



1Q 2025 Earnings

Conference Call & Webcast

May 6, 2025

www.talosenergy.com
NYSE: TALO

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, including financial assurance requirements, 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 potential impact of the revised biological opinion by the National Marine Fisheries Service, 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; changes in tariffs, trade barriers, price and exchange controls, labor markets and other regulatory requirements, including such changes that may be implemented by the Trump Administration, and the impact of such policies on us, our customers, and the global economic environment; volatility in the political, legal and regulatory environments in connection with the U.S. and Mexican presidential administrations; 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; lack of availability of drilling and production equipment and services; adverse weather events, including tropical storms, hurricanes, winter storms and loop currents; cybersecurity threats; 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, including the impact of financial assurance requirements; changes in U.S. trade and labor policies, including the imposition of increased tariffs and the resulting consequences; 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; recent and pending management changes; and the other risks discussed in "Risk Factors" of Talos Energy Inc.'s Annual Report on Form 10-K for the year ended December 31, 2024, filed with the SEC subsequent to the publication of this presentation.

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 "estimated resource potential," "estimated resource," "total recoverable resource potential" and "estimated ultimate recovery" or "EUR" 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, EBITDA Margin, 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 Overview



- High margin oil weighted production
- High quality and stable asset base
 - Infrastructure focused
 - Short cycle offshore drilling inventory
- Capital discipline
- Free cash flow generator
- Committed to low leverage

5th
LARGEST OPERATOR
in the Gulf of America

5th
LARGEST ACREAGE HOLDER
in the Gulf of America

FY 2025 GUIDANCE
90-95 MBOE/D
PRODUCTION
69% Oil, 79% Liquid

2Q 2025 GUIDANCE
92-96 MBOE/D
PRODUCTION
67% Oil, 77% Liquid

1Q 2025 and Recent Financial and Operational Highlights



RECENT HIGHLIGHTS

- ✓ **Beat 1Q 2025 consensus** on production, Adj. EBITDA and Adj. FCF for fifth consecutive quarter
- ✓ Announced return of up to **50% of annual FCF** via opportunistic share repurchases
- ✓ **Increased share repurchase authorization** to \$200 MM and repurchased 2.3 MM shares
- ✓ **\$0 drawn credit facility**, 0.8x leverage ratio, and \$960 MM in liquidity⁽¹⁾
- ✓ Ended the quarter with **\$203 MM in cash**
- ✓ **Finished completion operations** on Sunspear Discovery
- ✓ **Started completion operations** on Katmai West #2

1Q 2025

100.9 MBOE/D

Average Daily Production

68% / 78%

Oil / Liquids

\$363 MM

Adj. EBITDA⁽¹⁾

~\$40/BOE

Adj. EBITDA/BOE⁽¹⁾

\$118 MM

CAPEX⁽²⁾

\$195 MM

Adj. FCF⁽¹⁾⁽³⁾

\$0 DRAWN

CREDIT FACILITY

0.8x

LEVERAGE RATIO⁽¹⁾

\$960 MM

LIQUIDITY

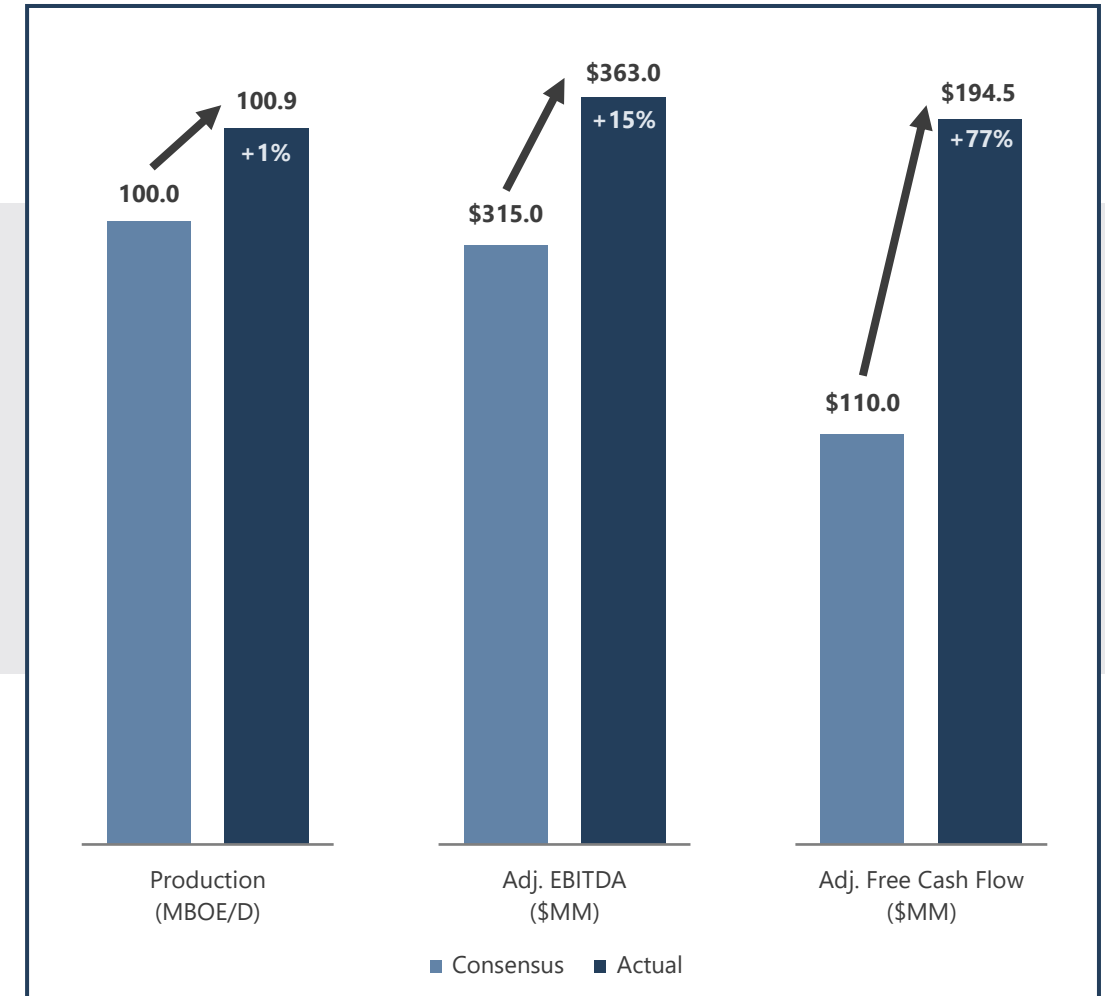
\$203 MM

CASH ON BALANCE SHEET

Five Consecutive Quarters Delivering Operationally and Financially

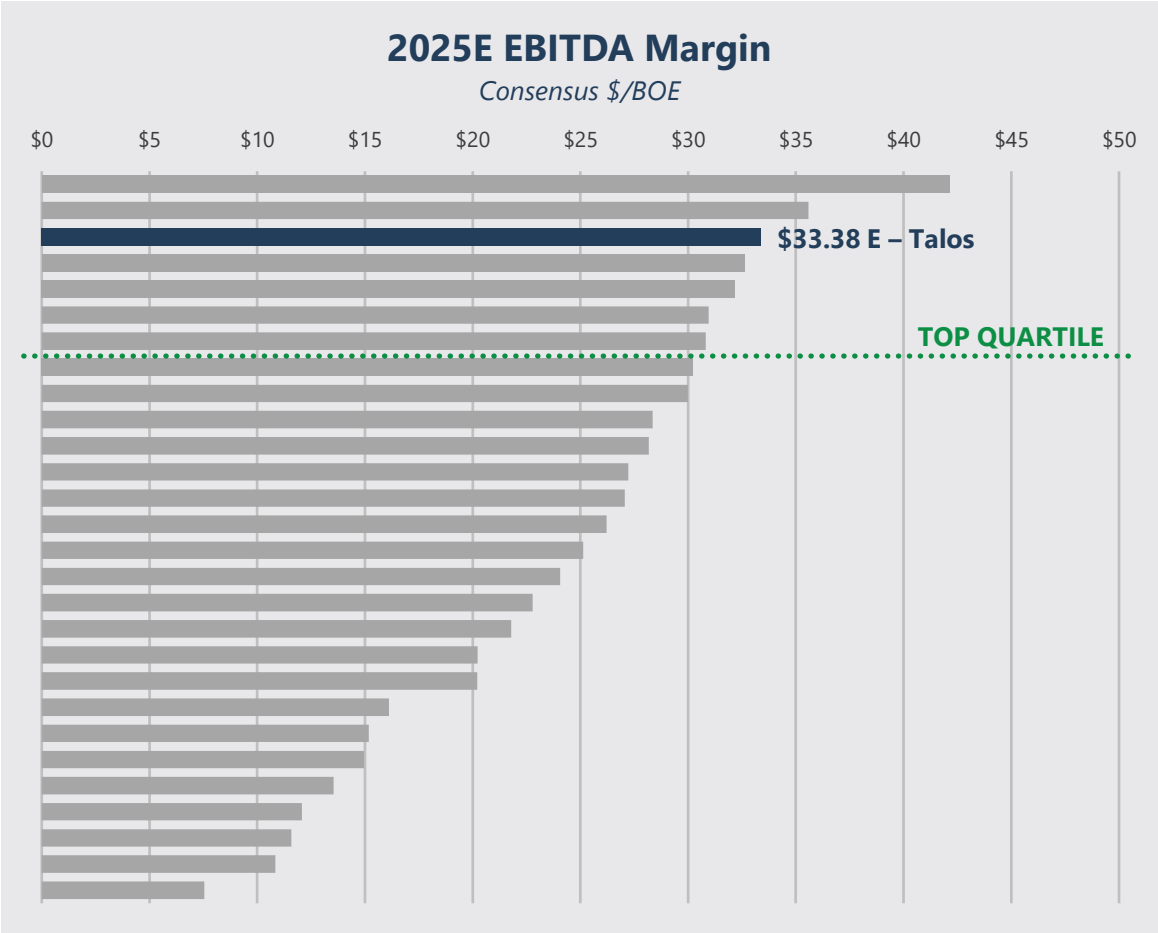
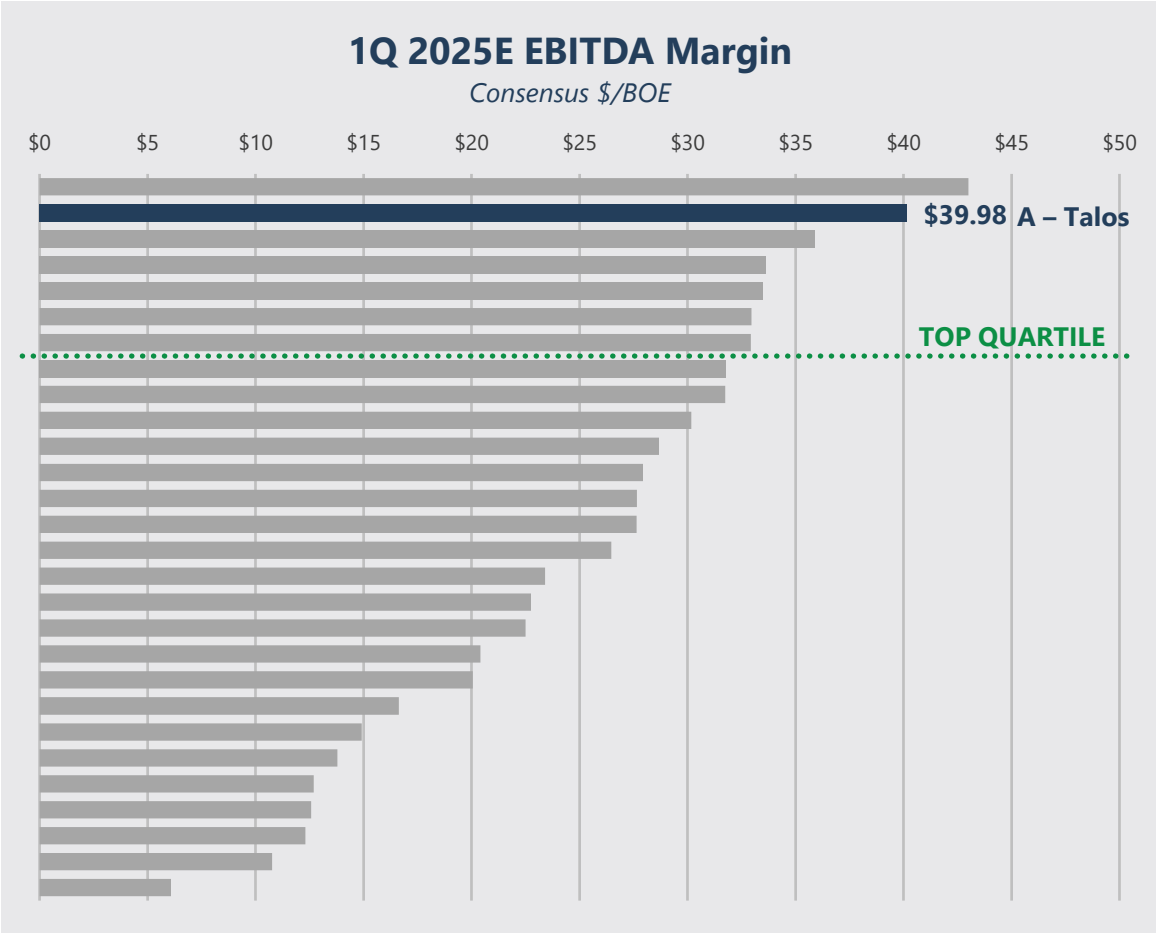
Beat consensus on Talos Production, Adj. EBITDA, and Adj. FCF for the last five consecutive quarters

