Risk Factors Comparison 2024-03-28 to 2023-03-31 Form: 10-K

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~~You should carefully consider all~~ **The following is a summary** of the **principal** risks **and uncertainties** described ~~below, together with the~~ **in more detail in this annual report: • We need to satisfy a number of permitting obligations and** other **requirements before** ~~information contained in this Annual Report on Form 10- K, including the financial statements. If any of the following risks occur, our business, financial condition or operating results may be materially and adversely affected. In that event, the trading price of our securities could decline, and you could lose all or part of your investment. The risk factors described below are not necessarily exhaustive and you are encouraged to perform your own investigation with respect to us and our business. For risk factors related to the proposed Business Combination, see the section titled " Risk Factors " in the proxy statement (including all amendments and supplements thereto) that~~ we ~~filed with~~ **can restart production of** the **SYU Assets** ~~SEC on November 10, 2022~~ . ~~The~~ **There is no assurance** ~~risks presented below assumes~~ that we will ~~not consummate the proposed Business Combination~~ **be successful in satisfying such obligations** and ~~will~~ **requirements and restarting production of** ~~then~~ **the** ~~seek to find~~ **SYU Assets in a timely manner. • Our assumptions** ~~an~~ **and** ~~alternative target~~ **estimates regarding the total costs associated** with **restarting production may be inaccurate** ~~which to consummate an initial business combination~~ . **• There is** ~~Risks Relating to our Search for, and Consummation of or Inability to Consummate, a Business Combination We are a newly formed company with~~ no **guarantee that** ~~operating history and no revenues, and you have no basis on which to evaluate our ability to achieve our business objective. We are a newly formed company incorporated under the laws of the state of Delaware with no operating results. Because we lack an operating history, you have no basis upon which to evaluate our ability to achieve our business objective of completing our initial business combination with one or more target businesses. Additionally, we may be unable to complete our initial business combination. If we fail to complete our initial business combination,~~ we will ~~never generate~~ **have sufficient cash to restart production of the SYU Assets. • Oil, natural gas and natural gas liquids, or " NGL (s) ", prices are volatile, due to factors beyond our control, and greatly affect our business, results of operations and financial condition. Any decline in, or sustained low levels of, oil, natural gas and NGL prices will cause a decline in our cash flow from operations, which could materially and adversely affect our business, results of operations and financial condition. • If commodity prices decline and remain depressed for a prolonged period, our business may become uneconomical and result in additional write downs of the value of our properties, which may adversely affect our financial condition and our ability to fund operations. • An increase in the differential between the NYMEX or other benchmark prices of oil and natural gas and the wellhead price we expect to receive for our future production could significantly reduce our cash flow and adversely affect our financial condition. • The estimated quantities of petroleum contained in the SYU Assets are classified as " contingent resources " rather than " reserves " because they are subject to numerous contingencies. There is no assurance that** any **of the petroleum contained in the SYU Assets will ever be recovered or reclassified as " reserves. " • Even if all contingencies are resolved and all facilities are restarted, the amounts recovered may be substantially less than estimated. • Developing and producing oil, natural gas and NGLs are costly and high- risk activities with many uncertainties that may result in a total loss of investment or otherwise adversely affect our business, financial condition, results of** ~~operating~~ **operations and cash flows. Many of these risks are heightened for us due to the fact that most of our equipment has been shut- in for more than eight years. • The enactment of derivatives legislation could have an adverse effect on our ability to use derivative instruments to reduce the effect of commodity price, interest rate and other risks associated with our business. • Development and production of oil, natural gas and NGLs in offshore waters have inherent and historically higher risk than similar activities onshore. • Oil and natural gas producers' operations are substantially dependent on the availability of water and the disposal of waste, including produced water and drilling fluids. Restrictions on the ability to obtain water or dispose of waste may impact our operations. • The unavailability or high cost of rigs, equipment, supplies and crews could delay our operations, increase our costs and delay forecasted** ~~revenues~~ **revenue** . **• The third parties on whom we rely for transportation services are subject to complex federal, state and other laws that could adversely affect the cost, manner or feasibility of conducting our business. • Our business depends in part on pipelines, gathering systems and processing facilities owned by us or others. Any limitation in the availability of those facilities could interfere with our ability to market our oil, natural gas and NGL production. •** Our independent registered public accounting firm' s report contains an explanatory paragraph that expresses substantial doubt about our ability to continue as a " going concern. " ~~As~~ **• Loss** of ~~December 31~~ **our key executive officers or other key personnel** , ~~2022~~ **or an inability to attract and retain such officers and personnel** , **could negatively affect our business and, in one instance, could cause a default under the primary agreement governing our existing indebtedness. • We may incur losses as a result of title defects or deficiencies in our properties. • We do not own all of the land on which our assets are located or all of the land that** we **must traverse** ~~had $ 100, 256~~ in ~~cash~~ **order to conduct our operations. There are disputes with respect to certain of the rights- of- way or other interests** and **any unfavorable outcomes of such disputes could require us to incur additional costs. • We may be unable to restart production by January 1, 2026, which would permit EM to exercise** a ~~working~~ **reassignment option and take ownership of SYU without any compensation or reimbursement other than the deemed repayment in full of the principal and accrued interest outstanding under the Term Loan Agreement. • Restrictive covenants in the Term Loan Agreement or any future agreements governing our indebtedness could limit our growth and our ability to finance our operations, fund our** capital **needs** ~~deficiency of $ 6~~ , **respond to changing conditions**

and engage in other business activities ~~217, 154 (not taking into account tax obligations of $ 330, 151~~ that may be ~~paid using investment income earned from~~ **in our best interests. • Under the terms of the Term Loan Agreement, restarting production will trigger a springing maturity date following a specified grace period, and the terms on which we will be able to refinance the Term Loan Agreement, if necessary, will depend on** ~~the~~ **then** ~~Trust Account)~~ **- prevalent market conditions** . **• Our business plans require a significant amount of capital. In addition, our future capital needs may require us to issue additional equity or debt securities that may dilute our stockholders or introduce covenants that may restrict our operations or ability to pay dividends. •** We are ~~also~~ subject to ~~a mandatory liquidation~~ **complex federal, state, local** and ~~subsequent dissolution requirement if~~ **other laws, regulations and permits that could adversely affect the cost, manner, ability or feasibility of conducting our operations. • Climate change legislation or regulations restricting emissions of " greenhouse gases, " or GHGs, could result in increased operating costs and reduced demand for the oil, natural gas and NGLs** we **expect to produce** ~~do not complete our initial business combination by September 1, 2023~~ . ~~Further~~ **• If engaged in intrastate common carrier operations** , **our financial results with respect to the Pipelines will primarily depend on the outcomes of ratemaking proceedings with the California Public Utilities Commission and** we ~~have incurred and expect to continue to incur significant costs in pursuit of an initial business combination. Management' s plans to address this need for capital are discussed in the section of this annual report titled " Management' s Discussion and Analysis of Financial Condition and Results of Operations. " We cannot assure you that our plans to raise capital or to consummate an initial business combination before September 1, 2023 will be successful. These factors, among others, raise substantial doubt about our ability to continue as a going concern. The financial statements contained elsewhere herein do not include any adjustments that might result from our inability to continue as a going concern. Our public stockholders may not be afforded an opportunity to vote on our proposed business combination, which means we may complete our initial business combination even though holders of a majority of our common stock do not support such a combination. We may not hold a stockholder vote to approve our initial business combination unless the business combination would require stockholder approval under applicable law or stock exchange listing requirements or if we decide to hold a stockholder vote for business or other legal reasons. For instance, the rules of the NYSE currently allow us to engage in a tender offer in lieu of a general meeting, but would still require us to obtain stockholder approval if we were seeking to issue more than 20 % of our issued and outstanding common stock to a target business as consideration in any business combination. Therefore, if we were structuring a business combination that required us to issue more than 20 % of our issued and outstanding common stock, we would seek stockholder approval of such business combination. Except as required by law, the decision as to whether we will seek stockholder approval of a proposed business combination or will allow stockholders to sell their shares to us in a tender offer will be made by us, solely in our discretion, and will be based on a variety of factors, such as the timing of the transaction and whether the terms of the transaction would otherwise require us to seek stockholder approval. Accordingly, we may complete our initial business combination even if holders of a majority of our common stock do not approve of the business combination we complete. If we seek stockholder approval of our initial business combination, our initial stockholders have agreed to vote in favor of such initial business combination, regardless of how our public stockholders vote. Unlike many~~ - **may** ~~other blank check companies in which the initial stockholders agree to vote their founder shares in accordance with the majority of the votes cast by the public stockholders in connection with an initial business combination, our initial stockholders have agreed to vote their founder shares, as well as any other public shares purchased in or subsequent to our initial public offering, in favor of our initial business combination. As a result, in addition to our initial stockholders' founder shares, we would need 622, 623, or 7. 4 %, of the 8, 432, 745 currently outstanding public shares to be voted in favor of a transaction in order to have our initial business combination approved (assuming all outstanding shares are voted). Our founders own shares representing 46. 0 % of our outstanding shares of common stock. Accordingly, if we seek stockholder approval of our initial business combination, it is more likely that the necessary stockholder approval will be received than would be the case if our initial stockholders agreed to vote their founder shares in accordance with the majority of the votes cast by our public stockholders. Your only opportunity to affect the investment decision regarding a potential business combination will be limited to the exercise of your right to redeem your shares from us for cash, unless we seek stockholder approval of the business combination. At the time of your investment in us, you will not be provided with an opportunity to evaluate the specific merits or risks of one or more target businesses. Since our Board may complete a business combination without seeking stockholder approval, public stockholders may not have the right or opportunity to vote on the business combination, unless we seek such stockholder vote. Accordingly, if we do not seek stockholder approval, your only opportunity to affect the investment decision regarding a potential business combination may be limited to exercising your redemption rights within the period of time (which will be at least 20 business days) set forth in our tender offer documents mailed to our public stockholders in which we describe our initial business combination. The ability of our public stockholders to redeem their shares for cash may make our financial condition unattractive to potential business combination targets, which may make it difficult for us to enter into a business combination with a target. We may seek to enter into a business combination transaction agreement with a prospective target that requires as a closing condition that we have a minimum net worth or a certain amount of cash. If too many public stockholders exercise their redemption rights, we would~~ not be able to **earn** ~~meet such closing condition and~~ - **an** ~~,~~ **adequate rate of return in a timely manner or at all. • Attempts by the California state government to restrict the production of oil and** ~~as~~ **gas** ~~a~~ **could negatively impact our operations and** result **in decreased demand for fossil fuels in California. • Our assets are located exclusively onshore and offshore in California** , ~~would not~~ **making us vulnerable to risks associated with having operations concentrated in this geographic area. • All of our operations are conducted in areas that may** be ~~able~~ **at risk of damage from fire, mudslides, earthquakes or other natural disasters. • We may be required** to ~~proceed~~ **post cash collateral pursuant to our agreements** with **sureties, letter of credit providers or regulators under our existing or future bonding or** ~~the~~ **other arrangements, which may have a material adverse effect on our liquidity and our ability to execute our capital expenditure plan and**

our asset retirement obligation plan and comply with the agreements governing our existing or future indebtedness. • Our business ~~combination. Furthermore, in no event will we redeem our public shares in an amount that would~~ **could** ~~cause our net tangible assets to~~ be ~~less than $ 5~~ **negatively affected by security threats** , ~~000~~ **including cybersecurity threats** , **destructive forms** ~~001 upon completion~~ of **protest and opposition by activists and** ~~our initial business combination (so that we are not subject to the~~ **other disruptions. • The market prices of** ~~SEC' s " penny stock " rules) or~~ **our securities could** ~~any greater net tangible asset or cash requirement that may~~ be **highly volatile** ~~contained in the agreement relating to our~~ - **or** ~~initial business combination~~ **may decline regardless of our operating performance** . ~~Consequently, if accepting~~ **You may lose some or** all ~~properly submitted redemption requests would cause our net tangible assets to be less than $ 5, 000, 001 upon completion~~ of ~~our initial business combination or such greater amount necessary to satisfy a closing condition as described above, we would not proceed with such redemption and the related business combination and may instead search for an alternate business combination. Prospective targets will be aware of these risks and, thus, may be reluctant to enter into a business combination transaction with us. The ability of our public stockholders to exercise redemption rights with respect to a large number of our shares may not allow us to complete the most desirable business combination or optimize our capital structure. At the time we enter into an agreement for our initial business combination, we will not know how many public stockholders may exercise their redemption rights, and, therefore, we will need to structure the transaction based on our expectations as to the number of shares that will be submitted for redemption. If our initial business combination agreement requires us to use a portion of the cash in the Trust Account to pay the purchase price, or requires us to have a minimum amount of cash at closing, we will need to reserve a portion of the cash in the Trust Account to meet such requirements, or arrange for third party financing. In addition, if a larger number of shares is submitted for redemption than we initially expected, we may need to restructure the transaction to reserve a greater portion of the cash in the Trust Account or arrange for third party financing. Raising additional third party financing may involve dilutive equity issuances or the incurrence of indebtedness at higher than desirable levels. The above considerations may limit our ability to complete the most desirable business combination available to us or optimize our capital structure. The amount of the marketing fee pursuant to the Business Combination Marketing Agreement (the " Marketing Fee ") payable to the underwriters will not be adjusted for any shares that are redeemed in connection with a business combination and such amount of Marketing Fee is not available for us to use as consideration in an initial business combination. The per- share amount we will distribute to stockholders who properly exercise their redemption rights will not be reduced by the Marketing Fee and after such redemptions, the per- share value of shares held by non- redeeming stockholders will reflect our obligation to pay the Marketing Fee. 19 The ability of our public stockholders to exercise redemption rights with respect to a large number of our shares could increase the probability that our initial business combination would be unsuccessful and that you would have to wait for liquidation in order to redeem your stock. If our initial business combination agreement requires us to use a portion of the cash in the Trust Account to pay the purchase price, or requires us to have a minimum amount of cash at closing, the probability that our initial business combination would be unsuccessful is increased. If our initial business combination is unsuccessful, you would not receive your pro rata portion of the Trust Account until we liquidate the Trust Account. If you are in need of immediate liquidity, you could attempt to sell your stock in the open market; however, at such time our stock may trade at a discount to the pro rata amount per share in the Trust Account. In either situation, you may suffer a material loss on~~ your investment ~~or lose the benefit of funds expected in connection with our redemption until we liquidate or you are able to sell your stock in the open market~~ . **•** ~~The reduced size of our Trust Account may make it more difficult for us to complete an initial business combination. On February 27, 2023, we held special meeting of stockholders to vote on the Extension Amendment Proposal. In connection with the Extension Amendment Proposal, stockholders elected to redeem 20, 317, 255 shares of Class A Common Stock, which represents approximately 70. 67 % of the shares that were part of the units that were sold in our initial public offering. After giving effect to such redemptions, $ 85, 551, 238. 80 remained in the Trust Account. The resulting reduction of the amount available to us in the Trust Account may make us a less attractive partner for a target and also may make it more difficult for us to complete an initial business combination on commercially acceptable terms or at all. There are no assurances that the Extension will enable us to complete an initial business combination. Even though the Extension was approved, we can provide no assurances that our initial business combination will be consummated prior to the end of the Combination Period. Our ability to consummate any business combination is dependent on a variety of factors, many of which are beyond our control. In connection with the Extension, a stockholders elected to redeem an aggregate of 20, 317, 255 shares of Class A Common Stock, representing approximately 70. 67 % of our then- issued and outstanding shares of Class A Common Stock, for an aggregate of $ 206, 121, 060 in cash. As of March 28, 2023, we had cash in the Trust Account of $ 86, 512, 078. The requirement that we complete our initial business combination by September 1, 2023 may give potential target businesses leverage over us in negotiating a business combination and may limit our ability to conduct due diligence on potential business combination targets as we approach our dissolution deadline, which could undermine our ability to complete our initial business combination on terms that would produce value for our stockholders. Any potential target business with which we enter into negotiations concerning a business combination will be aware that we must complete our initial business combination by September 1, 2023. Consequently, such target business may obtain leverage over us in negotiating a business combination, knowing that if we do not complete our initial business combination with that particular target business, we may be unable to complete our initial business combination with any target business. This risk will increase as we get closer to the timeframe described above. In addition, we may have limited time to conduct due diligence and may enter into our initial business combination on terms that we would have rejected upon a more comprehensive investigation. We may not be able to complete our initial business combination by September 1, 2023 (or such later date as may be provided pursuant to a further amendment to our amended and restated certificate of incorporation), in which case we would cease all operations except for the purpose of winding up and we would redeem our public shares and liquidate, in which case our public stockholders may only receive approximately $ 10. 00 per share, or less than such amount in certain circumstances, and our warrants will expire~~

~~worthless. Our amended and restated certificate of incorporation will provide that we must complete our initial business combination by September 1, 2023 (or such later date as may be provided pursuant to a further amendment to our amended and restated certificate of incorporation). We may not be able to find a suitable target business and complete our initial business combination within such time period. Our ability to complete our initial business combination may be negatively impacted by general market conditions, volatility in the capital and debt markets and the other risks described herein. If we have not completed our initial business combination within such time period, we will: (i) cease all operations except for the purpose of winding up, (ii) as promptly as reasonably possible but not more than ten business days thereafter, redeem the public shares, at a per- share price, payable in cash, equal to the aggregate amount then on deposit in the Trust Account, including interest earned on the funds held in the Trust Account and not previously released to us to pay our franchise and income taxes as well as expenses relating to the administration of the Trust Account (less up to $ 100, 000 of interest released to us to pay dissolution expenses), divided by the number of then issued and outstanding public shares, which redemption will completely extinguish public stockholders' rights as stockholders (including the right to receive further liquidating distributions, if any), subject to applicable law, and (iii) as promptly as reasonably possible following such redemption, subject to the approval of our remaining stockholders and our Board, dissolve and liquidate, subject in each case to our obligations under Delaware law to provide for claims of creditors and the requirements of other applicable law. In such case, our public stockholders may only receive approximately $ 10. 00 per share, and our warrants will expire worthless. In certain circumstances, our public stockholders may receive less than $ 10. 00 per share on the redemption of their shares. See "- If third parties bring claims against us, the proceeds held in the Trust Account could be reduced and the per- share redemption amount received by stockholders may be less than $ 10. 00 per share " and other risk factors in this section. 20 If we seek stockholder approval of our initial business combination, our founders, directors, officers, advisors and their affiliates may elect to purchase shares or public warrants from public stockholders or public warrant holders, which may influence a vote on a proposed business combination and reduce the public " float " of our Class A common stock. If we seek stockholder approval of our initial business combination and we do not conduct redemptions in connection with our initial business combination pursuant to the tender offer rules, our founders, directors, officers, advisors or their affiliates may purchase public shares or public warrants or a combination thereof in privately negotiated transactions or in the open market either prior to or following the completion of our initial business combination, although they are under no obligation to do so. Such a purchase may include a contractual acknowledgement that such stockholder, although still the record holder of our shares is no longer the beneficial owner thereof and therefore agrees not to exercise its redemption rights. There is no limit on the number of shares our founders, directors, officers, advisors or their affiliates may purchase in such transactions, subject to compliance with applicable law and the rules of the NYSE. However, other than as expressly stated herein, they have no current commitments, plans or intentions to engage in such transactions and have not formulated any terms or conditions for any such transactions. None of the funds in the Trust Account will be used to purchase shares or public warrants in such transactions. In the event that our founders, directors, officers, advisors or their affiliates purchase shares in privately negotiated transactions from public stockholders who have already elected to exercise their redemption rights, such selling stockholders would be required to revoke their prior elections to redeem their shares. The purpose of such purchases could be to vote such shares in favor of the business combination and thereby increase the likelihood of obtaining stockholder approval of the business combination, or to satisfy a closing condition in an agreement with a target that requires us to have a minimum net worth or a certain amount of cash at the closing of our initial business combination, where it appears that such requirement would otherwise not be met. The purpose of any such purchases of shares could be to vote such shares in favor of the business combination and thereby increase the likelihood of obtaining stockholder approval of the business combination or to satisfy a closing condition in an agreement with a target that requires us to have a minimum net worth or a certain amount of cash at the closing of our initial business combination, where it appears that such requirement would otherwise not be met. The purpose of any such purchases of public warrants could be to reduce the number of public warrants outstanding or to vote such warrants on any matters submitted to the warrant holders for approval in connection with our initial business combination. Any such purchases of our securities may result in the completion of our initial business combination that may not otherwise have been possible. Any such purchases will be reported pursuant to Section 13 and Section 16 of the Exchange Act to the extent the purchasers are subject to such reporting requirements. In addition, if such purchases are made, the public " float " of our Class A common stock and the number of beneficial holders of our securities may be reduced, possibly making it difficult to obtain or maintain the quotation, listing or trading of our securities on a national securities exchange. If a stockholder fails to receive notice of our offer to redeem our public shares in connection with our initial business combination, or fails to comply with the procedures for tendering its shares, such shares may not be redeemed. We will comply with the tender offer rules or proxy rules, as applicable, when conducting redemptions in connection with our initial business combination. Despite our compliance with these rules, if a stockholder fails to receive our tender offer or proxy materials, as applicable, such stockholder may not become aware of the opportunity to redeem its shares. In addition, the tender offer documents or proxy materials, as applicable, that we will furnish to holders of our public shares in connection with our initial business combination will describe the various procedures that must be complied with in order to validly tender or redeem public shares. For example, we may require our public stockholders seeking to exercise their redemption rights, whether they are record holders or hold their shares in " street name, " to either tender their certificates to our transfer agent prior to the date set forth in the tender offer documents or proxy materials mailed to such holders, or up to two business days prior to the vote on the proposal to approve the business combination in the event we distribute proxy materials, or to deliver their shares to the transfer agent electronically. In the event that a stockholder fails to comply with these or any other procedures, its shares may not be redeemed. You will not have any rights or interests in funds from the Trust Account, except under certain limited circumstances. To liquidate your investment, therefore, you may be forced to sell your public shares or warrants, potentially at a loss. Our public stockholders will be entitled to receive funds from the Trust Account only upon the earliest to occur of: (i) our completion of an initial business combination,~~

