



4Q 2023 Earnings

Conference Call & Webcast

February 29, 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,” “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 belief, 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, reserves and prospective storage resources; 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 the pending and future mergers and acquisitions, such as the acquisition of QuarterNorth Energy Inc. (“QuarterNorth,” and such transaction, the “QuarterNorth Acquisition”), including the risk that we may fail to complete such transaction on the terms contemplated or at all, 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 and low carbon solutions 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 Acquisition, and future 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; the success of our low carbon solutions business opportunities, including as a result of any development opportunities, permitting, access to capital to finance such opportunities, the timing and amount of revenues therefrom and potential future customers; the uncertainty inherent in estimating subsurface storage resources in our low carbon solutions projects; 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 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, risks associated with permitting for and access to capital to finance our CCS opportunities; 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, 2023.

Should one or more of the risks or uncertainties described herein 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 upward or downward revisions 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. Certain reserve estimates shown were prepared based on specified management price parameters as indicated herein. These specified prices reflect what we believe to be reasonable assumptions as to average future commodity prices over the productive lives of our properties. However, we caution you that the pricing used is not a projection of future oil and natural gas prices, and should be carefully considered in addition to, and not as a substitute for, SEC prices, when considering our oil, natural gas and NGL reserves.

In addition, 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.

Prospective Storage Resource Estimates

Estimates of prospective subsurface storage for our Talos Low Carbon Solutions projects are based solely on preliminary internal estimates and have not been verified by any third-party experts. The accuracy of any such estimates depends on the quality of available data, unknown geologic risks, and the interpretation of such data. Such estimates cannot be measured in an exact way at this development stage and may vary significantly from our initial estimates after further permitting and development progress. Accordingly, our estimates of storage resource may differ significantly from the actual quantities of CO₂ that can ultimately be stored. The SEC has not specified how subsurface storage estimates should be calculated. Therefore, the estimates in this presentation have not been calculated in accordance with SEC, reserve engineering or accounting standards. We use the term “prospective storage resource,” outlined by the CO₂ Storage Resources Management System, which was modeled after the Society of Petroleum Engineers Petroleum Resources Management System, to represent our internally estimated CO₂ storage.

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 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 contained herein 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, 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.

Solid Delivery in 2023, Looking Ahead to 2024



RECENT DEVELOPMENTS

- ✓ Financial results largely in-line or better than guidance
- ✓ Venice, Lime Rock online ahead of schedule, above rate expectation
- ✓ Entered multiple exploration partnerships to bolster inventory
- ✓ QuarterNorth acquisition expected to add material operating scale
- ✓ Solid balance sheet: 1.0x leverage and \$788 MM of liquidity
- ✓ Refinanced 2026 notes to extend maturities while cutting borrowing rates



2024 OBJECTIVES

- ~35-40% Y/Y production increase with lower Y/Y capital expenditures
- Targeting significant free cash flow, debt pay down of ~\$400 MM and YE 2024 leverage of 1.0x or less
- Invest in key Upstream projects with a balanced risk/reward profile
- Continue to pursue accretive M&A and business development
- QuarterNorth closing expected in March 2024
- Evaluating strategic alternatives for TLCS

4Q 2023 Financial Highlights

67.7 MBOE/D

Average Daily Production

76% / 83%

Oil / Liquids

\$249 MM

Adj. EBITDA⁽¹⁾

\$42/BOE

Upstream Adj. EBITDA/BOE⁽¹⁾

\$174 MM

Upstream CAPEX and P&A⁽²⁾

\$27 MM

Adjusted FCF⁽¹⁾⁽³⁾

\$788 MM

YE 2023 Liquidity

1.0x

Leverage⁽¹⁾

“Talors had a solid fourth quarter, and the pending closing of QuarterNorth has positioned Talors for a very strong 2024.”

Timothy S. Duncan, President & CEO

Venice and Lime Rock Wells Online Ahead of Schedule



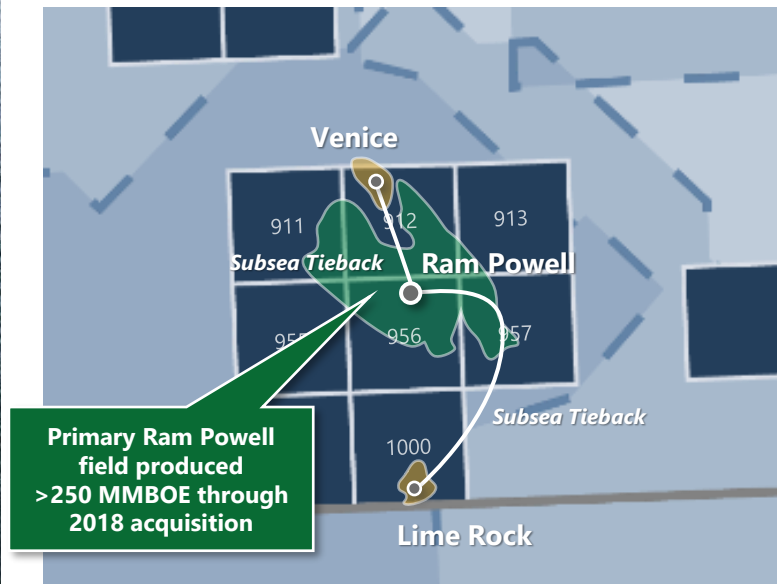
Strategic Elements

- Two high-impact discoveries near Talos owned Infrastructure
- High-margin new production at Ram Powell achieving the highest rates in 15 years
- Collecting volumetric-based reimbursements from 40% non-op partners

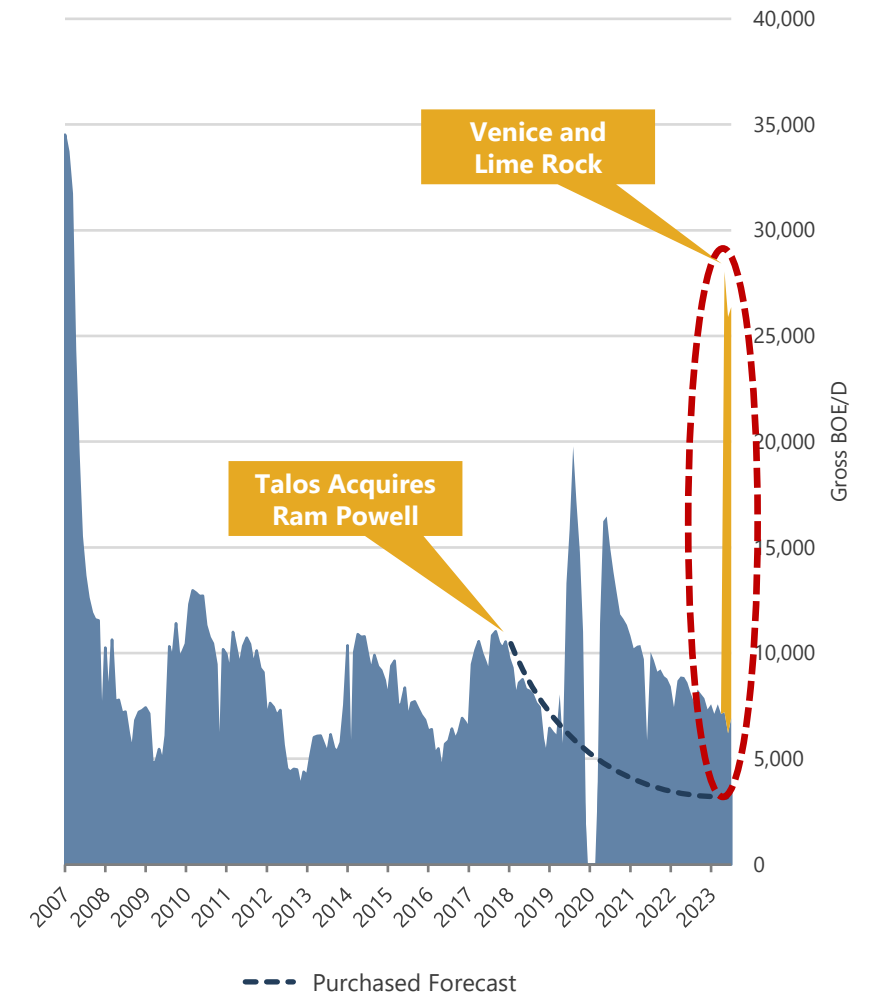
Combined Key Stats

First Oil	Late Dec 2023
Est. Resource (Gross MMBOE)	20 – 30
Initial Production Rate (Gross MBOE/D)	~18.5 (~45% oil, ~55% liquids)
Working Interest	60%
Host Facility	Ram Powell

Locator Map



Revitalizing Production at Ram Powell



\$1.29 BN QuarterNorth Acquisition Increases Operational Scale



High Quality Assets With Low Base Decline

- High free cash flow generation with low reinvestment needs
- Adds material scale while improving asset diversity across basin



