



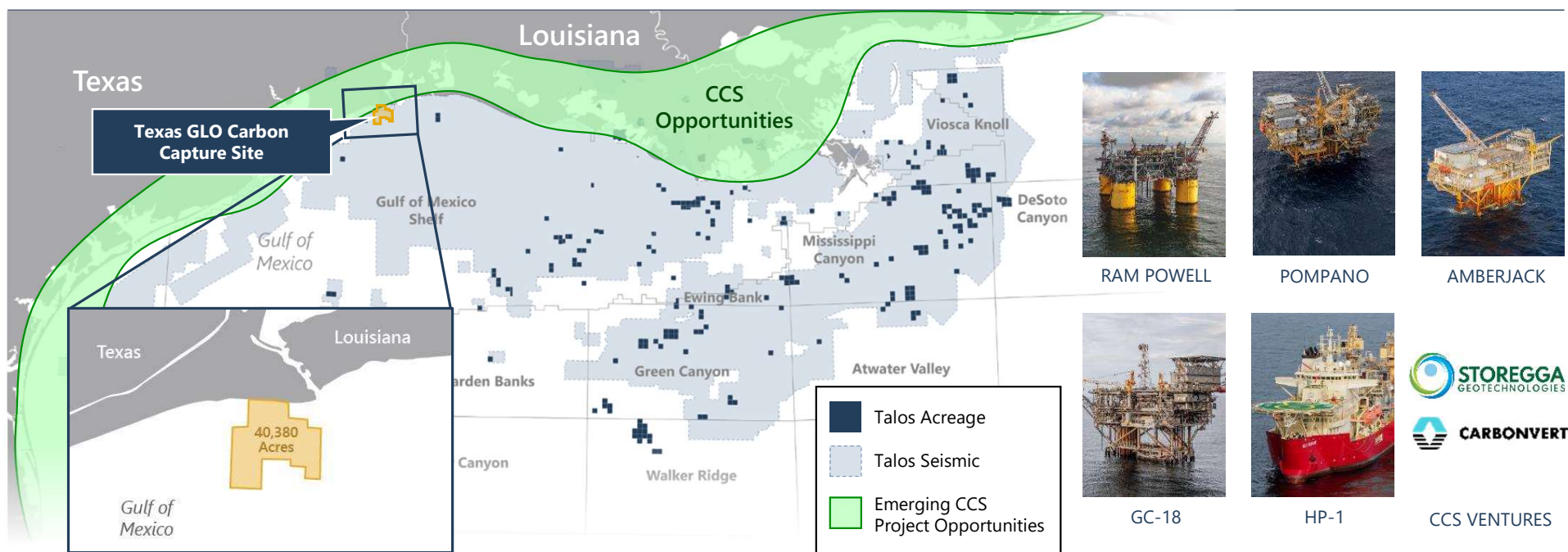
September 2021

Talos CCUS Lease from the State of Texas

Ash Shepherd, Director Business Development CCUS

TALOS
ENERGY

Building A Leading Independent Energy Company



Solid Foundation

- Leading offshore E&P with low-carbon exposure through Carbon Capture JV
- Strong management track record with significant GOM and International experience
- Goal of consistently generating free cash flow with high margins and a leading cost profile

Attractive Operating Profile

- >66 MBoe/d (2Q 2021)
- >75% Liquids
- >70% Deepwater
- >65% Operated
- High-quality, diverse producing asset base

Strong Credit

- ~\$380 MM of liquidity
- ~1.8x Leverage (2Q 2021 Annualized)
- ~3.9x Proved asset coverage

Catalysts for Value Creation

- Puma West appraisal and FID
- Carbon Capture and Storage ventures
- Zama discovery value realization
- Future high-impact exploration and greenfield developments
- GOM and Atlantic Margin consolidation



Notes: Credit figures as of June 30, 2021 unless otherwise noted. Asset coverage based on June 30, 2021 reserves utilizing SEC methodology at flat \$65.00 WTI / \$3.00 HH commodity prices before differentials in perpetuity.

