

J.P. Morgan Energy Conference

June 2019



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, 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, commodity price volatility, inflation, lack of availability of drilling and production equipment and services, environmental risks, 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 discussed under the heading “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2018 and other filings with the Securities and Exchange Commission.

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.

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.

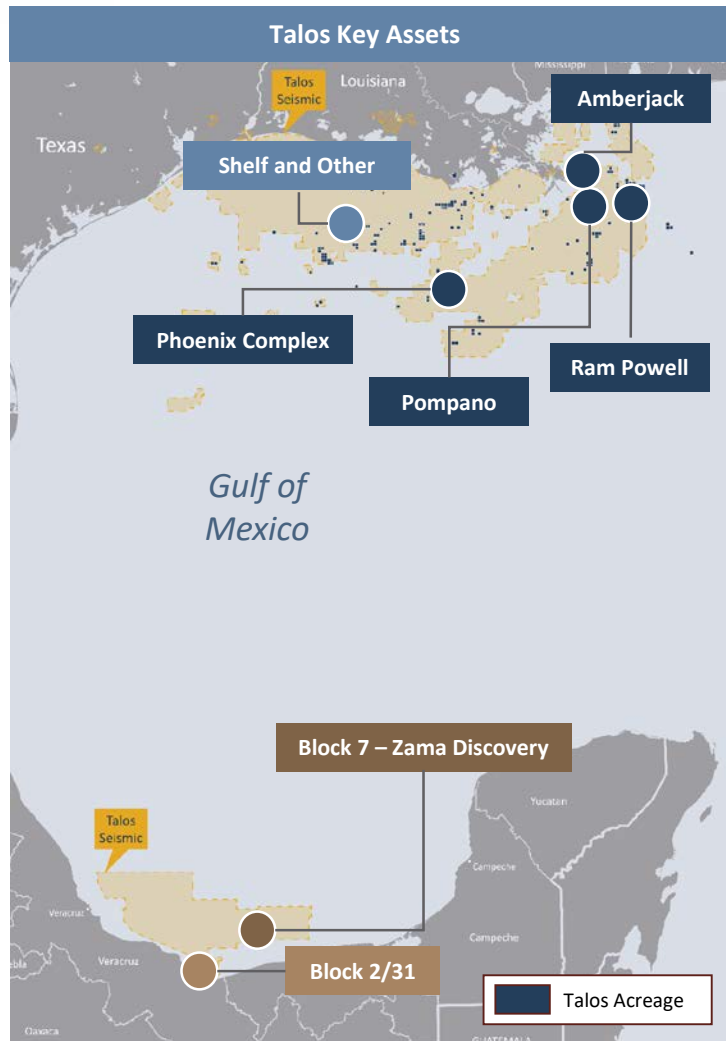
Use of Non-GAAP Financial Measures

This presentation includes the use of certain measures that have not been calculated in accordance with generally acceptable accounting principles (GAAP), including Adjusted EBITDA, Net Debt, 2H2018 Annualized Adjusted EBITDA, Net Debt/ 2H2018 Annualized Adjusted EBITDA and 4Q2018 Annualized Adjusted EBITDA. Please refer to the appendix for a reconciliation of the non-GAAP financial measures to their most directly comparable GAAP measures. 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 and probable reserves, as applicable, before income tax and derivatives. This presentation also includes 2P PV-10, which is consistent with PV-10 except it includes proved and probable reserves. 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. Moreover, GAAP does not provide a measure of estimated future net cash flows for reserves other than proved reserves or for proved, probable or possible reserves calculated using prices other than SEC prices.

Talos Energy Overview

Talos is a **technically driven** offshore independent oil and gas company with significant track record of **shareholder value** creation through **exploration success and accretive M&A**. Talos consistently **generates free cash flow**.



PRODUCTION AND RESERVES

53.4 MBoe/d

4Q2018 Production

149 MMBoe

Proved Reserves¹

197 MMBoe

2P Reserves¹

VALUATION

\$1,940 MM

Enterprise Value³

\$3,077 MM

Proved PV-10^{1,2}

\$4,140 MM

2P PV-10^{1,2}

FINANCIAL STATISTICS

\$635 MM

4Q2018 Annualized Adj. EBITDA⁴

\$452 MM

2018 Pro Forma Capex (Including P&A)

1.0x

Net Debt / 2H2018 Annualized Adj. EBITDA^{4,5}

Sources: Talos

¹ 12/31/2018 reserves and PV-10 presented using pricing of \$55.00/BO & \$2.75/MMBTU before differentials. Excludes Gunflint.

² PV-10 is a non-GAAP measure. GAAP does not prescribe any corresponding measure for PV-10 of reserves on any basis other than SEC prices. As a result, it is not practical to reconcile PV-10 using the price deck noted on footnote 1 to GAAP standardized measure.

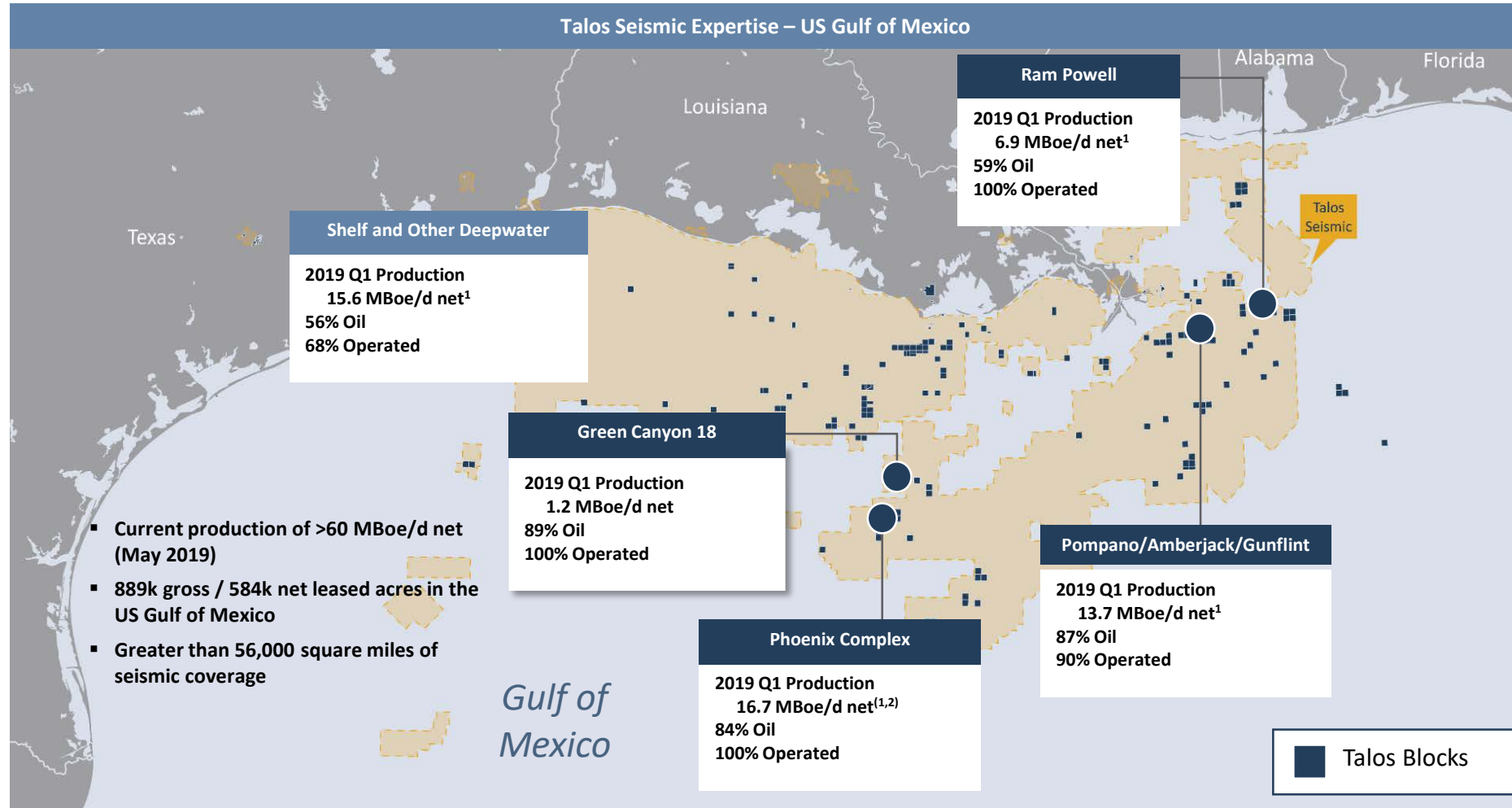
³ As of June 10, 2019.

⁴ Annualized Adjusted EBITDA is a non-GAAP measure. A reconciliation from non-GAAP to the closest GAAP measure is included in the Appendix

⁵ Talos Net Debt excludes restricted cash and is as of March 31, 2019.

US Gulf of Mexico Assets – Poised for Growth

Through our **extensive seismic footprint** and the latest advancements in reprocessing, Talos continues to develop its exploration portfolio around infrastructure and the established Miocene deepwater trend



Notes:

- 1 All net production rates based on 2019 1Q data, reflective of respective working interest and net of royalty interests
- 2 Pro forma for HP-1 dry-dock deferral of 12.1 mboe/d net

Why Gulf of Mexico?