~~and then only in connection with those shares of our common stock that such stockholder properly elected to redeem, subject to the limitations described in this annual report, (ii) the redemption of any public shares properly submitted in connection with a stockholder vote to amend our amended and restated certificate of incorporation (A) to modify the substance or timing of our obligation to allow redemption in connection with our initial business combination or redeem 100 % of our public shares if we do not complete our initial business combination by September 1, 2023 or (B) with respect to any other provision relating to stockholders' rights or pre- initial business combination activity and (iii) the redemption of our public shares if we are unable to complete an initial business combination by September 1, 2023 subject to applicable law and as further described herein. In addition, if we are unable to complete an initial business combination by September 1, 2023 for any reason, compliance with Delaware law may require that we submit a plan of dissolution to our then- existing stockholders for approval prior to the distribution of the proceeds held in the Trust Account. In that case, public stockholders may be forced to wait beyond September 1, 2023 before they receive funds from the Trust Account. In no other circumstances will a public stockholder have any right or interest of any kind in the Trust Account. Holders of warrants will not have any right to the proceeds held in the Trust Account with respect to the warrants. Accordingly, to liquidate your investment, you may be forced to sell your public shares or warrants, potentially at a loss. 21~~ The NYSE may **not continue to** ~~delist~~ -- **list** our securities ~~from trading on its exchange~~ , which could limit investors' ability to make transactions in our securities and subject us to additional trading restrictions. **•** We **have identified material weaknesses in our internal control over financial reporting. These material weaknesses could continue to adversely affect investor confidence in us and materially adversely affect our ability to report our results of operations and financial condition accurately and in a timely manner. 19 • If we fail to develop and maintain an effective system of disclosure controls and internal control over financial reporting, our ability to produce timely and accurate financial statements or comply with applicable regulations could be impaired, which may adversely affect investor confidence in us and, as a result, the market price of our Common Stock. Risks Related to Restart of Production We need to satisfy a number of permitting obligations and other requirements before we can restart production of the SYU Assets. The requirements to restart Lines 901 and 903 include those set forth in a Consent Decree with federal and state agencies. While the operator of the lines has satisfied most of the conditions to restart including under the Consent Decree, there is no assurance that we will be successful in satisfying the remainder of the requirements and restarting production of the SYU Assets in a timely manner. SYU suspended production as a result of the Line 901 incident and consequent suspension of service, and our business depends on its production restarting. We need to satisfy a number of requirements related to SYU and Lines 901 and 903 before we can restart production. Such requirements include conditions set forth in a U. S. federal district court Consent Decree executed by Plains and relevant U. S. and State of California government agencies. For further information, see " Business — Pipeline 901 Incident. " While the previous operator of Lines 901 and 903 satisfied most of the conditions to restart including under the Consent Decree, there is no assurance that we will be successful in satisfying the remaining requirements and restarting production in a timely manner. If we fail to restart production by January 1, 2026, the prior owner of SYU may exercise its right to cause us to reassign the SYU Assets. See " Risk Factors — Risks Related to the Business of the Company- We may be unable to restart production of SYU by January 1, 2026, which would permit EM to exercise a reassignment option and take ownership of SYU without any compensation or reimbursement other than the deemed repayment in full of the principal and accrued interest outstanding under the Term Loan Agreement. " Our assumptions and estimates regarding the total costs associated with restarting production may be inaccurate. We currently estimate the total costs we will incur in order to restart production to be approximately $ 197, 000, 000. The expenditures will primarily be directed toward obtaining the necessary regulatory approvals and completing the pipeline repairs and bringing the shut-in assets back online during the third quarter of 2024. This estimate of costs to restart production considers currently available facts and presently enacted laws and regulations, but it is subject to uncertainties associated with the assumptions that we have made. For example, the costs of equipment, repairs and maintenance, the costs of operating personnel, the costs to obtain governmental approvals, and legal, consulting and other professional expenses could turn out to be higher than we have estimated. Accordingly, our assumptions and estimates may change in future periods based on future events and total costs may materially increase; therefore, we can provide no assurance that we will not have to incur additional costs in future periods significantly higher than our estimated costs for the restart of production. There is no guarantee that we will have sufficient cash to restart production of the SYU Assets. Until we restart production of the SYU Assets, we will not generate any revenue or cash flows from operations. We will rely on cash on hand to fund the operations necessary to restart production of the SYU Assets. If we do not have sufficient cash on hand to restart production of SYU, we may need to raise additional capital to continue our operations, and this capital may not be available on acceptable terms or at all. If we do not have sufficient cash on hand or are unable to obtain additional funding on a timely basis, we may be unable to restart production of SYU, which could materially affect our business, financial condition and results of operations. See " Risk Factors — Risks Related to the Business of the Company- We may be unable to restart production of SYU by January 1, 2026, which would permit EM to exercise a reassignment option and take ownership of SYU without any compensation or reimbursement other than the deemed repayment in full of the principal and accrued interest outstanding under the Term Loan Agreement. " Risks Related to the Business of the Company Oil, natural gas and natural gas liquids, or " NGL (s) ", prices are volatile, due to factors beyond our control, and greatly affect our business, results of operations and financial condition. Any decline in, or sustained low levels of, oil, natural gas and NGL prices will cause a decline in our cash flow from operations, which could materially and adversely affect our business, results of operations and financial condition. Our revenues, operating results, profitability, liquidity, future growth and the value of our assets depend primarily on prevailing commodity prices. Historically, oil and natural gas prices have been volatile and fluctuate in response to changes in supply and demand, market** uncertainty, and other factors that are beyond our control, including: • the regional, domestic and foreign supply of oil, natural gas and NGLs; • the level of commodity prices and expectations about future commodity prices; 20 • the level of global oil and natural gas exploration and production; • localized supply and demand fundamentals, including the proximity and capacity of pipelines and other transportation facilities, and other factors that result in differentials to benchmark prices from time to time; • the cost of exploring for, developing, producing and transporting oil, natural gas and NGLs; • the price and quantity of foreign imports; • political and economic conditions in oil producing countries, including conflicts in or among the Middle East, Africa, South America and Russia; • the ability of members of the Organization of Petroleum Exporting Countries to agree to and maintain oil price and production controls; • speculative trading in crude oil and natural gas derivative contracts; • the level of consumer product demand; • weather conditions and other natural disasters; • risks associated with operating drilling rigs; • technological advances affecting exploration and production operations and overall energy consumption; • domestic and foreign governmental regulations and taxes; • the impact of energy conservation efforts; • the continued threat of terrorism and the impact of military and other action, including the Russia- Ukraine war and its destabilizing effect on the European continent and the global oil and natural gas markets; • the price and availability of competitors' supplies of oil and natural gas and alternative fuels; and • overall domestic and global economic conditions. These factors and the volatility of the energy markets make it extremely difficult to predict future oil, natural gas and NGL price movements with any certainty. For example, for the five years ended December 31, 2023, the NYMEX- WTI oil futures price ranged from a high of $ 123. 70 per Bbl to a low of $ (37. 63) per Bbl, while the NYMEX- Henry Hub natural gas futures price ranged from a high of $ 9. 68 per MMBtu to a low of $ 1. 48 per MMBtu. For the year ended December 31, 2023, the NYMEX- WTI oil futures price ranged from a high of $ 93. 68 per Bbl on September 27, 2023 to a low of $ 66. 74 per Bbl on March 17, 2023 and the NYMEX- Henry Hub natural gas futures price ranged from a high of $ 4. 17 per MMBtu on January 4, 2023 to a low of $ 1. 99 per MMBtu on March 29, 2023. Likewise, NGLs, which are made up of ethane, propane, isobutane, normal butane and natural gasoline, each of which has different uses and different pricing characteristics, have sustained depressed realized prices during this period and are generally correlated with the price of oil. While recent events have led to elevated oil, natural gas and NGL prices, an extended decline in commodity prices could materially and adversely affect our business, results of operations and financial condition. If commodity prices decline and remain depressed for a prolonged period, our business may become uneconomical and result in additional write downs of the value of our properties, which may adversely affect our financial condition and our ability to fund operations. Oil, natural gas and NGL prices have experienced significant volatility over the past few years. An extended decline in commodity prices could render our business uneconomical and result in a downward adjustment of our assets, which would reduce our ability to fund our operations. An extended decline, or sustained marked uncertainty, in commodity prices may cause us to write down, as a non- cash charge to earnings, the carrying value of our oil and natural gas properties for impairments. We may in the future incur impairment charges that could have a material adverse effect on our results of operations in the period taken. Sustained declines or uncertainty in commodities prices may adversely affect our financial condition, results of operations, ability to reduce debt, ability to pay dividends and the timing of our capital projects. An increase in the differential between the NYMEX or other benchmark prices of oil and natural gas and the wellhead price we expect to receive for our future production could significantly reduce our cash flow and adversely affect our financial condition. The prices that we expect to receive for our future oil and natural gas production will often reflect a regional discount, based on the location of production, to the relevant benchmark prices, such as NYMEX or ICE, that are used for calculating hedge positions. The prices we expect to receive for our future production are also affected by the specific characteristics of the production relative to 21 production sold at benchmark prices. For example, California oil typically has a lower gravity, and a portion typically has higher sulfur content, than oil sold at certain benchmark prices. Therefore, because our oil will likely require more complex refining equipment to convert it into high value products, it may sell at a discount to those prices. These discounts, if significant, could reduce our cash flows and adversely affect our results of operations and financial condition. The estimated quantities of petroleum contained in the SYU Assets are classified as " contingent resources " rather than " reserves " because they are subject to numerous contingencies. There is no assurance that any of the petroleum contained in the SYU Assets will ever be recovered or reclassified as " reserves. " The resources are contingent upon (1) approval from federal, state and local regulators to restart production, (2) reestablishment of oil transportation systems to deliver production to market and (3) commitment to restart the wells and facilities. Some or all of the contingent resources may be reclassified as " reserves " if all of the contingencies are successfully resolved but there is no assurance that the contingencies will be resolved or resolved in a timely manner or that any of the petroleum in the SYU Assets will be recovered. 22 Our hedging strategy in the future may not effectively mitigate the impact of commodity price volatility from our cash flows, and our hedging activities could result in cash losses and may limit potential gains. We expect that we will develop and maintain a portfolio of commodity derivative contracts covering a specified percentage or range of our estimated production from proved developed producing reserves over a one- to- three- year period at any given point in time. These commodity derivative contracts may include natural gas, oil and NGL financial swaps. The prices and quantities at which we enter into commodity derivative contracts covering our production in the future will be dependent upon oil and natural gas prices and price expectations at the time we enter into these transactions, which may be substantially higher or lower than current or future oil and natural gas prices. Accordingly, our price hedging strategy may not protect us from significant declines in oil, natural gas and NGL prices received for our future production. Many of the derivative contracts to which we will be a party will require us to make cash payments to the extent the applicable index exceeds a predetermined price, thereby limiting our ability to realize the benefit of increases in oil, natural gas and NGL prices. If our actual production and sales for any

period are less than our hedged production and sales for that period (including reductions in production due to operational delays) or if we are unable to perform our drilling activities as planned, we might be forced to satisfy all or a portion of our hedging obligations without the benefit of the cash flow from our sale of the underlying physical commodity, which may materially impact our liquidity. Developing and producing oil, natural gas and NGLs are costly and high- risk activities with many uncertainties that may result in a total loss of investment or otherwise adversely affect our business, financial condition, results of operations and cash flows. Many of these risks are heightened for us due to the fact that most of our equipment has been shut- in for more than eight years. Our development and production operations may be curtailed, delayed, canceled or otherwise negatively impacted as a result of many factors, including: • high costs, shortages or delivery delays of rigs, equipment, labor, electrical power or other services; • unusual or unexpected geological formations; • composition of sour natural gas, including sulfur, carbon dioxide and other diluent content; • unexpected operational events and conditions; • failure of down hole equipment and tubulars; • loss of wellbore mechanical integrity; • failure, unavailability or shortage of capacity of gathering and transportation pipelines, or other transportation facilities; • human errors, facility or equipment malfunctions and equipment failures or accidents, including acceleration of deterioration of our facilities and equipment due to the highly corrosive nature of sour natural gas; • excessive wall loss or other loss of pipeline integrity; • title problems; • litigation, including landowner lawsuits; • loss of drilling fluid circulation; • hydrocarbon or oilfield chemical spills; • fires, blowouts, surface craterings and explosions; • surface spills or underground migration due to uncontrollable flows of oil, natural gas, formation water or well fluids; • delays imposed by or resulting from compliance with environmental and other governmental or regulatory requirements; • delays due to operations in environmentally sensitive areas; and • adverse weather conditions and natural disasters. Many of these risks are heightened for us due to the fact that most of our equipment has been shut- in for more than eight years. Any of these risks can cause substantial losses, including personal injury or loss of life, damage to or destruction of property, natural resources and equipment, pollution, environmental contamination or loss of wells and other regulatory penalties. In the event that planned operations are delayed or canceled, or existing wells or development wells have lower than anticipated production due to one or more of the factors above or for any other reason, our financial condition and results of operations may be adversely affected. If any of these factors were to occur with respect to a particular field, we could lose all or a part of our investment in the field or we could fail to realize the expected benefits from the field, either of which could materially and adversely affect our business, financial condition, results of operations and cash flows. 23 The enactment of derivatives legislation could have an adverse effect on our ability to use derivative instruments to reduce the effect of commodity price, interest rate and other risks associated with our business. The Dodd- Frank Wall Street Reform and Consumer Protection Act (“ Dodd- Frank Act ”), enacted in 2010, establishes federal oversight and regulation of, among other things, the over- the- counter derivatives market and certain participants in that market, including us. Rules and regulations applicable to over- the- counter derivatives transactions may affect both the size of positions that we may hold and the ability or willingness of counterparties to trade opposite us, potentially increasing costs for transactions. Moreover, such changes could materially reduce our hedging opportunities which could adversely affect our revenues and cash flow during periods of low commodity prices. While many Dodd- Frank Act regulations are already in effect, the rulemaking and implementation process is ongoing, and the ultimate effect of the adopted rules and regulations and any future rules and regulations on our business remains uncertain. See “ Business — Other Regulation of the Oil and Natural Gas Industry- Derivatives Regulation ” for additional information. Development and production of oil, natural gas and NGLs in offshore waters have inherent and historically higher risk than similar activities onshore. Our offshore operations are subject to a variety of operating risks specific to the marine environment, such as a dependence on a limited number of electrical transmission lines, as well as capsizing, collisions and damage or loss from adverse weather conditions. Offshore activities are subject to more extensive governmental regulation than onshore oil and natural gas activities. We are vulnerable to the risks associated with operating offshore California, including risks relating to: • impacts of climate change and natural disasters such as earthquakes, tidal waves, mudslides, fires and floods; • oil field service costs and availability; • compliance with environmental and other laws and regulations; • third- party marine vessels; • response capabilities for personnel, equipment and environmental incidents; • remediation and other costs resulting from oil spills, releases of hazardous materials and other environmental and natural resource damages; and • failure of equipment or facilities. In addition to lost production and increased costs, these hazards could cause serious injuries, fatalities, contamination or property damage for which we could be held responsible. The potential consequences of these hazards are particularly severe for us because significant portions of our offshore operations are conducted in environmentally sensitive areas, including areas with significant residential populations and public and commercial infrastructure. An accidental oil spill or release on or related to offshore properties and operations could expose us to joint and several strict liability, without regard to fault, under applicable law for all containment and oil removal costs and a variety of public and private damages including, but not limited to, the costs of remediating a release of oil, natural resource damages, and economic damages suffered by persons adversely affected by an oil spill. If an oil discharge or substantial threat of discharge were to occur, we may be subject to regulatory scrutiny and liable for costs and damages, which costs and damages could be material to our business, financial condition or results of operations and could subject us to criminal and civil penalties. Finally, maintenance activities undertaken to reduce operational risks can be costly and can require exploration, exploitation and development operations to be curtailed while those activities are being completed. Oil and natural gas producers’ operations are substantially dependent on the availability of water and the disposal of waste, including produced water and drilling fluids. Restrictions on the ability to obtain water or dispose of waste may impact our operations. Water is an essential component of oil and natural gas production during the drilling and production process. Our inability to locate

sufficient amounts of water, or dispose of or recycle water used in our development and production operations, could adversely impact our operations. Moreover, the imposition of new environmental initiatives and regulations could include restrictions on our ability to conduct certain operations such as disposal of waste, including, but not limited to, produced water, drilling fluids and other wastes associated with the exploration, development or production of oil and natural gas. The Clean Water Act imposes restrictions and strict controls regarding the discharge of produced waters and other natural gas and oil waste into " waters of the United States. " Permits must be obtained to discharge pollutants to such waters and to conduct construction activities in such waters, which include certain wetlands. The Clean Water Act and similar state laws provide for civil, criminal and administrative penalties for any unauthorized 24 discharges of pollutants and unauthorized discharges of reportable quantities of oil and other hazardous substances. State and federal discharge regulations prohibit the discharge of produced water and sand, drilling fluids, drill cuttings and certain other substances related to the natural gas and oil industry into coastal waters. Compliance with current and future environmental regulations and permit requirements governing the withdrawal, storage and use of surface water or groundwater necessary for the disposal and recycling of produced water, drilling fluids and other wastes may increase our operating costs and cause delays, interruptions or termination of our operations, the extent of which cannot ~~assure you~~ be predicted. In addition, in some instances, the operation of underground injection wells for the disposal of waste has been alleged to cause earthquakes. In some jurisdictions, such issues have led to orders prohibiting continued injection or the suspension of drilling in certain wells identified as possible sources of seismic activity or resulted in stricter regulatory requirements relating to the location and operation of underground injection wells. Any orders or regulations addressing concerns about seismic activity from well injection in jurisdictions where we operate could affect our operations. See " Business — Environmental, Occupational Safety and Health Matters and Regulations- Water Discharges " for an additional description of the laws and regulations relating to the discharge of water and other wastes that affect us. The unavailability ~~our~~ or ~~securities~~ high cost of rigs, equipment, supplies and crews could delay our operations, increase our costs and delay forecasted revenue. Our industry is cyclical, and historically there have been periodic shortages of rigs, equipment, supplies and crew. Sustained declines in oil and natural gas prices may reduce the number of service providers for such rigs, equipment, supplies and crews, contributing to or resulting in shortages. Alternatively, during periods of higher oil and natural gas prices, the demand for rigs, equipment, supplies and crews is increased and can lead to shortages of, and increasing costs for, development equipment, supplies, services and personnel. While we have mitigated some of these issues with our dedicated rig, shortages of, or increasing costs for, experienced development crews and oil field equipment and services could restrict our ability to drill the wells and conduct the operations that we currently have planned relating to the fields where our properties are located. In addition, some of our operations require supply materials for production, such as CO2, which could become subject to shortages and increased costs. Any delay in the development of new wells or a significant increase in development costs could reduce our revenues and impact our development plan, which would thus affect our financial conduction, results of operations and our cash flows. The third parties on whom we rely for transportation services are subject to complex federal, state and other laws that could adversely affect the cost, manner or feasibility of conducting our business. The operations of the third parties on whom we rely for transportation services are subject to complex and stringent laws and regulations that require obtaining and maintaining numerous permits, approvals and certifications from various federal, state and local government authorities. These third parties may incur substantial costs in order to comply with existing laws and regulations. If existing laws and regulations governing such third- party services are revised or reinterpreted, or if new laws and regulations become applicable to their operations, these changes may affect the costs that we pay for such services. Similarly, a failure to comply with such laws and regulations by the third parties on whom we rely for transportation services could impact the availability of those services. Any potential impact to the availability of transportation services could impact our ability to market and sell our production, which could have a material adverse effect on our business, financial condition and results of operations. See " Business — Environmental, Occupational Safety and Health Matters and Regulations " and " Business- Other Regulation of the Oil and Natural Gas Industry " for a description of the laws and regulations that affect the third parties on whom we rely for transportation services. Our business depends in part on pipelines, gathering systems and processing facilities owned by us or others. Any limitation in the availability of those facilities could interfere with our ability to market our oil, natural gas and NGL production. The marketability of our oil, natural gas and NGL production depends in part on the availability, proximity and capacity of pipelines and other transportation methods, gathering systems and processing facilities owned by us or third parties. The amount of oil, natural gas and NGLs that can be produced and sold is subject to curtailment in certain circumstances, such as pipeline interruptions due to scheduled and unscheduled maintenance, excessive pressure, physical damage or lack of contracted capacity on such systems. For example, our ability to produce and sell oil from SYU will depend on the continued availability of the pipeline infrastructure between platforms, for delivery of that oil to shore, and for further delivery to market, and any unavailability of that pipeline infrastructure could cause us to shut in all or a portion of the production from the SYU properties for the length of such unavailability. Our access to transportation options can also be affected by U. S. federal and state regulation of oil and natural gas production and transportation, general economic conditions and changes in supply and demand. The curtailments arising from these and similar circumstances may last from a few days to several months or more. In many cases, we are provided with only limited, if any, notice as to when these circumstances will arise and their duration. Any significant curtailment in gathering system or transportation or processing facility capacity could reduce our ability to market our oil and natural gas production and harm our business, financial condition, results of operations and cash flows. Our independent registered public accounting firm' s report contains an explanatory paragraph that expresses substantial doubt about