Carbon Capture Makes Sense Today

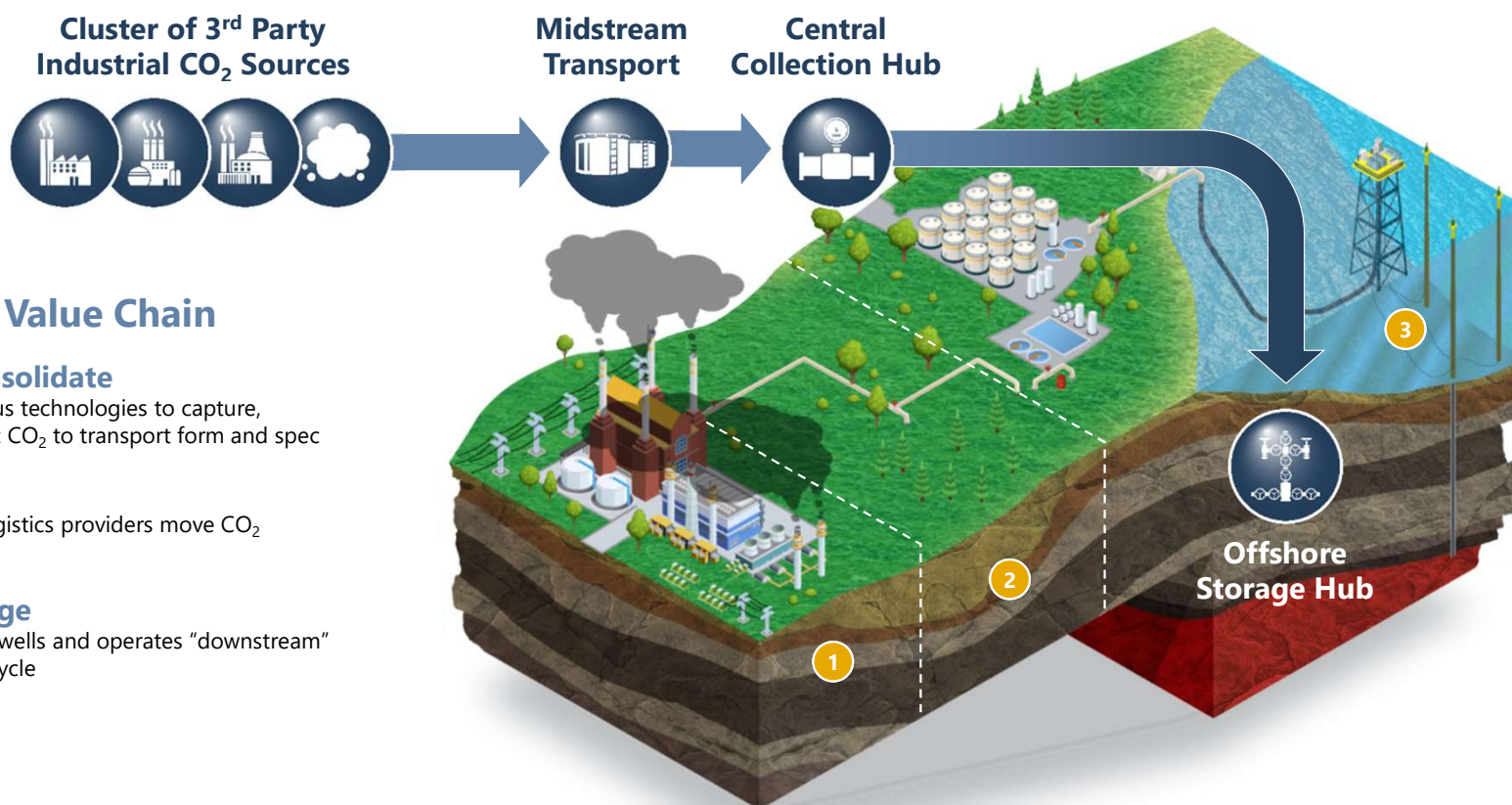
Macro Rationale for Carbon Capture and Storage

