

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D)
OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): May 29, 2026

Sable Offshore Corp.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

845 Texas Avenue, Suite 2920
Houston, TX
(Address of principal executive offices)

001-40111
(Commission File Number)

85-3514078
(I.R.S. Employer Identification Number)

77002
(Zip code)

(713) 579-6161

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common stock, par value \$0.0001	SOC	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).
Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 7.01 Regulation FD Disclosure.

On May 29, 2026, Sable Offshore Corp. (the “Company”) issued a press release announcing a new investor presentation would be posted to its corporate website before market open on Monday, June 1, 2026 and that the Company plans to host a conference call to discuss the new investor presentation today, Monday, June 1, 2026 at 10:00am CDT / 11:00am EDT.

On June 1, 2026, the Company posted the new investor presentation materials on its website, www.sableoffshore.com. The presentation materials are attached hereto as Exhibit 99.1 and incorporated herein by reference. These materials may also be used by the Company at today’s investor conference call, or at one or more presentations with analysts, investors or other stakeholders.

On June 1, 2026, Netherland, Sewell, & Associates, Inc. (“NSAI”), the Company’s independent registered reserve engineers, issued a letter to the Company estimating proved, probable, and possible developed reserves and future revenue, as of May 31, 2026. The NSAI letter is attached hereto as Exhibit 99.2 and incorporated herein by reference. This letter may also be used by the Company at today’s investor conference call, or at one or more presentations with analysts, investors or other stakeholders.

The information contained in this 8-K is summary information that is intended to be considered in the context of the Company’s Securities and Exchange Commission filings and other public announcements. The Company undertakes no duty or obligation to publicly update or revise this information, although it may do so from time to time.

The information furnished pursuant to this Item 7.01, including Exhibit 99.1 and 99.2, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities under that Section and shall not be deemed to be incorporated by reference in any filing made by the Company under the Securities Act of 1933, as amended (the “Securities Act”), or the Exchange Act.

Forward-Looking Statements

The information in this press release include “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. When used in this press release, the words “could,” “should,” “will,” “may,” “believe,” “anticipate,” “intend,” “estimate,” “expect,” “project,” “continue,” “plan,” “forecast,” “predict,” “potential,” “future,” “outlook,” and “target,” the negative of such terms and other similar expressions are intended to identify forward- looking statements, although not all forward-looking statements will contain such identifying words. These statements are based on the current beliefs and expectations of Sable’s management and are subject to significant risks and uncertainties. Actual results may differ materially from those described in the forward-looking statements. Factors that could cause Sable’s actual results to differ materially from those described in the forward-looking statements include: the ability to recommence full production of the SYU assets; the cost and time required therefor, and production levels once recommenced; availability of future financing; our ability to consummate a debt refinancing of our Senior Secured Term Loan and the timing and terms thereof; our financial performance; global economic conditions and inflation; increased operating costs; lack of availability of drilling and production equipment, supplies, services and qualified personnel; geographical concentration of operations; environmental and weather risks; regulatory changes and uncertainties; litigation, complaints and/or adverse publicity; privacy and data protection laws, privacy or data breaches, or loss of data; our ability to comply with laws and regulations applicable to our business; and other one-time events and other factors that can be found in Sable’s Annual Report on Form 10-K for the year ended December 31, 2025, which is filed with the Securities and Exchange Commission and is available on Sable’s website (www.sableoffshore.com) and on the Securities and Exchange Commission’s website (www.sec.gov). Except as required by applicable law, Sable undertakes no obligation to publicly release the result of any revisions to these forward-looking statements to reflect the impact of events or circumstances that may arise after the date of this press release.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits:

Exhibit No.	Description of Exhibits
99.1	Presentation Materials.
99.2	Reserve Letter of Netherland, Sewell, & Associates, Inc., dated June 1, 2026.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Sable Offshore Corp.

Date: June 1, 2026

By: /s/ Gregory D. Patrinely
Name: Gregory D. Patrinely
Title: Executive Vice President and Chief Financial Officer

Sable Offshore Corp.

Investor Presentation

June 2026



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SOC
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NYSE

Disclaimer

FORWARD LOOKING STATEMENTS

The information in this presentation includes "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. When used in this presentation, the words "could," "should," "would," "will," "may," "believe," "anticipate," "intend," "estimate," "expect," "project," "continue," "plan," "forecast," "predict," "potential," "future," "outlook," and "target," the negative of such terms and other similar expressions are intended to identify forward-looking statements, although not all forward-looking statements will contain such identifying words. These statements are based on the current beliefs and expectations of Sable's management and are subject to significant risks and uncertainties. Actual results may differ materially from those described in the forward-looking statements. Factors that could cause Sable's actual results to differ materially from those described in the forward-looking statements include: the ability to recommence full production of the SYU assets; the cost and time required therefor, and production levels once recommenced; availability of future financing; our ability to consummate a debt refinancing of our Senior Secured Term Loan and the timing and terms thereof; our financial performance; global economic conditions and inflation; increased operating costs; lack of availability of drilling and production equipment, supplies, services and qualified personnel; geographical concentration of operations; environmental and weather risks; regulatory changes and uncertainties; litigation, complaints and/or adverse publicity; privacy and data protection laws, privacy or data breaches, or loss of data; our ability to comply with laws and regulations applicable to our business; and other one-time events and other factors that can be found in Sable's Annual Report on Form 10-K for the year ended December 31, 2025, which is filed with the Securities and Exchange Commission and is available on Sable's website (www.sableoffshore.com) and on the Securities and Exchange Commission's website (www.sec.gov). Except as required by applicable law, Sable undertakes no obligation to publicly release the result of any revisions to these forward-looking statements to reflect the impact of events or circumstances that may arise after the date of this presentation.

USE OF PROJECTIONS AND ESTIMATES

This presentation contains financial projections and estimates for Sable, including with respect to its future capital expenditures, initial timing and production estimates and future cash costs. Sable's auditors have not audited, reviewed, compiled or performed any procedures with respect to the projections and estimates for the purpose of their inclusion in this presentation, and, accordingly, no such auditors have expressed an opinion or provided any other form of assurance with respect thereto for the purpose of this presentation. These projections and estimates are for illustrative purposes only and should not be relied upon as being necessarily indicative of future results. The assumptions and estimates underlying the projected information are inherently uncertain and are subject to a wide variety of significant business, regulatory, economic and competitive risks and uncertainties that could cause actual results to differ materially from those contained in the projected information. Even if the assumptions and estimates are correct, projections and estimates are inherently uncertain due to a number of factors outside Sable's control. Accordingly, there can be no assurance that the projected results are indicative of Sable's future performance or that actual results will not differ materially from those presented in the projected information. Inclusion of the projected information in this presentation should not be regarded as a representation by any person, including, without limitation, Sable, that the results contained in the projected information will be achieved.

NON-GAAP FINANCIAL INFORMATION

This presentation includes certain non-GAAP measures that are more fully described in the appendices to the presentation. These financial measures should be reviewed in conjunction with the relevant GAAP financial measures and are not presented as alternative measures of GAAP. Other companies in our industry may define or calculate these measures differently than we do, limiting their usefulness as comparative measures. Because of these limitations, these non-GAAP financial measures should not be considered in isolation or as substitutes for performance measures calculated in accordance with GAAP. Reconciliations of these non-GAAP financial measures to their most directly comparable GAAP financial measures for each of the periods included in this presentation are included in the Appendices at the back of this presentation.

Sable Offshore Corp. (NYSE: SOC)

Unlocking value in the Santa Ynez Unit

- Sable Offshore (NYSE: SOC) is an exploration and production company based in Houston that operates the Santa Ynez Unit ("SYU"), an oil and gas production unit comprised of 16 federal leases and three offshore platforms and ancillary facilities
 - The SYU is a prolific asset with ~15,500 MMBoe originally in place, ~2,200 MMBoe ultimately recoverable and ~1,500 MMBoe of total remaining resources⁽¹⁾
 - At Brent strip pricing, the SYU has 659 MMBoe in net estimated reserves and a PV-10 of \$6,074MM⁽²⁾
- SYU was originally developed and operated by ExxonMobil ("Exxon") for over 30 years, but production was temporarily suspended in 2015 following a third-party onshore pipeline leak
- Sable also operates the Santa Ynez Pipeline System ("SYPS"), an interstate pipeline system extending from the SYU to the inland oil sales point in Pentland, CA and includes the Las Flores Canyon Midstream Processing Facilities
- Sable acquired the SYU and the SYPS in 2024, with Exxon providing seller financing and over the past few years has successfully worked to resume petroleum transportation through the SYPS and achieve first sales
- In March 2026, the U.S. Department of Energy invoked the Defense Production Act ("DPA") and ordered Sable to resume petroleum transportation through the SYPS. Sable achieved first sales within the same month
- Platforms Harmony and Heritage began flowing in May 2025 and April 2026, respectively, with Platform Hondo expected to come online in Q3 2026
- Sable is currently pursuing a refinancing of the Exxon term loan, which is currently scheduled to mature on June 26, 2026

Santa Ynez Unit



LFC Midstream Processing Facilities



(1) Management estimates are inherently uncertain and subject to numerous risks. Actual results may differ in a material amount from management estimates and projections. Resource figures reflect gross amounts, gross gas is pre-shrink.
(2) For additional information, refer to p.13.



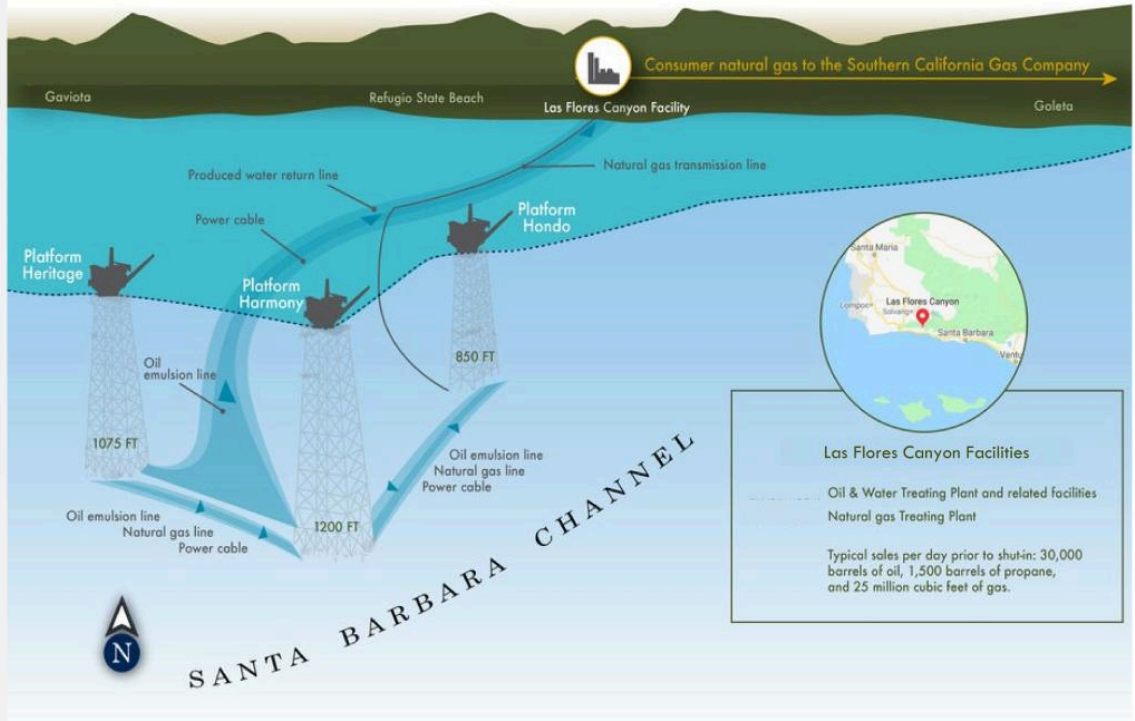
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SYU History

Premier offshore project developed by Exxon over 40+ years

SYU Development Background

- Discovered in 1968, over the course of 14 years Exxon consolidated 16 offshore federal oil leases into a streamlined production unit known as SYU
 - SYU platform construction began in 1976 with Platform Hondo (online in 1981) followed by Platform Harmony and Platform Heritage (both online in 1994); both platforms Harmony and Heritage have dedicated rigs for future development
 - Production was initially processed in federal waters in an Offshore Storage and Treating Vessel (OS&T) from 1981 to 1994
 - SYU platforms are located 5 to 9 miles offshore Santa Barbara County and include 112 wells (90 producers, 12 injectors, 10 idle); sizable inventory of infill drilling and additional step-out drilling opportunities⁽¹⁾
- Wholly owned midstream processing facilities at Las Flores Canyon (not visible from highway)



(1) Sable management have identified >100 infill drilling and step-out opportunities.

