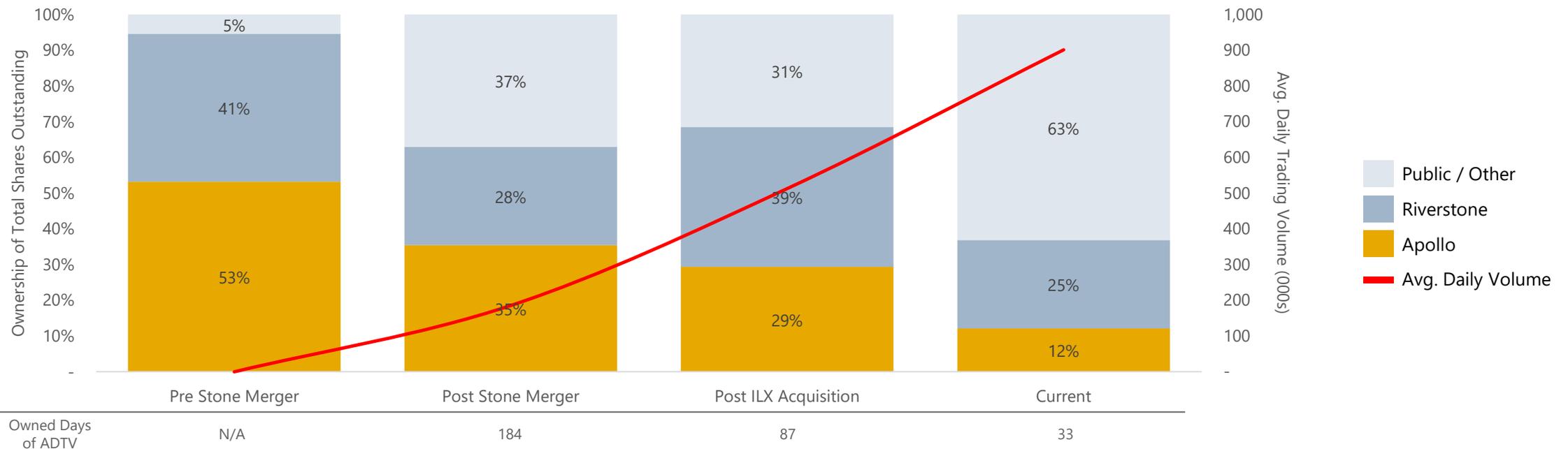
NAV excludes any value from:

- **Probables:** Primarily performance-based (no additional capital required); PV-10 of ~\$1.5 BN at \$65/\$3 (net)
- **Carbon Capture:** Value yet to be attributed to emerging CCS industry and Talos leadership position
- **Puma West:** New discovery excluded from reserves report
- **Mexico:** Zama Pre-FID resources excluded from reserves report
- **Future Exploration:** No value attributed for prospect inventory and ~1.4 MM gross acre footprint

Increasing Public Ownership and Trading Liquidity

Legacy private equity investors are exiting 2012 Talos investment in orderly process

- Significant increase in trading liquidity and volume; now regularly trades > 1.0 MM shares per day
- Apollo and Riverstone approaching 10 years successfully invested in Talos
- Combined ownership reduced by ~15 MM shares since 1Q 2020 peak
- Exits generally driven by fund lives and broader investor objectives, not by Talos-specific issues or concerns
- Recent share purchases by executive team demonstrates conviction in strategy and temporary nature of headwinds



Gulf of Mexico Technical & Commercial Differentiators

The Gulf of Mexico has remained a prolific basin for decades, yet continues to offer new frontiers

- **Large Geological Column**
- **Huge Resource Potential**
- **Ample Infrastructure**
- **Low Breakevens**
- **Emissions Advantaged Barrels**

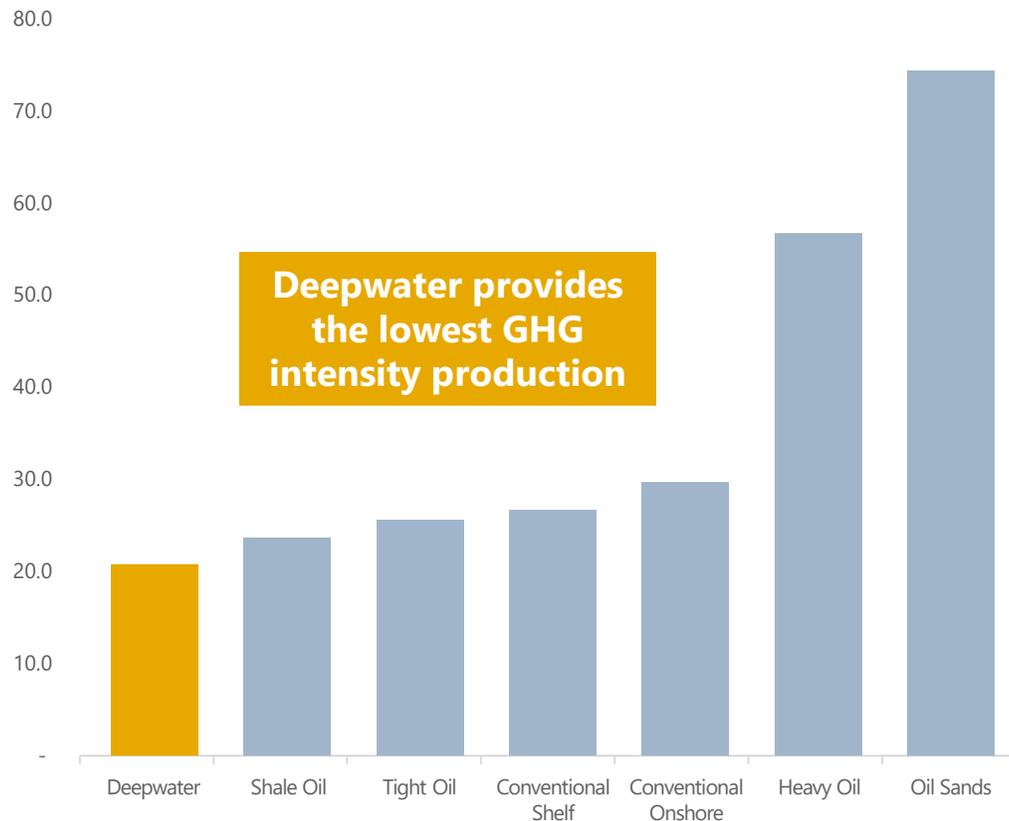


Emissions-Focused In An Emissions-Leading Basin

GOM emissions intensity is among the lowest in oil basins worldwide, and Talos is committed to lowering operated emissions

