

SierraCol Energy

Results presentation 1Q23

17 May 2023



Quarter highlights

1Q23 highlights

- Gross production was up 2% vs 4Q22, above 83 kboed.
- Adjusted EBITDAX of \$173 million in the quarter, and last twelve-months at \$768 million.
- Adjusted operating netback per barrel was \$59/boe with Brent averaging \$82/bbl for the quarter.
- Free Cash Flow generation of \$63 million during 1Q23, and last twelve-months at \$336 million.
- After quarter-end, the RCF increased by \$40 million to \$120 million¹.

ESG

- After quarter-end, we released the 2022 sustainability report on 15 May.
- Progressing on the target of 50% reduction in net CO₂e emissions by year-end 2023 vs 2020 baseline.



1Q23

Energy transition

Regulator approved fourth transformer of 50 MVAs in Caño Limón. Construction has commenced in the field.

Gas flaring elimination

Two key projects sanctioned:

- Two gas-to-liquids projects in the Caño Limón area.
- A new gas compressor in Caricare.

Methane measurement and mitigation

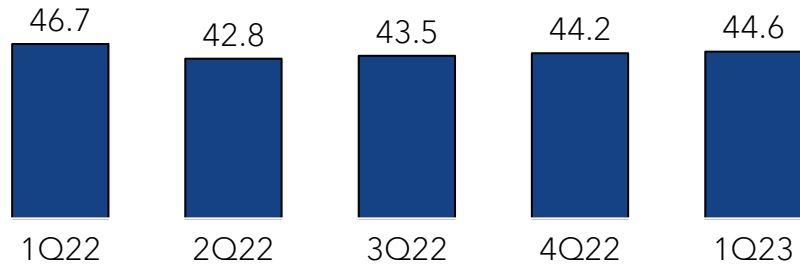
First methane measurement report to ANH (regulator). Mitigation actions for fugitive methane emissions are being implemented during 2023.

¹ The updated amount of the RCF is \$120 million of which 25% is Colombian peso-denominated at the issuance rate of COP\$ 3700/USD.

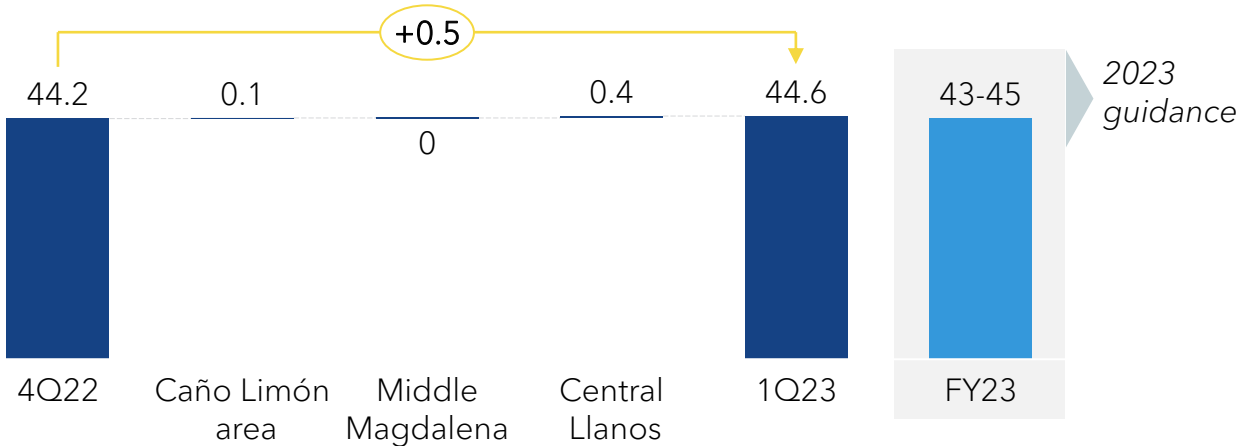
Operational highlights

Production

SBR production (kboed)



- Share Before Royalties ("SBR") production was 44.6 kboed in 1Q23, up 1% vs 4Q22 mainly due to:
 - Production of new wells in Central Llanos.
 - Production increase in the Caño Limón area due to strong performance from the 2022 wells campaign and a high entry rate.



