



2Q 2024 Earnings

Conference Call & Webcast

August 8, 2024

Cautionary Statements

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The information in this presentation includes “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). All statements, other than statements of historical fact included in this presentation, regarding our strategy, future operations, financial position, estimated revenues and losses, projected costs, prospects, plans and objectives of management are forward-looking statements. When used in this presentation, the words “will,” “could,” “believe,” “anticipate,” “intend,” “estimate,” “expect,” “project,” “potential,” “forecast,” “may,” “objective,” “plan” 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. These forward-looking statements are based on management’s current beliefs, based on currently available information, as to the outcome and timing of future events. Forward-looking statements may include statements about: business strategy; recoverable resources and reserves; drilling prospects, inventories, projects and programs; our ability to replace the reserves that we produce through drilling and property acquisitions; financial strategy, liquidity and capital required for our development program and other capital expenditures; realized oil and natural gas prices; risks related to future mergers and acquisitions and/or to realize the expected benefits of any such transaction; timing and amount of future production of oil, natural gas and NGLs; our hedging strategy and results; future drilling plans; availability of pipeline connections on economic terms; competition, government regulations and legislative and political developments; our ability to obtain permits and governmental approvals; pending legal, governmental or environmental matters; our marketing of oil, natural gas and NGLs; our integration of acquisitions, including the QuarterNorth Energy Inc. (“QuarterNorth”) acquisition, and the anticipated performance of the combined company; future leasehold or business acquisitions on desired terms; costs of developing properties; general economic conditions, including the impact of continued inflation and associated changes in monetary policy; political and economic conditions and events in foreign oil, natural gas and NGL producing countries and acts of terrorism or sabotage; credit markets; volatility in the political, legal and regulatory environments ahead of the upcoming domestic and foreign presidential elections; estimates of future income taxes; our estimates and forecasts of the timing, number, profitability and other results of wells we expect to drill and other exploration activities; our ongoing strategy with respect to our Zama asset; uncertainty regarding our future operating results and our future revenues and expenses; impact of new accounting pronouncements on earnings in future periods; and plans, objectives, expectations and intentions contained in this presentation that are not historical.

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; global demand for oil and natural gas; the ability or willingness of OPEC and other state-controlled oil companies to set and maintain oil production levels and the impact of any such actions; the lack of a resolution to the war in Ukraine and increasing hostilities in Israel and the Middle East and their impact on commodity markets; the impact of any pandemic and governmental measures related thereto; lack of transportation and storage capacity as a result of oversupply, government and regulations; the effect of a possible U.S. government shutdown and resulting impact on economic conditions and delays in regulatory and permitting approvals; lack of availability of drilling and production equipment and services; adverse weather events, including tropical storms, hurricanes, winter storms and loop currents; cybersecurity threats; sustained inflation and the impact of central bank policy in response thereto; 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; potential adverse reactions or competitive responses to our acquisitions and other transactions; the possibility that the anticipated benefits of our acquisitions are not realized when expected or at all, including as a result of the impact of, or problems arising from, the integration of acquired assets and operations; and the other risks discussed in “Risk Factors” of Talos Energy Inc.’s Annual Report on Form 10-K for the most recent year-end and in “Risk Factors” of Talos Energy Inc.’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2024.

Should any 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, included in this presentation 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. Except as otherwise required by applicable law, we disclaim any duty to update any forward-looking statements, all of which are expressly qualified by the statements in this section, 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 such as “estimated resource” in this presentation, which are not measures of “reserves” prepared in accordance with SEC guidelines or permitted to be included in SEC filings. 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.

Initial Production Estimates

Estimates for our future production volumes are based on assumptions of capital expenditure levels and the assumption that market demand and prices for oil and gas will continue at levels that allow for economic production of these products. The production, transportation, marketing and storage of oil and gas are subject to disruption due to transportation, processing and storage availability, mechanical failure, human error, adverse weather conditions such as hurricanes, global political and macroeconomic events and numerous other factors. Our estimates are based on certain other assumptions, such as well performance, which may vary significantly from those assumed. Therefore, we can give no assurance that our future production volumes will be as estimated.

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) such as, but not limited to, PV-10, EBITDA, Adjusted EBITDA, Adjusted EBITDA excluding hedges, LTM Adjusted EBITDA, Pro Forma LTM Adjusted EBITDA, Net Debt, Net Debt/LTM Adjusted EBITDA, Net Debt/Pro Forma LTM Adjusted EBITDA, Adjusted Free Cash Flow and Leverage. 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. Reconciliations for non-GAAP measure to GAAP measures are included in the appendix to this presentation.

Use of Projections

This presentation contains projections, including production volumes, production rates 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. Estimates for our future production volumes are based on assumptions of capital expenditure levels and the assumption that market demand and prices for oil and gas will continue at levels that allow for economic production of these products. The production, transportation and marketing of oil and gas are subject to disruption due to transportation and processing availability, mechanical failure, human error, hurricanes, global political and macroeconomic events and numerous other factors. Our estimates are based on certain other assumptions, such as well performance, which may vary significantly from those assumed. Therefore, we can give no assurance that our future production volumes will be as estimated.

Industry and Market Data

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 Has a Differentiated Offshore Strategy



- High margin oil weighted production
- High quality and stable asset base
- Significant growth potential
 - Infrastructure focused
 - Short cycle offshore drilling inventory
- Material free cash flow generator
- Committed to low leverage

5th
LARGEST
OPERATOR
in the GOM

4th
LARGEST
ACREAGE HOLDER
in the GOM

89.0-95.0
MBOE/D
PRODUCTION GUIDANCE
for FY 2024

NYSE:
TALO

2Q 2024 Financial and Operational Highlights



RECENT HIGHLIGHTS

- ✓ Record production, Adj. EBITDA, and Adj. FCF
- ✓ Repurchased shares and increased repurchase authorization
- ✓ Reduced debt and maintained leverage of 1.0x⁽¹⁾
- ✓ Completed integration and on track with synergies
- ✓ Completed HP-I drydock ahead of schedule
- ✓ Advancing high-impact drilling program and added Monument farm-in

95.5 MBOE/D

Average Daily Production

73% / 81%

Oil / Liquids

\$344 MM

Adj. EBITDA⁽¹⁾

\$40/BOE

Adj. EBITDA/BOE⁽¹⁾

\$123 MM

Upstream CAPEX⁽²⁾

\$148 MM

Adj. FCF⁽¹⁾⁽⁴⁾

Continuing to Execute on Financial Execution

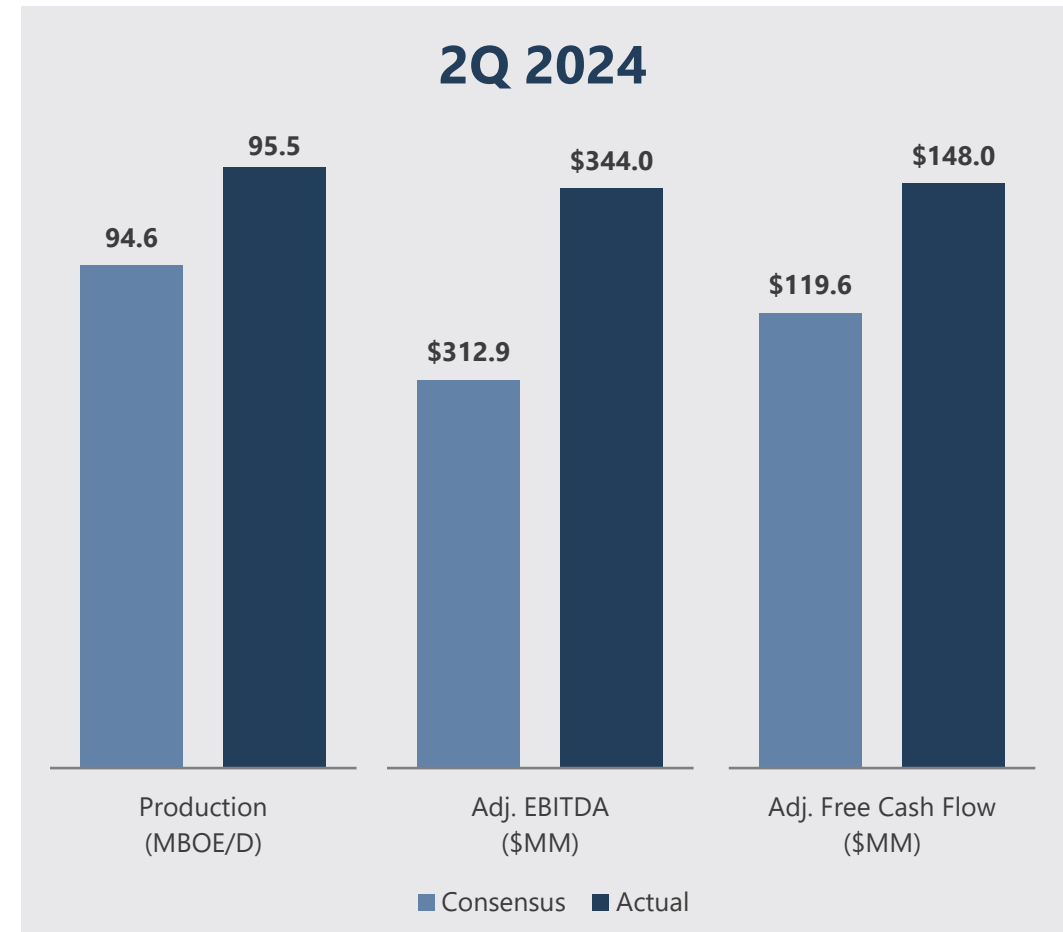
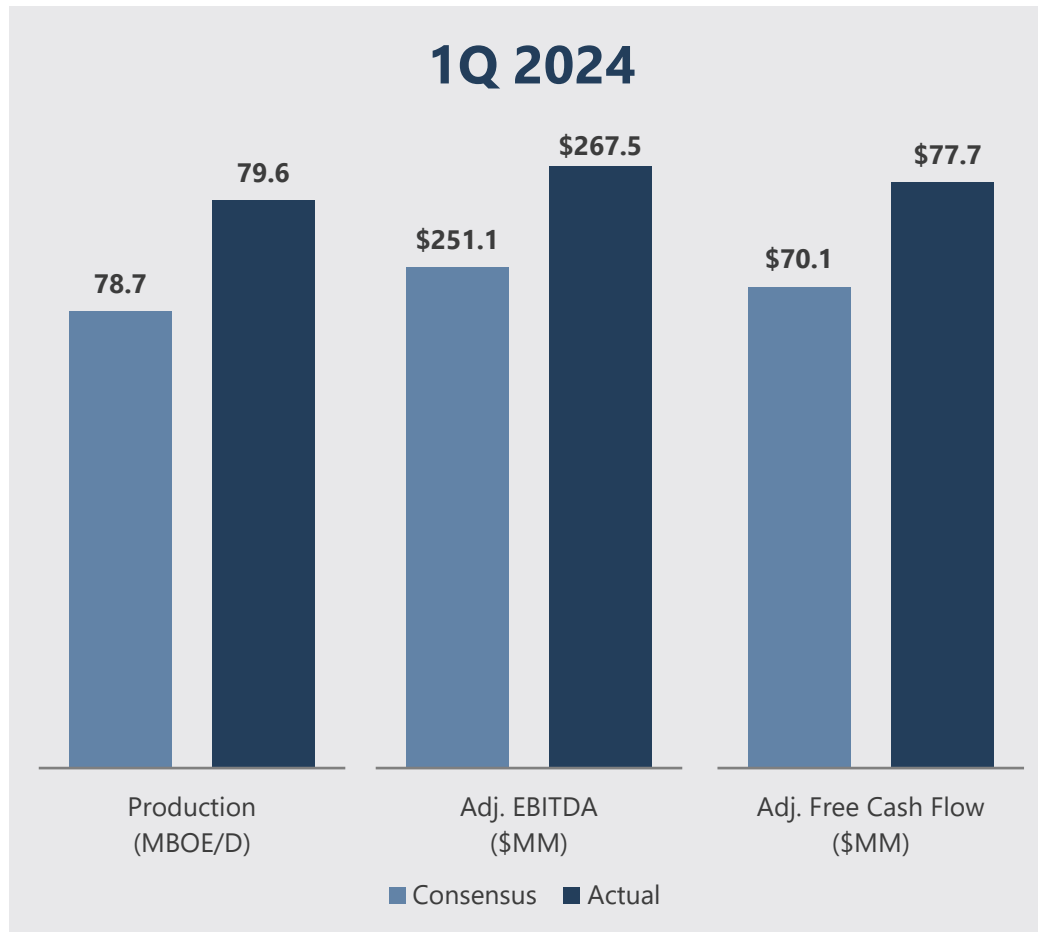
\$100 MM

