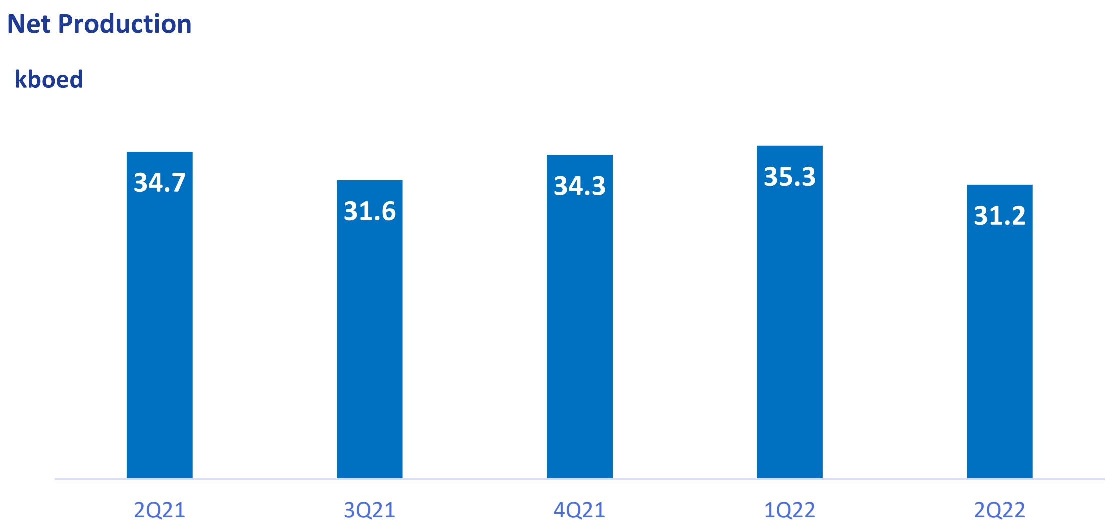
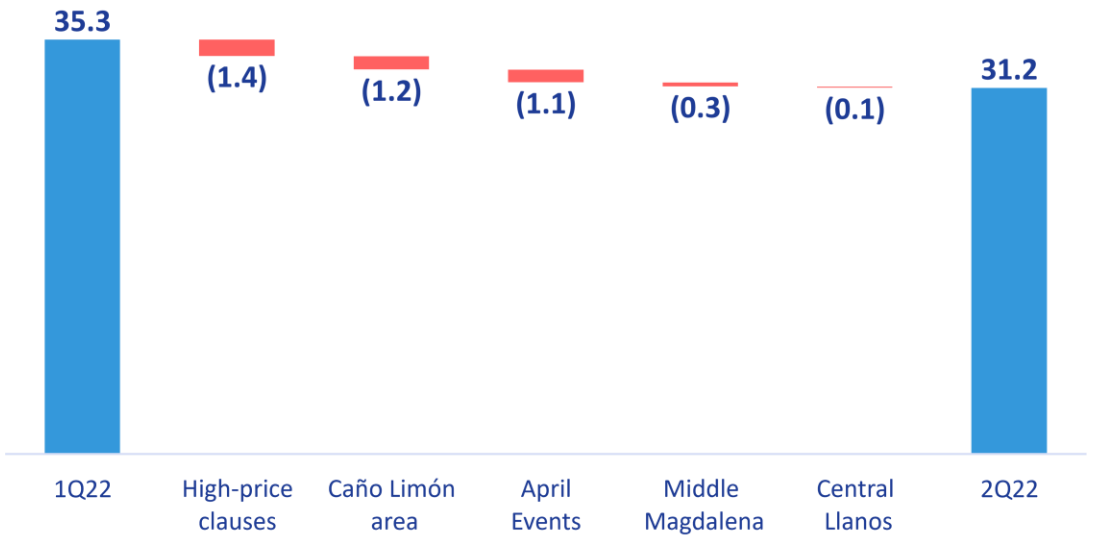
SierraCol Energy
Results presentation 2Q22

11 August 2022

Operational highlights





Production

- Resilient gross production of 78.4 kboed in 2Q22 despite the challenges associated with the labour strike at the Caño Limón area and the community strike at La Cira Infantas in April – both now fully resolved.
- 6M22 gross production was 82.1 kboed, down 2% vs 6M21.
- 2Q22 net production was 31.2 kboed 12% lower than 1Q22 mainly due to:
  - High-price clauses: -1.4 kboed
  - Higher water cut in some of the Caño Limón area new wells: -1.2 kboed
  - April blockades: -1.1 kboed
  - Other in Middle Magdalena and Central Llanos: -0.4 kboed
- 2Q22 exit rate was 32.5 kboed.
- 6M22 net production averaged 33.2 kboed which is within our 2022 production guidance, despite the impact of the high-price clause and April blockades.
- We reiterate our 2022 production guidance[1] of 32 – 34 kboed and capital and exploration expenditures guidance of $185 – 205 million.

