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DELTA REPORT

10-K

FLAME ACQUISITION CORP.

10-K - DECEMBER 31, 2023 COMPARED TO 10-K - DECEMBER 31, 2022

The following comparison report has been automatically generated

TOTAL DELTAS	7719
CHANGES	154
DELETIONS	2518
ADDITIONS	5047

REFINITIV

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

FORM10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2022 December 31, 2023

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from_____to_____to

Commission file number:001-40111

FLAME ACQUISITIONSABLE OFFSHORE CORP.

(Exact name of registrant as specified in its charter)

Delaware	**85-3514078**
(State or other jurisdiction of incorporation)	**(I.R.S. Employer Identification Number)**
700 Milam Street 845 Texas Avenue, Suite 3300 2900, Houston, Texas	**77002**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code:
(713) 579-6106

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

Title of Each Class:	**Trading Symbol(s)**	**Name of Each Exchange on Which Registered:**
Units, each consisting of one share of Class A common stock andone-halfof one warrant	**FLME.U**	**The New York Common Stock, Exchange**
Class A common stock, par value $0.0001 per share	**FLME SOC**	**The New York Stock Exchange**
Warrants, each whole warrant exercisable for one share of Class A Common Stock at an exercise price of $11.50 per share	**FLME.WS SOC.WS**	**The New York Stock Exchange**

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of RegulationS-T(§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, anon-acceleratedfiler, a smaller reporting company or an emerging growth company. See definition of “large accelerated filer,” “accelerated filer,” “smaller reporting company” and “emerging growth company” in Rule12b-2of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-acceleratedfiler	☒	Smaller reporting company	☒
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. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant’s executive officers during the relevant recovery period pursuant to §240.10D-1(b)§240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule12b-2of the Exchange Act). Yes ☒☐ No ☐

Auditor Firm ID: 688 **Auditor Name: Marcum LLP** **Auditor Location: New York, NY**

☒

As of June 30, 2022 June 30, 2023, the last business day of the registrant’s most recently completed second fiscal quarter, the aggregate market value of the Registrant’s Class A common stock held bynon-affiliateswas approximately $279,477,000. $67,664,326.

At March 28, 2023 March 27, 2024, there were 8,432,745 60,166,269 shares of Class A common stock, $0.0001 par value, and 7,187,500 shares of Class B common stock, $0.0001 par value issued and outstanding.

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BASIS OF PRESENTATION

Sable Offshore Corp. ("Sable") (formerly known as Flame Acquisition Corp. or "Flame") was a blank check company originally incorporated on October 16, 2020 as a Delaware corporation for the purpose of effecting a merger, share exchange, asset acquisition, share purchase, reorganization or other similar business combination with one or more businesses or entities. On March 1, 2021, Flame consummated an initial public offering (the "Flame IPO"), after which its securities began trading on the New York Stock Exchange ("NYSE"). On November 2, 2022, Flame entered into that certain Agreement and Plan of Merger (the "Merger Agreement"), dated November 2, 2022 (as amended on December 22, 2022 and June 30, 2023), by and among Flame, Sable Offshore Holdings LLC, a Delaware limited liability company ("Holdco"), and Sable Offshore Corp., a Texas corporation and a wholly owned subsidiary of Holdco ("Legacy Sable").

Legacy Sable entered into a Purchase and Sale Agreement (the "Sable-EM Purchase Agreement") on November 1, 2022 (as amended on June 13, 2023 and December 15, 2023) with Exxon Mobil Corporation ("Exxon") and Mobil Pacific Pipeline Company ("MPPC," and together with Exxon, "EM") pursuant to which Legacy Sable agreed to acquire from EM certain assets constituting the Santa Ynez field in Federal waters offshore California and associated onshore processing and pipeline assets (such "Assets," as defined in the Sable-EM Purchase Agreement, the "SYU Assets").

On February 14, 2024 (the "Closing Date"), Sable consummated the mergers and related transactions contemplated by the Merger Agreement (the "Business Combination"), following which Flame was renamed "Sable Offshore Corp." Pursuant to the terms and subject to the conditions set forth in the Sable-EM Purchase Agreement, the transactions contemplated by the Sable-EM Purchase Agreement were also consummated on February 14, 2024, immediately after the Closing, as a result of which Sable purchased the SYU Assets, effective as of January 1, 2022. On February 15, 2024, Sable's shares of Common Stock, par value $0.0001 per share ("Common Stock") and warrants to purchase Common Stock at an exercise price of $11.50 per share (the "Public Warrants") began trading on NYSE under the symbols, "SOC" and "SOC.WS," respectively.

Unless otherwise stated noted or the context otherwise requires, references to (i) the "Company," "Sable," "we, "us," or "our" are to Sable Offshore Corp, a Delaware corporation, and its consolidated subsidiaries, following the Business Combination, (ii) "Flame" refers to Flame Acquisition Corp. prior to the Business Combination, (iii) the "Pipelines" are to Pipeline Segments 901/903 and the other "901/903 Assets" (as defined in the Sable-EM Purchase Agreement) and (iv) "SYU" are to the SYU Assets and the Pipelines; provided that the combined financial statements of SYU do not include the Pipelines.

Unless otherwise indicated, the historical financial information included in this Annual Report on Form 10-K references to:

- "we," "us," "company" or "our company" are to Flame Acquisition Corp.;
- "Board" refers to our board of directors;
- "common stock" are to our Class A common stock and our Class B common stock, collectively;
- "equity-linked securities" are to are to any securities of our company which are convertible into or exchangeable or exercisable for, shares of Class A common stock of our company, issued in a financing transaction in connection with our initial business combination, (the "Annual Report"), including but not limited to a private placement of equity or debt;
    - "FL Co-Investment" are to FL Co-Investment LLC, an affiliate of Cowen and Company, LLC;
    - "founders" are to our sponsor, FL Co-Investment and Intrepid Financial Partners;
- "founder shares" are to shares of our Class B common stock initially purchased by our founders in a private placement prior to our initial public offering, the audited financial statements and the shares notes thereto in Part II. Item 8 and the information in Part II. Item 7. "Management's Discussion and Analysis of our Class A common stock issued upon the conversion thereof as provided herein;
- "initial stockholders" Financial Condition and Results of Operations" are to our founders and any other holders that of our founder shares Flame prior to our initial public offering;
- "Intrepid Financial Partners" are to Intrepid Financial Partners, L.L.C., an affiliate of Intrepid Partners, LLC;
- "management" or our "management team" refers to our officers;
- "private placement warrants" are to the warrants issued to our initial stockholders in a private placement simultaneously with the closing of our initial public offering;
- "public shares" are to shares of our Class A common stock sold as part of the units in our initial public offering (whether they were purchased in the initial public offering or thereafter in the open market);
- "public stockholders" are to the holders of our public shares, including our initial stockholders and members of our management team, Board to the extent any of them purchases public shares, provided that each such initial stockholder's and individual's status as a

"public stockholder" shall only exist with respect to such public shares;

- "public warrants" are to our warrants sold as part of the units in our initial public offering (whether they were purchased in our initial public offering or thereafter in the open market) and to any private placement warrants or warrants issued upon conversion of working capital loans that are sold to third parties that are not initial purchasers or officers or directors (or permitted transferees) following the consummation of our initial business combination;
- "specified future issuance" are the Business Combination. The audited consolidated financial statements of SYU as of and for the year ended December 31, 2023 will be included in Amendment No. 1 to an issuance the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission (the "SEC") on February 14, 2024.

  Certain monetary amounts, percentages and other figures included herein have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables and charts may not be the arithmetic aggregation of a class of equity or equity-linked securities to specified purchasers the figures that we may determine to make in connection with financing our initial business combination;
- "sponsor" are to Flame Acquisition Sponsor LLC, a Delaware limited liability company;
- "Trust Account" are to our trust account that holds the proceeds from our initial public offering;
- "units" are the units sold in our initial public offering (whether they were purchased in our initial public offering or thereafter precede them, and figures expressed as percentages in the open market) and text may not total 100% or, as applicable, when aggregated may not be the units sold upon arithmetic aggregation of the underwriters' exercise of their over-allotment option; and percentages that precede them.

- "warrants" are to our warrants, which includes the public warrants as well as the private placement warrants. 1

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Some of the statements contained in this Annual Report on Form 10-Kannual report may constitute "forward-looking statements" for purposes of the federal securities laws. Our forward-looking statements include, but are not limited to, statements regarding our or our management team's expectations, hopes, beliefs, intentions or strategies regarding the future. In addition, any statements that refer to projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. The words "anticipate," "believe," "continue," "could," "estimate," "expect," "intends," "may," "might," "plan," "possible," "potential," "predict," "project," "should," "would" and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. Forward-looking statements in this Annual Report on Form 10-Kannual report may include, for example, statements about:

- our ability to select an appropriate target business or businesses; maintain the listing of our Common Stock and Public Warrants on the NYSE;

- our ability to complete our initial business combination, including our recently announced business combination with Sable Offshore Corp., a Texas corporation ("SOC"), and Sable Offshore Holdings, LLC, a Delaware limited liability company recommence production of the SYU Assets and the parent company of SOC ("Holdco" cost and together with SOC, "Sable"); time required therefor, and production levels once recommenced;

- 1 our financial performance;
- our ability to satisfy future cash obligations;

- restrictions in existing or future debt agreements or structured or other financing arrangements;
- commodity price volatility, low prices for oil and/or natural gas, global economic conditions, inflation, increased operating costs, lack of availability of drilling and production equipment, supplies, services and qualified personnel, processing volumes and pipeline throughput;
- uncertainties related to new technologies, geographical concentration of operations, environmental risks, weather risks, security risks, drilling and other operating risks, regulatory changes and regulatory risks;
- the uncertainty inherent in estimating oil and natural gas resources and in projecting future rates of production;
- reductions in cash flow and lack of access to capital;
- the timing of development expenditures, managing growth and integration of acquisitions, and failure to realize expected value creation from acquisitions;
- the ability to recognize the anticipated benefits of the Business Combination, which may be affected by, among other things, our ability to grow and manage growth profitably, maintain relationships with customers and compete within our industry;

- our success in retaining or recruiting, or changes required in, our officers, directors or other key employees or directors following our initial business combination;
- our ability to consummate an initial business combination due to economic uncertainty and volatility in the financial markets;
- our expectations around the performance of a prospective target business or businesses; personnel;

- our officers and directors allocating their time to other businesses and potentially having conflicts of interest with our business;
- developments relating to our competitors and our industry;
- the possibility that we may be adversely impacted by other economic, business, and/or in approving our initial business combination, as a result competitive factors;
- litigation, complaints and/or adverse publicity;
- privacy and data protection laws, privacy or data breaches, or the loss of which they would then receive expense reimbursements; data;

- our potential ability to obtain additional financing comply with laws and regulations applicable to complete our initial business combination; business;

- our pool of prospective target businesses;
- failure to maintain the listing on, changes in applicable laws or the delisting of our securities from, NYSE or an inability to have our securities listed on NYSE or another national securities exchange following our initial business combination;
- the ability of our officers and directors to generate a number of potential investment opportunities;
- our public securities' potential liquidity and trading;
- the lack of a market for our securities;
- the use of proceeds not held in the Trust Account or available to us from interest income on the Trust Account balance;
- the Trust Account not being subject to claims of third parties; regulations; or

- our financial performance.
    - other risks and uncertainties described in this annual report, including those under the section titled "*Risk Factors*."

The forward-looking statements contained in this annual report are based on our current expectations and beliefs concerning future developments and their potential effects on us. There can be no assurance that future developments affecting us will be those that we have anticipated. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond our control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to, those factors described under the section of this annual report entitled "Risk Factors. "*Risk Factors*." Should one or more of these risks or uncertainties materialize, or should any of our assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

PART I

Item 1. Business

Overview

We are a blank check company incorporated on October 16, 2020 as a Delaware corporation*References in this section to "we," "our" and formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses, which we "us" generally refer to throughout this report as our initial business combination. Although we may pursue our initial business combination in any business, industry or geographic location, we currently intend to focus on opportunities that capitalize on the expertise and ability of our management team, particularly our Chairman and Chief Executive Officer, James C. Flores, to identify, acquire and operate a business in the energy industry, primarily targeting the upstream exploration and production sector, midstream sector and companies focused on new advancing technologies that are transformative and provide the potential for and means to achieve greater profitability in the broader energy sector.*

Initial Public Offering

On March 1, 2021, we consummated our initial public offering of 28,750,000 units, including 3,750,000 additional units to cover over-allotments. Each unit consists of one share of Class A common stock, $0.0001 par value per share ("Class A common stock"), and

one-half of one warrant, each whole warrant entitling the holder to purchase one share of Class A common stock at $11.50 per share. The units were sold at an offering price of $10.00 per unit, generating gross proceeds of $287,500,000. Simultaneously with the consummation of the initial public offering and the sale of the units, we consummated the private placement ("private placement") of an aggregate of 7,750,000 warrants to our sponsor, FL Co-Investment, Intrepid Financial Partners and certain individuals at a price of $1.00 per private placement warrant, generating total proceeds of $7,750,000.

A total of $287,500,000 of the net proceeds from our initial public offering (including the over-allotment) and the private placement with our sponsor, FL Co-Investment, Intrepid Financial Partners and certain individuals were deposited in a trust account established for the benefit of our public stockholders.

Our units began trading on February 25, 2021 on the NYSE under the symbol "FLME.U". On April 19, 2021, the securities comprising the units began separate trading. The common stock and warrants trade on the NYSE under the symbols "FLME" and "FLME.WS," respectively.

Potential Business Combination

Merger Agreement

On November 2, 2022, we entered into an agreement and plan of merger, dated as of November 2, 2022 (as it may be amended, supplemented, or otherwise modified from time to time, the "Merger Agreement"), with Legacy Sable Offshore Corp., a Texas corporation ("SOC"), and Sable Offshore Holdings, LLC, a Delaware limited liability company and the parent company of SOC ("Holdco" and, together with SOC, "Sable"). The Merger Agreement provides for, among other things, the following transactions at the closing: (i) Holdco will merge with and into the Company, with the Company surviving the merger (the "Holdco Merger"), and (ii) immediately following the effective time of the Holdco Merger, SOC will merge with and into the Company, with the Company surviving the merger (the "SOC Merger"). The Holdco Merger together with the SOC Merger are referred to as the "Merger," and the Merger and other transactions contemplated by the Merger Agreement are referred to as the "Business Combination." In connection with the Business Combination, the Company will change its name to Sable Offshore Corp. The independent members of the board of directors of the Company (the "Board") approved, and recommended that the Board approve, the Merger Agreement and the transactions contemplated thereby. Subsequently, the Board approved the Merger Agreement and the transactions contemplated thereby.

The obligations of the parties to consummate the Business Combination are subject to the satisfaction or waiver of certain customary closing conditions. The closing of the Merger is expected to occur on the third business day after the satisfaction or waiver (if legally permissible) of the conditions set forth in the Merger Agreement, except as otherwise mutually agreed by the parties. The Merger Agreement may be terminated under certain customary and limited circumstances at any time prior to the Closing and the Company can provide no assurance that the Business Combination will be consummated at the expected time, or at all.

On November 10, 2022, we filed a preliminary proxy statement relating to the Business Combination (as amended, the "Proxy Statement"), which included a recommendation of the Board to the Company's stockholders that they approve the proposals included in the Proxy Statement. For more information on and Sable after the Business Combination Combination.

Overview

Beginning in 1968 and over the course of 14 years, EM consolidated more than a dozen offshore federal oil leases and organized them into a streamlined production unit known as SYU. SYU consists of three offshore platforms and a wholly owned onshore processing facility located along the Gaviota Coast at Las Flores Canyon in Santa Barbara County, California. SYU's onshore facilities and the transactions contemplated thereby, please refer to three offshore platforms remained in continuous operation until 2015. In May 2015, a Plains Pipeline that transported produced oil from SYU experienced a leak, as further described below under "*—Pipeline 901 Incident.*" The SYU platforms and facilities suspended production after the Company's Current Report on Form 8-K, filed with Line 901 incident, the SEC on November 2, 2022 SYU Assets were shut in and the Company's preliminary proxy statement on Schedule 14A filed with the SEC on November 10, 2022 (as amended from time to time, including on December 23, 2022 facilities were placed in a safe state. The facilities are not currently producing oil and January 27, 2023).

PIPE Subscription Agreements

gas; however, all equipment remains in place in an operation-ready state, requiring ongoing inspections, maintenance and surveillance. As part of these suspension efforts, all SYU equipment was drained, flushed and purged in 2016. All hydrocarbon pipelines within SYU have been placed in a safe state and remain under regular monitoring. In connection with the Business Combination, Holdco, during the year ended December 31, 2022, and through the date of the filing of this Annual report on Form 10-K, has 2020, Plains entered into

subscription agreements (the “Sable PIPE Subscription Agreements”) a Consent Decree, described further below under “*—Pipeline 901 Incident,*” that provides a path for a potential restart of Lines 901 and 903.

Assets

SYU is comprised of three platforms located in federal waters offshore California and its onshore processing facility.

The offshore position is comprised of 16 federal leases across approximately 76,000 acres and includes 100% working interest with certain investors (such investors, an average 83.6% net revenue interest. The Hondo platform and the “Sable PIPE Investors”) Harmony platform develop the Hondo Field, and the Heritage platform develops the Pescado and Sacate Fields. The platforms are located 5 to 9 miles offshore of Santa Barbara County in shallow water depths of 900 to 1,200 feet and service 112 wells, comprised of 90 producers, 12 injectors and 10 idle with an additional 102 identified, undrilled opportunities. A 2015 analysis identified step-out potential for untested fault compartments or sub-accumulations and indicated a potential technical opportunity for up to an additional 102 identified, undrilled opportunities based on spacing assumptions ranging from 20 to 80 acres. For each platform, more opportunities exist than there are available donor wellbores based on current spacing assumptions (i.e., pursuant to which the Sable PIPE Investors agreed to purchase, in the aggregate, 74,500,000 limited liability company membership interests in Holdco designated as Class B shares at $10.00 per share, for an aggregate commitment amount of approximately $74,500,000 (the “Sable PIPE Investment”) each platform is slot-constrained).

The Sable PIPE Subscription Agreements provide that, in the event the Merger wholly owned onshore processing facility is consummated, the Sable PIPE Investors will be deemed to have subscribed a fully integrated oil and gas processing facility with additional capacity for development. The natural gas and will purchase our Class A common stock at the same price per share and, by operation of law pursuant to the Merger, we will have succeeded to Holdco’s obligations under the Sable PIPE Subscription Agreements. The Sable PIPE Subscription Agreements provide that, if the Merger is consummated, we must file a registration statement within 30 calendar days after consummation of the Merger registering the resale of the shares of our Class A common stock issued to the Sable PIPE Investors, and must use our commercially reasonable efforts to have the registration statement declared effective by the SEC by the earlier of (i) the 90th calendar day (or 120th calendar day if the SEC notifies us that NGLs it will review the registration statement) following the closing of the Merger and (ii) the 10th business day after the date we are notified (orally or in writing, whichever is earlier) by the SEC that the registration statement will not be reviewed or will not be subject to further review. We thereafter will be required to maintain a registration statement that is continuously effective and to cause the registration statement to regain effectiveness in the event that it ceases to be effective.

We intend to pursue additional private placement subscriptions under substantially similar subscription agreements (with revisions to reflect that we are entering into such subscription agreements and the subscribers will be subscribing for our Class A common stock directly) processed prior to the closing Line 901 incident were sold into the Southern California markets and the oil volumes were sold to California refineries. The onshore position is approximately 1,480 surface acres, which include the processing facility and parts of the Business Combination (the “Flame PIPE Subscription Agreements”), provided that such additional subscriptions, together surrounding canyons. The onshore facilities occupy approximately 35 acres and are comprised of:

- an oil treating plant with the Sable PIPE Investment, will not exceed $400 million. The Sable PIPE Subscription Agreements capacity of approximately 180 MBop/d where it conducts crude dehydration, crude stabilization, and the Flame PIPE Subscription Agreements are referred to collectively as the “PIPE Subscription Agreements,” gas separation and the Sable PIPE compression;
- a biologic/physical water treating plant with capacity of more than 67 MBwp/d where it conducts free oil removal, degassing, and biological treatment;
- POPCO gas plant with approximately 80 Mcf/d sales capacity where it conducts gas sweetening, sulfur recovery, NGL fractionation, and gas compression;
- another gas processing plant where it conducts gas sweetening, sulfur recovery, and NGL fractionation, and sends fuel gas to the co-generation power plant;
- an almost entirely electric co-generation power plant with a capacity of 50 MW, including a 40 MW gas turbine, a 10 MW steam turbine, and steam generation;
- crude storage capacity of 540 MBbls;
- a produced water pipeline, which is partially offshore;
- liquified petroleum gas storage and loading; and
- a transportation terminal.

Investors In addition to SYU, Sable also acquired in the Business Combination the Pipelines, which were owned and any investors who enter into Flame PIPE Subscription Agreements operated by Plains and were recently acquired by EM. The Pipelines were used to deliver

oil to local refinery markets. Following the crude oil release described further below, Plains indicated it shut down the pipeline, initiated its emergency response plan, and the Pipelines were subsequently emptied and placed in a safe state.

Line 901 is a 24-inch, approximately 10.8 mile long crude oil pipeline that extends from the Los Flores Station on the California Coast to the Gaviota Pump Station in Santa Barbara County, California. Line 903 is a 30-inch, approximately 113 mile long crude oil pipeline that extends from the Gaviota Pump Station in Santa Barbara County, California to the 30-inch pig receiver located in Pentland Station in Kern County, California with an intermediate station at Sisquoc mile post 38.5 in San Louis Obispo, California.

SYU Production History

Between 1981 and 2014, SYU produced over 671 MMBoe of oil and gas. An average of 27 MMcf of natural gas and 29 MBbls of oil and condensate was produced per day (gross) in 2014, the last full year when the assets were online. After the Line 901 incident, the SYU platforms and facilities suspended production, the SYU Assets were shut in and the facilities were placed in a safe state as described below under " *—Pipeline 901 Incident*."

SYU Contingent Resources

The estimated quantities of petroleum contained in the SYU Assets are refereed classified as "contingent resources" as of December 31, 2023 rather than "reserves" because they are subject to collectively as the "PIPE Investors." The foregoing description numerous contingencies. There is no assurance that any of the Sable PIPE Subscription Agreements does not purport petroleum contained in the SYU Assets will ever be recovered or reclassified as "reserves."

The resources are contingent upon (1) approval from federal, state and local regulators to restart production, (2) reestablishment of oil transportation systems to deliver production to market and (3) commitment to restart the wells and facilities. Some or all of the contingent resources maybe 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.

As a result of the contingencies noted above, none of the estimated petroleum quantities attributed to the SYU Assets as of December 31, 2023 meet the requirements for disclosure as reserves pursuant to the guidelines published by the SEC in Rule 4-10(a) of Regulation S-X.

Pipeline 901 Incident

In May 2015, Plains All American Pipeline, L.P. ("*Plains*") experienced a crude oil release from the Las Flores to Gaviota Pipeline (Line 901) in Santa Barbara County, California (the "*Line 901 incident*"). According to Plains, a portion of the released crude oil reached the Pacific Ocean at Refugio State Beach through a drainage culvert. Following the release, Plains indicates that it shut down the pipeline and initiated its emergency response plan. A Unified Command, which included the U.S. Coast Guard, the EPA, the State of California Department of Fish and Wildlife ("*CDFW*"), the California Office of Spill Prevention and Response and the Santa Barbara Office of Emergency Management, was established for the response effort. Clean-up and remediation operations with respect to impacted shoreline and other areas has been determined by the Unified Command to be complete, and is qualified in its entirety by reference to the full text Unified Command has been dissolved. Plains' estimate of the form Sable PIPE Subscription Agreement amount of oil spilled, based on relevant facts, data and information, and as set forth in the Consent Decree described below, is approximately 2,934 barrels; of this amount, Plains estimated that 598 barrels reached the Pacific Ocean.

Several governmental agencies and regulators initiated investigations into the Line 901 incident, various claims were made against Plains and a number of lawsuits were filed as an exhibit to our Current Report on Form against Plains, the majority of which Plains indicates have been resolved.

Following the Line 901 incident, Plains entered into a cooperative Natural Resource Damage Assessment ("*8-K, NRDA* filed") process with the SEC on November 2, 2022.

Registration Rights Agreement

The Merger Agreement provides that, at federal and state agencies designated or authorized by law to act as trustees for the closing natural resources of the Business Combination, the holders of Holdco Class A shares immediately prior to the effective time of the Holdco Merger will enter into a registration rights agreement with us (the "Registration Rights Agreement") pursuant to which the holders will be granted certain registration rights with respect to the Flame Class A common stock to be received as consideration in the Merger.

Pursuant to the Registration Rights Agreement, we will agree to file a registration statement within 30 calendar days after the consummation of the Merger registering the resale of the registrable securities under the Registration Rights Agreement, United States and we must use our commercially reasonable efforts to have the registration statement declared effective by the SEC by the earlier of

(i) the 90th calendar day (or 120th calendar day if the SEC notifies us that it will review the registration statement) following the closing of the Merger and (ii) the 10th business day after the date we are notified (orally or in writing, whichever is earlier) by the SEC that the registration statement will not be reviewed or will not be subject to further review. We thereafter will be required to maintain a registration statement that is continuously effective and to cause the registration statement to regain effectiveness in the event that it ceases to be effective. At any time the registration statement is effective, any holder signatory to the Registration Rights Agreement may request, one time in any 12-month period, to sell all or a portion of its securities that are registrable in an underwritten offering pursuant to the registration statement for a total offering price reasonably expected to exceed, in the aggregate, $25 million. In addition, the holders will have certain "piggyback" registration rights with respect to registrations initiated by us and other Flame stockholders. We will bear the expenses incurred in connection with the filing of any registration statements pursuant to the Registration Rights Agreement, subject to limited exceptions.

Pursuant to the Registration Rights Agreement, the holders of Holdco Class A shares immediately prior to the effective time of the Holdco Merger, subject to limited exceptions, will agree to a lock-up on their shares of our Class A common stock, pursuant to which such parties will agree to not transfer shares of our Class A common stock held by such parties for a period of three years following the closing of the Business Combination.

The foregoing description of the Registration Rights Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the form Registration Rights Agreement filed as an exhibit to our Current Report on Form 8-K, filed with the SEC on November 2, 2022.

Recent Events

On February 21, 2023, to mitigate the risk of us being deemed to have been operating as an unregistered investment company (including under the subjective test of Section 3(a)(1)(A) of the Investment Company Act), the investments in U.S. government securities or money market funds held in the Trust Account were liquidated to thereafter be held in cash (which may include an interest bearing demand deposit account at a national bank) until earlier of: (i) the completion of a Business Combination and (ii) the distribution of the funds in the Trust Account to the Company's stockholders.

On February 27, 2023, at a special meeting of stockholders, the Company's stockholders voted to approve an amendment (the "Extension Amendment Proposal") to the amended and restated certificate of incorporation to extend the date by which the Company must complete a business combination (the "Extension") from March 1, 2023, to September 1, 2023 (the "Extended Date"). In connection with the Extension, stockholders holding 20,317,255 shares of Class A Common Stock exercised their right to redeem such shares for a pro rata portion of the funds in the Trust Account, representing approximately 70.67% of our issued and outstanding Class A ordinary shares. As a result, $206,121,060 (approximately $10.15 per share) was removed from the Trust Account to pay such redeeming holders on March 2, 2023.

On February 27, 2023, in connection with the Extension, we filed an amendment (the "Extension Amendment") to our Amended and Restated Certificate of Incorporation with the Secretary of State of the State of Delaware. The Extension Amendment extends California (collectively, the date by which we must consummate our initial business combination "*Trustees*"). Additionally, various government agencies sought to collect civil fines and penalties from March 1, 2023 to September 1, 2023.

Acquisition Criteria

Consistent Plains under applicable state and federal regulations. On March 13, 2020, Plains entered into a pre-negotiated settlement agreement in the form of a Consent Decree (the "*Consent Decree*") with our strategy, we have identified the following general criteria U.S. Department of Justice, Environmental and guidelines that we believe are important in evaluating prospective target businesses Natural Resources Division, the U.S. Department of Transportation, Pipeline and in evaluating a prospective target business, we expect to conduct a thorough due diligence review that will encompass, among other things, meetings with incumbent management and employees, document reviews and inspection of facilities, as applicable, as well as a review of financial and other information that will be made available to us. Hazardous Materials Safety Administration, the EPA, CDFW, the

- *Attractive Returns*. Acquire a business at a valuation that will offer attractive long-term risk-adjusted equity returns for our shareholders.
- *Significant Free Cash Flow*. Assets located in the United States with significant reserves classified as "proved developed producing" that have a history of free cash flow generation after capital requirements while holding production levels flat or growing them on a year-over-year basis.

California Department of Parks and Recreation, the California State Lands Commission, the California Department of Forestry and Fire Protection's Office of the State Fire Marshal, Central Coast Regional Water Quality Control Board, and Regents of the University of California. The Consent Decree was approved and entered by the Federal District Court for the Central District of California on October 14, 2020. The Consent Decree resolved all regulatory claims related to the incident and Plains was required to pay various civil penalties and compensation related to the Line 901 incident. The Consent Decree also contains requirements for potentially restarting Line 901 and the Sisquoc to Pentland portion of Line 903.

On October 13, 2022, Plains sold Line 901 and the Sisquoc to Pentland portion of Line 903 to PPC. As required by the terms of the Consent Decree, PPC assumed responsibility for compliance with the Consent Decree as it relates to the future ownership and operation of Line 901 and the Sisquoc to Pentland portion of Line 903.

The EM-Plains Purchase Agreement requires Plains to indemnify EM against certain liabilities directly arising out of or directly relating to the oil spilled from Line 901 and the subsequent clean up and remediation. The Sable-EM Purchase Agreement requires EM to indemnify Sable against certain liabilities associated with the Line 901 incident prior to January 1, 2022 and for a period of two years following the closing under the Sable-EM Purchase Agreement.

We consider the following to be material, albeit achievable requirements to restarting Line 901 and Line 903: (1) satisfaction of all California Assembly Bill 864 ("*AB-864*") provisions requiring pipelines be equipped with the Coastal Best Available Technology ("*CBAT*") that provides the greatest degree of protection by limiting the quantity of release in the event of an oil spill, (2) submission to Santa Barbara County of a transition plan demonstrating we have adequate training and a good working knowledge of any and all county compliance plans, (3) approval of zoning clearance applications, if necessary, by Santa Barbara, San Luis Obispo and Kern Counties, and (4) approval from the California Department of Forestry and Fire Protection's Office of the State Fire Marshal (the "OSFM") of a restart plan for Lines 901 and 903 (application for which is to be submitted at least 60 days prior to restart).

The parties continue to progress the processing and receipt of the above material regulatory actions in order to meet a production restart schedule of the third quarter of 2024:

- 1. LowAB-864 CBAT Requirement: On July 13, 2022, OSFM accepted the AB-864 Risk Development Upside Analysis and Initial and Supplemental Implementation Plans. The parties also are exploring alternative CBAT (such as added pipeline internal and external inspections, additional spill containment, enhanced leak detection, and alternatives to existing corrosion protection/monitoring, such as polymer-based liners that are corrosion-free) to satisfy AB-864. Assets within requirements given Santa Barbara County's failure to approve zoning permits for the installation of safety valves as further set forth below. After closing of the Business Combination, PPC withdrew the prior management's alternate AB-864 Risk Analysis and Initial Implementation Plan filed in November of 2023 and PPC, under new Sable management, will be filing a high-quality reservoir that has proven new, enhanced alternate AB-864 Risk Analysis and Initial Implementation Plan by the end of April 2024 for OSFM consideration and approval. Sable believes the new, enhanced approach and plan will greatly increase PPC's abilities to be productive satisfy the AB 864 requirements and will continue to work diligently with undeveloped or underdeveloped inventory that would be economic OSFM officials and staff to develop based accomplish the same. The Business Combination is not expected to have any impact on forward strip pricing. PPC's satisfaction of AB-864 requirements.

- 2. High Operational Control Submission of Transition Plan. Assets over which we will have significant operational control that will allow our management team : Sable submitted its transition plan to utilize its operational expertise to reduce costs, increase production or otherwise optimize operations that will result in improved economics Santa Barbara County on March 14, 2024 and returns to shareholders. We expect this operational control to allow our management team to control future capital deployment based on market conditions and risk-adjusted returns on capital. is awaiting feedback.

- 3. Conservative Leverage Profile Approval of Zoning Applications: On September 16, 2021 San Luis Obispo County approved the zoning clearance for San Luis Obispo County. On July 12, 2022 Kern County approved the zoning clearance for Kern County. Santa Barbara County approved zoning applications on August 22, 2022, which were appealed on September 1, 2022. Acquiring On April 26, 2023, the Santa Barbara County Planning Commission voted in favor of appellants' complaints and denied the zoning applications. PPC appealed the Planning Commission's denial to the Santa Barbara County Board of Supervisors on May 8, 2023. On August 22, 2023, the Santa Barbara County Board of Supervisors deadlocked in a business with conservative leverage profile would allow us vote on the appeal, resulting in no action taken on nor prejudice to the application. As noted above, PPC will submit to OSFM an enhanced alternative CBAT implementation plan that will not require Santa Barbara County zoning approval. Should the alternative CBAT implementation plan be opportunistic accepted by the OSFM for the segment of the pipelines located in Santa Barbara County, no further zoning approvals will be required to restart Line 901 and to weather commodity price cycles. Line 903.

4. OSFM Restart Plan Approval: The Consent Decree ("*Bolt-on CD*") prescribes what must be submitted to restart the Pipelines, including the state waiver application for the existing cathodic protection system (which comprises in part the "*Restart Plan*"). The CD also includes the AB-864 Acquisition Opportunities risk assessment and mitigation (i.e., additional isolation valves or other CBAT). Assets in areas Waivers have been prepared and submitted by PPC to OSFM for approval and will be included as part of operation where there could the restart plan to be follow-on acquisition opportunities that allow us submitted at least sixty days prior to leverage its initial operating platform and realize operating and financial synergies associated with consolidation. restart of production.

- *Access to Infrastructure and End Markets*. Gathering and processing infrastructure and favorable contracts that are not expected to overly burden cash flows when prices are at low levels and allow our company to have sufficient capacity to develop future reserves and grow our production volumes when market conditions warrant.
- *Health, Safety and Environmental Stewardship*. Historical track record of successful performance in the health, safety and environmental aspects of operating a business or the ability to reach such standards by using our team's operating experience and track record.

These criteria are not intended to be exhaustive. Any evaluation relating to the merits of a particular initial business combination may be based, to the extent relevant, on these general guidelines as well as other considerations, factors and criteria that from time to time our management may deem relevant. In the event that we decide to enter into our initial business combination with a target business that does not meet the above criteria, we will disclose that the target business does not meet the above criteria in our shareholder communications related to our initial business combination, which, as discussed in this annual report, would be in the form of proxy solicitation or tender offer materials that we would file with the SEC.

Our Business Strategy

Our acquisition and value creation strategy is to identify and acquire businesses with high quality assets with substantial upside potential supported by substantial free cash flow, and significant operational control that we believe provide attractive long-term capital returns. Fundamentally sound businesses can underperform their full potential due to numerous factors, including periods of dislocation in the markets in which they operate, excessive operating cost structures, over-levered capital structures, underinvestment, lack of access to capital, general mismanagement and/or misguided business strategies. Our team has extensive experience in identifying and executing such acquisitions in the energy industry across multiple energy market cycles.

We expect to develop our pipeline of opportunities for a potential business combination through our team's substantial experience, deep relationships and extensive network of corporate executives, board members, private equity firms, family offices, investment bankers, lawyers, investors, lenders and other service providers to the industry. By utilizing this approach in the past, members of our team have helped build large public and private platforms in the energy space.

Our selection process will leverage our team's broad and deep relationship network, distinct industry experiences and extensive deal-sourcing capabilities to access a broad spectrum of differentiated target opportunities. We expect to utilize this network which was developed through our team's broad experience, with demonstrated success in both investing in and operating businesses in the E&P and midstream sectors and at various stages of these companies' life cycles. We have developed a distinctive combination of capabilities, which includes:

- an established track record of building industry-leading companies;
- growing companies with accretive acquisitions under various market conditions by leveraging our extensive deal-sourcing network and employing our proven transaction execution/structuring capabilities;
- deploying value creation strategies, including delivering operating efficiencies through balanced cost reduction and production growth and allocating capital spending to high-return opportunities; and
- extensive capital markets experience across various business cycles, including financing businesses and assisting companies with transition to public ownership.

We intend to focus our efforts on opportunities where our team's strategic vision, operating expertise, deep relationships and capital markets experience can be catalysts to enhance the growth, competitive position and financial upside in an initial business combination. We intend to identify and execute an initial business combination within the energy value chain in the United States, although we may pursue targets in any business, industry, sector or geographical location. Our team has an established history in identifying and capitalizing on key trends that have shaped the energy industry and has helped build leading platforms to scale within the marketplace.

Industry Opportunity Given our current progress on these requirements, we believe that these requirements will not inhibit our ability to restart the onshore and offshore facilities consistent with our timeline of restarting production during the third quarter of 2024.

We believe our team's extensive Operations

General

Sable is the owner of the SYU Assets and diversified experience the Pipelines. Prior to consummation of the Business Combination, EM was the owner and operator of the SYU Assets and Plains was the owner and operator of the Pipelines. EM acquired the Pipelines from Plains on October 13, 2022 pursuant to the EM-Plains Purchase Agreement. In connection with the Business Combination, a substantial portion of the existing employees of SYU have continued in their same capacity with Sable. The offshore platforms have permanent drilling systems in place.

Title to Properties

The interests in the energy industry will help us to effectively evaluate acquisition targets. properties on which the SYU Assets and the Pipelines are located and their operations are conducted derive from ownership, leases, easements, rights-of-way, permits, or licenses from landowners or governmental authorities, permitting the use of such real property for their operations. EM did not make rental payments for use of a right-of-way easement for the Pipelines and there is some risk the government could allege the easement has lapsed, as further described under "*Risk Factors-We believe that assets in the energy value chain continue to be compelling and attractive for a number of reasons:*

- *Strong Core Industry Fundamentals*. Despite current market sentiment, projections for crude oil and natural gas suggest demand growth for many years before reaching its peak, while E&P companies have reacted to low commodity prices as a result of oversupply and the COVID-19 pandemic by reducing growth capital spending. Natural gas is also viewed as a bridge fuel to more sustainable and environmentally-friendly forms of electricity generation. The United States has recently become a global leader in natural gas resource development and is a growing LNG exporter. We believe investors have fundamentally changed their investment criteria for the E&P industry from high production growth targets to disciplined growth, focusing primarily on total returns and returns of cash to investors.
- *Large Target Market*. The energy industry, and the E&P industry in particular, is highly fragmented with hundreds of companies ranging from start-ups to large corporations. Many non-investment grade companies have struggled with excess leverage and have been forced to restructure their operations. Other companies have looked to reduce their leverage through asset sales. Historically, the E&P industry has used asset sales as one of its key funding sources for capital spending. The absence of capital availability and an active M&A market to raise vital cash proceeds leads us to believe that many public and private companies currently lack the financial health and operating capabilities to succeed in this environment.
- *Lack of Competition*. Sustained low commodity prices have deeply impacted the financial health and access to capital for many public and private energy companies, combined with many public and private equity and debt investors exiting the industry. We believe the exodus of capital providers creates a distinct window of opportunity for energy focused SPACs to fill the void and pursue acquisitions in a buyer's market.
- *Management Experience Through Cycles Required to Succeed*. With investors leaving the energy industry and a need for substantial consolidation given the new operating environment, we believe there is a need for managers that have M&A experience, who can manage the demands of operating a public company and have the experience of successfully navigating and taking advantage of the various commodity price cycles that the industry has seen in the past and will likely see in the future.

Initial Business Combination

So long as our securities are then listed on the NYSE, our initial business combination must occur with one or more target businesses that together have an aggregate fair market value of at least 80% do not own all of the net land on which our assets held in the Trust Account (net of amounts disbursed to management for working capital purposes and excluding the amount of any deferred underwriting commissions held in the Trust Account) at the time of our initial business combination. We refer to this as the 80% of net assets test. If our Board is not able to independently determine the fair market value are located or all of the target business or businesses, land that we will obtain an opinion from an independent investment banking firm or an independent valuation or appraisal firm must traverse in order to conduct our operations. There are disputes with respect to certain of the satisfactionrights-of-way or other interests and any unfavorable outcomes of such criteria. While we consider it unlikely that our Board will not be able disputes could require us to make an independent determination incur additional costs." Aside from the foregoing, the owners of the fair market value SYU Assets and the Pipelines believe they have satisfactory title or other rights to all such properties in accordance with industry standards, and Sable conducted thorough diligence and title investigations in advance of a target business or businesses, it the Business Combination. Individual properties may be unable subject to burdens that do so if the Board is less familiar or experienced not materially interfere with the target company's business,

there is a significant amount of uncertainty as to use or affect the value of the company's assets properties. Burdens on properties may include customary royalty interests, liens incident to operating agreements and for current taxes, obligations or prospects, including if such company is at an early stage duties under applicable laws, development obligations under natural gas leases, or net profits interests.

Delivery Commitments

Sable has no commitments to deliver a fixed and determinable quantity of development, operations its oil or growth, or if natural gas production in the anticipated transaction involves a complex financial analysis or other specialized skills and the Board determines that outside expertise would be helpful or necessary in conducting such analysis. Since near future under any opinion, if obtained, would merely state that the fair market value of the target business meets the 80% of net assets threshold, unless such opinion includes material information regarding the valuation of a target business or the consideration to be provided, it existing sales contracts.

Derivative Activities

Sable is not anticipated that copies currently party to any commodity derivative contracts but as the restart of such opinion would be distributed production approaches Sable may enter into commodity derivative contracts with unaffiliated third parties to our shareholders. achieve more predictable cash flows and to reduce exposure to fluctuations in oil and natural gas prices. Sable may enter into commodity derivative contracts at times and on terms desired to maintain a portfolio of commodity derivative contracts covering a specified percentage or range of its estimated production over a one-to-three-year period at any given point of time. It may, however, hedge more or less than this approximate amount from time to time.

Sable is not currently party to any interest rate swaps and substantially all of Sable's indebtedness from the Business Combination consists of fixed-rate indebtedness. However, if required under applicable law, Sable incurs variable rate indebtedness in the future it may periodically enter into interest rate swaps to mitigate exposure to market rate fluctuations by converting variable interest rates to fixed interest rates.

Sable will only enter into derivative contracts with creditworthy counterparties (generally, financial institutions) deemed by management as competent and competitive market makers. Those counterparties may include existing or future lenders or their affiliates. Sable will continue to evaluate the benefit of employing derivatives in the future. Pursuant to the Term Loan Agreement (as defined below), Sable has agreed not enter into any proxy statement that we deliver derivative contracts until after the term loan is refinanced in full.

Competition

Sable operates in a highly competitive environment for securing trained personnel, contracting for drilling equipment, and from time to shareholders time leasing or otherwise acquiring new acreage. Many of its competitors possess and file with employ financial, technical and personnel resources substantially greater than Sable's, which can be particularly important in the SEC in connection with a proposed transaction will include such opinion.

We anticipate structuring our initial business combination so that the post-business combination company areas in which our public shareholders own shares it operates. As a result, SYU's competitors may be able to pay more for productive oil and natural gas properties and exploratory prospects, as well as evaluate, bid for and purchase a greater number of properties and prospects than its financial or personnel resources permit. Sable's ability to acquire additional properties and to find and develop reserves and resources will own or acquire 100% of the equity interests or assets of the target business or businesses. We may, however, structure our initial business combination such that the post-business combination company owns or acquires less than 100% of such interests or assets of the target business depend on its ability to evaluate and select suitable properties and to consummate transactions in order to meet certain objectives of the target management team or shareholders or a highly competitive environment. In addition, there is substantial competition for other reasons, but we will only complete such business combination if the post-business combination company owns or acquires 50% or more of the outstanding voting securities of the target or otherwise acquires a controlling interest capital available for investment in the target sufficient for it not oil and natural gas industry and many of its competitors have access to be required capital at a lower cost than that available to register as an investment company under the Investment Company Act of 1940, as amended (the "Investment Company Act"). Even if the post-business combination company owns SYU or acquires 50% or more of the voting securities of the target, our shareholders prior to the business combination may collectively own a minority interest in the post-business combination company, depending on valuations ascribed to the target and us in the business combination. For example, we could pursue a Sable.

transaction*Seasonality*

Sable's offshore operations can be impacted by inclement weather from time to time. The price Sable receives for natural gas production is typically impacted by seasonal fluctuations in which we issue demand for natural gas. The demand for natural gas typically peaks during the coldest months and tapers off during the milder months, with a substantial number slight increase during the summer to meet the demands of electric generators. The weather during any particular season can affect this cyclical demand for natural gas. Seasonal anomalies such as mild winters or hot summers can lessen or intensify this fluctuation. In addition, certain natural gas users utilize natural gas storage facilities and purchase some of their anticipated winter requirements during the summer. This can also lessen seasonal demand fluctuations. Recently there has been elevated global demand for natural gas due to shortages exacerbated by geopolitical issues and conflicts but there is no assurance that demand will remain elevated.

Insurance

In accordance with customary industry practice, Sable will maintain insurance against many, but not all, potential losses or liabilities arising from its operations and at costs that it believes to be economic. Sable will regularly review its risks of loss and the cost and availability of insurance and revise its insurance accordingly. Its insurance will not cover every potential risk associated with its operations, including the potential loss of significant revenues. Sable can provide no assurance that its coverage will adequately protect it against liability from all potential consequences, damages and losses. Prior to or upon the restart of production Sable expects to have insurance policies including the following:

Commercial General Liability;	Oil Pollution Act Liability;
Primary Umbrella / Excess Liability;	Pollution Legal Liability;
Property;	Charterer's Legal Liability;
Workers' Compensation;	Non-Owned Aircraft Liability;
Employer's Liability;	Automobile Liability;
Maritime Employer's Liability;	Directors & Officers Liability;
U.S. Longshore and Harbor Workers';	Employment Practices Liability;
Energy Package/Control of Well;	Crime;
Loss of Production Income;	Fiduciary Liability; and Cybersecurity.

Sable monitors regulatory changes and comments and considers their impact on the insurance market, along with SYU's overall risk profile. As necessary, Sable expects to adjust its risk and insurance program to provide protection at a level it considers appropriate while weighing the cost of insurance against the potential and magnitude of disruption to its operations and cash flows. Changes in laws and regulations could lead to changes in underwriting standards, limitations on scope and amount of coverage, and higher premiums, including possible increases in liability caps for claims of damages from oil spills.

Potential Opportunities for Carbon Sequestration

Sable may pursue new shares in exchange opportunities on the Outer Continental Shelf for all long-term sequestration of carbon dioxide that would otherwise go into the atmosphere. The 2021 Infrastructure Investment and Jobs Act gives the Secretary of the outstanding capital stock Interior new authority to allow the long-term sequestration of a target. In this case, we would acquire a 100% controlling interest carbon dioxide on the OCS and directs the Secretary to promulgate regulations to implement the authority. As the regulatory program is developed over time, Sable intends to evaluate the potential to leverage its infrastructure for carbon sequestration in light of the target. However, new program and applicable local, state, and federal permitting requirements.

Environmental, Occupational Safety and Health Matters and Regulations

General

SYU's oil and natural gas development and production operations are subject to stringent and complex federal, state and local laws and regulations governing the release or discharge of materials into the environment, health and safety aspects of its operations, or otherwise relating to protection of the environment and natural resources. These laws and regulations impose numerous obligations applicable to its operations, as a result of well as future plug and abandonment and decommissioning activities, including the issuance of a substantial number certain permits before conducting regulated drilling activities; the restriction of new shares, our shareholders immediately prior to our initial business combination could own less than a majority types, quantities and concentration of our outstanding shares subsequent to our initial business combination. If less than 100% materials that can be released or discharged into or through the environment; the limitation or prohibition of drilling activities on certain lands lying within wilderness, wetlands, seismically active areas and other protected

or preserved areas; the equity interests or assets application of a target business or businesses are owned or acquired by the post-business combination company, the portion of such business or businesses that is owned or acquired is what will be valued for purposes of the 80% of net assets test. If the business combination involves more than one target business, the 80% of net assets test will be based on the aggregate value of all of the target businesses. In addition, we have agreed not to enter into a definitive agreement regarding an initial business combination without the prior consent of our sponsor. If our securities are not then listed on the NYSE for whatever reason, we would no longer be required to meet the foregoing 80% of net assets test.

To the extent we effect our initial business combination with a company or business that may be financially unstable or in its early stages of development or growth, we may be affected by numerous risks inherent in such company or business. Although our management will endeavor to evaluate the risks inherent in a particular target business, we cannot assure you that we will properly ascertain or assess all significant risk factors.

The time required to select specific health and evaluate a target business and to structure and complete our initial business combination, safety criteria addressing worker protection; and the costs associated with this process, are not currently ascertainable with any degree imposition of certainty. Any costs incurred with respect to the identification substantial liabilities for pollution and evaluation of a prospective target business with which our initial business combination is not ultimately completed will result in our incurring losses and will reduce the funds we can use to complete another business combination.

Our Acquisition Process

In evaluating a prospective target business, we expect to conduct an extensive due diligence review which may encompass, as applicable and among other things, meetings with incumbent management and employees, document reviews, interviews of customers and suppliers, inspection of facilities and a review of financial, operational, legal, regulatory and other information about the target and its industry. We will also utilize our team's operational and capital planning experience.

Members of our management team may directly or indirectly own our common stock and/or private placement warrants, may have a conflict of interest in determining whether a particular target business is an appropriate business with which to effectuate our initial business combination. Further, each of our officers and directors may have a conflict of interest with respect to evaluating a particular business combination if the retention or resignation of any such officers and directors is included by a target business as a condition to any agreement with respect to our initial business combination.

Certain of our officers and directors presently have, and any of them in the future may have additional, fiduciary or contractual obligations to other entities pursuant to which such officer or director is or will be required to present a business combination opportunity to such entity subject to his or her fiduciary duties. In addition, certain of our sponsor, officers and directors have sponsored, formed and participated in, and may, in the future, sponsor, form or participate in other blank check companies similar to ours during the period in which we are seeking an initial business combination. As a result, if any of our officers or directors becomes aware of a business combination opportunity which is suitable for an entity to which he or she has then-current fiduciary or contractual obligations, then, subject to such officer's and director's fiduciary duties under Delaware law, he or she will need to honor such fiduciary or contractual obligations to present such business combination opportunity to such entity, before we can pursue such opportunity. If these other entities decide to pursue any such opportunity, we may be precluded from pursuing the same. We do not believe, however, that the fiduciary duties or contractual obligations of our officers or directors will materially affect our ability to identify and pursue business combination opportunities or to complete our initial business combination. Our amended and restated certificate of incorporation provides that we renounce our interest in any business combination opportunity offered to any director or officer unless such opportunity is expressly offered to such person solely in his or her capacity as a director or officer of the company and it is an opportunity that we are able to complete on a reasonable basis.

We are not prohibited from pursuing an initial business combination with a company that is affiliated with our sponsor, officers or directors. In the event we seek to complete our initial business combination with a company that is affiliated with our initial stockholders or any of our officers or directors, we, or a committee of independent directors, will obtain an opinion from an independent investment banking firm or another independent entity that commonly renders valuation opinions that our initial business combination is fair to our company. We are not required to obtain such an opinion in any other context.

Status as a Public Company

We believe our structure will make us an attractive business combination partner to target businesses. As an existing public company, we offer a target business an alternative to the traditional initial public offering through a merger or other business combination. In this situation, the owners of the target business would exchange their shares of stock in the target business for shares of our stock or for a combination of shares of our stock and cash, allowing us to tailor the consideration to the specific needs of the sellers. Although there are various costs and obligations associated with being a public company, we believe target businesses will find this method a more certain and cost effective method to becoming a public company than the typical initial public offering. In a typical initial public offering, there are

additional expenses incurred in marketing, road show and public reporting efforts that may not be present to the same extent in connection with a business combination with us. natural resources damages

Furthermore, once a proposed business combination is completed, potentially resulting from its operations. Numerous governmental authorities, such as the target business will EPA, PHMSA, OSFM, CalGEM and the California State Lands Commission, and other governmental agencies have effectively the power to enforce compliance with these laws and regulations and the permits issued under them, often requiring difficult and costly compliance 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 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 its 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 SYU's operations and limit its growth and revenue. In addition, the long-term trend in environmental regulation has been to place more restrictions and limitations on activities that may affect the environment. SYU's costs of compliance may increase if existing laws and regulations are revised or reinterpreted, or if new laws and regulations become public, whereas an initial public offering is always subject applicable to its operations. Changing perspectives within the underwriters' ability Executive Branch of the U.S. federal government and environmental litigation involving the validity of certain regulatory requirements associated with exploration, development and decommissioning may materially impact our compliance costs. Consequently, SYU's costs of compliance may increase if existing laws and regulations are revised or reinterpreted, or if new laws and regulations become applicable to complete the offering, its operations.

Under certain environmental laws that impose strict as well as general market conditions, which could delay joint and several liability, SYU may be required to remediate contaminated properties currently or prevent formerly owned or operated by it or facilities of third parties that received waste generated by its operations, regardless of whether such contamination resulted from its conduct or the offering conduct of others that was in compliance with all applicable laws at the time of such conduct. In addition, claims for damages to persons or property, including natural resources, may result from occurring or could have negative valuation consequences. Once the environmental, health and safety impacts of its operations. Moreover, public we believe interest in the target business would then have greater access to capital and an additional means of providing management incentives consistent with stockholders' interests. It can offer further benefits by augmenting a company's profile among potential new customers and vendors and aid in attracting talented employees.

We are an "emerging growth company," as defined in Section 2(a) protection of the Securities environment has increased in recent years. New laws and regulations continue to be enacted, particularly at the state level, and 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 new or more stringent laws are enacted or other governmental action is taken that restricts drilling or imposes more stringent and costly operating, waste handling, disposal and cleanup requirements, SYU's business, prospects, financial condition or results of operations could be materially adversely affected.

The following is a summary of the more significant existing environmental, occupational safety and health laws and regulations to which SYU's business operations are subject and for which compliance may have a material adverse impact on its capital expenditures, results of operations or financial position.

Offshore Operations

Our oil and gas operations associated with SYU are conducted on offshore leases in federal waters and those operations are regulated by agencies such as the Bureau of Ocean Energy Management ("BOEM") and the Bureau of Safety and Environmental Enforcement ("BSEE"), which have broad authority to regulate oil and gas operations associated with SYU.

BOEM is responsible for managing environmentally and economically responsible development of the nation's offshore resources. Its functions include offshore leasing, resource evaluation, review and administration of oil and gas exploration and development plans, renewable energy development, and National Environmental Policy Act ("*NEPA*") analysis and environmental review. Lessees must obtain BOEM approval for exploration, development and production plans prior to the commencement of 1933, as amended (the "Securities Act"), as modified by offshore operations. BOEM generally requires that lessees have substantial net worth, post supplemental bonds or provide other acceptable assurances that the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"). As such, we are eligible to take advantage of certain exemptions from various reporting lease obligations will be met. In June 2023, BOEM published a proposed rule that, if adopted, would substantially revise the financial assurance requirements that are applicable to offshore oil and gas operations by requiring certain oil, gas, and sulfur lessees; right-of-use and easement grant holders; and pipeline right-of-way grant holders to obtain

supplemental financial assurance for decommissioning activities on Outer Continental Shelf ("*OCS*") leases, rights-of-way and rights-of-use and easements. It is unclear whether the rule will be finalized.

BSEE is responsible for safety and environmental oversight of offshore oil and gas operations. Its functions include the development and enforcement of safety and environmental regulations, permitting offshore exploration, development and production, inspections, offshore regulatory programs, oil spill response and training and environmental compliance programs. BSEE regulations require offshore production facilities and pipelines located on the OCS to meet stringent engineering and construction specifications, and BSEE has proposed and/or promulgated additional safety-related regulations concerning the design and operating procedures of these facilities and pipelines, including regulations to safeguard against or respond to well blowouts and other public companies that are not "emerging growth companies" including, but not limited to, not being required to comply with catastrophes. BSEE regulations also restrict the auditor attestation requirements flaring or venting of Section 404 natural gas, prohibit the flaring of liquid hydrocarbons and govern the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports plugging and proxy statements, and exemptions from the requirements abandonment of holding a non-binding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. If some investors find our securities less attractive as a result, there may be a less active trading market for our securities wells located offshore and the prices installation and removal of our securities may be more volatile.

all fixed drilling and production facilities. In addition, Section 107 of the JOBS Act also provides that an "emerging growth company" can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. In other words, an "emerging growth company" can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies.

We will remain an emerging growth company until the earlier of (1) the last day of the fiscal year (a) following the fifth anniversary of the completion of our initial public offering, (b) in which we have total annual gross revenue of at least $1.235 billion (as adjusted for inflation pursuant to SEC rules from time to time), or (c) in which we are deemed to be April 2023, BSEE issued a "large accelerated filer" as defined in Rule 12b-2 under the Exchange Act, final rule clarifying and (2) the date on which we have issued more than $1.0 billion in non-convertible debt securities in any three-year period.

Additionally, we are a "smaller reporting company" as defined in Item 10(f)(1) of Regulation S-K. Smaller reporting companies may take advantage of certain reduced disclosure obligations, including, among other things, providing only two years of audited financial statements. We will remain a smaller reporting company until the last day of any fiscal year for so long as either (1) the market value of our common stock held by non-affiliates did not exceed $250 million as of the prior June 30, or (2) our annual revenues did not exceed $100 million during such completed fiscal year and the market value of our common stock held by non-affiliates did not exceed $700 million as of the prior June 30.

Effecting our Initial Business Combination

We intend to complete our initial business combination using cash from the proceeds of our initial public offering and the sale of the private placement warrants, our capital stock, debt or a combination of these as the consideration to be paid in our initial business combination. We may seek to complete our initial business combination with a company or business that may be financially unstable or in its early stages of development or growth, which would subject us transparency to the numerous risks inherent in such companies process by which BSEE will enforce decommissioning obligations on existing lessees and businesses.

If our initial business combination is paidrights-of-use and easement grant holders. BSEE's final rule adopted new timeframes for using equity or debt securities, or not all of the funds released from the Trust Account are used for payment of the consideration in connection with our initial business combination or used for redemptions of our Class A common stock, we may apply the balance of the cash released predecessors to us from the Trust Account for general corporate purposes, including for maintenance or expansion of operations of the post-transaction company, the payment of principal or interest due on indebtedness incurred in completing our initial business combination, respond to fund the purchase of other assets, companies or for working capital.

We may seek a decommissioning order to raise additional funds through a private offering of debt or equity securities in connection with the completion of our initial business combination (which may include a specified future issuance), perform accrued decommissioning obligations, and we may complete our initial business combination using the proceeds of such offering rather than using the amounts held in the Trust Account. Subject to compliance with applicable securities laws, we would expect to complete such financing only simultaneously with the completion of our initial business combination. In the case of an initial business combination funded with assets other than the Trust Account assets, our tender offer documents or proxy materials disclosing the business combination would disclose the terms of the financing clarified that right-of-use and only if required by law, we would seek stockholder approval of such financing. There

are no prohibitions on our ability to raise funds privately, including pursuant to any specified future issuance, or through loans in connection with our initial business combination. easement grant holders also accrue decommissioning obligations.

The time required BOEM and BSEE have adopted regulations providing for enforcement actions, including civil penalties and lease forfeiture or cancellation for failure to select comply with regulatory requirements for offshore operations. If we fail to pay royalties or comply with safety and evaluate a target business environmental regulations, BOEM and to structure BSEE may take action that seeks the curtailment, suspension, or termination of SYU's operations and complete our initial business combination, and the costs associated with this process, are not currently ascertainable with any degree of certainty. Any costs incurred with respect to the identification and evaluation of a prospective target business with which our initial business combination is not ultimately completed will result in our incurring losses and will reduce the funds we can use to complete another business combination.

Sources of Target Businesses

We expect to receive a number of proprietary transaction opportunities to evaluate as a result of the business relationships, direct outreach and deal sourcing activities of our officers and directors. In addition to the proprietary deal flow, we anticipate that target business candidates will be brought to our attention from various unaffiliated sources, including investment banking firms, consultants, accounting firms, private equity groups, large business enterprises, and other market participants. These sources may also introduce us to target businesses in which they think we may be interested on an unsolicited basis, since many subject to civil or criminal liability.

Additionally, delays in the approval or refusal of these sources will have read our public filings plans and know what types issuance of businesses we are targeting. Our officers and directors, as well as their affiliates, may also bring to our attention target business candidates that they become aware permits by BOEM or BSEE because of through their business contacts as a result of formal or informal inquiries or discussions they may have, as well as attending trade shows or conventions. Some of our officers or directors may enter into employment or consulting agreements with the post-transaction company following our initial business combination. The presence or absence of any such fees or arrangements will not be used as a criterion in our selection process of an acquisition candidate. In no event will our sponsor or any of our existing officers or directors, or any entity with which they are affiliated, be paid any finder's fee, consulting fee staffing, economic, environmental, legal or other compensation prior reasons (or other actions taken by BOEM or BSEE) could adversely affect SYU's offshore operations. The requirements imposed by BOEM and BSEE regulations are frequently changed and subject to or for any services they render new interpretations. Also, in order addition to effectuate, the completion of our initial business combination (regardless of the type of transaction that it is). However, in connection with the successful completion of our initial business combination, we may determine to provide a payment to our sponsor, officers, directors, advisors or our or their affiliates, which payment would not be made from the proceeds of our initial public offering held in the Trust Account. We currently do not have any agreement or arrangement with our sponsor, any of our officers, directors, advisors or our or their affiliates to make any such payments.

We are not prohibited from pursuing an initial business combination with a business combination target that is affiliated with our sponsor, officers or directors or making the acquisition through a joint venture or other form of shared ownership with our sponsor, officers or directors. In the event we seek to complete our initial business combination with a business combination target that is affiliated with our sponsor, officers or directors, we, or a committee of independent directors, would obtain an opinion from an independent investment banking firm which is a member of FINRA or an independent accounting firm that such an initial business combination is fair to our company from a financial point of view. We are not permits and approvals required to obtain such an opinion in any other context. If any of our officers or directors becomes aware of a business combination opportunity that falls within the line of business of any entity to which he or she has pre-existing fiduciary or contractual obligations, he or she by BOEM and BSEE, approvals and permits may be required from other agencies for the oil and gas operations associated with SYU's properties, such as the U.S. Coast Guard, the EPA, U.S. Department of Transportation, U.S. Army Corps of Engineers and state and local authorities.

Hazardous Substances and Waste Handling

Our operations are subject to present such business combination opportunity environmental laws and regulations relating to such entity the management and release of hazardous substances, solid and hazardous wastes and petroleum hydrocarbons. These laws generally regulate the generation, storage, treatment, transportation and disposal of solid and hazardous waste and may impose strict and, in some cases, joint and several liability for the investigation and remediation of affected areas where hazardous substances may have been released or disposed. The Comprehensive Environmental Response, Compensation and Liability Act, as amended ("*CERCLA*"), also referred to as the Superfund law and comparable state laws, impose liability, without regard to fault or the legality of the original conduct, on certain potentially responsible parties. These persons include current owners or operators of the site where a release of hazardous substances occurred, prior to presenting such business combination opportunity to us. Any such entity may co-invest with us in owners or

operators that owned or operated the target business site at the time of our initial business combination, the release or we could raise additional proceeds disposal of hazardous substances and companies that disposed or arranged for the disposal of the hazardous substances found at the site. Under CERCLA, these persons may be subject to complete strict and joint and several liability for the acquisition costs of cleaning up the hazardous substances that have been released into the environment, for damages to natural resources and for the costs of certain health studies. CERCLA also authorizes the EPA and, in some instances, third parties to act in response to threats to the public health or the environment and to seek to recover the costs they incur from the responsible classes of persons. Despite the "petroleum exclusion" of Section 101(14) of CERCLA, which currently encompasses natural gas, SYU may nonetheless handle hazardous substances within the meaning of CERCLA, or similar state statutes, in the course of its ordinary operations and as a result, may be jointly and severally liable under CERCLA for all or part of the costs required to clean up sites at which these hazardous substances have been released into the environment. Also, comparable state statutes may not contain a similar exemption for petroleum, and it is also not uncommon for neighboring landowners and other third parties to file common law-based claims for personal injury and property damage allegedly caused by making hazardous substances or other pollutants released into the environment. In addition, SYU may have liability for releases of hazardous substances at its properties by prior owners or operators or other third parties.

The Oil Pollution Act is the primary federal law imposing oil spill liability. The Oil Pollution Act contains numerous requirements relating to the prevention of, and response to petroleum releases into waters of the United States, including the requirement that operators of offshore facilities and certain onshore facilities near or crossing waterways must maintain certain significant levels of financial assurance to cover potential environmental cleanup and restoration costs. Under the Oil Pollution Act, strict, joint and several liability may be imposed on "responsible parties" for all containment and cleanup costs and certain other damages arising from a specified future issuance release, including, but not limited to, any such entity. the costs of responding to a release of oil to surface waters and natural resource damages resulting from oil spills into or upon navigable waters, adjoining shorelines or in the exclusive economic zone of the United States. A "responsible party" includes the owner or operator of an onshore facility. The Oil Pollution Act establishes a liability limit for onshore facilities, but these liability limits may not apply if: a spill is caused by a party's gross negligence or willful misconduct; the spill resulted from violation of a federal safety, construction or operating regulation; or a party fails to report a spill or to cooperate fully in a cleanup. We are also subject to analogous state statutes that impose liabilities with respect to oil spills. For example, the California Department of Fish and Wildlife's Office of Oil Spill Prevention and Response has adopted oil-spill prevention regulations that overlap with federal regulations.

Lack We also generate solid wastes, including hazardous wastes, which are subject to the requirements of Business Diversification

For an indefinite period of time after the completion of our initial business combination, the prospects for our success may depend entirely Resource Conservation and Recovery Act, as amended ("*RCRA*"), and comparable state statutes. Although RCRA regulates both solid and hazardous wastes, it imposes stringent requirements on the future performance generation, storage, treatment, transportation and disposal of a single business. Unlike hazardous wastes. Certain petroleum production wastes are excluded from RCRA's hazardous waste regulations. These wastes, instead, are regulated under RCRA's less stringent solid waste provisions, state laws or other entities that have the resources to complete business combinations with multiple entities in one or several industries, it is probable that we will not have the resources to diversify our operations and mitigate the risks of being in a single line of business. By completing our initial business combination with only a single entity, our lack of diversification may:

- subject us to negative economic, competitive and regulatory developments, any or all of which may have a substantial adverse impact on the particular industry in which we may operate after our initial business combination; and
    - cause us to depend on the marketing and sale of a single product or limited number of products or services.

Limited Ability to Evaluate the Target's Management Team

Although we intend to closely scrutinize the management of a prospective target business when evaluating the desirability of effecting our initial business combination with that business, our assessment of the target business's management may not prove to be correct. In addition, the future management may not have the necessary skills, qualifications or abilities to manage a public company. Furthermore, the future role of members of our management team, if any, in the target business cannot presently be stated with any certainty. The determination as to whether any of the members of our management team will remain with the combined company will be made at the time of our initial business combination. While it federal laws. It is possible that one or these wastes, which could include wastes expected to be generated during SYU's operations, could be designated as "hazardous wastes" in the future and, therefore, be subject to more rigorous and costly disposal requirements. Indeed, legislation has been proposed from time to time in Congress to re-categorize certain oil and gas exploration and production wastes as "hazardous wastes." Also, in December 2016, the EPA entered into a consent decree requiring it to review its regulation of our directors will remain associated in some capacity with us following our initial business combination, it is unlikely oil and gas waste. In April 2019, the EPA determined that revisions to the RCRA regulations were not required, concluding that any of them will devote their full efforts adverse effects related to our affairs subsequent to our initial business combination. Moreover, we cannot assure you that members of our management team will have significant experience or knowledge relating to the operations of the particular target business. oil and gas waste are more appropriately and

We cannot assure you that readily addressed within the framework of existing state regulatory programs. However, any of our key personnel will remain in senior management or advisory positions with the combined company. The determination as such changes to whether any of our key personnel will remain with the combined company will be made at the time of our initial business combination.

Following a business combination, we may seek to recruit additional managers to supplement the incumbent management of the target business. We cannot assure you that we will have the ability to recruit additional managers, or that additional managers will have the requisite skills, knowledge or experience necessary to enhance the incumbent management.

Stockholders May Not Have the Ability to Approve our Initial Business Combination

We may conduct redemptions without a stockholder vote pursuant to the tender offer rules of the SEC. However, we will seek stockholder approval if it is required by law or applicable stock exchange rule, or we may decide to seek stockholder approval for business or other legal reasons. Presented in the table below is a graphic explanation of the types of initial business combinations we may consider and whether stockholder approval is currently required under Delaware law for each such transaction.

Type of Transaction	Whether Stockholder Approval is Required
Purchase of assets	No
Purchase of stock of target not involving a merger with the company	No
Merger of target into a subsidiary of the company	No
Merger of the company with a target	Yes

Under the NYSE's listing rules, stockholder approval would be required for our initial business combination if, for example:

- we issue shares of Class A common stock that will be (a) equal to or in excess of 20% of the number of shares of our Class A common stock then outstanding or (b) have voting power equal to or in excess of 20% of the voting power then outstanding;
- any of our directors, officers or substantial security holders (as defined by the NYSE rules) has a 5% or greater interest, directly or indirectly, in the target business or assets to be acquired or otherwise and the present or potential issuance of common stock state programs could result in an increase in outstanding common stock SYU's costs to manage and dispose of oil and gas waste, which could have a material adverse effect on its maintenance capital expenditures and operating expenses.

  It is possible that SYU's oil and natural gas operations may require it to manage naturally occurring radioactive materials ("*NORM*"). NORM is present in varying concentrations in sub-surface formations, including hydrocarbon reservoirs, and may become concentrated in scale, film and sludge in equipment that comes into contact with crude oil and natural gas production and processing streams. Some states have enacted regulations governing the handling, treatment, storage and disposal of NORM.

  Administrative, civil and criminal penalties can be imposed for failure to comply with hazardous substance and waste handling requirements. For ownership and operation of the idled SYU and Pipelines, we believe that we are in substantial compliance with the requirements of CERCLA, Oil Pollution Act, RCRA and other applicable federal and related state and local laws and regulations, and that we hold all necessary and up-to-date permits, registrations and other authorizations required under such laws and regulations. Although SYU believes that the costs of managing its hazardous substances and wastes as they are presently classified are reflected in its budget, any legislative or voting power regulatory reclassification of 1% or more (or 5% or more if oil and natural gas exploration and production wastes could increase its costs to manage and dispose of such wastes.

  Water Discharges

  The Federal Water Pollution Control Act (the "*Clean Water Act*"), the related party involved Safe Drinking Water Act ("*SDWA*"), the Oil Pollution Act and analogous state laws, impose restrictions and strict controls with respect to the discharge of pollutants, including oil and hazardous substances, into navigable waters of the United States, as well as state waters. The discharge of pollutants into regulated waters is classified as such solely because such person is a substantial security holder); or
- prohibited, except in accordance with the issuance or potential issuance of common stock will result in our undergoing a change of control.

The decision as to whether we will seek stockholder approval terms of a proposed business combination permit issued by the EPA or an analogous state agency. These laws and regulations also prohibit certain activity in those instances wetlands unless authorized by a permit issued by the U.S. Army Corps of Engineers. In May 2023, the Supreme Court issued an opinion in which stockholder approval is not

required by applicable law or stock exchange rule will be made by us, solely in our discretion, and will be based on business and other reasons, which include a variety of factors, including, but not*Sackett v. EPA* that limited to:

- the timing jurisdiction of the transaction, including in U.S. Army Corps of Engineers to wetlands with a continuous surface connection to a permanent body of water connected to traditional navigable waters, such as streams, oceans, rivers, and lakes. To the event we determine stockholder approval would require additional time and there is either not enough time to seek stockholder approval extent a new rule or doing so would place further litigation expands the company at a disadvantage in the transaction or result in other additional burdens on the company;
- the expected cost of holding a stockholder vote;
- the risk that the stockholders would fail to approve the proposed business combination;
- other time and budget constraints scope of the company; Clean Water Act's jurisdiction or impacts available agency resources, we could face increased costs and/or delays with respect to obtaining permits for dredge and fill activities in wetland areas.

- additional legal complexities The EPA has also adopted regulations requiring certain oil and natural gas exploration and production facilities to obtain individual permits or coverage under general permits for storm water discharges. Costs may be associated with the treatment of a proposed business combination storm water or developing and implementing storm water pollution prevention plans, as well as for monitoring and sampling the storm water runoff from certain of SYU's facilities. Some states also maintain groundwater protection programs that would require permits or specify other requirements for discharges or operations that may impact groundwater conditions. These same regulatory programs may also limit the total volume of water that can be time-consuming discharged, hence limiting the rate of development and burdensome requiring us to present incur compliance costs. Additionally, we are required to stockholders.

Permitted Purchases of Our Securities

In the event we seek stockholder approval of our initial business combination develop and we do not conduct redemptions implement spill prevention, control and countermeasure plans, in connection with on-site storage of significant quantities of oil.

These laws and any implementing regulations provide for administrative, civil and criminal penalties for any unauthorized discharges of oil and other substances in reportable quantities and may impose substantial potential liability for the costs of removal, remediation and damages. Additionally, obtaining permits has the potential to delay the development of natural gas and oil projects. For ownership and operation of the idled SYU and Pipelines, we believe that we maintain all required discharge permits necessary to conduct our initial business combination pursuant operations and that we are in substantial compliance with their terms.

In addition, in some instances the operation of underground injection wells for the disposal of wastewater has been alleged to cause earthquakes. For example, the tender offer rules, our founders, directors, officers, advisors EPA released a report with findings and recommendations related to public concern about induced seismic activity from disposal wells. The report recommended strategies for managing and minimizing the potential for significant injection-induced seismic events. Any future orders or their affiliates may purchase public shares regulations addressing concerns about seismic activity from well injection could affect or public warrants in privately negotiated transactions or in curtail SYU's operations.

Air Emissions

The federal Clean Air Act, as amended ("*CAA*"), and comparable state laws restrict the open market either prior to or following emission of air pollutants from many sources, including compressor stations, through the completion issuance of our initial business combination. There is no limit on permits and the number imposition of shares our founders, directors, officers, advisors or their affiliates may purchase in such transactions, other requirements. The SYU properties and associated facilities are also subject to compliance regulation by state and local authorities. Federal and state laws and regulations may require us to obtain pre-approval for the construction or modification of certain projects or facilities expected to produce or significantly increase air emissions, obtain and strictly comply with applicable law and the rules stringent air permit requirements or utilize specific equipment or technologies to control emissions of the NYSE. However, they have no current commitments, plans or intentions to engage in such transactions and have not formulated any terms or conditions for certain pollutants.

any such transactions. None The EPA has developed, and continues to develop, stringent regulations governing emissions of the funds in the Trust Account will be used to purchase shares or public warrants in such transactions. If they engage in such transactions, they will be restricted from making any such purchases when they are in possession of any material non-public information not disclosed to the seller or if such purchases are prohibited by Regulation M under the Exchange Act. Such a purchase air pollutants at specified sources. New facilities may include a contractual acknowledgement that such stockholder, although still the record holder of our shares is no longer the

beneficial owner thereof and therefore agrees not to exercise its redemption rights. In the event that our founders, directors, officers, advisors or their affiliates purchase shares in privately negotiated transactions from public stockholders who have already elected to exercise their redemption rights, such selling stockholders would be required to revoke their prior elections obtain permits before work can begin, and modified and existing facilities may be required to redeem their shares. We do not currently anticipate that such purchases, if any, would constitute a tender offer subject obtain additional permits. In June 2016, the EPA finalized regulations establishing New Source Performance Standards, known as Subpart OOOOa, for methane and volatile organic compounds from new and modified oil and natural gas production and natural gas processing and transmission facilities. In September 2020, the EPA finalized two sets of amendments to the tender offer rules 2016 Subpart OOOOa standards. The first, known as the 2020 Technical Rule, reduced the 2016 rule's fugitive emissions monitoring requirements and expanded exceptions to pneumatic pump requirements, among other changes. The second, known as the 2020 Policy Rule, rescinded the methane-specific requirements for certain oil and natural gas sources in the production and processing segments. On January 20, 2021, President Biden issued an Executive Order directing the EPA to rescind the 2020 Technical Rule by September 2021 and consider revising the 2020 Policy Rule. On June 30, 2021, President Biden signed a Congressional Review Act ("*CRA*") resolution passed by Congress that revoked the 2020 Policy Rule. The CRA did not address the 2020 Technical Rule.

Further, on November 15, 2021, the EPA issued a proposed rule intended to reduce methane emissions from oil and gas sources. The proposed rule would make the existing regulations in Subpart OOOOa more stringent and create a Subpart OOOOb to expand reduction requirements for new, modified, and reconstructed oil and gas sources, including standards focusing on certain source types that have never been regulated under the Exchange Act CAA (including intermittent vent pneumatic controllers, associated gas, and liquids unloading facilities). In addition, the proposed rule would establish "Emissions Guidelines," creating a Subpart OOOOc that would require states to develop plans to reduce methane emissions from existing sources that must be at least as effective as presumptive standards set by the EPA. On December 6, 2022, the EPA issued a supplemental proposed rule to reduce methane emissions from oil and natural gas operations. The supplemental proposed rule added proposed requirements for additional sources not covered by the November 2021 proposed rule and provided additional detail to assist states in developing their compliance plans. The EPA announced that it had finalized the rule on December 2, 2023. While the final version of the rule has not yet been published in the Federal Register, as currently written the final rule would subject new, modified, and reconstructed oil and gas sources to emissions reduction requirements and require states to develop the required plans on a modified timeline.

Similarly, in September 2018, the BLM issued a rule that relaxed or a going-private transaction subject rescinded certain requirements of the agency's 2016 Waste Prevention Rule, which aimed to reduce methane emissions from venting, flaring, and leaks during oil and gas operations on public lands, but both the 2016 rule and its 2018 rescission were invalidated in federal district court. Environmental groups appealed the invalidation of the 2016 rule to the going-private rules under U.S. Court of Appeals for the Exchange Act; however, if Tenth Circuit, which is stayed pending a review of the purchasers determine at rule by BLM. As a result of these regulatory changes, the time scope of any such purchases that final methane regulations or the purchases costs for complying with the federal methane regulations are subject uncertain. However, any future changes to the regulations governing methane emissions, and other air quality programs, may require us to obtain pre-approval for the expansion or modification of existing facilities or the construction of new facilities expected to produce air emissions, impose stringent air permit requirements, or utilize specific equipment or technologies to control emissions. Compliance with such rules could result in significant costs, including increased capital expenditures and operating costs, and could adversely impact SYU's business.

On August 16, 2022, President Biden signed into law the purchasers Inflation Reduction Act of 2022 (the "*Inflation Reduction Act*"). The Inflation Reduction Act 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 will comply with such rules.

The purpose start in calendar year 2024 at $900 per ton of any such purchases of shares could methane, increase to $1,200 in 2025, and be to (i) vote such shares in favor set at $1,500 for 2026 and each year thereafter. Calculation of the business combination fee is based on certain thresholds established in the Inflation Reduction Act. The methane emissions charge may have the effect of increasing our capital expenditures to limit methane releases and thereby increase the likelihood of obtaining stockholder approval of the business combination or (ii) to satisfy a closing condition in an agreement with a target that requires us to have a minimum net worth or a certain amount of cash at the closing of increasing our initial business combination, where it appears that such requirement would otherwise not be met. The purpose of any such purchases of public warrants could be to reduce the number of public warrants outstanding or to vote such warrants on any matters submitted costs to the warrant holders extent we exceed the limits.

SYU may be required to incur certain capital expenditures in the next few years for approval air pollution control equipment in connection with our initial business combination. Any such purchases maintaining or obtaining operating permits addressing air emission related issues, which may have a material adverse effect on its operations. Obtaining permits also has the potential to delay the development of our securities may result oil and natural gas projects and increase their costs of development, which costs could be significant. SYU

believes that it is currently in the completion substantial compliance with all air emissions regulations and that it holds all necessary and valid construction and operating permits for its current operations.

Regulation of our initial business combination that may not otherwise have been possible. **"*Greenhouse Gas*" *Emissions***

In addition, if such purchases are made, December 2015, the public "float" of our common stock may be reduced and the number of beneficial holders of our securities may be reduced, which may make it difficult to maintain or obtain the quotation, listing or trading of our securities on a national securities exchange.

Our founders, officers, directors, advisors and/or their affiliates anticipate that they may identify the stockholders with whom our founders, officers, directors, advisors or their affiliates may pursue privately negotiated purchases by either the stockholders contacting us directly or by our receipt of redemption requests submitted by stockholders following our mailing of proxy materials in connection with our initial business combination. To the extent that our founders, officers, directors, advisors or their affiliates enter into a private purchase, they would identify and contact only potential selling stockholders who have expressed their election to redeem their shares for a pro rata share 21st Conference of the Trust Account Parties of the United Nations Framework Convention on Climate Change resulted in nearly 200 countries, including the United States, coming together to develop the Paris Agreement, which calls for the parties to undertake "ambitious efforts" to limit the average global temperature. Although the agreement does not create any binding obligations for nations to limit their greenhouse gas emissions, it does include pledges to voluntarily limit or vote against reduce future emissions. On June 1, 2017, President Trump announced that the business combination. Our founders, officers, directors, advisors or their affiliates will only purchase shares if such purchases comply with Regulation M under U.S. would withdraw from the Exchange Act Paris Agreement and completed the other federal securities laws.

Any purchases by our founders, officers, directors, advisors and/or their affiliates who are affiliated purchasers under Rule 10b-18 under the Exchange Act will only be made process of withdrawing on November 4, 2020. However, on January 20, 2021, President Biden issued written notification to the extent such purchases are able to be made in compliance with Rule 10b-18, which is a safe harbor from liability for manipulation under Section 9(a)(2) and Rule 10b-5United Nations of the Exchange Act. Rule 10b-18 has certain technical requirements that must be complied with United States' intention to rejoin the Paris Agreement, which became effective on February 19, 2021. In addition, in order for the safe harbor to be available to the purchaser. Our founders, officers, directors, advisors and/or their affiliates will not make purchases of common stock if the purchases would violate Section 9(a)(2) or Rule 10b-5 of the Exchange Act. Any such purchases will be reported pursuant to Section 13 and Section 16 of the Exchange Act to the extent such purchasers are subject to such reporting requirements.

Redemption Rights for Public Stockholders upon Completion of our Initial Business Combination

We will provide our public stockholders with the opportunity to redeem all or a portion of their shares of Class A common stock upon the completion of our initial business combination at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the Trust Account as of two business days prior to the consummation of the initial business combination including interest earned on the funds held in the Trust Account and not previously released to us to pay our franchise and income taxes as well as expenses relating to the administration of the Trust Account, divided by the number of then issued and outstanding public shares, subject to the limitations described herein. The amount in the Trust Account is initially anticipated to be approximately $10.00 per public share. The per-share amount we will distribute to investors who properly redeem their shares will not be reduced by the Marketing Fee we will pay to the underwriters. The redemption rights will include the requirement that a beneficial holder must identify itself in order to validly redeem its shares. Our founders, officers and directors have entered into a letter agreement with us, pursuant to which they have agreed to waive (i) their redemption rights with respect to any founder shares and any public shares held by them in connection with the completion of our initial business combination and (ii) their redemption rights with respect to any founder shares and public shares held by them in connection with a stockholder vote to amend our amended and restated certificate of incorporation (A) to modify the substance or timing of our obligation to allow redemption in connection with our initial business combination or to redeem 100% of our public shares if we do not complete our initial business combination by September 1, 2023 or (B) with respect to any other provision relating to stockholders' rights or pre-initial business combination activity. September 2021,

President Biden publicly announced the Global Methane Pledge, a pact that aims to reduce global methane emissions at least 30% below 2020 levels by 2030. Since its formal launch at the United Nations Climate Change Conference ("*Manner COP26*"), over 100 countries have joined the pledge.

While Congress has from time to time considered legislation to reduce emissions of Conducting Redemptions GHGs, there has not been significant, economy-wide activity in the form of adopted legislation to reduce GHG emissions at the federal level in recent years.

However, on August 16, 2022, President Biden signed the Inflation Reduction Act into law, which imposes fees on methane emissions, beginning in calendar year 2024. In the absence of significant federal climate legislation, a number of states have taken legal measures to reduce emissions of GHGs, including through the planned development of GHGs emission inventories and/or regional GHGs cap and trade programs.

We will provide our The adoption and implementation of any regulations imposing reporting obligations on, or limiting emissions of GHGs from, SYU's equipment and operations could require it to incur costs to reduce emissions of GHGs or could adversely affect demand for the oil and natural gas it produces. For example, any GHG regulation could increase its costs of compliance by potentially delaying the receipt of permits and other regulatory approvals; requiring it to monitor emissions, install additional equipment or modify facilities to reduce GHG and other emissions; purchase emission credits; or utilize electric driven compression at facilities to obtain regulatory permits and approvals in a timely manner. Such climate change regulatory and legislative initiatives could have a material adverse effect on SYU's business, financial condition and results of operations.

While SYU is subject to certain federal GHG monitoring and reporting requirements, its operations are not adversely impacted by existing federal, state and local climate change initiatives and, at this time, it is not possible to accurately estimate how potential future laws or regulations addressing GHG emissions would impact its business.

In addition, claims have been made against certain energy companies alleging that GHG emissions from oil and natural gas operations constitute a public stockholders with nuisance or have caused other redressable injuries under federal and/or state common law. While SYU's business is not a party to any such litigation, it could be named in actions making similar allegations. An unfavorable ruling in any such case could adversely impact its business, financial condition and results of operations.

Moreover, any legislation or regulatory programs to reduce GHG emissions could increase the opportunity cost of consumption, and thereby reduce demand for, the oil and natural gas we produce. Consequently, legislation and regulatory programs to redeem all reduce emissions of GHGs could have an adverse effect on SYU's business, financial condition and results of operations. Incentives to conserve energy or use alternative energy sources as a portion of their shares of Class A common stock upon the completion of our initial business combination either (i) in connection with a stockholder meeting called to approve the business combination or (ii) by means of a tender offer. The decision as to whether addressing climate change could also reduce demand for the oil and natural gas we will seek stockholder approval produce. In addition, parties concerned about the potential effects of a proposed business combination 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 conduct a tender offer will eliminating their investment in oil and natural gas activities. Finally, it should be made by us, solely noted that most scientists have concluded that increasing concentrations of GHGs in our discretion, and will be based on a variety of factors the Earth's atmosphere may produce climate changes that have significant physical effects, such as increased frequency and severity of storms, floods and other climatic events. If any such effects were to occur in sufficient proximity to SYU's facilities, they could have an adverse effect on SYU's development and production operations, as well as potentially increased costs for insurance coverages in the timing aftermath of such effects.

National Environmental Policy Act

Oil and natural gas exploration and production activities on federal lands are subject to NEPA. NEPA requires federal agencies, including the U.S. Departments of the transaction Interior and whether Agriculture, to evaluate major federal actions having the terms potential to significantly impact the human environment. In July 2020, the White House's Council on Environmental Quality published a final rule to amend the NEPA implementing regulations intended to streamline the environmental review process, including shortening the time for review as well as eliminating the requirement to evaluate cumulative impacts. The new regulations are subject to ongoing litigation, which has been stayed pending an ongoing review of the transaction would require us 2020 rule. On October 7, 2021, the Council on Environmental Quality published its Phase 1 rule, the first of two planned rules to seek stockholder approval roll back the 2020 rule. On July 28, 2023, the Council on Environmental Quality proposed its Phase 2 rule. If finalized, the Phase 2 rule could substantially alter how federal agencies carry out their responsibilities under the law or stock exchange listing requirement. Asset acquisitions NEPA by requiring agencies to consider climate change impacts and stock purchases would not typically require stockholder approval while direct mergers disproportionate impacts to communities with our company where we do not survive environmental justice concerns, among other things. All of SYU's current and any transactions where we issue more than 20% of our outstanding common stock or seek to amend our amended proposed development and restated certificate of incorporation would require stockholder approval. If we structure a business combination transaction with a target company in a manner that requires stockholder approval, we will not have discretion as to whether to seek a stockholder vote to approve the proposed business combination. We intend to conduct redemptions without a stockholder vote pursuant to the tender offer rules of the SEC unless stockholder approval is required by law or stock exchange listing requirements or we choose to seek stockholder approval for business or other legal reasons. So long as we obtain production activities and maintain a listing for our securities plans on the NYSE, we will be required to comply with such rules.

If a stockholder vote is not required and we do not decide to hold a stockholder vote for business or other legal reasons, we will, pursuant to our amended and restated certificate of incorporation:

- conduct the redemptions pursuant to Rule 13e-4 and Regulation 14E of the Exchange Act, which regulate issuer tender offers, and
- file tender offer documents with the SEC prior to completing our initial business combination that contain substantially the same financial and other information about the initial business combination and the redemption rights as is required under Regulation 14A of the Exchange Act, which regulates the solicitation of proxies.

Upon the public announcement of our initial business combination, we or our sponsor will terminate any plan established in accordance with Rule 10b5-1 to purchase shares of our Class A common stock federal lands, including those in the open market if we elect Pacific Ocean, require governmental permits that are expected to redeem our public shares through a tender offer, to comply with Rule 14e-5 under the Exchange Act.

In the event that we conduct redemptions pursuant to the tender offer rules, our offer to redeem will remain open for at least 20 business days, in accordance with Rule 14e-1(a) under the Exchange Act, and we will not be permitted to complete our initial business combination until the expiration of the tender offer period. In addition, the tender offer will be conditioned on public stockholders not tendering more than a specified number of public shares which are not purchased by our founders, which number will be based on the requirement that we may not redeem public shares in an amount that would cause our net tangible assets to be less than $5,000,001 upon completion of our initial business combination (so that we are not subject to the SEC's "penny stock" rules) requirements of NEPA. This environmental review process has the potential to delay the development of oil and natural gas projects. Authorizations under NEPA also are subject to protest, appeal or any greater net tangible asset litigation, which can delay or cash requirement which halt projects.

Endangered Species Act and Migratory Bird Treaty Act

The federal ESA and analogous state statutes restrict activities that may be contained in adversely affect endangered and threatened species or their habitat. In August 2019, the agreement relating to our initial business combination. If public stockholders tender more shares than we have offered to purchase, we will withdraw the tender offer U.S. Fish and not complete the initial business combination.

If, however, stockholder approval of the transaction is required by law or stock exchange listing requirement, or we decide to obtain stockholder approval for business or other legal reasons, we will, pursuant to our amended Wildlife Service (the "*FWS*") and restated certificate of incorporation:

- conduct the redemptions in conjunction with a proxy solicitation pursuant to Regulation 14A of the Exchange Act, which regulates the solicitation of proxies, and not pursuant to the tender offer rules; and
- file proxy materials with the SEC.