- One of the most important and prolific oil basins in the US, second only to the Permian basin in total current oil production
- Long history of production, with year-over-year production growth since 2013, and forecasted to continue to grow over the next 10 years
- Established infrastructure leading to attractive differentials
- Exploration and development focused on leveraging existing infrastructure
- Improved drilling and completion efficiencies, similar to onshore basins
- Lower rig rates, with a cost of goods and services market that increases at a lower rate than other onshore basins

Industry Commentary

“RSEG has determined, breakevens in the GoM midwater are lower than the Permian. That’s right, with costs plummeting since 2015 we estimate that breakevens are around \$25/boe.”

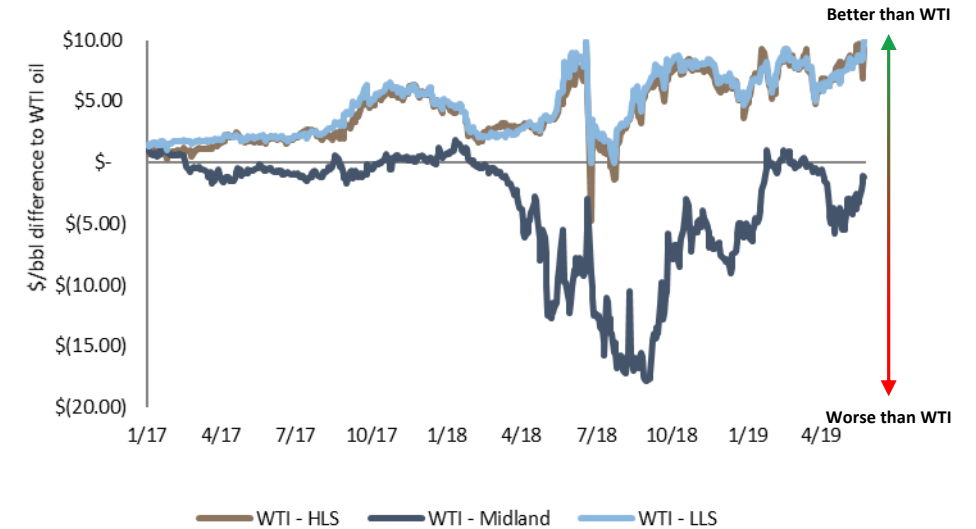
“... I would expect capital to start flowing back to the mid and deepwater assets shortly.”

Andrew Gillick – RS Energy – May 14, 2018

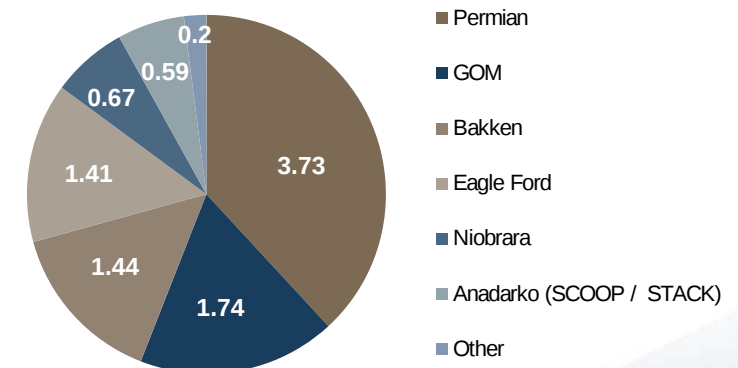
Source: Wood Mackenzie, EIA, RS energy group.

1 Monthly production as of Dec 2018.

WTI Differentials



2018 US Oil Production by Key Region (mmbbl/d)¹





Geology & Geophysics

- Targeting prolific Pliocene --> Miocene window
- Excellent rock properties and advances in seismic lead to direct hydrocarbon indicators (DHI's)
- Reduce risk and increase exploration success

Offshore Operations

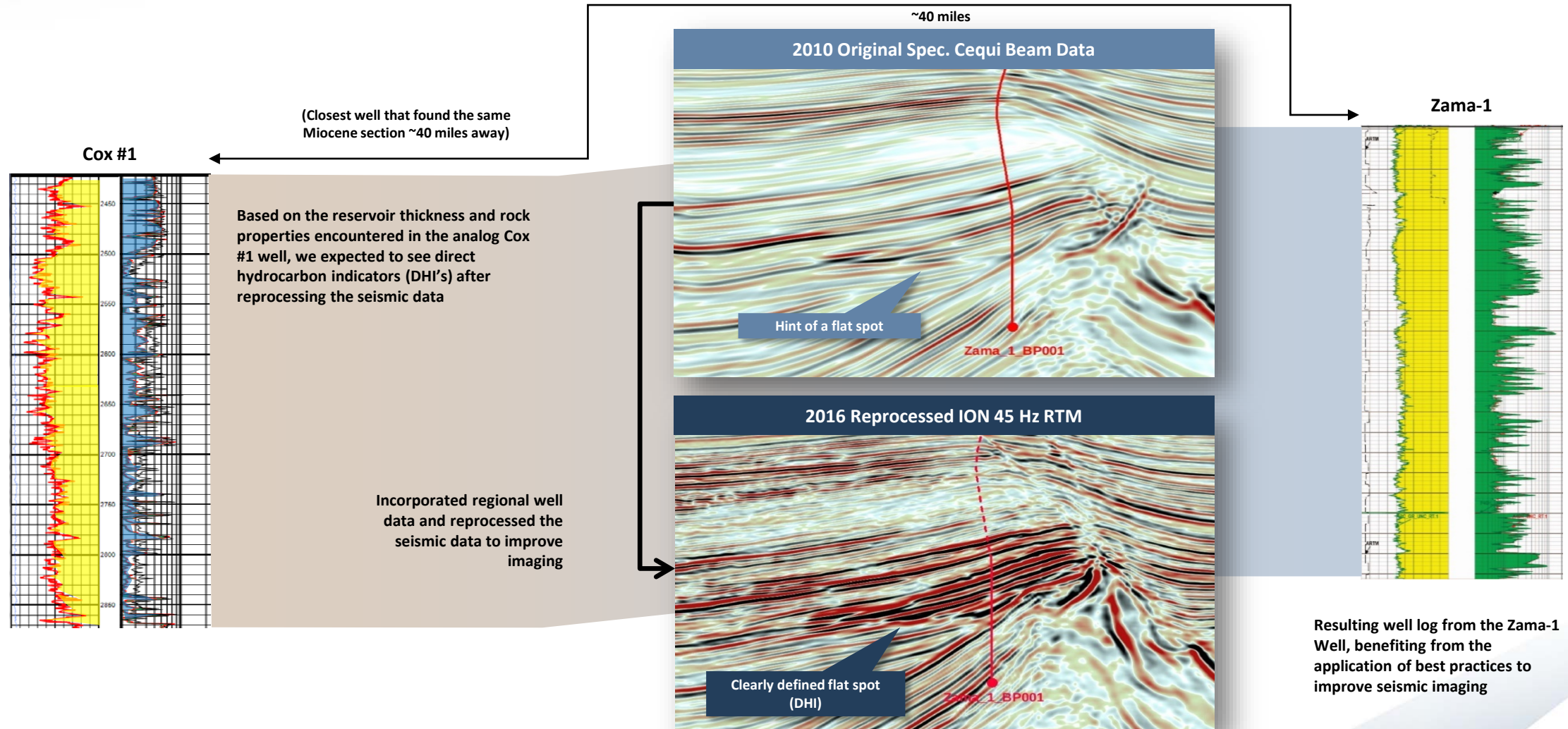
- Top-tier offshore operational performance
- Infrastructure-led exploration leads to low-cost developments and short cycle time to first production
- Focus on health, safety, and environment
- Efficient execution in drilling, completions and well-work at low cost

Low Entry Cost Focus

- Industry focus on onshore unconventional assets gives way to low entry cost opportunities in the offshore space
- 228,000 gross acres leased in Mexico with zero up-front acreage cost

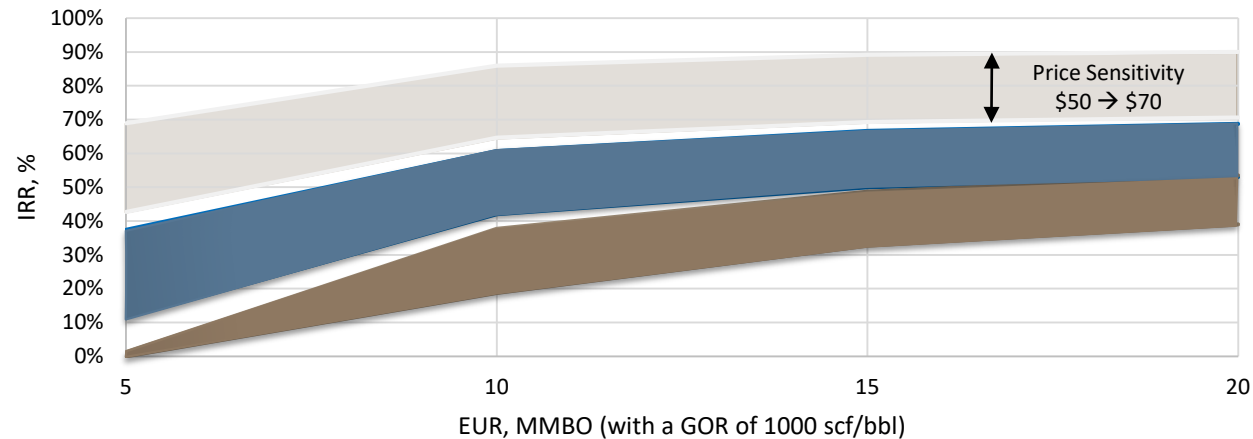
Applying Best Practices to Improve Seismic Imaging

Talos Energy expertise in **seismic reprocessing** saves money, improves the ability to find new prospects and **reduces risk**.



