

Risk Factors Comparison 2025-03-17 to 2024-03-28 Form: 10-K

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You should carefully consider the following risks as well as the other information included in this annual report, including the section titled “ Management’ s Discussion and Analysis of Financial Condition and Results of Operations ” and our financial statements and related notes thereto. Any of the following risks could materially and adversely affect our business, financial condition or results of operations. However, the selected risks described below are not the only risks facing us. Additional risks and uncertainties not currently known to us or those we currently view to be immaterial may also materially and adversely affect our business, financial condition or results of operations. Risk Factors Summary

The following is a summary of the principal risks and uncertainties described in more detail in this annual report: • We need to satisfy a number of permitting obligations and other requirements before we can restart production of the SYU Assets. There is no assurance that we will be successful in satisfying such obligations and requirements and restarting production of the SYU Assets in a timely manner. • Our assumptions and estimates regarding the total costs associated with restarting production may be inaccurate. • There is no guarantee that we will 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 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~~ **nine** 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 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. ”~~ • 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. • 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 in 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~~ **Restart production** **Production** by ~~March~~ **January 1, 2026**, which would permit EM to exercise a reassignment option and take ownership of ~~the~~ **the** SYU **Assets** without any compensation or reimbursement other than the deemed repayment in full of the principal and accrued interest outstanding under the **Senior Secured** Term Loan Agreement. • Restrictive covenants in the **Senior Secured** 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. • Under the terms of the **Senior Secured** 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 **Senior Secured** Term Loan Agreement, if necessary, will depend on then- 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 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. • 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. • 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 **CPUC** ~~California Public Utilities Commission~~ and