SYU Federal Production and Marketing Assets

SYU leases are all located in Federal waters

Santa Ynez Unit Overview

SYU Federal Production

- 16 Federal Leases, ~76,000 acres
- Sable operated, 100% WI, 83.6% NRI

Marketing

- Currently, Sable sells oil through the Santa Ynez Pipeline System from Platform Harmony, located in offshore federal waters, to the inland sales point at Pentland, CA, where oil is sent to the El Segundo Refinery Complex in L.A.
- Gas sales to SoCalGas expected in the fourth quarter of 2026

Additional Marketing Optionality

- From 1981-1994, sales were via an OS&T located in federal waters
- Potential to install an oil sales buoy for direct sales of oil to additional markets
- The buoy would be expected to be similar to the Long Beach and El Segundo buoys in the Los Angeles area
- The buoy would require a number of other federal agency approvals
- Potential installation by YE 2028 and preliminary cost estimate of \$125MM



Note: Management estimates are inherently uncertain and subject to numerous risks. Actual results may differ in a material amount from management estimates and projections.
 "Marketing" refers to the transportation and sale of oil and gas downstream of the Santa Ynez Unit.



SYU is a Prolific Offshore Asset

SYU is a top producer with the most remaining resource among current OCS producing fields

Cumulative Production					Estimated Remaining Reserves ⁽¹⁾				
Field Name	Prospect Name	Oil (MMBbl)	Gas (Bcf)	Total (MMBoe)	Field Name	Prospect Name	Oil (MMBbl)	Gas (Bcf)	Total (MMBoe)
Mississippi Canyon 807	MARS-URSA	1,504	1,922	1,846	Santa Ynez Unit	SYU	706	1,131	894
West Delta 30		593	977	767	Mississippi Canyon 807	MARS-URSA	473	688	596
Bay Marchand 2		547	576	649	Mississippi Canyon 940	VITO	411	200	446
Santa Ynez Unit	SYU	507	984	671	Mississippi Canyon 392	APPOMATTOX	319	165	348
Eugene Island 330		462	1,902	800	Mississippi Canyon 778	THUNDER HORSE	245	179	277
Green Canyon 640	TAHITI/CAE/TONG	436	289	487	Walker Ridge 678	SAINT MALO	244	58	255
Green Canyon 743	ATLANTIS	395	266	442	Green Canyon 743	ATLANTIS	188	211	226
Grand Isle 43		382	1,658	677	Keathley Canyon 875	LUCIUS	131	164	160
Green Canyon 654	SHENZI	328	130	351	Green Canyon 826	MAD DOG	130	84	145
Grand Isle 16		308	398	379	Green Canyon 654	SHENZI	130	50	139
Mississippi Canyon 776	N.THUNDER HORSE	291	285	342	Green Canyon 640	TAHITI/CAE/TONG	120	83	134
Garden Banks 426	AUGER	286	1,014	467	Green Canyon 244	TROIKA	57	92	73
West Delta 73		280	692	403	Mississippi Canyon 776	N.THUNDER HORSE	55	55	65
Main Pass 41		274	1,560	552	Mississippi Canyon 84	KING/HORN MT.	48	36	54
South Pass 61		273	530	367	Alaminos Canyon 857	GREAT WHITE	39	45	47
Mississippi Canyon 84	KING/HORN MT.	271	285	322	Garden Banks 171	SALSA	24	90	40
South Timbalier 21		259	427	335	Grand Isle 43		22	89	38
Green Canyon 826	MAD DOG	233	68	245	Garden Banks 426	AUGER	19	62	30
Ship Shoal 208		228	1,403	477	Eugene Island 330		9	19	12
Mississippi Canyon 778	THUNDER HORSE	203	148	230	Ship Shoal 208		5	32	11
South Pass 89		197	875	353	Viosca Knoll 956	RAM-POWELL	5	24	9
Mississippi Canyon 194	COGNAC	183	764	319	South Pass 61		4	4	5
Alaminos Canyon 857	GREAT WHITE	182	331	240	Eugene Island 238		4	91	21
Green Canyon 244	TROIKA	181	345	243	West Delta 73		4	9	5
South Timbalier 135		170	628	282	West Delta 30		3	8	5

Source: BOEM 2021 report on top producing OCS fields. SYU historical production figures via ExxonMobil.

Note: "OCS" defined as Outer Continental Shelf, a legally defined geographic feature of the United States that covers offshore oil and gas reserves in Federal waters. Production and reserves figures reflect gross amounts, gross gas is pre-shrink.

(1) Santa Ynez Unit EUR figures per Sable management. Assumes strip pricing as of May 19, 2026 and effective date of May 2026. For additional information, refer to p.13.



SYU Total Recoverable Resources

Significant production history and prolific resource potential

SYU Original Boe in Place: 15,459 MMBoe

Recovery Factors

Total Gross Recoverable Resources

14.1% Total Ultimate Recovery: 2,183 MMBoe

Less:

4.3% Primary Produced To Date: 671 MMBoe

=

9.8% Total Remaining Resources: 1,512 MMBoe

=

5.8% Remaining Primary Forecast: 894 MMBoe

+

4.0% Heavy Oil Forecast: 618 MMBoe

Note: Management estimates are inherently uncertain and subject to numerous risks. Actual results may differ in a material amount from management estimates and projections. Resource figures reflect gross amounts, gross gas is pre-shrink.



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SYU is Ramping Up to Full Production

Initial production at Harmony and Heritage platforms has exceeded expectations

Santa Ynez Pipeline System

Resumed Petroleum Transportation: May 2025

- Fully hydrotested to 150,000 Bo/d in May 2025
- Resumed SYPS transportation in Platform Harmony to LFC Midstream Processing Facilities segments in May 2025
- Resumed SYPS transportation in LFC Midstream Processing Facilities to Pentland segments and achieved first sales in March 2026



Platform Harmony

Production Restart: May 2025

- Estimated fully ramped gross sales: ~22,000 Bo/d
- Wells: 32⁽¹⁾
- Available well slots: 23-27⁽²⁾



Platform Heritage

Production Restart: April 2026

- Estimated fully ramped gross sales: ~30,000 Bo/d
- Wells: 44⁽¹⁾
- Available well slots: 15-17⁽²⁾



Platform Hondo

Estimated Production Restart: Q3 2026

- Estimated fully ramped gross sales: ~10,000 Bo/d
- Wells: 26⁽¹⁾
- Available well slots: 10⁽²⁾



Estimated Total Fully Ramped Production: 62,000 Gross Bo/d (52,000 Net Bo/d)

SYU has a 30+ year history of slow base declines between 6-8% with low reinvestment rates required to maintain production

(1) Includes both producers and injector wells

(2) Available well slots include those either actively unused or available for opportunistic reclamation.

Note: Management estimates are inherently uncertain and subject to numerous risks. Actual results may differ in a material amount from management estimates and projections. Fully ramped production represents gross production estimate with all existing producing wells online simultaneously.

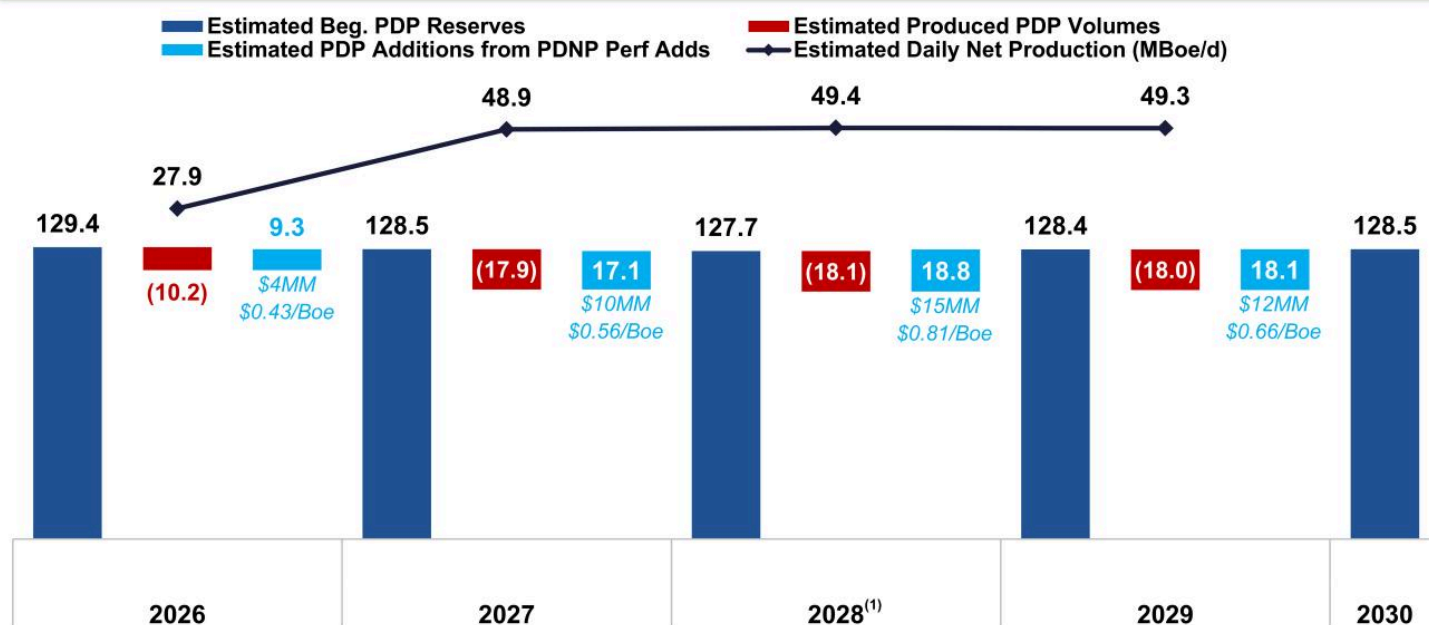


Development Plan Through 2029 to Maximize Free Cash Flow

Development Plan Driven by High Quality Perf Adds

- Low-cost development workover plan through 2029 averaging \$0.64/Boe replacement cost
- Maintain Proved Developed Producing (“PDP”) reserves and maintain production

Estimated PDP Reserve Booking Schedule (MMBoe)



Note: Management estimates are inherently uncertain and subject to numerous risks. Actual results may differ in a material amount from management estimates and projections.