In the event that we seek stockholder approval of our initial business combination, we will distribute proxy materials and, in connection therewith, provide our public stockholders with the redemption rights described above upon completion of the initial business combination.

If we seek stockholder approval, we will complete our initial business combination only if a majority of the outstanding shares of common stock voted are voted in favor of the business combination. A quorum for such meeting will consist of the holders present in person or by proxy of shares of outstanding capital stock of the company representing a majority of the voting power of all outstanding shares of capital stock of the company entitled to vote at such meeting. Our initial stockholders will count toward this quorum and have agreed to vote their founder shares and any public shares purchased during or after our initial public offering in favor of our initial business combination. For purposes of seeking approval of the majority of our outstanding shares of common stock voted, National Marine Fisheries Service ("*non-votes NMFS* will have no effect on the approval of our initial business combination once a quorum is obtained. As a result, in addition to our initial stockholders' founder shares, we would need 622,623, or 7.4%, of the 8,432,745 currently outstanding public shares sold in our initial public offering to be voted in favor of a transaction (assuming all outstanding shares are voted) in order to have our initial business combination approved. We intend to give approximately 30 days (but not less than 10 days nor more than 60 days) prior written notice of any such meeting, if required, at which a vote shall be taken to approve our initial business combination. These quorum and voting thresholds, and the voting agreement of our founders, directors and officers may make it more likely that we will consummate our initial business combination. Each public stockholder may elect to redeem its public shares irrespective of whether they vote for or against the proposed transaction. ") issued three

Our rules amending the implementation of the ESA regulations revising, among other things, the process for listing species and designating critical habitats. A coalition of states and environmental groups have challenged these rules and the litigation remains pending. In addition, on December 18, 2020, the FWS amended its regulations governing critical habitat designations and restated

certificate the amended regulations are subject to ongoing litigation. In June 2021, FWS and NMFS announced plans to begin rulemaking processes to rescind these rules. Similar protections are offered to migratory birds under the Migratory Bird Treaty Act ("*MBTA*"), which makes it illegal to, among other things, hunt, capture, kill, possess, sell, or purchase migratory birds, nests, or eggs without a permit. This prohibition covers most bird species in the U.S. On January 7, 2021, the Department of incorporation will provide the Interior finalized a rule limiting the application of the MBTA. However, the Department of the Interior revoked the rule in October 2021 and issued an advanced notice of proposed rulemaking seeking comment on the Department of the Interior's plan to develop regulations that authorize incidental take under certain prescribed conditions. Future implementation of the rules implementing the ESA and the MBTA are uncertain. The designation of previously unidentified endangered or threatened species in no event will areas where we redeem our public shares operate could cause us to incur additional costs or become subject to operating delays, restrictions or bans. Numerous species have been listed or proposed for protected status in an amount that would areas in which we currently, or could in the future, undertake operations. The presence of protected species in areas where SYU operates could impair its ability to timely complete or carry out those operations, lose leaseholds if it is not permitted to timely commence drilling operations, cause our net tangible assets it to be less than $5,000,001 (so that we incur increased costs arising from species protection measures, and consequently, adversely affect its results of operations and financial position.

Occupational Safety and Health

We are not also subject to the SEC's "penny stock" rules) requirements of the federal Occupational Safety and Health Act ("*OSHA*") and comparable state laws that regulate the protection of the health and safety of employees. In addition, OSHA's hazard communication standard requires that information be maintained about hazardous materials used or produced in SYU's operations and that this information be provided to employees, state and local government authorities and citizens. Other OSHA standards regulate specific worker safety aspects of SYU's operations. For example, under a new OSHA standard limiting respirable silica exposure, the oil and gas industry was required to implement engineering controls and work practices to limit exposures below the new limits by June 2021. Failure to comply with OSHA requirements can lead to the imposition of penalties. SYU believes that its operations are in substantial compliance with the OSHA requirements.

Other Regulation of the Oil and Natural Gas Industry

The oil and natural gas industry is extensively regulated by numerous federal, state and local authorities. Legislation affecting the oil and natural gas industry is under constant review for amendment or expansion, frequently increasing the regulatory burden on SYU's assets. For instance, the U.S. Department of Transportation Pipeline and Hazardous Materials Safety Administration ("*PHMSA*"), which regulates our hazardous liquid and natural gas pipelines and pipeline facilities, is reauthorized by Congress every four years by statute. When reauthorizing PHMSA's authority to regulate natural gas and hazardous liquid pipelines and facilities, Congress often imposes mandates that require PHMSA to implement new regulatory requirements. Congress is currently drafting legislation for PHMSA's reauthorization, which is scheduled to be completed by the end of 2024.

Numerous departments and agencies, both federal and state, are authorized by statute to issue rules and regulations that are binding on the oil and natural gas industry and its individual members, some of which carry substantial penalties for failure to comply. Although the regulatory burden on the oil and natural gas industry increases SYU's cost of doing business and, consequently, affects its profitability, these burdens generally do not affect SYU any differently or to any greater net tangible asset or cash requirement which lesser extent than they affect other companies in the oil and natural gas industry with similar types, quantities and locations of production.

Legislation continues to be introduced in Congress, and the development of regulations continues by the U.S. Department of Homeland Security and other agencies concerning the security of industrial facilities, including oil and natural gas facilities. SYU's operations may be contained in subject to such laws and regulations. Presently, it is not possible to accurately estimate the agreement relating costs we could incur to our initial business combination. For example, comply with any such facility security laws or regulations, but such expenditures could be substantial.

Drilling and Production

SYU's operations are subject to various types of regulation at federal, state and local levels. These types of regulation include requiring permits for the proposed business combination may require: (i) cash consideration to be paid to the target drilling of wells, drilling bonds and reports concerning operations, including regulating one or its owners, (ii) cash to be transferred to the target for working capital or other general corporate purposes or (iii) the retention of cash to satisfy other conditions in accordance with the terms more of the proposed business combination. In following:

- the event location of wells;
- the aggregate cash consideration we would be required to pay for all shares method of Class A common stock that drilling and casing wells;

- the surface use and restoration of properties upon which wells are validly submitted for redemption plus any amount required to satisfy cash conditions pursuant to the terms of the proposed business combination exceed the aggregate amount of cash available to us, we will not complete the business combination or redeem any shares, and all shares of Class A common stock submitted for redemption will be returned to the holders thereof. drilled;

Limitation on Redemption upon Completion of our Initial Business Combination if we Seek Stockholder Approval

Notwithstanding the foregoing, if we seek stockholder approval of our initial business combination and we do not conduct redemptions in connection with our initial business combination pursuant to the tender offer rules, our amended and restated certificate of incorporation will provide that a public stockholder, together with any affiliate of such stockholder or any other person with whom such stockholder is acting in concert or as a "group" (as defined under Section 13 of the Exchange Act), will be restricted from seeking redemption rights with respect to more than an aggregate of 15% of our shares (the "Excess Shares"). We believe this restriction will discourage stockholders from accumulating large blocks of shares, and subsequent attempts by such holders to use their ability to exercise their redemption rights against a proposed business combination as a means to force us or our management to purchase their shares at a significant premium to the then-current market price or on other undesirable terms. Absent this provision, a public stockholder holding more than an aggregate of 15% of the shares sold in our initial public offering could threaten to exercise its redemption rights if such holder's shares are not purchased by us or our management at a premium to the then-current market price or on other undesirable terms. By limiting our stockholders' ability to redeem no more than 15% of our shares, we believe we will limit the ability of a small group of stockholders to unreasonably attempt to block our ability to complete our initial business combination, particularly in connection with a business combination with a target that requires as a closing condition that we have a minimum net worth or a certain amount of cash. However, our amended and restated certificate of incorporation will not restrict our stockholders' ability to vote all of their shares (including Excess Shares) for or against our initial business combination.

Tendering Stock Certificates in Connection with a Tender Offer or Redemption Rights

We may require our public stockholders seeking to exercise their redemption rights, whether they are record holders or hold their shares in "street name," to either tender their certificates to our transfer agent prior to the date set forth in the tender offer documents, or up to two business days prior to the vote on the proposal to approve the business combination in the event we distribute proxy materials, or to deliver their shares to the transfer agent electronically using the Depository Trust Company's DWAC (Deposit/Withdrawal At Custodian) System, at the holder's option. The tender offer or proxy materials, as applicable, that we will furnish to holders of our public shares in connection with our initial business combination will indicate whether we are requiring public stockholders to satisfy such delivery requirements. Accordingly, a public stockholder would have from the time we send out our tender offer materials until the close of the tender offer period, or up to two days prior to the vote on the business combination if we distribute proxy materials, as applicable, to tender its shares if it wishes to seek to exercise its redemption rights. Pursuant to the tender offer rules, the tender offer period will be not less than 20 business days and, in the case of a stockholder vote, a final proxy statement would be mailed to public stockholders at least ten days prior to the stockholder vote. However, we expect that a draft proxy statement would be made available to such stockholders well in advance of such time, providing additional notice of redemption if we conduct redemptions in conjunction with a proxy solicitation. Given the relatively short exercise period, it is advisable for stockholders to use electronic delivery of their public shares.

There is a nominal cost associated with the above-referenced tendering process and the act of certificating the shares or delivering them through the DWAC System. The transfer agent will typically charge the tendering broker $80.00 and it would be up to the broker whether or not to pass this cost on to the redeeming holder. However, this fee would be incurred regardless of whether or not we require holders seeking to exercise redemption rights to tender their shares. The need to deliver shares is a requirement of exercising redemption rights regardless of the timing of when such delivery must be effectuated.

The foregoing is different from the procedures used by many blank check companies. In order to perfect redemption rights in connection with their business combinations, many blank check companies would distribute proxy materials for the stockholders' vote on an initial business combination, and a holder could simply vote against a proposed business combination and check a box on the proxy card indicating such holder was seeking to exercise his or her redemption rights. After the business combination was approved, the company would contact such stockholder to arrange for him or her to deliver his or her certificate to verify ownership. As a result, the stockholder then had an "option window" after the completion of the business combination during which he or she could monitor

- the price plugging and abandoning of wells;
- transportation of materials and equipment to and from the well sites and facilities;

- transportation and disposal of produced fluids and natural gas; and
- notice to surface owners and other third parties.

Sale and Transportation of Gas and Oil

At the federal level, PHMSA regulates hazardous liquid and natural gas pipelines and pipeline facilities, including associated storage, pursuant to the Hazardous Liquids Pipeline Safety Act of 1979, as amended (the "*HLPSA*"), and the Natural Gas Pipeline Safety Act of 1968, as amended (the "*NGPSA*"). Federal regulations implementing the HLPSA and NGPSA establish minimum safety standards for pipeline transportation applicable to owners or operators of pipeline facilities regarding the design, installation, inspection, emergency plans and procedures, testing, construction, extension, operation, replacement, and maintenance of pipeline facilities. Among other things, these regulations require pipeline operators to conduct extensive emergency incident response training for pipeline personnel, including spill response drills for hazardous liquids pipelines. These regulations also require pipeline operators to develop and maintain a written qualification program for individuals performing covered tasks on pipeline facilities.

As part of its authority, PHMSA regulates the safety of pipeline transportation in or affecting interstate or foreign commerce, including pipeline facilities on the OCS. Pipelines 901 and 903 are subject to regulation by PHMSA.

At the state level, our intrastate hazardous liquid and natural gas pipeline facilities are regulated by the California Public Utility Commission ("CPUC") and OSFM. The CPUC has jurisdiction over the construction and operations of intrastate natural gas pipeline facilities in California and the rates, terms and conditions of service under which companies provide intrastate transportation of gas, oil and other liquids by pipeline. If the Pipelines engage in intrastate common carrier operations, the Pipelines will be subject to regulation by the CPUC and intrastate tariffs filed by us with the CPUC will be regulated under a cost-of-service methodology and established on the basis of revenues, expenses and any investments. A variety of factors can affect the rates of return permitted by the CPUC. Tariff rates with respect to intrastate pipeline service in California are subject to challenge by complaint by interested parties or by independent action of the company's stock CPUC. The CPUC could limit our ability to increase our rates or could order us to reduce our rates and require the payment of refunds to shippers. The OSFM regulates the safety of intrastate hazardous liquid pipeline facilities in California. Both the market. If CPUC and the price rose above OSFM are certified by PHMSA to regulate intrastate pipeline safety as certified state partners under the redemption price, he natural gas program and hazardous liquid program, respectively. Through this certification with PHMSA, they are required to adopt the minimum federal pipeline safety regulations and they may establish more stringent regulatory requirements as long as they are compatible with federal regulations.

Our transportation of gas, oil and other liquids by pipeline in California is also subject to state and local regulation. Opposition from community members or she state and local government officials to pipeline infrastructure could sell his delay or her shares in prevent us from obtaining permits required for the open market before actually delivering his operation of or her shares updates made to our Pipelines.

PHMSA has broad authority to investigate potential compliance issues, issue requests for information, inspect pipelines facilities, and issue enforcement. PHMSA's enforcement authority includes the company for cancellation. As ability to issue corrective actions, which may include the shut down or restriction of the operation pressure of a result, the redemption rights, to which stockholders were aware they needed to commit before the stockholder meeting, would become "option" rights surviving past the pipeline pending completion of the business combination until corrective measures. Federal pipeline safety regulations include reporting, design, construction, testing, operations and maintenance, qualification, corrosion control, and other minimum requirements.

Operators are required to prepare procedural manuals to implement these minimum requirements and those procedures are enforceable by PHMSA. Effective April 2017, PHMSA adopted new rules significantly increasing the redeeming holder delivered its certificate. The requirement maximum administrative civil penalties for physical or electronic delivery prior violation of the pipeline safety laws and regulations.

PHMSA updates the maximum administrative civil penalties each year to account for inflation, and as of January 2023, the meeting ensures that a redeeming holder's election to redeem is irrevocable once the business combination is approved.

Any request to redeem such shares, once made, may be withdrawn at any time penalty limits are up to $257,664 per violation per day and up to $2,576,627 for a related series of violations.

PHMSA is active in proposing and finalizing additional regulations for natural gas and hazardous liquids pipelines. For example, in October 2019 PHMSA finalized new regulations for hazardous liquid pipelines that significantly extend and expand the date set forth in the tender offer materials or the date reach of certain PHMSA integrity management requirements (i.e., periodic assessments, repairs and leak detection), regardless of the stockholder meeting set forth pipeline's proximity to a high consequence area ("*HCA*"). The final rule also requires all pipelines in our proxy materials, as applicable. Furthermore, if a holder of a public share delivered its certificate in connection

with or affecting an election of redemption rights and subsequently decides prior to the applicable date not to elect to exercise such rights, such holder may simply request that the transfer agent return the certificate (physically or electronically). It is anticipated that the funds HCA to be distributed to holders capable of our public shares electing to redeem their shares will be distributed promptly after the completion of our initial business combination.

If our initial business combination is not approved or completed for any reason, then our public stockholders who elected to exercise their redemption rights would not be entitled to redeem their shares for the applicable pro rata share of the Trust Account. In such case, we will promptly return any certificates delivered by public holders who elected to redeem their shares.

If our initial proposed business combination is not completed, we may continue to try to complete a business combination with a different target until September 1, 2023.

accommodating Redemption of Public Shares and Liquidation if no Initial Business Combination

Our amended and restated certificate of incorporation provides that we will have only until September 1, 2023 to complete our initial business combination. If we are unable to complete our initial business combination by September 1, 2023 we will: (i) cease all operations except for the purpose of winding up, (ii) as promptly as reasonably possible but not more than ten business days thereafter, redeem the public shares, at a per-share in-line price, payable in cash, equal to the aggregate amount then on deposit in the Trust Account including interest earned on the funds held in the Trust Account and not previously released to us to pay our franchise and income taxes as well as expenses relating to the administration of the Trust Account (less up to $100,000 of interest released to us to pay dissolution expenses), divided by the number of then issued and outstanding public shares, which redemption will completely extinguish public stockholders' rights as stockholders (including the right to receive further liquidating distributions, if any), subject to applicable law, and (iii) as promptly as reasonably possible following such redemption, subject to the approval of our remaining stockholders and our Board, dissolve and liquidate, subject in each case to our obligations under Delaware law to provide for claims of creditors and the requirements of other applicable law. There will be no redemption rights or liquidating distributions with respect to our warrants, which will expire worthless if we fail to complete our initial business combination by the end of the Combination Period (as defined below), or by the applicable deadline as may be extended.

Our founders, officers and directors have entered into a letter agreement with us, pursuant to which they have agreed to waive their rights to liquidating distributions from the Trust Account with respect to any founder shares held by them if we fail to complete our initial business combination by September 1, 2023. However, our founders, officers or directors will be entitled to liquidating distributions from the Trust Account with respect to such public shares if we fail to complete our initial business combination inspection tools within the prescribed time period.

Our founders, officers next 20 years. In addition, the final rule extends annual and directors have agreed, pursuant accident reporting requirements to a letter agreement with us, gravity lines and all liquids gathering lines and also imposes inspection requirements on pipelines in areas affected by extreme weather events and natural disasters, such as hurricanes, landslides, floods, earthquakes, or other similar events that they will not propose any amendment are likely to our amended and restated certificate of incorporation (A) to modify the substance or timing of our obligation to allow redemption in connection with our initial business combination or redeem 100% of our public shares if we do not complete our initial business combination by September 1, 2023 or (B) with respect to any other provision relating to stockholders' rights or pre-initial business combination activity, unless we provide our public stockholders with the opportunity to redeem their shares of Class A common stock upon approval of any such amendment at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the Trust Account including interest earned on the funds held in the Trust Account and not previously released to us to pay our franchise and income taxes as well as expenses relating to the administration of the Trust Account divided by the number of then issued and outstanding public shares. However, we may not redeem our public shares in an amount that would cause our net tangible assets to be less than $5,000,001 upon completion of our initial business combination (so that we are not subject to the SEC's "penny stock" rules). If this optional redemption right is exercised with respect to an excessive number of public shares such that we cannot satisfy the net tangible asset requirement (described above) we would not proceed with the amendment or the related redemption of our public shares.

We expect that all costs and expenses associated with implementing our plan of dissolution, as well as payments to any creditors, will be funded from amounts remaining held outside the Trust Account, although we cannot assure you that there will be sufficient funds for such purpose. However, if those funds are not sufficient to cover the costs and expenses associated with implementing our plan of dissolution, to the extent that there is any interest accrued in the Trust Account not required to pay franchise and income taxes as well as expenses relating to the administration of the Trust Account on interest income earned on the Trust Account balance, we may request the trustee to release to us an amount of up to $100,000 of such accrued interest to pay those costs and expenses. damage infrastructure.

If we In addition, in April 2016, PHMSA proposed a rule regarding the safety of natural gas transmission pipelines and gas gathering pipelines. This proposed rule resulted in three separate final rules applicable to natural gas pipelines: (1) an October 2019 final rule on the natural gas transmission lines focused on material verification and maximum allowable operating pressure reconfirmation; (2) a November 2021 final rule applicable to onshore gas gathering lines; and (3) an August 24, 2022 final rule applicable to gas transmission lines with a focus on repair criteria and corrosion. Under the final November 2021 rules applicable to gas gathering lines, operators of certain onshore natural gas gathering pipelines that were previously excluded from certain PHMSA regulations face additional testing, safety and reporting requirements or may be forced to expend all reduce their allowable operating pressures, which would reduce the amount of capacity available to us. Certain reporting requirements arising from the new PHMSA gas gathering rule took effect in May 2022, with additional requirements taking effect later in 2022 and 2023. Other recent rules include an April 8, 2022 final rule requiring installation of remote control or automatic shutoff valves (or equivalent technology) on certain newly constructed or entirely replaced onshore transmissions pipelines, gathering pipelines (liquid and gas), and hazardous liquids pipelines.

In May 2023, PHMSA also issued a notice of proposed rulemaking that proposes to implement new and additional leak detection and repair requirements for natural gas pipelines. This proposed rule seeks to reduce methane emissions associated with the operation of natural gas pipelines by strengthening leakage survey and patrolling requirements, imposing an advanced leak detection program performance standard, implementing grading and repair schedules for identified leaks, requiring operators to reduce intentional sources of methane emissions, and expanding reporting requirements for methane emissions. The comment period on this proposal ended in August 2023.

Federal and state legislative and regulatory initiatives relating to pipeline safety that require the use of new or more stringent safety controls or result in more stringent enforcement of applicable legal requirements could subject us to increased capital costs, operational delays and costs of operation.

Anti-Market Manipulation Laws and Regulations

SYU's sales of oil and natural gas are also subject to anti-manipulation and anti-disruptive practices authority under (i) the Commodity Exchange Act ("*CEA*") and regulations promulgated thereunder by the CFTC, and (ii) the Energy Independence and Security Act of 2007 ("*EISA*") and regulations promulgated thereunder by the FTC. The CEA prohibits any person from using or employing any manipulative or deceptive device in connection with any swap, or a contract for sale of any commodity, or for future delivery on such commodity, in contravention of the net proceeds CFTC's rules and regulations. It also prohibits knowingly delivering or causing to be delivered false, misleading or inaccurate reports concerning market information or conditions that affect or tend to affect the price of our initial public offering any commodity. The FTC's Petroleum Market Manipulation Rule, issued pursuant to EISA, prohibits fraudulent or deceptive conduct (including false or misleading statements of material fact) in connection with wholesale purchases or sales of crude oil or refined petroleum products. Under both the CEA and the sale EISA, fines for violations can be up to $1,000,000 per day per violation (subject to adjustment for inflation) and certain knowing or willful violations may also lead to a felony conviction.

Derivatives Regulation

The Dodd-Frank Act directed the Commodities Futures Trading Commission ("*CFTC*") to regulate certain markets for derivative products, including over-the-counter derivatives. Among other mandates, the CFTC has issued several new relevant regulations and rulemakings that require significant portions of the private placement warrants, other than derivatives markets to clear through clearinghouses. While some of these rules have been finalized, some have not and the proceeds deposited final form and timing of those rules remain uncertain.

In January 2020, the CFTC withdrew prior proposals and issued a new proposed rule, which includes limits on positions in (1) certain "Core Referenced Futures Contracts," including contracts for several energy commodities; (2) futures and options on futures that are directly or indirectly linked to the Trust Account, price of a Core Referenced Futures Contract, or to the same commodity for delivery at the same location as specified in that Core Referenced Futures Contract; and without taking into account interest, if any, earned on the Trust Account, the per-share redemption amount received by stockholders upon our dissolution would be approximately $10.00. (3) economically equivalent swaps. The proceeds deposited in the Trust Account could, however, become proposal also includes exemptions from position limits for bona fide hedging activities. The proposal is not yet final and it remains subject to public comment and revision by the claims of our creditors which would have higher priority than CFTC. Consequently, the claims of our public stockholders. We cannot assure you that the actual per-share redemption amount received by stockholders will not be substantially less than $10.00. Under Section 281(b) potential impact of the DGCL, our plan proposed rule on SYU and its counterparties is uncertain at this time.

The Dodd-Frank Act and new related regulations may prompt potential derivative counterparties to spin off some of dissolution must provide for all claims their derivatives activities to separate and less creditworthy entities. Any new regulations could significantly increase the cost of derivative contracts, materially alter the terms of derivative contracts, reduce the availability of derivatives to protect against us risks we encounter, reduce SYU's ability to be paid in full monetize or make provision for payments restructure existing derivative

contracts, and increase its exposure to be made in full, as applicable, if there are sufficient assets. These claims must be paid or provided for before we make any distribution less creditworthy counterparties. If SYU reduces its use of our remaining assets to our stockholders. While we intend to pay such amounts, if any, we cannot assure you that we will have funds sufficient to pay or provide for all creditors' claims.

Although we will seek to have all vendors, service providers (other than our independent auditors), prospective target businesses or other entities with which we do business execute agreements with us waiving any right, title, interest and claim of any kind in or to any monies held in the Trust Account for the benefit of our public stockholders, there is no guarantee that they will execute such agreements or even if they execute such agreements that they would be prevented from bringing claims against the Trust Account including but not limited to fraudulent inducement, breach of fiduciary responsibility or other similar claims, as well as claims challenging the enforceability of the waiver, in each case in order to gain an advantage with respect to a claim against our assets, including the funds held in the Trust Account. If any third party refuses to execute an agreement waiving such claims to the monies held in the Trust Account, our management will perform an analysis of the alternatives available to it and will only enter into an agreement with a third party that has not executed a waiver if management believes that such third party's engagement would be significantly more beneficial to us than any alternative. Examples of possible instances where we may engage a third party that refuses to execute a waiver include the engagement of a third party consultant whose particular expertise or skills are believed by management to be significantly superior to those of other consultants that would agree to execute a waiver or in cases where management is unable to find a service provider willing to execute a waiver.

In addition, there is no guarantee that such entities will agree to waive any claims they may have in the future derivatives as a result of or arising out the regulations, its results of any negotiations, contracts or agreements with us operations may become more volatile and will not seek recourse against the Trust Account its cash flows may become less predictable, which could adversely affect its ability to plan for any reason. Our sponsor has agreed that it will be liable to us if and fund capital expenditures and to generate sufficient cash flow to pay dividends. Its revenues could be adversely affected if a consequence of the extent any claims by legislation and regulations is to lower commodity prices. Any of these consequences could have a third party (other than our independent auditors) for services rendered or products sold material, adverse effect on SYU's financial condition and results of operations. SYU's use of derivative financial instruments does not eliminate its exposure to us, or a prospective target business with which we have discussed entering into a transaction agreement, reduce the amount of funds fluctuations in commodity prices and interest rates and could in the Trust Account to below (i) $10.00 per public share future result in financial losses or (ii) such lesser amount per public share held in the Trust Account as of the date of the liquidation of the Trust Account, due to reductions in value of the trust assets, in each case net of the amount of interest which may be withdrawn to pay taxes as well as expenses relating to the administration of the Trust Account, except as to any claims by a third party who executed a waiver of any and all rights to seek access to the Trust Account and except as to any claims under our indemnity of the underwriters of our initial public offering against certain liabilities, including liabilities under the Securities Act. In the event that an executed waiver is deemed to be unenforceable against a third party, then our sponsor will not be responsible to the extent of any liability for such third party claims We have not independently verified whether our sponsor has sufficient funds to satisfy reduce its indemnity obligations and believe that our sponsor's only assets are securities of our company. We have not asked our sponsor to reserve for such indemnification obligations. Therefore, we cannot assure you that our sponsor would be able to satisfy those obligations. As a result, if any such claims were successfully made against the Trust Account, the funds available for our initial business combination and redemptions could be reduced to less than $10.00 per public share. In such event, we may not be able to complete our initial business combination, and you would receive such lesser amount per share in connection with any redemption of your public shares. None of our officers will indemnify us for claims by third parties including, without limitation, claims by vendors and prospective target businesses.

In the event that the proceeds in the Trust Account are reduced below (i) $10.00 per public share or (ii) such lesser amount per public share held in the Trust Account as of the date of the liquidation of the Trust Account, due to reductions in value of the trust assets, in each case net of the amount of interest which may be withdrawn to pay taxes as well as expenses relating to the administration of the Trust Account, and our sponsor asserts that it is unable to satisfy its indemnification obligations or that it has no indemnification obligations related to a particular claim, our independent directors would determine whether to take legal action against our sponsor to enforce its indemnification obligations. While we currently expect that our independent directors would take legal action on our behalf against our sponsor to enforce its indemnification obligations to us, it is possible that our independent directors in exercising their business judgment may choose not to do so if, for example, the cost of such legal action is deemed by the independent directors to be too high relative to the amount recoverable or if the independent directors determine that a favorable outcome is not likely. We have not asked our sponsor to reserve for such indemnification obligations and we cannot assure you that our sponsor would be able to satisfy those obligations. Accordingly, we cannot assure you that due to claims of creditors the actual value of the per-share redemption price will not be less than $10.00 per public share.

We will seek to reduce the possibility that our sponsor will have to indemnify the Trust Account due to claims of creditors by endeavoring to have all vendors, service providers (other than our independent auditors), prospective target businesses or other entities with which we do business execute agreements with us waiving any right, title, interest or claim of any kind in or to monies held in the income.

Trust Account. Our sponsor will also Additional proposals and proceedings that may affect the crude oil and natural gas industry are pending before the U.S. Congress, federal agencies and the courts. SYU cannot predict the ultimate impact these proposals may have on its crude oil and natural gas operations, but it does not be liable as to any claims under our indemnity of the underwriters of our initial public offering against certain liabilities, including liabilities under the Securities Act. We will have access to up to approximately $335,000 from the proceeds of our initial public offering with which to pay any such potential claims (including costs and expenses incurred in connection with our liquidation, currently estimated expect to be affected differently than its competitors.

State Regulation

The State of California also regulates the drilling for, and the production, gathering and sale of, oil and natural gas, and imposes taxes and drilling permit requirements. Among other things, the State of California also regulates the method of developing new fields, the spacing and operation of wells and the prevention of waste of natural gas resources. It does not regulate wellhead prices or engage in other similar direct economic regulation, but there can be no more than approximately $100,000). In the event assurance that we liquidate and it is subsequently determined that the reserve for claims and liabilities is insufficient, stockholders who received funds from the Trust Account could be liable for claims made by creditors, however such liability will not do so in the future. The effect of these regulations may be greater than to limit the amount of funds from the Trust Account received by any such stockholder.

Under the DGCL, stockholders oil and natural gas that may be held liable for claims by third parties against a corporation produced from SYU's wells and to limit the extent number of distributions received by them in a dissolution. wells or locations it can drill. The pro rata portion State of California has significantly increased the Trust Account distributed to our public stockholders upon jurisdiction, duties and enforcement authority of CalGEM, the redemption of our public shares in the event we do not complete our initial business combination by September 1, 2023 may be considered a liquidating distribution under Delaware law. If the corporation complies with certain procedures set forth in Section 280 of the DGCL intended to ensure that it makes reasonable provision for all claims against it, including a 60-day notice period during which any third-party claims can be brought against the corporation, a 90-day period during which the corporation may reject any claims brought, California State Lands Commission and an additional 150-day waiting period before any liquidating distributions are made to stockholders, any liability of stockholders other state agencies with respect to a liquidating distribution is limited oil and natural gas activities in recent years, and CalGEM and other state agencies have also significantly revised their regulations, regulatory interpretations and data collection and reporting requirements. In addition, from time to the lesser of such stockholder's pro rata share of the claim or the amount distributed to the stockholder, and any liability of the stockholder would be barred after the third anniversary of the dissolution.

Furthermore, if the pro rata portion of the Trust Account distributed to our public stockholders upon the redemption of our public shares time legislation has been introduced in the event we do not complete our initial business combination by September 1, 2023, is not considered a liquidating distribution under Delaware law California Legislature seeking to further restrict or prohibit certain oil and such redemption distribution is deemed to be unlawful, then pursuant to Section 174 of the DGCL, the statute of limitations for claims of creditors could then be six years after the unlawful redemption distribution, instead of three years, as in the case of a liquidating distribution. If we are unable to complete our initial business combination by September 1, 2023, we will: (i) cease all operations except for the purpose of winding up, (ii) as promptly as reasonably possible but not more than ten business days thereafter, redeem the public shares, at a gas operations. For additional information see "*per-share* price, payable in cash, equal to the aggregate amount then on deposit in the Trust Account including interest earned on the funds held in the Trust Account and not previously released to us to pay our franchise and income taxes as well as expenses relating to the administration of the Trust Account (less up to $100,000 of interest released to us to pay dissolution expenses), divided Risk Factors—Attempts by the number California state government to restrict the production of then issued oil and outstanding public shares, which redemption will completely extinguish public stockholders' rights as stockholders (including gas could negatively impact our operations and result in decreased demand for fossil fuels in California."

Additionally, the right to receive further liquidating distributions, rates charged by the Pipelines if any), subject to applicable law, and (iii) as promptly as reasonably possible following such redemption, subject to the approval of our remaining stockholders and our Board, dissolve and liquidate, subject engaged in each case to our obligations under Delaware law to provide for claims of creditors and the requirements of other applicable law. Accordingly, it is our intention to redeem our public shares as soon as reasonably possible following September 1, 2023 and, therefore, we do not intend to comply with those procedures. As such, our stockholders could potentially be liable for any claims to the extent of distributions received by them (but no more) and any liability of our stockholders may extend well beyond the third anniversary of such date.

Because we will not be complying with Section 280, Section 281(b) of the DGCL requires us to adopt a plan, based on facts known to us at such time that will provide for our payment of all existing and pending claims or claims that may be potentially brought against us within the subsequent 10 years. However, because we are a blank check company, rather than an operating company, and our intrastate common carrier operations will be limited subject to searching for prospective target businesses to acquire, regulation by the only likely claims to arise would be from our vendors (such CPUC under a cost-of-service methodology as lawyers, investment bankers, etc.) or prospective target businesses. As described above pursuant under " *-Sale and Transportation of Gas and Oil*." For additional information, see "*Risk Factors—If engaged in intrastate common carrier operations, our financial results with respect to the obligation contained in our underwriting agreement, Pipelines will primarily depend on the outcomes of ratemaking proceedings with the California Public Utilities Commission and we will seek to have all vendors, service providers (other than our independent auditors), prospective target businesses or other entities with which we do business execute agreements with us waiving any right, title, interest or claim of any kind in or to any monies held in the Trust Account. As a result of this obligation, the claims that could be made against us are significantly limited and the likelihood that any claim that would result in any liability extending to the Trust Account is remote. Further, our sponsor may be liable only to the extent necessary to ensure that the amounts in the Trust Account are not reduced below (i) $10.00 per public share or (ii) such lesser amount per public share held in the Trust Account as of the date of the liquidation of the Trust Account, due to reductions in value of the trust assets, in each case net of the amount of interest withdrawn to pay taxes as well as expenses relating to the administration of the Trust Account and will not be liable as to any claims under our indemnity of the underwriters of our initial public offering against certain liabilities, including liabilities under the Securities Act. In the event that an executed waiver is deemed to be unenforceable against a third party, our sponsor will not be responsible to the extent of any liability for such third-party claims.*

If we file a bankruptcy petition or an involuntary bankruptcy petition is filed against us that is not dismissed, the proceeds held in the Trust Account could be subject to applicable bankruptcy law, and may be included in our bankruptcy estate and subject to the claims of third parties with priority over the claims of our stockholders. To the extent any bankruptcy claims deplete the Trust Account, we cannot assure you we will be able to earn an adequate rate of return $10.00 per share in a timely manner or at all."

The petroleum industry is also subject to compliance with various other federal, state and local regulations and laws. Some of those laws relate to resource conservation and equal employment opportunity. We do not believe that compliance with these laws will have a material adverse effect on us.

Human Capital

Overview

We have approximately 106 employees, none of whom are represented by labor unions or covered by collective bargaining agreements. Under EM management, approximately 32 employees were previously represented by labor unions or covered by collective bargaining agreements. We strive to create a high-performing culture and positive work environment that allows us to attract and retain a diverse group of talented individuals who contribute to our public stockholders. Additionally, if success. To attract and retain top talent, our human resources programs are designed to reward and incentivize our employees through competitive compensation practices, our commitment to employee health and safety, training and talent development and our commitment to diversity and inclusion.

Safety

Safety is our highest priority and we file are dedicated to the well-being of our employees, contractors, business partners, stakeholders and the environment. We promote safety with a bankruptcy petition or an involuntary bankruptcy petition robust health and safety program, which includes employee orientation and training, contractor management, risk assessments, hazard identification and mitigation, audits, incident reporting and investigation, and corrective and preventative action development.

In addition, we employ environmental, health and safety personnel at each of our asset locations, who provide in-person safety training and regular safety meetings. We also utilize learning management software to provide safety training on a variety of topics, and we contract with third-party technical experts as needed to facilitate training on specialized topics that are unique to each of our areas of operation.

Compensation

We operate in a highly competitive environment and designed its compensation program to attract, retain and motivate talented and experienced individuals. Its compensation philosophy is filed against us that is not dismissed, any distributions received by stockholders could be viewed under applicable debtor/creditor and/or bankruptcy laws as either a "preferential transfer" or a "fraudulent conveyance." As a result, a bankruptcy court could seek designed to recover some or all amounts received align its workforce's interests with those of its stakeholders and to reward them for achieving its business and strategic objectives and driving stockholder value. We consider competitive market compensation paid by our stockholders. Furthermore, our Board may be peers and other companies comparable to us

in size, geographic location and operations in order to ensure compensation remains competitive and fulfills the goal of recruiting and retaining talented employees.

viewed***Training and Development***

We are committed to the training and development of our employees. Employees are regularly provided training opportunities to develop skills in leadership, safety, and technical acumen, which bolster our efforts in conducting business in a safe manner and with high ethical standards. Further, supporting our employees in achieving their career and development goals is a key element of our approach to attracting and retaining top talent. We encourage our employees to advance their knowledge and skills and to network with other professionals in order to pursue career advancement and potential future opportunities with us. Our employees are able to attend training seminars and off-site workshops and to join professional associations that will enable them to remain up-to-date on the latest changes and best practices in their respective fields.

Diversity and Inclusion

We are committed to providing a diverse and inclusive workplace and career development opportunities to attract and retain talented employees. We recognize that a diverse workforce provides the opportunity to obtain unique perspectives, experiences, ideas, and solutions to help our business succeed. To that end, it is our policy to prohibit discrimination and harassment of any type and afford equal employment opportunities to employees and applicants without regard to race, color, religion, sex, national origin, age, disability, genetic information, veteran status, or any other basis protected by federal, state or local law. Further, it is our policy to forbid retaliation against any individual who reports, claims, or makes a charge of discrimination or harassment, fraud, unethical conduct, or a violation of company policies. To sustain and promote an inclusive culture, we maintain a robust compliance program rooted in our Code of Business Conduct and Ethics and other company policies, which provide policies and guidance on non-discrimination, anti-harassment, and equal employment opportunities. We require all employees to complete periodic training sessions on various aspects of our corporate policies through an annual acknowledgment and certification process.

Health and Wellness

We support our employees and their families by offering a robust package of health and welfare benefits, medical, dental, and vision insurance plans for employees and their families, life insurance and long-term disability plans, paid time off for holidays, vacation, sick leave, and other personal leave, and health and dependent care savings accounts. We also provide our employees with a 401(k) plan that includes a competitive company match, and employees have access to a variety of resources and services to help them plan for retirement.

In addition to these programs, we have several other programs designed to further promote the health and wellness of its employees, as having breached its fiduciary duty to well as an employee assistance program that offers counseling and referral services for a broad range of personal and family situations.

Available Information

Through our creditors and/or may have acted in bad faith, thereby exposing itself corporate website at http://www.sableoffshore.com, you can access electronic copies of our governing documents free of charge, including our Corporate Governance Guidelines and our company to claims of punitive damages, by paying public stockholders from the Trust Account prior to addressing the claims of creditors. We cannot assure you that claims will not be brought against us for these reasons.

Our public stockholders will be entitled to receive funds from the Trust Account only (i) in the event charters of the redemption committees of our public shares if board of directors. In addition, through our website, you can access the documents we do not complete file with the SEC, including our initial business combination by September 1, 2023, subject to applicable law, (ii) in connection with a stockholder vote to approve an amendment to our amended and restated certificate of incorporation to modify the substance or timing of our obligation to allow redemption in connection with our initial business combination or redeem 100% of our public shares if we do not complete our initial business combination by September 1, 2023 or (iii) our completion of an initial business combination, and then only in connection with those shares of our common stock that such stockholder properly elected to redeem, subject to the limitations described in this Annual Report annual reports on Form 10-K. 10-K, In no other circumstances will a stockholder have any right or interest of any kind to or in the Trust Account. In the event we seek stockholder approval in connection with our initial business combination, a stockholder's voting in connection with the business combination alone will not result in a stockholder's redeeming its shares to us for an applicable pro rata share of the Trust Account. Such stockholder must have also exercised its redemption rights as described above.

Competition

In identifying, evaluating and selecting a target business for our initial business combination, we may encounter intense competition from other entities having a business objective similar to ours, including other blank check companies, private equity groups and leveraged buyout funds, public companies and operating businesses seeking strategic acquisitions. Many of these entities are well established and have extensive experience identifying and effecting business combinations directly or through affiliates. Moreover, many of these competitors possess greater financial, technical, human and other resources than us. Our ability to acquire larger target businesses will be limited by financial resources available to us. This inherent limitation gives other competitors an advantage in pursuing the acquisition of a target business. Furthermore, our obligation to pay cash in connection with our public stockholders who exercise their redemption rights may reduce the resources available to us for our initial business combination and our outstanding warrants, and the future dilution they potentially represent, may not be viewed favorably by certain target businesses. Either of these factors may place us at a competitive disadvantage in successfully negotiating an initial business combination.

Employees

We currently have five officers and do not intend to have any full-time employees prior to the completion of our initial business combination. Members of our management team are not obligated to devote any specific number of hours to our matters but they intend to devote as much of their time as they deem necessary to our affairs until we have completed our initial business combination. The amount of time they will devote in any time period will vary based quarterly reports on whether a target business has been selected for our initial business combination and the stage of the initial business combination process we are in.

Periodic Reporting and Financial Information

We have registered our units, Class A common stock and warrants under the Exchange Act and have reporting obligations, including the requirement that we file annual, quarterly Form 10-Q and current reports with on Form 8-K, and all amendments thereto, as soon as reasonably practicable after we file or furnish them. Investors and others should note that we routinely announce information material to investors and the SEC. In accordance with the requirements marketplace using SEC filings, press releases and our website. While not all of the Exchange Act, information that we post to our annual reports will contain financial statements audited website is of a material nature, some information could be deemed to be material. Accordingly, we encourage investors, the media and reported others interested in Sable to review the information that we share on our website. You also may request printed copies of our SEC filings or governance documents, free of charge, by writing to our independent registered public accounting firm. The corporate secretary at the address on the cover of this report. Information contained on our website is not incorporated herein by reference and should not be considered part of this report.

In addition, the SEC maintains an Internet site (www.sec.gov) that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC at: http://www.sec.gov. Our annual, quarterly and current reports, and any amendments to any of those reports, that we file with the SEC are available free of charge as soon as reasonably practicable through our corporate website address at http://flameacq.com. The contents of these websites are not incorporated into this filing and are not considered part of this annual report. Further, our references to the uniform resource locators, or URLs, for these websites are intended to be inactive textual references only.

We will provide stockholders with audited financial statements of the prospective target business as part of the proxy solicitation or tender offer materials, as applicable, sent to stockholders to assist them in assessing the target business. In all likelihood, these financial statements may be required to be prepared in accordance with, or reconciled to, the accounting principles generally accepted in the United States of America ("GAAP"), or the international financial reporting standards issued by the International Accounting Standards Board ("IFRS"), depending on the circumstances, and the historical financial statements may be required to be audited in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"). These financial statement requirements may limit the pool of potential target businesses we may acquire because some targets may be unable to provide such statements in time for us to disclose such statements in accordance with federal proxy rules and complete our initial business combination within the prescribed time frame. We cannot assure you that any particular target business identified by us as a potential acquisition candidate will have financial statements prepared in accordance with the requirements outlined above, or that the potential target business will be able to prepare its financial statements in accordance with the requirements outlined above. To the extent that these requirements cannot be met, we may not be able to acquire the proposed target business. While this may limit the pool of potential acquisition candidates, we do not believe that this limitation will be material. SEC.

We are required to evaluate our internal control procedures for the fiscal year ended December 31, 2022. Only in the event we are deemed to be a large accelerated filer or an accelerated filer will we be required to have our internal control procedures audited. A target

company may not be in compliance with the provisions of the Sarbanes-Oxley Act regarding adequacy of their internal controls. The development of the internal controls of any such entity to achieve compliance with the Sarbanes-Oxley Act may increase the time and costs necessary to complete any such acquisition.

Item 1A. Risk Factors

You should carefully consider all of the following risks described below, together with as well as the other information contained included in this Annual Report on Form 10-K, annual report, including the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our financial statements. If any statements and related notes thereto. Any of the following risks occur, could materially and adversely affect our business, financial condition or operating 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 be also materially and adversely affected. 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 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 production by January 1, 2026, which would permit EM to exercise a reassignment option and take ownership of SYU without any compensation or reimbursement other than the deemed repayment in full of the principal and accrued interest outstanding under the Term Loan Agreement.
- Restrictive covenants in the Term Loan Agreement or any future agreements governing our indebtedness could limit our growth and our ability to finance our operations, fund our capital needs, respond to changing conditions and engage in other business activities that may be in our best interests.
- 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.
- 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 event, 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 trading price 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 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 and you could regardless of our operating performance. You may lose all some or part all of your investment.
- The risk factors described below are NYSE may not necessarily exhaustive continue to list our securities, which could limit investors' ability to make transactions in our securities and you are encouraged subject us to perform your own investigation with respect 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 business. ability to report our results of operations and financial condition accurately and in a timely manner.

- If we fail to develop and maintain an effective system of disclosure controls and internal control over financial reporting, our ability to produce timely and accurate financial statements or comply with applicable regulations could be impaired, which may adversely affect investor confidence in us and, as a result, the market price of our Common Stock.

Risks Related to Restart of Production

We need to satisfy a number of permitting obligations and other requirements before we can restart production of the SYU Assets. The requirements to restart Lines 901 and 903 include those set forth in a Consent Decree with federal and state agencies. While the operator of the lines has satisfied most of the conditions to restart including under the Consent Decree, there is no assurance that we will be successful in satisfying the remainder of the requirements and restarting production of the SYU Assets in a timely manner.

For risk factors SYU suspended production as a result of the Line 901 incident and consequent suspension of service, and our business depends on its production restarting. We need to satisfy a number of requirements related to SYU and Lines 901 and 903 before we can

restart production. Such requirements include conditions set forth in a U.S. federal district court Consent Decree executed by Plains and relevant U.S. and State of California government agencies. For further information, see "Business—Pipeline 901 Incident." While the proposed Business Combination, see previous operator of Lines 901 and 903 satisfied most of the section titled "Risk Factors" in conditions to restart including under the proxy statement (including all amendments and supplements thereto) Consent Decree, there is no assurance that we filed will be successful in satisfying the remaining requirements and restarting production in a timely manner. If we fail to restart production by January 1, 2026, the prior owner of SYU may exercise its right to cause us to reassign the SYU Assets. See "Risk Factors—Risks Related to the Business of the Company-We may be unable to restart production of SYU by January 1, 2026, which would permit EM to exercise a reassignment option and take ownership of SYU without any compensation or reimbursement other than the deemed repayment in full of the principal and accrued interest outstanding under the Term Loan Agreement."

Our assumptions and estimates regarding the total costs associated with restarting production may be inaccurate.

We currently estimate the total costs we will incur in order to restart production to be approximately $197,000,000. The expenditures will primarily be directed toward obtaining the necessary regulatory approvals and completing the pipeline repairs and bringing the shut-in assets back online during the third quarter of 2024. This estimate of costs to restart production considers currently available facts and presently enacted laws and regulations, but it is subject to uncertainties associated with the SEC 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 November 10, 2022. The risks presented below assumes future events and total costs may materially increase; therefore, we can provide no assurance that we will not consummate have to incur additional costs in future periods significantly higher than our estimated costs for the proposed Business Combination and restart of production.

There is no guarantee that we will then seek have sufficient cash to find an alternative target with which to consummate an initial business combination.

Risks Relating to our Search for, and Consummation of or Inability to Consummate, a Business Combination

We are a newly formed company with no operating history and no revenues, and you have no basis on which to evaluate our ability to achieve our business objective.

We are a newly formed company incorporated under the laws restart production of the state SYU Assets.

Until we restart production of Delaware with no operating results. Because the SYU Assets, we lack an operating history, you 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 no 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, upon which to evaluate our ability to achieve our business objective of completing our initial business combination with one or more target businesses. Additionally, we may be unable to complete restart production of SYU, which could materially affect our initial business, combination. financial condition and results of operations. See "*Risk Factors—Risks Related to the Business of the Company-We may be unable to restart production of SYU by January 1, 2026, which would permit EM to exercise a reassignment option and take ownership of SYU without any compensation or reimbursement other than the deemed repayment in full of the principal and accrued interest outstanding under the Term Loan Agreement*."

Risks Related to the Business of the Company

Oil, natural gas and natural gas liquids, or "NGL(s)", prices are volatile, due to factors beyond our control, and greatly affect our business, results of operations and financial condition. Any decline in, or sustained low levels of, oil, natural gas and NGL prices will cause a decline in our cash flow from operations, which could materially and adversely affect our business, results of operations and financial condition.

Our revenues, operating results, profitability, liquidity, future growth and the value of our assets depend primarily on prevailing commodity prices. Historically, oil and natural gas prices have been volatile and fluctuate in response to changes in supply and demand, market uncertainty, and other factors that are beyond our control, including:

- the regional, domestic and foreign supply of oil, natural gas and NGLs;
- the level of commodity prices and expectations about future commodity prices;

- the level of global oil and natural gas exploration and production;

- localized supply and demand fundamentals, including the proximity and capacity of pipelines and other transportation facilities, and other factors that result in differentials to benchmark prices from time to time;
- the cost of exploring for, developing, producing and transporting oil, natural gas and NGLs;
- the price and quantity of foreign imports;
- political and economic conditions in oil producing countries, including conflicts in or among the Middle East, Africa, South America and Russia;
- the ability of members of the Organization of Petroleum Exporting Countries to agree to and maintain oil price and production controls;
- speculative trading in crude oil and natural gas derivative contracts;
- the level of consumer product demand;
- weather conditions and other natural disasters;
- risks associated with operating drilling rigs;
- technological advances affecting exploration and production operations and overall energy consumption;
- domestic and foreign governmental regulations and taxes;
- the impact of energy conservation efforts;
- the continued threat of terrorism and the impact of military and other action, including the Russia-Ukraine war and its destabilizing effect on the European continent and the global oil and natural gas markets;
- the price and availability of competitors' supplies of oil and natural gas and alternative fuels; and
- overall domestic and global economic conditions.

These factors and the volatility of the energy markets make it extremely difficult to predict future oil, natural gas and NGL price movements with any certainty. For example, for the five years ended December 31, 2023, the NYMEX-WTI oil futures price ranged from a high of $123.70 per Bbl to a low of $(37.63) per Bbl, while the NYMEX-Henry Hub natural gas futures price ranged from a high of $9.68 per MMBtu to a low of $1.48 per MMBtu. For the year ended December 31, 2023, the NYMEX-WTI oil futures price ranged from a high of $93.68 per Bbl on September 27, 2023 to a low of $66.74 per Bbl on March 17, 2023 and the NYMEX-Henry Hub natural gas futures price ranged from a high of $4.17 per MMBtu on January 4, 2023 to a low of $1.99 per MMBtu on March 29, 2023. Likewise, NGLs, which are made up of ethane, propane, isobutane, normal butane and natural gasoline, each of which has different uses and different pricing characteristics, have sustained depressed realized prices during this period and are generally correlated with the price of oil. While recent events have led to elevated oil, natural gas and NGL prices, an extended decline in commodity prices could materially and adversely affect our business, results of operations and financial condition.

If commodity prices decline and remain depressed for a prolonged period, our business may become uneconomical and result in additional write downs of the value of our properties, which may adversely affect our financial condition and our ability to fund operations.

Oil, natural gas and NGL prices have experienced significant volatility over the past few years. An extended decline in commodity prices could render our business uneconomical and result in a downward adjustment of our assets, which would reduce our ability to fund our operations. An extended decline, or sustained marked uncertainty, in commodity prices may cause us to write down, as a non-cash charge to earnings, the carrying value of our oil and natural gas properties for impairments. We may in the future incur impairment charges that could have a material adverse effect on our results of operations in the period taken. Sustained declines or uncertainty in commodities prices may adversely affect our financial condition, results of operations, ability to reduce debt, ability to pay dividends and the timing of our capital projects.

An increase in the differential between the NYMEX or other benchmark prices of oil and natural gas and the wellhead price we expect to receive for our future production could significantly reduce our cash flow and adversely affect our financial condition.

The prices that we expect to receive for our future oil and natural gas production will often reflect a regional discount, based on the location of production, to the relevant benchmark prices, such as NYMEX or ICE, that are used for calculating hedge positions. The prices we expect to receive for our future production are also affected by the specific characteristics of the production relative to

production sold at benchmark prices. For example, California oil typically has a lower gravity, and a portion typically has higher sulfur content, than oil sold at certain benchmark prices. Therefore, because our oil will likely require more complex refining equipment to convert it into high value products, it may sell at a discount to those prices. These discounts, if significant, could reduce our cash flows and adversely affect our results of operations and financial condition.

The estimated quantities of petroleum contained in the SYU Assets are classified as "contingent resources" rather than "reserves" because they are subject to numerous contingencies. There is no assurance that any of the petroleum contained in

the SYU Assets will ever be recovered or reclassified as "reserves."

The resources are contingent upon (1) approval from federal, state and local regulators to restart production, (2) reestablishment of oil transportation systems to deliver production to market and (3) commitment to restart the wells and facilities. Some or all of the contingent resources may be reclassified as "reserves" if all of the contingencies are successfully resolved but there is no assurance that the contingencies will be resolved or resolved in a timely manner or that any of the petroleum in the SYU Assets will be recovered.

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 complete realize the

expected benefits from the field, either of which could materially and adversely affect our initial business, combination, financial condition, results of operations and cash flows.

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

discharges of pollutants and unauthorized discharges of reportable quantities of oil and other hazardous substances. State and federal discharge regulations prohibit the discharge of produced water and sand, drilling fluids, drill cuttings and certain other substances related to the natural gas and oil industry into coastal waters. Compliance with current and future environmental regulations and permit requirements governing the withdrawal, storage and use of surface water or groundwater necessary for the disposal and recycling of produced water, drilling fluids and other wastes may increase our operating costs and cause delays, interruptions or termination of our operations, the extent of which cannot 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 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 never generate 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 operating revenues. unavailability of that pipeline infrastructure could cause us to shut in all or a portion of the production from the SYU properties for the length of such unavailability. Our access to transportation options can also be affected by U.S. federal and state regulation of oil and natural gas production and transportation, general economic conditions and changes in supply and demand. The curtailments arising from these and similar circumstances may last from a few days to several months or more. In many cases, we are provided with only limited, if any, notice as to when these circumstances will arise and their duration. Any significant curtailment in gathering system or transportation or processing facility capacity could reduce our ability to market our oil and natural gas production and harm our business, financial condition, results of operations and cash flows.

Our independent registered public accounting firm's report contains an explanatory paragraph that expresses substantial doubt about our ability to continue as a "going concern."

As of December 31, 2022 December 31, 2023, we had $100,256 in cash outside the Trust Account of $267,816 available for working capital needs and a working capital deficiency deficit of $6,217,154 (not taking into account tax obligations of $330,151 that may be paid using investment income earned from $16,407,803. All remaining cash held in the Trust Account). We are also subject Account was generally unavailable for the Company's use, prior to a mandatory liquidation and subsequent dissolution requirement if we do not complete our initial business combination, by September 1, 2023. Further, we have incurred and expect was restricted for use either in a Business Combination, to continue redeem common stock or to incur significant costs in pursuit use for payment of an initial business combination. Management's plans to address this need for capital are discussed taxes. As of December 31, 2023, $2,969,263 of the amount in the section Trust Account was available to be withdrawn as described above, which is net of this annual report titled "Management's Discussion 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 Analysis 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 Financial Condition 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 Results of Operations." We cannot assure you that our plans will need to raise additional capital. If the Company is unable to raise additional capital, or it may be required to consummate an initial business combination before September 1, 2023 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 successful. These factors, among others, raise 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 our the Company's ability to continue as a going concern. The financial statements contained elsewhere herein 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 might result from our inability could be necessary if the Company is unable to continue as a going concern.

Our public stockholders may not be afforded an opportunity to vote on our proposed business combination, which means we may complete our initial business combination even though holders of a majority of our common stock do not support such a combination.

We may not hold a stockholder vote to approve our initial business combination unless the business combination would require stockholder approval under applicable law or stock exchange listing requirements or if we decide to hold a stockholder vote for business or other legal reasons. For instance, the rules of the NYSE currently allow us to engage in a tender offer in lieu of a general meeting, but would still require us to obtain stockholder approval if we were seeking to issue more than 20% of our issued and outstanding common stock to a target business as consideration in any business combination. Therefore, if we were structuring a business combination that required us to issue more than 20% of our issued and outstanding common stock, we would seek stockholder approval of such business combination. Except as required by law, the decision as to whether we will seek stockholder approval of a proposed business combination or will allow stockholders to sell their shares to us in a tender offer will be made by us, solely in our discretion, and will be based on a variety of factors, such as the timing of the transaction and whether the terms of the transaction would otherwise require us to seek stockholder approval. Accordingly, we may complete our initial business combination even if holders of a majority of our common stock do not approve of the business combination we complete.

Loss of our key executive officers or other key personnel, or an inability to attract and retain such officers and personnel, could negatively affect our business and, in one instance, could cause a default under the primary agreement governing our existing indebtedness.

Our future success depends on the 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 seek stockholder approval fail to attract or retain talented new employees, our business and results of operations could be negatively affected. Workers may choose to pursue employment with our competitors or in other fields. Additionally, the Senior Secured Term Loan Agreement (the "Term Loan Agreement"), dated as of the Closing Date by and among Sable, EMC, as lender, and Alter Domus Products Corp., as the administrative agent for the benefit of the lender, requires that James C. Flores, our Chairman and Chief Executive Officer, remains directly and actively involved in the day-to-day management of our initial business, combination, our initial stockholders have agreed subject to vote in favor the right of the holder of such initial business combination, regardless indebtedness to approve his replacement, such approval not to be unreasonably withheld.

We may incur losses as a result of how title defects or deficiencies in our public stockholders vote. properties.

Unlike many 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 blank check companies defects or deficiencies may not be discovered until after a well is drilled, in which case we may lose the initial stockholders agree lease and the right to vote their founder shares in accordance with the majority produce all or a portion of the votes cast 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 private landowners along sectors of Pipeline Segment 901 have made claims that the easement agreements with them are no longer effective because the pipeline is not transporting oil. If these landowners are successful with their claims, we may be required to make further easement payments. Our loss of any of these surface use agreements, rights-of-way or other easement rights through lapse or failure to satisfy or maintain certain conditions could require us to cease operations on the affected land or find alternative locations for our operations at increased costs, any of which could have a material adverse effect on our business, financial condition and results of operations.

We may be unable to restart production by January 1, 2026, which would permit EM to exercise a reassignment option and take ownership of SYU without any compensation or reimbursement other than the deemed repayment in full of the principal and accrued interest outstanding under the Term Loan Agreement.

If we fail to restart production of the SYU Assets by January 1, 2026 (the "*Restart Failure Date*"), 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 production of the SYU Assets by the public Restart Failure Date and EM exercises its Reassignment Option, EM will become the owner of substantially all of our business and we may be forced to wind-down our operations. Our ability to restart production of the SYU Assets is subject to several risks, and there is no assurance that we will be able to restart production of the SYU Assets by the Restart Failure Date. See "*Risk Factors—Risks Related to the Restart of Production*."

Restrictive covenants in the Term Loan Agreement or any future agreements governing our indebtedness could limit our growth and our ability to finance our operations, fund our capital needs, respond to changing conditions and engage in other business activities that may be in our best interests.

Restrictive covenants in the Term Loan Agreement impose significant operating and financial restrictions on us and our subsidiaries and we may be prevented from taking advantage of business opportunities that arise because of the limitations imposed on us by the Term Loan Agreement unless we gain EM's consent. These restrictions limit our ability to, among other things:

- engage in mergers, consolidations, liquidations, or dissolutions;
- create or incur debt or liens;
- make certain debt prepayments;
- pay dividends, distributions, management fees or certain other restricted payments;
- make investments, acquisitions, loans, or purchase oil and gas properties;
- sell, assign, farm-out or dispose of any property;
- enter into transactions with affiliates;
- enter into, subject to certain exceptions, any agreement that prohibits or restricts liens securing the Term Loan Agreement, payments of dividends to us, or payment of debt owed to us and our subsidiaries; and

- change the nature of our business.

The Term Loan Agreement also contains representations and warranties, affirmative covenants, additional negative covenants and events of default (including a change of control). During the pendency of the Term Loan Agreement and in case of an event of default thereunder, EM may exercise all remedies at 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 Term Loan Agreement includes a springing maturity date of ninety (90) days after Restart Production (as defined in the Sable-EM Purchase Agreement) (i.e., one hundred eighty (180) days after resumption of actual production from the wells), which could require a future refinancing of the indebtedness under the Term Loan Agreement or the incurrence of new indebtedness. The terms on which we would be able to obtain any refinancing of the Term Loan Agreement will depend on market conditions at the time of any such refinancing.

We may in the future refinance our existing indebtedness or incur new indebtedness at variable rates and without the option to pay interest in-kind, which would subject us to interest rate risk and could cause our debt service obligations to increase significantly.

The outstanding principal amount under our Term Loan Agreement bears interest at a fixed rate and we have the option of capitalizing the interest onto the principal rather than paying cash interest, but we may in the future refinance our existing indebtedness or incur new indebtedness with variable rates and mandatory cash interest payments, which would expose us to interest rate risk and additional liquidity burdens. If interest rates increase, our debt service obligations on the variable rate indebtedness would increase even if the principal amount remained the same, and our net income and cash available for servicing our indebtedness would decrease.

Our business plans require a significant amount of capital. In addition, our future capital needs may require us to issue additional equity or debt securities that may dilute our stockholders or introduce covenants that may restrict our operations or ability to pay dividends.

Our business and operations may consume resources faster than we anticipate. In the future, we may need to raise additional funds through the issuance of new equity or debt securities, or a combination thereof. Additional financing may not be available on favorable terms or at all. If adequate funds are not available on acceptable terms, we may be unable to fund our capital requirements.

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 an initial our business combination, 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 initial stockholders 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 agreed access to vote their founder shares, 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.

We are subject to complex federal, state, local and other laws, regulations and permits that could adversely affect the cost, manner, ability or feasibility of conducting our operations.

Our oil and natural gas development and production operations are subject to complex and stringent laws and regulations administered by governmental authorities vested with broad authority relating to the exploration for and the development, production and transportation of oil, natural gas, and NGLs. To conduct our operations in compliance with these laws and regulations, we must obtain and maintain numerous permits, approvals and certificates from various federal, state and local governmental authorities. We may incur substantial costs in order to maintain compliance with these existing laws and regulations. Failure to comply with laws and regulations applicable to our operations, including any evolving interpretation and enforcement by governmental authorities, could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Our oil, natural gas, and NGLs development and production operations are also subject to stringent and complex federal, state and local laws and regulations governing the release or discharge of materials into or through the environment, worker health and safety aspects of our operations, or otherwise relating to environmental protection, resource protection, and damage to natural resources. These laws and regulations may impose numerous obligations applicable to our operations, including the ability to obtain a permit before conducting our operations, including regulated drilling activities; the restriction of types, quantities and concentrations of materials that can be released or discharged into or through the environment; the limitation or prohibition of drilling, production and transportation activities on certain lands lying within wilderness, wetlands, seismically active areas and other protected or preserved areas; the application of specific health and safety criteria addressing worker protection; and the imposition of substantial liabilities for pollution and natural resources damages

potentially resulting from our operations. The U.S. Environmental Protection Agency ("*EPA*"), BOEM, BSEE, PHMSA, OSFM, California Department of Conservation's Geologic Energy Management Division ("*CalGEM*"), and numerous other governmental authorities have the authority to enforce compliance with these laws and regulations and the permits issued by them, often requiring difficult and costly compliance measures or corrective actions. Failure to comply with these laws and regulations may result in the assessment of sanctions, including administrative, civil or criminal penalties, the imposition of investigatory or remedial obligations, injunctive and mitigation relief, the suspension or revocation of necessary permits, licenses and authorizations, the requirement that additional pollution controls be installed and, in some instances, the issuance of orders limiting or prohibiting some or all of our operations. We may also experience delays in obtaining or be unable to obtain required permits, including authorizations necessary to restart or replace the Pipelines, which may delay or interrupt our operations and limit our growth and revenue, or may result in a failure to restart production by the Restart Failure Date.

Under certain environmental laws that impose strict as well as joint and several liability, we may be required to remediate or conduct other response actions at or in relation to contaminated properties currently owned or operated by us or facilities of third parties that received waste generated by our operations regardless of whether such contamination resulted from the conduct of others or from the consequences of our own actions that were in compliance with all applicable laws at the time those actions were taken. In addition, claims for damages to persons or property, including natural resources, may result from the environmental, health and safety impacts of our operations. Moreover, public interest in the protection of the environment has increased in recent years. New laws and regulations continue to be enacted, particularly at the state level, and, under the Biden Administration, the long-term trend of more expansive and stringent environmental legislation and regulations applied to the crude oil and natural gas industry could continue, resulting in increased costs of doing business and consequently affecting profitability. To the extent laws are enacted, or other governmental action is taken that restricts drilling, production and transportation activities, or imposes more stringent and costly operating, waste handling, disposal and cleanup requirements, our business, prospects, financial condition or results of operations could be materially adversely affected.

See "*Business—Environmental, Occupational Safety and Health Matters and* Regulations" and "*Business-Other Regulation of the Oil and Natural Gas Industry*" for a description of the more significant laws and regulations that affect us.

The listing of a species as either "threatened" or "endangered" under the U.S. Endangered Species Act and/or the California Endangered Species Act could result in increased costs, new operating restrictions, or delays in our operations, which could adversely affect our results of operations and financial condition.

The U.S. Endangered Species Act (the "*ESA*") and analogous state laws regulate activities that could have an adverse effect on threatened and endangered species. Operations in areas where threatened or endangered species or their habitat are known to exist may require us to incur increased costs to implement mitigation or protective measures and also may restrict or preclude our activities in those areas or during certain seasons, such as breeding and nesting seasons. The listing of species in areas where we operate or, alternatively, entry into certain range-wide conservation planning agreements could result in increased costs to us from species protection measures, time delays or limitations on our activities, which costs, delays or limitations may be significant and could adversely affect our results of operations and financial position.

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 shares purchased 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 subsequent revision and implementation of any regulations imposing reporting obligations on, or limiting emissions of GHGs from, our equipment and operations could require us to incur costs to reduce emissions of GHGs associated with our operations or could adversely affect demand for the oil, natural gas and NGLs we produce. Such climate change regulatory and legislative initiatives could have a material adverse effect on our business, financial condition and results of operations.

On August 16, 2022, President Biden signed into law the Inflation Reduction Act (the "*IRA*"), which targets methane from oil and gas sources by imposing an applicable "waste emissions charge" on petroleum and natural gas production facilities that exceed a specified waste emissions threshold and requiring the reporting of emissions that exceed 25,000 metric tons of carbon dioxide equivalent per year. On January 12, 2024, the EPA published a proposed rule to implement this waste emissions charge as required by the IRA. In addition to the IRA, almost one-half of the states have taken legal measures to reduce emissions of GHGs, including through the planned development of GHG emission inventories and/or regional GHGs cap and trade programs. On an international level, the United States was one of nearly 200 countries to sign an international climate change agreement in Paris, France that requires member countries to set their own GHG emissions reduction goals beginning in 2020. However, the United States formally announced its intent to withdraw from the Paris Agreement in November 2019, which became effective in November 2020. On January 20, 2021, President Biden issued written notification to the United Nations of the United States' intention to rejoin the Paris Agreement, which became effective on February 19, 2021. In addition, various states and local governments have vowed to continue to enact regulations to achieve the goals of the Paris Agreement.

Although it is not possible at this time to predict how legislation or new regulations that may be adopted to address GHG emissions would impact our business, any such future laws and regulations that require additional reporting of GHGs or otherwise limit emissions of GHGs from our equipment and operations could require us to incur costs to monitor and report on GHG emissions or reduce emissions of GHGs associated with our operations, and such requirements also could adversely affect demand for the oil, natural gas and NGL that we produce. Finally, it should be noted that numerous scientists have concluded that increasing concentrations of GHGs in the Earth's atmosphere may produce climate changes that have significant physical effects, such as increased frequency and severity of storms, droughts and floods and other climatic events. If any such effects were to occur in sufficient proximity to the SYU facilities, they could have an adverse effect on our financial condition and results of operations. For example, such effects could adversely affect or delay demand for the oil or natural gas produced or cause us to incur significant costs in preparing for or responding to the effects of climatic events themselves. Potential adverse effects could include disruption of our production activities, increases in our costs of operation or reductions in the efficiency of our operations, impacts on our personnel, supply chain, or distribution chain, as well as potentially increased costs for insurance coverages in the aftermath of such effects. Our

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.

In February 2021, California State Senators Scott Wiener and Monique Limón introduced Senate Bill 467, which proposes to halt the issuance or renewal of permits for hydraulic fracturing, acid well stimulation treatments, cyclic steaming, and water and steam flooding starting January 1, 2022, and then prohibit these extraction methods entirely starting January 1, 2027. SB 467 also would have prohibited all new or renewed permits for oil and gas extraction within 2,500 feet of any homes, schools, healthcare facilities or long-term care institutions such as dormitories or prisons, by January 1, 2022. However, SB 467 never made it out of committee and other bills to limit well stimulation treatments have also previously been introduced and failed to pass through the California legislature. Although these legislative efforts have failed, it is possible that SB 467 or similar legislation could be reintroduced in the future and we cannot predict the results of such future efforts.

On June 3, 2022, the U.S. Court of Appeals for the Ninth Circuit prohibited the federal government from issuing new permits for hydraulic fracturing and acidizing of oil wells in federal waters off the coast of California until a full environmental review is completed by federal agencies. The injunction was the result of lawsuits filed by the State of California, the California Coastal Commission and environmental groups alleging that federal agencies violated environmental laws when they authorized unconventional drilling methods on offshore

California platforms before the unconventional drilling methods had been fully reviewed. The court also found that the California Coastal Commission must determine if hydraulic fracturing and acidizing are consistent with California's coastal management program.

While currently none of our California operations rely on hydraulic fracturing stimulation or acidizing of wells as discussed in the Ninth Circuit decision, any restrictions on the future use of those well stimulation treatments or other forms of injection may adversely impact our operations, including causing operational delays, increased costs, and reduced production, which could adversely affect our revenues, results of operations and net cash provided by operating activities.

Our assets are located exclusively onshore and offshore in California, making us vulnerable to risks associated with having operations concentrated in this geographic area.

We operate exclusively in California and in the waters off the coast of California. This geographic concentration disproportionately affects the success and profitability of our operations, exposing us to local price fluctuations, changes in state or regional laws and regulations, political risks, limited acquisition opportunities where we have the most operating experience and infrastructure, limited storage options, drought conditions, and other regional supply and demand factors, including gathering, pipeline and transportation capacity constraints, limited potential customers, infrastructure capacity and availability of rigs, equipment, oil field services, supplies and labor. We discuss such specific risks to our initial public offering, operations in favor of our initial business combination. As a result, more detail elsewhere in this section. In addition, to our initial stockholders' founder shares, we would need 622,623, or 7.4%, of the 8,432,745 currently outstanding public shares to be voted in favor of a transaction in order to have our initial business combination approved (assuming all outstanding shares are voted). Our founders own shares representing 46.0% of our outstanding shares of common stock. Accordingly, if we seek stockholder approval of our initial business combination, it is more likely that the necessary stockholder approval will be received than would be the case if our initial stockholders agreed to vote their founder shares in accordance with the majority of the votes cast by our public stockholders.

Your only opportunity to affect the investment decision regarding a potential business combination will be limited to the exercise of your right to redeem your shares from us for cash, unless we seek stockholder approval of the business combination.

At the time of your investment in us, you will not be provided with an opportunity to evaluate the specific merits or risks of one or more target businesses. Since our Board may complete a business combination without seeking stockholder approval, public stockholders may not have the right resources to effectively diversify our operations or opportunity to vote on benefit from the business combination, unless we seek such stockholder vote. Accordingly, if we do not seek stockholder approval, your only opportunity to affect the investment decision regarding a potential business combination possible spreading of risks or offsetting of losses.

All of our operations are conducted in areas that may be limited 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 exercising your redemption rights within 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 period 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.

Moreover, while we may create and publish voluntary disclosures regarding ESG matters from time (which to time, many of the statements in those voluntary disclosures will be at least 20 business days) set forth 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 our tender offer documents mailed to our public stockholders in which we describe our initial business combination.

The ability of our public stockholders to redeem their shares for cash may make our financial condition unattractive to potential business combination the future, such targets which may make it difficult for us to enter into a business combination with a target.

are aspirational. We may seek to enter into a business combination transaction agreement with a prospective target that requires as a closing condition that we have a minimum net worth or a certain amount of cash. If too many public stockholders exercise their redemption rights, we would not be able to meet such closing condition and, targets in the manner or on such a timeline as initially contemplated, including, but not limited to as a result would 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 proceed with the 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, combination. Furthermore, 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 no event will we redeem our public shares in an amount that would cause our net tangible assets limiting oil and gas production by appealing to be less than $5,000,001 upon completion of our initial business combination (so that regulatory agencies, filing lawsuits and applying political pressure. In order to restart production we are not subject 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 SEC's "penny stock" rules) draft permits and/or any greater net tangible asset permit approvals through the relevant agencies and other administrative appeal processes. These groups may also file lawsuits that delay or cash requirement that prevent the issuance of the approvals through an injunction and/or prevailing on the legal merits. In addition, these groups may be contained in leverage the agreement relating to our initial business combination. Consequently, if accepting all properly submitted redemption requests would cause our net tangible assets to be less than $5,000,001 upon completion of our initial business combination or such greater amount necessary to satisfy a closing condition as described above, we would not proceed with such redemption increased public attention and the related business combination and may instead search for an alternate business combination. Prospective targets will be aware of these risks and, thus, may be reluctant to enter into a business combination transaction with us.

The ability of our public stockholders to exercise redemption rights concern with respect to a large number of our shares may not allow us climate change and other environmental and social impacts in order to complete encourage government officials to withhold or delay the most desirable business combination or optimize our capital structure.

At the time we enter into an agreement for our initial business combination, we will not know how many public stockholders may exercise their redemption rights, and, therefore, we will need to structure the transaction based on our expectations as to the number of shares necessary approvals. There is no assurance that will be submitted for redemption. If our initial business combination agreement requires us to use a portion of the cash in the Trust Account to pay the purchase price, or requires us to have a minimum amount of cash at closing, we will need to reserve a portion of the cash in the Trust Account to meet such requirements, or arrange for third party financing. In addition, if a larger number of shares is submitted for redemption than we initially expected, we may need to restructure the

transaction to reserve a greater portion of the cash in the Trust Account or arrange for third party financing. Raising additional third party financing may involve dilutive equity issuances or the incurrence of indebtedness at higher than desirable levels. The above considerations may limit our ability to complete the most desirable business combination available to us or optimize our capital structure. The amount of the marketing fee pursuant to the Business Combination Marketing Agreement (the "Marketing Fee") payable to the underwriters these groups will not be adjusted successful in delaying or preventing us from obtaining the required approvals through litigation or other actions.

The Inflation Reduction Act of 2022 could accelerate the transition to a low carbon economy and will impose new costs on our operations.

On August 16, 2022, President Biden signed into law the IRA. The IRA contains hundreds of billions of dollars in incentives for any shares that 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 increase to $1,200 in 2025, and be set at $1,500 for 2026 and each year thereafter. Calculation of the fee is based on certain thresholds established in the IRA. The methane emissions charge could increase our capital expenditures to limit methane releases and further increase our costs to the extent we exceed the limits, which may adversely affect our business and results of operations.

The cost of decommissioning and the cost of financial assurance to satisfy decommissioning obligations are redeemed in connection 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 business combination and such significant amount of Marketing Fee is not available for us collateral in cash or other security as a result of a revision to use as consideration in an initial business combination. The per-share amount we will distribute to stockholders who properly exercise their redemption rights will not such estimates, our financial condition, results of operations and cash flows may be reduced by the Marketing Fee and after such redemptions, the per-share value of shares held by non-redeeming stockholders will reflect our obligation to pay the Marketing Fee. materially adversely affected.

The 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 public stockholders to exercise redemption rights existing bonding arrangements with respect to a large number of our shares could increase the probability that our initial business combination would be unsuccessful and that you would have to wait for liquidation in order to redeem your stock.

If our initial business combination agreement requires us to use a portion of the cash in the Trust Account to pay the purchase price, or requires us to have a minimum amount of cash at closing, the probability that our initial business combination would be unsuccessful is increased. If our initial business combination is unsuccessful, you would not receive your pro rata portion of the Trust Account until we liquidate the Trust Account. If you are in need of immediate liquidity, you could attempt to sell your stock in the open market; however, at such time our stock may trade at a discount to the pro rata amount per share in the Trust Account. In either situation, you may suffer a material loss on your investment or lose the benefit of funds expected various sureties in connection with the decommissioning obligations and government-mandated financial assurance obligations related to our redemption until properties, or under any future bonding arrangements we liquidate 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 you are 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 sell your stock 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 open market. 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 reduced size market prices of our Trust Account securities could be highly volatile or may make it more difficult for us to complete an initial business combination. decline regardless of our operating performance. You may lose some or all of your investment.

On February 27, 2023, we held special meeting The trading price of stockholders to vote on the Extension Amendment Proposal. In connection with the Extension Amendment Proposal, stockholders elected to redeem 20,317,255 shares of Class A our Common Stock which represents approximately 70.67% is likely to be volatile and subject to significant fluctuations. The trading price of the shares that were part of the units that were sold our Common Stock will depend on many factors, including those described in our initial public offering. After giving effect to such redemptions, $85,551,238.80 remained in the Trust Account. The resulting reduction of the amount available to us in the Trust Account may make us a less attractive partner for a target and also may make it more difficult for us to complete an initial business combination on commercially acceptable terms or at all.

this "*There are no assurances that the Extension will enable us to complete an initial business combination. Risk Factors*

Even though the Extension was approved, we can provide no assurances that our initial business combination will be consummated prior to the end of the Combination Period. Our ability to consummate any business combination is dependent on a variety of factors," section, many of which are beyond our control. In connection with the Extension, a stockholders elected to redeem an aggregate of 20,317,255 shares of Class A Common Stock, representing approximately 70.67% of our then-issued and outstanding shares of Class A Common Stock, for an aggregate of $206,121,060 in cash. As of March 28, 2023, we had cash in the Trust Account of $86,512,078.

The requirement that we complete our initial business combination by September 1, 2023 may give potential target businesses leverage over us in negotiating a business combination control and may limit not be related our ability to conduct due diligence on potential business combination targets as we approach our dissolution deadline, which could undermine our ability to complete our initial business combination on terms that would produce value for our stockholders.

Any potential target business with which we enter into negotiations concerning a business combination will be aware that we must complete our initial business combination by September 1, 2023. Consequently, such target business may obtain leverage over us in negotiating a business combination, knowing that if we do not complete our initial business combination with that particular target business, we may be unable to complete our initial business combination with any target business. This risk will increase as we get closer to the timeframe described above. In addition, we may have limited time to conduct due diligence and may enter into our initial business combination on terms that we would have rejected upon a more comprehensive investigation.

We operating performance. You may not be able to complete our initial business combination by September 1, 2023 (or such later date as may be provided pursuant resell your shares at an attractive price due to a further amendment number of factors, such as the following:

- actual or anticipated fluctuations in our quarterly financial results or the quarterly financial results of companies perceived to be similar to ours;
- changes in the market's expectations about our operating results;
- the public's reaction to our amended press releases, other public announcements and restated certificate of incorporation), in which case we would cease all operations except for filings with the purpose of winding up and we would redeem our public shares and liquidate, in which case our public stockholders may only receive approximately $10.00 per share, or less than such amount in certain circumstances, and our warrants will expire worthless. SEC;

Our amended and restated certificate of incorporation will provide that we must complete our initial business combination by September 1, 2023 (or such later date as may be provided pursuant to a further amendment to our amended and restated certificate of incorporation). We may not be able to find a suitable target business and complete our initial business combination within such time period. Our ability to complete our initial business combination may be negatively impacted by general market conditions, volatility

- speculation in the capital and debt markets and press or investment community;
- actual or anticipated developments in our business, competitors' businesses or the other risks described herein. If we have not completed our initial business combination within such time period, we will: (i) cease all operations except for the purpose of winding up, (ii) as promptly as reasonably possible but not more than ten business days thereafter, redeem the public shares, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the Trust Account, including interest earned on the funds held in the Trust Account and not previously released to us to pay our franchise and income taxes as well as expenses relating to the administration of the Trust Account (less up to $100,000 of interest released to us to pay dissolution expenses), divided by the number of then issued and outstanding public shares, which redemption will completely extinguish public stockholders' rights as stockholders (including the right to receive further liquidating distributions, if any), subject to applicable law, and (iii) as promptly as reasonably possible following such redemption, subject to the approval of our remaining stockholders and our Board, dissolve and liquidate, subject in each case to our obligations under Delaware law to provide for claims of creditors and the requirements of other applicable law. In such case, our public stockholders may only receive approximately $10.00 per share, and our warrants will expire worthless. In certain circumstances, our public stockholders may receive less than $10.00 per share on the redemption of their shares. See "-If third parties bring claims against us, the proceeds held in the Trust Account could be reduced and the per-share redemption amount received by stockholders may be less than $10.00 per share" and other risk factors in this section. competitive landscape generally;

- *If we seek stockholder approval 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 initial business combination, 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 founders, 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 advisors and their affiliates may elect to purchase shares or public warrants from public significant stockholders or public warrant holders, which 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 influence a vote on a proposed business combination and reduce materially harm the public "float" market price of our Class A common stock.

If we seek stockholder approval securities irrespective of our initial business combination operating performance. The stock market in general and we do not conduct redemptions in connection with our initial business combination pursuant the NYSE have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the tender offer rules, our founders, directors, officers, advisors or their affiliates may purchase public shares or public warrants or a combination thereof in privately negotiated transactions or in the open market either prior to or following the completion of our initial business combination, although they are under no obligation to do so. Such a purchase may include a contractual acknowledgement that such stockholder, although still the record holder of our shares is no longer the beneficial owner thereof and therefore agrees not to exercise its redemption rights. There is no limit on the number of shares our founders, directors, officers, advisors or their affiliates may purchase in such transactions, subject to compliance with applicable law and the rules operating performance of the NYSE. However, other than as expressly stated herein, they have no current commitments, plans or intentions to engage in such transactions particular companies affected. The trading prices and have not formulated any terms or conditions for any such transactions. None valuations of the funds in the Trust Account will be used to purchase shares or public warrants in such transactions. In the event that our founders, directors, officers, advisors or their affiliates purchase shares in privately negotiated transactions from public stockholders who have already elected to exercise their redemption rights, such selling stockholders would be required to revoke their prior elections to redeem their shares. The purpose of such purchases could be to vote such shares in favor of the business combination these stocks, and thereby increase the likelihood of obtaining stockholder approval of the business combination, or to satisfy a closing condition in an agreement with a target that requires us to have a minimum net worth or a certain amount of cash at the closing of our initial business combination, where it appears that such requirement would otherwise not be met. The purpose of any such purchases of shares could be to vote such shares in favor of the business combination and thereby increase the likelihood of obtaining stockholder approval of the business combination or to satisfy a closing condition in an agreement with a target that requires us to have a minimum net worth or a certain amount of cash at the closing of our initial business combination, where it appears that such requirement would otherwise not be met. The purpose of any such purchases of public warrants could be to reduce the number of public warrants outstanding or to vote such warrants on any matters submitted to the warrant holders for approval in connection with our initial business combination. Any such purchases of our securities, may result not be predictable. A loss of investor confidence in the completion market for the stocks of other companies which investors perceive to be similar to ours could depress our Common Stock price regardless of our initial business, combination that may not otherwise have been possible. Any such purchases will be reported pursuant to Section 13 and Section 16 prospects, financial conditions or results of the Exchange Act to the extent the purchasers are subject to such reporting requirements. 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 such purchases are made, the public "float" instituted against us, could result in substantial costs and a diversion of our Class A common 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 number of beneficial SEC and other government agencies on holders of our securities may be reduced, possibly making it difficult to obtain or maintain as a result, which could adversely affect the quotation, listing or trading price of our securities on a national securities exchange. Common Stock.

If a stockholder fails to receive notice of our offer to redeem our public shares in connection with our initial business combination, or fails to comply with the procedures for tendering its shares, such shares may not be redeemed.

We will comply with the tender offer rules or proxy rules, as applicable, when conducting redemptions in connection with our initial business combination. Despite our compliance with these rules, if a stockholder fails to receive our tender offer or proxy materials, as applicable, such stockholder may not become aware of the opportunity to redeem its shares. In addition, the tender offer documents or proxy materials, as applicable, that we will furnish to holders of our public shares in connection with our initial business combination will describe the various procedures that must be complied with in order to validly tender or redeem public shares. For example, we may require our public stockholders seeking to exercise their redemption rights, whether they are record holders or hold their shares in "street name," to either tender their certificates to our transfer agent prior to the date set forth in the tender offer documents or proxy materials

mailed to such holders, or up to two business days prior to the vote on the proposal to approve the business combination in the event we distribute proxy materials, or to deliver their shares to the transfer agent electronically. In the event that a stockholder fails to comply with these or any other procedures, its shares may not be redeemed.

You will not have any rights or interests in funds from the Trust Account, except under certain limited circumstances. To liquidate your investment, therefore, you may be forced to sell your public shares or warrants, potentially at a loss.

Our public stockholders will be entitled to receive funds from the Trust Account only upon the earliest to occur of: (i) our completion of an initial business combination, and then only in connection with those shares of our common stock that such stockholder properly elected to redeem, subject to the limitations described in this annual report, (ii) the redemption of any public shares properly submitted in connection with a stockholder vote to amend our amended and restated certificate of incorporation (A) to modify the substance or timing of our obligation to allow redemption in connection with our initial business combination or redeem 100% of our public shares if we do not complete our initial business combination by September 1, 2023 or (B) with respect to any other provision relating to stockholders' rights or pre-initial business combination activity and (iii) the redemption of our public shares if we are unable to complete an initial business combination by September 1, 2023 subject to applicable law and as further described herein. In addition, if we are unable to complete an initial business combination by September 1, 2023 for any reason, compliance with Delaware law may require that we submit a plan of dissolution to our then-existing stockholders for approval prior to the distribution of the proceeds held in the Trust Account. In that case, public stockholders may be forced to wait beyond September 1, 2023 before they receive funds from the Trust Account. In no other circumstances will a public stockholder have any right or interest of any kind in the Trust Account. Holders of warrants will not have any right to the proceeds held in the Trust Account with respect to the warrants. Accordingly, to liquidate your investment, you may be forced to sell your public shares or warrants, potentially at a loss.

The NYSE may delist not continue to list our securities, from trading on its exchange, which could limit investors' ability to make transactions in our securities and subject us to additional trading restrictions.

We cannot assure you that our securities will continue to be listed on the NYSE in the future or prior to our initial business combination. future. In order to continue listing for our securities to remain listed on the NYSE, prior to our initial business combination, we must maintain certain financial, distribution and stock price levels.

Additionally, in connection with our initial business combination, we will be required to demonstrate compliance with the NYSE's initial listing requirements, which are more rigorous than the NYSE's continued listing requirements, in order to continue to maintain the listing of our securities on the NYSE. For instance, our stock price would generally be required to be at least $4.00 per share, the aggregate market value of publicly-held shares would be required to be at least $100,000,000 and we would be required to have at least 400 round lot holders. We cannot assure you that we will be able to meet those initial listing requirements at that time. Because public stockholders elected to redeem an aggregate of 20,317,255 shares of our Class A Common Stock, representing approximately 70.67% of our issued and outstanding shares of Class A Common Stock, in connection with the Extension, there is an increased likelihood that we may fail to satisfy the minimum public stockholders' equity and round lot holders thresholds imposed by NYSE.

If the NYSE delists our securities from trading on its exchange and we are not able to list our securities on another national securities exchange, we expect our securities could be quoted on an over-the-counter market. If this were to occur, we could face significant material adverse consequences, including:

- a limited availability of market quotations for our securities;
- reduced liquidity for our securities;
- a determination that our Class A common stock Common Stock is a "penny stock" stock," which will would require brokers trading in our Class A common stock such securities to adhere to more stringent rules, and could adversely impact the value of our securities and/or possibly result in a reduced level of trading activity in the secondary trading market for our securities;
- a limited amount of news and analyst coverage; and
- a decreased ability to issue additional securities or obtain additional financing in the future.

The National Securities Markets Improvement Act of 1996, which is a federal statute, prevents or preempts the states from regulating the sale of certain securities, which are referred to as "covered securities." Because we expect that our units and

eventually our Class A common stock and warrants will be listed on the NYSE, our units, Class A common stock and warrants will be covered securities. Although the states are preempted from regulating the sale of our securities, the federal statute does allow the states to investigate companies if there is a suspicion of fraud, and, if there is a finding of fraudulent activity, then the states can regulate or bar the sale of covered securities in a particular case. While we are not aware of a state having used these powers to prohibit or restrict the sale of securities issued by blank check companies, other than the State of Idaho, certain state securities regulators view blank check companies unfavorably and might use these powers, or threaten to use these powers, to hinder the sale of securities of blank check companies in their states. Further, if we were no longer listed on the NYSE, our securities would not be covered securities and we would be subject to regulation in each state in which we offer our securities.

You will not be entitled to protections normally afforded to investors of many other blank check companies.

Since the net proceeds of our initial public offering and the sale of the private placement warrants are intended to be used to complete an initial business combination with a target business that has not been selected, we may be deemed to be a "blank check" company under the United States securities laws. However, because we have net tangible assets in excess of $5,000,000 and we filed a Current Report on Form 8-K, including an audited balance sheet of the company demonstrating this fact, we are exempt from rules promulgated by the SEC to protect investors in blank check companies, such as Rule 419. Accordingly, investors will not be afforded the benefits or protections of those rules. Among other things, this means our units are immediately tradable and we have a longer period of time to complete our initial business combination than do companies subject to Rule 419. Moreover, if we were subject to Rule 419, that rule would prohibit the release of any interest earned on funds held in the Trust Account to us unless and until the funds in the Trust Account were released to us in connection with our completion of an initial business combination.

If we seek stockholder approval of our initial business combination and we do not conduct redemptions pursuant to the tender offer rules, and if you or a "group" of stockholders are deemed to hold in excess of 15% of our Class A common stock, you will lose the ability to redeem all such shares in excess of 15% of our Class A common stock.

If we seek stockholder approval of our initial business combination and we do not conduct redemptions in connection with our initial business combination pursuant to the tender offer rules, our amended and restated certificate of incorporation will provide that a public stockholder, together with any affiliate of such stockholder or any other person with whom such stockholder is acting in concert or as a "group" (as defined under Section 13 of the Exchange Act), will be restricted from seeking redemption rights with respect to more than an aggregate of 15% of the shares sold in our initial public offering, which we refer to as the "Excess Shares." However, our amended and restated certificate of incorporation will not restrict our stockholders' ability to vote all of their shares (including Excess Shares) for or against our initial business combination. Your inability to redeem the Excess Shares will reduce your influence over our ability to complete our initial business combination and you could suffer a material loss on your investment in us if you sell Excess Shares in open market transactions. Additionally, you will not receive redemption distributions with respect to the Excess Shares if we complete our initial business combination. As a result, you will continue to hold that number of shares exceeding 15% and, in order to dispose of such shares, would be required to sell your stock in open market transactions, potentially at a loss.

