

# SierraCol Energy

## Corporate presentation

December 2023





# SierraCol at a glance



## Middle Magdalena

- La Cira Infantas is the oldest field in Colombia, in production since 1918.
- Total cumulative production of over 900 million bbls.
- Enhanced water injection oil recovery project.



## Putumayo

- Exploration activities in 6 blocks in association with GeoPark.
- Similar to the most prolific fields discovered across the border in Ecuador.
- Relatively easy access to existing production facilities and evacuation routes.

## Pipelines

- Caño Limón - Coveñas
- Bicentenario
- Araguaey - El Porvenir
- Ocesa/ODC
- Guarimena-Santiago-Porvenir
- Transandino



## Caño Limón area

- World-class reservoir.
- Cumulative production of over 1.5 bn bbls.
- We operate the Cravo Norte, Rondón, Chipirón and Cosecha contracts.
- Partners with Ecopetrol in the exploration blocks Llanos 39 and Llanos 52.



## Central Llanos

- 100% WI in LLA-23, Rio Verde, Los Hatos and Alcaraván blocks.
- Operating hub with additional near-term drillable upside opportunities.

## Key metrics 9M23

B+ | **Fitch**  
B1 | **Moody's**

Stable  
outlook

19 | Blocks



11 producing  
8 exploratory

94% | High-  
quality oil



25° - 35° API  
Low sulfur

 **116** Million  
boe  
2P reserves<sup>1</sup>

 **42.7** kboed  
SBR production

 **55.8** \$/boe  
Adj. operating netback

 **647** \$million  
LTM Adj. EBITDAX

 **0.8x**  
Net leverage

 **27.3** Medium  
risk  
Sustainalytics ESG rating

 **0.6**  
TRIR<sup>1</sup>

 **20** Kg CO<sub>2</sub>e/boe  
Emission intensity<sup>1</sup>

# Our ESG strategy



## Climate action

- 50% reduction of CO<sub>2</sub> net emissions by year-end 2023
- Methane fugitive emissions baseline measurement and mitigation



## Action for the planet

- Programmes for water management, biodiversity and circular economy



## Communities & society

- \$6.3 million investment in social programmes in 2022 - housing, infrastructure, education, health & microcredits.



## Solid governance

- Strong environmental compliance
- Compliance, ethics and transparency programmes
- Sustainalytics rating of 27.3 (top rated)