High-margin barrels flowing through existing fixed cost infrastructure generates **attractive returns**

Illustrative Deepwater Project IRR's at \$50 → \$70/bbl



In-Field Well (0-5 mi.)

- \$20 MM subsea hook-up
- 12 months to 1st oil
- 8,000 BOPD IP
- Minimal expenses

Short Tie-Back (5-10 mi.)

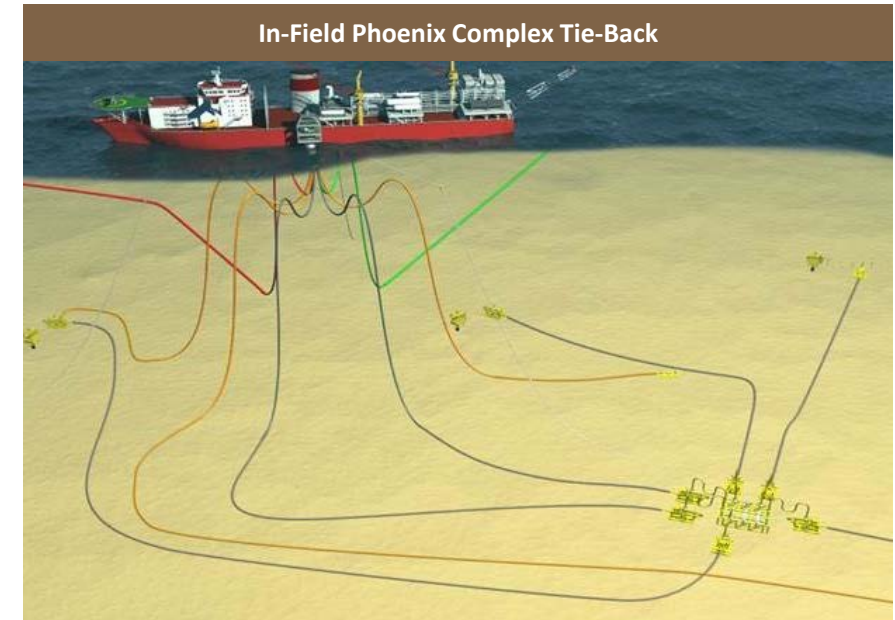
- \$50 MM subsea hook-up
- 18 months to 1st oil
- 10,000 BOPD IP
- Third-party PHA terms

Long Tie-Back (10-30 mi.)

- \$150 MM subsea hook-up
- 24 months to 1st oil
- 15,000 BOPD IP
- Third-party PHA terms

Other Economic Assumptions

- Showing un-risked project economics (Talos historical drilling success ratio >75%)
- Cost to Drill, Case and Complete: \$85 MM
- Third party PHA fees: \$500k/mo. LOE plus \$4.50/bbl and \$0.55/mcf
- Gas price held flat at \$3.00/MMBtu
- No shrinkage applied
- No value for NGLs assumed



Key Highlights

- Deepwater project economics are still compelling even in a lower commodity price environment
- Low risk opportunities available in the GoM market to participate in short tie-back opportunities with +10 MMBO of potential
- Talos is constantly high grading its portfolio to bring forward the most compelling internally and externally generated projects
- Economics are inclusive of P&A costs



GREEN CANYON



MISSISSIPPI CANYON



GOM SHELF / OTHER



OFFSHORE MEXICO

2P Reserves¹

95 mmboe

67 mmboe

35 mmboe

-

1Q19 Production²

17.9 mboe/d net,
~84% oil

20.6 mboe/d net,
~77% oil

15.6 mboe/d net,
~56% oil

-

Key Assets

Phoenix
Tornado
Boris
GC 18

Pompano
Ram Powell
Amberjack
Gunflint

Ewing Bank 305/306
Main Pass 72

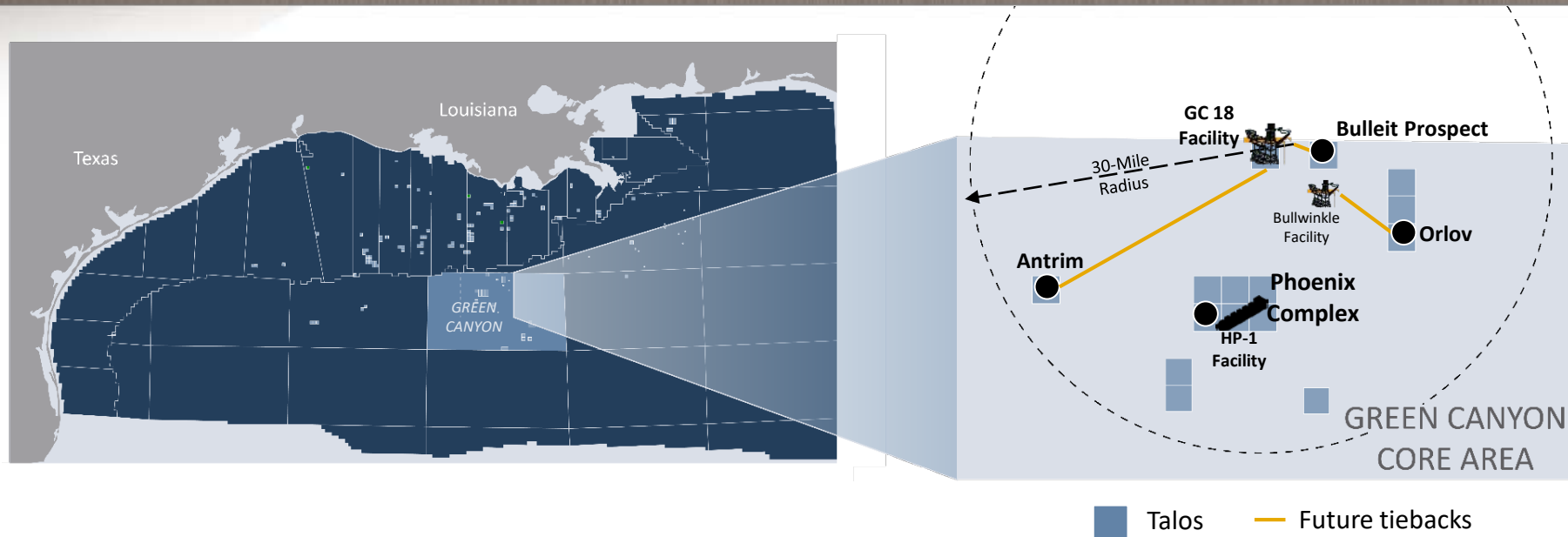
Zama
Block 31
Other Prospects

Notes

The U.S. Gulf of Mexico business generates significant free cash flow while funding approximately \$85 million of Mexico exploration and appraisal in 2019

400 – 800 mmboe gross recoverable
150 – 175 mboe/d gross peak rate

¹ 12/31/2018 reserves and PV-10 presented using pricing of \$55.00/BO & \$2.75/MMBTU before differentials. Excludes Gunflint.
² Pro forma for HP-1 dry-dock deferral of 12.1 mboe/d net