- Logical decarbonization avenue that complements the world's existing energy mix
- Leverages commercial / legal frameworks and operator capabilities that already exist from decades of energy expertise
- Actually removes CO₂ from the atmosphere, not just a "credits play"
- Actionable in today's technological, economic and political environment
- Among many energy transition initiatives, CCS stands out for actionability and scalability



Carbon Capture and Storage Value Chain

CCS leverages Talos's transferrable skills to mature project opportunities along the decarbonization value chain

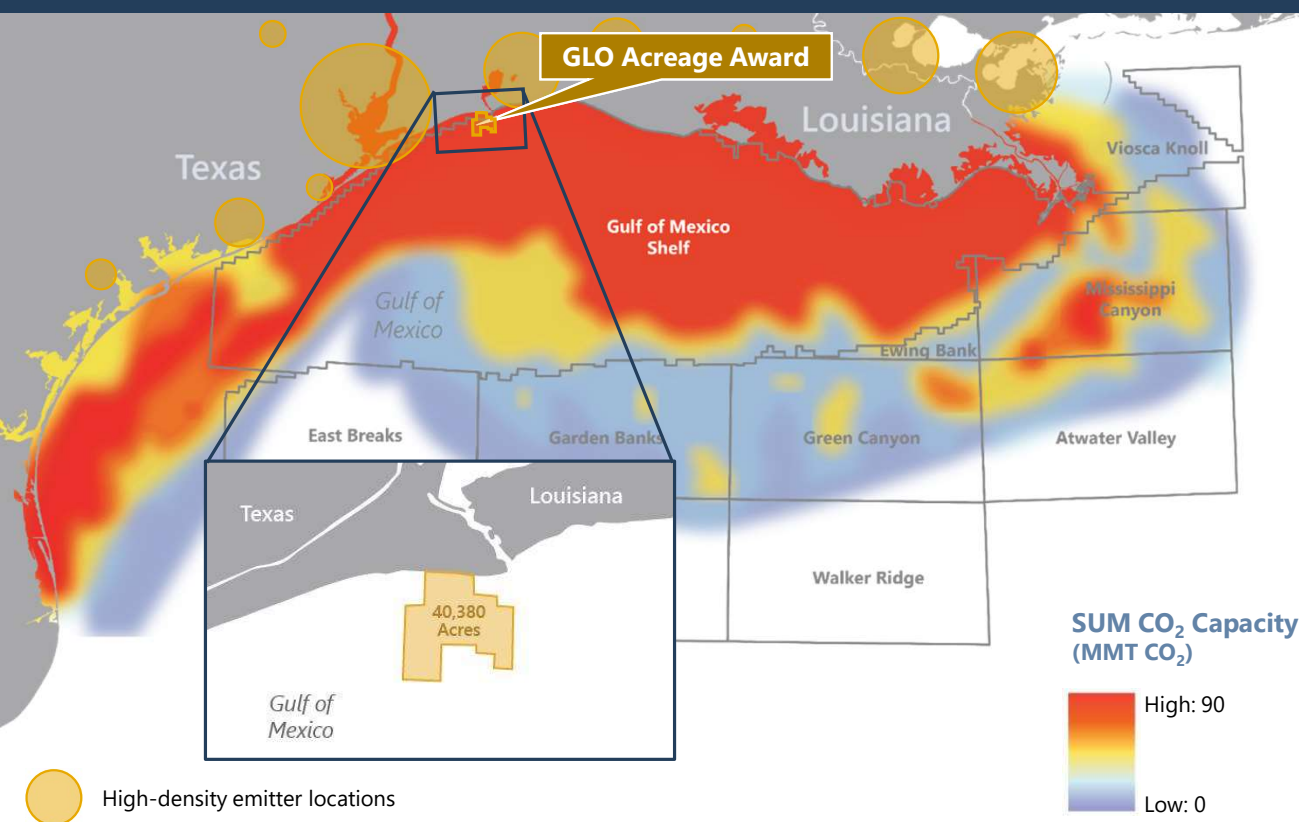


Offshore CCS Value Chain

- 1 Capture & Consolidate**
Emitters utilize various technologies to capture, separate and convert CO₂ to transport form and spec
- 2 Transport**
Infrastructure and logistics providers move CO₂ to gathering hub
- 3 Inject & Manage**
Talos drills injection wells and operates "downstream" system through lifecycle

CCS Market Opportunity Along the Gulf Coast