Debt Reduction⁽³⁾

3.8 MM

Shares Repurchased for \$43 MM

Talos Is Delivering on Expectations



Operational Execution Yielding Record Levels of Production, Adj. EBITDA and Adj. Free Cash Flow for 2Q 2024

Focusing on Execution: Progressing Strategic Priorities



Operational Execution

- Achieved over \$225 MM of Adj. FCF YTD⁽¹⁾⁽²⁾
- Completed integration of QuarterNorth
- Returned HP-I to service ahead of schedule
- 2024 Production guidance unchanged at 89.0 – 95.0 MBOE/D
- 3Q 2024 Production guidance at 92.0 – 97.0 MBOE/D



Financial Execution

- Continue to generate significant FCF
- Continue to reduce leverage and target below 1.0x⁽²⁾
- Opportunistically repurchase shares



Significant Growth Potential

- Katmai
- Monument Farm-in
- Ewing Bank
- Daenerys
- Helms Deep



Pursue Select Business Development Opportunities

- Monument Farm-in (2P PV-10⁽²⁾⁽³⁾ of \$265 MM with an effective date transaction price of ~\$32 MM incurred over the next ~2 years)

Delivering on Talos's Solid Financial and Operational Performance

⁽¹⁾ FCF YTD excludes CCS investments and TLCS sale proceeds.

⁽²⁾ Leverage, Adj. FCF and PV-10 are non-GAAP financial measures.

⁽³⁾ PV-10 calculated using SEC pricing of \$78.21 / BBL WTI and \$2.64 per MCF per MMBTU. 2P includes proved and probable reserves estimated by Netherland, Sewell & Associates, Inc. ("NSAI").

Integration Complete – Raising Synergy Estimates

Tracking Ahead of Forecast

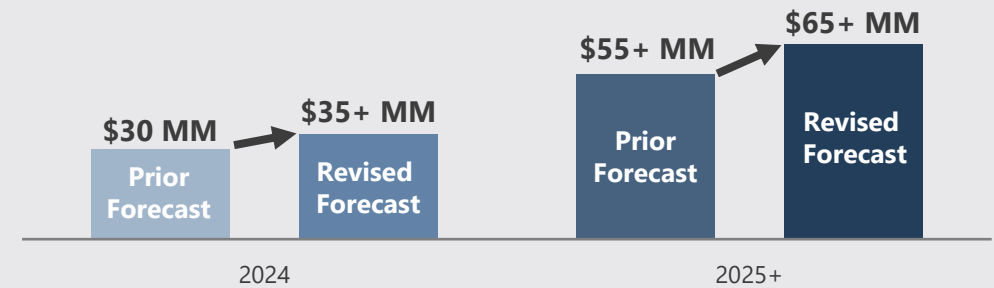
Planning Efforts Yielded Seamless Integration



Increased Projected Cost Savings (\$MM/Year)⁽¹⁾

2024 Cost Saving

- G&A (~\$15 MM)
- Insurance (~\$10 MM)
- Operational economies of scale (\$5 MM)
- TLCS (~\$5 MM)



Better Than Expected Execution

Talos Has Established a Track Record of Integrating Acquisitions and Realizing Meaningful Cost Synergies

2024 Capital Program Balances Risk With Material Resource Exposure

Prospect	Category	Host Facility	2023	2024				2025			
			4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Lime Rock	Exploitation	Ram Powell	★								
Venice	Exploitation	Ram Powell	★								
Lobster Waterflood	Development	Lobster		Drilling ★ Achieved First Injection							
Stimulation Campaign	Development	Green Canyon / Gunflint Field		3-Well Stimulation Campaign			Cont.				
Claiborne Sidetrack ⁽¹⁾	Development	Coelacanth		Drilling ★							
Katmai West #2 <i>(from QuarterNorth)</i>	Exploitation	Tarantula					Drilling		Comp. ★		
Daenerys	Exploration	TBD						Drilling			
Helm's Deep	Exploitation	TBD								Drilling	
Ewing Bank 953 ⁽¹⁾	Exploitation	ST 311			Drilling						
Sunspear Completion	Exploitation	Prince						Comp.	Tie-back ★		
Monument Development ⁽¹⁾	Development	Shenandoah						Ordering Long-Lead Equipment			



Activity



Achieved First Oil



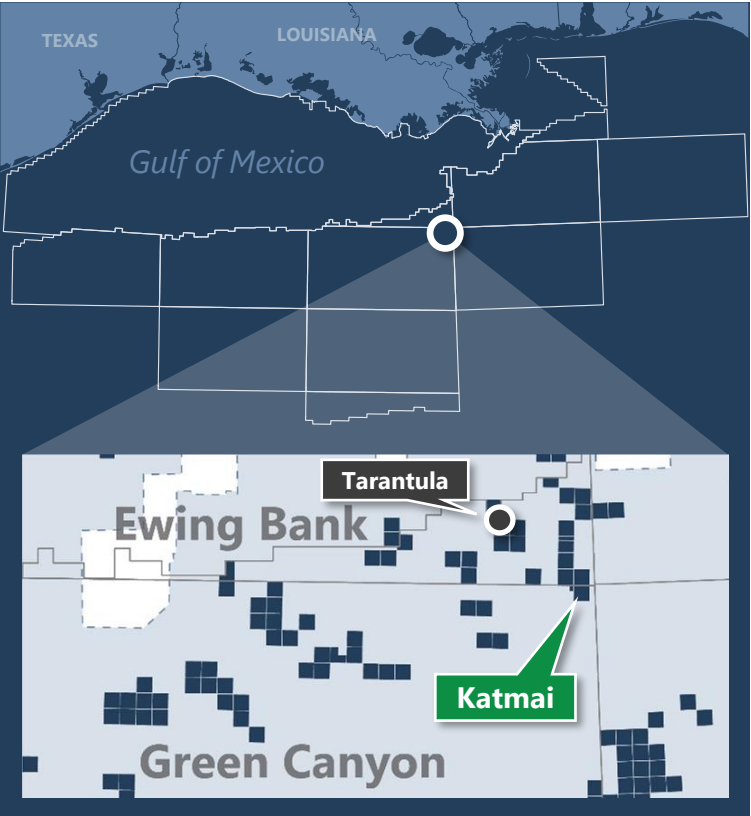
Expected First Oil



Achieved First Injection

Greater Katmai Area

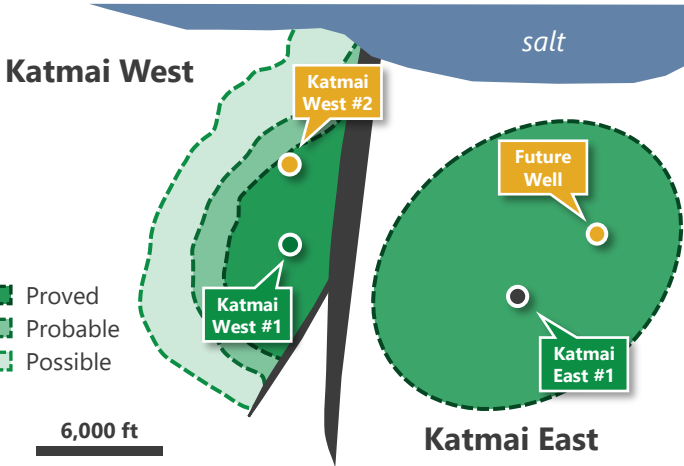
Exploitation Well to Materially Increase Proved Reserves



Strategic Elements

- Katmai West #2 development well could materially increase proved reserves
- The Katmai field is expected to produce at maximum facility capacity for several years
- Talos receives substantial PHA benefit at Tarantula though a 6% ORRI and OPEX sharing from Katmai partnership

