

CALLON PETROLEUM CO

Form 424B5

December 15, 2016

Table of Contents

Filed pursuant to Rule 424(b)(5)

Registration No. 333-210612

CALCULATION OF REGISTRATION FEE

Title of Each Class of	Proposed	Amount of
Securities to be Registered⁽¹⁾	Maximum	Registration Fee⁽¹⁾
	Aggregate	
	Offering Price⁽²⁾	
Common Stock, par value \$0.01 per share	\$754,400,000	\$87,434.96

(1) Calculated pursuant to Rule 457(r) under the Securities Act of 1933, as amended (the Securities Act). The fee payable in connection with the offering pursuant to this prospectus supplement is payable in accordance with Rule 456(b) under the Securities Act.

(2) Includes 6,000,000 shares of the Registrant's common stock that may be purchased by the underwriters pursuant to their option to purchase additional common shares to cover overallotments.

Table of Contents

PROSPECTUS SUPPLEMENT

To Prospectus dated April 5, 2016

40,000,000 Shares

Callon Petroleum Company

Common Stock

We are selling 40,000,000 shares of common stock.

Our common stock is listed on the New York Stock Exchange (the NYSE) under the symbol CPE. On December 12, 2016, the last reported sale price of our common stock as reported on the NYSE was \$16.73 per share.

Investing in our common stock involves a high degree of risk. See Risk Factors beginning on page S-8 of this prospectus supplement and page 2 of the accompanying prospectus and the documents incorporated by reference herein and therein.

	Per Share	Total
Price to the public	\$ 16.40	\$ 656,000,000
Underwriting discounts and commissions	\$ 0.5125	\$ 20,500,000
Proceeds to us (before expenses)	\$ 15.8875	\$ 635,500,000

The underwriters may also purchase up to an additional 6,000,000 shares of common stock from us at the public offering price per share set forth above, less underwriting discounts and commissions, within 30 days of the date of this prospectus supplement.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities, or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares of common stock to purchasers on or before December 19, 2016.

Joint Book-Running Managers

**Barclays
Citigroup**

**J.P. Morgan
Credit Suisse**

Lead Managers

**BofA Merrill Lynch
RBC Capital Markets
SunTrust Robinson Humphrey**

**Goldman, Sachs & Co.
Scotia Howard Weil**

**Morgan Stanley
Seaport Global Securities
Tudor, Pickering, Holt & Co.**

Co-Managers

**Canaccord Genuity
Johnson Rice & Company L.L.C.**

**Capital One Securities
KeyBanc Capital Markets**
Prospectus Supplement dated December 13, 2016

**IBERIA Capital Partners L.L.C.
Stephens Inc.**

Table of Contents

TABLE OF CONTENTS

PROSPECTUS SUPPLEMENT	
<u>ABOUT THIS PROSPECTUS SUPPLEMENT</u>	S-1
<u>CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS</u>	S-2
<u>SUMMARY</u>	S-4
<u>RISK FACTORS</u>	S-8
<u>USE OF PROCEEDS</u>	S-14
<u>CAPITALIZATION</u>	S-15
<u>PRICE RANGE OF COMMON STOCK</u>	S-16
<u>DIVIDEND POLICY</u>	S-17
<u>UNDERWRITING</u>	S-18
<u>LEGAL MATTERS</u>	S-25
<u>EXPERTS</u>	S-25
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	S-26
<u>INFORMATION INCORPORATED BY REFERENCE</u>	S-27
PROSPECTUS	
<u>ABOUT THIS PROSPECTUS</u>	1
<u>OUR COMPANY</u>	2
<u>RISK FACTORS</u>	2
<u>CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS</u>	2
<u>USE OF PROCEEDS</u>	4
<u>RATIO OF EARNINGS TO FIXED CHARGES AND RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS</u>	5
<u>DESCRIPTION OF DEBT SECURITIES</u>	6
<u>DESCRIPTION OF CAPITAL STOCK</u>	17
<u>DESCRIPTION OF DEPOSITARY SHARES</u>	22
<u>DESCRIPTION OF WARRANTS</u>	24
<u>PLAN OF DISTRIBUTION</u>	25
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	28
<u>INFORMATION INCORPORATED BY REFERENCE</u>	28
<u>LEGAL MATTERS</u>	29
<u>EXPERTS</u>	29

Table of Contents

ABOUT THIS PROSPECTUS SUPPLEMENT

Neither we nor any underwriter has authorized anyone to provide any information or to make any representations other than those contained or incorporated by reference in this prospectus supplement, the accompanying prospectus dated April 5, 2016 or any free writing prospectus we have prepared. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This prospectus supplement and the accompanying prospectus constitute an offer to sell only the shares of common stock offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. You should assume that the information we have included in this prospectus supplement or the accompanying prospectus is accurate only as of the date of this prospectus supplement or the accompanying prospectus and that any information we have incorporated by reference is accurate only as of the date of the document incorporated by reference. Our business, financial condition, results of operations and prospects may have changed since these dates.

This prospectus supplement, the accompanying prospectus and any free writing prospectus that we have prepared contain the terms of this offering. This prospectus supplement may add, update or change information contained or incorporated by reference in the accompanying prospectus. In addition, the information incorporated by reference in the accompanying prospectus may have added, updated or changed information in the accompanying prospectus. If information in this prospectus supplement is inconsistent with any information in the accompanying prospectus (or any information incorporated therein by reference), this prospectus supplement will apply and will supersede such information in the accompanying prospectus.

It is important for you to read and consider all information contained in this prospectus supplement, the accompanying prospectus and the documents we have incorporated by reference before making your investment decision. You should also read and consider the additional information under the caption "Where You Can Find More Information" in the accompanying prospectus.

Table of Contents

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement, the underlying prospectus and the documents incorporated by reference in this prospectus supplement include forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. In some cases, you can identify forward-looking statements by terms such as anticipate, project, intend, estimate, expect, believe, predict, budget, projection, goal, plan, forecast, target or intended to identify forward-looking statements.

All statements, other than statements of historical facts, included in this prospectus supplement, the underlying prospectus and the documents incorporated by reference in this prospectus supplement that address activities, events or developments that we expect or anticipate will or may occur in the future are forward-looking statements, including such things as:

our oil and gas reserve quantities, and the discounted present value of these reserves;

the amount and nature of our capital expenditures;

our future drilling and development plans and our potential drilling locations;

the timing and amount of future production and operating costs;

commodity price risk management activities and the impact on our average realized prices;

business strategies and plans of management;

our ability to close the pending acquisition described herein, the anticipated timing and terms of the pending acquisition, our ability to realize the anticipated benefits of our completed acquisitions and the pending acquisition, and our ability to manage the risks of the pending acquisition; and

prospect development and property acquisitions.

Some of the risks, which could affect our future results and could cause results to differ materially from those expressed in our forward-looking statements, include:

general economic conditions including the availability of credit and access to existing lines of credit;

the volatility of oil and natural gas prices;

the uncertainty of estimates of oil and natural gas reserves;

the impact of competition;

the availability and cost of seismic, drilling and other equipment;

operating hazards inherent in the exploration for and production of oil and natural gas;

difficulties encountered during the exploration for and production of oil and natural gas;

difficulties encountered in delivering oil and natural gas to commercial markets;

changes in customer demand and producers' supply;

the uncertainty of our ability to attract capital and obtain financing on favorable terms;

compliance with, or the effect of changes in, the extensive governmental regulations regarding the oil and natural gas business including those related to climate change and greenhouse gases;

the impact of government regulation, including regulation of endangered species;

S-2

Table of Contents

any increase in severance or similar taxes;

litigation relating to hydraulic fracturing, the climate and over-the-counter derivatives;

the financial impact of accounting regulations and critical accounting policies;

the comparative cost of alternative fuels;

credit risk relating to the risk of loss as a result of non-performance by our counterparties;

weather conditions; and

the risk factors discussed under the heading "Risk factors" in this prospectus supplement, the underlying prospectus and those discussed in the documents we have incorporated by reference.