Immediately Accretive on Key Metrics

- Cash flow metrics: free cash flow per share, cash flow per share
- Operational metrics: PDP reserves per share, production per share



Unlocks Material Synergies

- \$50+ MM annual run-rate
- Operational economies of scale and G&A cost rationalization



Deleveraging and Enhances Credit Strength

- Targeting YE 2024 leverage of 1.0x or less



Attractive Inventory for Future Development

- Prospects immediately compete for capital
- Potential for significant reserve adds near-term

Key QuarterNorth Statistics

~30

MBOE/D
(2024E)

~75%

Oil-Weighted

>95%

Operated



Strategic
Fit



Asset
Fit



Cash Flow
Profile



Valuation

Accretion Metrics

(Inclusive of capital markets offerings)

>60%

>60%

>19%

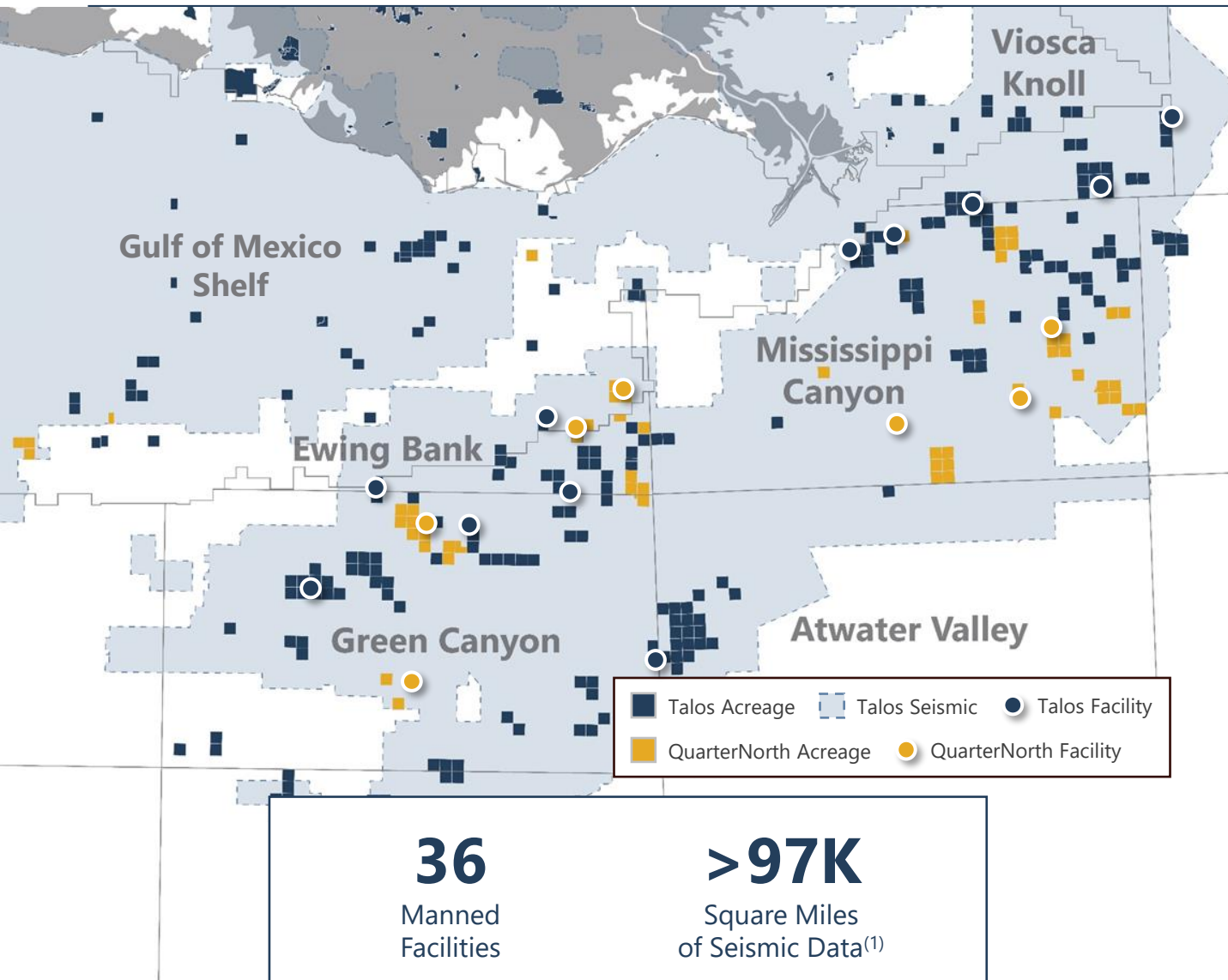
>16%

Free Cash Flow per Share

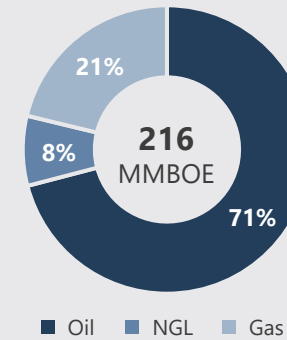
Cash Flow per Share

■ 2024 ■ 2025

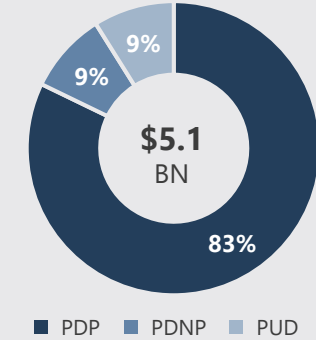
Talos Is Well-Positioned To Drive Material Value Creation



Proved Reserves



Proved PV-10



Strategic Positioning



**5th Largest
Operator
in the
GOM**



**4th Largest
Acreage
Holder in
the GOM**

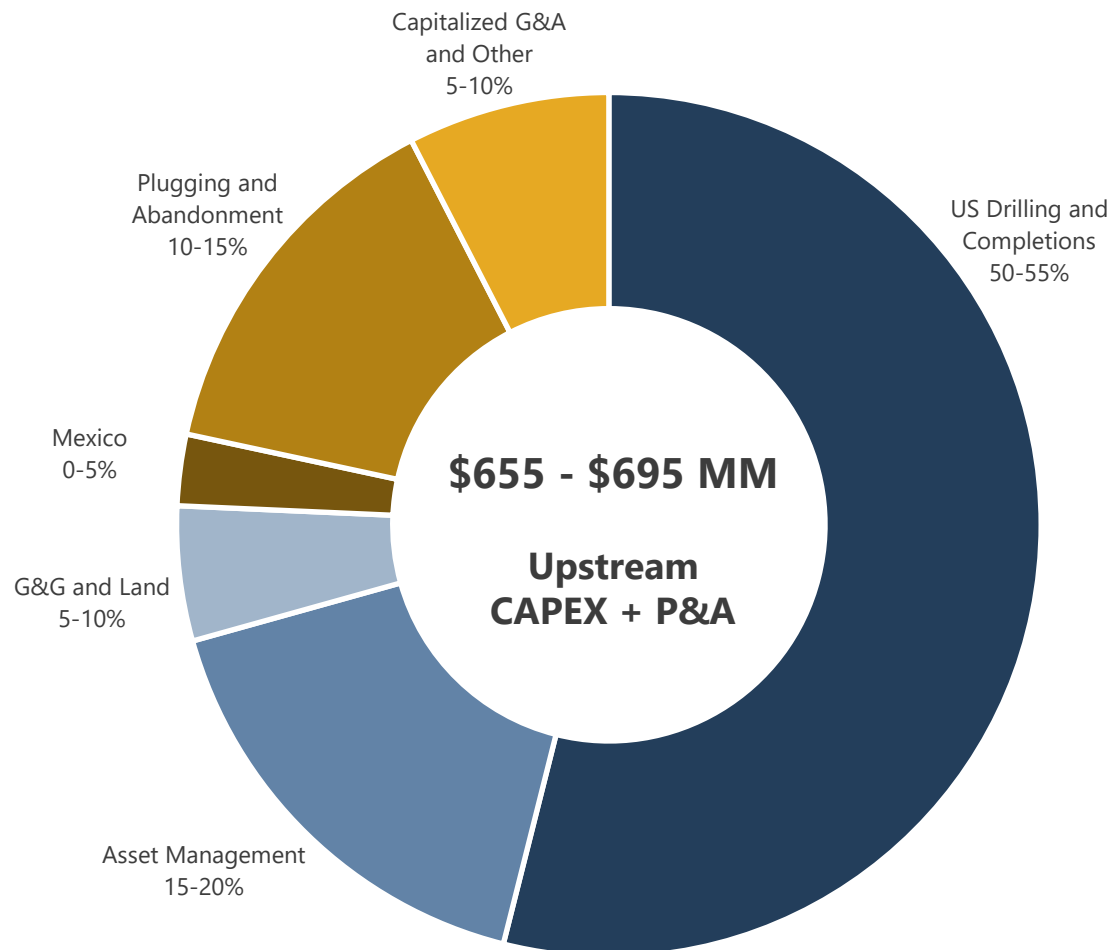


**Disciplined
Acquiror**



**Solid
Balance
Sheet**

2024 Upstream Investments



Highlights

- Expected **reduction in Y/Y CAPEX** from Talos standalone 2023
 - Upstream CAPEX: \$565 - \$595 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