Because of our limited resources and the significant competition for business combination opportunities, it may be more difficult for us to complete our initial business combination. If we are unable to complete our initial business combination, our public stockholders may receive only approximately $10.00 per share on our redemption of our public shares, or less than such amount in certain circumstances, and our warrants will expire worthless.

We expect to encounter intense competition from other entities having a business objective similar to ours, including private investors (which may be individuals or investment partnerships), other blank check companies and other entities, domestic and international, competing for the types of businesses we intend to acquire. Many of these individuals and entities are well-established and have extensive experience in identifying and effecting, directly or indirectly, acquisitions of companies operating in or providing services to various industries. Many of these competitors possess greater technical, human and other resources or more local industry knowledge than we do and our financial resources will be relatively limited when contrasted with those of many of these competitors. While we believe there are numerous target businesses we could potentially acquire with the net proceeds of our initial public offering and the sale of the private placement warrants, our ability to compete with respect to the acquisition of certain target businesses that are sizable will be limited by our available financial resources. This inherent competitive limitation gives others an advantage in pursuing the acquisition of certain target businesses.

Furthermore, because we are obligated to pay cash for the shares of Class A common stock that our public stockholders redeem in connection with our initial business combination, target companies will be aware that this may reduce the resources available to us for our initial business combination. This may place us at a competitive disadvantage in successfully negotiating a business combination. If we are unable to complete our initial business combination, our public stockholders may receive only approximately $10.00 per share on the

liquidation of the Trust Account and our warrants will expire worthless. In certain circumstances, our public stockholders may receive less than $10.00 per share upon our liquidation. See “-If third parties bring claims against us, the proceeds held in the Trust Account could be reduced and the per-share redemption amount received by stockholders may be less than $10.00 per share” and other risk factors in this section.

If the net proceeds of our initial public offering and the sale of the private placement warrants not being held in the Trust Account are insufficient to allow us to operate until at least September 1, 2023, we may be unable to complete our initial business combination, in which case our public stockholders may only receive $10.00 per share, or less than such amount in certain circumstances, and our warrants will expire worthless.

The funds available to us outside of the Trust Account may not be sufficient to allow us to operate until at least September 1, 2023, assuming that our initial business combination is not completed during that time. We believe that the funds available to us outside of the Trust Account will be sufficient to allow us to operate until at least September 1, 2023; however, we cannot assure you that our estimate is accurate. Of the funds available to us, we could use a portion of the funds available to us to pay fees to consultants to assist us with our search for a target business. We could also use a portion of the funds as a down payment or to fund a “no-shop” provision (a provision in letters of intent or merger agreements designed to keep target businesses from “shopping” around for transactions with other companies on terms more favorable to such target businesses) with respect to a particular proposed business combination, although we do not have any current intention to do so. If we entered into a letter of intent or merger agreement where we paid for the right to receive exclusivity from a target business and were subsequently required to forfeit such funds (whether as a result of our breach or otherwise), we might not have sufficient funds to continue searching for, or conduct due diligence with respect to, a target business. If we are unable to complete our initial business combination, our public stockholders may receive only approximately $10.00 per share on the liquidation of the Trust Account and our warrants will expire worthless. In certain circumstances, our public stockholders may receive less than $10.00 per share upon our liquidation. See “-If third parties bring claims against us, the proceeds held in the Trust Account could be reduced and the per-share redemption amount received by stockholders may be less than $10.00 per share” and other risk factors in this section.

If the net proceeds of our initial public offering and the sale of the private placement warrants not being held in the Trust Account are insufficient, it could limit the amount available to fund our search for a target business or businesses and complete our initial business combination and we will depend on loans from our sponsor or management team to fund our search for a business combination, to pay our franchise and income taxes as well as expenses relating to the administration of the Trust Account and to complete our initial business combination. If we are unable to obtain these loans, we may be unable to complete our initial business combination.

The funds available to us outside of the Trust Account to fund our working capital requirements may not be sufficient to allow us to operate until September 1, 2023, assuming that our initial business combination is not completed during that time. We believe that the funds available to us outside of the Trust Account, together with funds available from loans from our founders will be sufficient to allow us to operate until September 1, 2023; however, we cannot assure you that our estimate is accurate. Of the funds available to us, we expect to use a portion of the funds available to us to pay fees to consultants to assist us with our search for a target business. We could also use a portion of the funds as a down payment or to fund a “no-shop” provision (a provision in letters of intent designed to keep target businesses from “shopping” around for transactions with other companies or investors on terms more favorable to such target businesses) with respect to a particular proposed business combination, although we do not have any current intention to do so. If we entered into a letter of intent where we paid for the right to receive exclusivity from a target business and were subsequently required to forfeit such funds (whether as a result of our breach or otherwise), we might not have sufficient funds to continue searching for, or conduct due diligence with respect to, a target business. If we do not complete our initial business combination, our public stockholders may receive only approximately $10.00 per share on the liquidation of the Trust Account and our warrants will expire worthless. In certain circumstances, our public stockholders may receive less than $10.00 per share upon our liquidation.

If we are required to seek additional capital, we would need to withdraw interest from the Trust Account as described elsewhere in this annual report and/or borrow funds from our sponsor, management team or other third parties to operate, or we may be forced to liquidate. None of our sponsor, members of our management team nor any of their affiliates is under any obligation to advance funds to us in such circumstances. Any such advances would be repaid only from funds held outside the Trust Account or from funds released to us upon completion of our initial business combination. We do not expect to seek loans from parties other than our sponsor or an affiliate of our sponsor as we do not believe third parties will be willing to loan such funds and provide a waiver against any and all rights to seek access to funds in the Trust Account. If we are unable to obtain these loans, we may be unable to complete our initial business combination. If we are unable to complete our initial business combination because we do not have sufficient funds available to us, we will be forced to cease operations and liquidate the Trust Account. Consequently, our public stockholders may only receive approximately $10.00 per share on

our redemption of our public shares, and our warrants will expire worthless. In certain circumstances, our public stockholders may receive less than $10.00 per share on the redemption of their shares.

If third parties bring claims against us, the proceeds held in the Trust Account could be reduced and the per-share redemption amount received by stockholders may be less than $10.00 per share.

Our placing of funds in the Trust Account may not protect those funds from third-party claims against us. Although we will seek to have all vendors, service providers (other than our independent auditors), prospective target businesses or other entities with which we do business execute agreements with us waiving any right, title, interest or claim of any kind in or to any monies held in the Trust Account for the benefit of our public stockholders, such parties may not execute such agreements, or even if they execute such agreements they may not be prevented from bringing claims against the Trust Account, including, but not limited to, fraudulent inducement, breach of fiduciary responsibility or other similar claims, as well as claims challenging the enforceability of the waiver, in each case in order to gain advantage with respect to a claim against our assets, including the funds held in the Trust Account. If any third party refuses to execute an agreement waiving such claims to the monies held in the Trust Account, our management will perform an analysis of the alternatives available to it and will only enter into an agreement with a third party that has not executed a waiver if management believes that such third party's engagement would be significantly more beneficial to us than any alternative. Making such a request of potential target businesses may make our acquisition proposal less attractive to them and, to the extent prospective target businesses refuse to execute such a waiver, it may limit the field of potential target businesses that we might pursue.

Examples of possible instances where we may engage a third party that refuses to execute a waiver include the engagement of a third-party consultant whose particular expertise or skills are believed by management to be significantly superior to those of other consultants that would agree to execute a waiver or in cases where management is unable to find a service provider willing to execute a waiver. In addition, there is no guarantee that such entities will agree to waive any claims they may have in the future as a result of, or arising out of, any negotiations, contracts or agreements with us and will not seek recourse against the Trust Account for any reason. Upon redemption of our public shares, if we are unable to complete our initial business combination by September 1, 2023, or upon the exercise of a redemption right in connection with our initial business combination, we will be required to provide for payment of claims of creditors that were not waived that may be brought against us within the 10 years following redemption. Accordingly, the per-share redemption amount received by public stockholders could be less than the $10.00 per share initially held in the Trust Account, due to claims of such creditors. Our sponsor has agreed that it will be liable to us if and to the extent any claims by a vendor for services rendered or products sold to us, or a prospective target business with which we have discussed entering into a transaction agreement, reduce the amount of funds in the Trust Account to below (i) $10.00 per public share or (ii) such lesser amount per public share held in the Trust Account as of the date of the liquidation of the Trust Account due to reductions in the value of the trust assets, in each case net of the interest which may be withdrawn to pay taxes as well as expenses relating to administration of the Trust Account. This liability will not apply with respect to any claims by a third party who executed a waiver of any and all rights to seek access to the Trust Account and except as to any claims under our indemnity of the underwriters of our initial public offering against certain liabilities, including liabilities under the Securities Act. Moreover, in the event that an executed waiver is deemed to be

unenforceable against a third party, then our sponsor will not be responsible to the extent of any liability for such third-party claims. We have not independently verified whether our sponsor has sufficient funds to satisfy its indemnity obligations and believe that our sponsor's only assets are securities of our company. We have not asked our sponsor to reserve for such indemnification obligations. Therefore, we cannot assure you that our sponsor would be able to satisfy those obligations. As a result, if any such claims were successfully made against the Trust Account, the funds available for our initial business combination and redemptions could be reduced to less than $10.00 per public share. In such event, we may not be able to complete our initial business combination, and you would receive such lesser amount per share in connection with any redemption of your public shares. None of our directors and officers will indemnify us for claims by third parties including, without limitation, claims by vendors and prospective target businesses.

Our independent directors may decide not to enforce the indemnification obligations of our sponsor, resulting in a reduction in the amount of funds in the Trust Account available for distribution to our public stockholders.

In the event that the proceeds in the Trust Account are reduced below the lesser of (i) $10.00 per public share or (ii) such lesser amount per share held in the Trust Account as of the date of the liquidation of the Trust Account due to reductions in the value of the trust assets, in each case net of the interest which may be withdrawn to pay taxes as well as expenses relating to administration of the Trust Account, and our sponsor asserts that it is unable to satisfy its obligations or that it has no indemnification obligations related to a particular claim, our independent directors would determine whether to take legal action against our sponsor to enforce its indemnification obligations.

While we currently expect that our independent directors would take legal action on our behalf against our sponsor to enforce its indemnification obligations to us, it is possible that our independent directors in exercising their business judgment may choose not to do so if, for example, the cost of such legal action is deemed by the independent directors to be too high relative to the amount recoverable or if the independent directors determine that a favorable outcome is not likely. If our independent directors choose not to enforce these indemnification obligations, the amount of funds in the Trust Account available for distribution to our public stockholders may be reduced below $10.00 per share.

We may not have sufficient funds to satisfy indemnification claims of our directors and executive officers.

We have agreed to indemnify our directors and executive officers to the fullest extent permitted by law. However, our directors and executive officers have agreed to waive any right, title, interest or claim of any kind in or to any monies in the Trust Account and to not seek recourse against the Trust Account for any reason whatsoever. Accordingly, any indemnification provided will be able to be satisfied by us only if: (i) we have sufficient funds outside of the Trust Account or (ii) we consummate an initial business combination. Our obligation to indemnify our directors and executive officers may discourage stockholders from bringing a lawsuit against our directors, directors and executive officers for breach of their fiduciary duties. These provisions also may have the effect of reducing the likelihood of derivative litigation against our directors and executive officers, even though such an action, if successful, might otherwise benefit us and our stockholders. Furthermore, a stockholder's investment may be adversely affected to the extent we pay the costs of settlement and damage awards against our directors and executive officers pursuant to these indemnification provisions.

If, after we distribute the proceeds in the Trust Account to our public stockholders, we file a bankruptcy petition or an involuntary bankruptcy petition is filed against us that is not dismissed, a bankruptcy court may seek to recover such proceeds, and we and our board may be exposed to claims of punitive damages.

If, after we distribute the proceeds in the Trust Account to our public stockholders, we file a bankruptcy petition or an involuntary bankruptcy petition is filed against us that is not dismissed, any distributions received by stockholders could be viewed under applicable debtor/creditor and/or bankruptcy laws as either a "preferential transfer" or a "fraudulent conveyance." As a result, a bankruptcy court could seek to recover all amounts received by our stockholders. In addition, our Board may be viewed as having breached its fiduciary duty to our creditors and/or having acted in bad faith, thereby exposing itself and us to claims of punitive damages, by paying public stockholders from the Trust Account prior to addressing the claims of creditors.

If, before distributing the proceeds in the Trust Account to our public stockholders, we file a bankruptcy petition or an involuntary bankruptcy petition is filed against us that is not dismissed, the claims of creditors in such proceeding may have priority over the claims of our stockholders and the per-share amount that would otherwise be received by our stockholders in connection with our liquidation may be reduced.

If, before distributing the proceeds in the Trust Account to our public stockholders, we file a bankruptcy petition or an involuntary bankruptcy petition is filed against us that is not dismissed, the proceeds held in the Trust Account could be subject to applicable bankruptcy law, and may be included in our bankruptcy estate and subject to the claims of third parties with priority over the claims of our stockholders. To the extent any bankruptcy claims deplete the Trust Account, the per-share amount that would otherwise be received by our stockholders in connection with our liquidation may be reduced.

If we are deemed to be an investment company for purposes of the Investment Company Act, we may be required to institute burdensome compliance requirements and our activities may be severely restricted. As a result, in such circumstances, we may elect to abandon our efforts to complete our initial business combination and instead choose to liquidate the Company.

On March 30, 2022, the SEC issued proposed rules (the "SPAC Rule Proposals") relating, among other items, to the circumstances in which SPACs such as Flame could potentially be subject to the Investment Company Act and the regulations thereunder. The SPAC Rule Proposals would provide a safe harbor for such companies from the definition of "investment company" under Section 3(a)(1)(A) of the Investment Company Act, provided that a SPAC satisfies certain criteria, including a limited time period to announce and complete a de-SPAC transaction. Specifically, to comply with the safe harbor, the SPAC Rule Proposals would require a company to file a report on Form 8-K announcing that it has entered into an agreement with a target company for a business combination no later than 18 months after the effective date of its registration statement for its initial public offering (the "IPO Registration Statement"). To avail itself of the safe harbor in the SPAC Rule Proposal, a company would then be required to complete its initial business combination no later than 24 months after the effective date of its IPO Registration Statement.

Flame completed the IPO in February 2021 and has operated as a blank check company searching for a target business with which to consummate an initial business combination since such time until its announcement regarding the potential Business Combination with

Sable on November 2, 2022. It is possible that a claim could be made that Flame has been operating as an unregistered investment company.

If we are deemed to be an investment company under the Investment Company Act, our activities would be severely restricted, including:

- restrictions on the nature of our investments; and
- restrictions on the issuance of securities, each of which may make it difficult for us to complete our initial business combination.

In addition, we may be required to institute burdensome compliance requirements, including:

- registration as an investment company;
- adoption of a specific form of corporate structure; and
- reporting, record keeping, voting, proxy and disclosure requirements and other rules and regulations.

In order not to be regulated as an investment company under the Investment Company Act, unless we can qualify for an exclusion, we must ensure that we are engaged primarily in a business other than investing, reinvesting or trading of securities and that our activities do not include investing, reinvesting, owning, holding or trading "investment securities" constituting more than 40% of our total assets (exclusive of U.S. government securities and cash items) on an unconsolidated basis. Our business will be to identify and complete a business combination and thereafter to operate the post-transaction business or assets for the long term. We do not plan to buy businesses or assets with a view to resale or profit from their resale. We do not plan to buy unrelated businesses or assets or to be a passive investor.

We do not believe that our principal activities will subject us to regulation as an investment company under the Investment Company Act. However, if we are deemed to be an investment company and subject to compliance with and regulation under the Investment Company Act, we may be subject to additional regulatory burdens and expenses for which we have not allotted funds. In addition, unless we were able to modify our activities so that we would not be deemed an investment company, we may fail to satisfy a condition in the Merger Agreement, which could result in the termination of the Merger Agreement. After any such termination, we may instead be required to wind up, redeem and liquidate. If we are required to liquidate, our stockholders will miss the opportunity to benefit from an investment in a target company and the potential appreciation in value of such investment through our proposed Business Combination. Additionally, if we are required to liquidate, there will be no redemption rights or liquidating distributions with respect to our warrants, which will expire worthless in the event of our winding up. To this end, the proceeds held in the Trust Account may only be invested in United States "government securities" within the meaning of Section 2(a)(16) of the Investment Company Act having a maturity of 185 days or less or in money market funds meeting certain conditions under Rule 2a-7 promulgated under the Investment Company Act that invest only in direct U.S. government treasury obligations. Pursuant to the trust agreement, the trustee will not be permitted to invest in other securities or assets. By restricting the investment of the proceeds to these instruments, and by having a business plan targeted at acquiring and growing businesses for the long term (rather than on buying and selling businesses in the manner of a merchant bank or private equity fund), we intend to avoid being deemed an "investment company" within the meaning of the Investment Company Act. The Trust Account is intended as a holding place for funds pending the earliest to occur of: (i) the completion of our primary business objective, which is a business combination; (ii) the redemption of any public shares properly submitted in connection with a stockholder vote to amend our amended and restated certificate of incorporation (A) to modify the substance or timing of our obligation to allow redemption in connection with our initial business combination or redeem 100% of our public shares if we do not complete our initial business combination by September 1, 2023 or (B) with respect to any other provision relating to stockholders' rights or pre-initial business combination activity; or (iii) absent a business combination, our return of the funds held in the Trust Account to our public stockholders as part of our redemption of the public shares. If we do not invest the proceeds as discussed above, we may be deemed to be subject to the Investment Company Act. If we were deemed to be subject to the Investment Company Act, compliance with these additional regulatory burdens would require additional expenses for which we have not allotted funds and may hinder our ability to complete a business combination. If we are unable to complete our initial business combination, our public stockholders may receive only approximately $10.00 per share on the liquidation of the Trust Account and our warrants will expire worthless. In certain circumstances, our public stockholders may receive less than $10.00 per share on the redemption of their shares. See "-If third parties bring claims against us, the proceeds held in the Trust Account could be reduced and the per-share redemption amount received by stockholders may be less than $10.00 per share" and other risk factors in this section.

To mitigate the risk that we might be deemed to be an investment company for purposes of the Investment Company Act, we have instructed the trustee to liquidate the securities held in the Trust Account and instead to hold the funds in the Trust Account in cash (which may include an interest bearing demand deposit account at a national bank) until the earlier of the consummation of a business combination or our liquidation. As a result, following sale of securities in the Trust Account, if any, we would likely receive minimal interest, if any, on the funds held in the Trust Account, which could reduce the dollar amount the public stockholders would receive upon any redemption or liquidation of Flame.

The funds in the Trust Account had, since the IPO, been held only in U.S. government treasury obligations with a maturity of 185 days or less or in money market funds investing solely in U.S. government treasury obligations and meeting certain conditions under Rule 2a-7 under the Investment Company Act. To mitigate the risk of us being deemed to be an unregistered investment company (including under the subjective test of Section 3(a)(1)(A) of the Investment Company Act) and thus subject to regulation under the Investment Company Act, on February 21, 2023, we instructed the trustee with respect to the Trust Account to transfer the U.S. government treasury obligations or money market funds held in the Trust Account and, thereafter, to hold all funds in the Trust Account in cash (which may include an interest bearing demand deposit account at a national bank) until the earlier of consummation of a business combination or liquidation of Flame. Following such sale of the securities held in the Trust Account, we will likely receive minimal interest, if any, on the funds held in the Trust Account. However, interest previously earned on the funds held in the Trust Account still may be released to us to pay our taxes, if any, and certain other expenses as permitted. As a result, the decision to hold all funds in the Trust Account in cash (which may include an interest bearing demand deposit account at a national bank) could reduce the dollar amount the public stockholders would receive upon any redemption or liquidation of Flame.

Changes in laws or regulations, or a failure to comply with any laws and regulations, may adversely affect our business, including our ability to negotiate and complete our initial business combination, investments and results of operations.

We are subject to laws and regulations enacted by national, regional and local governments. In particular, we are required to comply with certain SEC and other legal requirements. Compliance with, and monitoring of, applicable laws and regulations may be difficult, time consuming and costly. Those laws and regulations and their interpretation and application may also change from time to time and those changes could have a material adverse effect on our business, investments and results of operations. In addition, a failure to comply with applicable laws or regulations, as interpreted and applied, could have a material adverse effect on our business, including our ability to negotiate and complete our initial business combination, investments and results of operations.

On March 30, 2022, the SEC issued proposed rules that would, among other items, impose additional disclosure requirements in initial public offerings by SPACs and business combination transactions involving SPACs and private operating companies; amend the financial statement requirements applicable to business combination transactions involving such companies; update and expand guidance regarding the general use of projections in SEC filings, as well as when projections are disclosed in connection with proposed business combination transactions; increase the potential liability of certain participants in proposed business combination transactions; and impact the extent to which SPACs could become subject to regulation under the Investment Company Act of 1940. These rules, if adopted, whether in the form proposed or in revised form, may materially adversely affect our business, including our ability to negotiate and complete our initial business combination and may increase the costs and time related thereto.

Our stockholders may be held liable for claims by third parties against us to the extent of distributions received by them upon redemption of their shares.

Under the DGCL, stockholders may be held liable for claims by third parties against a corporation to the extent of distributions received by them in a dissolution. The pro rata portion of the Trust Account distributed to our public stockholders upon the redemption of our public shares in the event we do not complete our initial business combination by September 1, 2023 may be considered a liquidating distribution under Delaware law. If a corporation complies with certain procedures set forth in Section 280 of the DGCL intended to ensure that it makes reasonable provision for all claims against it, including a 60-day notice period during which any third-party claims can be brought against the corporation, a 90-day period during which the corporation may reject any claims brought, and an additional 150-day waiting period before any liquidating distributions are made to stockholders, any liability of stockholders with respect to a liquidating distribution is limited to the lesser of such stockholder's pro rata share of the claim or the amount distributed to the stockholder, and any liability of the stockholder would be barred after the third anniversary of the dissolution. However, it is our intention to redeem our public shares as soon as reasonably possible following September 1, 2023 in the event we do not complete our initial business combination and, therefore, we do not intend to comply with the foregoing procedures.

Because we will not be complying with Section 280, Section 281(b) of the DGCL requires us to adopt a plan, based on facts known to us at such time that will provide for our payment of all existing and pending claims or claims that may be potentially brought against us within the 10 years following our dissolution. However, because we are a blank check company, rather than an operating company, and our operations will be limited to searching for prospective target businesses to acquire, the only likely claims to arise would be from our vendors (such as lawyers, investment bankers, etc.) or prospective target businesses. If our plan of distribution complies with Section 281(b) of the DGCL, any liability of stockholders with respect to a liquidating distribution is limited to the lesser of such stockholder's pro rata share of the claim or the amount distributed to the stockholder, and any liability of the stockholder would likely be barred after the third anniversary of the dissolution. We cannot assure you that we will properly assess all claims that may be potentially brought against us. As such, our stockholders could potentially be liable for any claims to the extent of distributions received by them (but no more) and any

liability of our stockholders may extend beyond the third anniversary of such date. Furthermore, if the pro rata portion of the Trust Account distributed to our public stockholders upon the redemption of our public shares in the event we do not complete our initial business combination by September 1, 2023 is not considered a liquidating distribution under Delaware law and such redemption distribution is deemed to be unlawful, then pursuant to Section 174 of the DGCL, the statute of limitations for claims of creditors could then be six years after the unlawful redemption distribution, instead of three years, as in the case of a liquidating distribution.

We may not hold an annual meeting of stockholders until after the consummation of our initial business combination, which could delay the opportunity for our stockholders to elect directors.

In accordance with the NYSE corporate governance requirements, we are not required to hold an annual meeting until no later than one year after our first fiscal year end following our listing on the NYSE. Under Section 211(b) of the DGCL, we are, however, required to hold an annual meeting of stockholders for the purposes of electing directors in accordance with our bylaws unless such election is made by written consent in lieu of such a meeting. We may not hold an annual meeting of stockholders to elect new directors prior to the consummation of our initial business combination, and thus we may not be in compliance with Section 211(b) of the DGCL, which requires an annual meeting. Therefore, if our stockholders want us to hold an annual meeting prior to the consummation of our initial business combination, they may attempt to force us to hold one by submitting an application to the Delaware Court of Chancery in accordance with Section 211(c) of the DGCL. Until we hold an annual meeting of stockholders, our public stockholders may not be afforded the opportunity to discuss company affairs with management.

The grant of registration rights to our initial stockholders and their permitted transferees may make it more difficult to complete our initial business combination, and the future exercise of such rights may adversely affect the market price of our Class A common stock.

Pursuant to an agreement entered into concurrently with the issuance and sale of the securities in our initial public offering, our initial stockholders and their permitted transferees can demand that we register their founder shares, after those shares convert to our Class A common stock at the time of our initial business combination. In addition, holders of our private placement warrants and their permitted transferees can demand that we register the private placement warrants and the Class A common stock issuable upon exercise of the private placement warrants, and holders of warrants that may be issued upon conversion of working capital loans may demand that we register such warrants or the Class A common stock issuable upon exercise of such warrants. We will bear the cost of registering these securities. The registration and availability of such a significant number of securities for trading in the public market may have an adverse effect on the market price of our Class A common stock. In addition, the existence of the registration rights may make our initial business combination more costly or difficult to conclude. This is because the stockholders of the target business may increase the equity stake they seek in the combined entity or ask for more cash consideration to offset the negative impact on the market price of our Class A common stock that is expected when the common stock owned by our initial stockholders, holders of our private placement warrants or holders of our working capital loans or their respective permitted transferees are registered.

Because we are not limited to a particular industry, sector, geography or any specific target businesses with which to pursue our initial business combination, you will be unable to ascertain the merits or risks of any particular target business' operations.

Although we expect to focus our search for a target business in the energy industry in North America, we may seek to complete a business combination with an operating company in any industry, geography or sector. However, we will not, under our amended and restated certificate of incorporation, be permitted to complete our initial business combination with another blank check company or similar company with nominal operations. Because we have not yet selected or approached any specific target business with respect to a business combination, there is no basis to evaluate the possible merits or risks of any particular target business's operations, results of operations, cash flows, liquidity, financial condition or prospects. To the extent we complete our initial business combination, we may be affected by numerous risks inherent in the business operations with which we combine. For example, if we combine with a financially unstable business or an entity lacking an established record of revenues or earnings, we may be affected by the risks inherent in the business and operations of a financially unstable or a development stage entity. Although our officers and directors will endeavor to evaluate the risks inherent in a particular target business, we cannot assure you that we will properly ascertain or assess all the significant risk factors or that we will have adequate time to complete due diligence. Furthermore, some of these risks may be outside of our control and leave us with no ability to control or reduce the chances that those risks will adversely impact a target business. We also cannot assure you that an investment in our units will ultimately prove to be more favorable to investors than a direct investment, if such opportunity were available, in a business combination target. Accordingly, any stockholder or warrant holder who chooses to remain a stockholder or warrant holder, respectively, following the business combination could suffer a reduction in the value of their securities. Such stockholders and warrant holders are unlikely to have a remedy for such reduction in value.

Because we intend to seek a business combination with a target business in the energy industry in North America, we expect our future operations to be subject to risks associated with this sector.

We intend to focus our search for a target business in the energy industry. Because we have not yet identified or approached any specific target business, we cannot provide specific risks of any business combination. However, risks inherent in investments in the energy industry include, but are not limited to, the following:

- volatility of oil and natural gas prices;
- price and availability of alternative fuels, such as solar, coal, nuclear and wind energy;
- significant federal, state and local regulation, taxation and regulatory approval processes as well as changes in applicable legislation, laws and regulations;
- denial or delay of receiving requisite regulatory approvals and/or permits;
- the speculative nature of and high degree of risk involved in investments in the upstream, midstream and energy services sectors, including relying on estimates of oil and gas reserves and the impacts of regulatory and tax changes;
- exploration and development risks, which could lead to environmental damage, injury and loss of life or the destruction of property;
- drilling, exploration and development risks, including encountering unexpected formations or pressures, premature declines of reservoirs, blow-outs, equipment failures and other accidents, cratering, sour gas releases, uncontrollable flows of oil, natural gas or well fluids, adverse weather conditions, pollution, fires, spills and other environmental risks, any of which could lead to environmental damage, injury and loss of life or the destruction of property;
- proximity and capacity of oil, natural gas and other transportation and support infrastructure to production facilities;
- availability of key inputs, such as strategic consumables and raw materials and drilling and processing equipment;
- available pipeline, storage and other transportation capacity;
- changes in global supply and demand and prices for commodities;
- impact of energy conservation efforts;
- technological advances affecting energy production and consumption;
- overall domestic and global economic conditions;
- availability of, and potential disputes with, independent contractors;
- global warming, adverse weather conditions, natural disasters or other events (such as equipment malfunctions, explosions, fires or spills);
- value of U.S. dollar relative to the currencies of other countries; and
- terrorist acts.

Past performance by our team, including investments and transactions in which they have participated and businesses with which they have been associated, may not be indicative of future performance of an investment in us, and we may be unable to provide positive returns to shareholders.

Information regarding performance by our team is presented for informational purposes only. Past performance of our team is not a guarantee of the consummation of a successful business combination or our ability to successfully identify and execute a transaction. Certain of our officers, directors and advisors have had management and deal execution experience with special purpose acquisition corporations in the past. You should not rely on the historical record of members of our team or their respective affiliates as indicative of future performance of an investment in us or the returns we will, or are likely to, generate going forward. Additionally, in the course of their respective careers, members of our management team and Board have been involved in businesses and deals that were unsuccessful.

We may seek acquisition opportunities in industries or sectors which may or may not be outside of our management's area of expertise.

We will consider a business combination outside of our management's area of expertise if a business combination candidate is presented to us and we determine that such candidate offers an attractive acquisition opportunity for our company. Although our management will endeavor to evaluate the risks inherent in any particular business combination candidate, we cannot assure you that we will adequately ascertain or assess all the significant risk factors. We also cannot assure you that an investment in our units will not ultimately prove to be less favorable to investors in our initial public offering than a direct investment, if an opportunity were available, in a business combination candidate. In the event we elect to pursue an acquisition outside of the areas of our management's expertise, our management's expertise may not be directly applicable to its evaluation or operation, and the information contained herein regarding the areas of our management's expertise would not be relevant to an understanding of the business that we elect to acquire. As a result, our management may not be able to adequately ascertain or assess all the significant risk factors. Accordingly, any stockholder or warrant holder who chooses to remain a stockholder or warrant holder, respectively, following our initial business combination could suffer a reduction in the value of their securities. Such stockholders and warrant holders are unlikely to have a remedy for such reduction in value.

Although we have identified general criteria and guidelines that we believe are important in evaluating prospective target businesses, we may enter into our initial business combination with a target that does not meet such criteria and guidelines, and as a result, the target business with which we enter into our initial business combination may not have attributes entirely consistent with our general criteria and guidelines.

Although we have identified general criteria and guidelines for evaluating prospective target businesses, it is possible that a target business with which we enter into our initial business combination will not have all of these positive attributes. If we complete our initial business combination with a target that does not meet some or all of these criteria and guidelines, such combination may not be as successful as a combination with a business that does meet all of our general criteria and guidelines. In addition, if we announce a prospective business combination with a target that does not meet our general criteria and guidelines, a greater number of stockholders may exercise their redemption rights, which may make it difficult for us to meet any closing condition with a target business that requires us to have a minimum net worth or a certain amount of cash. In addition, if stockholder approval of the transaction is required by applicable law or stock exchange listing requirements, or we decide to obtain stockholder approval for business or other legal reasons, it may be more difficult for us to attain stockholder approval of our initial business combination if the target business does not meet our general criteria and guidelines. If we are unable to complete our initial business combination, our public stockholders may receive only approximately $10.00 per share, or less in certain circumstances, on the liquidation of the Trust Account and our warrants will expire worthless. In certain circumstances, our public stockholders may receive less than $10.00 per share on the redemption of their shares. See "-If third parties bring claims against us, the proceeds held in the Trust Account could be reduced and the per-share redemption amount received by stockholders may be less than $10.00 per share" and other risk factors in this section.

We may seek acquisition opportunities with an early stage company, a financially unstable business or an entity lacking an established record of revenue or earnings, which could subject us to volatile revenues or earnings or difficulty in retaining key personnel.

To the extent we complete our initial business combination with an early stage company, a financially unstable business or an entity lacking an established record of revenues or earnings, we may be affected by numerous risks inherent in the operations of the business with which we combine. These risks include investing in a business without a proven business model and with limited historical financial data, volatile revenues or earnings and difficulties in obtaining and retaining key personnel. Although our officers and directors will endeavor to evaluate the risks inherent in a particular target business, we may not be able to properly ascertain or assess all the significant risk factors and we may not have adequate time to complete due diligence. Furthermore, some of these risks may be outside of our control and leave us with no ability to control or reduce the chances that those risks will adversely impact a target business.

We are not required to obtain an opinion from an independent investment banking firm or from an independent accounting firm, and consequently, you may have no assurance from an independent source that the price we are paying for the business is fair to our company from a financial point of view.

Unless we complete our initial business combination with an affiliated entity or our board cannot independently determine the fair market value of the target business or businesses, we are not required to obtain an opinion from an independent investment banking firm that is a member of FINRA or from an independent accounting firm that the price we are paying is fair to our company from a financial point of view. If no opinion is obtained, our stockholders will be relying on the judgment of our Board, who will determine fair market value based on standards generally accepted by the financial community. Such standards used will be disclosed in our proxy solicitation or tender offer materials, as applicable, related to our initial business combination.

We may issue additional shares of common stock or preferred stock to complete our initial business combination, and may issue shares of common stock to redeem the warrants or issue shares of common stock or preferred stock under an employee incentive plan after completion of our initial business combination. We may also issue shares of Class A common stock upon the conversion of the Class B common stock at a ratio greater than one-to-one at the time of our initial business combination as a result of the anti-dilution provisions contained in our amended and restated certificate of incorporation. Any such issuances would dilute the interest of our stockholders and likely present other risks.

Our amended and restated certificate of incorporation authorizes the issuance of up to 200,000,000 shares of Class A common stock, par value $0.0001 per share, 20,000,000 shares of Class B common stock, par value $0.0001 per share, and 1,000,000 shares of preferred stock, par value $0.0001 per share. There are currently 191,567,255 and 12,812,500 authorized but unissued shares of Class A common stock and Class B common stock, respectively, available for issuance, which amount does not take into account the shares of Class A common stock reserved for issuance upon exercise of any outstanding warrants or the shares of Class A common stock issuable upon conversion of Class B common stock. There are no shares of preferred stock issued and outstanding. Shares of Class B common stock

are convertible into shares of our Class A common stock initially at a one-for-one ratio but subject to adjustment as set forth herein, including in certain circumstances in which we issue Class A common stock or equity-linked securities related to our initial business combination.

We may issue a substantial number of additional shares of common or preferred stock to complete our initial business combination (including pursuant to a specified future issuance). After the completion of our initial business combination, we may issue a substantial number of additional shares of common stock to redeem the warrants or shares of common or preferred stock under an employee incentive plan. We may also issue shares of Class A common stock upon conversion of the Class B common stock at a ratio greater than one-to-one at the time of our initial business combination as a result of the anti-dilution provisions contained in our amended and restated certificate of incorporation. However, our amended and restated certificate of incorporation will provide, among other things, that prior to our initial business combination, we may not issue additional shares of capital stock that would entitle the holders thereof to (i) receive funds from the Trust Account or (ii) vote on any initial business combination. The issuance of additional shares of common or preferred stock:

- may significantly dilute the equity interest of our investors, which dilution would increase if the anti-dilution provisions in the Class B common stock resulted in the issuance of shares of Class A common stock on a greater than one-to-one basis upon conversion of the Class B common stock;
- may subordinate the rights of holders of common stock if preferred stock is issued with rights senior to those afforded our common stock;
- could cause a change of control if a substantial number of shares of our common stock is issued, which may affect, among other things, our ability to use our net operating loss carry forwards, if any, and could result in the resignation or removal of our present officers and directors;
- may have the effect of delaying or preventing a change of control of us by diluting the stock ownership or voting rights of a person seeking to obtain control of us;
- may adversely affect prevailing market prices for our units, Class A common stock and/or warrants; and
- may not result in adjustment to the exercise price of our warrants.

Resources could be wasted in researching acquisitions that are not completed, which could materially adversely affect subsequent attempts to locate and acquire or merge with another business. If we are unable to complete our initial business combination, our public stockholders may receive only approximately $10.00 per share, or less than such amount in certain circumstances, on the liquidation of the Trust Account and our warrants will expire worthless.

We anticipate that the investigation of each specific target business and the negotiation, drafting and execution of relevant agreements, disclosure documents and other instruments will require substantial management time and attention and substantial costs for accountants, attorneys and others. If we decide not to complete a specific initial business combination, the costs incurred up to that point for the proposed transaction likely would not be recoverable. Furthermore, if we reach an agreement relating to a specific target business, we may fail to complete our initial business combination for any number of reasons including those beyond our control. Any such event will result in a loss to us of the related costs incurred which could materially adversely affect subsequent attempts to locate and acquire or merge with another business. If we are unable to complete our initial business combination, our public stockholders may receive only approximately $10.00 per share on the liquidation of the Trust Account and our warrants will expire worthless. In certain circumstances, our public stockholders may receive less than $10.00 per share on the redemption of their shares. See “-If third parties bring claims against us, the proceeds held in the Trust Account could be reduced and the per-share redemption amount received by stockholders may be less than $10.00 per share” and other risk factors in this section.

We may engage in a business combination with one or more target businesses that have relationships with entities that may be affiliated with our sponsor, officers, directors or existing holders which may raise potential conflicts of interest.

In light of the involvement of our sponsor, officers and directors with other entities, we may decide to acquire one or more businesses affiliated with our sponsor, officers or directors. Our directors also serve as officers and board members for other entities. Such entities may compete with us for business combination opportunities. Our sponsor, officers and directors are not currently aware of any specific opportunities for us to complete our initial business combination with any entities with which they are affiliated, and there

have been no preliminary discussions concerning a business combination with any such entity or entities. Although we will not be specifically focusing on, or targeting, any transaction with any affiliated entities, we would pursue such a transaction if we determined that such affiliated entity met our criteria for a business combination as set forth in the section of this annual report entitled “Business-Acquisition Criteria” and such transaction was approved by a majority of our disinterested directors. Despite our agreement to obtain an opinion from an independent investment banking firm that is a member of FINRA, or from an independent accounting firm, regarding the

fairness to our company from a financial point of view of a business combination with one or more domestic or international businesses affiliated with our officers, directors or existing holders, potential conflicts of interest still may exist and, as a result, the terms of the business combination may not be as advantageous to our public stockholders as they would be absent any conflicts of interest.

Since our initial stockholders will lose their entire investment in us if our initial business combination is not completed and our officers and directors may have differing personal and financial interests than you, a conflict of interest may arise in determining whether a particular business combination target is appropriate for our initial business combination.

In November 2020, our founders acquired 7,187,500 founder shares for an aggregate purchase price of $25,000, or approximately $0.0035 per share. Our sponsor purchased 4,671,875 founder shares, FL Co-Investment purchased 1,257,813 founder shares and Intrepid Financial Partners purchased 1,257,812 founder shares. Also in November 2020, our sponsor transferred 434,375 founder shares to our independent director nominees and certain individuals, including Gregory D. Patrinely, our Executive Vice President and Chief Financial Officer, at their original purchase price. Simultaneously with such transfer, each of FL Co-Investment and Intrepid Financial Partners transferred 13,125 founder shares to our sponsor, respectively, at their original purchase price. Prior to the initial investment in the company of $25,000 by our founders we had no assets, tangible or intangible. The number of founder shares issued was determined based on the expectation that such founder shares would represent 20% of the outstanding shares after our initial public offering.

The founder shares will be worthless if we do not complete an initial business combination. In addition, our initial stockholders purchased an aggregate of 7,750,000 private placement warrants, each exercisable for one share of our Class A common stock at $11.50 per share, for a purchase price of $7,750,000, or $1.00 per whole warrant, that will also be worthless if we do not complete a business combination.

Our founders, directors and officers have agreed (A) to vote any shares owned by them in favor of any proposed business combination pursuant to a letter agreement that our founders, directors and officers have entered into with us and (B) pursuant to such letter agreement, our founders, officers and directors have agreed to waive (i) their redemption rights with respect to any founder shares and any public shares held by them in connection with the completion of our initial business combination, (ii) their redemption rights with respect to any founder shares and public shares held by them in connection with a stockholder vote to amend our amended and restated certificate of incorporation (A) to modify the substance or timing of our obligation to allow redemption in connection with our initial business combination or to redeem 100% of our public shares if we do not complete our initial business combination by September 1, 2023 or (B) with respect to any other provision relating to stockholders' rights or pre-initial business combination activity and (iii) their rights to liquidating distributions from the Trust Account with respect to any founder shares held by them if we fail to complete our initial business combination by September 1, 2023, although they will be entitled to liquidating distributions from the Trust Account with respect to any public shares they hold if we fail to complete our initial business combination by September 1, 2023; (4) the founder shares will automatically convert into shares of our Class A common stock at the time of our initial business combination, on a one-for-one basis, subject to adjustment pursuant to certain anti-dilution rights, as described in more detail below; and (5) the founder shares are entitled to registration rights.

In addition, we may obtain loans from our sponsor, affiliates of our sponsor or an officer or director. The personal and financial interests of our officers and directors may influence their motivation in identifying and selecting a target business combination, completing an initial business combination and influencing the operation of the business following the initial business combination. This risk may become more acute as the deadline for completing our initial business combination nears.

Since our initial stockholders paid only approximately $0.0035 per share for the founder shares, our officers and directors could potentially make a substantial profit even if we acquire a target business that subsequently declines in value.

In November 2020, our founders acquired 7,187,500 founder shares for an aggregate purchase price of $25,000, or approximately $0.0035 per share. Our sponsor purchased 4,671,875 founder shares, FL Co-Investment purchased 1,257,813 founder shares and Intrepid Financial Partners purchased 1,257,812 founder shares. Also in November 2020, our sponsor transferred 434,375 founder shares to our independent directors and certain individuals, including Gregory D. Patrinely, our Executive Vice President and Chief Financial Officer, at their original purchase price. Simultaneously with such transfer, each of FL Co-Investment and Intrepid Financial Partners transferred 13,125 founder shares to our sponsor, respectively, at their original purchase price. Our officers and directors have a significant economic interest in our sponsor. As a result, the low acquisition cost of the founder shares creates an economic incentive whereby our officers and directors could potentially make a substantial profit even if we acquire a target business that subsequently declines in value and is unprofitable for public investors.

We may issue notes or other debt securities, or otherwise incur substantial debt, to complete a business combination, which may adversely affect our leverage and financial condition and thus negatively impact the value of our stockholders' investment in us.

Although we currently have no commitments to issue any notes or other debt securities, or to otherwise incur outstanding debt, we may choose to incur substantial debt to complete our initial business combination. We have agreed that we will not incur any indebtedness unless we have obtained from the lender a waiver of any right, title, interest or claim of any kind in or to the monies held in the Trust Account. As such, no issuance of debt will affect the per-share amount available for redemption from the Trust Account. Nevertheless, the incurrence of debt could have a variety of negative effects, including:

- default and foreclosure on our assets if our operating revenues after an initial business combination are insufficient to repay our debt obligations;
- acceleration of our obligations to repay the indebtedness even if we make all principal and interest payments when due if we breach certain covenants that require the maintenance of certain financial ratios or reserves without a waiver or renegotiation of that covenant;
- our immediate payment of all principal and accrued interest, if any, if the debt security is payable on demand;
- our inability to obtain necessary additional financing if the debt security contains covenants restricting our ability to obtain such financing while the debt security is outstanding;
- our inability to pay dividends on our common stock;
- using a substantial portion of our cash flow to pay principal and interest on our debt, which will reduce the funds available for dividends on our common stock if declared, our ability to pay expenses, make capital expenditures and acquisitions, and fund other general corporate purposes;
- limitations on our flexibility in planning for and reacting to changes in our business and in the industry in which we operate;
- increased vulnerability to adverse changes in general economic, industry and competitive conditions and adverse changes in government regulation;
- limitations on our ability to borrow additional amounts for expenses, capital expenditures, acquisitions, debt service requirements, and execution of our strategy; and
- other disadvantages compared to our competitors who have less debt.

We may only be able to complete one business combination with the proceeds of our initial public offering and the sale of the private placement warrants, which will cause us to be solely dependent on a single business which may have a limited number of products or services. This lack of diversification may negatively impact our operations and profitability.

The amount of the net proceeds from our initial public offering and the sale of the private placement warrants available to complete our initial business combination and pay related fees and expenses (which includes up to $10,062,500 for the payment of the Marketing Fee) was $277,437,500 as of December 31, 2022 (or $71,316,440 after the redemptions of Ordinary Shares that occurred on March 2, 2023).

We may complete our initial business combination with a single target business or multiple target businesses simultaneously or within a short period of time. However, we may not be able to complete our initial business combination with more than one target business because of various factors, including the existence of complex accounting issues and the requirement that we prepare and file pro forma financial statements with the SEC that present operating results and the financial condition of several target businesses as if they had been operated on a combined basis. By completing our initial business combination with only a single entity, our lack of diversification may subject us to numerous economic, competitive and regulatory developments. Further, we would not be able to diversify our operations or benefit from the possible spreading of risks or offsetting of losses, unlike other entities which may have the resources to complete several business combinations in different industries or different areas of a single industry. In addition, we intend to focus our search for an initial business combination in a single industry. Accordingly, the prospects for our success may be:

- solely dependent upon the performance of a single business, property or asset; or
- dependent upon the development or market acceptance of a single or limited number of products, processes or services.

This lack of diversification may subject us to numerous economic, competitive and regulatory developments, any or all of which may have a substantial adverse impact upon the particular industry in which we may operate subsequent to our initial business combination.

We may attempt to simultaneously complete business combinations with multiple prospective targets, which may hinder our ability to complete our initial business combination and give rise to increased costs and risks that could negatively impact our operations and profitability.

If we determine to simultaneously acquire several businesses that are owned by different sellers, we will need for each of such sellers to agree that our purchase of its business is contingent on the simultaneous closings of the other business combinations, which may make it more difficult for us, and delay our ability, to complete our initial business combination. With multiple business combinations, we could also face additional risks, including additional burdens and costs with respect to possible multiple negotiations and due diligence investigations (if there are multiple sellers) and the additional risks associated with the subsequent assimilation of the operations and services or products of the acquired companies in a single operating business. If we are unable to adequately address these risks, it could negatively impact our profitability and results of operations.

We may attempt to complete our initial business combination with a private company about which little information is available, which may result in a business combination with a company that is not as profitable as we suspected, if at all.

In pursuing our acquisition strategy, we may seek to complete our initial business combination with a privately held company. Very little public information generally exists about private companies, and we could be required to make our decision on whether to pursue a potential initial business combination on the basis of limited information, which may result in a business combination with a company that is not as profitable as we suspected, if at all.

We do not have a specified maximum redemption threshold. The absence of such a redemption threshold may make it possible for us to complete a business combination with which a substantial majority of our stockholders do not agree.

Our amended and restated certificate of incorporation will not provide a specified maximum redemption threshold, except that in no event will we redeem our public shares in an amount that would cause our net tangible assets to be less than $5,000,001 upon completion of our initial business combination (such that we are not subject to the SEC's "penny stock" rules). As a result, we may be able to complete our initial business combination even though a substantial majority of our public stockholders do not agree with the transaction and have redeemed their shares or, if we seek stockholder approval of our initial business combination and do not conduct redemptions in connection with our initial business combination pursuant to the tender offer rules, have entered into privately negotiated agreements to sell their shares to our founders, officers, directors, advisors or their affiliates. In the event the aggregate cash consideration we would be required to pay for all shares of Class A common stock that are validly submitted for redemption plus any amount required to satisfy cash conditions pursuant to the terms of the proposed business combination exceed the aggregate amount of cash available to us, we will not complete the business combination or redeem any shares, all shares of Class A common stock submitted for redemption will be returned to the holders thereof, and we instead may search for an alternate business combination.

In order to complete our initial business combination, we may seek to amend our amended and restated certificate of incorporation or other governing instruments, including our warrant agreement, in a manner that will make it easier for us to complete our initial business combination but that our stockholders or warrant holders may not support.

In order to complete a business combination, blank check companies have, in the recent past, amended various provisions of their charters and governing instruments, including their warrant agreement. For example, blank check companies have amended the definition of business combination, increased redemption thresholds, changed industry focus and, with respect to their warrants, amended their warrant agreements to require the warrants to be exchanged for cash and/or other securities. We cannot assure you that we will not seek to amend our charter or other governing instruments or change our industry focus in order to complete our initial business combination.

The provisions of our amended and restated certificate of incorporation that relate to our pre-business combination activity (and corresponding provisions of the agreement governing the release of funds from the Trust Account) may be amended with the approval of holders of 65% of our common stock, which is a lower amendment threshold than that of some other blank check companies. It may be easier for us, therefore, to amend our amended and restated certificate of incorporation and the trust agreement to facilitate the completion of an initial business combination that some of our stockholders may not support.

Some other blank check companies have a provision in their charter that prohibits the amendment of certain of its provisions, including those which relate to a company's pre-business combination activity, without approval by a certain percentage of the company's stockholders. In those companies, amendment of these provisions requires approval by between 90% and 100% of the company's public stockholders. Our amended and restated certificate of incorporation will provide that any of its provisions (other than amendments relating to the election or removal of directors prior to our initial business combination, which require the approval by holders of a majority of at least 90% of the issued and outstanding shares of our common stock voting at a stockholder meeting) related to pre-business combination activity (including the requirement to deposit proceeds of our initial public offering and the private placement of warrants into the Trust Account and not release such amounts except in specified circumstances, and to provide redemption rights to public stockholders as described herein) may be amended if approved by holders of 65% of our common stock entitled to vote thereon, and corresponding provisions of the trust agreement governing the release of funds from the Trust Account

may be amended if approved by holders of 65% of our common stock entitled to vote thereon. In all other instances, our amended and restated certificate of incorporation or bylaws may be amended by holders of a majority of our outstanding common stock entitled to vote thereon, subject to applicable provisions of the DGCL or applicable stock exchange rules. We may not issue additional securities that can vote on amendments to our amended and restated certificate of incorporation or in our initial business combination. Our initial stockholders, who collectively beneficially own 46% of our common stock, will participate in any vote to amend our amended and restated certificate of incorporation and/or trust agreement and will have the discretion to vote in any manner they choose. As a result, we may be able to amend the provisions of our amended and restated certificate of incorporation that govern our pre-business combination behavior

more easily than some other blank check companies, and this may increase our ability to complete a business combination with which you do not agree. Our stockholders may pursue remedies against us for any breach of our amended and restated certificate of incorporation.

Our founders, officers and directors have agreed, pursuant to a letter agreement with us, that they will not propose any amendment to our amended and restated certificate of incorporation (A) to modify the substance or timing of our obligation to allow redemption in connection with our initial business combination or redeem 100% of our public shares if we do not complete our initial business combination by September 1, 2023 or (B) with respect to any other provision relating to stockholders' rights or pre-initial business combination activity, unless we provide our public stockholders with the opportunity to redeem their shares of Class A common stock upon approval of any such amendment at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the Trust Account, including interest (which interest shall be net of amounts released to us to pay taxes and expenses related to the administration of the trust), divided by the number of then issued and outstanding public shares. Our stockholders are not parties to, or third-party beneficiaries of, this letter agreement and, as a result, will not have the ability to pursue remedies against our founders, officers or directors for any breach of the letter agreement. As a result, in the event of a breach, our stockholders would need to pursue a stockholder derivative action, subject to applicable law.

We may be unable to obtain additional financing to complete our initial business combination or to fund the operations and growth of a target business, which could compel us to restructure or abandon a particular business combination.

Although we believe that the net proceeds of our initial public offering and the sale of the private placement warrants will be sufficient to allow us to complete our initial business combination, because we have not yet selected any prospective target business we cannot ascertain the capital requirements for any particular transaction. If the net proceeds of our initial public offering and the sale of the private placement warrants prove to be insufficient, either because of the size of our initial business combination, the depletion of the available net proceeds in search of a target business, the obligation to repurchase for cash a significant number of shares from stockholders who elect redemption in connection with our initial business combination or the terms of negotiated transactions to purchase shares in connection with our initial business combination, we may be required to seek additional financing or to abandon the proposed business combination. We cannot assure you that such financing will be available on acceptable terms, if at all. To the extent that additional financing proves to be unavailable when needed to complete our initial business combination, we would be compelled to either restructure the transaction or abandon that particular business combination and seek an alternative target business candidate. If we are unable to complete our initial business combination, our public stockholders may receive only approximately $10.00 per share plus any pro rata interest earned on the funds held in the Trust Account (and not previously released to us to pay our franchise and income taxes as well as expenses relating to the administration of the Trust Account) on the liquidation of the Trust Account and our warrants will expire worthless. In addition, even if we do not need additional financing to complete our initial business combination, we may require such financing to fund the operations or growth of the target business. The failure to secure additional financing could have a material adverse effect on the continued development or growth of the target business. None of our officers, directors or stockholders is required to provide any financing to us in connection with or after our initial business combination. If we are unable to complete our initial business combination, our public stockholders may only receive approximately $10.00 per share on the liquidation of the Trust Account, and our warrants will expire worthless. In certain circumstances, our public stockholders may receive less than $10.00 per share on the redemption of their shares. See "-If third parties bring claims against us, the proceeds held in the Trust Account could be reduced and the per-share redemption amount received by stockholders may be less than $10.00 per share" and other risk factors in this section.

Our initial stockholders may exert a substantial influence on actions requiring a stockholder vote, potentially in a manner that you do not support.

Subsequent to the Extension, our initial stockholders now own shares representing 46% of our issued and outstanding shares of common stock. Accordingly, they may exert a substantial influence on actions requiring a stockholder vote, potentially in a manner that you do not support, including amendments to our amended and restated certificate of incorporation and approval of major corporate transactions. If our initial stockholders purchase any additional shares of common stock in the aftermarket or in privately negotiated transactions, this would increase their control. Factors that would be considered in making such additional purchases would include consideration of the current trading price of our Class A common stock. In addition, our Board, whose members were elected by our initial stockholders, is and will be divided into three classes, each of which will generally serve for a term of three years with only one class of directors being elected in each year. We may not hold an annual meeting of stockholders to elect new directors prior to the completion of our initial business combination, in which case all of the current directors will continue in office until at least the completion of the

business combination. If there is an annual meeting, as a consequence of our "staggered" Board, only a minority of the Board will be considered for election and our initial stockholders, because of their ownership position, will have considerable influence regarding the outcome. Accordingly, our initial stockholders will continue to exert control at least until the completion of our initial business combination.

Our warrants and founder shares may have an adverse effect on the market price of our Class A common stock and make it more difficult to complete our initial business combination.

We have issued warrants to purchase 14,375,000 shares of our Class A common stock as part of the units offered in our initial public offering and, simultaneously with the closing of our initial public offering, we issued in a private placement warrants to purchase an aggregate of 7,750,000 shares of Class A common stock at $11.50 per share. Our initial stockholders currently own 7,187,500 founder shares. The founder shares are convertible into shares of Class A common stock on a one-for-one basis, subject to adjustment as set forth herein. In addition, if our sponsor, an affiliate of our sponsor or certain of our officers and directors make any working capital loans, initially up to $1,500,000, which was increased to $3,500,000 on March 24, 2023, of such loans may be converted into warrants, at the price of $1.00 per warrant at the option of the lender. Such warrants would be identical to the private placement warrants, including as to exercise price, exercisability and exercise period.

To the extent we issue shares of Class A common stock to complete a business combination, the potential for the issuance of a substantial number of additional shares of Class A common stock upon exercise of these warrants and conversion rights could make us a less attractive acquisition vehicle to a target business. Any such issuance will increase the number of issued and outstanding shares of our Class A common stock and reduce the value of the shares of Class A common stock issued to complete the business combination. Therefore, our warrants and founder shares may make it more difficult to complete a business combination or increase the cost of acquiring the target business.

The private placement warrants are identical to the warrants sold as part of the units in our initial public offering except that, so long as they are held by our initial stockholders or their respective permitted transferees, (i) they will not be redeemable by us for cash, (ii) pursuant to a letter agreement with us, subject to certain exceptions, our initial stockholders have agreed not to transfer, assign or sell any private placement warrant (including the Class A common stock issuable upon exercise of the private placement warrants) until 30 days after the completion of our initial business combination and (iii) the private placement warrants may be exercised by the holders on a cashless basis.

We may seek business combination opportunities with a high degree of complexity that require significant operational improvements, which could delay or prevent us from achieving our desired results.

We may seek business combination opportunities with large, highly complex companies that we believe would benefit from operational improvements. While we intend to implement such improvements, to the extent that our efforts are delayed or we are unable to achieve the desired improvements, the business combination may not be as successful as we anticipate.

To the extent we complete our initial business combination with a large complex business or entity with a complex operating structure, we may also be affected by numerous risks inherent in the operations of the business with which we combine, which could delay or prevent us from implementing our strategy. Although our management team will endeavor to evaluate the risks inherent in a particular target business and its operations, we may not be able to properly ascertain or assess all of the significant risk factors until we complete our business combination. If we are not able to achieve our desired operational improvements, or the improvements take longer to implement than anticipated, we may not achieve the gains that we anticipate. Furthermore, some of these risks and complexities may be outside of our control and leave us with no ability to control or reduce the chances that those risks and complexities will adversely impact a target business. Such combination may not be as successful as a combination with a smaller, less complex organization.

A provision of our warrant agreement may make it more difficult for us to consummate an initial business combination.

Unlike many blank check companies, if (i) we issue additional shares of common stock or equity-linked securities for capital raising purposes in connection with the closing of our initial business combination at a Newly Issued Price of less than $9.20 per share of common stock and (ii) the aggregate gross proceeds from such issuances represent more than 60% of the total equity proceeds, and interest thereon, available for the funding of our initial business combination on the date of the completion of our initial business combination (net of redemptions) and (iii) the Market Value is below $9.20 per share, then the exercise price of the warrants will be adjusted to be equal to 115% of the higher of the Market Value and the Newly Issued Price, the $10.00 per share redemption trigger price will be adjusted (to the nearest cent) to be equal to the higher of the Market Value and the Newly Issued Price, and the $18.00 per share redemption trigger price will be adjusted (to the nearest cent) to be equal to 180% of the higher of the Market Value and the Newly Issued Price. This may make it more difficult for us to consummate an initial business combination with a target business.

Because we must furnish our stockholders with target business financial statements, we may lose the ability to complete an otherwise advantageous initial business combination with some prospective target businesses.

The federal proxy rules require that a proxy statement with respect to a vote on a business combination meeting certain financial significance tests include target historical and/or pro forma financial statement disclosure. We will include the same financial statement disclosure in connection with our tender offer documents, whether or not they are required under the tender offer rules. These financial statements may be required to be prepared in accordance with, or be reconciled to, accounting principles generally accepted in the United States of America ("GAAP") or international financial reporting standards as issued by the International Accounting Standards Board ("IFRS"), depending on the circumstances and the historical financial statements may be required to be audited in accordance with the standards of the Public Company Accounting Oversight Board (United States) (the "PCAOB"). These financial statement requirements may limit the pool of potential target businesses we may acquire because some targets may be unable to provide such financial statements in time for us to disclose such financial statements in accordance with federal proxy rules and complete our initial business combination by September 1, 2023.

Compliance obligations under the Sarbanes-Oxley Act may make it more difficult for us to complete our initial business combination, require substantial financial and management resources, and increase the time and costs of completing an acquisition.

Section 404 of the Sarbanes-Oxley Act requires that we evaluate and report on our system of internal controls. Only in the event we are deemed to be a large accelerated filer or an accelerated filer will we be required to comply with the independent registered public accounting firm attestation requirement on our internal control over financial reporting. Further, for as long as we remain an emerging growth company, we will not be required to comply with the independent registered public accounting firm attestation requirement on our internal control over financial reporting. The fact that we are a blank check company makes compliance with the requirements of the Sarbanes-Oxley Act particularly burdensome on us as compared to other public companies because a target company with which we seek to complete our initial business combination may not be in compliance with the provisions of the Sarbanes-Oxley Act regarding adequacy of its internal controls. The development of the internal control of any such entity to achieve compliance with the Sarbanes-Oxley Act may increase the time and costs necessary to complete any such acquisition.

We may engage one or more of our underwriters from our initial public offering or one of their respective affiliates to provide additional services to us after our initial public offering, which may include acting as M&A advisor in connection with an initial business combination or as placement agent in connection with a related financing transaction. Our underwriters from our initial public offering are entitled to receive the Marketing Fee that will be released from the Trust Account only upon a completion of an initial business combination. These financial incentives may cause such underwriters to have potential conflicts of interest in rendering any such additional services to us, including, for example, in connection with the sourcing and consummation of an initial business combination.

We may engage one or more of our underwriters or one of their respective affiliates to provide additional services to us after our initial public offering, including, for example, identifying potential targets, providing M&A advisory services, acting as a placement agent in a private offering or arranging debt financing transactions. We may pay such underwriter or its affiliate fair and reasonable fees or other compensation that would be determined at that time in an arm's length negotiation. The underwriters are also entitled to receive a Marketing Fee that are conditioned on the completion of an initial business combination. The underwriters' or their respective affiliates' financial interests tied to the consummation of a business combination transaction may give rise to potential conflicts of interest in providing any such additional services to us, including potential conflicts of interest in connection with the sourcing and consummation of an initial business combination.

As the number of SPACs evaluating targets increases, attractive targets may become scarcer and there may be more competition for attractive targets. This could increase the cost of our initial business combination and could even result in our inability to find a target or to consummate an initial business combination.

In recent years, the number of SPACs that have been formed has increased substantially. Many potential targets for SPACs have already entered into an initial business combination, and there are still many SPACs seeking targets for their initial business combination, as well as many such companies currently in registration with the SEC. As a result, at times, fewer attractive targets may be available, and it may require more time, more effort and more resources to identify a suitable target and to consummate an initial business combination.

In addition, because there are more SPACs seeking to enter into an initial business combination with available targets, the competition for available targets with attractive fundamentals or business models may increase, which could cause targets companies to demand improved financial terms. Attractive deals could also become scarcer for other reasons, such as economic or industry sector downturns, geopolitical tensions, or increases in the cost of additional capital needed to close business combinations or operate targets post-business combination. This could increase the cost of, delay or otherwise complicate or frustrate our ability to find and consummate an initial business combination, and may result in our inability to consummate an initial business combination on terms favorable to our investors altogether.

Risks Relating to the Post-Business Combination Company

Subsequent to the completion of our initial business combination, we may be required to take write-downs or write-offs, restructuring and impairment or other charges that could have a significant negative effect on our financial condition, results of operations and our stock price, which could cause you to lose some or all of your investment.

Even if we conduct extensive due diligence on a target business with which we combine, we cannot assure you that this diligence will surface all material issues that may be present inside a particular target business, that it would be possible to uncover all material issues through a customary amount of due diligence, or that factors outside of the target business and outside of our control will not later arise. As a result of these factors, we may be forced to later write-down or write-off assets, restructure our operations, or incur impairment or other charges that could result in our reporting losses. Even if our due diligence successfully identifies certain risks, unexpected risks may arise and previously known risks may materialize in a manner not consistent with our preliminary risk analysis. Even though these charges may be non-cash items and not have an immediate impact on our liquidity, the fact that we report charges of this nature could contribute to negative market perceptions about us or our securities. In addition, charges of this nature may cause us to violate net worth or other covenants to which we may be subject as a result of assuming pre-existing debt held by a target business or by virtue of our obtaining post-combination debt financing. Accordingly, any stockholder or warrant holder who chooses to remain a stockholder or warrant holder, respectively, following the business combination could suffer a reduction in the value of their securities. Such stockholders and warrant holders are unlikely to have a remedy for such reduction in value.

Our management may not be able to maintain control of a target business after our initial business combination. We cannot provide assurance that, upon loss of control of a target business, new management will possess the skills, qualifications or abilities necessary to profitably operate such business.

We may structure a business combination so that the post-transaction company in which our public stockholders own shares will own less than 100% of the equity interests or assets of a target business, but we will only complete such business combination if the post-transaction company owns or acquires 50% or more of the issued and outstanding voting securities of the target or otherwise acquires an interest in the target sufficient for the post-transaction company not to be required to register as an investment company under the Investment Company Act. We will not consider any transaction that does not meet such criteria. Even if the post-transaction company owns 50% or more of the voting securities of the target, our stockholders prior to the business combination may collectively own a minority interest in the post-transaction company, depending on valuations ascribed to the target and us in the business combination transaction. For example, we could pursue a transaction in which we issue a substantial number of new shares of Class A common stock in exchange for all of the outstanding capital stock of a target. In this case, we would acquire a 100% interest in the target. However, as a result of the issuance of a substantial number of new shares of common stock, our stockholders immediately prior to such transaction could own less than a majority of our outstanding shares of common stock subsequent to such transaction. In addition, other minority stockholders may subsequently combine their holdings resulting in a single person or group obtaining a larger share of the company's stock than we initially acquired. Accordingly, this may make it more likely that our management will not be able to maintain control of the target business. We cannot provide assurance that, upon loss of control of a target business, new management will possess the skills, qualifications or abilities necessary to profitably operate such business.

We may have a limited ability to assess the management of a prospective target business and, as a result, may complete our initial business combination with a target business whose management may not have the skills, qualifications or abilities to manage a public company, which could, in turn, negatively impact the value of our stockholders' investment in us.

When evaluating the desirability of effecting our initial business combination with a prospective target business, our ability to assess the target business's management may be limited due to a lack of time, resources or information. Our assessment of the capabilities of the target's management, therefore, may prove to be incorrect and such management may lack the skills, qualifications or abilities we suspected. Should the target's management not possess the skills, qualifications or abilities necessary to manage a public company, the operations and profitability of the post-combination business may be negatively impacted. Accordingly, any stockholders who choose to remain stockholders following the business combination could suffer a reduction in the value of their shares. Such stockholders are unlikely to have a remedy for such reduction in value.

The officers and directors of an acquisition candidate may resign upon completion of our initial business combination. The departure of a business combination target's key personnel could negatively impact the operations and profitability of our post-combination business. The role of an acquisition candidate's key personnel upon the completion of our initial business combination cannot be ascertained at this time. Although we contemplate that certain members of an acquisition candidate's management team will remain associated with the acquisition candidate following our initial business combination, it is possible that members of the management of an acquisition candidate will not wish to remain in place.

The exercise price for the public warrants is higher than in many similar blank check company offerings in the past, and, accordingly, the warrants are more likely to expire worthless.

The exercise price of the public warrants is higher than is typical in many similar blank check companies in the past. Historically, the exercise price of a warrant was generally a fraction of the purchase price of the units in the initial public offering. The exercise price for our public warrants is $11.50 per share, subject to adjustment as provided herein. As a result, the warrants are more likely to expire worthless.

We are not registering the shares of Class A common stock issuable upon exercise of the warrants under the Securities Act or any state securities laws at this time, and such registration may not be in place when an investor desires to exercise warrants, thus precluding such investor from being able to exercise its warrants except on a cashless basis and potentially causing such warrants to expire worthless.

We are not registering the shares of Class A common stock issuable upon exercise of the warrants under the Securities Act or any state securities laws at this time. However, under the terms of the warrant agreement, we will use our reasonable best efforts to file, and within 60 business days following our initial business combination to have declared effective, a registration statement under the Securities Act covering such shares and maintain a current prospectus relating to the Class A common stock issuable upon exercise of the warrants, until the expiration of the warrants in accordance with the provisions of the warrant agreement. We cannot assure you that we will be able to do so if, for example, any facts or events arise which represent a fundamental change in the information set forth in the registration statement or prospectus, the financial statements contained or incorporated by reference therein are not current or correct or the SEC issues a stop order.

If the shares issuable upon exercise of the warrants are not registered under the Securities Act, we will be required to permit holders to exercise their warrants on a cashless basis, in which case, the number of shares of Class A common stock that you will receive upon cashless exercise will be based on a formula subject to a maximum amount of shares equal to 0.361 shares of Class A common stock per warrant (subject to adjustment). However, no warrant will be exercisable for cash or on a cashless basis, and we will not be obligated to issue any shares to holders seeking to exercise their warrants, unless the issuance of the shares upon such exercise is registered or qualified under the securities laws of the state of the exercising holder, or an exemption from registration is available.

Notwithstanding the above, if our Class A common stock is at the time of any exercise of a warrant not listed on a national securities exchange such that it satisfies the definition of a “covered security” under Section 18(b)(1) of the Securities Act, we may, at our option, require holders of public warrants who exercise their warrants to do so on a “cashless basis” in accordance with Section 3(a)(9) of the Securities Act and, in the event we so elect, we will not be required to file or maintain in effect a registration statement, but we will be required to use our best efforts to register or qualify the shares under applicable blue sky laws to the extent an exemption is not available. In no event will we be required to net cash settle any warrant or issue securities or other compensation in exchange for the warrants in the event that we are unable to register or qualify the shares underlying the warrants under applicable state securities laws and no exemption is available. If the issuance of the shares upon exercise of the warrants is not so registered or qualified or exempt from registration or qualification, the holder of such warrant shall not be entitled to exercise such warrant and such warrant may have no value and expire worthless. In such event, holders who acquired their warrants as part of a purchase of units will have paid the full unit purchase price solely for the shares of Class A common stock included in the units. There may be a circumstance where an exemption from registration exists for holders of our private placement warrants to exercise their warrants while a corresponding exemption does not exist for holders of the public warrants included as part of units sold in our initial public offering. In such an instance, our initial stockholders and their permitted transferees (which may include our directors and executive officers) would be able to exercise their warrants and sell the shares of Class A common stock underlying their warrants while holders of our public warrants would not be able to exercise their warrants and sell the underlying shares of Class A common stock. If and when the warrants become redeemable by us, we may exercise our redemption right even if we are unable to register or qualify the underlying shares of Class A common stock for sale under all applicable state securities laws. As a result, we may redeem the warrants as set forth above even if the holders are otherwise unable to exercise their warrants.

Our letter agreement with our founders, officers and directors and registration rights agreement may be amended, and provisions therein may be waived, without stockholder approval.

Our letter agreement with our founders, officers and directors contains provisions relating to transfer restrictions of our founder shares and private placement warrants, indemnification of the Trust Account, waiver of redemption rights and participation in liquidating distributions from the Trust Account. The letter agreement and the registration rights agreement may be amended, and provisions therein may be waived, without stockholder approval. While we do not expect our Board to approve any amendment to or waiver of the letter agreement or registration rights agreement prior to our initial business combination, it may be possible that our Board, in exercising its business judgment and subject to its fiduciary duties, chooses to approve one or more amendments to or waivers of such agreements. Any such

amendments or waivers would not require approval from our stockholders and may have an adverse effect on the value of an investment in our securities.

We may amend the terms of the warrants in a manner that may be adverse to holders of public warrants with the approval by the holders of at least 50% of the then outstanding public warrants. As a result, the exercise price of your warrants could be increased, the exercise period could be shortened and the number of shares of our Class A common stock purchasable upon exercise of a warrant could be decreased, all without your approval.

Our warrants will be issued in registered form under a warrant agreement between American Stock Transfer & Trust Company, as warrant agent, and us. The warrant agreement provides that (a) the terms of the warrants may be amended without the consent of any holder for the purpose of (i) curing any ambiguity, or curing, correcting or supplementing any defective provision or (ii) adding or changing any other provisions with respect to matters or questions arising under the warrant agreement as the parties may deem necessary or desirable and that the parties deem shall not adversely affect the interest of the registered holders of the warrants under the warrant agreement and (b) all other modifications or amendments require the vote or written consent of at least 50% of the then outstanding public warrants; provided that if an amendment adversely affects the private placement warrants in a different manner than the public warrants or vice versa, then the vote or written consent of the registered holders of 65% of the public warrants and 65% of the private placement warrants, voting as separate classes, shall be required. Accordingly, we may amend the terms of the public warrants in a manner adverse to a holder if holders of at least 50% of the then outstanding public warrants approve of such amendment. Although our ability to amend the terms of the public warrants with the consent of at least 50% of the then outstanding public warrants is unlimited, examples of such amendments could be amendments to, among other things, increase the exercise price of the warrants, convert the warrants into cash or stock, shorten the exercise period or decrease the number of shares of our Class A common stock purchasable upon exercise of a warrant.

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.

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 shall be the exclusive forum for any such action, proceeding or claim. 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 will 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 shall 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 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 shall 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 our Board.

We may redeem your unexpired warrants prior to their exercise at a time that is disadvantageous to you, thereby making your warrants worthless.

We have the ability to redeem outstanding warrants for cash at any time after they become exercisable and prior to their expiration, at a price of $0.01 per warrant, provided that the last reported sale price of our Class A common 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. If and when the warrants become redeemable by us, we may exercise our redemption right even if we are unable to register or qualify the underlying securities for sale under all applicable state securities laws. Redemption of the outstanding warrants could force you (i) to exercise your warrants and pay the exercise price therefor at a time when it may be disadvantageous for you to do so, (ii) to sell your warrants at the then-current market price when you might otherwise wish to hold your warrants or (iii) to 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 your warrants. In addition, we may redeem your warrants after they become exercisable for a number of shares of Class A common stock determined based on the redemption date and

the fair market value of our Class A common stock. Any such redemption may have similar consequences to a cash redemption described above. In addition, such 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 the Class A common stock had your warrants remained outstanding.

Because each unit contains one-half of one redeemable warrant and only a whole warrant may be exercised, the units may be worth less than units of other blank check companies.

Each unit contains one-half of one redeemable warrant. Because, pursuant to the warrant agreement, the warrants may only be exercised for a whole number of shares, only a whole warrant may be exercised at any given time. This is different from other offerings similar to ours whose units include one share of common stock and one redeemable warrant to purchase one whole share. We have established the components of the units in this way in order to reduce the dilutive effect of the warrants upon completion of a business combination since the warrants will be exercisable in the aggregate for one-half of the number of shares compared to units that each contain a warrant to purchase one whole share, thus making us, we believe, a more attractive merger partner for target businesses. Nevertheless, this unit structure may cause our units to be worth less than if they included a warrant to purchase one whole share.

Provisions in our amended and restated certificate of incorporation and Delaware law may inhibit a takeover of us, which could limit the price investors might be willing to pay in the future for our Class A common stock and could entrench management.

Our amended and restated certificate of incorporation will contain provisions that may discourage unsolicited takeover proposals that stockholders may consider to be in their best interests. These provisions include a staggered Board and the ability of the Board to designate the terms of and issue new series of preferred shares, which may make the removal of management more difficult and may discourage transactions that otherwise could involve payment of a premium over prevailing market prices for our securities.

We are also subject to anti-takeover provisions under Delaware law, which could delay or prevent a change of control. Together these provisions may make the removal of management more difficult and may discourage transactions that otherwise could involve payment of a premium over prevailing market prices for our securities.

Our amended and restated certificate of incorporation will designate the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, employees or agents.

Our amended and restated certificate of incorporation will designate certain courts as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, employees or agents.

Our amended and restated certificate of incorporation will provide that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware ("Court of Chancery") will, to the fullest extent permitted by applicable law, be the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, employees or stockholders to us or our stockholders, (iii) any action asserting a claim arising pursuant to any provision of the DGCL, our amended and restated certificate of incorporation or bylaws or as to which the DGCL confers jurisdiction on the Court of Chancery or (iv) any action asserting a claim against us, our directors, officers, or employees that is governed by the internal affairs doctrine; provided that the exclusive forum provision will not apply to suits (a) brought to enforce any liability or duty created by the Securities Act or the Exchange Act, to any claim for which the federal courts have exclusive jurisdiction; (b) which the Court of Chancery determines that it does not have personal jurisdiction over an indispensable party, (c) for which exclusive jurisdiction is vested in a court or forum other than the Court of Chancery, or (d) the Court of Chancery does not have subject matter jurisdiction. Any person or entity purchasing or otherwise acquiring or holding any interest in shares of our common stock will be deemed to have notice of, and consented to, the provisions of our amended and restated certificate of incorporation described in the preceding sentence. Our amended and restated certificate of incorporation further provides that, unless we consent in writing to the selection of an

alternative forum, the federal district courts of the United States of America shall, to the fullest extent permitted by law, be the sole and exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. We believe these provisions benefits us by providing increased consistency in the application of Delaware law by chancellors particularly experienced in resolving corporate disputes and in the application of the Securities Act by federal judges, as applicable, efficient administration of cases on a more expedited schedule relative to other forums and protection against the burdens of multi-forum litigation. This choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, employees or agents, which may discourage such lawsuits against us and such persons. Alternatively, if a court were to find these provisions of our certificate of incorporation inapplicable to, or unenforceable in respect of, 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 adversely affect our business, financial condition or results of operations. Furthermore, stockholders cannot waive compliance with the federal securities laws and rules and regulations thereunder.

Risks Relating to Acquiring and Operating a Business in Foreign Countries

If we complete our initial business combination with a company with operations or opportunities outside of the United States, we would be subject to a variety of additional risks that may negatively impact our operations.

If we complete our initial business combination with a company with operations or opportunities outside of the United States, we would be subject to any special considerations or risks associated with companies operating in an international setting, including any of the following:

- higher costs and difficulties inherent in managing cross-border business operations and complying with different commercial and legal requirements of overseas markets;
- rules and regulations regarding currency redemption;
- complex corporate withholding taxes on individuals;
- laws governing the manner in which future business combinations may be effected;
- tariffs and trade barriers;
- regulations related to customs and import/export matters;
- longer payment cycles and challenges in collecting accounts receivable;
    - changes in local regulations as part of a response to the COVID-19 outbreak;
- tax issues, such as tax law changes and variations in tax laws as compared to the United States;
- currency fluctuations and exchange controls;
- rates of inflation, price instability and interest rate fluctuations;
- cultural and language differences;
- employment regulations;
- crime, strikes, riots, civil disturbances, terrorist attacks, natural disasters and wars;
- deterioration of political relations with the United States; and
- government appropriations of assets.

We may not be able to adequately address these additional risks. If we were unable to do so, our operations might suffer, which may adversely impact our results of operations and financial condition.

Exchange rate fluctuations and currency policies may cause a target business' ability to succeed in the international markets to be diminished.

In the event we acquire a non-U.S. target, all revenues and income would likely be received in a foreign currency, and the dollar equivalent of our net assets and distributions, if any, could be adversely affected by reductions in the value of the local currency. The value of the currencies in our target regions fluctuate and are affected by, among other things, changes in political and economic conditions. Any change in the relative value of such currency against our reporting currency may affect the attractiveness of any target business or, following consummation of our initial business combination, our financial condition and results of operations. Additionally, if a currency appreciates in value against the dollar prior to the consummation of our initial business combination, the cost of a target business as measured in dollars will increase, which may make it less likely that we are able to consummate such transaction.

Risks Relating to our Management Team

We are dependent upon our officers and directors, and their loss could adversely affect our ability to operate.

Our operations are dependent upon a relatively small group of individuals and, in particular, our officers and directors. We believe that our success depends on the continued service of our officers and directors, at least until we have completed our initial business combination. In addition, our officers and directors are not required to commit any specified amount of time to our affairs and, accordingly, will have conflicts of interest in allocating their time among various business activities, including identifying potential business combinations and monitoring the related due diligence.

We do not have an employment agreement with, or key-man insurance on the life of, any of our directors or officers. The unexpected loss of the services of one or more of our directors or officers could have a detrimental effect on us.

Members of our management team may negotiate employment or consulting agreements with a target business in connection with a particular business combination. These agreements may provide for them to receive compensation following our initial business combination and as a result, may cause them to have conflicts of interest in determining whether a particular business combination is the most advantageous.

Members of our management team may be able to remain with the company after the completion of our initial business combination only if they are able to negotiate employment or consulting agreements in connection with the business combination. Such negotiations could take place simultaneously with the negotiation of the business combination and could provide for such individuals to receive compensation in the form of cash payments and/or our securities for services they would render to us after the completion of the business combination. The personal and financial interests of such individuals may influence their motivation in identifying and selecting a target business. However, we believe the ability of such individuals to remain with us after the completion of our initial business combination will not be the determining factor in our decision as to whether or not we will proceed with any potential business combination. There is no certainty, however, that any members of our management team will remain with us after the completion of our initial business combination. We cannot assure you that any members of our management team will remain in senior management or advisory positions with us. The determination as to whether any members of our management team will remain with us will be made at the time of our initial business combination.

Our ability to successfully complete our initial business combination and to be successful thereafter will be totally dependent upon the efforts of members of our management team, some of whom may not join us following our initial business combination. The loss of such people could negatively impact the operations and profitability of our post-combination business.

Our ability to successfully complete our initial business combination is dependent upon the efforts of members of our management team. The role of members of our management team in the target business, however, cannot presently be ascertained. Although some members of our management team may remain with the target business in senior management or advisory positions following our initial business combination, it is likely that some or all of the management of the target business will remain in place. While we intend to closely scrutinize any individuals we engage after our initial business combination, we cannot assure you that our assessment of these individuals will prove to be correct. These individuals may be unfamiliar with the requirements of operating a company regulated by the SEC, which could cause us to have to expend time and resources helping them become familiar with such requirements.

In addition, the officers and directors of an acquisition candidate may resign upon completion of our initial business combination. The departure of a business combination target's key personnel could negatively impact the operations and profitability of our post-combination business. The role of an acquisition candidate's key personnel upon the completion of our initial business combination cannot be ascertained at this time. Although we contemplate that certain members of an acquisition candidate's management team will remain associated with the acquisition candidate following our initial business combination, it is possible that members of the management of an acquisition candidate will not wish to remain in place. The loss of key personnel could negatively impact the operations and profitability of our post-combination business.

Our officers and directors may allocate their time to other businesses, thereby causing conflicts of interest in their determination as to how much time to devote to our affairs. This conflict of interest could have a negative impact on our ability to complete our initial business combination.

Our officers and directors are not required to, and will not, commit their full time to our affairs, which may result in a conflict of interest in allocating their time between our operations and our search for a business combination and their other businesses. Each of our officers is engaged in several other business endeavors for which he may be entitled to substantial compensation and our officers are not obligated to contribute any specific number of hours per week to our affairs. If our officers' and directors' other business affairs require them to devote substantial amounts of time to such affairs in excess of their current commitment levels, it could limit their ability to devote time to our affairs which may have a negative impact on our ability to complete our initial business combination.

Certain of our officers and directors are now, and all of them may in the future become, affiliated with entities engaged in business activities similar to those intended to be conducted by us and, accordingly, may have conflicts of interest in allocating their time and determining to which entity a particular business opportunity should be presented.

Following the completion of our initial public offering and until we consummate our initial business combination, we intend to engage in the business of identifying and combining with one or more businesses. Our sponsor and officers and directors are, and may in the future become, affiliated with entities (such as operating companies or investment vehicles) that are engaged in a similar business.

Our officers and directors also may become aware of business opportunities which may be appropriate for presentation to us and the other entities in the future to which they owe certain fiduciary or contractual duties. Accordingly, they may have conflicts of interest in determining to which entity a particular business opportunity should be presented. These conflicts may not be resolved in our favor and a potential target business may be presented to another entity prior to its presentation to us. Our amended and restated certificate of incorporation will provide that we renounce our interest in any corporate opportunity offered to any director or officer unless such opportunity is expressly offered to such person solely in his or her capacity as a director or officer of our company and such opportunity is one we are legally and contractually permitted to undertake and would otherwise be reasonable for us to pursue.

Our officers, directors, security holders and their respective affiliates may have competitive pecuniary interests that conflict with our interests.

We have not adopted a policy that expressly prohibits our directors, officers, security holders or affiliates from having a direct or indirect pecuniary or financial interest in any investment to be acquired or disposed of by us or in any transaction to which we are a party or have an interest. In fact (subject to certain approvals and consents) we may enter into a business combination with a target business that is affiliated with our sponsor, our directors or officers, although we do not intend to do so. We do not have a policy that expressly prohibits any such persons from engaging for their own account in business activities of the types conducted by us. Accordingly, such persons or entities may have a conflict between their interests and ours.

General Risk Factors

The SEC issued guidance on the application of warrant accounting guidance which required that our warrants be accounted for as liabilities rather than as equity and such requirement resulted in a restatement of our previously issued financial statements.

On April 12, 2021, the staff of the SEC issued a public statement entitled “Staff Statement on Accounting and Reporting Considerations for Warrants issued by Special Purpose Acquisition Companies (“SPACs”)” (the “Statement”). In the Statement, the SEC staff expressed its view that certain terms and conditions common to SPAC warrants may require the warrants to be classified as liabilities on the SPAC’s balance sheet as opposed to equity. More specifically, the Statement focused on warrants that have certain settlement terms and provisions related to certain tender offers or warrants that do not meet the criteria to be considered indexed to an entity’s own stock, which terms are similar to those contained in the warrant agreement governing our warrants. Since issuance, our warrants were accounted for as equity within our balance sheet, and after discussion and evaluation, including with our independent auditors, we have concluded that our warrants should be presented as liabilities with subsequent fair value remeasurement. Therefore, we conducted a valuation of our warrants and restated our previously issued financial statements, which resulted in unanticipated costs and diversion of management resources.

Our management and our audit committee also concluded that it was appropriate to restate our previously issued financial statements for the affected periods. We have identified a material weakness weaknesses in our internal control over financial reporting. This These material weakness 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. As part of the restatement, we identified a material weakness in our internal controls over financial reporting relating to accounting for complex financial instruments.

Although we have now completed these restatements, we cannot guarantee that we will have no further inquiries from the SEC or NYSE regarding our restated financial statements or matters relating thereto.

Any future inquiries from the SEC or NYSE as a result of the restatement of our historical financial statements will, regardless of the outcome, likely consume a significant amount of our resources in addition to those resources already consumed in connection with the restatement itself.

Our warrants are accounted for as derivative liabilities and are recorded at fair value with changes in fair value for each period reported in earnings, which may have an adverse effect on the market price of our common stock or may make it more difficult

for us to consummate an initial business combination.

We issued 14,375,000 public warrants and, simultaneously with the closing of our initial public offering, we issued in a private placement 7,750,000 private placement warrants. As a result of the Statement, we evaluated the accounting treatment of our 14,375,000 public warrants and 7,750,000 private placement warrants and determined that the warrants should be recorded as derivative liabilities measured at fair value, with changes in fair value each period reported in earnings. At each reporting period (i) the accounting treatment of the warrants will be re-evaluated for proper accounting treatment as a liability or equity and (ii) the fair value of the liability of the public and private warrants will be remeasured and the change in the fair value of the liability will be recorded as other income (expense) in our income statement. Changes in the inputs and assumptions for the valuation model we use to determine the fair value of such liability may have a material impact on the estimated fair value of the embedded derivative liability. The share price of our common stock represents the primary underlying variable that impacts the value of the liability related to the warrants, which are accounted for as derivative instruments. Additional factors that impact the value of the warrants as derivative instruments include the volatility of our stock price, discount rates and stated interest rates. As a result, our financial statements and results of operations will fluctuate quarterly, based on various factors, many of which are outside of our control, such as the share price of our common stock. In addition, we may change the underlying assumptions used in our valuation model, which could result in significant fluctuations in our results of operations. If our stock price is volatile, we expect that we will recognize non-cash gains or losses on our warrants or any other similar derivative instruments each reporting period and that the amount of such gains or losses could be material. The impact of changes in fair value on earnings may have an adverse effect on the market price of our common stock.

As a result, included on our balance sheet as of December 31, 2022 contained elsewhere in this annual report are derivative liabilities related to embedded features contained within our public warrants and private placement warrants. Accounting Standards Codification 815-40, “Derivatives and Hedging—Contracts on an Entity’s Own Equity”, provides for the remeasurement of the fair value of such derivatives at each balance sheet date, with a resulting non-cash gain or loss related to the change in the fair value being recognized in earnings in the statement of operations. As a result of the recurring fair value measurement, our financial statements and results of operations may fluctuate quarterly, based on factors, that are outside of our control. Due to the recurring fair value measurement, we expect that we will recognize non-cash gains or losses on our warrants each reporting period and that the amount of such gains or losses could be material.

We have identified material weaknesses in our internal control over financial reporting. If we are unable to develop and maintain an effective system of internal control over financial reporting, we may not be able to accurately report our financial results in a timely manner, which may adversely affect investor confidence in us and materially and adversely affect our business and operating results.

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 is likewise required, on a quarterly basis, to evaluate also evaluates the effectiveness of our internal controls and to we will disclose any changes and material weaknesses identified through such evaluation in those internal controls. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or surrounding interim financial statements will not be prevented or detected and corrected on a timely basis. Effective internal controls are necessary for us to provide reliable financial reports and prevent fraud.

We identified a material weakness in our internal control over financial reporting related to the accounting for the warrants we issued in connection with our initial public offering. 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, 2022 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. For a discussion of management’s consideration of the material weakness identified related to the Company’s accounting treatment of its public and private placement warrants, see Part II, Item 9A: Controls and Procedures included in this Report.

We have also identified a material weakness in our internal control over financial reporting of complex financial instruments related to the Company’s our classification of redeemable shares of Flame’s Class A common stock. stock, par value $0.0001 per share (“*Flame Class A common stock*”). As a result of this material weakness, our management has concluded that our internal control over financial reporting was not effective as of December 31, 2022 December 31, 2023. Historically, a portion of the Flame Class A common stock was classified as permanent equity. Following the Company’s our re-evaluation of the accounting classification of the Flame Class A common stock, the Company’s our management has determined that the Flame Class A common stock requires classification as temporary equity. For a discussion of management’s consideration of the material weakness identified related to the Company’s classification of the Class A common stock, see Part II, Item 9A: Controls and Procedures included in this Report.

If we identify any new material weaknesses in the future, any such newly identified material weakness could limit our ability to prevent or detect a misstatement of our accounts or disclosures that could result in a material misstatement of our annual or interim financial statements. In such case, we may be unable to maintain compliance with securities law requirements regarding timely filing of periodic reports in addition to applicable stock exchange listing requirements, investors may lose confidence in our financial reporting and our stock price may decline as a result. We cannot assure you that the measures we have taken to date, or any measures we may take in the future, will be sufficient to avoid potential future material weaknesses. To respond to these material weaknesses, we have devoted, and plan to continue to devote, significant effort and resources to the remediation and improvement of our internal control over financial reporting. While we have processes to identify and appropriately apply applicable accounting requirements, we plan to enhance these processes to better evaluate our research and understanding of the nuances of the complex accounting standards

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 Common Stock is listed, the SEC or other regulatory authorities. In either case, this could in result a material adverse effect on our business. Failure to timely file will cause us to be ineligible to utilize short form 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.