## Operational excellence

- TRIR 0.60
- Zero significant spills

Aligned with international standards and frameworks

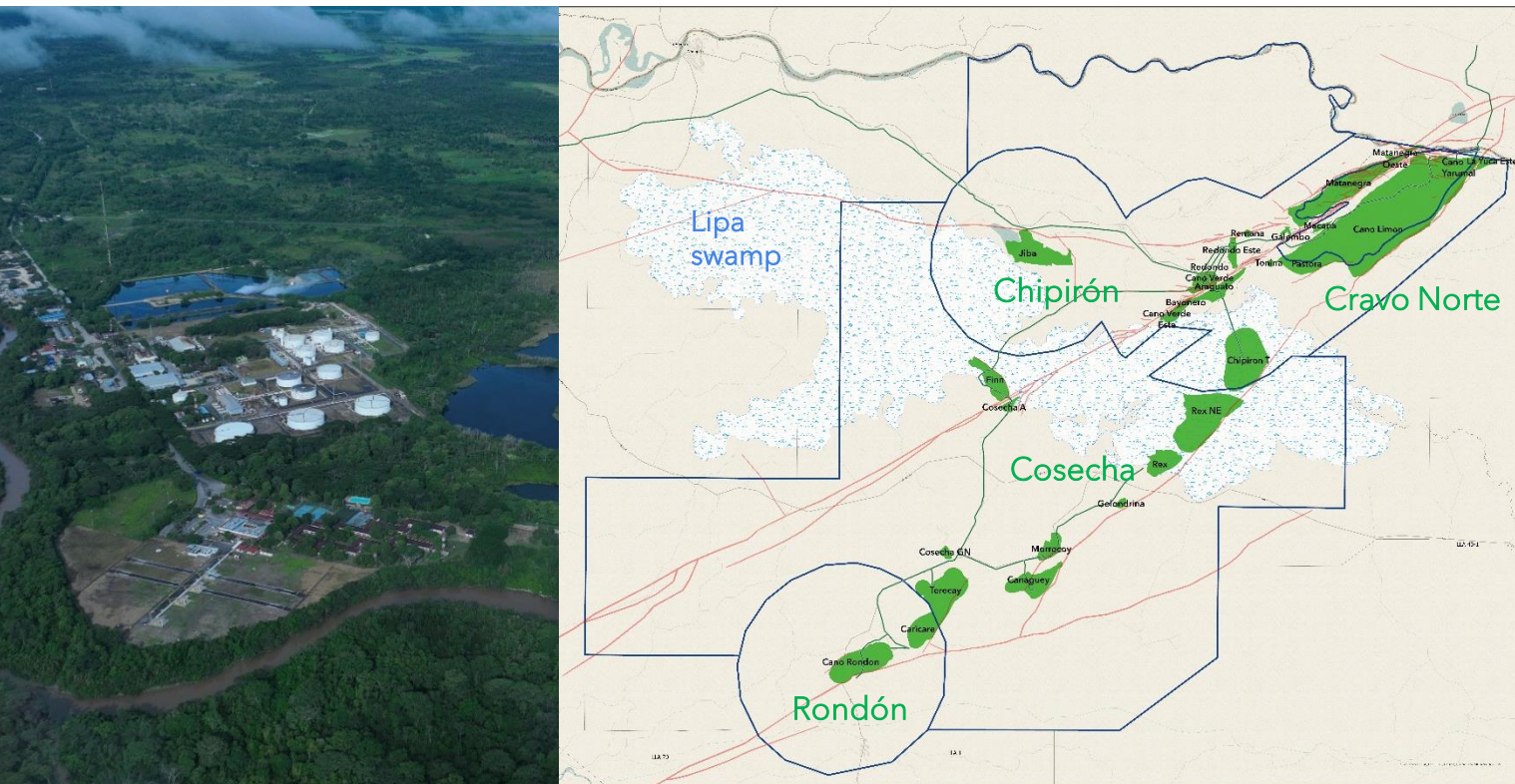


Sustainability, TCFD and TNFD 2022 reports emphasise our commitment to improve our ESG performance and disclosure.



# Caño Limón area

World-class reservoir with light and sweet oil and over 1.5 billion barrels produced



## Key metrics of Caño Limón area



**>2.3** billion barrels  
Original Oil in Place (OOIP)



**~50** kbod  
Gross production flat over the last four years



**~1** \$/bbl  
Transport cost



Association contracts  
with Ecopetrol in the Llanos basin

SCE is the operator

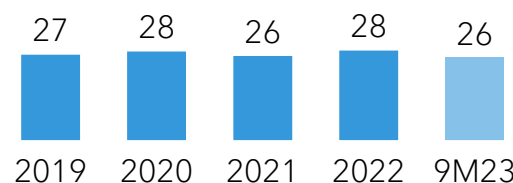
W<sup>1</sup> | contractual limit

Chipirón, Cosecha - 70% | 2028/2030

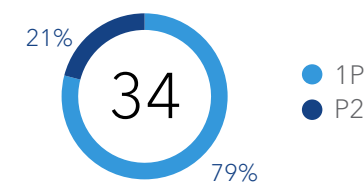
Cravo Norte - 45% | economic limit

Rondón - 35% | 2038

## SBR production (kbod)



## 2P reserves 2022 (million bbl)

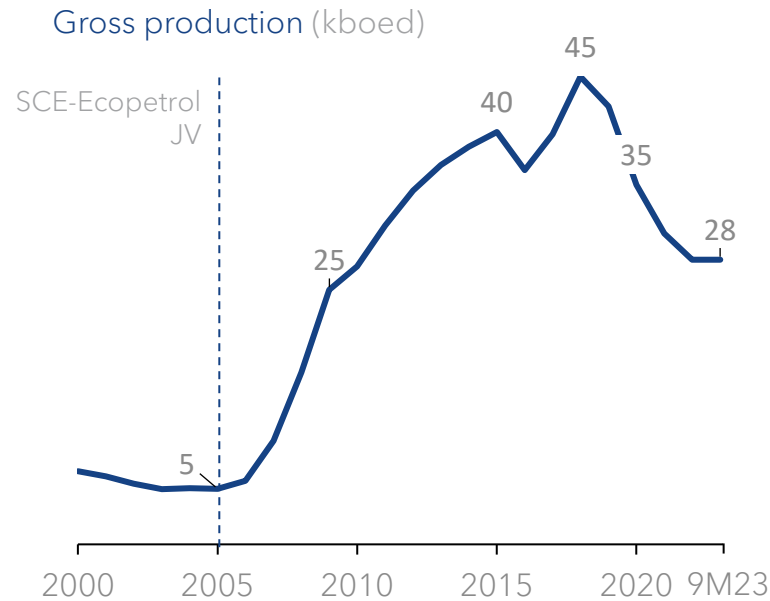
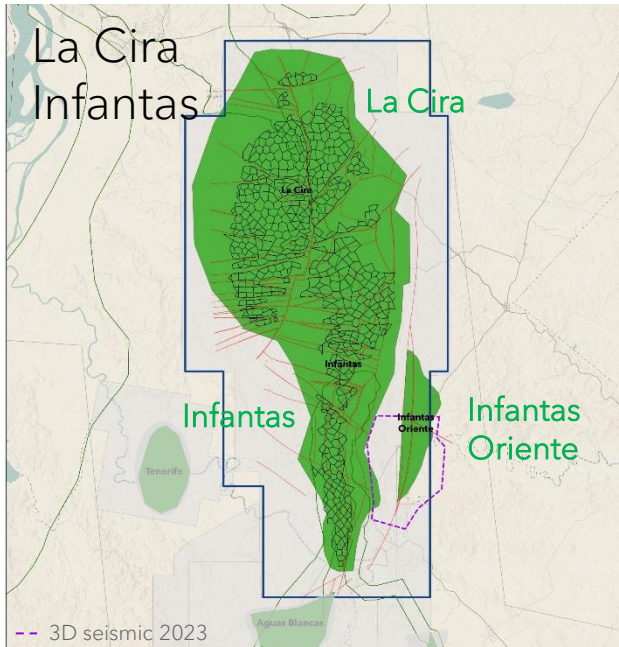