Industrial emitters are concentrated along the Gulf Coast, adjacent to huge storage capacity and infrastructure



America's Industrial Epicenter

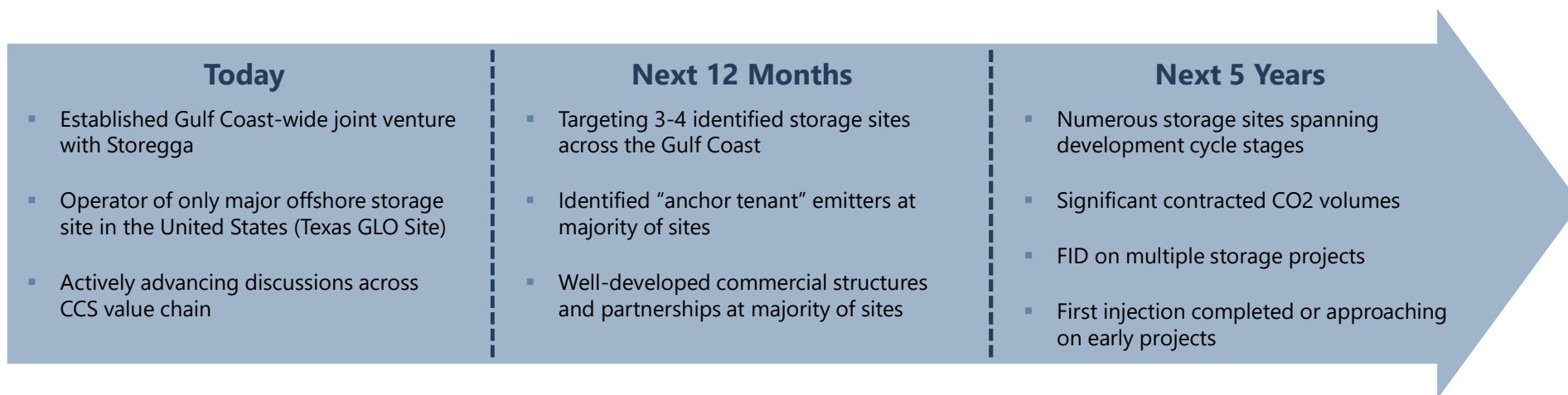
- Critical power gen., industrial and petrochemical corridor
- **100+ facilities emitting >1,000,000 tons of CO2 per year**
- Array of emitter sizes, capabilities and needs

Logical Storage Solution

- Sub-surface traits consistent with conventional rock properties found in the shallow water GOM
- **>30 gigatons of potential storage**
- Established industry supply chain
- Talos is one of few public offshore companies positioned to take advantage of growing market

Talos Carbon Capture and Storage Vision

Talos aims to build a multi-project, full-scale CCS business along the US Gulf Coast



Project Characteristics

- Long-lived over several decades
- Bespoke commercial structures depending on situation
- Contracted volume sources from strong-credit, major emitters

Talos is actively advancing multiple potential projects across more than half a million acres