All forward-looking statements, expressed or implied, included in this prospectus supplement, the underlying prospectus and the documents we incorporate by reference are expressly qualified in their entirety by this cautionary note. This cautionary note 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 prospectus supplement.

Table of Contents

SUMMARY

*This summary provides a brief overview of information contained elsewhere in or incorporated by reference into this prospectus supplement and the accompanying prospectus. Because it is abbreviated, this summary does not contain all of the information that you should consider before investing in our common stock. You should carefully read this entire prospectus supplement, the accompanying prospectus, and any free writing prospectus distributed by us before making an investment decision, including the information presented under the headings **Risk factors** and **Cautionary note regarding forward-looking statements** in this prospectus supplement and the financial statements and other information incorporated by reference into this prospectus supplement and the accompanying prospectus.*

*In this prospectus supplement, unless the context otherwise requires, the terms **we**, **us**, **our**, and **the company** refer to Callon Petroleum Company and its consolidated subsidiaries.*

Overview

Callon Petroleum Company is an independent oil and natural gas company established in 1950. We are focused on the acquisition, development, exploration and exploitation of unconventional, onshore, oil and natural gas reserves in the Permian Basin in West Texas. Our drilling activity in this area to date has been predominantly focused on the horizontal development of several prospective intervals, including multiple levels of the Wolfcamp formation and, more recently, the Lower Spraberry shale. We have assembled a multi-year inventory of potential horizontal well locations and intend to add to this inventory through delineation drilling of emerging zones on our existing acreage, and acquisition of additional locations through working interest acquisitions, acreage purchases, joint ventures and asset swaps.

Our net daily production for the third quarter of 2016 grew approximately 70% to 16,598 Boe/d over the comparable period in 2015. The increase is primarily attributable to an increased number of producing wells from acquisitions and the results of our horizontal drilling program in addition to production acquired in acquisitions. Our net proved reserves as of December 31, 2015 were 54.3 million Boe based on assumed benchmark prices of \$47.25 per barrel of oil and \$2.73 per Mcf of natural gas. At September 30, 2016, we had 123 gross (97.2 net) horizontal wells producing from five established flow intervals with three gross (2.8 net) horizontal wells awaiting completion.

Since January 1, 2016, we have entered into multiple agreements, including the Ameredev Acquisition described below, for the acquisition of approximately 38,807 net acres in the Permian Basin for total net consideration of \$1.3 billion in cash and Callon common stock.

Recent developments

Ameredev transaction

On December 13, 2016, we entered into an agreement with American Resource Development LLC and certain of its affiliates (collectively, Ameredev) to acquire certain undeveloped acreage and producing oil and gas properties, primarily located in Ward County, Texas with additional acreage in Pecos and Reeves Counties, Texas (the Ameredev Acquisition), for an aggregate purchase price of \$615 million in cash, subject to customary closing conditions.

The Ameredev Acquisition represents our initial entry into the Delaware sub-basin and includes:

Approximately 27,552 gross (16,098 net) surface acres, centered around a contiguous position in Ward County, Texas, with additional acreage in Pecos and Reeves Counties, Texas;

Table of Contents

Current net production of approximately 1,945 barrels of oil equivalent per day (71% oil) for the month of October 2016 based on information provided by the seller, including production from 20 gross operated horizontal wells currently producing from the Wolfcamp and Bone Spring formations;

Estimated 4.3 MMBoe (87% oil) of net proved developed reserves as of October 1, 2016 based on our evaluation and interpretation of reserve and production information provided by the seller, as well as our analysis of available geologic and other data. We cannot assure you that this estimate is accurate. Our estimate of proved reserves has not been reviewed by our independent reserve engineers, and we may revise our estimates following ownership and operation of these properties;

Estimated delineated base inventory of 481 gross (206 net) identified horizontal drilling locations targeting the Wolfcamp A and B zones with an average lateral length of approximately 7,500 feet, including 36% of the inventory comprised of 10,000 foot laterals;

Additional potential horizontal drilling locations from both delineated and emerging prospective zones in the Wolfcamp and Bone Spring formations;

Established infrastructure ownership, including five salt water disposal wells and over 13 miles of gathering lines and gas lift return lines; and

An agreement to acquire up to an additional 1,006 net acres in Ward County, mutually identified by us and Ameredev, if such leasehold acquisitions are consummated prior to closing of the Ameredev acquisition.

Audited historical financial information for the operations comprising the Ameredev Acquisition is not currently available. We plan to file separate financial statements and pro forma financial information, as required by Securities and Exchange Commission (SEC) rules, in a Current Report on Form 8-K within the prescribed time period following consummation of the Ameredev Acquisition. Preliminary leasehold operating statements provided to us by the seller indicate that the properties comprising the Ameredev Acquisition had revenues of between \$39 \$43 million for the year ended December 31, 2015 and between \$11 \$13 million for the nine months ended September 30, 2016, while direct operating expenses were between \$8 \$10 million for the year ended December 31, 2015 and between \$3 \$4 million for the nine months ended September 30, 2016. The foregoing preliminary revenue and direct operating expense estimates are based on information provided by the seller, are unaudited, and have not been reviewed by our independent accountants, Grant Thornton LLP. We cannot assure you that these preliminary estimates are accurate.

Ameredev currently operates approximately 80% of net surface acreage and has an average working interest in operated properties of approximately 82%. On a pro forma basis, assuming the closing of the Ameredev Acquisition, our aggregate Permian Basin position will include approximately 55,500 net surface acres concentrated in four core operating areas within both the Midland and Delaware sub-Basins.

We expect the Ameredev Acquisition to close on or before February 13, 2017, subject to the completion of customary due diligence and closing conditions. Please see our Current Report on Form 8-K filed with the SEC on December 13, 2016 for further information on the Ameredev Acquisition.

We intend to fund the purchase price for the Ameredev Acquisition described above with the net proceeds of this offering. See Use of Proceeds. There can be no assurances that the Ameredev Acquisition will be consummated. This offering is not conditioned on the consummation of the Ameredev Acquisition or any other transaction. See Risk Factors.

Table of Contents

Recently completed acquisition

On October 20, 2016, we completed the acquisition of certain oil and gas producing properties and undeveloped acreage in the Midland Basin from Plymouth Petroleum, LLC and certain additional sellers (the Plymouth Acquisition) for a purchase price of approximately \$340 million in cash, subject to customary post-closing adjustments. The acquired properties include approximately 6,904 gross (5,952 net) surface acres, primarily located in Howard County, Texas. We operate over 90% of the acquired acreage and own an estimated 86% average working interest (65% average net revenue interest) in the acquired properties. For further information, please see our Current Report on Form 8-K/A filed with the SEC on December 13, 2016 which includes historical financial statements for Plymouth Petroleum, LLC and pro forma financial information to give effect to the Plymouth Acquisition and the acquisition of acreage in May 2016 from BSM Energy LP, Crux Energy, LP and Zaniah Energy, LP and operated by Big Star Oil & Gas, LLC (the Big Star Acquisition).

Senior Notes

On October 3, 2016, we closed the sale of \$400 million aggregate principal amount of 6.125% senior unsecured notes due 2024 (the Senior Notes) at an issue price of 100% of the aggregate principal amount of the Senior Notes. The Senior Notes will mature on October 1, 2024, unless redeemed in accordance with their terms prior to such date. The net proceeds of the offering, after deducting initial purchasers' discounts and estimated offering expenses, were approximately \$391.3 million. The Senior Notes are guaranteed on a senior unsecured basis by our wholly-owned subsidiary, Callon Petroleum Operating Company, and may be guaranteed by certain future subsidiaries. Interest on the Senior Notes is payable semi-annually. The proceeds from the sale of the Senior Notes were used, in part, to repay the secured second lien term loan in full at the prepayment rate of 101%.

Credit facility borrowing base redetermination

Effective November 21, 2016, the borrowing base amount under our revolving credit facility was increased to \$500 million as part of a regularly scheduled semi-annual redetermination process. The borrowing base had previously been set at \$385 million, and we have elected to keep total commitments from the bank group unchanged at this amount. We currently have no borrowings outstanding under the revolving credit facility.