our ability to continue ~~to be listed on~~ **as a " going concern. " As of December 31, 2023, we had cash outside** the ~~NYSE in the future~~ **Trust Account of $ 267, 816 available** ~~or~~ **for working capital needs and a working capital deficit of $ 16, 407, 803. All remaining cash held in the Trust Account was generally unavailable for the Company' s use,** prior to our initial business combination **, and was restricted for use either in a Business Combination, to redeem common stock or to use for payment of taxes** . ~~In order~~ **As of December 31, 2023, $ 2, 969, 263 of the amount in the Trust Account was available to be withdrawn as described above, which is net of the $ 1, 446, 193 the Company withdrew for payment of taxes during the period ended December 31, 2023. Through December 31, 2023, the Company' s liquidity needs were satisfied through various promissory notes from our sponsor (see further discussion of the individual promissory notes in Note 5). Management believes the Company has sufficient capital to maintain operations and complete the repairs necessary to restart production at SYU. However, the Company' s plans for production restart are contingent upon approvals from federal, state and local regulators. Additionally, if the Company' s estimates of the costs of restarting production are less than the actual amounts necessary to do so, the Company may have insufficient funds available to operate its business prior to first production and will need to raise additional capital. If the Company is unable to raise additional capital, it may be required to take additional measures to conserve liquidity, which could include, among other things, suspending repair efforts and reducing overhead expenses. The Company cannot provide any assurance that new financing will be available to it on commercially acceptable terms, if at all. Due to the remaining regulatory approvals necessary to restart production, along with the timing of ongoing construction repair efforts, substantial doubt exists about the Company' s ability** to continue ~~listing~~ **as a going concern. The financial statements included in this annual report do not include any adjustments relating to the recovery of the recorded assets** ~~our~~ **or** ~~securities~~ **the classification of the liabilities that could be necessary if the Company is unable to continue as a going concern. 25 Loss of our key executive officers or other key personnel, or an inability to attract and retain such officers and personnel, could negatively affect our business and, in one instance, could cause a default under the primary agreement governing our existing indebtedness. Our future success depends** on the ~~NYSE~~ **skills, experience and efforts of our executive officers. The sudden loss of any of these executives' services or our failure to appropriately plan for any expected executive succession could materially and adversely affect our business and prospects, as we may not be able to find suitable individuals to replace them on a timely basis, if at all. Additionally, we also depend on our ability to attract and retain qualified personnel to operate and expand our business. If we fail to attract or retain talented new employees, our business and results of operations could be negatively affected. Workers may choose to pursue employment with our competitors or in other fields. Additionally, the Senior Secured Term Loan Agreement (the " Term Loan Agreement "), dated as of the Closing Date by and among Sable, EMC, as lender, and Alter Domus Products Corp., as the administrative agent for the benefit of the lender, requires that James C. Flores, our Chairman and Chief Executive Officer, remains directly and actively involved in the day- to- day management of our business, subject to the right of the holder of such indebtedness to approve his replacement, such approval not to be unreasonably withheld. We may incur losses as a result of title defects or deficiencies in our properties. The existence of a material title deficiency can render a lease worthless and can adversely affect our results of operations and financial condition. While we have done extensive title diligence in advance of the Business Combination and typically obtain title opinions** prior to **commencing drilling operations on a lease** ~~our~~ **or** ~~initial business combination~~ **in a unit** , **the failure of title or other defects or deficiencies may not be discovered until after a well is drilled, in which case we may lose the lease and the right to produce all or a portion of the minerals under the property. We do not own all of the land on which our assets are located or all of the land that** we must ~~maintain~~ **traverse in order to conduct our operations. There are disputes with respect to** certain ~~financial, distribution~~ **of the rights- of- way or other interests and any unfavorable outcomes of such disputes could require us to incur additional costs. We do not own in fee all of the** ~~and~~ **land on which our assets are located** ~~stock price levels. Additionally, in connection with our~~ **or** ~~initial business combination~~ **all of the land that we must traverse in order to conduct our operations. Rather, many of the properties or rights are derived from surface use agreements, rights- of- way or other easement rights and, therefore** , we will be **subject to the possibility of more onerous terms or increased costs to retain necessary land access if we do not have valid rights- of- way or if such rights- of- way lapse or terminate. Some of the rights to land owned by third parties and governmental agencies are obtained for a specific period of time and under certain conditions. We believe that we will have obtained sufficient right- of- way grants from public authorities (subject to receipt of certain governmental permits and consents) and private parties for us to operate our business. However, certain private landowners along sectors of Pipeline Segment 901 have made claims that the easement agreements with them are no longer effective because the pipeline is not transporting oil. If these landowners are successful with their claims, we may be** required to ~~demonstrate compliance with~~ **make further easement payments. Our loss of any of these surface use agreements, rights- of- way or other easement rights through lapse or failure to satisfy or maintain certain conditions could require us to cease operations on the affected land or find alternative locations for our operations at increased costs, any of which could have a material adverse effect on our business, financial condition and results of operations. We may be unable to restart production by January 1, 2026, which would permit EM to exercise a reassignment option and take ownership of SYU without any compensation or reimbursement other than the deemed repayment in full of the principal and accrued interest outstanding under the Term Loan Agreement. If we fail to restart production of the SYU Assets by January 1, 2026 (the " Restart Failure Date "),** ~~the~~ **then** ~~NYSE~~ **pursuant to the Purchase and Sale Agreement dated November 1, 2022, by and among Legacy Sable, EMC and MPPC relating to the purchase of SYU and the Pipelines (" Sable- EM Purchase Agreement "), for 180 days thereafter, EM will have the exclusive right, but not the obligation, to require us to reassign the SYU Assets and rights to EM or its designated representative, without reimbursing us for any of our costs or expenditures (the " Reassignment Option "). If we have acquired any additional rights or assets or have developed**

additional improvements related to the SYU Assets, records or benefits, on EM ' s request we also ~~initial listing requirements, which are more rigorous than the NYSE' s continued listing requirements, in order to continue to maintain the listing of our securities on the NYSE. For instance, our stock price would generally be required to be at least $ 4. 00 per share, the aggregate market value of publicly- held shares~~ would be required to assign and deliver those additional rights, assets, improvements, records or benefits to EM without being reimbursed for any of our additional costs or expenses. If we are unable to restart production of the SYU Assets by the Restart Failure Date and EM exercises its Reassignment Option, EM will become the owner of substantially all of our business and we may be forced to wind- down our operations. Our ability to restart production of the SYU Assets is subject to several risks, and there is no assurance that we will be able to restart production of the SYU Assets by the Restart Failure Date. See " Risk Factors — Risks Related to the Restart of Production. " 26 Restrictive covenants in the Term Loan Agreement or any future agreements governing our indebtedness could limit our growth and our ability to finance our operations, fund our capital needs, respond to changing conditions and engage in other business activities that may be in our best interests. Restrictive covenants in the Term Loan Agreement impose significant operating and financial restrictions on us and our subsidiaries and we may be prevented from taking advantage of business opportunities that arise because of the limitations imposed on us by the Term Loan Agreement unless we gain EM' s consent. These restrictions limit our ability to, among other things: • engage in mergers, consolidations, liquidations, or dissolutions; • create or incur debt or liens; • make certain debt prepayments; • pay dividends, distributions, management fees or certain other restricted payments; • make investments, acquisitions, loans, or purchase oil and gas properties; • sell, assign, farm- out or dispose of any property; • enter into transactions with affiliates; • enter into, subject to certain exceptions, any agreement that prohibits or restricts liens securing the Term Loan Agreement, payments of dividends to us, or payment of debt owed to us and our subsidiaries; and • change the nature of our business. The Term Loan Agreement also contains representations and warranties, affirmative covenants, additional negative covenants and events of default (including a change of control). During the pendency of the Term Loan Agreement and in case of an event of default thereunder, EM may exercise all remedies at ~~least $ 100~~ law or equity , ~~000, 000~~ and may foreclose upon substantially all of our assets and the assets of our subsidiaries, including, in the event of a deficiency, cash and any other assets not acquired from EM in the Business Combination to the extent constituting collateral under the applicable financing documents. We may not be able to obtain amendments, waivers or consents for potential or actual breaches of such representations and warranties or covenants, or we may be unable to obtain such amendments waivers or consents on acceptable terms, all of which could limit management' s flexibility to operate the business. Under the terms of the Term Loan Agreement, restarting production will trigger a springing maturity date following a specified grace period, and the terms on which we will be able to refinance the Term Loan Agreement, if necessary, will depend on then- prevalent market conditions. The Term Loan Agreement includes a springing maturity date of ninety (90) days after Restart Production (as defined in the Sable- EM Purchase Agreement) (i. e., one hundred eighty (180) days after resumption of actual production from the wells), which could require a future refinancing of the indebtedness under the Term Loan Agreement or the incurrence of new indebtedness. The terms on which we would be ~~required~~ able to obtain any refinancing of the Term Loan Agreement will depend on market conditions at the time of any such refinancing. We may in the future refinance our existing indebtedness or incur new indebtedness at variable rates and without the option to pay interest in- kind, which would subject us to interest rate risk and could cause our debt service obligations to increase significantly. The outstanding principal amount under our Term Loan Agreement bears interest at a fixed rate and we have the option of capitalizing the interest onto the principal rather than paying cash interest, but we may in the future refinance our existing indebtedness or incur new indebtedness with variable rates and mandatory cash interest payments, which would expose us to interest rate risk and additional liquidity burdens. If interest rates increase, our debt service obligations on the variable rate indebtedness would increase even if the principal amount remained the same, and our net income and cash available for servicing our indebtedness would decrease. Our business plans require a significant amount of capital. In addition, our future capital needs may require us to issue additional equity or debt securities that may dilute our stockholders or introduce covenants that may restrict our operations or ability to pay dividends. Our business and operations may consume resources faster than we anticipate. In the future, we may need to raise additional funds through the issuance of new equity or debt securities, or a combination thereof. Additional financing may not be available on favorable terms or at ~~least 400 round lot~~ all. If adequate funds are not available on acceptable terms, we may be unable to fund our capital requirements. 27 If we issue new debt, the debt holders would have rights senior to holders of our Common Stock to make claims on our assets and the terms of any debt could restrict our operations, including our ability to pay dividends on our Common Stock. If we issue additional equity securities or securities convertible into equity securities, existing stockholders will experience dilution and the new equity securities could have rights senior to those of our Common Stock. Because our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings and their impact on the market price of our Common Stock . We are exposed to trade credit risk in the ordinary course of our business activities. We are exposed to risks of loss in the event of nonperformance by our vendors and other counterparties. Some of our vendors and other counterparties may be highly leveraged and subject to their own operating and regulatory risks. Many of our vendors and other counterparties finance their activities through cash flow from operations, the incurrence of debt or the issuance of equity. The combination of reduction of cash flow resulting from declines in commodity prices and the lack of availability of debt or equity financing may result in a significant reduction in our vendors' and other counterparties' liquidity and ability to make payments or perform on their obligations to us. Even if our credit review and analysis mechanisms work properly, we may experience financial losses in our dealings with other parties. Any increase in the nonpayment or nonperformance by our vendors or other counterparties could adversely affect our business, financial condition, results of operations and cash flows. We may incur substantial losses and be subject to substantial liability claims as a result of catastrophic events. We may not be insured for, or our insurance may be inadequate to protect us against, these risks. Expenses not covered by our insurance could have a material adverse effect on our financial position and results of operations. Our operations are subject to all of the hazards and operating risks associated with drilling for and production of oil and natural gas, including natural disasters, the risk of fire, explosions, blowouts, surface cratering, uncontrollable flows of natural gas, oil and formation water, pipe or pipeline failures, abnormally pressured formations, casing collapses and environmental hazards such as oil spills, natural gas leaks, ruptures or discharges of toxic gases, all of which could cause substantial financial losses. The location of any properties and other assets near environmentally sensitive areas or near populated areas, including residential areas, commercial business centers and industrial sites, could significantly increase the level of potential damages resulting from these risks. Other catastrophic events such as earthquakes, floods, mudslides, fires, droughts, contagious diseases, terrorist attacks and other events that cause operations to cease or be curtailed may adversely affect our business and the communities in which we operate. For example, utilities have begun to suspend electric services to avoid wildfires during windy periods in California, a business disruption risk that is not insured. We may be unable to obtain, or may elect not to obtain, insurance for certain risks if we believe that the cost of available insurance is excessive relative to the risks presented. The occurrence of any of these or other similar events could result in substantial losses to us due to injury or loss of life, severe damage to or destruction of property, natural resources and equipment, pollution or other environmental damage, cleanup responsibilities, regulatory investigation and penalties, suspension or disruption of operations, substantial revenue losses and repairs to resume operations. We maintain insurance coverage against potential losses that we believe is customary in the industry. However, insurance against all operational risk is not available to us. These insurance policies may not cover all liabilities, claims, fines, penalties or costs and expenses that we may incur in connection with our business and operations, including those related to environmental claims. Pollution and environmental risks generally are not fully insurable. In addition, we cannot assure you that we will be able to maintain adequate insurance at rates we consider reasonable. We may elect not to obtain insurance if we believe that the cost of available insurance is excessive relative to the perceived risks presented. A liability, claim or other loss not fully covered by insurance could have a material adverse effect on our business, financial position, results of operations and cash flows. We may be unable to compete effectively with larger companies. The oil and natural gas industry is intensely competitive with respect to marketing oil and natural gas and securing equipment and trained personnel. Many of our larger competitors not only drill for and produce oil and natural gas but also carry on refining operations and market petroleum and other products on a regional, national or worldwide basis, which offers them greater access and economies of scale. In addition, there is substantial competition for investment capital in the oil and natural gas industry and many of our competitors have access to capital at a lower cost than that available to us. These larger companies may have a greater ability to continue development activities during periods of low oil and natural gas prices and to absorb the burden of present and future federal, state, local and other laws and regulations. Furthermore, we may not be able to aggregate sufficient quantities of production to compete with larger companies that are able to sell greater volumes of production to intermediaries, thereby reducing the realized prices attributable to our production. Any inability to compete effectively with larger companies could have a material adverse impact on our business activities, financial condition, results of operations and cash flows. 28 We are subject to complex federal, state, local and other laws, regulations and permits that could adversely affect the cost, manner, ability or feasibility of conducting our operations. Our oil and natural gas development and production operations are subject to complex and stringent laws and regulations administered by governmental authorities vested with broad authority relating to the exploration for and the development, production and transportation of oil, natural gas, and NGLs. To conduct our operations in compliance with these laws and regulations, we must obtain and maintain numerous permits, approvals and certificates from various federal, state and local governmental authorities. We may incur substantial costs in order to maintain compliance with these existing laws and regulations. Failure to comply with laws and regulations applicable to our operations, including any evolving interpretation and enforcement by governmental authorities, could have a material adverse effect on our business, financial condition, results of operations and cash flows. Our oil, natural gas, and NGLs development and production operations are also subject to stringent and complex federal, state and local laws and regulations governing the release or discharge of materials into or through the environment, worker health and safety aspects of our operations, or otherwise relating to environmental protection, resource protection, and damage to natural resources. These laws and regulations may impose numerous obligations applicable to our operations, including the ability to obtain a permit before conducting our operations, including regulated drilling activities; the restriction of types, quantities and concentrations of materials that can be released or discharged into or through the environment; the limitation or prohibition of drilling, production and transportation activities on certain lands lying within wilderness, wetlands, seismically active areas and other protected or preserved areas; the application of specific health and safety criteria addressing worker protection; and the imposition of substantial liabilities for pollution and natural resources damages potentially resulting from our operations. The U. S. Environmental Protection Agency (“ EPA ”), BOEM, BSEE, PHMSA, OSFM, California Department of Conservation’ s Geologic Energy Management Division (“ CalGEM ”), and numerous other governmental authorities have the authority to enforce compliance with these laws and regulations and the permits issued by them, often requiring difficult and costly compliance measures or corrective actions. Failure to comply with these laws and regulations may result in the assessment of sanctions, including administrative, civil or criminal penalties, the imposition of investigatory or remedial obligations, injunctive and mitigation relief, the suspension or revocation of

necessary permits, licenses and authorizations, the requirement that additional pollution controls be installed and, in some instances, the issuance of orders limiting or prohibiting some or all of our operations. We may also experience delays in obtaining or be unable to obtain required permits, including authorizations necessary to restart or replace the Pipelines, which may delay or interrupt our operations and limit our growth and revenue, or may result in a failure to restart production by the Restart Failure Date. Under certain environmental laws that impose strict as well as joint and several liability, we may be required to remediate or conduct other response actions at or in relation to contaminated properties currently owned or operated by us or facilities of third parties that received waste generated by our operations regardless of whether such contamination resulted from the conduct of others or from the consequences of our own actions that were in compliance with all applicable laws at the time those actions were taken. In addition, claims for damages to persons or property, including natural resources, may result from the environmental, health and safety impacts of our operations. Moreover, public interest in the protection of the environment has increased in recent years. New laws and regulations continue to be enacted, particularly at the state level, and, under the Biden Administration, the long- term trend of more expansive and stringent environmental legislation and regulations applied to the crude oil and natural gas industry could continue, resulting in increased costs of doing business and consequently affecting profitability. To the extent laws are enacted, or other governmental action is taken that restricts drilling, production and transportation activities, or imposes more stringent and costly operating, waste handling, disposal and cleanup requirements, our business, prospects, financial condition or results of operations could be materially adversely affected. See " Business — Environmental, Occupational Safety and Health Matters and Regulations " and " Business- Other Regulation of the Oil and Natural Gas Industry " for a description of the more significant laws and regulations that affect us. The listing of a species as either " threatened " or " endangered " under the U. S. Endangered Species Act and / or the California Endangered Species Act could result in increased costs, new operating restrictions, or delays in our operations, which could adversely affect our results of operations and financial condition. The U. S. Endangered Species Act (the " ESA ") and analogous state laws regulate activities that could have an adverse effect on threatened and endangered species. Operations in areas where threatened or endangered species or their habitat are known to exist may require us to incur increased costs to implement mitigation or protective measures and also may restrict or preclude our activities in those areas or during certain seasons, such as breeding and nesting seasons. The listing of species in areas where we operate or, alternatively, entry into certain range- wide conservation planning agreements could result in increased costs to us from species protection measures, time delays or limitations on our activities, which costs, delays or limitations may be significant and could adversely affect our results of operations and financial position. 29 Conservation measures, technological advances and increasing public attention and activism with respect to climate change and environmental matters could reduce demand for oil, natural gas and NGLs and have an adverse effect on our business, financial condition and reputation. Fuel conservation measures, alternative fuel requirements, incentives to conserve energy or use alternative energy sources, increasing consumer demand for alternatives to oil, natural gas and NGLs, and technological advances in fuel economy and energy generation devices could reduce demand for oil, natural gas and NGLs. Such initiatives or related activism aimed at limiting climate change and reducing air pollution, as well as negative investor sentiment toward our industry and the impact of the changing demand for oil and natural gas services and products may have a material adverse effect on our business, financial condition, results of operations, cash flows, and ability to access capital. Negative public perception regarding us and / or our industry resulting from, among other things, concerns raised by advocacy groups about climate change, may also lead to increased litigation risk, and regulatory, legislative and judicial scrutiny, which may, in turn, lead to new state and federal safety and environmental laws, regulations, guidelines and enforcement interpretations. Governmental authorities exercise considerable discretion in the timing and scope of permit issuance and the public may engage in the permitting process, including through intervention in the courts. Negative public perception could cause the permits we need to conduct our operations to be withheld, delayed, or burdened by requirements that restrict our ability to profitably conduct our business. In addition, claims have been made against certain energy companies alleging that GHG emissions from oil and natural gas operations constitute a public nuisance or have caused other redressable injuries under federal and / or state common law. While our business is not a party to any such litigation, we could be named in actions making similar allegations. An unfavorable ruling in any such case could adversely impact our business, financial condition and results of operations. Moreover, parties concerned about the potential effects of climate change have directed their attention at sources of funding for energy companies, which has resulted in certain financial institutions, funds and other sources of capital, restricting or eliminating their investment in oil and natural gas activities. Climate change legislation or regulations restricting emissions of " greenhouse gases, " or GHGs, could result in increased operating costs and reduced demand for the oil, natural gas and NGLs we expect to produce. In December 2009, the EPA published its findings that emissions of GHGs present a danger to public health and the environment because emissions of such gases are contributing to the warming of the Earth' s atmosphere and other climatic changes. Based on these findings, the EPA has adopted and implemented regulations to restrict emissions of GHGs under existing provisions of the Clean Air Act. In addition, the EPA has also adopted rules requiring the monitoring and reporting of GHG emissions from specified sources on an annual basis in the United States, including, among others, certain oil and natural gas production facilities, which includes certain of our operations. The adoption or revision and implementation of any regulations imposing reporting obligations on, or limiting emissions of GHGs from, our equipment and operations could require us to incur costs to reduce emissions of GHGs associated with our operations or could adversely affect demand for the oil, natural gas and NGLs we produce. Such climate change regulatory and legislative initiatives could have a material adverse effect on our business, financial condition and results of operations. On August 16, 2022, President Biden signed into law the Inflation

Reduction Act (the " IRA "), which targets methane from oil and gas sources by imposing an applicable " waste emissions charge " on petroleum and natural gas production facilities that exceed a specified waste emissions threshold and requiring the reporting of emissions that exceed 25, 000 metric tons of carbon dioxide equivalent per year. On January 12, 2024, the EPA published a proposed rule to implement this waste emissions charge as required by the IRA. In addition to the IRA, almost one- half of the states have taken legal measures to reduce emissions of GHGs, including through the planned development of GHG emission inventories and / or regional GHGs cap and trade programs. On an international level, the United States was one of nearly 200 countries to sign an international climate change agreement in Paris, France that requires member countries to set their own GHG emissions reduction goals beginning in 2020. However, the United States formally announced its intent to withdraw from the Paris Agreement in November 2019, which became effective in November 2020. On January 20, 2021, President Biden issued written notification to the United Nations of the United States' intention to rejoin the Paris Agreement, which became effective on February 19, 2021. In addition, various states and local governments have vowed to continue to enact regulations to achieve the goals of the Paris Agreement. Although it is not possible at this time to predict how legislation or new regulations that may be adopted to address GHG emissions would impact our business, any such future laws and regulations that require additional reporting of GHGs or otherwise limit emissions of GHGs from our equipment and operations could require us to incur costs to monitor and report on GHG emissions or reduce emissions of GHGs associated with our operations, and such requirements also could adversely affect demand for the oil, natural gas and NGL that we produce. Finally, it should be noted that numerous scientists have concluded that increasing concentrations of GHGs in the Earth' s atmosphere may produce climate changes that have significant physical effects, such as increased frequency and severity of storms, droughts and floods and other climatic events. If any such effects were to occur in sufficient proximity to the SYU facilities, they could have an adverse effect on our financial condition and results of operations. For example, such effects could adversely affect or delay demand for the oil or natural gas produced or cause us to incur significant costs in preparing for or responding to the effects of climatic events themselves. Potential adverse effects could include disruption of our production activities, increases in our costs of operation or reductions in the efficiency of our operations, impacts on our personnel, supply chain, or distribution chain, as well as potentially increased costs for insurance coverages in the aftermath of such effects. Our 30 ability to mitigate the adverse physical impacts of climate change depends in part upon our disaster preparedness and response and business continuity planning. See " Business — Environmental, Occupational Safety and Health Matters and Regulations- Regulation of ' Greenhouse Gas' Emissions " for a description of the climate change laws and regulations that affect us. Also see " Risk Factors — Risks Related to the Business of the Company- Attempts by the California state government to restrict the production of oil and gas could negatively impact our operations and result in decreased demand for fossil fuels in California. " If engaged in intrastate common carrier operations, our financial results with respect to the Pipelines will primarily depend on the outcomes of ratemaking proceedings with the California Public Utilities Commission and we may not be able to earn an adequate rate of return in a timely manner or at all. If determined to be a regulated intrastate common carrier in California, the Pipelines' tariffs will be set by the CPUC on a prospective basis and will generally be designed to allow us to collect sufficient revenues to recover reasonable costs of providing service on the basis of revenues, expenses and a return on our capital investments. Our financial results with respect to the Pipelines could be materially affected if the CPUC does not authorize sufficient revenues for us to safely and reliably serve our pipeline customers and earn an adequate return of equity. The outcome of the ratemaking proceedings can be affected by many factors, including the level of opposition by intervening parties; potential rate impacts; increasing levels of regulatory review; changes in the political, regulatory, or legislative environments; and the opinions of our regulators, consumer and other stakeholder organizations, and customers, about our ability to provide safe and reliable oil transportation pipeline transportation. In addition to the amount of authorized revenues, our financial results with respect to the Pipelines could be materially affected if our actual costs to safely and reliably serve our pipeline customers differ from authorized or forecast costs. We may incur additional costs for many reasons including changing market circumstances, unanticipated events (such as wildfires, storms, earthquakes, accidents, or catastrophic or other events affecting our pipeline operations), or compliance with new state laws or policies. Although we may be allowed to recover some or all of the additional costs, there may be a substantial delay between when we incur the costs and when we are authorized to collect revenues to recover such costs. Alternatively, the CPUC may disallow certain costs that they determine were not reasonably or prudently incurred. Attempts by the California state government to restrict the production of oil and gas could negatively impact our operations and result in decreased demand for fossil fuels in California. California, where our operations and assets are located, is heavily regulated with respect to oil and gas operations. Federal, state and local laws and regulations govern most aspects of exploration and production in California. Collectively, the effect of the existing laws and regulations is to potentially limit the number and location of our wells through restrictions on the use of our properties, limit our ability to develop certain assets and conduct certain operations, and reduce the amount of oil and natural gas that we can produce from our wells below levels that would otherwise be possible. The regulatory burden on the industry increases our costs and consequently may have an adverse effect upon capital expenditures, earnings or competitive position. Violations and liabilities with respect to these laws and regulations could result in significant administrative, civil, or criminal penalties, remedial clean- ups, natural resource damages, permit modifications or revocations, operational interruptions or shutdowns and other liabilities. The costs of remedying such conditions may be significant, and remediation obligations could adversely affect our financial condition, results of operations and prospects. Additionally, the California state government recently has taken several actions that could adversely impact future oil and gas production and other activities in the state. For example: • In September 2020, the California Governor issued an