1Q23 Activity



2 active rigs

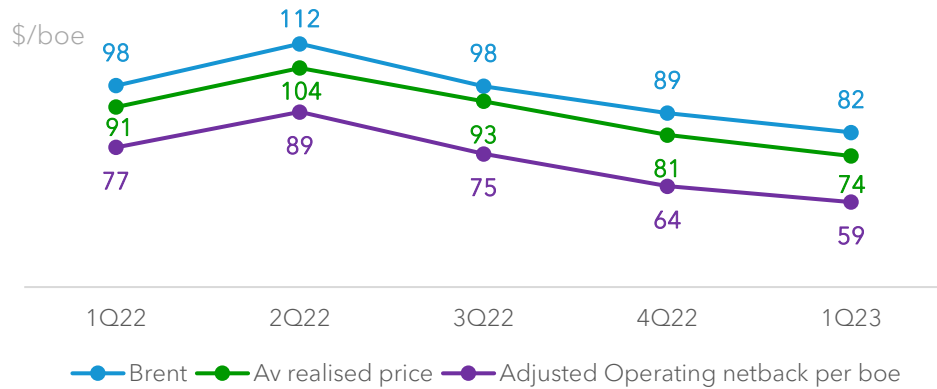


9 new wells

2 in the Caño Limón area
6 in Middle Magdalena
1 in Central Llanos

8 workovers

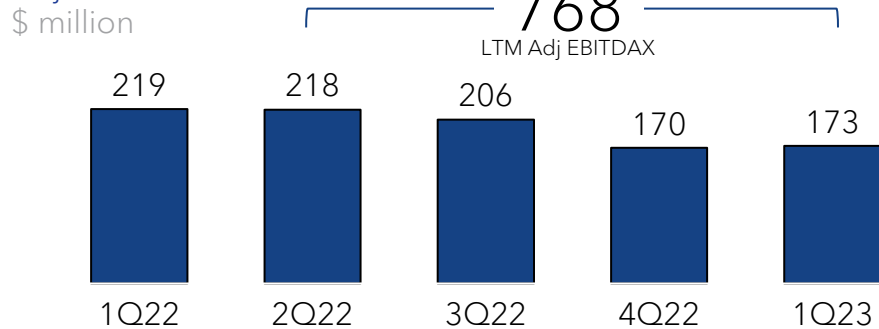
Financial highlights



Prices & netback

- Net income of \$75.8 million in 1Q23, up 66% vs 4Q22 mainly due to lower tax expenses and better operational performance.
- Caño Limón area - 85% production shipped via CLC pipeline.
- Adjusted operating netback per boe of \$59/boe during the quarter.

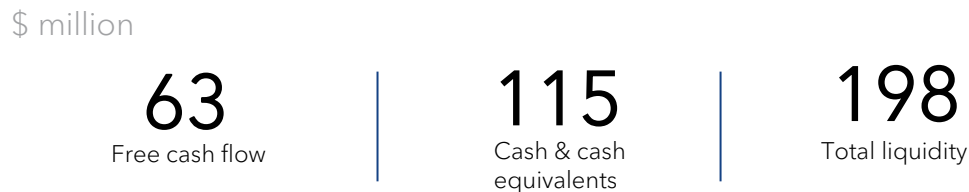
Adjusted EBITDAX



Adjusted EBITDAX & liquidity

- 1Q23 Adjusted EBITDAX increased 1% q/q despite a \$6.5/bbl decrease in Brent mainly due to higher volumes sold and lower operational expenses and G&A.
- Last twelve-months ("LTM") Adjusted EBITDAX of \$768 million.
- Free cash flow generation of \$63 million in 1Q23, after cash income tax payments of \$18 million.
- Cash and cash equivalents of \$115 million at quarter-end, after a \$45 million contingent payment to Oxy, a reduction in accounts payable of \$71 million, income tax payments of \$18 million, and dividend payment of \$8 million to NCI.
- Total liquidity of \$198 million: \$115 million of cash and cash equivalents plus \$83 million in undrawn amounts of committed credit lines¹.