Corporate information

Our principal executive offices are located at 200 North Canal Street, Natchez, Mississippi 39120. Our telephone number is (601) 442-1601, and our website is www.callon.com. Information contained on or accessible through our website is not incorporated by reference into or otherwise a part of this prospectus supplement or the accompanying prospectus.

Table of Contents

THE OFFERING

Issuer	Callon Petroleum Company
Common stock offered by us	40,000,000 shares
Common stock outstanding immediately after this offering	201,041,320 shares (207,041,320 if the underwriters exercise their option to purchase additional shares in full)
Option to purchase additional shares	We have granted the underwriters a 30-day option to purchase up to an aggregate of 6,000,000 additional shares of our common stock.
Use of proceeds	<p>The net proceeds from this offering will be approximately \$635.2 million after deducting underwriting discounts and commissions and estimated offering expenses, or approximately \$730.5 million if the underwriters exercise their option to purchase additional shares in full.</p> <p>We intend to use the net proceeds of this offering to fund the Ameredev Acquisition and the balance for general corporate purposes. If the Ameredev Acquisition is not consummated, we intend to use the net proceeds of this offering to fund a portion of our exploration and development activities and for general corporate purposes, which may include leasehold interest and property acquisitions, repayment of indebtedness and working capital. See Use of Proceeds.</p>
Dividend policy	We have not declared or paid any cash or other dividends on our common stock, and we do not expect to declare or pay any cash or other dividends on our common stock in the foreseeable future. See Dividend Policy.
Risk factors	You should carefully read and consider the information beginning on page S-8 of this prospectus supplement and page 2 of the accompanying prospectus set forth under the headings Risk factors and all other information set forth in this prospectus supplement, the accompanying prospectus, and the documents incorporated herein and therein by reference before deciding to invest in our common stock.
NYSE symbol	CPE
<p>The number of shares to be outstanding after this offering is based on 161,041,320 shares of our common stock outstanding as of December 12, 2016 and excludes 3,985,080 shares that may be issued pursuant to outstanding awards under our equity compensation plans. Unless otherwise indicated, the information in this prospectus supplement assumes that the underwriters will not exercise their option to purchase additional shares.</p>	

S-7

Table of Contents

RISK FACTORS

An investment in our common stock involves risks. Prior to making a decision about investing in our common stock, you should carefully consider the risk factors below and discussed under the heading "Risk Factors" in the accompanying underlying prospectus and in our Annual Report on Form 10-K for the year ended December 31, 2015 and Quarterly Report on Form 10-Q for the quarter ended March 31, 2016, which are incorporated herein by reference. The risks and uncertainties we have described are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also affect our operations. If any of these risks actually occur, our business, results of operations and financial condition could suffer, and you could lose your investment in us.

Risks related to our business

If oil and natural gas prices are depressed for extended periods of time, we may be required to take additional write-downs of the carrying value of our oil and natural gas properties.

We may be required to write-down the carrying value of our oil and natural gas properties when oil and natural gas prices are low. Under the full cost method, which we use to account for our oil and natural gas properties, the net capitalized costs of our oil and natural gas properties may not exceed the present value, discounted at 10%, of future net cash flows from estimated net proved reserves, using the preceding 12-months average oil and natural gas prices based on closing prices on the first day of each month, plus the lower of cost or fair market value of our unproved properties. If net capitalized costs of our oil and natural gas properties exceed this limit, we must charge the amount of the excess to earnings. This type of charge will not affect our cash flows, but will reduce the book value of our stockholders' equity. Because the oil price we are required to use to estimate our future net cash flows is the average price over the 12 months prior to the date of determination of future net cash flows, the full effect of falling prices may not be reflected in our estimated net cash flows for several quarters. We review the carrying value of our properties quarterly and once incurred, a write-down of oil and natural gas properties is not reversible at a later date, even if prices increase.

For the period ended December 31, 2015, we recorded a \$208.4 million write-down of oil and natural gas properties as a result of the ceiling test limitation driven primarily by the significant decrease in oil prices beginning in the fourth quarter of 2014. The ceiling test calculation as of December 31, 2015 used the preceding 12 months average price based on closing oil and natural gas prices on the first day of each month, net of differentials, resulting in \$50.16 per barrel of oil and \$2.64 per Mcf of natural gas. The oil prices used at December 31, 2015 were approximately 8% lower than the September 30, 2015 price of \$54.48 per barrel of oil, and the gas prices were approximately 25% lower than the September 30, 2015 price of \$3.53 per Mcf of natural gas.

Oil prices have continued to fluctuate since December 31, 2015, and we have experienced further ceiling test write-downs for the quarters ended March 31, 2016 and June 30, 2016. At September 30, 2016, the preceding 12 month average prices used in determining the estimated future net cash flows from proved reserves were \$38.92 per barrel of oil and \$2.53 per Mcf of natural gas (including the value of NGLs in the natural gas stream). For the three months ended September 30, 2016, the Company recognized no write-down of oil and natural gas properties and for the nine months ended September 30, 2016, the Company recognized a write-down of oil and natural gas properties of \$95.8 million as a result of the ceiling test limitation. We may experience further ceiling test write-downs in the future. Any future ceiling test cushion, and the risk we may incur further write-downs or impairments, will be subject to fluctuation as a result of acquisition or divestiture activity. In addition, declining commodity prices or other adverse market conditions, such as declines in the market price of our common stock, could result in goodwill impairments or reductions in proved reserve estimates that would adversely affect our results of operation or financial condition.

Table of Contents

Our analysis of the properties subject to the Ameredev Acquisition was based in part on information provided to us by the seller and the limited representations, warranties and indemnifications of the seller contained in the purchase agreement, which may prove to be incorrect, resulting in our not realizing the expected benefits of this transaction and the value of the transaction is largely associated with undeveloped acreage that may not materialize.

Our analysis of the properties subject to the Ameredev Acquisition, including our estimates of the associated proved reserves, is based in part on information provided to us by the seller, including historical production data. Our independent reserve engineers have not provided a report regarding the estimates of reserves with respect to the properties subject to this transaction. As a result, the assumptions on which our internal estimates of proved reserves and horizontal drilling locations included in or incorporated by reference into this prospectus supplement have been based may prove to be incorrect in a number of material ways, resulting in our not realizing our expected benefits of this transaction. In addition, the representations, warranties and indemnities of the seller contained in the purchase agreement are limited, and we may not have recourse against the seller in the event that the acreage does not perform as expected.

Furthermore, a large portion of the acreage we are acquiring is undeveloped, and our plans, development schedule and production schedule associated with the acreage may fail to materialize. As a result, our investment in these areas may not be as economic as we anticipate, and we could incur material write-downs of unevaluated properties.

The reserves, production, revenue and direct operating expense estimates with respect to the Ameredev Acquisition may differ materially from the actual amounts.

The reserves and production estimates with respect to the Ameredev Acquisition described in this prospectus supplement are based on our analysis of historical production data, assumptions regarding capital expenditures and anticipated production declines. These estimates of reserves and production are based on estimates of our engineers without review by an independent petroleum engineering firm. Data used to make these estimates was furnished by the seller or obtained from publicly available sources. We cannot assure you that these estimates of proved reserves and production are accurate. After such data is reviewed by an independent petroleum engineering firm, or further by us, the reserves and production related to the Ameredev Acquisition may differ materially from the amounts indicated in this prospectus supplement.

In addition, the preliminary revenue and direct operating expense estimates with respect to the Ameredev Acquisition were provided by the seller, who acquired the assets in May 2016. The estimates are unaudited, and have not been reviewed by any independent accountants and the financial information upon which the estimates are based or have not been prepared in accordance with GAAP. We cannot assure you that these preliminary estimates are accurate, and when we file separate financial statements and pro forma financial information following consummation of the Ameredev Acquisition, such amounts may differ materially from the amounts indicated in this prospectus supplement.

The purchase agreement for the Ameredev Acquisition contains conditions to closing, some of which are beyond our control, and we may be unable to consummate the Ameredev Acquisition.