1Q 2025



Consistently Achieve Top Quartile Ranking for EBITDA Margin

One of the highest **EBITDA/BOE margins** in the E&P sector⁽¹⁾ – 1Q 2025: ~\$40 per BOE



2025 Proposed Drill Calendar

			2024	2025					
Prospect	Category	Host Facility	4Q	1Q	2Q	3Q	4Q		
Brutus Platform	Development	Brutus				Rig Prep			
Katmai West #2	Development	Tarantula		Drilling	Comp	★			
Daenerys	Exploration	TBD				Drilling			
Sunspear	Development	Prince		Comp	★				
Cardona	Development	Pompano					D&C		
Optional Well (GOA) ⁽¹⁾						D&C			
EW 953	Development	Megalodon		Subsea Infrastructure Procurement					
Marmalard Infill	Development	Delta House			D&C ★				
Monument	Development	Shenandoah		Engineering & Procurement					
							Drilling		

Operated Activities
 Non-Op Activities
 Activity
 Expected First Oil

Delivering Operationally

SUNSPEAR

Finished well completion

- First production expected late 2Q 2025

KATMAI WEST

Initiated Completion Operations on Katmai West #2 well

- First production expected late 2Q 2025

DAENERYS

Drilling operations to commence late 2Q 2025 after Katmai #2

MONUMENT

Project on track

- Expect to spud well late 4Q 2025

Prioritizing Safety and Environment in Everything We Do

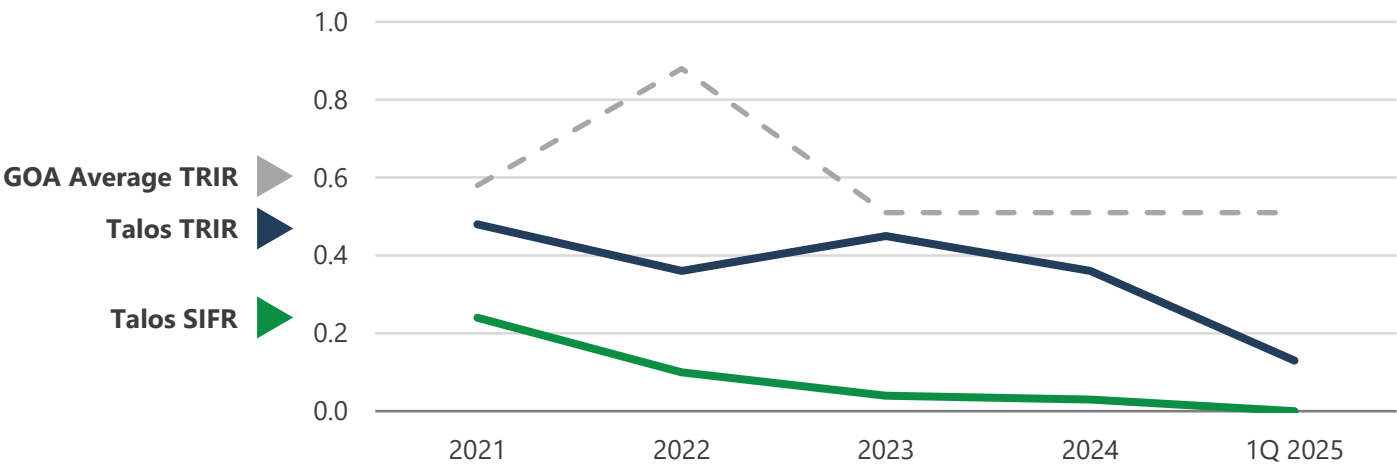
Employee Safety

0.13 TRIR

In 1.55 MM work hours

Significantly below GOA average of 0.51

TRIR and SIFR Performance



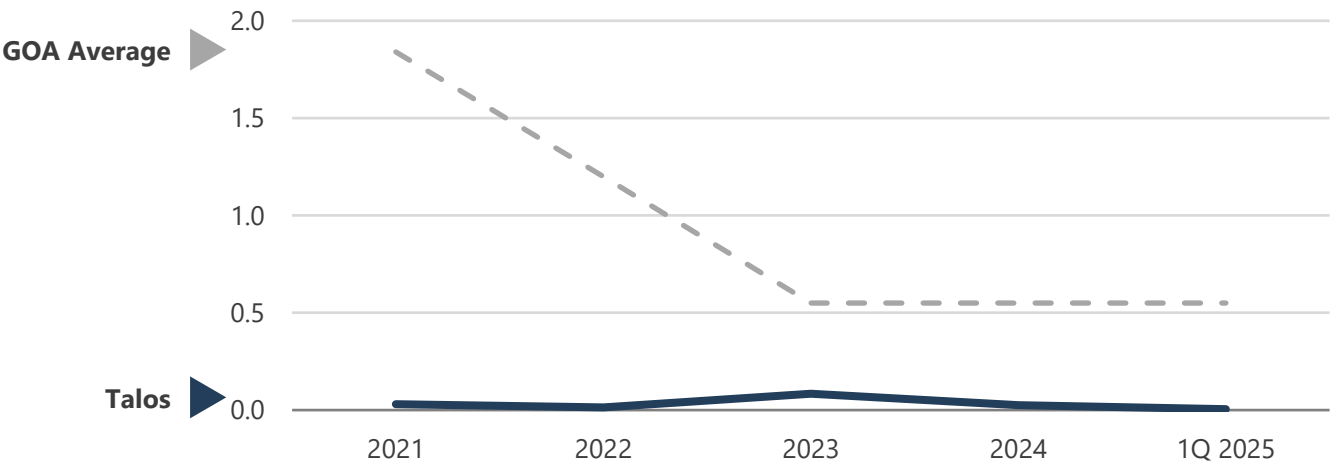
Liquids Spill Rate

0.0048 BBLS

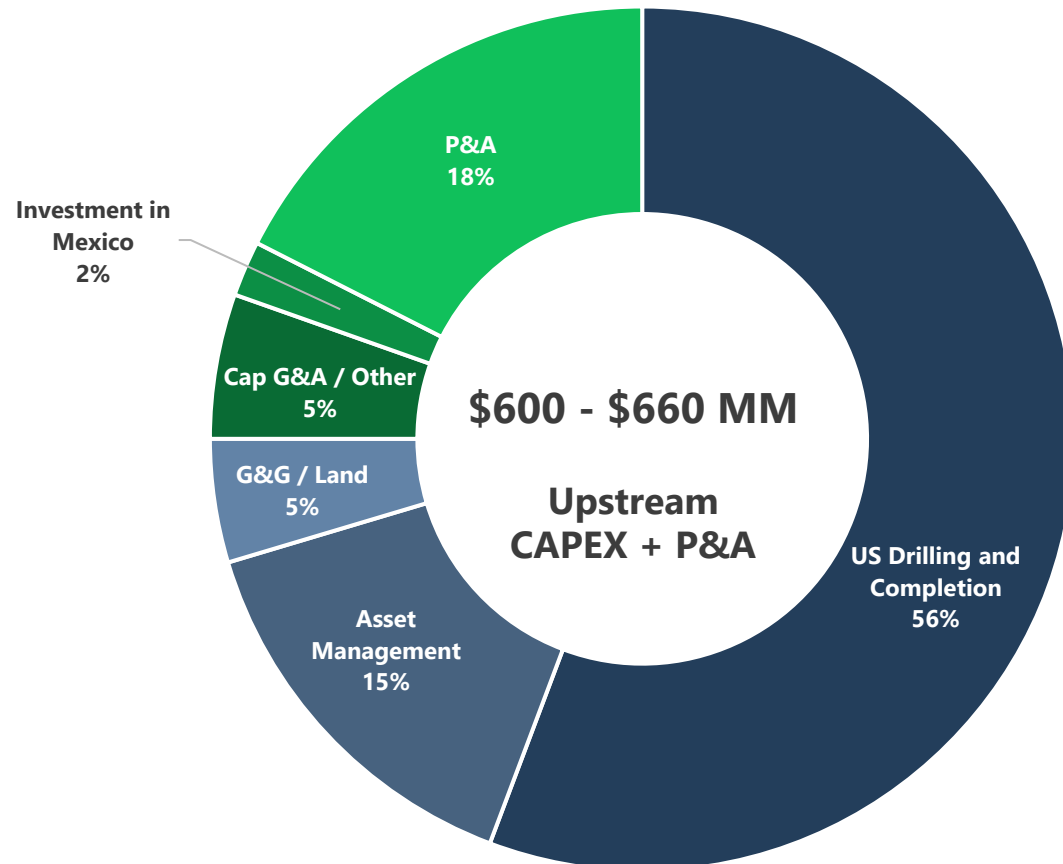
Spilled per 1 MM BBLS produced

Significantly below GOA average of 0.55

BBLS Spilled per 1 MM BBL Produced



Flexible 2025 Capital Budget



Highlights

- Flexibility in 2H 2025 to reduce budget
- Robust 2H 2025 development projects economic at an average price of ~\$35 per barrel