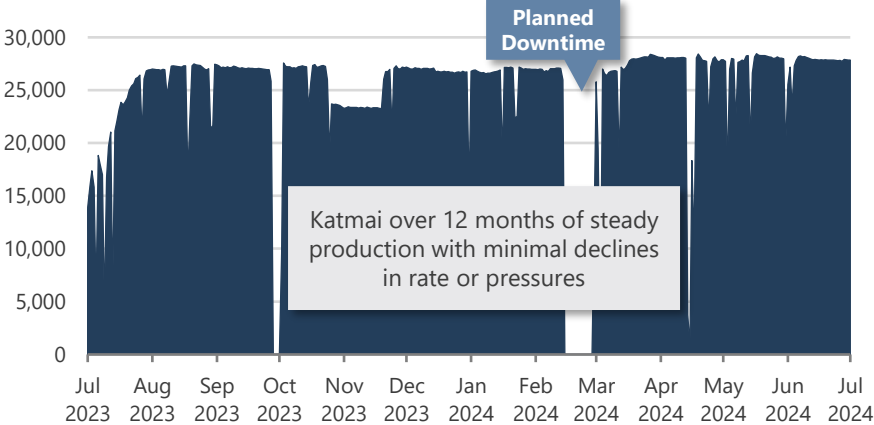
Structure Map



Key Data Points

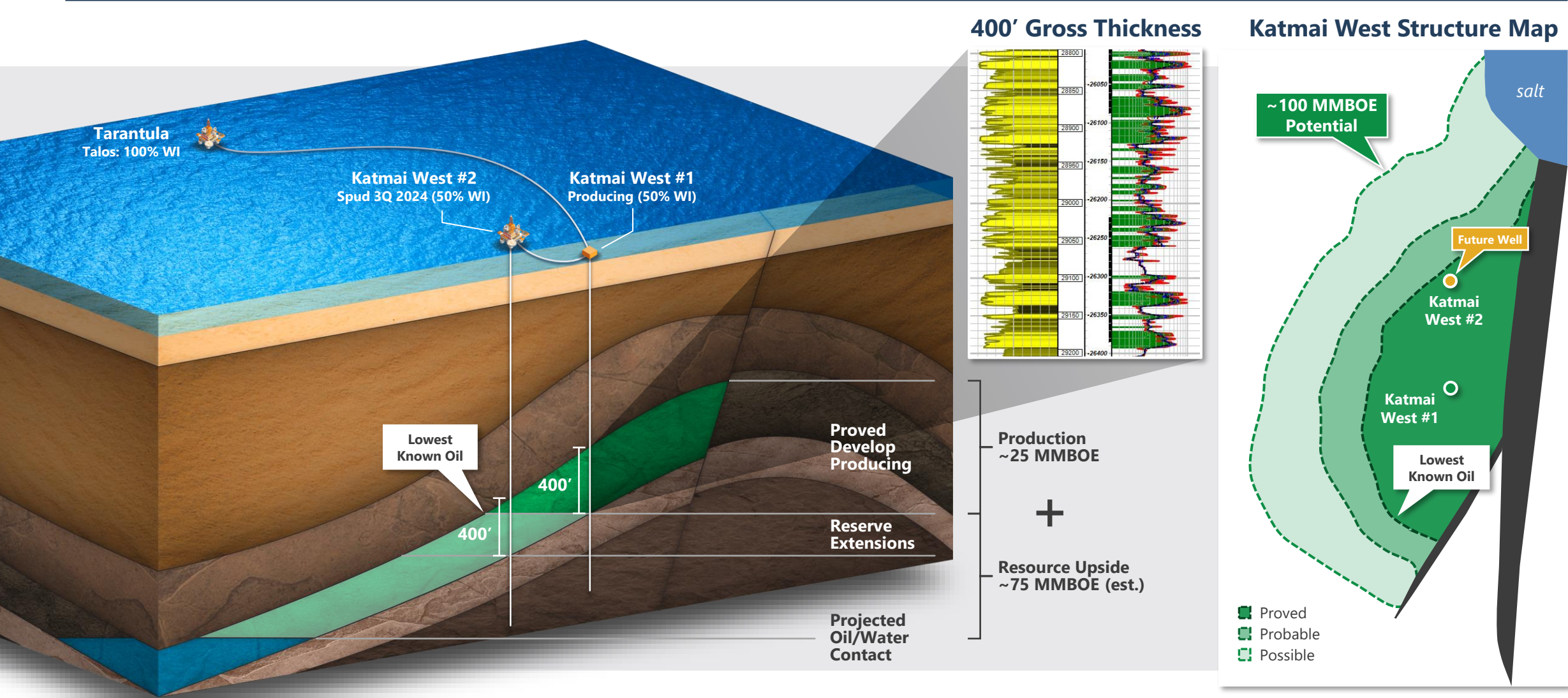
Greater Katmai Est. Resource Potential (Gross MBOE)	Est. Spud Date	Exp. First Oil	Max Est. Initial Rate (Gross MBOE/D)	Constrained Est. Rate (Gross MBOE/D)	Reservoir Depth (Feet TVDSS)	Working Interest	Host Facility
180 – 200	3Q 2024	2Q 2025	15 – 20	6 – 7	27,000 ft	50%	Tarantula

Katmai Gross Production (BOE/D)



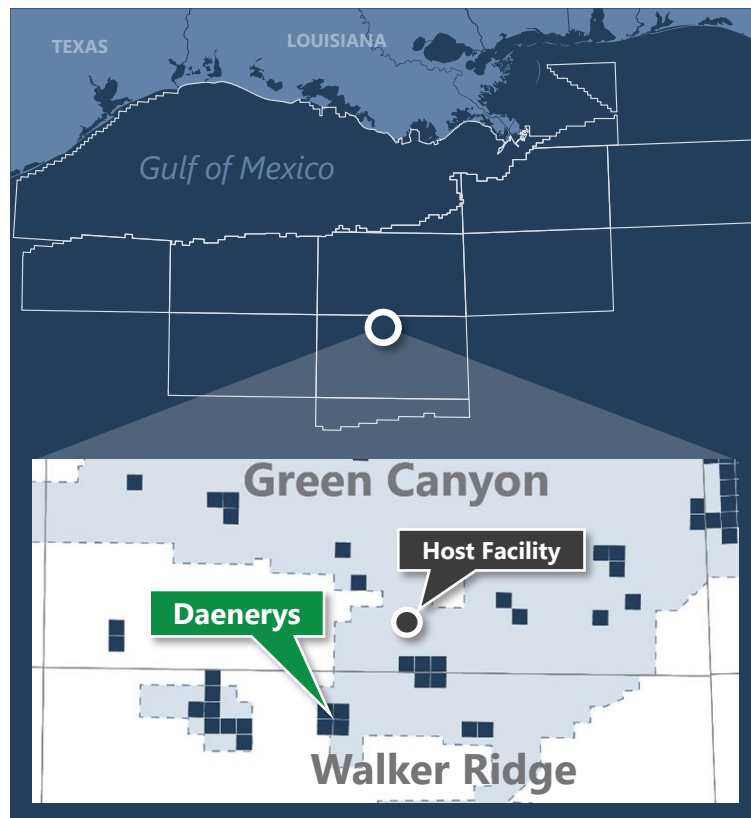
Katmai West #2 Potential to Add Material Proved Reserves

Expected to Spud in 3Q 2024



Daenerys

High-Impact Subsalt Miocene Exploration Opportunity

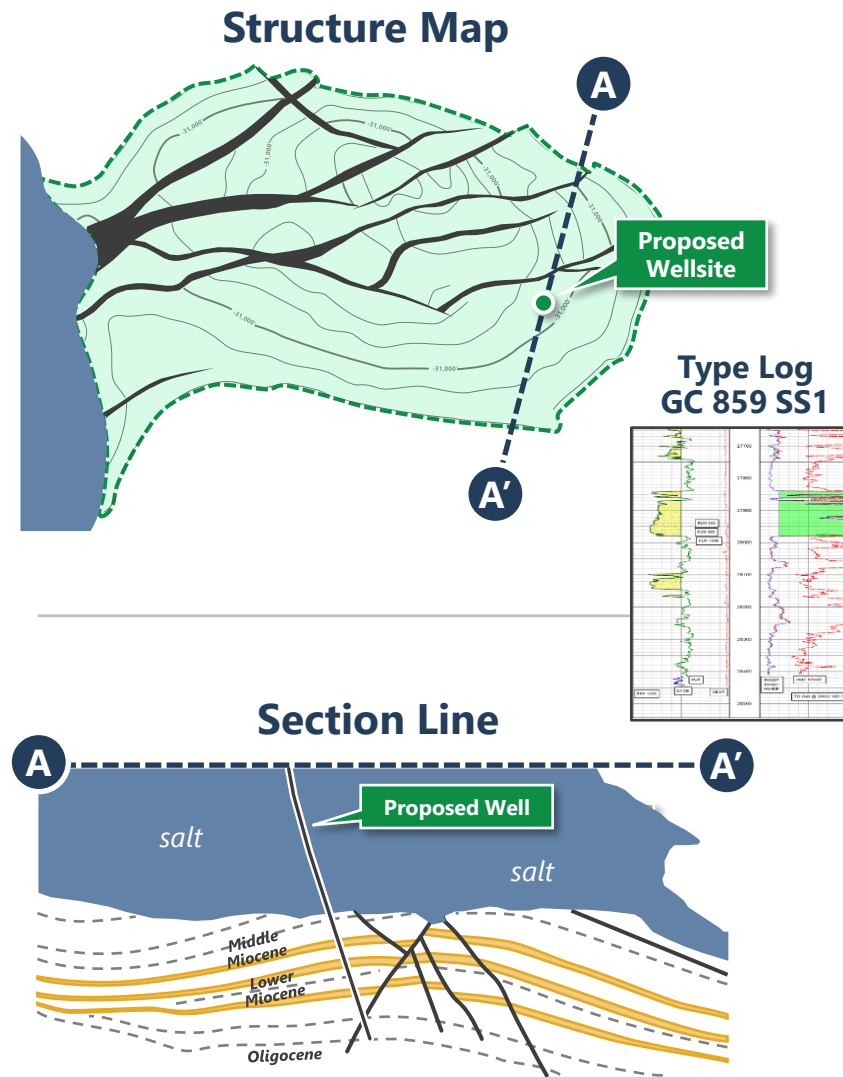


Strategic Elements

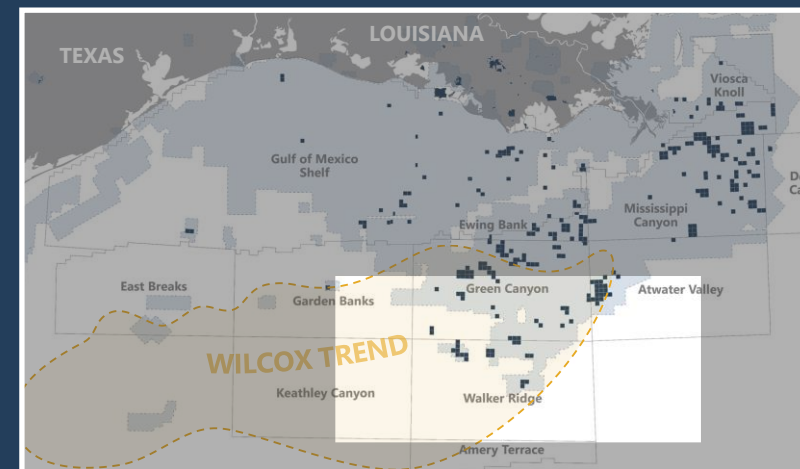
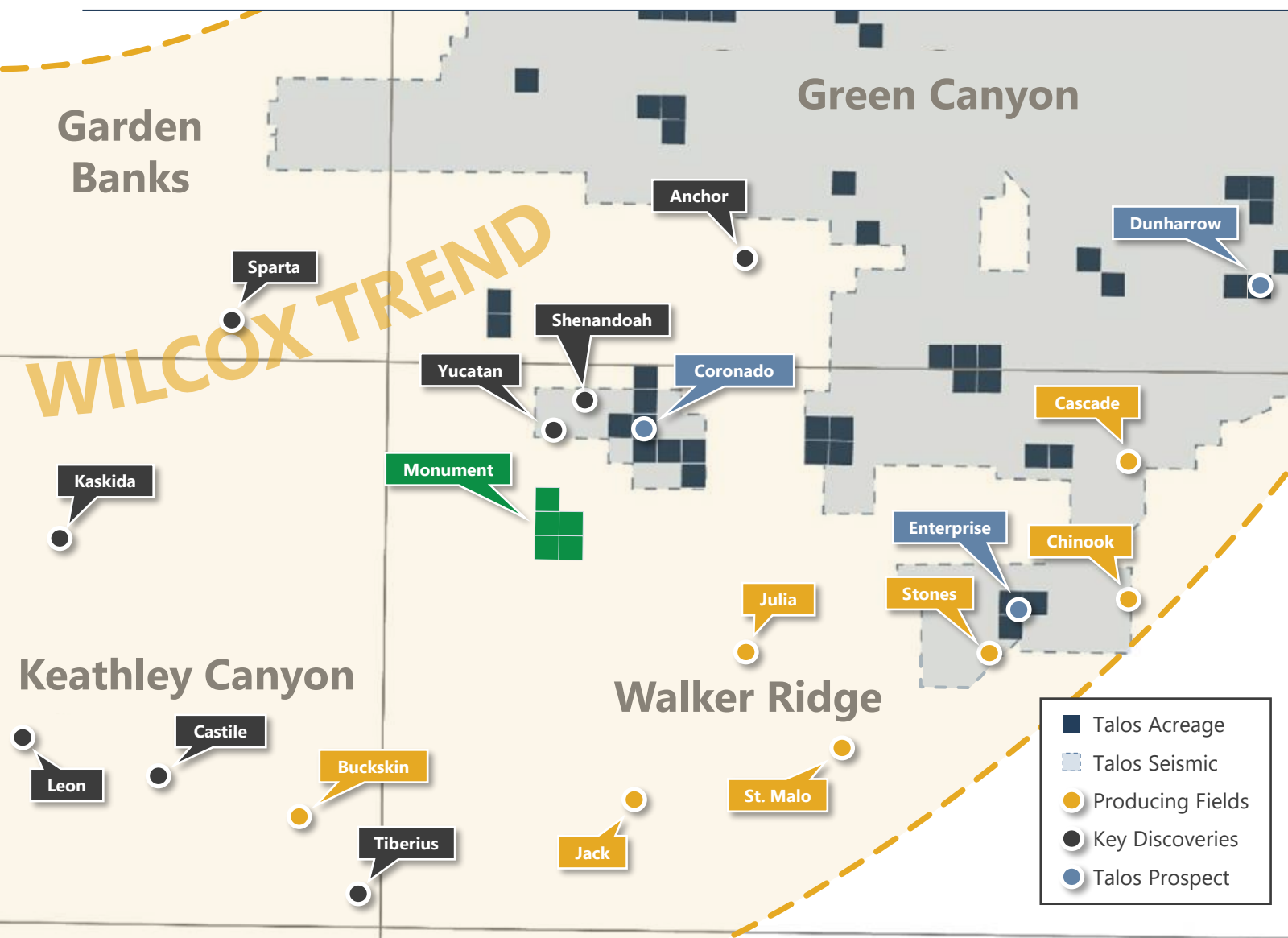
- Farm-in transaction combining 23,000 gross acres
- Large Middle and Lower Miocene 4-way turtle structure
- Talos as Operator (WI 27%)
- Co-owners: Red Willow, Houston Energy, and Cathexis