The purchase agreement for the Ameredev Acquisition contains closing conditions, including satisfaction with title and environmental due diligence, limitations on purchase price adjustments and customary closing conditions. It is possible that one or more of the conditions in the purchase agreement will not be satisfied, and we may be unable or unwilling to consummate the Ameredev Acquisition. If the Ameredev Acquisition is not closed on account of a material breach of the purchase agreement on our part that is not subsequently cured, we may be required to forfeit part or all of our earnest money deposit as liquidated damages. If we are unable to close the Ameredev Acquisition, our common stock price could be adversely affected.

Table of Contents

Closing of this offering is not conditioned on the closing of the Amerdev Acquisition. If the Amerdev Acquisition is not consummated, we intend to use any remaining net proceeds to fund a portion of our exploration and development activities and for general corporate purposes, which may include leasehold interest and property acquisitions, repayment of indebtedness and working capital.

The Amerdev Acquisition and our recent acquisitions involve risks associated with acquisitions and integrating acquired properties, including the potential exposure to significant liabilities, and the intended benefits of the Amerdev Acquisition and our recent acquisitions may not be realized.

The Amerdev Acquisition and our other acquisitions involve risks associated with acquisitions and integrating acquired properties into existing operations, including that:

our senior management's attention may be diverted from the management of daily operations to the integration of the assets acquired in the Amerdev Acquisition and our recent acquisitions;

we could incur significant unknown and contingent liabilities for which we have limited or no contractual remedies or insurance coverage;

the properties acquired in the Amerdev Acquisition and our recent acquisitions may not perform as well as we anticipate;

unexpected costs, delays and challenges may arise in integrating the assets acquired in the Amerdev Acquisition and our other recent acquisitions into our existing operations; and

we may need to hire additional staff, devote additional resources and contract additional rigs to integrate the properties acquired in the Amerdev Acquisition and our recent acquisitions.

Even if we successfully integrate the properties acquired in the Amerdev Acquisition and our recent acquisitions into our operations, it may not be possible to realize the full benefits we anticipate or we may not realize these benefits within the expected timeframe. If we fail to realize the benefits we anticipate from the Amerdev Acquisition and our recent acquisitions, our business, results of operations and financial condition may be adversely affected.

Risks related to our common stock

Because we have no plans to pay any dividends for the foreseeable future, investors must look solely to stock appreciation for a return on their investment in us.

We have never declared or paid cash dividends on our common stock. We currently intend to retain future earnings and other cash resources, if any, for the operation and development of our business and do not anticipate paying any cash dividends on our common stock in the foreseeable future. Payment of any future dividends will be at the discretion of our board of directors after taking into account many factors, including our financial condition, operating results, current and anticipated cash needs and plans for expansion. In addition, our current senior secured revolving credit facility prohibits and our Senior Notes restrict, and future indebtedness may restrict, us from paying cash dividends on our common stock. Any future dividends may also be restricted by any debt financing arrangements that we may enter into from time to time. Accordingly, investors must rely on sales of their common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investment. Investors seeking cash dividends should not purchase our common stock.

Our certificate of incorporation and bylaws and our existing indebtedness contain provisions that could discourage an acquisition or change of control of us.

Our certificate of incorporation authorizes our board of directors to issue preferred stock without shareholder approval. Our currently outstanding Series A Preferred Stock could make it more difficult for a third party to acquire control of us. Following a change of control (as

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defined in the Certificate of Designation), we will have the option to redeem the Series A Preferred Stock, in whole but not in part for \$50.00 per share in cash, plus accrued and unpaid dividends (whether or not declared), to the redemption date. If we do not exercise our option to redeem the Series A Preferred Stock upon a change of control, the holders of the Series A Preferred

S-10

Table of Contents

Stock have the option to convert the Series A Preferred Stock into a number of shares of our common stock based on the value of the common stock on the date of the change of control as determined under the Certificate of Designation for the Series A Preferred Stock. In addition, provisions of the certificate of incorporation and bylaws, such as limitations on shareholder proposals at meetings of shareholders and restrictions on the ability of our shareholders to call special meetings, could also make it more difficult for a third party to acquire control of us. Our certificate of incorporation provides that our board of directors is divided into three classes, each elected for staggered three-year terms. Thus, control of the board of directors cannot be changed in one year; rather, at least two annual meetings must be held before a majority of the members of the board of directors could be changed.

Under our Senior Notes, if we experience certain kinds of changes of control, we may be required to offer to repurchase all outstanding Senior Notes at 101% of their principal amount, plus accrued and unpaid interest, if any. We may not be able to repurchase the Senior Notes upon a change of control because we may not have sufficient financial resources to purchase all of the Senior Notes that are tendered following a change of control. In addition, the terms of our senior secured revolving credit facility would effectively prohibit, and the terms of other future indebtedness may also prohibit, us from repurchasing Senior Notes upon a change of control. Our failure to repurchase the Senior Notes upon change of control could cause a default under the indenture governing the Senior Notes and could lead to a cross default under our senior secured revolving credit facility. Additionally, using cash to fund the potential consequences of a change of control may impair our ability to obtain additional financing in the future, which could negatively impact our ability to conduct our business operations.

These provisions of our certificate of incorporation and bylaws and in our existing indebtedness may delay, defer or prevent a tender offer or takeover attempt that a shareholder might consider in his or her best interest, including attempts that might result in a premium over the market price for the common stock.

Future issuances of shares of our common stock or the sale of a significant amount of restricted stock may adversely affect the price of our common stock.

The future issuance of a substantial number of shares of our common stock into the public market, or the perception that such issuance could occur, could adversely affect the prevailing market price of our common stock. Sales of a substantial number of shares of our common stock in the public market could occur at any time. These sales, or the perception in the market that the holders of a large number of shares intend to sell shares, could reduce the market price of our common stock.

After this offering, we will have 201,041,320 shares of common stock outstanding (assuming the underwriters do not exercise their option to purchase additional shares), which is based on 161,041,320 shares of our common stock outstanding as of December 12, 2016. This number also includes the shares that we are selling in this offering, which may be resold in the public market immediately without restriction, unless purchased by our affiliates. In addition, we have registered 5,089,095 shares on Form S-8 registration statements, of which 2,256,426 remain available for issuance under our 2011 Omnibus Incentive Plan. As a result, these shares can be freely sold in the public market upon issuance, subject to volume limitations applicable to certain affiliates and the lock-up agreements to the extent applicable.

A decline in the price of our common stock could make it more difficult to raise funds through future offerings of shares of our common stock or securities convertible into shares of common stock.

Table of Contents

Our leverage and debt service obligations may adversely affect our financial condition, results of operations, business prospects and reduce our flexibility to respond to changing business and economic conditions or to fund capital expenditures or working capital needs.

As of September 30, 2016, we had \$400 million of Senior Notes outstanding and we could incur up to \$385 million in borrowings under our revolving credit facility. Our level of indebtedness could affect our operations in several ways, including the following:

require us to dedicate a substantial portion of our cash flow from operations to service our existing debt, thereby reducing the cash available to finance our operations and other business activities;

limit management's discretion in operating our business and our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;

increase our vulnerability to downturns and adverse developments in our business and the economy generally;

limit our ability to access the capital markets to raise capital on favorable terms or to obtain additional financing for working capital, capital expenditures or acquisitions or to refinance existing indebtedness;

place restrictions on our ability to obtain additional financing, make investments, lease equipment, sell assets and engage in business combinations;

make it more likely that a reduction in our borrowing base following a periodic redetermination could require us to repay a portion of our then-outstanding bank borrowings;

make us vulnerable to increases in interest rates as our indebtedness under our senior secured revolving credit facility may vary with prevailing interest rates;

place us at a competitive disadvantage relative to competitors with lower levels of indebtedness in relation to their overall size or less restrictive terms governing their indebtedness; and

make it more difficult for us to satisfy our obligations under the notes or other debt and increase the risk that we may default on our debt obligations.