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.

The restatement 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 March 30, 2021 and June 30, 2021 unaudited interim financial statements in connection with the filing of our Form 10-K for the year ended December 31, 2021 has subjected us to additional risks and uncertainties, including increased professional costs and the increased possibility of legal proceedings. Common Stock.

As a result U.S. public company, we are required to comply with the requirements of the restatement Sarbanes-Oxley Act of our financial statements, we have become subject to additional risks and uncertainties, 2002 (the "*Sarbanes-Oxley Act*"), including, among others, increased professional fees other things, that we maintain effective disclosure controls and expenses 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 commitment periods specified in SEC rules and forms, and that may such information is accumulated and communicated to our management, including our principal executive and financial officers.

We will be required to address matters related to the restatements, and scrutiny make a formal assessment of the SEC effectiveness of our internal control over financial reporting and, other regulatory bodies 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 reported financial information 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 subject adversely affect our stock price.

We intend to file a registration statement with the SEC on Form S-8 providing for the registration of shares of our Common Stock issued or reserved for issuance under the Sable Offshore Corp. 2023 Incentive Award Plan (the "*Incentive Plan*"). The Incentive Plan will provide for automatic increases in the shares reserved for grant or issuance under the plan which could result in additional dilution to our stockholders. Subject to the satisfaction of vesting conditions and the expiration of any applicable lockup restrictions, shares

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 civil obtain financing or criminal penalties to further increase our capital resources by issuing additional shares of our capital stock or shareholder litigation. We could face monetary judgments, penalties offering debt or other sanctions that 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 material adverse effect 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.

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 could cause its stock price to decline.

We may face litigation and other risks as result in a result diversion of the material weaknesses in our internal control over financial reporting.

As a result of the material weakness described above, the change in accounting for the warrants, the restatement for the change in classification of redeemable common stock time and other matters raised or that may in the future be raised by the SEC, we face potential for litigation or other disputes that may include, among others, claims invoking the federal and state securities laws, contractual claims or other claims arising from the material weaknesses in our internal control over financial reporting and the preparation resources of our financial statements. As management and board of the date of this annual report, we have no knowledge of any such litigation or dispute. However, we can provide no assurance that such litigation or dispute will not arise in the future. Any such litigation or dispute, whether successful or not, could have a material adverse effect on our business, results of operations and financial condition or our ability to complete a business combination.

We are an emerging growth company and a smaller reporting company within the meaning of the Securities Act, and if we take advantage of certain exemptions from disclosure requirements available to emerging growth companies or smaller reporting companies, this could make our securities less attractive to investors and may make it more difficult to compare our performance with other public companies.

We are an "emerging growth company" within the meaning of the Securities Act, as modified by the JOBS Act, and we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote 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 they may deem important. We could be an emerging growth company for up to five years, although circumstances could cause us to lose that status earlier, including if the market value of our Class A common stock held by non-affiliates exceeds $700 million as of any June 30 before that time, in which case we would no longer be an emerging growth company as of the following December 31. We cannot predict whether investors will find our securities less attractive because we will rely on these exemptions. If some investors find our securities less attractive as a result of our reliance on these exemptions, the trading prices of our securities may be lower than they otherwise would be, there may be a less active trading market for our securities and the trading prices of our securities may be more volatile.

Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such an election to opt out is irrevocable. We have elected to irrevocably opt out of such extended transition period, which means that when a standard is issued or revised and it has different application dates for public or private companies, we will adopt the new or revised standard at the time public companies adopt the new or revised standard. This may make comparison of our financial statements with another emerging growth company that has not opted out of using the extended transition period difficult or impossible because of the potential differences in accounting standards used.

Additionally, we are a "smaller reporting company" as defined in Item 10(f)(1) of Regulation S-K. Smaller reporting companies may take advantage of certain reduced disclosure obligations, including, among other things, providing only two years of audited financial statements. We will remain a smaller reporting company until the last day of any fiscal year for so long as either (1) the market value of our common stock held by non-affiliates did not exceed $250 million as of the prior June 30, or (2) our annual revenues did not exceed $100 million during such completed fiscal year and the market value of our common stock held by non-affiliates did not exceed $700 million as of the prior June 30.

Cyber incidents or attacks directed at us could result in information theft, data corruption, operational disruption and/or financial loss.

We depend on digital technologies, including information systems, infrastructure and cloud applications and services, including those of third parties with which we may deal. Sophisticated and deliberate attacks on, or security breaches in, our systems or infrastructure, or the systems or infrastructure of third parties or the cloud, could lead to corruption or misappropriation of our assets, proprietary information and sensitive or confidential data. As an early stage company without significant investments in data security protection, we may not be

sufficiently protected against such occurrences. We may not have sufficient resources to adequately protect against, or to investigate and remediate any vulnerability to, cyber incidents. It is possible that any of these occurrences, or a combination of them, could have adverse consequences on our business and lead to financial loss. 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.

A new 1% U.S. federal excise tax 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 be imposed upon 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 in connection with the redemptions by us to predict our future operating results. These fluctuations may occur due to a variety of factors, many of which are outside of our Class A common stock. control, including, but not limited to:

On August 16, 2022, President Biden signed into law

- the Inflation Reduction Act (the "IRA"), which, among 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 things, imposes a new U.S. federal 1% excise tax on certain repurchases (including redemptions) of stock by publicly traded domestic corporations and certain domestic subsidiaries of publicly traded foreign corporations. This excise tax is imposed on the repurchasing corporation itself, not its stockholders from which shares are repurchased. Generally, the amount of the excise tax is 1% of the fair market value of the shares repurchased at the time of the repurchase. For the purposes of calculating the excise tax, the repurchasing corporation is permitted to net the fair market value of certain new stock issuances against the fair market value of the stock repurchases that occur change in the same taxable year. The U.S. Treasury Department, the IRS (as defined below), and other standard-setting bodies are expected to issue guidance on how the excise tax provisions of the IRA will be applied. The IRA excise tax applies to repurchases that occur after December 31, 2022.

  Any repurchase or redemption competitive landscape of our Class A common stock that occurs after December 31, 2022, in connection with the Business Combination may be subject to the excise tax. Whether and to what extent we would be subject to the excise tax in connection with the Business Combination would depend on a number of factors, industry, including (i) the fair market value of the redemptions and repurchase in connection with the Business Combination, (ii) the structure of the Business Combination, (iii) the nature and amount of any PIPE Investment consolidation among our competitors or other equity issuances in connection with the Business Combination (or otherwise issued not in connection with the Business Combination but issued within the same taxable year of the Business Combination) and (iv) the regulations and other guidance issued by the U.S. Treasury Department and the IRS. Since the excise tax would be payable by us and not by the redeeming holder, we have yet to determine the mechanics of any required payment of the excise taxes. partners.

  An investment in us may result in uncertain or adverse United States federal income tax consequences.

  An investment in us may result in uncertain U.S. federal income tax consequences. For instance, because there are no authorities that directly address instruments similar to the units we issued in our initial public offering, the allocation an investor makes with respect to the purchase price of a unit between the share of Class A common stock and the one-half of one redeemable warrant to purchase Class A common stock included in each unit could be challenged by the Internal Revenue Service ("IRS") or the courts. Furthermore,

the U.S. federal income tax consequences of a cashless exercise of a warrant included in the units is unclear under current law. Finally, it is unclear whether the redemption rights with respect to our shares of Class A common stock suspend the running of a U.S. Holder's holding period for purposes of determining whether any gain or loss realized by such holder on the sale or exchange of Class A common stock is long-term capital gain or loss and for determining whether any dividend we pay would be considered "qualified dividend income" for U.S. federal income tax purposes Prospective investors are urged to consult their tax advisors with respect to these and other tax consequences when purchasing, holding or disposing of our securities.

We would be subject to a second level of U.S. federal income tax on a portion of our income if we are determined to be a personal holding company (a "PHC") for U.S. federal income tax purposes.

A U.S. corporation generally will be classified as a PHC for U.S. federal income tax purposes in a given taxable year if (i) at any time during the last half of such taxable year, five or fewer individuals (without regard to their citizenship or residency and including as individuals for this purpose certain entities such as certain tax tax-exempt organizations, pension funds and charitable trusts) own or are deemed to own (pursuant to certain constructive ownership rules) more than 50% of the stock of the corporation by value and (ii) at least 60% of the corporation's adjusted ordinary gross income, as determined for U.S. federal income tax purposes, for such taxable year consists of PHC income (which includes, among other things, dividends, interest, certain royalties, annuities and, under certain circumstances, rents).

Depending 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 date and size 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 initial 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, combination, it is possible 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 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 60% $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 adjusted ordinary gross income Common Stock may consist of PHC income as discussed above. In addition, depending be more volatile and may decline.

Because there are no current plans to pay cash dividends on our Common Stock for the concentration foreseeable future, you may not receive any return on investment unless you sell your shares of our stock 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 SYU and the repayment or refinancing of the 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

sole discretion of our Board and subject to restrictions and limitations in the hands Term Loan Agreement or any other then-existing indebtedness of individuals, including the members 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 sponsor and certain tax-exempt organizations, pension funds and charitable trusts, it is possible Common Stock for a price greater than that more than 50% of our stock may be owned or deemed owned (pursuant to the constructive ownership rules) by such persons during the last half of a taxable year. Thus, no assurance can be given that we will not become a PHC in the future. If we are or were to become a PHC in a given taxable year, we would be subject to an additional PHC tax, currently 20%, on our undistributed PHC income, which generally includes our taxable income, subject to certain adjustments.

Non-U.S. Holders may be subject to U.S. federal income tax if we are considered a United States real property holding corporation.

A Non-U.S. Holder (as defined below) of our Class A common stock may be subject to U.S. federal income and/or withholding tax in the event we are considered a “United States real property holding corporation” (“USRPHC”) you paid for U.S. federal income tax purposes. In that event, Non-U.S. Holders of our Class A common stock could be subject to U.S. federal income or withholding tax, or both, in respect of certain distributions on, and payments in connection with a sale, exchange, redemption, repurchase or other disposition of, our Class A common stock. Certain Non-U.S. Holders may be eligible for an exemption if they do not exceed certain ownership levels. Non-U.S. Holders are urged to consult their tax advisors with respect to the U.S. federal income tax consequences of acquiring, owning and disposing of our Class A common stock. it.

Item 1B. Unresolved Staff Comments

Not applicable.

Item 1C. Cybersecurity

Processes for Assessing, Identifying, and Managing Cybersecurity Risks

Since the completion of the Business Combination on February 14, 2024, Management has been working to create a defined cybersecurity risk management program, but such program is not yet in place. Currently, our Information Technology team works to monitor, assess, identify and respond to potential cybersecurity incidents that threaten the Company, but does not do so pursuant to a formal policy or program. We intend to fully implement a cybersecurity risk management program by the end of this year. Currently, the Company has a formal Cyber Incident Response Plan, which we intend to test periodically for effectiveness.

No Previous Material Cybersecurity Threats

As of the date of this report, we are not aware of any previous cybersecurity threats that have materially affected or are reasonably likely to materially affect the Company. However, we acknowledge that cybersecurity threats are continually evolving, and the possibility of future cybersecurity incidents remains. Despite the security and risk management measures that we have implemented and any additional measures we may implement or adopt in the future, our facilities and systems, and those of our third-party service providers, have been and are vulnerable to security breaches, computer viruses, lost or misplaced data, programming errors, scams, burglary, human errors, acts of vandalism, misdirected wire transfers, or other malicious or criminal activities. A successful attack on our information or operational technology systems could have material consequences for the Company. While we intend to devote resources to our security measures to protect our systems and information during 2024, these measures cannot provide absolute security. See "Item 1A. Risk Factors" for additional information about the risks to our business associated with a breach or compromise to our information technology systems.

Board of Directors' Oversight of Cybersecurity Risks

The audit committee of our Board is responsible for the oversight of risks from cybersecurity threats. As part of its oversight, our audit committee and certain members of the Company's management will meet quarterly to discuss ongoing initiatives and to facilitate coordination between Company stakeholders. At these meetings, our Vice President of Information Technology will review with our audit committee current and emerging cybersecurity threats, as well as key performance indicators for cybersecurity process maturity, operational performance, and enterprise performance in countering cybersecurity threats. Our Vice President of Information Technology will also annually review the Company's cybersecurity risk management program with our Board.

Management's Role in Assessing and Managing Cybersecurity Risks

Our Vice President of Information Technology is primarily responsible for assessing and managing the Company's material cybersecurity risks, monitoring the effectiveness of our cybersecurity detection and response processes and providing updates on cybersecurity to our executive team. Our Vice President of Information Technology has more than 25 years of experience working in the field of information technology, including significant experience directing enterprise-level cybersecurity programs.

Item 2. Properties

SYU consists of three offshore platforms, Hondo, Heritage and Harmony, and an onshore oil and natural gas processing facility in Goleta, California. The platforms are located from five to nine miles offshore Santa Barbara County in federal waters. We do not own any real estate or other physical properties materially important and operate 16 federal leases and subsea pipelines, which transport crude oil, natural gas and produced water from the platforms to our operation. the onshore processing facilities. For further information, see "*Business—Operations*."

Our principal executive office is located at 700 Milam Street, 845 Texas Avenue, Suite 3300, 2900, Houston, Texas 77002. We consider our current office space adequate for our current operations.

Item 3. Legal Proceedings

To For information regarding the knowledge Line 901 incident and other legal proceedings, see "*Business—Pipeline 901 Incident.*"

Other Legal Proceedings

As part of our management, there Sable's normal business activities, it may be named as a defendant in litigation and other legal proceedings, including those arising from regulatory and environmental matters. If Sable determines that a negative outcome is no litigation currently probable and the amount of loss is reasonably estimable, we will accrue the estimated amount. Sable is not aware of any pending or contemplated threatened legal proceedings against us, any Sable as of our officers the date of this Annual Report on Form 10-K and no amounts have been accrued for litigation or directors in their capacity legal proceedings as such or against any of our property. December 31, 2023.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters, and Issuer Purchases of Equity Securities Market Information Securities.

Our units trade on the NYSE under the symbol "FLME.U." The common stock Common Stock and warrants Public Warrants trade on the NYSE under the symbols "FLME" "SOC" and "FLME.WS, "SOC.WS," respectively.

Holders

On March 28, 2023 March 27, 2024, there was one were 56 holders of record of our Common Stock, 1 holder of record of our units, two holders of record of our Class A common stock, one holder of record of our public warrants, eight holders of record of our Class B common stock Public Warrants and eight nine holders of record of our private placement warrants.

Securities Authorized for Issuance Under Equity Compensation Plans.

None.

Recent Sales As of Unregistered Securities; Use of Proceeds from Registered Offerings.

On March 1, 2021 December 31, 2023, we sold 7,750,000 private placement warrants to our sponsor at $1.00 per warrant, generating gross proceeds of $7,750,000. Each private placement warrant is exercisable to purchase one share of Class A common stock at $11.50 per share.

On March 1, 2021 we consummated our initial public offering of 28,750,000 units at $10.00 per unit, including 3,750,000 units sold pursuant to the full exercise of the underwriters' option to purchase additional units to cover over-allotments. Cowen & Company, LLC ("Cowen") and Intrepid Partners, LLC ("Intrepid') served as the joint book-running managers for the offering. The securities sold in the initial public offering were registered under the Securities Act on a registration statement on Form S-1 (No. 333-252805) that became effective on February 24, 2021.

We paid a total of $5,750,000 in underwriting discounts and commissions and $857,751 for other costs and expenses related to the initial public offering. The underwriters agreed to defer an additional $10,062,500 in underwriting discounts and commissions, payable upon consummation of our initial business combination, pursuant to had no equity compensation plans or outstanding equity awards. In connection with the Business Combination, Marketing Agreement, by and among the Company Cowen adopted the Incentive Plan in order to facilitate the grant of cash and Intrepid. After deducting equity incentives to directors, employees, including named executive officers, and consultants to help attract and retain the underwriting discounts and commissions (excluding services of these individuals. The aggregate number of shares of Common Stock that are available for issuance under the deferred portion Incentive Plan is 15,621,569, provided that the number of $10,062,500 shares of Common Stock authorized for issuance under the Incentive Plan is subject to an annual increase for ten years on the first day of each calendar year beginning January 1, 2024, in underwriting discounts and commissions, which will be released from an amount equal to the Trust Account upon consummation lesser of initial business combination, if consummated) and incurred offering costs, the total net proceeds from our initial public offering and the sale (A) 5% of the private placement warrants was $287,835,000, aggregate number of which $287,500,000 (or $10.00 per unit sold in shares of Common Stock outstanding on the initial public offering) was placed in final day of the Trust Account. We reimbursed our sponsor immediately preceding calendar year and certain officers and directors to cover expenses related to the initial public offering. Other than (B) such smaller number of shares as described above, no payments were made by us to directors, officers or persons owning ten percent or more of our common stock or to their associates, or to our affiliates.

Purchases of Equity Securities is determined by the Issuer and Affiliated Purchasers

None. Board.

Item 6. **[Reserved]**

Item 7. **Management's Discussion and Analysis of Financial Condition and Results of Operations**

References Unless otherwise indicated, references to "we", "us", "our", "Flame" or the "Company" in this Item 7 are to Flame Acquisition Corp. before the consummation of the Business Combination. References to "New Sable" are to Sable Offshore Corp., except where after the context requires otherwise. consummation of the Business Combination. The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our financial statements and related notes thereto included elsewhere in this Annual Report on Form 10-K.annual report. The financial information included in this Item 7 is that of the Company prior to the Business Combination because the Business Combination was consummated subsequent to the period covered by the audited financial statements included in this annual report.

Cautionary Note Regarding Forward-Looking Statements

This Annual Report on Form 10-Kannual report includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). We have based these forward-looking statements on our current expectations and projections about future events. These forward-looking statements are subject to known and unknown risks, uncertainties and assumptions about us that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "may," "should," "could," "would," "expect," "plan," "anticipate," "believe," "estimate," "continue," or the negative of such terms or other similar expressions. Such statements include, but are not limited to, possible business combinations and the financing thereof, and related matters, as well as all other statements other than statements of historical fact included in this Form 10-K. Factors that might cause or contribute to such a discrepancy include, but are not limited to, those set forth under "Item 1A. Risk Factors" and elsewhere in this Annual Report on Form 10-K,annual report, and those described in our other Securities and Exchange Commission filings.

Overview

We are were incorporated in Delaware on October 16, 2020 and, until February 14, 2024, were a blank check company incorporated in Delaware on October 16, 2020 formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses. We are an emerging growth company and, as such, we are subject to all of the risks associated with emerging growth companies. Our sponsor is Flame Acquisition Sponsor LLC, a Delaware limited liability and an affiliate of certain of our officers and directors.

Potential Business Combination

Merger Agreement

On November 2, 2022, we entered into an agreement and plan of merger, dated as of November 2, 2022 (as it may be amended, supplemented, or otherwise modified from time to time, the "Merger Agreement"), with Sable Offshore Corp., a Texas corporation ("SOC"), and Sable Offshore Holdings, LLC, a Delaware limited liability company and the parent company of SOC ("Holdco" and, together with SOC, "Sable" " Legacy Sable"). The Pursuant to the Merger Agreement, provides for, among other things, the following transactions at the closing: on February 14, 2024, (i) Holdco will merge merged with and into the Company, Flame, with the Company Flame surviving the such merger (the "Holdco Merger"), and (ii) immediately following the effective time of SOC merged with and into Flame, with Flame surviving such merger (the "SOC Merger" and, together with the Holdco Merger, SOC will merge the "Mergers" and, along with and into the Company, with the Company surviving the merger (the "SOC Merger"). The Holdco Merger together with the SOC Merger are referred to as the "Merger," and the Merger and other transactions contemplated by the Merger Agreement, are referred to as the "Business Combination." Combination"). In connection with the Business Combination, the Company will change Flame changed its name to Sable "Sable Offshore Corp. The independent members ".

Special Meeting and Closing of the board Transactions

On February 12, 2024, we held a special meeting of directors of stockholders (the "Special Meeting"), at which the Company (the "Board") approved, Flame stockholders considered and recommended that adopted, among other matters, a proposal to approve the Board approve, Business Combination, including (a) adopting the Merger Agreement and (b) approving the other transactions contemplated thereby. Subsequently, the Board approved by the Merger Agreement and the transactions contemplated thereby. Agreement.

The obligations of the parties to consummate the Business Combination are subject Pursuant to the satisfaction or waiver of certain customary closing conditions. The closing of the Merger is expected terms and subject to occur on the third business day after the satisfaction or waiver (if legally permissible) of the conditions set forth in the Merger Agreement, except as otherwise mutually agreed by following the parties. The Merger Agreement may be terminated under certain customary and limited circumstances at any time prior to the Closing and the Company can provide no assurance that Special Meeting, on February 14, 2024 (the "Closing Date"), the Business Combination will be was consummated at the expected time, or at all.

On November 10, 2022, we filed a preliminary proxy statement relating to the Business Combination (as amended, the "Proxy Statement" (the "Closing"), which included a recommendation of the Board to the Company's stockholders that they approve the proposals included in the Proxy Statement. For more information on the Business Combination and the transactions contemplated thereby, please refer to the Company's Current Report on Form 8-K, filed with the SEC on November 2, 2022 and the Company's preliminary proxy statement on Schedule 14A filed with the SEC on November 10, 2022 (as amended from time to time, including on December 23, 2022 and January 27, 2023). .

PIPE Subscription Agreements

In connection with the Business Combination, Holdco and Flame entered into subscription agreements (the "Sable (collectively, as amended, supplemented or otherwise modified, the "Initial PIPE Subscription Agreements") with certain investors (such investors, the "Sable (the "PIPE Investors") for an aggregate commitment amount of $520,000,000 (the "Initial PIPE Investors" Investments"), pursuant to which the Sable PIPE Investors such investors agreed to purchase an aggregate of 52,000,000 shares of common stock of New Sable, par value of $0.0001 per share ("Common Stock"), at a price of $10.00 per share upon the consummation of the Business Combination. On February 12, 2024, following the Special Meeting, a PIPE Investor that subscribed for $125,000,000 of the Initial PIPE Investment informed the Company that it would not be able to fund that subscribed amount by the Closing due to difficulties it experienced related to receiving called capital from certain of its foreign investors. The inability of that PIPE Investor to fund its commitment did not relieve the obligations of the other PIPE Investors to fund their commitments in connection with the Closing. On February 12, 2024 and February 13, 2024, the Company entered into subscription agreements (collectively, the "Additional PIPE Subscription Agreements" and, together with the Initial PIPE Subscription Agreements, the "PIPE Subscription Agreements") (including an additional $25,000,000 commitment from James C. Flores, our Chairman and Chief Executive Officer) on substantially the same terms as those contained in the Initial PIPE Subscription Agreements to replace, in the aggregate, 7,450,000 limited liability company membership interests in Holdco designated as Class B $55,000,000 of the amount previously committed by the PIPE Investor described above (the "Additional PIPE Investments" and, together with the Initial PIPE Investments, the "PIPE Investments"). On February 14, 2024, immediately following the Closing, New Sable issued 44,024,910 shares of Common Stock, at a price of $10.00 per share for an aggregate commitment amount PIPE Investment of approximately $74,500,000 (the "Sable PIPE Investment").

The Sable PIPE Subscription Agreements provide that, $440,249,100 in accordance with the event terms of the Merger is consummated, the Sable PIPE Investors will be deemed to have subscribed for and will purchase our Class A common stock at the same price per share and, by operation of law pursuant to the Merger, we will have succeeded to Holdco's obligations under the Sable PIPE Subscription Agreements. The Sable shares of Common Stock issued in the PIPE Investments were offered in a private placement under the Securities Act of 1933, as amended (the "Securities Act"), pursuant to the PIPE Subscription Agreements provide that, if Agreements.

Registration Rights Agreement

On the Closing Date, in connection with the consummation of the Business Combination and as contemplated by the Merger is consummated, we must Agreement, the holders of the limited liability company interests in Holdco designated as Holdco Class A shares entered into a registration rights agreement with New Sable (the "Registration Rights Agreement") pursuant to which the holders were granted certain registration rights with respect to the Common Stock received as consideration in the Merger.

Pursuant to the Registration Rights Agreement, New Sable agreed to file a registration statement within 30 calendar days after the consummation of the Merger registering the resale of the shares of our Class A common stock issued to registrable securities under the Sable PIPE Investors, Registration Rights Agreement, and must use our its commercially reasonable efforts to have the registration statement declared effective by the SEC by the earlier of (i) the 90th calendar day (or 120th calendar day if the SEC notifies us New Sable that it will review the registration statement) following the closing of the Merger and (ii) the 10th business day after the date we New Sable are notified (orally or in writing, whichever is earlier) by the SEC that the registration statement will not be reviewed or will not be subject to further review. We thereafter will be required to maintain a registration statement that is continuously effective and to cause the registration statement to regain effectiveness in the event that it ceases to be effective.

We intend to pursue additional private placement subscriptions under substantially similar subscription agreements (with revisions to reflect that we are entering into such subscription agreements and the subscribers will be subscribing for our Class A common stock directly) prior to the closing of the Business Combination (the "Flame PIPE Subscription Agreements"), provided that such additional subscriptions, together with the New Sable PIPE Investment, will not exceed $400 million. The Sable PIPE Subscription Agreements and the Flame PIPE Subscription Agreements are referred to collectively as the "PIPE Subscription Agreements," and the Sable PIPE Investors and any investors who enter into Flame PIPE Subscription Agreements are refereed to collectively as the "PIPE Investors." The foregoing description of the Sable PIPE Subscription Agreements does not purport to be complete and is qualified in its entirety by reference to the full text of the form Sable PIPE Subscription Agreement filed as an exhibit to our Current Report on Form 8-K, filed with the SEC on November 2, 2022.

Registration Rights Agreement

The Merger Agreement provides that, at the closing of the Business Combination, the holders of Holdco Class A shares immediately prior to the effective time of the Holdco Merger will enter into a registration rights agreement with us (the "Registration Rights Agreement")

pursuant to which the holders will be granted certain registration rights with respect to the Flame Class A common stock to be received as consideration in the Merger.

Pursuant to the Registration Rights Agreement, we will agree to file a registration statement within 30 calendar days after the consummation of the Merger registering the resale of the registrable securities under the Registration Rights Agreement, and we must use our commercially reasonable efforts to have the registration statement declared effective by the SEC by the earlier of (i) the 90th calendar day (or 120th calendar day if the SEC notifies us that it will review the registration statement) following the closing of the Merger and (ii) the 10th business day after the date we are notified (orally or in writing, whichever is earlier) by the SEC that the registration statement will not be reviewed or will not be subject to further review. We thereafter will be required to maintain a registration statement that is continuously effective and to cause the registration statement to regain effectiveness in the event that it ceases to be effective. At any time the registration statement is effective, any holder signatory to the Registration Rights Agreement may request, one time in any 12-month period, to sell all or a portion of its securities that are registrable in an underwritten offering pursuant to the registration statement for a total offering price reasonably expected to exceed, in the aggregate, $25 million. In addition, the holders will have certain "piggyback" registration rights with respect to registrations initiated by us New Sable and other Flame New Sable stockholders. We New Sable will bear the expenses incurred in connection with the filing of any registration statements pursuant to the Registration Rights Agreement, subject to limited exceptions.

Pursuant to the Registration Rights Agreement, the holders of Holdco Class A shares immediately prior to the effective time of the Holdco Merger, subject to limited exceptions, will agree agreed to a lock-up on their shares of our Class A common stock, Common Stock, pursuant to which such parties will agree agreed to not transfer shares of our Class A common stock Common Stock held by such parties for a period of three years following the closing of the Business Combination.

The foregoing description of the Registration Rights Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the form Registration Rights Agreement filed as an exhibit to our New Sable's Current Report on Form 8-K, filed with the SEC on November 2, 2022 February 14, 2024.

Recent Events

On February 21, 2023, to mitigate the risk of us being deemed to have been operating as an unregistered investment company (including under the subjective test of Section 3(a)(1)(A) of the Investment Company Act), the investments in U.S. government securities or money market funds held in the Trust Account were liquidated to thereafter be held in cash (which may include an interest bearing demand deposit account at a national bank) until earlier of: (i) the completion of a Business Combination and (ii) the distribution of the funds in the Trust Account to the Company's stockholders.

On February 27, 2023, at a special meeting of stockholders, the Company's stockholders voted to approve an amendment (the "Extension Amendment Proposal") to the amended and restated certificate of incorporation to extend the date by which the Company must complete a business combination (the "Extension") from March 1, 2023, to September 1, 2023 (the "Extended Date"). In connection with the Extension, stockholders holding 20,317,255 shares of our Class A Common Stock common stock, par value $0.0001 per share ("Flame Class A common stock") exercised their right to redeem such shares for a pro rata portion of the funds in the Trust Account, representing approximately 70.67% of our issued and outstanding Flame Class A ordinary shares. common stock. As a result, $206,121,060 (approximately $10.15 per share) was removed from the Trust Account to pay such redeeming holders on March 2, 2023.

On February 27, 2023, in connection with the Extension, we filed an amendment (the "Extension Amendment") to our Amended and Restated Certificate of Incorporation with the Secretary of State of the State of Delaware. The Extension Amendment extends the date by which we must consummate our initial business combination from March 1, 2023 to September 1, 2023.

On June 13, 2023, Sable and EM entered into a First Amendment (the "*First Amendment*") to the Sable-EM Purchase Agreement. Pursuant to the First Amendment, Sable and EM agreed to amend the Sable-EM Purchase Agreement to, among other things, provide that the closing of the transactions contemplated by the Sable-EM Purchase Agreement was scheduled to take place on June 30, 2023 (the "*Sable-EM Scheduled Closing Date*"), unless one or more of the conditions to closing described in the Sable-EM Purchase Agreement was not satisfied as of the Sable-EM Scheduled Closing Date, in which case the closing would be held three business days after all such conditions were satisfied or waived, or such other date as the parties may mutually agree in writing, but in no event later than December 31, 2023. The First Amendment also lowered the "Minimum Cash Threshold" (as defined in the Sable-EM Purchase Agreement) from $200,000,000 to $150,000,000. On December 15, 2023, Sable and EM entered into a Second Amendment (the "*Second Amendment*") to the Sable-EM Purchase. Pursuant to the Second Amendment, Sable and EM agreed to amend the Sable-EM Purchase

Agreement to, among other things, provide that the closing of the transactions contemplated by the Sable-EM Purchase Agreement was scheduled to take place on February 1, 2024 (the "*Second Sable-EM Scheduled Closing Date*"), unless (i) Sable and EM agreed to close on a date prior to the Second Sable-EM Scheduled Closing Date, in which case the closing would be held on such agreed date, or (ii) one or more of the conditions to closing described in the Sable-EM Purchase Agreement were not satisfied as of the Second Sable-EM Scheduled Closing Date, in which case the closing would be held three business days after all such conditions have been satisfied or waived, or such other date as the parties may mutually agree in writing, but in no event later than February 29, 2024. The obligations of EM to consummate the transactions contemplated by the Sable-EM Purchase Agreement were subject to the satisfaction by Sable (unless waived by EM) of, among other conditions, the condition that the amount of Available Cash of Sable was not less than the Minimum Cash Threshold.

On June 30, 2023, Flame and Sable entered into a Second Amendment to the Merger Agreement, pursuant to which the parties agreed to extend the date by which the parties must consummate the Business Combination, or otherwise either Flame or Sable would be able to terminate the Merger Agreement, from June 30, 2023 to March 1, 2024.

On August 22, 2023, we issued an aggregate of 7,187,500 shares of Flame Class A common stock to Sponsor, FL Co-Investment, Intrepid Financial Partners, Flame's independent directors and certain of our executive officers, upon the conversion of an equal number of shares of Flame Class B common stock (the "*Class B Conversion*"). The 7,187,500 shares of Flame Class A common stock issued in connection with the Class B Conversion are subject to the same restrictions as applied to the shares of Flame Class B common stock before the Class B Conversion, including, among other things, certain transfer restrictions, waiver of redemption rights and the obligation to vote in favor of an initial business combination, as described in the prospectus for the Flame IPO. After the Class B Conversion, no shares of Flame Class B common stock remained outstanding.

On August 29, 2023, at a special meeting of stockholders, Flame's stockholders voted to approve the Second Extension Amendment Proposal to the Flame certificate of incorporation to extend the date by which we must complete a business combination from September 1, 2023 to March 1, 2024. In connection with the Second Extension, stockholders holding 2,328,063 public shares exercised their right to redeem such shares for a pro rata portion of the funds in the trust account (approximately $10.31 per share), representing approximately 27.61% of Flame's then issued and outstanding public shares. After giving effect to such redemptions, approximately $63.0 million remained in the trust account.

On August 29, 2023, in connection with the Second Extension, we filed the Second Extension Amendment to the Flame certificate of incorporation with the Secretary of State of the State of Delaware. The Second Extension Amendment extended the date by which we had to consummate our initial business combination from September 1, 2023 to March 1, 2024.

On December 5, 2023, the California State Lands Commission voted unanimously to approve amendments to right-of-way leases held directly or indirectly by EM, for existing infrastructure serving offshore platforms Hondo, Harmony and Heritage in SYU. The amendments, among other things, extend the holdover periods for each of the leases by five years to December 31, 2028 and January 31, 2029, increase the bonding requirements from $1,000,000 to $15,000,000 and from $1,000,000 to $5,000,000, and provide for increased inspection and monitoring requirements. These leases were subsequently assigned to Sable. Sable does not expect the assignment of the leases to have an impact on the regulatory approval process.

Results of Operations

Our entire activity since inception through December 31, 2023 was related to our formation, the preparation for our initial public offering, and since the closing of our initial public offering, the search for a target for our initial business combination (see Note 1 to our financial statements included elsewhere in this annual report). We have neither engaged in any operations nor generated any revenues to date. We will not generate any operating revenues until after completion of our initial business combination. We will generate non-operating income in the form of interest income on cash and cash equivalents and changes in fair value of our derivative warrant liabilities and promissory notes. We expect to incur increased expenses as a result of being a public company (for legal, financial reporting, accounting and auditing compliance), as well as for due diligence expenses.

Until consummation of its Business Combination, the Company used the funds not held in the Trust Account, and any additional Working Capital Loans (as defined in Note 5 to our financial statements included elsewhere in this annual report) from the initial stockholders, the Company's officers and directors, or their respective affiliates (which is described in Note 5 to our financial statements included elsewhere in this annual report), for identifying and evaluating prospective acquisition candidates, performing business due diligence on prospective target businesses, traveling to and from the offices, plants or similar locations of prospective target businesses, reviewing corporate documents and material agreements of prospective target businesses, selecting the target business to acquire and structuring, negotiating and consummating the Business Combination.

For the year ended December 31, 2023, we had a net loss of $32,180,557, which consisted of interest income on our amounts held in the Trust Account of $4,415,456, offset by an increase in the fair value of warrants of $27,064,500 (due to a corresponding increase in the market price of the warrants) operating costs of $4,918,801, income tax expense of $914,318 and an increase in fair value of the previously issued promissory notes of $3,698,394.

For the year ended December 31, 2022, we had a net loss of $2,590,948, which consisted of interest income on our amounts held in the Trust Account of $3,989,061, and a decrease in the fair value of warrants of $498,000, offset by operating costs of $6,150,199, income tax expense of $757,069 and an increase in fair value of the previously issued promissory notes of $170,741.

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 has addressed near-term capital funding needs with the PIPE capital raise and the consummation of the Business Combination and 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.

Liquidity and Capital Resources

As of December 31, 2022 December 31, 2023, we had cash of $100,256. $267,816. Until the consummation of our initial public offering, our only sources of liquidity were an initial purchase of common stock by our founders and a loan from the Sponsor, FL Co-Investment and Intrepid Financial Partners.

Our registration statement for our initial public offering was declared effective on February 24, 2021. On March 1, 2021, we consummated our initial public offering of 28,750,000 units, which included 3,750,000 units issued pursuant to the full exercise by the underwriters of their over-allotment option, at $10.00 per Unit, generating gross proceeds of $287,500,000 and incurring offering costs of $16,670,251, inclusive of $10,062,500 in deferred underwriting commissions pursuant to the Business Combination Marketing Agreement with Cowen and Company, LLC and Intrepid Partners, LLC (the "Business Combination Marketing Agreement").

Simultaneously with the closing of our initial public offering, we consummated the private placement of 7,750,000 warrants to our initial stockholders, each exercisable to purchase one share of Flame Class A common stock at $11.50 per share, at a price of $1.00 per private placement warrant, generating gross proceeds to us of $7,750,000.

Upon the closing of our initial public offering and the private placement, $287,500,000 of the net proceeds of the sale of the Units in our initial public offering and the sale of private placement warrants in the private placement were placed in the Trust Account, located in the United States at J.P. Morgan Chase Bank, N.A., with American Stock Transfer & Trust Company acting as trustee, and invested only in U.S. "government securities" within the meaning of Section 2(a)(16) of the Investment Company Act having a maturity of 185 days or less or in money market funds meeting certain conditions under Rule 2a-7 promulgated under the Investment Company Act which invest only in direct U.S. government treasury obligations, as determined by us, until the earlier of: (i) the completion of our initial business combination and (ii) the distribution of the Trust Account as described below. Except with respect to interest earned on the funds held in

the Trust Account that may be released to us to pay our taxes, if any, the funds held in the Trust Account will would not be released until the earliest to occur of: (a) the completion of our initial business combination, (b) the redemption of any public shares properly submitted in connection with a stockholder vote to amend our amended and restated certificate of incorporation (A) to modify the substance or timing of our obligation to allow redemption in connection with our initial business combination or redeem 100% of our public shares if we do did not complete our initial business combination by September 1, 2023 March 1, 2024, or (B) with respect to any other provision relating to stockholders' rights or pre-initial business combination activity and (c) the redemption of our public shares if we are were unable to complete our initial business combination by September 1, 2023 March 1, 2024, subject to applicable law. On February 21, 2023, the Trust Account was liquidated to thereafter be held in cash, which may include an interest bearing demand deposit account at a national bank (see Note 11 to our financial statements included elsewhere in this annual report). Based on current interest rates, we expect that interest income earned on the Trust Account (if any) will be sufficient to pay our income and franchise taxes. cash.

If we are unable to complete our initial business combination by September 1, 2023 (or such later date as may be provided pursuant to a further amendment to our amended and restated certificate of incorporation), we will (i) cease all operations except for the purpose of winding up; (ii) as promptly as reasonably possible but no more than ten business days thereafter subject to lawfully available funds therefor, redeem the Public Shares, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the Trust Account, including interest earned on the funds held in the Trust Account and not previously released to us to pay our taxes as well as expenses relating to the administration of the Trust Account (less up to $100,000 of interest to pay dissolution expenses) divided by the number of the then outstanding Public Shares, which redemption will completely extinguish Public Stockholders' rights as stockholders (including the right to receive further liquidation distributions, if any), subject to applicable law; and (iii) as promptly as reasonably possible following such redemption, subject to the approval of the remaining stockholders and the board of directors, liquidate and dissolve, subject in each case to our obligations under Delaware law to provide for claims of creditors and the requirements of other applicable law. There will be no redemption rights or liquidating distributions with respect to our warrants, which will expire worthless if we fail to complete our initial business combination by the end of the Combination Period, or by the applicable deadline as may be extended.

Results of Operations

Our entire activity since inception through December 31, 2022 was related to our formation, the preparation for our initial public offering, and since the closing of our initial public offering, the search for a target for our initial business combination (see Note 6 to our financial statements included elsewhere in this annual report). We have neither engaged in any operations nor generated any revenues to date. We will not generate any operating revenues until after completion of our initial business combination. We will generate non-operating income in the form of interest income on cash and cash equivalents and changes in fair value of our derivative warrant liabilities and promissory notes. We expect to incur increased expenses as a result of being a public company (for legal, financial reporting, accounting and auditing compliance), as well as for due diligence expenses.

Until consummation of its Business Combination, the Company will be using the funds not held in the Trust Account, and any additional Working Capital Loans (as defined in Note 5 to our financial statements included elsewhere in this annual report) from the initial stockholders, the Company's officers and directors, or their respective affiliates (which is described in Note 5 to our financial statements included elsewhere in this annual report), for identifying and evaluating prospective acquisition candidates, performing business due diligence on prospective target businesses, traveling to and from the offices, plants or similar locations of prospective target businesses, reviewing corporate documents and material agreements of prospective target businesses, selecting the target business to acquire and structuring, negotiating and consummating the Business Combination.

If the Company's estimates of the costs of undertaking in-depth due diligence and negotiating a business combination are less than the actual amounts necessary to do so, the Company may have insufficient funds available to operate its business prior to the business combination and will need to raise additional capital through loans from the Sponsor, its officers and/or directors, or third parties. Except as contemplated by the terms of the Initial Promissory Note, First Working Capital Loan, Second Working Capital Loan, Third Working Capital Loan, Q3 2022 Promissory Note, Q4 2022 Promissory Note and Q1 2023 Promissory Note, neither the Sponsor or the Company's officers or directors are under any obligation to advance funds to, or to invest in, the Company. If the Company is unable to raise additional capital, it may be required to take additional measures to conserve liquidity, which could include, but not necessarily be limited to, curtailing operations, suspending the pursuit of its business plan, 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. We are also subject to a mandatory liquidation and subsequent dissolution requirement if we do not complete our initial business combination by September 1, 2023. We cannot assure you that our plans to raise capital or to consummate an initial business combination before September 1, 2023 will be successful. These factors, among others, raise substantial doubt about our ability to continue as a going concern. These financial statements do not include any adjustments relating to the recovery of the recorded assets or the classification of the liabilities that might be necessary should the Company be unable to continue as a going concern.

For the year ended December 31, 2022, we had a net loss of $2,590,948, which consisted of interest income on our amounts held in the Trust Account of $3,989,061, and a decrease in the fair value of warrants of $498,000, offset by operating costs of $6,150,199, income tax expense of $757,069 and an increase in fair value of the previously issued promissory notes of $170,741.

For the year ended December 31, 2021, we had a net income of $4,273,078, which consisted of $1,682,816 in operating costs, $280,829 of financing costs, and $18,323 of initial fair value adjustment on promissory note, offset by $6,155,125 of change in fair value of derivative warrant liabilities, $83,768 of change in fair value of promissory note and $16,153 in gain on investments held in Trust Account. The $280,829 in financing costs represents offering costs allocated to warrant liabilities and expensed at the time of the initial public offering.

Going Concern

As of December 31, 2022, we had $100,256 in cash and working capital deficit of $6,547,305. We are also subject to a mandatory liquidation and subsequent dissolution requirement if we do not complete our initial business combination by September 1, 2023. All remaining cash held in the Trust Account is generally unavailable for the Company's use, prior to an initial business combination, and is restricted for use either in a Business Combination, to redeem common stock or to use for payment of taxes. During the period ended December 31, 2022, the Company withdrew $786,918 for payment of taxes, leaving $3,218,297 available for withdrawal from the Trust account as of December 31, 2022. Further, we expect to incur significant costs in pursuit of our acquisition plans. Management's plans to address this need for capital are discussed in Note 1 to our financial statements included elsewhere in this Annual Report on Form 10-K. Our plans to raise capital and to consummate our initial business combination by September 1, 2023 may not be successful. These factors, among others, raise substantial doubt about our ability to continue as a going concern. The financial statements contained elsewhere in this Quarterly Report on Form 10-Q do not include any adjustments that might result from our inability to continue as a going concern.

Through December 31, 2022, the Company's liquidity needs were satisfied through receipt of $25,000 from the sale of the Founder Shares and the remaining net proceeds from the IPO and the sale of Private Placement Warrants, as well as $300,000 that was available under the Initial Promissory Note, $365,000 that was available under the First Working Capital Loan (see Note 5 to our financial statements included elsewhere in this annual report), $800,000 that was available under the Second Working Capital Loan (see Note 5 to our financial statements included elsewhere in this annual report), $335,000 that was available under the Third Working Capital Loan (see Note 5 to our financial statements included elsewhere in this annual report), $170,000 that was available under the Q3 2022 Promissory Note (see Note 5 to our financial statements included elsewhere in this annual report) and $200,000 that was available under the Q4 2022 Promissory Note (see Note 5 to our financial statements included elsewhere in this annual report). As of December 31, 2022, each of the working capital loans was fully drawn down. The Q3 2022 Promissory Note was fully drawn down on October 5, 2022, and the Q4 2022 Promissory Note (see Note 5 to our financial statements included elsewhere in this annual report) was fully drawn down on October 31, 2022. On February 6, 2023, the Company issued an additional unsecured promissory note ("Q1 2023 Promissory Note") in the principal amount of $535,000 (see Note 11 to our financial statements included elsewhere in this annual report).

Related Party Transactions

Founder Shares

In November 2020, our founders acquired 7,187,500 shares of Flame Class B common stock (the "*founder shares*") for an aggregate purchase price of $25,000. Our sponsor Sponsor purchased 4,671,875 founder shares, FL Co-Investment purchased 1,257,813 founder shares and Intrepid Financial Partners purchased 1,257,812 founder shares. Also in November 2020, our sponsor Sponsor transferred 434,375 founder shares to our independent director nominees and certain individuals, including Gregory D. Patrinely, our Executive Vice President and Chief Financial Officer, at their original purchase price. Simultaneously with such transfer, each of FL Co-Investment and Intrepid Financial Partners transferred 13,125 founder shares to our sponsor, Sponsor, respectively, at their original purchase price.

The initial stockholders agreed, subject to limited exceptions, not to transfer, assign or sell any of the Founder Shares founder shares until the earlier to occur of:

(a) one year after the completion of our initial business combination or (b) subsequent to our initial business combination, (x) if the last reported sale price of our Flame Class A common stock equals or exceeds $12.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and other similar transactions) for any 20 trading days within any 30-trading day period commencing at least 150 days after our initial business combination, or (y) the date on which we complete a liquidation, merger, capital stock exchange or other similar transaction that results in all of our stockholders having the right to exchange their shares of common stock for cash, securities or other property. Any permitted transferees would be subject to the same restrictions and other agreements of our initial stockholders with respect to any founder shares.

On August 22, 2023, we issued an aggregate of 7,187,500 shares of Flame Class A common stock to the Sponsor, FL Co-Investment, Intrepid Financial Partners, our independent directors and certain of our executive officers, upon the Class B Conversion. The 7,187,500 shares of Flame Class A common stock issued in connection with the Class B Conversion are subject to the same restrictions as applied to the shares of Flame Class B common stock before the Class B Conversion, including, among other things, certain transfer restrictions and waiver of redemption rights, as described in the prospectus for the IPO described below (See Note 3 - Initial Public Offering). After the Class B Conversion, no shares of Flame Class B common stock remained outstanding.

Private Placement Warrants

Simultaneously with the closing of our initial public offering, we consummated the private placement of 7,750,000 private placement warrants to our initial stockholders, each exercisable to purchase one share of Flame Class A common stock at $11.50 per share, at a price of $1.00 per private placement warrant, generating gross proceeds to us of $7,750,000.

Each private placement warrant is exercisable for one whole share of Flame Class A common stock at a price of $11.50 per share. A portion of the proceeds from the sale of the private placement warrants to the initial stockholders was added to the proceeds from our initial public offering held in the Trust Account. If we do had not complete completed a business combination by September 1, 2023 March 1, 2024, the private placement warrants will expire would have expired worthless. Except as set forth below, the private placement warrants will be are non-redeemable for cash and exercisable on a cashless basis so long as they are held by the initial stockholders or their permitted transferees.

The purchasers of the private placement warrants agreed, subject to limited exceptions, not to transfer, assign or sell any of their private placement warrants (except to permitted transferees) until 30 days after the completion of the initial business combination.

Related Party Loans

On November 25, 2020, our founders agreed to loan us an aggregate of up to $300,000 to cover expenses related to our initial public offering pursuant to a promissory note (the “Initial Promissory Note”). This loan was non-interest bearing and payable upon the completion of our initial public offering. We borrowed $75,000 under the Initial Promissory Note and repaid the Initial Promissory Note to our founders in full as of September 30, 2021.

On March 1, 2021, we issued an unsecured promissory note as a working capital loan to the Sponsor in the principal amount of $365,000 to cover additional expenses related to our initial public offering (the “First Working Capital Loan”). This loan was non-interest bearing and is payable upon the completion of the initial business combination. The Sponsor assigned $145,000 of the First Working Capital Loan to our Executive Vice President and Chief Financial

Officer, Gregory Patrinely, $110,000 of the First Working Capital Loan to our Executive Vice President, General Counsel and Secretary, Anthony Duenner, and $110,000 of the First Working Capital Loan to our President, Caldwell Flores. As of December 31, 2022, December 31, 2023 and 2022, we have borrowed $365,000 under the First Working Capital Loan.

On December 27, 2021, we issued an unsecured promissory note as a working capital loan to the Sponsor in the principal amount of $800,000 to cover additional expenses related to our search for the initial business combination (the “Second Working Capital Loan”). This loan was non-interest bearing and payable upon the completion of the initial business combination. As of December 31, 2022, December 31, 2023 and 2022, we have borrowed $800,000 under the Second Working Capital Loan.

On March 29, 2022, we issued an unsecured promissory note as a working capital loan to the Sponsor in the principal amount of $335,000 to cover additional expenses related to our search for the initial business combination (the “Third Working Capital Loan”). This loan is non-interest bearing and payable upon the completion of the initial business combination. As of December 31, 2022, December 31, 2023 and 2022, we have borrowed $335,000 under the Third Working Capital Loan. The Sponsor assigned $112,000 $111,667 of the Third Working Capital Loan to each of our Executive Vice President and Chief Financial Officer, Gregory Patrinely, $112,000 and President, J. Caldwell Flores and $111,666 of the Third Working Capital Loan to our Executive Vice President, General Counsel and Secretary, Anthony Duenner, and $112,000 of the Third Working Capital Loan to our President, Caldwell Flores. Duenner.

On September 30, 2022, we issued an unsecured promissory note as a working capital loan to the Sponsor in the principal amount of $170,000 to cover additional expenses related to our search for the initial business combination (the “Q3 2022 Promissory Note”). This loan is non-interest bearing and payable upon the completion of the initial business combination. As of December 31, 2022, December 31, 2023 and 2022, we have borrowed $170,000 under the Q3 2022 Promissory Note.

On October 31, 2022, the Company issued an unsecured promissory note to the Sponsor (the "Q4 2022 Promissory Note"), pursuant to which the Company may borrow up to an aggregate principal amount of $200,000. The Q4 2022 Promissory Note is non-interest bearing and payable on the consummation of the Company's Business Combination. On October 31, 2022, As of December 31, 2023 and 2022, we have borrowed $200,000 under the Q4 2022 Promissory Note was fully drawn down by the Company. Note.

On February 6, 2023, the Company issued an unsecured promissory note to the Sponsor (the "Q1 2023 Promissory Note"), pursuant to which the Company may borrow up to an aggregate principal amount of $535,000. On May 12, 2023, the Q1 2023 Promissory note was amended to clarify that approximately $356,370 of the note proceeds are convertible into warrants of the post-Business Combination entity at a price of $1.00 per warrant, while the remainder of the note proceeds are non-convertible notes. The Q1 2023 Promissory Note is non-interest bearing and payable on the consummation of the Company's Business Combination. On February 7, 2023 As of December 31, 2023, we have borrowed $535,000 under the Q1 2023 Promissory Note.

On May 12, 2023, the Company issued an unsecured promissory note to the Sponsor (the "First Q2 2023 Promissory Note"), pursuant to which the Company may borrow up to an aggregate principal amount of $395,000. The First Q2 2023 Promissory Note was fully drawn down by is non-interest bearing and payable on the Company. consummation of the Company's Business Combination. As of December 31, 2023, we have borrowed $395,000 under the First Q2 2023 Promissory Note. Also on May 12, 2023, the Company issued an unsecured promissory note to the Sponsor (the "Second Q2 2023 Promissory Note"), pursuant to which the Company may borrow up to an aggregate principal amount of $355,000. The Second Q2 2023 Promissory Note is non-interest bearing and payable on the consummation of the Company's Business Combination. As of December 31, 2023, we have borrowed $355,000 under the Second Q2 2023 Promissory Note.

On June 22, 2023, the Company issued an unsecured promissory note to the Sponsor (the "Third Q2 2023 Promissory Note"), pursuant to which the Company may borrow up to an aggregate principal amount of $100,000. The Third Q2 2023 Promissory Note is non-interest bearing and payable on the consummation of the Company's Business Combination. As of December 31, 2023, we have borrowed $100,000 under the Third Q2 2023 Promissory Note. Also on June 22, 2023, the Company issued an unsecured promissory note to the Sponsor (the "Fourth Q2 2023 Promissory Note"), pursuant to which the Company may borrow up to an aggregate principal amount of $50,000. The Fourth Q2 2023 Promissory Note is non-interest bearing and payable on the consummation of the Company's Business Combination. As of December 31, 2023, we have borrowed $50,000 under the Fourth Q2 2023 Promissory Note.

On August 30, 2023, the Company issued an unsecured promissory note to the Sponsor (the "First Q3 2023 Promissory Note"), pursuant to which the Company may borrow up to an aggregate principal amount of $635,000. The First Q3 2023 Promissory Note is non-interest bearing and payable on the consummation of the Company's Business Combination. As of December 31, 2023, we have borrowed $635,000 under the First Q3 2023 Promissory Note. Also on August 30, 2023, the Company issued an unsecured promissory note to the Sponsor (the "Second Q3 2023 Promissory Note"), pursuant to which the Company may borrow up to an aggregate principal amount of $495,000. The Second Q3 2023 Promissory Note is non-interest bearing and payable on the consummation of the Company's Business Combination. As of December 31, 2023, we have borrowed $495,000 under the Second Q3 2023 Promissory Note.

In addition, in order to finance transaction costs in connection with an intended initial business combination, the Sponsor or an affiliate of the Sponsor or certain of our officers and directors may, could, but are were not obligated to, loan us funds as may be required. If we complete our initial business combination, we may repay such loaned amounts. In the event that our initial business combination does not close, we may use a portion of the working capital held outside the Trust Account to repay such loaned amounts but no proceeds from the Trust Account would be used for such repayment. funds. Initially up to $1,500,000, which was increased to $3,500,000 on March 24, 2023, of such loans may be was convertible into warrants at a price of $1.00 per warrant at the option of the lender (the "Working Capital Loans"). Such warrants are identical to the private placement warrants, including as to exercise price, exercisability and exercise period. On March 28, 2023 March 29, 2023, the Company and the Sponsor entered into amendments to each of the Q3 2022 Promissory Note, Q4 2022 Promissory Note and Q1 2023 Promissory Note, pursuant to which loans made under such notes are, at the lender's discretion, convertible into warrants of the post-Business Combination entity at a price of $1.00 per warrant. Each

The following table presents the balances of the First Working Capital Loan, Second Working Capital Loan, Third Working Capital Loan, Q3 2022 Promissory Note, Q4 2022 Promissory Note and Q1 2023 Promissory Note are Working Capital Loans (at principal value) as of December 31, 2023. The Working Capital Loans are recorded at their respective fair value on each balance sheet date (see Note 5 and Note 9 to the financial statements for further discussion). If we complete the initial business combination, all such Working Capital Loans may be convertible into warrants at a price of $1.00 per warrant at the option of the Sponsor. We do not expect lender. Such warrants are identical to seek loans from parties other than the Sponsor or an affiliate private placement warrants, including as to exercise price, exercisability and exercise period.

	Amount
Working Capital Loans	
First Working Capital loan	$ 365,000

Second Working Capital loan	800,000
Third Working Capital loan	335,000
Q3 2022 Promissory Note	170,000
Q4 2022 Promissory Note	200,000
Q1 2023 Promissory Note	356,370
First Q2 2023 Promissory Note	395,000
Fourth Q2 2023 Promissory Note	50,000
First Q3 2023 Promissory Note	635,000
Total convertible notes	**$ 3,306,370**

The following table presents the balances of the Sponsor Promissory Note Loans (at principal value) as we do not believe third parties of December 31, 2023. None of the Promissory Note Loans are convertible into warrants.

Promissory Note Loans	
Q1 2023 Promissory Note	$ 178,630
Second Q2 2023 Promissory Note	355,000
Third Q2 2023 Promissory Note	100,000
Second Q3 2023 Promissory Note	495,000
Total promissory notes to related parties	**$ 1,128,630**

No compensation or fees of any kind, including finder's fees, consulting fees or other similar compensation, will be willing paid to loan such funds any of our initial stockholders, officers or directors who owned our shares of common stock prior to the Company IPO, or to any of their respective affiliates, prior to or in connection with the Business Combination. At the Closing, all of the Working Capital Loans were converted into an aggregate of 3,306,370 Warrants at a price of $1.00 per Warrant and provide a waiver against any and all rights to seek access to funds in each of the Trust Account. As of December 31, 2022, we had drawn down $1,500,000 of such loans. Promissory Note Loans were fully repaid.

Commitments and Contingencies

Registration Rights

The holders of our founder shares, private placement warrants and warrants that may be issued upon conversion of Working Capital Loans (and any shares of Flame Class A common stock issuable upon the exercise of the private placement warrants or warrants issued upon conversion of the Working Capital Loans and upon conversion of the founder shares), are entitled to registration rights pursuant to a registration rights agreement. These holders will be entitled to certain demand and "piggyback" registration rights. However, the registration rights agreement provides that we will not be required to effect or permit any registration or cause any registration statement to become effective until termination of the applicable lock-up period. We will bear the expenses incurred in connection with the filing of any such registration statements.

Underwriting Agreement

The underwriters were entitled to an underwriting discount of $0.20 per Unit, or $5,750,000 in the aggregate, paid upon the closing of our initial public offering. An additional fee of $0.35 per Unit, or $10,062,500 in the aggregate will be payable to the underwriters pursuant to the Business Combination Marketing Agreement. The deferred business marketing fee will become became payable to the underwriters from the amounts held in the Trust Account solely upon consummation of the Business Combination on February 14, 2024, in the event that we complete a business combination, subject to accordance with the terms of the underwriting agreement.

Critical Accounting Estimates

This management's discussion and analysis of our financial condition and results of operations is based on our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of our

financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, income and expenses and the disclosure of contingent assets and liabilities in our financial statements. On an ongoing basis, we evaluate our estimates and judgments, including those related to fair value of financial instruments and accrued expenses. We base our estimates on historical experience, known trends and events and various other factors that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. We have identified the following as our critical accounting policies:

Investments Held in the Trust Account

As of December 31, 2022, our portfolio of investments held in the Trust Account is was comprised of U.S. government securities, within the meaning set forth in Section 2(a)(16) of the Investment Company Act, with a maturity of 185 days or less, or in money market funds investing solely in U.S. government treasury obligations and meeting certain conditions under Rule 2a-7 under the Investment Company Act, or a combination thereof. The investments held in the Trust Account are classified as trading securities. Trading securities are presented on the balance sheets at fair value at the end of each reporting period. Gains and losses resulting from the change in fair value of these securities is included in income from investments held in Trust Account in the accompanying statements of operations. The estimated fair values of investments held in the Trust Account are determined using available market information, other than for investments in open-ended money market funds with published daily net asset values ("NAV"), in which case the Company uses NAV as a practical expedient to fair value. The NAV on these investments is typically held constant at $1.00 per unit. The Trust Account may also contain balances of cash as result of investment activity. On February 21, 2023, the Trust Account was liquidated to thereafter be held in cash, which may include an interest bearing demand deposit account at a national bank (see Note 11 to our financial statements included elsewhere bank. As of December 31, 2023, the Trust Account was still held in this annual report). cash.

Flame Class A Common Stock Subject to Possible Redemption

We account As of December 31, 2023, we accounted for our Flame Class A common stock subject to possible redemption in accordance with the guidance in Accounting Standards Codification Topic 480, "Distinguishing Liabilities from Equity." Shares of Flame Class A common stock subject to mandatory redemption (if any) are classified as liability instruments and are measured at fair value. Conditionally redeemable shares of Flame Class A common stock (including shares of Flame Class A common stock that feature redemption rights that are either within the control of the holder or subject to redemption upon the occurrence of uncertain events not solely within our control) are classified as temporary equity. At all other times, shares of Flame Class A common stock are classified as stockholders' equity. Our shares of Flame Class A common stock feature certain redemption rights that are considered to be outside of our control and subject to the occurrence of uncertain future events. Accordingly, as of December 31, 2022, 28,750,000 shares of Class A common stock subject to possible redemption were presented as temporary equity, outside of the stockholders' deficit section of our balance sheets.

On February 23, 2023, the Company was notified by stockholders holding 20,317,255 shares of Flame Class A Common Stock that they exercised their right to redeem such shares for a pro rata portion of the funds in the Trust Account. As a result, $206,121,060 (approximately $10.15 per share) was removed from the Trust Account to pay such redeeming holders on March 2, 2023.

On August 29, 2023, the Company was notified by stockholders holding 2,328,063 shares of Flame Class A common stock that they exercised their right to redeem such shares for a pro rata portion of the funds in the Trust Account. As a result, $24,008,096 (approximately $10.31 per share) was removed from the Trust Account to pay such redeeming holders on August 31, 2023.

55 As of December 31, 2023, 6,104,682 shares of Flame Class A common stock subject to possible redemption were presented as temporary equity, outside of the stockholders' deficit section of our balance sheets.

On February 12, 2024, holders of 150,823 shares of Flame Class A common stock exercised their right to redeem such shares for a pro rata portion of the funds in the Trust Account. As a result, $1,572,250 (approximately $10.42 per share) was removed from the Trust Account to pay such redeeming holders.

Under ASC 480-10-S99, we have elected to recognize changes in the redemption value immediately as they occur and adjust the carrying value of the security to equal the redemption value at the end of the reporting period. This method would view the end of the reporting period as if it were also the redemption date of the security. Effective with the closing of our initial public offering, we recognized the accretion from initial book value to redemption amount, which, resulted in charges against additional paid-in capital (to the extent available) and accumulated deficit.

Net Income (Loss) Per Share of Common Stock

We comply with accounting and disclosure requirements of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 260, "Earnings Per Share." We have two classes of shares, which are referred to as Flame Class A common

stock and Flame Class B common stock. Income and losses are shared pro rata between the two classes of shares.

Net (loss) income per share of common stock is computed by dividing net income by the weighted average number of shares of common stock outstanding for the period. Subsequent remeasurement of the redeemable Flame Class A common stock is excluded from income per share of common stock as the redemption value approximates fair value. Net (loss) income per share of common stock is computed by dividing the pro rata net income between the shares of Flame Class A common stock and the shares of Flame Class B common stock by the weighted average number of shares of common stock outstanding for each of the periods. The calculation of diluted net (loss) income per share does not consider the effect of the warrants issued in connection with the Flame IPO, as well as warrants issuable upon the exercise of the conversion option on outstanding working capital loans, since the exercise of the warrants is contingent upon the occurrence of future events and the inclusion of such warrants would be anti-dilutive. As of December 31, 2022 December 31, 2023, the warrants are were exercisable for 23,625,000 25,431,370 shares of Flame Class A common stock in the aggregate.

Derivative Warrant Liabilities

We do not use derivative instruments to hedge exposures to cash flow, market, or foreign currency risks. We evaluate all of our financial instruments, including issued stock purchase warrants, to determine if such instruments are derivatives or contain features that qualify as embedded derivatives, pursuant to ASC 480 and ASC 815-15. The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is re-assessed at the end of each reporting period.

We issued 14,375,000 common stock warrants to investors in our initial public offering and issued 7,750,000 private placement warrants. All of our outstanding warrants are recognized as derivative liabilities in accordance with ASC 815-40. Accordingly, we recognize the warrant instruments as liabilities at fair value and adjust the instruments to fair value at each reporting period. The difference between the fair value of the private placement warrants and the initial purchase consideration thereof is recorded as compensation expense. The liabilities are subject to re-measurement at each balance sheet date until exercised, and any change in fair value is recognized in our statement of operations. The fair value of the Public Warrants and Private Warrants were initially and subsequently measured at fair value using a Monte-Carlo simulation model. Beginning as of December 31, 2021, the fair value of Public Warrants have been measured based on the listed market price of such Public Warrants. The private placement warrants are measured by reference to the listed trading price of the Public Warrants at December 31, 2022 December 31, 2023.

Convertible Promissory Notes—Related Party

The Company accounts for the convertible promissory notes under ASC 815. The Company has made the election under ASC 815-15-25 to account for the notes under the fair value option. Using the fair value option, the convertible promissory notes are required to be recorded at their initial fair value on the date of issuance, and each balance sheet date thereafter. Differences between the face value of the note and fair value at issuance are recognized as either an expense in the statement of operations (if issued at a premium) or as a capital contribution (if issued at a discount). Changes in the estimated fair value of the notes are recognized as non-cash gains or losses in the statements of operations.

Recent Accounting Pronouncements

In August 2020, the FASB issued ASU 2020-06 to simplify accounting for certain financial instruments. ASU 2020-06 eliminates the current models that require separation of beneficial conversion and cash conversion features from convertible instruments and simplifies the derivative scope exception guidance pertaining to equity classification of contracts in an entity's own equity. The new standard also introduces additional disclosures for convertible debt and freestanding instruments that are indexed to and settled in an entity's own equity. ASU 2020-06 amends the diluted earnings per share guidance, including the requirement to use the if-converted method for all convertible instruments. ASU 2020-06 is effective no later than January 1, 2024, and should be applied on a full or modified retrospective basis, with early adoption permitted beginning on January 1, 2021. The Company is currently reviewing what impact, if any, adoption will have on the Company's financial position, results of operations or cash flows.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740) - Improvements to Income Tax Disclosures*. The FASB issued this ASU to enhance the transparency and decision usefulness of income tax disclosures. The amendments in this ASU address investor requests for more transparency about income tax information through improvements to income tax disclosures primarily related to the rate reconciliation and income taxes paid information. The amendments in this ASU are effective for annual periods beginning after December 15, 2024. Early adoption is permitted. The Company is currently reviewing what impact, if any, adoption will have on the Company's financial position, results of operations or cash flows.

Our management does not believe that any other recently issued, but not yet effective, accounting standards if currently adopted would have a material effect on our financial statements.

JOBS Act

The JOBS Act contains provisions that, among other things, relax certain reporting requirements for qualifying public companies. We qualify as an "emerging growth company" and under the JOBS Act are allowed to comply with new or revised accounting pronouncements based on the effective date for private (not publicly traded) companies. We are electing to delay the adoption of new or revised accounting standards, and as a result, we may not comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for non-emerging growth companies. As a result, the financial statements may not be comparable to companies that comply with new or revised accounting pronouncements as of public company effective dates.

Additionally, we are in the process of evaluating the benefits of relying on the other reduced reporting requirements provided by the JOBS Act. Subject to certain conditions set forth in the JOBS Act, if, as an "emerging growth company," we choose to rely on such exemptions we may not be required to, among other things, (i) provide an auditor's attestation report on our system of internal

controls over financial reporting pursuant to Section 404, (ii) provide all of the compensation disclosure that may be required of non-emerging growth public companies under the Dodd-Frank Wall Street Reform and Consumer Protection Act, (iii) comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements (auditor discussion

and analysis) and (iv) disclose certain executive compensation related items such as the correlation between executive compensation and performance and comparisons of the Chief Executive Officer's compensation to median employee compensation. These exemptions will apply for a period of five years following the completion of our initial public offering or until we are no longer an "emerging growth company," whichever is earlier.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information otherwise required under this item.

Item 8. Financial Statements and Supplementary Data

Reference is made to Pages F-1 through F-24 comprising a portion of this Annual Report on Form 10-K.annual report.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Disclosure controls are procedures that are designed with the objective of ensuring that information required to be disclosed in our reports filed under the Exchange Act is recorded, processed, summarized, and reported within the time period specified in the SEC's rules and forms. Disclosure controls are also designed with the objective of ensuring that such information is accumulated and communicated to our management, including the chief executive officer and chief financial officer, as appropriate to allow timely decisions regarding required disclosure.

As required by Rules 13a-15 and 15d-15 under the Exchange Act, our Chief Executive Officer and Chief Financial Officer carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of December 31, 2022 December 31, 2023. Based upon their evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) were not effective as of December 31, 2022 December 31, 2023, due to the a material weaknesses in our internal control over financial reporting over the accounting for complex financial instruments, which resulted in the restatement of the Company's Flame's prior financial statements included in its 2021 Annual Report on Form 10-K. In light of this, we performed additional analysis as deemed necessary to ensure that our Flame's financial statements for the year ended December 31, 2022 December 31, 2023 were prepared in accordance with U.S. GAAP. Accordingly, management believes that the financial statements included in this Annual Report annual report present fairly in all material respects our financial position, results of operations and cash flows for the periods presented.

Management's Report on Internal Control over Financial Reporting

As required by SEC rules and regulations implementing Section 404 of the Sarbanes-Oxley Act, our management is responsible for establishing and maintaining adequate internal control over financial reporting. Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of our financial statements for external reporting purposes in accordance with GAAP. Our internal control over financial reporting includes those policies and procedures that:

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of our company,

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors, and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect errors or misstatements in our financial statements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree or compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of our internal control over financial reporting at December 31, 2022 December 31, 2023. In making these

assessments, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control — Integrated Framework (2013). Based on our assessments and those criteria, management determined that we did not maintain effective internal control over financial reporting as of December 31, 2022 December 31, 2023.

Management has begun implementing certain remediation steps to improve our internal control over financial reporting. Specifically, we expanded and improved our review process for complex securities and related accounting standards. We plan to further improve this process by enhancing access to accounting literature, identification of third-party professionals with whom to consult regarding complex accounting applications and consideration of additional staff with the requisite experience and training to supplement existing accounting professionals.

This Annual Report on Form 10-K does not include an attestation report of our independent registered public accounting firm due to our status as an emerging growth company under the JOBS Act.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) during the most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect,

Item 9B. Other Information

None.*We are reporting the following information in lieu of reporting on a Current Report on Form 8-K under Item 7.01 Regulation FD Disclosure or Item 8.01 Other Events.*

On March 26, 2024, Sable, entered into a Stipulation and Agreement of Settlement (the “Settlement Agreement”) among (i) Grey Fox, LLC, MAZ Properties, Inc., Bean Blossom, LLC, Winter Hawk, LLC, Mark Tautrim, Trustee of the Mark Tautrim Revocable Trust, and Denise McNutt, on behalf of themselves and the Court-certified Settlement Class (the “Plaintiffs and Settlement Class Members”), (ii) Pacific Pipeline Company (“PPC”), and (iii) Sable, with respect to the settlement and release of certain claims related to the Pipelines, including claims impacting the right of way for the Pipelines (collectively, the “Released Claims”).

Pursuant to the terms of the Settlement Agreement, (i) the Plaintiffs and Settlement Class Members will be obligated to, among other things, (a) release Sable, PPC and the other released parties from and against the Released Claims, (b) grant certain temporary construction easements to facilitate the repair of certain portions of the Pipelines, and (c) cooperate in good faith with Sable and PPC with respect to any and all steps reasonably required to restart the Pipelines and operate it thereafter, including obtaining all necessary regulatory approvals, consistent with the requirements of the relevant government agencies and the Consent Decree issued by the United

States District Court for the Central District of California in relation to Civil Action No. 2:20-cv-02415 (United States of America and the People of the State of California v. Plains All American Pipeline, L.P. and Plains Pipeline, L.P.) and (ii) Sable has agreed to among other things, (a) create an interest-bearing non-reversionary qualified settlement fund and pay $35,000,000 into such fund, and (b) deliver to class counsel an irrevocable standby letter of credit issued by J.P. Morgan & Co. or another federally insured bank in the amount of $35,000,000 to secure Sable's obligation to make certain payments under the Settlement Agreement. The Settlement Agreement is subject to approval by the United States District Court for the Central District of California (the "Court"). There can be no assurance that the Court will grant final approval of the Settlement Agreement on its current terms or at all.

Item 9C. Disclosures Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Directors and Executive Officers

As of the date of this annual report, our directors and officers are as follows:

Name	Age	Position
James C. Flores	63 64	Chairman and Chief Executive Officer
J. Caldwell Flores	29 31	President
Gregory D. Patrinely	37 38	Executive Vice President and Chief Financial Officer
Doss R. Bourgeois	65 66	Executive Vice President and Chief Operating Officer
Anthony C. Duenner	63 64	Executive Vice President, General Counsel and Secretary
Michael E. Dillard	64 65	Director
Gregory P. Pipkin	63 64	Director
Christopher B. Sarofim	59 60	Director

James C. Flores. Mr. Flores is our co-founder and has served as our Chief Executive officer Officer and Chairman of our board of directors since our inception. From our inception to March 3, 2023, he also served as our President. From May 2017 until February 2021, Mr. Flores served as President, Chief Executive Officer and Chairman of Sable Permian Resources, which engaged in the acquisition, consolidation and optimization of oil and gas upstream opportunities. Sable Permian Resources filed a voluntary petition for bankruptcy on June 25, 2020 and emerged from bankruptcy on February 1, 2021. Prior to Sable Permian Resources, Mr. Flores served as Vice Chairman of Freeport-McMoRan, Inc. and CEO of Freeport-McMoRan Oil & Gas, a wholly owned subsidiary of Freeport-McMoRan Inc., the world's largest publicly traded copper producer, from June 2013 until April 2016. From 2001 until 2013, Mr. Flores was the Chairman, CEO and President of Plains Exploration & Production Company ("PXP") and Chairman and CEO of Plains Resources Inc. From 1994 until 2000, Mr. Flores was also the Chairman and CEO of Flores & Rucks, Inc. which, after several acquisitions, was later renamed Ocean Energy Inc. prior to its sale to Devon Energy Corporation. Since 1982, Mr. Flores has had an extensive career in the oil and gas industry in the roles of Chairman, Chief Executive Officer, and President of four public and one private oil & gas exploration and production companies. He is a member of the National Petroleum Council, serves as Trustee for the Baylor College of Medicine and is a Director for the Waterfowl Research Foundation. He was recognized as Executive of the Year in 2004 in Oil and Gas Investor magazine. Mr. Flores received a B.S. degree in corporate finance and petroleum land management from Louisiana State University. We believe Mr. Flores is qualified to serve on our board of directors due to his more than 35 years in the oil and gas industry, including as Chief Executive Officer of several public companies. Mr. Flores is the father of Mr. J. Caldwell Flores, our President.

J. Caldwell Flores. Mr. Flores has served as our President since March 3, 2023. Previously, he served as our Vice President from March 1, 2021 to March 3, 2023. Mr. Flores has also served as President of Sable Offshore Corp. since September 2021 and as President of Sable Minerals, Inc., a Houston-based private oil and gas company, overseeing the daily operations and administration, as well as providing investment analysis for the firm since January 1, 2015. Prior to assuming the role of President of Sable Minerals, Inc., Mr. Flores was a Senior Associate for Sable Permian Resources, LLC, which engaged in the acquisition, consolidation and optimization of oil and gas upstream opportunities from February 2018 until February 2021. Prior to that, Mr. Flores served as Operations Manager for Sable Minerals, Inc. from 2015 through 2017. Mr. Flores received a B.S. degree in Business Administration from the University of Houston. Mr. Flores is the son of James C. Flores, who is the Chairman, Chief Executive Officer and President of Flame and the sole owner of

Holdco and the our Chairman and Chief Executive Officer of Sable and will be the Chairman and Chief Executive Officer of New Sable. Officer.

Gregory D. Patrinely. Mr. Patrinely has served as our Chief Financial Officer since our inception. Since March 3, 2023, he has also served as our Executive Vice President. From our inception to March 3, 2023, he also served as our Secretary. From June 2018 until February 2021, Mr. Patrinely served as Executive Vice President and Chief Financial Officer of Sable Permian Resources, which engaged in the acquisition, consolidation and optimization of oil and gas upstream opportunities. Sable Permian Resources filed a voluntary petition for bankruptcy on June 25, 2020 and emerged from bankruptcy on February 1, 2021. Mr. Patrinely previously served as Treasurer for Sable Permian Resources, from May 2017 to June 2018, where he oversaw the financial analysis and execution of refinancing, restructuring and acquisition efforts. Prior to Sable Permian Resources, Mr. Patrinely was a Manager in the Acquisitions & Divestments Group of Freeport-McMoRan Oil & Gas, a wholly owned subsidiary of Freeport-McMoRan Inc., from May 2015 to May 2017, where he managed the execution of financings, mergers, acquisitions and divestments. Mr. Patrinely holds a B.S. degree in Economics with Financial Applications and a B.A. degree in English, with Honors, from Southern Methodist University.

Doss R. Bourgeois. Mr. Bourgeois has served as our Executive Vice President and Chief Operating Officer since March 3, 2023. He has also served as Executive Vice President and Chief Operating Officer of Sable Offshore Corp. since September 2021. Mr. Bourgeois served as Executive Vice President of Sable Permian Resources, LLC from May 2017 until February 2021. Mr. Bourgeois served as President and Chief Operating Officer of Freeport-McMoRan Oil & Gas ("FM O&G") from July 2015 until April 2016. Mr. Bourgeois served as Executive Vice President, Exploration and Production of FM O&G from June 2013 until July 2015. He previously served as Executive Vice President, Exploration and Production of FM O&G's predecessor, Plains Exploration & Production Company ("PXP") PXP from June 2006 until PXP merged into Freeport-McMoRan Copper & Gold in May 2013. Mr. Bourgeois also served as PXP's Vice President of Development from April 2006 to June 2006 and as PXP's Vice President—Eastern Development Unit from May 2003 to April 2006. Prior to that time, Mr. Bourgeois was Vice President at Ocean Energy, Inc. from August 1993 to May 2003. He also served in various production engineering and drilling engineering roles for Consolidated Natural Gas Producing Company from August 1983 to August 1993 and for Mobil Oil Company from December 1980 to August 1983. Mr. Bourgeois holds a B.S. degree in Petroleum Engineering from Louisiana State University.

Anthony C. Duenner. Mr. Duenner has served as our Executive Vice President, General Counsel and Secretary since March 3, 2023. Previously, he served as our Vice President from March 1, 2021 to March 3, 2023. Mr. Duenner has also served as Executive Vice President, General Counsel & Secretary of Sable Offshore Corp. since September 2021. Mr. Duenner has over 35 years of diverse legal and commercial energy experience. From May 2017 until February 2021, Mr. Duenner served as Vice President, Corporate Development of Sable Permian Resources, LLC, which engaged in the acquisition, consolidation and optimization of oil and gas upstream opportunities. Prior to Sable Permian Resources, LLC, from June 2013 to April 2017, Mr. Duenner was Vice President—International & New Ventures for Freeport-McMoRan Oil & Gas ("FM O&G"), &G, a wholly owned subsidiary of Freeport-McMoRan Inc., where he had responsibility for the company's international commercial activities as well as new ventures and partnerships. He previously served as Vice President – International & New Ventures of FM O&G's predecessor, Plains Exploration & Production Company ("PXP") PXP from May 2005 until PXP merged into Freeport-McMoRan Copper & Gold in May 2013. While with PXP, Mr. Duenner also served as the company's Assistant General Counsel from May 2005 until November 2007. Prior to that time, Mr. Duenner was Vice President, Corporate Development for integrated energy company Entergy Corp., where he led corporate development activities for Entergy and its subsidiaries from 2004 to 2005. Prior to Entergy, from 1998 to 2004, Mr. Duenner served in a various project development and wholesale origination functions within Enron International and its successor Prisma Energy International. Previously, Mr. Duenner was in the private practice of law with Bracewell LLP in Houston (Partner from 1994 to 1997 and Associate from 1988 to 1994) and with Morgan Lewis in Washington, D.C (Associate from 1986 to 1988). Mr. Duenner attended the University of Oklahoma and received a B.S. degree in Finance and a J.D. degree from the University of Tulsa.

Michael E. Dillard. Mr. Dillard has served on our board of directors since March 2021. He was a partner with the law firm of Latham & Watkins LLP from January 2010 until January 2021. He was a founding partner of the Houston, Texas office of Latham & Watkins LLP, serving as the Houston Office Managing Partner from January 2010 through March 2015. Mr. Dillard was Global

Practice Group Chair of Mergers and Acquisitions for Latham & Watkins LLP from March 2018 until January 2021. Mr. Dillard has

been involved in M&A transactions valued in excess of $250 billion. Mr. Dillard is the Chair of the Board of Trustees of Cristo Rey College Preparatory School of Houston, a high school which offers a rigorous college preparatory education to students from low-income families in the Houston area. Mr. Dillard received a B.A. degree in Mathematics from Southern Methodist University in 1979 (summa cum laude) and a Juris Doctor degree from Southern Methodist University Dedman School of Law in 1982 (cum laude). We believe Mr. Dillard is

qualified to serve on our board of directors due to his extensive experience in mergers and acquisitions, financing transactions and corporate governance and related matters.

Gregory P. Pipkin. Mr. Pipkin has served on our board of directors since March 2021. Since November 2016, he has been a Senior Managing Director with the investment and advisory firm of NRI Energy Partners. Prior to NRI Energy Partners, Mr. Pipkin served as the co-head and Managing Director of the Houston office of the Barclays Natural Resources Group for Barclays PLC, from September 2008 to November 2016. Mr. Pipkin was a board member of Family Legacy Missions International, a mission in Lusaka, Zambia that educates and feeds impoverished and orphaned children. Mr. Pipkin also serves on the board of Morningstar Partners LP, an oil and gas producer primarily in the central basin platform in the Permian basin, Texas. Mr. Pipkin received a B.S. degree in chemical engineering and an M.B.A. degree in Business Administration from the University of Texas at Austin. We believe Mr. Pipkin is qualified to serve on our board of directors due to his extensive investment experience in the energy industry.

Christopher B. Sarofim. Mr. Sarofim has served on our board of directors since March 2021. Mr. Sarofim is the Chairman and a member of the Board of Directors of Fayez Sarofim & Co., an SEC-registered investment advisory firm based in Houston, Texas. Mr. Sarofim joined the firm in 1988 and has been a member of its Board since August 2014. Additionally, he serves on the firm's Executive, Finance and Investment Committees. Mr. Sarofim shares portfolio management responsibilities for numerous separate accounts advised by the firm and is a co-manager of several mutual funds Fayez Sarofim & Co. sub-advises for BNY Mellon. Prior to joining Fayez Sarofim & Co., he was employed with Goldman Sachs & Co. LLC in corporate finance. In addition to his work at Fayez Sarofim & Co., Mr. Sarofim serves on the boards of Kemper Corp. (NYSE: KMPR), Highland Resources Inc. and Wood Partners. Mr. Sarofim is a member of the Board of Trustees of The Brown Foundation, Inc., St. John's School, Baylor College of Medicine, and serves on the MD Anderson Cancer Center Board of Visitors. Mr. Sarofim received an A.B. degree in History from Princeton University in 1986. We believe Mr. Sarofim is qualified to serve on our board of directors due to his extensive investment advisory background, board experience, and financial market and securities analysis expertise.

Sable Permian Bankruptcy

On June 25, 2020, Sable Permian Resources, LLC and its subsidiaries (collectively, "Sable Permian"), filed voluntary petitions in the United States Bankruptcy Court for the Southern District of Texas (the "Bankruptcy Court") and began managing and operating its businesses as debtors-in-possession pursuant to Sections 1107 and 1108 of the federal bankruptcy laws. On December 1, 2020, Sable Permian filed a proposed plan of reorganization (the "Plan"), which the Bankruptcy Court conditionally approved on December 17, 2020. Pursuant to the Plan, among other actions, Sable Land Company LLC ("Sable Land"), which is an indirect, wholly owned subsidiary of Sable Permian, will reorganize and Sable Land's lenders will receive an equity interest in Sable Land and replace Sable Permian's management with a third-party operator that will operate Sable Land going forward. On January 29, 2021, the Bankruptcy Court entered an order confirming Sable Permian's Plan and the Plan went effective on February 1, 2021. As of February 1, 2021, Mr. J. Flores, Mr. J. Caldwell Flores, Mr. Bourgeois, Mr. Duenner and Mr. Patrinely were no longer employed by or affiliated with Sable Permian.

Number and Terms of Office of Officers and Directors

We currently have four directors. Our Board is divided into three classes with only one class of directors being elected in each year and each class (except for those directors appointed prior to our first annual meeting of stockholders) serving a three-year term. The term of office of the first class of directors, consisting of Michael E. Dillard, will expire at our first annual meeting of stockholders. The term of office of the second class of directors, consisting of Gregory P. Pipkin, will expire at the second annual meeting of stockholders. The term of office of the third class of directors, consisting of James C. Flores and Christopher B. Sarofim, will expire at the third annual meeting of stockholders.

Under our amended and restated certificate of incorporation, holders of our founder shares will have the right to elect all of our directors prior to consummation of our initial business combination and holders of our public shares will not have the right to vote on the election of directors during such time. These provisions of our amended and restated certificate of incorporation may only be amended if approved by holders of at least 90% of our outstanding common stock entitled to vote thereon. Subject to any other special rights applicable to the shareholders, any vacancies on our Board may be filled by the affirmative vote of a majority of the directors then in office.

Our officers are appointed by the Board and serve at the discretion of the Board, rather than for specific terms of office. Our Board is authorized to appoint persons to the offices set forth in our bylaws as it deems appropriate. Our bylaws provide that our officers may consist of one or more Chief Executive Officer, a Chief Financial Officer, a Secretary and such other officers (including without limitation, a Chairman of the Board, Chief Operating Officer, Presidents, Vice Presidents, Partners, Managing Directors and Senior Managing Directors) and such other offices as may be determined by the Board

Director Independence

The NYSE listing standards require that a majority of our Board be independent. An “independent director” is defined generally as a person other than an officer or employee of the company or its subsidiaries or any other individual having a relationship which in the opinion of the company’s board of directors, would interfere with the director’s exercise of independent judgment in carrying out the responsibilities of a director. Our Based on information provided by each director concerning his background, employment and affiliations, our board has determined that each of Michael E. Dillard, Gregory P. Pipkin and Christopher B. Sarofim are “independent directors” as defined by the NYSE listing standards and applicable SEC rules.

Officer and Director Compensation

None of our officers or directors has received any cash compensation for services rendered to us. No compensation of any kind, including finder’s and consulting fees, will be paid to our sponsor, officers and directors, or any of their respective affiliates, for services rendered prior to or in connection with the completion of our initial business combination. However, these individuals will be reimbursed for any out-of-pocket expenses incurred in connection with activities on our behalf such as identifying potential target businesses and performing due diligence on suitable business combinations. Additionally, in connection with the successful completion of our initial business combination, we may determine to provide a payment to our sponsor, officers, directors, advisors or our or their affiliates; however any such payment would not be made from the proceeds of our initial public offering held in the Trust Account and we currently do not have any agreement or arrangement with any such party to do so. Our audit committee will review on a quarterly basis all payments that were or are to be made to our sponsor, officers or directors, or our or their affiliates.

After the completion of our initial business combination, directors or members of our management team who remain with us may be paid consulting or management fees from the combined company. All of these fees will be fully disclosed to stockholders, to the extent then known, in the tender offer materials or proxy solicitation materials furnished to our stockholders in connection with a proposed business combination. We have not established any limit on the amount of such fees that may be paid by the combined company to our directors or members of management. It is unlikely the amount of such compensation will be known at the time of the proposed business combination, because the directors of the post-combination business will be responsible for determining officer and director compensation. Any compensation to be paid to our officers will be determined, or recommended to the Board for determination, either by the compensation committee constituted solely by independent directors or by a majority of independent directors on our Board.

Following a business combination, to the extent we deem it necessary, we may seek to recruit additional managers to supplement the incumbent management team of the target business. We cannot assure you that we will have the ability to recruit additional managers, or that additional managers will have the requisite skills, knowledge or experience necessary to enhance the incumbent management.

Committees of the Board

Our Board has three standing committees: an audit committee, a compensation committee and a nominating and corporate governance committee. Each committee operates under a charter approved by our Board with the composition and responsibilities described below. The charter of each committee is available on our website at http://flameacq.com. www.sableoffshore.com.

Audit Committee

We have established an audit committee of the Board. Michael E. Dillard, Gregory P. Pipkin and Christopher B. Sarofim serve as members of our audit committee. Under the NYSE listing standards and applicable SEC rules we are required to have at least three members of the audit committee, all of whom must be independent. Under the NYSE listing standards and applicable SEC rules, our audit committee must have one independent member at the time of listing, a majority of independent members within 90 days of listing and consist of all independent members within one year of listing. Michael E. Dillard, Gregory P. Pipkin and Christopher B. Sarofim each meet the independent director standard under the NYSE’s listing standard and under Rule 10A-3(b)(1) of the Exchange Act.

Each member of the audit committee is financially literate and our Board has determined that Christopher B. Sarofim qualifies as an “audit committee financial expert” as defined in applicable SEC rules and Mr. Sarofim currently serves as chairman of the audit committee.

We have adopted an audit committee charter, which details the principal functions of the audit committee, including:

- the appointment, compensation, retention, replacement, and oversight of the work of the independent auditors and any other independent registered public accounting firm engaged by us;
    - pre-approving all audit and permitted non-audit services to be provided by the independent auditors or any other registered public accounting firm engaged by us, and establishing pre-approval policies and procedures;

- reviewing and discussing with the independent auditors all relationships the auditors have with us in order to evaluate their continued independence;

- setting clear hiring policies for employees or former employees of the independent auditors;

- setting clear policies for audit partner rotation in compliance with applicable laws and regulations;

- obtaining and reviewing a report, at least annually, from the independent auditors describing (i) the independent auditor's internal quality-control procedures and (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the audit firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm and any steps taken to deal with such issues;

- reviewing and approving any related party transaction required to be disclosed pursuant to Item 404 of Regulation S-K promulgated by the SEC prior to us entering into such transaction; and

- reviewing with management, the independent auditors, and our legal advisors, as appropriate, any legal, regulatory or compliance matters, including any correspondence with regulators or government agencies and any employee complaints or published reports that raise material issues regarding our financial statements or accounting policies and any significant changes in accounting standards or rules promulgated by the Financial Accounting Standards Board, the SEC or other regulatory authorities.

Compensation Committee

We have established a compensation committee of the Board. Michael E. Dillard, Gregory P. Pipkin and Christopher B. Sarofim serve as members of our compensation committee. Under the NYSE listing standards and applicable SEC rules, our compensation committee must have one independent member at the time of listing, a majority of independent members within 90 days of listing, and consist of all independent members within one year of listing. Gregory P. Pipkin and Christopher B. Sarofim each meet the independent director standard under the NYSE listing standard, and Mr. Pipkin serves as chairman of the compensation committee.

We have adopted a compensation committee charter, which details the principal functions of the compensation committee, including:

- reviewing and approving corporate goals and objectives relevant to our Chief Executive Officer's compensation, evaluating our Chief Executive Officer's performance in light of those goals and objectives, and setting our Chief Executive Officer's compensation level based on this evaluation;

- reviewing and approving on an annual basis the compensation of all of our other officers;

- reviewing on an annual basis our executive compensation policies and plans;

- implementing and administering our incentive compensation and equity-based remuneration plans;

- assisting management in complying with our proxy statement and annual report disclosure requirements;

- approving all special perquisites, special cash payments and other special compensation and benefit arrangements for our officers and employees;

- if required, producing a report on executive compensation to be included in our annual proxy statement; and

- reviewing, evaluating and recommending changes, if appropriate, to the remuneration for directors.