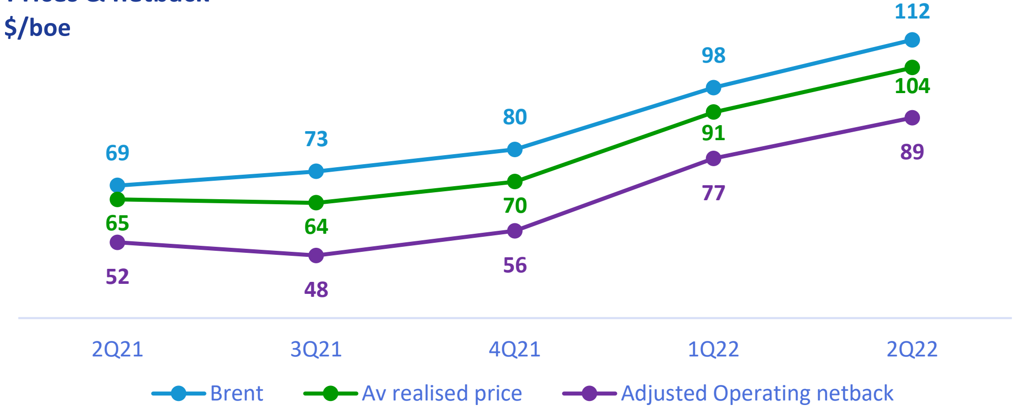
Activity

- 3 active rigs during the quarter drilled 4 wells in the Caño Limón area and 10 wells in La Cira Infantas. 11 workovers completed in 2Q22.
- On track to deliver a 50% reduction in emissions by 2023.
- Subsequent event: agreement reached on 8 August to extend Bolivar contract to 2035, or to economic limit, whichever occurs first.

[1] 2022 guidance assumes $85/bbl Brent price

Financial highlights

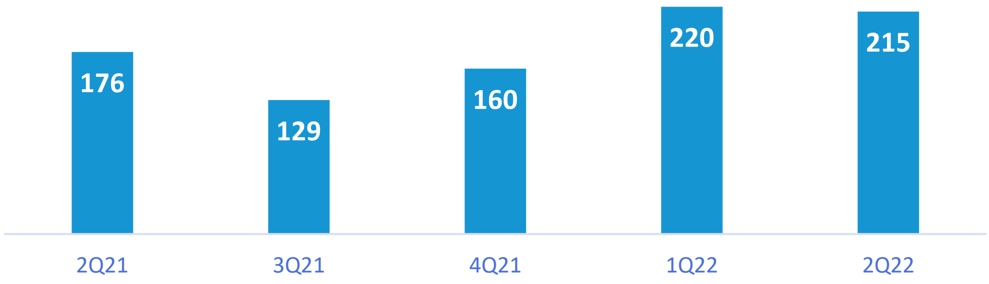
Prices & netback
$/boe



- Strong financial results due to higher realisations and continued cost discipline, leading to best in class netbacks.
- 2Q22 realisations $104/boe, up 14% vs 1Q22 and 60% vs 2Q21 as a result of higher Brent.
- 2Q22 Adjusted operating netback of $89/boe, up 16% from 1Q22 and 70% from 2Q21.
- Caño Limón - Coveñas pipeline stable operationally. Only one batch transported through Bicentenario pipeline on 1 April.

Adjusted EBITDAX

$million



- 2Q22 Adjusted EBITDAX $215 million, down 2% vs 1Q22, mainly explained by higher realised losses on derivatives of $11 million.
- Adjusted EBITDAX increased 22% vs 2Q21 mainly driven by higher Brent partly offset by lower volumes.
- LTM Adjusted EBITDAX stands at $724 million.