2024 Capital Program Balances Risk With Material Resource Exposure

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



Activity



Achieved First Oil



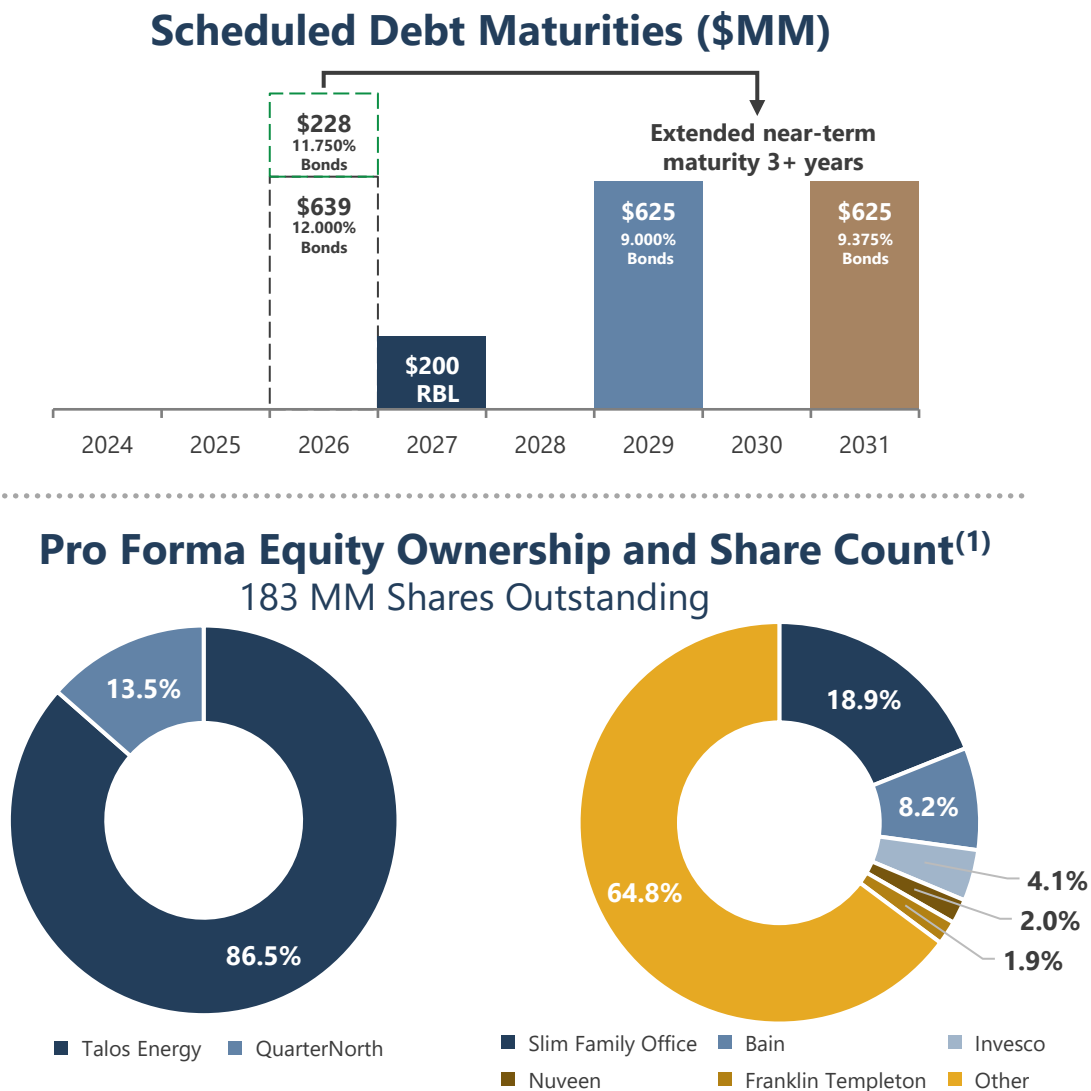
Expected First Oil



Expected First Injection

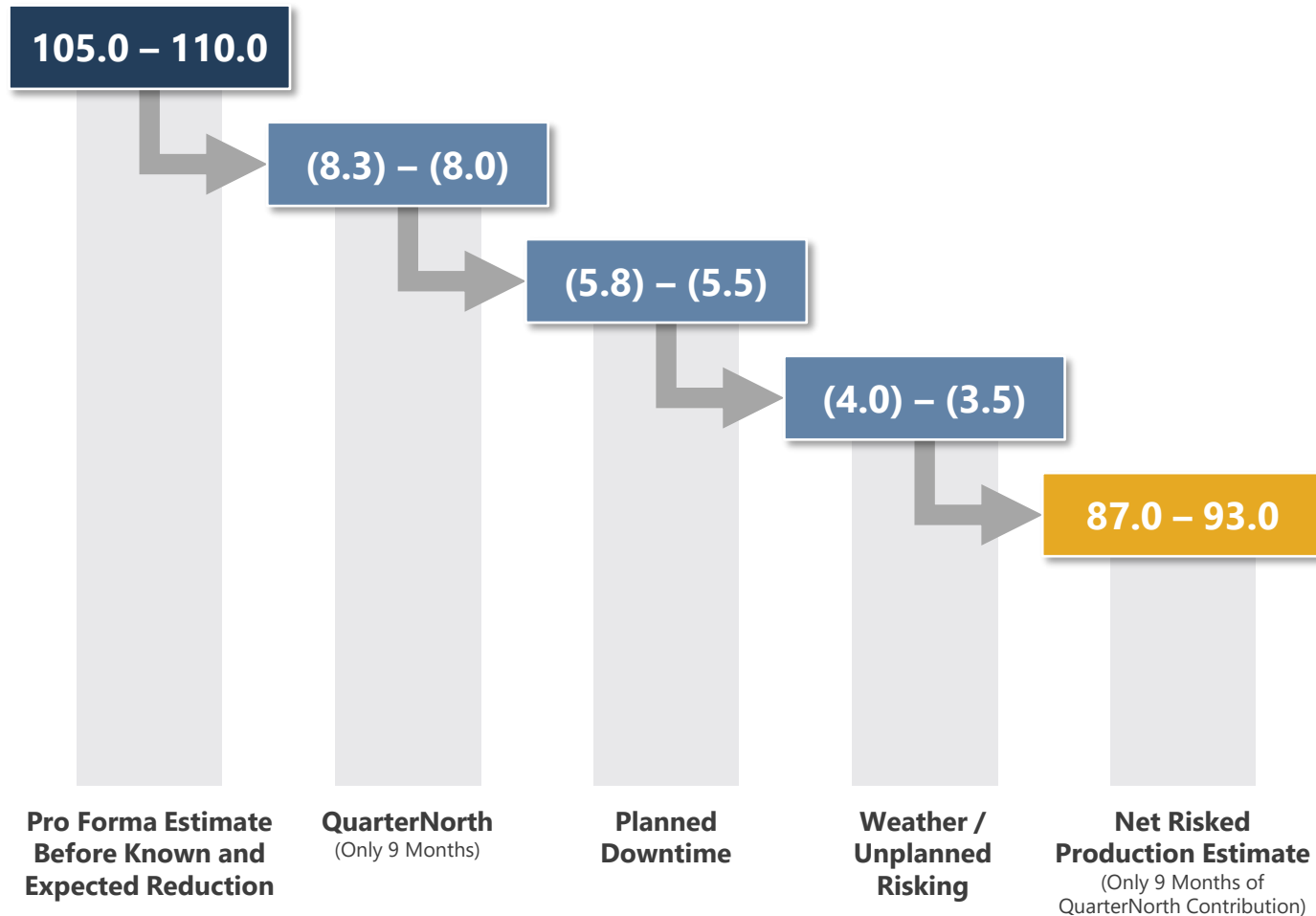
Recent Offerings Extended Maturities and Reduced Rates

- Recently completed \$1.25 BN High Yield Notes Offering
 - Expected to finance a portion of the QuarterNorth acquisition
 - Refinanced ~\$865 MM in 2026 bond maturities
- Strong investor demand and multiple times over-subscribed
- Reduced bond interest rates ~275-300 bps
- Staggered 5- and 7-Year tranches smooth maturity profile
- \$404 MM equity offering provided balanced funding sources for QuarterNorth acquisition while maintaining solid accretion