we may not be able to earn 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 gas 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, 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 at risk of damage from fire, mudslides, earthquakes or other natural disasters. • We may be required to post cash collateral pursuant to our agreements with sureties, letter of credit providers or regulators under our 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. • Our business could be negatively affected by security threats, including cybersecurity threats, destructive forms of protest and opposition by activists and other disruptions. • The market prices of our securities could be highly volatile or may decline regardless of our operating performance. You may lose some or all of your investment. • The NYSE may not continue to list our securities, 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 ~~901-324~~ and ~~903-325~~ 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 Production was 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 **the SYU Assets** 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~~ **March** 1, 2026, the prior owner of **the SYU Assets** 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~~ **Restart production Production** of **the SYU Assets** by ~~January~~ **March** 1, 2026, which would permit EM to exercise a reassignment option and take ownership of **the SYU Assets** without any compensation or reimbursement other than the deemed repayment in full of the principal and accrued interest outstanding under the **Senior Secured** 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 be approximately \$197,000,000.~~ **remaining start- up expenses of approximately \$152.0 million** 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~~ **second** quarter of ~~2024~~ **2025**. 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~~ **Restart production Production** of **the SYU Assets** by ~~January~~ **March** 1, 2026, which would permit EM to exercise a reassignment option and take ownership of **the SYU Assets** without any compensation or reimbursement other than the deemed repayment in full of the principal and accrued interest outstanding under the **Senior Secured** 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, ~~2023-2024~~, 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, ~~2023-2024~~, the NYMEX- WTI oil futures price ranged from a high of \$ ~~93-86. 68-91 per Bbl on April 5, 2024 to a low of \$ 65. 75~~ per Bbl on September ~~27-10, 2023-2024~~ 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 \$ ~~4-3. 17-95~~ per MMBtu on ~~January 4~~ ~~December 24, 2023-2024~~ to a low of \$ ~~1. 99-58~~ per MMBtu on March ~~29-26, 2023-2024~~. 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 ~~and / or inspection by~~ 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 ²⁴discharges 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 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 or 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 **operations of 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 Assets** 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. **Additionally, recent petroleum refinery conversions** Our independent registered public accounting firm’s report contains an **and** explanatory paragraph that expresses substantial doubt about **announcements of potential refinery closures in California could further impact** our ability to **market** continue as a “ going concern. ” As of December 31, 2023, we had cash outside the Trust Account of \$ 267, 816 available 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. 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 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 or 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 **and transport** inability to attract and retain such officers and personnel, could negatively affect our **products efficiently** business and, in one instance, could cause a default under the primary agreement governing our existing indebtedness. Our future success depends on the 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 "**Senior Secured** 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 or 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 traverse in 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 do not own in fee all of the land on which our assets are located or 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 and obtained court approval of a settlement expressly confirming those rights with the overwhelming majority of the private landowners in September 2024 (see Grey Fox Matter, infra). However, at least one private landowner~~ along sectors sections of Pipeline Segment 901 have **324 has continued to made-make** claims that the easement agreements with ~~them-it~~ are no longer effective because the pipeline is not transporting oil. If these landowners are successful with their claims, we may be required to 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~~ **Restart production Production** by ~~January-March~~ **1, 2026**, which would permit EM to exercise a reassignment option and take ownership of the **SYU Assets** without any compensation or reimbursement other than the deemed repayment in full of the principal and accrued interest outstanding under the **Senior Secured** Term Loan Agreement. If we fail to ~~restart~~ **Restart production Production (as defined in the Sable-EM Purchase Agreement)** of the SYU Assets by ~~January-March~~ **1, 2026** (the "Restart Failure Date"), then 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 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~~ **Restart production 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~~ **Restart production Production** of the SYU Assets is subject to several risks, and there is no assurance that we will be able to ~~restart~~ **Restart production 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 **Senior Secured** 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 **Senior Secured** 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 **Senior Secured** 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 **Senior Secured** 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 **Senior Secured** Term Loan Agreement and in case of an event of default thereunder, EM may exercise all remedies at law or equity, 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 **Senior Secured** 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 two~~ **one hundred eighty-fourty (180-240)** days after resumption of actual production from the wells), which could require a future refinancing of the indebtedness under the **Senior Secured** Term Loan Agreement or the incurrence of new indebtedness. The terms on which we would be able to obtain any refinancing of the **Senior Secured** 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 **Senior Secured** 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 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 ”), Coastal Commission, CDFW, Regional Board, SLC~~ 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 ~~Restart production~~ **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~~ **November 18**, 2024, the EPA published a ~~proposed final~~ **rule to implement this waste emissions charge as required by the IRA. However, Congress has approved a resolution that would repeal the rule, making the future implementation of the emissions charge uncertain.** 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. **On January 20, 2025, President Trump signed an executive order initiating the re- withdraw of the United States from the agreement.** 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 ~~our~~ **our 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 February 21, 2025, California State Assembly Member Hart introduced AB 1448 to the California State Legislature. Among other changes, AB 1448 would amend certain provisions of California’ s Public Resources Code to add additional procedural requirements for oil- and gas- related leases in state waters and would require that the repair, reactivation, and maintenance of an oil and gas facility that has been idled, inactive, or out of service for three years or more obtain a new coastal development permit. We cannot predict whether AB 1448 will make it out of committee in its current form. 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~~ **In December 2023, the State Lands Commission granted authority to the Executive Officer to solicit and execute agreements for consultant services to prepare an “ Analysis of Public Trust Resources and Values ” (“ APTR ”), which will assess the risks and impacts to Public Trust resources of all 12 leases for offshore oil and gas pipelines under the Commission’ s jurisdiction. The APTR will include technical evaluations, environmental assessments, climate change considerations, public needs analysis, and alternatives to pipelines. The Commission expects to finalize the APTR by December 31, 2026. The Commission has also authorized a temporary moratorium on new lease applications and issuances for offshore oil and gas pipelines until the APTR is completed and its findings are located exclusively onshore reviewed. The outcome of the APTR could adversely affect our ability to renew or extend our State and Lands Commission leases beyond the current offshore in California, making us vulnerable to risks associated with having operations expirations concentrated in this geographic area 2028 and 2029.** 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. **For example, on June 27, 2024, the Center for Biological Diversity and the Wishtoyo Foundation filed a complaint against Debra Haaland, Secretary of the U. S. Department of the Interior; BSEE; and Bruce Hesson, BSEE Pacific Regional Director in the U. S. District Court for the Central District of California (Case No. 2: 24- cv- 05459). Sable was not named as a party to the case, but on December 3, 2024, the Court granted Sable’s motion to intervene as a defendant to become a party to the lawsuit, and Sable vigorously contests the plaintiffs’ allegations. On January 29, 2025, the Court granted plaintiffs’ request to supplement and amend their complaint. In the amended complaint, plaintiffs allege that BSEE: violated NEPA, the Outer Continental Shelf Lands Act (“ OCSLA ”), and the Administrative Procedure Act (“ APA ”) in November 2023 by approving an extension to resume operations associated with the 16 oil and gas leases Sable holds in the SYU in federal waters offshore of California in the Santa Barbara Channel; and violated NEPA and the APA in September 2024 by approving applications for permits to modify for well reworking operations and by failing to conduct supplemental environmental analysis for oil and gas development and production in the SYU. The complaint asks for the Court: to issue an order finding that BSEE violated NEPA, OCSLA and the APA; to vacate and remand the extension and the applications for permits to modify; order BSEE to complete NEPA analysis by a date certain; to prohibit BSEE from authorizing further extensions, applications for permits to modify, or any other authorizations for restarting production until it complies with NEPA, OCSLA and the APA; and for an award of costs and attorneys’ fees. On December 20, 2024, the U. S. Department of Justice (in its capacity as counsel for the BSEE) filed a motion for voluntary remand without vacatur of BSEE’s November 2023 extension. Sable believes that the government’s prior extensions to resume operations were both appropriate and authorized. Moreover, under the government’s proposed remand, Sable’s operations on the SYU remain unaffected.** 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 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~~ **has increase increased** to \$ 1, 200 in 2025, and ~~will~~ be set at \$ 1, 500 for 2026 and each year thereafter. Calculation of the fee is based on certain thresholds established in the IRA. **On November 18, 2024, the EPA published a final rule to implement this waste emissions charge as required by the IRA. However, Congress approved and President Trump signed a resolution that repealed the rule, making the future implementation of the emissions charge uncertain.** 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 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 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 could have a material adverse effect on our business. 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 Company ~~The market prices of our securities could be highly volatile or may decline regardless of our operating performance. You may lose some or all of your investment. The~~ trading price of our Common Stock is likely to be volatile and subject to significant fluctuations. The trading price of our Common Stock will depend on many factors, including those described in this “ Risk Factors ” section, many of which are beyond our control and may not be related ~~to~~ 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~~ **annual** financial results or the ~~quarterly~~ **annual** 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 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 thereof; • changes in the future operating results of the Company; • operating and 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 be exposed to additional risks because we became a public 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’ ability to make transactions in our securities and 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 Common Stock is a “ penny stock, ” which would require brokers trading in such securities 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. 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. 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 evaluates the effectiveness of our internal controls and 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 on a timely basis. 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. As a result of this material weakness, our management concluded that our internal control over financial reporting was not effective as of December 31, 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. We also identified a material weakness in our internal control over financial reporting of complex financial instruments related to our classification of redeemable shares of Flame's 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, 2023. Historically, a portion of the Flame Class A common stock was classified as permanent equity. Following our re-evaluation of the accounting classification of the Flame Class A common stock, our management has determined that the Flame Class A common stock requires classification as temporary equity. 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 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 Stock is listed, the SEC or other regulatory authorities. In either case, this could result in 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 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. As a U. S. public company, we are required to comply with the requirements of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), including, among other things, that we maintain effective disclosure controls and procedures and 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 are will be required to make a formal assessment of the effectiveness of our internal control over financial reporting and, after we cease to be 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 these 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~~ **filed** a registration statement ~~with the SEC~~ on Form S-8 **on April 19, 2024** 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~~ **provides** 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 the risk that our future offerings may reduce the market price of our Common Stock and dilute their percentage ownership. ~~We may redeem unexpired Public Warrants prior to their exercise at a time that is disadvantageous to Warrant Holders, thereby making their warrants worthless. We have the ability to redeem outstanding Public Warrants 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 Common Stock for any 20 trading days within a 30 trading day period ending on the third trading day prior to 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 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 any previously publicly stated revenue or earnings guidance we may provide. Changes in laws, regulations or rules, or a failure to comply with any laws, regulations or rules, may adversely affect our business, investments and results of operations. We are subject to laws, regulations and rules