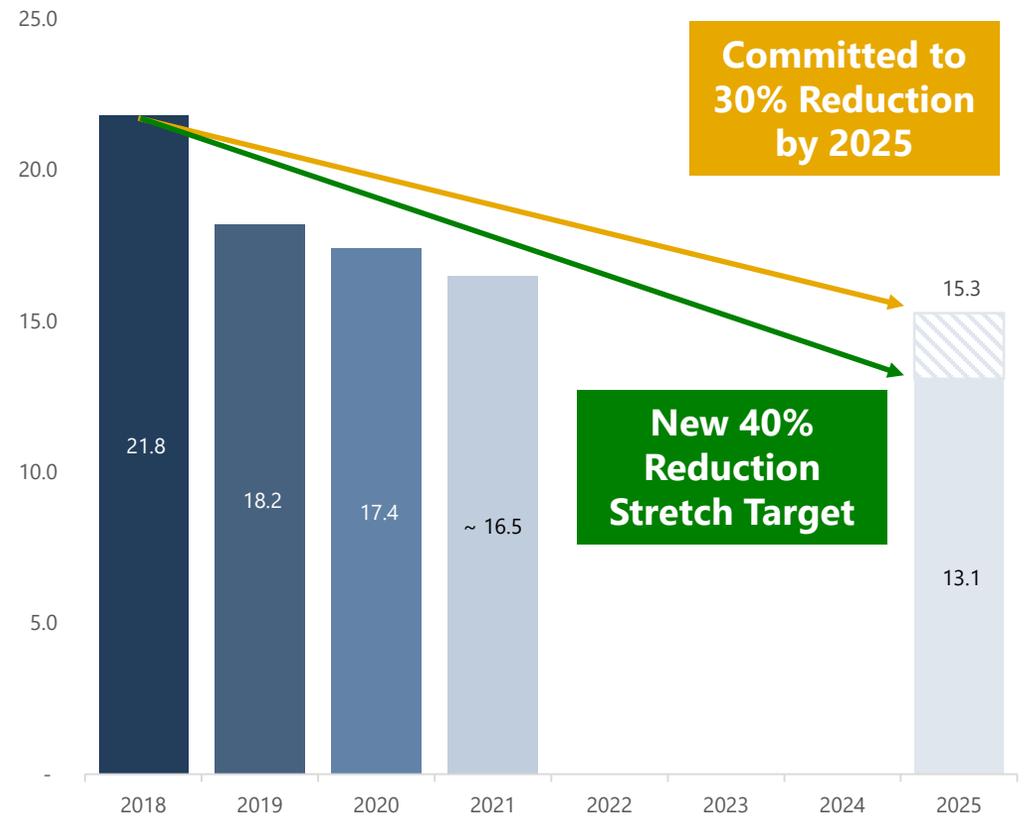
GHG Intensity by Region

(MT CO₂ Equivalent/MBoe)



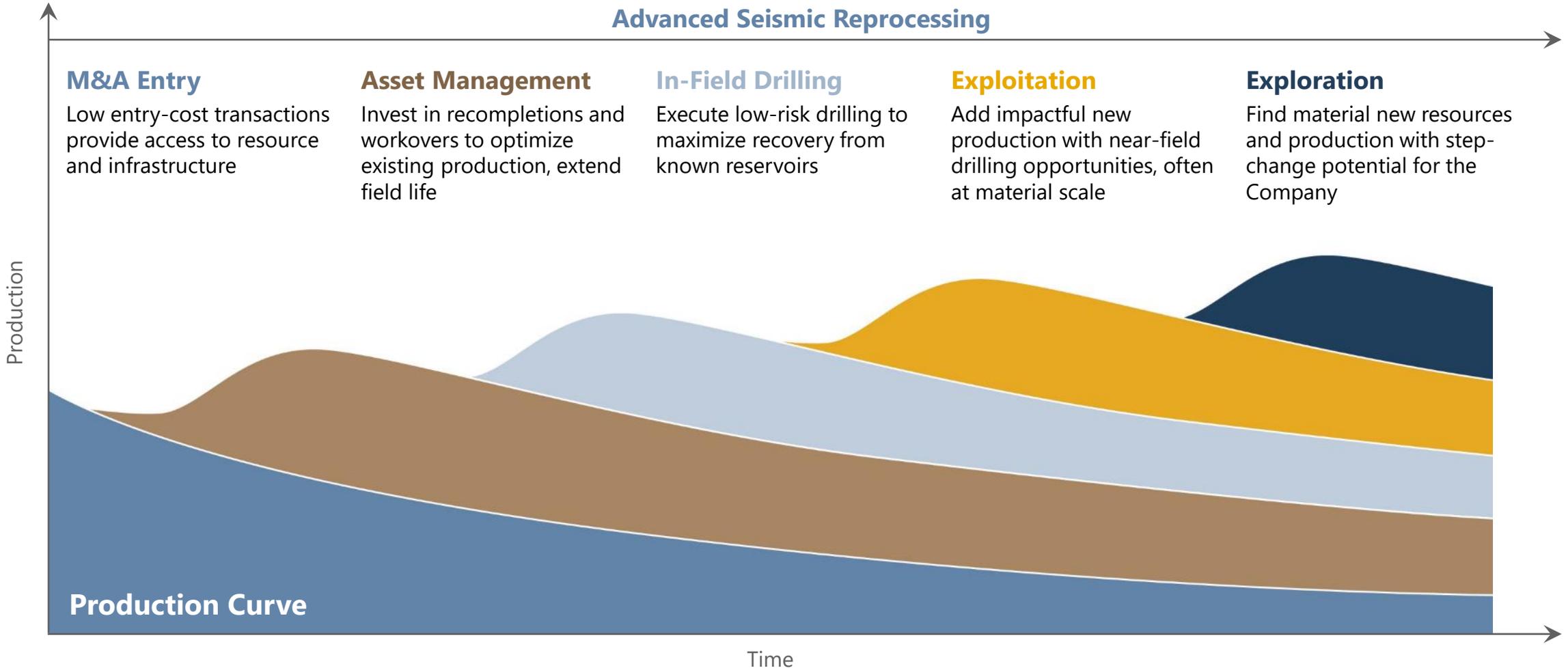
Talos GHG Intensity

(Gross Operated Production, MT CO₂ Equivalent/MBoe)



Talos Strategic Approach to Full Lifecycle Management

Success driven by ability to invest across the asset lifecycle and consistently improve opportunity set



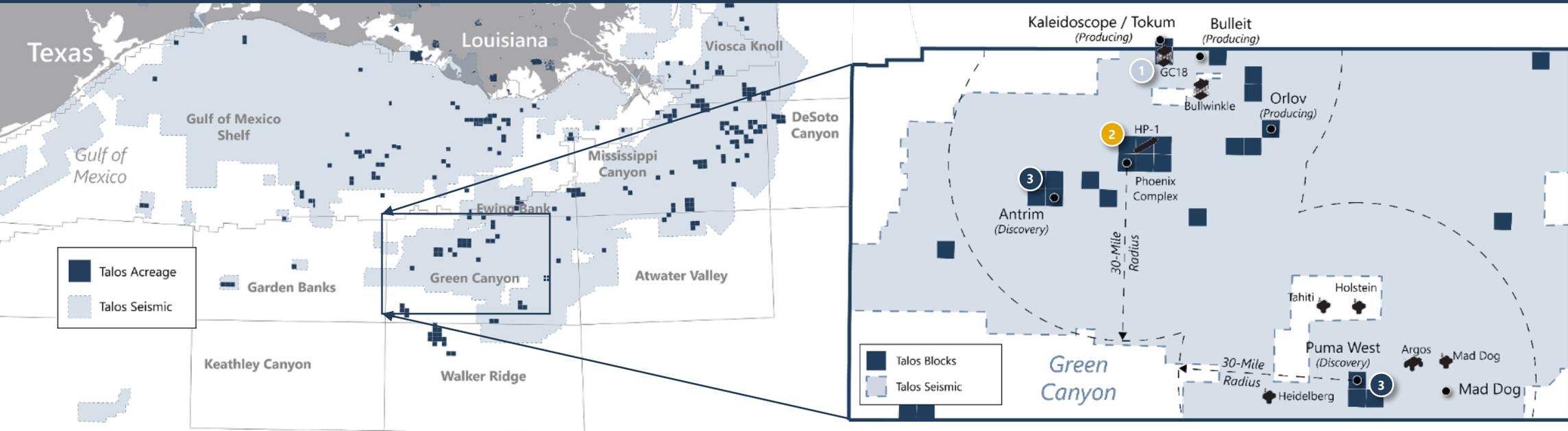
Inventory Overview – Generic Project Categorization

