

SierraCol Energy

Results presentation 4Q23

14 March 2024



Another year of strong operational and financial performance, with significant progress on our sustainability goals

Strategy and value proposition

2023 performance

Stable production	SBR production of 43 kboed, within guidance of 42-44 kboed, and stable over the last 4 years
2P Reserve replacement >100%	113%, achieving a replacement above 100% for the last 7 years
Healthy R/P	Maintaining flat our reserves life with an R/P ratio of 9.9 years (2022: 10.1)
Strong cash flow generation	EBITDAX of \$647 million, FCF of \$171 million ¹ , and cash balance of \$89 million
Ample total liquidity	\$203 million including \$114 million of unused RCF
Leverage ratio <1.5x	0.8x
40%-60% volume hedging	52% of our expected production hedged until December 2024
Emissions - 50% reduction by year-end 2023	Net emissions reduced by 47% versus 2020 baseline. CO ₂ e net intensity factor down 11% y/y, from 21.1 to 18.8 kg CO ₂ e/boe 2024: on track to deliver a 60% reduction vs the 2020 baseline
Transparent ESG reporting	2022 reports on sustainability, TCFD, and our inaugural TNFD, emphasise our commitment to continuous improvement on our ESG performance and disclosure
Obtain a Sustainalytics ESG rating by 2023	Achieved top-tier worldwide ESG rating of 19.9, upgraded to low risk and ranked 5 out of 305 O&G companies by Sustainalytics ²
Committed to safe operations	Achieved TRIR of 0.55, the lowest in 5 years, and a 10% y/y improvement

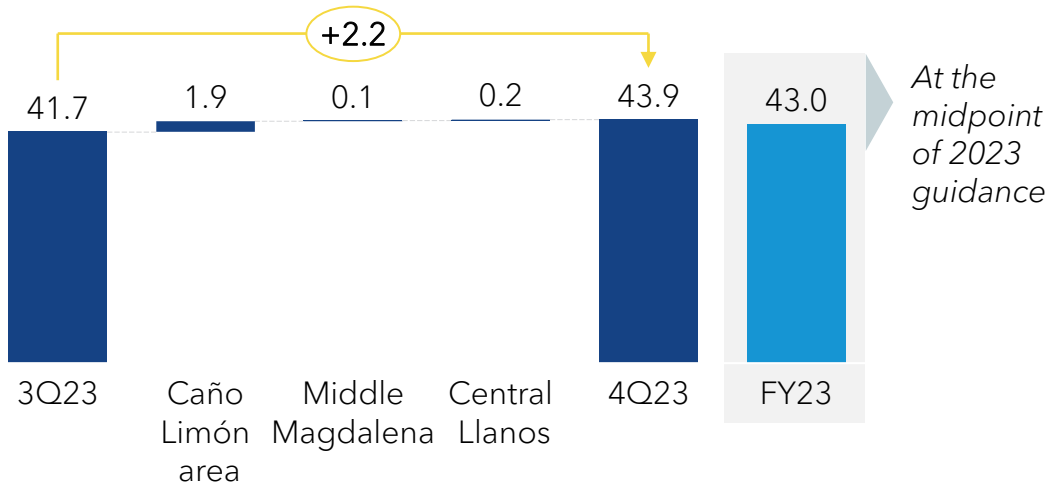
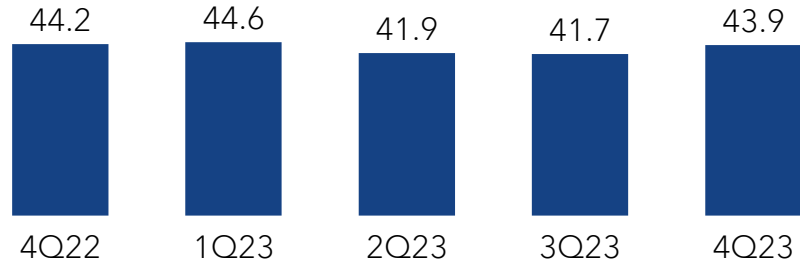


¹ Free cash flow for FY23 presented before \$45.0 million contingent payment to Oxy in 2Q23 | ² ESG rating awarded by Sustainalytics on 26 January 2024.