(1) Includes Estimated PDP additions from both PDNP Perf Adds and PDNP ESPs. \$15MM and \$0.81/Boe replacement cost includes both Perf Add and ESP capex.



Immediate Opportunity: Perf Adds and Additional ESPs

Perf Adds Have Generated Strong Results at Low Costs

- Perforation adds ("Perf Adds") represent additional completions made uphole of existing perforations to extend the available productive reservoir
- Through 2028, the Company's priority is reducing debt and maintaining base production primarily through low-cost Perf Adds (~\$800k/well), workovers, and ESP installations
- Sable has executed two initial Perf Adds with exceptional performance well in excess of historical production forecasts (~900 / ~1,100 Bo/d actual vs. historical original perforations forecasts of ~250 / ~280 Bo/d, respectively)
- Sable plans to develop 56 remaining Perf Add Development Workovers**
 - Each Perf Add is forecasted to produce an incremental ~600 Bo/d to the base well production & results in a PDP oil reserves addition of 1.25MM net Bbls

2026E	2027E	2028E	2029E
2 Perf Adds completed and producing 5 Perf Adds completed, 4 remaining to be completed; all 9 expected to be producing by Q3 2026 - YE26 Rem. Inv.: 47	10 Perf Adds expected to be completed - YE27 Rem. Inv.: 37	7 Perf Adds expected to be completed - YE28 Rem. Inv.: 30 8 ESPs expected to be completed	15 Perf Adds expected to be completed - YE29 Rem. Inv.: 15

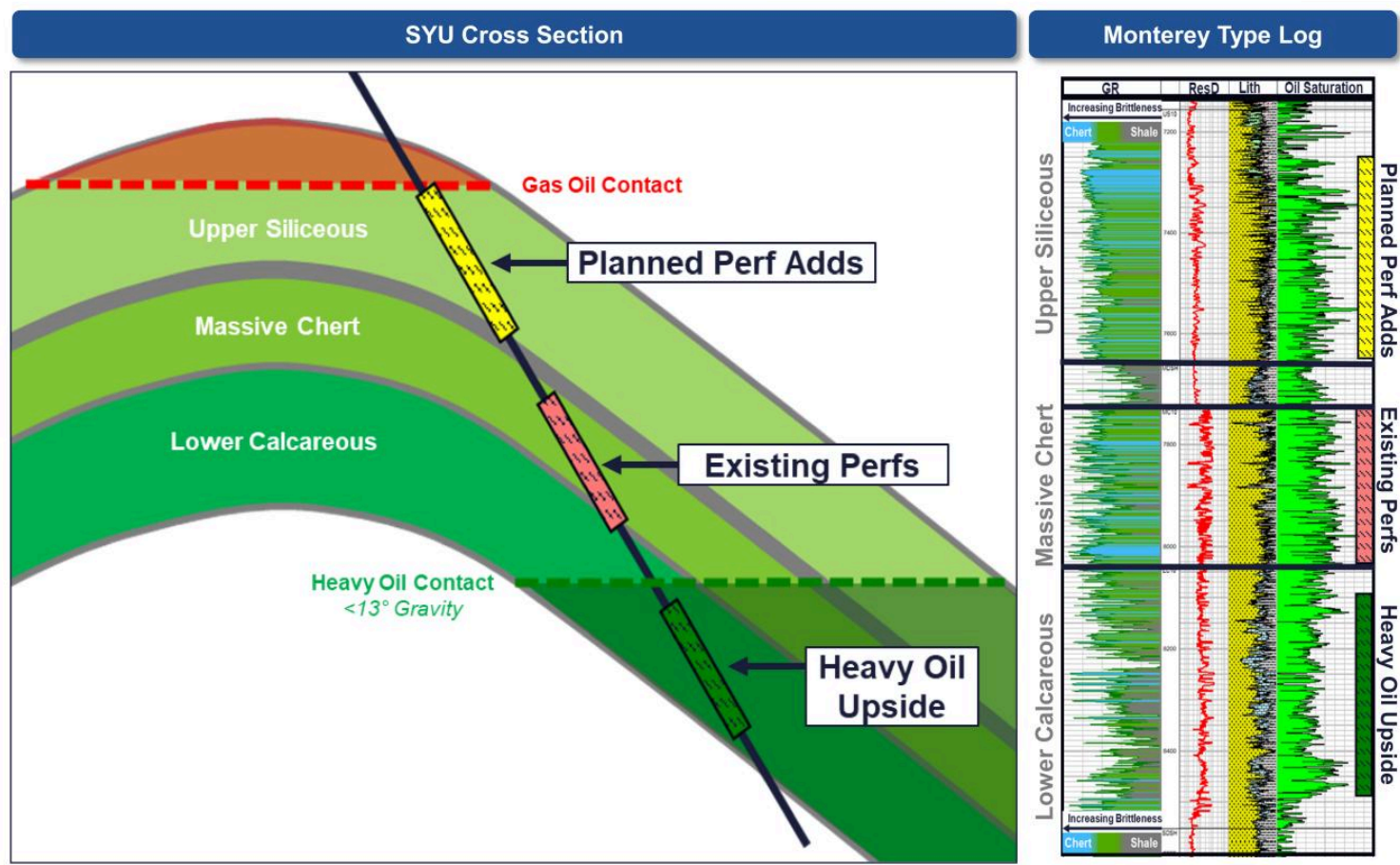
Further Production and Reserve Addition Support

- ESPs are electric submersible pumps utilized for production optimization via artificial lift to maintain production levels
- Sable plans to install up to 8 ESPs in 2028 for production support if necessary
- Each ESP is forecasted to produce an incremental ~900 Bo/d to the base well production & results in a PDP Oil Reserves addition of 1.25MM net Bbls

Note: Management estimates are inherently uncertain and subject to numerous risks. Actual results may differ in a material amount from management estimates and projections.



Development Drilling and Workover Opportunities



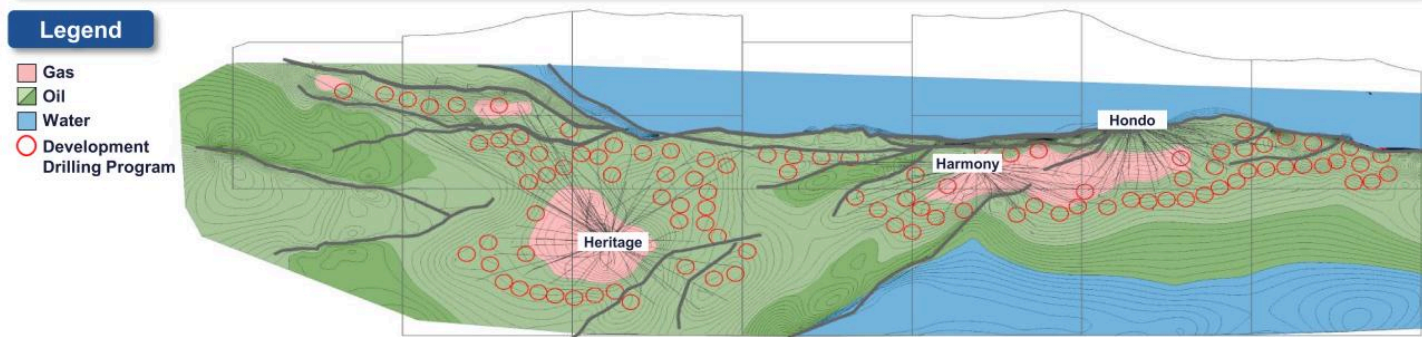
Note: Type log is illustrative of Sable management's interpretation of Gas Oil Contact, Planned Perf Adds, Existing Perfs, and Heavy Oil Upside based on petrophysical data analysis.

Longer Term Opportunity: Undrilled Inventory

Undrilled Inventory Overview

- Sable possesses a deep technical inventory of over 100 identified undrilled locations across the SYU
 - Technical opportunity inventory is based on 80-acre drainage area, maturing field from original 120-acre spacing
- Future development strategy focuses on the high-quality Monterey Upper Siliceous reservoir in areas that have undergone increased diagenesis which leads to more fractures, allowing for greater storage of oil and increased permeability
- Wellbores would be aligned to maximize contact with the primary fracture orientation for the field and average 2,000'+ gross perforations per well
- SYU comprises several discrete fault bound accumulations; compartments defined by pressure compartments

Top of Monterey Structure

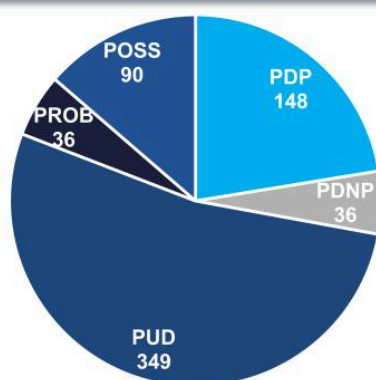


Reserves Estimate at Brent Strip / \$80 / \$100 Oil Pricing

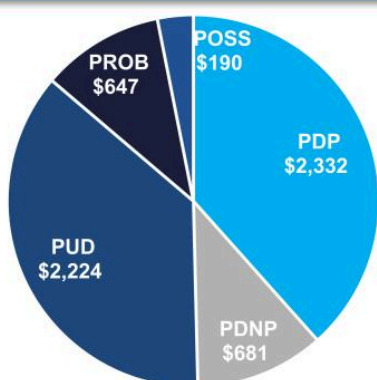
Reserves Summary⁽¹⁾⁽²⁾⁽³⁾

Reserve Category	Net Estimated Reserves				Estimated Cash Flows (\$MM)			
	Oil	Gas	NGL	Total	Capex	PV-10		
	(MMBbls)	(MMcf)	(MMBbls)	(MMBoe)	(\$MM)	Strip Pricing	\$80 Pricing	\$100 Pricing
PDP Estimate ⁽⁴⁾	136	63	1	148	\$599	\$2,332	\$2,518	\$4,017
PDNP Estimate ⁽⁵⁾	33	18	0	36	322	681	772	1,075
PUD Estimate ⁽⁶⁾	312	204	3	349	2,528	2,224	2,680	3,887
Probable Estimate (Workovers) ⁽⁷⁾	31	31	0	36	50	647	709	936
Possible Estimate (Workovers) ⁽⁷⁾	78	64	1	90	250	190	222	307
Total Net Reserve Estimate	590	381	6	659	\$3,749	\$6,074	\$6,901	\$10,222

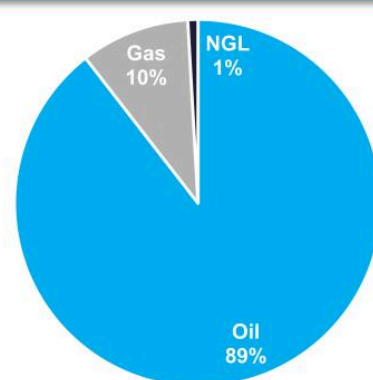
Net Reserves (MMBoe) (Strip)



PV-10 Reserves (\$MM) (Strip)



Reserves by Commodity (Strip)



(1) Reserve report assumes June 2026 effective date. Brent strip pricing as of May 19, 2026 (2026: \$92.73/Bbl, 2027: \$81.59/Bbl, 2028: \$76.84/Bbl, 2029: \$74.46/Bbl, 2030+: \$72.85/Bbl).