- Talos prioritizes a balance of project risk, impact, cost and cycle time in developing its capital planning for future periods
- As project risk increases, Talos generally targets a lower working interest, thereby increasing the number of net projects in any specific period and diversifying risk

		In-Field Drilling & Development	Exploitation	Exploration
	Description	Low risk, incremental recovery	Field or play extensions	Emerging trends
Allocation	Approximate % of D&C Budget	35% - 45%	35% - 45%	10% - 30%
Frequency	Number of Projects per Year (Gross)	2 - 5	2 - 5	1 - 3
Impact (Gross, Per Well)	Potential Resource Size (MMBoe)	1 – 5	5 – 20	20 - 250
	Potential Production Rate (MBoe/d)	1 – 5	5 – 10	5 – 25
Risk	Probability of Success	>75%	50 - 75%	<50%
Execution	Spud to First Oil Cycle Time	3 - 12 mo.	12 - 18 mo.	12 - 24 mo.
Returns	Approximate Risked IRRs	60% - 100%	40% - 70%	25% - 50%

Full-Cycle Regional Case Study – Green Canyon

Technical expertise unlocks resource opportunity; leveraging infrastructure provides strong full-cycle value creation



1 In-Field Drilling: Green Canyon 18

- Acquired GC-18 for <\$15MM in 2018
- Existing asset has produced over 100 MMBoe historically
- Added 7.5 – 8.0 MBoe/d of net production
- 2Q 2021 production was highest rate in >20 years

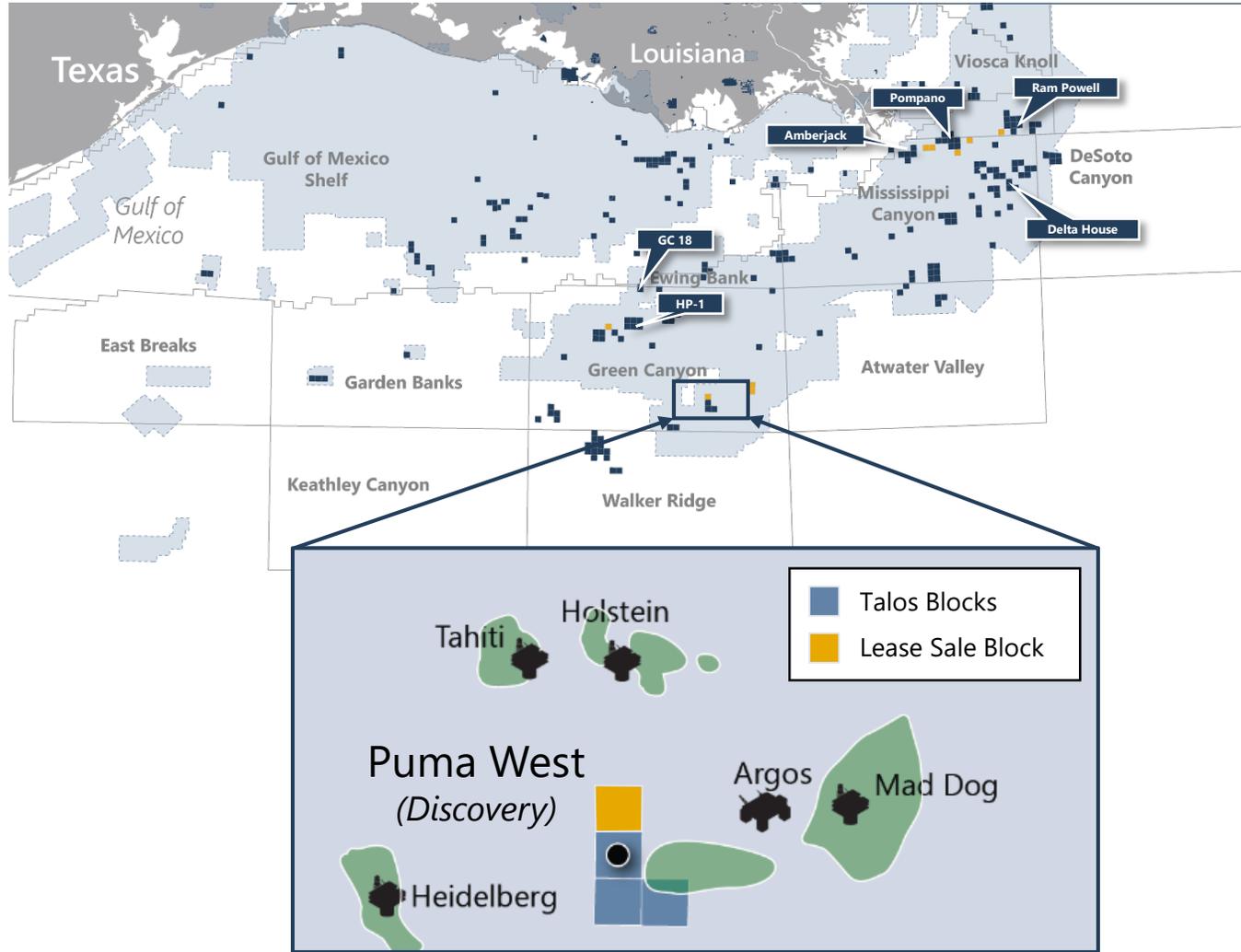
2 Exploitation: Phoenix Complex

- Increased production from ~10.0 MBoe/d to up to ~43.0 MBoe/d in 2Q 2019
- Tornado field water flood project increased pressure and rate and will materially increase ultimate recovery
- Only independent to operate a Floating Production Unit in the U.S. GOM (Shell and Murphy each operate one FPSO)

3 High Impact Exploration: Puma West

- Expertise in seismic reprocessing around acquired assets led to business development activities with bp/Chevron on Puma West, the Antrim discovery and surrounding Middle Miocene sub-salt prospects
- High-impact Puma West discovery announced April 2021

Catalysts: Puma West Discovery



Project Overview

- High-impact test of sub-salt Miocene exploration targets
- Located on Talos-controlled acreage; farmed-in bp and Chevron in 2019
- Middle and Lower Miocene objectives in close proximity to bp's Mad Dog field (<15 miles east)
- **November 18, 2021 Update: Apparent high bidder for additional acreage in Lease Sale 257 to capture full upside potential of project**