executive order that seeks to reduce both the supply of and demand for fossil fuels in the state. The executive order established several goals and directed several state agencies to take certain actions with respect to reducing emissions of greenhouse gases, including, but not limited to: (1) phasing out the sale of emissions- producing vehicles; (2) developing strategies for the closure and repurposing of oil and gas facilities in California; and (3) calling on the California State Legislature to enact new laws prohibiting hydraulic fracturing in the state by 2024. The executive order also directed CalGEM to finish its review of public health and safety concerns from the impacts of oil extraction activities and propose significantly strengthened regulations. • In October 2020, the California Governor issued an executive order that established a state goal to conserve at least 30 % of California' s land and coastal waters by 2030 and directed state agencies to implement other measures to mitigate climate change and strengthen biodiversity. At this time, we cannot predict the potential future actions that may result from these orders or how such actions might potentially impact our operations. 31 In February 2021, California State Senators Scott Wiener and Monique Limón introduced Senate Bill 467, which proposes to halt the issuance or renewal of permits for hydraulic fracturing, acid well stimulation treatments, cyclic steaming, and water and steam flooding starting January 1, 2022, and then prohibit these extraction methods entirely starting January 1, 2027. SB 467 also would have prohibited all new or renewed permits for oil and gas extraction within 2, 500 feet of any homes, schools, healthcare facilities or long- term care institutions such as dormitories or prisons, by January 1, 2022. However, SB 467 never made it out of committee and other bills to limit well stimulation treatments have also previously been introduced and failed to pass through the California legislature. Although these legislative efforts have failed, it is possible that SB 467 or similar legislation could be reintroduced in the future and we cannot predict the results of such future efforts. On June 3, 2022, the U. S. Court of Appeals for the Ninth Circuit prohibited the federal government from issuing new permits for hydraulic fracturing and acidizing of oil wells in federal waters off the coast of California until a full environmental review is completed by federal agencies. The injunction was the result of lawsuits filed by the State of California, the California Coastal Commission and environmental groups alleging that federal agencies violated environmental laws when they authorized unconventional drilling methods on offshore California platforms before the unconventional drilling methods had been fully reviewed. The court also found that the California Coastal Commission must determine if hydraulic fracturing and acidizing are consistent with California' s coastal management program. While currently none of our California operations rely on hydraulic fracturing stimulation or acidizing of wells as discussed in the Ninth Circuit decision, any restrictions on the future use of those well stimulation treatments or other forms of injection may adversely impact our operations, including causing operational delays, increased costs, and reduced production, which could adversely affect our revenues, results of operations and net cash provided by operating activities. Our assets are located exclusively onshore and offshore in California, making us vulnerable to risks associated with having operations concentrated in this geographic area. We operate exclusively in California and in the waters off the coast of California. This geographic concentration disproportionately affects the success and profitability of our operations, exposing us to local price fluctuations, changes in state or regional laws and regulations, political risks, limited acquisition opportunities where we have the most operating experience and infrastructure, limited storage options, drought conditions, and other regional supply and demand factors, including gathering, pipeline and transportation capacity constraints, limited potential customers, infrastructure capacity and availability of rigs, equipment, oil field services, supplies and labor. We discuss such specific risks to our operations in more detail elsewhere in this section. In addition, we may not have the resources to effectively diversify our operations or benefit from the possible spreading of risks or offsetting of losses. All of our operations are conducted in areas that may be at risk of damage from fire, mudslides, earthquakes or other natural disasters. We currently conduct operations in California and adjacent offshore areas near known wildfire and mudslide areas and earthquake fault zones. A future natural disaster, such as a fire, mudslide or an earthquake, could cause substantial interruption and delays in our operations, damage or destroy equipment, prevent or delay transport of our products and cause us to incur additional expenses, which would adversely affect our business, financial condition and results of operations. In addition, our facilities would be difficult to replace and would require substantial lead time to repair or replace. These events could occur with greater frequency as a result of the potential impacts from climate change. The insurance we maintain against earthquakes, mudslides, fires and other natural disasters would not be adequate to cover a total loss of our facilities, may not be adequate to cover our losses in any particular case and may not continue to be available to us on acceptable terms, or at all. Increasing attention to environmental, social and governance (" ESG ") matters may impact our business. Increasing attention to, and social expectations on companies to address, climate change and other environmental and social impacts, investor and societal explanations regarding voluntary ESG disclosures, and increased consumer demand for alternative forms of energy may result in increased costs, reduced demand for our products, reduced profits, increased investigations and litigation, and negative impacts on our stock price and access to capital markets. Increasing attention to climate change and environmental conservation, for example, may result in demand shifts for oil and natural gas products and additional governmental investigations and private litigation against us. To the extent that societal pressures or political or other factors are involved, it is possible that such liability could be imposed without regard to our causation of or contribution to the asserted damage, or to other mitigating factors. While we may participate in various voluntary frameworks and certification programs to improve the ESG profile of our operations and products, we cannot guarantee that such participation or certification will have the intended results on our or our products' ESG profile. 32 Moreover, while we may create and publish voluntary disclosures regarding ESG matters from time to time, many of the statements in those voluntary disclosures will be based on hypothetical expectations and assumptions that may or may not be representative of current or actual risks or events or forecasts of expected risks or events, including the costs associated therewith. Such expectations and

assumptions are necessarily uncertain and may be prone to error or subject to misinterpretation given the long timelines involved and the lack of an established single approach to identifying, measuring, and reporting on many ESG matters. Additionally, while we may also announce various voluntary ESG targets in the future, such targets are aspirational. We may not be able to meet such targets in the manner or on such a timeline as initially contemplated, including, but not limited to as a result of unforeseen costs or technical difficulties associated with achieving such results. To the extent we do meet such targets through operational changes, they may be achieved through various contractual arrangements, including the purchase of various credits or offsets that may be deemed to mitigate our ESG impact. Also, despite these aspirational goals, we may receive pressure from investors, lenders, or other groups to adopt more aggressive climate or other ESG- related goals, but we cannot guarantee that we will be able to implement such goals because of potential costs or technical or operational obstacles. In addition, organizations that provide information to investors on corporate governance and related matters have developed ratings processes for evaluating companies on their approach to ESG matters. Such ratings are used by some investors to inform their investment and voting decisions. Unfavorable ESG ratings may lead to increased negative investor sentiment toward us or our customers and to the diversion of investment to other industries which could have a negative impact on our stock price and / or our access to and costs of capital. Moreover, to the extent ESG matters negatively impact our reputation, we may not be able to compete as effectively or recruit or retain employees, which may adversely affect our operations. Such ESG matters may also impact our customers or suppliers, which may adversely impact our business, financial condition, or results of operations. Environmental groups may initiate litigation and take other actions to delay or prevent us from obtaining required approvals to restart and continue production. Environmental groups have had increasing success in limiting oil and gas production by appealing to regulatory agencies, filing lawsuits and applying political pressure. In order to restart production we are required to obtain a series of permits or regulatory approvals from, among other agencies, OSFM. The laws and procedures governing these and other permits and regulatory approvals often allow third parties, including environmental groups, to challenge the draft permits and / or permit approvals through the relevant agencies and other administrative appeal processes. These groups may also file lawsuits that delay or prevent the issuance of the approvals through an injunction and / or prevailing on the legal merits. In addition, these groups may leverage the increased public attention and concern with respect to climate change and other environmental and social impacts in order to encourage government officials to withhold or delay the necessary approvals. There is no assurance that these groups will not be successful in delaying or preventing us from obtaining the required approvals through litigation or other actions. The Inflation Reduction Act of 2022 could accelerate the transition to a low carbon economy and will impose new costs on our operations. On August 16, 2022, President Biden signed into law the IRA. The IRA contains hundreds of billions of dollars in incentives for the development of renewable energy, clean hydrogen, clean fuels, electric vehicles and supporting infrastructure and carbon capture and sequestration, amongst other provisions. These incentives could further accelerate the transition of the U. S. economy away from the use of fossil fuels towards lower- or zero- carbon emissions alternatives, which could decrease demand for the oil and gas we produce and consequently materially and adversely affect our business and results of operations. In addition, the IRA imposes the first ever federal fee on the emission of GHGs through a methane emissions charge. The IRA amends the Clean Air Act to impose a fee on the emission of methane from sources required to report their GHG emissions to the EPA, including those ~~initial~~ sources in the petroleum and natural gas production category. The methane emissions charge started in calendar year 2024 at $ 900 per ton of methane, will increase to $ 1, 200 in 2025, and be set at $ 1, 500 for 2026 and each year thereafter. Calculation of the fee is based on certain thresholds established in the IRA. The methane emissions charge could increase our capital expenditures to limit methane releases and further increase our costs to the extent we exceed the limits, which may adversely affect our business and results of operations. The cost of decommissioning and the cost of financial assurance to satisfy decommissioning obligations are uncertain. We are required to maintain reserve funds to provide for the payment of decommissioning costs associated with our properties. The estimates of decommissioning costs are inherently imprecise and subject to change due to changing cost estimates, oil and natural gas prices and other factors. If actual decommissioning costs exceed such estimates, or we are required to provide a significant amount of collateral in cash or other security as a result of a revision to such estimates, our financial condition, results of operations and cash flows may be materially adversely affected. 33 We may be required to post cash collateral pursuant to our agreements with sureties, letter of credit providers or regulators under our ~~listing~~ existing or future bonding or other arrangements, which may have a material adverse effect on our liquidity and our ability to execute our capital expenditure plan and our asset retirement obligation plan and comply with the agreements governing our existing or future indebtedness. Pursuant to the terms of our existing bonding arrangements with various sureties in connection with the decommissioning obligations and government- mandated financial assurance obligations related to our properties, or under any future bonding arrangements we may enter into, we may be required to post collateral at any time, on demand, at the sureties' sole discretion. If additional collateral is required to support surety bond obligations, this collateral would probably be in the form of cash or letters of credit, certificates of deposit or other similar forms of liquid collateral. Letter of credit providers would also in turn likely expect collateral to support such obligations, primarily in the form of cash or other liquid collateral. If sureties become unwilling to enter into or continue bonding arrangements with us, regulators would likely require us to post additional collateral or fully fund our obligations with cash or other forms of liquid collateral. We cannot provide any assurance that we will be able to satisfy collateral demands for current or future bonds or letters of credit, or that we will be able to satisfy funding requirements ~~at~~ for other arrangements with regulators. If we are required to provide additional collateral or fully fund these obligations and we cannot obtain alternative financing, our liquidity position may be negatively impacted and we may be forced to reduce our capital expenditures in the current year or future years, may be unable to execute our asset retirement obligation plan or may be unable to comply with the agreements governing our existing or future indebtedness. Our business could be negatively affected by security threats, including cybersecurity threats, destructive forms of protest and opposition by activists and other disruptions. As an oil and natural gas producer, we face various security threats, including cybersecurity threats to gain unauthorized access to sensitive information, to misappropriate financial assets or to render data or systems unusable; threats to the security of our facilities and infrastructure or third- party facilities and infrastructure, such as processing plants and pipelines; and threats from terrorist acts. The potential for such security threats has subjected our operations to increased risks that ~~time~~ could have a material adverse effect on our business . ~~Because~~ In particular, our implementation of various procedures and controls to monitor and mitigate security threats and to increase security for our information, facilities and infrastructure may result in increased capital and operating costs. There can be no assurance that our cybersecurity risk management program and processes, including our policies, controls or procedures, will be fully implemented, complied with or effective in protecting our systems and information. Moreover, there can be no assurance that such procedures and controls will be sufficient to prevent security breaches from occurring. If any of these security breaches were to occur, they could lead to losses of financial assets, sensitive information, critical infrastructure or capabilities essential to our operations and could have a material adverse effect on our reputation, financial position, results of operations or cash flows. Cybersecurity attacks in particular are becoming more sophisticated and include, but are not limited to, malicious software, attempts to gain unauthorized access to data and systems, and other electronic security breaches that could lead to disruptions in critical systems, unauthorized release of confidential or otherwise protected information, and corruption of data. These events could lead to financial losses from remedial actions, loss of business or potential liability. In addition, destructive forms of protest and opposition by activists and other disruptions, including acts of sabotage or eco- terrorism, against oil and gas production and activities could potentially result in damage or injury to people, property or the environment or lead to extended interruptions of our operations, adversely affecting our financial condition and results of operations. Risks Related to Being a ~~public~~ Public Company The market prices ~~stockholders elected to redeem an aggregate~~ of ~~20, 317, 255 shares~~ our securities could be highly volatile or may decline regardless of our operating performance. You may lose some or all of ~~our~~ your ~~Class A~~ investment. The trading price of our Common Stock is likely to be volatile ~~, representing approximately 70. 67 % of our issued~~ and ~~outstanding shares~~ subject to significant fluctuations. The trading price of our ~~Class A~~ Common Stock will depend on many factors , including those described in ~~connection~~ this " Risk Factors " section, many of which are beyond our control and may not be related our operating performance. You may not be able to resell your shares at an attractive price due to a number of factors, such as the following: • actual or anticipated fluctuations in our quarterly financial results or the quarterly financial results of companies perceived to be similar to ours; • changes in the market' s expectations about our operating results; • the public' s reaction to our press releases, other public announcements and filings with the ~~Extension~~ SEC; • speculation in the press or investment community; • actual or anticipated developments in our business , competitors' businesses or the competitive landscape generally; 34 • our success in satisfying permitting and other regulatory requirements to restart production; • our success in satisfying permitting and other regulatory requirements to restart the Pipelines or obtain alternate transportation; • our ability to obtain water, drilling fluids and other critical resources; • the accuracy of our assumptions and estimates regarding the total costs associated with restarting and maintaining production and the Pipelines; • the market prices of oil, natural gas and NGL; • the success of our hedging strategy; • our ability to manage the safety risks associated with offshore development and production; • our success in retaining or recruiting, or changes required in, our officers, key employees or directors; • the outcome of ratemaking proceedings with the California Public Utilities Commission; • future laws and regulations related to climate change, GHGs and ESG and administrative interpretations ~~there~~ thereof ~~is~~ ; • changes in the future operating results of the Company; • operating ~~an~~ and ~~increased likelihood~~ stock price performance of other companies that investors deem comparable to ours; • changes in laws and regulations affecting our business; • commencement of, or involvement in, litigation involving the Company; • changes in our capital structure, such as future issuances of securities or the incurrence of additional debt; • the volume of our Common Stock available for public sale; • any major change in our Board or management; • sales of substantial amounts of our Common Stock by our directors, officers or significant stockholders or the perception that such sales could occur; and • other risk factors and other matters described or referenced under the sections " Risk Factors " and " Cautionary Note Regarding Forward- Looking Statements. " Broad market and industry factors may materially harm the market price of our securities irrespective of our operating performance. The stock market in general and the NYSE have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of the particular companies affected. The trading prices and valuations of these stocks, and of our securities, may not be predictable. A loss of investor confidence in the market for the stocks of other companies which investors perceive to be similar to ours could depress our Common Stock price regardless of our business, prospects, financial conditions or results of operations. In addition, in the past, following periods of volatility in the overall market and the market prices of particular companies' securities, securities class action litigations have often been instituted against these companies. Litigation of this type, if instituted against us, could result in substantial costs and a diversion of our management' s attention and resources. Any adverse determination in any such litigation or any amounts paid to settle any such actual or threatened litigation could require that we make significant payments. Our stock price may ~~fail~~ be exposed to ~~satisfy the minimum~~ additional risks because we became a public ~~stockholders~~ company through a " de- SPAC " transaction. There has been increased focus by government agencies on such transactions, and we expect that increased focus to continue, and we may be subject to increased scrutiny by the SEC and other government agencies on holders of our securities as a result, which could

adversely affect the price of our Common Stock. The NYSE may not continue to list our securities, which could limit investors ' ~~equity~~ **ability to make transactions in our securities** and ~~round lot holders thresholds imposed by~~ **subject us to additional trading restrictions. We cannot assure you that our securities will continue to be listed on the** NYSE **in the future** . **In order for our securities to remain listed on the NYSE, we must maintain certain financial, distribution and stock price levels. 35** If the NYSE delists our securities from trading on its exchange and we are not able to list our securities on another national securities exchange, we expect our securities could be quoted on an over- the- counter market. If this were to occur, we could face significant material adverse consequences, including: • a limited availability of market quotations for our securities; • reduced liquidity for our securities; • a determination that our ~~Class A common~~ **Common** ~~stock~~ **Stock** is a " penny stock **,** " which ~~will~~ **would** require brokers trading in **such securities** ~~our Class A common stock~~ to adhere to more stringent rules **, could adversely impact the value of our securities** and **/ or** possibly result in a reduced level of trading activity in the secondary trading market for our securities; • a limited amount of news and analyst coverage; and • a decreased ability to issue additional securities or obtain additional financing in the future. ~~The National Securities Markets Improvement Act of 1996, which is a federal statute, prevents or preempts the states from regulating the sale of certain securities, which are referred to as " covered securities. " Because we expect that our units and eventually our Class A common stock and warrants will be listed on the NYSE, our units, Class A common stock and warrants will be covered securities. Although the states are preempted from regulating the sale of our securities, the federal statute does allow the states to investigate companies if there is a suspicion of fraud, and, if there is a finding of fraudulent activity, then the states can regulate or bar the sale of covered securities in a particular case. While we are not aware of a state having used these powers to prohibit or restrict the sale of securities issued by blank check companies, other than the State of Idaho, certain state securities regulators view blank check companies unfavorably and might use these powers, or threaten to use these powers, to hinder the sale of securities of blank check companies in their states. Further, if we were no longer listed on the NYSE, our securities would not be covered securities and we would be subject to regulation in each state in which we offer our securities. You will not be entitled to protections normally afforded to investors of many other blank check companies. Since the net proceeds of our initial public offering and the sale of the private placement warrants are intended to be used to complete an initial business combination with a target business that has not been selected, we may be deemed to be a " blank check " company under the United States securities laws. However, because we have net tangible assets in excess of $ 5, 000, 000 and we filed a Current Report on Form 8- K, including an audited balance sheet of the company demonstrating this fact, we are exempt from rules promulgated by the SEC to protect investors in blank check companies, such as Rule 419. Accordingly, investors will not be afforded the benefits or protections of those rules. Among other things, this means our units are immediately tradable and we have a longer period of time to complete our initial business combination than do companies subject to Rule 419. Moreover, if we were subject to Rule 419, that rule would prohibit the release of any interest earned on funds held in the Trust Account to us unless and until the funds in the Trust Account were released to us in connection with our completion of an initial business combination. 22 If we seek stockholder approval of our initial business combination and we do not conduct redemptions pursuant to the tender offer rules, and if you or a " group " of stockholders are deemed to hold in excess of 15 % of our Class A common stock, you will lose the ability to redeem all such shares in excess of 15 % of our Class A common stock. If we seek stockholder approval of our initial business combination and we do not conduct redemptions in connection with our initial business combination pursuant to the tender offer rules, our amended and restated certificate of incorporation will provide that a public stockholder, together with any affiliate of such stockholder or any other person with whom such stockholder is acting in concert or as a " group " (as defined under Section 13 of the Exchange Act), will be restricted from seeking redemption rights with respect to more than an aggregate of 15 % of the shares sold in our initial public offering, which we refer to as the " Excess Shares. " However, our amended and restated certificate of incorporation will not restrict our stockholders' ability to vote all of their shares (including Excess Shares) for or against our initial business combination. Your inability to redeem the Excess Shares will reduce your influence over our ability to complete our initial business combination and you could suffer a material loss on your investment in us if you sell Excess Shares in open market transactions. Additionally, you will not receive redemption distributions with respect to the Excess Shares if we complete our initial business combination. As a result, you will continue to hold that number of shares exceeding 15 % and, in order to dispose of such shares, would be required to sell your stock in open market transactions, potentially at a loss. Because of our limited resources and the significant competition for business combination opportunities, it may be more difficult for us to complete our initial business combination. If we are unable to complete our initial business combination, our public stockholders may receive only approximately $ 10. 00 per share on our redemption of our public shares, or less than such amount in certain circumstances, and our warrants will expire worthless. We expect to encounter intense competition from other entities having a business objective similar to ours, including private investors (which may be individuals or investment partnerships), other blank check companies and other entities, domestic and international, competing for the types of businesses we intend to acquire. Many of these individuals and entities are well- established and have extensive experience in identifying and effecting, directly or indirectly, acquisitions of companies operating in or providing services to various industries. Many of these competitors possess greater technical, human and other resources or more local industry knowledge than we do and our financial resources will be relatively limited when contrasted with those of many of these competitors. While we believe there are numerous target businesses we could potentially acquire with the net proceeds of our initial public offering and the sale of the private placement warrants, our ability to compete with respect to the acquisition of certain target businesses that are sizable will be limited by our available financial resources. This inherent competitive limitation gives others an advantage in pursuing the acquisition of certain target businesses. Furthermore, because we are obligated to pay cash for the shares of Class A common stock that our public stockholders redeem in connection with our initial business combination, target companies will be aware that this may reduce the resources available to us for our initial business combination. This may place us at a competitive disadvantage in successfully negotiating a business combination. If we are unable to complete our initial business combination,~~