2024 Production Guidance Considerations

2024E Average Daily Production (MBOE/D)



- Combined asset base generated ~99 MBOE/D in 4Q 2023 and ~106 MBOE/D in January 2024
- Talos's 2024 guidance takes into account expected production impacts, including maintenance, third-party projects, and timing-related considerations
- Key 2024 planned downtime events include HP-1 dry-dock, Katmai maintenance and third-party pipeline maintenance
- Talos applies risking for unknown weather and unplanned downtime that has historically occurred
- Outperformance of production guidance is achievable pending a variety of factors

2024 Operational and Financial Guidance

- **2024 focus on solid execution, free cash flow generation and debt paydown**
- 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 approximately \$400 MM of debt paydown

		2024E Guidance	Selected Commentary
Production	Oil (MMBBL)	23.0 – 24.0	Maintaining high oil-weighted production mix
	Natural Gas (BCF)	38.0 – 44.0	—
	NGL (MMBBL)	2.5 – 2.7	—
	Total MMBOE	31.8 – 34.0	—
	Avg. Daily Production (MBOE/D)	87.0 – 93.0	Includes all planned downtime and risking
Expenses	Cash Expenses⁽¹⁾⁽²⁾⁽⁴⁾	\$505 – \$525	Includes ~\$15 MM HP-1 one-time expenses
	Workovers	\$45 – \$55	Includes multiple production-adding workovers and well-work projects
	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⁾	\$565 – \$595	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

Capital Allocation Focused on Maximizing Free Cash Flow

Cash Flow Priorities



Targeting debt reduction of
~\$400 MM



Investments in balanced
capital program with a mix of
development and exploration



Further position for business
development and strategic
M&A

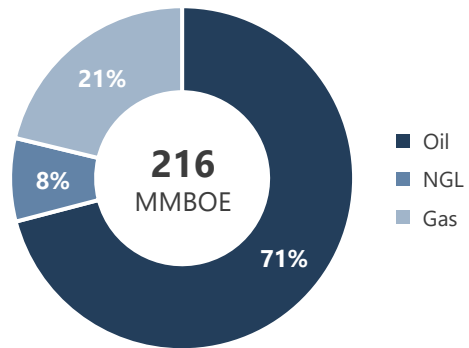




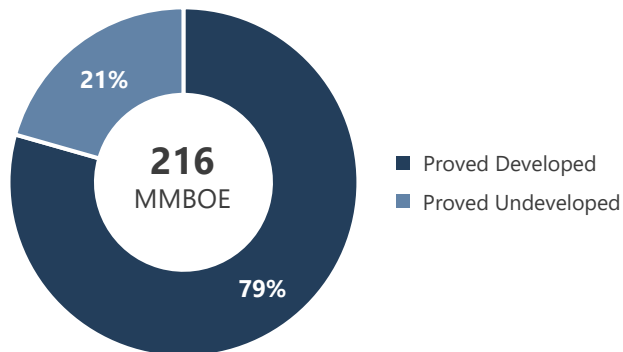
Appendix

Pro Forma YE 2023 SEC Proved Reserves*

Product Mix



Category Mix

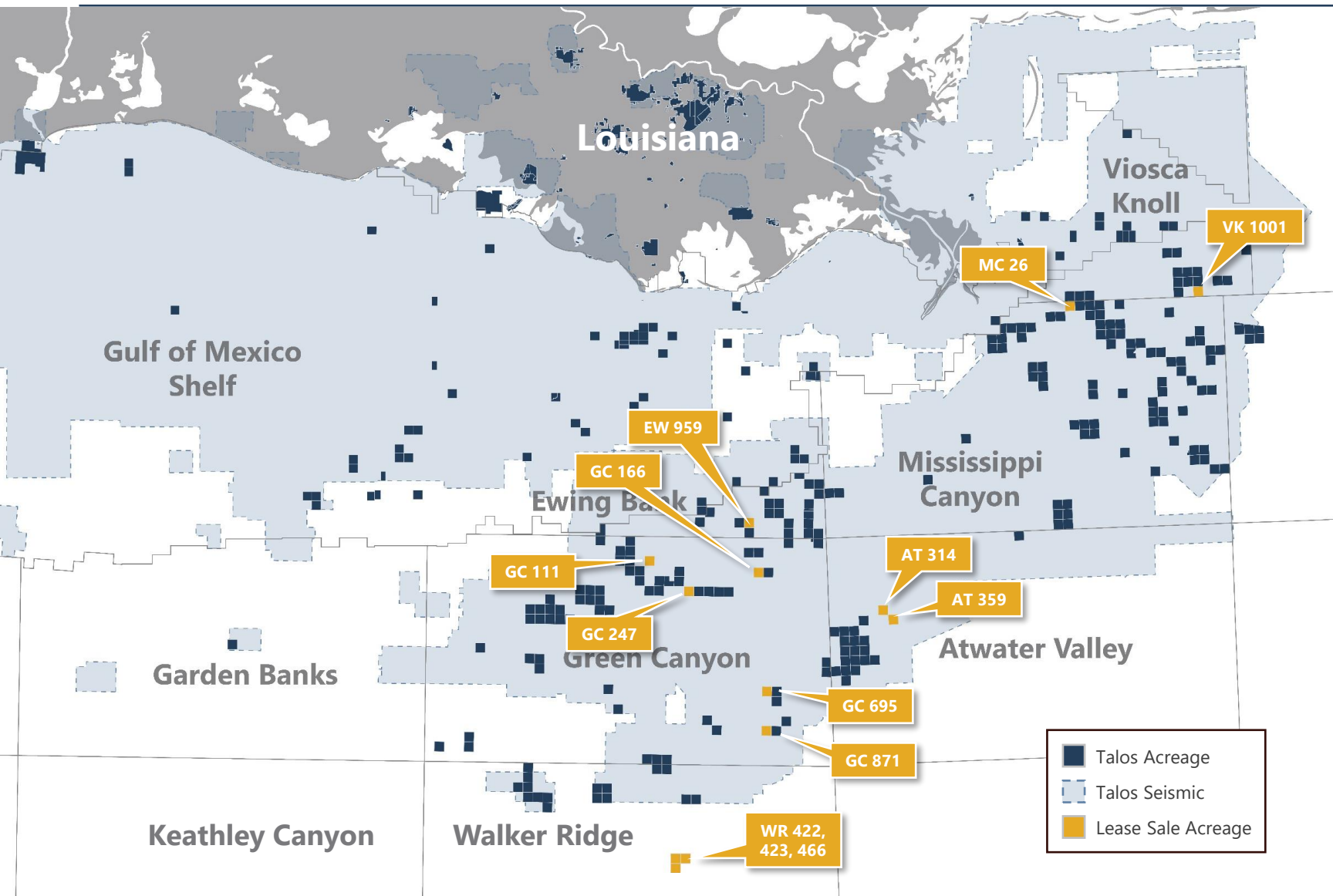


	Talos SEC Reserves (MMBOE)	PF SEC Reserves (MMBOE)	PF SEC PV-10 ⁽¹⁾ (\$MM)
PDP	97	129	\$4,214
PDNP	35	43	438
PUD	21	44	442
Total Proved (Net of P&A)	153	216	\$5,094
Total Probable (Net of P&A)	87	148	\$3,878

* Combined Talos and QuarterNorth presented on a pro forma basis at year end 2023.

Notes: This data summarizes year end 2023 reserves of Talos and QuarterNorth collectively. The acquisition of QuarterNorth cannot be guaranteed and remains subject to certain risks described under "Cautionary Statements." In the event the QuarterNorth acquisition is not completed, the reserve volumes and associated figures presented above would be materially reduced. Reserves volumes may fluctuate slightly based on economic limitations. SEC Reserves figures are presented inclusive of the plugging and abandonment obligations and before hedges, utilizing SEC pricing of \$78.21 WTI per BBL of oil and \$2.64 HH per MMBtu of natural gas. 1) PV-10 is a non-GAAP financial measure. A pro forma reconciliation to standardized measure could not be calculated without unreasonable efforts.