<sup>1</sup> Contractual working interest before price-related clauses impacting some fields



# La Cira Infantas

Giant field with over 900 million barrels produced. Waterflood development



## Key metrics of La Cira Infantas



>6.0 billion barrels  
Original Oil in Place (OOIP)



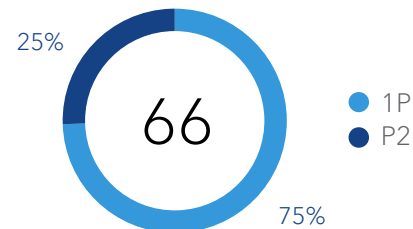
~30 kboed  
Gross production currently



~0.1 \$/bbl  
Transport cost



## 2P reserves 2022 (million boe)

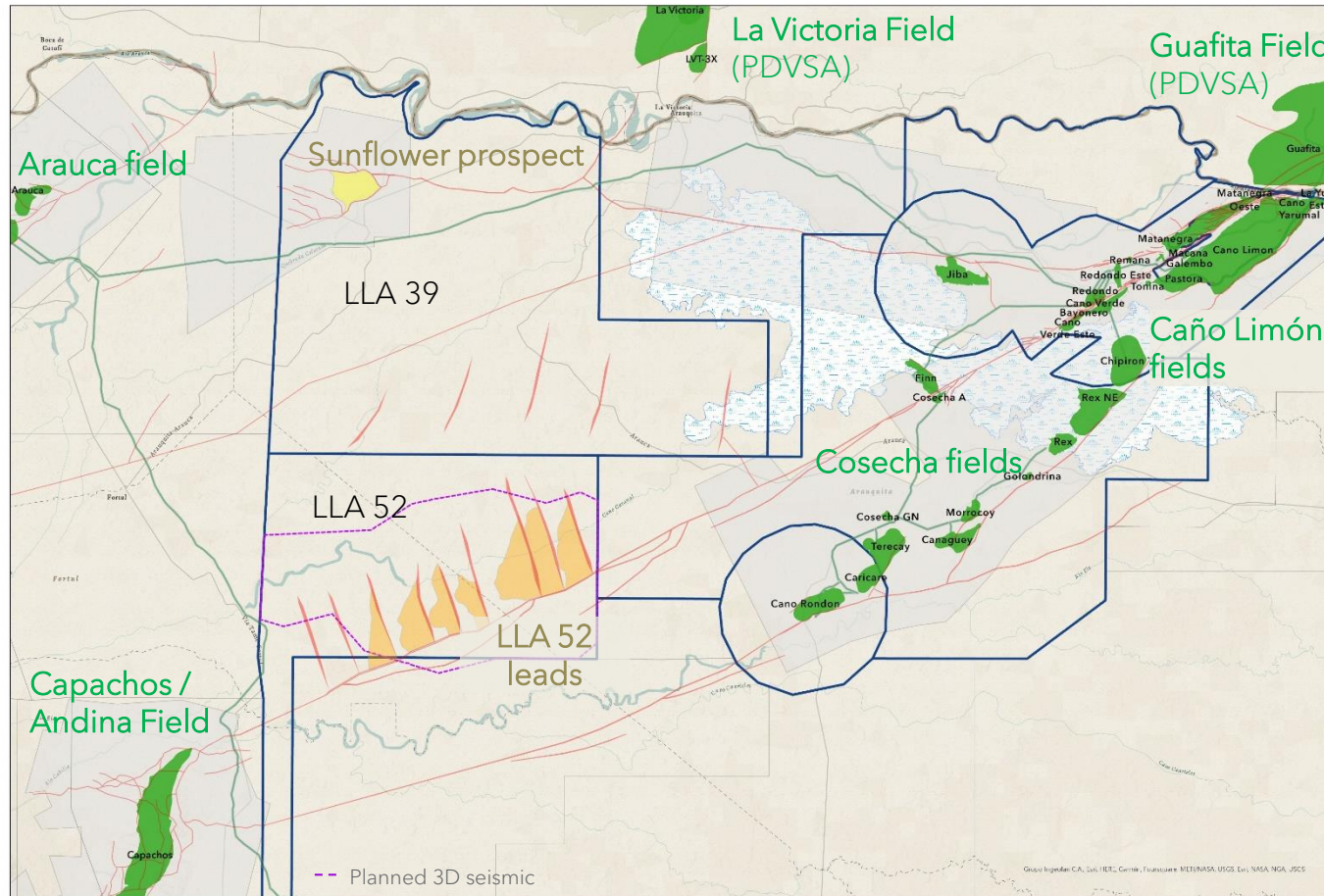


Joint venture contract  
with Ecopetrol in the  
Middle Magdalena basin

WI<sup>1</sup> | contractual limit  
La Cira Infantas - 48% | economic limit  
Teca - 40% | 2040  
Bolívar - 100% | 2035