~~our public stockholders may receive only approximately $ 10. 00 per share on the liquidation of the Trust Account and our warrants will expire worthless. In certain circumstances, our public stockholders may receive less than $ 10. 00 per share upon our liquidation. See "- If third parties bring claims against us, the proceeds held in the Trust Account could be reduced and the per- share redemption amount received by stockholders may be less than $ 10. 00 per share " and other risk factors in this section. If the net proceeds of our initial public offering and the sale of the private placement warrants not being held in the Trust Account are insufficient to allow us to operate until at least September 1, 2023, we may be unable to complete our initial business combination, in which case our public stockholders may only receive $ 10. 00 per share, or less than such amount in certain circumstances, and our warrants will expire worthless. The funds available to us outside of the Trust Account may not be sufficient to allow us to operate until at least September 1, 2023, assuming that our initial business combination is not completed during that time. We believe that the funds available to us outside of the Trust Account will be sufficient to allow us to operate until at least September 1, 2023; however, we cannot assure you that our estimate is accurate. Of the funds available to us, we could use a portion of the funds available to us to pay fees to consultants to assist us with our search for a target business. We could also use a portion of the funds as a down payment or to fund a " no- shop " provision (a provision in letters of intent or merger agreements designed to keep target businesses from " shopping " around for transactions with other companies on terms more favorable to such target businesses) with respect to a particular proposed business combination, although we do not have any current intention to do so. If we entered into a letter of intent or merger agreement where we paid for the right to receive exclusivity from a target business and were subsequently required to forfeit such funds (whether as a result of our breach or otherwise), we might not have sufficient funds to continue searching for, or conduct due diligence with respect to, a target business. If we are unable to complete our initial business combination, our public stockholders may receive only approximately $ 10. 00 per share on the liquidation of the Trust Account and our warrants will expire worthless. In certain circumstances, our public stockholders may receive less than $ 10. 00 per share upon our liquidation. See "- If third parties bring claims against us, the proceeds held in the Trust Account could be reduced and the per- share redemption amount received by stockholders may be less than $ 10. 00 per share " and other risk factors in this section. 23 If the net proceeds of our initial public offering and the sale of the private placement warrants not being held in the Trust Account are insufficient, it could limit the amount available to fund our search for a target business or businesses and complete our initial business combination and we will depend on loans from our sponsor or management team to fund our search for a business combination, to pay our franchise and income taxes as well as expenses relating to the administration of the Trust Account and to complete our initial business combination. If we are unable to obtain these loans, we may be unable to complete our initial business combination. The funds available to us outside of the Trust Account to fund our working capital requirements may not be sufficient to allow us to operate until September 1, 2023, assuming that our initial business combination is not completed during that time. We believe that the funds available to us outside of the Trust Account, together with funds available from loans from our founders will be sufficient to allow us to operate until September 1, 2023; however, we cannot assure you that our estimate is accurate. Of the funds available to us, we expect to use a portion of the funds available to us to pay fees to consultants to assist us with our search for a target business. We could also use a portion of the funds as a down payment or to fund a " no- shop " provision (a provision in letters of intent designed to keep target businesses from " shopping " around for transactions with other companies or investors on terms more favorable to such target businesses) with respect to a particular proposed business combination, although we do not have any current intention to do so. If we entered into a letter of intent where we paid for the right to receive exclusivity from a target business and were subsequently required to forfeit such funds (whether as a result of our breach or otherwise), we might not have sufficient funds to continue searching for, or conduct due diligence with respect to, a target business. If we do not complete our initial business combination, our public stockholders may receive only approximately $ 10. 00 per share on the liquidation of the Trust Account and our warrants will expire worthless. In certain circumstances, our public stockholders may receive less than $ 10. 00 per share upon our liquidation. If we are required to seek additional capital, we would need to withdraw interest from the Trust Account as described elsewhere in this annual report and / or borrow funds from our sponsor, management team or other third parties to operate, or we may be forced to liquidate. None of our sponsor, members of our management team nor any of their affiliates is under any obligation to advance funds to us in such circumstances. Any such advances would be repaid only from funds held outside the Trust Account or from funds released to us upon completion of our initial business combination. We do not expect to seek loans from parties other than our sponsor or an affiliate of our sponsor as we do not believe third parties will be willing to loan such funds and provide a waiver against any and all rights to seek access to funds in the Trust Account. If we are unable to obtain these loans, we may be unable to complete our initial business combination. If we are unable to complete our initial business combination because we do not have sufficient funds available to us, we will be forced to cease operations and liquidate the Trust Account. Consequently, our public stockholders may only receive approximately $ 10. 00 per share on our redemption of our public shares, and our warrants will expire worthless. In certain circumstances, our public stockholders may receive less than $ 10. 00 per share on the redemption of their shares. If third parties bring claims against us, the proceeds held in the Trust Account could be reduced and the per- share redemption amount received by stockholders may be less than $ 10. 00 per share. Our placing of funds in the Trust Account may not protect those funds from third- party claims against us. Although we will seek to have all vendors, service providers (other than our independent auditors), prospective target businesses or other entities with which we do business execute agreements with us waiving any right, title, interest or claim of any kind in or to any monies held in the Trust Account for the benefit of our public stockholders, such parties may not execute such agreements, or even if they execute such agreements they may not be prevented from bringing claims against the Trust Account, including, but not limited to, fraudulent inducement, breach of fiduciary responsibility or other similar claims, as well as claims challenging the enforceability of the waiver, in each case in order to gain advantage with respect to a claim against our assets, including the funds held in the Trust Account. If any third party refuses to execute an agreement waiving such claims to the monies held in the Trust Account, our management will perform an analysis of the alternatives available to it and will only~~

~~enter into an agreement with a third party that has not executed a waiver if management believes that such third party' s engagement would be significantly more beneficial to us than any alternative. Making such a request of potential target businesses may make our acquisition proposal less attractive to them and, to the extent prospective target businesses refuse to execute such a waiver, it may limit the field of potential target businesses that we might pursue. Examples of possible instances where we may engage a third party that refuses to execute a waiver include the engagement of a third- party consultant whose particular expertise or skills are believed by management to be significantly superior to those of other consultants that would agree to execute a waiver or in cases where management is unable to find a service provider willing to execute a waiver. In addition, there is no guarantee that such entities will agree to waive any claims they may have in the future as a result of, or arising out of, any negotiations, contracts or agreements with us and will not seek recourse against the Trust Account for any reason. Upon redemption of our public shares, if we are unable to complete our initial business combination by September 1, 2023, or upon the exercise of a redemption right in connection with our initial business combination, we will be required to provide for payment of claims of creditors that were not waived that may be brought against us within the 10 years following redemption. Accordingly, the per- share redemption amount received by public stockholders could be less than the $ 10. 00 per share initially held in the Trust Account, due to claims of such creditors. Our sponsor has agreed that it will be liable to us if and to the extent any claims by a vendor for services rendered or products sold to us, or a prospective target business with which we have discussed entering into a transaction agreement, reduce the amount of funds in the Trust Account to below (i) $ 10. 00 per public share or (ii) such lesser amount per public share held in the Trust Account as of the date of the liquidation of the Trust Account due to reductions in the value of the trust assets, in each case net of the interest which may be withdrawn to pay taxes as well as expenses relating to administration of the Trust Account. This liability will not apply with respect to any claims by a third party who executed a waiver of any and all rights to seek access to the Trust Account and except as to any claims under our indemnity of the underwriters of our initial public offering against certain liabilities, including liabilities under the Securities Act. Moreover, in the event that an executed waiver is deemed to be 24 unenforceable against a third party, then our sponsor will not be responsible to the extent of any liability for such third- party claims.~~ We have ~~not independently verified whether our sponsor has sufficient funds to satisfy its indemnity obligations and believe that our sponsor' s only assets are securities of our company. We have not asked our sponsor to reserve for such indemnification obligations. Therefore, we cannot assure you that our sponsor would be able to satisfy those obligations. As a result, if any such claims were successfully made against the Trust Account, the funds available for our initial business combination and redemptions could be reduced to less than $ 10. 00 per public share. In such event, we may not be able to complete our initial business combination, and you would receive such lesser amount per share in connection with any redemption of your public shares. None of our directors and officers will indemnify us for claims by third parties including, without limitation, claims by vendors and prospective target businesses. Our independent directors may decide not to enforce the indemnification obligations of our sponsor, resulting in a reduction in the amount of funds in the Trust Account available for distribution to our public stockholders. In the event that the proceeds in the Trust Account are reduced below the lesser of (i) $ 10. 00 per public share or (ii) such lesser amount per share held in the Trust Account as of the date of the liquidation of the Trust Account due to reductions in the value of the trust assets, in each case net of the interest which may be withdrawn to pay taxes as well as expenses relating to administration of the Trust Account, and our sponsor asserts that it is unable to satisfy its obligations or that it has no indemnification obligations related to a particular claim, our independent directors would determine whether to take legal action against our sponsor to enforce its indemnification obligations. While we currently expect that our independent directors would take legal action on our behalf against our sponsor to enforce its indemnification obligations to us, it is possible that our independent directors in exercising their business judgment may choose not to do so if, for example, the cost of such legal action is deemed by the independent directors to be too high relative to the amount recoverable or if the independent directors determine that a favorable outcome is not likely. If our independent directors choose not to enforce these indemnification obligations, the amount of funds in the Trust Account available for distribution to our public stockholders may be reduced below $ 10. 00 per share. We may not have sufficient funds to satisfy indemnification claims of our directors and executive officers. We have agreed to indemnify our directors and executive officers to the fullest extent permitted by law. However, our directors and executive officers have agreed to waive any right, title, interest or claim of any kind in or to any monies in the Trust Account and to not seek recourse against the Trust Account for any reason whatsoever. Accordingly, any indemnification provided will be able to be satisfied by us only if: (i) we have sufficient funds outside of the Trust Account or (ii) we consummate an initial business combination. Our obligation to indemnify our directors and executive officers may discourage stockholders from bringing a lawsuit against our directors, directors and executive officers for breach of their fiduciary duties. These provisions also may have the effect of reducing the likelihood of derivative litigation against our directors and executive officers, even though such an action, if successful, might otherwise benefit us and our stockholders. Furthermore, a stockholder' s investment may be adversely affected to the extent we pay the costs of settlement and damage awards against our directors and executive officers pursuant to these indemnification provisions. 25 If, after we distribute the proceeds in the Trust Account to our public stockholders, we file a bankruptcy petition or an involuntary bankruptcy petition is filed against us that is not dismissed, a bankruptcy court may seek to recover such proceeds, and we and our board may be exposed to claims of punitive damages. If, after we distribute the proceeds in the Trust Account to our public stockholders, we file a bankruptcy petition or an involuntary bankruptcy petition is filed against us that is not dismissed, any distributions received by stockholders could be viewed under applicable debtor / creditor and / or bankruptcy laws as either a " preferential transfer " or a " fraudulent conveyance. " As a result, a bankruptcy court could seek to recover all amounts received by our stockholders. In addition, our Board may be viewed as having breached its fiduciary duty to our creditors and / or having acted in bad faith, thereby exposing itself and us to claims of punitive damages, by paying public stockholders from the Trust Account prior to addressing the claims of creditors. If, before distributing the proceeds in the Trust Account to our public stockholders, we file a bankruptcy petition or an involuntary bankruptcy petition is filed against us that is~~

~~not dismissed, the claims of creditors in such proceeding may have priority over the claims of our stockholders and the per- share amount that would otherwise be received by our stockholders in connection with our liquidation may be reduced. If, before distributing the proceeds in the Trust Account to our public stockholders, we file a bankruptcy petition or an involuntary bankruptcy petition is filed against us that is not dismissed, the proceeds held in the Trust Account could be subject to applicable bankruptcy law, and may be included in our bankruptcy estate and subject to the claims of third parties with priority over the claims of our stockholders. To the extent any bankruptcy claims deplete the Trust Account, the per- share amount that would otherwise be received by our stockholders in connection with our liquidation may be reduced. If we are deemed to be an investment company for purposes of the Investment Company Act, we may be required to institute burdensome compliance requirements and our activities may be severely restricted. As a result, in such circumstances, we may elect to abandon our efforts to complete our initial business combination and instead choose to liquidate the Company. On March 30, 2022, the SEC issued proposed rules (the " SPAC Rule Proposals ") relating, among other items, to the circumstances in which SPACs such as Flame could potentially be subject to the Investment Company Act and the regulations thereunder. The SPAC Rule Proposals would provide a safe harbor for such companies from the definition of " investment company " under Section 3 (a) (1) (A) of the Investment Company Act, provided that a SPAC satisfies certain criteria, including a limited time period to announce and complete a de- SPAC transaction. Specifically, to comply with the safe harbor, the SPAC Rule Proposals would require a company to file a report on Form 8- K announcing that it has entered into an agreement with a target company for a business combination no later than 18 months after the effective date of its registration statement for its initial public offering (the " IPO Registration Statement "). To avail itself of the safe harbor in the SPAC Rule Proposal, a company would then be required to complete its initial business combination no later than 24 months after the effective date of its IPO Registration Statement. Flame completed the IPO in February 2021 and has operated as a blank check company searching for a target business with which to consummate an initial business combination since such time until its announcement regarding the potential Business Combination with Sable on November 2, 2022. It is possible that a claim could be made that Flame has been operating as an unregistered investment company. If we are deemed to be an investment company under the Investment Company Act, our activities would be severely restricted, including: • restrictions on the nature of our investments; and • restrictions on the issuance of securities, each of which may make it difficult for us to complete our initial business combination. In addition, we may be required to institute burdensome compliance requirements, including: • registration as an investment company; • adoption of a specific form of corporate structure; and • reporting, record keeping, voting, proxy and disclosure requirements and other rules and regulations. In order not to be regulated as an investment company under the Investment Company Act, unless we can qualify for an exclusion, we must ensure that we are engaged primarily in a business other than investing, reinvesting or trading of securities and that our activities do not include investing, reinvesting, owning, holding or trading " investment securities " constituting more than 40 % of our total assets (exclusive of U. S. government securities and cash items) on an unconsolidated basis. Our business will be to identify~~ **identified** and complete a business combination and thereafter...... time and those changes could have a material **weaknesses** ~~adverse effect on our business, investments and results of operations. In addition, a failure to comply with applicable laws or regulations, as interpreted and applied, could have a material adverse effect on our business, including our ability to negotiate and complete our initial business combination, investments and results of operations. On March 30, 2022, the SEC issued proposed rules that would, among other items, impose additional disclosure requirements~~ in ~~initial public offerings by SPACs and business combination transactions involving SPACs and private operating companies; amend the financial statement requirements applicable to business combination transactions involving such companies; update and expand guidance regarding the general use of projections in SEC filings, as well as when projections are disclosed in connection with proposed business combination transactions; increase the potential liability of certain participants in proposed business combination transactions; and impact the extent to which SPACs could become subject to regulation under the Investment Company Act of 1940. These rules, if adopted, whether in the form proposed or in revised form, may materially adversely affect our business, including our ability to negotiate and complete our initial business combination and may increase the costs and time related thereto. Our stockholders may be held liable for claims by third parties against us to the extent of distributions received by them upon redemption of their shares. Under the DGCL, stockholders may be held liable for claims by third parties against a corporation to the extent of distributions received by them in a dissolution. The pro rata portion of the Trust Account distributed to our public stockholders upon the redemption of our public shares in the event we do not complete our initial business combination by September 1, 2023 may be considered a liquidating distribution under Delaware law. If a corporation complies with certain procedures set forth in Section 280 of the DGCL intended to ensure that it makes reasonable provision for all claims against it, including a 60- day notice period during which any third- party claims can be brought against the corporation, a 90- day period during which the corporation may reject any claims brought, and an additional 150- day waiting period before any liquidating distributions are made to stockholders, any liability of stockholders with respect to a liquidating distribution is limited to the lesser of such stockholder' s pro rata share of the claim or the amount distributed to the stockholder, and any liability of the stockholder would be barred after the third anniversary of the dissolution. However, it is our intention to redeem our public shares as soon as reasonably possible following September 1, 2023 in the event we do not complete our initial business combination and, therefore, we do not intend to comply with the foregoing procedures. 27 Because we will not be complying with Section 280, Section 281 (b) of the DGCL requires us to adopt a plan, based on facts known to us at such time that will provide for our payment of all existing and pending claims or claims that may be potentially brought against us within the 10 years following our dissolution. However, because we are a blank check company, rather than an operating company, and our operations will be limited to searching for prospective target businesses to acquire, the only likely claims to arise would be from our vendors (such as lawyers, investment bankers, etc.) or prospective target businesses. If our plan of distribution complies with Section 281 (b) of the DGCL, any liability of stockholders with respect to a liquidating distribution is limited to the lesser of such stockholder' s pro rata share of the claim or the amount distributed to the stockholder,~~

~~and any liability of the stockholder would likely be barred after the third anniversary of the dissolution. We cannot assure you that we will properly assess all claims that may be potentially brought against us. As such, our stockholders could potentially be liable for any claims to the extent of distributions received by them (but no more) and any liability of our stockholders may extend beyond the third anniversary of such date. Furthermore, if the pro rata portion of the Trust Account distributed to our public stockholders upon the redemption of our public shares in the event we do not complete our initial business combination by September 1, 2023 is not considered a liquidating distribution under Delaware law and such redemption distribution is deemed to be unlawful, then pursuant to Section 174 of the DGCL, the statute of limitations for claims of creditors could then be six years after the unlawful redemption distribution, instead of three years, as in the case of a liquidating distribution. We may not hold an annual meeting of stockholders until after the consummation of our initial business combination, which could delay the opportunity for our stockholders to elect directors. In accordance with the NYSE corporate governance requirements, we are not required to hold an annual meeting until no later than one year after our first fiscal year end following our listing on the NYSE. Under Section 211 (b) of the DGCL, we are, however, required to hold an annual meeting of stockholders for the purposes of electing directors in accordance with our bylaws unless such election is made by written consent in lieu of such a meeting. We may not hold an annual meeting of stockholders to elect new directors prior to the consummation of our initial business combination, and thus we may not be in compliance with Section 211 (b) of the DGCL, which requires an annual meeting. Therefore, if our stockholders want us to hold an annual meeting prior to the consummation of our initial business combination, they may attempt to force us to hold one by submitting an application to the Delaware Court of Chancery in accordance with Section 211 (c) of the DGCL. Until we hold an annual meeting of stockholders, our public stockholders may not be afforded the opportunity to discuss company affairs with management. The grant of registration rights to our initial stockholders and their permitted transferees may make it more difficult to complete our initial business combination, and the future exercise of such rights may adversely affect the market price of our Class A common stock. Pursuant to an agreement entered into concurrently with the issuance and sale of the securities in our initial public offering, our initial stockholders and their permitted transferees can demand that we register their founder shares, after those shares convert to our Class A common stock at the time of our initial business combination. In addition, holders of our private placement warrants and their permitted transferees can demand that we register the private placement warrants and the Class A common stock issuable upon exercise of the private placement warrants, and holders of warrants that may be issued upon conversion of working capital loans may demand that we register such warrants or the Class A common stock issuable upon exercise of such warrants. We will bear the cost of registering these securities. The registration and availability of such a significant number of securities for trading in the public market may have an adverse effect on the market price of our Class A common stock. In addition, the existence of the registration rights may make our initial business combination more costly or difficult to conclude. This is because the stockholders of the target business may increase the equity stake they seek in the combined entity or ask for more cash consideration to offset the negative impact on the market price of our Class A common stock that is expected when the common stock owned by our initial stockholders, holders of our private placement warrants or holders of our working capital loans or their respective permitted transferees are registered. Because we are not limited to a particular industry, sector, geography or any specific target businesses with which to pursue our initial business combination, you will be unable to ascertain the merits or risks of any particular target business' operations. Although we expect to focus our search for a target business in the energy industry in North America, we may seek to complete a business combination with an operating company in any industry, geography or sector. However, we will not, under our amended and restated certificate of incorporation, be permitted to complete our initial business combination with another blank check company or similar company with nominal operations. Because we have not yet selected or approached any specific target business with respect to a business combination, there is no basis to evaluate the possible merits or risks of any particular target business' s operations, results of operations, cash flows, liquidity, financial condition or prospects. To the extent we complete our initial business combination, we may be affected by numerous risks inherent in the business operations with which we combine. For example, if we combine with a financially unstable business or an entity lacking an established record of revenues or earnings, we may be affected by the risks inherent in the business and operations of a financially unstable or a development stage entity. Although our officers and directors will endeavor to evaluate the risks inherent in a particular target business, we cannot assure you that we will properly ascertain or assess all the significant risk factors or that we will have adequate time to complete due diligence. Furthermore, some of these risks may be outside of our control and leave us with no ability to control or reduce the chances that those risks will adversely impact a target business. We also cannot assure you that an investment in our units will ultimately prove to be more favorable to investors than a direct investment, if such opportunity were available, in a business combination target. Accordingly, any stockholder or warrant holder who chooses to remain a stockholder or warrant holder, respectively, following the business combination could suffer a reduction in the value of their securities. Such stockholders and warrant holders are unlikely to have a remedy for such reduction in value. 28 Because we intend to seek a business combination with a target business in the energy industry in North America, we expect our future operations to be subject to risks associated with this sector. We intend to focus our search for a target business in the energy industry. Because we have not yet identified or approached any specific target business, we cannot provide specific risks of any business combination. However, risks inherent in investments in the energy industry include, but are not limited to, the following: • volatility of oil and natural gas prices; • price and availability of alternative fuels, such as solar, coal, nuclear and wind energy; • significant federal, state and local regulation, taxation and regulatory approval processes as well as changes in applicable legislation, laws and regulations; • denial or delay of receiving requisite regulatory approvals and / or permits; • the speculative nature of and high degree of risk involved in investments in the upstream, midstream and energy services sectors, including relying on estimates of oil and gas reserves and the impacts of regulatory and tax changes; • exploration and development risks, which could lead to environmental damage, injury and loss of life or the destruction of property; • drilling, exploration and development risks, including encountering unexpected formations~~