Key Details & Statistics

- Project Category: Exploration
- Puma West Working Interest: 25%; bp (50%, Operator); Chevron (25%)
- Discovered oil pay in a high-quality, sub-salt Miocene sand
- Rock and fluid properties consistent with other high-impact discoveries in the area
- >23,000 gross acres held by Talos and co-owners in the immediate area
- Wellbore suspended as "keeper" well to preserve future utility and accelerate development post-appraisal
- Planning appraisal program to better define the discovered resource

Catalysts Driving Future Value Creation



Access to major catalysts is a unique differentiator for Talos and provides the basis for exceptional long-term value creation



**Development
& Exploration Pipeline**



**Unprecedented
M&A Opportunity**

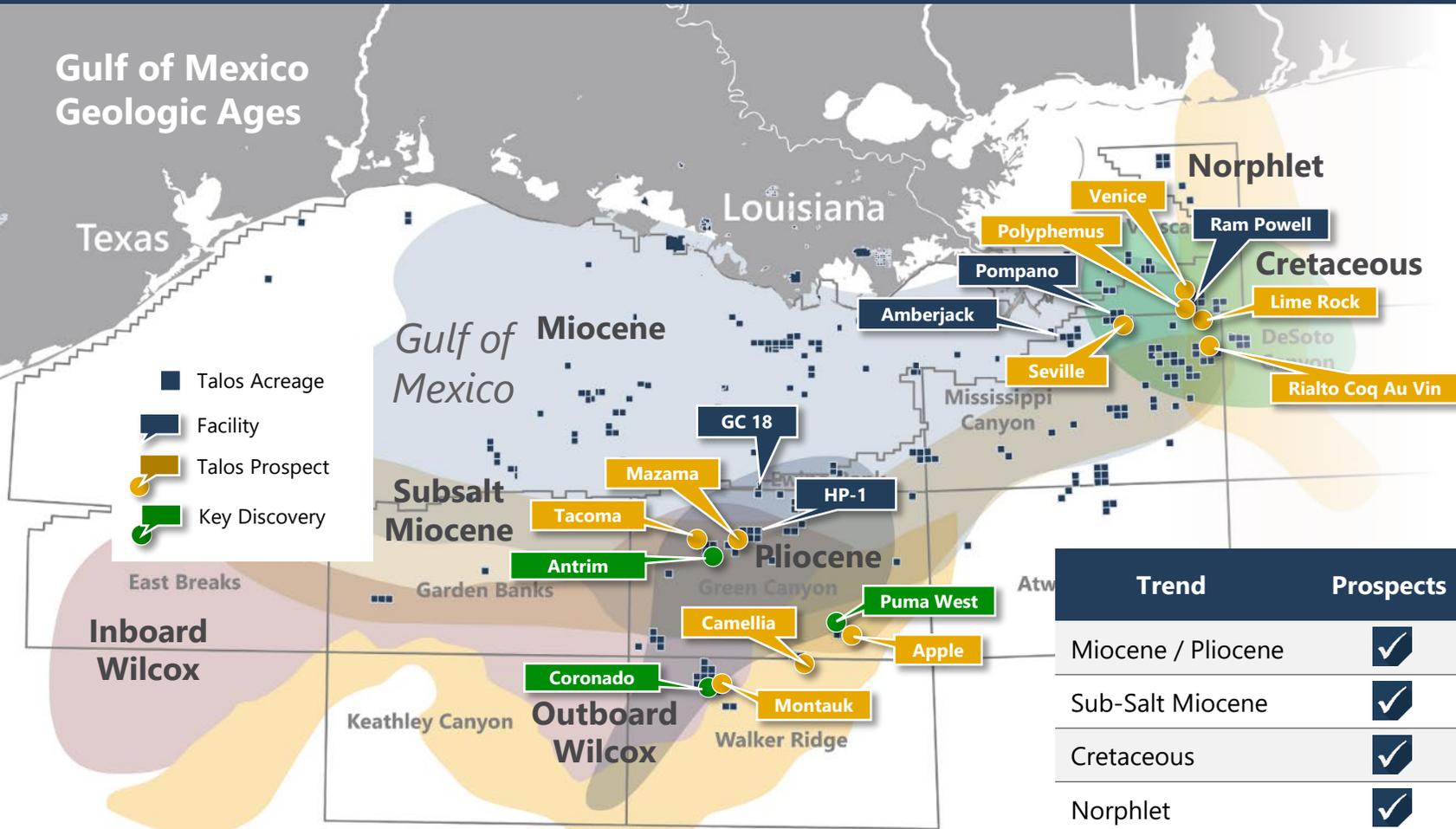


Low Carbon Initiatives

Catalysts: High-Impact Exploration



Talos possesses the capability, acreage and prospects to generate significant value through future drilling