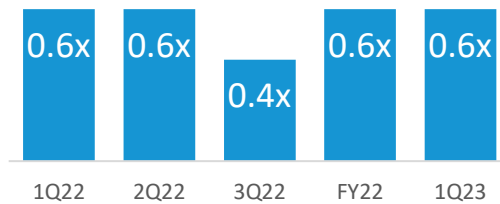
Ample liquidity at quarter-end



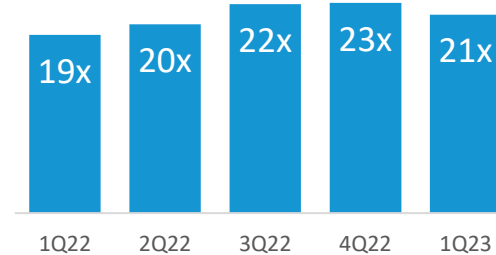
¹ Includes the RCF (\$63 million available) and the short-term credit line (\$20 million) as of 31 March 2023. After quarter-end, the aggregate principal amount of commitments provided under the RCF increased from \$80 million to \$120 million.

Capital structure and risk management

Net leverage¹



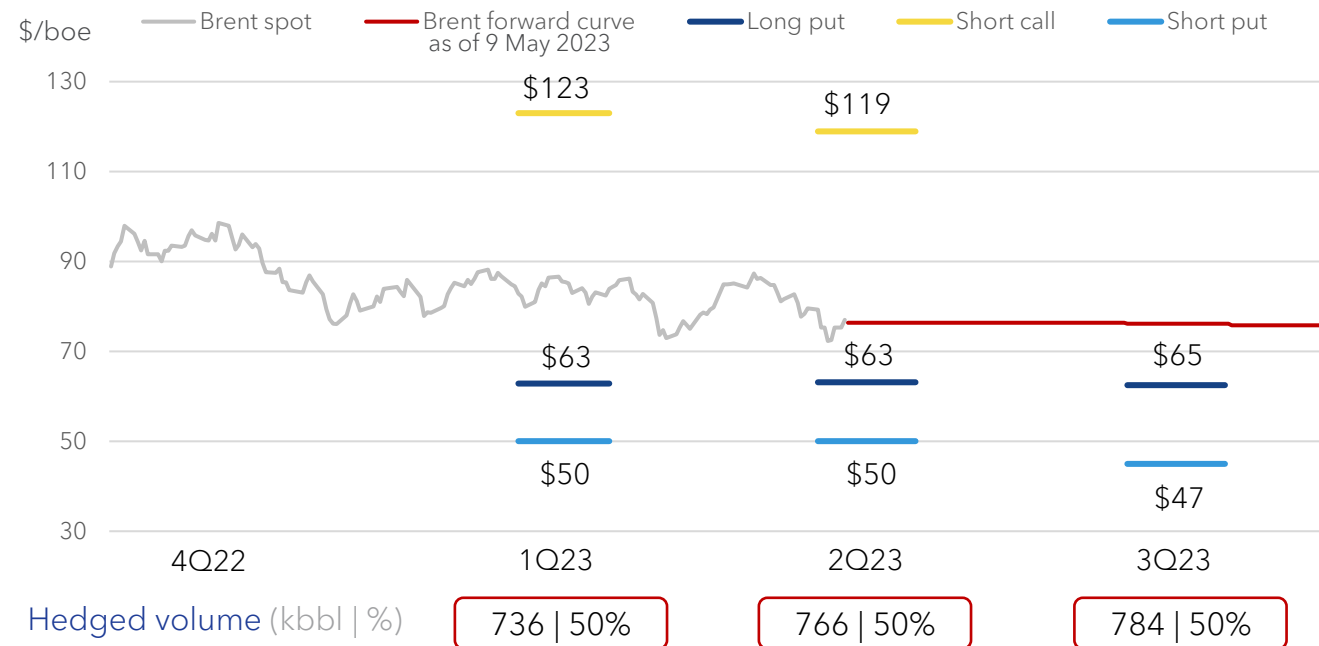
Interest coverage ratio²



- Net debt of \$491 million at quarter-end.
- Low net leverage ratio at 0.6x.
- High interest coverage ratio above 20x.



Brent price hedging programme



Currency hedging programme

We entered into currency hedging positions of \$148 million in 1H23 to manage volatility in the foreign exchange rate of Colombian peso to US dollar.

	1Q23	2Q23	1H23
Zero-cost collar			
Hedged volumes (\$ million)	\$4	\$79	\$83
Call strike (COP/USD)	4,963	5,084	5,078
Put strike (COP/USD)	4,833	4,807	4,808
Forwards			
Hedged volumes (\$ million)	-	\$65	\$65
Av forward (COP/USD)	-	4,673	4,673

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



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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 March 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