Key Data Points

Est. Spud Date	Est. Resource (Gross MMBOE)	Est. Initial Rate Per Well (Gross MBOE/D)	Reservoir Depth (Feet TVDSS)	Working Interest
1Q 2025	100 – 300	15 – 20	~26,000 – 31,000 ft	27%



Wilcox Trend – A Prolific and Well-Established Play

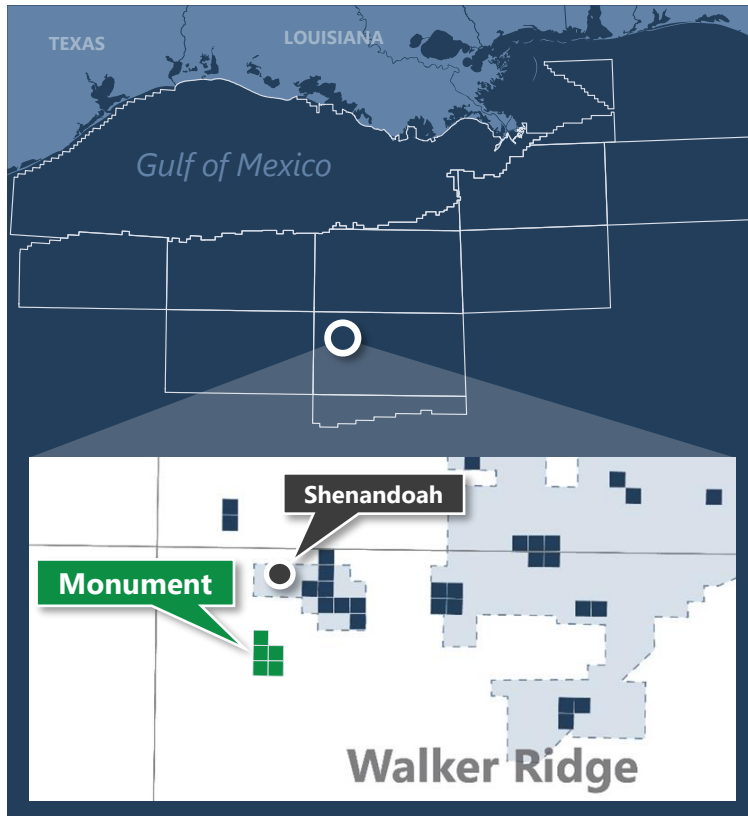


Wilcox Trend

- ~1.0 BBOE produced to date (10 Fields)
- 260,000 BO/D current daily production (10 Fields)
- High Success rate
- Establishment of new infrastructure allows for future discoveries to be developed via tiebacks

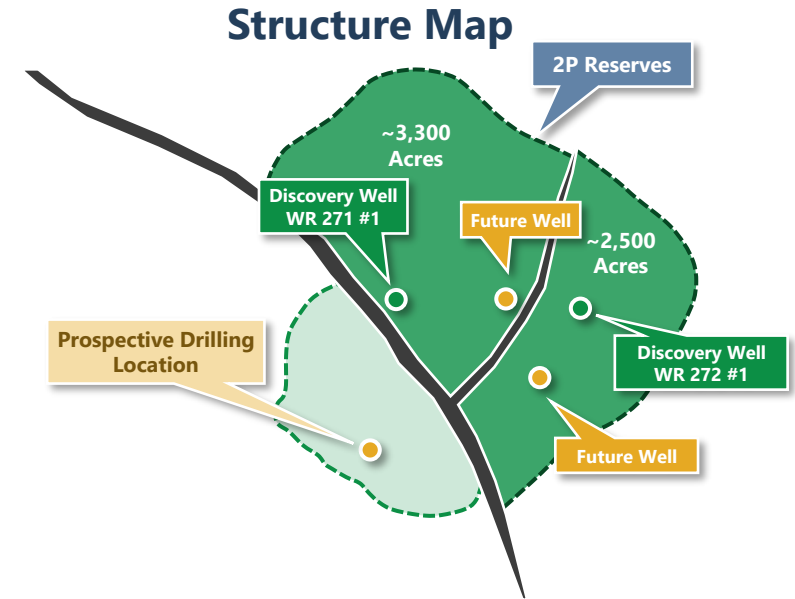
Monument – High-Impact Subsalt Wilcox Discovery

Farm-In Transaction to Major Discovery with Material Resource Life

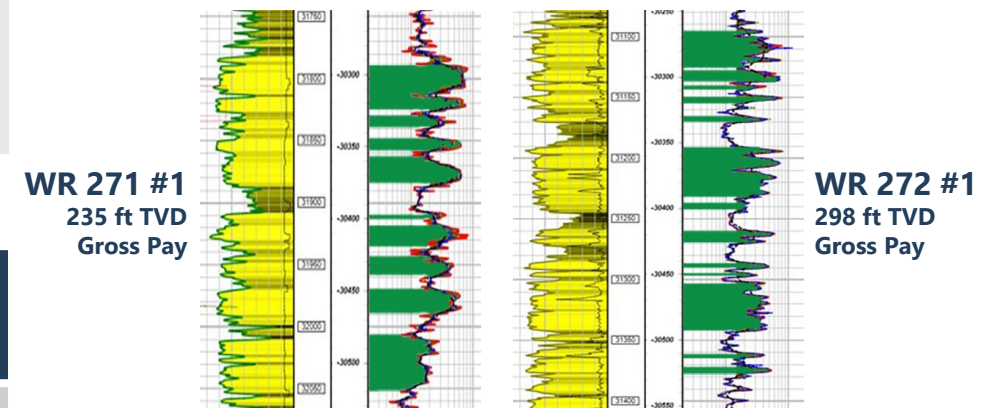


Strategic Elements

- Wilcox discovery with two well penetrations (FID Feb 2024)
- Good seismic image, faulted 4-way closure at ~30,500 ft
- 17-mile tieback to new Shenandoah Facility via PHA
- 2P Gross Reserves of ~115 MMBOE^{(1)*}
- 2P Net PV-10 value of \$265 MM⁽¹⁾⁽²⁾
- Incremental upside of 25-35 MMBOE from prospective drilling location
- Partnership:
 - Beacon – 30.0% (Operator)
 - Talos – 21.4%
 - Repsol – 20.0%
 - Navitas – 28.6%



Monument Cross Section

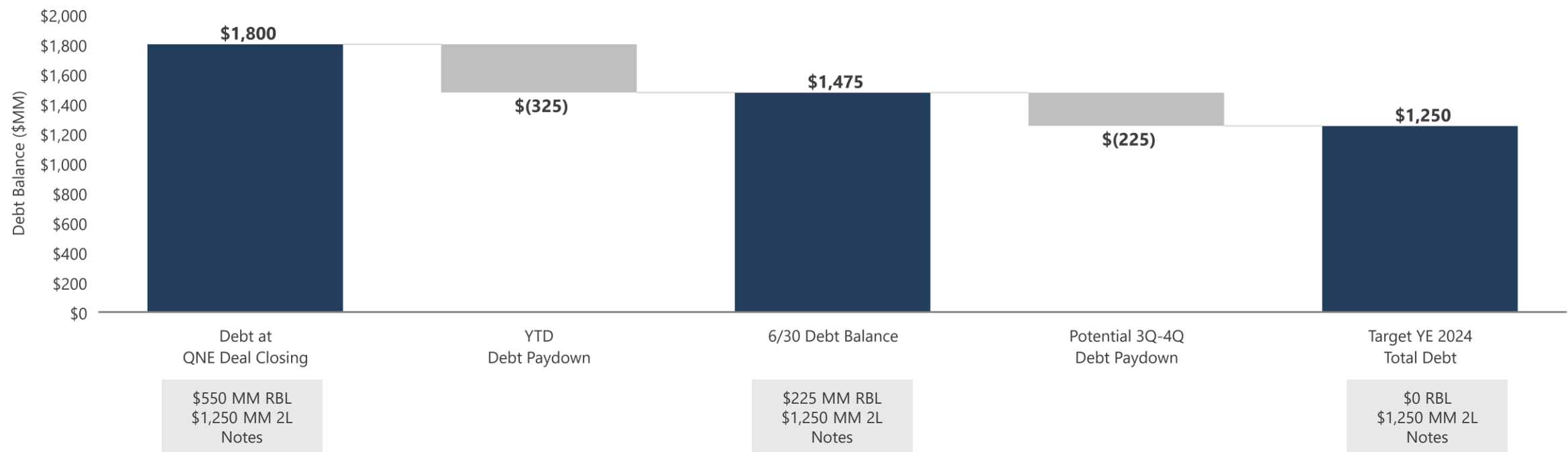


Key Data Points

Spud Date	First Oil	Est. 2P Reserves (Gross MMBOE) ^{*(1)}	Est. Initial Rate (Gross MBOE/D)	Target Depth (Feet TVDSS)	Working Interest	Host Facility
Discovered	Late 2026	~115 MMBO	~20 – 30	30,500 ft	~21.4%	Shenandoah

Advancing Total Debt Paydown Objectives

- 2Q 2024 leverage ratio of 1.0x⁽¹⁾; Targeting long-term leverage ratio below 1.0x
- Increased 2024 debt reduction target from \$400 MM to \$550 MM
- Paid down \$325 MM of debt since closing QuarterNorth (QNE) Acquisition
- Continue to reduce leverage