# Exploration opportunity on trend with Caño Limón / Cosecha

LLA-52 & LLA-39 blocks



Association contracts  
with Ecopetrol in the Llanos basin

SCE is the operator

WI

LLA 52 - 48%

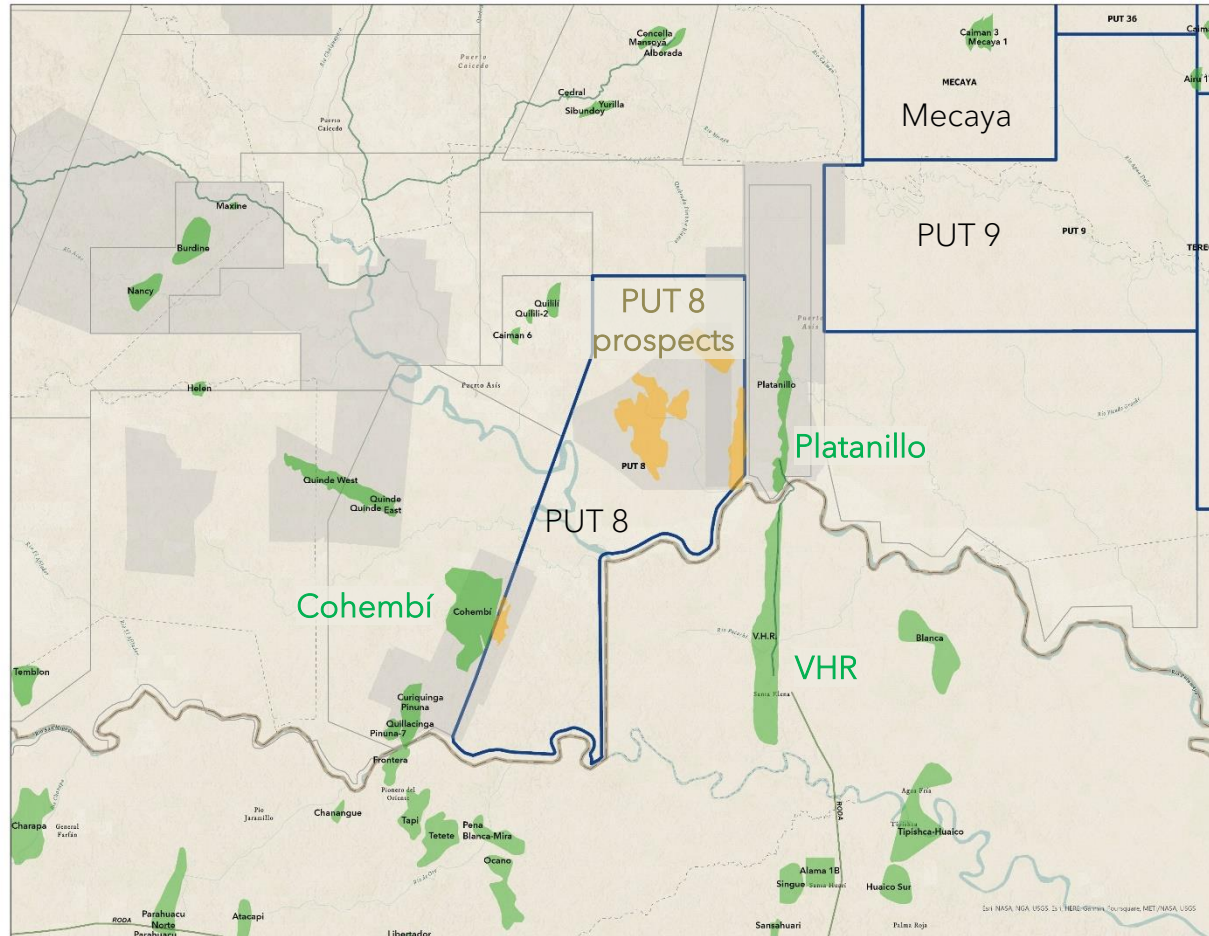
LLA 39 - 50%

- Prospective triangle on trend with world-class Caño Limón/Cosecha, Capachos & Arauca fields.
- Lightly-explored light-oil opportunities surrounded by four main fault systems.
- Environmental licensing underway in preparation for 3D seismic acquisition (210 km<sup>2</sup>) in the medium term.
- Close to key infrastructure - Bicentenario and Caño Limón pipelines, Banadia pump station, access to main roads.



# Exploration opportunity in the Putumayo basin

Near-term, non-operated trend exploration focused on PUT 8 block



## Six E&P contracts

with GeoPark (operator) in the Putumayo basin

Near-term focus is on PUT 8 block

WI

PUT 8 - 50%

- Lightly-explored proven basin.
- Acquired 210 km<sup>2</sup> 3D seismic & confirmed 5 drill-ready prospects. Waiting on drilling environmental permits approvals.
- Trend exploration targeting diverse structural and stratigraphic traps with stacked reservoirs (already proven in nearby Platanillo, Cohembí & Ecuadorian fields).
- Ability to commercialise any discoveries through Platanillo field and via Ecuador pipeline system to Pacific export (Esmeraldas).

