SierraCol Energy
Results presentation 3Q23

9 November 2023

SierraCol energy

SUSTAINALYTICS
ESG INDUSTRY TOP RATED
2023

Quarter highlights

Operational

- SBR* production averaging 41.7 kboed in 3Q23.
- Production in Middle Magdalena affected by surface equipment failures and maintenance in the water injection and production system. Impact partially offset by increased production in Central Llanos.
- Ramping up of production during 4Q23.

Financial

- Adjusted EBITDAX of $172.4 million in the quarter, and last twelve-months at $647.0 million.
- Adjusted operating netback per barrel was $57.6/boe with Brent averaging $85.9/bbl for the quarter.
- Free Cash Flow generation of $37.8 million for 9M23, after income tax payments of $197.1 million tied to 2022 income.

ESG INDUSTRY TOP RATED

ESG

TNFD Taskforce on Nature-related Financial Disclosures

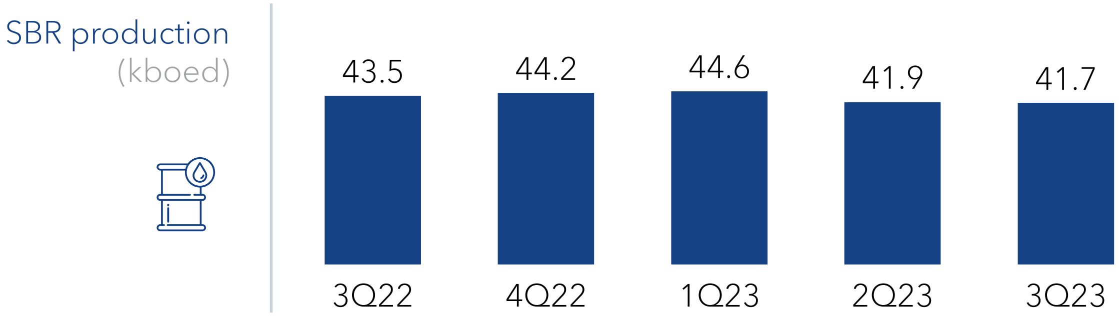
SierraCol is committed to actively contributing to the conservation and sustainable use of natural resources, aligning with global biodiversity goals.

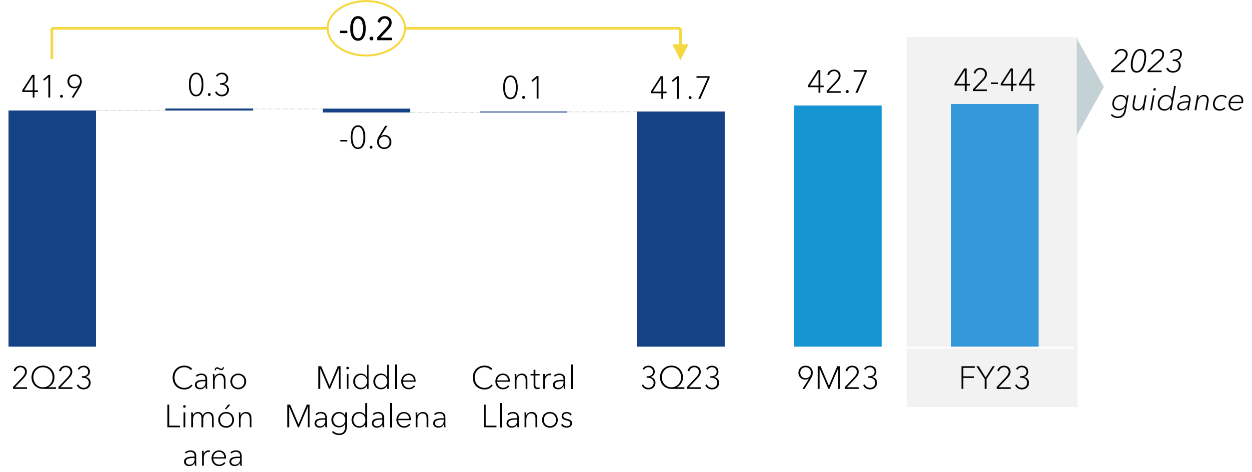
- After quarter-end, we have published our inaugural TNFD report, outlining our approach to safeguarding biodiversity.
- Continued progress to reduce our carbon footprint.
- Progressing on the gas flaring elimination goal with the execution of a gas-to-liquids project in Caño Limón.