(2) Management estimates are inherently uncertain. Actual results may differ in a material amount from management estimates and projections.

(3) Net quantities shown herein are unrisks volumes and may represent levels of uncertainty as to their technical and commercial recovery.

(4) Includes Netherland Sewell & Associates SEC May 31, 2026 Reserve Report with Sable management estimated initial two-year decline forecast intended to reflect field-wide historical decline rate as well as Sable management estimated lease operating expenses and field life extension from expected future development. Hondo wells included in PDP estimate as wells are expected to restart production in Q3 2026.

(5) Management estimates include 11 Perf Add cases that are included in the Proved Developed Netherland Sewell & Associates May 31, 2026 Reserve Report

(6) Management estimates are Sable engineered future technical PUD locations with guidance from Netherland Sewell & Associates via review of 25 drilling locations to provide Sable with feedback on technical methodology

(7) Management estimates of Probable and Possible cases are mostly future well workover opportunities expected to be generated from newly drilled wells and technology driven producing methods



Overview of 2020 Federal Consent Decree

- Pipeline Segments 324 and 325 of the SYPS, which was purchased from ExxonMobil in 2024, are contractually subject to portions of a 2020 Federal Consent Decree that, among other things, contains requirements for resumption of petroleum transportation through those segments.
- The Consent Decree was entered at a time that Pipeline Segments 324 and 325 had been redesignated from interstate to intrastate pipeline segments. California's Office of State Fire Marshal ("OSFM") was therefore designated under the Consent Decree as the agency responsible for overseeing the resumption of petroleum transportation through the segments.
- December 17, 2024: OSFM approved Sable's implementation of enhanced pipeline integrity standards for Pipeline Segments 324 and 325 by granting waivers of certain regulatory requirements related to cathodic protection and seam weld corrosion ("State Waivers").
- February 11, 2025: The Pipeline and Hazardous Materials Safety Administration ("PHMSA") notified OSFM that PHMSA did not object to OSFM's granting of the State Waivers.
- May 2025: Sable completed over 200 anomaly repairs on Pipeline Segments 324 and 325 under direct oversight of OSFM personnel, as required by the Consent Decree and at a cost exceeding \$215 million.
- May 27, 2025: Sable conducted successful hydrotests on all sections of Pipeline Segments 324 and 325 as required by the Consent Decree.
- October 22, 2025: OSFM sent a letter to Sable requesting that Sable complete additional anomaly repairs along Pipeline Segments 324 and 325 that Sable believes exceed the requirements of the State Waivers and past discussions with OSFM experts.
- November 26, 2025: Sable notified PHMSA of its determination that the SYPS, including Pipeline Segments 324 and 325, constitutes an interstate pipeline facility under the Pipeline Safety Act, and requested that PHMSA exercise regulatory oversight over the SYPS.

Recent Federal Actions Related to Sable's Continuing Operations

Pipeline and Hazardous Materials Safety Administration (PHMSA)

- PHMSA recognized the SYPS as an interstate pipeline system, asserting federal jurisdiction over safety of the SYPS and preempting State of California safety jurisdiction in December 2025.
- PHMSA issued Emergency Special Permit to Sable and approved Restart Plan for the SYPS allowing Sable to transport oil through the entire system in December 2025.

United States Department of Energy

- After delegation of authority by the U.S. President, the Secretary of Energy issued a Defense Production Act ("DPA") Order to Sable in March 2026 to "immediately prioritize and allocate pipeline transportation services for hydrocarbons from the SYU through the SYPS..." Department of Justice has asserted preemption against certain adverse state actions being taken against Sable.

United States Department of Justice (DOJ)

- December 2025: DOJ and Sable successfully defended against a request for Emergency Stay of PHMSA Restart Approval and the issuance of the Emergency Special Permit in the federal 9th Circuit Court of Appeals.
- March 2026: DOJ moved to terminate the Consent Decree ("CD") which was entered into by a prior operator of a portion of the SYPS. The CD contains requirements for resuming oil transportation through SYPS Segments 324 and 325. DOJ and Sable assert that all prerequisites to terminating the Consent Decree have been satisfied.
- March 2026: DOJ and Sable successfully defended against an Ex Parte (Emergency) Motion to Enforce the Consent Decree filed by state agencies in Consent Decree litigation.
- May 2026: DOJ and Sable jointly removed a state court lawsuit relating to prior OSFM restart actions taken prior to the assertion of PHMSA jurisdiction.
- April/May 2026: DOJ filed a Statement of Interest and successfully, with Sable, defeated a motion for preliminary injunction in California State Parks litigation directed at Sable's pipeline rights in the Gaviota State Park. DOJ subsequently moved to intervene in the litigation.

Additional Capabilities to Strengthen the Ability to Continue to Monetize Federal Production from the Santa Ynez Unit

- In the event that the SYPS becomes unavailable for use, with additional federal approval Sable could construct an offshore oil sales buoy in the vicinity of Platform Harmony to sell crude oil into additional markets directly via tanker. Preliminary estimate of cost is approximately \$125MM.

Milestones Achieved and Next Steps

Milestones Achieved

- ✓ Complete repairs on the SYPS (*May 2025*)
- ✓ Restart production at Platform Harmony (*May 2025*)
- ✓ Complete successful hydrotests on the SYPS (*May 2025*)
- ✓ Resume oil transportation through the SYPS to LFC Midstream Processing Facilities (*May 2025*)
- ✓ Federal regulatory oversight of the SYPS confirmed (*December 2025*)
- ✓ Defense Production Act Order (*March 2026*)
- ✓ Resume petroleum transportation through Segments 324 and 325 of the SYPS (*March 2026*)
- ✓ First Sales to Chevron from the SYPS (*March 2026*)
- ✓ Restart production at Platform Heritage (*April 2026*)

Next Steps

- ❑ Refinance Senior Secured Term Loan with new debt capital (*Expected June 2026*)
- ❑ Commence commodity hedging program (*Expected June 2026*)
- ❑ Restart production at Platform Hondo (*Expected Q3 2026*)
- ❑ Potentially install oil sales buoy at the Santa Ynez Unit (*YE 2028*)
- ❑ Continue to legally protect Sable's vested interests and pursue all monetary damages

Note: Management estimates are inherently uncertain and subject to numerous risks. Actual results may differ in a material amount from management estimates and projections.



Financial Overview

Current Capitalization

Robust asset coverage due to high-value PDP wells and low-cost development opportunities

Current Capitalization					
(\$mm, unless otherwise noted)	As of 3/31/26	Net Reserves Coverage ⁽¹⁾⁽²⁾⁽³⁾			Leverage
		PDP Estimate ⁽⁴⁾	1P Estimate ⁽⁵⁾	3P Estimate ⁽⁶⁾	2027E EBITDA
Share Price (as of 5/29/26) (\$/sh)	\$14.69				
(x) FDSO (mm)	157.9				
Total Market Capitalization	\$2,319				
XOM Term Loan	956				
Total Debt	956	2.4x	5.5x	6.4x	1.0x - 1.3x
(-) Cash	(52)				
(+) Net Debt	\$904	2.6x	5.8x	6.7x	0.9x - 1.2x
Total Enterprise Value	\$3,223				
Metric					
Reserve Estimate PV-10 @ Strip		\$2,332	\$5,238	\$6,074	
2027E EBITDA ⁽⁷⁾					\$738 - \$985

Note: Market data as of May 29, 2026.

(1) Reserve report assumes May 31, 2026 effective date. Brent strip pricing as of May 19, 2026 (2026: \$92.73/Bbl, 2027: \$81.59/Bbl, 2028: \$76.84/Bbl, 2029: \$74.46/Bbl, 2030+: \$72.85/Bbl).

(2) Management estimates are inherently uncertain. Actual results may differ in a material amount from management estimates and projections.

(3) Net quantities shown herein are unrisks volumes and may represent levels of uncertainty as to their technical and commercial recovery.

(4) Includes Netherland Sewell & Associates SEC May 31, 2026 Reserve Report with Sable management estimated initial two-year decline forecast intended to reflect field-wide historical decline rate as well as Sable management estimated lease operating expenses and field life extension from expected future development. Hondo wells included in PDP estimate as wells are expected to restart production in Q3 2026. For additional information, refer to p.13.

(5) Includes PDP, PDNP and PUD reserves estimates. For additional information, refer to p.13.

(6) Includes PDP, PDNP, PUD, Probable and Possible reserves estimates. For additional information, refer to p.13.

(7) Non-GAAP metric; for additional information, refer to p.27.



Preliminary Financial Guidance (2026E – 2028E)

Updated Financial Guidance

	<u>Q2 – Q4 2026E</u>	<u>FY 2027E</u>	<u>FY 2028E</u>
Production & Realizations			
Gross Average Daily Production (MBoe/d)	42.5 - 47.5	55.0 - 60.0	57.5 – 62.5
Working Interest / Net Revenue Interest (%)	83.6%	83.6%	83.6%
Net Average Daily Production (MBoe/d)	35.0 - 40.0	47.5 - 52.5	47.5 - 52.5
% Oil	100%	90% - 92%	90% - 92%
Estimated Marketing and GP&T Deduct (\$/Bbl)	\$19.00 - \$21.00	\$19.00 - \$21.00	\$19.00 - \$21.00
Operating Costs (\$ / Net Boe)			
Lease Operating Expense	\$20.00 - \$22.00	\$9.00 - \$11.00	\$9.00 - \$11.00
General & Administrative	6.00 - 8.00	3.00 - 5.00	3.00 - 5.00
Severance and Ad Valorem Taxes (% of Rev.)	0.5% - 1.0%	0.5% - 1.0%	0.5% - 1.0%
Capital Expenditures (\$MM)			
Total Capex	\$170 - \$195	\$70 - \$90	\$60 - \$80
Income Taxes (%)			
Income Tax	0%	5% - 15%	20% - 30%

Note: Management estimates are inherently uncertain and subject to numerous risks. Actual results may differ in a material amount from management estimates and projections.