Operational highlights

Production

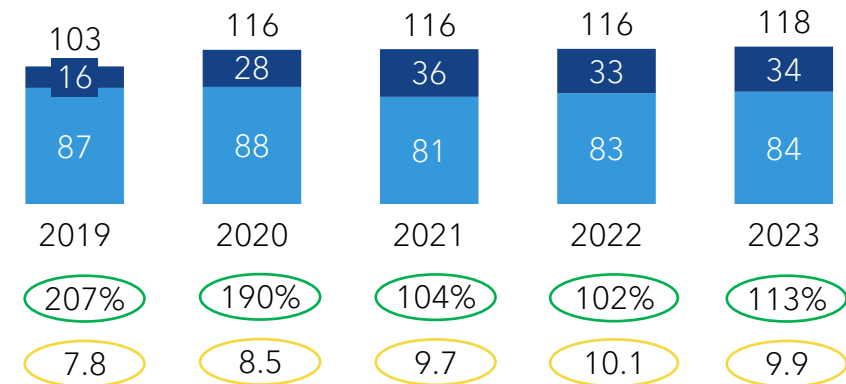
SBR production (kboed)



Reserves

2P reserves (million boe)

■ Probable (P2) ■ Proved (1P) ○ RRR ○ R/P



2024 Guidance

	2024
SBR production (kboed)	42 - 44
Capital and exploration expenditures ¹ (\$ million)	170 - 200

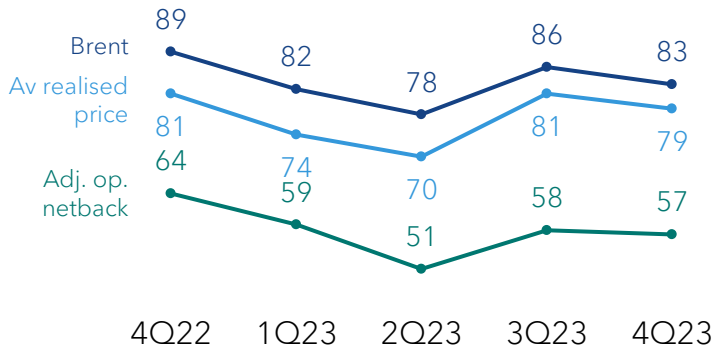


¹ Guidance includes development, green and exploration capex plus exploration expenses.

Financial highlights

Prices and netback

Per quarter
(\$/boe)

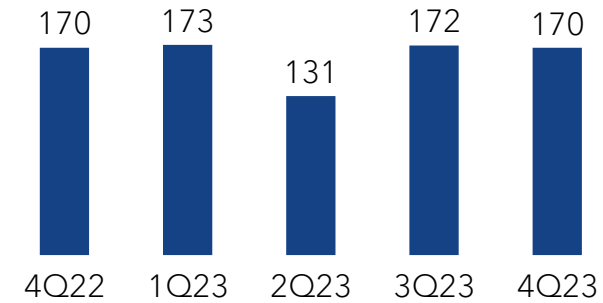


Per year
(\$/boe)