Notwithstanding the foregoing, as indicated above, no compensation of any kind, including finder's, consulting or other similar fees, will be paid to any of our existing stockholders, officers, directors or any of their respective affiliates, prior to, or for any services they render in order to complete the consummation of a business combination. Accordingly, it is likely that prior to the consummation of an initial business combination, the compensation committee will only be responsible for the review and recommendation of any compensation arrangements to be entered into in connection with such initial business combination.

The charter also provides that the compensation committee may, in its sole discretion, retain or obtain the advice of a compensation consultant, legal counsel or other adviser and will be directly responsible for the appointment, compensation and oversight of the work of any such adviser. However, before engaging or receiving advice from a compensation consultant, external legal counsel or any other adviser, the compensation committee will consider the independence of each such adviser, including the factors required by the NYSE and the SEC.

Nominating and Corporate Governance Committee

We have established a nominating and corporate governance committee of the Board. Michael E. Dillard, and Gregory P. Pipkin and Christopher B. Sarofim serve as members of our nominating and corporate governance committee. Under the NYSE listing standards and applicable SEC rules, our nominating and corporate governance committee must have one independent member at the time of listing, a majority of independent members within 90 days of listing, and consist of all independent members within one year of listing. Michael E. Dillard, and Gregory P. Pipkin and Christopher B. Sarofim meet the independent director standard under the NYSE listing standard, and Mr. Dillard serves as chairman of the nominating and corporate governance committee.

The primary purposes of our nominating and corporate governance committee is to assist the Board in:

- Identifying, screening and reviewing individuals qualified to serve as directors, consistent with criteria approved by the Board, and recommending to the Board candidates for nomination for appointment at the annual general meeting or to fill vacancies on the Board;

- developing and recommending to the Board and overseeing implementation of our corporate governance guidelines;

- coordinating and overseeing the annual self-evaluation of the Board, its committees, individual directors and management in the governance of the company; and

- reviewing on a regular basis our overall corporate governance and recommending improvements as and when necessary.

The nominating and corporate governance committee is governed by a charter that complies with the rules of the NYSE. The charter also provides that the nominating and corporate governance committee may, in its sole discretion, retain or obtain the advice of, and terminate, any search firm to be used to identify director candidates, and will be directly responsible for approving the search firm's fees and other retention terms.

We have not formally established any specific, minimum qualifications that must be met or skills that are necessary for directors to possess. In general, in identifying and evaluating nominees for director, the board of directors considers educational background, diversity of professional experience, knowledge of our business, integrity, professional reputation, independence, wisdom, and the ability to represent the best interests of our shareholders. Prior to our initial business combination, holders of our public shares will not have the right to recommend director candidates for nomination to our board of directors.

Director Nominations

Our nominating and corporate governance committee will recommend to the Board candidates for nomination for election at the annual meeting of the stockholders. Prior to our initial business combination, the Board will also consider director candidates recommended for nomination by holders of our founder shares during such times as they are seeking proposed nominees to stand for election at an annual meeting of stockholders (or, if applicable, a special meeting of stockholders). Prior to our initial business combination, holders of our public shares will not have the right to recommend director candidates for nomination to our Board.

Our nominating and corporate governance committee will recommend to the Board candidates for nomination who have a high level of personal and professional integrity, strong ethics and values and the ability to make mature business judgments. In general, in identifying and evaluating nominees for director, our Board considers experience in corporate management such as serving as an officer or former officer of a publicly held company, experience as a board member of another publicly held company, professional and academic experience relevant to our business, leadership skills, experience in finance and accounting or executive compensation practices, whether candidate has the time required for preparation, participation and attendance at Board meetings and committee meetings, if applicable, independence and the ability to represent the best interests of our stockholders.

Compensation Committee Interlocks and Insider Participation

The members of our compensation committee are Messrs. Dillard, Pipkin and Sarofim. None of the members of our compensation committee are or have been officers or employees of Sable or Flame. None of our executive officers currently serves, and serve, or in the past year none of them has have served, as a member of the our Board or compensation committee (or other board committee performing equivalent functions or, in the absence of any such committee, the entire board of directors) of any entity that has one or more executive officers serving that serves on our Board. board of directors or compensation committee.

Code of Ethics

We have Our Board has adopted a Code code of Ethics applicable business conduct and ethics that applies to our all of Sable's directors, officers and employees. employees, including Sable's principal executive officer, principal financial officer, principal accounting officer or controller or persons performing similar functions, as well as Sable's contractors, consultants and agents. The Code full text of Ethics is available Sable's code of business conduct and ethics has been posted on our website at http://flameacq.com. We www.sableoffshore.com. Sable will also post disclose any amendments to Sable's code of business conduct and ethics, or waivers of our Code of Ethics its requirements, applicable to Sable's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, on our website. Sable's website identified above, or in filings under the Exchange Act.

Corporate Governance Guidelines

Our Board has adopted corporate governance guidelines in accordance with the corporate governance rules of the NYSE that serve as a flexible framework within which our Board and its committees operate. These guidelines cover a number of areas including board membership criteria and director qualifications, director responsibilities, board agenda, roles of the Chairman of the Board, Chief Executive Officer and presiding director, meetings of independent directors, committee responsibilities and assignments, board member access to management and independent advisors, director communications with third parties, director compensation, director orientation and continuing education, evaluation of senior management and management succession planning. A copy of our corporate governance guidelines is posted on our website at http://flameacq.com. sableoffshore.com.

Delinquent Section 16(a) Reports

Section 16(a) of the Exchange Act, and rules of the SEC thereunder, require our directors, officers and persons who own more than 10% of our Common Stock to file initial reports of their ownership of our Common Stock and subsequent reports of changes in such ownership with the SEC. Directors, officers and persons owning more than 10% of our Common Stock are required by SEC rules to furnish us with copies of all Section 16(a) reports they file. Based solely on our review of the copies of such reports and amendments thereto received by us and written representations from these persons that no other reports were required, we believe that during the fiscal year ended December 31, 2023, our directors, officers and owners of more than 10% of our Common Stock complied with all applicable filing requirements except that with respect to one transaction, Pilgrim Global ICAV filed one late Form 3, with respect to one transaction, Anthony Duenner filed one late Form 3, with respect to one transaction, Doss Bourgeois filed one late Form 3, with respect to one transaction, J. Caldwell Flores filed one late Form 3, and with respect to one transaction, J. Caldwell Flores filed one late Form 4.

Item 11. Executive Compensation

Compensation Discussion For 2023 and Analysis

None of our officers or directors has received all prior periods, neither we nor Legacy Sable have paid any cash or other compensation to executive officers for their services to us or Legacy Sable.

Employment Agreements with Executive Officers

On November 2, 2022, Legacy Sable entered into employment agreements with each of James C. Flores, Gregory D. Patrinely, Doss R. Bourgeois, Anthony C. Duenner, and J. Caldwell Flores, the effectiveness of which were conditioned upon the consummation of the Business Combination. The employment agreements, became effective on the Closing Date and have been assumed by us. The key terms of the employment agreements are summarized below:

Position; Term

James C. Flores serves as Chairman of the Board of Directors and Chief Executive Officer; Mr. Patrinely serves as Executive Vice President and Chief Financial Officer; Mr. Bourgeois serves as Executive Vice President and Chief Operating Officer; Mr. Duenner serves as Executive Vice President, General Counsel and Secretary; and J. Caldwell Flores serves as President, respectively, of the Company. Each of the employment agreements provides for a fixed three-year employment term with three-year evergreen renewals.

Compensation

Each of the employment agreements provides for an annual base salary, eligibility to participate in the Company's annual bonus plan once the SYU Assets begin production and the Incentive Plan, and eligibility to participate in the Company's benefit plans. James C. Flores receives an annual base salary of $1,300,000 and each of the other executive officers receives an annual base salary of $800,000. All base salaries are subject to periodic review by the Company's Compensation Committee. The annual incentive bonus target is 150% of the base salary for each executive officer.

Following the Closing, each executive officer, other than James C. Flores, received a cash payment equal to $750,000 as compensation for previously uncompensated services rendered provided to us. No compensation the Company before Closing.

Closing Date Equity Award

James C. Flores' employment agreement provides that equity incentive awards may be granted annually to him at the sole discretion of any kind, including finder's the Company's Compensation Committee and consulting fees, Board. The other executive officers will receive, after Closing, an award under the Company's Incentive Plan of 650,000 shares of Common Stock, subject to the Incentive Plan's vesting and forfeiture terms, provided that such awards will vest no later than the third anniversary of the Closing Date. Such equity awards may be reduced on a proportionate basis such that the combined number of shares awarded to the executive officers and other Company employees and the 3,000,000 shares issued to the Holdco equityholders as consideration for the Merger does not exceed 15% of the outstanding number of shares of Common Stock immediately after Closing.

Termination

In the event that an executive officer is terminated for "cause" (as defined in the respective executive officer's employment agreement) or resigns without "good reason" (as defined in the respective executive officer's employment agreement), then such executive officer will be paid entitled to our sponsor, officers any unpaid base salary through the date of termination, reimbursement for any unreimbursed business expenses incurred through the date of termination, any accrued but unused vacation time in accordance with the company's policy, any earned but unpaid annual bonus, incentive, or other cash bonuses for any prior period that remain unpaid, and directors, all accrued benefits (e.g., benefits plans, and earned and vested equity awards, in each case in accordance with their terms) (collectively, the "*Accrued Benefits*"). Additionally, if an executive officer other than James C. Flores is terminated without cause, resigns for good reason or any is terminated due to non-renewal of their his employment agreement by the Company, in each case before a "change in control" (as defined in the respective affiliates. However, these individuals executive officer's employment agreement) or more than two years after a change in control, then the executive officer will be reimbursed entitled to the Accrued Benefits.

If James C. Flores is terminated without cause, resigns for good reason (including any out-of-pocket expenses incurred resignation following a change in connection with activities on our behalf such as identifying potential target businesses control) or retires after reaching age 73, he will be entitled to, among other benefits, the Accrued Benefits and performing due diligence on suitable business combinations.

Additionally, in connection with the successful completion of our initial business combination, we may determine cash severance equal to provide a payment to our sponsor, officers, directors, advisors or our or their affiliates; however, any such payment would not be made from the amounts held two times (three times in the Trust Account and we currently do not have any agreement or arrangement with any such party to do so. Our audit committee will review on case of a quarterly basis all payments that were or are to be made to our sponsor, officers or directors, or our or their affiliates.

After the completion of our initial business combination, directors or members of our management team who remain with us may be paid consulting or management fees from the combined company. All of these fees will be fully disclosed to stockholders, to the extent then known, in the tender offer materials or proxy solicitation materials furnished to our stockholders termination in connection with a proposed business combination. We have not established any limit on change in control) the amount sum of his base salary and his three-year average annual bonus with such fees that may be paid by amounts grossed up for excise taxes under Section 4999 of the combined company to our directors or members of management. It is unlikely the amount of such compensation Code, if applicable. In addition, James C. Flores will be known at the time entitled to acceleration of the proposed business combination, because the directors of the post-combination business all outstanding equity incentive awards then held and all performance goals will be responsible deemed achieved at maximum levels and 36 months of company-paid healthcare benefits. If any other executive officer is terminated without cause or resigns

for determining officer and director compensation. Any compensation to be paid to our officers good reason in connection with a change in control, he will be determined, or recommended entitled to the Board for determination, either by a compensation committee constituted solely by independent directors or by a majority accrued benefits along with cash severance equal to three times the sum of independent directors on our Board.

Following a business combination, to the extent we deem it necessary, we may seek to recruit additional managers to supplement the incumbent management team of the target business. We cannot assure you that we will have the ability to recruit additional managers, or that additional managers will have the requisite skills, knowledge or experience necessary to enhance the incumbent management. his base salary and his three-year average annual bonus.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The following table sets forth information regarding the beneficial ownership of our common stock as of March 28, 2023 March 27, 2024 based on information obtained from the persons named below, with respect to the beneficial ownership of shares of our common stock, by:

- each person known by us to be the beneficial owner of more than 5% of our outstanding shares of common stock;
- each of our officers and directors that beneficially owns shares of our common stock; and
- all our officers and directors as a group.

In the table below, percentage Beneficial ownership is based on 8,432,745 shares of our Class A common stock, which includes Class A common stock underlying determined according to the units sold in our initial public offering, and 7,187,500 shares of our Class B common stock outstanding as of March 28, 2023. Voting power represents the combined voting power of Class A common stock and Class B common stock owned beneficially by such person. On all matters to be voted upon, the holders rules of the Class A common stock SEC, which generally provide that a person has beneficial ownership of a security if he, she or it possesses sole or shared voting or investment power over that security, including options and the Class B common stock vote together as a single class. Currently, all of the shares of Class B common stock warrants that are convertible into shares of Class A common stock on a one-for-one basis, subject to adjustment. The table below does not include the shares of Class A common stock underlying the private placement warrants held currently exercisable or to be held by our sponsor, directors and officers because these securities are not exercisable within 60 days of this report.

Unless otherwise indicated, days. Except as described in the footnotes below and subject to applicable community property laws and similar laws, we believe that all persons named in the table have each person listed below has sole voting and investment power with respect to all such shares. Unless otherwise noted, the address of each beneficial owner is c/o Sable Offshore Corp., 845 Texas Avenue, Suite 2900, Houston, Texas, 77002.

The beneficial ownership of our Common Stock is based on 60,166,269 shares of common stock beneficially owned by them. Common Stock issued and outstanding as of March 27, 2024, including the redemption of the shares of Common Stock as described above.

	Class A Common Stock		Class B Common Stock		Approximate
Name and Address of Beneficial Owner(1)	Number of Shares Beneficially Owned	Approximate Percentage of Class	Number of Shares Beneficially Owned(2)	Approximate Percentage of Class	Percentage of Outstanding Common Stock
Flame Acquisition Sponsor LLC(3)	—	—	4,263,750	59.3%	27.3%
James C. Flores(3)(4)	7,500	*	4,263,750	59.3%	27.3%
Entities affiliated with Saba Capital Management, L.P.(5)	1,150,783	13.7%	—	—	10.3%
Entities affiliated with Sculptor Capital LP(6)	1,425,015	16.9%	—	—	9.5%
Entities affiliated with Fort Baker Capital Management LP(7)	2,688,882	31.9%	—	—	17.2%
Hartree Partners, LP(8)	2,000,000	23.7%	—	—	12.8%
Gregory D. Patrinely	—	—	71,875	1.0%	*
J. Caldwell Flores	47,500	*	71,875	1.0%	*
Doss Bourgeois	200,000	2.4%	—	—	1.3%

Anthony Duenner	100,000	1.2%	—	—	*
Michael E. Dillard	5,000	*	96,875	1.3%	*
Gregory P. Pipkin	15,000	*	96,875	1.3%	*
Christopher B. Sarofim	500,000	5.9%	96,875	1.3%	3.8%
All officers and directors as a group (eight individuals)	875,000	10.4%	4,698,125	64.4%	35.7%

Name of Beneficial Owners(1)	Number of Shares of Common Stock Beneficially Owned	Percentage of Outstanding Common Stock
5% Stockholders:		
Pilgrim Global ICAV(2)	8,000,000	13.3%
FMR LLC(3)	9,024,910	15.0%
Directors and Named Executive Officers:		
James C. Flores(4)	16,970,120	25.5%
Gregory D. Patrinely(5)	406,042	*
Michael E. Dillard(6)	581,875	*
Gregory P. Pipkin(7)	296,875	*
Christopher B. Sarofim(8)	6,924,375	11.4%
J. Caldwell Flores(9)	935,942	1.5%
Doss R. Bourgeois(10)	300,000	*
Anthony C. Duenner(11)	371,666	*

* less Less than 1% one percent.

1) (1) Unless otherwise noted, indicated, the business address of each of the following entities or individuals is c/o Flame Acquisition Sable Offshore Corp., 700 Milam Street, 845 Texas Avenue, Suite 3300, 2900, Houston, Texas 77002.

2) (2) Interests shown consist solely May be deemed to be beneficially owned by Pilgrim Global Advisors LLC, the investment adviser to Pilgrim Global ICAV. Darren Maupin is the majority owner of founder shares, classified as shares Pilgrim Global Advisors LLC. The principal business address of Class B common stock. Such shares are convertible into shares of Class A common stock on a one-for-one basis, subject to adjustment. Pilgrim Global ICAV is 33 Sir John Rogerson's Quay, Dublin 2, Ireland.

3) (3) Flame Acquisition Sponsor May be deemed to be beneficially owned by FMR LLC, certain of its subsidiaries and affiliates, and other companies. Abigail P. Johnson is the Director, Chair and the Chief Executive Officer of FMR LLC. Members of the Johnson family, including Abigail P. Johnson, are the predominant owners, directly or through trusts, of Series B voting common shares of FMR LLC, representing 49% of the voting power of FMR LLC. The Johnson family group and all other Series B shareholders have entered into a shareholders' voting agreement under which all Series B voting common shares will be voted in accordance with the majority vote of Series B voting common shares. Accordingly, through their ownership of voting common shares and the execution of the shareholders' voting agreement, members of the Johnson family may be deemed, under the Investment Company Act of 1940, to form a controlling group with respect to FMR LLC. The address of FMR LLC is the 245 Summer Street, Boston, MA 02210.

(4) Consists of (i) 7,963,750 shares of Common Stock, (ii) 6,481,370 Warrants to acquire Common Stock that are exercisable within 60 days, and (iii) 2,500,000 shares of Common Stock held of record holder of 4,263,750 founder shares reported herein. James C. by Flores Family Limited Partnership #2. Mr. Flores is the managing member general partner of Flame Acquisition Sponsor LLC. Flores Family Limited Partnership #2. As such, Mr. Flores may be deemed to share beneficial ownership of the shares of Class B common stock held Common Stock of record by Flame Acquisition Sponsor LLC.

4) In addition to the shares held of record by Flame Acquisition Sponsor LLC, Flores Family Limited Partnership #2. Mr. Flores may be deemed to share beneficial ownership of 7,500 25,000 shares of Class A common stock Common Stock held of record by certain family limited partnerships that he may be deemed to control.

5) (5) Based solely on information contained in a report on Schedule 13G/A filed on February 14, 2023 Consists of (i) 71,875 shares of Common Stock and (ii) 334,167 Warrants to acquire Common Stock that are exercisable within 60 days.

(6) Consists of (i) 101,875 shares of Common Stock and (ii) 480,000 Warrants to acquire Common Stock that are exercisable within 60 days.

(7) Consists of (i) 211,875 shares of Common Stock and (ii) 85,000 Warrants to acquire Common Stock that are exercisable within 60 days.

(8) Consists of (i) 596,875 shares of Common Stock held of record by Saba Capital Management, L.P., Saba Capital Management GP, LLC Mr. Sarofim, (ii) 327,500 Warrants to acquire Common Stock that are exercisable within 60 days, (iii) 3,000,000 shares of Common Stock held of record by Victorious Angel Group LTD and (iv) 3,000,000 shares of Common Stock held of record by Fayez Sarofim & Co. Mr. Boaz R. Weinstein (together, Sarofim is the "Reporting Persons"). Each managing member of the Reporting Persons Victorious Angel Group LTD. As such, Mr. Sarofim may be deemed the to share beneficial owner of 1,150,783 shares of the Company's Class A common stock. The principal business address of each of the Reporting Persons is 405 Lexington Avenue, 58th Floor, New York, New York 10174.

6) Based solely on information contained in a report on Schedule 13G/A filed on February 14, 2023 by entities affiliated with Sculptor Capital LP. Includes (i) 1,425,015 shares of Company's Class A common stock beneficially owned by each of Sculptor Capital LP ("Sculptor"), Sculptor Capital II LP ("Sculptor-II"), Sculptor Capital Holding Corp. ("SCHC"), Sculptor Capital Holding II LLC ("SCHC-II") and Sculptor Capital Management, Inc. ("SCU"), (ii) 924,446 Shares beneficially owned by each of Sculptor Master Fund, Ltd. ("SCMF") and Sculptor Special Funding, LP ("NRMD") and (iii) 500,569 shares of Company's Class A common stock beneficially owned by Sculptor SC II LP ("NJGC"). Sculptor and Sculptor-II serve as the principal investment managers to the private funds and discretionary accounts managed by Sculptor and thus may be deemed beneficial owners ownership of the shares of Company's Class A common stock in Common Stock held of record by Victorious Angel Group LTD. Mr. Sarofim is the private funds direct, majority member of Fayez Sarofim & Co. and discretionary accounts managed by Sculptor and Sculptor-II. SCHC-II serves as the general partner of Sculptor-II and is wholly owned by Sculptor. SCHC serves as the general partner of Sculptor. As such, SCHC and SCHC-IIa result may be deemed to control Sculptor as well as Sculptor-IIshare beneficial ownership of the securities held by Fayez Sarofim & Co.

(9) Consists of (i) 71,875 shares of Common Stock and therefore, (ii) 514,067 Warrants to acquire Common Stock that are exercisable within 60 days. Includes 350,000 shares of Common Stock held of record by JCF Capital, LLC. Mr. Flores is the managing member of JCF Capital, LLC. As such, Mr. Flores may be deemed to be the share beneficial owners ownership of the shares of Company's Class A common stock reported herein. SCU is the sole shareholder Common Stock held of SCHC, and may be deemed a beneficial owner of the shares of Company's Class A common stock reported herein. The principal business address of each of Sculptor, Sculptor-II, SCHC, SCHC-II, SCU, SCMF, NRMD and NJGC is 9 West 57th Street, New York, NY 10019. record by JCF Capital, LLC.

7) (10) Based solely on information contained in a report on Schedule 13G filed on February 14, 2023 by Fort Baker Capital Management LP, Fort Baker Capital, LLC and Mr. Steven Patrick Pigott (together, "Fort Baker"). Each Consists of Fort Baker may be deemed the beneficial owner of 2,688,882 (i) 200,000 shares of the Company's Class A common stock. The principal business address of each of Fort Baker is 700 Larkspur Landing Circle, Suite 275 Larkspur, CA 94938. Common Stock and (ii) 100,000 Warrants to acquire Common Stock that are exercisable within 60 days.

8) (11) Based solely on information contained in a report on Schedule 13G filed on November 16, 2022 by Hartree Partners, LP (the "Hartree"). Hartree may be deemed the beneficial owner Consists of 2,000,000 (i) 100,000 shares of the Company's Class A common stock. The principal business address of Hartree is 1185 Avenue of the Americas New York, NY 10036. Common Stock and (ii) 271,666 Warrants to acquire Common Stock that are exercisable within 60 days.

The table above does not include the shares of common stock underlying the private placement warrants held or to be held by our officers or sponsor because these securities are not exercisable within 60 days of this report.

Changes in Control

None.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Flame Related Party Transactions

Unless otherwise indicated, references in this section to the "Company," "our," "us" or "we" refer to Flame Acquisition Corp., or Flame, before the consummation of the Business Combination.

In November 2020, our founders acquired 7,187,500 founder shares for an aggregate purchase price of $25,000. Our sponsor Sponsor purchased 4,671,875 founder shares, FL Co-Investment purchased 1,257,813 founder shares and Intrepid Financial Partners purchased 1,257,812 founder shares. Also in November 2020, our sponsor Sponsor transferred 434,375 founder shares to our independent directors director nominees and certain individuals, including Gregory D. Patrinely, our Executive Vice President and Chief Financial Officer, at their original purchase price. Simultaneously with such transfer, each of FL Co-Investment and Intrepid Financial Partners

transferred 13,125 founder shares to our sponsor, Sponsor, respectively, at their original purchase price. Prior to the initial investment in the Company Flame of $25,000 by our founders, the Company Flame had no assets, tangible or intangible. The number of founder shares issued was determined based on the expectation that such founder shares would represent 20% of the outstanding shares upon completion of our initial public offering. Additionally, our initial stockholders had agreed to forfeit up to 937,500 founder shares to the extent that the over-allotment option was not exercised in full by the underwriters. On February 26, 2021, the underwriters fully exercised their over-allotment option; thus, these founder shares were no longer subject to forfeiture.

In February 2021, our Concurrently with the Flame IPO, the Sponsor and other initial stockholders purchased 7,750,000 private placement warrants at a price of $1.00 per warrant. Private Placement Warrants. Each private placement warrant entitles entitled the holder to purchase one share of our Flame Class A common stock at $11.50 per share. Our initial stockholders are permitted to transfer the private placement warrants Private Placement Warrants held by them to certain permitted transferees, including our officers and directors and other persons or entities affiliated with or related to it, us, but the transferees receiving such securities will be subject to the same agreements with respect to such securities as the sponsor. Sponsor. Otherwise, these warrants are, Warrants subject to certain limited exceptions, transferable or salable until 30 days after the completion of our initial business combination. So long as the private placement warrants Private Placement Warrants are held by our initial stockholders or their respective permitted transferees, the private placement warrants Private Placement Warrants will not be redeemable by us for cash. The private placement warrants Private Placement Warrants may also be exercised by the initial stockholders or their respective permitted transferees for cash or on a cashless basis. Otherwise, the private placement warrants Private Placement Warrants have terms and provisions that are identical to those of the warrants Warrants that are part of the units, including as to exercise price, exercisability and exercise period, and may be redeemed by us for shares of Flame Class A common stock as described herein.

Our sponsor, Sponsor, officers, directors, advisors or any of their respective affiliates, will be reimbursed for any out-of-pocket expenses incurred in connection with activities on our behalf, including with respect to our formation, the Flame IPO, and initial public offering and to identifying potential target businesses and performing due diligence on suitable business combinations. Additionally, in connection with the successful completion of our initial business combination, we may determine to provide a payment to our sponsor, officers, directors, advisors, or our or their affiliates; however, any such payment would not be made from the amounts held in the Trust Account and we currently do not have any arrangement or agreement with our sponsor, officers, directors, advisors, or our or their affiliates, to do so. Our audit committee will review on a quarterly basis all payments that were made or are to be made to our sponsor, Sponsor, officers, directors, or our or their affiliates and will determine which expenses and the amount of expenses that will be reimbursed. There is no cap or ceiling on the reimbursement of out-of-pocket expenses incurred by such persons in connection with activities on our behalf.

On November 25, 2020, our founders agreed to loan us an aggregate of up to $300,000 to cover expenses related to the Flame IPO pursuant to a promissory note (the "*Initial Promissory Note*"). This loan was non-interest bearing and payable upon the completion of the Flame IPO. We borrowed approximately $75,000 under the Initial Promissory Note and repaid the Initial Promissory Note to our founders in full as of June 30, 2021.

In order to finance transaction costs in connection with a business combination, our initial stockholders, affiliates of our initial stockholders or certain of our directors and officers loaned us funds ("*Sponsor Loans*"). The Sponsor Loans, as applicable, were repaid out of the proceeds of the trust account released at the Closing. Except for the foregoing, the terms of such Sponsor Loans, if any, have not been determined and no written agreements exist with respect to such loans. Certain of the Sponsor Loans (the "*Working Capital Loans*") were converted upon consummation of the Business Combination, initially up to $1,500,000, which was increased to $3,500,000 on March 24, 2023, into Warrants of Sable at a price of $1.00 per warrant. Such Warrants are identical to the Private Placement Warrants. As discussed below, since inception, we have entered into nine convertible promissory notes under this arrangement with the Sponsor to provide Working Capital Loans. Additionally, certain of the Sponsor Loans (the "*Promissory Note Loans*") were repaid upon consummation of the Business Combination, without interest. As discussed below, since inception, we have entered into four promissory notes under this arrangement with the Sponsor to provide Promissory Note Loans.

On March 1, 2021, we issued an unsecured promissory note to the Sponsor (the "*First Working Capital Loan*"), pursuant to which we may borrow up to an aggregate principal amount of $365,000. The First Working Capital Loan is non-interest bearing and payable on the consummation of an initial business combination. The First Working Capital Loan was fully drawn down in the three months ended September 30, 2021. The Sponsor assigned approximately $145,000 of the First Working Capital Loan to our Executive Vice President and Chief Financial Officer, Gregory Patrinely, approximately $110,000 of the First Working Capital Loan to our Executive Vice President, General Counsel and Secretary, Anthony Duenner, and approximately $110,000 of the First Working Capital Loan to our President, J. Caldwell Flores. As of December 31, 2023 and 2022, the First Working Capital Loan in the amount of $365,000 was fully drawn.

On December 27, 2021, we issued an unsecured promissory note to the Sponsor (the "*Second Working Capital Loan*"), pursuant to which we may borrow up to an aggregate principal amount of $800,000. The Second Working Capital Loan is non-interest bearing and payable on the consummation of an initial business combination. As of December 31, 2023 and 2022, the Second Working Capital Loan in the amount of $800,000 was fully drawn.

On March 29, 2022, we issued an unsecured promissory note to the Sponsor (the "*Third Working Capital Loan*"), pursuant to which we may borrow up to an aggregate principal amount of $335,000. The Third Working Capital Loan is non-interest bearing and payable on the consummation of an initial business combination. As of December 31, 2023 and 2022, the Third Working Capital Loan in the amount of $335,000 was fully drawn.

On September 30, 2022, we issued an unsecured promissory note to the Sponsor (the "*Q3 2022 Promissory Note*"), pursuant to which we may borrow up to an aggregate principal amount of $170,000. The Q3 2022 Promissory Note is non-interest bearing and payable upon the completion of an initial business combination. As of December 31, 2023 and 2022, the Q3 2022 Promissory Note in the amount of $170,000 was fully drawn.

On October 31, 2022, we issued an unsecured promissory note to the Sponsor (the "*Q4 2022 Promissory Note*"), pursuant to which we may borrow up to an aggregate principal amount of $200,000. The Q4 2022 Promissory Note is non-interest bearing and payable upon the completion of an initial business combination. As of December 31, 2023 and 2022, the Q4 2022 Promissory Note in the amount of $200,000 was fully drawn.

On February 6, 2023, we issued an unsecured promissory note to the Sponsor (the "*Q1 2023 Promissory Note*"), pursuant to which we may borrow up to an aggregate principal amount of $535,000. The Q1 2023 Promissory Note is non-interest bearing and payable upon the completion of our initial business combination. As of December 31, 2023, we have borrowed $535,000 under the Q1 2023 Promissory Note.

On March 29, 2023, we and the Sponsor entered into amendments to each of the Q3 2022 Promissory Note, Q4 2022 Promissory Note and Q1 2023 Promissory Note, pursuant to which loans made under such notes are, at the lender's discretion, convertible into Warrants of the post-Business Combination entity. On May 12, 2023, the Q1 2023 Promissory Note was amended to clarify that approximately $356,370 of the note proceeds are convertible into Warrants of the post-Business Combination entity at a price of $1.00 per warrant, while the remainder of the note proceeds are non-convertible notes to be used to fund advances to the acquisition target. Such Warrants are identical to the Private Placement Warrants, including as to exercise price, exercisability and exercise period.

On May 12, 2023, we issued an unsecured promissory note to the Sponsor (the "*First Q2 2023 Promissory Note*"), pursuant to which we may borrow up to an aggregate principal amount of $395,000. The First Q2 2023 Promissory Note is non-interest bearing and payable on the completion of our initial business combination. As of December 31, 2023, we have borrowed $395,000 under the First Q2 2023 Promissory Note. Also on May 12, 2023, we issued an unsecured promissory note to the Sponsor (the "*Second Q2 2023 Promissory Note*"), pursuant to which we may borrow up to an aggregate principal amount of $355,000 to pay or advance out-of-pocket expenses of Sable in connection with the Business Combination. The Second Q2 2023 Promissory Note is non-interest bearing and payable on the completion of our initial business combination. As of December 31, 2023, we have borrowed $355,000 under the Second Q2 2023 Promissory Note.

On June 22, 2023, we issued an unsecured promissory note to the Sponsor (the "*Third Q2 2023 Promissory Note*"), pursuant to which we may borrow up to an aggregate principal amount of $100,000 to pay or advance out-of-pocket expenses of Sable in connection with the Business Combination. The Third Q2 2023 Promissory Note is non-interest bearing and payable on the completion of our initial business combination. As of December 31, 2023, we have borrowed $100,000 under the Third Q2 2023 Promissory Note. Also on June 22, 2023, we issued an unsecured promissory note to the Sponsor (the "*Fourth Q2 2023 Promissory Note*"), pursuant to which we may borrow up to an aggregate principal amount of $50,000. The Fourth Q2 2023 Promissory Note is non-interest bearing and payable on the completion of our initial business combination. As of December 31, 2023, we have borrowed $50,000 under the Fourth Q2 2023 Promissory Note.

On August 30, 2023, we issued an unsecured promissory note to the Sponsor (the "*First Q3 2023 Promissory Note*"), pursuant to which we may borrow up to an aggregate principal amount of $635,000. The First Q3 2023 Promissory Note is non-interest bearing and payable upon the completion of our initial business combination. As of December 31, 2023, we have borrowed $635,000 under the First Q3 2023 Promissory Note. Also on August 30, 2023, we issued an unsecured promissory note to the Sponsor (the "*Second Q3 2023 Promissory Note*"), pursuant to which we may borrow up to an aggregate principal amount of $495,000 to pay or advance out-of-pocket expenses of Sable in connection with the Business Combination. The Second Q3 2023 Promissory Note is non-interest bearing and payable on the completion of our initial business combination. As of December 31, 2023, we have borrowed $495,000 under the Second Q3 2023 Promissory Note.

In addition, in order to finance transaction costs in connection with an intended initial business combination, our sponsor the Sponsor or an affiliate of our sponsor the Sponsor or certain of our officers and directors may, but are not obligated to, loan us funds as may be required. If we complete our initial business combination, we may repay such loaned amounts. In the event that our initial business combination does not close, we may use a portion of the working capital held outside the Trust Account trust account to repay such loaned amounts, but no proceeds from the Trust Account trust account would be used for such repayment. Initially up to $1,500,000, which was increased to $3,500,000 on March 24, 2023, of such loans may be convertible into warrants at a price of $1.00 per warrant at the option of the lender. Such warrants would be are identical to the private placement warrants, Private Placement Warrants, including as to exercise price, exercisability and exercise period. We do not expect On March 29, 2023, Flame and the Sponsor entered into amendments to seek each of the Q3 2022 Promissory Note, Q4 2022 Promissory Note and Q1 2023 Promissory Note, pursuant to which loans from parties other than our sponsor or an affiliate made under such notes are, at the lender's discretion, convertible into warrants at a price of our sponsor $1.00 per warrant. Each of the First Working Capital Loan, Second Working Capital Loan, Third Working Capital Loan, Q3 2022 Promissory Note, Q4 2022 Promissory Note, First Q2 2023 Promissory Note, Fourth Q2 2023 Promissory Note, First Q3 2023 Promissory Note and $356,370 of the Q1 2023 Promissory Note are Working Capital Loans and may be convertible into warrants at a price of $1.00 per warrant at the option of the Sponsor.

The following table presents the balances of the Working Capital Loans (at principal value) as we do not believe third parties will of December 31, 2023. The Working Capital Loans are recorded at their respective fair value on each balance sheet date (see Note 5 and Note 9 to the financial statements for further discussion). All such Working Capital Loans may be willing convertible into warrants at a price of $1.00 per warrant at the option of the lender. Such warrants are identical to loan such funds the Private Placement Warrants, including as to exercise price, exercisability and provide a waiver against any and all rights to seek access to funds in the Trust Account. As of December 31, 2022, we have drawn down $1,500,000 of such loans. exercise period.

Working Capital Loans	Amount
First Working Capital Loan	$ 365,000
Second Working Capital Loan	800,000
Third Working Capital Loan	335,000
Q3 2022 Promissory Note	170,000
Q4 2022 Promissory Note	200,000
Q1 2023 Promissory Note	356,370
First Q2 2023 Promissory Note	395,000
Fourth Q2 2023 Promissory Note	50,000
First Q3 2023 Promissory Note	635,000
Total Working Capital Loans	**$ 3,306,370**

The following table presents the balances of the Promissory Note Loans (at principal value) as of December 31, 2023. None of the Promissory Note Loans are convertible into warrants.

Promissory Note Loans	Amount
Q1 2023 Promissory Note	$ 178,630
Second Q2 2023 Promissory Note	355,000
Third Q2 2023 Promissory Note	100,000
Second Q3 2023 Promissory Note	495,000
Total Promissory Note Loans	**$ 1,128,630**

No compensation or fees of any kind, including finder's fees, consulting fees or other similar compensation, will be paid to any of our initial stockholders, officers or directors who owned our shares of common stock prior to the Flame IPO, or to any of their respective affiliates, prior to or with respect to the Business Combination. At the Closing, all of the Working Capital Loans were converted into 3,306,370 Warrants at a price of $1.00 per Warrant and each of the Promissory Note Loans were fully repaid.

Pursuant to a registration rights agreement with our initial stockholders, we may be required to register certain securities for sale under the Securities Act. These holders, and holders of warrants issued upon conversion of working capital loans, the Working Capital Loans, if any, are entitled under the registration rights agreement to make up to three demands (provided, that each of FL Co-Investment and Intrepid Financial Partners will be entitled to one demand in accordance with FINRA Rule 5110(g)(8)(B)) that we register certain of our securities held by them for sale under the Securities Act and to have the securities covered thereby registered for resale pursuant to Rule 415 under the Securities Act. In addition, these holders have the right to include their securities in other registration statements filed by us. However, the registration rights agreement provides that we will not permit any registration statement filed under the Securities Act to become effective until the securities covered thereby are released from their lock-up restrictions, as described herein. We will bear the costs and expenses of filing any such registration statements.

All ongoing and future transactions between us and any of our officers and directors or their respective affiliates will be on terms believed by us to be no less favorable to us than are available from unaffiliated third parties. Such transactions, including the payment of any compensation, will require prior approval by a majority of our uninterested "independent" directors or the members of our board of directors who do not have an interest in the transaction, in either case who had access, at our expense, to our attorneys or independent legal counsel. We will not enter into any such transaction unless our disinterested "independent" directors (or, if there are no "independent" directors, our disinterested directors) determine that the terms of such transaction are no less favorable to us than those that would be available to us with respect to such a transaction from unaffiliated third parties.

PIPE Subscription Agreements

In connection with the Business Combination, Holdco and Flame entered into the Initial Pipe Subscription Agreements with the Pipe Investors for an aggregate Initial Pipe Investments of $520,000,000, pursuant to which such investors agreed to purchase an aggregate of 52,000,000 shares of Common Stock, at a price of $10.00 per share upon the consummation of the Business Combination. On February 12, 2024, following the Special Meeting, a PIPE Investor that subscribed for $125,000,000 of the Initial PIPE Investment informed the Company that it would not be able to fund that subscribed amount by the Closing due to difficulties it experienced related to receiving called capital from certain of its foreign investors. The inability of that PIPE Investor to fund its commitment did not relieve the obligations of the other PIPE Investors to fund their commitments in connection with the Closing. On February 12, 2024 and February 13, 2024, the Company entered into the Additional PIPE Subscription Agreements (including an additional $25,000,000 commitment from James C. Flores, our Chairman and Chief Executive Officer) on substantially the same terms as those contained in the Initial PIPE Subscription Agreements to replace, in the aggregate, $55,000,000 of the amount previously committed by the PIPE Investor described above. On February 14, 2024, immediately following the Closing, Sable issued 44,024,910 shares of Common Stock, at a price of $10.00 per share for an aggregate PIPE Investment of $440,249,100 in accordance with the terms of the PIPE Subscription Agreements. The shares of Common Stock issued in the PIPE Investments were offered in a private placement under the Securities Act, pursuant to the PIPE Subscription Agreements.

Certain Engagements in Connection with the Business Combination and Related Transactions

Flame paid an underwriting discount to Cowen and Intrepid, as underwriters, of $0.20 per unit purchased by them in the Flame IPO. In addition, Intrepid and Cowen are affiliates of certain holders of founder shares. Flame also engaged Cowen and Intrepid, who served as the underwriters from the Flame IPO, as advisors in connection with the Business Combination, pursuant to the Business Combination Marketing Agreement. In connection with the Closing, Flame paid Cowen and Intrepid 50% of the Marketing Fee, $10,062,500, which is 3.5% of the gross proceeds of the Flame IPO including proceeds from the full exercise of the underwriters' over-allotment option.

Further, FL Co-Investment, an affiliate of Cowen, and Intrepid Financial Partners, an affiliate of Intrepid, are each the beneficial owners of approximately 3.5%. Cowen, Intrepid and Jefferies are also served as joint financial advisors to Sable in connection with the transactions contemplated by the Sable-EM Purchase Agreement and the Business Combination and as joint placement agents in the PIPE Investment. In connection with the Closing of the Business Combination, Cowen, Intrepid and Jefferies received an aggregate of $4 million in fees for serving as joint financial advisors to Sable in connection with the transactions contemplated by the Sable-EM Purchase Agreement and the Business Combination. In connection with the Closing of the PIPE Investment, Cowen, Intrepid and Jefferies received an aggregate of $12 million in fees for serving as joint placement agents in the PIPE Investment. In addition, Cowen and Jefferies (together with their respective affiliates) are full-service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investing, hedging, market making, brokerage and other financial and non-financial activities and services. From time to time, Cowen, Jefferies and their respective affiliates may have provided various investment banking and other commercial dealings unrelated to the Business Combination or the PIPE Investment to us and our affiliates, and may have received customary compensation in connection therewith. In addition, Cowen, Intrepid and Jefferies and their respective affiliates may provide investment banking and other commercial dealings to Sable and/or EMC and their respective affiliates in the future, for which they would expect to receive customary compensation.

In addition, in the ordinary course of its business activities, Cowen, Jefferies and their respective affiliates, officers, directors and employees may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own accounts and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours, EMC or their respective affiliates. Cowen, Jefferies and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Sable Related Party Transactions

Registration Rights Agreement

On the Closing Date, in connection with the consummation of the Business Combination and as contemplated by the Merger Agreement, the holders of the limited liability company interests in Holdco designated as Holdco Class A shares entered into a registration rights agreement with Sable (the "Registration Rights Agreement") pursuant to which the holders were granted certain registration rights with respect to the Common Stock received as consideration in the Merger.

Pursuant to the Registration Rights Agreement, Sable agreed to file a registration statement within 30 calendar days after the consummation of the Merger registering the resale of the registrable securities under the Registration Rights Agreement, and use its commercially reasonable efforts to have the registration statement declared effective by the SEC by the earlier of (i) the 90th calendar day (or 120th calendar day if the SEC notifies Sable that it will review the registration statement) following the closing of the Merger and (ii) the 10th business day after the date Sable are notified (orally or in writing, whichever is earlier) by the SEC that the registration statement will not be reviewed or will not be subject to further review. Sable thereafter will be required to maintain a registration statement that is continuously effective and to cause the registration statement to regain effectiveness in the event that it ceases to be effective. At any time the registration statement is effective, any holder signatory to the Registration Rights Agreement may request, one time in any 12-month period, to sell all or a portion of its securities that are registrable in an underwritten offering pursuant to the registration statement for a total offering price reasonably expected to exceed, in the aggregate, $25 million. In addition, the holders have certain "piggyback" registration rights with respect to registrations initiated by Sable and other Sable stockholders. Sable will bear the expenses incurred in connection with the filing of any registration statements pursuant to the Registration Rights Agreement, subject to limited exceptions.

Pursuant to the Registration Rights Agreement, the holders of Holdco Class A shares immediately prior to the effective time of the Holdco Merger, subject to limited exceptions, agreed to a lock-up on their shares of Common Stock, pursuant to which such parties agreed to not transfer shares of Common Stock held by such parties for a period of three years following the closing of the Business Combination.

Merger Agreement

In connection with the Closing, James C. Flores received 3,000,000 shares of Flame Class A common stock in consideration of his Holdco Class A shares pursuant to the Merger Agreement.

Employment Agreements

In connection with the Closing, James C. Flores and other executive officers of the Company will receive certain compensation under the Sable employment agreements.

Policies and Procedures for Related Party Transactions

Upon consummation of the Business Combination, Sable adopted a written related person transaction policy. This written policy regarding related person transactions provides that a related person transaction is a transaction, arrangement or relationship or any series of similar transactions, arrangements or relationships, in which Sable is a participant and in which a related person has, had or will have a direct or indirect material interest and in which the aggregate amount involved exceeds $120,000. Sable's policy also provides that a related person means any of Sable's executive officers and directors (including director nominees), in each case at any time since the beginning of Sable's last fiscal year, or holders of more than 5% of any class of Sable's voting securities and any member of the immediate family of, or person sharing the household with, any of the foregoing persons.

Director Independence

The information contained under the heading "Director Independence" in Part III, Item 10. "Directors, Executive Officers and Corporate Governance" is incorporated by reference herein.

audit committee will have the primary responsibility for reviewing and approving or disapproving related person transactions. In addition to Sable's policy, Sable's audit committee charter that has been in effect since the consummation of the Business Combination provides that Sable's audit committee shall review and approve or disapprove any related person transactions. All related person transactions described in this section occurred prior to adoption of the formal, written policy described above, and therefore these transactions were not subject to the approval and review procedures set forth in the policy.

Item 14. Principal Accountant Fees and Services.

The following is a summary of fees paid or to be paid to Marcum LLP ("Marcum") for services rendered.

Audit Fees. Audit fees consist of fees for professional services rendered for the audit of our year-end financial statements, reviews of our unaudited interim financial statements, and services that are normally provided by Marcum in connection with regulatory filings. The aggregate fees of Marcum related to audit and review services in connection with our initial public offering and other regulatory filings totaled $118,965 $276,040 and $99,910 $118,965 for the years ended December 31, 2022 December 31, 2023 and 2021, 2022, respectively.

Audit-Related Fees. Audit-related fees consist of fees billed for assurance and related services that are reasonably related to performance of the audit or review of our financial statements and are not reported under "Audit Fees." These services include attest services that are not required by statute or regulation and consultations concerning financial accounting and reporting standards. During the years ended December 31, 2022 December 31, 2023 and 2021, 2022, we paid Marcum $57,680 $0 and $0, $57,680, respectively, in audit-related fees.

Tax Fees. We did not pay Marcum for tax return services, planning or tax advice for the years ended December 31, 2022 December 31, 2023 and 2021, 2022.

All Other Fees. We did not pay Marcum for any other services for the years ended December 31, 2022 December 31, 2023 and 2021. 2022.

Pre-Approval Policy

Our Since the formation of our audit committee was formed upon the pricing of our initial public offering. As a result, the audit committee did not pre-approve all of the foregoing services, although any services rendered prior to the formation of our audit committee were approved by our board of directors. Since the formation of our audit committee, offering, and on a going-forward basis, the audit committee has and will pre-approve all auditing services and permitted non-audit services to be performed for us by our auditors, including the fees and terms thereof (subject to the de minimis exceptions for non-audit services described in the Exchange Act which are approved by the audit committee prior to the completion of the audit).

PART IV

Item 15. Exhibits, Financial Statements and Financial Statement Schedules

(a) The following documents are filed as part of this Report: annual report:

(1) Financial Statements

(2) Financial Statement Schedules:

None All financial statement schedules have been omitted because they are not applicable, not required or the information required is shown in the financial statements or the notes thereto.

(3) Exhibits

We hereby file as part of this annual report the exhibits listed in the attached Exhibit Index. Exhibits which are incorporated herein by reference can be obtained on the SEC website at **www.sec.gov**. www.sec.gov.

Item 16. Form 10-K Summary

None.

EXHIBIT INDEX

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Exhibit No.	Description	Incorporated by Reference		
		Form	Exhibit	Filing Date
2.1†	Agreement and Plan of Merger, dated as of November 2, 2022, by and among Flame Acquisition Corp., Sable Offshore Corp. and Sable Offshore Holdings LLC as amended by the First Amendment to Agreement and Plan of Merger, dated as of December 22, 2022 and the Second Amendment to Agreement and Plan of Merger, dated as of June 30, 2024.	8-K	2.1	2/14/24
3.1	Second Amended and Restated Certificate of Incorporation, dated February 14, 2024.	8-K	3.1	2/14/24
3.2	Amended and Restated Bylaws of Sable Offshore Corp.	8-K	3.2	2/14/24
4.1	Specimen Common Stock Certificate.	S-1	4.2	7/2/20
4.2	Specimen Warrant Certificate.	S-1	4.3	7/2/20
4.3	Warrant Agreement, dated February 24, 2021, between the Company and American Stock Transfer & Trust Company, as warrant agent.	8-K	4.1	3/2/21
4.4	Description of registered securities.	—	—	—
10.1	Promissory Note issued in favor of Flame Acquisition Sponsor LLC, dated November 25, 2020.	S-1	10.12	2/5/21
10.2	Promissory Note issued in favor of FL Co-Investment LLC, dated November 25, 2020.	S-1	10.13	2/5/21
10.3	Promissory Note issued in favor of Intrepid Financial Partners, L.L.C., dated November 25, 2020.	S-1	10.14	2/5/21
10.4	Promissory Note issued in favor of Flame Acquisition Sponsor LLC, dated March 1, 2021.	8-K	10.1	3/8/21
10.5	Promissory Note issued in favor of Flame Acquisition Sponsor LLC, dated December 27, 2021.	8-K	10.1	12/28/21
10.6	Letter Agreement, dated February 24, 2021, among the Company, Flame Acquisition Sponsor LLC, FL Co-Investment LLC, Intrepid Financial Partners, L.L.C. and certain security holders named therein.	8-K	10.1	3/2/21
10.7^	Senior Secured Term Loan Agreement, dated as of February 14, 2024, by and among the Company, Exxon Mobil Corporation and Alter Domus Products Corp.	8-K	10.1	2/14/24
10.8	Registration Rights Agreement, dated as of February 14 2024, by and among the Company and the undersigned party listed under Holder on the signature page thereto.	8-K	10.31	2/14/24
10.14	Private Placement Warrants Purchase Agreement, dated February 24, 2021,, between the Company and Flame Acquisition Sponsor LLC.	8-K	10.4	3/2/21
10.15	Private Placement Warrants Purchase Agreement, dated February 24, 2021, between the Company and FL Co-Investment LLC.	8-K	10.5	3/2/21
10.16	Private Placement Warrants Purchase Agreement, dated February 24, 2021, between the Company and Intrepid Financial Partners, L.L.C.	8-K	10.6	3/2/21
10.17	Private Placement Warrants Purchase Agreement, dated February 24, 2021, between the Company and Gregory D. Patrinely	8-K	10.7	3/2/21
10.18	Private Placement Warrants Purchase Agreement, dated February 24, 2021, between the Company and Michael E. Dillard.	8-K	10.8	3/2/21
10.19	Private Placement Warrants Purchase Agreement, dated February 24, 2021, between the Company and Gregory P. Pipkin.	8-K	10.9	3/2/21
10.20	Private Placement Warrants Purchase Agreement, dated February 24, 2021, between the Company and Christopher B. Sarofim.	8-K	10.10	3/2/21

Exhibit No.	Description	Incorporated by Reference		
		Form	Exhibit	Filing Date
10.21	Private Placement Warrants Purchase Agreement, dated February 24, 2021, between the Company and Caldwell Flores.	8-K	10.11	3/2/21

10.22	Securities Subscription Agreement, dated November 18, 2020, between the Company and Flame Acquisition Sponsor LLC.	S-1	10.4	2/5/21
10.23	Securities Subscription Agreement, dated November 18, 2020, between the Company and FL Co-Investment LLC.	S-1	10.5	2/5/21
10.24	Securities Subscription Agreement, dated November 18, 2020, between the Company and Intrepid Financial Partners, L.L.C.	S-1	10.6	2/5/21
10.25	Promissory Note issued in favor of Flame Acquisition Sponsor LLC, dated March 29, 2022.	8-K	10.1	4/1/22
10.26	Promissory Note issued in favor of Flame Acquisition Sponsor LLC, dated September 30, 2022.	8-K	10.1	9/30/22
10.27	Promissory Note issued in favor of Flame Acquisition Sponsor LLC, dated October 31, 2022.	8-K	10.1	11/1/22
10.28	Promissory Note issued in favor of Flame Acquisition Sponsor LLC, dated February 6, 2023.	8-K	10.1	2/7/23
10.29	Promissory Note issued in favor of Flame Acquisition Sponsor LLC, dated May 12, 2023.	8-K	10.1	5/16/23
10.30	Promissory Note issued in favor of Flame Acquisition Sponsor LLC, dated June 22, 2023.	8-K	10.1	6/26/23
10.31	Promissory Note issued in favor of Flame Acquisition Sponsor LLC, dated August 30, 2023.	8-K	10.1	8/31/23
10.32^	Purchase and Sale Agreement between Exxon Mobil Corporation, Mobil Pacific Pipeline Company and Sable Offshore Corp., dated as of November 1, 2022, as amended by the First Amendment to Purchase and Sale Agreement, dated as of June 13, 2023 and the Second Amendment to Purchase and Sale Agreement, dated as of December 15, 2023.	8-K	10.27	2/14/24
10.33	Form of Holdco PIPE Subscription Agreement.	8-K	10.1	11/2/22
10.34	Form of Holdco PIPE Subscription Agreement Amendment.	8-K	10.1	1/16/24
10.35	Form of Additional Holdco PIPE Subscription Agreement.	8-K	10.2	1/16/24
10.36	Form of Flame PIPE Subscription Agreement.	8-K	10.3	1/16/24
10.37#	Sable Offshore Corp. 2023 Incentive Award Plan.	8-K	10.32	2/14/24
10.38	Form of Indemnity Agreement.	8-K	10.33	2/14/24
10.39#	Employment Agreement by and between Sable Offshore Corp. and James C. Flores	—	—	—
10.40#	Employment Agreement by and between Sable Offshore Corp. and Gregory Patrinely	—	—	—
10.41#	Employment Agreement by and between Sable Offshore Corp. and J. Caldwell Flores	—	—	—
10.42#	Employment Agreement by and between Sable Offshore Corp. and Doss R. Bourgeois	—	—	—
10.43#	Employment Agreement by and between Sable Offshore Corp. and Anthony C. Duenner	—	—	—
21.1	Subsidiaries of the Company.	8-K	21.1	2/14/24
31.1	Certification of the Principal Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a).	—	—	—
31.2	Certification of the Principal Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a).	—	—	—
32.1	Certification of the Principal Executive Officer required by Rule 13a-14(b) or Rule 15d-14(b) and 18 U.S.C. 1350*	—	—	—
32.2	Certification of the Principal Financial Officer required by Rule 13a-14(b) or Rule 15d-14(b) and 18 U.S.C. 1350*	—	—	—
97.1	Sable Offshore Corp. Policy for Recovery of Erroneously Awarded Compensation.	—	—	—
101.INS	Inline XBRL Instance Document – the XBRL Instance Document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document			
101.SCH	Inline XBRL Taxonomy Extension Schema			
101.CAL	Inline XBRL Taxonomy Calculation Linkbase			
101.LAB	Inline XBRL Taxonomy Label Linkbase			
101.PRE	Inline XBRL Taxonomy Extension Presentation			
101.DEF	Inline XBRL Definition Linkbase Document			
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)			

* Furnished herewith

# Indicates a management contract or compensatory plan.

† Certain exhibits and schedules to this Exhibit have been omitted in accordance with Regulation S-K Item 601(b)(2). The Registrant agrees to furnish supplementally a copy of all omitted exhibits and schedules to the Securities and Exchange Commission upon its request.

^ Certain portions of this exhibit (indicated by "[***]") have been omitted pursuant to Regulation S-K, Item 601(b)(10).

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

March 28, 2024

Sable Offshore Corp.

By: /s/ James C. Flores

Name: James C. Flores

Title: Chairman and Chief Executive Officer
(Principal Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Name	Position	Date
/s/ James C. Flores James C. Flores	Chairman and Chief Executive Officer (Principal Executive Officer)	March 28, 2024
/s/ Gregory D. Patrinely Gregory D. Patrinely	Executive Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	March 28, 2024
/s/ Michael E. Dillard Michael E. Dillard	Director	March 28, 2024
/s/ Gregory P. Pipkin Gregory P. Pipkin	Director	March 28, 2024
/s/ Christopher B. Sarofim Christopher B. Sarofim	Director	March 28, 2024

SABLE OFFSHORE CORP. (F/K/A FLAME ACQUISITION CORP.)

INDEX TO FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors of
Sable Offshore Corp. (f/k/a Flame Acquisition Corp.)

Opinion on the Financial Statements

We have audited the accompanying balance sheets of Sable Offshore Corp. (f/k/a Flame Acquisition Corp.) (the "Company") as of December 31, 2022 December 31, 2023 and 2021, 2022, the related statements of operations, changes in stockholders' equity (deficit) deficit and cash flows for each of the two years in the period ended December 31, 2022 December 31, 2023, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 December 31, 2023 and 2021, 2022, and the results of its operations and its

cash flows for each of the two years in the period ended December 31, 2022 December 31, 2023, in conformity with accounting principles generally accepted in the United StatesStates of America.

Explanatory Paragraph – Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As more fully described in Note 1 to the financial statements, the Company's Company is a Special Purpose Acquisition Corporation that was formed for the purpose of completing a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business plan is dependent on the completion of combination with one or more businesses or entities. The Company entered into a definitive merger agreement with a business combination and target on November 2, 2022; which was completed on February 14, 2024. As also described in Note 1, uncertainties related to obtaining the Company's cash and working capital as remaining regulatory approvals necessary to restart production, along with the timing of December 31, 2022 are not sufficient to complete its planned activities. The Company is subject to a mandatory liquidation and subsequent dissolution requirement if it does not complete a business combination by September 1, 2023. These conditions ongoing construction repair efforts raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The financial statements do not include any adjustments that might result from may be necessary should the outcome of this uncertainty. Company be unable to continue as a going concern.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Marcum LLP

Marcum LLP

We have served as the Company's auditor since 2020.

New York, NY
March 31, 2023 28, 2024

SABLE OFFSHORE CORP. (F/K/A FLAME ACQUISITION CORP.)
BALANCE SHEETS

	December 31		December 31	
	2022	2021	2023	2022
Assets				
Current assets:				
Cash	$ 100,256	$ 322,768	$ 267,816	$ 100,256
Prepaid expenses	88,212	521,878	96,601	88,212
Total current assets	**188,468**	**844,646**	**364,417**	**188,468**
Prepaid expenses –non-current	—	78,630		
Investments held in Trust Account	290,718,297	287,516,153	63,558,404	290,718,297
Total assets	**$ 290,906,765**	**$ 288,439,429**	**$ 63,922,821**	**$ 290,906,765**

Liabilities, Common Stock Subject to Possible Redemption and Stockholders' Deficit					
Accounts payable and accrued expenses	$ 4,625,892	$ 275,500	$	6,953,918	$ 4,625,892
Excise tax payable				2,308,378	—
Income taxes payable	330,151	—		—	330,151
Promissory notes to related parties	370,000	—		1,128,630	370,000
Convertible promissory notes – related parties, at fair value	1,409,730	956,115		6,381,294	1,409,730
Total current liabilities	**6,735,773**	**1,231,615**		**16,772,220**	**6,735,773**
Warrant liabilities	12,149,250	12,647,250		39,213,750	12,149,250
Total liabilities	**18,885,023**	**13,878,865**		**55,985,970**	**18,885,023**
Commitments and Contingencies					
Class A Common Stock subject to possible redemption; 28,750,000 shares at redemption value ($10.10 and $10.00 at December 31, 2022 and 2021, respectively)	290,347,008	287,500,000			
Class A common stock subject to possible redemption; 6,104,682 and 28,750,000 shares at redemption value at December 31, 2023 and 2022, respectively ($10.41 and $10.10 at December 31, 2023 and 2022, respectively)				63,519,554	290,347,008
Stockholders' Deficit:					
Preferred stock, $0.0001 par value; 1,000,000 shares authorized; none issued and outstanding	—	—		—	—
Class A common stock, $0.0001 par value; 200,000,000 shares authorized; no shares issued and outstanding, excluding 28,750,000 shares subject to possible redemption at December 31, 2022 and 2021	—	—			
Class B common stock, $0.0001 par value; 20,000,000 shares authorized; 7,187,500 shares issued and outstanding at December 31, 2022 and 2021	719	719			
Class A common stock, $0.0001 par value; 200,000,000 shares authorized; 7,187,500 and no shares issued and outstanding, at December 31, 2023 and 2022, respectively, excluding 6,104,682 and 28,750,000 shares subject to possible redemption at December 31, 2023 and 2022, respectively				719	—
Class B common stock, $0.0001 par value; 20,000,000 shares authorized; no shares and 7,187,500 shares issued and outstanding at December 31, 2023 and 2022, respectively				—	719
Accumulated deficit	(18,325,985)	(12,940,155)		(55,583,422)	(18,325,985)
Total Stockholders' Deficit	**(18,325,266)**	**(12,939,436)**		**(55,582,703)**	**(18,325,266)**
Total Liabilities, Common Stock Subject to Possible Redemption and Stockholders' Deficit	$ 290,906,765	$ 288,439,429	**$**	**63,922,821**	**$ 290,906,765**

The accompanying notes are an integral part of these financial statements.

SABLE OFFSHORE CORP. (F/K/A FLAME ACQUISITION CORP.)
STATEMENTS OF OPERATIONS

	For the Years Ended December 31,	
	2022	2021
Operating costs	$ 6,150,199	$ 1,682,816
Loss from operations	**(6,150,199)**	**(1,682,816)**
Other income (expense):		
Interest income from Trust Account	3,989,061	16,153
Initial fair value adjustment of promissory note	—	(18,323)
Change in fair value of promissory note	(170,741)	83,768

Change in fair value of warrant liabilities	498,000	6,155,125
Offering costs allocated to warrants	—	(280,829)
Total other income, net	4,316,320	5,955,894
(Loss) Income before provision for income taxes	(1,833,879)	4,273,078
Provision for income taxes	(757,069)	—
Net (Loss) Income	**$ (2,590,948)**	**$ 4,273,078**
Weighted average shares outstanding, redeemable Class A common stock	28,750,000	24,417,808
Basic and diluted net (loss) income per share, redeemable Class A common stock	**$ (0.07)**	**$ 0.14**
Weighted average shares outstanding, Class Bnon-redeemable commonstock	7,187,500	7,187,500
Basic and diluted net (loss) income per share, Class Bnon-redeemable commonstock	**$ (0.07)**	**$ 0.14**

	For the Years Ended December 31,	
	2023	2022
Operating costs	$ 4,918,801	$ 6,150,199
Loss from operations	**(4,918,801)**	**(6,150,199)**
Other income (expense):		
Interest income from Trust Account	4,415,456	3,989,061
Change in fair value of convertible promissory notes – related parties	(3,698,394)	(170,741)
Change in fair value of warrant liabilities	(27,064,500)	498,000
Total other (expense) income, net	**(26,347,438)**	**4,316,320**
Loss before income taxes	**(31,266,239)**	**(1,833,879)**
Income tax expense	(914,318)	(757,069)
Net loss	**$ (32,180,557)**	**$ (2,590,948)**
Weighted average, redeemable Class A common stock outstanding	10,870,337	28,750,000
Basic and diluted net loss per redeemable Class A common share	**$ (1.78)**	**$ (0.07)**
Weighted average non-redeemable Class A and Class B common stock outstanding	7,187,500	7,187,500
Basic and diluted net loss per non-redeemable Class A and Class B common share	**$ (1.78)**	**$ (0.07)**

The accompanying notes are an integral part of these financial statements.

SABLE OFFSHORE CORP. (F/K/A FLAME ACQUISITION CORP.)
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT) DEFICIT
FOR THE YEARS ENDED DECEMBER 31, 2022 2023 AND 2021 2022

	Common Stock							Common Stock			
	Class A		Class B		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)	Class A		Class B	
	Shares	Amount	Shares	Amount				Shares	Amount	Shares	Amou
Balance as of December 31, 2020	**—**	**$ —**	**7,187,500**	**$ 719**	**$ 24,281**	**$ (1,657)**	**$ 23,343**				
Proceeds received in excess of initial fair value of Private Placement Warrants	—	—	—	—	1,166,375	—	1,166,375				
Remeasurement of Class A common stock to possible redemption	—	—	—	—	(1,190,656)	(17,355,016)	(18,545,672)				
Initial fair value adjustment of promissory note	—	—	—	—	—	143,440	143,440				
Net income	—	—	—	—	—	4,273,078	4,273,078				

Balance as of December 31, 2021	**—**	**—**	**7,187,500**	**719**	**—**	**(12,940,155)**	**(12,939,436)**		**—**	**$**	**—**	**7,187,500**	**$**
Initial fair value adjustment of promissory note	—	—	—	—	—	52,126	52,126		—		—	—	
Remeasurement of Class A common stock to possible redemption	—	—	—	—	—	(2,847,008)	(2,847,008)						
Remeasurement of Class A common stock subject to possible redemption									—		—	—	
Net loss	—	—	—	—	—	(2,590,948)	(2,590,948)		—		—	—	
Balance as of December 31, 2022	**—**	**$**	**—**	**7,187,500**	**$**	**719**	**$**	**—**	**$ (18,325,985)**	**$ (18,325,266)**		**—**	**$**	**—**	**7,187,500**	**$**
Initial fair value adjustment of convertible promissory notes – related parties											—		—	—	
Remeasurement of Class A common stock subject to possible redemption											—		—	—	
Conversion of Class B common stock to Class A common stock										7,187,500		719	(7,187,500)	
Excise tax on Class A common stock redemptions											—		—	—	
Net loss											—		—	—	
Balance as of December 31, 2023										**7,187,500**	**$**	**719**	**—**	**$**

The accompanying notes are an integral part of these financial statements.

SABLE OFFSHORE CORP. (F/K/A FLAME ACQUISITION CORP.)
STATEMENTS OF CASH FLOWS

	For the Years Ended December 31,	
	2022	**2021**
Cash Flows from Operating Activities:		
Net (loss) income	$ (2,590,948)	$ 4,273,078
Adjustments to reconcile net (loss) income to net cash used in operating activities:		
Interest earned on Trust Account	(3,989,061)	(16,153)
Initial fair value adjustment of promissory note	—	18,323

Change in fair value of promissory note	170,741	(83,768)
Change in fair value of warrant liabilities	(498,000)	(6,155,125)
Offering costs allocated to warrants	—	280,829
Changes in current assets and current liabilities:		
Prepaid expenses	512,296	(600,508)
Accounts payable and accrued expenses	4,350,391	275,500
Income taxes payable	330,151	—
Net cash used in operating activities	**(1,714,430)**	**(2,007,824)**
Cash Flows from Investing Activities:		
Investment of cash into Trust Account	—	(287,500,000)
Cash withdrawn from Trust Account for income and franchise taxes	786,918	—
Net cash provided by (used in) investing activities	**786,918**	**(287,500,000)**
Cash Flows from Financing Activities:		
Proceeds from Initial Public Offering, net of underwriters' discount	—	281,750,000
Proceeds from issuance of Private Placement Warrants	—	7,750,000
Proceeds from promissory notes - related party	705,000	1,196,548
Repayment of promissory notes - related party	—	(75,174)
Payments of offering costs	—	(799,796)
Net cash provided by financing activities	**705,000**	**289,821,578**
Net Change in Cash	**(222,512)**	**313,754**
Cash — Beginning of period	322,768	9,014
Cash — End of period	**$ 100,256**	**$ 322,768**
Non-cash FinancingActivities:		
Initial value of Class A common stock subject to possible redemption	$ —	$ 268,954,328
Remeasurement to Redemption Value	$ 2,847,008	$ 18,545,672
Initialfairvalue of warrant liabilities	$ —	$ 18,802,375
Initial measurement of fair value of PromissoryNotes	$ (52,126)	$ (143,440)
Supplemental Disclosure of Cash Flow Information:		
Payment of income taxes	$ 426,918	$ —

	For the Years Ended December 31,	
	2023	2022
Cash Flows from Operating Activities:		
Net loss	$ (32,180,557)	$ (2,590,948)
Adjustments to reconcile net loss to net cash used in operating activities:		
Interest income from Trust Account	(4,415,456)	(3,989,061)
Change in fair value of convertible promissory notes – related parties	3,698,394	170,741
Change in fair value of warrant liabilities	27,064,500	(498,000)
Changes in current assets and current liabilities:		
Prepaid expenses	(8,389)	512,296
Accounts payable and accrued expenses	2,328,026	4,350,391
Income taxes payable	(330,151)	330,151
Net cash used in operating activities	**(3,843,633)**	**(1,714,430)**
Cash Flows from Investing Activities:		
Cash withdrawn from Trust Account in connection with redemptions	230,129,156	—
Cash withdrawn from Trust Account to pay taxes	1,446,193	786,918
Net cash provided by investing activities	**231,575,349**	**786,918**
Cash Flows from Financing Activities:		
Payments for redemptions of Class A common stock	(230,129,156)	—
Proceeds from convertible promissory notes – related parties	1,080,000	—
Proceeds from promissory notes - related party	1,485,000	705,000
Net cash (used in) provided by financing activities	**(227,564,156)**	**705,000**
Net Change in Cash	**167,560**	**(222,512)**
Cash — Beginning of period	100,256	322,768
Cash — End of period	**$ 267,816**	**$ 100,256**
Supplemental disclosure of non-cash investing and financing activities:		
Conversion of Promissory Notes to Convertible Promissory Notes	$ 726,370	$ —

Remeasurement of Class A common stock subject to possible redemption	$ 3,301,702	$ 2,847,008
Excise tax payable as a result of redemptions of Class A common stock	$ 2,308,378	$ —
Initial measurement of fair value of Convertible Promissory Notes	$ (533,200)	$ (52,126)
Supplemental Disclosure of Cash Flow Information:		
Payment of cash taxes	$ 1,246,194	$ 426,918

The accompanying notes are an integral part of these financial statements.

SABLE OFFSHORE CORP. (F/K/A FLAME ACQUISITION CORP.)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 20222023 and 2022

NOTE 1 — ORGANIZATION, BUSINESS OPERATIONS AND GOING CONCERN

Organization and General

Flame Acquisition Corp. (the (“Flame” or the “Company”) was incorporated in Delaware on October 16, 2020. TheCompanywas formed for the purpose of entering into a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses (a “Business Combination”). The Company is not limited to a particular industry or geographic region for purposes of consummating a Business Combination. The Company is an early stage and emerging growth company and, as such, the Company is subject to all of the risks associated with early stage and emerging growth companies. The Company has selected December 31 as its fiscal year end.

On November 2, 2022, the Company entered into an agreement and plan of merger, dated as of November 2, 2022 (as it may be amended, supplemented, or otherwise modified from time to time, the “Merger Agreement”), with Sable Offshore Corp., a Texas corporation (“SOC”), and Sable Offshore Holdings, LLC, a Delaware limited liability company and the parent company of SOC (“Holdco” and, together with SOC, “Sable”), as fully disclosed in the Current Report on Form8-Kfiled by the Company with the SEC on November 2, 2022. The Merger Agreement provides provided for, among other things, the following transactions at the closing: (i) Holdco will merge with and into the Company, with the Company surviving the merger (the “Holdco Merger”), and (ii) immediately following the effective time of the Holdco Merger, SOC will merge with and into the Company, with the Company surviving the merger (the “SOC Merger”). The Holdco Merger together with the SOC Merger are referred to as the “Merger,” and the Merger and other transactions contemplated by the Merger Agreement are referred to as the “Business Combination.” In connection with the Business Combination, the Company will change changed its name to Sable Offshore Corp. The independent members of the board of directors of the Company (the “Board”) approved, and recommended that the Board approve, the Merger Agreement and the transactions contemplated thereby. Subsequently, the Board approved the Merger Agreement and the transactions contemplated thereby.

The obligations of the parties to consummate the Business Combination are subject to the satisfaction or waiver of certain customary closing conditions. The closing of the Merger is expected to occur occured on the third business day after the satisfaction or waiver (if legally permissible) of the conditions set forth in the Merger Agreement, except as otherwise mutually agreed by the parties. The Merger Agreement may be terminated under certain customary and limited circumstances at any time prior to the Closing and the Company can provide no assurance that the Business Combination will be consummated at the expected time, or at February 14, 2024.
all.

In connection with the Business Combination, HoldcoHoldco entered into subscription agreements (the “Sable PIPE Subscription Agreements”) with certain investors (such investors, the “Sable PIPE Investors”), pursuant to which the Sable PIPE Investors agreed to purchase, purchased, in the aggregate, 7,450,000 limited liability company membership interests in Holdco designated as Class B shares at $10.00 per share, for an aggregate commitment amount of approximately $74,500,000 (the “Sable PIPE Investment”).

The Sable PIPE Subscription Agreements provide that, in the event the Merger is consummated, the Sable PIPE Investors will be deemed to have subscribed for and will purchase our Class A common stock at the same price per share and, by operation of law pursuant to the Merger, we will have succeeded to Holdco’s obligations under the Sable PIPE Subscription Agreements. The Sable PIPE Subscription Agreements provide that, if the Merger is consummated, we must file a registration statement within 30 calendar days after consummation of the Merger registering the resale of the shares of our Class A common stock issued to the Sable PIPE Investors, and must use our commercially reasonable efforts to have the registration statement declared effective by the SEC by the earlier of (i) the 90th calendar day (or 120th calendar day if the SEC notifies us that it will review the registration statement) following the closing of the Merger and (ii) the 10th business day after the date we are notified (orally or in writing, whichever is earlier) by the SEC that the registration statement will not be reviewed or will not be subject to further review. We thereafter will be required to maintain a registration statement that is continuously effective and to cause the registration statement to regain effectiveness in the event that it ceases to be effective.

The foregoing description of the Sable PIPE Subscription Agreements does not purport to be complete and is qualified in its entirety by reference to the full text of the form Sable PIPE Subscription Agreement filed as an exhibit to our Current Report on Form 8-K, filed with the SEC on November 2, 2022.

On November 10, 2022, the Company filed a preliminary proxy statement relating to the Business Combination (as amended, the “Proxy Statement”), which included a recommendation of the Board to the Company’s stockholders that they approve the proposals included in the Proxy Statement. The Company also filed amended preliminary proxy statements on December 23, 2022, January 27, 2023 and January 27, 2023 September 14, 2023, for the purpose of addressing U.S. Securities and Exchange Commission Staff comments.

On February 27, 2023, at a special meeting of stockholders, the Company’s stockholders voted to approve an amendment (the “First Extension Amendment Proposal”) to the amended and restated certificate of incorporation to extend the date by which the Company must complete a business combination (the “First Extension”) from March 1, 2023, to September 1, 2023 (the “First Extended Date”). In connection with the First Extension, stockholders holding 20,317,255 shares of Class A common stock exercised their right to redeem such shares for a pro rata portion of the funds in the Trust Account, representing approximately 70.67% of our then issued and outstanding Class A common stock. As a result, $206,121,060 (approximately $10.15 per share) was removed from the Trust Account to pay such redeeming holders on March 2, 2023.

On June 13, 2023, Sable, Exxon Mobil Corporation (“Exxon”) and Mobil Pacific Pipeline Company (“MPPC,” and together with Exxon, “EM”) entered into a First Amendment (the “Amendment”) to the Purchase and Sale Agreement dated November 1, 2022 among Sable and EM. Pursuant to the Amendment, Sable and EM agreed to amend the Sable-EM Purchase Agreement to, among other things, provide that the closing of the transactions contemplated by the Sable-EM Purchase Agreement was scheduled to take place on June 30, 2023 (the “Sable-EM Scheduled Closing Date”), unless one or more of the conditions to closing described in the Sable-EM Purchase Agreement was not satisfied as of the Sable-EM Scheduled Closing Date, in which case the closing would be held three business days after all such conditions were satisfied or waived, or such other date as the parties may mutually agree in writing, but in no event later than December 31, 2023. The Amendment also lowers the “Minimum Cash Threshold” (as defined in the Sable-EM Purchase Agreement) from $200,000,000 to $150,000,000.

On June 30, 2023, the Company and Sable entered into a Second Amendment to the Merger Agreement, pursuant to which the parties agreed to extend the date by which the parties must consummate the Business Combination, or otherwise either Flame or Sable may terminate the Merger Agreement, from June 30, 2023, to March 1, 2024.

On August 22, 2023, we issued an aggregate of 7,187,500 shares of Class A common stock to the Sponsor, FL Co-Investment, Intrepid Financial Partners, our independent directors and certain of our executive officers, upon the conversion of an equal number of shares of Class B common stock (the “Class B Conversion”). The 7,187,500 shares of Class A common stock issued in connection with the Class B Conversion are subject to the same restrictions as applied to the shares of Class B common stock before the Class B Conversion, including, among other things, certain transfer restrictions, waiver of redemption rights and the obligation to vote in favor of an initial business combination, as described in the prospectus for the Initial Public Offering (“IPO”) described below (See Note 3 - Initial Public Offering). After the Class B Conversion, no shares of Class B common stock remained outstanding.

On August 29, 2023, at a special meeting of stockholders, the Company’s stockholders voted to approve a proposal (the “Second Extension Amendment Proposal”) to amend the amended and restated certificate of incorporation to extend the date by which the Company must complete a business combination (the “Second Extension”) from September 1, 2023, to March 1, 2024 (the “Second Extension Amendment”). In connection with the Second Extension, stockholders holding 2,328,063 shares of Class A common stock exercised their right to redeem such shares for a pro rata portion of the funds in the Trust Account, representing approximately 27.61% of our then issued and outstanding Class A common stock. As a result, $24,008,096 (approximately $10.31 per share) was removed from the Trust Account to pay such redeeming holders on August 31, 2023.

On August 29, 2023, in connection with the Second Extension, we filed the Second Extension Amendment to the Company’s amended and restated certificate of incorporation with the Secretary of State of the State of Delaware. The Second Extension Amendment extends the date by which we must consummate our initial business combination from September 1, 2023 to March 1, 2024.

On December 5, 2023, the California State Lands Commission voted unanimously to approve amendments to right-of-way leases held directly or indirectly by EM, for existing infrastructure serving offshore platforms Hondo, Harmony and Heritage in SYU. The amendments, among other things, extend the holdover periods for each of the leases by five years to December 31, 2028 and January 31, 2029, increase the bonding requirements from $1,000,000 to $15,000,000 and from $1,000,000 to $5,000,000, and provide for increased inspection and monitoring requirements. These leases are expected to be subsequently assigned to Sable. Sable does not expect the assignment of the leases to have an impact on the regulatory approval process.

On February 12, 2024, Flame held a special meeting of stockholders (the “Special Meeting”), at which the Flame stockholders considered and adopted, among other matters, a proposal to approve the Business Combination, including (a) adopting the Merger Agreement and (b) approving the other transactions contemplated by the Merger Agreement. Pursuant to the terms and subject to the conditions set forth in the Merger Agreement, following the Special Meeting, on February 14, 2024 (the “Closing Date”), the Business Combination was consummated (the “Closing”).

On February 12, 2024, holders of 150,823 shares of Class A common stock exercised their right to redeem such shares for a pro rata portion of the funds in the Trust Account, representing approximately 2.47% of our then issued and outstanding Class A common stock. As a result, $1,572,250 (approximately $10.42 per share) was removed from the Trust Account to pay such redeeming holders on February 14, 2024.

Inconnection with the Business Combination, Holdco and Flame entered into subscription agreements (collectively, as amended, supplemented or otherwise modified, the “Initial PIPE Subscription Agreements”) with certain investors (the “PIPE Investors”) for an aggregate commitment amount of $520,000,000 (the “Initial PIPE Investments”), pursuant to which such investors agreed to purchase an aggregate of 52,000,000 shares of common stock of the Company, par value of $0.0001 per share (“Common Stock”), at a price of $10.00 per share upon the consummation of the Business Combination.

On February 12, 2024, following the Special Meeting, a PIPE Investor that subscribed for $125,000,000 of the Initial PIPE Investment informed the Company that it would not be able to fund that subscribed amount by the Closing due to difficulties it is experiencing related to receiving called capital from certain of its foreign investors. The inability of that PIPE Investor to fund its commitment did not relieve the obligations of the other PIPE Investors to fund their commitments in connection with the Closing.

On February 12, 2024 and February 13, 2024, the Company entered into subscription agreements (collectively, the “Additional PIPE Subscription Agreements” and, together with the Initial PIPE Subscription Agreements, the “PIPE Subscription Agreements”) (including an additional $25,000,000 commitment from James C. Flores, our Chairman and Chief Executive Officer) on substantially the same terms as those contained in the Initial PIPE Subscription Agreements to replace, in the aggregate, $55,000,000 of the amount previously committed by the PIPE Investor described above (the “Additional PIPE Investments” and, together with the Initial PIPE Investments, the “PIPE Investments”).

On February 14, 2024, immediately following the Closing, the Company issued 44,024,910 shares of Common Stock of the Company, at a price of $10.00 per share for an aggregate PIPE Investment of $440,249,100 in accordance with the terms of the PIPE Subscription Agreements. The shares of Common Stock issued in the PIPE Investments were offered in a private placement under the Securities Act of 1933, as amended (the “Securities Act”), pursuant to the PIPE Subscription Agreements.

On the Closing Date, in connection with the consummation of the Business Combination, the Company issued an aggregate of 3,306,370 private placement warrants pursuant to the Working Capital Loans (as defined in the Proxy Statement) (the “Working Capital Loan Issuance”) to James C. Flores, Gregory Patrinely, J. Caldwell Flores and Anthony Duenner after each of them elected, at each of their option, to convert their respective outstanding amounts into private placement warrants at a price of $1.00 per warrant.

On theSable-EMClosing Date, in connection with the consummation of the transactions contemplated by theSable-EMPurchase Agreement, the Company entered into a five-year secured term loan with Exxon (the “Term Loan Agreement”), pursuant to which Sable agreed to pay to Exxon, on or before the payment due date, a principal amount of $622.9 million in addition to accrued interest thereon, commencing on the Effective Date. Such accrued interest is payable in arrears on each anniversary of the Effective Date unless Management elects in writing prior to an interest payment date for such accrued interest to be added to the outstanding principal on the Term Loan Agreement (any such

interest, “PIK Interest”). PIK Interest shall be deemed outstanding principal under the Term Loan Agreement and accrue additional interest. Prior to theSable-EMClosing Date, Management elected for all accrued interest under the Term Loan Agreement to be deemed PIK Interest.

Pursuant to the Agreement and Plan of Merger (the “Merger Agreement”) between Sable, Flame Acquisition Corp. (“Flame”), and Sable Offshore Holdings LLC (“Holdco”), on February 14, 2024, (i) Holdco merged with and into Flame, with Flame surviving such merger (the “Holdco Merger”) and (ii) Sable merged with and into Flame, with Flame surviving such merger (the “SOC Merger” and, together with the Holdco Merger, the “Mergers” and, along with the other transactions contemplated by the Merger Agreement, the “Business Combination”). In connection with the Business Combination, Flame changed its name to “Sable Offshore Corp”.

As of December 31, 2022 December 31, 2023, the Company had not yet commenced any operations. All activity through December 31, 2022 December 31, 2023 relates to the Company’s formation, the Initial Public Offering (“IPO”) described below (See Note 3 - Initial Public Offering) and, since the closing of the IPO, the search for a target for our initial Business Combination, and since the signing of the Merger Agreement, completing our initial Business Combination. The Company will not generate any operating revenues until after the completion completion of its initial business combination, at the earliest. The Company will generatenon-operatingincome in the form of interest income on cash and cash equivalents from the proceeds derived from the IPO andnon-operatingincome or expense from changes in the fair value of warrant liabilities andconvertiblepromissory notes.

The accompanying financial statements as of December 31, 2023 and 2022 and for the years then ended present the financial position and results of operations of the entity f/k/a Flame Acquisition Corp., and not those of Sable Offshore Corp., and therefore, do not reflect the effects of the Business Combination.

Financing

The registration statement for the Company’s IPO was declared effective on February 24, 2021 (the “Effective Date”). On March 1, 2021, the Company consummated the IPO of 28,750,000 units (the “Units” and, with respect to the common stock included in the Units being offered, the “Public Shares”), at $10.00 per Unit, generating gross proceeds of $287,500,000, which is discussed in Note 3.

Simultaneously with the closing of the IPO, the Company consummated the sale of 7,750,000 warrants (the “Private Placement Warrants”), at a price of $1.00 per Private Placement Warrant, which is discussed in Note 4.

Transaction costs amounted to $6,607,751 consisting of $5,750,000 of underwriting fees and $857,751 of other offering costs. Of the total transaction costs, $280,829 was allocated to expense asnon-operatingexpense in the statement of operations for the year ended December 31, 2021 with the rest of the offering costs allocated among common stock subject to possible redemption and stockholders’ deficit. The transaction costs were allocated based on the with and without method, compared to the total offering proceeds, between the fair value of the public warrant liabilities and the Class A common stock.

Trust Account

Following the closing of the IPO on March 1, 2021, an amount of $287,500,000 from the net proceeds of the sale of the Units in the IPO and the sale of the Private Placement Warrants was placed in a trust account (“Trust Account”) which is invested in U.S. government securities, within the meaning set forth in Section 2(a)(16) of the Investment Company Act, with a maturity of 185days or less or in any open-ended investment company that holds itself out as a money market fund meeting the conditions of Rule2a-7of the Investment Company Act, as determined by the Company. However, to mitigate the risk of our being deemed to be an unregistered investment company (including under the subjective test of Section 3(a)(1)(A) of the Investment Company Act) and thus subject to regulation under the Investment Company Act,on February 21, 2023,we instructed American Stock Transfer & Trust Company, the trustee with respect to the Trust Account, to liquidate the investments previously held in the Trust Account and to hold all funds in the Trust Account incash (which may include an interest bearingdemand depositaccount at a national bank)until the earlier of the consummation of our initial business combination or the liquidation of the Company. Except with respect to interest earned on the funds held in the Trust Account that may be released to the Company to pay its tax obligations (see Note 2), the proceeds from the IPO and the sale of the Private Placement Warrants will not be released from the Trust Account until the earliest of (a) the completion of the Company’s initial business combination, (b) the redemption of any Public Shares properly submitted in connection with a stockholder vote to amend the Company’s amended and restated certificate of incorporation, and (c) the redemption of the Company’s Public Shares if the Company is unable to complete the initial business combination within 24 months from the closing of the IPO (See Note 11 – Subsequent Events for further discussion of the extension from March 1, 2023 to September 1, 2023), by March 1, 2024, subject to applicable law. The proceeds deposited in theTrust Accountcould become subject to the claims of the Company’s creditors, if any, which could have priority over the claims of the Company’s public stockholders. In conjunction with the closing of the Business Combination, all funds in the Trust Account were transferred to the Company’s operating cash account.

Initial Business Combination

The Company’s management has broad discretion with respect to the specific application of the net proceeds of the IPO, although substantially all of the net proceeds are intended to be generally applied toward consummating a business combination.

The Company’s business combination must be with one or more target businesses that together have a fair market value equal to at least 80% of the balance in the Trust Account (net of taxes payable) at the time of the signing of an agreement to enter into a business combination. However, the Company will only complete a business combination if the post-business combination company owns or acquires 50% or more of the outstanding voting securities of the target or otherwise acquires a controlling interest in the target sufficient for it not to be required to register as an investment company under the Investment Company Act. There is no assurance that the Company will be able to successfully effect a business combination.

The Company will provide its public stockholders with the opportunity to redeem all or a portion of their Public Shares upon the completion of the initial business combination either (i) in connection with a stockholder meeting called to approve the initial business combination or (ii) by means of a tender offer. The decision as to whether the Company will seek stockholder approval of a proposed initial business combination or conduct a tender offer will be made by the Company, solely in its discretion. The stockholders will be entitled to redeem

their shares for a pro rata portion of the amount then on deposit in the Trust Account (initially $10.00 per share, plus any pro rata interest earned on the funds held in the Trust Account and not previously released to the Company to pay its tax obligations).

The shares of common stock subject to redemption are recorded at a redemption value and classified as temporary equity upon the completion of the IPO, in accordance with Accounting Standards Codification ("ASC") Topic 480, "Distinguishing Liabilities from Equity" ("ASC 480"). The Company will proceed with a business combination if the Company has net tangible assets of at least $5,000,001 either immediately prior to or upon consummation of a business combination and, if the Company seeks stockholder approval, a majority of the issued and outstanding shares voted are voted in favor of the business combination.

The Company has 24 months from the closing of the IPO (See Note 11 – Subsequent Events for further discussion of the extension from March 1, 2023 to September 1, 2023, with the ability to further extend with stockholder approval) had until March 1, 2024 to consummate a business combination (the "Combination Period"). However, if If the Company is had been unable to complete a business combination within the Combination Period, the Company will redeem 100% would have redeemed100%of the outstanding Public Shares for a pro rata portion of the funds held in the Trust Account, equal to the aggregate amount then on deposit in the Trust Account including interest earned on the funds held in the Trust Account and not previously released to the Company for the payment of taxes, and less up to $100,000 $100,000of interest to pay dissolution expenses, divided by the number of then outstanding Public Shares, subject to applicable law, and then seek to dissolve and liquidate.

Flame Acquisition Sponsor, LLC a Delaware company (the "Sponsor"), and the Company's officers and directors have agreed to (i) waive their redemption rights with respect to their Founder Shares (see Note 5), Private Placement Warrants and Public Shares in connection with the completion of the initial business combination, (ii) waive their redemption rights with respect to their Founder Shares and Public Shares in connection with a stockholder vote to approve an amendment to the Company's amended and restated certificate of incorporation, and (iii) waive their rights to liquidating distributions from the Trust Account with respect to their Founder Shares and Private Placement Warrants if the Company fails to complete the initial business combination within the Combination Period.

The Sponsor has agreed that it will be liable to the Company if and to the extent any claims by a third party for services rendered or products sold to the Company, or a prospective target business with which the Company has entered into a written letter of intent, confidentiality or similar agreement or business combination agreement, reduce the amount of funds in the Trust Account to below the lesser of (i) $10.00 per Public Share and (ii) the actual amount per Public Share held in the trust account as of the date of the liquidation of the Trust Account, if less than $10.00 per share due to reductions in the value of the trust assets, less taxes payable, provided that such liability will not apply to any claims by a third party or prospective target business who executed a waiver of any and all rights to the monies held in the Trust Account (whether or not such waiver is enforceable) nor will it apply to any claims under the Company's indemnity of the underwriters of the IPO against certain liabilities, including liabilities under the Securities Act. However, the Company has not asked the Sponsor to reserve for such indemnification obligations. The Company has not independently verified whether the Sponsor has sufficient funds to satisfy its indemnity obligations and believes that the Sponsor's only assets are securities of the Company. Therefore, the Company cannot be certain that the Sponsor would be able to satisfy those obligations.

Going Concern

As of December 31, 2022 December 31, 2023, the Company had cash outside the Trust Account of $100,256 $267,816 available for working capital needs and a working capital deficit of $6,547,305. $16,407,803. All remaining cash held in the Trust Account is generally unavailable for the Company's use, prior to an initial business combination, and is restricted for use either in a Business Combination, to redeem common stock or to use for payment of taxes. As of December 31, 2022 December 31, 2023, $3,218,297 $2,969,263of the amount in the Trust Account was available to be withdrawn as described above,, which is net of the amount$1,446,193the Company withdrew($786,918)for payment of taxes during the period ended December 31, 2022.December 31, 2023.