Recent Lease Sale Results



Key Statistics

75K

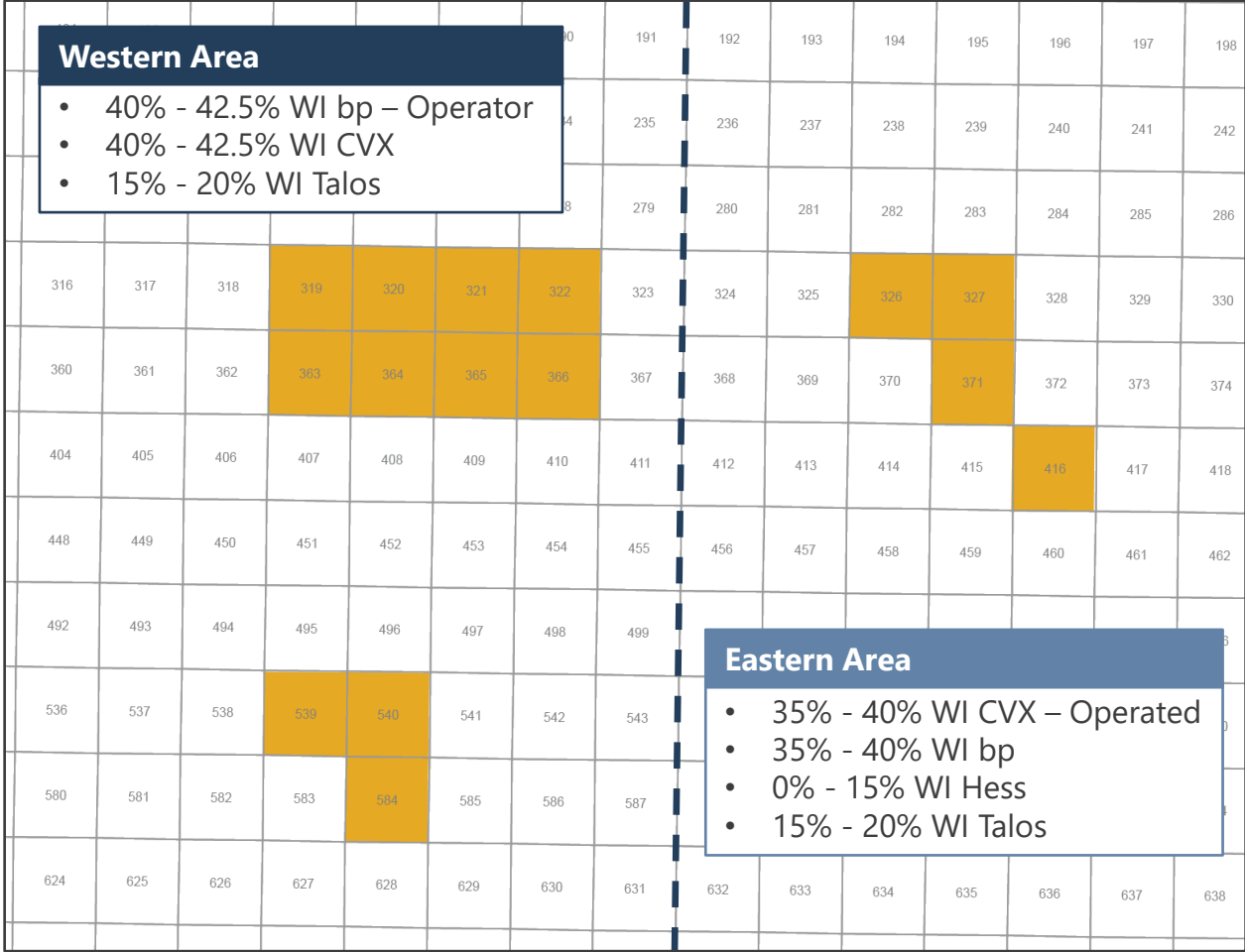
Gross Acres

13

Blocks with High Bid

Green Canyon Lease Exchange

Deepwater Green Canyon Gulf of Mexico Area



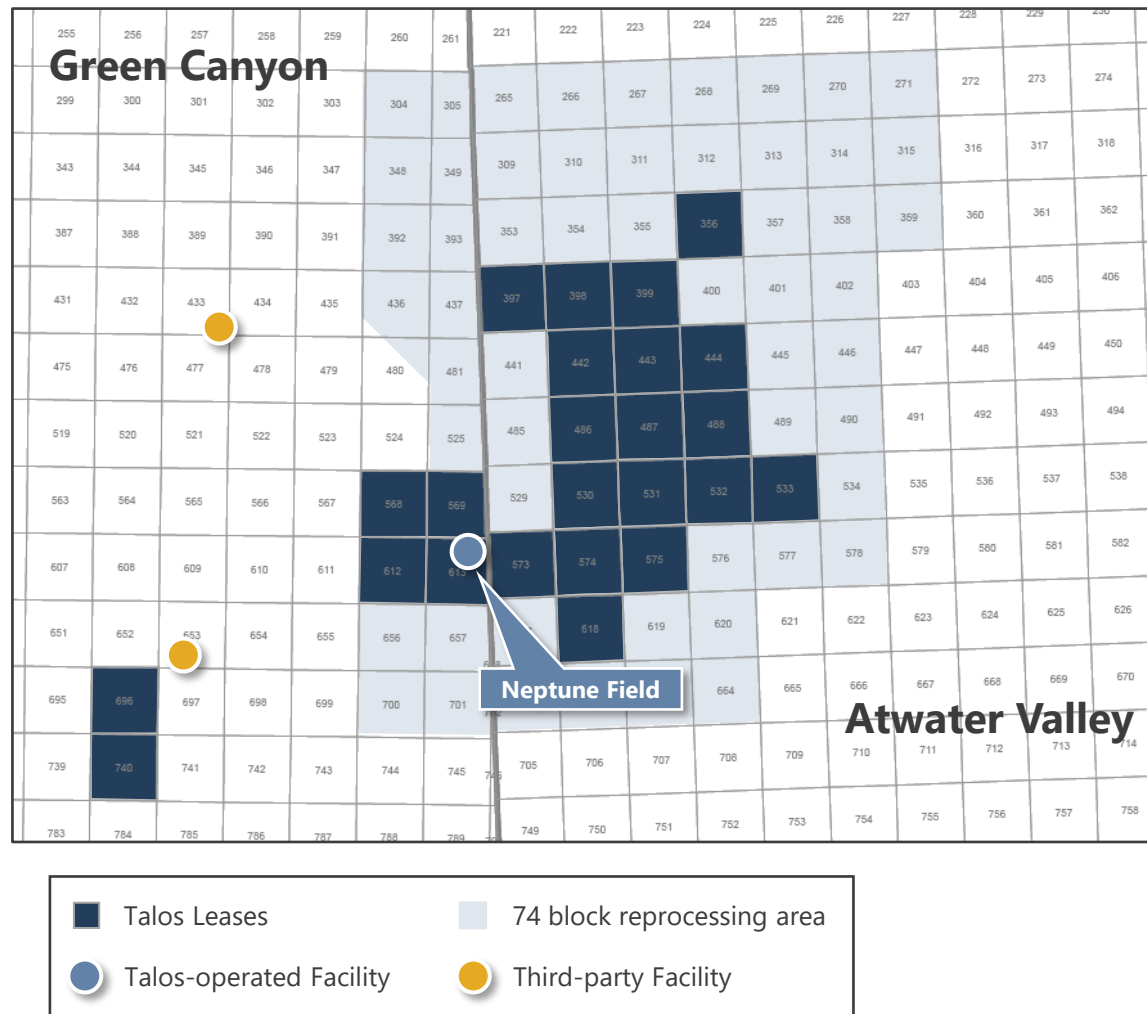
Executed Lease Exchange Agreements covering ~ 86,400 acres across 15 leases in the U.S. Gulf of Mexico deepwater Green Canyon area

Talos’s participation in these blocks is expected to be between 15% - 20%

“As we look to future growth opportunities, we believe that these prospective lease positions validate the potential of the acreage we are contributing and could lead to the efficient development of reliable, responsible energy. The agreements provide Talos with inventory depth and lay the groundwork for future exploitation and exploration opportunities.”

Tim Duncan, President & CEO

Neptune Area Seismic Reprocessing Joint Venture



Talos-Repsol JV Reprocessing Project

- Seismic reprocessing project covering 74 OCS Blocks (20 Talos Blocks and Neptune Field) utilizing state of the art FWI technology
- Multiple seismic datasets will be merged and reprocessed, creating high quality datasets for both amplitude supported and complex sub-salt structural prospects
- Existing Talos prospects and third-party prospects are a mix of amplitude supported and structural non-amplitude plays
- Neptune infrastructure is natural host to prospects within the proposed survey
- Prospects within the JV area will be owned by Talos and Repsol, each with a 50% working interest

Sunspear Discovery

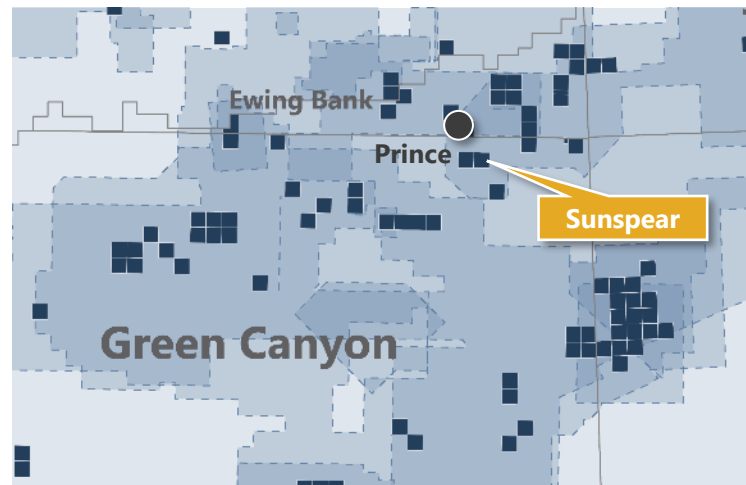
Strategic Elements

- Successful exploitation well targeting strong Class III amplitude at PL-4 seismic horizon
- 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