~~or pressures, premature declines of reservoirs, blow- outs, equipment failures and other accidents, cratering, sour gas releases, uncontrollable flows of oil, natural gas or well fluids, adverse weather conditions, pollution, fires, spills and other environmental risks, any of which could lead to environmental damage, injury and loss of life or the destruction of property; • proximity and capacity of oil, natural gas and other transportation and support infrastructure to production facilities; • availability of key inputs, such as strategic consumables and raw materials and drilling and processing equipment; • available pipeline, storage and other transportation capacity; • changes in global supply and demand and prices for commodities; • impact of energy conservation efforts; • technological advances affecting energy production and consumption; • overall domestic and global economic conditions; • availability of, and potential disputes with, independent contractors; • global warming, adverse weather conditions, natural disasters or other events (such as equipment malfunctions, explosions, fires or spills); • value of U. S. dollar relative to the currencies of other countries; and • terrorist acts. Past performance by our team, including investments and transactions in which they have participated and businesses with which they have been associated, may not be indicative of future performance of an investment in us, and we may be unable to provide positive returns to shareholders. Information regarding performance by our team is presented for informational purposes only. Past performance of our team is not a guarantee of the consummation of a successful business combination or our ability to successfully identify and execute a transaction. Certain of our officers, directors and advisors have had management and deal execution experience with special purpose acquisition corporations in the past. You should not rely on the historical record of members of our team or their respective affiliates as indicative of future performance of an investment in us or the returns we will, or are likely to, generate going forward. Additionally, in the course of their respective careers, members of our management team and Board have been involved in businesses and deals that were unsuccessful. 29 We may seek acquisition opportunities in industries or sectors which may or may not be outside of our management' s area of expertise. We will consider a business combination outside of our management' s area of expertise if a business combination candidate is presented to us and we determine that such candidate offers an attractive acquisition opportunity for our company. Although our management will endeavor to evaluate the risks inherent in any particular business combination candidate, we cannot assure you that we will adequately ascertain or assess all the significant risk factors. We also cannot assure you that an investment in our units will not ultimately prove to be less favorable to investors in our initial public offering than a direct investment, if an opportunity were available, in a business combination candidate. In the event we elect to pursue an acquisition outside of the areas of our management' s expertise, our management' s expertise may not be directly applicable to its evaluation or operation, and the information contained herein regarding the areas of our management' s expertise would not be relevant to an understanding of the business that we elect to acquire. As a result, our management may not be able to adequately ascertain or assess all the significant risk factors. Accordingly, any stockholder or warrant holder who chooses to remain a stockholder or warrant holder, respectively, following our initial business combination could suffer a reduction in the value of their securities. Such stockholders and warrant holders are unlikely to have a remedy for such reduction in value. Although we have identified general criteria and guidelines that we believe are important in evaluating prospective target businesses, we may enter into our initial business combination with a target that does not meet such criteria and guidelines, and as a result, the target business with which we enter into our initial business combination may not have attributes entirely consistent with our general criteria and guidelines. Although we have identified general criteria and guidelines for evaluating prospective target businesses, it is possible that a target business with which we enter into our initial business combination will not have all of these positive attributes. If we complete our initial business combination with a target that does not meet some or all of these criteria and guidelines, such combination may not be as successful as a combination with a business that does meet all of our general criteria and guidelines. In addition, if we announce a prospective business combination with a target that does not meet our general criteria and guidelines, a greater number of stockholders may exercise their redemption rights, which may make it difficult for us to meet any closing condition with a target business that requires us to have a minimum net worth or a certain amount of cash. In addition, if stockholder approval of the transaction is required by applicable law or stock exchange listing requirements, or we decide to obtain stockholder approval for business or other legal reasons, it may be more difficult for us to attain stockholder approval of our initial business combination if the target business does not meet our general criteria and guidelines. If we are unable to complete our initial business combination, our public stockholders may receive only approximately $ 10. 00 per share, or less in certain circumstances, on the liquidation of the Trust Account and our warrants will expire worthless. In certain circumstances, our public stockholders may receive less than $ 10. 00 per share on the redemption of their shares. See "- If third parties bring claims against us, the proceeds held in the Trust Account could be reduced and the per- share redemption amount received by stockholders may be less than $ 10. 00 per share " and other risk factors in this section. We may seek acquisition opportunities with an early stage company, a financially unstable business or an entity lacking an established record of revenue or earnings, which could subject us to volatile revenues or earnings or difficulty in retaining key personnel. To the extent we complete our initial business combination with an early stage company, a financially unstable business or an entity lacking an established record of revenues or earnings, we may be affected by numerous risks inherent in the operations of the business with which we combine. These risks include investing in a business without a proven business model and with limited historical financial data, volatile revenues or earnings and difficulties in obtaining and retaining key personnel. Although our officers and directors will endeavor to evaluate the risks inherent in a particular target business, we may not be able to properly ascertain or assess all the significant risk factors and we may not have adequate time to complete due diligence. Furthermore, some of these risks may be outside of our control and leave us with no ability to control or reduce the chances that those risks will adversely impact a target business. We are not required to obtain an opinion from an independent investment banking firm or from an independent accounting firm, and consequently, you may have no assurance from an independent source that the price we are paying for the business is fair to our company from a financial point of view. Unless we complete our initial business combination with an affiliated entity or our board cannot independently determine the fair market value of the target business or businesses, we are not required to obtain an opinion from an~~

~~independent investment banking firm that is a member of FINRA or from an independent accounting firm that the price we are paying is fair to our company from a financial point of view. If no opinion is obtained, our stockholders will be relying on the judgment of our Board, who will determine fair market value based on standards generally accepted by the financial community. Such standards used will be disclosed in our proxy solicitation or tender offer materials, as applicable, related to our initial business combination. We may issue additional shares of common stock or preferred stock to complete our initial business combination, and may issue shares of common stock to redeem the warrants or issue shares of common stock or preferred stock under an employee incentive plan after completion of our initial business combination. We may also issue shares of Class A common stock upon the conversion of the Class B common stock at a ratio greater than one- to- one at the time of our initial business combination as a result of the anti- dilution provisions contained in our amended and restated certificate of incorporation. Any such issuances would dilute the interest of our stockholders and likely present other risks. 30 Our amended and restated certificate of incorporation authorizes the issuance of up to 200, 000, 000 shares of Class A common stock, par value $ 0. 0001 per share, 20, 000, 000 shares of Class B common stock, par value $ 0. 0001 per share, and 1, 000, 000 shares of preferred stock, par value $ 0. 0001 per share. There are currently 191, 567, 255 and 12, 812, 500 authorized but unissued shares of Class A common stock and Class B common stock, respectively, available for issuance, which amount does not take into account the shares of Class A common stock reserved for issuance upon exercise of any outstanding warrants or the shares of Class A common stock issuable upon conversion of Class B common stock. There are no shares of preferred stock issued and outstanding. Shares of Class B common stock are convertible into shares of our Class A common stock initially at a one- for- one ratio but subject to adjustment as set forth herein, including in certain circumstances in which we issue Class A common stock or equity- linked securities related to our initial business combination. We may issue a substantial number of additional shares of common or preferred stock to complete our initial business combination (including pursuant to a specified future issuance). After the completion of our initial business combination, we may issue a substantial number of additional shares of common stock to redeem the warrants or shares of common or preferred stock under an employee incentive plan. We may also issue shares of Class A common stock upon conversion of the Class B common stock at a ratio greater than one- to- one at the time of our initial business combination as a result of the anti- dilution provisions contained in our amended and restated certificate of incorporation. However, our amended and restated certificate of incorporation will provide, among other things, that prior to our initial business combination, we may not issue additional shares of capital stock that would entitle the holders thereof to (i) receive funds from the Trust Account or (ii) vote on any initial business combination. The issuance of additional shares of common or preferred stock: • may significantly dilute the equity interest of our investors, which dilution would increase if the anti- dilution provisions in the Class B common stock resulted in the issuance of shares of Class A common stock on a greater than one- to- one basis upon conversion of the Class B common stock; • may subordinate the rights of holders of common stock if preferred stock is issued with rights senior to those afforded our common stock; • could cause a change of control if a substantial number of shares of our common stock is issued, which may affect, among other things, our ability to use our net operating loss carry forwards, if any, and could result in the resignation or removal of our present officers and directors; • may have the effect of delaying or preventing a change of control of us by diluting the stock ownership or voting rights of a person seeking to obtain control of us; • may adversely affect prevailing market prices for our units, Class A common stock and / or warrants; and • may not result in adjustment to the exercise price of our warrants. Resources could be wasted in researching acquisitions that are not completed, which could materially adversely affect subsequent attempts to locate and acquire or merge with another business. If we are unable to complete our initial business combination, our public stockholders may receive only approximately $ 10. 00 per share, or less than such amount in certain circumstances, on the liquidation of the Trust Account and our warrants will expire worthless. We anticipate that the investigation of each specific target business and the negotiation, drafting and execution of relevant agreements, disclosure documents and other instruments will require substantial management time and attention and substantial costs for accountants, attorneys and others. If we decide not to complete a specific initial business combination, the costs incurred up to that point for the proposed transaction likely would not be recoverable. Furthermore, if we reach an agreement relating to a specific target business, we may fail to complete our initial business combination for any number of reasons including those beyond our control. Any such event will result in a loss to us of the related costs incurred which could materially adversely affect subsequent attempts to locate and acquire or merge with another business. If we are unable to complete our initial business combination, our public stockholders may receive only approximately $ 10. 00 per share on the liquidation of the Trust Account and our warrants will expire worthless. In certain circumstances, our public stockholders may receive less than $ 10. 00 per share on the redemption of their shares. See "- If third parties bring claims against us, the proceeds held in the Trust Account could be reduced and the per- share redemption amount received by stockholders may be less than $ 10. 00 per share " and other risk factors in this section. We may engage in a business combination with one or more target businesses that have relationships with entities that may be affiliated with our sponsor, officers, directors or existing holders which may raise potential conflicts of interest. In light of the involvement of our sponsor, officers and directors with other entities, we may decide to acquire one or more businesses affiliated with our sponsor, officers or directors. Our directors also serve as officers and board members for other entities. Such entities may compete with us for business combination opportunities. Our sponsor, officers and directors are not currently aware of any specific opportunities for us to complete our initial business combination with any entities with which they are affiliated, and there 31 have been no preliminary discussions concerning a business combination with any such entity or entities. Although we will not be specifically focusing on, or targeting, any transaction with any affiliated entities, we would pursue such a transaction if we determined that such affiliated entity met our criteria for a business combination as set forth in the section of this annual report entitled " Business- Acquisition Criteria " and such transaction was approved by a majority of our disinterested directors. Despite our agreement to obtain an opinion from an independent investment banking firm that is a member of FINRA, or from an independent accounting firm, regarding the fairness to our company from a financial point of view of a business combination~~

~~with one or more domestic or international businesses affiliated with our officers, directors or existing holders, potential conflicts of interest still may exist and, as a result, the terms of the business combination may not be as advantageous to our public stockholders as they would be absent any conflicts of interest. Since our initial stockholders will lose their entire investment in us if our initial business combination is not completed and our officers and directors may have differing personal and financial interests than you, a conflict of interest may arise in determining whether a particular business combination target is appropriate for our initial business combination. In November 2020, our founders acquired 7, 187, 500 founder shares for an aggregate purchase price of $ 25, 000, or approximately $ 0. 0035 per share. Our sponsor purchased 4, 671, 875 founder shares, FL Co- Investment purchased 1, 257, 813 founder shares and Intrepid Financial Partners purchased 1, 257, 812 founder shares. Also in November 2020, our sponsor transferred 434, 375 founder shares to our independent director nominees and certain individuals, including Gregory D. Patrinely, our Executive Vice President and Chief Financial Officer, at their original purchase price. Simultaneously with such transfer, each of FL Co- Investment and Intrepid Financial Partners transferred 13, 125 founder shares to our sponsor, respectively, at their original purchase price. Prior to the initial investment in the company of $ 25, 000 by our founders we had no assets, tangible or intangible. The number of founder shares issued was determined based on the expectation that such founder shares would represent 20 % of the outstanding shares after our initial public offering. The founder shares will be worthless if we do not complete an initial business combination. In addition, our initial stockholders purchased an aggregate of 7, 750, 000 private placement warrants, each exercisable for one share of our Class A common stock at $ 11. 50 per share, for a purchase price of $ 7, 750, 000, or $ 1. 00 per whole warrant, that will also be worthless if we do not complete a business combination. Our founders, directors and officers have agreed (A) to vote any shares owned by them in favor of any proposed business combination pursuant to a letter agreement that our founders, directors and officers have entered into with us and (B) pursuant to such letter agreement, our founders, officers and directors have agreed to waive (i) their redemption rights with respect to any founder shares and any public shares held by them in connection with the completion of our initial business combination, (ii) their redemption rights with respect to any founder shares and public shares held by them in connection with a stockholder vote to amend our amended and restated certificate of incorporation (A) to modify the substance or timing of our obligation to allow redemption in connection with our initial business combination or to redeem 100 % of our public shares if we do not complete our initial business combination by September 1, 2023 or (B) with respect to any other provision relating to stockholders' rights or pre- initial business combination activity and (iii) their rights to liquidating distributions from the Trust Account with respect to any founder shares held by them if we fail to complete our initial business combination by September 1, 2023, although they will be entitled to liquidating distributions from the Trust Account with respect to any public shares they hold if we fail to complete our initial business combination by September 1, 2023; (4) the founder shares will automatically convert into shares of our Class A common stock at the time of our initial business combination, on a one- for- one basis, subject to adjustment pursuant to certain anti- dilution rights, as described in more detail below; and (5) the founder shares are entitled to registration rights. In addition, we may obtain loans from our sponsor, affiliates of our sponsor or an officer or director. The personal and financial interests of our officers and directors may influence their motivation in identifying and selecting a target business combination, completing an initial business combination and influencing the operation of the business following the initial business combination. This risk may become more acute as the deadline for completing our initial business combination nears. Since our initial stockholders paid only approximately $ 0. 0035 per share for the founder shares, our officers and directors could potentially make a substantial profit even if we acquire a target business that subsequently declines in value. In November 2020, our founders acquired 7, 187, 500 founder shares for an aggregate purchase price of $ 25, 000, or approximately $ 0. 0035 per share. Our sponsor purchased 4, 671, 875 founder shares, FL Co- Investment purchased 1, 257, 813 founder shares and Intrepid Financial Partners purchased 1, 257, 812 founder shares. Also in November 2020, our sponsor transferred 434, 375 founder shares to our independent directors and certain individuals, including Gregory D. Patrinely, our Executive Vice President and Chief Financial Officer, at their original purchase price. Simultaneously with such transfer, each of FL Co- Investment and Intrepid Financial Partners transferred 13, 125 founder shares to our sponsor, respectively, at their original purchase price. Our officers and directors have a significant economic interest in our sponsor. As a result, the low acquisition cost of the founder shares creates an economic incentive whereby our officers and directors could potentially make a substantial profit even if we acquire a target business that subsequently declines in value and is unprofitable for public investors. 32 We may issue notes or other debt securities, or otherwise incur substantial debt, to complete a business combination, which may adversely affect our leverage and financial condition and thus negatively impact the value of our stockholders' investment in us. Although we currently have no commitments to issue any notes or other debt securities, or to otherwise incur outstanding debt, we may choose to incur substantial debt to complete our initial business combination. We have agreed that we will not incur any indebtedness unless we have obtained from the lender a waiver of any right, title, interest or claim of any kind in or to the monies held in the Trust Account. As such, no issuance of debt will affect the per- share amount available for redemption from the Trust Account. Nevertheless, the incurrence of debt could have a variety of negative effects, including: • default and foreclosure on our assets if our operating revenues after an initial business combination are insufficient to repay our debt obligations; • acceleration of our obligations to repay the indebtedness even if we make all principal and interest payments when due if we breach certain covenants that require the maintenance of certain financial ratios or reserves without a waiver or renegotiation of that covenant; • our immediate payment of all principal and accrued interest, if any, if the debt security is payable on demand; • our inability to obtain necessary additional financing if the debt security contains covenants restricting our ability to obtain such financing while the debt security is outstanding; • our inability to pay dividends on our common stock; • using a substantial portion of our cash flow to pay principal and interest on our debt, which will reduce the funds available for dividends on our common stock if declared, our ability to pay expenses, make capital expenditures and acquisitions, and fund other general corporate purposes; • limitations on our flexibility in planning for and reacting to changes in our business and in the industry in which we operate; • increased vulnerability to adverse~~

~~changes in general economic, industry and competitive conditions and adverse changes in government regulation; • limitations on our ability to borrow additional amounts for expenses, capital expenditures, acquisitions, debt service requirements, and execution of our strategy; and • other disadvantages compared to our competitors who have less debt. We may only be able to complete one business combination with the proceeds of our initial public offering and the sale of the private placement warrants, which will cause us to be solely dependent on a single business which may have a limited number of products or services. This lack of diversification may negatively impact our operations and profitability. The amount of the net proceeds from our initial public offering and the sale of the private placement warrants available to complete our initial business combination and pay related fees and expenses (which includes up to $ 10, 062, 500 for the payment of the Marketing Fee) was $ 277, 437, 500 as of December 31, 2022 (or $ 71, 316, 440 after the redemptions of Ordinary Shares that occurred on March 2, 2023). We may complete our initial business combination with a single target business or multiple target businesses simultaneously or within a short period of time. However, we may not be able to complete our initial business combination with more than one target business because of various factors, including the existence of complex accounting issues and the requirement that we prepare and file pro forma financial statements with the SEC that present operating results and the financial condition of several target businesses as if they had been operated on a combined basis. By completing our initial business combination with only a single entity, our lack of diversification may subject us to numerous economic, competitive and regulatory developments. Further, we would not be able to diversify our operations or benefit from the possible spreading of risks or offsetting of losses, unlike other entities which may have the resources to complete several business combinations in different industries or different areas of a single industry. In addition, we intend to focus our search for an initial business combination in a single industry. Accordingly, the prospects for our success may be: • solely dependent upon the performance of a single business, property or asset; or • dependent upon the development or market acceptance of a single or limited number of products, processes or services. This lack of diversification may subject us to numerous economic, competitive and regulatory developments, any or all of which may have a substantial adverse impact upon the particular industry in which we may operate subsequent to our initial business combination. 33 We may attempt to simultaneously complete business combinations with multiple prospective targets, which may hinder our ability to complete our initial business combination and give rise to increased costs and risks that could negatively impact our operations and profitability. If we determine to simultaneously acquire several businesses that are owned by different sellers, we will need for each of such sellers to agree that our purchase of its business is contingent on the simultaneous closings of the other business combinations, which may make it more difficult for us, and delay our ability, to complete our initial business combination. With multiple business combinations, we could also face additional risks, including additional burdens and costs with respect to possible multiple negotiations and due diligence investigations (if there are multiple sellers) and the additional risks associated with the subsequent assimilation of the operations and services or products of the acquired companies in a single operating business. If we are unable to adequately address these risks, it could negatively impact our profitability and results of operations. We may attempt to complete our initial business combination with a private company about which little information is available, which may result in a business combination with a company that is not as profitable as we suspected, if at all. In pursuing our acquisition strategy, we may seek to complete our initial business combination with a privately held company. Very little public information generally exists about private companies, and we could be required to make our decision on whether to pursue a potential initial business combination on the basis of limited information, which may result in a business combination with a company that is not as profitable as we suspected, if at all. We do not have a specified maximum redemption threshold. The absence of such a redemption threshold may make it possible for us to complete a business combination with which a substantial majority of our stockholders do not agree. Our amended and restated certificate of incorporation will not provide a specified maximum redemption threshold, except that in no event will we redeem our public shares in an amount that would cause our net tangible assets to be less than $ 5, 000, 001 upon completion of our initial business combination (such that we are not subject to the SEC' s " penny stock " rules). As a result, we may be able to complete our initial business combination even though a substantial majority of our public stockholders do not agree with the transaction and have redeemed their shares or, if we seek stockholder approval of our initial business combination and do not conduct redemptions in connection with our initial business combination pursuant to the tender offer rules, have entered into privately negotiated agreements to sell their shares to our founders, officers, directors, advisors or their affiliates. In the event the aggregate cash consideration we would be required to pay for all shares of Class A common stock that are validly submitted for redemption plus any amount required to satisfy cash conditions pursuant to the terms of the proposed business combination exceed the aggregate amount of cash available to us, we will not complete the business combination or redeem any shares, all shares of Class A common stock submitted for redemption will be returned to the holders thereof, and we instead may search for an alternate business combination. In order to complete our initial business combination, we may seek to amend our amended and restated certificate of incorporation or other governing instruments, including our warrant agreement, in a manner that will make it easier for us to complete our initial business combination but that our stockholders or warrant holders may not support. In order to complete a business combination, blank check companies have, in the recent past, amended various provisions of their charters and governing instruments, including their warrant agreement. For example, blank check companies have amended the definition of business combination, increased redemption thresholds, changed industry focus and, with respect to their warrants, amended their warrant agreements to require the warrants to be exchanged for cash and / or other securities. We cannot assure you that we will not seek to amend our charter or other governing instruments or change our industry focus in order to complete our initial business combination. The provisions of our amended and restated certificate of incorporation that relate to our pre- business combination activity (and corresponding provisions of the agreement governing the release of funds from the Trust Account) may be amended with the approval of holders of 65 % of our common stock, which is a lower amendment threshold than that of some other blank check companies. It may be easier for us, therefore, to amend our amended and restated certificate of incorporation and the trust agreement to facilitate the completion of~~