Through December 31, 2022 December 31, 2023, the Company's liquidity needs were have been satisfied through receipt of $25,000 various promissory notes from the sale its sponsor (see further discussion of the Founder Shares individual promissory notes in Note 5).

Management has addressed near-term capital funding needs with the PIPE capital raise and the remaining net proceeds from the IPO and the sale of Private Placement Warrants, as well as $300,000 that was available under the Initial Promissory Note, $365,000 that was available under the First Working Capital Loan, $800,000 that was available under the Second Working Capital Loan, $335,000 that was available under the Third Working Capital Loan, $170,000 that was available under the Q3 2022 Promissory Note and $200,000 that was available under the Q4 2022 Promissory Note (see Note 5). As of December 31, 2022, each consummation of the working capital loans Business Combination and the Q3 2022 Promissory Note and the Q4 2022 Promissory Note were fully drawn down. On February 6, 2023, believes the Company issued an additional unsecured promissory note ("Q1 2023 Promissory Note") in has sufficient capital to maintain operations and complete the principal amount of $535,000 repairs necessary to aid in its ongoing liquidity needs (see Note 11).

Until consummation of its Business Combination, the Company will be using the funds not held in the Trust Account, and any additional Working Capital Loans (as defined in Note 5) from the initial stockholders, restart production at SYU. However, the Company's officers plans for production restart are contingent upon approvals from federal, state and directors, or their respective affiliates (which is described in Note 5), for identifying and evaluating prospective acquisition candidates, performing business due diligence on prospective target businesses, traveling to and from the offices, plants or similar locations of prospective target businesses, reviewing corporate

documents and material agreements of prospective target businesses, selecting the target business to acquire and structuring, negotiating and consummating the Business Combination.

If local regulators. Additionally, if the Company's estimates of the costs of undertakingin-depthdue diligence and negotiating a business combination restarting production are less than the actual amounts necessary to do so, the Company may have insufficient insufficient funds available to operate its business prior to the business combination first production and will need to raise additional capital through loans from the Sponsor, its officers and/or directors, or third parties. Except as contemplated by the terms of the Initial Promissory Note, First Working Capital Loan, Second Working Capital Loan, Third Working Capital Loan, Q3 2022 Promissory Note, Q4 2022 Promissory Note, and Q1 2023 Promissory Note (See Note 11), neither the Sponsor nor the Company's officers or directors are under any obligation to advance additional funds to, or to invest in, the Company (see Note 5). capital. If the Company is unable to raise additional capital, it may be required to take additional measures to conserve liquidity, which could include, but not necessarily be limited to, curtailing operations, among other things, suspending the pursuit of its business plan, 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. The Company is also subject

Due to a mandatory liquidation and subsequent dissolution requirement if it does not complete its initial business combination by September 1, 2023. The Company cannot assure you that its plans the remaining regulatory approvals necessary to raise capital or to consummate an initial business combination before September 1, 2023 will be successful. These factors, among others, raise 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. These 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 might could be necessary should if the Company be is unable to continue as a going concern.

Risks and Uncertainties

Management continues to evaluate the impact of theCOVID-19pandemic and the conflict in Ukraine and the surrounding region, and has concluded that while it is reasonably possible that these risks and uncertainties could have a negative effect on the Company's financial position, results of operations and/or search for a target company, the specific impact is not readily determinable as of the date of these financial statements. The financial statements do not include any adjustments that might result from the outcome of these uncertainties.

Inflation Reduction Act of 2022

On August 16, 2022, the Inflation Reduction Act of 2022 (the "IR Act") was signed into federal law. The IR Act provides for, among other things, a new U.S. federal 1% excise tax on certain repurchases of stock by publicly traded U.S. domestic corporations and certain U.S. domestic subsidiaries of publicly traded foreign corporations occurring on or after January 1, 2023. The excise tax is imposed on the repurchasing corporation itself, not its shareholders from whom shares are repurchased. The amount of the excise tax is generally 1% of the fair market value of the shares repurchased at the time of the repurchase. However, for purposes of calculating the excise tax, repurchasing corporations are permitted to net the fair market value of certain new stock issuances against the fair market value of stock repurchases made during the same taxable year. In addition, certain exceptions apply to the excise tax. The U.S. Department of the Treasury (the "U.S. Treasury") has been given authority to provide regulations and other guidance to carry out and prevent the abuse or avoidance of the excise tax.

Any redemption or other repurchase that occurs after December 31, 2022, in connection with a Business Combination, extension vote or otherwise, may be subject to the excise tax. Whether and to what extent the Company would be subject to the excise tax in connection with a Business Combination, extension vote or otherwise would depend on a number of factors, including (i) the fair market value of the redemptions and repurchases in connection with the Business Combination, extension or otherwise, (ii) the structure of a Business Combination, (iii) the nature and amount of any "PIPE" or other equity issuances in connection with a Business Combination (or otherwise issued not in connection with a Business Combination but issued within the same taxable year of a Business Combination) and (iv) the content of regulations and other guidance from the U.S. Treasury. In addition, because the excise tax would be payable by the Company and not by the redeeming holder, the mechanics of any required payment of the excise tax have not been determined. The foregoing could cause a reduction in the cash available on hand to complete a Business Combination and in the Company's ability to complete a Business Combination.

The Company determined that the $230,129,156 in Trust Account value relating to the Class A common stock redeemed during the year ended December 31, 2023, (as noted above) is currently subject to the excise tax. Accordingly, an excise tax payable of $2,308,378was recognized upon the redemptions and was recorded as a liability on the balance sheet and as a charge to Accumulated Deficit. The Company will continue to assess the excise tax payable recognizing an additional excise tax liability for any future stock repurchases/redemptions and netting such liability for any future qualifying stock issuances within the same annual period.

NOTE 2— SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for annual financial information and in accordance with the instructions to Form10-K andArticle 8 ofRegulation S-X ofthe U.S. Securities and Exchange Commission ("SEC").

Emerging Growth Company Status

The Company is an “emerging growth company,” as defined in Section 2(a) of the Securities Act of 1933, as amended, (the “Securities Act”), as modified by the Jumpstart our Business Startups Act of 2012, (the “JOBS Act”), and it may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in its periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply tonon-emerginggrowth companies, but any such election to opt out is irrevocable. The Company has elected not to opt out of such extended transition period which means that when a standard is issued or revised and it has different application dates for public or private companies, the Company, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of the Company’s financial statements with another public company which is neither an emerging growth company nor an emerging growth company which has opted out of using the extended transition period difficult or impossible because of the potential differences in accounting standards used.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all short-term investments with an original maturity of three months or less when purchased to be cash equivalents. The Company did not have any cash equivalents as of December 31, 2022 December 31, 2023 and 2021. 2022.

Marketable Securities**Investments** **Held in Trust Account**

At December 31, 2022 December 31, 2023 and 2021, 2022, the Trust Account had $0 and $290,718,297 and $287,516,153 held in marketable securities, respectively. At December 31, 2023, investments in the Company’s Trust Account consisted of $63,558,404 in a demand deposit account (see Note 1 for further discussion). During the period year ended December 31, 2022 December 31, 2023, the Companywithdrew $786,918 $1,446,193 of interest income from the Trust Account to pay its tax obligations. During the period year ended December 31, 2021 December 31, 2022, the Company did not withdraw any withdrew $786,918 of interest income from the Trust Account to pay its tax obligations.

Marketable securities held in the Trust Account are classified as “Trading Securities” in accordance with ASC 320, “Investments – Debt Securities” and are reported at fair value with unrealized gains or losses included in earnings of the current period.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist of a cash account in a financial institution, which, at times, may exceed the Federal Depository Insurance Coverage of $250,000. At December 31, 2022 December 31, 2023 and 2021, 2022, the Company did not experience losses on this account.

Class A Common Stock Subject to Possible Redemption

The Company accounts for its Class A common stock subject to possible redemption in accordance with the guidance in ASC Topic 480, “Distinguishing Liabilities from Equity.” Class A common stock subject to mandatory redemption (if any) are classified as a liability instrument and are measured at fair value. Conditionally redeemable common stock (including common stock that feature redemption rights that are either within the control of the holder or subject to redemption upon the occurrence of uncertain events not solely within the Company’s control) are classified as temporary equity. At all other times, common stock are classified as stockholders’ equity (deficit). deficit. The Company’s Class A common stock feature certain redemption rights that are considered to be outside of the Company’s control and subject to the occurrence of uncertain future events. Accordingly, as of December 31,December 31, 2023 and 2022, 6,104,682 and2021,28,750,000shares of Class A common stock subject to possible redemption, representing all outstanding shares of redeemable Class A common stock on those dates, are presented at redemption value as temporary equity, outside of the stockholders’ deficit section of the Company’s balance sheets.

Under ASC480-10-S99,the Company has elected to recognize changes in the redemption value immediately as they occur and adjust the carrying value of the security to equal the redemption value at the end of the reporting period. This method would view the end of the reporting period as if it were also the redemption date of the security. Effective with the closing of our initial public offering, we recognized the accretion from initial book value to redemption amount, which, resulted in charges against additionalpaid-incapital (to the extent available) and accumulated deficit.

The amount accreted in 2022 2023 represents investment income accrued in the Trust Account since the date of the IPO reduced by the amounts of Delaware franchise tax and income taxes paid and payable for 2021, 2022 and 2022, 2023, net of cash withdrawn from the Trust Account to pay theseobligations.

At December 31, 2022 and 2021, the Class A common stock reflected in the balance sheets is reconciled in the following table:

Gross proceeds from Initial Public Offering	$ 287,500,000
Less:	
Common stock issuance costs	(6,326,922)
Proceeds allocated to public warrants	(12,218,750)
Plus:	
Remeasurement of Class A common stock to possible redemption	18,545,672
Contingently redeemable common stock at December 31, 2021	**287,500,000**
Plus:	
Remeasurement of Class A common stock to possible redemption	2,847,008
Contingently redeemable common stock at December 31, 2022	**$ 290,347,008**

On February 23, 2023, in connection with the Extension described in Note 11, the Company was notified by stockholders holding 20,317,255 shares of Class A Common Stock common stock that they exercised their right to redeem such shares for a pro rata portion of the funds in the Trust Account. As a result, $206,121,060 (approximately $10.15 per share) was removed from the Trust Account to pay such redeeming holders on March 2, 2023.

On August 29, 2023, the Company was notified by stockholders holding 2,328,063 shares of Class A common stock that they exercised their right to redeem such shares for a pro rata portion of the funds in the Trust Account. As a result, $24,008,096 (approximately $10.31 per share) was removed from the Trust Account to pay such redeeming holders on August 31, 2023.

At December 31, 2023 and 2022, the Class A commonstockreflected in the balance sheets is reconciled in the following table:

	Shares	Value
Contingently redeemable common stock at December 31, 2021	28,750,000	$ 287,500,000
Plus:		
Remeasurement of Class A common stock subject to possible redemption	—	2,847,008
Contingently redeemable common stock at December 31, 2022	**28,750,000**	**290,347,008**
Less:		
Redemptions of Class A common stock	(22,645,318)	(230,129,156)
Plus:		
Remeasurement of Class A common stock subject to possible redemption	—	3,301,702
Contingently redeemable common stock at December 31, 2023	**6,104,682**	**$ 63,519,554**

On February 12, 2024, holders ofan additional 150,823 shares of Class A common stock exercised their right to redeem such shares for a pro rata portion of the funds in the Trust Account. As a result, $1,572,250 (approximately $10.42 per share) was removed from the Trust Account to pay such redeeming holders.

Class A Common Stock

On August 22, 2023, we issued an aggregate of 7,187,500 shares of Class A common stock to the Sponsor, FL Co-Investment, Intrepid Financial Partners, our independent directors and certain of our executive officers, upon the conversion of an equal number of shares of Class B common stock (the “Class B Conversion”). The 7,187,500 shares of Class A common stock issued in connection with the Class B Conversion are subject to the same restrictions as applied to the shares of Class B common stock before the Class B Conversion, including, among other things, certain transfer restrictions, waiver of redemption rights and the obligation to vote in favor of an initial business combination, as described in the prospectus for the Initial Public Offering (“IPO”) described below (See Note 3). After the Class B Conversion, no shares of Class B common stock remained outstanding.

Net (Loss) Income Loss Per Share of Common Stock

The Company complies with accounting and disclosure requirements of Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 260, “Earnings Per Share.” Net (loss) income loss per share of common stock is computed by dividing net income by the weighted average number of shares of common stock outstanding for the period. Subsequent remeasurement of the redeemable Class A common stock is excluded from income per share of common stock as the redemption value approximates fair value. Net (loss) income loss per share of common stock is computed by dividing the pro rata net (loss) income loss between the shares of Class A common stock and the shares of Class B common stock by the weighted average number of shares of common stock outstanding for each of the periods. The calculation of diluted income loss per share does not consider the effect of the warrants issued in connection with the IPO, as well as warrants issuable upon the exercise of the conversion option on outstanding working capital loans, since the exercise of the warrants is contingent upon the occurrence of future events and the inclusion of such warrants would be anti-dilutive. The warrants are exercisable for

23,625,000 25,431,370 and 23,290,00023,625,000 shares of Class A common stock in the aggregate as of December 31, 2022 December 31, 2023 and 2021, respectively 2022, respectively..

The following table reflects the calculation of basic and diluted net (loss) income loss per share of common stock (in dollars, except share amounts):

	For the Years Ended December 31,	
	2022	2021
Common stock subject to possible redemption		
Numerator:		
Net (loss) income allocable to Class A common stock subject to possible redemption	$ (2,072,758)	$ 3,301,319
Denominator:		
Weighted Average Redeemable Class A common stock, Basic and Diluted	28,750,000	24,417,808
Basic and Diluted net (loss) income per share, Redeemable Class A common stock	$ (0.07)	$ 0.14
Non-RedeemableOrdinary shares		
Numerator:		
Net (loss) income allocable to Class B common stock not subject to redemption	$ (518,190)	$ 971,759
Denominator:		
WeightedAverage Non-Redeemable commonstock, Basic and Diluted	7,187,500	7,187,500
Basic and diluted net (loss) income per share	$ (0.07)	$ 0.14

	For the Years Ended December 31,	
	2023	2022
Common stock subject to possible redemption		
Numerator:		
Net loss allocable to Class A common stock subject to possible redemption	$ (19,371,838)	$ (2,072,758)
Denominator:		
Weighted Average Redeemable Class A common stock, Basic and Diluted	10,870,337	28,750,000
Basic and Diluted net loss per share, Redeemable Class A common stock	$ (1.78)	$ (0.07)
Non-RedeemableOrdinary shares		
Numerator:		
Net loss allocable to Non-Redeemable common stock not subject to redemption	$ (12,808,719)	$ (518,190)
Denominator:		
WeightedAverage Non-Redeemable commonstock, Basic and Diluted	7,187,500	7,187,500
Basic and diluted net loss per share	$ (1.78)	$ (0.07)

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Offering Costs

The Company complies with the requirements of ASC340-10-S99-1and SEC Staff Accounting Bulletin ("SAB") Topic 5A—"Expenses of Offering". Offering costs consist principally of professional and registration fees incurred through the balance sheet date that are related to the Public Offering and that were allocated among common stock subject to possible redemption and to stockholders' deficit upon the completion of the IPO. Accordingly, during the period ended December 31, 2021, offering costs totaling $6,607,751 were charged to temporary equity and stockholders' deficit (consisting of $5,750,000 of underwriting fee and $857,751 of other offering costs). Of the total transaction cost, $280,829 was allocated to warrants as anon-operatingexpense in the statement of operations for theyear ended December 31, 2021, with the rest of the offering costs allocated among common stock subject to possible redemption and to stockholders' deficit. The transaction costs were allocated based on the with and without method, compared to the total offering proceeds, between the fair value of the public warrant liabilities and the Class A common stock.

Fair Value of Financial Instruments

The fair value of the Company's assets and liabilities, which qualify as financial instruments under the FASB ASC 820, "Fair Value Measurement"approximates the carrying amounts represented in the balance sheets.

Derivative Warrant Liabilities

The Company does not use derivative instruments to hedge exposures to cash flow, market, or foreign currency risks. The Company evaluates all of its financial instruments, including issued stock purchase warrants, to determine if such instruments are derivatives or contain features that qualify as embedded derivatives, pursuant to ASC 480 and ASC Topic 815, "Derivatives and Hedging" ("ASC 815"). The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, isre-assessedat the end of each reporting period.

The Company accounts for its 22,125,000 common stock warrants issued in connection with its Initial Public Offering (14,375,000) and Private Placement (7,750,000) as derivative warrant liabilities in accordance with ASC815-40.Accordingly, the Company recognizes the warrant instruments as liabilities at fair value and adjusts the instruments to fair value at each reporting period. The liabilities are subject

tore-measurementat each balance sheet date until exercised, and any change in fair value is recognized in the Company's statements of operations. The fair value of warrants issued by the Company in connection with the Initial Public Offering and Private Placement had been estimated using Monte-Carlo simulations at the initial measurement date. However, for each subsequent measurement, beginning on April 19, 2021, the public warrants were measured at the Observable Quoted Price in Active Markets and the private warrants were measured using the Modified Black-Scholes Option Pricing Model.

Convertible Promissory Notes—Related Party

The Company accounts for the convertible promissory notes under ASC 815. The Company has made the election under ASC815-15-25to account for the notes under the fair value option. Using the fair value option, the convertible promissory notes are required to be recorded at their initial fair value on the date of issuance, and each balance sheet date thereafter. Differences between the face value of the note and fair value at issuance are recognized as either an expense in the statement of operations (if issued at a premium) or as a capital contribution (if issued at a discount). Changes in the estimated fair value of the notes are recognized asnon-cashgains or losses in the statements of operations.

Income Taxes

The Company accounts for income taxes under ASC 740, "Income Taxes" ("ASC 740"). ASC 740 requires the recognition of deferred tax assets and liabilities for both the expected impact of differences between the financial statements and tax basis of assets and liabilities and for the expected future tax benefit to be derived from tax loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that included the enactment date. ASC 740 additionally requires a valuation allowance to be established when it is more likely than not that all or a portion of deferred tax assets will not be realized.

ASC 740 also clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements and prescribes a recognition threshold and measurement process for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must bemore-likely-than-notto be sustained upon examination by taxing authorities. ASC 740 also provides guidance on derecognition, classification, interest and penalties, accounting in annual period, disclosure and transition.

The Company recognizes accrued interest and penalties related to unrecognized tax benefits as income tax expense. There werenounrecognized tax benefits as of December 31, 2023 andnoamounts 2022. The Company accrued for and paid interest and penalties as of December 31, 2022 $29,072 and 2021. $0 for the periods ended December 31, 2023 and 2022, respectively. The Company is currently not aware of any issues under review that could result in significant payments, accruals or material deviation from its position. position.

The Company has identified the United States as its only "major" tax jurisdiction.

The Company may be subject to potential examination by federal and state taxing authorities in the areas of income taxes. These potential examinations may include questioning the timing and amount of deductions, the nexus of income among various tax jurisdictions and compliance with federal and state tax laws. The Company's management does not expect that the total amount of unrecognized tax benefits will materially change over the next twelve months.

Recent Accounting Standards

In August 2020, the FASB issuedASU 2020-06, "Debt-Debtwith Conversion and Other Options(Subtopic 470-20)and Derivatives and Hedging-Contracts in Entity's Own Equity(Subtopic 815-40):Accounting for Convertible Instruments and Contracts in an Entity's Own Equity"("ASU 2020-06"),which simplifies accounting for convertible instruments by removing major separation models required under current GAAP. The ASU also removes certain settlement conditions that are required for equity-linked contracts to qualify for scope exception, and it simplifies the diluted earnings per share calculation in certain areas.ASU 2020-06is effective no later than January 1, 2024 and should be applied on a full or modified retrospective basis, with early adoption permitted beginning on January 1, 2021. The Company is currently reviewing what impact, if any, adoption will have on the Company's financial position, results of operations or cash flows.

In December 2023, the FASB issued ASU 2023-09,*Income Taxes (Topic 740) - Improvements to Income Tax Disclosures*. The FASB issued this ASU to enhance the transparency and decision usefulness of income tax disclosures. The amendments in this ASU address investor requests for more transparency about income tax information through improvements to income tax disclosures primarily related to the rate reconciliation and income taxes paid information. The amendments in this ASU are effective for annual periods beginning after December 15, 2024. Early adoption is permitted. The Company is currently reviewing what impact, if any, adoption will have on the Company's financial position, results of operations or cash flows.

The Company's management does not believe that any other recently issued, but not yet effective, accounting standards if currently adopted would have a material effect on the accompanying financial statements.

NOTE 3 — INITIAL PUBLIC OFFERING

Pursuant to the Initial Public Offering, the Company sold 28,750,000 Units, which includes the full exercise by the underwriters of their option to purchase an additional 3,750,000 Units, at a price of $10.00 per Unit. Each Unit consists of one share of Class A Common Stock, par value $0.0001 per share, andone-halfofoneredeemable warrant ("Public Warrant"). Each whole Public Warrant entitles the holder to purchase one share of Class A Common Stock at a price of $11.50 per share.

NOTE 4 — PRIVATE PLACEMENT WARRANTS

Simultaneously with the closing of the IPO, the Sponsor, Intrepid Financial Partners, LLC (an affiliate of one of the Company's underwriters) ("Intrepid") and FLCo-Investment,LLC (an affiliate of one of the Company's underwriters) ("FLCo-Investment")collectively, the ("Initial Stockholders"), purchased an aggregate of 7,750,000 Private Placement Warrants at a price of $1.00 per warrant ($7,750,000 in the aggregate), and each Private Placement Warrant is exercisable to purchase one share of Class A common stock at a price of $11.50 per share. A portion of the purchase price of the Private Placement Warrants was added to the proceeds from this offering to be held in the Trust Account. Proceeds in excess of the initial fair value of Private Placement Warrants of $1,166,375 are included in thestatement of changes in stockholders' equity (deficit) for the year ended December 31, 2021.

NOTE 5 — RELATED PARTY TRANSACTIONS

Founder Shares

In November 2020, our founders acquired 7,187,500 founder shares (the "Founder Shares") for an aggregate purchase price of $25,000 (the "Class B common stock"), or approximately $0.0035 per share. The Sponsor purchased 4,671,875 Founder Shares, FLCo-Investmentpurchased 1,257,813 Founder Shares and Intrepid Financial Partners purchased 1,257,812 Founder Shares. On November 25, 2020, the Sponsor sold 434,375 Founder Shares to some of the Company's directors and executives, including Gregory D. Patrinely,

the Company's Chief Financial Officer and Secretary, at their original purchase price. Simultaneously with such transfer, each of FLCo-Investmentand Intrepid Financial Partners transferred 13,125Founder Shares to the Sponsor, respectively, at their original purchase price. Such sale of Founder Shares to the Company's directors and executives is within the scope of FASB ASC Topic 718, "Compensation-Stock Compensation" ("ASC 718"). Under ASC 718, stock-based compensation associated with equity-classified awards is measured at fair value upon the grant date. The Founder Shares were sold to directors and executives and effectively transferred subject to a performance condition (i.e., the consummation of a Business Combination). Compensation expense related to the Founder Shares is recognized only when the performance condition is probable of achievement under the applicable accounting literature. Stock-based compensation would be recognized at the date a Business Combination is considered probable in an amount equal to the number of Founder Shares times the grant date fair value per share (unless subsequently modified) less the amount initially received for the purchase of the Founder Shares. On November 2, 2022, the Company entered into the Merger Agreement (see Note 1); however, the Merger Agreement is was subject to certain conditions to closing, such as, for example, approval by the Company's stockholders. As a result, the Company determined that there is was a possibility that a Business Combination might not happen and, therefore, no stock-based compensation expense has been recognized. was recognized as of December 31, 2023.

The Initial Stockholders have agreed that, subject to certain limited exceptions, the Founder Shares will not be transferred, assigned, sold or released from escrow until the earlier of (A) one year after the completion of a Business Combination or (B) subsequent to a Business Combination, if (x) the last reported sale price of the shares of our Class A common stock equals or exceeds $12.00 per share (as adjusted for stock splits, stock, reorganizations, recapitalizations and the like) for any 20 trading days within any30-tradingday period commencing at least 150 days after a Business Combination, or (y) the Company completes a liquidation, merger, capital stock exchange, reorganization or other similar transaction that results in all of our stockholders having the right to exchange their shares of common stock for cash, securities or other property, the converted Class A common stock will be released from thelock-up.

Initial Promissory Note

On November 25, 2020 August 22, 2023, the Company we issued an unsecured promissory note aggregate of 7,187,500 shares of Class A common stock to the Initial Stockholders Sponsor, FL Co-Investment, Intrepid Financial Partners, our independent directors and certain of our executive officers, upon the conversion of an equal number of shares of Class B common stock (the "Initial Promissory Note" "Class B Conversion"), pursuant . The 7,187,500 shares of Class A common stock issued in connection with the Class B Conversion are subject to which the Company may borrow up same restrictions as applied to the shares of Class B common stock before the Class B Conversion, including, among other things, certain transfer restrictions, waiver of redemption rights and the obligation to vote in favor of an aggregate principal amount of $300,000. The Initial Promissory Note wasnon-interestbearing and payable on initial business combination, as described in the earlier of (i) May 25, 2021 or (i) the consummation of the IPO. The Company borrowed $75,000under prospectus for the Initial Promissory Note and repaid Public Offering ("IPO") . After the Initial Promissory Note in full as Class B Conversion, no shares of June 30, 2021. No additional borrowings under such the Initial Promissory Note are available. Class B common stock remained outstanding.

Convertible Promissory Notes ("Working Capital Loans Loans")

In order to finance transaction costs in connection with a Business Combination, the initial stockholders or an affiliate of the initial stockholders or certain of the Company's directors and officers may, but are not obligated to, loan the Company funds as may be required ("Working Capital Loans"). If the Company completes a Business Combination, the Company would will repay the Working Capital Loans out of the proceeds of the Trust Account released to the Company or convert them to warrants as described below. Otherwise, the Working Capital Loans would be repaid only out of funds held outside the Trust Account. In the event that a Business Combination does

not close, the Company may use a portion of proceeds held outside the Trust Account to repay the Working Capital Loans, but no proceeds held in the Trust Account would be used to repay the Working Capital Loans. Except for the foregoing, the terms of such Working Capital Loans, if any, have not been determined and no written agreements exist with respect to such loans. The Working Capital Loans would either be repaid upon consummation of a Business Combination, without interest, or, at the lender's discretion, such Working Capital Loans may be convertible into warrants of the post-Business Combination entity at a price of $1.00 per warrant. Initially up to $1,500,000, which was increased to $3,500,000on March 24, 2023, of such loans may be convertible into warrants. The warrants would be identical to the Private Placement Warrants. As discussed below, since inception, the Company has entered into six nine convertible promissory notes under this arrangement with the Sponsor to provide Working Capital Loans.

Convertible Promissory Notes

On March 1, 2021, the Company issued an unsecured promissory note to the Sponsor (the "First Working Capital Loan"), pursuant to which the Company may borrow up to an aggregate principal amount of $365,000. The First Working Capital Loan isnon-interestbearing and payable on the consummation of the Company's Business Combination. The First Working Capital Loan was fully drawn down in the period ended December 31, 2021. The Sponsor assigned $145,000 of the First Working Capital Loan to ourExecutive Vice President andChief Financial Officer, Gregory Patrinely, $110,000 of the First Working Capital Loan to ourExecutiveVice President,General Counsel and Secretary,Anthony Duenner, and $110,000 of the First Working Capital Loan to our President, Caldwell Flores. As of December 31, 2022 December 31, 2023 and 2021, 2022, the First Working Capital Loan in the amount of $365,000 was fully drawn. The fair value of the note was estimated by the Company to be $383,323 at initial measurement, $704,450 and $343,034 at December 31, 2023 and $299,555 at December 31, 2022 and 2021, 2022, respectively.

On December 27, 2021, the Company issued an unsecured promissory note to the Sponsor (the "Second Working Capital Loan"), pursuant to which the Company may borrow up to an aggregate principal amount of $800,000. The Second Working Capital Loan isnon-interestbearing and payable on the consummation of the Company's Business Combination. As of December 31, 2022 December 31, 2023 and 2021, 2022, the Second Working Capital Loan in the amount of $800,000 was fully drawn. The fair value of the note was estimated by the Company to be $656,560 at initial measurement, $1,544,000 and at December 31, 2021. The fair value of the note was estimated by the Company to be $751,856 at December 31, 2022. December 31, 2023 and 2022, respectively.

On March 29, 2022, the Company issued an unsecured promissory note to the Sponsor (the "Third Working Capital Loan"), pursuant to which the Company may borrow up to an aggregate principal amount of $335,000. The Third Working Capital Loan isnon-interestbearing and payable on the consummation of the Company's Business Combination. As of December 31, 2022, December 31, 2023 and 2022, the Third Working Capital Loan in the amount of $335,000 was fully drawn. The Sponsor assigned $111,667 of the Third Working Capital Loan to each of our Executive Vice President and Chief Financial Officer, Gregory Patrinely, and President Caldwell Flores, and $111,666 of the Third Working Capital Loan to our Executive Vice President, General Counsel and Secretary, Anthony Duenner. The fair value of the note was estimated by the Company to be $282,874 at initial measurement, and at March 31, 2022, and the amount by which the proceeds from the Third Working Capital Loan exceededexceeded its initial fair value has been recognized as a credit within stockholders' deficit during the year ended December 31, 2022. The fair value of the note was estimated by the Company to be $646,550 and $314,840 at December 31, 2022.

As of December 31, 2022, there were no additional borrowings under Working Capital Loans other than the $365,000 outstanding under the First Working Capital Loan, $800,000 outstanding under the Second Working Capital Loan December 31, 2023 and $335,000 outstanding under the Third Working Capital Loan, as described above.

Q3 2022, Promissory Noterespectively.

On September 30, 2022, the Company issued an unsecured promissory note to the Sponsor (the "Q3 2022 Promissory Note"), pursuant to which the Company may borrow up to an aggregate principal amount of $170,000 (see Promissory Note Amendments above). The Q3 2022 Promissory Note isnon-interestbearing and payable on the consummation of the Company's Business Combination. On October 5, 2022, the Q3 2022 Promissory Note was fully drawn down by the Company.

Q4 2022 Promissory Note The fair value of the note was estimated by the Company to be $328,100 at December 31, 2023.

On October 31, 2022, the Company issued an unsecured promissory note to the Sponsor (the "Q4 2022 Promissory Note"), pursuant to which the Company may borrow up to an aggregate principal amount of $200,000 (see Promissory Note Amendments above). The Q4 2022 Promissory Note isnon-interestbearing and payable on the consummation of the Company's Business Combination. On October 31, 2022, the Q4 2022 Promissory Note was fully drawn down by the Company. The fair value of the note was estimated by the Company to be $386,000 at December 31, 2023.

See On February 6, 2023, the Company issued an unsecured promissory note to the Sponsor (the "Q1 2023 Promissory Note"), pursuant to which the Company may borrow up to an aggregate principal amount of $535,000 of which $356,370 is convertible in to warrants post-Business Combination (see Promissory Note 11 for discussion Amendments below). The Q1 2023 Promissory Note is non-interest bearing and payable on the consummation of the Company's Business Combination. On February 7, 2023, the Q1 2023 Promissory Note was fully drawn down by the Company. The fair value of the convertible portion of the note was estimated by the Company to be $687,794 at December 31, 2023.

On May 12, 2023, the Company issued an unsecured promissory note to the Sponsor (the "First Q2 2023 Promissory Note"), pursuant to which the Company may borrow up to an aggregate principal amount of $395,000. The First Q2 2023 Promissory Note is non-interest bearing and payable on the consummation of the Company's Business Combination. On May 15, 2023, the First Q2 2023 Promissory Note was fully drawn down by the Company. The fair value of the note was estimated by the Company to be $229,653 at initial measurement, and the amount by which the proceeds from the First Q2 2023 Promissory Note exceeded its initial fair value has been recognized as a credit within stockholders' deficit during the year ended December 31, 2023. The fair value of the note was estimated by the Company to be $762,350 at December 31, 2023.

On June 22, 2023, the Company issued an unsecured promissory note to the Sponsor (the "Fourth Q2 2023 Promissory Note"), pursuant to which the Company may borrow up to an aggregate principal amount of $50,000. The Fourth Q2 2023 Promissory Note is non-interest bearing and payable on the consummation of the Company's Business Combination. The fair value of the note was estimated by the Company to be $29,150 at initial measurement and $96,500 at December 31, 2023, and the amount by which the proceeds from the Fourth Q2 2023 Promissory Note exceeded its initial fair value has been recognized as a credit within stockholders' deficit during the year ended December 31, 2023. On June 28, 2023, the Fourth Q2 2023 Promissory Note was fully drawn down by the Company.

On August 30, 2023, the Company issued an unsecured promissory note to the Sponsor (the "First Q3 2023 Promissory Note"), pursuant to which the Company may borrow up to an aggregate principal amount of $635,000. The First Q3 2023 Promissory Note is non-interest bearing and payable on the consummation of the Company's Business Combination. The fair value of the note was estimated by the Company to be $330,199 at initial measurement and $1,225,550 at December 31, 2023, and the amount by which the proceeds from the First Q3 2023 Promissory Note exceeded its initial fair value has been recognized as a credit within stockholders' deficit during the year ended December 31, 2023. On August 30, 2023, the First Q3 2023 Promissory Note was fully drawn down by the Company.

On March 29, 2023, the Company and Flame Acquisition Sponsor LLC entered into amendments to each of the Q3 2022 Promissory Note, Q4 2022 Promissory Note and Q1 2023 Promissory Note. Note, pursuant to which loans made under such notes are, at the lender's discretion, convertible into warrants of the post-Business Combination entity. On May 12, 2023, the Q1 2023 Promissory note was amended to clarify that approximately $356,370 of the note proceeds are convertible into warrants of the post-Business Combination entity at a price of $1.00 per warrant, while the remainder of the note proceeds are non-convertible notes to be used to fund advances to the acquisition target. Such warrants are identical to the private placement warrants, including as to exercise price, exercisability and exercise period. The Company evaluated the amendments to each of the Q3 2022 Promissory Note, Q4 2022 Promissory Note and Q1 2023 Promissory Note under ASC 470-50, "Debt–Modification and Extinguishment", and concluded that the amendments resulted in terms that were substantially different and thus resulted in debt extinguishments. The fair value of the Q3 2022 Promissory Note, Q4 2022 Promissory Note and Q1 2023 Promissory Note ($726,370 in aggregate proceeds) was estimated by the Company to be $684,165 upon the amendments. The amount by which the proceeds from each of the Q3 2022 Promissory Note, Q4 2022 Promissory Note and Q1 2023 Promissory Note exceeded their fair value has been recognized as a capital contribution within stockholders' deficit during the year ended December 31, 2023.

As of December 31, 2023, each of the First Working Capital Loan, Second Working Capital Loan, Third Working Capital Loan, Q3 2022 Promissory Note, Q4 2022 Promissory Note, First Q2 2023 Promissory Note, Fourth Q2 2023 Promissory Note, First Q3 2023 Promissory Note and a portion of the Q1 2023 Promissory Note may be convertible into warrants ($3,306,370 in total proceeds or 3,306,370 in aggregate warrants as of December 31, 2023) at a price of $1.00 per warrant at the option of the lender. There were no additional borrowings under Convertible Promissory Notes other than those described above.

No compensation or fees of any kind, including finder's fees, consulting fees or other similar compensation, will be paid to any of our initial stockholders, officers or directors who owned our shares of common stock prior to the Flame IPO, or to any of their respective affiliates, prior to or in connection with to the Business Combination. At the Closing, all of the Working Capital Loans were converted into an aggregate of 3,306,370 Warrants at a price of $1.00 per Warrant and each of the Promissory Note Loans(as defined below) were fully repaid.

Promissory Note Loans

In addition, the Company has borrowed certain funds from the Sponsor under non-convertible promissory notes ("Promissory Note Loans") that have been used to pay for expenditures of the acquisition target. As discussed below, since inception, the Company has entered into four non-convertible promissory notes under this arrangement with the Sponsor. In accordance with the Merger Agreement, the Company is to pay for up to $1.5 million (subsequently amended to a cap of $3.0 million) in reasonable out-of-pocket fees and expenses for any agents, advisors, consultants, experts, independent contractors and financial advisors engaged on behalf of Holdco or Sable and incurred in connection with the transactions contemplated by the Merger Agreement and Sable-EM Purchase Agreement at closing of the Business Combination. During the year ended December 31, 2023, the Company paid $884,432 in such expenditures on behalf of Sable which have been recorded and included in Operating costs on the statements of operations for the year ended December 31, 2023. The Company is under no obligation to make further advances prior to the closing of the Business Combination.

On May 12, 2023, the Company issued an unsecured promissory note to the Sponsor (the "Second Q2 2023 Promissory Note"), pursuant to which the Company may borrow up to an aggregate principal amount of $355,000. The Second Q2 2023 Promissory Note is non-interest bearing and payable on the consummation of the Company's Business Combination. On May 15, 2023, the Second Q2 2023 Promissory Note was fully drawn down by the Company.

On June 22, 2023, the Company issued an unsecured promissory note to the Sponsor (the "Third Q2 2023 Promissory Note"), pursuant to which the Company may borrow up to an aggregate principal amount of $100,000. The Third Q2 2023 Promissory Note is non-interest

bearing and payable on the consummation of the Company's Business Combination. On June 28, 2023, the Third Q2 2023 Promissory Note was fully drawn down by the Company.

On August 30, 2023, the Company issued an unsecured promissory note to the Sponsor (the "Second Q3 2023 Promissory Note"), pursuant to which the Company may borrow up to an aggregate principal amount of $495,000. The Second Q3 2023 Promissory Note is non-interest bearing and payable on the consummation of the Company's Business Combination. On August 30, 2023, the Second Q3 2023 Promissory Note was fully drawn down by theCompany.

The following tables present the balances of the convertible promissory notes – related parties, at fair value and the promissory notes to related parties as of the respective period ends:

	Principal Value $Amount	Fair Value December 31, 2023	Fair Value December 31, 2022
Convertible notes - related parties, at fair value			
First Working Capital Loan	$ 365,000	$ 704,450	$ 343,034
Second Working Capital Loan	800,000	1,544,000	751,856
Third Working Capital Loan	335,000	646,550	314,840
Q3 2022 Promissory Note	170,000	328,100	—
Q4 2022 Promissory Note	200,000	386,000	—
Q1 2023 Promissory Note	356,370	687,794	—
First Q2 2023 Promissory Note	395,000	762,350	—
Fourth Q2 2023 Promissory Note	50,000	96,500	—
First Q3 2023 Promissory Note	635,000	1,225,550	—
Total	**$ 3,306,370**	**$ 6,381,294**	**$ 1,409,730**
Promissory notes to related parties			
Q3 2022 Promissory Note	$ —	$ —	$ 170,000
Q4 2022 Promissory Note	—	—	200,000
Q1 2023 Promissory Note	178,630	178,630	—
Second Q2 2023 Promissory Note	355,000	355,000	—
Third Q2 2023 Promissory Note	100,000	100,000	—
Second Q3 2023 Promissory Note	495,000	495,000	—
Total	**$ 1,128,630**	**$ 1,128,630**	**$ 370,000**

NOTE 6 — COMMITMENTS AND CONTINGENCIES

Registration Rights

The holders of the Founder Shares, Private Placement Warrants and warrants that may be issued upon conversion of the Working Capital Loans (and any shares of Class A common stock issuable upon the exercise of the Private Placement Warrants and warrants that may be issued upon conversion of Working Capital Loans and upon conversion of the Founder Shares) are entitled to registration rights pursuant to a registration rights agreement. The holders of these securities are entitled to make up to three demands, excluding short form demands, that the Company register such securities. In addition, the holders have certain "piggy-back" registration rights with respect to registration statements filed subsequent to the completion of a Business Combination. However, the registration rights agreement provides that the Company will not permit any registration statement filed under the Securities Act to become effective until termination of the applicable lockup period. The Company will bear the expenses incurred in connection with the filing of any such registration statements.

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Business Combination Marketing Agreement

The Company has engaged underwriters as advisors in connection with its business combination to assist it in holding meetings with the Company's stockholders to discuss the potential business combination and the target business's attributes, introduce it to potential investors that are interested in purchasing its securities in connection with the potential business combination, assist it in obtaining stockholder approval for the business combination and assist the Company with its press releases and public filings in connection with the business combination. The Company will pay the Marketing Fee (as defined in the Company's registration statement on FormS-1,as amended, that was filed with the SEC on February 5, 2021) for such services upon the consummation of its initial business combination in an amount equal to, in the aggregate, 3.5% of the gross proceeds of the IPO, including the proceeds from the exercise of the over-allotment option. The underwriters will not be entitled to such fee unless the Company consummates its initial business combination. The underwriters will not be entitled to such fee unless the Company consummates its initial business combination. In connection with the Extension, stockholders holding 20,317,255 shares of Flame Class A common stock subject to possible redemption stock exercised their right to redeem such shares for a pro rata portion of the funds in the Trust Account, representing approximately 70.67% of our issued and outstanding Flame Class A common stock subject to possible redemption stock. After this redemption, 8,432,745 shares of Flame Class A

common stock subject to possible redemption stock remained outstanding. In connection with the Second Extension, stockholders holding 2,328,063 shares of Flame Class A common stock subject to possible redemption stock exercised their right to redeem such shares for a pro rata portion of the funds in the Trust Account, representing approximately 27.61% of our issued and outstanding Flame Class A common stock subject to possible redemption stock. After this redemption, 6,104,682 shares of Flame Class A common stock subject to possible redemption stock remained outstanding. If no additional public stockholders exercise redemption rights with respect to their shares of Flame Class A common stock, the amount of effective underwriting commissions due to the underwriters upon the consummation of the Business Combination will represent 15.9% of the aggregate proceeds fromthe Flame IPO retained by Flame. Upon the closing of the Business Combination, the Marketing Agreement fee of $10,062,500 was paid in full.

Underwriters Agreement

On March 1, 2021, the Company paid a fixed underwriting discount of $0.20 per Unit, or $5,750,000 in the aggregate.

Marketing Advisor Fees

On January 30, 2024, the Company engaged advisory services to assist the Company with general marketing assistance associated with the Business Combination. The Advisor was not entitled to any fee unless the Company consummated the Business Combination. Upon the closing of the Business Combination, the Company paid the marketing advisor a fee of $750,000.

Deferred Legal Fees

As of December 31, 2022 December 31, 2023 and 2022, the Company has incurred unbilled legal costs of $4,035,714 and $2,633,139, respectively, related to its prospective initial BusinessCombination. These costs are deferred until the completion of the Company's initial Business Combination and are included in accounts payable and accrued expenses on the Company's balance sheets. There were no deferred legal costs as of December 31, 2021.

NOTE 7 — STOCKHOLDERS' EQUITY (DEFICIT) DEFICIT

Preferred Stock— The Company is authorized to issue a total of 1,000,000 shares of preferred stock at par value of $0.0001 each. At December 31, 2022 December 31, 2023 and 2021, 2022, there were no shares of preferred stock issued or outstanding.

Class A Common Stock— The Company is authorized to issue a total of 200,000,000 shares of Class A common stock at par value of $0.0001 each. At December 31, 2022 December 31, 2023 and 2021, 2022, there were 7,187,500 and no shares, respectively, issued and outstanding (excluding 6,104,682 and 28,750,000 shares subject to possible redemption, respectively). On February 23, 2023, the Company was notified by stockholders holding 20,317,255 shares of Class A common stock that they exercised their right to redeem such shares for a pro rata portion of the funds in the Trust Account. As a result, $206,121,060 (approximately $10.15 per share) was removed from the Trust Account to pay such redeeming holders on March 2, 2023. On August 29, 2023, the Company was notified by stockholders holding 2,328,063 shares of Class A common stock that they exercised their right to redeem such shares for a pro rata portion of the funds in the Trust Account. As a result, $24,008,096 (approximately $10.31)per share) was removed from the Trust Account to pay such redeeming holders on August 31, 2023. On February 12, 2024, holders of 150,823 shares of Class A common stock exercised their right to redeem such shares for a pro rata portion of the funds in the Trust Account. As a result, $1,572,250 (approximately $10.42 per share) was removed from the Trust Account to pay such redeeming holders on February 14, 2024.

Class B Common Stock— The Company is authorized to issue a total of 20,000,000 shares of Class B common stock at par value of $0.0001 each. At December 31, 2022 December 31, 2023 and 2021, 2022, there were 0 and 7,187,500 shares of Class B common stock, respectively issued or outstanding.

Common stockholders of record are entitled to one vote for each share held on all matters to be voted on by stockholders. Holders of the Class A common stock and holders of the Class B common stock will vote together as a single class on all matters submitted to a vote of the Company's stockholders, except as required by law.

The Class B common stock are identical to the shares of Class A common stock included in the units being sold in the IPO, and holders of Class B common stock have the same stockholder rights as public stockholders, except that (i) the Class B common stock are subject to certain transfer restrictions, as described in more detail below, (ii) our founders, officers and directors have entered into a letter agreement with us, pursuant to which they have agreed (A) to waive their redemption rights with respect to any Class B common stock and any Public Shares held by them in connection with the completion of our Business Combination and (B) to waive their rights to liquidating distributions from the Trust Account with respect to any Class B common stock held by them if the Company fails to complete our Business Combination within the prescribed time period, although they will be entitled to liquidating distributions from the Trust Account with respect to any Public Shares they hold if the Company fails to complete our Business Combination within such time period, (iii) the Class B common stock are shares of our Class B common stock that will automatically convert into shares of our Class A common stock at the time of our initial Business Combination, on aone-for-onebasis, subject to adjustment pursuant to certain anti-dilution rights and (iv) are subject to registration rights. If the Company submits our Business Combination to our public stockholders for a vote, our Initial stockholders have agreed to vote any Class B common stock and any Public Shares purchased during or after the IPO in favor of our initial Business Combination.

With certain limited exceptions, the Class B common stock are not transferable, assignable or salable (except to our officers and directors and other persons or entities affiliated with the Sponsor, each of whom will be subject to the same transfer restrictions) until the earlier of (A) one year after the completion of our initial Business Combination or (B) subsequent to our initial Business Combination, (x) if the last sale price of our Class A common stock equals or exceeds $12.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days within any30-tradingday period commencing at least 150 days after our initial

Business Combination, or (y) the date on which the Company completes a liquidation, merger, capital stock exchange, reorganization or other similar transaction that results in all of our stockholders having the right to exchange their shares of common stock for cash, securities or other property.

The 7,187,500 shares of Class A common stock issued in connection with the Class B Conversion are subject to the same restrictions as applied to the shares of Class B common stock before the Class B Conversion, including, among other things, certain transfer restrictions, waiver of redemption rights and the obligation to vote in favor of an initial business combination, as described in the prospectus for the IPO described above (See Note 3).

NOTE 8 — WARRANTS

Public Warrants may only be exercised for a whole number of shares. No fractional shares will be issued upon exercise of the Public Warrants. The Public Warrants will become exercisable on the later of (a) 30 days after the completion of a Business Combination and (b) 12 months from the closing of the IPO. The Public Warrants will expire five years from the completion of a Business Combination, at 5:00 p.m., New York City time, or earlier upon redemption or liquidation.

The Company will not be obligated to deliver any shares of Class A common stock pursuant to the exercise of a Public Warrant and will have no obligation to settle such Public Warrant exercise unless a registration statement under the Securities Act with respect to the shares of Class A common stock underlying the warrants is then effective and a prospectus relating thereto is current, subject to the Company satisfying its obligations with respect to registration, or a valid exemption from registration is available. No warrant will be exercisable, and the Company will not be obligated to issue a share of Class A common stock upon exercise of a warrant unless the share of Class A common stock issuable upon such warrant exercise has been registered, qualified or deemed to be exempt under the securities laws of the state of residence of the registered holder of the warrants.

The Company has agreed that as soon as practicable, but in no event later than 15 business days after the closing of a Business Combination, it will use its commercially reasonable efforts to file with the SEC a registration statement for the registration, under the Securities Act, of the shares of Class A common stock issuable upon exercise of the warrants. The Company will use its commercially reasonable efforts to cause the same to become effective and to maintain the effectiveness of such registration statement, and a current prospectus relating thereto, until the expiration or redemption of the warrants in accordance with the provisions of the warrant agreement. If a registration statement covering the issuance of the shares of Class A common stock issuable upon exercise of the warrants is not effective by the 60th business day after the closing of a Business Combination, warrant holders may, until such time as there is an effective registration statement and during any period when the Company will have failed to maintain an effective registration statement, exercise warrants on a “cashless basis” in accordance with Section 3(a)(9) of the Securities Act or another exemption. In addition, if the shares of Class A common stock are at the time of any exercise of a warrant not listed on a national securities exchange such that they satisfy the definition of a “covered security” under Section 18(b)(1) of the Securities Act, the Company may, at its option, require holders of the Public Warrants who exercise their warrants to do so on a “cashless basis” in accordance with Section 3(a)(9) of the Securities Act and, in the event the Company elects to do so, the Company will not be required to file or maintain in effect a registration statement, but it will use its best efforts to register or qualify the shares under applicable blue sky laws to the extent an exemption is not available. In such event, each holder would pay the exercise price by surrendering the warrants for that number of shares of Class A common stock equal to the lesser of (A) the quotient obtained by dividing (x) the product of the number of shares of Class A common stock underlying the warrants, multiplied the excess of the “fair market value” less the exercise price of the warrants by (y) the fair market value and (B) 0.361. The “fair market value” shall mean the volume weighted average price of the shares of Class A common stock for the 10 trading days ending on the trading day prior to the date on which the notice of exercise is received by the warrant agent.

Redemption of Warrants For Cash—Once the warrants become exercisable, the Company may redeem the outstanding Public Warrants for cash:

- in whole and not in part;
- at a price of $0.01 per Public Warrant;
- upon not less than 30 days’ prior written notice of redemption to each warrant holder; and
- if, and only if, the last sale price of our Class A common stock equals or exceeds $18.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days within a30-tradingday period ending on the third trading day prior to the date on which the Company sends the notice of redemption to the warrant holders.

If and when the warrants become redeemable by the Company, the Company may exercise its redemption right even if it is unable to register or qualify the underlying securities for sale under all applicable state securities laws. However, the Company will not redeem the warrants unless an effective registration statement under the Securities Act covering the shares of Class A common stock issuable upon exercise of the warrants is effective and a current prospectus relating to those shares of Class A common stock is available throughout the30-dayredemption period, except if the warrants may be exercised on a cashless basis and such cashless exercise is exempt from registration under the Securities Act.

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Redemption of Warrants For Shares of Class A Common Stock—commencing 90 days after the warrants become exercisable, the Company may redeem the outstanding warrants for shares of Class A common stock:

- in whole and not in part;
- at a price equal to a number of shares of Class A common stock to be determined by reference to the agreed table set forth in the warrant agreement based on the redemption date and the "fair market value" of the Class A common stock;
- upon not less than 30 days' prior written notice of redemption to each warrant holder; and
- if, and only if, the last sale price of our Class A common stock equals or exceeds $10.00 per share (as adjusted per share splits, share dividends, reorganizations, recapitalizations and the like) on the trading day prior to the date on which the Company sends the notice of redemption to the warrant holders.

The exercise price and number of shares of Class A common stock issuable upon exercise of the Public Warrants may be adjusted in certain circumstances including in the event of a share dividend, extraordinary dividend or recapitalization, reorganization, merger or consolidation. However, except as described below, the Public Warrants will not be adjusted for issuances of shares of Class A common stock at a price below its exercise price. Additionally, in no event will the Company be required to net cash settle the Public Warrants. If the Company is unable to complete a Business Combination within the Combination Period and the Company liquidates the funds held in the Trust Account, holders of Public Warrants will not receive any of such funds with respect to their Public Warrants, nor will they receive any distribution from the Company's assets held outside of the Trust Account with respect to such Public Warrants. Accordingly, the Public Warrants may expire worthless.

In addition, if (x) the Company issues additional shares of Class A common stock or equity-linked securities for capital raising purposes in connection with the closing of a Business Combination at an issue price or effective issue price of less than $9.20 per share of Class A common stock (with such issue price or effective issue price to be determined in good faith by the Company's board of directors, and in the case of any such issuance to the Sponsor or its affiliates, without taking into account any Founder Shares held by the Sponsor or such affiliates, as applicable, prior to such issuance) (the "Newly Issued Price"), (y) the aggregate gross proceeds from such issuances represent more than 60% of the total equity proceeds, and interest thereon, available for the funding of a Business Combination on the date of the completion of a Business Combination (net of redemptions), and (z) the volume weighted average trading price of the Company's shares of Class A common stock during the 20 trading day period starting on the trading day prior to the day on which the Company completes a Business Combination (such price, the "Market Value") is below $9.20 per share, the exercise price of the Public Warrants will be adjusted (to the nearest cent) to be equal to 115% of the higher of the Market Value and the Newly Issued Price, and the $10.00 and $18.00 per share redemption trigger prices described above adjacent to "Redemption of Warrants For Cash" and "Redemption of Warrants For Shares of Class A Common Stock" will be adjusted (to the nearest cent) to be equal to 100% and 180% of the higher of the Market Value and the Newly Issued Price, respectively.

The Private Placement Warrants are identical to the Public Warrants underlying the Units sold in the IPO, except that (x) the Private Placement Warrants and the shares of Class A common stock issuable upon the exercise of the Private Placement Warrants are not transferable, assignable or salable until 30 days after the completion of a Business Combination, subject to certain limited exceptions, (y) the Private Placement Warrants are exercisable on a cashless basis andnon-redeemableso long as they are held by the initial purchasers or their permitted transferees and (z) the Private Placement Warrants and the shares of Class A common stock issuable upon exercise of the Private Placement Warrants are entitled to registration rights. If the Private Placement Warrants are held by someone other than the initial purchasers or their permitted transferees, the Private Placement Warrants will be redeemable by the Company and exercisable by such holders on the same basis as the Public Warrants.

Additionally, as discussed in Note 5, the Working Capital Loans would either be repaid upon consummation of a Business Combination, without interest, or, at the lender's discretion, such Working Capital Loans may be convertible into warrants of the post-Business Combination entity at a price of $1.00 per warrant. Initially up to $1,500,000, which was increased to $3,500,000 on March 24March 24, 2023, 2023, of such loans may be convertible into warrants (see Note 11 – Subsequent Events). warrants.

NOTE 9— FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received for sale of an asset or paid for transfer of a liability, in an orderly transaction between market participants at the measurement date. GAAP establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). These tiers include:

- Level 1, defined as observable inputs such as quoted prices (unadjusted) for identical instruments in active markets;
- Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable such as quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in markets that are not active; and
- Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions, such as valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

The following table presents information about the Company's assets and liabilities that are measured at fair value on a recurring basis at December 31, 2022 and 2021, and indicates the fair value hierarchy of the valuation inputs the Company utilized to determine such fair value:

Description:	Level	December 31, 2022	Level	December 31, 2021
Assets:				
U.S. Money Market Investing in Treasury Securities Held in Trust Account	1	$ 290,718,297	1	$ 287,516,153
Liabilities:				
Warrant liability—Public Warrants	1	9,343,750	1	$ 8,625,000
Warrant liability—Private Warrants	3	2,805,500	3	$ 4,022,250
Convertible Promissory Notes—Related Parties	3	1,409,730	3	$ 956,115

Description:	Level	December 31, 2023	Level	December 31, 2022
Assets:				
Funds held in Trust Account	1	$ —	1	$ 290,718,297
Liabilities:				
Warrant liability—Public Warrants	1	$ 27,743,750	1	$ 9,343,750
Warrant liability—Private Placement Warrants	3	$ 11,470,000	3	$ 2,805,500
Convertible Promissory Notes—Related Parties	3	$ 6,381,294	3	$ 1,409,730

Investments Held in Trust Account

As of December 31, 2022 December 31, 2023 and 2021, 2022, investments in the Company's Trust Account consisted of $290,718,297 $63,558,404in a demand deposit account (and are therefore not reflected in the table above)and $287,516,153 $290,718,297 in U.S. Money Market funds that invest primarily in U.S. Treasury securities,, respectively.

Except as described below, there were no transfers between Levels 1, 2 or 3 during the years ended December 31, 2022 December 31, 2023 and 2021. 2022.

Level 1 instruments include investments in money markets investing in U.S. Treasury securities. The Company uses inputs such as actual trade data, quoted market prices from dealers or brokers, and other similar sources to determine the fair value of its investments.

Warrant Liabilities

Public Warrants were transferred from Level 3 to Level 1 when they started trading on April 19, 2021, at a value of $15,381,250.

The fair value of warrants issued by the Company in connection with the Public Offering and Private Placement had been estimated using Monte-Carlo simulations at the initial measurement date up to the date when the Public Warrants started trading on April 19, 2021. For each subsequent measurement since April 19, 2021, the public warrants were measured at the Observable Quoted Price in Active Markets. Private warrants were measured using the Modified Black-Scholes Optional Pricing Model. The estimated fair value of the private warrant liability is determined using Level 3 inputs. Inherent in a binomial options pricing model are assumptions related to expected share-price volatility, expected life, risk-free interest rate and dividend yield. The Company estimates the volatility of its common stock based on historical volatility that matches the expected remaining life of the warrants. The risk-free interest rate is based on the U.S. Treasuryzero-couponyield curve on the grant date for a maturity similar to the expected remaining life of the warrants. The expected life of the warrants is assumed to be equivalent to their remaining contractual term. The dividend rate is based on the historical rate, which the Company anticipates to remain at zero.

The aforementioned warrant liabilities are not subject to qualified hedge accounting.

As Private Placement Warrants held by FLCo-Investmentand Intrepid Financial Partners, will not be exercisable more than five years from the effective date of the registration statement, the exercise period end date is different than other Private Placement Warrants which will expire five years after the completion of the initial Business Combination or earlier upon redemption or liquidation. Accordingly, they have different inputs to the Modified Black-Scholes Optional Pricing Model.

The following table provides quantitative information regarding Level 3 inputs usedto determine the fair values of Private Placement Warrants as of December 31, 2022 December 31, 2023 and 2021. 2022.

	December 31, 2021	December 31, 2022	December 31, 2023	December 31, 2022
Stock price	$ 9.72	$ 10.05	$ 11.39	$ 10.05
Strike price	$ 11.50	$ 11.50	$ 11.50	$ 11.50
Term (in years)	4.15	3.15	2.15	3.15

Volatility	10.8 %	0.0 %	5.3 %	0.0 %
Risk-free rate	1.13 %	4.12 %	4.11 %	4.12 %
Dividend yield	0.00 %	0.00 %	0.00 %	0.00 %

The following table provides quantitative information regarding Level 3 fair value measurements used to determine the fair value of the Private Placement Warrants, excluding Private Placement Warrants held by FLCo-Investmentand Intrepid Financial Partners, as of December 31, 2022 December 31, 2023 and 2021. 2022.

Inputs	December 31, 2021	December 31, 2022	December 31, 2023	December 31, 2022
Stock price	$ 9.72	$ 10.05	$ 11.39	$ 10.05
Strike price	$ 11.50	$ 11.50	$ 11.50	$ 11.50
Term (in years)	5.42	5.25	5.09	5.25
Volatility	10.8 %	0.0 %	5.3 %	0.0 %
Risk-free rate	1.29 %	3.91 %	3.77 %	3.91 %
Dividend yield	0.00 %	0.00 %	0.00 %	0.00 %

The following table presents the changes in the fair value of warrant liabilities:

	Public	Private Placement	Warrant Liabilities
Fair value as of December 31, 2020	**$ —**	**$ —**	**$ —**
Initial measurement on March 1, 2021	12,218,750	6,583,625	18,802,375
Change in valuation inputs or other assumptions	(3,593,750)	(2,561,375)	(6,155,125)
Fair value as of December 31, 2021	**$ 8,625,000**	**$ 4,022,250**	**$ 12,647,250**
Change in valuation inputs or other assumptions	718,750	(1,216,750)	(498,000)
Fair value as of December 31, 2022	**$ 9,343,750**	**$ 2,805,500**	**$ 12,149,250**
Change in valuation inputs or other assumptions	18,400,000	8,664,500	27,064,500
Fair value as of December 31, 2023	**$ 27,743,750**	**$ 11,470,000**	**$ 39,213,750**

Convertible Promissory Notes Promissory Notes – Related Parties

The convertible promissory notes were valued using a combination of Black-Scholes and Geske models, which is considered to be primarily a Level 3 fair value measurement input. The estimated fair value of the Promissory Notes was based on the following significant inputs:

Inputs	December 31, 2021	December 31, 2022
Exercise price	$ 11.50	$ 11.50
Volatility	12.9 %	1.2 %
Expected term to warrant expiration	5.4 years	5.3 years
Risk-free-rate	1.32 %	3.91 %
Dividend yield	0 %	0 %
Stock price	$ 9.71	$ 10.05

Inputs	2023 Input (a)	December 31, 2023	December 31, 2022
Exercise price	$ 11.50	$ 11.50	$ 11.50
Volatility	1.9% - 2.5 %	11.4 %	1.2 %
Expected term to warrant expiration	5.2 - 5.6 years	5.1 years	5.3 years
Risk-free-rate	3.39% - 4.17 %	3.77 %	3.91 %
Dividend yield	0 %	0 %	0 %
Stock price	$ 10.13 - $10.39	$ 11.39	$ 10.05

(a) Represents the range of inputs utilized on the respective dates of the initial valuations of the various convertible note draws and extinguishments during the year ended December 31, 2023.

The following table presents the changes in the fair value of the Level 3 Promissory Notes:

Fair value as of December 31, 2020	**$ —**	
Proceeds received through Convertible Promissory Note on August 11, 2021	365,000	
Initial measurement of fair value of Promissory Note	18,323	
Proceeds received through Convertible Promissory Note on December 29, 2021	800,000	
Initial measurement of fair value of Promissory Note	(143,440)	
Change in fair value of Promissory Notes	(83,768)	
Fair value as of December 31, 2021	**$ 956,115**	**$ 956,115**
Proceeds received through Convertible Promissory Note on March 29, 2022	335,000	335,000
Initial measurement of fair value of Promissory Note	(52,126)	(52,126)
Change in fair value of Promissory Notes	170,741	170,741
Fair value as of December 31, 2022	**$ 1,409,730**	**$ 1,409,730**
Principal amount of Promissory Notes amended on March 29, 2023		726,370
Initial measurement of fair value of Promissory Notes upon extinguishment of debt		(42,205)
Proceeds received through Convertible Promissory Notes on May 12, 2023, June 28, 2023, and August 30, 2023		1,080,000
Initial Measurement of fair value of Promissory Notes		(490,995)
Change in valuation inputs or other assumptions		3,698,394
Fair value as of December 31, 2023		**$ 6,381,294**

There were no transfers in or out of Level 3 from other levels in the fair value hierarchy during theyears ended December 31, 2022 December 31, 2023 and 2021. 2022.

NOTE 10 — INCOME TAX TAXES

The Company follows the asset and liability method of accounting for income taxes under FASB ASC 740, “Income Taxes.” Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statements statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that included the enactment date. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized. After consideration of all of the information available, management believes that significant uncertainty exists with respect to future realization of the deferred tax assets and has therefore established a full valuation allowance. For the yearsyears ended December 31, 2023, and December 31, 2022, and December 31, 2021,the change in the valuation allowance was$240,203 and $1,210,347, and $349,999. respectively.

Internal Revenue Section 195 requiresstart-upexpenditures paid or incurred in connection with investigating the creation or acquisition of an active trade or business to be capitalized for income tax purposes. The capitalizedstart-upexpenditures are placed into service in the month in which an active trade or business begins and amortized ratably over 180 months. Thestart-upexpenditures do not include interest, taxes, or research and experimental expenses. The tax calculation calculations for the year years ended December 31, 2022 December 31, 2023 and 2022 took all of the aforementioned Section 195 guidelines into account. For the years ended December 31, 2022 December 31, 2023 and December 31, 2021, 2022, the total provision for income taxeswas $914,318 and $757,069, and $0. respectively.

The Company’s net deferred tax assets at December 31, 2022 December 31, 2023 and 2021 2022, are as follows:

	December 31, 2022	December 31, 2021	December 31, 2023	December 31, 2022
Deferred tax asset				
Start-up/organizationcosts	$ 1,560,694	$ 311,152	$ 1,800,897	$ 1,560,694
Net operating loss carryforwards	—	39,195		

Total deferred tax assets	1,560,694	350,347	1,800,897	1,560,694
Valuation allowance	(1,560,694)	(350,347)	(1,800,897)	(1,560,694)
Deferred tax assets, net of allowance	$ —	$ —	$ —	$ —

The income tax provision for the years ended December 31, 2022 December 31, 2023 and 2021 2022, consists of the following:

	Years Ended December 31,	
	2022	2021
Current		
Federal	$ 757,069	$ —
State	—	—
Deferred		
Federal	(1,210,347)	(349,999)
State	—	—
Change in valuation allowance	**1,210,347**	**349,999**
Income tax provision	$ 757,069	$ —

As

	Years Ended December 31,	
	2023	2022
Current		
Federal	$ 914,318	$ 757,069
State	—	—
Deferred		
Federal	(240,203)	(1,210,347)
State	—	—
Change in valuation allowance	**240,203**	**1,210,347**
Income tax provision	$ 914,318	$ 757,069

As of December 31, 2022, December 31, 2023 and 2021, 2022, the Company had zero and $186,642 of U.S. federal net operating loss carryovers available to offset future taxable income. Net operating losses generated do not expire.

There were no unrecognized tax benefits as of December 31, 2022 December 31, 2023 and December 31, 2021. No amounts were 2022. The Company accrued for the payment of and paid interest and penalties as of December 31, 2022. $29,072 and $0 for the periods ended December 31, 2023 and 2022, respectively. The Company is currently not aware of any issues under review that could result in significant payments, accruals or material deviation from its position. The Company files income tax returns in the U.S. federal and state of Texas jurisdictions. The apportionment rate in Texas is currently 0.0%. The Company's tax returns for the yearsyears ended December 31, 2021 December 31, 2023, 2022, and 2020 2021, remain open and subject to examination.

A reconciliation of the federal income tax rate to the Company's effective tax rate at December 31, 2022 December 31, 2023 and 2021 2022, is as follows:
follows:

	Years Ended December 31,	
	2022	2021
Income tax at statutory rate	21.0%	21.0%
Change in valuation allowance	(66.0)%	8.2%
Fair value of warrant adjustment	3.7%	(29.2)%
Income tax expense	(41.3)%	0.0%

	Years Ended December 31,	
	2023	2022
Income tax at statutory rate	21.0%	21.0%
Change in valuation allowance	(0.8)%	(66.0)%
Fair value adjustments of warrants and convertible notes	(20.6)%	3.7%
Merger related expenses	(2.4)%	—
Other	(0.1)%	—
Income tax expense	(2.9)%	(41.3)%

NOTE 11 — SUBSEQUENT EVENTS

The Company evaluated subsequent events events and transactions that occurred after the balance sheet date up to the date that the financial statements were issued. Based upon this review, the Company, other than as previously described herein, or listed below, did not identify any subsequent events that would have required adjustment or disclosure in the financial statements.

Q1 2023 Promissory Note. On February 6, 2023 March 26, 2024, the Company, issued an unsecured promissory note entered into a Stipulation and Agreement of Settlement (the "Settlement Agreement") among (i) Grey Fox, LLC, MAZ Properties, Inc., Bean Blossom, LLC, Winter Hawk, LLC, Mark Tautrim, Trustee of the Mark Tautrim Revocable Trust, and Denise McNutt, on behalf of themselves and the Court-certified Settlement Class (the "Plaintiffs and Settlement Class Members"), (ii) Pacific Pipeline Company ("PPC"), and (iii) the Company, with respect to the Sponsor (the "Q1 2023 Promissory Note"), pursuant settlement and release of certain claims related to which the Pipelines, including claims impacting the right of way for the Pipelines (collectively, the "Released Claims").

Pursuant to the terms of the Settlement Agreement, (i) the Plaintiffs and Settlement Class Members will be obligated to, among other things, (a) release the Company, may borrow up PPC and the other released parties from and against the Released Claims, (b) grant certain temporary construction easements to an aggregate principal amount facilitate the repair of $535,000. The Q1 2023 Promissory Note isnon-interestbearing and payable on the consummation certain portions of the Company's Business Combination. On February 7, 2023, Pipelines, and (c) cooperate in good faith with the Q1 2023 Promissory Note was fully drawn down Company and PPC with respect to any and all steps reasonably required to restart the Pipelines and operate it thereafter, including obtaining all necessary regulatory approvals, consistent with the requirements of the relevant government agencies and the Consent Decree issued by the Company.

Trust Account Liquidation. On February 21, 2023, United States District Court for the Central District of California in relation to mitigate Civil Action No. 2:20-cv-02415 (United States of America and the risk of us being deemed to have been operating as an unregistered investment company (including under the subjective test of Section 3(a)(1)(A) People of the Investment Company Act), the investments in U.S. government securities or money market funds held in the Trust Account were liquidated to thereafter be held in cash (which may include an interest bearing demand deposit account at a national bank) until earlier of: (i) the completion State of a Business Combination California v. Plains All American Pipeline, L.P. and Plains Pipeline, L.P.) and (ii) the distribution Company has agreed to among other things, (a) create an interest-bearing non-reversionary qualified settlement fund and pay $35,000,000 into such fund, and (b) deliver to class counsel an irrevocable standby letter of credit issued by J.P. Morgan & Co. or another federally insured bank in the amount of $35,000,000 to secure the Company's obligation to make certain payments under the Settlement Agreement. The Settlement Agreement is subject to approval by the United States District Court for the Central District of California (the "Court"). There can be no assurance that the Court will grant final approval of the funds in the Trust Account to the Company's stockholders.Settlement Agreement on its current terms or at all.

F-2***Extension Amendment 4***. On February 27, 2023, at

EXHIBIT 4.4

DESCRIPTION OF THE REGISTRANT'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

Unless the context otherwise requires, references in this exhibit to "we," "our," and the "Company" refer to Sable Offshore Corp. (formerly known as Flame Acquisition Corp. ("Flame")) and its consolidated subsidiaries.

The following summary of the material terms of our capital stock and warrants is not intended to be a special meeting complete summary of stockholders, the Company's stockholders voted rights and preferences of such securities and is qualified in its entirety by reference to approve an amendment (the "Extension Amendment Proposal") to the our second amended and restated certificate of incorporation (our "Charter"), our amended and restated bylaws (our "Bylaws") and that certain Warrant Agreement, dated February 24, 2021, between the Company and American Stock Transfer & Trust Company, as warrant agent (the "Warrant Agreement"), each of which is attached as an exhibit to extend our Annual Report on Form 10-K for the year ended December 31, 2023, as well as the relevant provisions of the Delaware General Corporation Law (the "DGCL"). We urge you to read such documents in their entirety for a complete description of the rights and preferences of our securities.

General

Our purpose is to engage in any lawful act or activity for which corporations may now or hereafter be organized under the DGCL. Our authorized capital stock consists of 500,000,000 shares of common stock, par value $0.0001 per share ("common stock"), and 1,000,000 shares of preferred stock, par value $0.0001 per share ("preferred stock"). No shares of preferred stock are issued or outstanding. Unless our board of directors determines otherwise, we will issue all shares of our capital stock in uncertificated form.

Common Stock

Holders of our common stock are entitled to one vote for each share held on all matters submitted to a vote of stockholders and do not have cumulative voting rights. An election of directors by our stockholders shall be determined by a plurality of the votes cast by the stockholders entitled to vote on the election. Holders of our common stock are entitled to receive proportionately any dividends as may be declared by our board of directors (our "Board"), subject to any preferential dividend rights of any series of preferred stock that we may designate and issue in the future.

In the event of our liquidation or dissolution, the holders of our common stock are entitled to receive proportionately our net assets available for distribution to stockholders after the payment of all debts and other liabilities and subject to the prior rights of any outstanding preferred stock. Holders of our common stock have no preemptive, subscription, redemption or conversion rights. The rights, preferences and privileges of holders of our common stock are subject to and may be adversely affected by the rights of the holders of shares of any series of preferred stock that we may designate and issue in the future.

Preferred Stock

Under the terms of our Charter, our Board is authorized to direct us to issue shares of preferred stock in one or more series without stockholder approval. Our Board has the discretion to determine the terms, rights, preferences, privileges and restrictions, including voting rights, dividend rights, conversion rights, redemption privileges and liquidation preferences, of each series of preferred stock.

The purpose of authorizing our Board to issue preferred stock and determine its rights and preferences is to eliminate delays associated with a stockholder vote on specific issuances. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions, future financings and other corporate purposes, could have the effect of making it more difficult for a third party to acquire, or could discourage a third party from seeking to acquire, a majority of our outstanding voting stock. We have no present plans to issue any shares of preferred stock.

Authorized but Unissued Shares

The authorized but unissued shares of our common stock and our preferred stock will be available for future issuance after the Business Combination without stockholder approval, subject to any limitations imposed by the listing standards of the NYSE. These additional shares may be used for a variety of corporate finance transactions, acquisitions and employee benefit plans. The existence of authorized but unissued and unreserved common stock and preferred stock could make more difficult or discourage an attempt to obtain control of us by means of a proxy contest, tender offer, merger or otherwise.

Warrants

There are 25,431,341 warrants outstanding, of which 14,374,971 are public warrants, exercisable for exercisable for one share of common stock for $11.50 per share (“public warrants”) and 11,056,370 are warrants issued and sold to our founders and certain of our directors and officers, in private placements (“private placement warrants”).

Public Warrants

Each whole public warrant entitles the registered holder to purchase one whole share of common stock at a price of $11.50 per share, subject to adjustment as discussed below. Pursuant to the Warrant Agreement, a warrant holder may exercise its public warrants only for a whole number of shares of common stock. This means that only a whole warrant may be exercised at any given time by a warrant holder. The public warrants will expire on February 14, 2029, at 5:00 p.m., New York City time, or earlier upon redemption or liquidation.

We will not be obligated to deliver any shares of common stock pursuant to the exercise of a public warrant and will have no obligation to settle such public warrant exercise unless a registration statement under the Securities Act with respect to the shares of common stock underlying the public warrants is then effective and a prospectus relating thereto is current, subject to our satisfying our obligations described below with respect to registration, or a valid exemption from registration is available, including in connection with a cashless exercise permitted as result of a notice of redemption described below under “*—Redemption of Warrants for Shares of Common Stock*.” No public warrant will be exercisable for cash or on a cashless basis, and we will not be obligated to issue shares of common stock upon exercise of a public warrant unless the issuance of common stock issuable upon such public warrant exercise has been registered, qualified or deemed to be exempt under the securities laws of the state of residence of the registered holder of the public warrants. In the event that the conditions in the two immediately preceding sentences are not satisfied with respect to a public warrant, the holder of such public warrant will not be entitled to exercise such public warrant and such public warrant may have no value and expire worthless. In no event will we be required to net cash settle any public warrant. In the event that a registration statement is not effective for the exercised public warrants, the public warrants cannot be exercised and the holder may never realize any value from such public warrants.

We have filed with the SEC a registration statement for the registration, under the Securities Act, of the shares of common stock issuable upon exercise of the public warrants. Once effective, we will use our reasonable best efforts to maintain the effectiveness of such registration statement, and a current prospectus relating thereto, until the expiration of the public warrants in accordance with the provisions of the Warrant Agreement. If any such registration statement has not been declared effective by May 9, 2024, holders of the public warrants will have the right, during the period beginning on May 10, 2024 and ending upon such registration statement being declared effective by the SEC, and during any other period when we fail to have maintained an effective registration statement covering

the issuance of the shares of common stock issuable upon exercise of the public warrants, to exercise such public warrants on a "cashless basis."

Notwithstanding the above, if the common stock is at the time of any exercise of a public warrant not listed on a national securities exchange such that it satisfies the definition of a "covered security" under Section 18(b)(1) of the Securities Act, we may, at our option, require holders of public warrants who exercise their warrants to do so on a "cashless basis" in accordance with Section 3(a)(9) of the Securities Act and, in the event we so elect, we will not be required to file or maintain in effect a registration statement, but we will be required to use our best efforts to register or qualify the shares under applicable blue sky laws to the extent an exemption is not available. In such event, each holder would pay the exercise price by surrendering the public warrants in exchange for that number of shares of common stock equal to the quotient obtained by dividing (x) the product of the number of shares of common stock underlying the public warrants, multiplied by the excess of the fair market value (as defined below) over the exercise price of the public warrants by (y) the fair market value.

Redemption of Public Warrants for Cash

Once the public warrants become exercisable, we may call the public warrants for redemption for cash:

- in whole and not in part;
- at a price of $0.01 per public warrant;
  - upon not less than 30 days' prior written notice of redemption (the "*30-day redemption period*") to each public warrant holder; and
- if, and only if, the last reported sale price of our common stock for any 20 trading days within a 30-trading day period ending

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  on the third trading day prior to the date on which we send the notice of redemption to the public warrant holders (the "Reference Value") 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 public warrant as described under the heading "*—Anti-dilution Adjustments*").

We will not redeem the public warrants as described above unless a registration statement under the Securities Act covering the issuance of the shares of common stock issuable upon exercise of the public warrants is then effective and a current prospectus relating to those shares of common stock is available throughout the 30-day redemption period. If and when the public warrants become redeemable by us, we may exercise our redemption right even if we are unable to register or qualify the underlying securities for sale under all applicable state securities laws.

We have established the last of the redemption criterion discussed above to prevent a redemption call unless there is at the time of the call a significant premium to the public warrant exercise price. If the foregoing conditions are satisfied and we issue a notice of redemption of the public warrants, each public warrant holder will be entitled to exercise its public warrant prior to the scheduled redemption date. However, after the redemption notice is issued the price of the common stock may fall below the $18.00 redemption trigger price (as adjusted for adjustments to the number of shares issuable upon exercise or the exercise price of a public warrant as described under the heading "*—Anti-dilution Adjustments*") as well as the $11.50 per share public warrant exercise price.

Redemption of Warrants for Shares of Common Stock

Commencing 90 days after the public warrants become exercisable, we may redeem the outstanding public warrants:

- in whole and not in part;
- at a price equal to a number of shares of common stock to be determined by reference to the existing table for Flame's warrants set forth in the registration statement on Form S-1, filed with the SEC in connection with Flame's initial public offering on February 5, 2021 (the "Flame IPO Registration Statement"), based on the redemption date and the "fair market value" of our common stock;
- upon a minimum of 30 days' prior written notice of redemption;
  - if, and only if, the Reference Value equals or exceeds $10.00 per share (as adjusted for adjustments to the number of shares issuable upon exercise or the exercise price of a public warrant as described under the heading "*—Anti-dilution Adjustments*") on the trading day prior to the date on which we send the notice of redemption to the public warrant holders;
  - if, and only if, the Reference Value is less than $18.00 per share (as adjusted for adjustments to the number of shares issuable upon exercise or the exercise price of a public warrant as described under the heading "*—Anti-dilution Adjustments*"); and
- the private placement warrants must also concurrently be called for redemption on the same terms as the outstanding public warrants, as described above.

Redemption Procedures

A holder of a public warrant may notify us in writing in the event it elects to be subject to a requirement that such holder will not have the right to exercise such public warrant, to the extent that after giving effect to such exercise, such person (together with such person's affiliates), to the warrant agent's actual knowledge, would beneficially own in excess of 9.8% (or such other amount as a holder may specify) of the shares of common stock outstanding immediately after giving effect to such exercise.

Anti-dilution Adjustments

If the number of issued and outstanding shares of common stock is increased by a stock dividend payable in shares of common stock, or by a split-up of shares of common stock or other similar event, then, on the effective date of such stock dividend, split-up or similar event, the number of shares of common stock issuable on exercise of each public warrant will be increased in proportion to such increase in the issued and outstanding shares of common stock. A rights offering to holders of common stock entitling holders to purchase shares of common stock at a price less than the fair market value will be deemed a stock dividend of a number of shares of common stock equal to the product of (i) the number of shares of common stock actually sold in such rights offering (or issuable under any other equity securities sold in such rights offering that are convertible into or exercisable for common stock) multiplied by (ii) one (1) minus the quotient of (x) the price per share of common stock paid in such rights offering divided by (y) the fair market value. For these purposes (i) if the rights offering is for securities convertible into or exercisable for common stock, in determining the price payable for common stock, there will be taken into account any consideration received for such rights, as well as any

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additional amount payable upon exercise or conversion and (ii) fair market value means the volume weighted average price of common stock as reported during the ten (10) trading day period ending on the trading day prior to the first date on which the shares of common stock trade on the applicable exchange or in the applicable market, regular way, without the right to receive such rights.

In addition, if we, at any time while the public warrants are outstanding and unexpired, pay a dividend or make a distribution in cash, securities or other assets to the holders of common stock on account of such shares of common stock (or other shares of our capital stock into which the public warrants are convertible), other than (a) as described above, or (b) any cash dividends or cash distributions which, when combined on a per share basis with all other cash dividends and cash distributions paid on the common stock during the 365-day period ending on the date by which of declaration of such dividend or distribution does not exceed $0.50 (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and other similar transactions) but only with respect to the Company must complete a business combination (the "Extension") from March 1, 2023, amount of the aggregate cash dividends or cash distributions equal to September 1, 2023 (the "Extended Date"). In connection with or less than $0.50 per share.

If the Extension, stockholders holding 20,317,255 number of issued and outstanding shares of Class A Common Stock exercised their right our common stock is decreased by a consolidation, combination, reverse stock split or reclassification of shares of common stock or other similar event, then, on the effective date of such consolidation, combination, reverse stock split, reclassification or similar event, the number of shares of common stock issuable on exercise of each public warrant will be decreased in proportion to redeem such decrease in issued and outstanding shares of common stock.

Whenever the number of shares of common stock purchasable upon the exercise of the public warrants is adjusted, as described above, the warrant exercise price will be adjusted by multiplying the warrant exercise price immediately prior to such adjustment by a fraction (x) the numerator of which will be the number of shares of public common stock purchasable upon the exercise of the public warrants immediately prior to such adjustment, and (y) the denominator of which will be the number of shares of common stock so purchasable immediately thereafter.

In case of any reclassification or reorganization of the issued and outstanding shares of common stock (other than those described above or that solely affects the par value of such shares for a pro rata portion of the funds common stock), or in the Trust Account, representing approximately 70.67% case of any merger or consolidation of us with or into another corporation (other than a consolidation or merger in which we are the continuing corporation and that does not result in any reclassification or reorganization of our issued and outstanding Class A ordinary shares. As shares of common stock), or in the case of any sale or conveyance to another corporation or entity of the assets or other property of us as an entirety or substantially as an entirety in connection with which we are dissolved, the holders of the public warrants will thereafter have the right to purchase and receive, upon the basis and upon the terms and conditions specified in the public warrants and in lieu of the shares of our common stock immediately theretofore purchasable and receivable upon the exercise of the rights represented thereby, the kind and amount of shares of stock or other securities or property (including cash) receivable upon such reclassification, reorganization, merger or consolidation, or upon a result, $206,121,060 (approximately $10.15 dissolution following any such sale or transfer, that the holder of the public warrants would have received if such holder had exercised their warrants immediately prior to such event.

However, if such holders were entitled to exercise a right of election as to the kind or amount of securities, cash or other assets receivable upon such merger or consolidation, then the kind and amount of securities, cash or other assets for which each public warrant will become

exercisable will be deemed to be the weighted average of the kind and amount received per share) was removed from share by such holders in such merger or consolidation that affirmatively make such election, and if a tender, exchange or redemption offer has been made to and accepted by such holders (other than a tender, exchange or redemption offer made by us in connection with redemption rights held by our stockholders as provided for in our Charter) under circumstances in which, upon completion of such tender or exchange offer, the Trust Account maker thereof, together with members of any group (within the meaning of Rule 13d-5(b)(1) under the Securities Exchange Act of 1934 (the "Exchange Act")) of which such maker is a part, and together with any affiliate or associate of such maker (within the meaning of Rule 12b-2 under the Exchange Act) and any members of any such group of which any such affiliate or associate is a part, own beneficially (within the meaning of Rule 13d-3 under the Exchange Act) more than 50% of the issued and outstanding shares of common stock, the holder of a public warrant will be entitled to pay receive the highest amount of cash, securities or other property to which such redeeming holder would actually have been entitled as a stockholder if such public warrant holder had exercised the public warrant prior to the expiration of such tender or exchange offer, accepted such offer and all of the shares of common stock held by such holder had been purchased pursuant to such tender or exchange offer, subject to adjustment (from and after the consummation of such tender or exchange offer) as nearly equivalent as possible to the adjustments provided for in the Warrant Agreement.

Additionally, if less than 70% of the consideration receivable by the holders of common stock in such a transaction is payable in the form of common stock in the successor entity that is listed for trading on March 2, 2023. a national securities exchange or is quoted in an established over-the-counter market, or is to be so listed for trading or quoted immediately following such event, and if the registered holder of the public warrant properly exercises the public warrant within thirty days following public disclosure of such transaction, the warrant exercise price will be reduced as specified in the Warrant Agreement based on the Black-Scholes value (as defined in the Warrant Agreement) of the public warrant.

Amended Letter Agreement

Private Placement Warrants

The private placement warrants (including the common stock issuable upon exercise of the private placement warrants) will not be redeemable by us so long as they are held by the Sponsor or its permitted transferees (except as otherwise set forth herein). On March 24, 2023, The initial holders, or their permitted transferees, have the Company entered into an amended Letter Agreement, which amended option to exercise the private placement warrants on a cashless basis. The private placement warrants have terms and provisions that certain Letter Agreement, dated are identical to those of the private placement warrants, including as of February 24, 2021, by to the exercise price, exercisability and among exercise period; provided, however, the Company, Flame Acquisition Sponsor private placement warrants issued to FL Co-Investment LLC FL Co-InvestmentLLC, and Intrepid Financial Partners, L.L.C. will not be exercisable more than five years after the effective date of the Flame IPO Registration Statement (February 24, 2021) in accordance with FINRA Rule 5110(g)(8)(A). If the private placement warrants are held by holders other than the initial holders or their permitted transferees, the private placement warrants will be redeemable by us in all redemption scenarios and exercisable by the holders on the same basis as the public warrants.

Exclusive Venue

Our Charter provides that, unless we consent in writing to the selection of an alternative forum, (a) the Chancery Court (or, in the event that the Chancery Court does not have jurisdiction, the federal district court for the District of Delaware or other state courts of the State of Delaware) will be the sole and exclusive forum for (1) any derivative action, suit or proceeding brought on our behalf, (2) any action, suit or proceeding asserting a claim of breach of a fiduciary duty owed by any director or officer of the Company to us or to our stockholders, (3) any action, suit or proceeding arising pursuant to any provision of the DGCL, or our Charter or Bylaws (as either may be amended from time to time) or (4) any action, suit or proceeding asserting a claim against us governed by the internal affairs doctrine; and (b) subject to the provisions of our Charter, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause or causes of action arising under the Securities Act, including all causes of action asserted against any defendant to such complaint. If any action the subject matter of which is within the scope of clause (a) of the immediately preceding sentence is filed in a court other than the courts in the State of Delaware (a "Foreign Action") in the name of any stockholder, such stockholder shall be deemed to have consented to (x) the personal jurisdiction of the state and federal courts in the State of Delaware in connection with any action brought in any such court to enforce the provisions of clause (a) of the immediately preceding sentence and (y) having service of process made upon such stockholder in any such action by service upon such stockholder's counsel in the Foreign Action as agent for such stockholder. Notwithstanding the foregoing, the provisions of Article IX of our Charter shall not apply to suits brought to enforce any liability or duty created by the Exchange Act, or any other claim for which the federal courts of the United States have exclusive jurisdiction.

Limitations on Liability and Indemnification of Officers and Directors

Our Charter and our Bylaws provide that we will indemnify and hold harmless our directors, to the fullest extent permitted by the DGCL as it presently exists or may hereafter be amended. In addition, our Charter provides that our directors will not be personally liable to us or our stockholders for monetary damages for any breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not permitted under the DGCL as the same exists or hereafter may be amended.

Our Bylaws also permit us to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Company, or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust enterprise or non-profit entity against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Company could have the power to indemnify him or her against such liability under the provisions of the DGCL.

These provisions may discourage stockholders from bringing a lawsuit against our directors for breach of their fiduciary duty. These provisions also may have the effect of reducing the likelihood of derivative litigation against officers and directors, even though such an action, if successful, might otherwise benefit us and our stockholders. Furthermore, a stockholder's investment may be adversely affected to the extent we pay the costs of settlement and damage awards against officers and directors pursuant to these indemnification provisions.

We believe that these provisions, the directors' and officers' liability insurance and the indemnity agreements are necessary to attract and retain talented and experienced officers and directors.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers and controlling persons pursuant to the foregoing provisions, or otherwise, we have been advised that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act, and is, therefore, unenforceable.

Anti-Takeover Effects of Provisions of our Charter, our Bylaws and Delaware Law

Certain provisions of Delaware law, our Charter and our Bylaws contain provisions that may delay, defer or discourage another party from acquiring control of us. We expect that these provisions, which are summarized below, will discourage coercive takeover practices or inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with our Board, which we believe may result in an improvement of the terms of any such acquisition in favor of our stockholders. However, they also give our Board the power to discourage acquisitions that some stockholders may favor.

Classified Board of Directors

Our Charter provides that our Board is divided into three classes, with the classes as nearly equal in number as possible and, following the expiration of specified initial terms for each class, each class serving three-year staggered terms. In addition, our Charter provides that directors may only be removed from our Board with cause. These provisions may have the effect of deferring, delaying or discouraging hostile takeovers, or changes in control of us or our management.

Requirements for Advance Notification of Stockholder Meetings, Nominations and Proposals

Our Charter provides that special meetings of the stockholders may be called only by (i) our Board acting pursuant to a resolution approved by the affirmative vote of a majority of the directors then in office, (ii) the chairperson of our Board, or (iii) our chief executive officer or president, and special meetings of stockholders may not be called by any other person or persons. Our Charter and our Bylaws prohibit the conduct of any business at a special meeting other than as specified in the notice for such meeting. In addition, any stockholder who wishes to bring business before an annual meeting or nominate directors must comply with the advance notice requirements set forth in our Bylaws. These provisions may have the effect of deferring, delaying or discouraging hostile takeovers or changes in control of us or our management.

Stockholder Action by Written Consent

Pursuant to Section 228 of the DGCL, any action required to be taken at any annual or special meeting of the stockholders may be taken without a meeting, without prior notice and without a vote if a consent or consents in writing, setting forth the action so taken, is signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares of our stock entitled to vote thereon were present and voted, unless our Charter provides otherwise. Our Charter precludes stockholder action by written consent.