	2022	2023
Brent	99	82
Av realised price	92	76
Adj. op. netback	76	56

Adjusted EBITDAX

Per quarter
\$ million



Per year
\$ million



FY23 Cash generation and Capex

\$ million

345

Net cash flow from operations after tax

188

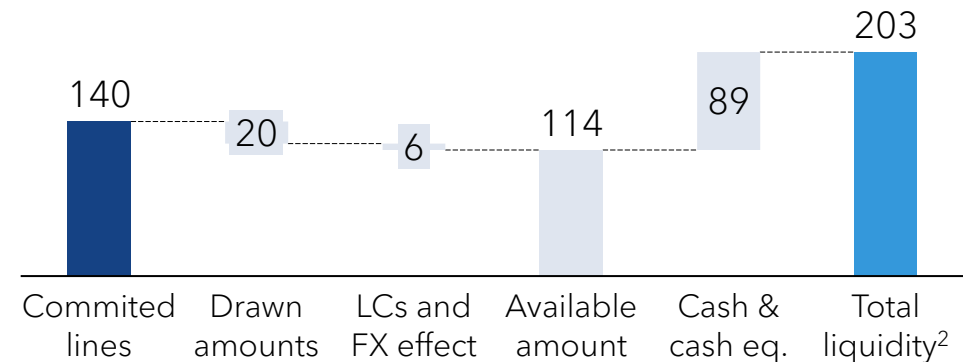
Capital & exploration expenditures

171

Free cash flow¹

FY23 liquidity

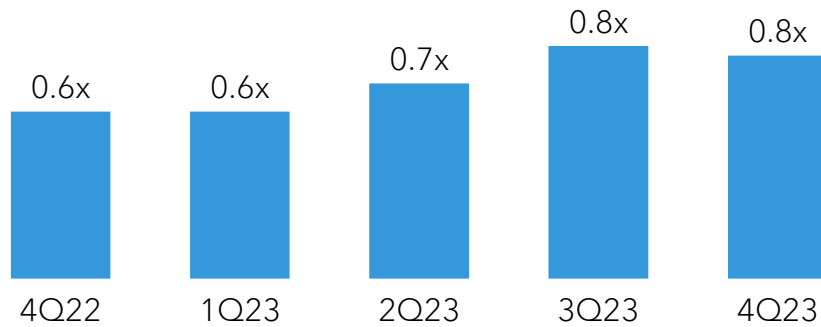
\$ million



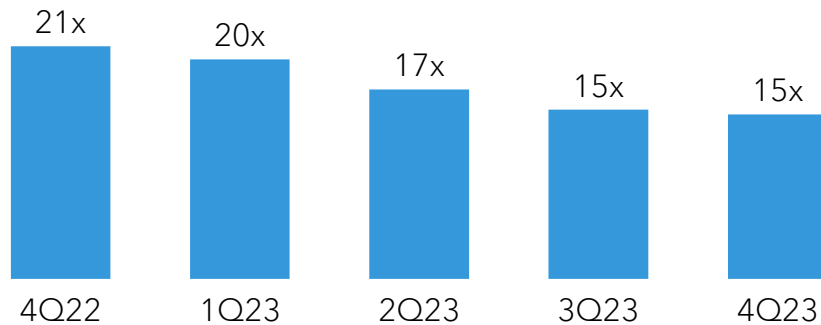
¹ Presented before \$45.0 million contingent payment to Oxy in 2Q23 | ² Includes the available amount under the RCF as of 31 Dec. 2023. The aggregate principal amount of commitments provided under the RCF is \$120.0 million.