~~an initial business combination that some of our stockholders may not support. Some other blank check companies have a provision in their charter that prohibits the amendment of certain of its provisions, including those which relate to a company’ s pre- business combination activity, without approval by a certain percentage of the company’ s stockholders. In those companies, amendment of these provisions requires approval by between 90 % and 100 % of the company’ s public stockholders. Our amended and restated certificate of incorporation will provide that any of its provisions (other than amendments relating to the election or removal of directors prior to our initial business combination, which require the approval by holders of a majority of at least 90 % of the issued and outstanding shares of our common stock voting at a stockholder meeting) related to pre- business combination activity (including the requirement to deposit proceeds of our initial public offering and the private placement of warrants into the Trust Account and not release such amounts except in specified circumstances, and to provide redemption rights to public stockholders as described herein) may be amended if approved by holders of 65 % of our common stock entitled to vote thereon, and corresponding provisions of the trust agreement governing the release of funds from the Trust Account 34 may be amended if approved by holders of 65 % of our common stock entitled to vote thereon. In all other instances, our amended and restated certificate of incorporation or bylaws may be amended by holders of a majority of our outstanding common stock entitled to vote thereon, subject to applicable provisions of the DGCL or applicable stock exchange rules. We may not issue additional securities that can vote on amendments to our amended and restated certificate of incorporation or in our initial business combination. Our initial stockholders, who collectively beneficially own 46 % of our common stock, will participate in any vote to amend our amended and restated certificate of incorporation and / or trust agreement and will have the discretion to vote in any manner they choose. As a result, we may be able to amend the provisions of our amended and restated certificate of incorporation that govern our pre- business combination behavior more easily than some other blank check companies, and this may increase our ability to complete a business combination with which you do not agree. Our stockholders may pursue remedies against us for any breach of our amended and restated certificate of incorporation. Our founders, officers and directors have agreed, pursuant to a letter agreement with us, that they will not propose any amendment to our amended and restated certificate of incorporation (A) to modify the substance or timing of our obligation to allow redemption in connection with our initial business combination or redeem 100 % of our public shares if we do not complete our initial business combination by September 1, 2023 or (B) with respect to any other provision relating to stockholders’ rights or pre- initial business combination activity, unless we provide our public stockholders with the opportunity to redeem their shares of Class A common stock upon approval of any such amendment at a per- share price, payable in cash, equal to the aggregate amount then on deposit in the Trust Account, including interest (which interest shall be net of amounts released to us to pay taxes and expenses related to the administration of the trust), divided by the number of then issued and outstanding public shares. Our stockholders are not parties to, or third- party beneficiaries of, this letter agreement and, as a result, will not have the ability to pursue remedies against our founders, officers or directors for any breach of the letter agreement. As a result, in the event of a breach, our stockholders would need to pursue a stockholder derivative action, subject to applicable law. We may be unable to obtain additional financing to complete our initial business combination or to fund the operations and growth of a target business, which could compel us to restructure or abandon a particular business combination. Although we believe that the net proceeds of our initial public offering and the sale of the private placement warrants will be sufficient to allow us to complete our initial business combination, because we have not yet selected any prospective target business we cannot ascertain the capital requirements for any particular transaction. If the net proceeds of our initial public offering and the sale of the private placement warrants prove to be insufficient, either because of the size of our initial business combination, the depletion of the available net proceeds in search of a target business, the obligation to repurchase for cash a significant number of shares from stockholders who elect redemption in connection with our initial business combination or the terms of negotiated transactions to purchase shares in connection with our initial business combination, we may be required to seek additional financing or to abandon the proposed business combination. We cannot assure you that such financing will be available on acceptable terms, if at all. To the extent that additional financing proves to be unavailable when needed to complete our initial business combination, we would be compelled to either restructure the transaction or abandon that particular business combination and seek an alternative target business candidate. If we are unable to complete our initial business combination, our public stockholders may receive only approximately $ 10. 00 per share plus any pro rata interest earned on the funds held in the Trust Account (and not previously released to us to pay our franchise and income taxes as well as expenses relating to the administration of the Trust Account) on the liquidation of the Trust Account and our warrants will expire worthless. In addition, even if we do not need additional financing to complete our initial business combination, we may require such financing to fund the operations or growth of the target business. The failure to secure additional financing could have a material adverse effect on the continued development or growth of the target business. None of our officers, directors or stockholders is required to provide any financing to us in connection with or after our initial business combination. If we are unable to complete our initial business combination, our public stockholders may only receive approximately $ 10. 00 per share on the liquidation of the Trust Account, and our warrants will expire worthless. In certain circumstances, our public stockholders may receive less than $ 10. 00 per share on the redemption of their shares. See “- If third parties bring claims against us, the proceeds held in the Trust Account could be reduced and the per- share redemption amount received by stockholders may be less than $ 10. 00 per share ” and other risk factors in this section. Our initial stockholders may exert a substantial influence on actions requiring a stockholder vote, potentially in a manner that you do not support. Subsequent to the Extension, our initial stockholders now own shares representing 46 % of our issued and outstanding shares of common stock. Accordingly, they may exert a substantial influence on actions requiring a stockholder vote, potentially in a manner that you do not support, including amendments to our amended and restated certificate of incorporation and approval of major corporate transactions. If our initial stockholders purchase any additional shares of common stock in the aftermarket or in privately negotiated transactions, this would increase their control. Factors that would be considered in making such additional purchases would include consideration of the current trading price of~~

~~our Class A common stock. In addition, our Board, whose members were elected by our initial stockholders, is and will be divided into three classes, each of which will generally serve for a term of three years with only one class of directors being elected in each year. We may not hold an annual meeting of stockholders to elect new directors prior to the completion of our initial business combination, in which case all of the current directors will continue in office until at least the completion of the 35 business combination. If there is an annual meeting, as a consequence of our " staggered " Board, only a minority of the Board will be considered for election and our initial stockholders, because of their ownership position, will have considerable influence regarding the outcome. Accordingly, our initial stockholders will continue to exert control at least until the completion of our initial business combination. Our warrants and founder shares may have an adverse effect on the market price of our Class A common stock and make it more difficult to complete our initial business combination. We have issued warrants to purchase 14, 375, 000 shares of our Class A common stock as part of the units offered in our initial public offering and, simultaneously with the closing of our initial public offering, we issued in a private placement warrants to purchase an aggregate of 7, 750, 000 shares of Class A common stock at $ 11. 50 per share. Our initial stockholders currently own 7, 187, 500 founder shares. The founder shares are convertible into shares of Class A common stock on a one- for- one basis, subject to adjustment as set forth herein. In addition, if our sponsor, an affiliate of our sponsor or certain of our officers and directors make any working capital loans, initially up to $ 1, 500, 000, which was increased to $ 3, 500, 000 on March 24, 2023, of such loans may be converted into warrants, at the price of $ 1. 00 per warrant at the option of the lender. Such warrants would be identical to the private placement warrants, including as to exercise price, exercisability and exercise period. To the extent we issue shares of Class A common stock to complete a business combination, the potential for the issuance of a substantial number of additional shares of Class A common stock upon exercise of these warrants and conversion rights could make us a less attractive acquisition vehicle to a target business. Any such issuance will increase the number of issued and outstanding shares of our Class A common stock and reduce the value of the shares of Class A common stock issued to complete the business combination. Therefore, our warrants and founder shares may make it more difficult to complete a business combination or increase the cost of acquiring the target business. The private placement warrants are identical to the warrants sold as part of the units in our initial public offering except that, so long as they are held by our initial stockholders or their respective permitted transferees, (i) they will not be redeemable by us for cash, (ii) pursuant to a letter agreement with us, subject to certain exceptions, our initial stockholders have agreed not to transfer, assign or sell any private placement warrant (including the Class A common stock issuable upon exercise of the private placement warrants) until 30 days after the completion of our initial business combination and (iii) the private placement warrants may be exercised by the holders on a cashless basis. We may seek business combination opportunities with a high degree of complexity that require significant operational improvements, which could delay or prevent us from achieving our desired results. We may seek business combination opportunities with large, highly complex companies that we believe would benefit from operational improvements. While we intend to implement such improvements, to the extent that our efforts are delayed or we are unable to achieve the desired improvements, the business combination may not be as successful as we anticipate. To the extent we complete our initial business combination with a large complex business or entity with a complex operating structure, we may also be affected by numerous risks inherent in the operations of the business with which we combine, which could delay or prevent us from implementing our strategy. Although our management team will endeavor to evaluate the risks inherent in a particular target business and its operations, we may not be able to properly ascertain or assess all of the significant risk factors until we complete our business combination. If we are not able to achieve our desired operational improvements, or the improvements take longer to implement than anticipated, we may not achieve the gains that we anticipate. Furthermore, some of these risks and complexities may be outside of our control and leave us with no ability to control or reduce the chances that those risks and complexities will adversely impact a target business. Such combination may not be as successful as a combination with a smaller, less complex organization. A provision of our warrant agreement may make it more difficult for us to consummate an initial business combination. Unlike many blank check companies, if (i) we issue additional shares of common stock or equity- linked securities for capital raising purposes in connection with the closing of our initial business combination at a Newly Issued Price of less than $ 9. 20 per share of common stock and (ii) the aggregate gross proceeds from such issuances represent more than 60 % of the total equity proceeds, and interest thereon, available for the funding of our initial business combination on the date of the completion of our initial business combination (net of redemptions) and (iii) the Market Value is below $ 9. 20 per share, then the exercise price of the warrants will be adjusted to be equal to 115 % of the higher of the Market Value and the Newly Issued Price, the $ 10. 00 per share redemption trigger price will be adjusted (to the nearest cent) to be equal to the higher of the Market Value and the Newly Issued Price, and the $ 18. 00 per share redemption trigger price will be adjusted (to the nearest cent) to be equal to 180 % of the higher of the Market Value and the Newly Issued Price. This may make it more difficult for us to consummate an initial business combination with a target business. 36 Because we must furnish our stockholders with target business financial statements, we may lose the ability to complete an otherwise advantageous initial business combination with some prospective target businesses. The federal proxy rules require that a proxy statement with respect to a vote on a business combination meeting certain financial significance tests include target historical and / or pro forma financial statement disclosure. We will include the same financial statement disclosure in connection with our tender offer documents, whether or not they are required under the tender offer rules. These financial statements may be required to be prepared in accordance with, or be reconciled to, accounting principles generally accepted in the United States of America (" GAAP ") or international financial reporting standards as issued by the International Accounting Standards Board (" IFRS "), depending on the circumstances and the historical financial statements may be required to be audited in accordance with the standards of the Public Company Accounting Oversight Board (United States) (the " PCAOB "). These financial statement requirements may limit the pool of potential target businesses we may acquire because some targets may be unable to provide such financial statements in time for us to disclose such financial statements in accordance with federal proxy rules and complete our initial business combination by~~

~~September 1, 2023. Compliance obligations under the Sarbanes- Oxley Act may make it more difficult for us to complete our initial business combination, require substantial financial and management resources, and increase the time and costs of completing an acquisition. Section 404 of the Sarbanes- Oxley Act requires that we evaluate and report on our system of internal controls. Only in the event we are deemed to be a large accelerated filer or an accelerated filer will we be required to comply with the independent registered public accounting firm attestation requirement on~~ our internal control over financial reporting. ~~Further, for as long as we remain an emerging growth company, we will not be required to comply with the independent registered public accounting firm attestation requirement on our internal control over financial reporting. The fact that we are a blank check company makes compliance with the requirements of the Sarbanes- Oxley Act particularly burdensome on us as compared to other public companies because a target company with which we seek to complete our initial business combination may not be in compliance with the provisions of the Sarbanes- Oxley Act regarding adequacy of its internal controls. The development of the internal control of any such entity to achieve compliance with the Sarbanes- Oxley Act may increase the time and costs necessary to complete any such acquisition. We may engage one or more of our underwriters from our initial public offering or one of their respective affiliates to provide additional services to us after our initial public offering, which may include acting as M & A advisor in connection with an initial business combination or as placement agent in connection with a related financing transaction. Our underwriters from our initial public offering are entitled to receive the Marketing Fee that will be released from the Trust Account only upon a completion of an initial business combination.~~ These ~~financial incentives may cause such underwriters to have potential conflicts of interest in rendering any such additional services to us, including, for example, in connection with the sourcing and consummation of an initial business combination. We may engage one or more of our underwriters or one of their respective affiliates to provide additional services to us after our initial public offering, including, for example, identifying potential targets, providing M & A advisory services, acting as a placement agent in a private offering or arranging debt financing transactions. We may pay such underwriter or its affiliate fair and reasonable fees or other compensation that would be determined at that time in an arm' s length negotiation. The underwriters are also entitled to receive a Marketing Fee that are conditioned on the completion of an initial business combination. The underwriters' or their respective affiliates' financial interests tied to the consummation of a business combination transaction may give rise to potential conflicts of interest in providing any such additional services to us, including potential conflicts of interest in connection with the sourcing and consummation of an initial business combination. As the number of SPACs evaluating targets increases, attractive targets may become scarcer and there may be more competition for attractive targets. This could increase the cost of our initial business combination and could even result in our inability to find a target or to consummate an initial business combination. In recent years, the number of SPACs that have been formed has increased substantially. Many potential targets for SPACs have already entered into an initial business combination, and there are still many SPACs seeking targets for their initial business combination, as well as many such companies currently in registration with the SEC. As a result, at times, fewer attractive targets may be available, and it may require more time, more effort and more resources to identify a suitable target and to consummate an initial business combination. In addition, because there are more SPACs seeking to enter into an initial business combination with available targets, the competition for available targets with attractive fundamentals or business models may increase, which could cause targets companies to demand improved financial terms. Attractive deals could also become scarcer for other reasons, such as economic or industry sector downturns, geopolitical tensions, or increases in the cost of additional capital needed to close business combinations or operate targets post- business combination. This could increase the cost of, delay or otherwise complicate or frustrate our ability to find and consummate an initial business combination, and may result in our inability to consummate an initial business combination on terms favorable to our investors altogether. 37 Risks Relating to the Post- Business Combination Company Subsequent to the completion of our initial business combination, we may be required to take write- downs or write- offs, restructuring and impairment or other charges that could have a significant negative effect on our financial condition, results of operations and our stock price, which could cause you to lose some or all of your investment. Even if we conduct extensive due diligence on a target business with which we combine, we cannot assure you that this diligence will surface all~~ material issues that may be present inside a....... We have identified a material weakness **weaknesses** ~~in our internal control over financial reporting. This material weakness~~ could continue to ~~adversely affect our ability to report our results of operations and financial condition accurately and in a timely manner. As part of the restatement, we identified a material weakness in our internal controls over financial reporting relating to accounting for complex financial instruments. Although we have now completed these restatements, we cannot guarantee that we will have no further inquiries from the SEC or NYSE regarding our restated financial statements or matters relating thereto. Any future inquiries from the SEC or NYSE as a result of the restatement of our historical financial statements will, regardless of the outcome, likely consume a significant amount of our resources in addition to those resources already consumed in connection with the restatement itself. 44 Our warrants are accounted for as derivative liabilities and are recorded at fair value with changes in fair value for each period reported in earnings, which may have an adverse effect on the market price of our common stock or may make it more difficult for us to consummate an initial business combination. We issued 14, 375, 000 public warrants and, simultaneously with the closing of our initial public offering, we issued in a private placement 7, 750, 000 private placement warrants. As a result of the Statement, we evaluated the accounting treatment of our 14, 375, 000 public warrants and 7, 750, 000 private placement warrants and determined that the warrants should be recorded as derivative liabilities measured at fair value, with changes in fair value each period reported in earnings. At each reporting period (i) the accounting treatment of the warrants will be re- evaluated for proper accounting treatment as a liability or equity and (ii) the fair value of the liability of the public and private warrants will be remeasured and the change in the fair value of the liability will be recorded as other income (expense) in our income statement. Changes in the inputs and assumptions for the valuation model we use to determine the fair value of such liability may have a material impact on the estimated fair value of the embedded derivative liability. The share price of our common stock represents the primary underlying variable that impacts the value of the liability related to the warrants, which~~

~~are accounted for as derivative instruments. Additional factors that impact the value of the warrants as derivative instruments include the volatility of our stock price, discount rates and stated interest rates. As a result, our financial statements and results of operations will fluctuate quarterly, based on various factors, many of which are outside of our control, such as the share price of our common stock. In addition, we may change the underlying assumptions used in our valuation model, which could result in significant fluctuations in our results of operations. If our stock price is volatile, we expect that we will recognize non- cash gains or losses on our warrants or any other similar derivative instruments each reporting period and that the amount of such gains or losses could be material. The impact of changes in fair value on earnings may have an adverse effect on the market price of our common stock. As a result, included on our balance sheet as of December 31, 2022 contained elsewhere in this annual report are derivative liabilities related to embedded features contained within our public warrants and private placement warrants. Accounting Standards Codification 815- 40, " Derivatives and Hedging — Contracts on an Entity' s Own Equity ", provides for the remeasurement of the fair value of such derivatives at each balance sheet date, with a resulting non- cash gain or loss related to the change in the fair value being recognized in earnings in the statement of operations. As a result of the recurring fair value measurement, our financial statements and results of operations may fluctuate quarterly, based on factors, that are outside of our control. Due to the recurring fair value measurement, we expect that we will recognize non- cash gains or losses on our warrants each reporting period and that the amount of such gains or losses could be material. We have identified material weaknesses in our internal control over financial reporting. If we are unable to develop and maintain an effective system of internal control over financial reporting, we may not be able to accurately report our financial results in a timely manner, which may~~ adversely affect investor confidence in us and materially ~~and~~ adversely affect our ~~business and operating~~ **ability to report our** results **of operations and financial condition accurately and in a timely manner** . Our management is responsible for establishing and maintaining adequate internal control over financial reporting designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. Our management **also** ~~is likewise required, on a quarterly basis, to evaluate~~ **evaluates** the effectiveness of our internal controls and ~~to~~ **we will** disclose any changes and material weaknesses identified through such evaluation in those internal controls. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting **,** such that there is a reasonable possibility that a material misstatement of our annual or **surrounding** interim financial statements will not be prevented ~~,~~ or detected ~~and corrected~~ on a timely basis ~~. Effective internal controls are necessary for us to provide reliable financial reports and prevent fraud~~ . We identified a material weakness in our internal control over financial reporting related to the accounting for the warrants we issued in connection with **the Flame IPO** ~~our initial public offering~~ . As a result of this material weakness, our management concluded that our internal control over financial reporting was not effective as of December 31, ~~2022~~ **2023** . This material weakness resulted in a material misstatement of our warrant liabilities, change in fair value of warrant liabilities and related financial disclosures for the fiscal year ended December 31, 2021. ~~For a discussion of management' s consideration of the material weakness identified related to the Company' s accounting treatment of its public and private placement warrants, see Part II, Item 9A: Controls and Procedures included in this Report.~~ We ~~have~~ **also** identified a material weakness in our internal control over financial reporting of complex financial instruments related to ~~the Company~~ **our classification of redeemable shares of Flame** ' s ~~classification of redeemable shares of~~ Class A common stock **, par value $ 0. 0001 per share (" Flame Class A common stock ")** . As a result of this material weakness, our management has concluded that our internal control over financial reporting was not effective as of December 31, ~~2022~~ **2023** . Historically, a portion of the **Flame** Class A common stock was classified as permanent equity. Following **our** ~~the Company' s~~ re- evaluation of the accounting classification of the **Flame** Class A common stock, **our** ~~the Company' s~~ management has determined that the **Flame** Class A common stock requires classification as temporary equity. ~~For a discussion of management' s consideration of the material weakness identified related to the Company' s classification of the Class A common stock, see Part II, Item 9A: Controls and Procedures included in this Report.~~ If we identify any new material weaknesses in the future, any such newly identified material weakness could limit our ability to prevent or detect a misstatement of our accounts or disclosures that could result in a material misstatement of our annual or interim financial statements. In such case, we may be unable to maintain compliance with securities law requirements regarding timely filing of periodic reports in addition to applicable stock exchange listing requirements, investors may lose confidence in our financial reporting and our stock price may decline as a result. We cannot assure you that the measures we have taken to date, or any measures we may take in the future, will be sufficient to avoid potential future material weaknesses. To respond to these material weaknesses, we have devoted, and plan to continue to devote, significant effort and resources to the remediation and improvement of our internal control over financial reporting. While we have processes to identify and appropriately apply applicable accounting requirements, we plan to enhance these processes to better evaluate our research and understanding of the nuances of the complex accounting standards ~~45~~ that apply to our financial statements. Our plans at this time include providing enhanced access to accounting literature, research materials and documents and increased communication among our personnel and third- party professionals with whom we consult regarding complex accounting applications. The elements of our remediation plan can only be accomplished over time, and we can offer no assurance that these initiatives will ultimately have the intended effects. Any failure to maintain such internal control could adversely impact our ability to report our financial position and results from operations on a timely and accurate basis. If our financial statements are not accurate, investors may not have a complete understanding of our operations. Likewise, if our financial statements are not filed on a timely basis, we could be subject to sanctions or investigations by the stock exchange on which our ~~common~~ **Common** ~~stock~~ **Stock** is listed, the SEC or other regulatory authorities. In either case, this could in result a material adverse effect on our business. Failure to timely file will cause us to be ineligible to utilize short **-** form registration statements on Form S- 3, which may impair our ability to obtain capital in a timely fashion to execute our business strategies or issue shares to effect an acquisition. Ineffective internal controls could also cause investors to lose confidence in our reported financial information, which could have a negative effect on the trading price of our stock. **36** We can give no assurance that the measures we have taken and plan to take in the future will remediate the material weaknesses identified or that any additional material weaknesses or restatements of financial results will not arise in the future due to a failure to implement and maintain adequate internal control over financial reporting or circumvention of these controls. In addition, even if we are successful in strengthening our controls and procedures, in the future those controls and procedures may not be adequate to prevent or identify irregularities or errors or to facilitate the fair presentation of our financial statements. **If** ~~The restatement of our March 30, 2021 and June 30, 2021 unaudited interim financial statements in connection with the filing of our Form 10- K for the year ended December 31, 2021 has subjected us to additional risks and uncertainties, including increased professional costs and the increased possibility of legal proceedings. As a result of the restatement of our financial statements,~~ we **fail** ~~have become subject~~ to ~~additional risks~~ **develop and maintain** ~~and~~ - **an** ~~uncertainties, including, among others, increased professional fees and expenses and time commitment that may be required to address matters related to the restatements, and scrutiny of the SEC and other regulatory bodies which could cause investors to lose confidence in our reported financial information and could subject us to civil or criminal penalties or shareholder litigation. We could face monetary judgments, penalties or other sanctions that could have a material adverse effect~~ **effective system** ~~on our business, financial condition and results~~ of ~~operations~~ **disclosure controls** and ~~could cause its stock price to decline. We may face litigation and other risks as a result of the material weaknesses in our~~ internal control over financial reporting **, our ability to produce timely and accurate financial statements or comply with applicable regulations could be impaired, which may adversely affect investor confidence in us and, as a result, the market price of our Common Stock** . As a **U. S. public company** ~~result of the material weakness described above~~ , **we are required to comply with** the **requirements** ~~change in accounting for the warrants, the restatement for the change in classification~~ of ~~redeemable common stock and~~ **the Sarbanes- Oxley Act of 2002 (the " Sarbanes- Oxley Act "), including, among** other **things,** ~~matters raised or~~ that ~~may in the future be raised by the SEC,~~ we **maintain effective disclosure controls** ~~face potential for litigation or other disputes that may include, among others, claims invoking the federal~~ and **procedures and** ~~state securities laws, contractual claims or other claims arising from the material weaknesses in our~~ internal control over financial reporting **. We are continuing to develop and refine our disclosure controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we file with the SEC is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to our management, including our principal executive and financial officers. We will be required to make a formal assessment of the effectiveness of our internal control over financial reporting and, after we cease to be** ~~and~~ - **an emerging growth company, we will be required to include an attestation report on internal control over financial reporting issued by our independent registered public accounting firm. To achieve compliance with** ~~the~~ **these** ~~preparation~~ **requirements within the prescribed time period, we have begun a process to document and evaluate our internal control over financial reporting, which is both costly and challenging. We will need to continue to dedicate internal resources, potentially engage outside consultants and adopt a detailed work plan to assess and document the adequacy of our internal control over financial reporting, validate through testing that controls are functioning as documented and implement a continuous reporting and improvement process for internal control over financial reporting. There is a risk that we will not be able to conclude, within the prescribed time period or at all, that our internal control over financial reporting is effective as required by Section 404 of the Sarbanes- Oxley Act. Moreover, our testing, or the subsequent testing by our independent registered public accounting firm, may reveal additional deficiencies in our internal control over financial reporting that are deemed to be material weaknesses. Any failure to implement and maintain effective disclosure controls and procedures and internal control over financial reporting, including the identification of one or more material weaknesses, could cause investors to lose confidence in the accuracy and completeness** of our financial statements **and reports, which would likely adversely affect the market price of our Common Stock. In addition, we could be subject to sanctions or investigations by the stock exchange on which our Common Stock is listed, the SEC and other regulatory authorities. Future sales, or the perception of future sales, of our Common Stock by us or our existing stockholders in the public market could cause the market price for our Common Stock to decline. The sale of substantial amounts of shares of our Common Stock in the public market, or the perception that such sales could occur, could harm the prevailing market price of shares of our Common Stock. These sales, or the possibility that these sales may occur, also might make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate. Shares held by certain of our stockholders will be eligible for resale, subject to, in the case of certain stockholders, volume, manner of sale and other limitations under Rule 144. In addition, pursuant to the Registration Rights Agreement entered into by and among Sable and certain stockholders party thereto, such stockholders will be entitled to customary registration rights for 3, 000, 000 shares of our Common Stock following their respective lock- up periods. The sale or possibility of sale of these securities could have the effect of increasing the volatility in our share price or putting significant downward pressure on the price of our Common Stock. Our issuance of additional shares of Common Stock or convertible securities may dilute your ownership of us and could adversely affect our stock price. We intend to file a registration statement with the SEC on Form S- 8 providing for the registration of shares of our Common Stock issued or reserved for issuance under the Sable Offshore Corp. 2023 Incentive Award Plan (the " Incentive Plan "). The Incentive Plan will provide for automatic increases in the shares reserved for grant or issuance under the plan which could result in additional dilution to our stockholders. Subject to the satisfaction of vesting conditions and the expiration of any applicable lockup restrictions, shares 37 registered under the registration statement on Form S- 8 will generally be available for resale immediately in the public market without restriction. From time to time in the future, we may also issue additional shares of our Common Stock or securities convertible into our Common Stock pursuant to a variety of transactions, including acquisitions. The issuance by us of additional shares of our Common Stock or securities convertible into our Common Stock would dilute your ownership of us and the sale of a**