Our senior secured revolving credit facility and the indenture governing the Senior Notes have restrictive covenants that could limit our growth, financial flexibility and our ability to engage in activities that may be in our long-term best interests and contain covenants that, among other things, limit our ability to:

incur additional indebtedness;

make loans to others;

make investments;

merge or consolidate with another entity;

make dividends and certain other payments;

hedge future production or interest rates;

create liens that secure indebtedness;

sell assets;

enter into transactions with affiliates; and

engage in certain other transactions without the prior consent of the lenders.

In addition, our senior secured revolving credit facility requires us to maintain certain financial ratios or to reduce our indebtedness if we are unable to comply with such ratios, which may limit our ability to obtain future financings to withstand a future downturn in our business or the economy in general, or to otherwise conduct necessary corporate activities. We may also be prevented from taking advantage of business opportunities that arise because of these limitations.

Table of Contents

Our failure to comply with these covenants could result in an event of default that, if not cured or waived, could result in the acceleration of all of our indebtedness. If that occurs, we may not be able to respond to changing business and economic conditions or to fund capital expenditures or working capital needs which would have an adverse effect on our financial condition.

S-13

Table of Contents

USE OF PROCEEDS

The net proceeds from this offering will be approximately \$635.2 million, after deducting the underwriting commissions and estimated offering expenses payable by us (or approximately \$730.5 million if the underwriters' option to purchase additional shares is exercised in full). We intend to use the net proceeds of this offering to fund the Amerdev Acquisition and the balance for general corporate purposes. See Summary Recent developments Amerdev transaction. If the Amerdev Acquisition is not consummated, we intend to use the net proceeds to fund a portion of our exploration and development activities and for general corporate purposes, which may include leasehold interest and property acquisitions, repayment of indebtedness and working capital.

S-14

Table of Contents**CAPITALIZATION**

Assuming no exercise of the underwriters' option to purchase additional shares, the following table sets forth our cash and cash equivalents and capitalization as of September 30, 2016 on an (i) actual basis, (ii) as adjusted basis to give effect to the issuance and sale of our Senior Notes and the Plymouth Acquisition, and (iii) as further adjusted basis to give effect to this offering and the application of the estimated net proceeds as described in the "Use of proceeds," as if this offering and the Ameredev Acquisition had occurred on September 30, 2016.

The as adjusted and as further adjusted information below is illustrative only, and cash, cash equivalents, stockholders' equity, and total capitalization following the completion of this offering will be adjusted based on the actual public offering price and other terms of our public offering determined at pricing. The table should be read in conjunction with, and is qualified in its entirety by reference to "Use of proceeds" in this prospectus supplement and "Management's Discussion and Analysis of Financial Condition and Results of Operations," included in our Annual Report on Form 10-K for the year ended December 31, 2015 and our Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2016, which are incorporated by reference herein.

	As of September 30, 2016		
	Actual	As adjusted (in thousands)	As further adjusted
Cash and cash equivalents	\$ 325,885	\$ 100,438	\$ 120,588
Long term debt, less current portion:			
Senior secured revolving credit facility(1)			
Secured second lien term loan	300,000		
6.125% senior notes		400,000	400,000
Total long term debt	\$ 300,000	\$ 400,000	\$ 400,000
Stockholders' equity			
Common stock, \$0.01 par value (300,000,000 shares authorized; 161,036,233 shares issued and outstanding, actual and as adjusted); 201,036,233 shares issued and outstanding, as further adjusted)	\$ 1,610	\$ 1,610	\$ 2,010
Series A preferred stock, \$0.01 par value and \$50.00 liquidation preference (2,500,000 shares authorized, actual and as adjusted; 1,458,948 shares outstanding, actual and as adjusted)	15	15	15
Capital in excess of par value	1,535,661	1,535,661	2,170,411
Accumulated deficit	(436,567)	(436,567)	(436,567)
Total stockholders' equity	\$ 1,100,719	\$ 1,100,719	\$ 1,735,869
Total capitalization	\$ 1,400,719	\$ 1,500,719	\$ 2,135,869

(1) As of December 13, 2016, we had no borrowings under our senior secured revolving credit facility.

Table of Contents**PRICE RANGE OF COMMON STOCK**

Our common stock is listed and traded on the NYSE under the symbol CPE. The following table sets forth the range of high and low sales prices of our common stock for the periods presented:

	Common Stock	
	High	Low
Year Ended December 31, 2016		
Fourth quarter (through December 12, 2016)	\$ 18.53	\$ 12.45
Third quarter	\$ 15.91	\$ 10.34
Second quarter	\$ 12.56	\$ 8.15
First quarter	\$ 9.05	\$ 4.21
Year Ended December 31, 2015		
Fourth quarter	\$ 10.18	\$ 6.87
Third quarter	\$ 9.65	\$ 6.03
Second quarter	\$ 9.40	\$ 7.35
First quarter	\$ 8.15	\$ 4.66
Year Ended December 31, 2014		
Fourth quarter	\$ 8.99	\$ 4.09
Third quarter	\$ 12.09	\$ 8.46
Second quarter	\$ 11.75	\$ 8.15
First quarter	\$ 9.00	\$ 6.13

The closing price of our common stock on the NYSE on December 12, 2016 was \$16.73 per share. On December 11, 2016, we had 161,041,320 issued and outstanding shares of common stock, which were held by approximately 2,850 holders of record. Holders of record do not include owners for whom common stock may be held in street name or whose common stock is restricted.

Table of Contents

DIVIDEND POLICY

We have never declared or paid any cash dividends on our common stock. We currently intend to retain all available funds and any future earnings for use in the operation and expansion of our business and do not anticipate declaring or paying any cash dividends on our common stock in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our board of directors and will depend on then-existing conditions, including our financial condition, results of operations, contractual restrictions, capital requirements, business prospects and other factors that our board of directors considers relevant. In addition, the terms of our senior secured revolving credit facility and our second lien term loan restrict, and future indebtedness may restrict, the payment of dividends to the holders of our common stock and any other equity holders.

S-17

Table of Contents**UNDERWRITING**

We are offering the shares of common stock described in this prospectus supplement through a number of underwriters. Barclays Capital Inc. and J.P. Morgan Securities LLC are acting as joint book-running managers of the offering. We have entered into an underwriting agreement with Barclays Capital Inc. and J.P. Morgan Securities LLC as representatives of the underwriters. Subject to the terms and conditions of the underwriting agreement, we have agreed to sell to the underwriters, and each underwriter has severally agreed to purchase, at the public offering price less the underwriting discounts and commissions set forth on the cover page of this prospectus supplement, the number of shares of common stock listed next to its name in the following table:

Name	Number of shares
Barclays Capital Inc	13,000,000
J.P. Morgan Securities LLC	12,000,000
Citigroup Global Markets Inc.	3,000,000
Credit Suisse Securities (USA) LLC	3,000,000
Goldman, Sachs & Co	825,000
Merrill Lynch, Pierce, Fenner & Smith	
Incorporated	825,000
Morgan Stanley & Co. LLC	825,000
RBC Capital Markets, LLC	825,000
Scotia Capital (USA) Inc.	825,000
Seaport Global Securities LLC	825,000
SunTrust Robinson Humphrey, Inc.	825,000
Tudor, Pickering, Holt & Co. Securities, Inc.	825,000
Canaccord Genuity Inc.	400,000
Capital One Securities, Inc.	400,000
IBERIA Capital Partners L.L.C.	400,000
Johnson Rice & Company, L.L.C.	400,000
KeyBanc Capital Markets Inc.	400,000
Stephens Inc.	400,000
Total	40,000,000

The underwriters are committed to purchase all the shares of common stock offered by us if they purchase any shares. The underwriting agreement also provides that if an underwriter defaults, the purchase commitments of non-defaulting underwriters may also be increased or the offering may be terminated.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act.

The underwriters propose to offer the shares of common stock directly to the public at the public offering price set forth on the cover page of this prospectus supplement and to certain dealers at that price less a concession not in excess of \$0.30750 per share. After the public offering of the shares, the offering price and other selling terms may be changed by the underwriters.