Texas GLO Carbon Storage Site

Talos will operate the first major offshore carbon storage site in the United States

Key Highlights

- Selected from 12 bids as sole winning bidder partnership with Carbonvert; minimal initial payments
- Talos identified prime geological conditions for CO₂ storage
- Estimated 225-275 million metric tons of CO₂ storage capacity
- Actively working with emitters and midstream providers to advance a future project

Power Generation



Industrial



Refineries



Other



High volume of major emitters in close proximity to storage site

40,380 Acre
Offshore Storage
Complex

Market Reaction

"...Appears to be rapidly **evolving from an ESG friendly concept to a viable, complimentary business.** Today's announcement that TALO and its partner Carbonvert were the winning bidders for a Texas carbon storage site demonstrates management's commitment to this emerging business."

Michael Scialla, Stifel

"TALO wins only offshore CCS project in the US (that we're aware of)...TALO expects to sequester 225-275mm tons of CO₂ or peak injection of 8-10 mmt/year, **which would make it among the largest in the world.**"

Subash Chandra, Northland Capital Markets

Talos is a significant player and one of the first movers into large-scale carbon capture

Texas City

TALOS
ENERGY

ESG Leadership & Safety Focus

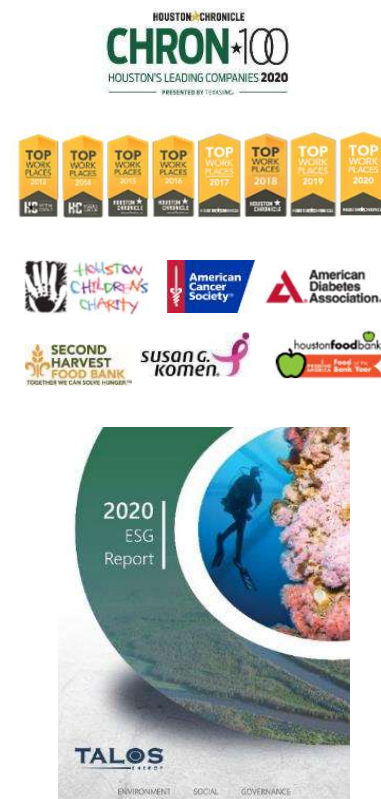


- **>50% reduction in TRIR from 2018**
 - One recordable incident by Talos offshore and shore based employees in 2020
 - Ten total recordable incidents across >3,600,000 offshore hours
 - Highly competitive incident rate across all economic sectors; below GOM averages

- **Zero hydrocarbon releases** greater than one barrel in 2020
 - <3/4 of one barrel released from >23,000,000 gross operated barrels produced (~0.000001%)
- **~20% reduction** in Scope 1 GHG emissions from 2018
- **Carbon Capture and Storage Joint Venture** recently launched with Storegga, focused on originating and maturing emissions reductions initiatives along the U.S. Gulf Coast

- **~\$1.2 MM committed or raised** for local communities and charitable organizations since 2019
 - \$500 offered annually to every employee to donate to organization of their choice
- **Eight consecutive years** as a Top Workplace by the Houston Chronicle (every year since inception)
- Recently launched a higher education tuition reimbursement program for employees

- **Performance-based compensation** with stock ownership guidelines, clawback policies and an independent compensation consultant
- **Independent Board of Directors** and Independent Lead Director
 - **30% female representation** on Board of Directors
 - 4 distinct committees each with separate charters, including a Safety, Sustainability & Corporate Responsibility Committee



**Inaugural ESG Report
Published November 2020**

[LINK](#)

The image features a sunset over the ocean. The sky is filled with large, billowing clouds that are illuminated from below by the setting sun, creating a vibrant orange and yellow glow. The sun itself is partially obscured by the clouds, appearing as a bright, glowing orb. The ocean below is dark blue with gentle ripples, and the light from the sunset is reflected on its surface, creating a shimmering path of light. The overall mood is serene and powerful.

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