

Paulson & Co. Opposes Callon Petroleum's Proposed Acquisition of Carrizo Oil & Gas

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**- Urges Board and Management to Explore Sale of Company -
- Callon's Stock Price Has Fallen by 36%, Resulting in \$530 Million in Lost Shareholder Value -
- Through Sale, Callon Could be Worth 64% More Than Current Value -**

NEW YORK, Sept. 9, 2019 - Paulson & Co. Inc. ("Paulson"), as manager of funds holding 21.6 million shares, or 9.5% of those outstanding, of [Callon Petroleum Company](#) ("Callon" or the "Company") (NYSE: CPE), today sent a letter to the board of Callon. The letter informs Callon that Paulson plans to vote its shares against the proposed acquisition of [Carrizo Oil & Gas Inc.](#) ("Carrizo") (NASDAQ: CRZO) and urges the board and management to pursue a sale of the Company.

The letter outlines the reasons why Paulson opposes the proposed acquisition:

- Callon's stock price has fallen by 36% since the transaction was announced.
- Shareholders have lost \$530 million in value.
- Callon is paying Carrizo a 25% premium, which is unjustifiable given the inferior assets of Carrizo, and results in the transfer of \$240 million in value from Callon shareholders to Carrizo shareholders.
- Callon will lose its premium valuation as a "pure play" Permian producer, resulting in multiple contraction.
- Based on the multiples at which pure Permian producers trade, Callon's shares could be worth 64% more than its current value through a sale of the Company.
- Adding Carrizo's inferior Eagle Ford assets will permanently reduce the attractiveness of Callon to potential acquirers.

The sharp decline in the Company's stock price since the transaction announcement on July 15, 2019 demonstrates the market's judgement of the value-eroding nature of the proposed acquisition. Holding only 0.5% of the Company's shares outstanding, the board and management have not been meaningfully exposed to the value that has been lost by Callon shareholders. If the board is truly interested in its shareholders, given the magnitude of the difference between the current stock price of Callon and its takeover value, it should pursue a sale of Callon.

The full letter is attached to this press release.

About Paulson & Co. Inc.
Paulson, founded in 1994, is an investment management firm headquartered in New York.

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