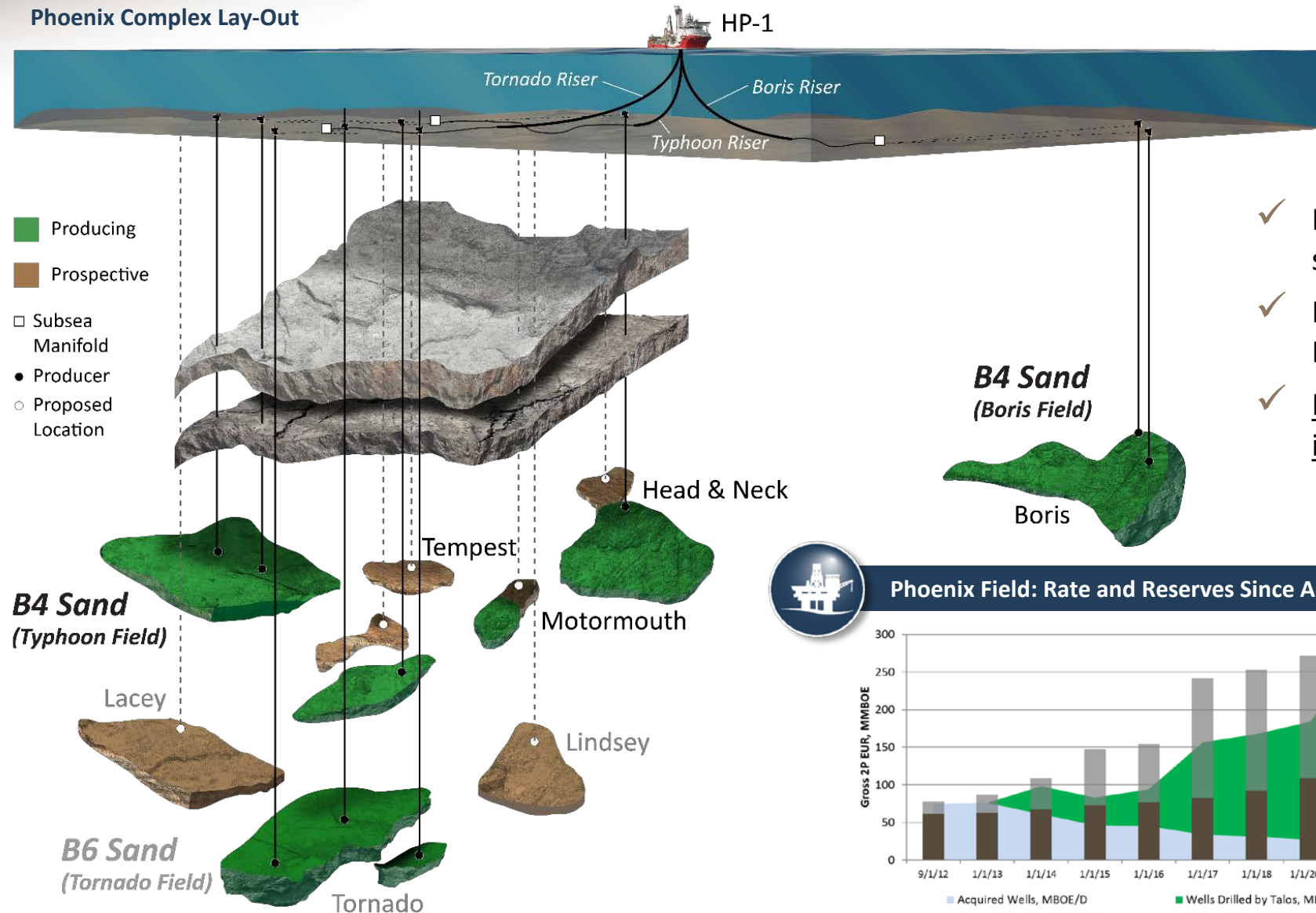


Green Canyon 18 – Strategy in Motion

- Recent strategic acquisition of the GC 18 platform with active production and significant available capacity
- Low entry cost transaction providing scalable infrastructure in a core operating area
- Existing asset has produced over 100 MMBoe and we expect another re-development program
- Talos subsequently executed multiple business development opportunities to leverage the new facility:
 - Acquired Antrim discovery from Exxon, which will tie back to GC 18 facility
 - Entered partnership as operator on Bulleit prospect (GC 18 tie-back); drilling currently in progress
 - Acquired new blocks in recent federal lease sale in close proximity
- Validation of strategy focused on core areas, infrastructure access, and upside exploration and exploitation

Green Canyon Phoenix Complex

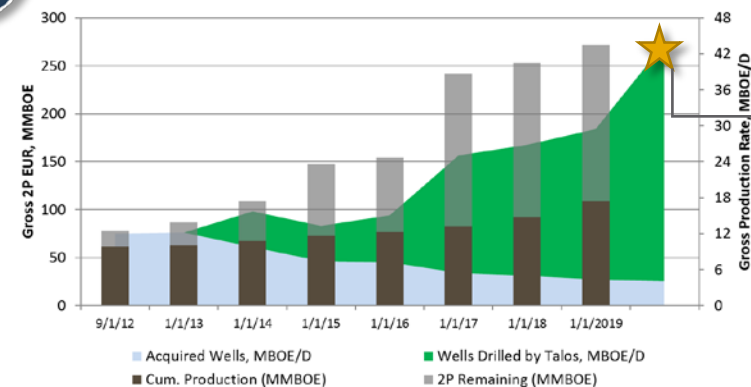
Phoenix Complex Lay-Out



- ✓ Material rate and reserve growth since acquiring
- ✓ Recently drilled and completed Boris 3 and Tornado 3
- ✓ Reached a production milestone in May 2019 of ~43 MBoe/d



Phoenix Field: Rate and Reserves Since Acquiring



Stranded Discoveries & Exploration, Development JVs



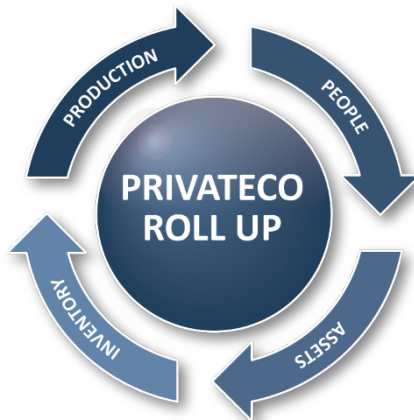
- Working with partners in deepwater plays to pull portfolio value forward
- Discoveries that are not material enough to justify the construction of new infrastructure
- Talos benefits from owning or having access to nearby infrastructure to economically justify development

Single Asset Acquisition

- Low cost of entry on all metrics
- Typically sold by Majors
- Sellers main focus is on protection against P&A liabilities
- Acquisition of existing infrastructure allows Talos to be better explorers by focusing on low-risk exploration within a 30-mile radius



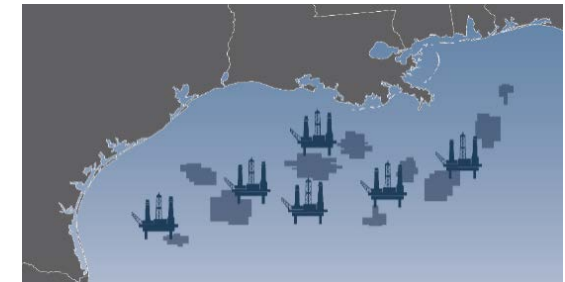
Roll Up of Private Companies



- Private companies looking for an opportunity to monetize investment
- Typically includes additional inventory of drillable prospects
- Increases scale significantly

Asset Packages

- Provides a diversified portfolio of opportunities
- Increases scale significantly
- Typically sold for cash
- More difficult to execute in a soft capital markets scenario



Single Asset Acquisition

RAM POWELL

- Seller: Shell, ExxonMobil, Anadarko
- Transaction Date: May 2018
- Acquisition metrics: \$5,230/Boe of production
- 4Q2018 Production: 6.8 MBoe/d Net
- Working Interest: 100%



Roll-Up of Private Company

GREEN CANYON 18

- Seller: Whistler Energy (acquired entity)
- Transaction Date: August 2018
- Acquisition metrics: \$9,333/Boe of production
- 4Q2018 Production: 1.1 MBoe/d Net
- Working Interest: 100%



Single Asset Acquisition

GUNFLINT

- Seller: Samson Offshore
- Transaction Date: January 2019
- Acquisition metrics: \$16,450/Boe of production
- Current Production: 1.5 MBoe/d Net
- Working Interest: 9.6%



Stranded Discoveries & Expl., Dev. JVs

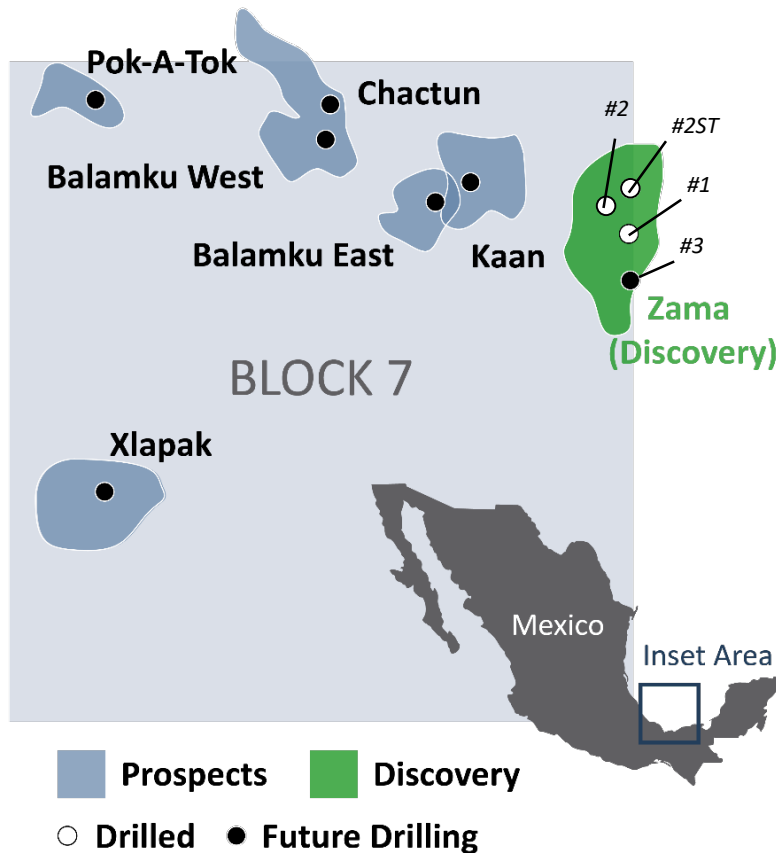
ANTRIM

- Seller: ExxonMobil
- Transaction Date: January 2019
- Working Interest: 100%
- Discovery – appraisal in coming years

MURPHY EXPLORATION JV

- Partner: Murphy Oil
- Size: 20,000 acres
- Area of Focus: Middle Miocene Prospects
- Recent successful lease sale bids on MC 554, 555

In addition to Zama, Talos has other **high quality prospects** that could be drilled in the coming years.