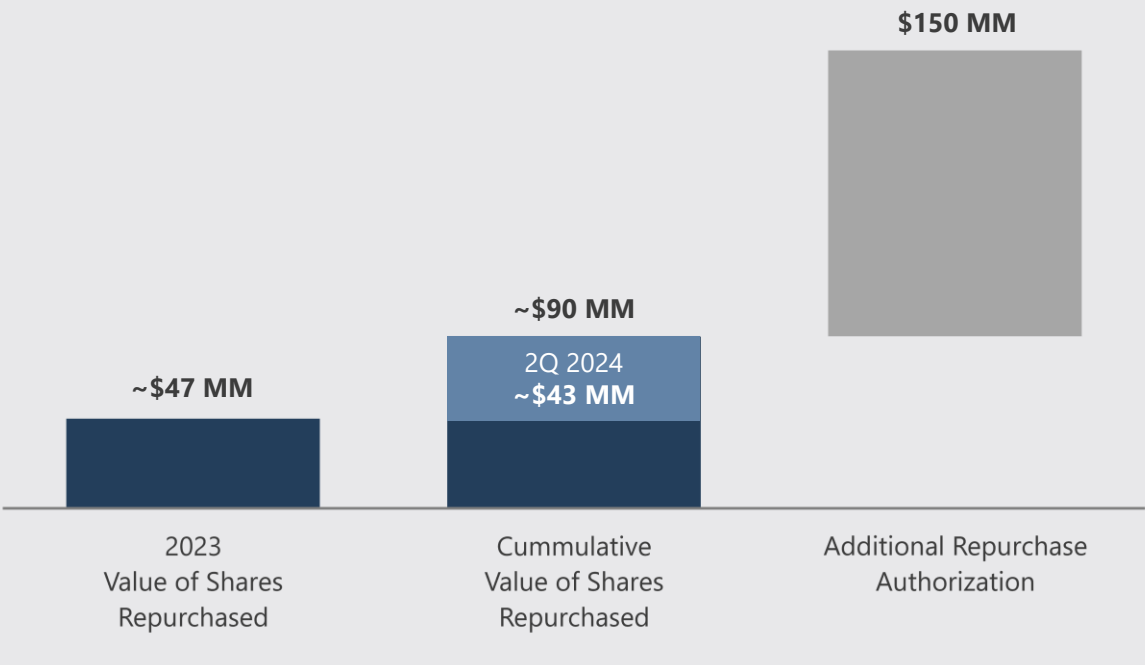


Share Repurchase Update

“We repurchased 3.8 million of our shares in the second quarter because we are confident in our business and committed to opportunistically allocating capital to maximize shareholder value. We have also increased the share repurchase authorization to maintain flexibility going forward.”

Tim Duncan, President & CEO

Cumulative Value of Shares Repurchased

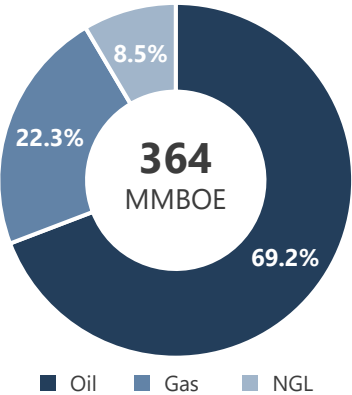


Talos's Board of Directors authorized an additional \$150 MM for Talos's existing common stock repurchase program

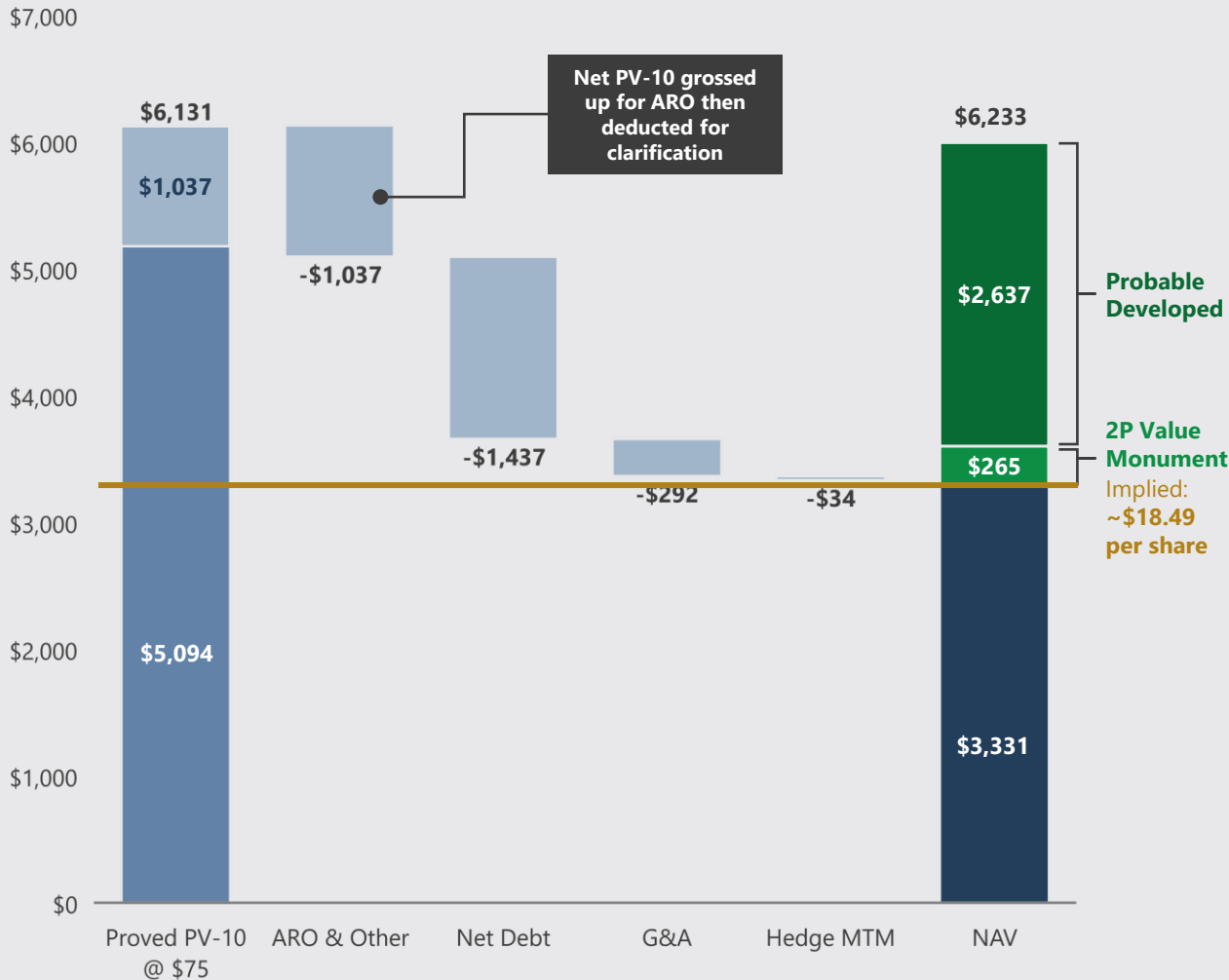
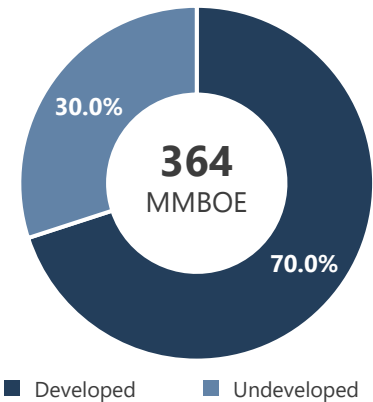
Significant Shareholder Value From Proved Reserves (1P) and Probable Resources (2P)

Pro Forma YE 2023 SEC Reserves

2P Product Mix



2P Category Mix



MATERIAL UPSIDE

from Proved Reserves (1P)
PV-10 NAV Value to
current valuation

**~\$5.1
BILLION**

Estimated Proved
Reserves (1P) Value

**~\$18.15
PER SHARE**

Analyst Consensus

**~\$2.6
BILLION**

of Probable Developed
provides significant
option value

Talos Is a Differentiated Company Focused on Upstream Growth



Significant Growth Potential

High-impact drilling program underway

100 potential future exploratory and development projects



High Quality and Stable Asset Base

Decline of ~20% requires modest investment to maintain production profile with a productive capacity of over 100,000 BOE/D



One of Highest \$/BOE Netback Margins in E&P Space

Significant exposure to oil ~73% and liquids ~81%



Significant Free Cash Flow

Expected to generate significant FCF in 2024; >20% the highest FCF Yield in the E&P space⁽¹⁾



Committed to Low Leverage

Free cash flow dedicated to significant debt reduction in 2024; Targeting long-term leverage below 1.0x



Commitment to Safety and Sustainability

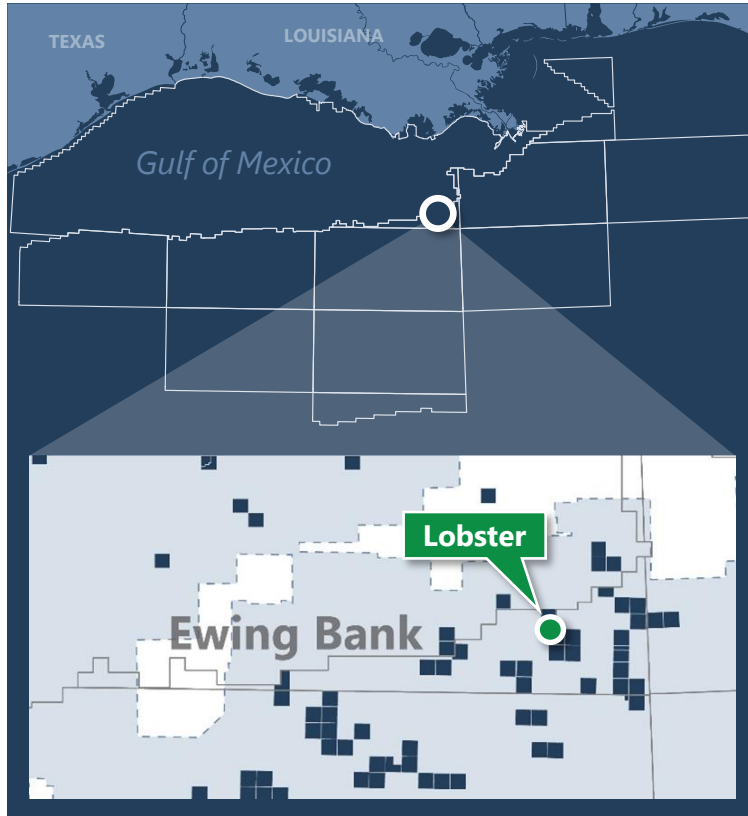
Commitment to stakeholders, employees and environment