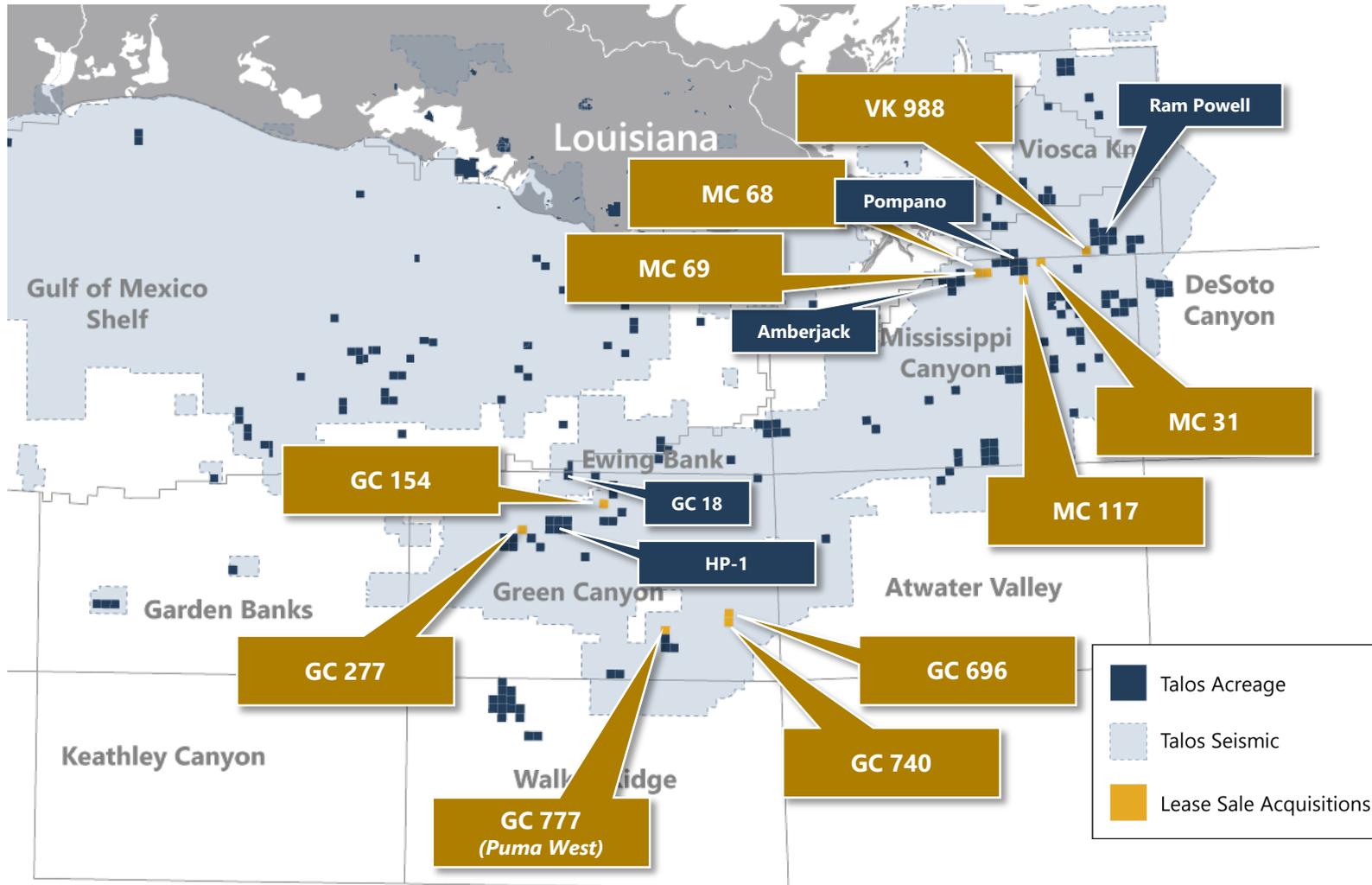
Well-Positioned to Execute

Talos holds a strategic position in every major geological trend in the basin:

- Inventory of prospects
- Held By Production and Primary Term acreage under lease
- Facilities to host future Talos and 3rd party discoveries
- Active partnerships with Majors and leading Independents

Trend	Prospects	Acreage	Facilities	Partnerships
Miocene / Pliocene	✓	✓	✓	✓
Sub-Salt Miocene	✓	✓	✓	✓
Cretaceous	✓	✓	✓	
Norphlet	✓	✓	✓	✓
Wilcox	✓	✓		✓

November 2021 Lease Sale Additions



Significant Acreage & Prospect Additions

- 57,600 gross / 36,720 net acres
- Close proximity to Talos infrastructure and discoveries
- Added numerous prospects across size/risk spectrum for future evaluation
- Talos was one of the most active bidders behind Majors
- Royalty rates and other key economic terms consistent with historical standards and existing regulations

Catalysts: Global M&A Opportunity



Opportunity Set

- Consolidation driven by:
 - Record divestment targets
 - Long-dated private investments
 - Push for scale and cost-efficiency
 - Limited universe of well-positioned consolidators

M&A Track Record

- 11 acquisitions in 8 years
- Proven ability to add value through M&A
- Basin entry capability demonstrated by Zama

The M&A Landscape

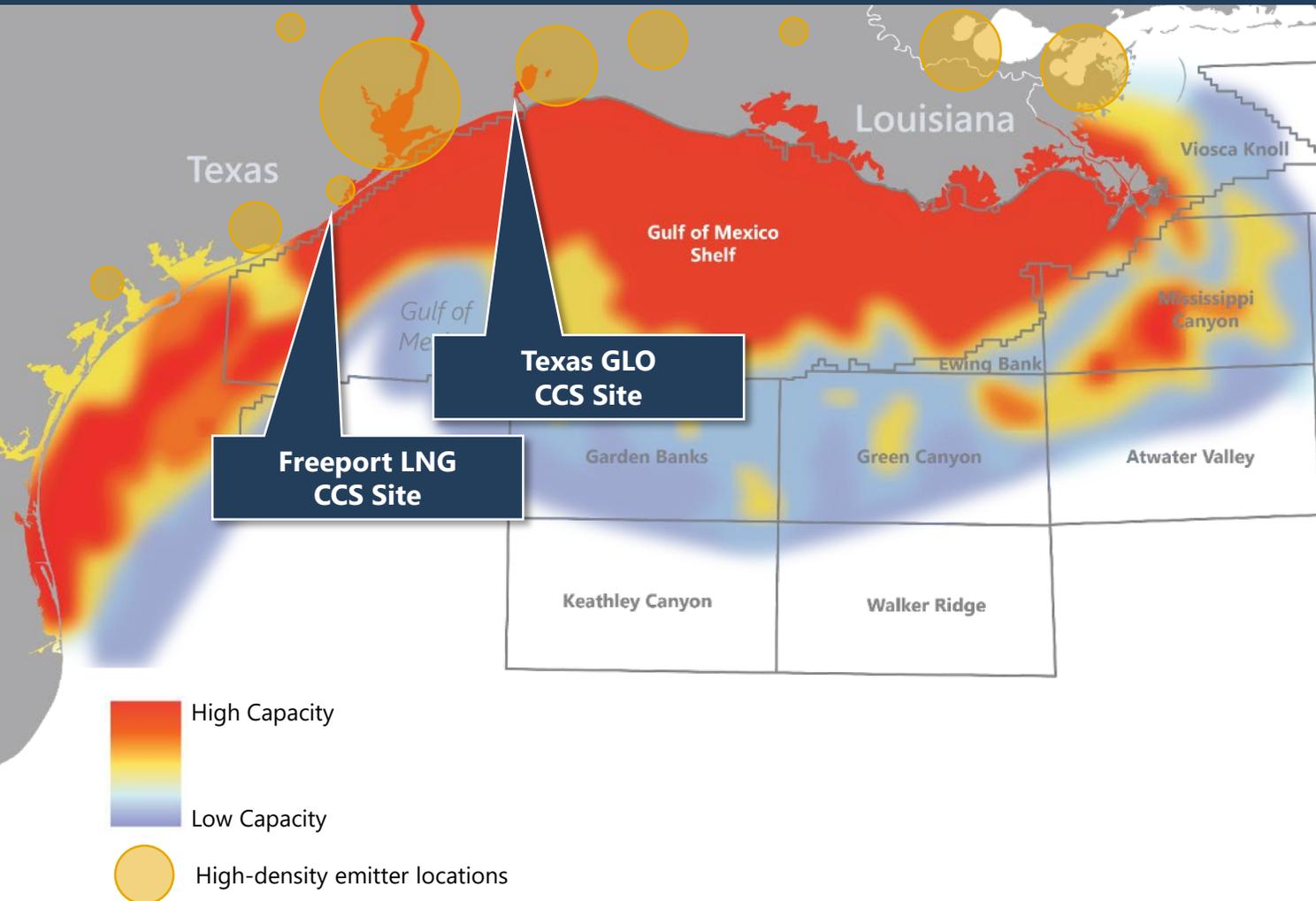
- **>\$100 billion** in divestments targeted by Super Majors alone by 2025
- **>40** private offshore E&Ps
- **Few capable, well-positioned offshore consolidators**



Catalysts: Gulf Coast CCS Market Opportunity



Industrial emitters are concentrated along the Gulf Coast, adjacent to huge storage capacity and infrastructure



America's Industrial Epicenter

- Critical power gen., industrial and petrochemical corridor
- **100+ facilities emitting > 1,000,000 tons of CO₂ per year**
- Array of emitter sizes, capabilities and needs

Logical Storage Solution

- Sub-surface traits consistent with conventional rock properties found in the shallow water GOM
- **>30 gigatons of potential storage**
- Established industry supply chain
- Talos is one of few public offshore companies positioned to take advantage of growing market