The underwriters have an option to buy up to 6,000,000 additional shares of common stock from us. The underwriters have 30 days from the date of this prospectus supplement to exercise this option to purchase additional shares of common stock. If any additional shares of common stock are purchased, the underwriters will offer the additional shares on the same terms as those on which the shares are being offered.

The underwriting fee is equal to the public offering price per share of common stock less the amount paid by the underwriters to us per share of common stock. The underwriting fee is \$0.5125 per share. The following table

Table of Contents

shows the per share and total underwriting discounts and commissions to be paid to the underwriters assuming both no exercise and full exercise of the underwriters' option to purchase additional shares.

	Without option exercise	With full option exercise
Per Share	\$ 0.5125	\$ 0.5125
Total	\$ 20,500,000	\$ 23,575,000

We estimate that the total expenses of this offering, including registration, filing and listing fees, printing fees and legal and accounting expenses, but excluding the underwriting discounts and commissions, will be approximately \$350,000.

A prospectus supplement in electronic format may be made available on the web sites maintained by one or more underwriters, or selling group members, if any, participating in the offering. The underwriters may agree to allocate a number of shares to underwriters and selling group members for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives to underwriters and selling group members that may make Internet distributions on the same basis as other allocations.

No sales of similar securities

We, our executive officers and our directors have agreed not to sell or transfer any common stock or securities convertible into, exchangeable for, exercisable for, or repayable with common stock, for 45 days after the date of this prospectus supplement without first obtaining the written consent of Barclays Capital Inc. and J.P. Morgan Securities LLC. Specifically, we and these other persons have agreed, with certain limited exceptions, not to directly or indirectly:

offer, pledge, announce the intention to sell, sell or contract to sell any common stock;

sell any option or contract to purchase any common stock;

purchase any option or contract to sell any common stock;

grant any option, right or warrant for the sale of any common stock;

otherwise transfer or dispose of any common stock;

request or demand that we file a registration statement related to any common stock; or

enter into any swap or other agreement that transfers, in whole or in part, the economic consequence of ownership of any common stock whether any such swap or transaction is to be settled by delivery of shares or other securities, in cash or otherwise.

Such exceptions include, among others, any shares of common stock we issue pursuant to Company stock plans with respect to options outstanding on the date hereof (other than cashless exercises), and any shares of common stock, or securities convertible into, exercisable or exchangeable for shares of common stock, issued or to be issued in connection with mergers or acquisitions of securities, businesses, property or other assets (including the pending transactions), joint ventures, strategic alliances, or in exchange for shares of our 10.0% Series A Cumulative Preferred Stock.

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This lock-up provision applies to common stock and to securities convertible into or exchangeable or exercisable for or repayable with common stock. It also applies to common stock owned now or acquired later by the person executing the agreement or for which the person executing the agreement later acquires the power of disposition.

S-19

Table of Contents

New York Stock Exchange Listing

The shares are listed on the NYSE under the symbol CPE.

Stabilization and short positions

In connection with this offering, the underwriters may engage in stabilizing transactions, which involves making bids for, purchasing and selling shares of common stock in the open market for the purpose of preventing or retarding a decline in the market price of the common stock while this offering is in progress. These stabilizing transactions may include making short sales of the common stock, which involves the sale by the underwriters of a greater number of shares of common stock than they are required to purchase in this offering, and purchasing shares of common stock on the open market to cover positions created by short sales. Short sales may be covered shorts, which are short positions in an amount not greater than the underwriters' option referred to above, or may be naked shorts, which are short positions in excess of that amount. The underwriters may close out any covered short position either by exercising their option, in whole or in part, or by purchasing shares in the open market. In making this determination, the underwriters will consider, among other things, the price of shares available for purchase in the open market compared to the price at which the underwriters may purchase shares through the option. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market that could adversely affect investors who purchase in this offering. To the extent that the underwriters create a naked short position, they will purchase shares in the open market to cover the position.

The underwriters have advised us that, pursuant to Regulation M of the Securities Act, they may also engage in other activities that stabilize, maintain or otherwise affect the price of the common stock, including the imposition of penalty bids. This means that if the representatives of the underwriters purchase common stock in the open market in stabilizing transactions or to cover short sales, the representatives can require the underwriters that sold those shares as part of this offering to repay the underwriting discount received by them.

These activities may have the effect of raising or maintaining the market price of the common stock or preventing or retarding a decline in the market price of the common stock, and, as a result, the price of the common stock may be higher than the price that otherwise might exist in the open market. If the underwriters commence these activities, they may discontinue them at any time. The underwriters may carry out these transactions on the NYSE, in the over-the-counter market or otherwise.

Other relationships

Certain of the underwriters and their affiliates act as administrative agent, lender, swingline lender and/or letter of credit lender under the Company's senior secured revolving credit facility. In addition, certain of the underwriters and their affiliates have provided in the past to us and our affiliates and may provide from time to time in the future certain commercial banking, financial advisory, investment banking and other services for us and such affiliates in the ordinary course of their business, for which they have received and may continue to receive customary fees and commissions. In addition, from time to time, certain of the underwriters and their affiliates may effect transactions for their own account or the account of customers, and hold on behalf of themselves or their customers, long or short positions in our debt or equity securities or loans, and may do so in the future.

Notice to investors

Other than in the United States, no action has been taken by us or the underwriters that would permit a public offering of the securities offered by this prospectus supplement in any jurisdiction where action for that purpose is required. The securities offered by this prospectus supplement may not be offered or sold, directly or indirectly, nor may this prospectus supplement or any other offering material or advertisements in connection

Table of Contents

with the offer and sale of any such securities be distributed or published in any jurisdiction, except under circumstances that will result in compliance with the applicable rules and regulations of that jurisdiction. Persons into whose possession this prospectus supplement comes are advised to inform themselves about and to observe any restrictions relating to the offering and the distribution of this prospectus supplement. This prospectus supplement does not constitute an offer to sell or a solicitation of an offer to buy any securities offered by this prospectus supplement in any jurisdiction in which such an offer or a solicitation is unlawful.

United Kingdom

Each Underwriter has represented and agreed that:

- a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000, or FSMA) received by it in connection with the issue or sale of the shares in circumstances in which Section 21(1) of the FSMA does not apply to the issuer; and
- b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the shares in, from or otherwise involving the United Kingdom.

European Economic Area

In relation to each Member State of the European Economic Area (each, a Relevant Member State), each underwriter has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the Relevant Implementation Date) it has not made and will not make an offer of shares which are the subject of the offering contemplated by this prospectus supplement to the public in that Relevant Member State other than:

- a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the issuer for any such offer; or
- c) in any other circumstances falling within Article 3(2) of the Prospectus Directive; provided that no such offer of shares shall require the issuer or any Underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

This prospectus supplement has been prepared on the basis that any offer of shares in any Relevant Member State will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of shares. Accordingly any person making or intending to make an offer in that Relevant Member State of shares which are the subject of the offering contemplated in this prospectus supplement may only do so in circumstances in which no obligation arises for the Company or any of the underwriters to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither we nor the underwriters have authorized, nor do they authorize, the making of any offer of shares in circumstances in which an obligation arises for Callon or the underwriters to publish a prospectus for such offer.

For the purposes of this provision, the expression an offer of shares to the public in relation to any shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the shares to be offered so as to enable an investor to decide to purchase or subscribe the shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression Prospectus Directive means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive), and includes any relevant implementing measure in the Relevant Member State and the expression 2010 PD Amending Directive means Directive 2010/73/EU.

Table of Contents

Switzerland

The shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange (SIX) or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, the Company, the shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of shares will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA, and the offer of shares has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes (CISA). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of shares.

Dubai International Financial Centre

This prospectus supplement relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority (DFSA). This prospectus supplement is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus supplement nor taken steps to verify the information set forth herein and has no responsibility for this prospectus supplement. The shares to which this prospectus supplement relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the shares offered should conduct their own due diligence on the shares. If you do not understand the contents of this prospectus supplement you should consult an authorized financial advisor.