Overview

- Participating Interest: 35%
- Operator: Talos Energy
- Acreage: 114,854 gross acres
- Water Depth: 500-650 ft

Zama Discovery

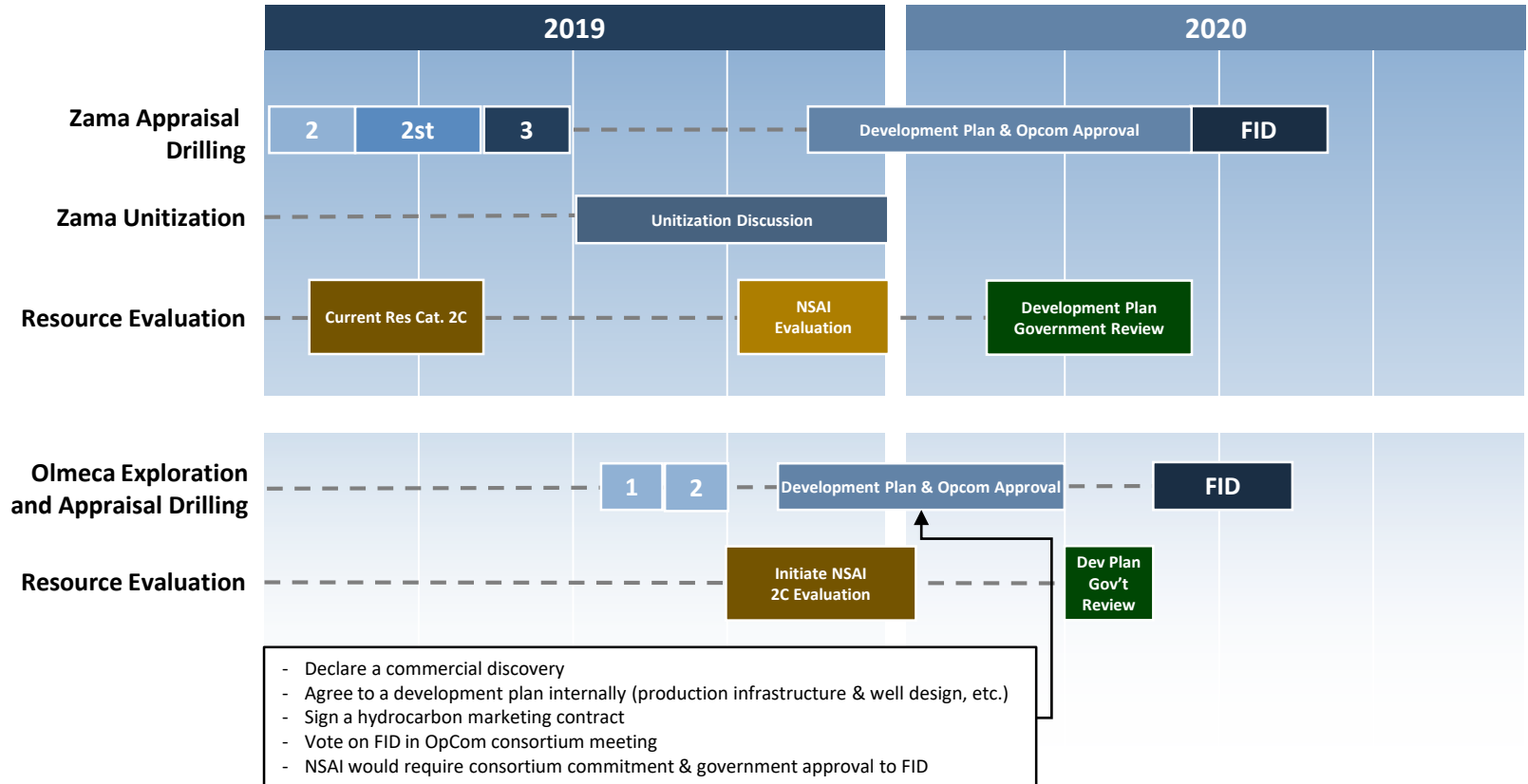
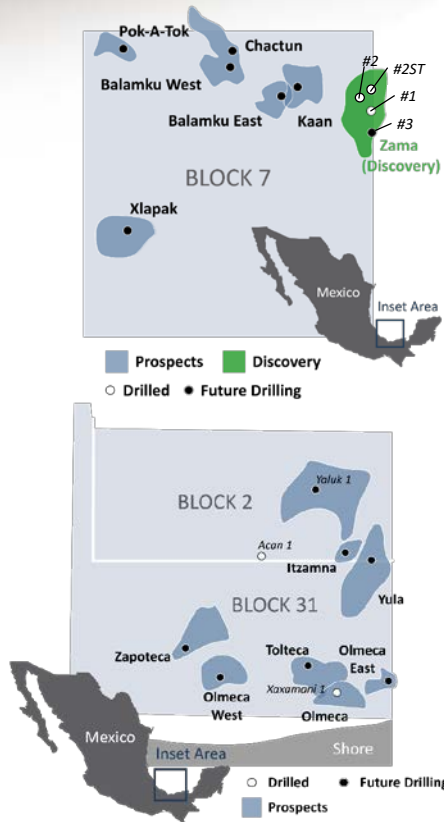
- Water Depth: 550 ft
- Appraisal operations are significantly under budget and ahead of schedule. Talos has introduced new technology in the areas of coring, drilling fluids and mechanics, and wireless downhole monitoring during the DST.

Other Prospects

- All prospects are amplitude supported opportunities
 - Pok-A-Tok¹
 - Xlapak¹ (multiple stacked targets)
 - Balamku
 - Chactun
 - Kaan

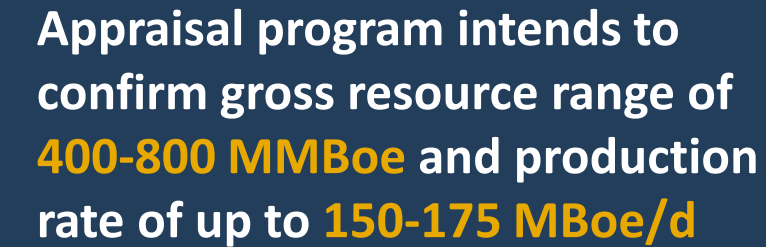
¹ Near-term Catalyst

Mexico – Preliminary Timeline to FID

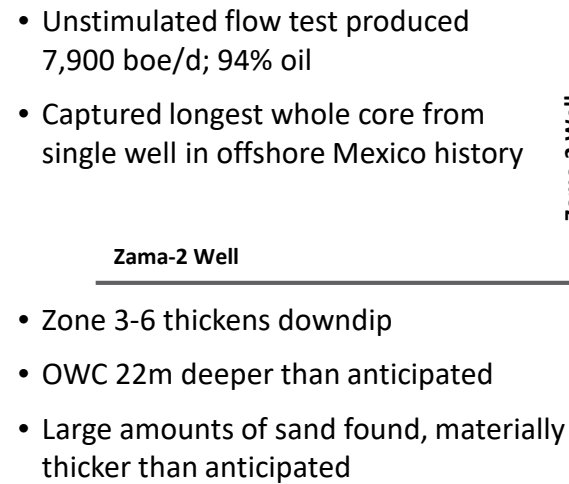


Key activities between now and FID

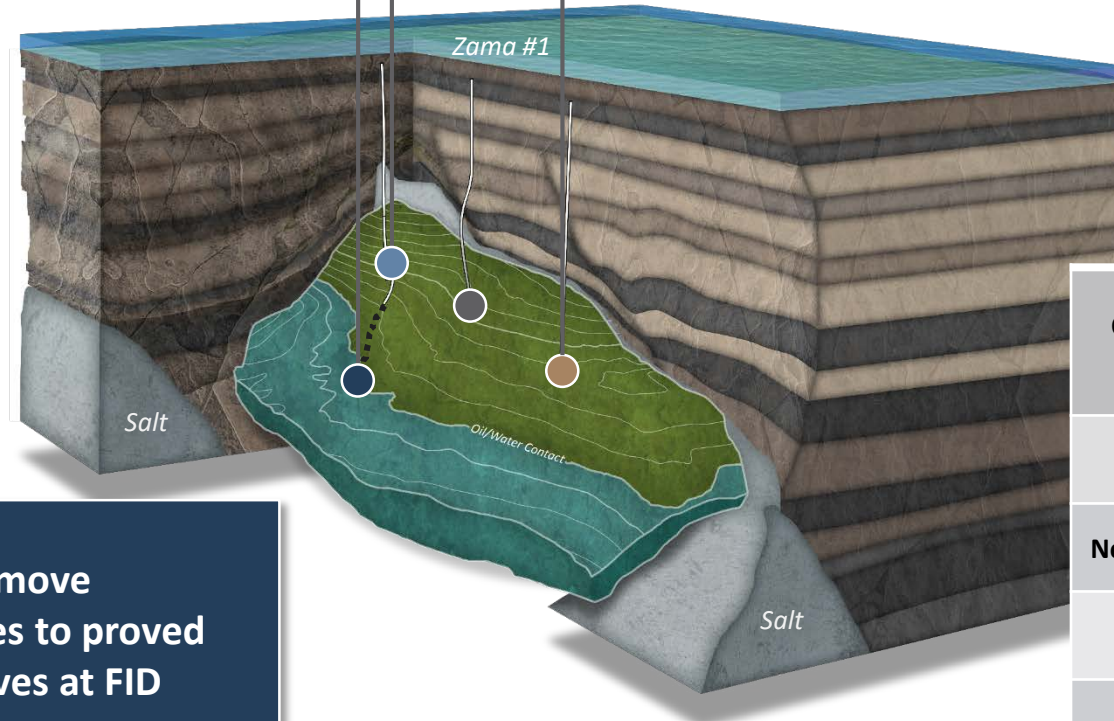
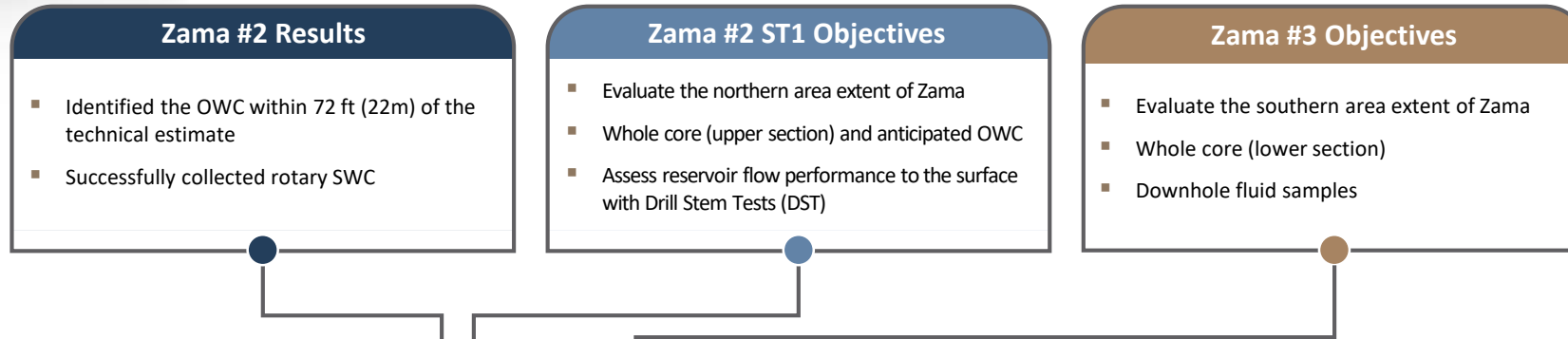
1. Finalize appraisal program
2. Unitization proceedings and agreement
3. Finalize and submit development plan to government
4. Government approval of development plan



