

SierraCol announces fourth quarter and full year 2023 operational and reserves update and provides 2024 guidance

- 4Q23 Share Before Royalties (“SBR”) production of 43.9 kboed, up 5% q/q.
- FY23 SBR production of 43.0 kboed, at the midpoint of the SBR production guidance of 42 – 44 kboed.
- Reached a 113% 2P Reserves Replacement Ratio (“RRR”), achieving a replacement above 100% for the last 7 years. Delivered a solid 110% 1P RRR.
- 2P reserves of 118 million boe, and 1P reserves of 84 million boe, maintaining essentially flat our reserves life with a Reserves-to-Production (“R/P”) ratio of 9.9 and 7.1 years, respectively.
- Successful exploration well in the Caño Limón area; since production started, the well has had a preliminary initial flow rate of ~3,300 bod of light oil. Well testing is ongoing.
- 2024 guidance for SBR production of 42 – 44 kboed and for capital and exploration expenditures of \$170 – \$200 million.

London, UK, 24 January 2024, SierraCol Energy Limited (the “Company”, “SierraCol” or “SCE”), the direct parent of SierraCol Energy Andina, LLC, announced today its operational update for the fourth quarter and full year 2023 (“4Q23” and “FY23”, respectively), the results of its annual independent reserves assessment, certified by DeGolyer and McNaughton (“D&M”), as of 31 December 2023, prepared in accordance with the Petroleum Resources Management System (“PRMS”), and it is also providing its guidance for 2024.

A conference call and webcast for bondholders and analysts will be held on Thursday, 14 March 2024 at 11:00 a.m. Eastern Time to discuss the 4Q23 financial and operating results.

Production performance

Production is presented as Share Before Royalties (“SBR”) and the result for the period is as follows:

- **4Q23:** SBR production was 43.9 kboed, 5% higher than the previous quarter mainly due to i) increased production in the Caño Limón area (1.9 kboed) tied to the development drilling and workover campaign results, ii) better performance in the Central Llanos area after completion of a successful drilling program in 3Q23 (0.2 kboed), and iii) recovery of La Cira Infantas production after the past quarter surface equipment issues (0.1 kboed).

Compared to 4Q22, SBR production presented a minor decrease of less than 1% mainly due to: i) a lower production of 1.0 kboed in Caño Limón area as a result of delayed drilling activity during the first half of the year, and ii) a lower production of 0.8 kboed in La Cira Infantas due to the impact of the past quarter surface equipment failures. This was almost fully offset by 1.5 kboed of increased production in the Central Llanos area due to successful development activities in 2023.

- **FY23:** SBR production of 43.0 kboed, at the midpoint of production guidance of 42 – 44 kboed. SBR production was down 3% compared to FY22 mainly driven by i) an impact of 2.0 kboed in

the Caño Limón area as a result of delays in execution of activity during the first half of the year and ii) 0.2 kboed in La Cira Infantas linked to surface equipment failures and maintenance in the water injection and production system. This was partially offset by increased production of 0.9 kboed in the Central Llanos area for the reasons explained above.

SCE achieved an exit rate of 45.6 kboed at the end of December 2023. The company implemented a successful drilling and workover program that resulted in increased activity execution in 4Q23 and a high exit rate.

Production by area:

kboed	4Q23	3Q23	4Q22	Δ q/q	Δ y/y	FY23	FY22	Δ y/y
<u>SBR production</u>								
Caño Limón area	26.8	24.9	27.8	8%	-4%	26.0	28.0	-7%
Middle Magdalena	13.3	13.1	14.1	1%	-6%	13.6	13.7	-1%
Central Llanos	3.8	3.7	2.3	5%	68%	3.4	2.5	35%
SBR production	43.9	41.7	44.2	5%	-1%	43.0	44.3	-3%

Unlocking new opportunities

SierraCol drilled a successful exploration well¹ in the Cosecha contract in the Caño Limón area. The REX-NE North well, which found oil in the M1 formation, was spud during the quarter and began production in January. Since production started, the well has had a preliminary initial flow rate of ~3,300 bod of light oil and is still stabilizing. Well testing is ongoing to further assess its potential.

2023 year-end reserves audit results

For FY23, SierraCol achieved an RRR of 113%, the highest since 2020, and an R/P ratio of 9.9 years, maintaining a healthy reserves life.