Appendix

Lobster Intra-Well Waterflood

Expecting Incremental Production of ~2,000 BO/D in 12-18 Months



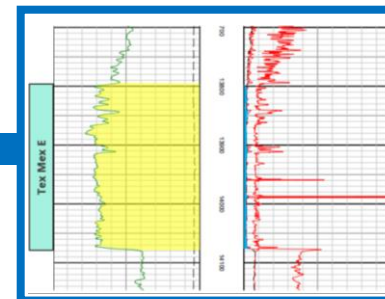
Strategic Elements

- Targeting significant unswept reserves in Bul-1 70/80
 - Bul1 Lobe 70/80 have exhibited weak water drive
 - Intra-well waterflood project aims to provide water support for multiple active Bul1-70/80 producers
- Water from Tex Mex E Sand will be injected to lobe 70/80 sands via pressure differential between sands
 - Water injection commenced May 2024
- WI Talos 66.6% and Chevron 33.3%

Bul-1 Pay Sand

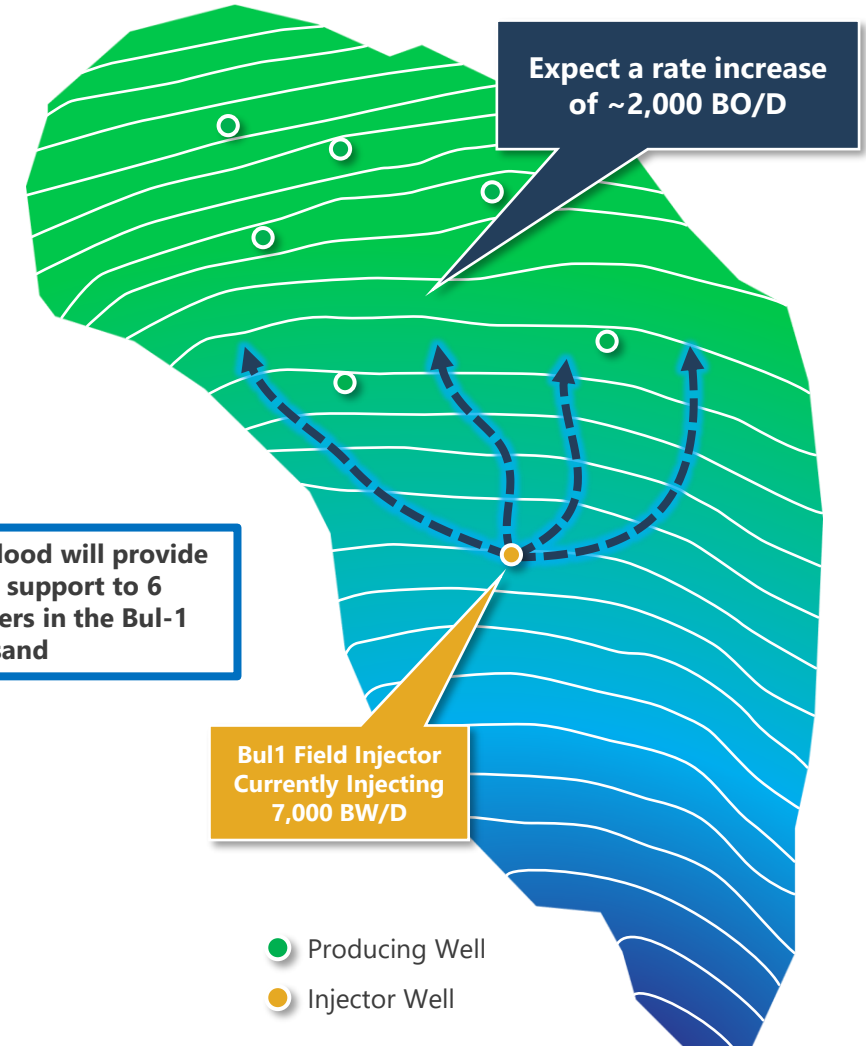


Waterflood will provide aquifer support to 6 producers in the Bul-1 70/80 sand



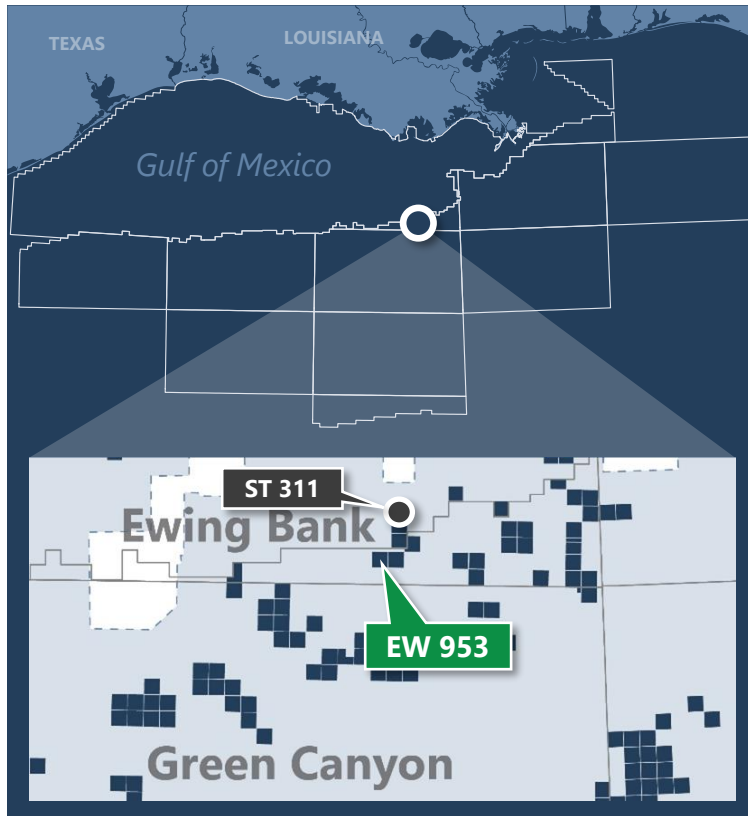
High Pressure Aquifer
Tex Mex E Sand

Bul-1 70/80 Sand Structure



EW 953 Prospect

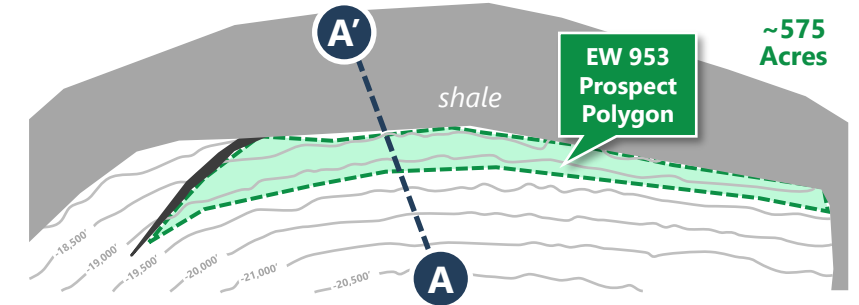
Low-Risk Exploitation Opportunity to Talos Infrastructure



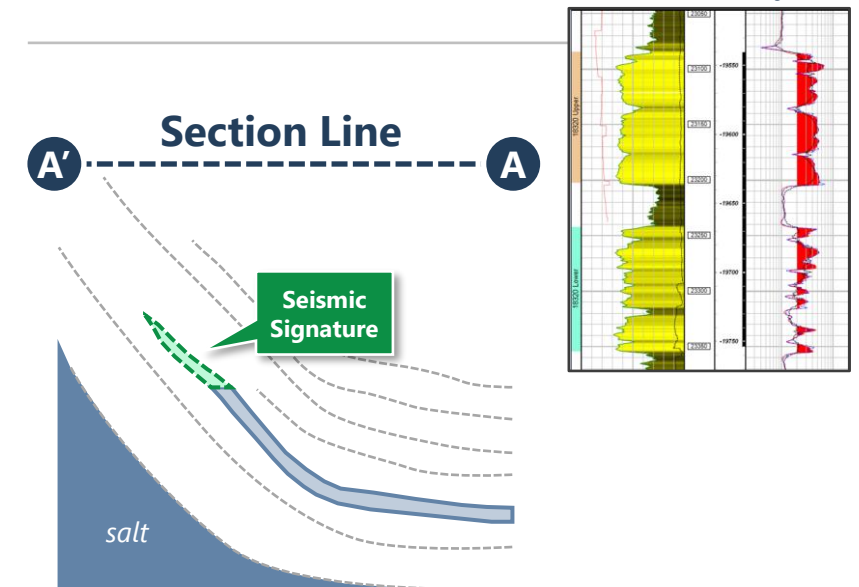
Strategic Elements

- Class 2/3 AVO anomaly within a robust structural trap with conformance to structure
- AVO response and trap style are analogous to proven prolific condensate producers in the area
- Short tieback to ST 311 Megalodon Platform, which Talos has 10% WI

Structure Map



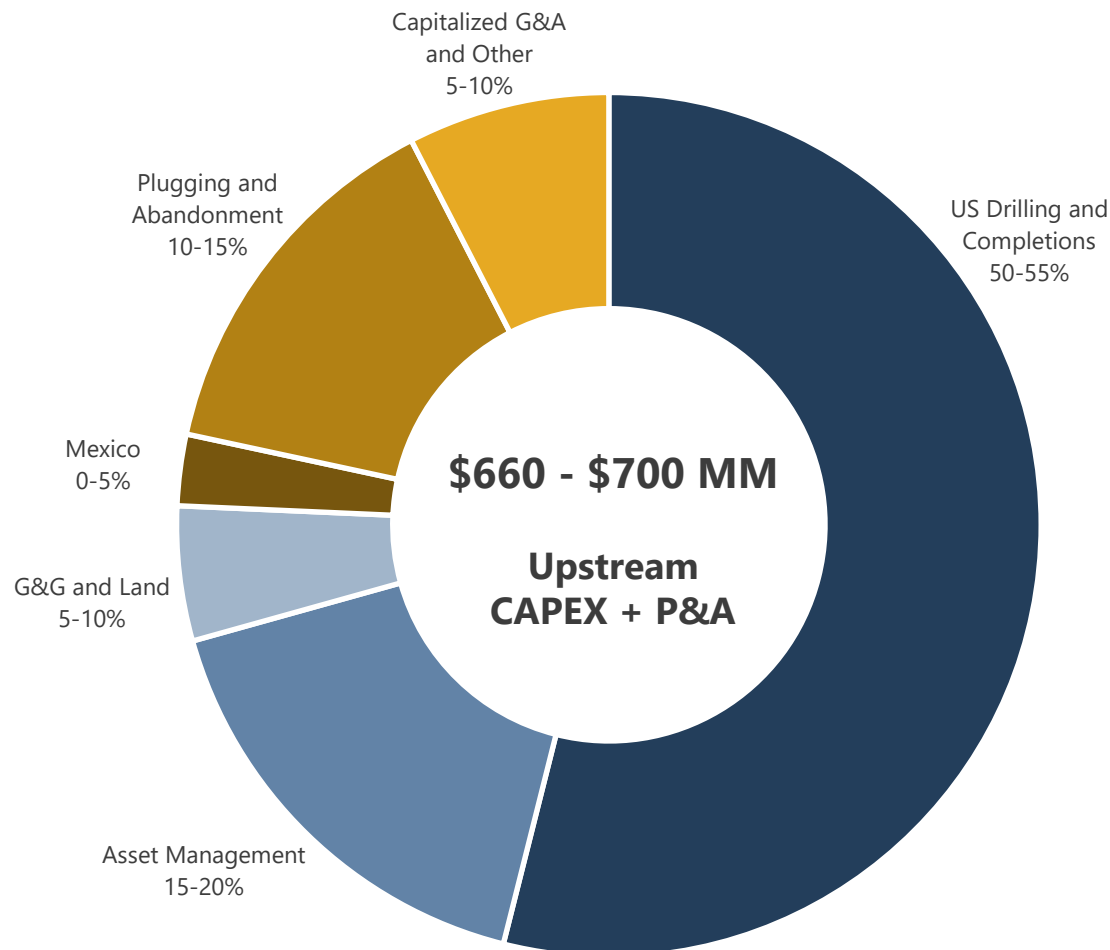
ST 320 A2 Type Log 172' Net Pay



Key Data Points

Est. Spud Date	Est. Resource (Gross MMBOE) ⁽¹⁾	Est. Initial Rate (Gross MBOE/D)	Reservoir Depth (Feet TVDSS)	Target Working Interest	Host Facility
2H 2024	15 – 25	8 – 11	19,000 ft	33%	ST 311