3-Year Unlevered Free Cash Flow Guidance at Strip

	<u>Q2 – Q4 2026E</u>	<u>FY 2027E</u>	<u>FY 2028E</u>
Production			
Gross Average Daily Production (MBoe/d)	42.5 - 47.5	55 - 60	57.5 - 62.5
Working Interest / Net Revenue Interest (%)	83.60%	83.60%	83.60%
Net Average Daily Production (MBoe/d)	35 - 40	47.5 - 52.5	47.5 - 52.5
Benchmark Brent Oil Price (\$/Bbl)	\$97.18	\$81.59	\$76.84
Estimated Marketing and GP&T Deduct (\$/Bbl)	\$19.00 - \$21.00	\$19.00 - \$21.00	\$19.00 - \$21.00
Unhedged Realized Oil Price (\$/Bbl)	\$76.18 - \$78.18	\$60.59 - \$62.59	\$55.84 - \$57.84
Net Revenue (\$MM)	\$733 - \$860	\$1,051 - \$1,199	\$971 - \$1,111
Lease Operating Expense	(\$212) - (\$220)	(\$172) - (\$191)	(\$173) - (\$191)
General & Administrative	(\$66) - (\$77)	(\$57) - (\$87)	(\$58) - (\$87)
Severance and Ad Valorem Taxes	(\$4) - (\$7)	(\$6) - (\$11)	(\$6) - (\$10)
Adjusted EBITDA (\$MM)⁽¹⁾	\$434 - \$580	\$738 - \$985	\$701 - \$937
Total Capex	(\$170) - (\$195)	(\$70) - (\$90)	(\$60) - (\$80)
Income Taxes	--	(\$48) - (\$114)	(\$175) - (\$205)
Unlevered FCF (\$MM)⁽¹⁾	\$271 - \$384	\$639 - \$866	\$532 - \$734

Unlevered FCF⁽¹⁾ at Midpoint of Guidance Range

Unlevered FCF (\$MM)⁽¹⁾	\$328	\$753	\$633
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Note: Assumes Brent strip pricing as of 5/19/2026 \$/Bbl | \$/MMcf: \$97.18 | \$81.59 | \$76.84; \$3.34 | \$3.54 | \$3.72; analysis based on guidance ranges from previous page. Management estimates are inherently uncertain and subject to numerous risks. Actual results may differ in a material amount from management estimates and projections.

(1) Non-GAAP metric; for additional information, refer to p.27.



Hedging & Bonding Strategy

- Sable intends to hedge 100% of expected PDP oil production volumes through 2028
- Sable plans to implement a costless collar and deferred premium put strategy to establish downside protection, while leaving long-term upside uncapped
 - Price floors will be established in the near-term
 - These floors will be offset by selling calls of which a portion will be done in the near-term with the remainder at future dates
- Deliver contractual \$350MM plugging and abandonment (“P&A”) bonding obligation via sureties and/or letters of credit
 - Sable is exempt from supplemental Federal P&A bonding due to the size of the reserves at the SYU

	Q2 – Q4 2026E	FY 2027E	FY 2028E	Cumulative
Total Expected Production Volumes (MBoe/d)	35.0 - 40.0	47.5 - 52.5	47.5 - 52.5	42.5 - 47.5
Total PDP Volumes (MBoe/d)	25.0 - 30.0	27.5 - 32.5	25.0 - 30.0	25.0 - 30.0
% of PDP Oil Hedged	100%	100%	100%	100%
Hedged Volumes (MBbl/d)	20.0 - 25.0	25.0 - 30.0	20.0 - 25.0	22.5 - 27.5

Unlevered FCF⁽¹⁾ at Various Hedging Scenarios

Strip Pricing				
Case A: Unhedged	\$271 - \$384	\$639 - \$866	\$532 - \$734	\$1,442 - \$1,984
Case B: 100% PDP Hedged	\$271 - \$384	\$639 - \$866	\$532 - \$734	\$1,442 - \$1,984
\$60 / BBL				
Case A: Unhedged	(\$76) - \$37	\$331 - \$558	\$381 - \$583	\$636 - \$1,178
Case B: 100% PDP Hedged	(\$17) - \$96	\$431 - \$658	\$462 - \$664	\$877 - \$1,419
\$70 / BBL				
Case A: Unhedged	\$20 - \$133	\$489 - \$716	\$527 - \$729	\$1,036 - \$1,578
Case B: 100% PDP Hedged	\$20 - \$133	\$489 - \$716	\$527 - \$729	\$1,036 - \$1,578
\$80 / BBL				
Case A: Unhedged	\$116 - \$229	\$631 - \$858	\$600 - \$802	\$1,347 - \$1,889
Case B: 100% PDP Hedged	\$116 - \$229	\$631 - \$858	\$592 - \$794	\$1,339 - \$1,881

Note: Assumes strip pricing as of 5/19/2026 \$/bbl / \$/mmcf: \$97.18 | \$81.59 | \$76.84; \$3.34 | \$3.54 | \$3.72; \$ in millions; Assumes \$/bbl hedge pricing of 2H 2026: \$70 floor / \$113.50 ceiling | 2027: \$70 floor / \$87.30 ceiling | 2028: \$70 floor / \$79.00 ceiling. Management estimates are inherently uncertain and subject to numerous risks. Actual results may differ in a material amount from management estimates and projections.

(1) Non-GAAP metric; for additional information, refer to p.27.



Health, Safety, and Environmental Highlights

Sable management team is an award-winning, safe, and prudent California Operator

Offshore California Highlights



2004: Received Santa Barbara County's First and Only "Resolution for Good Operator" Recognizing PXP's Outstanding Operating Performance

2008: Santa Barbara County Commendation for Outstanding Maintenance Practices at LOGP

2011: Occupational Excellence Achievement Award for 21 PXP locations

2009-2010: Perfect Record Award for operating 11,390 employee hours without occupational injury or illness involving days away from work

2009: National Industry Leadership Award

2007-2008: Occupational Excellence Achievement Awards for Outstanding Safety Practices

Occupational Excellence Achievement Awards for Outstanding Safety Practices



2004: Ranked MMS's Best Operator in the Pacific OCS for Safety of Platform and Pipeline Operations

Onshore California Highlights



2006: U.S. Bureau of Land Management Operator of the Year Award

2006: Best Management Practices National Award in Habitat Conservation

2008-2004: Recipient of the Environmental Lease Maintenance Award

2006: Recipient of the Clean Lease Awards

CA Dept. of Conservation

Division of Oil, Gas and Geothermal Resources (DOGGR) Lease Maintenance Award for Outstanding Safety and Lease Maintenance 12 years and 13 years in a row at Packard and San Vicente



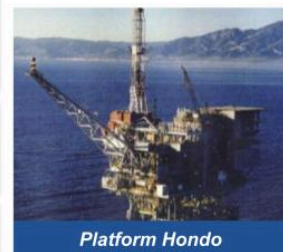
2010: Occupational Excellence Achievement Award for PXP's California Los Angeles Basin San Vicente and Packard locations



Two commendations from the Air Pollution Control District for Emissions Reductions and Use of Innovative Emissions Control Technology at the Arroyo Grande Oil Field



Platform Heritage



Platform Hondo



Platform Harmony

Risk Management Partner to Local Communities

- Sable Management has a track record of excellence as a safe and responsible steward of California's onshore and offshore resources
- As PXP, owned / operated offshore Point Arguello (Harvest Platform, Hermosa Platform, and Hidalgo Platform) and Point Pedernales (Irene Platform)
- Onshore operations included Arroyo Grande, Los Angeles Basin, and San Joaquin Valley assets

- "Due to PXP's generosity and civic mindedness ... [using] their facility, nearly 200 firefighters have received important Survival Training" – Ron Lawrence, **Central Regional Training / Safety Captain LA County Fire Department**
- "The Culver City Fire Department is forever grateful to Plains Exploration & Production Co. for their continued training support and expertise" – Tim Wilson, **Captain / Training Officer, Culver City Fire Dept.**

(1) Minerals Management Service (MMS) was reorganized into Bureau of Ocean Energy Management (BOEM) and Bureau of Safety and Environmental Enforcement (BSEE) in 2011.

Key Investment Highlights

Premier asset and experienced management team drive stakeholder value

✓	Transition to Federal Oversight	▪ Defense Production Act order requires oil transportation through the SYPS ▪ Interstate pipeline determination requires federal regulatory oversight of the SYPS ▪ Federal offshore development permitting regime through U.S. Department of the Interior
✓	Primed for Low-Cost Production Growth	▪ Modest reinvestment required in the near-term as Sable capitalizes on production optimization operations including workovers, Perf Adds, and ESP installations
✓	Large Development Inventory Opportunity	▪ In the near-term, Sable will target Perf Adds with minimal capex, while focusing on deleveraging with 100+ locations still to be drilled ▪ Highly-economic development opportunities from infill and step-out locations with decades of performance history
✓	Large Production Base	▪ 47.5 – 52.5 MBoe/d estimated net production in 2027E & 2028E ▪ Substantial production base that is ~90% oil with decades of productive history
✓	Shallow Decline	▪ SYU has a 30+ year history of slow base declines between 6-8% ▪ Shallow decline profile reduces reinvestment rate required to maintain projected production
✓	High Operational Control	▪ 100% operated with favorable 16.4% royalty burden ▪ Owned midstream infrastructure ensures safe and reliable transit to marketing hub
✓	Access to Infrastructure & End Markets	▪ Oil sales linked to Brent Crude pricing ▪ LA refinery complex seeks domestic oil production to offset import disruptions
✓	HS&E Stewardship	▪ Outstanding HS&E and operational track record in California
✓	Conservative Financial Policy	▪ Sable management targeting long-term leverage ratios of ~1.0x

(1) Management estimates are inherently uncertain and subject to numerous risks. Actual results may differ in a material amount from management estimates and projections.



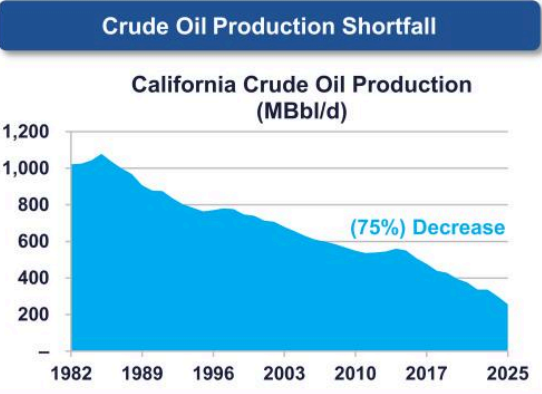
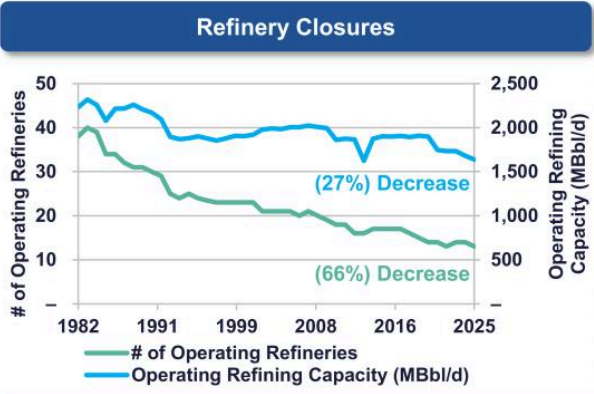
Appendix

California: Energy Island in Crisis

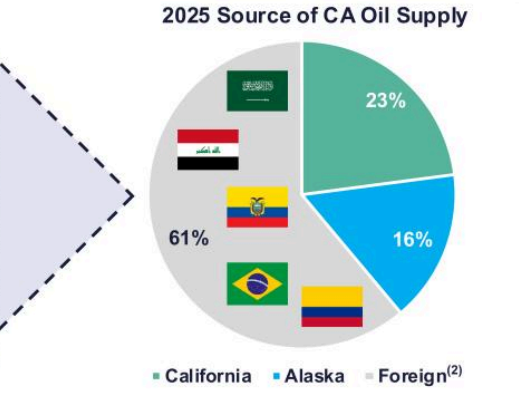
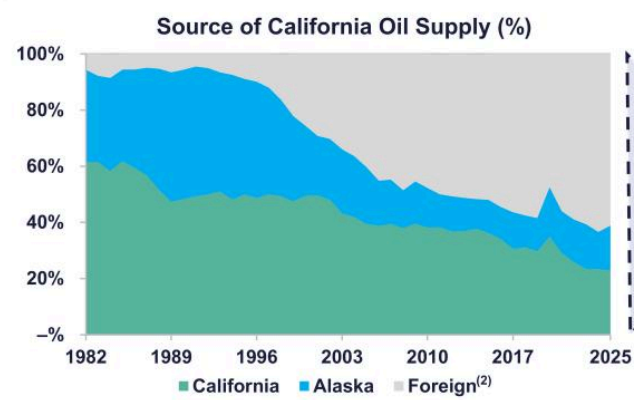
The domestic energy market in California is struggling and needs local production for stabilization

Commentary

- Policy decisions have caused energy infrastructure closures and production decreases across all major segments: exploration & production, midstream transport, and refining and marketing
- Given the absence of domestic energy supply, California has relied on foreign nations to import the required oil supply to meet the 1.5 MMBbl/d of demand⁽¹⁾
- California is in desperate need of increased local oil output, but a decades-long underinvestment in the supply chain due to the regulatory environment offers very little opportunity for immediate solutions outside of Sable
- California consumers and the 40+ United States Military installations in state are vulnerable



Dependence on Unreliable Foreign Producers



Source: EIA, California Energy Commission.
(1) 1.5 MMBbl/d of California petroleum consumption per EIA.
(2) List of countries that import oil into California is illustrative and not comprehensive.