- Zama appraisal currently underway with two of three appraisal penetrations completed thus far
- Both appraisal wells generated results in line or better than expected
- Targeting 2020 FID following appraisal program completion mid-2019



Block 7 – Current Appraisal Plan Results



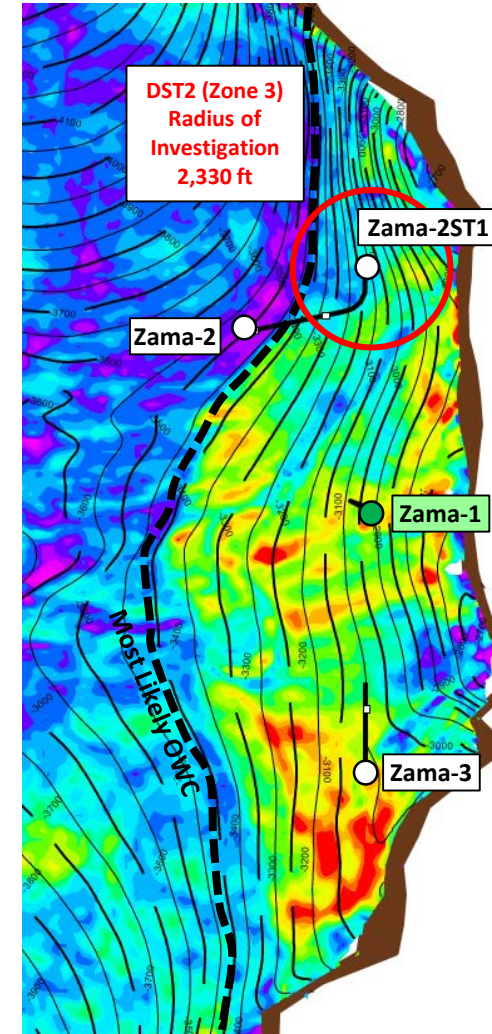
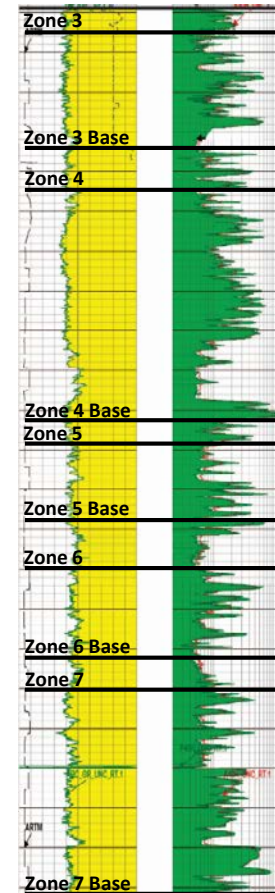
	Comments
Oil-water contact	- OWC contact penetrated at -3,430m TVDSS in #2 22m deeper than pre-drill estimate
Area	Further supporting NSAI 2C estimate
Net-to-Gross	NTG of 68-73%
Porosity	Porosity of 25% average across both wells
Sw	Sw of 36% average across both wells

Well-positioned to move contingent resources to proved and probable reserves at FID

Multiple Drill Stem Tests (DSTs)

- Productivity confirmed, increasing confidence in production and layer contribution using advanced Prolog Technology
- DST2 (Zone 3) assessed the maximum connected pore volume in Zama Main Reservoir, resulting in a kh of 17,400 mD-ft and a permeability of 200 mD and all 87 ft of net reservoir thickness contributed to the production test, confirmed by distributed temperature sensors
- Increased future proved reserves by confirming Zone 6 thinly-bedded, low-perm sands were contributing during the production tests

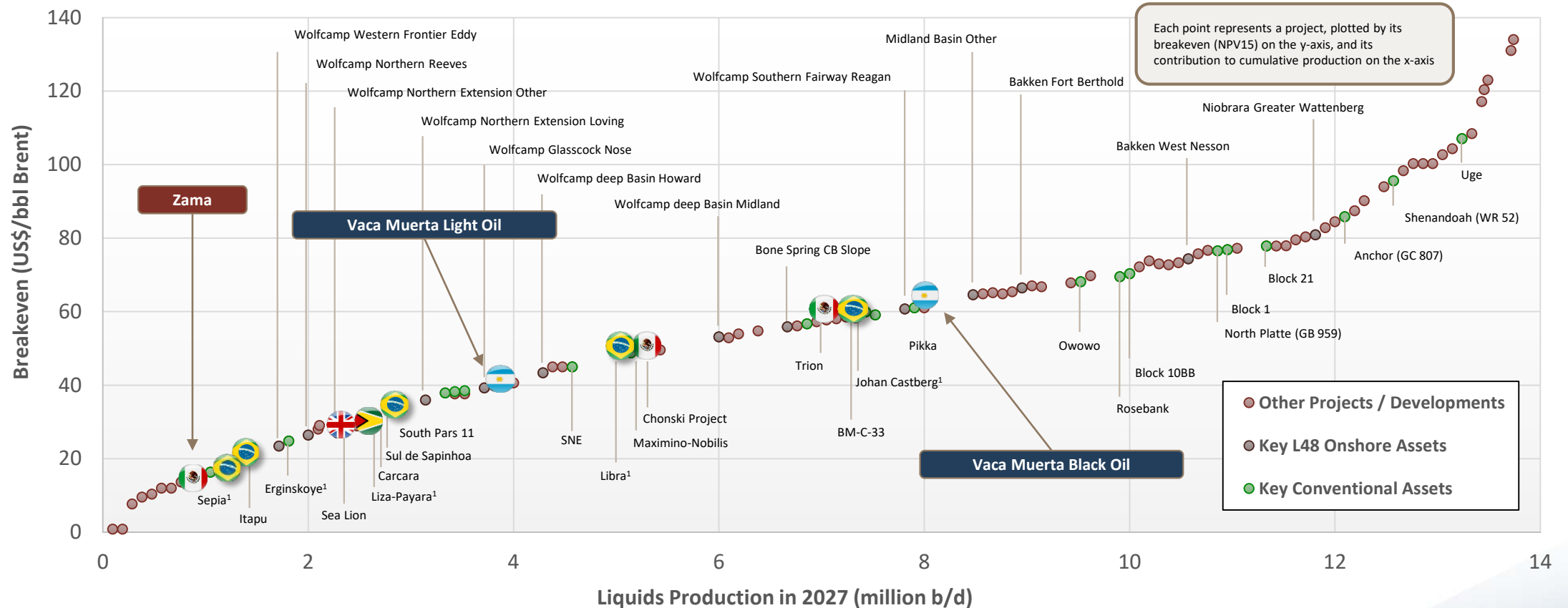
Talos Energy
Offshore Mexico Block 7
Zama-1



Zama – One of the Lowest Breakevens in the World

The Zama discovery stacks up well against WoodMac's new global sources of oil supply and is considered one of the most economic projects in the world

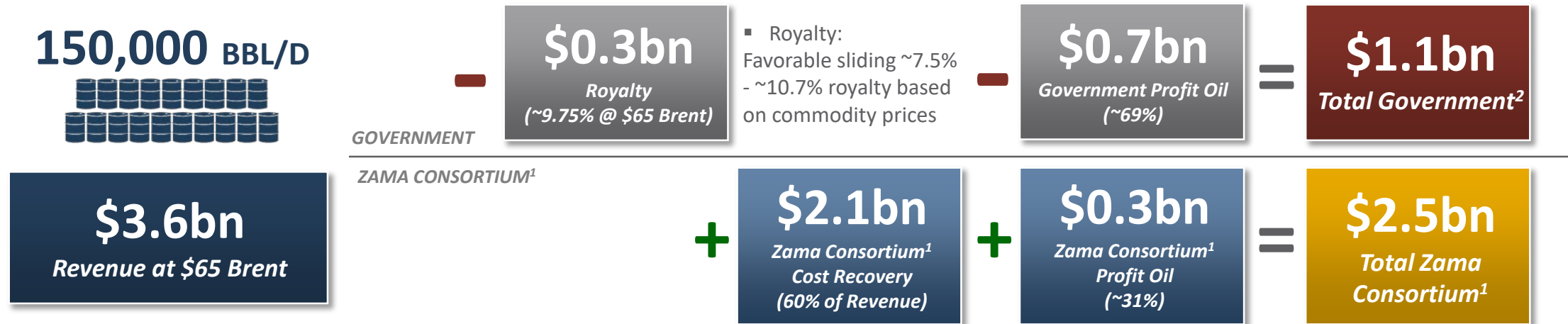
US Lower 48 states and conventional pre-FID production and breakevens



Source: Wood Mackenzie
Note: Wood Mackenzie Oil Supply Tool H2 2017 dataset, Breakevens calculated point forward at NPV15
1 Projects that took FID at end-2017 but are included for reference

Zama Illustrative Estimated Cash Flows – First Year of Peak Production

Illustrative estimated cash flows assumes **first full year of production**. Due to **cost recovery** early in the life of the project, **cash flow to E&P consortium is substantial**.



