



## TALOS PRODUCTION LLC ANNOUNCES BORROWING BASE REAFFIRMED AT \$475 MILLION

**Houston**, May 22, 2017 – Talos Production LLC (“Talos” or the “Company”) today announced that the borrowing base under its senior reserve-based revolving credit facility (the “Bank Credit Facility”) was reaffirmed at \$475.0 million following its lenders’ scheduled semi-annual redetermination process. In conjunction with the reaffirmation of the borrowing base, the Company executed the eighth amendment to the Bank Credit Facility effective May 16, 2017. The eighth amendment includes (i) an increase to the consolidated total debt to EBITDAX ratio covenant from 3.50 to 1.0 to 3.75 to 1.0 each quarter from June 30, 2017 to March 31, 2018 and (ii) a requirement to execute control agreements for all deposit accounts, securities accounts and commodities accounts in the name of the borrowers and guarantors.

The borrowing base under the Company’s Bank Credit Facility is redetermined at least semi-annually in the spring and fall based on the lender’s evaluation of the Company’s proved producing reserves and a portion of its proved undeveloped reserves. As of March 31, 2017, Talos had \$393.0 million of outstanding borrowings under the Bank Credit Facility and \$4.0 million in letters of credit outstanding, leaving \$78.0 million of borrowings available under the Bank Credit Facility. The next borrowing base redetermination is scheduled for October 31, 2017.

On May 15, 2017, the Company redeemed \$1.0 million of its 9.75% Senior Notes due February 15, 2018 (the “Senior Notes”). This redemption, along with approximately \$274 million in debt exchanges in April 2017, reduced the total amount of outstanding Senior Notes to \$24.98 million. The fourth amendment to the Bank Credit Facility mandated a springing maturity of the Bank Credit Facility that is 180 days prior to the maturity of the Senior Notes if greater than \$25.0 million of the Senior Notes are still outstanding on such date. As a result of the \$1.0 million redemption, less than \$25.0 million of the Senior Notes are currently outstanding and the Bank Credit Facility maturity has reverted back to the original maturity date of February 2019.

### **ABOUT TALOS PRODUCTION LLC**

*Talos is a technically driven independent exploration and production company focused on the exploration, development and acquisition of oil and natural gas properties primarily in the Gulf of Mexico Developed Deepwater and Shelf and on the Texas and Louisiana Gulf Coast. During 2015, we leveraged our technical and operational expertise in the Gulf of Mexico and expanded our acreage position into two shallow water exploration blocks off the coast of Mexico during the first tender of Mexico’s oil and natural gas fields in almost 80 years. The Company’s website is located at [www.talosenergyllc.com](http://www.talosenergyllc.com).*

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