Approval for Amendment of our Charter and Bylaws

Our Charter further provides that the affirmative vote of holders of at least 66 2/3% of the total voting power of all of the then outstanding shares of capital stock entitled to vote, voting as a single class, is required to amend certain provisions of our Charter, including provisions relating to the size of our Board, removal of directors, special meetings, actions by written consent and cumulative voting. The affirmative vote of holders of at least 66 2/3% of the voting power of all of the then outstanding shares of capital stock entitled to vote generally in an election of directors, voting as a single class, is required to amend or repeal our Bylaws, although our Bylaws may be amended by a simple majority vote of our Board.

Transfer Agent and Registrar and Warrant Agent

The transfer agent and registrar for our common stock and the warrant agent for our warrants is AST.

Stock Exchange

Our common stock and public warrants are listed on the NYSE under the symbols “SOC” and “SOC.WS”, respectively.

EXHIBIT 10.39

SABLE OFFSHORE CORP.
EMPLOYMENT AGREEMENT

This Employment Agreement (“Agreement”) by and between Sable Offshore Corp., a Texas corporation (“Company”), and James C. Flores (“Employee”) is entered into effective as of, and contingent upon, the merger of each Sable Offshore Holdings LLC and Sable Offshore Corp. into Flame Acquisition Corp. (the “Effective Date”).

WHEREAS, Company desires to increase employ Employee and Employee desires to be employed by Company; and

WHEREAS, the parties desire to enter into an employment agreement with certain provisions that are incorporated herein.

NOW, THEREFORE, in consideration of the mutual covenants, representations, warranties, and agreements contained herein, and for other valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. **Effectiveness Contingent upon Mergers**. This Agreement shall be effective as of and only in the event of consummation of (i) the merger of Sable Offshore Holdings LLC with and into Flame Acquisition Corp. and (ii) the merger of Sable Offshore Corp. with and into Flame Acquisition Corp. (each, a “Merger” and collectively, the “Mergers”). In the event the Mergers do not occur, this Agreement shall be null and void ab initio.

2. **Employment-at-will**. Company agrees to employ Employee, and Employee hereby agrees to be employed by Company. Employment of Employee shall be at will and may be terminated by either party on the terms and conditions set forth in this Agreement.

3. **Term of Employment**. Subject to the provisions for termination provided in this Agreement, the term of this Agreement shall be for a period of three (3) years beginning on the Effective Date. On each annual anniversary of the Effective Date, the term shall extend so that the term of this Agreement shall again be for three (3) years extending from that anniversary date unless either party provides the other party, not less than thirty (30) days’ written notice prior to that anniversary date, of such party’s election not to renew the Agreement. On each subsequent annual anniversary date of the Effective Date, the term of this Agreement shall again extend to three (3) years unless the requisite thirty (30) days’ written notice of non-renewal was provided by either party. Once either party provides timely notice of non-renewal, the term of this Agreement shall no longer extend, and the term of this Agreement shall end at the conclusion of the then existing term. The term of this Agreement, including any extensions that occur as provided for above, shall be referred to herein as the “Employment Term.” Either party may terminate this Agreement at any time, subject to the terms of this Agreement.

4. **Employee’s Duties**.

(a) During the Employment Term, Employee shall serve as the Chairman of the Board of Directors of Company (the “Board”) and the Chief Executive Officer of Company, with such customary duties and responsibilities as may from time to time be assigned to him by the Board, *provided* that such duties are at all times consistent with the

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duties of such position. Employee shall report directly to the Board. All other employees of Company shall report directly to Employee. Employee agrees to serve without additional compensation, if elected or appointed thereto, in one or more offices or a director of any of Company’s subsidiaries. For purposes of this Agreement, a “Subsidiary” shall mean any entity in which Company owns a majority of the voting stock of the class of securities (or other interests in the case of a limited liability company, partnership or other entity) that may vote in the election of the members of the governing body of such entity. Employee may engage in the following activities so long as they do not interfere in any material respect with the performance of Employee’s duties and

responsibilities hereunder: (i) serve on corporate, civic or charitable boards or committees, (ii) deliver lectures, fulfill speaking engagements or teach on a part-time basis at educational institutions but not more than 20 hours per month, and (iii) manage his personal investments; provided, however, that in no event shall the conduct of any such activities by Employee be deemed to materially interfere with Employee's duties hereunder until Employee has been notified in writing thereof by the Board and given a reasonable period in which to cure such interference. In addition, Employee shall be permitted to manage his personal investments, *provided*, that (a) such management shall not interfere in any material respect with the performance of Employee's duties and responsibilities hereunder or violate Company's conflicts policy or similar policy as in effect from time to time, (b) Employee informs the Board of any conflicts of interest (whether actual or apparent) with Company and any of its Subsidiaries, including, but not limited to, any event reasonably likely to raise the appearance of conflicts, and (c) Employee notifies the Board of, and discusses with the Board with respect to, any opportunities presented to Employee or any of the entities in which Employee owns a majority interest in connection with such continued ownership and management that should be offered to Company or its Subsidiaries. Notwithstanding the foregoing, Company agrees that Employee's management of his current personal investments, as disclosed to independent members of the board of directors of Flame Acquisition Corp. prior to the date of execution of this Agreement, shall not be deemed to materially interfere with his duties hereunder.

(b) Company agrees to (i) nominate Employee as a director of Company to serve during the Employment Term beginning on the Effective Date, (ii) use its best efforts to cause Employee to be elected or appointed, or re-elected or reappointed, as a director of Company during the Employment Term, and (iii) use its reasonable best efforts to appoint Employee a member of each committee of the Board, other than any compensation committee of the Board ("Compensation Committee"), audit committee of the Board, or nominating committee of the Board, to the extent such membership does not create any conflict of interest with respect to Company and is permitted by Company's certificate of incorporation and by-laws as in effect from time to time and applicable federal, state or local laws, regulations or rules, including, but not limited to, rules of any stock exchange.

5. **Compensation**.

(a) Base Salary. For services rendered by Employee under this Agreement, Company shall pay to Employee a base salary ("Base Salary") of $1,300,000.00 per annum payable in substantially equal installments in accordance with Company's customary payroll practices for its senior executive officers. The amount of convertible promissory notes allowed Base Salary shall be

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reviewed periodically by the Compensation Committee and may be increased from up time to $1,500,000 time as the Compensation Committee may deem appropriate. Base Salary, as in effect at any time, may not be decreased without the prior written consent of Employee.

(b) Annual Bonus. In addition to up his Base Salary, Employee shall be eligible, post-production, to $ 3,500,000.

Promissory Note Amendments receive with respect to each calendar year during the Employment Term a cash incentive payment ("Annual Bonus") in an amount determined by the Compensation Committee based on Employee's individual performance and the performance of Company. The target amount of each Annual Bonus shall be equal to 150% of Employee's Base Salary. An Annual Bonus shall become payable if Employee remains continuously employed with Company through December 31 of the applicable calendar year. Each Annual Bonus, if payable, shall be paid in a single lump sum in cash no later than March 15 of the calendar year immediately following the calendar year to which the Annual Bonus relates. Annual Bonuses are to be approved annually in good faith by the Compensation Committee.

(c) Equity Incentive Grants. On March 28, 2023, Equity incentive awards may be granted annually to Employee at the sole discretion of and subject to such terms and conditions as determined by the Compensation Committee and the Board.

6. **Other Benefits; Business Expenses**.

(a) Employee shall be entitled to participate in all employee benefit plans, fringe benefit arrangements and perquisite arrangements offered by Company to any of its senior executive officers, including, without limitation, participation in the various health, retirement, customary term life insurance, short-term and Flame Acquisition Sponsor LLC entered into amendments long-term disability insurance, parking and other employee benefit plans or programs provided to the employees of Company in general, subject to the regular eligibility requirements with respect to each of such benefit plans or programs, and such other benefits or perquisites as may be approved by the Q3 2022 Promissory Note, Q4 2022 Promissory Note Compensation Committee during the Employment Term, all on a basis at least as favorable to Employee as may be provided to any similarly-situated senior executive officers of Company. Notwithstanding the foregoing, nothing herein shall limit the ability of Company to amend, modify or terminate any such plans or arrangements at any time and Q1 2023 Promissory Note, from time to time in accordance with their terms and applicable law.

(b) Employee shall be entitled to take appropriate and reasonable annual vacation time, provided that such vacation time does not interfere with his duties hereunder.

(c) Company shall reimburse Employee for all reasonable business expenses incurred by Employee during the Employment Term in the performance of his duties, which expenses will be subject to the oversight of the Company's audit committee in the normal course. It is understood that Employee is authorized to incur reasonable business expenses for promoting the business of Company, including reasonable expenditures for travel, lodging, meals and client or business associate entertainment. Request for reimbursement for such expenses must be accompanied by appropriate documentation. Employee shall be entitled to personal use of Company aircraft in accordance with Company policy for such use by senior executives. In addition, Employee shall be entitled to reimbursement in accordance with Company's reimbursement policies for Company's use of Employee's personal aircraft.

(d) During the Employment Term, Company shall provide, at no cost to Employee, an executive assistant to Employee.

7. **Termination of Employment**. Employee's employment may be terminated as set forth below:

(a) Death or Termination due to Disability. Employee's employment with Company shall terminate immediately and automatically upon Employee's death during the Employment Term. If Company determines that Employee has suffered a Disability during the Employment Term, Company may give Employee written notice of its intention to terminate Employee's employment due to his Disability. In such event, Employee's employment with Company shall terminate effective on the 30th day after Company provides Employee with such notice, provided that Employee shall not have returned to full-time performance of Employee's duties prior to such 30th day. For purposes of this Agreement, "Disability" means a physical or mental condition resulting in Employee's inability to perform his duties hereunder for a period of six (6) consecutive calendar months, as determined by Employee's physician.

(b) Termination by Company for Cause; Termination by Employee without Good Reason; Retirement. Company may terminate Employee's employment with Company at any time for Cause. Employee may terminate Employee's employment with Company without Good Reason (including due to his Retirement) upon thirty (30) days written notice to Company. For purposes of this Agreement, "Cause" means (A) the failure by Employee to perform reasonably assigned duties with Company, (B) the engaging by Employee in conduct which is demonstrably and materially injurious to Company and its Subsidiaries taken as a whole, (C) Employee's having been convicted of, or entered a plea of nolo contendere to burglary, larceny, murder or arson or a crime involving deceit, fraud, perjury or embezzlement, or (D) Employee's failure to notify Company of any actual or apparent conflict of interest relating to Employee's management of personal investments in accordance with Section 4 of this Agreement. Notwithstanding the foregoing, prior to any termination for Cause under clauses (A), (B) or (D) of the immediately preceding sentence, (X) Company must provide Employee with reasonable notice detailing the failure or conduct which the Board believes to constitute Cause, (Y) Company must provide Employee a reasonable opportunity to cure such failure or conduct, and (Z) after such notice and an opportunity to cure, a majority of the Board must reasonably determine that Employee has not cured such failure or conduct. Notwithstanding the foregoing provisions, Employee shall not be deemed to have been terminated for Cause unless and until Employee shall have been provided an opportunity to be heard in person by the Board (with the assistance of Employee's counsel if Employee so desires). For purposes of this Agreement, "Retirement" means Employee's termination of employment with Company without Good Reason after reaching age 73.

(c) Termination by Company without Cause; Termination by Employee for Good Reason. Company may terminate Employee's employment without Cause upon

thirty (30) days written notice to Employee. Employee may terminate his employment with Company for Good Reason if (i) Employee provides Company with written notice of the condition alleged to constitute Good Reason within 60 days of the initial existence of such condition, (ii) Company is provided with at least 30 days to cure such condition, and (iii) if Company does not timely cure such condition, Employee terminates his employment with Company within 30 days after the end of the cure period. In the event Company timely cures the condition alleged to constitute Good Reason, Employee shall not be entitled to terminate for Good Reason with respect to such condition. For purposes of this Agreement, "Good Reason" means any of the following occurs without, other than with respect to item (vii) below, Employee's written consent:

(i) the assignment to Employee by the Board of any duties that materially adversely alter the nature or status of Employee's office, title, responsibilities, including reporting responsibilities, from those in effect immediately prior to such assignment;

(ii) the failure by Company to continue in effect any compensation plan in which Employee participates that is material to Employee's total compensation unless an equitable arrangement (embodied in an ongoing substitute or alternative plan) has been made with respect to such plan, or the failure by Company to continue Employee's participation therein (or in such

substitute or alternative plan) on a basis not materially less favorable to Employee, unless any such failure to continue in effect any compensation plan or participation relates to a discontinuance of such plans or participation on a management-wide or Company-wide basis;

(iii) the taking of any action by Company which would directly or indirectly materially reduce or deprive Employee of any material pension, welfare or fringe benefit then enjoyed by Employee, unless such action relates to a discontinuance of benefits on a management-wide or Company-wide basis;

(iv) the relocation of Company's principal executive offices outside the greater Houston, Texas metropolitan area, or Company's requiring Employee to relocate anywhere other than the location of Company's principal executive offices, except for required travel on Company's business to an extent substantially consistent with Employee's obligations under this Agreement;

(v) the failure to nominate Employee as a director of Company or to use best efforts to cause Employee to be elected or appointed, or re-elected or reappointed, as a director of Company or to use reasonable best efforts to appoint Employee a member of a committee in accordance with, and to the extent provided, in Section 4 hereof;

(vi) the material breach by Company of a material provision of this Agreement; or

(vii) Employee's termination of his employment with Company or any successor who has assumed this Agreement in accordance with Section 15 hereof following a Change in Control.

Employee's right to terminate employment pursuant to this subsection shall not be affected by Employee's incapacity due to physical or mental illness. In addition, Employee's continued employment following any event, act or omission, regardless of the length of such continued employment, shall not constitute Employee's consent to, or a waiver of Employee's rights with respect to, such event, act or omission constituting a Good Reason circumstance hereunder.

(d) Termination due to Non-Renewal of Agreement. Either Company or Employee may terminate Employee's employment with Company due to non-renewal of this Agreement upon timely providing notice in accordance with Section 3.

(e) Termination of Agreement. In all cases, termination of Employee's employment with Company shall result in immediate and automatic termination of this Agreement.

(f) Resignations from Boards and as Officer. Termination of Employee's employment for any reason whatsoever shall constitute Employee's resignation from the Board and the boards of directors of any affiliate of Company on which loans he serves, if any, and resignation as an officer of Company and of any of the subsidiaries for which he serves as an officer.

8. **Obligations of Company upon Termination of Employment**. Upon termination of Employee's employment during the Employment Term, Employee shall be entitled to the compensation and benefits described in this Section 8 and shall have no further rights to any compensation or any other benefits from Company or any of its affiliates.

(a) Accrued Obligations. If Employee's employment with Company terminates for any reason, Company shall pay or provide Employee with the following:

(i) Any earned but unpaid Base Salary through Employee's last day of employment with Company ("Termination Date"),

(ii) Payment for any accrued but unused vacation or paid time-off as of Employee's Termination Date, to the extent payment is required under Company's vacation or paid time-off policies,

(iii) Any earned but unpaid Annual Bonus, incentive or other cash bonuses for any prior period that remain unpaid as of Employee's Termination Date,

(iv) Any reimbursements for expenses incurred but not yet paid as of Employee's Termination Date, and

(v) Any other amounts or benefits required to be paid or provided or which Employee is eligible to receive under any plan, program, policy or practice or contract or agreement of Company and in accordance with the terms thereof, any deferred compensation arrangements or agreements between Employee and Company, or other benefit plans, in accordance with the terms of such plans, programs or policies (collectively, "Accrued Obligations").

Payment of any Accrued Obligations in clauses (i) through (iii) shall be made in a single lump sum in cash within ten (10) business days following Employee's Termination Date (or such earlier date as required by applicable law). Payment of any Accrued Obligations under clause (iv) shall be made in accordance with Company's expense reimbursement policies.

Any Accrued Obligations under clause (v) shall be paid or provided in accordance with the terms of the applicable plan, program, policy or practice or contract or agreement.

(b) Termination by Company for Cause; Termination by Employee without Good Reason; Termination due to Non-Renewal of Agreement by Employee. If, during the Employment Term, Employee's employment is terminated (i) by Company for Cause, (ii) by Employee without Good Reason (other than due to Retirement), or (iii) by Employee due to Employee's non-renewal of the Agreement, then Company shall have no further obligations to Employee, other than with respect to the Accrued Obligations.

(c) Termination by Company without Cause; Termination by Company due to Disability; Employee's Death; Termination by Employee for Good Reason; Retirement; Termination due to Non-renewal of Agreement by Company. If, during the Employment Term, Employee's employment is terminated (i) by Company without Cause, (ii) by Company due to Employee's Disability, (iii) due to Employee's death, (iv) by Employee for Good Reason, (v) by Employee due to Retirement, or (iv) due to Company's non-renewal of the Agreement, then, in addition to the Accrued Obligations, Employee shall be entitled, subject to Employee's execution, return to Company and non-revocation of a release of claims in favor of Company in a form reasonably acceptable to Company, which release becomes final and irrevocable no later than 55 days after the Termination Date ("Release Requirement"), the compensation and benefits set forth under either subsection (i) or subsection (ii) below, as applicable:

(i) In the event Employee's employment terminates in accordance with this Section 8(c) (1) prior to a Change in Control, (2) more than two (2) years after a Change in Control, or (3) at any time due to Retirement:

(A) A lump sum in cash in an amount equal to the product of (I) two (2), multiplied by (II) the sum of (x) Employee's then-current Base Salary (provided that if Employee is terminating employment for Good Reason due to a reduction in Base Salary, then Base Salary immediately prior to such notes are, reduction shall be used) and (y) Employee's average Annual Bonus for the three immediately preceding years or such lesser number of completed years of employment with Company as applicable (provided that if Employee's employment terminates prior to completion of one full year for Annual Bonus purposes, Employee's then-current target Annual Bonus opportunity shall be used) (such product, "Standard Severance");

(B) All outstanding Company equity incentive awards then held by Employee shall become fully vested and non-forfeitable and all performance goals and metrics shall be deemed to be achieved at maximum levels ("Equity Award Benefit"); and

(C) Monthly reimbursement of up to 36 months of premiums for Employee's and his eligible dependents' continued coverage under Company group healthcare plan pursuant to COBRA, subject to Employee's timely election to continue coverage pursuant to COBRA, Employee's continued eligibility for such coverage pursuant to COBRA, and Employee timely providing Company with reasonable documentation substantiating Employee's payment of such premiums ("COBRA Benefit").

(ii) In the event Employee's employment terminates in accordance with this Section 8(c) during the two-year period immediately following a Change in Control and other than due to Retirement,

(A) A lump sum in cash in an amount equal to the product of (I) three (3), multiplied by (II) the sum of (x) Employee's then-current Base Salary (provided that if Employee is terminating employment for Good Reason due to a reduction in Base Salary, then Base Salary immediately prior to such reduction shall be used) and (y) Employee's average Annual Bonus for the three immediately preceding years or such lesser number of completed years of employment with Company as applicable (provided that if Employee's employment terminates prior to completion of one full year for Annual Bonus purposes, Employee's then-current target Annual Bonus opportunity shall be used) (such product, "CIC Severance");

(B) The Equity Award Benefit; and

(C) The COBRA Benefit.

Notwithstanding the foregoing, if Employee's employment is terminated prior to a Change in Control and Employee reasonably demonstrates to the Board no later than the date of such Change in Control that such termination (x) was at the lender's discretion, convertible into warrants request of a third party who has indicated an intention or has taken steps reasonably calculated to effect such Change in Control and who effectuates such Change in Control or (y) otherwise occurred in connection with, or in anticipation of, a Change in Control which actually occurs, then if Employee has already received the Standard Severance, but would otherwise have been eligible to receive the CIC Severance had his employment terminated immediately after the Change in Control, Employee shall be entitled to receive the excess of the post-Business CIC

Severance over the Standard Severance in a single lump sum in cash on the 30th day after such Change in Control, provided such Change in Control also constitutes a "change in control event" as defined in Treasury Regulation section 1.409A-3(i)(5).

(iii) The Standard Severance or CIC Severance, as applicable, shall be paid on the 60th day following the Termination Date. In no event shall both the Standard Severance and the CIC Severance be payable.

(iv) In the event Employee does not timely satisfy the Release Requirement, none of the Standard Severance or CIC Severance, as applicable, the Equity Award Benefit or the COBRA Benefit shall be paid or provided.

(v) To the extent the COBRA Benefit is taxable to Employee, Company shall provide Employee with a tax gross-up payment such that Employee is placed in the same economic position as he would have been had such benefit not been taxable.

(vi) For purposes of this Agreement, "Change in Control" means the first of the following to occur during the Employment Term:

(A) The acquisition by any "Person" (as the term person is used for purposes of Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended (the "1934 Act")) of "Beneficial Ownership" (within the meaning of Rule 13d-3 promulgated under the 1934 Act) of any securities of Company that generally entitles the holder thereof to vote for the election of directors of Company (the "Voting Securities") which, when added to the Voting Securities then Beneficially Owned by such Person, would result in such Person either Beneficially Owning fifty percent (50%) or more of the combined voting power of Company's then outstanding Voting Securities or having the ability to elect fifty percent (50%) or more of the members of the Board; *provided*, *however*, that for purposes of this paragraph (A) of this Section 8(c)(iv), a Person shall not be deemed to have made an acquisition of Voting Securities if such Person: (1) becomes the Beneficial Owner of more than the permitted percentage of Voting Securities solely as a result of open market acquisition of Voting Securities by Company which, by reducing the number of Voting Securities outstanding, increases the proportional number of shares Beneficially Owned by such Person; (2) is Company or any corporation or other Person of which a majority of its voting power or its equity securities or equity interest is owned directly or indirectly by Company (a "Controlled Entity"); (3) acquires Voting Securities in connection with a Non-Control Transaction (as defined in paragraph (C) of this Section 8(c)(iv)); or (4) becomes the Beneficial Owner of more than the permitted percentage of Voting Securities as a result of a transaction approved by a majority of the Incumbent Board (as defined in paragraph (B) below); or

(B) The individuals who, as of the Effective Date, are members of the Board (the "Incumbent Board"), cease for any reason to constitute at

least a majority of the Board; *provided*, *however*, that if either the election of any new director or the nomination for election of any new director by Company's stockholders was approved by a vote of at least a majority of the Incumbent Board, such new director shall be considered as a member of the Incumbent Board; provided, further, however, that no individual shall be considered a member of the Incumbent Board if such individual initially assumed office as a result of either an actual or threatened "Election Contest" (as described in Rule 14a-11 promulgated under the 1934 Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board (a "Proxy Contest") including by reason of any agreement intended to avoid or settle any Election Contest or Proxy Contest; or

(C) The consummation of a merger, consolidation or reorganization involving Company (a "Business Combination"), unless (1) the stockholders of Company, immediately before the Business Combination, own, directly or indirectly immediately following the Business Combination, at least fifty percent (50%) of the combined voting power of the outstanding voting securities of the corporation resulting from the Business Combination (the "Surviving Corporation") in substantially the same proportion as their ownership of the Voting Securities immediately before the Business Combination, and (2) the individuals who were members of the Incumbent Board immediately prior to the execution of the agreement providing for the Business Combination constitute at least a majority of the members of the Board of Directors of the Surviving Corporation, and (3) no Person (other than (x) Company or any Controlled Entity, (y) a trustee or other fiduciary holding securities under one or more employee benefit plans or arrangements (or any trust forming a part thereof) maintained by Company, the Surviving Corporation or any Controlled Entity, or (z) any Person who, immediately prior to the Business Combination, had Beneficial Ownership of fifty percent (50%) or more of the then outstanding Voting Securities) has Beneficial Ownership of fifty percent (50%) or more of the combined voting power of the Surviving Corporation's then outstanding voting securities (a Business Combination described in clauses (1), (2) and (3) of this paragraph shall be referred to as a "Non-Control Transaction");

(D) A complete liquidation or dissolution of Company; or

(E) The sale or other disposition of all or substantially all of the assets of Company to any Person (other than a transfer to (1) any entity at that, immediately prior to its acquisition of such assets, is owned directly or indirectly by the stockholders of Company in substantially the same proportion as their ownership of stock in Company immediately prior to such acquisition or (2) an affiliate of Company).

A Change in Control shall not be deemed to occur solely because fifty percent (50%) or more of the then outstanding Voting Securities is Beneficially Owned by (x) a price trustee or other fiduciary holding securities under one or more employee benefit plans or arrangements (or any trust forming a part thereof) maintained by Company or any Controlled Entity or (y) any entity that, immediately prior to its acquisition of $1.00 per warrant.

On February 27, 2023, such interest, is owned directly or indirectly by the stockholders of Company in substantially the same proportion as their ownership of stock in Company immediately prior to such acquisition.

Any event that would otherwise constitute a Change in Control shall not be deemed to be a Change in Control if thereafter the Incumbent Board continues to constitute a majority of the Board.

For purposes of this Agreement, neither of the Mergers shall be considered a Change in Control.

9. **Restrictive Covenants**.

(a) Confidential Information; Unauthorized Disclosure. Employee acknowledges that during the Employment Term, Company shall disclose to Employee and provide Employee with access to trade secrets and confidential information of Company or its Subsidiaries; or place Employee in a position to develop business goodwill on behalf of Company or its Subsidiaries; or entrust Employee with business opportunities of Company or its Subsidiaries. During the period of his employment hereunder and for a period of two (2) years following the termination of employment, Employee shall not, whether during the period of his employment hereunder or thereafter, without the written consent of the Board or a person authorized thereby, disclose to any person, other than an employee of Company or a person to whom disclosure is reasonably necessary or appropriate in connection with the Extension, performance by Employee of his duties as an executive of Company, any trade secrets or confidential information obtained by him while in the employ of Company filed with respect to Company's business, including but not limited to technology, know-how, processes, maps, geological and geophysical data, other proprietary information and any information whatsoever of a confidential nature, the disclosure of which he knows or should know will be damaging to Company; *provided*, *however*, that trade secrets and confidential information shall not include any information known generally to the public (other than as a result of unauthorized disclosure by Employee) or any information which Employee may be required to disclose by any applicable law, order, or judicial or administrative proceeding.

(b) Non-Competition. As part of the consideration for the compensation and benefits to be paid to Employee hereunder; to protect the trade secrets and confidential information of Company or its Subsidiaries that have been and will in the future be disclosed or entrusted to Employee; the business goodwill of Company or its Subsidiaries that has been and will in the future be developed by Employee or the business opportunities that have been and will in the future be disclosed or entrusted to Employee by Company or its Subsidiaries; and as an amendment (the "Extension Amendment" additional incentive for Company to enter into this Agreement, Company and Employee agree to the following competition provisions:

During the Employment Term and for a period of two years thereafter, Employee shall not, with respect to oil & gas assets in the state of California, directly or indirectly

engage in or become interested financially in as a principal, employee, partner, shareholder, agent, manager, owner, advisor, lender, guarantor of any person engaged in any business substantially identical to the Business (defined below); provided, however, that Employee may invest in stock, bonds or other securities in any such business (without participating in such business) if: (i) (A) such stock, bonds or other securities are listed on any United States securities exchange or are publicly traded in an over the counter market and (B) its investment does not exceed, in the case of any capital stock of any one issuer, 5% of the issued and outstanding capital stock, or in the case of bonds or other securities, 5% of the aggregate principal amount thereof issued and outstanding, or (ii) such investment is completely passive and no control or influence over the management or policies of such business is exercised. The term "Business" shall mean the exploration, development and production of crude petroleum and natural gas. Notwithstanding the foregoing provisions of this Section 9(b), in the event of a termination of Employee's employment by Company without Cause or in the event of Employee's resignation for Good Reason, Employee shall have no further obligations under this Section 9(b) unless

such termination occurs within the two-year period immediately following a Change in Control or Employee otherwise becomes entitled to receive the CIC Severance.

(c) Non-Solicitation. Employee undertakes toward Company and is obligated, during the Employment Term and for a period of two years thereafter, not to solicit or hire, directly or indirectly, in any manner whatsoever (except in response to a general solicitation), in the capacity of employee, consultant or in any other capacity whatsoever, one or more of the employees, directors or officers or other persons (hereinafter collectively referred to as "Employees") who at the time of solicitation or hire, or in the 90 day period prior thereto, are working full-time or part-time for Company or any of its Subsidiaries and not to endeavor, directly or indirectly, in any manner whatsoever, to encourage any of said Employees to leave his or her job with Company or any of its Subsidiaries and not to endeavor, directly or indirectly, and in any manner whatsoever, to incite or induce any client or customer of Company or any of its Subsidiaries to terminate, in whole or in part, its business relations with Company or any of its Subsidiaries.

(d) Proprietary Rights.

(i) Assignment. Employee hereby irrevocably assigns and agrees to assign to Company all rights Employee may have in any and all intellectual property that relate to Company's actual or anticipated business developed partially or wholly by Employee during his employment with Company. Company agrees to provide Employee an opportunity to develop new intellectual property in an expanded nature.

(ii) Work for Hire. Employee agrees that if, in connection with the performance of his duties while employed by Company, Employee creates, or assists in the creation of, any work that relates to Company's actual or anticipated business that may be protectable under the copyright laws or similar laws: (a) that such work is considered a "work made for hire," (b) Company shall be considered

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the author and owner of the work, and (c) if it is later determined that the work was not a "work made for hire," Employee hereby assigns to Company any copyrights and other ownership interests that Employee may have in the work.

(iii) Inventions. Employee further agrees to promptly and fully inform and disclose to Company the existence of all (a) inventions, potential inventions, designs, discoveries, processes, business plans, improvements, ideas ("Inventions"), (b) works of authorship, or (c) derivative works, provided that such Inventions, works of authorship or derivative works relate to Company's actual or anticipated business, that are in any way created, have resulted, or are derived from the use of Company's resources or were created, resulted or derived from while performing Employee's duties as an employee employed by Company, all of which shall be the exclusive property of Company. Employee further agrees to maintain current and adequate written records on the development of the aforementioned Inventions, works of authorship and derivative works. Employee hereby assigns and agrees to assign, without further compensation, all of Employee's right, title, and interest in or to the aforementioned Inventions, works of authorship, and derivative works.

(iv) Applications and Registrations. Employee agrees to assist Company in every proper way to perfect Company's rights in all Inventions, trademarks, and copyrightable works; including, without limitation, promptly executing and delivering such patent, copyright, trademark or other applications, assignments, descriptions and other instruments, and to take such actions, as may be reasonably necessary to vest title to, maintain title to, and/or defend or enforce the rights of Company in the Inventions, trademarks, or copyrightable works.

(v) Attorney in Fact. Employee agrees that in the event Company is unable, for any reason, after reasonable effort, to secure Employee's signature on any document needed in connection with the actions specified in this Section 9(d), Employee irrevocably designates and appoints Company and its duly authorized officers and agents as Employee's agent and attorney in fact, to act for and on behalf of Employee to execute, verify and file any such documents and to do all other lawfully permitted acts to further the purposes of this assignment with the same legal force and effect as if executed by Employee.

(e) Enforcement. It is the desire and intent of the parties that the provisions of this Section 9 shall be enforced to the fullest extent permissible under the laws and public policies applied in each jurisdiction in which enforcement is sought. Accordingly, if any particular provision of this Section 9 shall be adjudicated to be invalid or unenforceable, such provision shall be deemed amended to delete therefrom the portion thus adjudicated to be invalid or unenforceable. Such deletion shall apply only with respect to the operation of such provisions of this Section 9 in the particular jurisdiction in which such adjudication is made. In addition, if the scope of any restriction contained in this Section 9 is too broad to permit enforcement thereof to its Amended fullest extent, then such restriction shall be enforced to the maximum extent permitted by law, and Restated Certificate Employee hereby consents and agrees that such scope may be judicially modified in any proceeding brought to enforce such restriction.

(f) Remedies. In the event of Incorporation a breach or threatened breach by Employee of the provisions of this Section 9, Company shall be entitled to an injunction and such other equitable relief as may be necessary or desirable to enforce the restrictions contained herein. Nothing herein contained shall be construed as prohibiting Company from pursuing any other remedies available for such breach or threatened breach or any other breach of this Agreement.

(g) Immunity Notice. Notwithstanding any other provision of this Agreement:

(i) Employee will not be held criminally or civilly liable under any federal or state trade secret law for any disclosure of a trade secret that (i) is made: (A) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding;

(ii) If Employee files a lawsuit for retaliation, Employee may disclose Company's trade secrets to his attorney and use the trade secret information in the court proceeding if Employee: (i) files any document containing the trade secret under seal; and (ii) does not disclose the trade secret, except pursuant to court order; and

(iii) Nothing in this Agreement prohibits Employee from (i) exercising any rights that cannot be lawfully waived or restricted; (ii) communicating with or initiating or participating in any investigation conducted by the Equal Employment Opportunity Commission or other fair employment practices agency; or (iii) otherwise reporting possible violations of federal, state, or local law or regulation to any governmental agency or entity, including but not limited to the United States Department of Justice, the Securities and Exchange Commission, Congress, and/or any agency Inspector General, or making other disclosures that are protected under the whistleblower provisions or other provisions of federal, state, or local law or regulation. Employee does not need the prior authorization of Company to make any such reports or disclosures and Employee is not required to notify Company that Employee has made such reports or disclosures.

10. **Mitigation**. Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which Company may have against Employee or others. In no event shall Employee be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to Employee under any of the provisions of this Agreement and such amounts shall not be reduced whether or not Employee obtains other employment.

11. **Non-exclusivity of Rights**. Nothing in this Agreement shall prevent or limit Employee's continuing or future participation in any employee benefit plan, program, policy or practice provided by Company or its affiliates and for which Employee may qualify, except as specifically provided herein. Amounts that are vested benefits or which Employee is otherwise

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entitled to receive under any plan, policy, practice or program of Company or any of its affiliates at or subsequent to Employee's Termination Date shall be payable in accordance with such plan, policy, practice or program except as explicitly modified by this Agreement.

12. **Assignability**. The obligations of Employee hereunder are personal and may not be assigned or delegated by him or transferred in any manner whatsoever, nor are such obligations subject to involuntary alienation, assignment or transfer, except by will or the laws of descent and distribution.

13. **Notice**. For the purpose of this Agreement, notices and all other communications provided for in the Agreement shall be in writing and shall be deemed to have been duly given when personally delivered, sent by overnight courier or by electronic mail with confirmation of receipt or on the third business day after being mailed by United States registered mail, return receipt requested, postage prepaid, addressed to Company at its principal office address and electronic mail address, directed to the attention of the Board with a copy to the Secretary of Company, and to Employee at Employee's residence address and electronic mail address on the records of Company or to such other address as either party may have furnished to the other in writing in accordance herewith except that notice of change of address shall be effective only upon receipt.

14. **Validity**. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

15. **Successors; Binding Agreement**.

(a) This Agreement is personal to Employee and shall not be assignable by Employee otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by Employee's legal representatives,

executors, administrators, successors, heirs, distributes, devisees and legatees. This Agreement may be assigned by Company and shall be binding and inure to the benefit of Company and its successors and assigns.

(b) Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and assets of Company ("Successor") or any corporation which becomes the ultimate parent corporation of Company or any such Successor ("Ultimate Parent") to expressly assume and agree in writing satisfactory to Employee to perform this Agreement in the same manner and to the same extent that Company would be required to perform it if no such succession had taken place; provided, however, that express assumption shall not be required where this Agreement is assumed by operation of law. As used in this Agreement, including, without limitation, in Section 3, the term "Company" shall include any Successor and Ultimate Parent which executes and delivers the Agreement as provided for in this Section 15 or which otherwise becomes bound by all terms and provisions of this Agreement by operation of law.

16. **Indemnification**. During the Employment Term and for a period of six years thereafter, Company shall cause Employee to be covered by and named as an insured under any policy or contract of insurance obtained by it to insure its directors and officers against personal liability for acts or omissions in connection with service as an officer or director of Company or service in other capacities at the request of Company. The coverage provided to Employee pursuant to this Section 16 shall be of a scope and on terms and conditions at least as favorable as the most favorable coverage provided to any other officer or director of Company (or any successor). In addition, to the maximum extent permitted by the by-laws of Company in effect from time to time and applicable law, during the Employment Term and for a period of six years thereafter, Company shall indemnify Employee against and hold Employee harmless from any costs, liabilities and losses for Employee's services as an employee, officer and director of Company (or any successor).

17. **Withholding**. Anything to the contrary notwithstanding, all payments required to be made by Company hereunder to Employee, his spouse, his estate or beneficiaries, shall be subject to withholding of such amounts relating to taxes as Company may reasonably determine it should withhold pursuant to any applicable law or regulation. In lieu of withholding such amounts in whole or in part, Company may, in its sole discretion, accept other provisions for payment of taxes as required by law, provided it is satisfied that all requirements of law affecting its responsibilities to withhold such taxes have been satisfied.

18. **Legal Fees**. If either party to this Agreement brings legal action to enforce the terms of this Agreement against another party to this Agreement, except as may otherwise be ordered by the court or other forum, each such party shall be liable for his or its own expenses incurred in such legal action including costs of court or other forum and the fees and expenses of counsel; provided, however, Company shall pay all of Employee's actual legal fees and expenses reasonably incurred by Employee in (i) any claim by Employee following a Change in Control, or (ii) any successful claim against Company or its successor in interest. All reimbursements by Company hereunder shall be made within ten (10) business days after delivery to it of Employee's written requests for payment accompanied with such evidence of fees and expenses incurred as Company reasonably may require. This reimbursement obligation shall remain in effect following Employee's termination of employment for the applicable statute of limitations period relating to any such claim.

19. **Full Tax Gross-Up of Pavments**.

(a) In the event that any payment, award, benefit or distribution (or any acceleration of any payment, award, benefit or distribution) made or provided to or for the benefit of Employee in connection with this Agreement, or Employee's employment with Company or the termination thereof (the "Payments") is determined to be subject to any additional tax imposed by Section 4999 or 409A of the Internal Revenue Code of 1986, as amended ("Code") or any interest or penalties with respect to such additional taxes (such additional taxes, together with any such interest and penalties, are collectively referred to as the "Excise Taxes"), then the Employee shall be entitled to receive an additional payment (a "Gross-Up Payment") from Company such that the net amount received by the Executive after paying any applicable Excise Taxes and any federal, state or local income or FICA taxes on such Gross-Up Payment, shall be equal to the amount Executive would have received if such Excise Taxes were not applicable to the Payments.

(b) For purposes of determining whether any of the Payments will be subject to the Excise Taxes and the amount of such Excise Taxes, (i) all of the Payments shall be treated as parachute payments" (within the meaning of Section 280G(b)(2) of the Code) unless, in the opinion of tax counsel ("Tax Counsel") reasonably acceptable to the Employee, such payments or benefits (in whole or in part) do not constitute parachute payments, including by reason of Section 280G(b)(4)(A) of the Code; (ii) all "excess parachute payments" within the meaning of Section 280G(b)(1) of the Code shall be treated as subject to the Excise Tax unless, in the opinion of Tax Counsel, such excess parachute payments (in whole or in part) represent reasonable compensation for services actually rendered (within the meaning of Section 280G(b)(4)(B) of the Code) in excess of the base amount (as the term "base amount" is defined in Section 280G(b)(3) of the Code) allocable to such reasonable compensation, or are otherwise not subject to

the Excise Tax; (iii) the value of any noncash benefits or any deferred payment or benefit shall be determined by the Tax Counsel in accordance with the principles of Sections 280G(d) and 409A of the Code; and (iv) all Payments shall be deemed subject to the Excise Tax pursuant to section 409A of the Code unless, in the opinion of Tax Counsel, such Payments are not subject to Excise Tax pursuant to section 409A. For purposes of determining the amount of the Gross-Up Payment, the Employee shall be deemed to pay federal income tax at the highest marginal rate of federal income taxation in the calendar year in which the Payments are made and State and local income taxes at the highest marginal rate of taxation in the State and locality of the Employee's residence on the date the Payments are made, net of the maximum reduction in federal income taxes which could be obtained from deduction of such State and local taxes.

(c) In the event that the Excise Taxes are determined by the IRS, on audit or otherwise, to exceed the amount taken into account hereunder in calculating the Gross-Up Payment (including by reason of any payment the existence or amount of which cannot be determined at the time of the Gross-Up Payment), Company shall make another Gross-Up Payment in respect of such excess (plus any interest, penalties or additions payable by the Employee with respect to such excess) within ten (10) business days following the date that the Employee remits to the IRS such additional Excise Taxes. The Employee and Company shall each reasonably cooperate with the other in connection with any administrative or judicial proceedings concerning the existence or amount of liability for Excise Tax with respect to the Payments.

(d) If a termination of the Employee's employment shall have occurred, Company shall promptly reimburse to the Employee all reasonable attorneys fees and expenses necessarily incurred by the Employee in disputing in good faith any issue with Company or its affiliates pursuant to this Agreement or asserting in good faith any claim, demand or cause of action against Company or its affiliates pursuant to this Agreement. Such reimbursements shall be made within ten (10) business days after delivery of the Employee's written requests for payment accompanied with such evidence of fees and expenses incurred as Company reasonably may require. This reimbursement obligation shall remain in effect following the Employee's termination of employment for the applicable statute of limitations period relating to any such claim.

(e) The Gross-Up Payments provided to the Employee shall be made not later than the tenth (10th) business day following the date the Employee remits to the IRS any such Excise Taxes; provided, however, that if the amounts of such Gross-Up Payments cannot be finally determined on or before the due date of any Excise Tax return required as a result of the Payments, Company shall pay to the Employee within ten (10) days after the date the Employee remits to the IRS such Excise Taxes, an estimate of the Gross-Up Payments due, as determined in good faith by the Employee and Company, the estimate to be of the minimum amount of such payments to which the Employee is clearly entitled. In the event that the amount of the estimated payment exceeds the amount subsequently determined to have been due, such excess shall constitute a non-interest bearing loan by Company to the Employee, payable on the tenth (10th) business day after demand by Company. At the time the payments are made under this Agreement, Company shall provide the Employee with a written statement setting forth the manner in which such payments were calculated and the basis for such calculations, including, without limitations any opinions or other advice Company has received from Tax Counsel or other advisors or consultants and any such opinions or advice which are in writing shall be attached to the statement. This Tax Gross-Up provision shall remain in effect until the applicable 280G and 409A statute of limitations has ended.

(f) Notwithstanding anything herein to the contrary, Employee will not receive any Gross-Up Payment in connection with a Payment that is determined to be subject to any additional tax imposed by Section 4999 by reason of the Mergers or any sale of securities by the Company or Flame Acquisition Corp. that occurs in connection or substantially contemporaneously therewith.

20. **Section 409A**.

(a) General. This Agreement shall be interpreted and administered in a manner so that any amount or benefit payable hereunder shall be paid or provided in a manner that is either exempt from or compliant with the requirements of Section 409A of the Code and applicable Internal Revenue Service guidance and Treasury Regulations issued thereunder (collectively, "Section 409A").

(b) Definitional Restrictions. Notwithstanding anything in this Agreement to the contrary, to the extent that any amount or benefit that would constitute non-exempt "deferred compensation" for purposes of Section 409A ("Non-Exempt Deferred Compensation") would otherwise be payable or distributable hereunder by reason of Employee's termination of employment, such Non-Exempt Deferred Compensation will not be payable or distributable to Employee by reason of such circumstance unless the circumstances giving rise to such termination of employment meet any description or definition of "separation from service" in Section 409A. This provision does not affect the dollar amount or prohibit the vesting of any Non-Exempt Deferred Compensation upon a termination of employment, however defined.

(c) Six-Month Delay in Certain Circumstances. Notwithstanding anything in this Agreement to the contrary, if any amount or benefit that would constitute Non-Exempt Deferred Compensation would otherwise be payable or distributable under this Agreement by reason of Employee's separation from service during a period in which he is a "specified employee" (as defined in Section 409A), then: (i) the amount of such Non-Exempt Deferred Compensation that would otherwise be payable during the six-month period immediately following Employee's separation from service will contributed to a rabbi trust (similar to the trust described in Revenue Procedure 92-64) and paid or provided with interest (based on the "prime rate" as published in the Wall Street Journal, plus one (1) percent) from such trust on the first day of the seventh month following Employee's separation from service (or, if Employee dies during such period, within 30 days after Employee's death) (in either case, the "Required Delay Period"); and (ii) the normal payment or distribution schedule for any remaining payments or distributions will resume at the end of the Required Delay Period.

(d) Treatment of Installment Payments. Each payment in a series of payments shall be considered a separate payment for purposes of Section 409A.

(e) Timing of Reimbursements and In-Kind Benefits. If Employee is entitled to be paid or reimbursed for any taxable expenses under this Agreement, and such payments or reimbursements are includible in Employee's federal gross taxable income, the amount of such expenses reimbursable in any one calendar year shall not affect the amount reimbursable in any other calendar year, and the reimbursement of an eligible expense must be made no later than December 31 of the year after the year in which the expense was incurred. No right of Employee to reimbursement of expenses under this Agreement shall be subject to liquidation or exchange for another benefit.

(f) Tax Gross-Ups. Any tax gross-up or similar payment provided in this Agreement shall be paid no later than the end of Employee's taxable year following the taxable year in which Employee remits the related taxes to the applicable taxing authority.

21. **Compensation Recoupment Policy**. Any incentive compensation, including, but not limited to, cash-based and equity-based compensation, awarded to Employee by Company shall be subject to any compensation recoupment policy that Company may adopt from time to time that is applicable by its terms to Employee. In addition, the Compensation Committee and/or the Board may specify in any written documentation memorializing an incentive award that Employee's rights, payments and benefits with respect to such award shall be subject to reduction, cancellation, forfeiture or recoupment upon the occurrence of certain specified events, in addition to any otherwise applicable conditions of such award. Such events may include, but shall not be limited to, (i) termination of employment for Cause, (ii) violation of material Company policies, (iii) breach of noncompetition, confidentiality or other restrictive covenants, (iv) other conduct by Employee that is detrimental to the business or reputation of Company, or (v) a later determination that the amount realized from a performance-based award was based on materially inaccurate financial statements or any other materially inaccurate performance metric criteria, whether or not Employee caused or contributed to such material inaccuracy.

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22. **Construction**. The parties understand and agree that because they both have been given the opportunity to have counsel review and revise this Agreement, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement. Instead, the language of all parts of this Agreement shall be construed as a whole, and according to its fair meaning, and not strictly for or against either of the parties.

23. **Amendment; Waiver**. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by Employee and such officer as may be specifically authorized by the Board. No waiver by either party hereto at any time of any breach by the other party hereto of, or in compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. This Agreement is an integration of the parties' agreement: no agreement or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement. Employee represents and warrants that the execution of this Agreement will not result in any breach of any prior or existing agreement executed by Employee with respect to any third party.

24. **Applicable Law**. Company and Employee agree that this Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of Delaware. The Extension Amendment extends Texas without giving effect to its conflicts of law principles.

25. **Counterparts**. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

26. **Entire Agreement**. This Agreement contains the entire agreement between Company and Employee with respect to the subject matter hereof and, from and after the date by which hereof, this Agreement shall supersede any other agreement, written or oral, between the Company must consummate its initial business combination from March 1, 2023 parties relating to September 1, 2023.

the subject matter of this Agreement, including but not limited to any prior discussions, understandings, or agreements between the parties, written or oral, at any time.

EXHIBIT INDEX [SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed this Agreement as of November 2nd, 2022, effective for all purposes as provided above on the Effective Date.

Exhibit No.	Description
2.1†	Agreement and Plan of Merger, dated November 2, 2022, by and among Flame Acquisition Corp., Sable Offshore Corp. and Sable Offshore Holdings LLC. (1)
3.1	Amended and Restated Certificate of Incorporation, dated February 24, 2021. (2)
3.2	Bylaws. (3)
4.1	Specimen Unit Certificate. (3)
4.2	Specimen Class A Common Stock Certificate. (3)
4.3	Specimen Warrant Certificate. (3)
4.4	Warrant Agreement, dated February 24, 2021, between the Company and Continental Stock Transfer & Trust Company, LLC, as warrant agent. (2)
4.5	Description of registered securities. (4)
10.1	Promissory Note issued in favor of Flame Acquisition Sponsor LLC, dated November 25, 2020. (3)
10.2	Promissory Note issued in favor of FL Co-Investment LLC, dated November 25, 2020. (3)
10.3	Promissory Note issued in favor of Intrepid Financial Partners, L.L.C., dated November 25, 2020. (3)
10.4	Promissory Note issued in favor of Flame Acquisition Sponsor LLC, dated March 8, 2021. (5)
10.5	Promissory Note issued in favor of Flame Acquisition Sponsor LLC, dated December 27, 2021. (6)
10.6	Letter Agreement, dated February 24, 2021, among the Company, Flame Acquisition Sponsor LLC, FL Co-Investment LLC, Intrepid Financial Partners, L.L.C. and certain security holders named therein. (2)
10.7	Investment Management Trust Agreement, dated February 24, 2021, between the Company and Continental Stock Transfer & Trust Company, LLC as trustee. (2)
10.8	Registration Rights Agreement, dated February 24, 2021, among the Company, FL Co-Investment LLC, Intrepid Financial Partners, L.L.C. and certain security holders named therein. (2)
10.9	Indemnity Agreement, dated February 24, 2021, between the Company and James C. Flores. (2)
10.10	Indemnity Agreement, dated February 24, 2021, between the Company and Gregory D. Patrinely. (2)
10.11	Indemnity Agreement, dated February 24, 2021, between the Company and Michael E. Dillard. (2)
10.12	Indemnity Agreement, dated February 24, 2021, between the Company and Gregory P. Pipkin. (2)
10.13	Indemnity Agreement, dated February 24, 2021, between the Company and Christopher B. Sarofim. (2)
10.14	Private Placement Warrants Purchase Agreement, dated February 24, 2021,, between the Company and Flame Acquisition Sponsor LLC. (2)
10.15	Private Placement Warrants Purchase Agreement, dated February 24, 2021, between the Company and FL Co-Investment LLC. (2)
10.16	Private Placement Warrants Purchase Agreement, dated February 24, 2021, between the Company and Intrepid Financial Partners, L.L.C. (2)
10.17	Private Placement Warrants Purchase Agreement, dated February 24, 2021, between the Company and Gregory D. Patrinely (2)
10.18	Private Placement Warrants Purchase Agreement, dated February 24, 2021, between the Company and Michael E. Dillard. (2)
10.19	Private Placement Warrants Purchase Agreement, dated February 24, 2021, between the Company and Gregory P. Pipkin. (2)

Exhibit No.	Description
	SABLE OFFSHORE CORP.
10.20	By: Private Placement Warrants Purchase Agreement, dated February 24, 2021, between the Company and Christopher B. Sarofim. (2)
	/s/ Gregory Patrinely
	Name: Gregory Patrinely
	Title: Executive Vice President & Chief Financial Officer
	EMPLOYEE
	James C. Flores

Signature Page to Employment Agreement

IN WITNESS WHEREOF, the parties have executed this Agreement as of November 2nd, 2022, effective for all purposes as provided above on the Effective Date.

SABLE OFFSHORE CORP.

10.21	By: Private Placement Warrants Purchase Agreement, dated February 24, 2021, between the Company and Caldwell
	Name: Gregory Patrinely
	Title: Executive Vice President & Chief Financial Officer
	EMPLOYEE
	/s/ James C. Flores
	James C. Flores

Signature Page to Employment Agreement

EXHIBIT 10.40

SABLE OFFSHORE CORP.
EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement") by and between Sable Offshore Corp., a Texas corporation ("Company"), and Gregory Patrinely ("Employee") is entered into effective as of, and contingent upon, the merger of each Sable Offshore Holdings LLC and Sable Offshore Corp. into Flame Acquisition Corp. (the "Effective Date").

WHEREAS, Company desires to employ Employee and Employee desires to be employed by Company; and WHEREAS, the parties desire to enter into an employment agreement with certain provisions that are incorporated herein.

NOW, THEREFORE, in consideration of the mutual covenants, representations, warranties, and agreements contained herein, and for other valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. **Effectiveness Contingent upon Mergers**. This Agreement shall be effective as of and only in the event of consummation of (i) the merger of Sable Offshore Holdings LLC with and into Flame Acquisition Corp. and (ii) the merger of Sable Offshore Corp. with and into Flame Acquisition Corp. (each, a "Merger" and collectively, the "Mergers"). In the event the Mergers do not occur, this Agreement shall be null and void ab initio.

2. **Employment-at-will**. Company agrees to employ Employee, and Employee hereby agrees to be employed by Company. Employment of Employee shall be at will and may be terminated by either party on the terms and conditions set forth in this Agreement.

3. **Term of Employment**. Subject to the provisions for termination provided in this Agreement, the term of this Agreement shall be for a period of three (3) years beginning on the Effective Date. On each annual anniversary of the Effective Date, the term shall extend so that the term of this Agreement shall again be for three (3) years extending from that anniversary date unless either party provides the

other party, not less than thirty (30) days' written notice prior to that anniversary date, of such party's election not to renew the Agreement. On each subsequent annual anniversary date of the Effective Date, the term of this Agreement shall again extend to three (3) years unless the requisite thirty (30) days' written notice of non-renewal was provided by either party. Once either party provides timely notice of non-renewal, the term of this Agreement shall no longer extend, and the term of this Agreement shall end at the conclusion of the then existing term. The term of this Agreement, including any extensions that occur as provided for above, shall be referred to herein as the "Employment Term." Either party may terminate this Agreement at any time, subject to the terms of this Agreement.

4. **Employee's Duties**.

(a) During the Employment Term, Employee shall serve as Executive Vice President and Chief Financial Officer for Company, with such customary duties and responsibilities as may from time to time be assigned to Employee by the Chief Executive Officer of Company, provided that such duties are at all times consistent with the duties of

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such position. Employee shall report directly to the Chief Executive Officer. Employee agrees to serve without additional compensation, if elected or appointed thereto, in one or more offices or a director of any of Company's subsidiaries. For purposes of this Agreement, a "Subsidiary" shall mean any entity in which Company owns a majority of the voting stock of the class of securities (or other interests in the case of a limited liability company, partnership or other entity) that may vote in the election of the members of the governing body of such entity. Employee may engage in the following activities so long as they do not interfere in any material respect with the performance of Employee's duties and responsibilities hereunder: (i) serve on corporate, civic or charitable boards or committees or (ii) deliver lectures, or fulfill speaking engagements; provided, however, that in no event shall the conduct of any such activities by Employee be deemed to materially interfere with Employee's duties hereunder until Employee has been notified in writing thereof by the Chief Executive Officer and given a reasonable period in which to cure such interference. In addition, Employee shall be permitted to manage Employee's personal investments, *provided*, that (a) such management shall not interfere in any material respect with the performance of Employee's duties and responsibilities hereunder or violate Company's conflicts policy or similar policy as in effect from time to time, (b) Employee informs the Chief Executive Officer of any conflicts of interest (whether actual or apparent) with Company and any of its Subsidiaries, including, but not limited to, any event reasonably likely to raise the appearance of conflicts, and (c) Employee notifies the Chief Executive Officer of, and discusses with the Chief Executive Officer with respect to, any opportunities presented to Employee or any of the entities in which Employee owns a majority interest in connection with such continued ownership and management that should be offered to Company or its Subsidiaries. Notwithstanding the foregoing, Company agrees that Employee's management of Employee's current personal investments, as disclosed to independent members of the board of directors of Flame Acquisition Corp. prior to the date of execution of this Agreement, shall not be deemed to materially interfere with Employee's duties hereunder.

5. **Compensation**.

(a) Base Salary. For services rendered by Employee under this Agreement, Company shall pay to Employee a base salary ("Base Salary") of $800,000.00 per annum payable in substantially equal installments in accordance with Company's customary payroll practices for its senior executive officers. The amount of Base Salary shall be reviewed periodically and may be increased from time to time as any compensation committee (the "Compensation Committee") of the Board of Directors of the Company (the "Board"), based on the recommendation of the Chief Executive Officer, may deem appropriate. Base Salary, as in effect at any time, may not be decreased without the prior written consent of Employee.

(b) Annual Bonus. In addition to Employee's Base Salary, Employee shall be eligible, post-production, to receive with respect to each calendar year during the Employment Term a cash incentive payment ("Annual Bonus") based on Employee's individual performance and the performance of Company. The target amount of each Annual Bonus shall be equal to 150% of Employee's Base Salary. An Annual Bonus shall become payable if Employee remains continuously employed with Company through

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December 31 of the applicable calendar year. Each Annual Bonus, if payable, shall be paid in a single lump sum in cash no later than March 15 of the calendar year immediately following the calendar year to which the Annual Bonus relates. Annual Bonuses are to be approved annually in good faith by the Compensation Committee based on the recommendation of the Company's Chief Executive Officer.

(c) Cash Signing Bonus. Within thirty (30) days after the Effective Date, Company shall pay to Employee in a single lump sum in cash an amount equal to $750,000.

(d) Initial Equity Incentive Grant. Within a reasonable time after the closing date of the Mergers, Company shall cause to be granted to Employee an equity award under Company's equity incentive plan ("Initial Equity Incentive Grant"), which award shall be with respect to 650,000 shares of Company's common stock and subject to the terms and conditions (including vesting and

forfeiture) of such equity incentive plan and the applicable award agreement, provided that such Initial Equity Incentive Grants shall vest, if it all, no later than the third anniversary of the Mergers. Notwithstanding the immediately preceding sentence, in the event that the total number of shares of Company's common stock (i) subject to all Initial Equity Incentive Grants to all executives of Company and (ii) awarded to or held by other employees of the Company at or prior to the date the Mergers are consummated (such total number of shares, including, for the avoidance of doubt, the Merger Shares, the "Initial Sable Shares") represents more than fifteen percent (15%) of the Basic Share Number, then the number of shares to be granted to Employee with respect to Employee's Initial Equity Incentive Grant shall be reduced pro rata (based on the Employee's share of the Initial Sable Shares, excluding, for purposes of this prorationing, the Merger Shares) such that the number of Initial Sable Shares equals fifteen percent (15%) of the Basic Share Number. "Merger Shares" means the shares of Company's common stock issued to the equityholders of Sable Offshore Holdings LLC in connection with the Mergers. "Basic Share Number" means the aggregate number of shares of common stock of the surviving parent corporation resulting from the Mergers that is outstanding as of immediately following the Mergers and following the consummation of the transactions contemplated by the subscription agreements for the purchase of Company's common stock, which subscription agreements were entered into at or prior to the date the Mergers are consummated, but excluding (i) the Initial Sable Shares and (ii) shares subject to warrants to acquire Company's common stock, which warrants are outstanding as of the date the Mergers are consummated.

(e) Equity Incentive Grants. Equity incentive awards may be granted annually to Employee at the sole discretion of and subject to such terms and conditions as determined by the Compensation Committee and the Board.

6. **Other Benefits; Business Expenses**.

(a) Employee shall be entitled to participate in all employee benefit plans, fringe benefit arrangements and perquisite arrangements offered by Company to any of its senior executive officers, including, without limitation, participation in the various health, retirement, customary term life insurance, short-term and long-term disability insurance, parking and other employee benefit plans or programs provided to the employees of

Company in general, subject to the regular eligibility requirements with respect to each of such benefit plans or programs, and such other benefits or perquisites as may be approved by the Compensation Committee during the Employment Term, all on a basis at least as favorable to Employee as may be provided to similarly-situated senior executive officers of Company. Notwithstanding the foregoing, nothing herein shall limit the ability of Company to amend, modify or terminate any such plans or arrangements at any time and from time to time in accordance with their terms and applicable law.

(b) Employee shall be entitled to take appropriate and reasonable annual vacation time, provided that such vacation time does not interfere with Employee's duties hereunder.

(c) Company shall reimburse Employee for all reasonable business expenses incurred by Employee during the Employment Term in the performance of Employee's duties, which expenses will be subject to Company's reimbursement policies as in effect from time to time. It is understood that Employee is authorized to incur reasonable business expenses for promoting the business of Company, including reasonable expenditures for travel, lodging, meals and client or business associate entertainment. Request for reimbursement for such expenses must be accompanied by appropriate documentation.

7. **Termination of Employment**. Employee's employment may be terminated as set forth below:

(a) Death or Termination due to Disability. Employee's employment with Company shall terminate immediately and automatically upon Employee's death during the Employment Term. If Company determines that Employee has suffered a Disability during the Employment Term, Company may give Employee written notice of its intention to terminate Employee's employment due to his Disability. In such event, Employee's employment with Company shall terminate effective on the 30th day after Company provides Employee with such notice, provided that Employee shall not have returned to full-time performance of Employee's duties prior to such 30th day. For purposes of this Agreement, "Disability" means a physical or mental condition resulting in Employee's inability to perform Employee's duties hereunder for a period of six (6) consecutive calendar months, as reasonably determined by Company.

(b) Termination by Company for Cause; Termination by Employee without Good Reason. Company may terminate Employee's employment with Company at any time for Cause. Employee may terminate Employee's employment with Company without Good Reason upon thirty (30) days written notice to Company. For purposes of this Agreement, "Cause" means any of the following (A) embezzlement or theft by Employee from Company or one of its subsidiaries, or the Employee's conviction of, or plea of guilty or nolo contendere to (i) any felony or (ii) another crime involving dishonesty or moral turpitude or that could reflect negatively upon Company or one of its subsidiaries or otherwise impair or impede its or their operations; (B) any act or omission by Employee that is

a material breach of Employee's obligations under this Agreement or other agreement with Company: (C) Employee's failure to substantially or satisfactorily perform Employee's duties for Company or one of its subsidiaries (other than as a result of

incapacity due to physical or mental illness) which failure has not been cured, as reasonably determined by Company, by Employee after thirty (30) days written notice thereof to Employee by Company; (D) Employee's material breach of a written policy of the Employer or one of its subsidiaries; or (E) conduct by Employee that is materially injurious to Company or one of its subsidiaries, monetarily or otherwise, including, without limitation, Employee's engaging in dishonesty, violence or threat of violence.

(c) Termination by Company without Cause; Termination by Employee for Good Reason. Company may terminate Employee's employment without Cause upon thirty (30) days written notice to Employee. Employee may terminate Employee's employment with Company for Good Reason if (i) Employee provides Company with written notice of the condition alleged to constitute Good Reason within 60 days of the initial existence of such condition, (ii) Company is provided with at least 30 days to cure such condition, and (iii) if Company does not timely cure such condition, Employee terminates Employee's employment with Company within 30 days after the end of the cure period. In the event Company timely cures the condition alleged to constitute Good Reason, Employee shall not be entitled to terminate for Good Reason with respect to such condition. For purposes of this Agreement, "Good Reason" means any of the following without Employee's consent:

(i) A material and adverse change in Employee's title, responsibilities, or reporting relationship(s);

(ii) James C. Flores ceasing to serve as Chief Executive Officer of Company (or any successor to Company);

(iii) A material reduction in Employee's Base Salary;

(iv) The relocation of Company's principal executive offices outside the greater Houston, Texas metropolitan area, or Company's requiring Employee to relocate anywhere other than the location of Company's principal executive offices, except for required travel on Company's business to an extent substantially consistent with Employee's obligations under this Agreement; or

(v) A material breach by Company of a material provision of this Agreement.

(d) Termination due to Non-Renewal of Agreement. Either Company or Employee may terminate Employee's employment with Company due to non-renewal of this Agreement upon timely providing notice in accordance with Section 3.

(e) Termination of Agreement. In all cases, termination of Employee's employment with Company shall result in immediate and automatic termination of this Agreement.

(f) Resignations from Boards and as Officer. Termination of Employee's employment for any reason whatsoever shall constitute, if applicable, Employee's resignation from the Board and the boards of directors of any affiliate of Company on which Employee serves, if any, and resignation as an officer of Company and of any of the subsidiaries for which Employee serves as an officer.

8. **Obligations of Company upon Termination of Employment**. Upon termination of Employee's employment during the Employment Term, Employee shall be entitled to the compensation and benefits described in this Section 8 and shall have no further rights to any compensation or any other benefits from Company or any of its affiliates.

(a) Accrued Obligations. If Employee's employment with Company terminates for any reason, Company shall pay or provide Employee with the following:

(i) Any earned but unpaid Base Salary through Employee's last day of employment with Company ("Termination Date"),

(ii) Payment for any accrued but unused vacation or paid time-off as of Employee's Termination Date, to the extent payment is required under Company's vacation or paid time-off policies,

(iii) Any earned but unpaid Annual Bonus, incentive or other cash bonuses for any prior period that remain unpaid as of Employee's Termination Date,

(iv) Any reimbursements for expenses incurred but not yet paid as of Employee's Termination Date, and

(v) Any other amounts or benefits required to be paid or provided or which Employee is eligible to receive under any plan, program, policy or practice or contract or agreement of Company and in accordance with the terms thereof, any deferred compensation arrangements or agreements between Employee and Company, or other benefit plans, in accordance with the terms of such plans, programs or policies (collectively, "Accrued Obligations").

Payment of any Accrued Obligations in clauses (i) through (iii) shall be made in a single lump sum in cash within ten (10) business days following Employee's Termination Date (or such earlier date as required by applicable law). Payment of any Accrued Obligations under clause (iv) shall be made in accordance with Company's expense reimbursement policies. Any Accrued Obligations under clause (v) shall be paid or provided in accordance with the terms of the applicable plan, program, policy or practice or contract or agreement.

(b) Termination by Company for Cause; Termination by Employee without Good Reason; Termination due to Disability; Employee's Death; Termination due to Non-Renewal of Agreement by Employee. If, during the Employment Term, Employee's employment is terminated (i) by Company for Cause, (ii) by Employee without Good Reason, (iii) by Company due to Employee's Disability, (iv) due to Employee's death, or (v) by Employee due to Employee's non-renewal of the Agreement, then Company shall have no further obligations to Employee, other than with respect to the Accrued Obligations.

(c) Termination by Company without Cause; Termination by Employee for Good Reason; Termination due to Non-renewal of Agreement by Company—Not in Connection with Change in Control. If, during the Employment Term, Employee's employment is terminated (i) by Company without Cause, (ii) by Employee for Good Reason, or (iii) due to Company's non-renewal of the Agreement, in each case, prior to a Change in Control or more than two years after a Change in Control, then Company shall have no further obligations to Employee, other than with respect to the Accrued Obligations.

(d) Termination by Company without Cause; Termination by Employee for Good Reason; Termination due to Non-renewal of Agreement by Company—In Connection with Change in Control.

(i) If, during the Employment Term, Employee's employment is terminated (A) by Company without Cause, (B) by Employee for Good Reason, or (C) due to Company's non-renewal of the Agreement, in each case, within two years following a Change in Control, then, in addition to the Accrued Obligations, Employee shall be entitled, subject to Employee's execution, return to Company and non-revocation of a release of claims in favor of Company in a form reasonably acceptable to Company, which release becomes final and irrevocable no later than 55 days after the Termination Date ("Release Requirement"), Company shall pay to Employee in a lump sum in cash an amount equal to the product of (I) three (3), multiplied by (II) the sum of (x) Employee's then-current Base Salary (provided that if Employee is terminating employment for Good Reason due to a reduction in Base Salary, then Base Salary immediately prior to such reduction shall be used) and (y) Employee's average Annual Bonus for the three immediately preceding years or such lesser number of completed years of employment with Company as applicable (provided that if Employee's employment terminates prior to completion of one full year for Annual Bonus purposes, Employee's then-current target Annual Bonus opportunity shall be used) (such product, "Severance Payment").

(ii) The Severance Payment shall be paid on the 60th day following the Termination Date.

(iii) In the event Employee does not timely satisfy the Release Requirement, the Severance Payment shall not be paid.

(iv) For purposes of this Agreement, "Change in Control" means the first of the following to occur during the Employment Term:

(A) The acquisition by any "Person" (as the term person is used for purposes of Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended (the "1934 Act")) of "Beneficial Ownership" (within the meaning of Rule 13d-3 promulgated under the 1934 Act) of any securities of Company that generally entitles the holder thereof to vote for the election of directors of Company (the "Voting Securities") which, when added to the Voting Securities then Beneficially Owned by such Person, would result

in such Person either Beneficially Owning fifty percent (50%) or more of the combined voting power of Company's then outstanding Voting Securities or having the ability to elect fifty percent (50%) or more of the members of the Board; *provided*, *however*, that for purposes of this paragraph (A) of this Section 8(d)(iv), a Person shall not be deemed to have made an acquisition of Voting Securities if such Person: (1) becomes the Beneficial Owner of more than the permitted percentage of Voting Securities solely as a result of open market acquisition of Voting Securities by Company which, by reducing the number of Voting Securities outstanding, increases the proportional number of shares Beneficially Owned by such Person; (2) is Company or any corporation or other Person of which a majority of its voting power or its equity securities or equity interest is owned directly or indirectly by Company (a "Controlled Entity"); (3) acquires Voting Securities in connection with a Non-Control Transaction (as defined in paragraph (C) of this Section 8(d)(iv)); or (4) becomes the Beneficial Owner of more than the permitted percentage of Voting Securities as a result of a transaction approved by a majority of the Incumbent Board (as defined in paragraph (B) below); or

(B) The individuals who, as of the Effective Date, are members of the Board (the "Incumbent Board"), cease for any reason to constitute at least a majority of the Board; *provided*, *however*, that if either the election of any new director or the nomination for election of any new director by Company's stockholders was approved by a vote of at least a majority of the Incumbent Board, such new director shall be considered as a member of the Incumbent Board; provided, further, however, that no individual shall be considered a member of the Incumbent Board if such individual initially assumed office as a result of either an actual or threatened "Election Contest" (as described in Rule 14a-11 promulgated under the 1934 Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board (a "Proxy Contest") including by reason of any agreement intended to avoid or settle any Election Contest or Proxy Contest; or

(C) The consummation of a merger, consolidation or reorganization involving Company (a "Business Combination"), unless (1) the stockholders of Company, immediately before the Business Combination, own, directly or indirectly immediately following the Business Combination, at least fifty percent (50%) of the combined voting power of the outstanding voting securities of the corporation resulting from the Business Combination (the "Surviving Corporation") in substantially the same proportion as their ownership of the Voting Securities immediately before the Business Combination, and (2) the individuals who were members of the Incumbent Board immediately prior to the execution of the agreement providing for the Business Combination constitute at least a majority of the members of the Board of Directors of the Surviving Corporation, and (3) no Person (other than (x) Company or any Controlled

Entity, (y) a trustee or other fiduciary holding securities under one or more employee benefit plans or arrangements (or any trust forming a part thereof) maintained by Company, the Surviving Corporation or any Controlled Entity, or (z) any Person who, immediately prior to the Business Combination, had Beneficial Ownership of fifty percent (50%) or more of the then outstanding Voting Securities) has Beneficial Ownership of fifty percent (50%) or more of the combined voting power of the Surviving Corporation's then outstanding voting securities (a Business Combination described in clauses (1), (2) and (3) of this paragraph shall be referred to as a "Non-Control Transaction");

(D) A complete liquidation or dissolution of Company; or

(E) The sale or other disposition of all or substantially all of the assets of Company to any Person (other than a transfer to (1) any entity that, immediately prior to its acquisition of such assets, is owned directly or indirectly by the stockholders of Company in substantially the same proportion as their ownership of stock in Company immediately prior to such acquisition or (2) an affiliate of Company).

A Change in Control shall not be deemed to occur solely because fifty percent (50%) or more of the then outstanding Voting Securities is Beneficially Owned by (x) a trustee or other fiduciary holding securities under one or more employee benefit plans or arrangements (or any trust forming a part thereof) maintained by Company or any Controlled Entity or (y) any entity that, immediately prior to its acquisition of such interest, is owned directly or indirectly by the stockholders of Company in substantially the same proportion as their ownership of stock in Company immediately prior to such acquisition.

Any event that would otherwise constitute a Change in Control shall not be deemed to be a Change in Control if thereafter the Incumbent Board continues to constitute a majority of the Board.

For purposes of this Agreement, neither of the Mergers shall be considered a Change in Control.

9. **Restrictive Covenants**.

(a) Confidential Information; Unauthorized Disclosure. Employee acknowledges that during the Term, Company shall disclose to Employee and provide Employee with access to trade secrets and confidential information of Company or its Subsidiaries; or place Employee in a position to develop business goodwill on behalf of Company or its Subsidiaries; or entrust Employee with business opportunities of Company or its Subsidiaries. During the period of Employee's employment hereunder and for a period of two (2) years following the termination of employment, Employee shall not, whether during the period of Employee's employment hereunder or thereafter, without the written consent of the Chief Executive Officer or a person authorized thereby, disclose to

any person, other than an employee of Company or a person to whom disclosure is reasonably necessary or appropriate in connection with the performance by Employee of Employee's duties as an executive of Company, any trade secrets or confidential information obtained by Employee while in the employ of Company with respect to Company's business, including but not limited to technology, know-how, processes, maps, geological and geophysical data, other proprietary information and any information whatsoever of a confidential nature, the disclosure of which Employee knows or should know will be damaging to Company;

provided, *however*, that trade secrets and confidential information shall not include any information known generally to the public (other than as a result of unauthorized disclosure by Employee) or any information which Employee may be required to disclose by any applicable law, order, or judicial or administrative proceeding.

(b) Non-Competition. As part of the consideration for the compensation and benefits to be paid to Employee hereunder; to protect the trade secrets and confidential information of Company or its Subsidiaries that have been and will in the future be disclosed or entrusted to Employee; the business goodwill of Company or its Subsidiaries that has been and will in the future be developed by Employee or the business opportunities that have been and will in the future be disclosed or entrusted to Employee by Company or its Subsidiaries; and as an additional incentive for Company to enter into this Agreement, Company and Employee agree to the following competition provisions:

During the Employment Term and for a period of two years thereafter, Employee shall not, with respect to oil & gas assets in the state of California, directly or indirectly engage in or become interested financially in as a principal, employee, partner, shareholder, agent, manager, owner, advisor, lender, guarantor of any person engaged in any business substantially identical to the Business (defined below); provided, however, that Employee may invest in stock, bonds or other securities in any such business (without participating in such business) if: (i) (A) such stock, bonds or other securities are listed on any United States securities exchange or are publicly traded in an over the counter market and (B) its investment does not exceed, in the case of any capital stock of any one issuer, 5% of the issued and outstanding capital stock, or in the case of bonds or other securities, 5% of the aggregate principal amount thereof issued and outstanding, or (ii) such investment is completely passive and no control or influence over the management or policies of such business is exercised. The term "Business" shall mean the exploration, development and production of crude petroleum and natural gas. Notwithstanding the foregoing provisions of this Section 9(b), in the event of a termination of Employee's employment by Company without Cause or in the event of Employee's resignation for Good Reason, Employee shall have no further obligations under this Section 9(b) unless such termination occurs within the two-year period immediately following a Change in Control or Employee otherwise becomes entitled to receive the Severance Payment.

(c) Non-Solicitation. Employee undertakes toward Company and is obligated, during the Employment Term and for a period of two years thereafter, not to solicit or hire, directly or indirectly, in any manner whatsoever (except in response to a general solicitation), in the capacity of employee, consultant or in any other capacity whatsoever, one or more of the employees, directors or officers or other persons (hereinafter

collectively referred to as "Employees") who at the time of solicitation or hire, or in the 90 day period prior thereto, are working full-time or part-time for Company or any of its Subsidiaries and not to endeavor, directly or indirectly, in any manner whatsoever, to encourage any of said Employees to leave Employee's job with Company or any of its Subsidiaries and not to endeavor, directly or indirectly, and in any manner whatsoever, to incite or induce any client or customer of Company or any of its Subsidiaries to terminate, in whole or in part, its business relations with Company or any of its Subsidiaries.

(d) Proprietary Rights.

(i) Assignment. Employee hereby irrevocably assigns and agrees to assign to Company all rights Employee may have in any and all intellectual property that relate to Company's actual or anticipated business developed partially or wholly by Employee during Employee's employment with Company. Company agrees to provide Employee an opportunity to develop new intellectual property in an expanded nature.

(ii) Work for Hire. Employee agrees that if, in connection with the performance of Employee's duties while employed by Company, Employee creates, or assists in the creation of, any work that relates to Company's actual or anticipated business that may be protectable under the copyright laws or similar laws: (a) that such work is considered a "work made for hire," (b) Company shall be considered the author and owner of the work, and (c) if it is later determined that the work was not a "work made for hire," Employee hereby assigns to Company any copyrights and other ownership interests that Employee may have in the work.

(iii) Inventions. Employee further agrees to promptly and fully inform and disclose to Company the existence of all (a) inventions, potential inventions, designs, discoveries, processes, business plans, improvements, ideas ("Inventions"), (b) works of authorship, or (c) derivative works, provided that such Inventions, works of authorship or derivative works relate to Company's actual or anticipated business, that are in any way created, have resulted, or are derived from the use of Company's resources or were created, resulted or derived from while performing Employee's duties as an employee employed by Company, all of which shall be the exclusive property of Company. Employee further agrees to maintain current and adequate written records on the development of the aforementioned Inventions, works of authorship and derivative works. Employee hereby assigns and agrees to assign, without further compensation, all of Employee's right, title, and interest in or to the aforementioned Inventions, works of authorship, and derivative works.

(iv) Applications and Registrations. Employee agrees to assist Company in every proper way to perfect Company's rights in all Inventions, trademarks, and copyrightable works; including, without limitation, promptly executing and delivering such patent, copyright, trademark or other applications, assignments, descriptions and other instruments, and to take such actions, as may be reasonably necessary to vest title to, maintain title to, and/or defend or enforce the rights of Company in the Inventions, trademarks, or copyrightable works.

(v) Attorney in Fact. Employee agrees that in the event Company is unable, for any reason, after reasonable effort, to secure Employee's signature on any document needed in connection with the actions specified in this Section 9(d), Employee irrevocably designates and appoints Company and its duly authorized officers and agents as Employee's agent and attorney in fact, to act for and on behalf of Employee to execute, verify and file any such documents and to do all other lawfully permitted acts to further the purposes of this assignment with the same legal force and effect as if executed by Employee.

(e) Enforcement. It is the desire and intent of the parties that the provisions of this Section 9 shall be enforced to the fullest extent permissible under the laws and public policies applied in each jurisdiction in which enforcement is sought. Accordingly, if any particular provision of this Section 9 shall be adjudicated to be invalid or unenforceable, such provision shall be deemed amended to delete therefrom the portion thus adjudicated to be invalid or unenforceable. Such deletion shall apply only with respect to the operation of such provisions of this Section 9 in the particular jurisdiction in which such adjudication is made. In addition, if the scope of any restriction contained in this Section 9 is too broad to permit enforcement thereof to its fullest extent, then such restriction shall be enforced to the maximum extent permitted by law, and Employee hereby consents and agrees that such scope may be judicially modified in any proceeding brought to enforce such restriction.

(f) Remedies. In the event of a breach or threatened breach by Employee of the provisions of this Section 9, Company shall be entitled to an injunction and such other equitable relief as may be necessary or desirable to enforce the restrictions contained herein. Nothing herein contained shall be construed as prohibiting Company from pursuing any other remedies available for such breach or threatened breach or any other breach of this Agreement.

(g) Immunity Notice. Notwithstanding any other provision of this Agreement:

(i) Employee will not be held criminally or civilly liable under any federal or state trade secret law for any disclosure of a trade secret that (i) is made: (A) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding;

(ii) If Employee files a lawsuit for retaliation, Employee may disclose Company's trade secrets to Employee's attorney and use the trade secret information in the court proceeding if Employee: (i) files any document containing the trade secret under seal; and (ii) does not disclose the trade secret, except pursuant to court order; and

(iii) Nothing in this Agreement prohibits Employee from (i) exercising any rights that cannot be lawfully waived or restricted; (ii) communicating with or initiating or participating in any investigation conducted by the Equal Employment Opportunity Commission or other fair employment practices agency; or (iii) otherwise reporting possible violations of federal, state, or local law or regulation to any governmental agency or entity, including but not limited to the United States Department of Justice, the Securities and Exchange Commission, Congress, and/or any agency Inspector General, or making other disclosures that are protected under the whistleblower provisions or other provisions of federal, state, or local law or regulation. Employee does not need the prior authorization of Company to make any such reports or disclosures and Employee is not required to notify Company that Employee has made such reports or disclosures.

10. **Mitigation**. Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which Company may have against Employee or others. In no event shall Employee be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to Employee under any of the provisions of this Agreement and such amounts shall not be reduced whether or not Employee obtains other employment.

11. **Non-exclusivity of Rights**. Nothing in this Agreement shall prevent or limit Employee's continuing or future participation in any employee benefit plan, program, policy or practice provided by Company or its affiliates and for which Employee may qualify, except as specifically provided herein. Amounts that are vested benefits or which Employee is otherwise entitled to receive under any plan, policy, practice or program of Company or any of its affiliates at or subsequent to Employee's Termination Date shall be payable in accordance with such plan, policy, practice or program except as explicitly modified by this Agreement.

12. **Assignability**. The obligations of Employee hereunder are personal and may not be assigned or delegated by Employee or transferred in any manner whatsoever, nor are such obligations subject to involuntary alienation, assignment or transfer, except by will or the laws of descent and distribution.

13. **Notice**. For the purpose of this Agreement, notices and all other communications provided for in the Agreement shall be in writing and shall be deemed to have been duly given when personally delivered, sent by overnight courier or by electronic mail with confirmation of receipt or on the third business day after being mailed by United States registered mail, return receipt requested, postage prepaid, addressed to Company at its principal office address and electronic mail address, directed to the attention of the Chief Executive Officer with a copy to the Secretary of Company, and to Employee at Employee's residence address and electronic mail address on the records of Company or to such other address as either party may have furnished to the other in writing in accordance herewith except that notice of change of address shall be effective only upon receipt.

14. **Validity**. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

15. **Successors**. This Agreement is personal to Employee and shall not be assignable by Employee otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by Employee's legal representatives, executors, administrators, successors, heirs, distributes, devisees and legatees. This Agreement may be assigned by Company and shall be binding and inure to the benefit of Company and its successors and assigns.

16. **Indemnification**. During the Employment Term and for a period of six years thereafter, Company shall cause Employee to be covered by and named as an insured under any policy or contract of insurance obtained by it to insure its directors and officers against personal liability for acts or omissions in connection with service as an officer or director of Company or service in other capacities at the request of Company. In addition, to the maximum extent permitted by the by-laws of Company in effect from time to time and applicable law, during the Employment Term and for a period of six years thereafter, Company shall indemnify Employee against and hold Employee harmless from any costs, liabilities and losses for Employee's services as an employee, officer and director of Company (or any successor).

17. **Withholding**. Anything to the contrary notwithstanding, all payments required to be made by Company hereunder to Employee, Employee's spouse, Employee's estate or beneficiaries, shall be subject to withholding of such amounts relating to taxes as Company may reasonably determine it should withhold pursuant to any applicable law or regulation. In lieu of withholding such amounts in whole or in part, Company may, in its sole discretion, accept other provisions for payment of taxes as required by law, provided it is satisfied that all requirements of law affecting its responsibilities to withhold such taxes have been satisfied.

18. **Section 280G**.

(a) Notwithstanding anything in this Agreement or any other plan or agreement to the contrary, in the event that any payment or benefit received or to be received by Employee (whether pursuant to the terms of this Agreement or any other plan, arrangement or agreement) (all such payments and benefits, the "Total Payments") would not be deductible (in whole or in part) by Company or any affiliate thereof making such payment or providing such benefit as a result of Section 280G of the Code, then, to the extent necessary to make such portion of the Total Payments deductible, the portion of the Total Payments that do not constitute deferred compensation within the meaning of Section 409A shall first be reduced (if necessary, to zero), and all other Total Payments shall thereafter be reduced (if necessary, to zero) with cash payments being reduced before non-cash payments, and payments to be paid last being reduced first, but only if (i) the net amount of such Total Payments, as so reduced (and after subtracting the net amount of federal, state and local income taxes on such reduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such reduced Total Payments) is greater than or equal to (ii) the net amount of such Total Payments

without such reduction (but after subtracting the net amount of federal, state and local income taxes on such Total Payments and the amount of tax imposed by Section 4999 of the Code (and similar state and local laws) to which Employee would be subject in respect of such unreduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such unreduced Total Payments).

(b) Any determination required under this Section 18 shall be made in writing by an accounting firm selected by Company ("Accountants"). Company and Employee shall provide the Accountants with such information and documents as the Accountants may reasonably request in order to make a determination under this Section 18. For purposes of making the calculations and

determinations required by this Section 18, the Accountants may rely on reasonable, good faith assumptions and approximations concerning the application of Section 280G and Section 4999 of the Code. The Accountants' determinations shall be final and binding on Company and Employee.

19. **Section 409A**.

(a) General. This Agreement shall be interpreted and administered in a manner so that any amount or benefit payable hereunder shall be paid or provided in a manner that is either exempt from or compliant with the requirements of Section 409A of the Code and applicable Internal Revenue Service guidance and Treasury Regulations issued thereunder (collectively, "Section 409A").

(b) Definitional Restrictions. Notwithstanding anything in this Agreement to the contrary, to the extent that any amount or benefit that would constitute non-exempt "deferred compensation" for purposes of Section 409A ("Non-Exempt Deferred Compensation") would otherwise be payable or distributable hereunder by reason of Employee's termination of employment, such Non-Exempt Deferred Compensation will not be payable or distributable to Employee by reason of such circumstance unless the circumstances giving rise to such termination of employment meet any description or definition of "separation from service" in Section 409A. This provision does not affect the dollar amount or prohibit the vesting of any Non-Exempt Deferred Compensation upon a termination of employment, however defined.

(c) Six-Month Delay in Certain Circumstances. Notwithstanding anything in this Agreement to the contrary, if any amount or benefit that would constitute Non-Exempt Deferred Compensation would otherwise be payable or distributable under this Agreement by reason of Employee's separation from service during a period in which Employee is a "specified employee" (as defined in Section 409A), then: (i) the amount of such Non-Exempt Deferred Compensation that would otherwise be payable during the six-month period immediately following Employee's separation from service will be accumulated through and paid or provided, without interest, on the first day of the seventh month following Executive's separation from service (or, if Employee dies during such period, within 30 days after Employee's death) (in either case, the "Required Delay Period"); and (ii) the normal payment or distribution schedule for any remaining payments or distributions will resume at the end of the Required Delay Period.

(d) Treatment of Installment Payments. Each payment in a series of payments shall be considered a separate payment for purposes of Section 409A.

(e) Timing of Reimbursements and In-Kind Benefits. If Employee is entitled to be paid or reimbursed for any taxable expenses under this Agreement, and such payments or reimbursements are includible in Employee's federal gross taxable income, the amount of such expenses reimbursable in any one calendar year shall not affect the amount reimbursable in any other calendar year, and the reimbursement of an eligible expense must be made no later than December 31 of the year after the year in which the expense was incurred. No right of Employee to reimbursement of expenses under this Agreement shall be subject to liquidation or exchange for another benefit.

20. **Compensation Recoupment Policy**. Any incentive compensation, including, but not limited to, cash-based and equity-based compensation, awarded to Employee by Company shall be subject to any compensation recoupment policy that Company may adopt from time to time that is applicable by its terms to Employee. In addition, the Compensation Committee and/or the Board may specify in any written documentation memorializing an incentive award that Employee's rights, payments and benefits with respect to such award shall be subject to reduction, cancellation, forfeiture or recoupment upon the occurrence of certain specified events, in addition to any otherwise applicable conditions of such award. Such events may include, but shall not be limited to, (i) termination of employment for Cause, (ii) violation of material Company policies, (iii) breach of noncompetition, confidentiality or other restrictive covenants, (iv) other conduct by Employee that is detrimental to the business or reputation of Company, or (v) a later determination that the amount realized from a performance-based award was based on materially inaccurate financial statements or any other materially inaccurate performance metric criteria, whether or not Employee caused or contributed to such material inaccuracy.

21. **Construction**. The parties understand and agree that because they both have been given the opportunity to have counsel review and revise this Agreement, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement. Instead, the language of all parts of this Agreement shall be construed as a whole, and according to its fair meaning, and not strictly for or against either of the parties.

22. **Amendment; Waiver**. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by Employee and such officer as may be specifically authorized by the Board. No waiver by either party hereto at any time of any breach by the other party hereto of, or in compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. This Agreement is an integration of the parties' agreement: no agreement or representations, oral or

otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement. Employee represents and warrants that the execution of this Agreement will not result in any breach of any prior or existing agreement executed by Employee with respect to any third party.

23. **Applicable Law**. Company and Employee agree that this Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of Texas without giving effect to its conflicts of law principles.

24. **Counterparts**. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

25. **Entire Agreement**. This Agreement contains the entire agreement between Company and Employee with respect to the subject matter hereof and, from and after the date hereof, this Agreement shall supersede any other agreement, written or oral, between the parties relating to the subject matter of this Agreement, including but not limited to any prior discussions, understandings, or agreements between the parties, written or oral, at any time.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed this Agreement as of November 2nd, 2022, effective for all purposes as provided above on the Effective Date.

SABLE OFFSHORE CORP.

10.22	Securities Subscription Agreement, dated November 18, 2020, between the Company and Flame Acquisition Sponsor LLC. (3)
10.23	Securities Subscription Agreement, dated November 18, 2020, between the Company and FL Co-Investment LLC. (3)
10.24	Securities Subscription Agreement, dated November 18, 2020, between the Company and Intrepid Financial Partners, L.L.C. (3)
10.25	Promissory Note issued in favor of Flame Acquisition Sponsor LLC, dated March 29, 2022. (7)
10.26	Promissory Note issued in favor of Flame Acquisition Sponsor LLC, dated September 30, 2022. (8)
10.27	Promissory Note issued in favor of Flame Acquisition Sponsor LLC, dated October 31, 2022. (9)
10.28^	Form of Subscription Agreement. (1)
10.29	Form of Registration Rights Agreement. (1)
31.1	Certification of the Principal Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a).*
31.2	Certification of the Principal Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a).*
32.1	Certification of the Principal Executive Officer required by Rule 13a-14(b) or Rule 15d-14(b) and 18 U.S.C. 1350**
32.2	Certification of the Principal Financial Officer required by Rule 13a-14(b) or Rule 15d-14(b) and 18 U.S.C. 1350**

101.INS	Inline XBRL Instance Document – the XBRL Instance Document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document*
101.SCH	Inline XBRL Taxonomy Extension Schema*
101.CAL	Inline XBRL Taxonomy Calculation Linkbase*
101.LAB	Inline XBRL Taxonomy Label Linkbase*
101.PRE	Inline XBRL Taxonomy Extension Presentation*
101.DEF	Inline XBRL Definition Linkbase Document*
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith

** Furnished herewith

† Certain exhibits and schedules to this Exhibit have been omitted in accordance with Regulation S-K Item 601(b)(2). The Registrant agrees to furnish supplementally a copy of all omitted exhibits and schedules to the Securities and Exchange Commission upon its request.

^ Certain exhibits and schedules to this Exhibit have been omitted in accordance with Regulation S-K Item 601(a)(5). The Registrant agrees to furnish supplementally a copy of all omitted exhibits and schedules to the Securities and Exchange Commission upon its request.

(1) Incorporated by reference to the Company's Form 8-K, filed with the SEC on November 2, 2022.