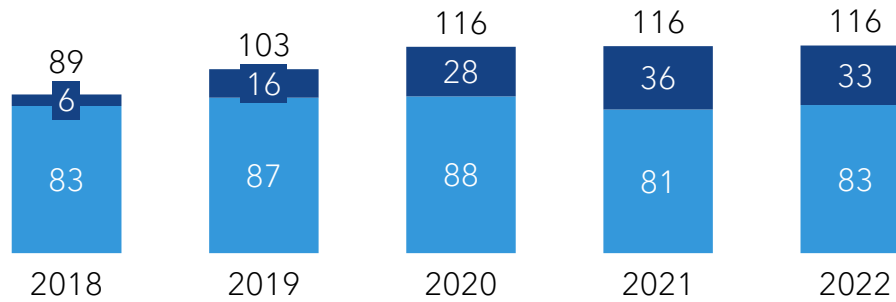


# Robust reserve base with a healthy R/P ratio

Which enables a sustained production profile

2P reserves (million boe)

■ Proved (1P) ■ Probable (P2)

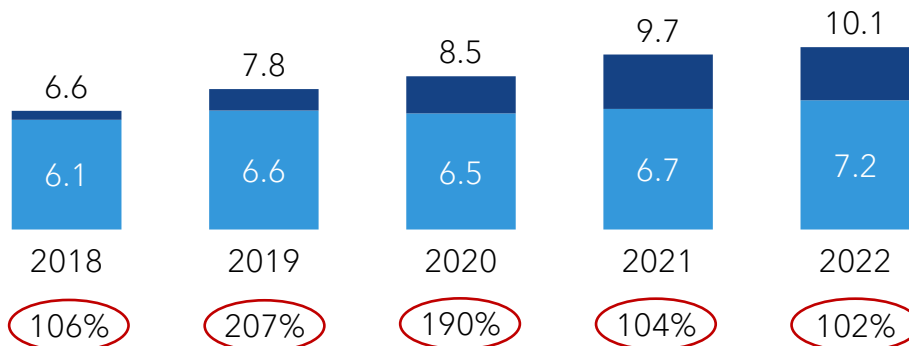


➤ Stable reserves base.

➤ Track record of **over 100% 2P RRR** since 2018.

Rising R/P ratio & 2P RRR over 100% in the last 5 years

■ 1P R/P ■ P2 R/P ○ 2P RRR



➤ **Extended 2P R/P ratio** from 6.6 to 10.1 years in the last 5 years.

➤ Net Present Value discounted by 10% after tax of 2P reserves of **\$1.9 billion**.





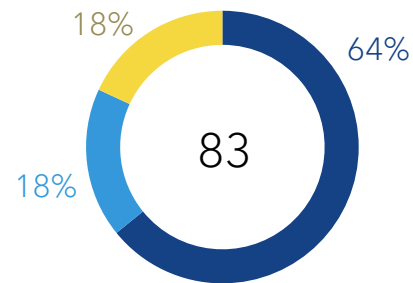
# Low capital required to progress 1P reserves to production

With a high-quality crude oil reserve base



1P reserves (million boe)

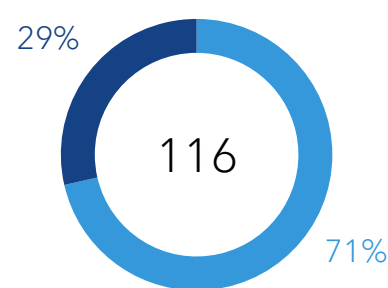
● PDP ● PDNP ● PUD



**82%** of SCE 1P reserves are Proved Developed (PD) reserves.

2P reserves (million boe)

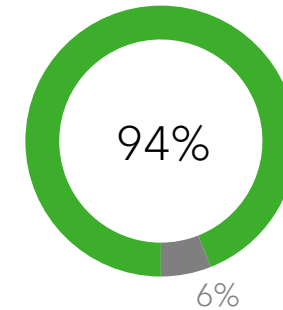
● 1P ● P2



**71%** of SCE 2P reserves are proved reserves.

2P reserves by type

● Light & M ● Heavy ● Gas  
% L&M



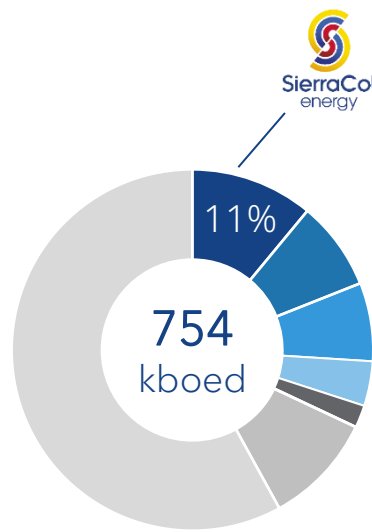
**94%** of SCE 2P reserves are light & medium crude oil.

# Largest independent oil producer

With high-quality portfolio of well understood assets, low subsurface risk and successful track record of operations



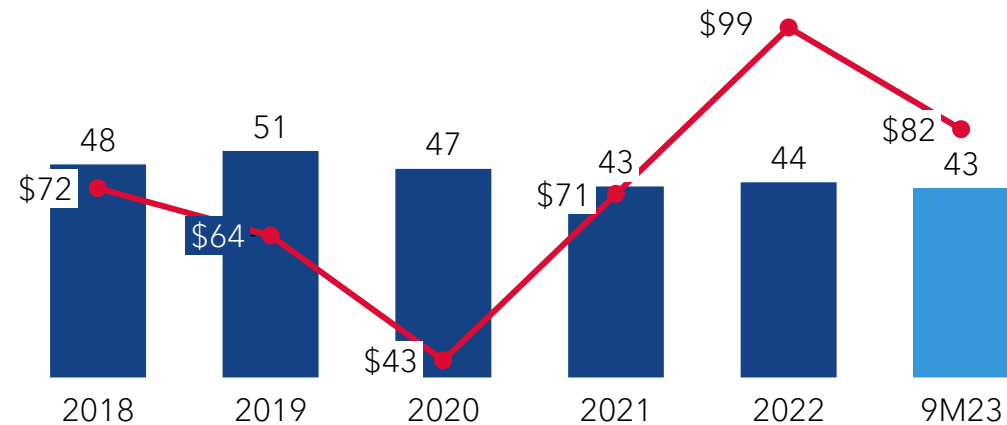
Production share in Colombia<sup>1</sup>