- Peak Production range of 150 – 175 mboe/d
- 90%+ good quality oil, ~28-30° API

- First dollar cost recovery of all opex, capex, work programs, and P&A (after royalties)
- Up to 60% of Revenue per year

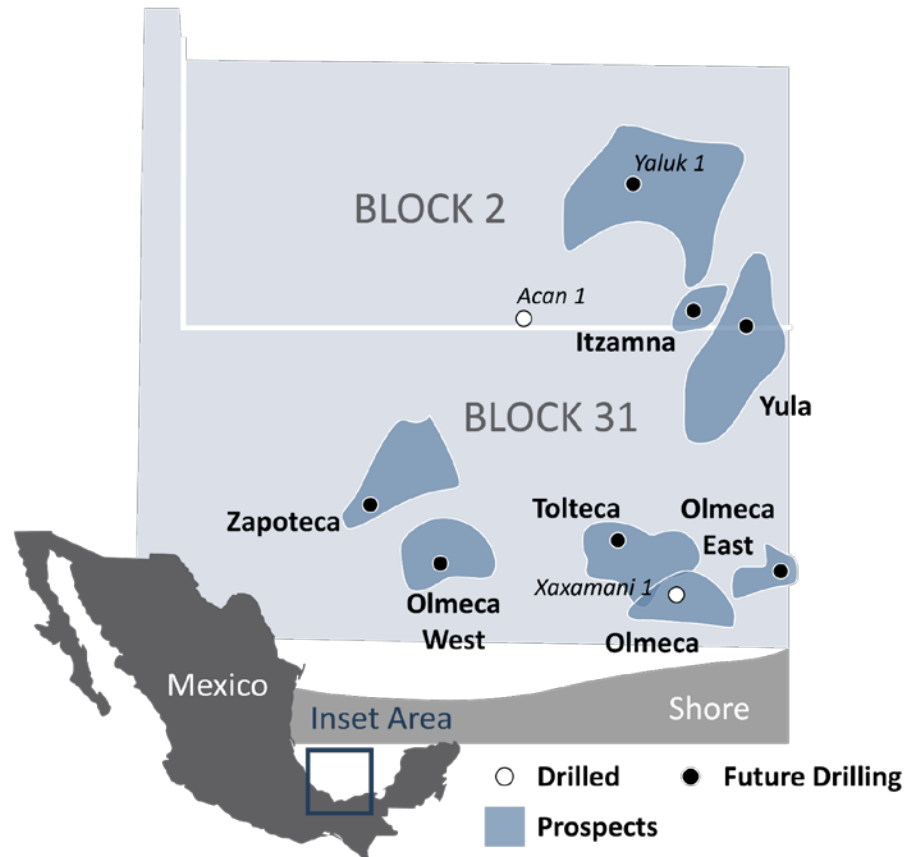
- Zama Consortium¹ profit oil is adjusted based on cumulative rate of return of project
- Government take increases over time depending on cumulative rate of return of project

- Material annual cash flow to Zama consortium partners¹
- Total cash flow will be shared amongst the partners based on their post-unitization participating interest in the Zama Consortium¹

¹ Reference to Zama Consortium is inclusive of Pemex at an equity rate to be determined by the unitization process. Other partners in the Zama Consortium include Talos Energy (operator), WintershallDEA and Premier Oil

² Post Cost Recovery phase, the Mexican Government will capture the majority of the cash flows from the project

Very attractive shallow water acreage set with Olmeca prospect de-risked by Pemex well



Block 2/31 Overview

- Participating Interest: 25%
- Operator: Hokchi Energy, a subsidiary of Pan American Energy (PAE)
- Acreage: 112,979 gross acres
- Water Depth: 100-150 ft

Olmeca Complex

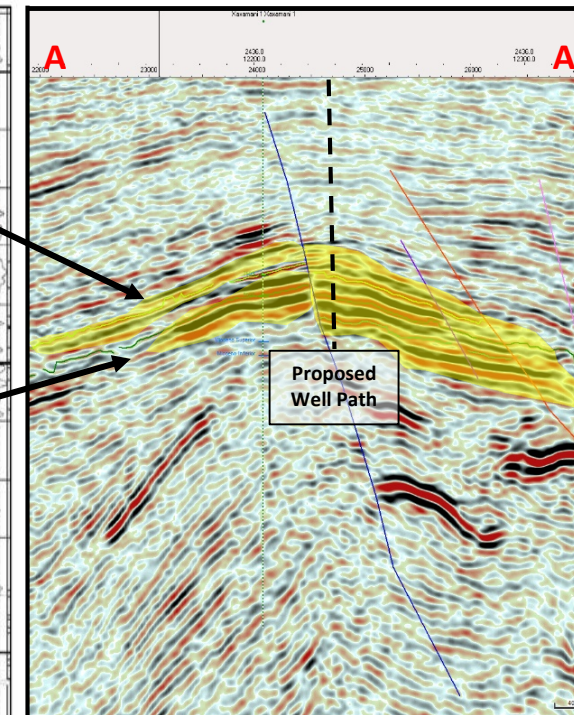
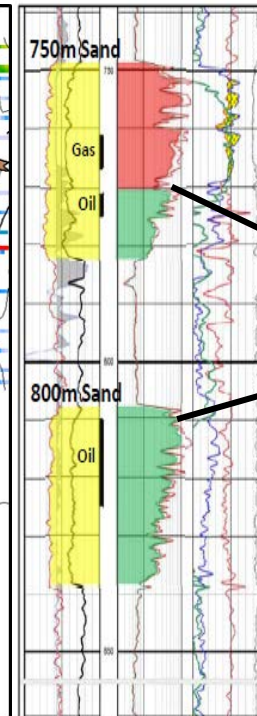
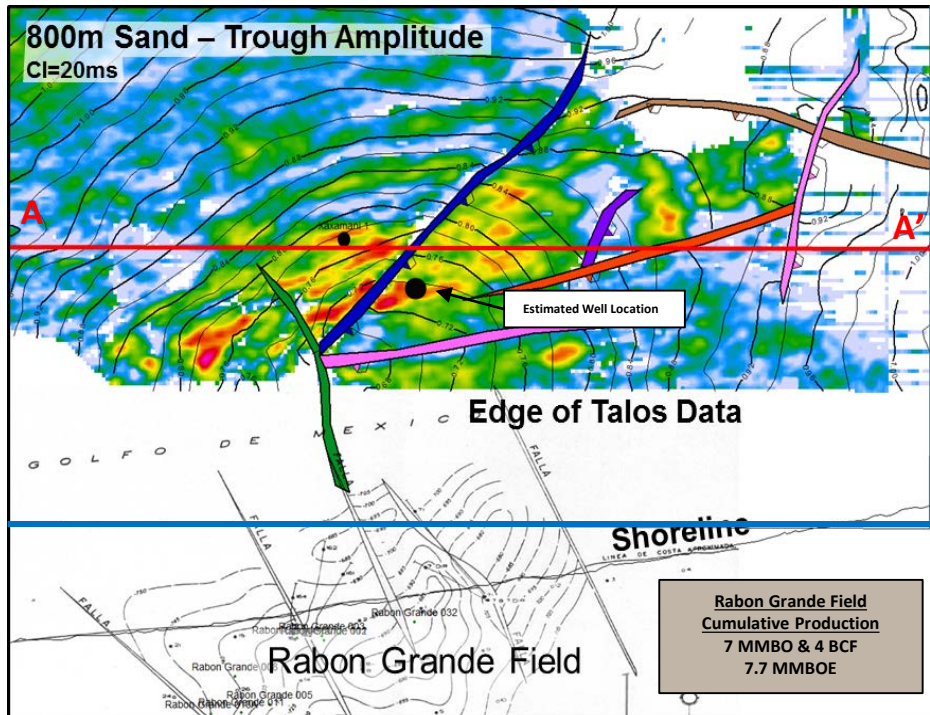
- Pemex well in 2003
- ✓ Olmeca-1 well expected to be drilled in 2H19 following Yaluk well on Block 2
- ✓ Goal to evaluate potential indicated by Xaxamani-1 well

Pan American Energy (PAE)