(2) Incorporated by reference to the Company's Form 8-K, filed with the SEC on March 2, 2021.

(3) Incorporated by reference to the Company's Form S-1, as amended, filed with the SEC on February 5, 2021.

(4) Incorporated by reference to the Company's Form 10-K, filed with the SEC on April 4, 2022.

(5) Incorporated by reference to the Company's Form 8-K, filed with the SEC on March 8, 2021.

(6) Incorporated by reference to the Company's Form 8-K, filed with the SEC on December 28, 2021.

(7) Incorporated by reference to the Company's Form 8-K, filed with the SEC on April 1, 2022.

(8) Incorporated by reference to the Company's Form 8-K, filed with the SEC on September 30, 2022.

(9) Incorporated by reference to the Company's Form 8-K, filed with the SEC on November 1, 2022.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

March 31, 2023

Flame Acquisition Corp.

By: /s/ James C. Flores

Name: James C. Flores

Title: Chairman and Chief Executive Officer

EMPLOYEE

Gregory Patrinely

Signature Page to Employment Agreement

IN WITNESS WHEREOF, the parties have executed this Agreement as of November 2nd, 2022, effective for all purposes as provided above on the Effective Date.

SABLE OFFSHORE CORP.

By: _____

Name: James C. Flores

Title: Chief Executive Officer

EMPLOYEE

/s/ Gregory Patrinely

Gregory Patrinely

EXHIBIT 10.41

SABLE OFFSHORE CORP.

EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement") by and between Sable Offshore Corp., a Texas corporation ("Company"), and J. Caldwell Flores ("Employee") is entered into effective as of, and contingent upon, the merger of each Sable Offshore Holdings LLC and Sable Offshore Corp. into Flame Acquisition Corp. (the "Effective Date").

WHEREAS, Company desires to employ Employee and Employee desires to be employed by Company; and

WHEREAS, the parties desire to enter into an employment agreement with certain provisions that are incorporated herein.

NOW, THEREFORE, in consideration of the mutual covenants, representations, warranties, and agreements contained herein, and for other valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. **Effectiveness Contingent upon Mergers**. This Agreement shall be effective as of and only in the event of consummation of (i) the merger of Sable Offshore Holdings LLC with and into Flame Acquisition Corp. and (ii) the merger of Sable Offshore Corp. with and into Flame Acquisition Corp. (each, a "Merger" and collectively, the "Mergers"). In the event the Mergers do not occur, this Agreement shall be null and void ab initio.

2. **Employment-at-will**. Company agrees to employ Employee, and Employee hereby agrees to be employed by Company. Employment of Employee shall be at will and may be terminated by either party on the terms and conditions set forth in this Agreement.

3. **Term of Employment**. Subject to the provisions for termination provided in this Agreement, the term of this Agreement shall be for a period of three (3) years beginning on the Effective Date. On each annual anniversary of the Effective Date, the term shall extend so that the term of this Agreement shall again be for three (3) years extending from that anniversary date unless either party provides the other party, not less than thirty (30) days' written notice prior to that anniversary date, of such party's election not to renew the Agreement. On each subsequent annual anniversary date of the Effective Date, the term of this Agreement shall again extend to three (3) years unless the requisite thirty (30) days' written notice of non-renewal was provided by either party. Once either party provides timely notice of non-renewal, the term of this Agreement shall no longer extend, and the term of this Agreement shall end at the conclusion of the then existing term. The term of this Agreement, including any extensions that occur as provided for above, shall be referred to herein as the "Employment Term." Either party may terminate this Agreement at any time, subject to the terms of this Agreement.

4. **Employee's Duties**.

(a) During the Employment Term, Employee shall serve as President of the Company, with such customary duties and responsibilities as may from time to time be assigned to Employee by the Chief Executive Officer of Company, provided that such duties are at all times consistent with the duties of such position. Employee shall report

directly to the Chief Executive Officer. Employee agrees to serve without additional compensation, if elected or appointed thereto, in one or more offices or a director of any of Company's subsidiaries. For purposes of this Agreement, a "Subsidiary" shall mean any entity in which Company owns a majority of the voting stock of the class of securities (or other interests in the case of a limited liability company, partnership or other entity) that may vote in the election of the members of the governing body of such entity. Employee may engage in the following activities so long as they do not interfere in any material respect with the performance of Employee's duties and responsibilities hereunder: (i) serve on corporate, civic or charitable boards or committees or (ii) deliver lectures, or fulfill speaking engagements; provided, however, that in no event shall the conduct of any such activities by Employee be deemed to materially interfere with Employee's duties hereunder until Employee has been notified in writing thereof by the Chief Executive Officer and given a reasonable period in which to cure such interference. In addition, Employee shall be permitted to manage Employee's personal investments, *provided*, that (a) such management shall not interfere in any material respect with the

performance of Employee's duties and responsibilities hereunder or violate Company's conflicts policy or similar policy as in effect from time to time, (b) Employee informs the Chief Executive Officer of any conflicts of interest (whether actual or apparent) with Company and any of its Subsidiaries, including, but not limited to, any event reasonably likely to raise the appearance of conflicts, and (c) Employee notifies the Chief Executive Officer of, and discusses with the Chief Executive Officer with respect to, any opportunities presented to Employee or any of the entities in which Employee owns a majority interest in connection with such continued ownership and management that should be offered to Company or its Subsidiaries. Notwithstanding the foregoing, Company agrees that Employee's management of Employee's current personal investments, as disclosed to independent members of the board of directors of Flame Acquisition Corp. prior to the date of execution of this Agreement, shall not be deemed to materially interfere with Employee's duties hereunder.

5. **Compensation**.

(a) Base Salary. For services rendered by Employee under this Agreement, Company shall pay to Employee a base salary ("Base Salary") of $800,000.00 per annum payable in substantially equal installments in accordance with Company's customary payroll practices for its senior executive officers. The amount of Base Salary shall be reviewed periodically and may be increased from time to time as any compensation committee (the "Compensation Committee") of the Board of Directors of the Company (the "Board"), based on the recommendation of the Chief Executive Officer, may deem appropriate. Base Salary, as in effect at any time, may not be decreased without the prior written consent of Employee.

(b) Annual Bonus. In addition to Employee's Base Salary, Employee shall be eligible, post-production, to receive with respect to each calendar year during the Employment Term a cash incentive payment ("Annual Bonus") based on Employee's individual performance and the performance of Company. The target amount of each Annual Bonus shall be equal to 150% of Employee's Base Salary. An Annual Bonus shall become payable if Employee remains continuously employed with Company through

December 31 of the applicable calendar year. Each Annual Bonus, if payable, shall be paid in a single lump sum in cash no later than March 15 of the calendar year immediately following the calendar year to which the Annual Bonus relates. Annual Bonuses are to be approved annually in good faith by the Compensation Committee based on the recommendation of the Company's Chief Executive Officer.

(c) Cash Signing Bonus. Within thirty (30) days after the Effective Date, Company shall pay to Employee in a single lump sum in cash an amount equal to $750,000.

(d) Initial Equity Incentive Grant. Within a reasonable time after the closing date of the Mergers, Company shall cause to be granted to Employee an equity award under Company's equity incentive plan ("Initial Equity Incentive Grant"), which award shall be with respect to 650,000 shares of Company's common stock and subject to the terms and conditions (including vesting and forfeiture) of such equity incentive plan and the applicable award agreement, provided that such Initial Equity Incentive Grants shall vest, if it all, no later than the third anniversary of the Mergers. Notwithstanding the immediately preceding sentence, in the event that the total number of shares of Company's common stock (i) subject to all Initial Equity Incentive Grants to all executives of Company and (ii) awarded to or held by other employees of the Company at or prior to the date the Mergers are consummated (such total number of shares, including, for the avoidance of doubt, the Merger Shares, the "Initial Sable Shares") represents more than fifteen percent (15%) of the Basic Share Number, then the number of shares to be granted to Employee with respect to Employee's Initial Equity Incentive Grant shall be reduced pro rata (based on the Employee's share of the Initial Sable Shares, excluding, for purposes of this prorationing, the Merger Shares) such that the number of Initial Sable Shares equals fifteen percent (15%) of the Basic Share Number. "Merger Shares" means the shares of Company's common stock issued to the equityholders of Sable Offshore Holdings LLC in connection with the Mergers. "Basic Share Number" means the aggregate number of shares of common stock of the surviving parent corporation resulting from the Mergers that is outstanding as of immediately following the Mergers and following the consummation of the transactions contemplated by the subscription agreements for the purchase of Company's common stock, which subscription agreements were entered into at or prior to the date the Mergers are consummated, but excluding (i) the Initial Sable Shares and (ii) shares subject to warrants to acquire Company's common stock, which warrants are outstanding as of the date the Mergers are consummated.

(e) Equity Incentive Grants. Equity incentive awards may be granted annually to Employee at the sole discretion of and subject to such terms and conditions as determined by the Compensation Committee and the Board.

6. **Other Benefits; Business Expenses**.

(a) Employee shall be entitled to participate in all employee benefit plans, fringe benefit arrangements and perquisite arrangements offered by Company to any of its senior executive officers, including, without limitation, participation in the various

health, retirement, customary term life insurance, short-term and long-term disability insurance, parking and other employee benefit plans or programs provided to the employees of

Company in general, subject to the regular eligibility requirements with respect to each of such benefit plans or programs, and such other benefits or perquisites as may be approved by the Compensation Committee during the Employment Term, all on a basis at least as favorable to Employee as may be provided to similarly-situated senior executive officers of Company. Notwithstanding the foregoing, nothing herein shall limit the ability of Company to amend, modify or terminate any such plans or arrangements at any time and from time to time in accordance with their terms and applicable law.

(b) Employee shall be entitled to take appropriate and reasonable annual vacation time, provided that such vacation time does not interfere with Employee's duties hereunder.

(c) Company shall reimburse Employee for all reasonable business expenses incurred by Employee during the Employment Term in the performance of Employee's duties, which expenses will be subject to Company's reimbursement policies as in effect from time to time. It is understood that Employee is authorized to incur reasonable business expenses for promoting the business of Company, including reasonable expenditures for travel, lodging, meals and client or business associate entertainment. Request for reimbursement for such expenses must be accompanied by appropriate documentation.

7. **Termination of Employment**. Employee's employment may be terminated as set forth below:

(a) Death or Termination due to Disability. Employee's employment with Company shall terminate immediately and automatically upon Employee's death during the Employment Term. If Company determines that Employee has suffered a Disability during the Employment Term, Company may give Employee written notice of its intention to terminate Employee's employment due to his Disability. In such event, Employee's employment with Company shall terminate effective on the 30th day after Company provides Employee with such notice, provided that Employee shall not have returned to full-time performance of Employee's duties prior to such 30th day. For purposes of this Agreement, "Disability" means a physical or mental condition resulting in Employee's inability to perform Employee's duties hereunder for a period of six (6) consecutive calendar months, as reasonably determined by Company.

(b) Termination by Company for Cause; Termination by Employee without Good Reason. Company may terminate Employee's employment with Company at any time for Cause. Employee may terminate Employee's employment with Company without Good Reason upon thirty (30) days written notice to Company. For purposes of this Agreement, "Cause" means any of the following (A) embezzlement or theft by Employee from Company or one of its subsidiaries, or the Employee's conviction of, or plea of guilty or nolo contendere to (i) any felony or (ii) another crime involving dishonesty or moral turpitude or that could reflect negatively upon Company or one of its subsidiaries or otherwise impair or impede its or their operations; (B) any act or omission by Employee that is a material breach of Employee's obligations under this Agreement or other agreement with Company: (C) Employee's failure to substantially or satisfactorily perform Employee's duties for Company or one of its subsidiaries (other than as a result of

incapacity due to physical or mental illness) which failure has not been cured, as reasonably determined by Company, by Employee after thirty (30) days written notice thereof to Employee by Company; (D) Employee's material breach of a written policy of the Employer or one of its subsidiaries; or (E) conduct by Employee that is materially injurious to Company or one of its subsidiaries, monetarily or otherwise, including, without limitation, Employee's engaging in dishonesty, violence or threat of violence.

(c) Termination by Company without Cause; Termination by Employee for Good Reason. Company may terminate Employee's employment without Cause upon thirty (30) days written notice to Employee. Employee may terminate Employee's employment with Company for Good Reason if (i) Employee provides Company with written notice of the condition alleged to constitute Good Reason within 60 days of the initial existence of such condition, (ii) Company is provided with at least 30 days to cure such condition, and (iii) if Company does not timely cure such condition, Employee terminates Employee's employment with Company within 30 days after the end of the cure period. In the event Company timely cures the condition alleged to constitute Good Reason, Employee shall not be entitled to terminate for Good Reason with respect to such condition. For purposes of this Agreement, "Good Reason" means any of the following without Employee's consent:

(i) A material and adverse change in Employee's title, responsibilities, or reporting relationship(s);

(ii) James C. Flores ceasing to serve as Chief Executive Officer of Company (or any successor to Company);

(iii) A material reduction in Employee's Base Salary;

(iv) The relocation of Company's principal executive offices outside the greater Houston, Texas metropolitan area, or Company's requiring Employee to relocate anywhere other than the location of Company's principal executive offices, except

for required travel on Company's business to an extent substantially consistent with Employee's obligations under this Agreement; or

(v) A material breach by Company of a material provision of this Agreement.

(d) Termination due to Non-Renewal of Agreement. Either Company or Employee may terminate Employee's employment with Company due to non-renewal of this Agreement upon timely providing notice in accordance with Section 3.

(e) Termination of Agreement. In all cases, termination of Employee's employment with Company shall result in immediate and automatic termination of this Agreement.

(f) Resignations from Boards and as Officer. Termination of Employee's employment for any reason whatsoever shall constitute, if applicable, Employee's resignation from the Board and the boards of directors of any affiliate of Company on which Employee serves, if any, and resignation as an officer of Company and of any of the subsidiaries for which Employee serves as an officer.

8. **Obligations of Company upon Termination of Employment**. Upon termination of Employee's employment during the Employment Term, Employee shall be entitled to the compensation and benefits described in this Section 8 and shall have no further rights to any compensation or any other benefits from Company or any of its affiliates.

(a) Accrued Obligations. If Employee's employment with Company terminates for any reason, Company shall pay or provide Employee with the following:

(i) Any earned but unpaid Base Salary through Employee's last day of employment with Company ("Termination Date"),

(ii) Payment for any accrued but unused vacation or paid time-off as of Employee's Termination Date, to the extent payment is required under Company's vacation or paid time-off policies,

(iii) Any earned but unpaid Annual Bonus, incentive or other cash bonuses for any prior period that remain unpaid as of Employee's Termination Date,

(iv) Any reimbursements for expenses incurred but not yet paid as of Employee's Termination Date, and

(v) Any other amounts or benefits required to be paid or provided or which Employee is eligible to receive under any plan, program, policy or practice or contract or agreement of Company and in accordance with the terms thereof, any deferred compensation arrangements or agreements between Employee and Company, or other benefit plans, in accordance with the terms of such plans, programs or policies (collectively, "Accrued Obligations").

Payment of any Accrued Obligations in clauses (i) through (iii) shall be made in a single lump sum in cash within ten (10) business days following Employee's Termination Date (or such earlier date as required by applicable law). Payment of any Accrued Obligations under clause (iv) shall be made in accordance with Company's expense reimbursement policies. Any Accrued Obligations under clause (v) shall be paid or provided in accordance with the terms of the applicable plan, program, policy or practice or contract or agreement.

(b) Termination by Company for Cause; Termination by Employee without Good Reason; Termination due to Disability; Employee's Death; Termination due to Non-Renewal of Agreement by Employee. If, during the Employment Term, Employee's employment is terminated (i) by Company for Cause, (ii) by Employee without Good Reason, (iii) by Company due to Employee's Disability, (iv) due to Employee's death, or (v) by Employee due to Employee's non-renewal of the Agreement, then Company shall have no further obligations to Employee, other than with respect to the Accrued Obligations.

(c) Termination by Company without Cause; Termination by Employee for Good Reason; Termination due to Non-renewal of Agreement by Company—Not in Connection with Change in Control. If, during the Employment Term, Employee's employment is terminated (i) by Company without Cause, (ii) by Employee for Good Reason, or (iii) due to Company's non-renewal of the Agreement, in each case, prior to a Change in Control or more than two years after a Change in Control, then Company shall have no further obligations to Employee, other than with respect to the Accrued Obligations.

(d) Termination by Company without Cause; Termination by Employee for Good Reason; Termination due to Non-renewal of Agreement by Company—In Connection with Change in Control.

(i) If, during the Employment Term, Employee's employment is terminated (A) by Company without Cause, (B) by Employee for Good Reason, or (C) due to Company's non-renewal of the Agreement, in each case, within two years following a Change in Control, then, in addition to the Accrued Obligations, Employee shall be entitled, subject to Employee's execution, return to Company and non-revocation of a release of claims in favor of Company in a form reasonably acceptable

to Company, which release becomes final and irrevocable no later than 55 days after the Termination Date ("Release Requirement"), Company shall pay to Employee in a lump sum in cash an amount equal to the product of (I) three (3), multiplied by (II) the sum of (x) Employee's then-current Base Salary (provided that if Employee is terminating employment for Good Reason due to a reduction in Base Salary, then Base Salary immediately prior to such reduction shall be used) and (y) Employee's average Annual Bonus for the three immediately preceding years or such lesser number of completed years of employment with Company as applicable (provided that if Employee's employment terminates prior to completion of one full year for Annual Bonus purposes, Employee's then-current target Annual Bonus opportunity shall be used) (such product, "Severance Payment").

(ii) The Severance Payment shall be paid on the 60th day following the Termination Date.

(iii) In the event Employee does not timely satisfy the Release Requirement, the Severance Payment shall not be paid.

(iv) For purposes of this Agreement, "Change in Control" means the first of the following to occur during the Employment Term:

(A) The acquisition by any "Person" (as the term person is used for purposes of Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended (the "1934 Act")) of "Beneficial Ownership" (within the meaning of Rule 13d-3 promulgated under the 1934 Act) of any securities of Company that generally entitles the holder thereof to vote for the election of directors of Company (the "Voting Securities") which, when added to the Voting Securities then Beneficially Owned by such Person, would result

in such Person either Beneficially Owning fifty percent (50%) or more of the combined voting power of Company's then outstanding Voting Securities or having the ability to elect fifty percent (50%) or more of the members of the Board; *provided*, *however*, that for purposes of this Report has been signed below paragraph (A) of this Section 8(d)(iv), a Person shall not be deemed to have made an acquisition of Voting Securities if such Person: (1) becomes the Beneficial Owner of more than the permitted percentage of Voting Securities solely as a result of open market acquisition of Voting Securities by Company which, by reducing the following persons number of Voting Securities outstanding, increases the proportional number of shares Beneficially Owned by such Person; (2) is Company or any corporation or other Person of which a majority of its voting power or its equity securities or equity interest is owned directly or indirectly by Company (a "Controlled Entity"); (3) acquires Voting Securities in connection with a Non-Control Transaction (as defined in paragraph (C) of this Section 8(d)(iv)); or (4) becomes the Beneficial Owner of more than the permitted percentage of Voting Securities as a result of a transaction approved by a majority of the Incumbent Board (as defined in paragraph (B) below); or

(B) The individuals who, as of the Effective Date, are members of the Board (the "Incumbent Board"), cease for any reason to constitute at least a majority of the Board; *provided*, *however*, that if either the election of any new director or the nomination for election of any new director by Company's stockholders was approved by a vote of at least a majority of the Incumbent Board, such new director shall be considered as a member of the Incumbent Board; provided, further, however, that no individual shall be considered a member of the Incumbent Board if such individual initially assumed office as a result of either an actual or threatened "Election Contest" (as described in Rule 14a-11 promulgated under the 1934 Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the registrant Board (a "Proxy Contest") including by reason of any agreement intended to avoid or settle any Election Contest or Proxy Contest; or

(C) The consummation of a merger, consolidation or reorganization involving Company (a "Business Combination"), unless (1) the stockholders of Company, immediately before the Business Combination, own, directly or indirectly immediately following the Business Combination, at least fifty percent (50%) of the combined voting power of the outstanding voting securities of the corporation resulting from the Business Combination (the "Surviving Corporation") in substantially the same proportion as their ownership of the Voting Securities immediately before the Business Combination, and (2) the individuals who were members of the Incumbent Board immediately prior to the execution of the agreement providing for the Business Combination constitute at least a majority of the members of the Board of Directors of the Surviving Corporation, and (3) no Person (other than (x) Company or any Controlled

Entity, (y) a trustee or other fiduciary holding securities under one or more employee benefit plans or arrangements (or any trust forming a part thereof) maintained by Company, the Surviving Corporation or any Controlled Entity, or (z) any Person who, immediately prior to the Business Combination, had Beneficial Ownership of fifty percent (50%) or more of the then outstanding Voting Securities) has Beneficial Ownership of fifty percent (50%) or more of the combined voting

power of the Surviving Corporation's then outstanding voting securities (a Business Combination described in clauses (1), (2) and (3) of this paragraph shall be referred to as a "Non-Control Transaction");

(D) A complete liquidation or dissolution of Company; or

(E) The sale or other disposition of all or substantially all of the assets of Company to any Person (other than a transfer to (1) any entity that, immediately prior to its acquisition of such assets, is owned directly or indirectly by the stockholders of Company in substantially the same proportion as their ownership of stock in Company immediately prior to such acquisition or (2) an affiliate of Company).

A Change in Control shall not be deemed to occur solely because fifty percent (50%) or more of the then outstanding Voting Securities is Beneficially Owned by (x) a trustee or other fiduciary holding securities under one or more employee benefit plans or arrangements (or any trust forming a part thereof) maintained by Company or any Controlled Entity or (y) any entity that, immediately prior to its acquisition of such interest, is owned directly or indirectly by the stockholders of Company in substantially the same proportion as their ownership of stock in Company immediately prior to such acquisition.

Any event that would otherwise constitute a Change in Control shall not be deemed to be a Change in Control if thereafter the Incumbent Board continues to constitute a majority of the Board.

For purposes of this Agreement, neither of the Mergers shall be considered a Change in Control.

9. **Restrictive Covenants**.

(a) Confidential Information; Unauthorized Disclosure. Employee acknowledges that during the Term, Company shall disclose to Employee and provide Employee with access to trade secrets and confidential information of Company or its Subsidiaries; or place Employee in a position to develop business goodwill on behalf of Company or its Subsidiaries; or entrust Employee with business opportunities of Company or its Subsidiaries. During the period of Employee's employment hereunder and for a period of two (2) years following the termination of employment, Employee shall not, whether during the period of Employee's employment hereunder or thereafter, without the written consent of the Chief Executive Officer or a person authorized thereby, disclose to

any person, other than an employee of Company or a person to whom disclosure is reasonably necessary or appropriate in connection with the performance by Employee of Employee's duties as an executive of Company, any trade secrets or confidential information obtained by Employee while in the employ of Company with respect to Company's business, including but not limited to technology, know-how, processes, maps, geological and geophysical data, other proprietary information and any information whatsoever of a confidential nature, the disclosure of which Employee knows or should know will be damaging to Company; *provided*, *however*, that trade secrets and confidential information shall not include any information known generally to the public (other than as a result of unauthorized disclosure by Employee) or any information which Employee may be required to disclose by any applicable law, order, or judicial or administrative proceeding.

(b) Non-Competition. As part of the consideration for the compensation and benefits to be paid to Employee hereunder; to protect the trade secrets and confidential information of Company or its Subsidiaries that have been and will in the future be disclosed or entrusted to Employee; the business goodwill of Company or its Subsidiaries that has been and will in the future be developed by Employee or the business opportunities that have been and will in the future be disclosed or entrusted to Employee by Company or its Subsidiaries; and as an additional incentive for Company to enter into this Agreement, Company and Employee agree to the following competition provisions:

During the Employment Term and for a period of two years thereafter, Employee shall not, with respect to oil & gas assets in the state of California, directly or indirectly engage in or become interested financially in as a principal, employee, partner, shareholder, agent, manager, owner, advisor, lender, guarantor of any person engaged in any business substantially identical to the Business (defined below); provided, however, that Employee may invest in stock, bonds or other securities in any such business (without participating in such business) if: (i) (A) such stock, bonds or other securities are listed on any United States securities exchange or are publicly traded in an over the counter market and (B) its investment does not exceed, in the case of any capital stock of any one issuer, 5% of the issued and outstanding capital stock, or in the case of bonds or other securities, 5% of the aggregate principal amount thereof issued and outstanding, or (ii) such investment is completely passive and no control or influence over the management or policies of such business is exercised. The term "Business" shall mean the exploration, development and production of crude petroleum and natural gas. Notwithstanding the foregoing provisions of this Section 9(b), in the event of a termination of Employee's employment by Company without Cause or in the event of Employee's resignation for Good Reason, Employee shall have no further obligations under this Section 9(b) unless such termination occurs within the two-year period immediately following a Change in Control or Employee otherwise becomes entitled to receive the Severance Payment.

(c) Non-Solicitation. Employee undertakes toward Company and is obligated, during the Employment Term and for a period of two years thereafter, not to solicit or hire, directly or indirectly, in any manner whatsoever (except in response to a general solicitation), in the capacity of employee, consultant or in any other capacity whatsoever, one or more of the employees, directors or officers or other persons (hereinafter

collectively referred to as "Employees") who at the time of solicitation or hire, or in the 90 day period prior thereto, are working full-time or part-time for Company or any of its Subsidiaries and not to endeavor, directly or indirectly, in any manner whatsoever, to encourage any of said Employees to leave Employee's job with Company or any of its Subsidiaries and not to endeavor, directly or indirectly, and in any manner whatsoever, to incite or induce any client or customer of Company or any of its Subsidiaries to terminate, in whole or in part, its business relations with Company or any of its Subsidiaries.

(d) Proprietary Rights.

(i) Assignment. Employee hereby irrevocably assigns and agrees to assign to Company all rights Employee may have in any and all intellectual property that relate to Company's actual or anticipated business developed partially or wholly by Employee during Employee's employment with Company. Company agrees to provide Employee an opportunity to develop new intellectual property in an expanded nature.

(ii) Work for Hire. Employee agrees that if, in connection with the capacities performance of Employee's duties while employed by Company, Employee creates, or assists in the creation of, any work that relates to Company's actual or anticipated business that may be protectable under the copyright laws or similar laws: (a) that such work is considered a "work made for hire," (b) Company shall be considered the author and owner of the work, and (c) if it is later determined that the work was not a "work made for hire," Employee hereby assigns to Company any copyrights and other ownership interests that Employee may have in the work.

(iii) Inventions. Employee further agrees to promptly and fully inform and disclose to Company the existence of all (a) inventions, potential inventions, designs, discoveries, processes, business plans, improvements, ideas ("Inventions"), (b) works of authorship, or (c) derivative works, provided that such Inventions, works of authorship or derivative works relate to Company's actual or anticipated business, that are in any way created, have resulted, or are derived from the use of Company's resources or were created, resulted or derived from while performing Employee's duties as an employee employed by Company, all of which shall be the exclusive property of Company. Employee further agrees to maintain current and adequate written records on the development of the aforementioned Inventions, works of authorship and derivative works. Employee hereby assigns and agrees to assign, without further compensation, all of Employee's right, title, and interest in or to the aforementioned Inventions, works of authorship, and derivative works.

(iv) Applications and Registrations. Employee agrees to assist Company in every proper way to perfect Company's rights in all Inventions, trademarks, and copyrightable works; including, without limitation, promptly executing and delivering such patent, copyright, trademark or other applications, assignments, descriptions and other instruments, and to take such actions, as may be reasonably necessary to vest title to, maintain title to, and/or defend or enforce the rights of Company in the Inventions, trademarks, or copyrightable works.

(v) Attorney in Fact. Employee agrees that in the event Company is unable, for any reason, after reasonable effort, to secure Employee's signature on any document needed in connection with the actions specified in this Section 9(d), Employee irrevocably designates and appoints Company and its duly authorized officers and agents as Employee's agent and attorney in fact, to act for and on behalf of Employee to execute, verify and file any such documents and to do all other lawfully permitted acts to further the dates indicated. purposes of this assignment with the same legal force and effect as if executed by Employee.

(e) Enforcement. It is the desire and intent of the parties that the provisions of this Section 9 shall be enforced to the fullest extent permissible under the laws and public policies applied in each jurisdiction in which enforcement is sought. Accordingly, if any particular provision of this Section 9 shall be adjudicated to be invalid or unenforceable, such provision shall be deemed amended to delete therefrom the portion thus adjudicated to be invalid or unenforceable. Such deletion shall apply only with respect to the operation of such provisions of this Section 9 in the particular jurisdiction in which such adjudication is made. In addition, if the scope of any restriction contained in this Section 9 is too broad to permit enforcement thereof to its fullest extent, then such restriction shall be enforced to the maximum extent permitted by law, and Employee hereby consents and agrees that such scope may be judicially modified in any proceeding brought to enforce such restriction.

(f) Remedies. In the event of a breach or threatened breach by Employee of the provisions of this Section 9, Company shall be entitled to an injunction and such other equitable relief as may be necessary or desirable to enforce the restrictions contained herein. Nothing herein contained shall be construed as prohibiting Company from pursuing any other remedies available for such breach or threatened breach or any other breach of this Agreement.

(g) Immunity Notice. Notwithstanding any other provision of this Agreement:

(i) Employee will not be held criminally or civilly liable under any federal or state trade secret law for any disclosure of a trade secret that (i) is made: (A) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding;

(ii) If Employee files a lawsuit for retaliation, Employee may disclose Company's trade secrets to Employee's attorney and use the trade secret information in the court proceeding if Employee: (i) files any document containing the trade secret under seal; and (ii) does not disclose the trade secret, except pursuant to court order; and

(iii) Nothing in this Agreement prohibits Employee from (i) exercising any rights that cannot be lawfully waived or restricted; (ii) communicating with or initiating or participating in any investigation conducted by the Equal Employment Opportunity Commission or other fair employment practices agency; or (iii) otherwise reporting possible violations of federal, state, or local law or regulation to any governmental agency or entity, including but not limited to the United States Department of Justice, the Securities and Exchange Commission, Congress, and/or any agency Inspector General, or making other disclosures that are protected under the whistleblower provisions or other provisions of federal, state, or local law or regulation. Employee does not need the prior authorization of Company to make any such reports or disclosures and Employee is not required to notify Company that Employee has made such reports or disclosures.

10. **Mitigation**. Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which Company may have against Employee or others. In no event shall Employee be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to Employee under any of the provisions of this Agreement and such amounts shall not be reduced whether or not Employee obtains other employment.

11. **Non-exclusivity of Rights**. Nothing in this Agreement shall prevent or limit Employee's continuing or future participation in any employee benefit plan, program, policy or practice provided by Company or its affiliates and for which Employee may qualify, except as specifically provided herein. Amounts that are vested benefits or which Employee is otherwise entitled to receive under any plan, policy, practice or program of Company or any of its affiliates at or subsequent to Employee's Termination Date shall be payable in accordance with such plan, policy, practice or program except as explicitly modified by this Agreement.

12. **Assignability**. The obligations of Employee hereunder are personal and may not be assigned or delegated by Employee or transferred in any manner whatsoever, nor are such obligations subject to involuntary alienation, assignment or transfer, except by will or the laws of descent and distribution.

13. **Notice**. For the purpose of this Agreement, notices and all other communications provided for in the Agreement shall be in writing and shall be deemed to have been duly given when personally delivered, sent by overnight courier or by electronic mail with confirmation of receipt or on the third business day after being mailed by United States registered mail, return receipt requested, postage prepaid, addressed to Company at its principal office address and electronic mail address, directed to the attention of the Chief Executive Officer with a copy to the Secretary of Company, and to Employee at Employee's residence address and electronic mail address on the records of Company or to such other address as either party may have furnished to the other in writing in accordance herewith except that notice of change of address shall be effective only upon receipt.

14. **Validity**. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

15. **Successors**. This Agreement is personal to Employee and shall not be assignable by Employee otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by Employee's legal representatives, executors, administrators, successors, heirs, distributes, devisees and legatees. This Agreement may be assigned by Company and shall be binding and inure to the benefit of Company and its successors and assigns.

16. **Indemnification**. During the Employment Term and for a period of six years thereafter, Company shall cause Employee to be covered by and named as an insured under any policy or contract of insurance obtained by it to insure its directors and officers against personal liability for acts or omissions in connection with service as an officer or director of Company or service in other capacities at the request of Company. In addition, to the maximum extent permitted by the by-laws of Company in effect from time to time and applicable law, during the Employment Term and for a period of six years thereafter, Company shall indemnify Employee against and hold Employee harmless from any costs, liabilities and losses for Employee's services as an employee, officer and director of Company (or any successor).

17. **Withholding**. Anything to the contrary notwithstanding, all payments required to be made by Company hereunder to Employee, Employee's spouse, Employee's estate or beneficiaries, shall be subject to withholding of such amounts relating to taxes as Company may reasonably determine it should withhold pursuant to any applicable law or regulation. In lieu of withholding such amounts in whole or in part, Company may, in its sole discretion, accept other provisions for payment of taxes as required by law, provided it is satisfied that all requirements of law affecting its responsibilities to withhold such taxes have been satisfied.

18. **Section 280G**.

(a) Notwithstanding anything in this Agreement or any other plan or agreement to the contrary, in the event that any payment or benefit received or to be received by Employee (whether pursuant to the terms of this Agreement or any other plan, arrangement or agreement) (all such payments and benefits, the "Total Payments") would not be deductible (in whole or in part) by Company or any affiliate thereof making such payment or providing such benefit as a result of Section 280G of the Code, then, to the extent necessary to make such portion of the Total Payments deductible, the portion of the Total Payments that do not constitute deferred compensation within the meaning of Section 409A shall first be reduced (if necessary, to zero), and all other Total Payments shall thereafter be reduced (if necessary, to zero) with cash payments being reduced before non-cash payments, and payments to be paid last being reduced first, but only if (i) the net amount of such Total Payments, as so reduced (and after subtracting the net amount of federal, state and local income taxes on such reduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such reduced Total Payments) is greater than or equal to (ii) the net amount of such Total Payments

without such reduction (but after subtracting the net amount of federal, state and local income taxes on such Total Payments and the amount of tax imposed by Section 4999 of the Code (and similar state and local laws) to which Employee would be subject in respect of such unreduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such unreduced Total Payments).

(b) Any determination required under this Section 18 shall be made in writing by an accounting firm selected by Company ("Accountants"). Company and Employee shall provide the Accountants with such information and documents as the Accountants may reasonably request in order to make a determination under this Section 18. For purposes of making the calculations and determinations required by this Section 18, the Accountants may rely on reasonable, good faith assumptions and approximations concerning the application of Section 280G and Section 4999 of the Code. The Accountants' determinations shall be final and binding on Company and Employee.

19. **Section 409A**.

(a) General. This Agreement shall be interpreted and administered in a manner so that any amount or benefit payable hereunder shall be paid or provided in a manner that is either exempt from or compliant with the requirements of Section 409A of the Code and applicable Internal Revenue Service guidance and Treasury Regulations issued thereunder (collectively, "Section 409A").

(b) Definitional Restrictions. Notwithstanding anything in this Agreement to the contrary, to the extent that any amount or benefit that would constitute non-exempt "deferred compensation" for purposes of Section 409A ("Non-Exempt Deferred Compensation") would otherwise be payable or distributable hereunder by reason of Employee's termination of employment, such Non-Exempt Deferred Compensation will not be payable or distributable to Employee by reason of such circumstance unless the circumstances giving rise to such termination of employment meet any description or definition of "separation from service" in Section 409A. This provision does not affect the dollar amount or prohibit the vesting of any Non-Exempt Deferred Compensation upon a termination of employment, however defined.

(c) Six-Month Delay in Certain Circumstances. Notwithstanding anything in this Agreement to the contrary, if any amount or benefit that would constitute Non-Exempt Deferred Compensation would otherwise be payable or distributable under this Agreement by reason of Employee's separation from service during a period in which Employee is a "specified employee" (as defined in Section 409A), then: (i) the amount of such Non-Exempt Deferred Compensation that would otherwise be payable during the six-month

period immediately following Employee's separation from service will be accumulated through and paid or provided, without interest, on the first day of the seventh month following Executive's separation from service (or, if Employee dies during such period, within 30 days after Employee's death) (in either case, the "Required Delay Period"); and (ii) the normal payment or distribution schedule for any remaining payments or distributions will resume at the end of the Required Delay Period.

(d) Treatment of Installment Payments. Each payment in a series of payments shall be considered a separate payment for purposes of Section 409A.

(e) Timing of Reimbursements and In-Kind Benefits. If Employee is entitled to be paid or reimbursed for any taxable expenses under this Agreement, and such payments or reimbursements are includible in Employee's federal gross taxable income, the amount of such expenses reimbursable in any one calendar year shall not affect the amount reimbursable in any other calendar year, and the reimbursement of an eligible expense must be made no later than December 31 of the year after the year in which the expense was incurred. No right of Employee to reimbursement of expenses under this Agreement shall be subject to liquidation or exchange for another benefit.

20. **Compensation Recoupment Policy**. Any incentive compensation, including, but not limited to, cash-based and equity-based compensation, awarded to Employee by Company shall be subject to any compensation recoupment policy that Company may adopt from time to time that is applicable by its terms to Employee. In addition, the Compensation Committee and/or the Board may specify in any written documentation memorializing an incentive award that Employee's rights, payments and benefits with respect to such award shall be subject to reduction, cancellation, forfeiture or recoupment upon the occurrence of certain specified events, in addition to any otherwise applicable conditions of such award. Such events may include, but shall not be limited to, (i) termination of employment for Cause, (ii) violation of material Company policies, (iii) breach of noncompetition, confidentiality or other restrictive covenants, (iv) other conduct by Employee that is detrimental to the business or reputation of Company, or (v) a later determination that the amount realized from a performance-based award was based on materially inaccurate financial statements or any other materially inaccurate performance metric criteria, whether or not Employee caused or contributed to such material inaccuracy.

21. **Construction**. The parties understand and agree that because they both have been given the opportunity to have counsel review and revise this Agreement, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement. Instead, the language of all parts of this Agreement shall be construed as a whole, and according to its fair meaning, and not strictly for or against either of the parties.

22. **Amendment; Waiver**. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by Employee and such officer as may be specifically authorized by the Board. No waiver by either party hereto at any time of any breach by the other party hereto of, or in compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. This Agreement is an integration of the parties' agreement: no agreement or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement. Employee represents and warrants that the execution of this Agreement will not result in any breach of any prior or existing agreement executed by Employee with respect to any third party.

23. **Applicable Law**. Company and Employee agree that this Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of Texas without giving effect to its conflicts of law principles.

24. **Counterparts**. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

25. **Entire Agreement**. This Agreement contains the entire agreement between Company and Employee with respect to the subject matter hereof and, from and after the date hereof, this Agreement shall supersede any other agreement, written or oral, between the parties relating to the subject matter of this Agreement, including but not limited to any prior discussions, understandings, or agreements between the parties, written or oral, at any time.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed this Agreement as of November 2nd, 2022, effective for all purposes as provided above on the Effective Date.

Name

DateSABLE OFFSHORE

Position CORP.

By: /s/ James C. Flores

Name: James C. Flores

Title: Chairman and Chief Executive Officer

EMPLOYEE

(Principal Executive Officer)

March 31, 2023 J. Caldwell Flores

Signature Page to Employment Agreement

IN WITNESS WHEREOF, the parties have executed this Agreement as of November 2nd, 2022, effective for all purposes as provided above on the Effective Date.

/s/ Gregory D. Patrinely

Gregory D. Patrinely

SABLE OFFSHORE CORP.

By: Executive Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)

Name: March 31, 2023 James C. Flores

Title: Chief Executive Officer

EMPLOYEE

/s/ J. Caldwell Flores

J. Caldwell Flores

Signature Page to Employment Agreement

EXHIBIT 10.42

SABLE OFFSHORE CORP.

EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement") by and between Sable Offshore Corp., a Texas corporation ("Company"), and Doss R. Bourgeois ("Employee") is entered into effective as of, and contingent upon, the merger of each Sable Offshore Holdings LLC and Sable Offshore Corp. into Flame Acquisition Corp. (the "Effective Date").

WHEREAS, Company desires to employ Employee and Employee desires to be employed by Company; and WHEREAS, the parties desire to enter into an employment agreement with certain provisions that are incorporated herein.

NOW, THEREFORE, in consideration of the mutual covenants, representations, warranties, and agreements contained herein, and for other valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. **Effectiveness Contingent upon Mergers**. This Agreement shall be effective as of and only in the event of consummation of (i) the merger of Sable Offshore Holdings LLC with and into Flame Acquisition Corp. and (ii) the merger of Sable Offshore Corp. with and into Flame Acquisition Corp. (each, a "Merger" and collectively, the "Mergers"). In the event the Mergers do not occur, this Agreement shall be null and void ab initio.

2. **Employment-at-will**. Company agrees to employ Employee, and Employee hereby agrees to be employed by Company. Employment of Employee shall be at will and may be terminated by either party on the terms and conditions set forth in this Agreement.

3. **Term of Employment**. Subject to the provisions for termination provided in this Agreement, the term of this Agreement shall be for a period of three (3) years beginning on the Effective Date. On each annual anniversary of the Effective Date, the term shall extend so that the term of this Agreement shall again be for three (3) years extending from that anniversary date unless either party provides the other party, not less than thirty (30) days' written notice prior to that anniversary date, of such party's election not to renew the Agreement. On each subsequent annual anniversary date of the Effective Date, the term of this Agreement shall again extend to three (3) years unless the requisite thirty (30) days' written notice of non-renewal was provided by either party. Once either party provides timely notice of non-renewal, the term of this Agreement shall no longer extend, and the term of this Agreement shall end at the conclusion of the then existing term. The term of this Agreement, including any extensions that occur as provided for above, shall be referred to herein as the "Employment Term." Either party may terminate this Agreement at any time, subject to the terms of this Agreement.

4. **Employee's Duties**.

(a) During the Employment Term, Employee shall serve as Executive Vice President and Chief Operating Officer for Company, with such customary duties and responsibilities as may from time to time be assigned to Employee by the Chief Executive Officer of Company, provided that such duties are at all times consistent with the duties of

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such position. Employee shall report directly to the Chief Executive Officer. Employee agrees to serve without additional compensation, if elected or appointed thereto, in one or more offices or a director of any of Company's subsidiaries. For purposes of this Agreement, a "Subsidiary" shall mean any entity in which Company owns a majority of the voting stock of the class of securities (or other interests in the case of a limited liability company, partnership or other entity) that may vote in the election of the members of the governing body of such entity. Employee may engage in the following activities so long as they do not interfere in any material respect with the performance of Employee's duties and responsibilities hereunder: (i) serve on corporate, civic or charitable boards or committees or (ii) deliver lectures, or fulfill speaking engagements; provided, however, that in no event shall the conduct of any such activities by Employee be deemed to materially interfere with Employee's duties hereunder until Employee has been notified in writing thereof by the Chief Executive Officer and given a reasonable period in which to cure such interference. In addition, Employee shall be permitted to manage Employee's personal investments, *provided*, that (a) such management shall not interfere in any material respect with the performance of Employee's duties and responsibilities hereunder or violate Company's conflicts policy or similar policy as in effect from time to time, (b) Employee informs the Chief Executive Officer of any conflicts of interest (whether actual or apparent) with Company and any of its Subsidiaries, including, but not limited to, any event reasonably likely to raise the appearance of conflicts, and (c) Employee notifies the Chief Executive Officer of, and discusses with the Chief Executive Officer with respect to, any opportunities presented to Employee or any of the entities in which Employee owns a majority interest in connection with such continued ownership and management that should be offered to Company or its Subsidiaries. Notwithstanding the foregoing, Company agrees that Employee's management of Employee's current personal investments, as disclosed to independent members of the board of directors of Flame Acquisition Corp. prior to the date of execution of this Agreement, shall not be deemed to materially interfere with Employee's duties hereunder.

5. **Compensation**.

(a) Base Salary. For services rendered by Employee under this Agreement, Company shall pay to Employee a base salary ("Base Salary") of $800,000.00 per annum payable in substantially equal installments in accordance with Company's customary payroll practices for its senior executive officers. The amount of Base Salary shall be reviewed periodically and may be increased from time to time as any compensation committee (the "Compensation Committee") of the Board of Directors of the Company (the "Board"), based on the recommendation of the Chief Executive Officer, may deem appropriate. Base Salary, as in effect at any time, may not be decreased without the prior written consent of Employee.

(b) Annual Bonus. In addition to Employee's Base Salary, Employee shall be eligible, post-production, to receive with respect to each calendar year during the Employment Term a cash incentive payment ("Annual Bonus") based on Employee's individual performance and the performance of Company. The target amount of each Annual Bonus shall be equal to 150% of Employee's Base Salary. An Annual Bonus shall become payable if Employee remains continuously employed with Company through

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December 31 of the applicable calendar year. Each Annual Bonus, if payable, shall be paid in a single lump sum in cash no later than March 15 of the calendar year immediately following the calendar year to which the Annual Bonus relates. Annual Bonuses are to be approved annually in good faith by the Compensation Committee based on the recommendation of the Company's Chief Executive Officer.

(c) Cash Signing Bonus. Within thirty (30) days after the Effective Date, Company shall pay to Employee in a single lump sum in cash an amount equal to $750,000.

(d) Initial Equity Incentive Grant. Within a reasonable time after the closing date of the Mergers, Company shall cause to be granted to Employee an equity award under Company's equity incentive plan ("Initial Equity Incentive Grant"), which award shall be with respect to 650,000 shares of Company's common stock and subject to the terms and conditions (including vesting and forfeiture) of such equity incentive plan and the applicable award agreement, provided that such Initial Equity Incentive Grants shall vest, if it all, no later than the third anniversary of the Mergers. Notwithstanding the immediately preceding sentence, in the event that the total number of shares of Company's common stock (i) subject to all Initial Equity Incentive Grants to all executives of Company and (ii) awarded to or held by other employees of the Company at or prior to the date the Mergers are consummated (such total number of shares, including, for the avoidance of doubt, the Merger Shares, the "Initial Sable Shares") represents more than fifteen percent (15%) of the Basic Share Number, then the number of shares to be granted to Employee with respect to Employee's Initial Equity Incentive Grant shall be reduced pro rata (based on the Employee's share of the Initial Sable Shares, excluding, for purposes of this prorationing, the Merger Shares) such that the number of Initial Sable Shares equals fifteen percent (15%) of the Basic Share Number. "Merger Shares" means the shares of Company's common stock issued to the equityholders of Sable Offshore Holdings LLC in connection with the Mergers. "Basic Share Number" means the aggregate number of shares of common stock of the surviving parent corporation resulting from the Mergers that is outstanding as of immediately following the Mergers and following the consummation of the transactions contemplated by the subscription agreements for the purchase of Company's common stock, which subscription agreements were entered into at or prior to the date the Mergers are consummated, but excluding (i) the Initial Sable Shares and (ii) shares subject to warrants to acquire Company's common stock, which warrants are outstanding as of the date the Mergers are consummated.

(e) Equity Incentive Grants. Equity incentive awards may be granted annually to Employee at the sole discretion of and subject to such terms and conditions as determined by the Compensation Committee and the Board.

6. **Other Benefits; Business Expenses**.

(a) Employee shall be entitled to participate in all employee benefit plans, fringe benefit arrangements and perquisite arrangements offered by Company to any of its senior executive officers, including, without limitation, participation in the various health, retirement, customary term life insurance, short-term and long-term disability insurance, parking and other employee benefit plans or programs provided to the employees of

Company in general, subject to the regular eligibility requirements with respect to each of such benefit plans or programs, and such other benefits or perquisites as may be approved by the Compensation Committee during the Employment Term, all on a basis at least as favorable to Employee as may be provided to similarly-situated senior executive officers of Company. Notwithstanding the foregoing, nothing herein shall limit the ability of Company to amend, modify or terminate any such plans or arrangements at any time and from time to time in accordance with their terms and applicable law.

(b) Employee shall be entitled to take appropriate and reasonable annual vacation time, provided that such vacation time does not interfere with Employee's duties hereunder.

(c) Company shall reimburse Employee for all reasonable business expenses incurred by Employee during the Employment Term in the performance of Employee's duties, which expenses will be subject to Company's reimbursement policies as in effect from time to time. It is understood that Employee is authorized to incur reasonable business expenses for promoting the business of Company, including reasonable expenditures for travel, lodging, meals and client or business associate entertainment. Request for reimbursement for such expenses must be accompanied by appropriate documentation.

7. **Termination of Employment**. Employee's employment may be terminated as set forth below:

(a) Death or Termination due to Disability. Employee's employment with Company shall terminate immediately and automatically upon Employee's death during the Employment Term. If Company determines that Employee has suffered a Disability during the Employment Term, Company may give Employee written notice of its intention to terminate Employee's employment due to his Disability. In such event, Employee's employment with Company shall terminate effective on the 30th day after Company provides Employee with such notice, provided that Employee shall not have returned to full-time performance of Employee's duties prior to such 30th day. For purposes of this Agreement, "Disability" means a physical or mental condition resulting in Employee's inability to perform Employee's duties hereunder for a period of six (6) consecutive calendar months, as reasonably determined by Company.

(b) Termination by Company for Cause; Termination by Employee without Good Reason. Company may terminate Employee's employment with Company at any time for Cause. Employee may terminate Employee's employment with Company without Good

Reason upon thirty (30) days written notice to Company. For purposes of this Agreement, “Cause” means any of the following (A) embezzlement or theft by Employee from Company or one of its subsidiaries, or the Employee’s conviction of, or plea of guilty or nolo contendere to (i) any felony or (ii) another crime involving dishonesty or moral turpitude or that could reflect negatively upon Company or one of its subsidiaries or otherwise impair or impede its or their operations; (B) any act or omission by Employee that is a material breach of Employee’s obligations under this Agreement or other agreement with Company: (C) Employee’s failure to substantially or satisfactorily perform Employee’s duties for Company or one of its subsidiaries (other than as a result of

incapacity due to physical or mental illness) which failure has not been cured, as reasonably determined by Company, by Employee after thirty (30) days written notice thereof to Employee by Company; (D) Employee’s material breach of a written policy of the Employer or one of its subsidiaries; or (E) conduct by Employee that is materially injurious to Company or one of its subsidiaries, monetarily or otherwise, including, without limitation, Employee’s engaging in dishonesty, violence or threat of violence.

(c) Termination by Company without Cause; Termination by Employee for Good Reason. Company may terminate Employee’s employment without Cause upon thirty (30) days written notice to Employee. Employee may terminate Employee’s employment with Company for Good Reason if (i) Employee provides Company with written notice of the condition alleged to constitute Good Reason within 60 days of the initial existence of such condition, (ii) Company is provided with at least 30 days to cure such condition, and (iii) if Company does not timely cure such condition, Employee terminates Employee’s employment with Company within 30 days after the end of the cure period. In the event Company timely cures the condition alleged to constitute Good Reason, Employee shall not be entitled to terminate for Good Reason with respect to such condition. For purposes of this Agreement, “Good Reason” means any of the following without Employee’s consent:

(i) A material and adverse change in Employee’s title, responsibilities, or reporting relationship(s);

(ii) James C. Flores ceasing to serve as Chief Executive Officer of Company (or any successor to Company);

(iii) A material reduction in Employee’s Base Salary;

(iv) The relocation of Company’s principal executive offices outside the greater Houston, Texas metropolitan area, or Company’s requiring Employee to relocate anywhere other than the location of Company’s principal executive offices, except for required travel on Company’s business to an extent substantially consistent with Employee’s obligations under this Agreement; or

(v) A material breach by Company of a material provision of this Agreement.

(d) Termination due to Non-Renewal of Agreement. Either Company or Employee may terminate Employee’s employment with Company due to non-renewal of this Agreement upon timely providing notice in accordance with Section 3.

(e) Termination of Agreement. In all cases, termination of Employee’s employment with Company shall result in immediate and automatic termination of this Agreement.

(f) Resignations from Boards and as Officer. Termination of Employee’s employment for any reason whatsoever shall constitute, if applicable, Employee’s resignation from the Board and the boards of directors of any affiliate of Company on which Employee serves, if any, and resignation as an officer of Company and of any of the subsidiaries for which Employee serves as an officer.

8. **Obligations of Company upon Termination of Employment**. Upon termination of Employee’s employment during the Employment Term, Employee shall be entitled to the compensation and benefits described in this Section 8 and shall have no further rights to any compensation or any other benefits from Company or any of its affiliates.

(a) Accrued Obligations. If Employee’s employment with Company terminates for any reason, Company shall pay or provide Employee with the following:

(i) Any earned but unpaid Base Salary through Employee’s last day of employment with Company (“Termination Date”),

(ii) Payment for any accrued but unused vacation or paid time-off as of Employee’s Termination Date, to the extent payment is required under Company’s vacation or paid time-off policies,

(iii) Any earned but unpaid Annual Bonus, incentive or other cash bonuses for any prior period that remain unpaid as of Employee’s Termination Date,

(iv) Any reimbursements for expenses incurred but not yet paid as of Employee’s Termination Date, and

(v) Any other amounts or benefits required to be paid or provided or which Employee is eligible to receive under any plan, program, policy or practice or contract or agreement of Company and in accordance with the terms thereof, any deferred compensation arrangements or agreements between Employee and Company, or other benefit plans, in accordance with the terms of such plans, programs or policies (collectively, "Accrued Obligations").

Payment of any Accrued Obligations in clauses (i) through (iii) shall be made in a single lump sum in cash within ten (10) business days following Employee's Termination Date (or such earlier date as required by applicable law). Payment of any Accrued Obligations under clause (iv) shall be made in accordance with Company's expense reimbursement policies. Any Accrued Obligations under clause (v) shall be paid or provided in accordance with the terms of the applicable plan, program, policy or practice or contract or agreement.

(b) Termination by Company for Cause; Termination by Employee without Good Reason; Termination due to Disability; Employee's Death; Termination due to Non-Renewal of Agreement by Employee. If, during the Employment Term, Employee's employment is terminated (i) by Company for Cause, (ii) by Employee without Good Reason, (iii) by Company due to Employee's Disability, (iv) due to Employee's death, or (v) by Employee due to Employee's non-renewal of the Agreement, then Company shall have no further obligations to Employee, other than with respect to the Accrued Obligations.

(c) Termination by Company without Cause; Termination by Employee for Good Reason; Termination due to Non-renewal of Agreement by Company—Not in Connection with Change in Control. If, during the Employment Term, Employee's employment is terminated (i) by Company without Cause, (ii) by Employee for Good Reason, or (iii) due to Company's non-renewal of the Agreement, in each case, prior to a Change in Control or more than two years after a Change in Control, then Company shall have no further obligations to Employee, other than with respect to the Accrued Obligations.

(d) Termination by Company without Cause; Termination by Employee for Good Reason; Termination due to Non-renewal of Agreement by Company—In Connection with Change in Control.

(i) If, during the Employment Term, Employee's employment is terminated (A) by Company without Cause, (B) by Employee for Good Reason, or (C) due to Company's non-renewal of the Agreement, in each case, within two years following a Change in Control, then, in addition to the Accrued Obligations, Employee shall be entitled, subject to Employee's execution, return to Company and non-revocation of a release of claims in favor of Company in a form reasonably acceptable to Company, which release becomes final and irrevocable no later than 55 days after the Termination Date ("Release Requirement"), Company shall pay to Employee in a lump sum in cash an amount equal to the product of (I) three (3), multiplied by (II) the sum of (x) Employee's then-current Base Salary (provided that if Employee is terminating employment for Good Reason due to a reduction in Base Salary, then Base Salary immediately prior to such reduction shall be used) and (y) Employee's average Annual Bonus for the three immediately preceding years or such lesser number of completed years of employment with Company as applicable (provided that if Employee's employment terminates prior to completion of one full year for Annual Bonus purposes, Employee's then-current target Annual Bonus opportunity shall be used) (such product, "Severance Payment").

(ii) The Severance Payment shall be paid on the 60th day following the Termination Date.

(iii) In the event Employee does not timely satisfy the Release Requirement, the Severance Payment shall not be paid.

(iv) For purposes of this Agreement, "Change in Control" means the first of the following to occur during the Employment Term:

(A) The acquisition by any "Person" (as the term person is used for purposes of Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended (the "1934 Act")) of "Beneficial Ownership" (within the meaning of Rule 13d-3 promulgated under the 1934 Act) of any securities of Company that generally entitles the holder thereof to vote for the election of directors of Company (the "Voting Securities") which, when added to the Voting Securities then Beneficially Owned by such Person, would result

in such Person either Beneficially Owning fifty percent (50%) or more of the combined voting power of Company's then outstanding Voting Securities or having the ability to elect fifty percent (50%) or more of the members of the Board; *provided*, *however*, that for purposes of this paragraph (A) of this Section 8(d)(iv), a Person shall not be deemed to have made an acquisition of Voting Securities if such Person: (1) becomes the Beneficial Owner of more than the permitted percentage of Voting Securities solely as a result of open market acquisition of Voting Securities by Company which, by reducing the number of Voting Securities outstanding, increases the proportional number of shares Beneficially Owned by such Person; (2) is Company or any corporation or other Person of which a majority of its voting power or its equity

securities or equity interest is owned directly or indirectly by Company (a "Controlled Entity"); (3) acquires Voting Securities in connection with a Non-Control Transaction (as defined in paragraph (C) of this Section 8(d)(iv)); or (4) becomes the Beneficial Owner of more than the permitted percentage of Voting Securities as a result of a transaction approved by a majority of the Incumbent Board (as defined in paragraph (B) below); or

(B) The individuals who, as of the Effective Date, are members of the Board (the "Incumbent Board"), cease for any reason to constitute at least a majority of the Board; *provided*, *however*, that if either the election of any new director or the nomination for election of any new director by Company's stockholders was approved by a vote of at least a majority of the Incumbent Board, such new director shall be considered as a member of the Incumbent Board; provided, further, however, that no individual shall be considered a member of the Incumbent Board if such individual initially assumed office as a result of either an actual or threatened "Election Contest" (as described in Rule 14a-11 promulgated under the 1934 Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board (a "Proxy Contest") including by reason of any agreement intended to avoid or settle any Election Contest or Proxy Contest; or

(C) The consummation of a merger, consolidation or reorganization involving Company (a "Business Combination"), unless (1) the stockholders of Company, immediately before the Business Combination, own, directly or indirectly immediately following the Business Combination, at least fifty percent (50%) of the combined voting power of the outstanding voting securities of the corporation resulting from the Business Combination (the "Surviving Corporation") in substantially the same proportion as their ownership of the Voting Securities immediately before the Business Combination, and (2) the individuals who were members of the Incumbent Board immediately prior to the execution of the agreement providing for the Business Combination constitute at least a majority of the members of the Board of Directors of the Surviving Corporation, and (3) no Person (other than (x) Company or any Controlled

Entity, (y) a trustee or other fiduciary holding securities under one or more employee benefit plans or arrangements (or any trust forming a part thereof) maintained by Company, the Surviving Corporation or any Controlled Entity, or (z) any Person who, immediately prior to the Business Combination, had Beneficial Ownership of fifty percent (50%) or more of the then outstanding Voting Securities) has Beneficial Ownership of fifty percent (50%) or more of the combined voting power of the Surviving Corporation's then outstanding voting securities (a Business Combination described in clauses (1), (2) and (3) of this paragraph shall be referred to as a "Non-Control Transaction");

(D) A complete liquidation or dissolution of Company; or

(E) The sale or other disposition of all or substantially all of the assets of Company to any Person (other than a transfer to (1) any entity that, immediately prior to its acquisition of such assets, is owned directly or indirectly by the stockholders of Company in substantially the same proportion as their ownership of stock in Company immediately prior to such acquisition or (2) an affiliate of Company).

A Change in Control shall not be deemed to occur solely because fifty percent (50%) or more of the then outstanding Voting Securities is Beneficially Owned by (x) a trustee or other fiduciary holding securities under one or more employee benefit plans or arrangements (or any trust forming a part thereof) maintained by Company or any Controlled Entity or (y) any entity that, immediately prior to its acquisition of such interest, is owned directly or indirectly by the stockholders of Company in substantially the same proportion as their ownership of stock in Company immediately prior to such acquisition.

Any event that would otherwise constitute a Change in Control shall not be deemed to be a Change in Control if thereafter the Incumbent Board continues to constitute a majority of the Board.

For purposes of this Agreement, neither of the Mergers shall be considered a Change in Control.

9. **Restrictive Covenants**.

(a) Confidential Information; Unauthorized Disclosure. Employee acknowledges that during the Term, Company shall disclose to Employee and provide Employee with access to trade secrets and confidential information of Company or its Subsidiaries; or place Employee in a position to develop business goodwill on behalf of Company or its Subsidiaries; or entrust Employee with business opportunities of Company or its Subsidiaries. During the period of Employee's employment hereunder and for a period of two (2) years following the termination of employment, Employee shall not, whether during the period of Employee's employment hereunder or thereafter, without the written consent of the Chief Executive Officer or a person authorized thereby, disclose to

any person, other than an employee of Company or a person to whom disclosure is reasonably necessary or appropriate in connection with the performance by Employee of Employee's duties as an executive of Company, any trade secrets or confidential information obtained by Employee while in the employ of Company with respect to Company's business, including but not limited to technology, know-how, processes, maps, geological and geophysical data, other proprietary information and any information whatsoever of a confidential nature, the disclosure of which Employee knows or should know will be damaging to Company; *provided*, *however*, that trade secrets and confidential information shall not include any information known generally to the public (other than as a result of unauthorized disclosure by Employee) or any information which Employee may be required to disclose by any applicable law, order, or judicial or administrative proceeding.

(b) Non-Competition. As part of the consideration for the compensation and benefits to be paid to Employee hereunder; to protect the trade secrets and confidential information of Company or its Subsidiaries that have been and will in the future be disclosed or entrusted to Employee; the business goodwill of Company or its Subsidiaries that has been and will in the future be developed by Employee or the business opportunities that have been and will in the future be disclosed or entrusted to Employee by Company or its Subsidiaries; and as an additional incentive for Company to enter into this Agreement, Company and Employee agree to the following competition provisions:

During the Employment Term and for a period of two years thereafter, Employee shall not, with respect to oil & gas assets in the state of California, directly or indirectly engage in or become interested financially in as a principal, employee, partner, shareholder, agent, manager, owner, advisor, lender, guarantor of any person engaged in any business substantially identical to the Business (defined below); provided, however, that Employee may invest in stock, bonds or other securities in any such business (without participating in such business) if: (i) (A) such stock, bonds or other securities are listed on any United States securities exchange or are publicly traded in an over the counter market and (B) its investment does not exceed, in the case of any capital stock of any one issuer, 5% of the issued and outstanding capital stock, or in the case of bonds or other securities, 5% of the aggregate principal amount thereof issued and outstanding, or (ii) such investment is completely passive and no control or influence over the management or policies of such business is exercised. The term "Business" shall mean the exploration, development and production of crude petroleum and natural gas. Notwithstanding the foregoing provisions of this Section 9(b), in the event of a termination of Employee's employment by Company without Cause or in the event of Employee's resignation for Good Reason, Employee shall have no further obligations under this Section 9(b) unless such termination occurs within the two-year period immediately following a Change in Control or Employee otherwise becomes entitled to receive the Severance Payment.

(c) Non-Solicitation. Employee undertakes toward Company and is obligated, during the Employment Term and for a period of two years thereafter, not to solicit or hire, directly or indirectly, in any manner whatsoever (except in response to a general solicitation), in the capacity of employee, consultant or in any other capacity whatsoever, one or more of the employees, directors or officers or other persons (hereinafter

collectively referred to as "Employees") who at the time of solicitation or hire, or in the 90 day period prior thereto, are working full-time or part-time for Company or any of its Subsidiaries and not to endeavor, directly or indirectly, in any manner whatsoever, to encourage any of said Employees to leave Employee's job with Company or any of its Subsidiaries and not to endeavor, directly or indirectly, and in any manner whatsoever, to incite or induce any client or customer of Company or any of its Subsidiaries to terminate, in whole or in part, its business relations with Company or any of its Subsidiaries.

(d) Proprietary Rights.

(i) Assignment. Employee hereby irrevocably assigns and agrees to assign to Company all rights Employee may have in any and all intellectual property that relate to Company's actual or anticipated business developed partially or wholly by Employee during Employee's employment with Company. Company agrees to provide Employee an opportunity to develop new intellectual property in an expanded nature.

(ii) Work for Hire. Employee agrees that if, in connection with the performance of Employee's duties while employed by Company, Employee creates, or assists in the creation of, any work that relates to Company's actual or anticipated business that may be protectable under the copyright laws or similar laws: (a) that such work is considered a "work made for hire," (b) Company shall be considered the author and owner of the work, and (c) if it is later determined that the work was not a "work made for hire," Employee hereby assigns to Company any copyrights and other ownership interests that Employee may have in the work.

(iii) Inventions. Employee further agrees to promptly and fully inform and disclose to Company the existence of all (a) inventions, potential inventions, designs, discoveries, processes, business plans, improvements, ideas ("Inventions"), (b) works of authorship, or (c) derivative works, provided that such Inventions, works of authorship or derivative works relate to Company's actual or anticipated business, that are in any way created, have resulted, or are derived from the use of

Company's resources or were created, resulted or derived from while performing Employee's duties as an employee employed by Company, all of which shall be the exclusive property of Company. Employee further agrees to maintain current and adequate written records on the development of the aforementioned Inventions, works of authorship and derivative works. Employee hereby assigns and agrees to assign, without further compensation, all of Employee's right, title, and interest in or to the aforementioned Inventions, works of authorship, and derivative works.

(iv) Applications and Registrations. Employee agrees to assist Company in every proper way to perfect Company's rights in all Inventions, trademarks, and copyrightable works; including, without limitation, promptly executing and delivering such patent, copyright, trademark or other applications, assignments, descriptions and other instruments, and to take such actions, as may be reasonably necessary to vest title to, maintain title to, and/or defend or enforce the rights of Company in the Inventions, trademarks, or copyrightable works.

(v) Attorney in Fact. Employee agrees that in the event Company is unable, for any reason, after reasonable effort, to secure Employee's signature on any document needed in connection with the actions specified in this Section 9(d), Employee irrevocably designates and appoints Company and its duly authorized officers and agents as Employee's agent and attorney in fact, to act for and on behalf of Employee to execute, verify and file any such documents and to do all other lawfully permitted acts to further the purposes of this assignment with the same legal force and effect as if executed by Employee.

(e) Enforcement. It is the desire and intent of the parties that the provisions of this Section 9 shall be enforced to the fullest extent permissible under the laws and public policies applied in each jurisdiction in which enforcement is sought. Accordingly, if any particular provision of this Section 9 shall be adjudicated to be invalid or unenforceable, such provision shall be deemed amended to delete therefrom the portion thus adjudicated to be invalid or unenforceable. Such deletion shall apply only with respect to the operation of such provisions of this Section 9 in the particular jurisdiction in which such adjudication is made. In addition, if the scope of any restriction contained in this Section 9 is too broad to permit enforcement thereof to its fullest extent, then such restriction shall be enforced to the maximum extent permitted by law, and Employee hereby consents and agrees that such scope may be judicially modified in any proceeding brought to enforce such restriction.

(f) Remedies. In the event of a breach or threatened breach by Employee of the provisions of this Section 9, Company shall be entitled to an injunction and such other equitable relief as may be necessary or desirable to enforce the restrictions contained herein. Nothing herein contained shall be construed as prohibiting Company from pursuing any other remedies available for such breach or threatened breach or any other breach of this Agreement.

(g) Immunity Notice. Notwithstanding any other provision of this Agreement:

(i) Employee will not be held criminally or civilly liable under any federal or state trade secret law for any disclosure of a trade secret that (i) is made: (A) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding;

(ii) If Employee files a lawsuit for retaliation, Employee may disclose Company's trade secrets to Employee's attorney and use the trade secret information in the court proceeding if Employee: (i) files any document containing the trade secret under seal; and (ii) does not disclose the trade secret, except pursuant to court order; and

(iii) Nothing in this Agreement prohibits Employee from (i) exercising any rights that cannot be lawfully waived or restricted; (ii) communicating with or initiating or participating in any investigation conducted by the Equal Employment Opportunity Commission or other fair employment practices agency; or (iii) otherwise reporting possible violations of federal, state, or local law or regulation to any governmental agency or entity, including but not limited to the United States Department of Justice, the Securities and Exchange Commission, Congress, and/or any agency Inspector General, or making other disclosures that are protected under the whistleblower provisions or other provisions of federal, state, or local law or regulation. Employee does not need the prior authorization of Company to make any such reports or disclosures and Employee is not required to notify Company that Employee has made such reports or disclosures.

10. **Mitigation**. Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which Company may have against Employee or others. In no event shall Employee be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to Employee under any of the provisions of this Agreement and such amounts shall not be reduced whether or not Employee obtains other employment.

11. **Non-exclusivity of Rights**. Nothing in this Agreement shall prevent or limit Employee's continuing or future participation in any employee benefit plan, program, policy or practice provided by Company or its affiliates and for which Employee may qualify, except as specifically provided herein. Amounts that are vested benefits or which Employee is otherwise entitled to receive under any plan, policy, practice or program of Company or any of its affiliates at or subsequent to Employee's Termination Date shall be payable in accordance with such plan, policy, practice or program except as explicitly modified by this Agreement.

12. **Assignability**. The obligations of Employee hereunder are personal and may not be assigned or delegated by Employee or transferred in any manner whatsoever, nor are such obligations subject to involuntary alienation, assignment or transfer, except by will or the laws of descent and distribution.

13. **Notice**. For the purpose of this Agreement, notices and all other communications provided for in the Agreement shall be in writing and shall be deemed to have been duly given when personally delivered, sent by overnight courier or by electronic mail with confirmation of receipt or on the third business day after being mailed by United States registered mail, return receipt requested, postage prepaid, addressed to Company at its principal office address and electronic mail address, directed to the attention of the Chief Executive Officer with a copy to the Secretary of Company, and to Employee at Employee's residence address and electronic mail address on the records of Company or to such other address as either party may have furnished to the other in writing in accordance herewith except that notice of change of address shall be effective only upon receipt.

14. **Validity**. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

15. **Successors**. This Agreement is personal to Employee and shall not be assignable by Employee otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by Employee's legal representatives, executors, administrators, successors, heirs, distributes, devisees and legatees. This Agreement may be assigned by Company and shall be binding and inure to the benefit of Company and its successors and assigns.

16. **Indemnification**. During the Employment Term and for a period of six years thereafter, Company shall cause Employee to be covered by and named as an insured under any policy or contract of insurance obtained by it to insure its directors and officers against personal liability for acts or omissions in connection with service as an officer or director of Company or service in other capacities at the request of Company. In addition, to the maximum extent permitted by the by-laws of Company in effect from time to time and applicable law, during the Employment Term and for a period of six years thereafter, Company shall indemnify Employee against and hold Employee harmless from any costs, liabilities and losses for Employee's services as an employee, officer and director of Company (or any successor).

17. **Withholding**. Anything to the contrary notwithstanding, all payments required to be made by Company hereunder to Employee, Employee's spouse, Employee's estate or beneficiaries, shall be subject to withholding of such amounts relating to taxes as Company may reasonably determine it should withhold pursuant to any applicable law or regulation. In lieu of withholding such amounts in whole or in part, Company may, in its sole discretion, accept other provisions for payment of taxes as required by law, provided it is satisfied that all requirements of law affecting its responsibilities to withhold such taxes have been satisfied.

18. **Section 280G**.

(a) Notwithstanding anything in this Agreement or any other plan or agreement to the contrary, in the event that any payment or benefit received or to be received by Employee (whether pursuant to the terms of this Agreement or any other plan, arrangement or agreement) (all such payments and benefits, the "Total Payments") would not be deductible (in whole or in part) by Company or any affiliate thereof making such payment or providing such benefit as a result of Section 280G of the Code, then, to the extent necessary to make such portion of the Total Payments deductible, the portion of the Total Payments that do not constitute deferred compensation within the meaning of Section 409A shall first be reduced (if necessary, to zero), and all other Total Payments shall thereafter be reduced (if necessary, to zero) with cash payments being reduced before non-cash payments, and payments to be paid last being reduced first, but only if (i) the net amount of such Total Payments, as so reduced (and after subtracting the net amount of federal, state and local income taxes on such reduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such reduced Total Payments) is greater than or equal to (ii) the net amount of such Total Payments

without such reduction (but after subtracting the net amount of federal, state and local income taxes on such Total Payments and the amount of tax imposed by Section 4999 of the Code (and similar state and local laws) to which Employee would be subject in

respect of such unreduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such unreduced Total Payments).

(b) Any determination required under this Section 18 shall be made in writing by an accounting firm selected by Company ("Accountants"). Company and Employee shall provide the Accountants with such information and documents as the Accountants may reasonably request in order to make a determination under this Section 18. For purposes of making the calculations and determinations required by this Section 18, the Accountants may rely on reasonable, good faith assumptions and approximations concerning the application of Section 280G and Section 4999 of the Code. The Accountants' determinations shall be final and binding on Company and Employee.

19. **Section 409A**.

(a) General. This Agreement shall be interpreted and administered in a manner so that any amount or benefit payable hereunder shall be paid or provided in a manner that is either exempt from or compliant with the requirements of Section 409A of the Code and applicable Internal Revenue Service guidance and Treasury Regulations issued thereunder (collectively, "Section 409A").

(b) Definitional Restrictions. Notwithstanding anything in this Agreement to the contrary, to the extent that any amount or benefit that would constitute non-exempt "deferred compensation" for purposes of Section 409A ("Non-Exempt Deferred Compensation") would otherwise be payable or distributable hereunder by reason of Employee's termination of employment, such Non-Exempt Deferred Compensation will not be payable or distributable to Employee by reason of such circumstance unless the circumstances giving rise to such termination of employment meet any description or definition of "separation from service" in Section 409A. This provision does not affect the dollar amount or prohibit the vesting of any Non-Exempt Deferred Compensation upon a termination of employment, however defined.

(c) Six-Month Delay in Certain Circumstances. Notwithstanding anything in this Agreement to the contrary, if any amount or benefit that would constitute Non-Exempt Deferred Compensation would otherwise be payable or distributable under this Agreement by reason of Employee's separation from service during a period in which Employee is a "specified employee" (as defined in Section 409A), then: (i) the amount of such Non-Exempt Deferred Compensation that would otherwise be payable during the six-month period immediately following Employee's separation from service will be accumulated through and paid or provided, without interest, on the first day of the seventh month following Executive's separation from service (or, if Employee dies during such period, within 30 days after Employee's death) (in either case, the "Required Delay Period"); and (ii) the normal payment or distribution schedule for any remaining payments or distributions will resume at the end of the Required Delay Period.

(d) Treatment of Installment Payments. Each payment in a series of payments shall be considered a separate payment for purposes of Section 409A.

(e) Timing of Reimbursements and In-Kind Benefits. If Employee is entitled to be paid or reimbursed for any taxable expenses under this Agreement, and such payments or reimbursements are includible in Employee's federal gross taxable income, the amount of such expenses reimbursable in any one calendar year shall not affect the amount reimbursable in any other calendar year, and the reimbursement of an eligible expense must be made no later than December 31 of the year after the year in which the expense was incurred. No right of Employee to reimbursement of expenses under this Agreement shall be subject to liquidation or exchange for another benefit.

20. **Compensation Recoupment Policy**. Any incentive compensation, including, but not limited to, cash-based and equity-based compensation, awarded to Employee by Company shall be subject to any compensation recoupment policy that Company may adopt from time to time that is applicable by its terms to Employee. In addition, the Compensation Committee and/or the Board may specify in any written documentation memorializing an incentive award that Employee's rights, payments and benefits with respect to such award shall be subject to reduction, cancellation, forfeiture or recoupment upon the occurrence of certain specified events, in addition to any otherwise applicable conditions of such award. Such events may include, but shall not be limited to, (i) termination of employment for Cause, (ii) violation of material Company policies, (iii) breach of noncompetition, confidentiality or other restrictive covenants, (iv) other conduct by Employee that is detrimental to the business or reputation of Company, or (v) a later determination that the amount realized from a performance-based award was based on materially inaccurate financial statements or any other materially inaccurate performance metric criteria, whether or not Employee caused or contributed to such material inaccuracy.

21. **Construction**. The parties understand and agree that because they both have been given the opportunity to have counsel review and revise this Agreement, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement. Instead, the language of all parts of this Agreement shall be construed as a whole, and according to its fair meaning, and not strictly for or against either of the parties.

22. **Amendment; Waiver**. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by Employee and such officer as may be specifically authorized by the Board. No waiver by either party hereto at any time of any breach by the other party hereto of, or in compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. This Agreement is an integration of the parties' agreement: no agreement or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement. Employee represents and warrants that the execution of this Agreement will not result in any breach of any prior or existing agreement executed by Employee with respect to any third party.

23. **Applicable Law**. Company and Employee agree that this Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of Texas without giving effect to its conflicts of law principles.

24. **Counterparts**. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

25. **Entire Agreement**. This Agreement contains the entire agreement between Company and Employee with respect to the subject matter hereof and, from and after the date hereof, this Agreement shall supersede any other agreement, written or oral, between the parties relating to the subject matter of this Agreement, including but not limited to any prior discussions, understandings, or agreements between the parties, written or oral, at any time.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed this Agreement as of November 2nd, 2022, effective for all purposes as provided above on the Effective Date.

/s/ Michael E. Dillard
Michael E. Dillard

SABLE OFFSHORE CORP.

By: Director /s/ James C. Flores
Name: March 31, 2023 James C. Flores
Title: Chief Executive Officer

EMPLOYEE

Doss R. Bourgeois

Signature Page to Employment Agreement

IN WITNESS WHEREOF, the parties have executed this Agreement as of November 2nd, 2022, effective for all purposes as provided above on the Effective Date.

/s/ Gregory P. Pipkin
Gregory P. Pipkin

SABLE OFFSHORE CORP.

By: Director
Name: March 31, 2023 James C. Flores
Title: Chief Executive Officer

EMPLOYEE

/s/ Doss R. Bourgeois
Doss R. Bourgeois

Signature Page to Employment Agreement

EXHIBIT 10.43

SABLE OFFSHORE CORP.
EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement") by and between Sable Offshore Corp., a Texas corporation ("Company"), and Anthony C. Duenner ("Employee") is entered into effective as of, and contingent upon, the merger of each Sable Offshore Holdings LLC and Sable Offshore Corp. into Flame Acquisition Corp. (the "Effective Date").

WHEREAS, Company desires to employ Employee and Employee desires to be employed by Company; and

WHEREAS, the parties desire to enter into an employment agreement with certain provisions that are incorporated herein.

NOW, THEREFORE, in consideration of the mutual covenants, representations, warranties, and agreements contained herein, and for other valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. **Effectiveness Contingent upon Mergers**. This Agreement shall be effective as of and only in the event of consummation of (i) the merger of Sable Offshore Holdings LLC with and into Flame Acquisition Corp. and (ii) the merger of Sable Offshore Corp. with and into Flame Acquisition Corp. (each, a "Merger" and collectively, the "Mergers"). In the event the Mergers do not occur, this Agreement shall be null and void ab initio.

2. **Employment-at-will**. Company agrees to employ Employee, and Employee hereby agrees to be employed by Company. Employment of Employee shall be at will and may be terminated by either party on the terms and conditions set forth in this Agreement.

3. **Term of Employment**. Subject to the provisions for termination provided in this Agreement, the term of this Agreement shall be for a period of three (3) years beginning on the Effective Date. On each annual anniversary of the Effective Date, the term shall extend so that the term of this Agreement shall again be for three (3) years extending from that anniversary date unless either party provides the other party, not less than thirty (30) days' written notice prior to that anniversary date, of such party's election not to renew the Agreement. On each subsequent annual anniversary date of the Effective Date, the term of this Agreement shall again extend to three (3) years unless the requisite thirty (30) days' written notice of non-renewal was provided by either party. Once either party provides timely notice of non-renewal, the term of this Agreement shall no longer extend, and the term of this Agreement shall end at the conclusion of the then existing term. The term of this Agreement, including any extensions that occur as provided for above, shall be referred to herein as the "Employment Term." Either party may terminate this Agreement at any time, subject to the terms of this Agreement.

4. **Employee's Duties**.

(a) During the Employment Term, Employee shall serve as Executive Vice President, General Counsel and Secretary for Company, with such customary duties and responsibilities as may from time to time be assigned to Employee by the Chief Executive Officer of Company, provided that such duties are at all times consistent with the duties of

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such position. Employee shall report directly to the Chief Executive Officer. Employee agrees to serve without additional compensation, if elected or appointed thereto, in one or more offices or a director of any of Company's subsidiaries. For purposes of this Agreement, a "Subsidiary" shall mean any entity in which Company owns a majority of the voting stock of the class of securities (or other interests in the case of a limited liability company, partnership or other entity) that may vote in the election of the members of the governing body of such entity. Employee may engage in the following activities so long as they do not interfere in any material respect with the performance of Employee's duties and responsibilities hereunder: (i) serve on corporate, civic or charitable boards or committees or (ii) deliver lectures, or fulfill speaking engagements; provided, however, that in no event shall the conduct of any such activities by Employee be deemed to materially interfere with Employee's duties hereunder until Employee has been notified in writing thereof by the Chief Executive Officer and given a reasonable period in which to cure such interference. In addition, Employee shall be permitted to manage Employee's personal investments, *provided*, that (a) such management shall not interfere in any material respect with the performance of Employee's duties and responsibilities hereunder or violate Company's conflicts policy or similar policy as in effect from time to time, (b) Employee informs the Chief Executive Officer of any conflicts of interest (whether actual or apparent) with Company and any of its Subsidiaries, including, but not limited to, any event reasonably likely to raise the appearance of conflicts, and (c) Employee notifies the Chief Executive Officer of, and discusses with the Chief Executive Officer with respect to, any opportunities presented to Employee or any of the entities in which Employee owns a majority interest in connection with such continued ownership and management that should be offered to Company or its Subsidiaries. Notwithstanding the foregoing, Company agrees that Employee's management of Employee's current personal investments, as disclosed to independent members of the board of directors of Flame Acquisition Corp. prior to the date of execution of this Agreement, shall not be deemed to materially interfere with Employee's duties hereunder.

5. **Compensation**.

(a) Base Salary. For services rendered by Employee under this Agreement, Company shall pay to Employee a base salary ("Base Salary") of $800,000.00 per annum payable in substantially equal installments in accordance with Company's customary

payroll practices for its senior executive officers. The amount of Base Salary shall be reviewed periodically and may be increased from time to time as any compensation committee (the "Compensation Committee") of the Board of Directors of the Company (the "Board"), based on the recommendation of the Chief Executive Officer, may deem appropriate. Base Salary, as in effect at any time, may not be decreased without the prior written consent of Employee.

(b) Annual Bonus. In addition to Employee's Base Salary, Employee shall be eligible, post-production, to receive with respect to each calendar year during the Employment Term a cash incentive payment ("Annual Bonus") based on Employee's individual performance and the performance of Company. The target amount of each Annual Bonus shall be equal to 150% of Employee's Base Salary. An Annual Bonus shall become payable if Employee remains continuously employed with Company through

December 31 of the applicable calendar year. Each Annual Bonus, if payable, shall be paid in a single lump sum in cash no later than March 15 of the calendar year immediately following the calendar year to which the Annual Bonus relates. Annual Bonuses are to be approved annually in good faith by the Compensation Committee based on the recommendation of the Company's Chief Executive Officer.

(c) Cash Signing Bonus. Within thirty (30) days after the Effective Date, Company shall pay to Employee in a single lump sum in cash an amount equal to $750,000.

(d) Initial Equity Incentive Grant. Within a reasonable time after the closing date of the Mergers, Company shall cause to be granted to Employee an equity award under Company's equity incentive plan ("Initial Equity Incentive Grant"), which award shall be with respect to 650,000 shares of Company's common stock and subject to the terms and conditions (including vesting and forfeiture) of such equity incentive plan and the applicable award agreement, provided that such Initial Equity Incentive Grants shall vest, if it all, no later than the third anniversary of the Mergers. Notwithstanding the immediately preceding sentence, in the event that the total number of shares of Company's common stock (i) subject to all Initial Equity Incentive Grants to all executives of Company and (ii) awarded to or held by other employees of the Company at or prior to the date the Mergers are consummated (such total number of shares, including, for the avoidance of doubt, the Merger Shares, the "Initial Sable Shares") represents more than fifteen percent (15%) of the Basic Share Number, then the number of shares to be granted to Employee with respect to Employee's Initial Equity Incentive Grant shall be reduced pro rata (based on the Employee's share of the Initial Sable Shares, excluding, for purposes of this prorationing, the Merger Shares) such that the number of Initial Sable Shares equals fifteen percent (15%) of the Basic Share Number. "Merger Shares" means the shares of Company's common stock issued to the equityholders of Sable Offshore Holdings LLC in connection with the Mergers. "Basic Share Number" means the aggregate number of shares of common stock of the surviving parent corporation resulting from the Mergers that is outstanding as of immediately following the Mergers and following the consummation of the transactions contemplated by the subscription agreements for the purchase of Company's common stock, which subscription agreements were entered into at or prior to the date the Mergers are consummated, but excluding (i) the Initial Sable Shares and (ii) shares subject to warrants to acquire Company's common stock, which warrants are outstanding as of the date the Mergers are consummated.

(e) Equity Incentive Grants. Equity incentive awards may be granted annually to Employee at the sole discretion of and subject to such terms and conditions as determined by the Compensation Committee and the Board.

6. **Other Benefits; Business Expenses**.

(a) Employee shall be entitled to participate in all employee benefit plans, fringe benefit arrangements and perquisite arrangements offered by Company to any of its senior executive officers, including, without limitation, participation in the various health, retirement, customary term life insurance, short-term and long-term disability insurance, parking and other employee benefit plans or programs provided to the employees of

Company in general, subject to the regular eligibility requirements with respect to each of such benefit plans or programs, and such other benefits or perquisites as may be approved by the Compensation Committee during the Employment Term, all on a basis at least as favorable to Employee as may be provided to similarly-situated senior executive officers of Company. Notwithstanding the foregoing, nothing herein shall limit the ability of Company to amend, modify or terminate any such plans or arrangements at any time and from time to time in accordance with their terms and applicable law.

(b) Employee shall be entitled to take appropriate and reasonable annual vacation time, provided that such vacation time does not interfere with Employee's duties hereunder.

(c) Company shall reimburse Employee for all reasonable business expenses incurred by Employee during the Employment Term in the performance of Employee's duties, which expenses will be subject to Company's reimbursement policies as in effect

from time to time. It is understood that Employee is authorized to incur reasonable business expenses for promoting the business of Company, including reasonable expenditures for travel, lodging, meals and client or business associate entertainment. Request for reimbursement for such expenses must be accompanied by appropriate documentation.

7. **Termination of Employment**. Employee's employment may be terminated as set forth below:

(a) Death or Termination due to Disability. Employee's employment with Company shall terminate immediately and automatically upon Employee's death during the Employment Term. If Company determines that Employee has suffered a Disability during the Employment Term, Company may give Employee written notice of its intention to terminate Employee's employment due to his Disability. In such event, Employee's employment with Company shall terminate effective on the 30th day after Company provides Employee with such notice, provided that Employee shall not have returned to full-time performance of Employee's duties prior to such 30th day. For purposes of this Agreement, "Disability" means a physical or mental condition resulting in Employee's inability to perform Employee's duties hereunder for a period of six (6) consecutive calendar months, as reasonably determined by Company.

(b) Termination by Company for Cause; Termination by Employee without Good Reason. Company may terminate Employee's employment with Company at any time for Cause. Employee may terminate Employee's employment with Company without Good Reason upon thirty (30) days written notice to Company. For purposes of this Agreement, "Cause" means any of the following (A) embezzlement or theft by Employee from Company or one of its subsidiaries, or the Employee's conviction of, or plea of guilty or nolo contendere to (i) any felony or (ii) another crime involving dishonesty or moral turpitude or that could reflect negatively upon Company or one of its subsidiaries or otherwise impair or impede its or their operations; (B) any act or omission by Employee that is a material breach of Employee's obligations under this Agreement or other agreement with Company: (C) Employee's failure to substantially or satisfactorily perform Employee's duties for Company or one of its subsidiaries (other than as a result of

incapacity due to physical or mental illness) which failure has not been cured, as reasonably determined by Company, by Employee after thirty (30) days written notice thereof to Employee by Company; (D) Employee's material breach of a written policy of the Employer or one of its subsidiaries; or (E) conduct by Employee that is materially injurious to Company or one of its subsidiaries, monetarily or otherwise, including, without limitation, Employee's engaging in dishonesty, violence or threat of violence.

(c) Termination by Company without Cause; Termination by Employee for Good Reason. Company may terminate Employee's employment without Cause upon thirty (30) days written notice to Employee. Employee may terminate Employee's employment with Company for Good Reason if (i) Employee provides Company with written notice of the condition alleged to constitute Good Reason within 60 days of the initial existence of such condition, (ii) Company is provided with at least 30 days to cure such condition, and (iii) if Company does not timely cure such condition, Employee terminates Employee's employment with Company within 30 days after the end of the cure period. In the event Company timely cures the condition alleged to constitute Good Reason, Employee shall not be entitled to terminate for Good Reason with respect to such condition. For purposes of this Agreement, "Good Reason" means any of the following without Employee's consent:

(i) A material and adverse change in Employee's title, responsibilities, or reporting relationship(s);

(ii) James C. Flores ceasing to serve as Chief Executive Officer of Company (or any successor to Company);

(iii) A material reduction in Employee's Base Salary;

(iv) The relocation of Company's principal executive offices outside the greater Houston, Texas metropolitan area, or Company's requiring Employee to relocate anywhere other than the location of Company's principal executive offices, except for required travel on Company's business to an extent substantially consistent with Employee's obligations under this Agreement; or

(v) A material breach by Company of a material provision of this Agreement.

(d) Termination due to Non-Renewal of Agreement. Either Company or Employee may terminate Employee's employment with Company due to non-renewal of this Agreement upon timely providing notice in accordance with Section 3.

(e) Termination of Agreement. In all cases, termination of Employee's employment with Company shall result in immediate and automatic termination of this Agreement.

(f) Resignations from Boards and as Officer. Termination of Employee's employment for any reason whatsoever shall constitute, if applicable, Employee's resignation from the Board and the boards of directors of any affiliate of Company on which Employee serves, if any, and resignation as an officer of Company and of any of the subsidiaries for which Employee serves as an officer.

8. **Obligations of Company upon Termination of Employment**. Upon termination of Employee's employment during the Employment Term, Employee shall be entitled to the compensation and benefits described in this Section 8 and shall have no further rights to any compensation or any other benefits from Company or any of its affiliates.

(a) Accrued Obligations. If Employee's employment with Company terminates for any reason, Company shall pay or provide Employee with the following:

(i) Any earned but unpaid Base Salary through Employee's last day of employment with Company ("Termination Date"),

(ii) