



FOR IMMEDIATE RELEASE
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Brazos Midstream Acquires Callon Petroleum Company's Natural Gas Gathering System in Southern Delaware Basin

- *Callon's strategically placed midstream assets further strengthen Brazos' position in the core of the Delaware Basin*
- *Assets anchored by long-term dedications for Callon's acreage under development with an anticipated ramp in activity during the 4th quarter*
- *Acquisition positions Brazos as one of the largest private natural gas and crude oil midstream companies in the region*

FORT WORTH, TEXAS - Brazos Midstream Holdings, LLC ("Brazos") ("The Company") today announced that subsidiaries of The Company have closed on the purchase of a natural gas gathering system from Callon Petroleum Company (NYSE: CPE) ("Callon"). As part of the acquisition, Brazos signed a long-term, fee-based agreement with Callon for gas gathering and processing services for acreage under development in Ward and Pecos counties, one of the premier areas of the Southern Delaware Basin. Including the Callon dedication, Brazos' midstream infrastructure is anchored by long-term acreage dedications covering approximately 240,000 acres with top-tier Permian operators.

"The acquisition of these strategic assets builds upon our existing franchise position and provides a platform for growth in an area we know well," said Stephen Luskey, Chief Commercial Officer of Brazos. "Callon is one of the leading pure-play Permian operators and we are pleased to be able to manage their gas infrastructure needs. We look forward to a long-term partnership with Callon and other producers as we grow in one of the most promising regions in our industry."

Joe Gatto, Chief Executive Officer and President of Callon Petroleum stated, "We are pleased to be entering into a long-term operating partnership with the team at Brazos Midstream, one of the premier gathering and processing firms in the Delaware Basin. We believe this transaction supports our current plans for robust growth across our Delaware Basin footprint."

The strategic acquisition positions Brazos as one of the largest private natural gas and crude oil midstream companies in the Delaware Basin. The acquired natural gas gathering system will connect to Brazos' existing system and the previously announced Comanche II natural gas processing plant. When complete in January 2018, Brazos' total operated processing capacity will be 260 MMcf/d. In addition, Brazos is accelerating plans to build a third natural gas processing plant, Comanche III, to meet continued volume growth in the region. The Company has secured a site for the plant and will begin construction in early 2018.

About Brazos Midstream

Brazos Midstream Holdings LLC is an independent midstream energy company headquartered in Fort Worth, Texas. The Company is focused on crude oil gathering, natural gas gathering and processing, compression, treating, water and condensate handling and stabilization. Brazos currently operates approximately 275 miles of natural gas and crude oil pipeline, a natural gas processing complex, and approximately 50,000 barrels of crude oil storage in the Delaware Basin. The Company is supported by equity commitments from affiliates of Old Ironsides Energy, LLC and a revolving credit facility with multiple banks.

For more information, please visit www.brazosmidstream.com.

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