83 kboed operated / jointly operated gross production

Stable production profile through the cycle

—●— Brent (\$/bbl) ■ SBR production (kboed)



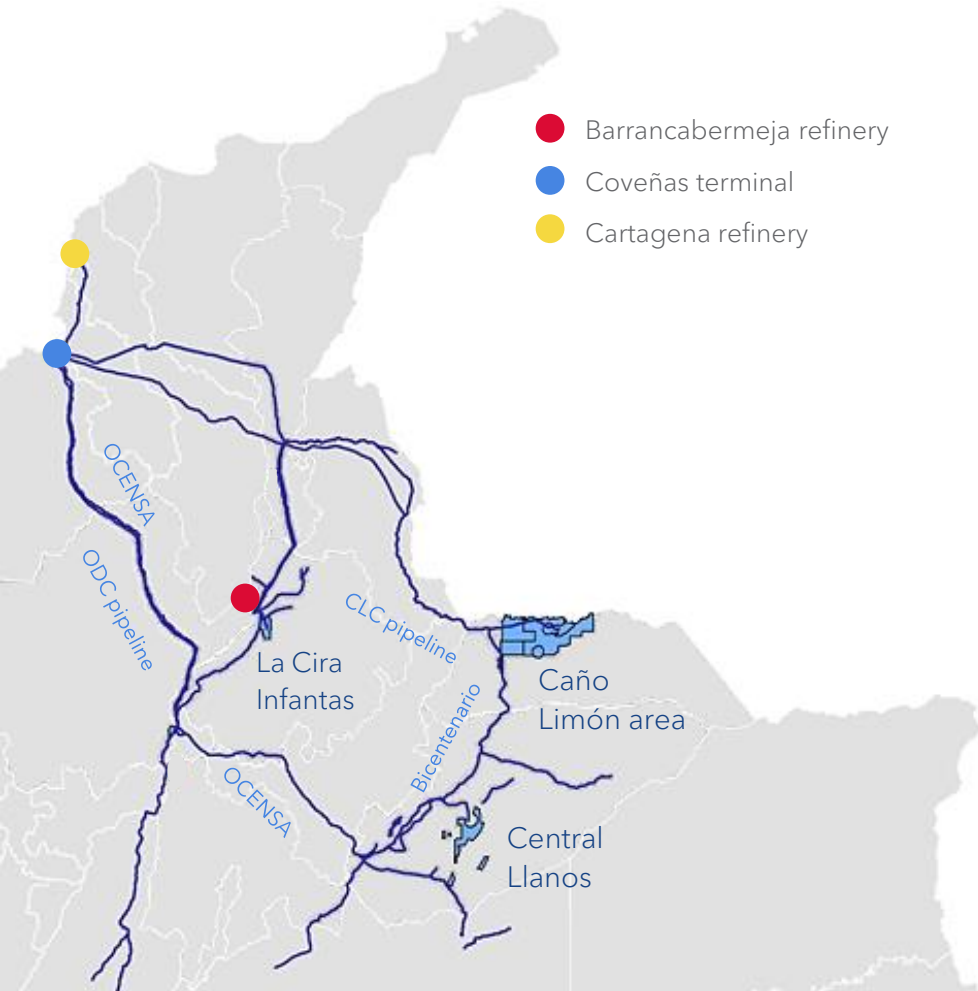
## 2023 Guidance

SBR production (kboed)	42 - 44
Capital and exploration expenditures (\$million)	190 - 210



# Structurally advantaged assets

due to scale, high quality oil and low transport costs



Low transport cost (\$/boe)  
9M23



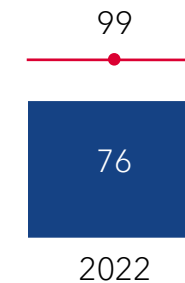
\$8.5



Oil sold at a premium to Vasconia

SierraCol's high-quality sweet crude oil (25° - 35° API) drives a premium to Colombia's heavier Vasconia marker (21° API).

Industry-leading Adj operating netback (\$/boe of net sales)



Brent (\$/bbl)

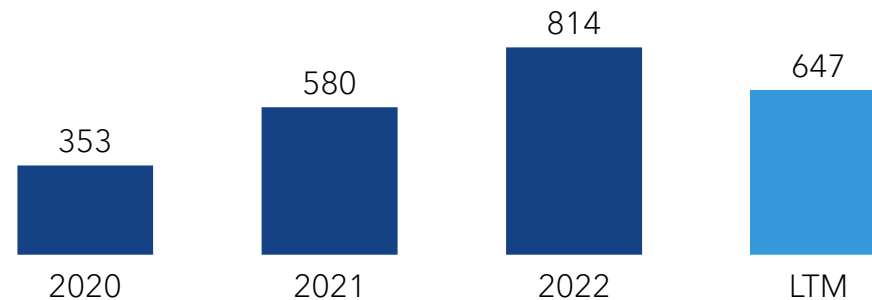
Adj. operating netback per boe<sup>2</sup>

<sup>1</sup> Includes tariffs as of March 2023 of routes to Coveñas terminal through main pipelines: Caño Limón-Covenas, OCENSA, ODC, Bicentenario, OAM. | <sup>2</sup> Calculated as average realised price minus operating expenses (lifting and transport cost) per barrel.