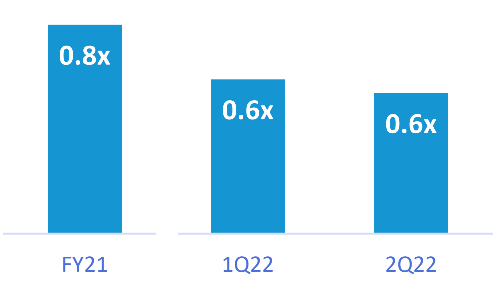
Ample liquidity at end of 2Q22
$million

190	252
Cash & cash equivalents	Total liquidity

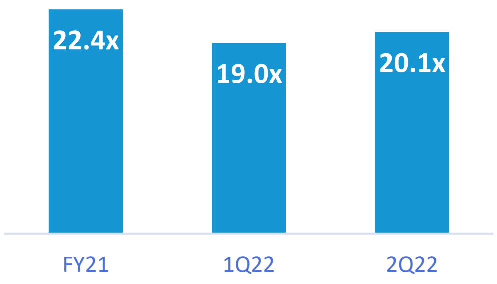
- Capex and exploration expenditures totalled $71 million in 6M22. 3 exploration wells were declared as dry holes, leading to a $26 million write-off.
- Free cash flow generation of $155 million in 6M22, after tax payments of $132 million in the first two quarters and before a $55 million contingent payment to Oxy.
- Cash and cash equivalents of $190 million at the end of 2Q22.
- Total liquidity of $252 million at the end of 2Q22 (cash and cash equivalents plus $62 million of unused RCF).

Capital structure and risk management

Net leverage[1]



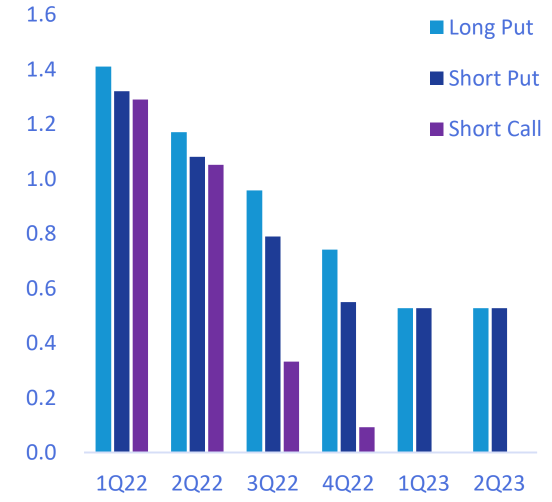
Interest coverage ratio[2]



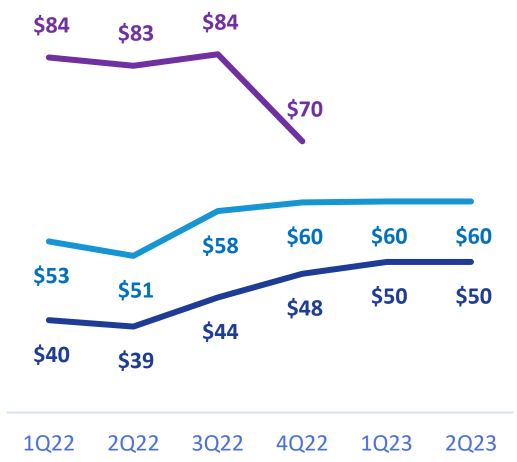
- Net debt of $414 million for at the end of 2Q22.
- Maintaining a low leverage ratio at 0.6x, and a high interest coverage ratio of 20.1x.
- Coupon payment of $18.0 million in June.
- Fitch and Moody's affirmed credit ratings at B+ and B1, respectively, with a stable outlook.

Brent price hedging programme

Hedged volume (mmbbl)



Strike prices ($/bbl)



- Continuously monitoring the market to manage Brent price hedging programme.
- For the twelve-month period of 3Q22-2Q23 we have hedged 39% of our expected production.
- Weighted average long put strike price of $59/bbl for 3Q22-2Q23.
- Weighted average call strike price of $81/bbl over 18% and 5% of hedgeable volumes for 3Q22 and 4Q22, respectively, and 0% thereafter.
- Short calls will roll-off next quarter and we have entered into new long put positions as part of our hedging strategy to protect from the downside risk and leave exposure to the upside.
- Weighted average short put strike price of $48/bbl over 34% of hedgeable volumes for 3Q22-2Q23.

[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

Q&A

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

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