*SBR: Share Before Royalties

Operational highlights

Production





- SBR production was 41.7 kboed in 3Q23, down 0.2 kboed vs 2Q23 mainly due to:
  - Issues in the water injection and production system in La Cira Infantas, resolved by quarter-end
  - Partially offset by increased production in Caño Limón and Central Llanos.
- 9M23 SBR production was 42.7 kboed.
- YTD SBR production stands at 43.2 kboed.

ESG INDUSTRY TOP RATED

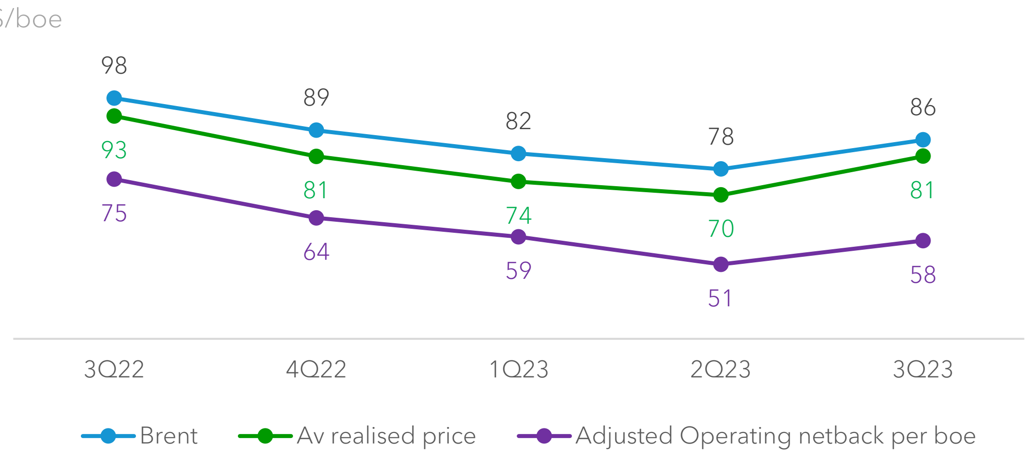
3Q23 Activity

2 active drilling rigs

12 new wells drilled and completed | 1 in Caño Limón area, 11 in Middle Magdalena

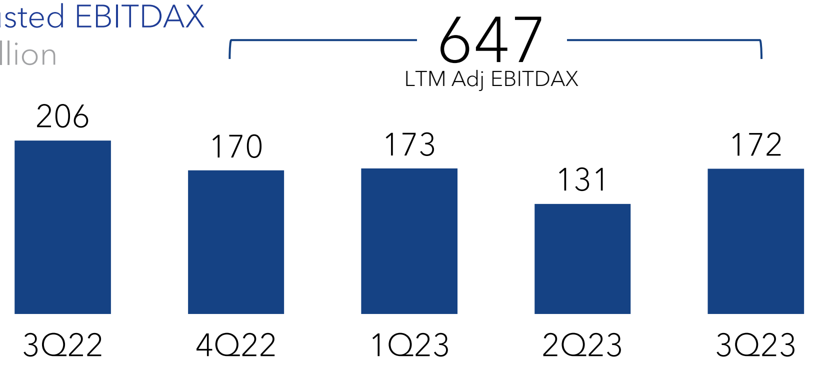
28 workovers

Financial highlights



Adjusted EBITDAX

$ million



High liquidity for 9M23

$ million

38	107	200
Free cash flow	Cash & cash equivalents	Total liquidity

Prices and netback

- Brent price increased 11% q/q, while realisations increased by 16%, driven by:
  - Vasconia differential decreasing by $1.9/bbl.
  - Increased shipping of Caño Limón production via the CLC pipeline during the quarter.
- Adjusted operating netback of $57.6/boe during the quarter, up 13% q/q driven by the higher Brent price, partially offset by higher lifting costs.
- Lifting costs increased by $16.8 million q/q:
  - $6.5 million from increased activity / scope.
  - $5.0 million due to forex rate impact.
  - $4.7 million linked to timing effects on retroactive adjustments (1H).
  - $0.6 million in other cost increases.