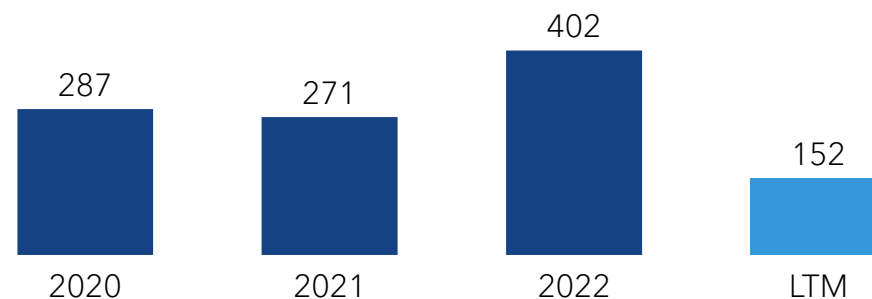
# Strong financial performance

Underpinned by stable base production and cost and capital discipline

Strong Adjusted EBTIDAX (\$ million)



Robust free cash flow generation<sup>1</sup> (\$ million)



Ample liquidity at 9M23 (\$ million)

<b>107</b>		<b>200</b>
Cash & cash equivalents		Total liquidity

- Liquidity provided by cash and cash equivalents and undrawn amounts of committed credit lines.
- Disciplined approach to capital allocation protects cashflow generation.
- Business is characterised by high netbacks and low required reinvestment rates, which leads to high cash generation.

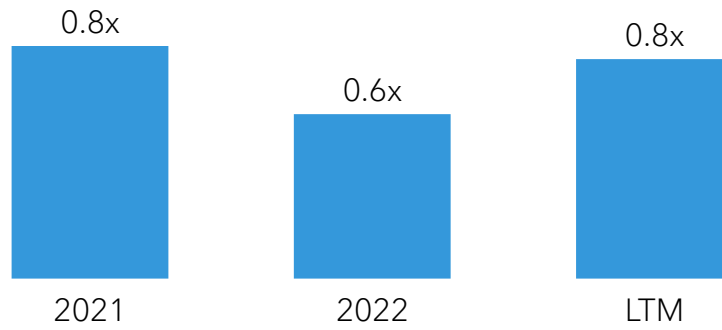


<sup>1</sup> Free cash flow is calculated as Adjusted EBITDAX - capex + change in working capital + change in other assets/liabilities + income tax received/(paid) + other income/(expense).

