

**Report of Organizational Actions  
Affecting Basis of Securities**

▶ See separate instructions.

**Part I Reporting Issuer**

<b>1</b> Issuer's name <u>Talos Energy Inc.</u>		<b>2</b> Issuer's employer identification number (EIN) <u>82-3532642</u>	
<b>3</b> Name of contact for additional information <u>June Sarner</u>	<b>4</b> Telephone No. of contact <u>(713) 328-3000</u>	<b>5</b> Email address of contact <u>investor@talosenergy.com</u>	
<b>6</b> Number and street (or P.O. box if mail is not delivered to street address) of contact <u>333 Clay St., Suite 3300</u>		<b>7</b> City, town, or post office, state, and ZIP code of contact <u>Houston, TX 77002</u>	
<b>8</b> Date of action <u>March 4, 2024</u>	<b>9</b> Classification and description <u>Common Stock</u>		
<b>10</b> CUSIP number <u>87484T108</u>	<b>11</b> Serial number(s)	<b>12</b> Ticker symbol <u>TALO</u>	<b>13</b> Account number(s)

**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 ▶ [See attachment.](#)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**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 ▶ [See attachment.](#)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**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 ▶ [See attachment.](#)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Part II** **Organizational Action** *(continued)*

**17** List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ [See attachment.](#)

Horizontal lines for listing applicable Internal Revenue Code sections and subsections.

**18** Can any resulting loss be recognized? ▶ [See attachment.](#)

Horizontal lines for providing information regarding loss recognition.

**19** Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ [See attachment.](#)

Horizontal lines for providing other necessary information for the adjustment.

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.

**Sign Here**  
Signature ▶ \_\_\_\_\_ Date ▶ \_\_\_\_\_

Print your name ▶ \_\_\_\_\_ Title ▶ \_\_\_\_\_

<b>Paid Preparer Use Only</b>	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.

TALOS ENERGY INC.  
EIN: 82-3532642  
ATTACHMENT TO IRS FORM 8937 - PART II  
REPORT OF ORGANIZATIONAL ACTIONS AFFECTING BASIS OF SECURITIES

**CONSULT YOUR TAX ADVISOR**

**The information contained herein is being provided pursuant to the requirements of Section 6045B of the Internal Revenue Code of 1986, as amended (the “Code”), and includes a general summary regarding the application of certain U.S. federal income tax laws and regulations relating to the effects of the Merger (as defined below) on the tax basis of shares of common stock of Talos Energy Inc. (“Talos”) received in the Merger in exchange for common stock of QuarterNorth Energy Inc. (“QNE”). The information contained herein is merely illustrative, does not constitute tax advice, and does not purport to be complete or to describe the consequences that may apply to particular categories of stockholders. Neither Talos nor QNE provides tax advice to QNE stockholders. All former QNE stockholders are urged to consult their own tax advisor regarding any consequences of the Merger to them, including the applicability and effect of all U.S. federal, state and local and foreign tax laws.**

The IRS Form 8937 and this attachment are available for download at Talos’ website and will be available under <https://www.talosenergy.com>.

**14. Describe the organization action, and, if applicable, the date of the action or the date against which stockholders’ ownership is measured for the action:**

On March 4, 2024 (the “*Effective Date*”), Compass Star Merger Sub Inc. (“*Merger Sub*”), a Delaware corporation and an indirect wholly owned subsidiary of Talos, merged with and into QNE with QNE continuing as the surviving entity and as an indirect wholly owned subsidiary of Talos (the “*Merger*”) pursuant to the Merger Agreement, dated as of January 13, 2024, by and among Talos, QNE, Merger Sub and representatives of the equityholders of QNE (the “*Merger Agreement*”).

The Merger was a taxable transaction for U.S. federal income tax purposes. As a result of the Merger, and taking into account certain adjustments to the Aggregate Merger Consideration (as defined in the Merger Agreement) pursuant to the Merger Agreement, each share of QNE common stock was ultimately converted into (1) \$140.79353 cash and (2) 2.77381 shares of Talos common stock. QNE stockholders did not receive any fractional shares of Talos common stock and instead received cash in lieu of any such fractional shares of Talos common stock.

The Merger is described in the Merger Agreement, which is available at:

<https://www.sec.gov/Archives/edgar/data/1724965/000119312524008137/d47198dex21.htm>

**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:**

The receipt by a former QNE stockholder of Talos common stock and cash in exchange for QNE common stock in the Merger has an effect on such stockholder's tax basis. Generally, each former QNE stockholder's aggregate basis in the shares of Talos common stock received in the Merger will equal the fair market value of such Talos common stock as of the effective time of the Merger.

**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:**

Fair market value generally is the price at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the facts. U.S. federal income tax law does not specifically prescribe a methodology for determining the fair market value of the Talos common stock received in the Merger for purposes of determining your tax basis. You should consult your tax advisor to determine what measure of fair market value is appropriate.

There are several methods for determining the fair market value of Talos common stock that your tax advisor may discuss with you. One such reasonable approach to determine the fair market value of Talos common stock received in the Merger is to use the closing price on the Effective Date of the Merger, March 4, 2024, which was \$13.25.

Former QNE stockholders should consult their own tax advisors regarding their specific treatment of the Merger (including, but not limited to, the computation of gain or loss, and tax basis of Talos common stock).

**17. List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based:**

The applicable Internal Revenue Code sections are 1001 and 1012.

**18. Can any resulting loss be recognized?**

**Yes, loss may be recognized on this transaction. Former QNE stockholders should consult their own tax advisors. 19. Provide any other information necessary to implement the adjustment, such as the reportable tax year.**

The Merger was effective on March 4, 2024. For a former QNE stockholder whose taxable year is the calendar year, the reportable tax year is 2024.

**The information in this document does not constitute tax advice and is not intended or written to be used, and cannot be used, for the purposes of (i) avoiding penalties under the Code or (ii) promoting, marketing or recommending any transaction or matter addressed herein.**