Capital structure

Net leverage ratio¹



Interest coverage ratio²

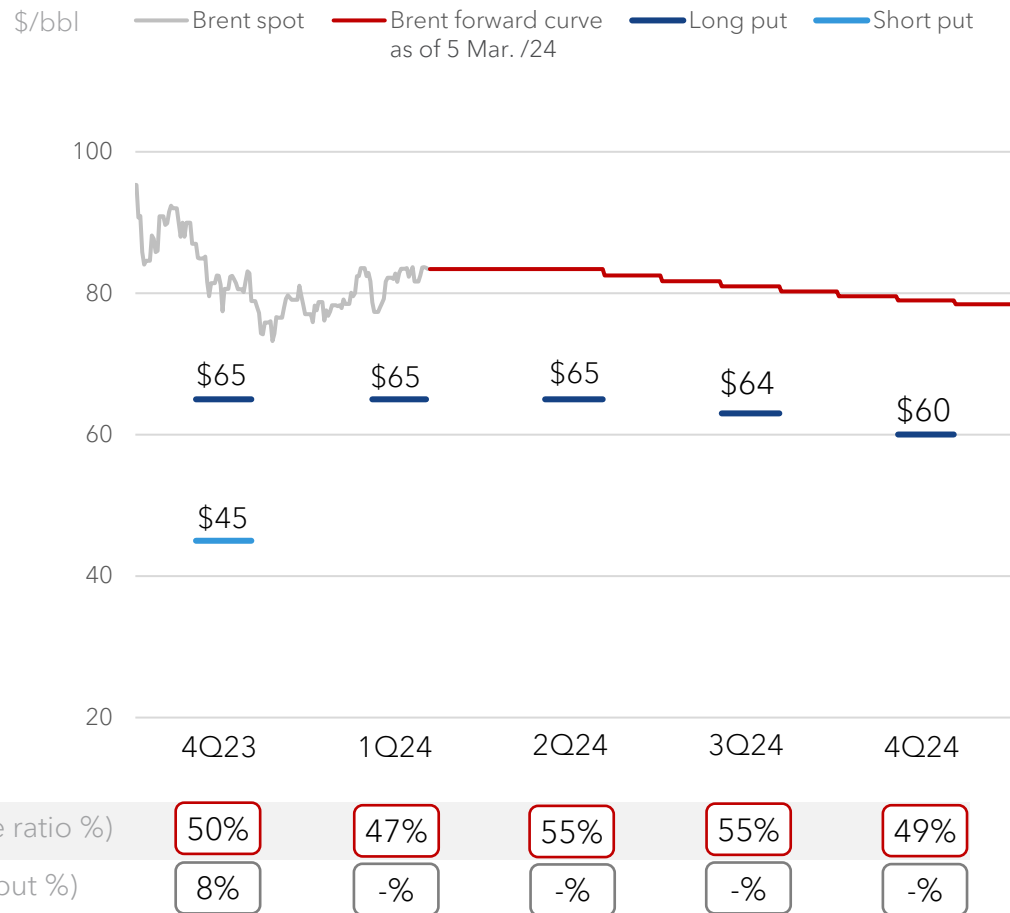


- RCF - fully repaid by year-end.
- \$20.0 million outstanding in short-term debt to finance working capital requirements.
- Total indebtedness of \$626.7 million.
- Net debt of \$538.0 million at year-end.
- Low net leverage ratio at 0.8x.
- High interest coverage ratio at 15x.



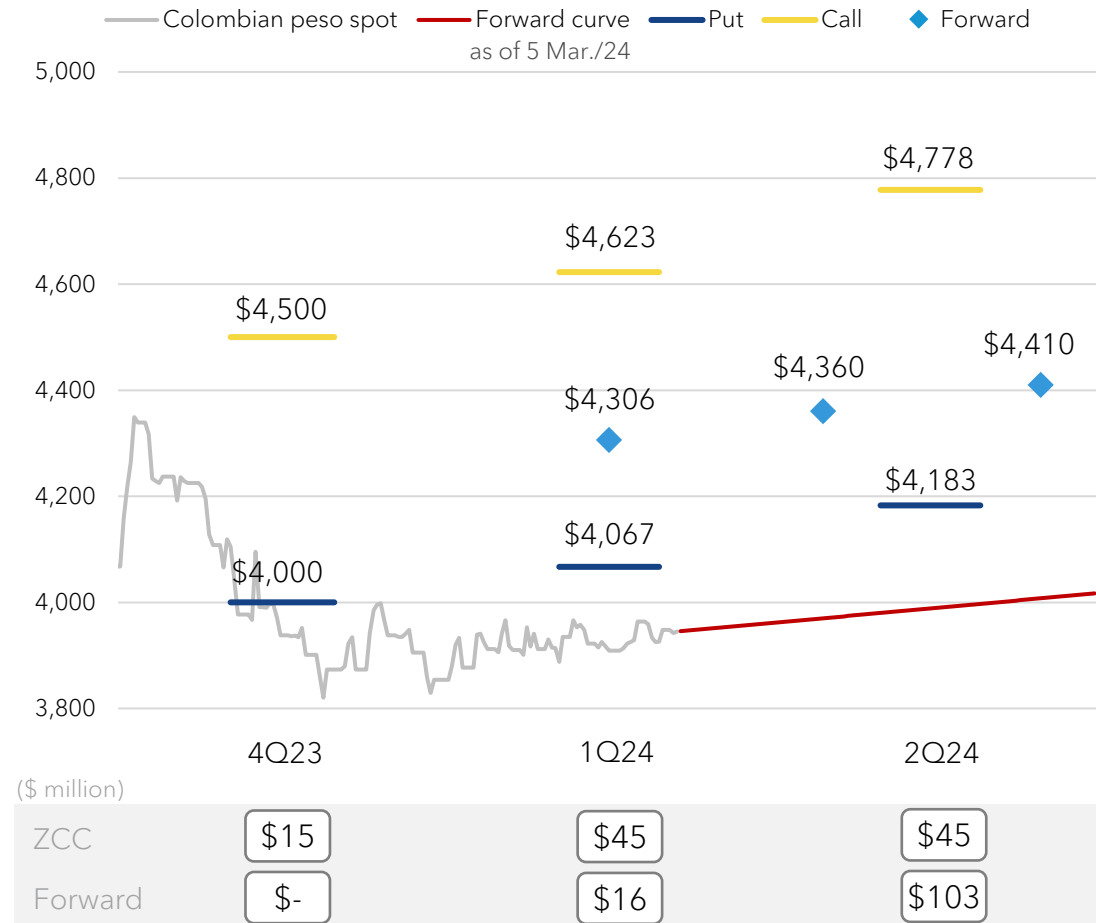
Risk management

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 audited consolidated financial statements of SierraCol for the period ended 31 December 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.



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