Adjusted EBITDAX and liquidity

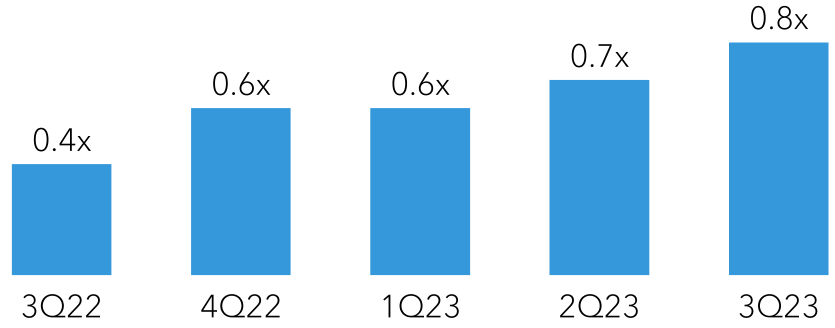
- 3Q23 Adjusted EBITDAX was $172.4, an increase of 31% q/q, mainly due to higher Brent price, partially offset by higher lifting costs.
- 9M23 Adjusted EBITDAX of $476.6 million, down 26% y/y, mainly due to a lower average Brent vs 9M22.
- Last twelve-months ("LTM") Adjusted EBITDAX of $647.0 million.
- Free cash flow generation of $37.8 million in 9M23, after payments of income tax for $197.1 million.
- Total liquidity of $199.9 million: $107.3 million of cash and cash equivalents plus $92.6 million in undrawn amounts of committed credit lines[1].

ESG INDUSTRY TOP RATED

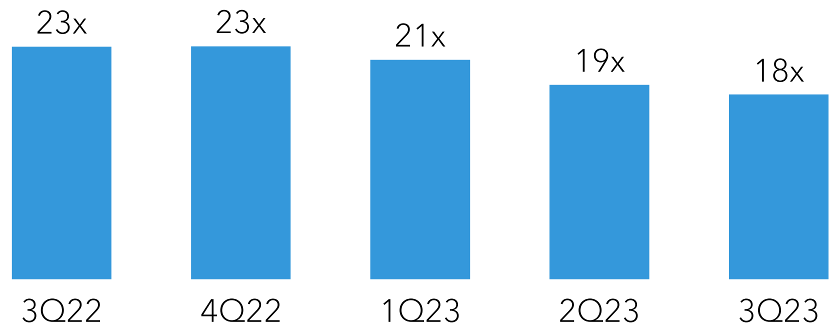
1 Includes the available amount under the RCF as of 30 September 2023. The aggregate principal amount of commitments provided under the RCF is $120.0 million.

Capital structure

Net leverage ratio[1]



Interest coverage ratio[2]