- Upstream CAPEX on track: \$500 - \$540 MM
- P&A, Decommissioning on track: \$100 - \$120 MM
- Balanced portfolio of drilling opportunities
- Ordering long-lead equipment for Monument and EW 953
- Providing low-cost production rate additions and extending field life through asset management investments
- Improving future inventory through ongoing G&G and land investments
- Limited impact from tariffs expected due to strategic pre-ordering of inventory "OCTG"

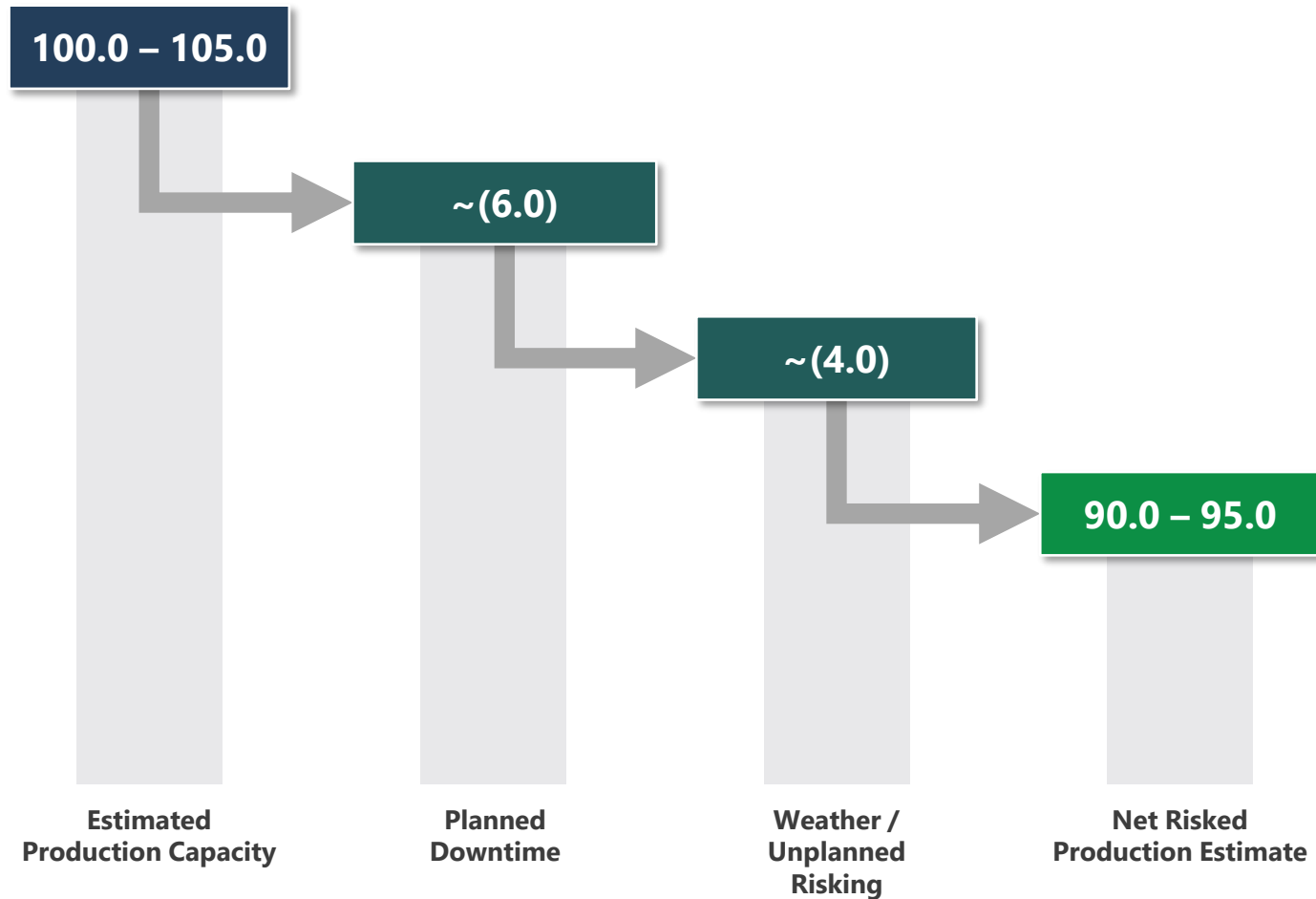
Reaffirming 2025 Operational and Financial Guidance

- **2025 focus on operational execution, financial discipline, and free cash flow generation**
- 2Q 2025 production guidance 92 - 96 MBOE/D
- Expect Free Cash Flow in 2025

		2025E Guidance
Production	Oil (MMBBL)	22.7 – 24.0
	Natural Gas (BCF)	41.9 – 44.3
	NGL (MMBBL)	3.1 – 3.3
	Total MMBOE	32.8 – 34.7
	Avg. Daily Production (MBOE/D)	90.0 – 95.0
Expenses (\$ in Millions)	Cash Operating Expenses and Workovers^{(1)(2)(4)*}	\$580 – \$610
	G&A^{(2)(3)*}	\$120 – \$130
	Upstream Capital Expenditures⁽⁵⁾	\$500 – \$540
	P&A, Decommissioning	\$100 – \$120
	Interest Expense⁽⁶⁾	\$155 – \$165

2025 Production Guidance Considerations

2025E Average Daily Production (MBOE/D)



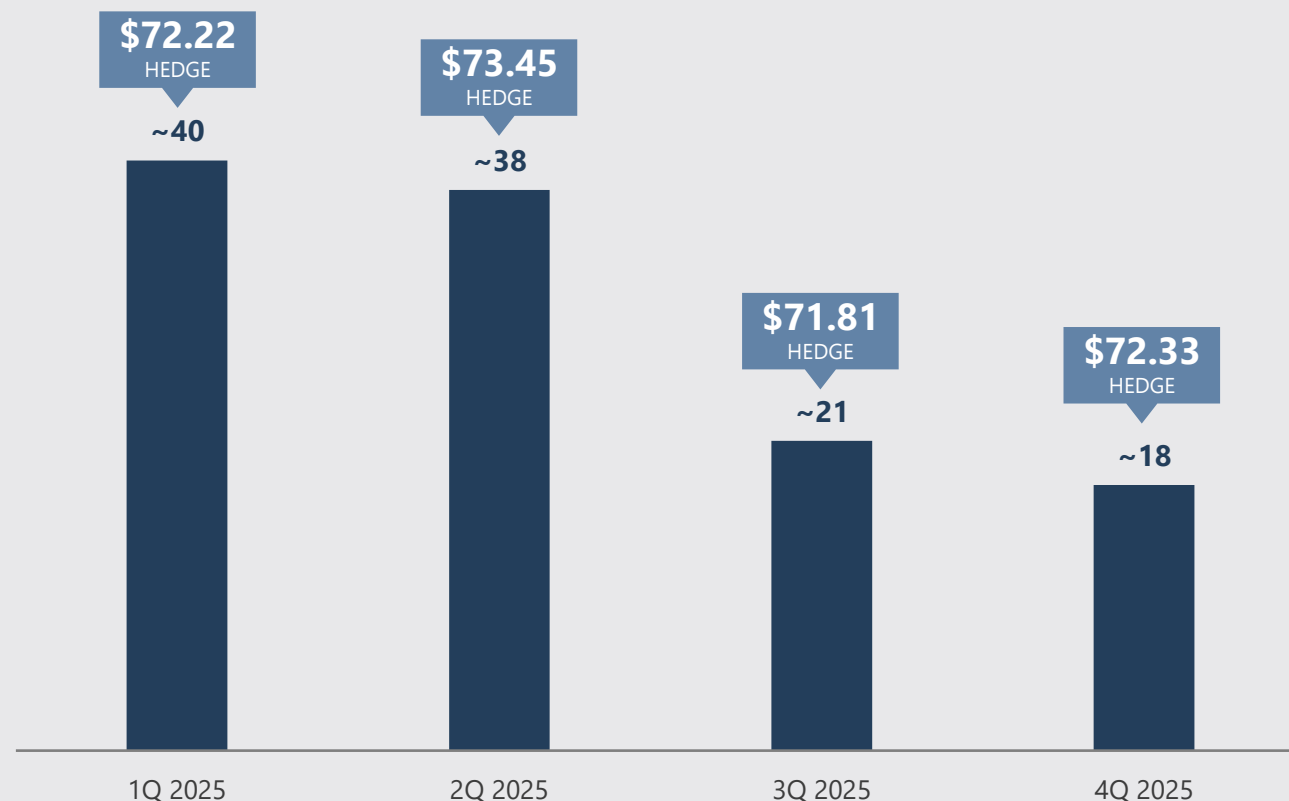
- Talos's 2025 guidance accounts for expected production impacts, including maintenance, third-party projects, and timing-related considerations
- Key 2025 major planned downtime events include Katmai, Pompano, Brutus, and third-party pipeline maintenance
- Talos applies risking for unknown weather and unplanned downtime based on historical rates
- Outperformance of production guidance is achievable pending a variety of factors