Australia

No placement document, prospectus, product disclosure statement or other disclosure document has been lodged with the Australian Securities and Investments Commission, in relation to the offering. This prospectus supplement does not constitute a prospectus, product disclosure statement or other disclosure document under the Corporations Act 2001 (the Corporations Act), and does not purport to include the information required for a prospectus, product disclosure statement or other disclosure document under the Corporations Act.

Any offer in Australia of the shares may only be made to persons (the Exempt Investors) who are sophisticated investors (within the meaning of section 708(8) of the Corporations Act), professional investors (within the meaning of section 708(11) of the Corporations Act) or otherwise pursuant to one or more exemptions contained in section 708 of the Corporations Act so that it is lawful to offer the shares without disclosure to investors under Chapter 6D of the Corporations Act.

The shares applied for by Exempt Investors in Australia must not be offered for sale in Australia in the period of 12 months after the date of allotment under the offering, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under section 708 of the Corporations Act or otherwise or where the offer is pursuant to a disclosure document which complies with Chapter 6D of the Corporations Act. Any person acquiring shares must observe such Australian on-sale restrictions.

This prospectus supplement contains general information only and does not take account of the investment objectives, financial situation or particular needs of any particular person. It does not contain any securities

Table of Contents

recommendations or financial product advice. Before making an investment decision, investors need to consider whether the information in this prospectus supplement is appropriate to their needs, objectives and circumstances, and, if necessary, seek expert advice on those matters.

Hong Kong

The shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to professional investors as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a prospectus as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to the shares has been or may be issued or has been or may be in the possession of any person for the purposes of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

Japan

The shares have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) and, accordingly, will not be offered or sold, directly or indirectly, in Japan, or for the benefit of any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person, except in compliance with all applicable laws, regulations and ministerial guidelines promulgated by relevant Japanese governmental or regulatory authorities in effect at the relevant time. For the purposes of this paragraph, Japanese Person shall mean any person resident in Japan, including any corporation or other entity organized under the laws of Japan.

Singapore

This prospectus supplement has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus supplement and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore, or the SFA, (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is: (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the shares under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA; (2) where no consideration is given for the transfer; or (3) by operation of law.

Table of Contents

Notice to Canadian Residents

Resale Restrictions

The distribution of shares in Canada is being made only in the provinces of Ontario, Quebec, Alberta and British Columbia on a private placement basis exempt from the requirement that we prepare and file a prospectus with the securities regulatory authorities in each province where trades of these securities are made. Any resale of the shares in Canada must be made under applicable securities laws which may vary depending on the relevant jurisdiction, and which may require resales to be made under available statutory exemptions or under a discretionary exemption granted by the applicable Canadian securities regulatory authority. Purchasers are advised to seek legal advice prior to any resale of the securities.

Representations of Canadian Purchasers

By purchasing shares in Canada and accepting delivery of a purchase confirmation, a purchaser is representing to us and the dealer from whom the purchase confirmation is received that:

the purchaser is entitled under applicable provincial securities laws to purchase the shares without the benefit of a prospectus qualified under those securities laws as it is an accredited investor as defined under National Instrument 45-106 Prospectus Exemptions,

the purchaser is a permitted client as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations,

where required by law, the purchaser is purchasing as principal and not as agent, and

the purchaser has reviewed the text above under Resale Restrictions.

Conflicts of Interest

Canadian purchasers are hereby notified that the underwriters are relying on the exemption set out in section 3A.3 or 3A.4, if applicable, of National Instrument 33-105 Underwriting Conflicts from having to provide certain conflict of interest disclosure in this document.

Statutory Rights of Action

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if the offering memorandum (including any amendment thereto) such as this document contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser of these securities in Canada should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Enforcement of Legal Rights

All of our directors and officers as well as the experts named herein may be located outside of Canada and, as a result, it may not be possible for Canadian purchasers to effect service of process within Canada upon us or those persons. All or a substantial portion of our assets and the assets of those persons may be located outside of Canada and, as a result, it may not be possible to satisfy a judgment against us or those persons in Canada or to enforce a judgment obtained in Canadian courts against us or those persons outside of Canada.

Taxation and Eligibility for Investment

Canadian purchasers of shares should consult their own legal and tax advisors with respect to the tax consequences of an investment in the shares in their particular circumstances and about the eligibility of the shares for investment by the purchaser under relevant Canadian

legislation.

S-24

Table of Contents

LEGAL MATTERS

Certain legal matters regarding the validity of the shares of common stock that are offered hereby will be passed upon for us by Haynes and Boone, LLP. Certain legal matters will be passed upon for the underwriters by Davis Polk & Wardwell LLP.

EXPERTS

The consolidated financial statements of Callon Petroleum Company appearing in Callon Petroleum Company's Annual Report (Form 10-K) for the year ended December 31, 2015, and the effectiveness of Callon Petroleum Company's internal control over financial reporting as of December 31, 2015, have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their reports thereon, included therein, and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

The audited Combined Statements of Revenues and Direct Operating Expenses of the properties acquired in the Big Star Acquisition incorporated by reference in this prospectus supplement have been audited by Weaver and Tidwell, L.L.P., independent registered public accounting firm, as set forth in their report dated July 19, 2016, included in our Current Report on Form 8-K/A dated August 4, 2016, and incorporated herein by reference. Such financial statements are incorporated herein by reference in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

The audited Statement of Revenues and Direct Operating Expenses of the properties acquired in the Plymouth Acquisition incorporated by reference in this prospectus supplement have been audited by BDO USA, LLP, independent registered public accounting firm, as set forth in their report dated December 13, 2016, included in our Current Report on Form 8-K/A dated December 13, 2016, and incorporated herein by reference. Such financial statements are incorporated herein by reference in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

The information included or incorporated by reference in this prospectus supplement regarding estimated quantities of proved reserves as of December 31, 2015 and 2014, using SEC guidelines, were prepared or derived from estimates prepared by DeGolyer and MacNaughton, independent petroleum engineers. These estimates are included in this prospectus supplement in reliance on the authority of such firm as experts in these matters. The information included or incorporated by reference in this prospectus supplement regarding estimated quantities of proved reserves as of December 31, 2013, using SEC guidelines, were prepared or derived from estimates prepared by Huddleston & Company, independent petroleum engineers. These estimates are included in this prospectus supplement in reliance on the authority of such firm as experts in these matters.

Table of Contents

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and special reports, proxy statements and other information with the SEC. You may read and copy this information at the following SEC location:

Public Reference Room

100 F Street, N.E.

Washington, D.C. 20549

You can also obtain copies of these documents at prescribed rates by writing to the Public Reference Room of the SEC. You may obtain information on the operation of the Public Reference Room by calling the SEC at (800) SEC-0330. The SEC also maintains a web site that contains reports, proxy statements and other information about issuers, like Callon Petroleum Company, who file electronically with the SEC. The address of that web site is www.sec.gov. Unless specifically listed under "Information Incorporated by Reference" below, the information contained on the SEC website is not incorporated by reference in this prospectus supplement and you should not consider that information a part of this prospectus supplement.

In addition, our common stock is listed on the NYSE and similar information concerning us can be inspected and copied at the offices of the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

S-26

Table of Contents

INFORMATION INCORPORATED BY REFERENCE

The rules of the SEC allow us to incorporate by reference into this prospectus supplement and the accompanying prospectus the information we file with the SEC, which means that we can disclose important information to you by referring you to that information. The information incorporated by reference is considered to be part of this prospectus supplement and the accompanying prospectus, and later information that we file with the SEC will automatically update and supersede that information. We incorporate by reference the documents listed below and any future filings made by us with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act until the offering of the common stock is completed (unless otherwise stated, other than information furnished under Items 2.02 or 7.01 of any Form 8-K, which is not deemed filed):

Our Annual Report on Form 10-K for the year ended December 31, 2015 filed on March 3, 2016;

Our Quarterly Report on Form 10-Q for the period ended March 31, 2016 filed on May 4, 2016, our Quarterly Report on Form 10-Q for the period ended June 30, 2016 filed on August 8, 2016 and our Quarterly Report on Form 10-Q for the period ended September 30, 2016 filed on November 3, 2016;

Our Current Reports on Form 8-K filed on January 15, 2016, March 1, 2016, March 4, 2016, March 8, 2016, April 19, 2016, April 21, 2016, May 13, 2016, May 31, 2016, June 1, 2016, August 29, 2016, September 6, 2016, September 8, 2016, September 12, 2016, September 16, 2016, October 4, 2016, October 25, 2016, and December 13, 2016 and our Current Reports on Form 8-K/A filed on August 4, 2016 and December 13, 2016;

The information specifically incorporated by reference into the Annual Report on Form 10-K for the fiscal year ended December 31, 2015 from our definitive proxy statement on Schedule 14A, filed on April 1, 2016; and

The description of our common stock contained in our Registration Statement on Form 8-B filed with the SEC on October 3, 1994 and any amendments or reports filed for the purpose of updating that description.