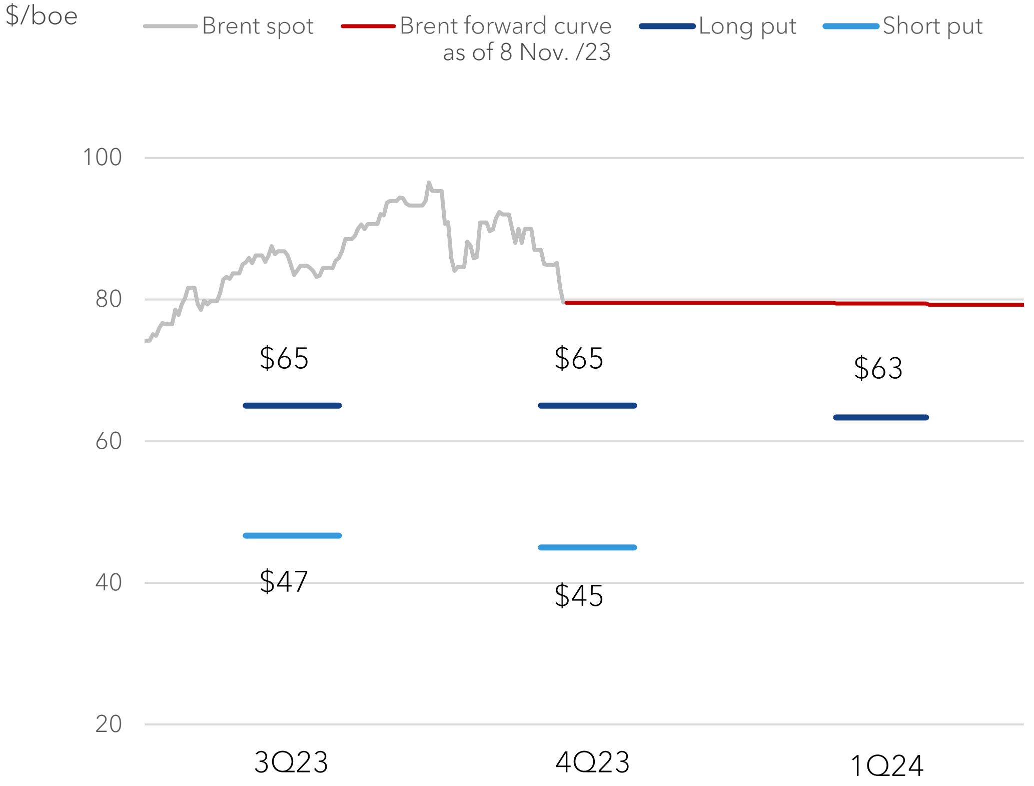


- $40.0 million outstanding in short-term debt to finance working capital requirements.
- Total indebtedness of $646.8 million.
- Net debt of $539.5 million at quarter-end.
- Low net leverage ratio at 0.8x.
- High interest coverage ratio at 18x.

1 Net leverage = net debt / LTM Adjusted EBITDAX. Net debt = total debt minus cash and cash equivalents | 2 Interest coverage ratio = LTM Adjusted EBITDAX/annualized interests