CCS is a Natural Fit for Talos



Talos is building a large-scale decarbonization solutions business

- Among many energy transition initiatives, CCS stands out as actionable in today's technological, economic and political environment
- Talos's core skills are well-suited for a fully-integrated carbon capture business
- The Company's technical and operational capability, regional presence and track record are differentiators in a rapidly emerging space

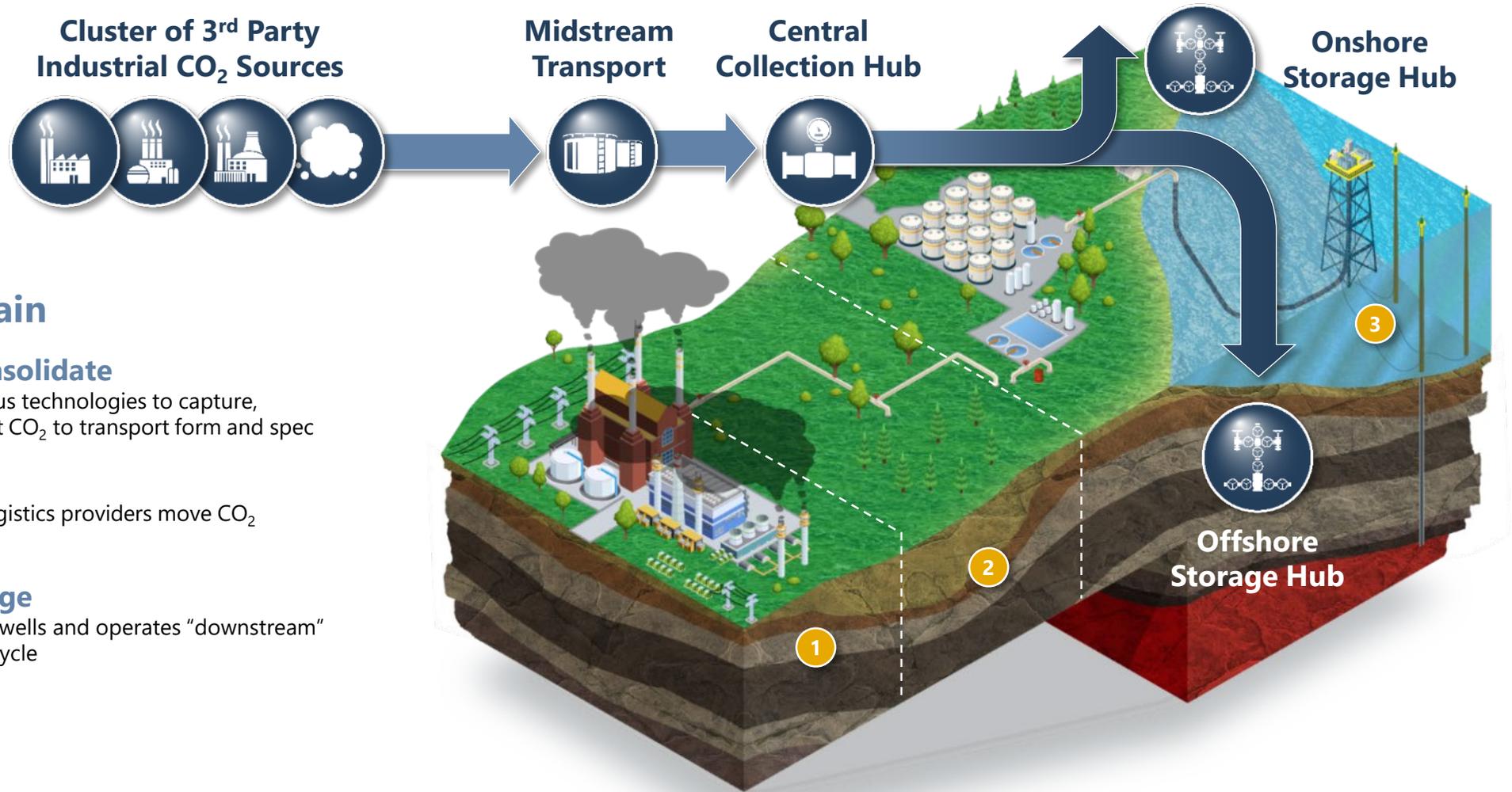
Complementary Skill Sets

	E&P	CCS
Conventional Reservoir Expertise, G&G Team	✓	✓
Significant Gulf Coast / GOM Presence	✓	✓
Vast Seismic Database	✓	✓
Established Operator & Project Mgmt. Capabilities	✓	✓
Strong HSE Track Record	✓	✓
Business Development and Commercially Driven	✓	✓

Carbon Capture and Storage Value Chain



CCS leverages Talos's transferrable skills to mature project opportunities along the decarbonization value chain



CCS Value Chain

- 1 Capture & Consolidate**
Emitters utilize various technologies to capture, separate and convert CO₂ to transport form and spec
- 2 Transport**
Infrastructure and logistics providers move CO₂ to gathering hub
- 3 Inject & Manage**
Talos drills injection wells and operates "downstream" system through lifecycle



Carbonvert

- Exclusive partner for Texas GLO carbon transport and storage project
- Newly formed CCS company founded by renewable and conventional energy veterans
- 70+ years of combined project experience, including multiple large-scale CCS projects
- Leadership has direct experience with successful class VI permits



Storegga Geotechnologies

- Exclusive joint venture to originate and mature CCS opportunities along entire U.S. Gulf Coast
- Storegga is the lead developer of the Acorn Project in Scotland – the first large-scale CCS project in the UK
- Talos E&P and operations skill sets plus Storegga CCS expertise and project delivery track record provide compelling commercial value proposition



TechnipFMC

- Long-term alliance to develop and deliver technical and commercial solutions to Gulf Coast CCS projects
- Utilizing TechnipFMC's expertise as a system integrator, they will lead the pre-FEED and FEED project development
- Alliance spans the entire Gulf Coast CCS opportunity set



CCS Project Types



Emerging CCS opportunities are diverse and numerous

- Gulf Coast CCS opportunities can broadly be characterized into two key categories
- Talos is actively evaluating opportunities in both categories, with opportunities for impactful projects in both

	Regional Hub	Point Source
Source	Clustered industrial base	Single facility / plant
Talos Role / Offering	Operator / Project Mgr.	Turnkey Operator / Project Mgr.
Midstream Provider	Third Parties and / or Partners	Talos
Land / Site	Large, regional lease	Already secured; nearby
First Injection Timeline	~4+ Years	~3 Years



Regional Hub Project – Texas GLO Carbon Storage Site



Talos Will Operate the First Major Offshore Carbon Storage Hub in the United States

Key Highlights

- Selected from 12 bids as sole winning bidder partnership with Carbonvert; minimal initial payments
- Talos identified prime geological conditions for CO₂ storage
- Estimated 225-275 MM metric tons of CO₂ storage capacity
- Actively working with emitters and midstream providers to advance a future project

Power Generation



Industrial



Refineries



Other



TEXAS

High volume of emissions sources in close proximity to Talos storage sites

Freeport LNG Carbon Capture Site

Freeport

Shelf Acreage Recently Acquired by Major in Lease Sale

Beaumont

Port Arthur

La Porte

Galveston

40,380 Acre Offshore Storage Complex

Texas GLO Carbon Capture Site

Talos is a significant player and one of the first movers into large-scale carbon capture

*"...Appears to be rapidly **evolving from an ESG friendly concept to a viable, complimentary business.** Today's announcement that TALO and its partner Carbonvert were the winning bidders for a Texas carbon storage site **demonstrates management's commitment to this emerging business.**"*

Michael Scialla, Stifel

"TALO is leading the offshore carbon sequestration business in the US...TALO is the only publicly-traded E&P company with an offshore CCS project."