enacted by national, regional and local governments and the NYSE. In particular, We are required to comply with certain SEC, NYSE and other legal or regulatory requirements. Compliance with, and monitoring of, applicable laws, regulations and rules may be difficult, time consuming and costly. Such laws, regulations or rules and their interpretation and application may also change from time to time and such changes could have a material adverse effect on our business, investments and results of operations. In addition, any failure by us to comply with applicable laws, regulations or rules, as interpreted and applied, could have a material adverse effect on our business and results of operations. We are an “ emerging growth company ” and the 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 defined in the JOBS Act. For as long as we remain an emerging growth company, we may choose to take advantage of exemptions from various reporting requirements applicable to other public companies but not to “ emerging growth companies, ” including: • not being required to have an independent registered public accounting firm audit 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 annual ~~report~~ **reports** on Form 10- K; and • exemptions from the requirements of holding non- binding advisory 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. Our status as an emerging growth company will end as soon as any of the following takes place: • the last day of the fiscal year in which we have at least \$ 1. 235 billion in annual revenue; • the date we qualify as a “ large accelerated filer, ” with at least \$ 700. 0 million of common equity securities held by non- affiliates; • the date on which we have issued, in any three- year period, more than \$ 1. 0 billion in non- 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 companies can also delay the adoption of new or revised accounting standards until such time as those 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 if investors will find our 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 rely on any of these exemptions, there may be a less active trading market for our Common Stock and the market price of our Common Stock may be more volatile and may decline. Because there are no current plans to pay cash dividends on our Common Stock for the foreseeable future, you may not receive any return on investment unless you sell your shares of our Common Stock at a price greater than what you paid for it. We intend to retain future earnings, if any, for future operations, expansion and debt repayment and there are no current plans (at least until the restart of production ~~at of the~~ SYU **Assets** and the repayment or refinancing of the **Senior Secured** Term Loan Agreement) to pay any cash dividends for the foreseeable future. The declaration, amount and payment of any future dividends on shares of our Common Stock will be at the ~~40~~ sole discretion of our Board and subject to restrictions and limitations in the **Senior Secured** 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 result, you may not receive any return on an investment in our Common Stock unless you sell your shares of our Common Stock for a price greater than that which you paid for it. ~~41~~