Talos is Well Hedged

- Robust hedge positions helps protect cash flow in a volatile commodity price environment
- Allows Talos to generate free cash flow for the full year as low as \$40 per barrel
- ~42% of the balance of 2025 oil production (mid-point of guidance) is hedged at prices above \$72 per barrel
- Helps ensure the 2025 Capital program can be executed
- Mark-to-Market hedge positions of \$120 MM⁽¹⁾

Daily Hedged Oil Volumes

MBO/D

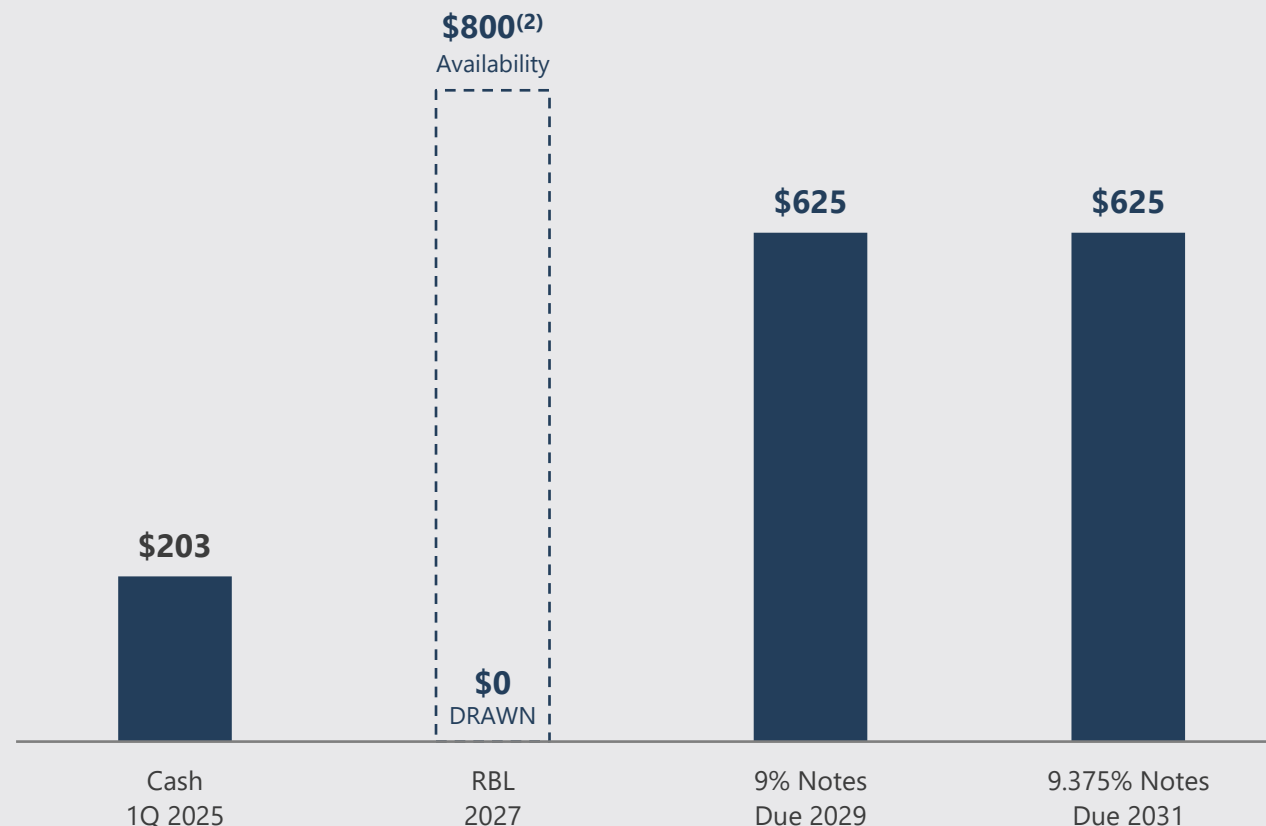


Strong Balance Sheet and No Near-Term Maturities

- Paid down \$550 MM of debt in 2024 since closing QuarterNorth acquisition, accreting over \$3.00 per share to shareholders
- \$0 drawn credit facility
- Ended the quarter with \$203 MM in cash
- Liquidity of over \$960 MM
- Maintained leverage ratio of 0.8x⁽¹⁾

Cash Balance and Debt Maturities

\$Millions



Maintaining Flexibility to Execute Most Accretive Options

INVEST

in projects that generate robust returns throughout the commodity cycles



RETURN

up to 50% of annual FCF via opportunistic share repurchases



STRENGTHEN

the balance sheet to be prepared to capitalize on opportunities that may arise from low oil prices



1Q 2025 Scorecard



Delivered strong 1Q 2025 performance

- Beat quarterly consensus on Production, Adj. EBITDA, and Adj. FCF



Committed to Balance Sheet Strength

- \$0 drawn credit facility, 0.8x leverage ratio, \$960 MM in liquidity, and \$203 MM in cash



Delivered Operationally

- Achieved record production of ~101 MBOE/D
- Finished completion on Sunspire Discovery
- Started completion on Katmai West #2