2024 Upstream Investments



- Expected **reduction in Y/Y CAPEX** from Talos standalone 2023
 - Upstream CAPEX: \$570 - \$600 MM
 - P&A, Decommissioning: \$90 - \$100 MM
- **Attractive reinvestment rate** on a recent strip
 - 45-50%, excluding P&A
 - 55-60%, including P&A
- Balanced mix of development, exploitation and exploration projects
- Asset Management investments provide low-cost production rate additions and extend field life
- Ongoing G&G, Land investments expected to bolster future inventory
- Recent Helix Energy Solutions decommissioning agreement expected to deliver cost-effective outcomes

2024 Operational and Financial Guidance Unchanged

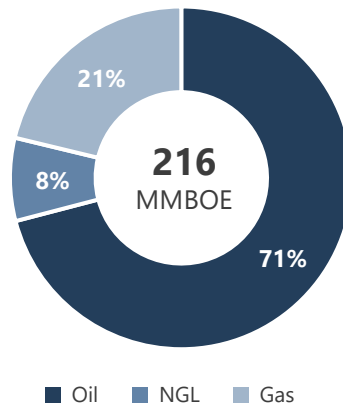
- **2024 focus is on solid execution, free cash flow generation**
- Reduced operating and G&A per unit costs
- Upstream investments less than Talos standalone 2023 spending levels
- Reinvestment rate of less than 45-50% (excluding P&A) and targeting ~\$550 MM of debt paydown

		2024E Guidance	Selected Commentary
Production	Oil (MMBBL)	23.4 – 24.7	Maintaining high oil-weighted production mix
	Natural Gas (BCF)	40.0 – 44.2	—
	NGL (MMBBL)	2.5 – 2.7	—
	Total MMBOE	32.6 – 34.8	—
	Avg. Daily Production (MBOE/D)	89.0 – 95.0	Includes all planned downtime and risking
Expenses	Cash Operating Expenses and Workovers^{(1)(2)(4)*}	\$555 – \$585	Includes ~\$15 MM HP-1 one-time expenses
	G&A^{(2)(3)*}	\$100 – \$110	Includes benefits from EnVen synergies and some expected QuarterNorth synergies; full run-rate savings by year-end
	Upstream Capital Expenditures⁽⁵⁾	\$570 – \$600	Lower than Talos standalone 2023 CAPEX
	P&A, Decommissioning	\$90 – \$100	Expect reduced pace in 2024 and greater spend control
	Interest Expense⁽⁶⁾	\$175 – \$185	Assumes material RBL paydown throughout year

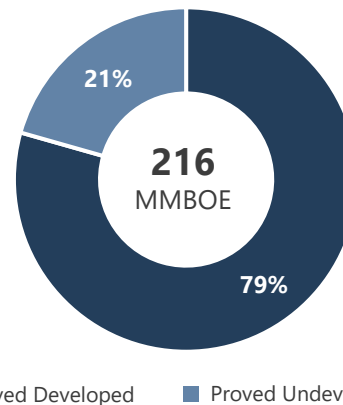
Pro Forma YE 2023 SEC Proved Reserves*

	Talos SEC Reserves (MMBOE)	PF SEC Reserves (MMBOE)	PF SEC PV-10 ⁽¹⁾ (\$MM)
PDP	97	129	\$4,214
PDNP	35	43	438
PUD	21	44	442
Total Proved (Net of P&A)	153	216	\$5,094
Total Probable (Net of P&A)	87	148	\$3,878

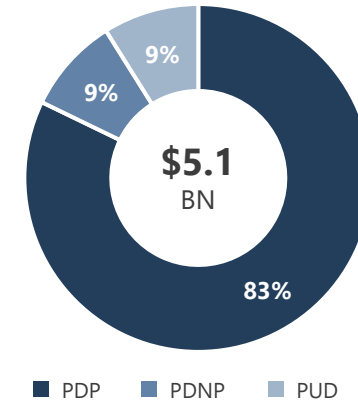
Product Mix



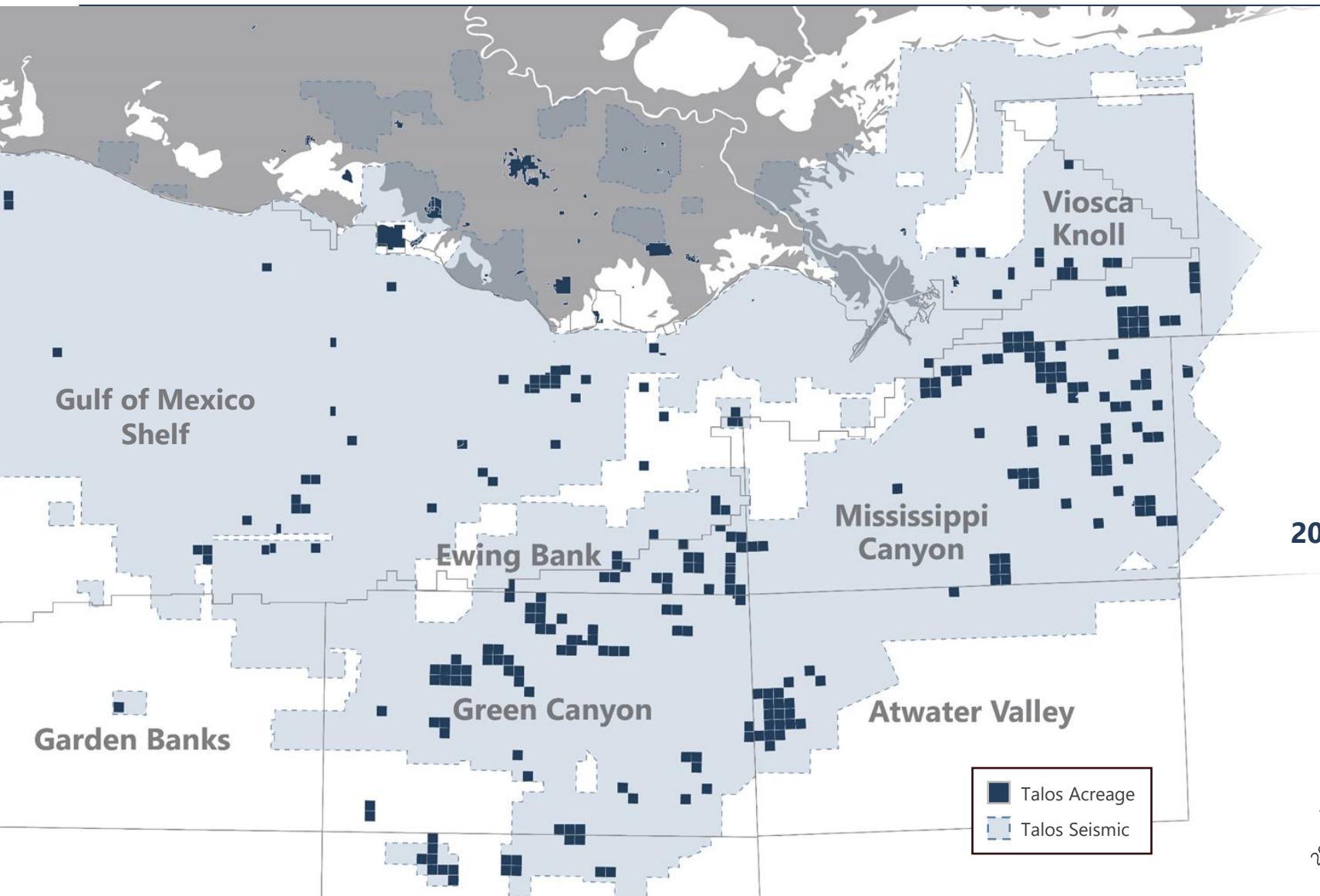
Category Mix



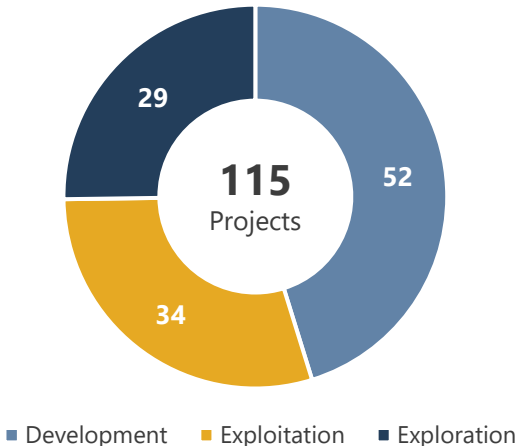
Proved PV-10



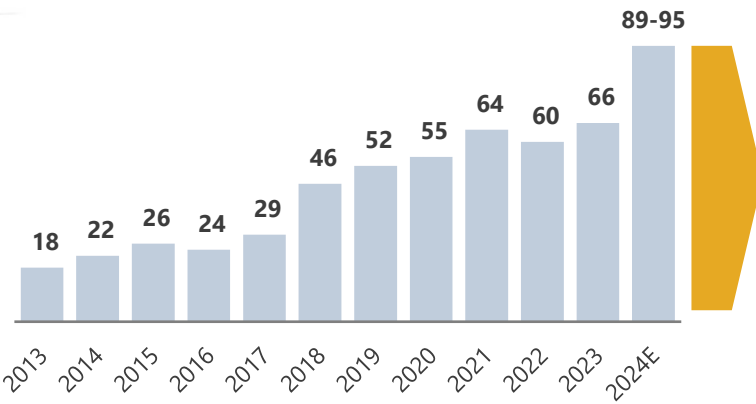
High Quality and Growing Asset Base



Project Inventory



2013-2024E Avg. Daily Production(MBOE/D)