Reserves are presented as the Company's working interest after royalties.

2023 certified 2P reserves of 118 million boe, 99% oil, with an R/P ratio of 9.9 years, essentially maintaining the reserve life index vs 2022 (10.1 years), and an RRR of 113%. Certified 1P reserves stand at 84.3 million boe, with an R/P ratio of 7.1 years and an RRR of 110%.

- PDP reserves: Proven developed producing reserves of 60.7 million boe, with an R/P ratio of 5.1 years.
- PD Reserves: Proven developed reserves of 72.5 million boe, with an R/P ratio of 6.1 years.
- 1P Reserves: Proven reserves of 84.3 million boe, with an R/P ratio of 7.1 years.
- 2P Reserves: Proven plus probable reserves of 118.0 million boe, with an R/P ratio of 9.9 years.
- 3P Reserves: Proven plus probable plus possible reserves of 145.9 million boe, with an R/P ratio of 12.2 years.

¹ The initial well classification is an A-1 appraisal well, in accordance with the regulatory agency (ANH) classification guidelines.

The following table provides a reconciliation of SCE's 1P and 2P reserves:

million boe	1P	2P
31 December 2022	83.1	116.3
Production	-11.9	-11.9
Net additions	13.1	13.5
31 December 2023	84.3	118.0
R/P (years)	7.1	9.9
RRR (%)	110%	113%

The following table provides an overview of SCE's 1P and 2P reserves as of 31 December 2023 by area:

million boe	2023		2022	
	1P	2P	1P	2P
Caño Limón area	24.9	33.9	26.8	33.9
Middle Magdalena	52.1	67.5	49.1	65.9
Central Llanos	7.3	16.6	7.3	16.6
SCE	84.3	118.0	83.1	116.4

The following table shows the net present value discounted at 10% ("NPV10") after tax for 1P and 2P reserves:

As of 31 December 2023	1P	2P
Reserves (million boe)	84.3	118.0
NPV10 after tax (\$ million)	1,344	1,707

The following table shows the Brent forecast used to estimate the reserves and NPV10 under PRMS:

	2024	2025	2026	2027
Brent (\$/bbl)	87.8	83.0	80.5	81.6

For 2028 forward prices were escalated 2% per year, as well as the costs.

2024 Guidance

The Company issues its 2024 production guidance as well as the capital and exploration expenditures guidance:

	2024 guidance
SBR production (kboed)	42 - 44
Capital and exploration expenditures (\$ million)	\$170 - \$200

Guidance includes development and exploration capex plus exploration expenses.

4Q23 and FY23 results release, conference call and webcast

SierraCol will report its fourth quarter and full year 2023 financial and operational results on Wednesday, 13 March 2024. A conference call and webcast for bondholders and analysts will be held on Thursday, 14 March 2024 at 11:00 a.m. Eastern Time.

Bondholders and analysts are invited to participate in the call or webcast using the following dial-in numbers or links:

Participant dial-in numbers

Toll Free (US/Canada): 1-877-407-9716

Toll/International: 1-201-493-6779

[Call me™](#)

Webcast link

https://viaid.webcasts.com/starthere.jsp?ei=1651410&tp_key=d56745eb0f

Add event to calendar:



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Forward-looking statements

This notice contains forward-looking statements, which involve significant risk factors, uncertainties and assumptions that could or could not materialize. Statements relating to reserves are by their nature forward-looking statements. The reserves information provided in this notice are estimates only, and there is no guarantee that the estimated reserves will be recovered. Actual reserves may eventually prove to be greater than, or less than, the estimates provided herein.

The Company's actual results and performance could differ from those expressed in, or implied by, this notice and the forward-looking statements. These forward-looking statements are made as of the date of this document and the Company disclaims any intent or obligation to update them.

Certain amounts and percentages included in this document have been rounded for ease of presentation. Accordingly, figures shown as totals or percentage changes between periods may not be the arithmetic result of their inputs as presented in this document.

For further information, please contact us: ir@sierracol.com

About SierraCol

SierraCol Energy is the largest independent E&P Company in Colombia based on gross operated and jointly operated production, with full life-cycle capabilities across exploration, development and production. The Company, headquartered in Bogotá, Colombia, manages a high-quality portfolio with resilient free cash flow generation and is advised by The Carlyle Group.

Further background information is available on the corporate website: www.sierracolenergy.com