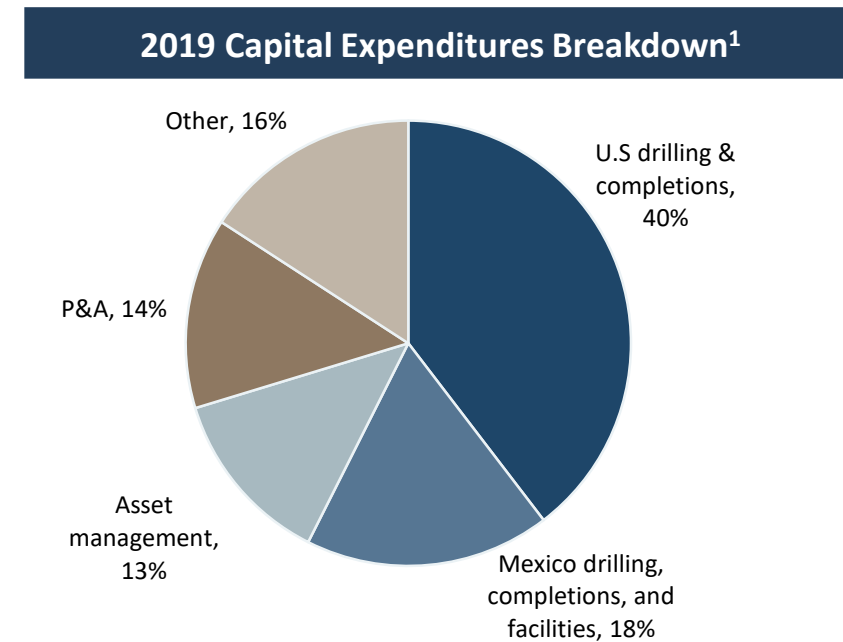
- Pan American Energy is the largest privately-owned integrated energy company operating in Argentina
- The company is owned 50% by BP, 50% by Bidas Corporation

Exploration Background

- Xaxamani-1 well Drilled by Pemex in 2003
- 65 ft gas and 130 ft oil pay in two sands
- Resource area was included in the Block 31 exploration area
- Just offshore from the 1950's era Rabon Grande Oil Field (same field pays)
- Deeper potential below the "800m Sand" in the third amplitude to the East
- Amplitude area covers approximately 1,000 - 1,500 acres on our data coverage



2019 Guidance		
Production	Oil (mmbbl)	14.5 – 15.2
	Natural Gas (bcf)	24.5 – 25.0
	NGL (mmbbl)	0.9 – 1.0
	Total (mmboe)	19.5 – 20.4
	Average Daily Production (mboe/d)	53 - 56
Expenses (\$MM)	Lease Operating Expenses	\$195 - \$205
	Workover and Maintenance Expense	\$60 - \$65
	G&A ²	\$60 - \$65
	Capital Expenditures	\$465 - \$485



2019 Highlights

- Capital program designed to balance modest production growth and free cash flow generation
- Four US Gulf of Mexico deepwater projects, all of which use nearby infrastructure in our core Green Canyon area
- Appraisal of the Zama oil discovery and four additional exploration tests in offshore Mexico
- Four US shallow water projects focused on low-risk development and exploitation with expected short turnaround to first oil
- 15 to 20 asset management projects on our current producing assets to offset field declines and improve profitability
- Significantly reduced P&A spending to approximately half of 2018 guided levels

¹ Non-drilling capital expenditures includes Asset Management (recompletions & workovers), P&A, G&G/Seismic, Land and Lease (delay rentals and lease sales), capitalized G&A, and facilities capital; Asset management includes non-drilling recompletions, workovers, etc.; Other includes seismic, G&G, land, capitalized G&A, etc.

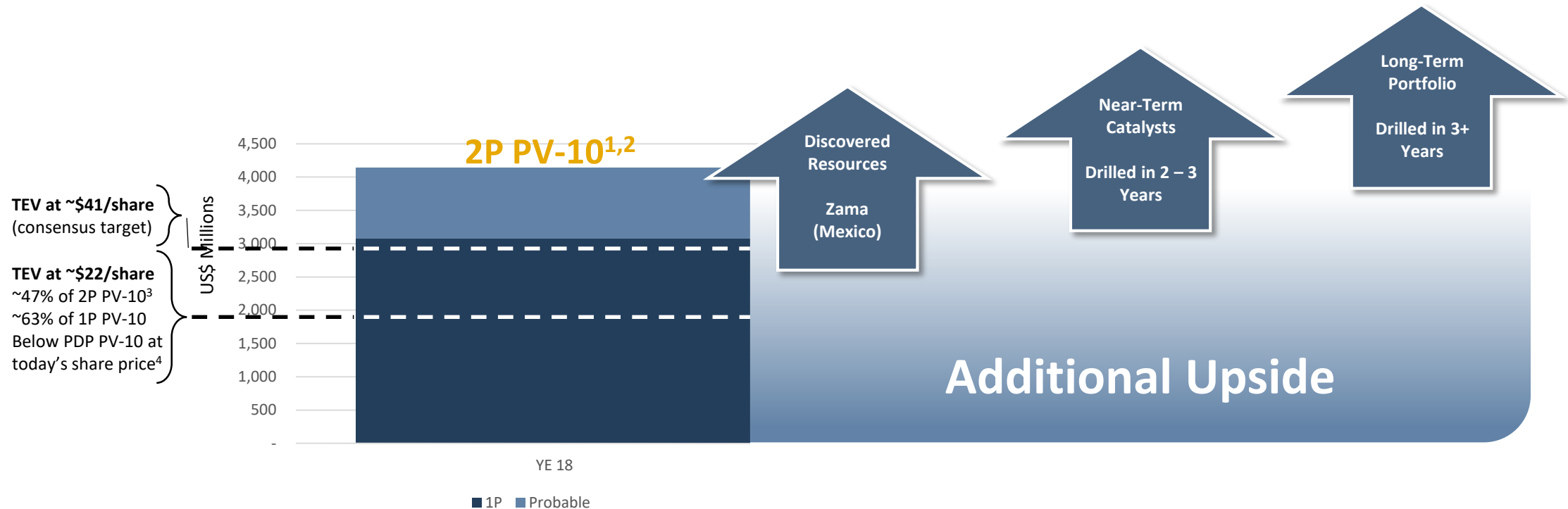
² Excludes Stock-based Compensation

Key Activities in 2019

Talos Energy has been extremely active in the **first half of 2019** across its portfolio, with a **high degree of success** on key projects

Geography	Type / Block	Asset	Status	Timing	Results
 United States Gulf of Mexico	 Deepwater	Tornado 3	On Production	1Q	✓
		Boris 3	On Production	1Q	✓
		Orlov	Drilled	2Q	✓
		Bulleit	Currently Drilling	2Q	✓
		HP-1 Dry-Dock	Completed	1Q	✓
	 Shallow Water	EC 359	Drilled	1Q	✗
		EW 306 A-2 ST2	On Production	2Q	✓
		EW 306 A-10 ST2	Currently Completing	2Q	✓
 Offshore Mexico	 Block 7	GI 82 – Kate	In Plan	3Q	-
		Zama 2	Completed	1Q	✓
		Zama 2 ST	Completed	2Q	✓
	 Block 2	Zama 3	Currently Drilling	2Q	-
		Acan	Drilled	2Q	✗
	 Block 31	Yaluk	Currently Drilling	2Q	-
		Olmecca	In Plan	3Q	-
		Tolteca	In Plan	3Q	-

Talos trading below PV-10 of PDP reserves of \$2.0 billion at \$55/\$2.75



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1 12/31/2018 reserves and PV-10 presented using pricing of \$55.00/BO & \$2.75/MMBTU before differentials

2 Excludes Gunflint

3 Probable PV-10 includes \$730 mm of developed probable value based on 31 mmbob of reserves

4 Based on closing share price of \$22.39 as of June 10, 2019





APPENDIX

Reconciliation of net income (loss) to Adj. EBITDA and of Adj. EBITDA to Adj. EBITDA excluding hedges (\$ in millions)

	Three Months Ended		
	September 30, 2018	December 31, 2018	March 31, 2019
Net Income (loss)	\$13	\$306	\$(110)
Interest Expense	25	24	25
Income Tax Expense	-	3	(6)
Depreciation, Depletion, Amortization	88	84	65
Accretion Expense	10	11	10
Loss on Debt Extinguishment	0	-	-
Transaction Related Costs	8	5	2
Derivative Fair Value (gain)/ Loss ¹	53	(257)	110
Net cash receipts (payments) on settled derivative instruments ¹	(41)	(16)	(3)
Non-cash (gain) loss on sale of assets	-	(2)	0
Non-cash write-down of other well equipment inventory	-	0	0
Non-cash equity-based compensation expense	1	1	1
Adj. EBITDA	157	159	94
Net cash receipts (payments) on settled derivative instruments ¹	41	16	3
Adj. EBITDA excluding hedges	198	175	97

Non-GAAP Reconciliations

Reconciliation of 2H18 Annualized Adj. EBITDA	
\$ in millions	December 31, 2018
3Q18 Adj. EBITDA	\$157
4Q18 Adj. EBITDA	\$159
2H18 Adj. EBITDA	\$316
	x2
2H18 Annualized Adj. EBITDA	\$632

Reconciliation of Net Debt	
\$ in millions	December 31, 2018
Debt Principal	\$672
Capital Leases	94
Gross Debt	\$766
Cash (excl. restricted)	(140)
Net Debt	\$626

Reconciliation of 4Q18 Annualized Adj. EBITDA	
\$ in millions	December 31, 2018
4Q18 Adj. EBITDA	\$159
	X4
4Q18 Annualized Adj. EBITDA	\$635

Reconciliation of Net Debt / 2H18 Annualized Adj. EBITDA	
\$ in millions	December 31, 2018
Net Debt	\$626
2H18 Annualized Adj. EBITDA	\$632
Net Debt / 2H18 Annualized Adj. EBITDA	1.0x