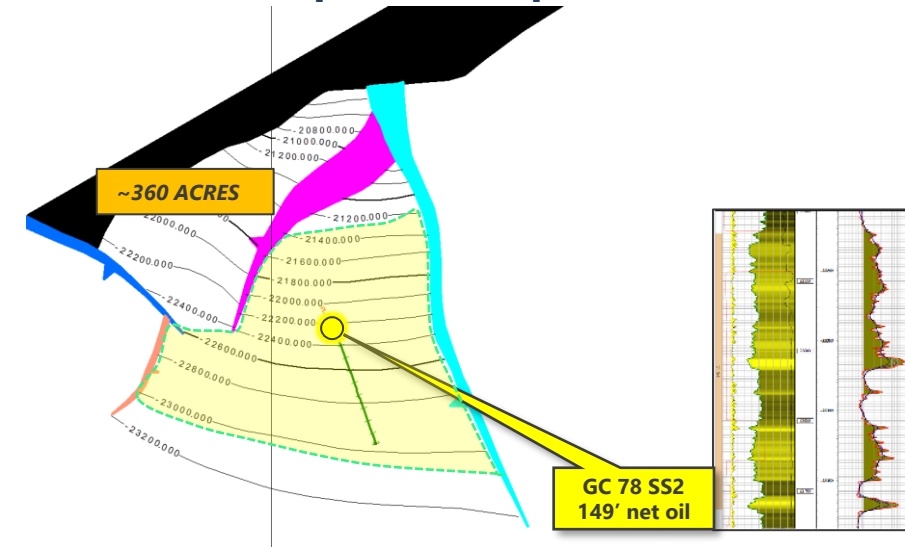
Key Data Points

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

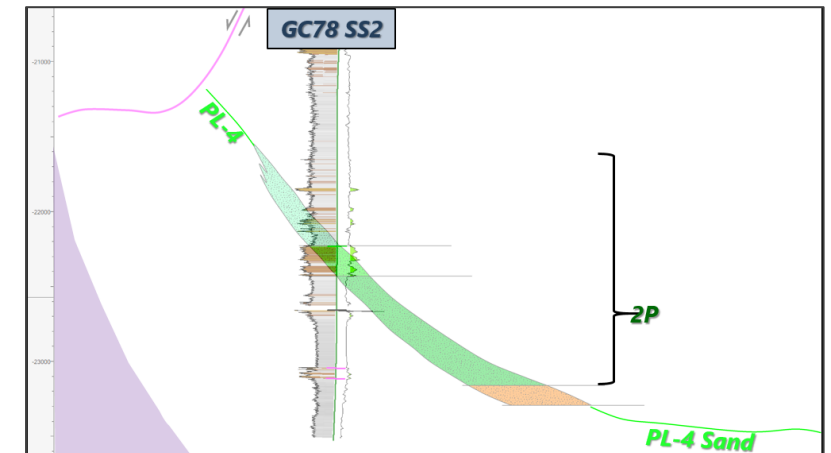
Locator Map



PL-4 Sand Amplitude Map



Section Line



Katmai West #2

Exploitation Well to Materially Increase Proved Reserves



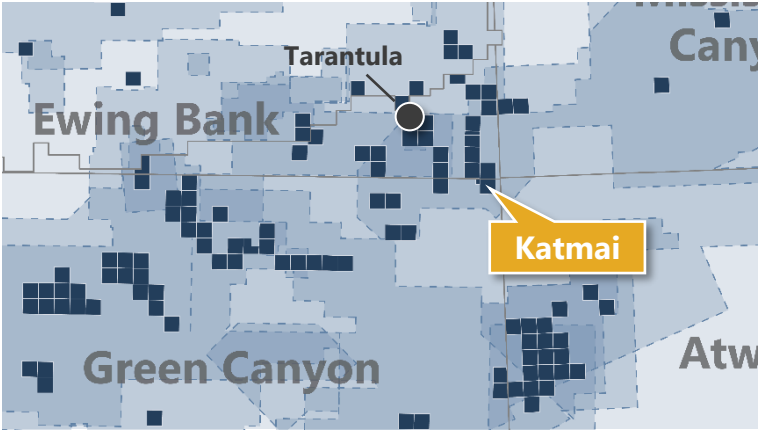
Strategic Elements

- 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 through a 6% ORRI and OPEX sharing from Katmai partnership

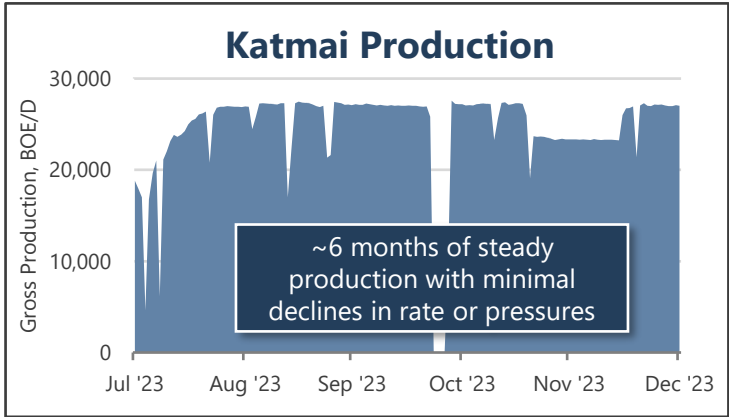
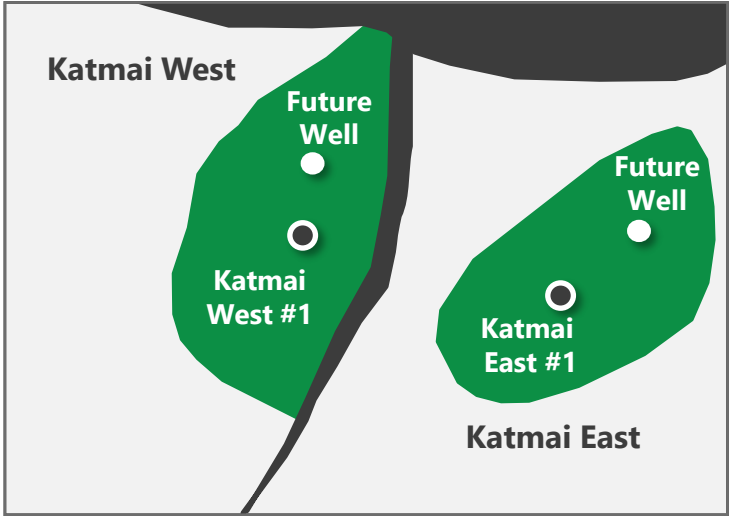
Key Data Points

Spud Date	2Q/3Q 2024
Expected First Oil	2Q 2025
Est. Initial Rate (Gross MBOE/D)	10 – 12
Reservoir Depth (Feet TVDSS)	27,000 ft
Working Interest	50%
Host Facility	Tarantula