Subash Chandra, Benchmark

Point Source Project - Freeport LNG CCS



A Win-Win point source CCS solution for one of the world's largest LNG facilities

- LOI executed to develop local CCS project adjacent to Freeport's liquefaction and export facilities ~60 miles south of Houston, TX
- Base project to capture, transport, store Freeport's highly concentrated CO₂ emissions at adjacent injection site for up to 30-year term
- **Target first injection by year end 2024, making the Freeport project the first commercial CCS venture on the U.S. Gulf Coast**

FREEPORT
LNG[®]

The logo for Freeport LNG, featuring the word 'FREEPORT' in a stylized, italicized font above the word 'LNG' in a large, bold, sans-serif font. A registered trademark symbol (®) is located to the upper right of the 'G'.

TALOS
ENERGY

The logo for Talos Energy, with 'TALOS' in a large, bold, sans-serif font and 'ENERGY' in a smaller, all-caps, sans-serif font below it.

STOREGGA

The logo for Storegga, featuring the word 'STOREGGA' in a bold, sans-serif font with a blue dot above the letter 'O'.

- Significant progress toward Net Zero emissions
- Rapid execution timeline
- Long-term, turn-key solution
- Secured emissions stream and injection site
- Minimal required capital expenditures
- Upside expansion with additional regional emissions
- Point Source solution is repeatable across Gulf Coast

Talos Carbon Capture and Storage Vision



Talos aims to build a multi-project, full-scale CCS business along the US Gulf Coast



Project Characteristics

- Long-lived over several decades
- Bespoke commercial structures depending on situation
- Contracted volume sources from strong-credit, major emitters

Talos is actively advancing multiple potential projects across more than half a million acres

2021 Operational & Financial Guidance

Production

- Expect 2021E production at low end of guidance range (~63 MBoe/d), inclusive of 10-12 MBoe/d of Hurricane Ida deferrals in 3Q 2021
- Expect 4Q 2021 production of 64-66 MBoe/d
- Includes 1H impacts of Praline tie-in and platform rig construction at Pompano as well as increased weather-related risking

Cash Expenses

- Includes full year of expenses from 2020 acquisitions
- Incremental workover activity compared to 2020 that is not capitalized (contributes to 2021 production; ~\$15 MM)

Capital Expenditures

- Lower-risk capital program focused around key infrastructure assets for quick turnaround to production
- High-impact exploration at Puma West



<i>As of November 3, 2021</i>		2020A	2021E
Production	Oil (MMBbl)	13.7	15.7 – 16.6
	Natural Gas (Bcf)	28.7	34.5 – 37.0
	NGL (MMBbl)	1.6	1.6 – 1.7
	Total MMBoe	20.0	23.0 – 24.5
	Avg. Daily Production (MBoe/d)	54.7	63.0 – 67.0
Expenses	Cash Expenses	\$247	\$290 – \$310
	G&A	\$56	\$60 – \$65
	Capital Expenditures	\$406	\$340 – \$370

Talos Capital Allocation Priorities

Prioritizing financial health, stability and successful long-term value creation

- Return to ~1.0 – 1.5x leverage target and pre-pandemic financial posture, expected in 2022
- Disciplined and risk-balanced capital reinvestment in Upstream business
- Measured capital exposure to transformative CCS opportunities
- Accretive M&A and corporate development (Domestic and/or International)
- Return of capital to shareholders as other priorities achieved and flexibility of credit terms allows



Solid Capital Structure

Talos maintains high liquidity, low leverage and no major maturities for ~3 years

2021 Actions

- Reduced borrowing base utilization to <50% by paying \$235MM back to lenders
 - Following the 2L refinancing, paid back \$65MM out of operating cash flows
- Increased asset collateral value
 - Increased PDP reserve value by focusing on lower risk conversion from PUD to PDP
 - Adjusted investments to maintain competitive leverage profile

Capitalization Summary (\$MM)

Tranche	As of September 30, 2021	Maturity
RBL Facility (<i>\$950 Borrowing Base</i>)	\$400	November 2024
12.00% 2L Note (<i>Recent Price / Yield 106-107 / 9.35-9.72%</i>)	650	January 2026
7.50% Note	6	May 2022
Finance Lease	46	---
Total Debt	1,102	---
Cash	59	---
Net Debt	\$1,043	---

Key Credit Statistics

~\$375 MM

Liquidity

1.8x

Leverage

(Net Debt / 2021E EBITDA)