Non-GAAP Reconciliations

(\$ thousands)	Three Months Ended			
	June 30, 2024	March 31, 2024 ⁽⁴⁾	December 31, 2023 ⁽⁴⁾	September 30, 2023 ⁽⁴⁾
Reconciliation of Net Income (Loss) to Adjusted EBITDA:				
Net Income (loss)	\$12,381	(\$112,439)	\$85,898	(\$2,103)
Interest expense	\$48,982	\$50,845	\$44,295	\$45,637
Income tax expense (benefit)	(\$983)	(\$21,573)	(\$5,081)	(\$15,865)
Depreciation, depletion and amortization	\$259,091	\$215,664	\$183,058	\$163,359
Accretion expense	\$30,732	\$26,903	\$22,722	\$21,256
EBITDA	\$350,203	\$159,400	\$330,892	\$212,284
Transaction and other (income) expenses ⁽¹⁾	\$6,629	(\$49,157)	\$5,504	(\$64,321)
Decommissioning obligations ⁽²⁾	\$4,182	\$855	\$2,425	\$7,972
Derivative fair value (gain) loss ⁽³⁾	(\$2,302)	\$87,062	(\$94,596)	\$98,802
Net cash received (paid) on settled derivative instruments ⁽³⁾	(\$17,518)	(\$3,494)	\$1,017	(\$6,313)
Loss on extinguishment of debt	—	\$60,256	—	—
Non-cash equity-based compensation expense	\$2,790	\$2,754	\$3,873	\$393
Adjusted EBITDA	\$343,984	\$257,676	\$249,115	\$248,817
Add: Net cash (received) paid on settled derivative instruments ⁽³⁾	\$17,518	\$3,494	(\$1,017)	\$6,313
Adjusted EBITDA excluding hedges	\$361,502	\$261,170	\$248,098	\$255,130

(1) Transaction expenses includes \$9.3 MM in costs related to the QuarterNorth acquisition, inclusive of \$8.1 MM in severance expense for the three months ended June 30, 2024, \$28.1 MM in costs related to the QuarterNorth acquisition, inclusive of \$14.2 MM in severance expense and \$9.8 MM in costs related to the divestiture of TLCS, inclusive of \$3.7 MM in severance expense for the three months ended March 31, 2024, \$0.9 MM in costs related to the EnVen Energy Corporation ("EnVen") Acquisition, inclusive of \$0.5 MM in severance expense for the three months ended December 31, 2023 and \$1.5 MM in costs related to the EnVen Acquisition, inclusive of \$0.9 MM in severance expense for the three months ended September 30, 2023. Other income (expense) includes restructuring expenses, cost saving initiatives and other miscellaneous income and expenses that we do not view as a meaningful indicator of our operating performance. For the three months ended March 31, 2024, the amount includes a gain of \$86.9 MM related to the divestiture of TLCS. For the three months ended September 30, 2023, the amount includes a \$66.2 MM gain on the divestiture of 49.9% equity interest in our subsidiary, Talos Energy Mexico 7, S. de R.L. de C.V. to Zamajal, S.A. de C.V., a wholly owned subsidiary of Grupo Carso.

(2) Estimated decommissioning obligations were a result of working interest partners or counterparties of divestiture transactions that were unable to perform the required abandonment obligations due to bankruptcy or insolvency and are included in "Other operating (income) expense" on our consolidated statements of operations.

(3) The adjustments for the derivative fair value (gain) loss and net cash receipts (payments) on settled derivative instruments have the effect of adjusting net income (loss) for changes in the fair value of derivative instruments, which are recognized at the end of each accounting period because we do not designate commodity derivative instruments as accounting hedges. This results in reflecting commodity derivative gains and losses within Adjusted EBITDA on an unrealized basis during the period the derivatives settled.

(4) Reporting period includes Carbon Capture & Sequestration ("CCS") business.

Non-GAAP Reconciliations

(\$ thousands)	Three Months Ended
	June 30, 2024
Reconciliation of General & Administrative Expenses to Adjusted General & Administrative Expenses:	
Total General and administrative expense	\$48,247
Transaction and other (income) expenses ⁽¹⁾	(\$9,857)
Non-cash equity-based compensation expense	(\$2,790)
Adjusted General & Administrative Expenses	\$35,600

Non-GAAP Reconciliations

(\$ thousands)	Three Months Ended
	June 30, 2024
Reconciliation of Adjusted EBITDA to Adjusted Free Cash Flow (before changes in working capital):	
Adjusted EBITDA	\$343,984
Upstream capital expenditures	(\$122,812)
Plugging & abandonment	(\$22,221)
Decommissioning obligations settled	\$178
Investment in Mexico	(\$2,108)
Interest expense	(\$48,982)
Adjusted Free Cash Flow (before changes in working capital)	\$148,039
Reconciliation of Net Cash Provided by Operating Activities to Adjusted Free Cash Flow (before changes in working capital):	
Net cash provided by operating activities ⁽¹⁾	\$289,364
(Increase) decrease in operating assets and liabilities	(\$25,969)
Upstream capital expenditures ⁽²⁾	(\$122,813)
Decommissioning obligations settled	\$178
Investment in Mexico	(\$2,108)
Transaction and other (income) expenses ⁽³⁾	\$9,129
Decommissioning obligations ⁽⁴⁾	\$4,182
Amortization of deferred financing costs and original issue discount	(\$2,486)
Income tax benefit	(\$983)
Other adjustments	(\$455)
Adjusted Free Cash Flow (before changes in working capital)	\$148,039

(1) Includes settlement of asset retirement obligations.

(2) Includes accruals and excludes acquisitions.

(3) Transaction expenses includes \$9.3 MM in costs related to the QuarterNorth acquisition, inclusive of \$8.1 MM in severance expense for the three months ended June 30, 2024. Other income (expense) includes restructuring expenses, cost saving initiatives and other miscellaneous income and expenses that we do not view as a meaningful indicator of our operating performance.

(4) Estimated decommissioning obligations were a result of working interest partners or counterparties of divestiture transactions that were unable to perform the required abandonment obligations due to bankruptcy or insolvency.

Non-GAAP Reconciliations

	Three Months Ended, June 30, 2024		
		Basic per Share	Diluted per Share
(\$ thousands, except per share amounts)			
Reconciliation of Net Income (Loss) to Adjusted Net Income (Loss):			
Net Income (loss)	\$12,381	\$0.07	\$0.07
Transaction and other (income) expenses(1)	\$6,629	\$0.04	\$0.04
Decommissioning obligations(2)	\$4,182	\$0.02	\$0.02
Derivative fair value loss(3)	(\$2,302)	(\$0.01)	(\$0.01)
Net cash received on paid derivative instruments(3)	(\$17,518)	(\$0.10)	(\$0.10)
Non-cash income tax benefit	(\$983)	(\$0.01)	(\$0.01)
Loss on extinguishment of debt	—	—	—
Non-cash equity-based compensation expense	\$2,790	\$0.02	\$0.02
Adjusted Net Income (Loss)(4)	\$5,179	\$0.03	\$0.03
Weighted average common shares outstanding at June 30, 2024:			
Basic	\$183,564		
Diluted	\$183,692		

(1) Transaction expenses includes \$9.3 MM in costs related to the QuarterNorth acquisition, inclusive of \$8.1 MM in severance expense for the three months ended June 30, 2024. Other income (expense) includes restructuring expenses, cost saving initiatives and other miscellaneous income and expenses that we do not view as a meaningful indicator of our operating performance.

(2) Estimated decommissioning obligations were a result of working interest partners or counterparties of divestiture transactions that were unable to perform the required abandonment obligations due to bankruptcy or insolvency.

(3) The adjustments for the derivative fair value (gain) loss and net cash receipts (payments) on settled derivative instruments have the effect of adjusting net income (loss) for changes in the fair value of derivative instruments, which are recognized at the end of each accounting period because we do not designate commodity derivative instruments as accounting hedges. This results in reflecting commodity derivative gains and losses within Adjusted Net Income (Loss) on an unrealized basis during the period the derivatives settled.

(4) The per share impacts reflected in this table were calculated independently and may not sum to total adjusted basic and diluted EPS due to rounding.

Non-GAAP Reconciliations

(\$ thousands)	Three Months Ended
	June 30, 2024
Reconciliation of Net Debt:	
9.000% Second-Priority Senior Secured Notes – due February 2029	\$625,000
9.375% Second-Priority Senior Secured Notes – due February 2031	\$625,000
Bank Credit Facility – matures March 2027	\$225,000
Total Debt	\$1,475,000
Less: Cash and cash equivalents	(\$37,797)
Net Debt	\$1,437,203
Calculation of LTM Adjusted EBITDA:	
Adjusted EBITDA for three months period ended September 30, 2023	\$248,817
Adjusted EBITDA for three months period ended December 31, 2023	\$249,115
Adjusted EBITDA for three months period ended March 31, 2024	\$257,676
Adjusted EBITDA for three months period ended June 30, 2024	\$343,984
LTM Adjusted EBITDA	\$1,099,592
Acquired Assets Adjusted EBITDA:	
Adjusted EBITDA for three months period ended September 30, 2023	\$161,427
Adjusted EBITDA for three months period ended December 31, 2023	\$129,063
Adjusted EBITDA for period January 1, 2024 to March 4, 2024	\$99,490
LTM Adjusted EBITDA from Acquired Assets	\$389,980
Pro Forma LTM Adjusted EBITDA	\$1,489,572
Reconciliation of Net Debt to Pro Forma LTM Adjusted EBITDA:	
Net Debt / Pro Forma LTM Adjusted EBITDA(1)	1.0x

Talos Hedge Book as of August 6, 2024

	Instrument Type	Avg. Daily Volume	W.A. Swap	W.A. Sub-Floor	W.A. Floor	W.A. Ceiling
Crude – WTI		(Bbls)	(Per Bbl)	(Per Bbl)	(Per Bbl)	(Per Bbl)
July – September 2024	Fixed Swaps	\$39,696	\$76.75	—	—	—
	Collar	\$1,000	—	—	\$70.00	\$75.00
	Long Puts	\$4,000	—	—	\$70.00	—
	Short Puts	\$1,000	—	\$60.00	—	—
October – December 2024	Fixed Swaps	\$38,674	\$76.07	—	—	—
	Collar	\$1,000	—	—	\$70.00	\$75.00
	Long Puts	\$4,000	—	—	\$70.00	—
	Short Puts	\$1,000	—	\$60.00	—	—
January – March 2025	Fixed Swaps	\$32,000	\$72.52	—	—	—
	Collar	\$3,000	—	—	\$65.00	\$84.35
April – June 2025	Fixed Swaps	\$32,000	\$73.80	—	—	—
July – September 2025	Fixed Swaps	\$14,000	\$74.04	—	—	—
October – December 2025	Fixed Swaps	\$14,000	\$73.93	—	—	—
Natural Gas – HH NYMEX		(MMBtu)	(Per MMBtu)	(Per MMBtu)	(Per MMBtu)	(Per MMBtu)
July – September 2024	Fixed Swaps	\$30,000	\$2.82	—	—	—
	Collar	\$10,000	—	—	\$4.00	\$6.90
	Long Puts	\$13,660	—	—	\$2.90	—
October – December 2024	Fixed Swaps	\$35,000	\$2.85	—	—	—
	Collar	\$10,000	—	—	\$4.00	\$6.90
	Long Puts	\$13,660	—	—	\$2.90	—
January – March 2025	Fixed Swaps	\$60,000	\$3.68	—	—	—
April – June 2025	Fixed Swaps	\$55,000	\$3.38	—	—	—
July – September 2025	Fixed Swaps	\$30,000	\$3.58	—	—	—
October – December 2025	Fixed Swaps	\$30,000	\$3.58	—	—	—

The background of the image is a sunset over a calm ocean. The sun is low on the horizon, creating a bright orange and yellow glow that reflects on the water. The sky is filled with dark, heavy clouds, some of which are illuminated by the low sun, creating a dramatic effect. The overall color palette is dominated by blues, greys, and warm sunset tones.

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