California: Exposed to Unreliable Foreign Markets

Imports carry risk of geopolitical conflicts, infrastructure fragility and a structural shift in trade policy

- Conflict in Iran has renewed threats to the Strait of Hormuz, a critical transit point for ~29%⁽¹⁾ of California's foreign oil
- Following a national vote to halt drilling in Block 43, Ecuador's production faces a projected 34% decline in that region
- Guerrilla attacks in Colombia remain a persistent threat to infrastructure, including explosive attacks on the Bicentenario pipeline
- Foreign oil imports carry "geopolitical tax" driven by transit risk and local instability; increasing local production eliminates price premiums associated with global supply shocks and stabilizes the state's energy against foreign interference



Imports are at risk of significant disruption, as evidenced by recent history and current affairs

Source: EIA, California Energy Commission.
(1) Represents percent of 2025 volumes.

Non-GAAP Reconciliation

	<u>Q2 – Q4 2026E</u>	<u>FY 2027E</u>	<u>FY 2028E</u>
Non-GAAP Item Reconciliation			
Net income (loss)	\$192 - \$256	\$287 - \$382	\$259 - \$346
Addback: Interest expense, net ⁽¹⁾	\$96 - \$129	\$129 - \$173	\$129 - \$173
Addback: Income tax expense (benefit)	\$22 - \$29	\$107 - \$143	\$98 - \$131
EBIT	\$310 - \$414	\$523 - \$698	\$486 - \$650
Addback: DD&A, ARO accretion	\$82 - \$110	\$142 - \$190	\$145 - \$194
EBITDA	\$392 - \$524	\$665 - \$888	\$631 - \$844
Addback: Share-based comp	\$42 - \$56	\$73 - \$97	\$70 - \$93
Adjusted EBITDA	\$434 - \$580	\$738 - \$985	\$701 - \$937
Payments for capital expenditures	(\$163) - (\$196)	(\$73) - (\$88)	(\$64) - (\$77)
Income tax (excludes deferred taxes)	--	(\$26) - (\$31)	(\$105) - (\$126)
Unlevered free cash flow	\$271 - \$384	\$639 - \$866	\$532 - \$734

Note: Management estimates are inherently uncertain and subject to numerous risks. Actual results may differ in a material amount from management estimates and projections.

(1) Estimated interest expense assumes status quo capital structure



June 1, 2026

Mr. Brian K. Broussard
Sable Offshore Corp.
845 Texas Avenue, Suite 2920
Houston, Texas 77002

Dear Mr. Broussard:

In accordance with your request, we have estimated the proved, probable, and possible developed reserves and future revenue, as of May 31, 2026, to the Sable Offshore Corp. (Sable) interest in certain oil and gas properties located in the Santa Ynez Unit (SYU), federal waters offshore California. Sable resumed the transportation of hydrocarbons through the Santa Ynez Pipeline System (SYPS) and initiated oil sales from the SYU on March 29, 2026. Discussion of legal risks associated with hydrocarbon transportation and sales is set forth in Sable's 10-Q quarterly financial report filed with the U.S. Securities and Exchange Commission on May 6, 2026. We completed our evaluation on or about the date of this letter. It is our understanding that the proved reserves estimated in this report constitute all of the proved reserves owned by Sable. The estimates in this report have been prepared in accordance with the definitions and regulations of the U.S. Securities and Exchange Commission (SEC) and conform to the FASB Accounting Standards Codification Topic 932, Extractive Activities—Oil and Gas, except that future income taxes are excluded and, as requested, overhead expenses are excluded. Definitions are presented immediately following this letter. This report has been prepared for Sable's use in filing with the SEC; in our opinion the assumptions, data, methods, and procedures used in the preparation of this report are appropriate for such purpose.

We estimate the net reserves and future net revenue to the Sable interest in these properties, as of May 31, 2026, to be:

Category	Net Reserves			Future Net Revenue ⁽¹⁾ (M\$)	
	Oil (MBBL)	NGL (MBBL)	Gas (MMCF)	Total	Present Worth at 10%
Proved Developed Producing	66,609.6	686.7	44,988.1	685,995.7	766,540.7
Proved Developed Non-Producing	23,849.6	501.9	32,880.2	1,139,432.2	705,763.2
Total Proved Developed	90,459.2	1,188.6	77,868.2	1,825,427.9	1,472,303.9
Probable Developed	28,695.9	387.3	25,369.4	1,039,765.8	607,926.8
Possible Developed	40,607.2	593.9	38,909.3	1,612,952.8	850,339.6

Totals may not add because of rounding.

⁽¹⁾ Future net revenue is after deducting estimated abandonment costs.

The oil volumes shown include crude oil only. Oil and natural gas liquids (NGL) volumes are expressed in thousands of barrels (MBBL); a barrel is equivalent to 42 United States gallons. Gas volumes are expressed in millions of cubic feet (MMCF) at standard temperature and pressure bases.

Reserves categorization conveys the relative degree of certainty; reserves subcategorization is based on development and production status. Our study indicates that as of May 31, 2026, there are no proved undeveloped reserves for these properties. No study was made to determine whether probable or possible undeveloped reserves might be established for these properties. The estimates of reserves and future revenue included herein have not

been adjusted for risk. This report does not include any value that could be attributed to interests in undeveloped acreage.

Gross revenue is Sable's share of the gross (100 percent) revenue from the properties prior to any deductions. Future net revenue is after deductions for Sable's share of property taxes, capital costs, abandonment costs, and operating expenses but before consideration of any income taxes. The future net revenue has been discounted at an annual rate of 10 percent to determine its present worth, which is shown to indicate the effect of time on the value of money. Future net revenue presented in this report, whether discounted or undiscounted, should not be construed as being the fair market value of the properties.

Prices used in this report are based on the 12-month unweighted arithmetic average of the first-day-of-the-month price for each month in the period June 2025 through May 2026. For oil and NGL volumes, the average Brent spot price of \$75.72 per barrel is adjusted for quality and market differentials. For gas volumes, the average Henry Hub spot price of \$3.599 per MMBTU is adjusted for energy content, transportation fees, and market differentials. The adjusted product prices of \$56.06 per barrel of oil, \$59.21 per barrel of NGL, and \$3.061 per MCF of gas are held constant throughout the lives of the properties.

Operating costs used in this report are based on operating expense records of Exxon Mobil Corporation, the previous operator of the properties, as provided by Sable, and include only direct lease- and field-level costs. Operating costs have been divided into field-level costs, per-well costs, and per-unit-of-production costs and include the costs associated with operating the oil export pipeline. As requested, these costs do not include the headquarters general and administrative overhead expenses of Sable. Operating costs are not escalated for inflation.

Capital costs used in this report were provided by Sable and are based on authorizations for expenditure, actual costs from recent activity, and internal planning budgets. Capital costs are included as required for commissioning of offshore and onshore facilities, workovers, and facility integrity projects. Based on our understanding of future development plans, a review of the records provided to us, and our knowledge of similar properties, we regard these estimated capital costs to be reasonable. Abandonment costs used in this report are Sable's estimates of the costs to abandon the wells, platforms, offshore and onshore facilities, and pipelines, net of any salvage value. Capital costs and abandonment costs are not escalated for inflation.

For the purposes of this report, we did not perform any field inspection of the properties, nor did we examine the mechanical operation or condition of the wells and facilities. We have not investigated possible environmental liability related to the properties; therefore, our estimates do not include any costs due to such possible liability. Additionally, we have made no specific investigation of any firm transportation contracts that may be in place for these properties; our estimates of future revenue include the effects of such contracts only to the extent that the associated fees are accounted for in the historical field-level accounting statements.

The reserves shown in this report are estimates only and should not be construed as exact quantities. Proved reserves are those quantities of oil and gas which, by analysis of engineering and geoscience data, can be estimated with reasonable certainty to be economically producible; probable and possible reserves are those additional reserves which are sequentially less certain to be recovered than proved reserves. Estimates of reserves may increase or decrease as a result of market conditions, future operations, changes in regulations, or actual reservoir performance. In addition to the primary economic assumptions discussed herein, our estimates are based on certain assumptions including, but not limited to, that the properties will be developed consistent with current development plans as provided to us by Sable, that the properties will be operated in a prudent manner, that no governmental regulations or controls will be put in place that would impact the ability of the interest owner to recover the reserves, and that our projections of future production will prove consistent with actual performance. If the reserves are recovered, the revenues therefrom and the costs related thereto could be more or less than the estimated amounts. Because of governmental policies and uncertainties of supply and demand, the sales rates, prices received for the reserves, and costs incurred in recovering such reserves may vary from assumptions made while preparing this report.

For the purposes of this report, we used technical and economic data including, but not limited to, well logs, geologic maps, well test data, production data, historical price and cost information, and property ownership interests. The reserves in this report have been estimated using deterministic methods; these estimates have been prepared in accordance with the Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information promulgated by the Society of Petroleum Engineers (SPE Standards). We used standard engineering and geoscience methods, or a combination of methods, including performance analysis and analogy, that we considered to be appropriate and necessary to categorize and estimate reserves in accordance with SEC definitions and regulations. As in all aspects of oil and gas evaluation, there are uncertainties inherent in the interpretation of engineering and geoscience data; therefore, our conclusions necessarily represent only informed professional judgment.

The data used in our estimates were obtained from Sable, public data sources, and the nonconfidential files of Netherland, Sewell & Associates, Inc. (NSAI) and were accepted as accurate. Supporting work data are on file in our office. We have not examined the titles to the properties or independently confirmed the actual degree or type of interest owned. The technical persons primarily responsible for preparing the estimates presented herein meet the requirements regarding qualifications, independence, objectivity, and confidentiality set forth in the SPE Standards. John R. Cliver, a Licensed Professional Engineer in the State of Texas, has been practicing consulting petroleum engineering at NSAI since 2009 and has over 5 years of prior industry experience. Edward C. Roy III, a Licensed Professional Geoscientist in the State of Texas, has been practicing consulting petroleum geoscience at NSAI since 2008 and has over 11 years of prior industry experience. We are independent petroleum engineers, geologists, geophysicists, and petrophysicists; we do not own an interest in these properties nor are we employed on a contingent basis.