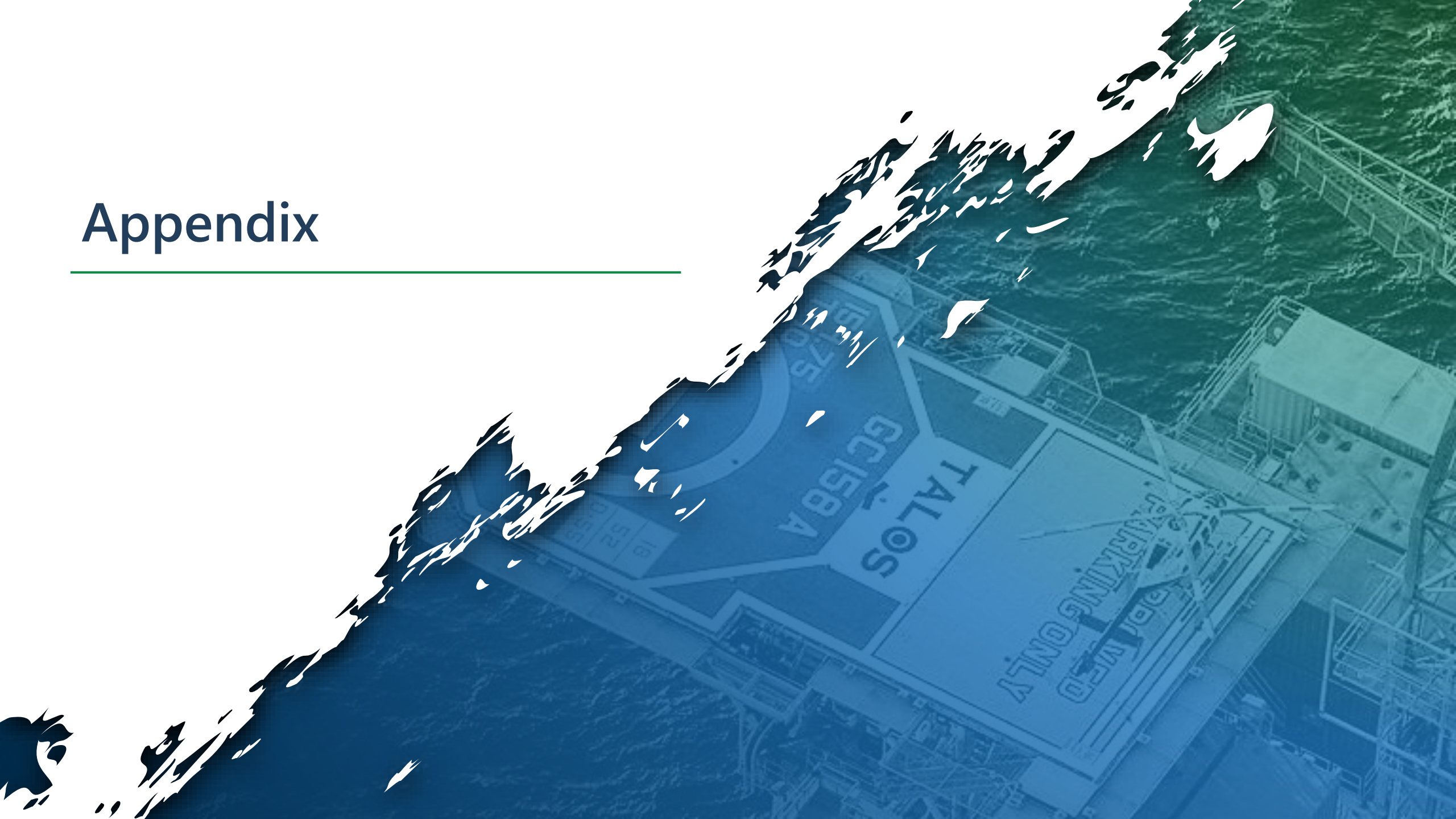


Returning Cash to Shareholders

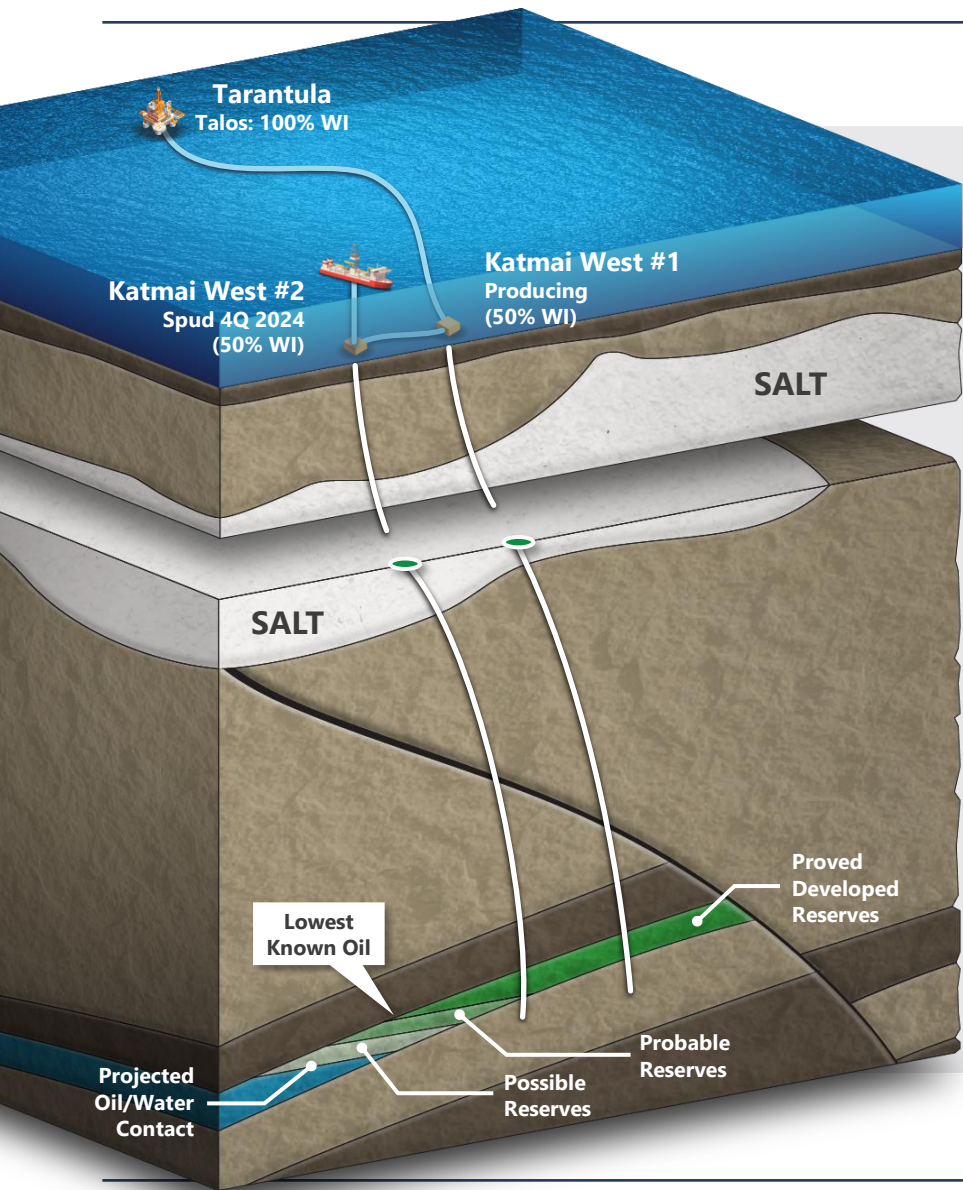
- Return up to 50% of annual FCF via opportunistic share repurchases
- Increased stock repurchase authorization to \$200 MM and repurchased 2.3 MM shares

**Driving value
for Talos
shareholders**

Appendix

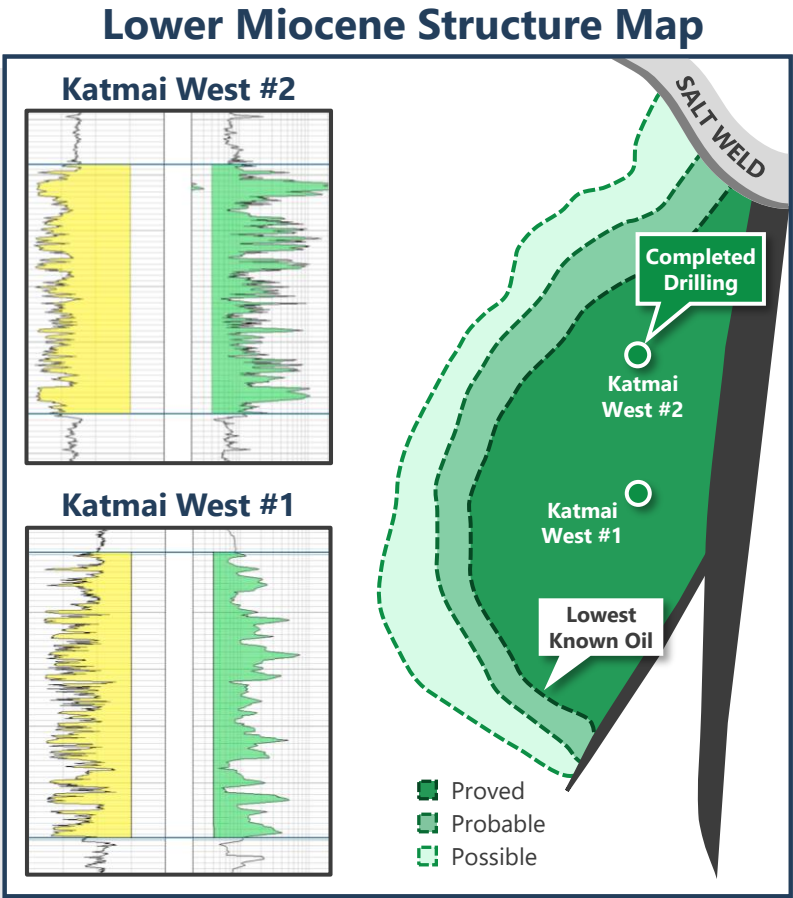


Katmai West #2 Adds Material Proved Reserves



Strategic Elements

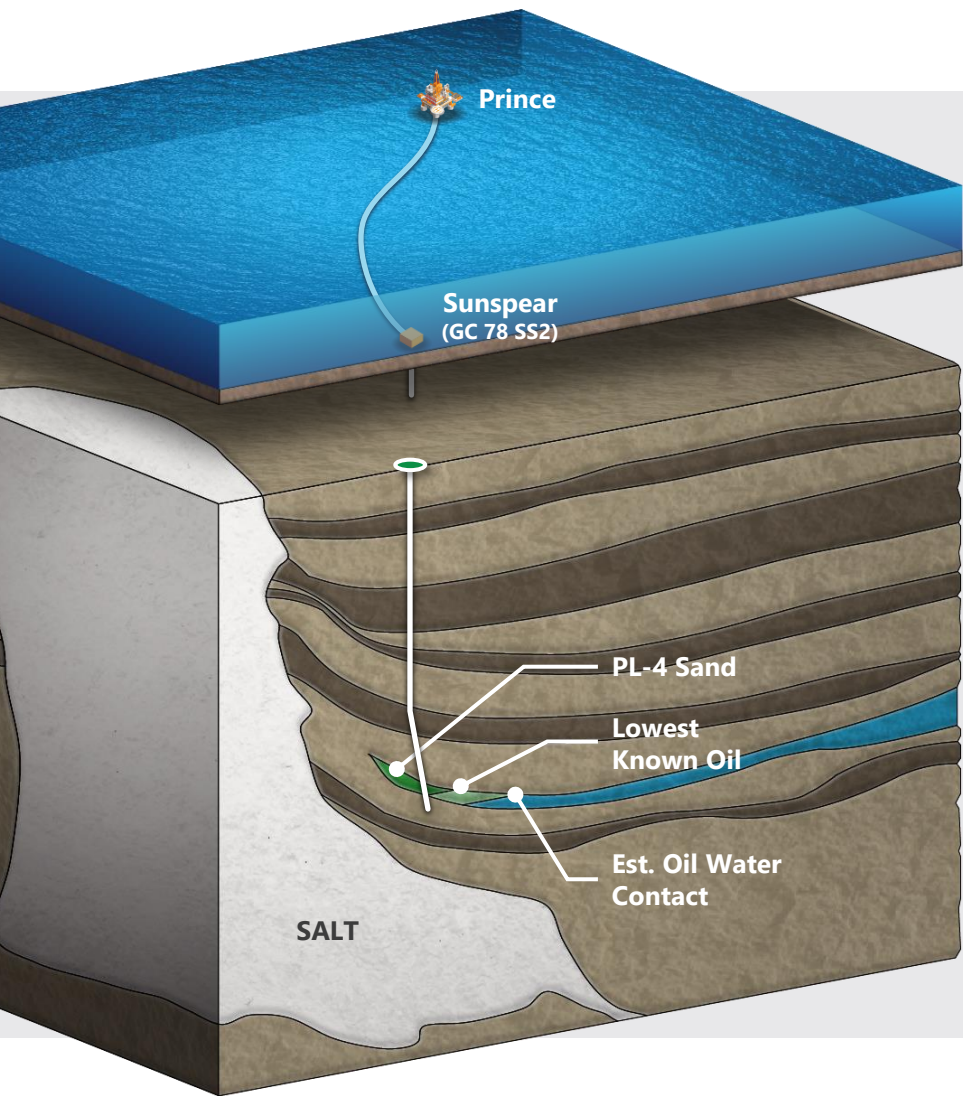
- Initiated completion operations
- Katmai West #2 well was drilled significantly under budget and a month faster than expected to a true vertical depth of ~27,000 ft
- The Katmai field is expected to produce at maximum facility capacity for several years
- Talos receives substantial PHA benefit at Tarantula though a 6% ORRI and OPEX sharing from Katmai partnership
- Working Interest:
 - Talos – 50% (Operator)
 - Ridgewood Energy Corporation – 50%



Key Data Points

Spud Date	Greater Katmai Area Resource Potential (Gross MMBOE)	Expected First Oil	Max Est. Initial Rate (Gross MBOE/D)	Percent Oil	Reservoir Depth (Feet TVDSS)	Working Interest	Host Facility
4Q 2024	Up to 200	Late 2Q 2025	15 - 20	70%	27,000 ft	50%	Tarantula

Sunspear Discovery



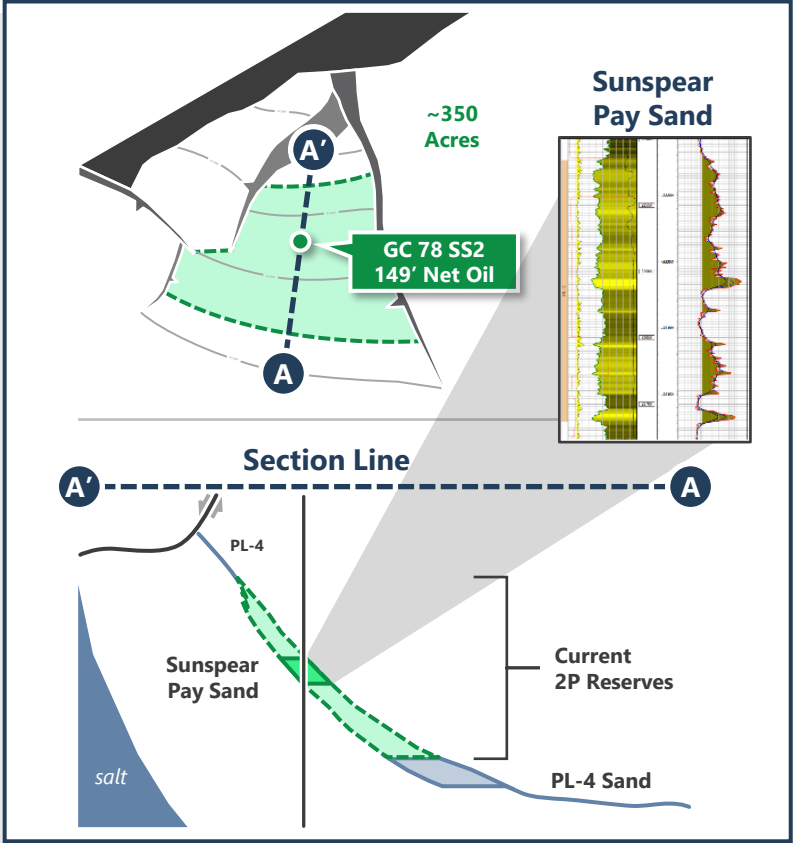
Strategic Elements

- Finished well completion operations
- Successful development well discovered 149 ft of net oil pay in main target
- High reservoir pressure and excellent fluid properties will produce strong initial flow rates
- Will tie back to recently acquired Prince platform
- Expected to be online late 2Q 2025
- Working Interest:
 - Talos – 48.0%
 - Entity managed by Ridgewood Energy Corporation – 47.5%
 - HE – 4.5%

Key Data Points

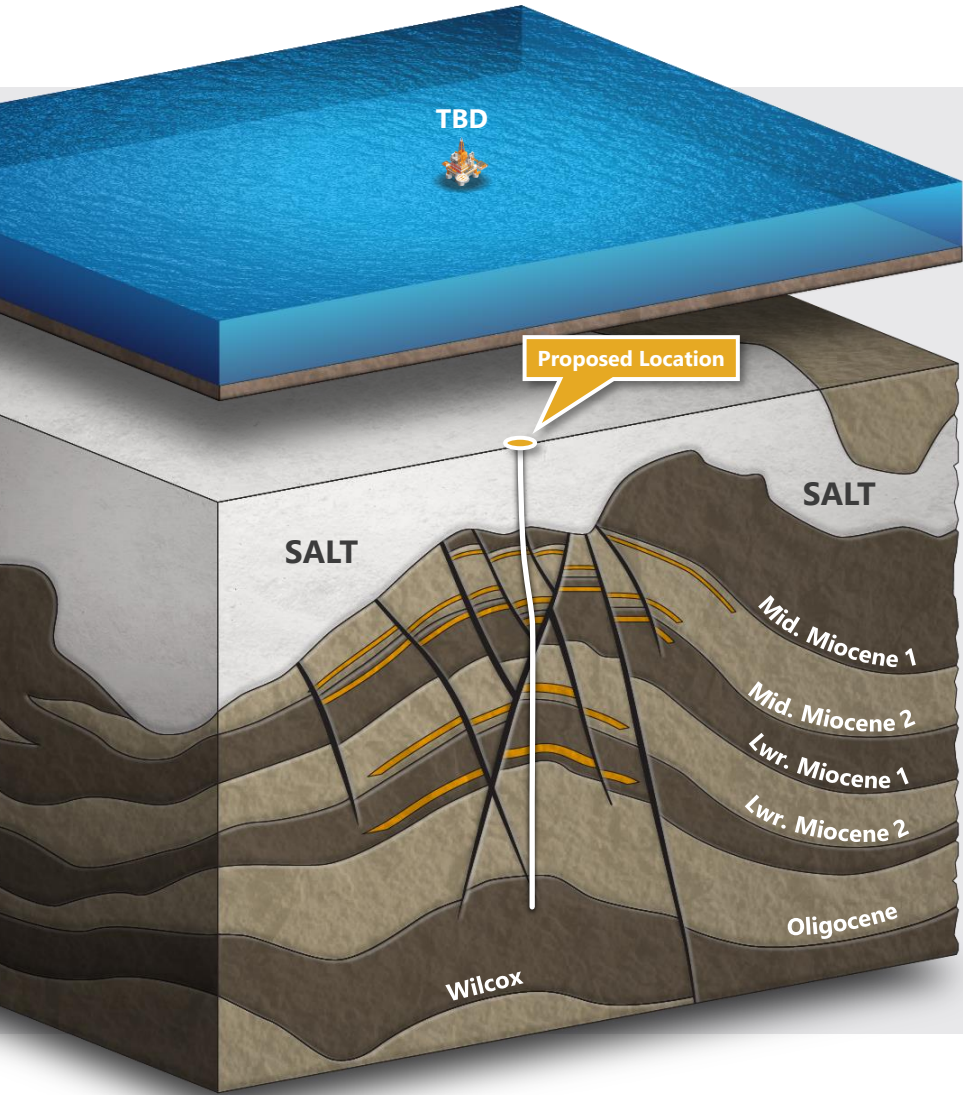
Discovery Date	Expected First Oil	Est. Initial Rate (Gross MBOE/D)	Reservoir Depth (Feet TVDSS)	Working Interest	Host Facility
3Q 2023	Late 2Q 2025	8 - 10	22,000	48%	Prince

Structure Map



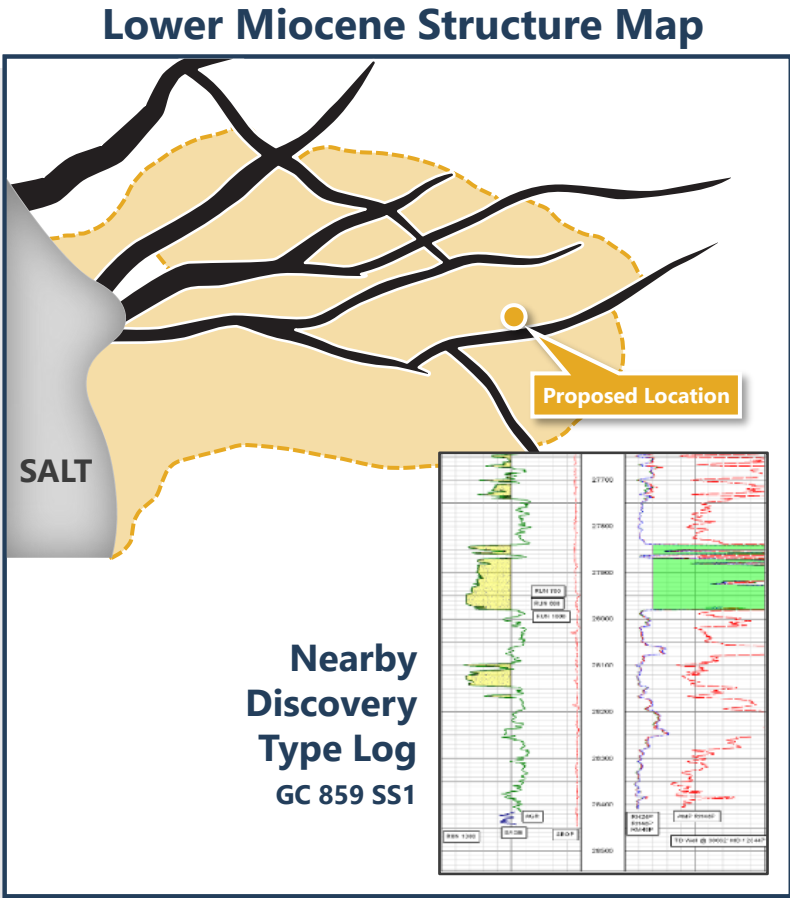
Daenerys

High-Impact Subsalt Miocene Exploration Opportunity



Strategic Elements

- Focus on drilling late 2Q 2025
- Farm-in transaction covering 23,000 gross acres
- Large Middle and Lower Miocene 4-way turtle structure
- Evaluating several host facility options
- Expected to drill 2Q 2025
- Working Interest:
 - Talos – 30% (Operator)
 - Red Willow – 35%
 - Cathexis – 25%
 - HEQ – 10%

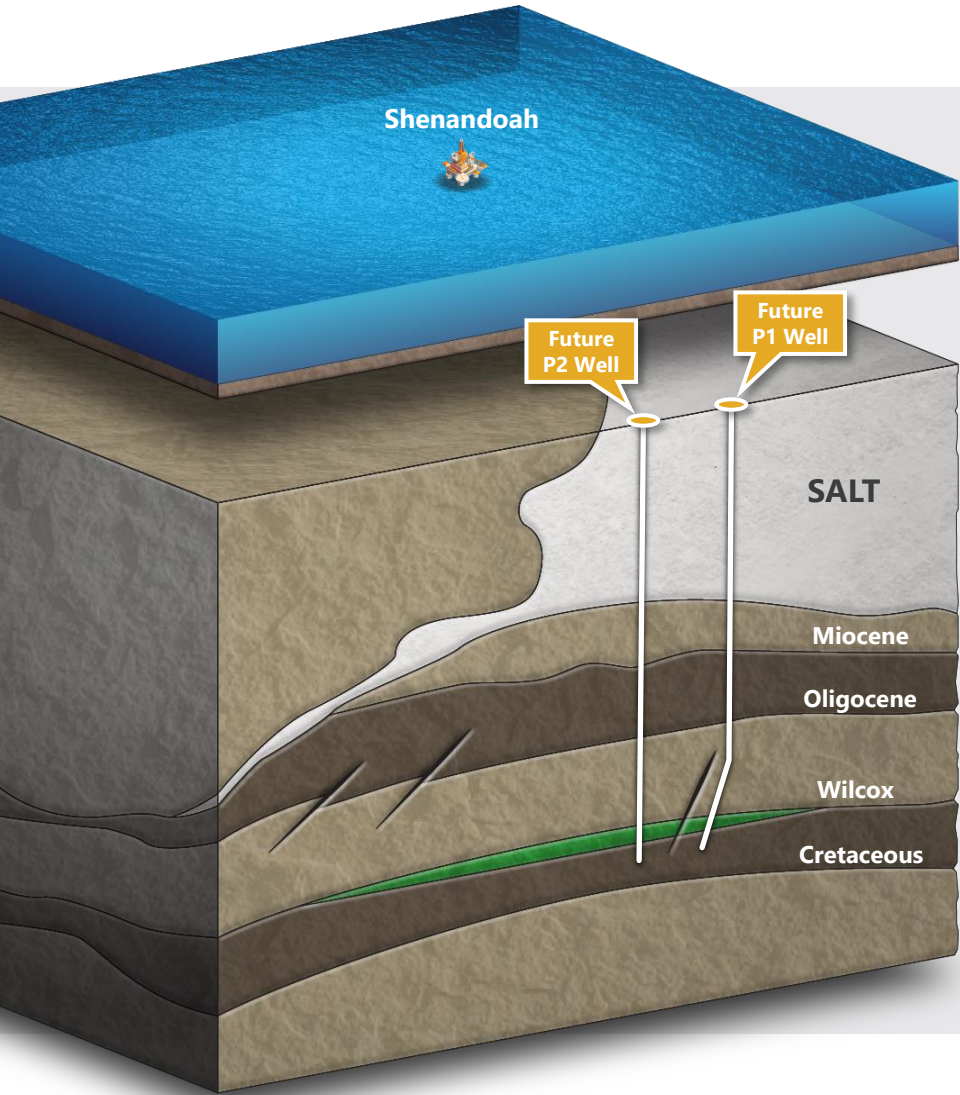


Key Data Points

Est. Spud Date	Est. Resource (Gross MMBOE)	Reservoir Depth (Feet TVDSS)	Working Interest
Late 2Q 2025	100 - 300	~26,000 - 31,000 ft	30%

Monument – High-Impact Subsalt Wilcox Discovery

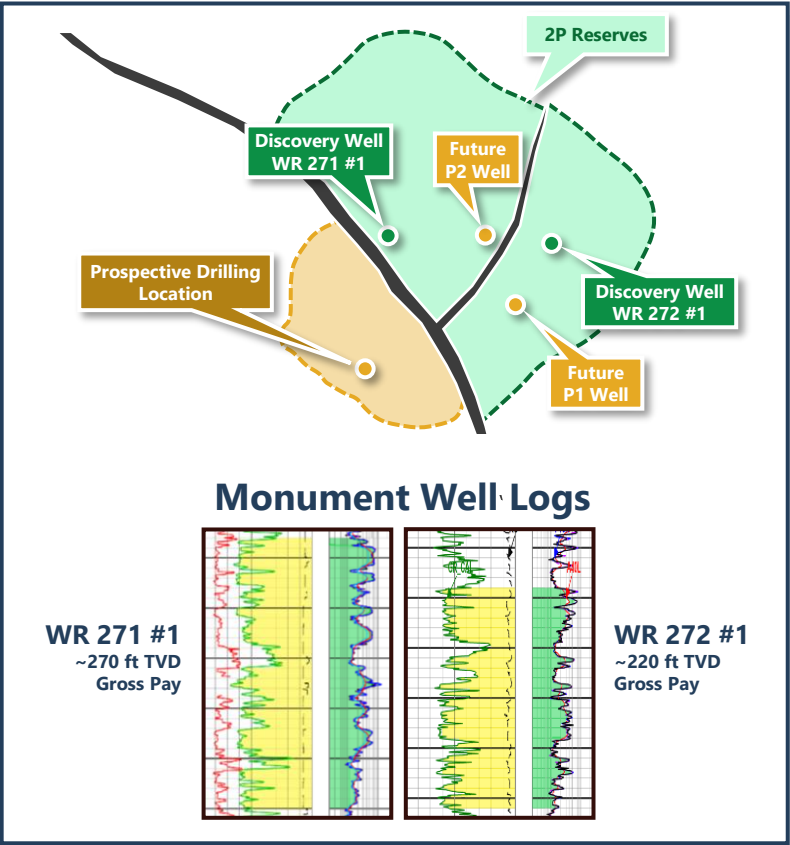
Acquisition of Major Discovery with Material Resource Life



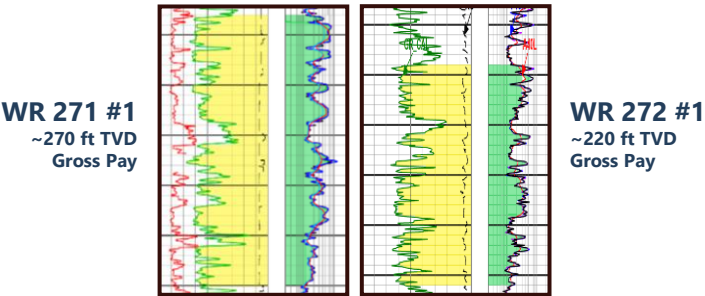
Strategic Elements

- 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
- Incremental upside of 25 - 35 MMBOE from prospective drilling location
- Talos has increased its working interest from 21.4% to 29.76%
- Working Interest:
 - Beacon – 41.67% (Operator)
 - Talos – 29.76%
 - Navitas Petroleum – 28.57%

Wilcox Structure Map



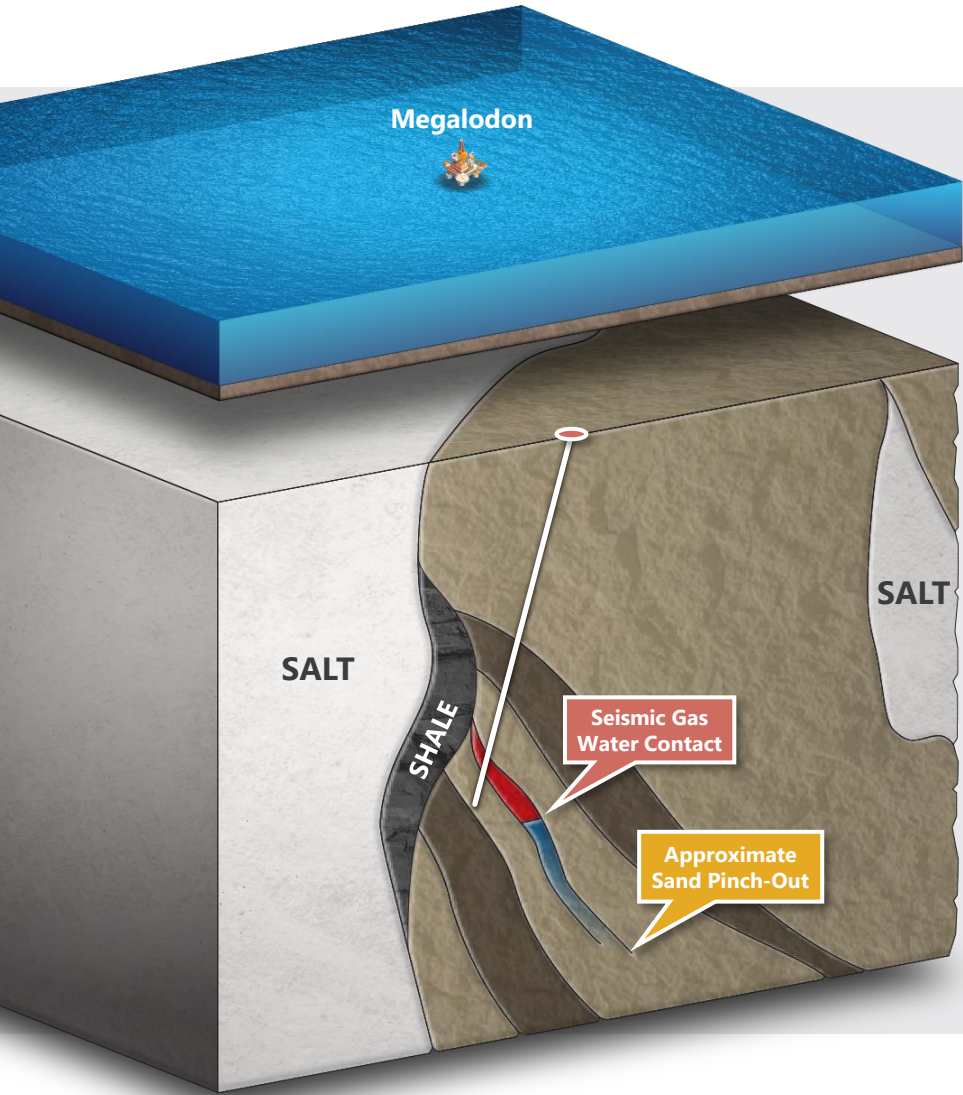
Monument Well Logs



Key Data Points

Spud Date	Est. 2P Reserves (Gross MMBOE) ⁽¹⁾⁽²⁾	First Oil	Est. Initial Rate (Gross MBOE/D)	Percent Oil	Target Depth (Feet TVDSS)	Working Interest	Host Facility
Discovered	~115 MMBOE	Late 2026	~20 - 30	~91%	30,500 ft	29.76%	Shenandoah