significant amount of such shares in the public market could adversely affect prevailing market prices of our Common Stock. In the future, we may seek to obtain financing or to further increase our capital resources by issuing additional shares of our capital stock or offering debt or other equity securities, including senior or subordinated notes, debt securities convertible into equity, or shares of preferred stock. Issuing additional shares of our capital stock, other equity securities, or securities convertible into equity may dilute the economic and voting rights of our existing stockholders, reduce the market price of our Common Stock, or both. Debt securities convertible into equity could be subject to adjustments in the conversion ratio pursuant to which certain events may increase the number of equity securities issuable upon conversion. Preferred stock, if issued, could have a preference with respect to liquidating distributions or a preference with respect to dividend payments that could limit our ability to pay dividends to the holders of our Common Stock. Our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, which may adversely affect the amount, timing or nature of our future offerings . As **a result, holders** of **our Common Stock bear** ~~of operations and result in a diversion of~~ the ~~time and resources~~ **risk that our future offerings may reduce the market price** of our ~~management~~ **Common Stock** and ~~our Board~~ **dilute their percentage ownership** .We may redeem ~~your~~ unexpired **Public** ~~warrants~~ **Warrants** prior to their exercise at a time that is disadvantageous to ~~you~~ **Warrant Holders** ,thereby making ~~your~~ **their** warrants worthless.We have the ability to redeem outstanding **Public** ~~warrants~~ **Warrants** ~~for cash~~ at any time after they become exercisable and prior to their expiration,at a price of $ 0.01 per warrant,provided that the last reported sale price of our ~~Class A common~~ **Common** ~~stock~~ **Stock** for any 20 trading days within a 30- trading day period ending on the third trading day prior to ~~the date on which~~ the date **on which we send the notice** of **redemption to the Warrant Holders equals or exceeds $ 18. 00 per share (as adjusted for adjustments to the number of shares issuable upon exercise or the exercise price of a warrant) and provided certain other conditions are met. Our Common Stock has never traded above $ 18. 00 per share. Ninety days after the warrants become exercisable, we may redeem the outstanding warrants at a price equal to a number of shares of our Common Stock as set forth in the section " Description of Securities- Warrants- Public Stockholders' Warrants. " If and when the warrants become redeemable by us, we may exercise our redemption rights even if we are unable to register or qualify the underlying shares of our Common Stock for sale under all applicable state securities laws. Redemption of the outstanding warrants could force the Warrant Holders to (i) exercise their warrants and pay the exercise price therefor at a time when it may be disadvantageous for them to do so, (ii) sell their warrants at the then- current market price when they might otherwise wish to hold their warrants or (iii) accept the nominal redemption price which, at the time the outstanding warrants are called for redemption, is likely to be substantially less than the market value of their warrants. If we call the warrants for redemption as described above, our management will have the option to require all holders that wish to exercise warrants to do so on a " cashless basis. " In addition, we may redeem your warrants for a number of shares of our Common Stock determined based on the redemption date and the fair market value of our Common Stock. " Fair Market Value " means the price at which property would reasonably be expected to change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of relevant facts. Any such redemption may have similar consequences to a cash redemption described above. We have no obligation to notify holders of warrants that they have become eligible for redemption. In the event we decide to redeem the warrants, we shall fix a date for the redemption (the " Redemption Date ") and are required to mail notice of such redemption not less than 30 days prior to the Redemption Date. The warrants may be exercised any time after notice of redemption is given and prior to the Redemption Date. Redemption may occur at a time when the warrants are " out- of- the- money, " in which case you would lose any potential embedded value from a subsequent increase in the value of our Common Stock had your warrants remained outstanding. None of the Private Placement Warrants will be redeemable by us so long as they are held by Flame Acquisition Sponsor LLC (" Sponsor "), FL Co- Investment LLC (" FL Co- Investment ") and Intrepid Financial Partners L. L. C. (" Intrepid Financial Partners " and, together with Sponsor and FL Co- Investment, the " founders ") or their permitted transferees. Our decisions concerning redemptions of such warrants are subject to any applicable restrictions and limitations under our Term Loan Agreement or other agreements governing then- existing indebtedness of the Company. There is no guarantee that the Public Warrants will ever be " in the money, " and they may expire worthless and the terms of our warrants may be amended. The exercise price for the Public Warrants is $ 11. 50 per share of Common Stock. Each warrant entitles the registered holder to purchase one share of our Common Stock at a price of $ 11. 50 per whole share. There is no guarantee that the Public Warrants will ever be in the money prior to their expiration, and as such, the warrants may expire worthless. Our warrant agreement designates the courts of the State of New York or the United States District Court for the Southern District of New York as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by holders of our warrants, which could limit the ability of Warrant Holders to obtain a favorable judicial forum for disputes with our company. 38 Our warrant agreement provides that, subject to applicable law, (i) any action, proceeding or claim against us arising out of or relating in any way to the warrant agreement, including under the Securities Act, will be brought and enforced in the courts of the State of New York or the United States District Court for the Southern District of New York, and (ii) that we irrevocably submit to such jurisdiction, which jurisdiction will be the exclusive forum for any such action, proceeding or claim. Under our warrant agreement, we also agree that we will waive any objection to such exclusive jurisdiction and that such courts represent an inconvenient forum. Notwithstanding the foregoing, these provisions of the warrant agreement do not apply to suits brought to enforce any liability or duty created by the Exchange Act or any other claim for which the federal district courts of the United States of America are the sole and exclusive forum. Any person or entity purchasing or otherwise acquiring any interest in any of our warrants will be deemed to have notice of and to have consented to the forum provisions in our warrant agreement. If any action, the**

subject matter of which is within the scope of the forum provisions of the warrant agreement, is filed in a court other than a court of the State of New York or the United States District Court for the Southern District of New York (a " foreign action ") in the name of any holder of our warrants, such holder will be deemed to have consented to: (x) the personal jurisdiction of the state and federal courts located in the State of New York in connection with any action brought in any such court to enforce the forum provisions (an " enforcement action "), and (y) having service of process made upon such Warrant Holder in any such enforcement action by service upon such Warrant Holder' s counsel in the foreign action as agent for such Warrant Holder. This choice- of- forum provision may limit a Warrant Holder' s ability to bring a claim in a judicial forum that it finds favorable for disputes with our company, which may discourage such lawsuits. Alternatively, if a court were to find this provision of our warrant agreement inapplicable or unenforceable with respect to one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could materially and adversely affect our business, financial condition and results of operations and result in a diversion of the time and resources of our management and board of directors. Members of our management team and our Board and their respective affiliated companies have been, and may from time to time be, involved in legal proceedings or governmental investigations unrelated to our business. Members of our management team and our Board have been involved in a wide variety of businesses. Such involvement has, and may lead to, media coverage and public awareness. As a result of such involvement, members of our management team and our Board and their respective affiliated companies have been, and may from time to time be, involved in legal proceedings or governmental investigations unrelated to our business. Any such proceedings or investigations may be detrimental to our reputation and could negatively affect our ability to identify and complete an initial business combination and may have an adverse effect on the price of our securities. If securities or industry analysts do not publish research or reports about us, or publish negative reports, our stock price and trading volume could decline. The trading market for our Common Stock will depend, in part, on the research and reports that securities or industry analysts publish about us. We will not have any control over these analysts. If our financial performance fails to meet analyst estimates or one or more of the analysts who cover us downgrade our Common Stock or change their opinion, our stock price would likely decline. If one or more of these analysts cease coverage of us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which could cause our stock price or trading volume to decline. Our operating results may fluctuate significantly, which makes our future operating results difficult to predict and could cause our operating results to fall below expectations or any guidance it may provide. Our quarterly and annual ~~report~~ operating results may fluctuate significantly , which makes it difficult for us to predict our future operating results. These fluctuations may occur due to a variety of factors, many of which are outside of our control, including, but not limited to: • the costs associated with restarting and maintaining production and the Pipelines; • the market prices of oil, natural gas and NGL; • the success of our hedging strategy; • future accounting pronouncements or changes in our accounting policies; • macroeconomic conditions, both nationally and locally; and • any other change in the competitive landscape of our industry, including consolidation among our competitors or partners. 39 The cumulative effects of these factors could result in large fluctuations and unpredictability in our quarterly and annual operating results. As a result, comparing our operating results on a period- to- period basis may not be meaningful. Investors should not rely on past results as an indication of future performance. This variability and unpredictability could also result in us failing to meet the expectations of industry or financial analysts or investors for any period. If our revenue or operating results fall below the expectations of analysts or investors or below any forecasts we may provide to the market, or if the forecasts we provide to the market are below the expectations of analysts or investors, the price of our Common Stock could decline substantially. Such a stock price decline could occur even when we have met ~~no knowledge of~~ any previously ~~dollar amount the public~~ publicly stated revenue ~~stockholders would receive upon any redemption~~ or ~~liquidation of Flame~~ earnings guidance we may provide .Changes in laws ,regulations or ~~regulations~~ rules ,or a failure to comply with any laws ~~and~~ , regulations or rules ,may adversely affect our business ~~,including our ability to negotiate and complete our initial business combination~~ ,investments and results of operations.We are subject to laws ,regulations and ~~regulations~~ rules enacted by national,regional and local governments and the NYSE .In particular, ~~we~~ We are required to comply with certain SEC ,NYSE and other legal or regulatory requirements.Compliance with,and monitoring of,applicable laws ,regulations and ~~regulations~~ rules may be difficult,time consuming and costly. ~~Those~~ Such laws ~~and~~ , regulations or rules and their interpretation and application may also change from time to time and ~~those~~ such changes ~~litigation or dispute. However, we can provide no assurance that such litigation or dispute will not arise in the future. Any such litigation or dispute, whether successful or not,~~ could have a material adverse effect on our business, investments and results of operations ~~and financial condition or~~ . In addition, any failure by us to comply with applicable laws, regulations ~~our~~ - or ~~ability to complete~~ rules, as interpreted and applied, could have a material adverse effect on our business ~~combination. We are an~~ and results ~~emerging growth company and a smaller reporting company within the meaning~~ of operations ~~the Securities Act, and if we take advantage of certain exemptions from disclosure requirements available to emerging growth companies or smaller reporting companies, this could make our securities less attractive to investors and may make it more difficult to compare our performance with other public companies~~ . We are an " emerging growth company " ~~within~~ and the ~~meaning of the Securities Act~~ reduced reporting and disclosure requirements applicable to emerging growth companies could make our Common Stock less attractive to investors. We are an " emerging growth company , " as ~~modified by~~ defined in the JOBS Act ~~, and~~ . For as long as we remain an emerging growth company, we may choose to take advantage of ~~certain~~ exemptions from various reporting requirements ~~that are~~ applicable to other public companies but ~~that are~~ not to " emerging growth companies , " including : • ~~, but not limited to,~~ not being required to ~~comply with the~~ have an independent registered public accounting firm ~~auditor~~ -- audit ~~attestation requirements of~~ our internal control over financial reporting under Section 404 of the Sarbanes- Oxley Act ~~,~~ **; •** reduced disclosure obligations regarding executive compensation in our periodic reports and ~~proxy statements,~~ **annual report on Form 10- K;** and **•** exemptions from the requirements of holding ~~a~~ **non-** ~~nonbinding~~ --- **binding** advisory ~~vote~~ **votes** on executive compensation and stockholder approval of any golden parachute payments not previously approved. As a result, our stockholders may not have access to certain information **that** they may deem important. ~~We could be~~ **Our status as** an emerging growth company ~~for up to five~~ **will end as soon as any of the following takes place: • the last day of the fiscal** ~~years~~ - **year** ~~, although circumstances could cause us to lose that status earlier, including if~~ **in which we have at least $ 1. 235 billion in annual revenue; •** the ~~market value~~ **date we qualify as a " large accelerated filer, " with at least $ 700. 0 million** of ~~our Class A~~ common ~~stock~~ **equity securities** held by non- affiliates ~~exceeds~~ **; • the date on which we have issued, in any three- year period, more than** $ ~~700~~ **1. 0** ~~million~~ **billion** ~~as of any June 30 before that time,~~ in ~~which case we would no~~ **non** ~~longer be an~~ **- convertible debt securities; or • the last day of the fiscal year ending after the fifth anniversary of the Flame IPO. Under the JOBS Act,** emerging growth ~~company~~ **companies can also delay the adoption of new or revised accounting standards until such time** as ~~of the~~ **those** ~~following December 31~~ **standards apply to private companies. We may elect to take advantage of this extended transition period and as a result, our financial statements may not be comparable with similarly situated public companies** . We cannot predict ~~whether~~ **if** investors will find our ~~securities~~ **Common Stock less attractive if we choose to rely on any of the exemptions afforded emerging growth companies. If some investors find our Common Stock** less attractive because we ~~will~~ rely on **any of** these exemptions ~~. If some investors find our securities less attractive as a result of our reliance on these exemptions, the trading prices of our securities may be lower than they otherwise would be~~ , there may be a less active trading market for our ~~securities~~ **Common Stock** and the ~~trading~~ **market** ~~prices~~ - **price** of our ~~securities~~ **Common Stock** may be more volatile ~~. 46 Further, Section 102 (b) (1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non- emerging growth companies but any such an~~ **and** ~~election to opt out is irrevocable. We have elected to irrevocably opt out of such extended transition period, which means that when a standard is issued or revised and it has different application dates for public or private companies, we will adopt the new or revised standard at the time public companies adopt the new or revised standard. This~~ may **decline.** ~~make comparison of our financial statements with another emerging growth company that has not opted out of using the extended transition period difficult or impossible because~~ **Because** ~~of the potential differences in accounting standards used. Additionally, we are a " smaller reporting company " as defined in Item 10 (f) (1) of Regulation S- K. Smaller reporting companies may take advantage of certain reduced disclosure obligations, including, among other things, providing only two years of audited financial statements. We will remain a smaller reporting company until the last day of any fiscal year for so long as either (1) the market value of our common stock held by non- affiliates did not exceed $ 250 million as of the prior June 30, or (2) our annual revenues did not exceed $ 100 million during such completed fiscal year and the market value of our common stock held by non- affiliates did not exceed $ 700 million as of the prior June 30. Cyber incidents or attacks directed at us could result in information theft, data corruption, operational disruption and / or financial loss. We depend on digital technologies, including information systems, infrastructure and cloud applications and services, including those of third parties with which we may deal. Sophisticated and deliberate attacks on, or security breaches in, our systems or infrastructure, or the systems or infrastructure of third parties or the cloud, could lead to corruption or misappropriation of our assets, proprietary information and sensitive or confidential data. As an early stage company without significant investments in data security protection, we may not be sufficiently protected against such occurrences. We may not have sufficient resources to adequately protect against, or to investigate and remediate any vulnerability to, cyber incidents. It is possible that any of these occurrences, or a combination of them, could have adverse consequences on our business and lead to financial loss. Members of our management team and our Board and their respective affiliated companies have been, and may from time to time be, involved in legal proceedings or governmental investigations unrelated to our business. Members of our management team and our Board have been involved in a wide variety of businesses. Such involvement has, and may lead to, media coverage and public awareness. As a result of such involvement, members of our management team and our Board and their respective affiliated companies have been, and may from time to time be, involved in legal proceedings or governmental investigations unrelated to our business. Any such proceedings or investigations may be detrimental to our reputation and could negatively affect our ability to identify and complete an initial business combination and may have an adverse effect on the price of our securities. A new 1 % U. S. federal excise tax may be imposed upon us in connection with the redemptions by us of our Class A common stock. On August 16, 2022, President Biden signed into law the Inflation Reduction Act (the " IRA "), which, among other things, imposes a new U. S. federal 1 % excise tax on certain repurchases (including redemptions) of stock by publicly traded domestic corporations and certain domestic subsidiaries of publicly traded foreign corporations. This excise tax is imposed on the repurchasing corporation itself, not its stockholders from which shares are repurchased. Generally, the amount of the excise tax is 1 % of the fair market value of the shares repurchased at the time of the repurchase. For the purposes of calculating the excise tax, the repurchasing corporation is permitted to net the fair market value of certain new stock issuances against the fair market value of the stock repurchases that occur in the same taxable year. The U. S. Treasury Department, the IRS (as defined below), and other standard- setting bodies are expected to issue guidance on how the excise tax provisions of the IRA will be applied. The IRA excise tax applies to repurchases that occur after December 31, 2022. Any repurchase or redemption of our Class A common stock that occurs after December 31, 2022, in connection with the Business Combination may be subject to the excise tax. Whether and to what extent we would be subject to the excise tax in connection with the Business Combination would depend on a number of factors, including (i) the fair market value of the redemptions and repurchase in connection with the Business Combination, (ii) the structure of the~~

~~Business Combination, (iii) the nature and amount of any PIPE Investment or other equity issuances in connection with the Business Combination (or otherwise issued not in connection with the Business Combination but issued within the same taxable year of the Business Combination) and (iv) the regulations and other guidance issued by the U. S. Treasury Department and the IRS. Since the excise tax would be payable by us and not by the redeeming holder, we have yet to determine the mechanics of any required payment of the excise taxes. An investment in us may result in uncertain or adverse United States federal income tax consequences. An investment in us may result in uncertain U. S. federal income tax consequences. For instance, because~~ there are no ~~authorities that directly address~~ **current plans to pay cash dividends on our Common Stock for the foreseeable future, you may not receive any return on** ~~instruments~~ --- **investment unless you sell** ~~similar to the units we issued in our~~ **your shares of our Common Stock at a** ~~initial public offering, the allocation an investor makes with respect to the purchase~~ price ~~of a unit between~~ **greater than what you paid for it. We intend to retain future earnings, if any, for future operations, expansion and debt repayment and** ~~the~~ **there** ~~share~~ -- **are no current plans** ~~of Class A common stock and the one- half of one redeemable warrant to purchase Class A common stock included in each unit could be challenged by the Internal Revenue Service~~ (~~“ IRS ”~~ **at least until the restart of production at SYU and the repayment or refinancing of the Term Loan Agreement**) **to pay any cash dividends** ~~or~~ **for** the ~~courts~~ **foreseeable future** . ~~Furthermore~~ **The declaration** , **amount and payment** ~~the U. S. federal income tax consequences~~ of **any future dividends on** ~~a cashless exercise of a warrant included in the units is unclear under current law. Finally, it is unclear whether the redemption rights with respect to our~~ shares of **our** ~~Class A common~~ **Common** ~~stock~~ **Stock** ~~suspend the running of a U. S. Holder’ s holding period for purposes of determining whether any gain or loss realized by such holder on the sale or exchange of Class A common stock is long- term capital gain or loss and for determining whether any dividend we pay would be considered “ qualified dividend income ” for U. S. federal income tax purposes Prospective investors are urged to consult their tax advisors with respect to these and other tax consequences when purchasing, holding or disposing of our securities. We would be subject to a second level of U. S. federal income tax on a portion of our income if we are determined to be a personal holding company (a “ PHC ”) for U. S. federal income tax purposes. A U. S. corporation generally~~ will be ~~classified~~ **at the 40 sole discretion of our Board and subject to restrictions and limitations in the Term Loan Agreement or any other then- existing indebtedness of the Company. Our Board may take into account general and economic conditions, our financial condition and results of operations, our available cash and current and anticipated cash needs, capital requirements, contractual, legal, tax and regulatory restrictions, implications of the payment of dividends by us to our stockholders or by our subsidiaries to us and such other factors** as **our Board may deem relevant. As** a ~~PHC~~ **result, you may not receive any return on an investment in our Common Stock unless you sell your shares of our Common Stock** for ~~U. S. federal income tax purposes in~~ a **price greater than that which you paid** ~~given taxable year if (i) at any time during the last half of such taxable year, five or fewer individuals (without regard to their citizenship or residency and including as individuals~~ for **it** ~~this purpose certain entities such as certain tax tax- exempt organizations, pension funds and charitable trusts) own or are deemed to own (pursuant to certain constructive ownership rules) more than 50 % of the stock of the corporation by value and (ii) at least 60 % of the corporation’ s adjusted ordinary gross income, as determined for U~~ . **41** ~~S. federal income tax purposes, for such taxable year consists of PHC income (which includes, among other things, dividends, interest, certain royalties, annuities and, under certain circumstances, rents). 47~~