Sincerely,

NETHERLAND, SEWELL & ASSOCIATES, INC.
Texas Registered Engineering Firm F-2699

By: *Richard B. Talley, Jr.*
Richard B. Talley, Jr., P.E.
Chairman and Chief Executive Officer

By: *J. R. Cliver*
John R. Cliver, P.E. 107216
Senior Vice President

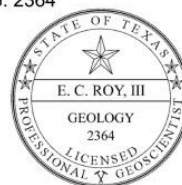
Date Signed: June 1, 2026

JRC:WKE



By: *Edward C. Roy III*
Edward C. Roy III, P.G. 2364
Vice President

Date Signed: June 1, 2026



DEFINITIONS OF OIL AND GAS RESERVES

Adapted from U.S. Securities and Exchange Commission Regulation S-X Section 210.4-10(a)

The following definitions are set forth in U.S. Securities and Exchange Commission (SEC) Regulation S-X Section 210.4-10(a). Also included is supplemental information from (1) the 2018 Petroleum Resources Management System approved by the Society of Petroleum Engineers, (2) the FASB Accounting Standards Codification Topic 932, Extractive Activities—Oil and Gas, and (3) the SEC's Compliance and Disclosure Interpretations.

(1) *Acquisition of properties.* Costs incurred to purchase, lease or otherwise acquire a property, including costs of lease bonuses and options to purchase or lease properties, the portion of costs applicable to minerals when land including mineral rights is purchased in fee, brokers' fees, recording fees, legal costs, and other costs incurred in acquiring properties.

(2) *Analogous reservoir.* Analogous reservoirs, as used in resources assessments, have similar rock and fluid properties, reservoir conditions (depth, temperature, and pressure) and drive mechanisms, but are typically at a more advanced stage of development than the reservoir of interest and thus may provide concepts to assist in the interpretation of more limited data and estimation of recovery. When used to support proved reserves, an "analogous reservoir" refers to a reservoir that shares the following characteristics with the reservoir of interest:

- (i) Same geological formation (but not necessarily in pressure communication with the reservoir of interest);
- (ii) Same environment of deposition;
- (iii) Similar geological structure; and
- (iv) Same drive mechanism.

Instruction to paragraph (a)(2): Reservoir properties must, in the aggregate, be no more favorable in the analog than in the reservoir of interest.

(3) *Bitumen.* Bitumen, sometimes referred to as natural bitumen, is petroleum in a solid or semi-solid state in natural deposits with a viscosity greater than 10,000 centipoise measured at original temperature in the deposit and atmospheric pressure, on a gas free basis. In its natural state it usually contains sulfur, metals, and other non-hydrocarbons.

(4) *Condensate.* Condensate is a mixture of hydrocarbons that exists in the gaseous phase at original reservoir temperature and pressure, but that, when produced, is in the liquid phase at surface pressure and temperature.

(5) *Deterministic estimate.* The method of estimating reserves or resources is called deterministic when a single value for each parameter (from the geoscience, engineering, or economic data) in the reserves calculation is used in the reserves estimation procedure.

(6) *Developed oil and gas reserves.* Developed oil and gas reserves are reserves of any category that can be expected to be recovered:

- (i) Through existing wells with existing equipment and operating methods or in which the cost of the required equipment is relatively minor compared to the cost of a new well; and
- (ii) Through installed extraction equipment and infrastructure operational at the time of the reserves estimate if the extraction is by means not involving a well.

Supplemental definitions from the 2018 Petroleum Resources Management System:

Developed Producing Reserves – Expected quantities to be recovered from completion intervals that are open and producing at the effective date of the estimate. Improved recovery Reserves are considered producing only after the improved recovery project is in operation.

Developed Non-Producing Reserves – Shut-in and behind-pipe Reserves. Shut-in Reserves are expected to be recovered from (1) completion intervals that are open at the time of the estimate but which have not yet started producing, (2) wells which were shut-in for market conditions or pipeline connections, or (3) wells not capable of production for mechanical reasons. Behind-pipe Reserves are expected to be recovered from zones in existing wells that will require additional completion work or future re-completion before start of production with minor cost to access these reserves. In all cases, production can be initiated or restored with relatively low expenditure compared to the cost of drilling a new well.

(7) *Development costs.* Costs incurred to obtain access to proved reserves and to provide facilities for extracting, treating, gathering and storing the oil and gas. More specifically, development costs, including depreciation and applicable operating costs of support equipment and facilities and other costs of development activities, are costs incurred to:

- (i) Gain access to and prepare well locations for drilling, including surveying well locations for the purpose of determining specific development drilling sites, clearing ground, draining, road building, and relocating public roads, gas lines, and power lines, to the extent necessary in developing the proved reserves.
- (ii) Drill and equip development wells, development-type stratigraphic test wells, and service wells, including the costs of platforms and of well equipment such as casing, tubing, pumping equipment, and the wellhead assembly.

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- (iii) Acquire, construct, and install production facilities such as lease flow lines, separators, treaters, heaters, manifolds, measuring devices, and production storage tanks, natural gas cycling and processing plants, and central utility and waste disposal systems.
 - (iv) Provide improved recovery systems.
- (8) *Development project.* A development project is the means by which petroleum resources are brought to the status of economically producible. As examples, the development of a single reservoir or field, an incremental development in a producing field, or the integrated development of a group of several fields and associated facilities with a common ownership may constitute a development project.
- (9) *Development well.* A well drilled within the proved area of an oil or gas reservoir to the depth of a stratigraphic horizon known to be productive.
- (10) *Economically producible.* The term economically producible, as it relates to a resource, means a resource which generates revenue that exceeds, or is reasonably expected to exceed, the costs of the operation. The value of the products that generate revenue shall be determined at the terminal point of oil and gas producing activities as defined in paragraph (a)(16) of this section.
- (11) *Estimated ultimate recovery (EUR).* Estimated ultimate recovery is the sum of reserves remaining as of a given date and cumulative production as of that date.
- (12) *Exploration costs.* Costs incurred in identifying areas that may warrant examination and in examining specific areas that are considered to have prospects of containing oil and gas reserves, including costs of drilling exploratory wells and exploratory-type stratigraphic test wells. Exploration costs may be incurred both before acquiring the related property (sometimes referred to in part as prospecting costs) and after acquiring the property. Principal types of exploration costs, which include depreciation and applicable operating costs of support equipment and facilities and other costs of exploration activities, are:
- (i) Costs of topographical, geographical and geophysical studies, rights of access to properties to conduct those studies, and salaries and other expenses of geologists, geophysical crews, and others conducting those studies. Collectively, these are sometimes referred to as geological and geophysical or "G&G" costs.
 - (ii) Costs of carrying and retaining undeveloped properties, such as delay rentals, ad valorem taxes on properties, legal costs for title defense, and the maintenance of land and lease records.
 - (iii) Dry hole contributions and bottom hole contributions.
 - (iv) Costs of drilling and equipping exploratory wells.
 - (v) Costs of drilling exploratory-type stratigraphic test wells.
- (13) *Exploratory well.* An exploratory well is a well drilled to find a new field or to find a new reservoir in a field previously found to be productive of oil or gas in another reservoir. Generally, an exploratory well is any well that is not a development well, an extension well, a service well, or a stratigraphic test well as those items are defined in this section.
- (14) *Extension well.* An extension well is a well drilled to extend the limits of a known reservoir.
- (15) *Field.* An area consisting of a single reservoir or multiple reservoirs all grouped on or related to the same individual geological structural feature and/or stratigraphic condition. There may be two or more reservoirs in a field which are separated vertically by intervening impervious strata, or laterally by local geologic barriers, or by both. Reservoirs that are associated by being in overlapping or adjacent fields may be treated as a single or common operational field. The geological terms "structural feature" and "stratigraphic condition" are intended to identify localized geological features as opposed to the broader terms of basins, trends, provinces, plays, areas-of-interest, etc.
- (16) *Oil and gas producing activities.*
- (i) Oil and gas producing activities include:
 - (A) The search for crude oil, including condensate and natural gas liquids, or natural gas ("oil and gas") in their natural states and original locations;
 - (B) The acquisition of property rights or properties for the purpose of further exploration or for the purpose of removing the oil or gas from such properties;
 - (C) The construction, drilling, and production activities necessary to retrieve oil and gas from their natural reservoirs, including the acquisition, construction, installation, and maintenance of field gathering and storage systems, such as:
 - (1) Lifting the oil and gas to the surface; and
 - (2) Gathering, treating, and field processing (as in the case of processing gas to extract liquid hydrocarbons); and

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- (D) Extraction of saleable hydrocarbons, in the solid, liquid, or gaseous state, from oil sands, shale, coalbeds, or other nonrenewable natural resources which are intended to be upgraded into synthetic oil or gas, and activities undertaken with a view to such extraction.

Instruction 1 to paragraph (a)(16)(i): The oil and gas production function shall be regarded as ending at a "terminal point", which is the outlet valve on the lease or field storage tank. If unusual physical or operational circumstances exist, it may be appropriate to regard the terminal point for the production function as:

- a. The first point at which oil, gas, or gas liquids, natural or synthetic, are delivered to a main pipeline, a common carrier, a refinery, or a marine terminal; and
- b. In the case of natural resources that are intended to be upgraded into synthetic oil or gas, if those natural resources are delivered to a purchaser prior to upgrading, the first point at which the natural resources are delivered to a main pipeline, a common carrier, a refinery, a marine terminal, or a facility which upgrades such natural resources into synthetic oil or gas.

Instruction 2 to paragraph (a)(16)(i): For purposes of this paragraph (a)(16), the term *saleable hydrocarbons* means hydrocarbons that are saleable in the state in which the hydrocarbons are delivered.

- (ii) Oil and gas producing activities do not include:

- (A) Transporting, refining, or marketing oil and gas;
- (B) Processing of produced oil, gas, or natural resources that can be upgraded into synthetic oil or gas by a registrant that does not have the legal right to produce or a revenue interest in such production;
- (C) Activities relating to the production of natural resources other than oil, gas, or natural resources from which synthetic oil and gas can be extracted; or
- (D) Production of geothermal steam.

(17) *Possible reserves.* Possible reserves are those additional reserves that are less certain to be recovered than probable reserves.

- (i) When deterministic methods are used, the total quantities ultimately recovered from a project have a low probability of exceeding proved plus probable plus possible reserves. When probabilistic methods are used, there should be at least a 10% probability that the total quantities ultimately recovered will equal or exceed the proved plus probable plus possible reserves estimates.
- (ii) Possible reserves may be assigned to areas of a reservoir adjacent to probable reserves where data control and interpretations of available data are progressively less certain. Frequently, this will be in areas where geoscience and engineering data are unable to define clearly the area and vertical limits of commercial production from the reservoir by a defined project.
- (iii) Possible reserves also include incremental quantities associated with a greater percentage recovery of the hydrocarbons in place than the recovery quantities assumed for probable reserves.
- (iv) The proved plus probable and proved plus probable plus possible reserves estimates must be based on reasonable alternative technical and commercial interpretations within the reservoir or subject project that are clearly documented, including comparisons to results in successful similar projects.
- (v) Possible reserves may be assigned where geoscience and engineering data identify directly adjacent portions of a reservoir within the same accumulation that may be separated from proved areas by faults with displacement less than formation thickness or other geological discontinuities and that have not been penetrated by a wellbore, and the registrant believes that such adjacent portions are in communication with the known (proved) reservoir. Possible reserves may be assigned to areas that are structurally higher or lower than the proved area if these areas are in communication with the proved reservoir.
- (vi) Pursuant to paragraph (a)(22)(iii) of this section, where direct observation has defined a highest known oil (HKO) elevation and the potential exists for an associated gas cap, proved oil reserves should be assigned in the structurally higher portions of the reservoir above the HKO only if the higher contact can be established with reasonable certainty through reliable technology. Portions of the reservoir that do not meet this reasonable certainty criterion may be assigned as probable and possible oil or gas based on reservoir fluid properties and pressure gradient interpretations.