Risk management

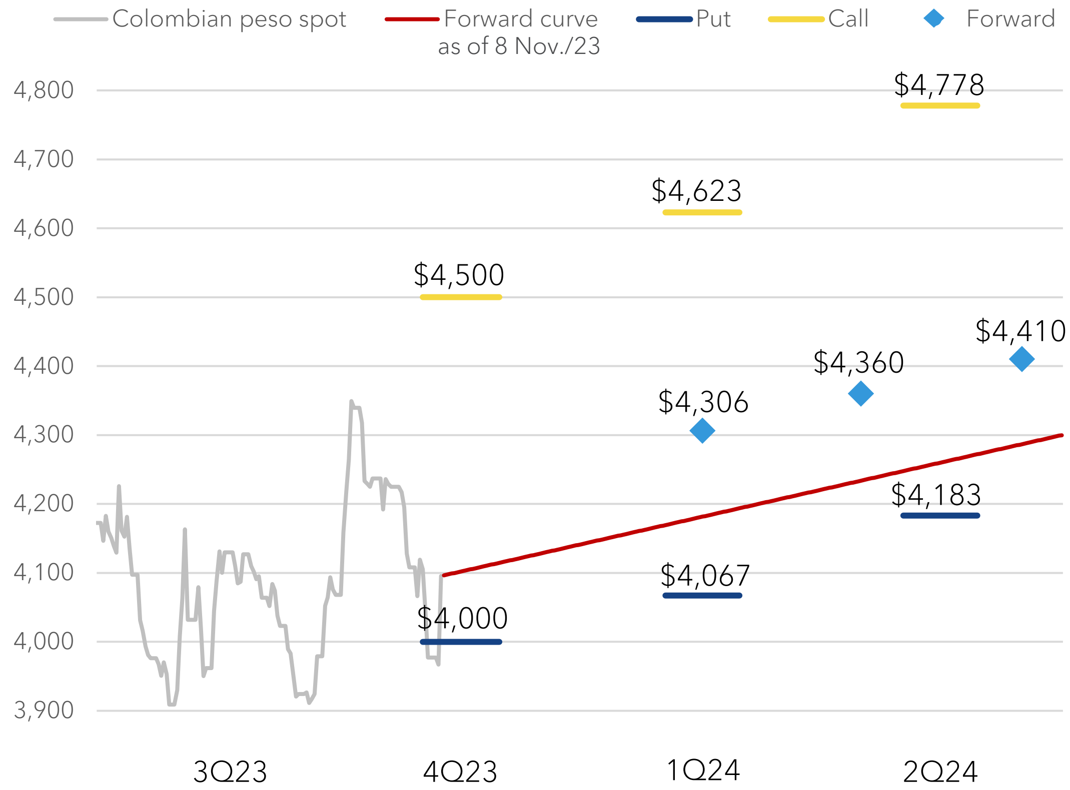
Brent price hedging programme



	3Q23	4Q23	1Q24
(hedge ratio %)	50%	50%	45%
(short put %)	50%	8%	-%

Target:
40%-60% of hedgeable production, 6-12 months ahead

Currency hedging programme



	4Q23	1Q24	2Q24
Zero-cost collar ($ million)	$15	$45	$45
Forward ($ million)	$-	$16	$103

We currently have open currency hedging positions, hedging approximately 50% of the Company's cash needs in Colombian peso.

SierraCol energy

ESG INDUSTRY TOP RATED

SierraCol
energy

Disclaimer

This presentation and any documents and information relating thereto (both oral and written) (this "Presentation") shall be deemed to be strictly confidential and was prepared with the purpose of providing the bondholders and interested parties certain financial and other information of SierraCol Energy Limited and its subsidiaries ("SierraCol" or the "Company"). This Presentation may not be photocopied, reproduced, distributed, disclosed or otherwise made available to any other person at any time.

This Presentation and the accompanying discussion contains "forward-looking statements" regarding SierraCol and its future business. Forward-looking statements include all statements that are not historical facts and can be identified by terms such as "anticipates," "believes," "could," "seeks," "estimates," "intends," "may," "plans," "potential," "predicts," "projects," "should," "will," "would," "expects" or similar expressions and the negatives of those terms. These statements are based on certain assumptions in light of SierraCol's experience in the industry and perception of historical trends, current conditions, expected future developments and other factors they believe are appropriate under the circumstances as of the date hereof. Such statements are not historical facts and may include opinions and expectations about management's confidence and strategies as well as details of management's expectations of new and existing programs, technology, and market conditions. Although SierraCol's management believes its opinions and expectations are based on reasonable assumptions, these forward-looking statements are subject to numerous risks and uncertainties, not all of which will be exhaustively described in this Presentation or elsewhere. Accordingly, the recipients of this Presentation should not regard such statements as representations as to whether such anticipated events will occur nor that expected objectives will be achieved. SierraCol's results may differ materially from such forward-looking statements. All forward-looking statements in the Presentation are made on the date hereof and for the avoidance of doubt neither SierraCol nor any other person undertakes to review, correct or update any such statement made or any other information to correct any inaccuracy or reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

This Presentation is not intended to be the basis of and may not be relied on in any manner as legal, tax, investment, accounting or other advice. Any recipient hereof should make its own independent assessment of, and investigation into, the matters contained herein and any information on which this Presentation is based. This Presentation has been prepared by SierraCol for information purposes only and is not an offer to sell or the solicitation of an offer to buy any securities.

This Presentation includes certain non-IFRS financial information, including Adjusted EBITDAX and Free Cash Flow. Because not all companies calculate non-IFRS financial information identically (or at all), the presentations of such information herein may not be comparable to other similarly titled measures used by other companies. Further, such non-IFRS financial information of SierraCol should not be considered a substitute for the information contained in the historical financial information of SierraCol, if any, prepared in accordance with IFRS included herein. Recipients are encouraged to review the reconciliations of non-IFRS financial measures presented in this Presentation to their most directly comparable measures presented in accordance with IFRS.

This Presentation should be read in conjunction with (i) the audited consolidated financial statements of SierraCol for the period ended 30 September 2023 and the notes thereto and (ii) the management discussion and analysis for such period.

Unless otherwise noted, all dollar amounts reflected in this presentation reflect U.S. dollars.

SierraCol Energy
ir@sierracol.com