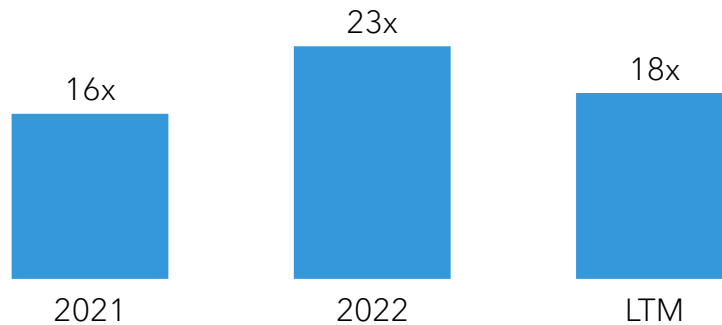


# Robust capital structure

Net  
leverage  
ratio<sup>1</sup>



Interest  
coverage  
ratio<sup>2</sup>



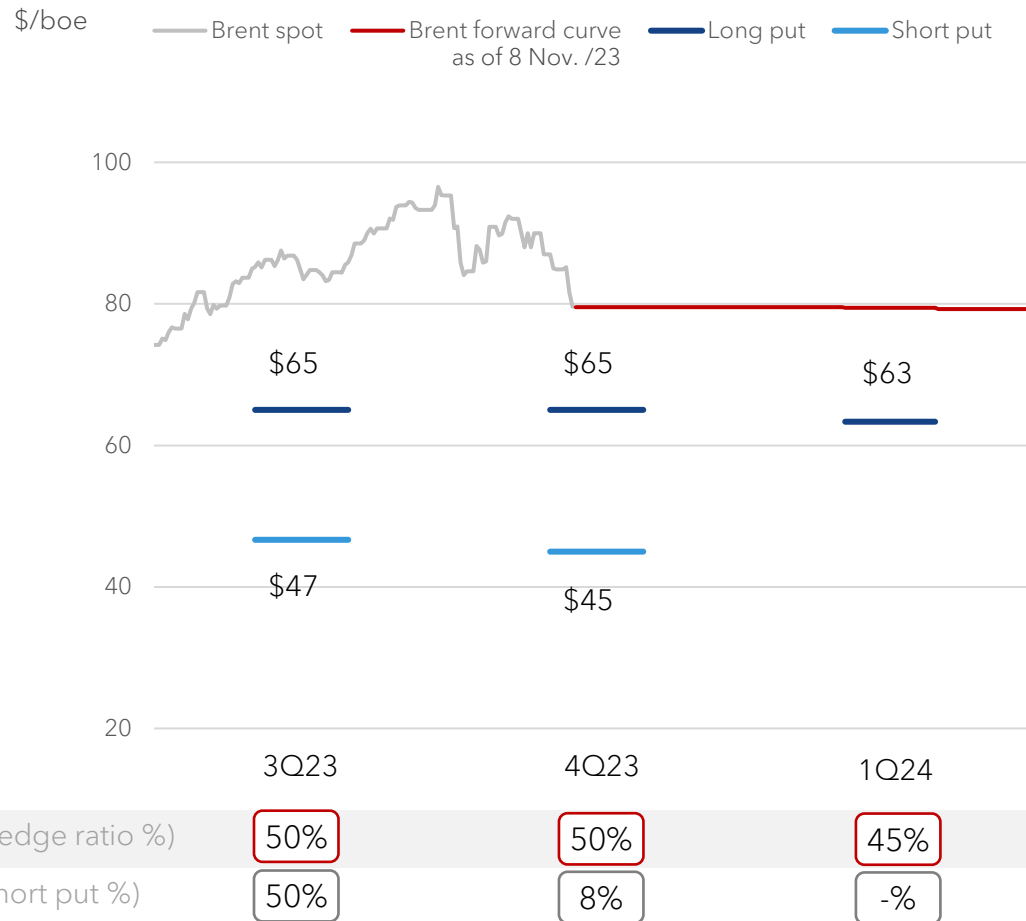
## Healthy credit metrics underpinned by strong financials

- Conservative net leverage below peers.
- Interest coverage ratio considerably above industry average.
- Stable cash flow generation provides ample headroom to comfortably service debt.



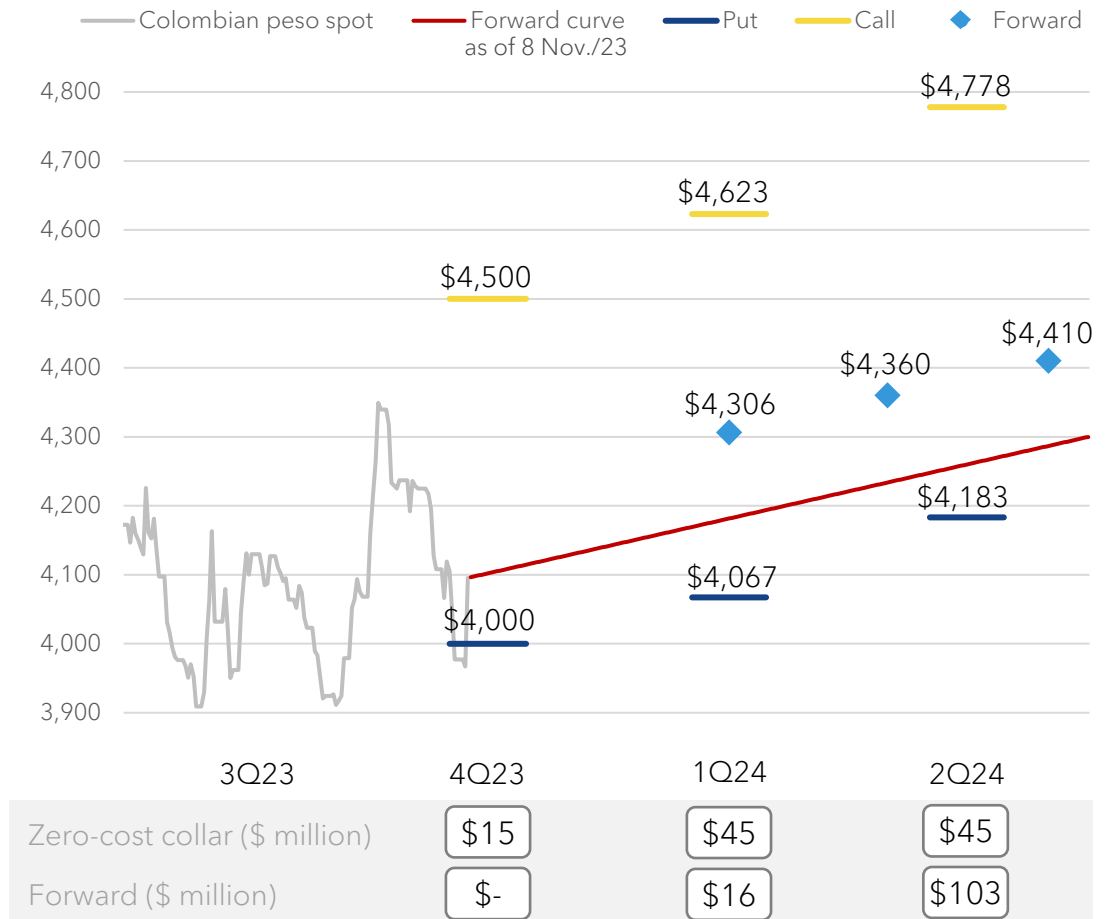
# Risk management

## Brent price hedging programme



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

## Currency hedging programme



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



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

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