Locator Map



Illustrative Subsurface Map



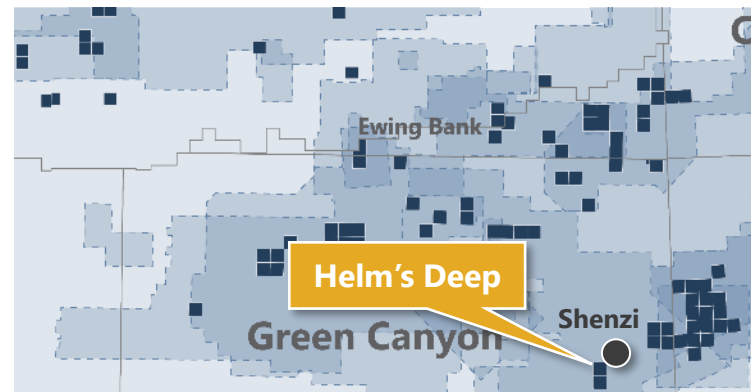
Helm's Deep

Sub-Salt Amplitude Exploitation Opportunity

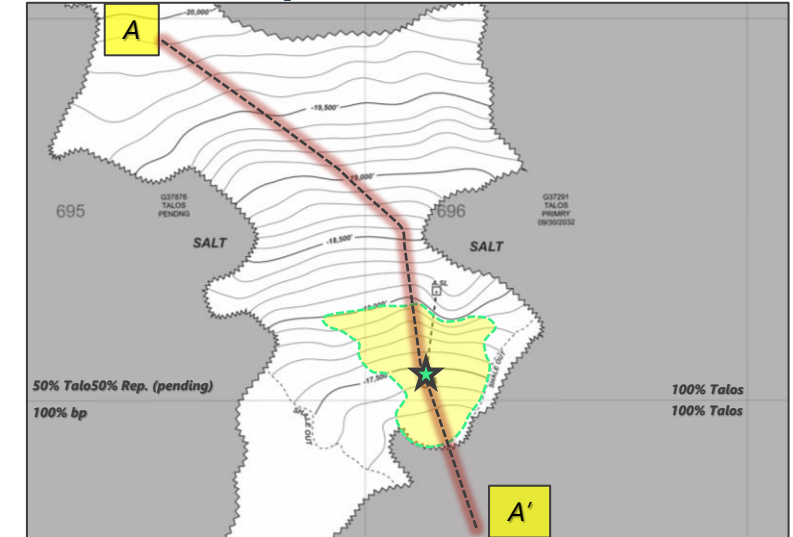
Key Data Points

Spud Date	2H 2024
Expected First Oil	Pending Exploration
Est. Resource (Gross MMBOE) ⁽¹⁾	17 – 27
Est. Initial Rate (Gross MBOE/D)	9 – 11
Reservoir Depth (Feet TVDSS)	18,000 ft
Target Working Interest	50%

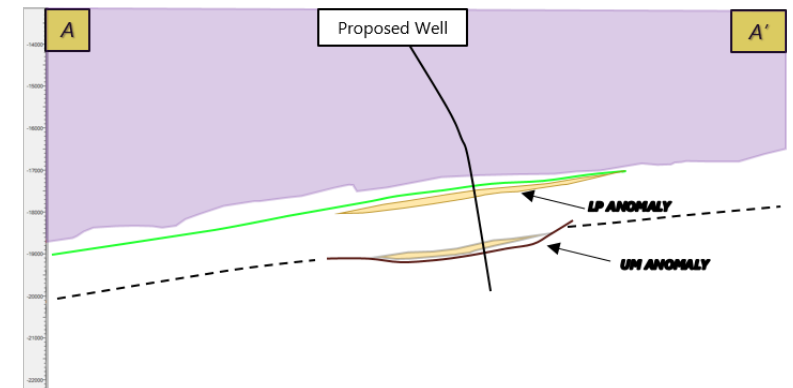
Locator Map



LP Sand Map



Section Line



Strategic Elements

- Exploration prospect targeting Subsalt Upper Miocene sands
- Strong amplitude support with positive Class III AVO and downdip conformance
- Analogous to GC 390/478 Khaleesi/Mormont and GC 943 Winterfell Fields
- Multiple host facility options

Daenerys

High-Impact Subsalt Miocene Exploration Opportunity

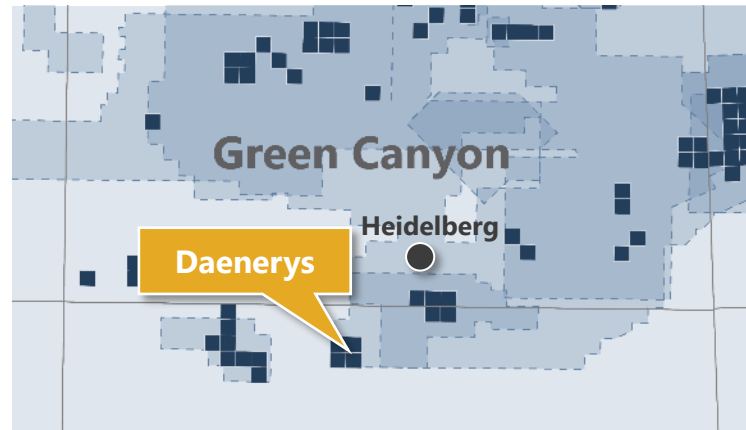
Strategic Elements

- Farm-in transaction combining 23,000 gross acres
- Large Middle and Lower Miocene 4-way turtle structure
 - 3,000+ acre closure
- Talos as Operator
- Co-Owners Red Willow, Houston Energy and Cathexis

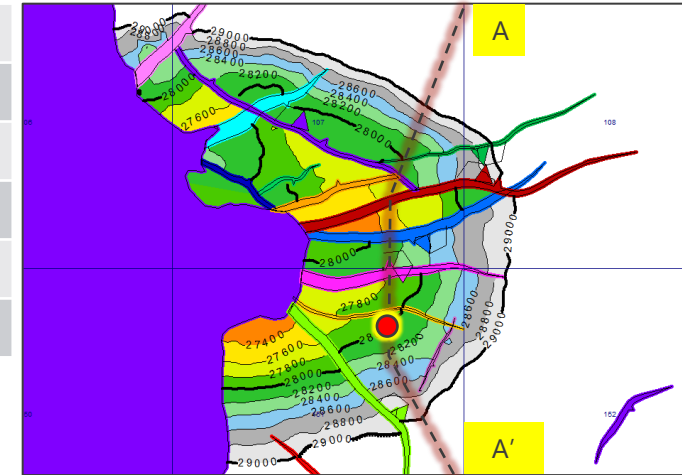
Key Data Points

Spud Date	2H 2024
Expected First Oil	Pending Exploration
Est. Resource (Gross MMBOE) ⁽¹⁾	100 – 300
Est. Initial Rate (Gross MBOE/D)	10 – 15
Reservoir Depth (Feet TVDSS)	~26,000-31,000 ft
Target Working Interest	30% ITW / 27%

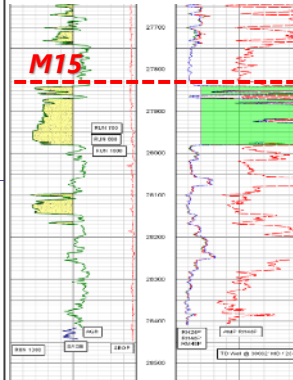
Locator Map



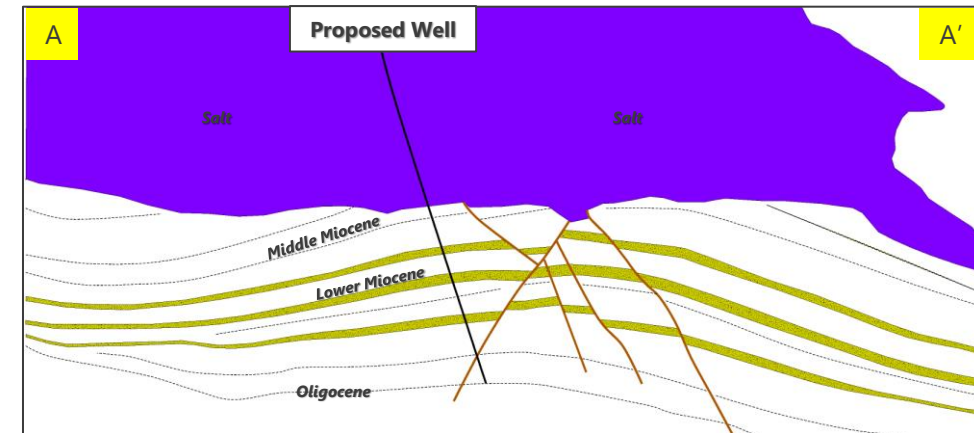
M15 Structure Map



Type Log #1 OCS-G-24194



Section Line



EW 953 Prospect

Low Risk Exploitation Opportunity to Talos Infrastructure

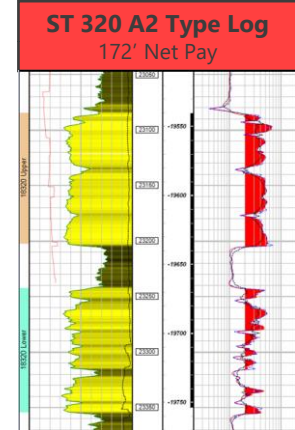
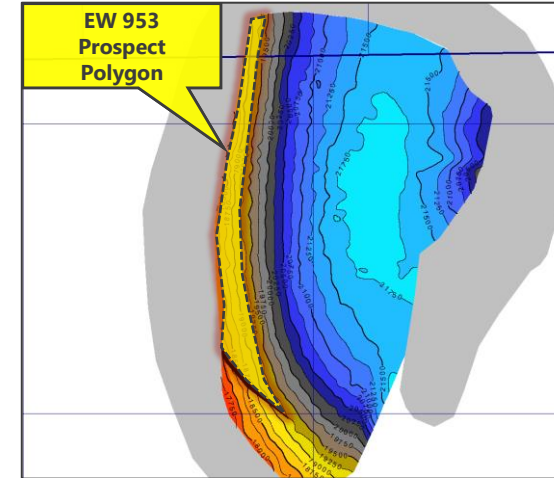
Strategic Elements

- 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

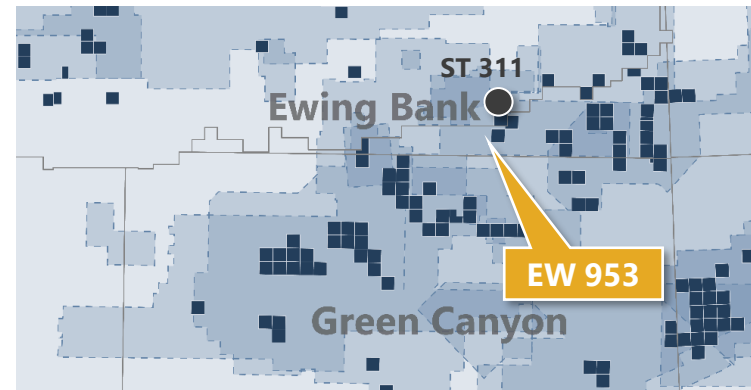
Key Data Points

Spud Date	2H 2024
Expected First Oil	Pending Exploration
Est. Resource (Gross MMBOE)	~18.0
Est. Initial Rate (Gross MBOE/D)	8 – 11
Reservoir Depth (Feet TVDSS)	19,000 ft
Target Working Interest	33%
Host Facility	ST 311

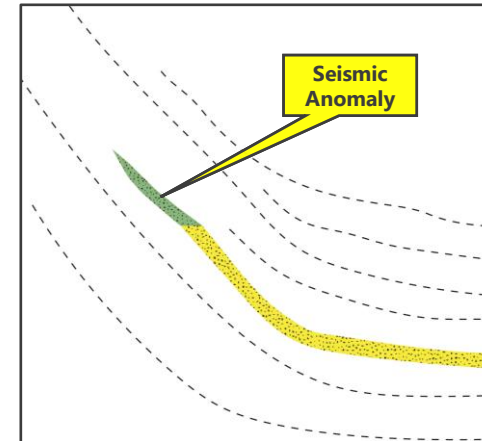
Prospect Map



Locator Map



Section Line



Non-GAAP Reconciliations

(\$ Thousands)	Three Months	Twelve Months
	December 31, 2023	December 31, 2023
Reconciliation of Net Income (Loss) to Adjusted EBITDA:		
Net Income (loss)	\$85,898	\$187,332
Interest expense	\$44,295	\$173,145
Income tax expense (benefit)	\$(5,081)	\$(60,597)
Depreciation, depletion and amortization	\$183,058	\$663,534
Accretion expense	\$22,722	\$86,152
EBITDA	\$330,892	\$1,049,566
Transaction and other (income) expenses ⁽¹⁾	\$5,504	\$(33,295)
Decommissioning obligations ⁽²⁾	\$2,425	\$11,879
Derivative fair value (gain) loss ⁽³⁾	\$(94,596)	\$(80,928)
Net cash received (paid) on settled derivative instruments ⁽³⁾	\$1,017	\$(9,457)
Loss on extinguishment of debt	--	--
Non-cash equity-based compensation expense	\$3,873	\$12,953
Adjusted EBITDA	\$249,115	\$950,718
Add: Net cash (received) paid on settled derivative instruments ⁽³⁾	\$(1,017)	\$9,457
Adjusted EBITDA excluding hedges	\$248,098	\$960,175

(1) Transaction expenses includes \$40.4 MM in costs related to the EnVen Acquisition, inclusive of \$25.3 MM and nil in severance expenses for the twelve months ended December 31, 2023, respectively. 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 twelve months ended December 31, 2023, the amount includes a \$66.2 MM gain on the Mexico Divestiture. The amount includes a gain on the funding of the capital carry of our investment in Bayou Bend by Chevron of \$8.6 MM for the twelve months ended December 31, 2023. (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.

Non-GAAP Reconciliations

	Three Months	Twelve Months
	December 31, 2023	December 31, 2023
(\$ Thousands, except per BOE amounts)		
Reconciliation of Adjusted EBITDA to Upstream Adjusted EBITDA:		
Adjusted EBITDA	\$249,115	\$950,718
CCS and Corporate Unallocated Costs::		
Equity method investment loss	\$5,894	\$3,329
General and administrative expense	\$6,519	\$19,466
Other operating expense	\$(93)	\$300
Other income	\$(6)	\$(5,069)
Transaction and other income (expenses) ⁽¹⁾	\$(336)	\$13,142
Non-cash equity-based compensation expense	\$(690)	\$(2,157)
Upstream Adjusted EBITDA	\$260,403	\$979,729
Add: Net cash paid on settled derivative instruments ⁽²⁾	\$(1,017)	\$9,457
Upstream Adjusted EBITDA excluding hedges	\$259,386	\$989,186
Production:		
BOE ⁽³⁾	6,224	24,195
Upstream Adjusted EBITDA margin and Upstream Adjusted EBITDA excl hedges margin:		
Upstream Adjusted EBITDA per BOE⁽³⁾	\$41.84	\$40.49
Upstream Adjusted EBITDA excluding hedges per BOE⁽²⁾⁽³⁾	\$41.68	\$40.88

(1) 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. The amount includes a gain on the funding of the capital carry of our investment in Bayou Bend by Chevron of \$8.6 MM for the twelve months ended December 31, 2023. (2) 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. (3) 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	Twelve Months Ended
	December 31, 2023	December 31, 2023
Reconciliation of Adjusted EBITDA to Adjusted Free Cash Flow (before changes in working capital):		
Adjusted EBITDA	\$249,115	\$950,718
Less: Upstream capital expenditures	\$(148,109)	\$(596,470)
Less: Plugging & abandonment	\$(15,518)	\$(86,615)
Less: Decommissioning obligations settled	\$(10,169)	\$(50,584)
Less: CCS capital expenditures	\$(3,778)	\$(40,961)
Less: Interest expense	\$(44,295)	\$(173,145)
Less: Adjusted Free Cash Flow (before changes in working capital)	\$27,246	\$2,943

(\$ Thousands)	Three Months Ended	Twelve Months Ended
	December 31, 2023	December 31, 2023
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⁾	\$176,258	\$519,069
(Increase) decrease in operating assets and liabilities	\$20,135	\$206,035
Upstream capital expenditures ⁽²⁾	\$(148,109)	\$(596,470)
Decommissioning obligations settled	\$(10,169)	\$(50,584)
CCS capital expenditures	\$(3,778)	\$(40,961)
Transaction and other (income) expenses ⁽³⁾	\$5,817	\$41,786
Decommissioning obligations ⁽⁴⁾	\$2,425	\$11,879
Amortization of deferred financing costs and original issue discount	\$(3,792)	\$(15,039)
Income tax benefit	\$(5,081)	\$(60,597)
Other adjustments	\$(6,460)	\$(12,175)
Adjusted Free Cash Flow (before changes in working capital)	\$27,246	\$2,943

Non-GAAP Reconciliations

(\$ Thousands)

	December 31, 2023
Reconciliation of Net Debt:	
12.00% Second-Priority Senior Secured Notes – due January 2026	\$638,541
11.75% Senior Secured Second Lien Notes – due April 2026	\$227,500
Bank Credit Facility – matures March 2027	\$200,000
Total Debt	\$1,066,041
Less: Cash and cash equivalents	(33,637)
Net Debt	\$1,032,404
LTM Adjusted EBITDA	\$950,718
LTM Adjusted EBITDA from Acquired Assets (from January 1, 2023 to February 13, 2023)	\$33,120
Pro Forma LTM Adjusted EBITDA	\$983,838
Reconciliation of Net Debt to Pro Forma LTM Adjusted EBITDA:	
Net Debt / Pro Forma LTM Adjusted EBITDA⁽¹⁾	1.0x

Non-GAAP Reconciliations

(\$ Thousands)		December 31, 2023
Reconciliation of PV-10 to Standardized Measure (Talos Standalone)		
Standardized Measure ⁽¹⁾⁽²⁾		\$3,043,488
Present value of future income taxes discounted at 10%		455,330
PV-10 (Non-GAAP)		\$3,498,818

The background of the image is a photograph of a sunset over the ocean. The sun is partially obscured by large, billowing clouds that are illuminated from within, creating a bright orange and yellow glow. The sky transitions from a deep orange near the horizon to a darker blue at the top. The ocean below is a deep blue, with white-capped waves breaking in the foreground. The Talos Energy logo is centered in the upper half of the image. The word 'TALOS' is in a large, white, serif font. A horizontal white line extends from the end of the 'S' in 'TALOS' to the start of the word 'ENERGY', which is in a smaller, white, sans-serif font.

TALOS

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