3.9x

Asset Coverage

Talos Investment Case Highlights



MANAGEMENT TRACK RECORD OF SUCCESS



STRONG, OIL-LINKED MARGINS AND CONSISTENT FREE CASH FLOW GENERATION



HEALTHY CREDIT PROFILE



SOLID, DIVERSE INVENTORY OF ATTRACTIVE INVESTMENT OPPORTUNITIES



SKILL SETS TO DIVERSIFY AS CARBON CAPTURE AND STORAGE LEADER



CATALYSTS TO DRIVE TANGIBLE LONG-TERM VALUE CREATION



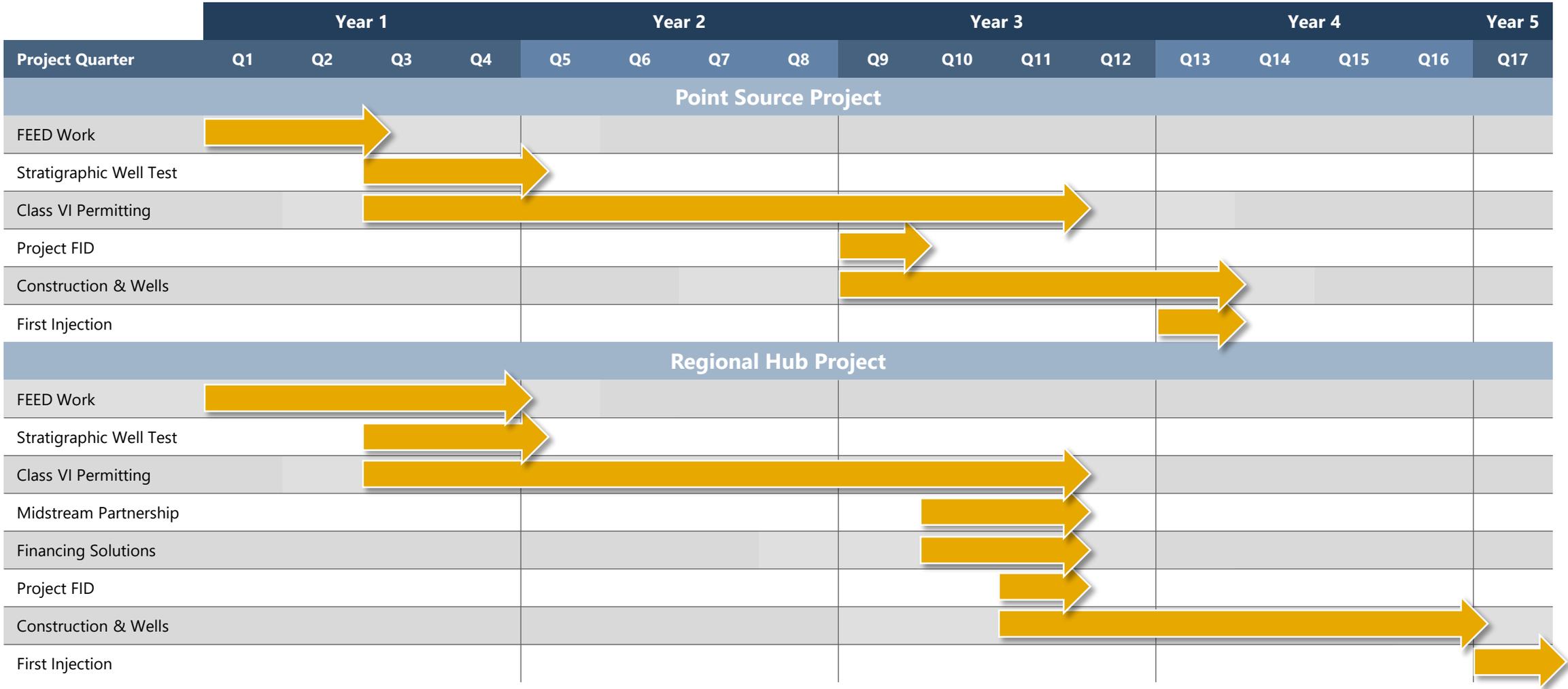
LOGICAL OFFSHORE CONSOLIDATOR WITH M&A HISTORY



APPENDIX

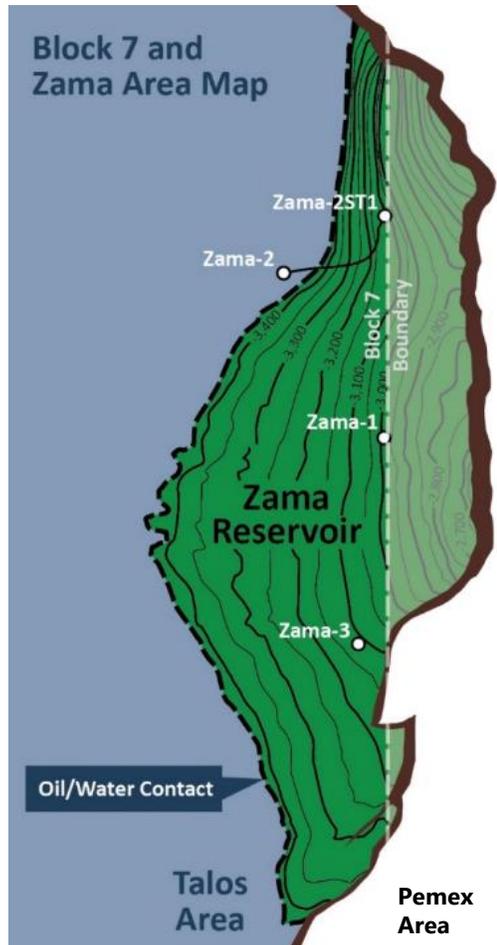


Illustrative CCS Project Timelines



Catalysts: Zama

Zama carries significant point-forward value that in any case is not reflected in the current valuation



Mexico Accomplishments

- First and only successful entrant in initial 2015 bid round
- 6 successful exploration wells and >800 MMBoe gross resources discovered (Block 7 + Block 31)
- Zama is largest shallow water oil discovery on the planet in past ~20 years; 2017 WoodMac Global Discovery of the Year
- Talos-led Zama appraisal performed on time, under budget with zero safety incidents

Economic Recap

- ~\$104 MM net invested in Block 7 since inception
- Minimal ongoing expenses until Talos approves FID

Unitization Updates

- Zama unitization agreement and development plan are main gating items to FID, as well as a vote on the Field Development Plan
- Talos has a development plan ready that will optimize economics, despite SENER's recent selection of Pemex as operator
- **On September 3, 2021, Talos filed Notices of Dispute to the Government of Mexico under USMCA and BLEU-BIT trade treaties in attempt to advance negotiations regarding operatorship**

Regardless of operator and equity splits, Zama's expected value is multiples of invested capital to date and Talos has broad strategic optionality to ultimately realize that value

ESG Leadership & Safety Focus



- **>50% reduction in TRIR from 2018**
 - One recordable incident by Talos offshore and shore based employees in 2020
 - Ten total recordable incidents across >3,600,000 offshore hours
 - Very low incident rate compared to all economic sectors; below GOM averages
- **Zero offshore hydrocarbon releases** greater than one barrel in 2021
 - <3/4 of one barrel released from >23,000,000 gross operated barrels produced (~0.000001%)
- **Expect ~25% reduction** by year end 2021 in Scope 1 GHG emissions from 2018
- **Carbon Capture and Storage Joint Venture** recently launched with Storegga, focused on originating and maturing emissions reductions initiatives along the U.S. Gulf Coast
- **~\$1.5 MM committed or raised** for local communities and charitable organizations since 2019
 - \$500 offered annually to every employee to donate to organization of their choice
- **Nine consecutive years** as a Top Workplace by the Houston Chronicle (every year since inception)
- Recently launched a higher education tuition reimbursement program for employees
- **Performance-based compensation** with stock ownership guidelines, clawback policies and an independent compensation consultant
- **Independent Board of Directors** and Independent Lead Director
 - **30% female representation** on Board of Directors
 - 4 distinct committees each with separate charters, including a Safety, Sustainability & Corporate Responsibility Committee

2020 ESG Report

TALOS ENERGY

ENVIRONMENT SOCIAL GOVERNANCE

**Inaugural ESG Report
Published November 2020**

[LINK](#)

Sensitivity of PV-10 At Various Oil Prices

\$/Bbl WTI	SEC	\$55.00	\$60.00	\$65.00	\$70.00	\$75.00
PDP	\$2,097	\$2,445	\$2,724	\$3,012	\$3,293	\$3,571
PDNP	\$495	\$616	\$704	\$791	\$881	\$969
Total Proved Developed	\$2,592	\$3,061	\$3,428	\$3,803	\$4,174	\$4,539
Proved Undeveloped	\$128	\$190	\$234	\$281	\$324	\$371
Total Proved (1P) (Incl. P&A)	\$2,720	\$3,251	\$3,662	\$4,084	\$4,498	\$4,910
Addback: Total Proved (1P) P&A	\$270	\$259	\$253	\$242	\$236	\$234
Total Proved (1P) Before P&A	\$2,989	\$3,509	\$3,915	\$4,326	\$4,734	\$5,144

The image features a sunset over a vast ocean. The sky is filled with large, billowing clouds that are illuminated from below by the setting sun, creating a vibrant orange and yellow glow. The sun itself is partially obscured by the clouds, appearing as a bright, glowing orb. The ocean below is dark blue with gentle ripples, and a shimmering path of light reflects the sun's position on the water's surface. The overall mood is serene and powerful, suggesting energy and natural beauty.

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