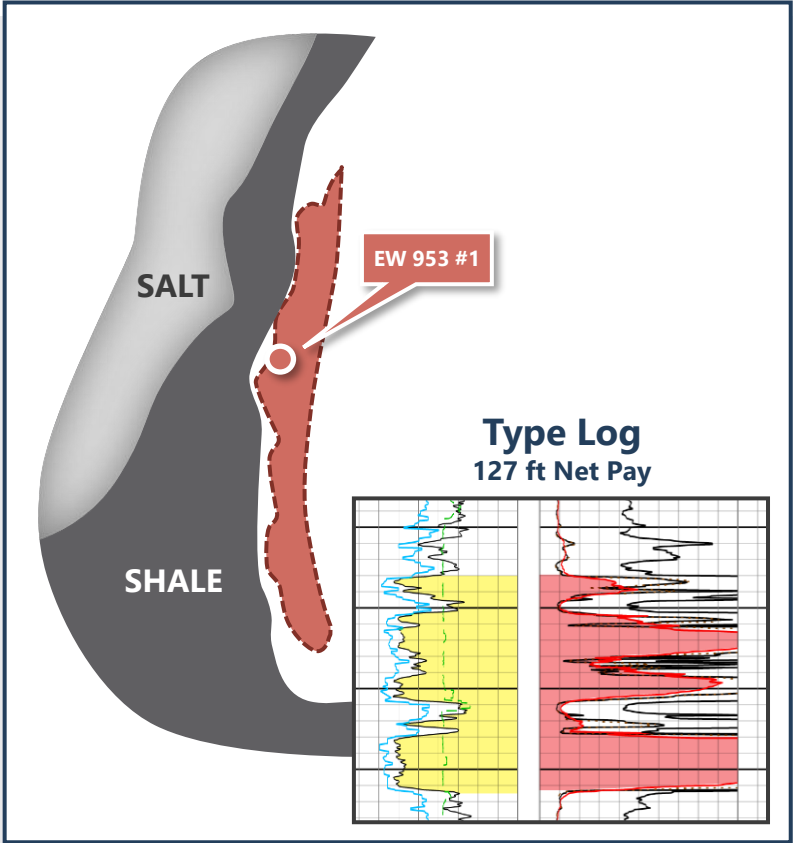
Ewing Bank 953 – First Success in 2024 Multi-Well Drilling Program



Strategic Elements

- Discovered 127 ft of net hydrocarbon pay
- Excellent rock properties and collected pressure and fluid samples
- Expect production in mid-2026
- Current plan is for a short tieback to ST 311 Megalodon Platform
- Partnership:
 - Walter Oil & Gas – 56.7% (Operator)
 - Talos – 33.3%
 - Gordy Oil Company – 10%

Structure Map



Key Data Points

Spud Date	Est. Resource (Gross MMBOE)	Est. Initial Rate (Gross MBOE/D)	Reservoir Depth (Feet TVDSS)	Host Facility
3Q 2024	15 – 25	8 – 10	19,000 ft	Megalodon

Non-GAAP Reconciliations

(\$ Thousands)	Three Months Ended			
	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024
Reconciliation of Net Income (Loss) to Adjusted EBITDA:				
Net Income (loss)	\$(9,868)	\$(64,508)	\$88,173	\$12,381
Interest expense	\$40,927	\$41,536	\$46,275	\$48,982
Income tax expense (benefit)	\$(91)	\$9,448	\$18,111	\$(983)
Depreciation, depletion and amortization	\$280,716	\$274,554	\$274,249	\$259,091
Accretion expense	\$30,894	\$30,551	\$29,418	\$30,732
EBITDA	\$342,578	\$291,581	\$456,226	\$350,203
Transaction and other (income) expenses ⁽¹⁾	\$(4,579)	\$1,193	\$(17,687)	\$6,629
Decommissioning obligations ⁽²⁾	\$(157)	\$797	\$2,725	\$4,182
Derivative fair value (gain) loss ⁽³⁾	\$15,853	\$42,989	\$(126,291)	\$(2,302)
Net cash received (paid) on settled derivative instruments ⁽³⁾	\$5,167	\$19,651	\$6,071	\$(17,518)
Non-cash equity-based compensation expense	\$4,141	\$5,603	\$3,315	\$2,790
Adjusted EBITDA	\$363,003	\$361,814	\$324,359	\$343,984
Add: Net cash (received) paid on settled derivative instruments ⁽³⁾	\$(5,167)	\$(19,651)	\$(6,071)	\$17,518
Adjusted EBITDA excluding hedges	\$357,836	\$342,163	\$318,288	\$361,502
Production:				
BOE ⁽⁴⁾	9,080	9,081	8,878	8,686
Adjusted EBITDA excluding CCS margin and Adjusted EBITDA excluding CCS and hedges margin:				
Adjusted EBITDA excluding CCS per BOE ⁽⁴⁾	\$39.98	\$39.84	\$36.54	\$39.60
Adjusted EBITDA excluding CCS and hedges per BOE ⁽¹⁾⁽⁴⁾	\$39.41	\$37.68	\$35.85	\$41.62

(1) For the three months ended September 30, 2024, transaction expenses includes \$4.7 million in severance costs related to the departure of the Company's former President and Chief Executive Officer on August 29, 2024; \$9.3 million in costs related to the QuarterNorth Acquisition, inclusive of \$8.1 million 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. For the three months ended September 30, 2024, it includes an incremental \$13.5 million gain from the sale of our wholly owned subsidiary, Talos Low Carbon Solutions LLC, due to the recognition of contingent consideration as well as a \$7.0 million increase in fair value of a service credit acquired via the QuarterNorth Acquisition.

(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) One Boe is equal to six Mcf of natural gas or one Bbl of oil or NGLs based on an approximate energy equivalency. This is an energy content correlation and does not reflect a value or price relationship between the commodities.

Non-GAAP Reconciliations

(\$ Thousands)	Three Months Ended
	March 31, 2025
Reconciliation of Adjusted EBITDA to Adjusted Free Cash Flow (before changes in working capital):	
Adjusted EBITDA	\$363,003
Capital expenditures	\$(117,574)
Plugging & abandonment	\$(9,752)
Decommissioning obligations settled	\$(278)
Interest expense	\$(40,927)
Adjusted Free Cash Flow (before changes in working capital)	\$194,472

(\$ Thousands)	Three Months Ended
	March 31, 2025
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⁾	\$268,241
(Increase) decrease in operating assets and liabilities	\$51,214
Capital expenditures ⁽²⁾	\$(117,574)
Decommissioning obligations settled	\$(278)
Transaction and other (income) expenses ⁽³⁾	\$(4,579)
Decommissioning obligations ⁽⁴⁾	\$(157)
Amortization of deferred financing costs and original issue discount	\$(1,830)
Income tax benefit	\$(91)
Other adjustments	\$(474)
Adjusted Free Cash Flow (before changes in working capital)	\$194,472

Non-GAAP Reconciliations

(\$ Thousands)	Three Months Ended
	March 31, 2025
Reconciliation of General & Administrative Expenses to Adjusted General & Administrative Expenses:	
Total General and administrative expense	\$34,615
Transaction and other expenses ⁽¹⁾	\$(164)
Non-cash equity-based compensation expense	\$(4,141)
Adjusted General & Administrative Expenses	\$30,310

Non-GAAP Reconciliations

(\$ Thousands, except per share amounts)	Three Months Ended, March 31, 2025		
		Basic per Share	Diluted per Share
Reconciliation of Net Income (Loss) to Adjusted Net Income (Loss):			
Net Income (loss)	\$ (9,868)	\$ (0.05)	\$ (0.05)
Transaction and other (income) expenses ⁽¹⁾	\$ (4,579)	\$ (0.03)	\$ (0.03)
Decommissioning obligations ⁽²⁾	\$ (157)	\$ (0.00)	\$ (0.00)
Derivative fair value loss ⁽³⁾	\$ 15,853	\$ 0.09	\$ 0.09
Net cash received on paid derivative instruments ⁽³⁾	\$ 5,167	\$ 0.03	\$ 0.03
Non-cash income tax benefit	\$ (91)	\$ (0.00)	\$ (0.00)
Non-cash equity-based compensation expense	\$ 4,141	\$ 0.02	\$ 0.02
Adjusted Net Income (Loss)⁽⁴⁾	\$ 10,466	\$ 0.06	\$ 0.06
Weighted average common shares outstanding at March 31, 2025:			
Basic	180,192		
Diluted	180,999		

(1) Other income (expense) includes other miscellaneous income and expenses that the Company does not view as a meaningful indicator of its 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)

	March 31, 2025
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	—
Total Debt	\$1,250,000
Less: Cash and cash equivalents	\$(202,950)
Net Debt	\$1,047,050
Calculation of LTM Adjusted EBITDA:	
Adjusted EBITDA for three months period ended June 30, 2024	\$343,984
Adjusted EBITDA for three months period ended September 30, 2024	\$324,359
Adjusted EBITDA for three months period ended December 31, 2024	\$361,814
Adjusted EBITDA for three months period ended March 31, 2025	\$363,003
LTM Adjusted EBITDA	\$1,393,160
Reconciliation of Net Debt to LTM Adjusted EBITDA:	
Net Debt / LTM Adjusted EBITDA ⁽¹⁾	0.8x

Talos Hedge Book as of April 30, 2025

	Instrument Type	Avg. Daily Volume	W.A. Swap	W.A. Floor	W.A. Ceiling
Crude – WTI		(BBLs)	(Per BBL)	(Per BBL)	(Per BBL)
April – June 2025	Fixed Swaps	38,000	\$73.45	—	—
July – September 2025	Fixed Swaps	20,685	\$71.81	—	—
October – December 2025	Fixed Swaps	19,652	\$71.84	—	—
January – March 2026	Fixed Swaps	14,000	\$66.26	—	—
	Collar	9,000	—	\$60.00	\$68.50
April – June 2026	Fixed Swaps	10,000	\$65.47	—	—
	Collar	9,000	—	\$60.00	\$68.50
July – September 2026	Collar	9,000	—	\$60.00	\$68.50
October – December 2026	Collar	9,000	—	\$60.00	\$68.50
Natural Gas – HH NYMEX		(MMBTU)	(Per MMBTU)	(Per MMBTU)	(Per MMBTU)
April – June 2025	Fixed Swaps	65,000	\$3.38	—	—
July – September 2025	Fixed Swaps	50,000	\$3.47	—	—
October – December 2025	Fixed Swaps	40,000	\$3.53	—	—
January – March 2026	Fixed Swaps	35,000	\$4.19	—	—
April – June 2026	Fixed Swaps	20,000	\$3.65	—	—
July – September 2026	Fixed Swaps	20,000	\$3.65	—	—
October – December 2026	Fixed Swaps	20,000	\$3.65	—	—

The background of the entire image is a photograph of a vast ocean under a dramatic sky at sunset or sunrise. The sun is partially obscured by dark, heavy clouds, with bright rays of light breaking through and reflecting on the water's surface. The water is a deep blue, with lighter, shimmering patches where the sunlight hits. The overall mood is powerful and serene.

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