All documents that we subsequently file pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act, and that are deemed filed prior to the termination of this offering, shall be deemed to be incorporated by reference into this prospectus supplement.

Any statement contained in this prospectus supplement or in a document incorporated or deemed to be incorporated by reference in this prospectus supplement shall be deemed to be modified or superseded for purposes of this prospectus supplement to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference modifies or supersedes the statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement.

You may obtain any of the documents incorporated by reference in this prospectus supplement from the SEC through the SEC's website at the address provided above. We will provide you a copy of any or all of the information that has been incorporated by reference in this prospectus supplement (including exhibits to those documents specifically incorporated by reference in this document), at no cost, upon your written or oral request to us at the following address or telephone number:

Callon Petroleum Company

200 North Canal Street

Natchez, Mississippi 39120

Telephone: (601) 442-1601

Attn: Investor Relations

Table of Contents

Prospectus

CALLON PETROLEUM COMPANY

Debt Securities

Preferred Stock

Common Stock

Depositary Shares

Warrants

We may offer and sell the securities listed above from time to time in one or more classes or series and in amounts, at prices and on terms that we will determine at the time of the offering. Any debt securities we issue under this prospectus may be guaranteed by certain of our subsidiaries.

This prospectus provides you with a general description of the securities we may offer. Each time we sell securities, we will provide a supplement to this prospectus that contains specific information about the offering. The supplement may also add, update or change information contained in this prospectus. You should carefully read this prospectus, all prospectus supplements and all other documents incorporated by reference in this prospectus before you invest in our securities.

Our common stock is quoted on The New York Stock Exchange under the symbol CPE. Our 10% Series A Cumulative Preferred Stock is listed on The New York Stock Exchange under the symbol CPE.A.

THIS PROSPECTUS MAY NOT BE USED TO SELL SECURITIES UNLESS ACCOMPANIED BY A PROSPECTUS SUPPLEMENT.

INVESTING IN OUR SECURITIES INVOLVES A HIGH DEGREE OF RISK. RISKS ASSOCIATED WITH AN INVESTMENT IN OUR SECURITIES WILL BE DESCRIBED IN THE APPLICABLE PROSPECTUS SUPPLEMENT AND OUR PERIODIC AND OTHER REPORTS WE FILE WITH THE SECURITIES AND EXCHANGE COMMISSION, AS DESCRIBED IN RISK FACTORS ON PAGE 2. YOU SHOULD CAREFULLY CONSIDER THOSE RISK FACTORS BEFORE INVESTING.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is April 5, 2016.

Table of Contents**TABLE OF CONTENTS****ABOUT THIS PROSPECTUS**

	Page
<u>About This Prospectus</u>	1
<u>Our company</u>	2
<u>Risk Factors</u>	2
<u>Cautionary Note Regarding Forward-Looking Statements</u>	2
<u>Use of Proceeds</u>	4
<u>Ratio of Earnings to Fixed Charges and Ratio of Earnings to Combined Fixed Charges and Preferred Stock</u>	
<u>Dividends</u>	5
<u>Description of Debt Securities</u>	6
<u>Description of Capital Stock</u>	17
<u>Description of Depositary Shares</u>	22
<u>Description of Warrants</u>	24
<u>Plan of Distribution</u>	25
<u>Where You Can Find More Information</u>	28
<u>Information Incorporated by Reference</u>	28
<u>Legal Matters</u>	29
<u>Experts</u>	29

This prospectus is part of a shelf registration statement that we filed with the Securities and Exchange Commission, or SEC. Under this registration statement, we may sell any combination of the securities described in this prospectus from time to time in one or more offerings. This prospectus provides you with a general description of the securities we may offer. This prospectus does not contain all the information set forth in the registration statement as permitted by the rules of the SEC. Each time we sell securities, we will provide a supplement to this prospectus that will contain specific information about the terms of that offering. That prospectus supplement may also add, update or change information contained in this prospectus. Before purchasing any securities, you should carefully read both this prospectus and any applicable prospectus supplement, together with the additional information described in this prospectus under the headings Where You Can Find More Information and Information Incorporated by Reference.

You should rely only on the information contained in this prospectus and in any applicable prospectus supplement, including any information incorporated by reference. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. You should not assume that the information appearing in this prospectus, any prospectus supplement or any document incorporated by reference is accurate at any date other than as of the date of each such document. Our business, financial condition, results of operations and prospects may have changed since the date indicated on the cover page of such documents.

The distribution of this prospectus may be restricted by law in certain jurisdictions. You should inform yourself about and observe these restrictions. This prospectus does not constitute, and may not be used in connection with, an offer or solicitation by anyone in any jurisdiction in which the offer or solicitation is not authorized, or in which the person making the offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make the offer or solicitation.

When used in this prospectus or in any supplement to this prospectus, the terms Callon, the Company, we, our and refer to Callon Petroleum Company and its subsidiaries, unless otherwise indicated or the context otherwise requires.

Table of Contents

OUR COMPANY

We are an independent oil and natural gas company established in 1950. We are focused on the acquisition, development, exploration and exploitation of unconventional, onshore, oil and natural gas reserves in the Permian Basin in West Texas and, more specifically, the Midland Basin. Our drilling activity in this area to date has been predominantly focused on the horizontal development of several prospective intervals, including multiple levels of the Wolfcamp formation and, more recently, the Lower Spraberry shale. We have assembled a multi-year inventory of potential horizontal well locations and intend to add to this inventory through delineation drilling of emerging zones on our existing acreage and acquisition of additional locations through working interest acquisitions, acreage purchases, joint ventures and asset swaps.

We are a Delaware corporation with our principal executive office located at 200 North Canal Street, Natchez, Mississippi 39120. Our telephone number at that address is (601) 442-1601. We maintain a website on the Internet at www.callon.com. The information on our website is not incorporated by reference into this prospectus and does not constitute a part of this prospectus.

RISK FACTORS

Before making an investment decision, you should carefully consider the risks described under **Risk Factors** in the applicable prospectus supplement and in our most recent Annual Report on Form 10-K, or any updates in our Quarterly Reports on Form 10-Q, together with all of the other information appearing in this prospectus or incorporated by reference into this prospectus and any applicable prospectus supplement. The risks so described are not the only risks facing our company. Additional risks not presently known to us or that we currently deem immaterial may also impair our business operations. Our business, financial condition and results of operations could be materially adversely affected by any of these risks. Furthermore, the trading price of our securities could decline due to any of these risks, and you may lose all or part of your investment.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus and the documents incorporated by reference in this prospectus include forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. In some cases, you can identify forward-looking statements by terms such as anticipate, project, intend, estimate, expect, believe, predict, budget, projection, goal, plan, forecast, target, or similar expressions, or by their nature. We intend to identify forward-looking statements.

All statements, other than statements of historical facts, included in this prospectus and the documents incorporated by reference in this prospectus that address activities, events or developments that we expect or anticipate will or may occur in the future, including such things as:

our oil and gas reserve quantities, and the discounted present value of these reserves;

the amount and nature of our capital expenditures;

our future drilling and development plans and our potential drilling locations;

commodity price risk management activities and the impact on our average realized prices;

the timing and amount of future production and operating costs;

business strategies and plans of management; and