(18) *Probable reserves.* Probable reserves are those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered.

- (i) When deterministic methods are used, it is as likely as not that actual remaining quantities recovered will exceed the sum of estimated proved plus probable reserves. When probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the proved plus probable reserves estimates.

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- (ii) Probable reserves may be assigned to areas of a reservoir adjacent to proved reserves where data control or interpretations of available data are less certain, even if the interpreted reservoir continuity of structure or productivity does not meet the reasonable certainty criterion. Probable reserves may be assigned to areas that are structurally higher than the proved area if these areas are in communication with the proved reservoir.
 - (iii) Probable reserves estimates also include potential incremental quantities associated with a greater percentage recovery of the hydrocarbons in place than assumed for proved reserves.
 - (iv) See also guidelines in paragraphs (a)(17)(iv) and (a)(17)(vi) of this section.
- (19) *Probabilistic estimate.* The method of estimation of reserves or resources is called probabilistic when the full range of values that could reasonably occur for each unknown parameter (from the geoscience and engineering data) is used to generate a full range of possible outcomes and their associated probabilities of occurrence.
- (20) *Production costs.*
- (i) Costs incurred to operate and maintain wells and related equipment and facilities, including depreciation and applicable operating costs of support equipment and facilities and other costs of operating and maintaining those wells and related equipment and facilities. They become part of the cost of oil and gas produced. Examples of production costs (sometimes called lifting costs) are:
 - (A) Costs of labor to operate the wells and related equipment and facilities.
 - (B) Repairs and maintenance.
 - (C) Materials, supplies, and fuel consumed and supplies utilized in operating the wells and related equipment and facilities.
 - (D) Property taxes and insurance applicable to proved properties and wells and related equipment and facilities.
 - (E) Severance taxes.
 - (ii) Some support equipment or facilities may serve two or more oil and gas producing activities and may also serve transportation, refining, and marketing activities. To the extent that the support equipment and facilities are used in oil and gas producing activities, their depreciation and applicable operating costs become exploration, development or production costs, as appropriate. Depreciation, depletion, and amortization of capitalized acquisition, exploration, and development costs are not production costs but also become part of the cost of oil and gas produced along with production (lifting) costs identified above.
- (21) *Proved area.* The part of a property to which proved reserves have been specifically attributed.
- (22) *Proved oil and gas reserves.* Proved oil and gas reserves are those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible—from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations—prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within a reasonable time.
- (i) The area of the reservoir considered as proved includes:
 - (A) The area identified by drilling and limited by fluid contacts, if any, and
 - (B) Adjacent undrilled portions of the reservoir that can, with reasonable certainty, be judged to be continuous with it and to contain economically producible oil or gas on the basis of available geoscience and engineering data.
 - (ii) In the absence of data on fluid contacts, proved quantities in a reservoir are limited by the lowest known hydrocarbons (LKH) as seen in a well penetration unless geoscience, engineering, or performance data and reliable technology establishes a lower contact with reasonable certainty.
 - (iii) Where direct observation from well penetrations has defined a highest known oil (HKO) elevation and the potential exists for an associated gas cap, proved oil reserves may be assigned in the structurally higher portions of the reservoir only if geoscience, engineering, or performance data and reliable technology establish the higher contact with reasonable certainty.
 - (iv) Reserves which can be produced economically through application of improved recovery techniques (including, but not limited to, fluid injection) are included in the proved classification when:
 - (A) Successful testing by a pilot project in an area of the reservoir with properties no more favorable than in the reservoir as a whole, the operation of an installed program in the reservoir or an analogous reservoir, or other evidence using reliable technology establishes the reasonable certainty of the engineering analysis on which the project or program was based; and

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- (B) The project has been approved for development by all necessary parties and entities, including governmental entities.
- (v) Existing economic conditions include prices and costs at which economic producibility from a reservoir is to be determined. The price shall be the average price during the 12-month period prior to the ending date of the period covered by the report, determined as an unweighted arithmetic average of the first-day-of-the-month price for each month within such period, unless prices are defined by contractual arrangements, excluding escalations based upon future conditions.
- (23) *Proved properties.* Properties with proved reserves.
- (24) *Reasonable certainty.* If deterministic methods are used, reasonable certainty means a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the estimate. A high degree of confidence exists if the quantity is much more likely to be achieved than not, and, as changes due to increased availability of geoscience (geological, geophysical, and geochemical), engineering, and economic data are made to estimated ultimate recovery (EUR) with time, reasonably certain EUR is much more likely to increase or remain constant than to decrease.
- (25) *Reliable technology.* Reliable technology is a grouping of one or more technologies (including computational methods) that has been field tested and has been demonstrated to provide reasonably certain results with consistency and repeatability in the formation being evaluated or in an analogous formation.
- (26) *Reserves.* Reserves are estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. In addition, there must exist, or there must be a reasonable expectation that there will exist, the legal right to produce or a revenue interest in the production, installed means of delivering oil and gas or related substances to market, and all permits and financing required to implement the project.

Note to paragraph (a)(26): Reserves should not be assigned to adjacent reservoirs isolated by major, potentially sealing, faults until those reservoirs are penetrated and evaluated as economically producible. Reserves should not be assigned to areas that are clearly separated from a known accumulation by a non-productive reservoir (i.e., absence of reservoir, structurally low reservoir, or negative test results). Such areas may contain prospective resources (i.e., potentially recoverable resources from undiscovered accumulations).

Excerpted from the FASB Accounting Standards Codification Topic 932, Extractive Activities—Oil and Gas:

932-235-50-30 A standardized measure of discounted future net cash flows relating to an entity's interests in both of the following shall be disclosed as of the end of the year:

- a. *Proved oil and gas reserves* (see paragraphs 932-235-50-3 through 50-11B)
- b. *Oil and gas subject to purchase under long-term supply, purchase, or similar agreements and contracts in which the entity participates in the operation of the properties on which the oil or gas is located or otherwise serves as the producer of those reserves* (see paragraph 932-235-50-7).

The standardized measure of discounted future net cash flows relating to those two types of interests in reserves may be combined for reporting purposes.

932-235-50-31 All of the following information shall be disclosed in the aggregate and for each geographic area for which reserve quantities are disclosed in accordance with paragraphs 932-235-50-3 through 50-11B:

- a. *Future cash inflows.* These shall be computed by applying prices used in estimating the entity's proved oil and gas reserves to the year-end quantities of those reserves. Future price changes shall be considered only to the extent provided by contractual arrangements in existence at year-end.
- b. *Future development and production costs.* These costs shall be computed by estimating the expenditures to be incurred in developing and producing the proved oil and gas reserves at the end of the year, based on year-end costs and assuming continuation of existing economic conditions. If estimated development expenditures are significant, they shall be presented separately from estimated production costs.
- c. *Future income tax expenses.* These expenses shall be computed by applying the appropriate year-end statutory tax rates, with consideration of future tax rates already legislated, to the future pretax net cash flows relating to the entity's proved oil and gas reserves, less the tax basis of the properties involved. The future income tax expenses shall give effect to tax deductions and tax credits and allowances relating to the entity's proved oil and gas reserves.
- d. *Future net cash flows.* These amounts are the result of subtracting future development and production costs and future income tax expenses from future cash inflows.

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- e. *Discount.* This amount shall be derived from using a discount rate of 10 percent a year to reflect the timing of the future net cash flows relating to proved oil and gas reserves.
- f. *Standardized measure of discounted future net cash flows.* This amount is the future net cash flows less the computed discount.

(27) *Reservoir.* A porous and permeable underground formation containing a natural accumulation of producible oil and/or gas that is confined by impermeable rock or water barriers and is individual and separate from other reservoirs.

(28) *Resources.* Resources are quantities of oil and gas estimated to exist in naturally occurring accumulations. A portion of the resources may be estimated to be recoverable, and another portion may be considered to be unrecoverable. Resources include both discovered and undiscovered accumulations.

(29) *Service well.* A well drilled or completed for the purpose of supporting production in an existing field. Specific purposes of service wells include gas injection, water injection, steam injection, air injection, salt-water disposal, water supply for injection, observation, or injection for in-situ combustion.

(30) *Stratigraphic test well.* A stratigraphic test well is a drilling effort, geologically directed, to obtain information pertaining to a specific geologic condition. Such wells customarily are drilled without the intent of being completed for hydrocarbon production. The classification also includes tests identified as core tests and all types of expendable holes related to hydrocarbon exploration. Stratigraphic tests are classified as "exploratory type" if not drilled in a known area or "development type" if drilled in a known area.

(31) *Undeveloped oil and gas reserves.* Undeveloped oil and gas reserves are reserves of any category that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion.

- (i) Reserves on undrilled acreage shall be limited to those directly offsetting development spacing areas that are reasonably certain of production when drilled, unless evidence using reliable technology exists that establishes reasonable certainty of economic producibility at greater distances.
- (ii) Undrilled locations can be classified as having undeveloped reserves only if a development plan has been adopted indicating that they are scheduled to be drilled within five years, unless the specific circumstances, justify a longer time.

From the SEC's Compliance and Disclosure Interpretations (October 26, 2009):

Although several types of projects — such as constructing offshore platforms and development in urban areas, remote locations or environmentally sensitive locations — by their nature customarily take a longer time to develop and therefore often do justify longer time periods, this determination must always take into consideration all of the facts and circumstances. No particular type of project per se justifies a longer time period, and any extension beyond five years should be the exception, and not the rule.

Factors that a company should consider in determining whether or not circumstances justify recognizing reserves even though development may extend past five years include, but are not limited to, the following:

- *The company's level of ongoing significant development activities in the area to be developed (for example, drilling only the minimum number of wells necessary to maintain the lease generally would not constitute significant development activities);*
- *The company's historical record at completing development of comparable long-term projects;*
- *The amount of time in which the company has maintained the leases, or booked the reserves, without significant development activities;*
- *The extent to which the company has followed a previously adopted development plan (for example, if a company has changed its development plan several times without taking significant steps to implement any of those plans, recognizing proved undeveloped reserves typically would not be appropriate); and*
- *The extent to which delays in development are caused by external factors related to the physical operating environment (for example, restrictions on development on Federal lands, but not obtaining government permits), rather than by internal factors (for example, shifting resources to develop properties with higher priority).*

- (iii) Under no circumstances shall estimates for undeveloped reserves be attributable to any acreage for which an application of fluid injection or other improved recovery technique is contemplated, unless such techniques have been proved effective by actual projects in the same reservoir or an analogous reservoir, as defined in paragraph (a)(2) of this section, or by other evidence using reliable technology establishing reasonable certainty.

(32) *Unproved properties.* Properties with no proved reserves.

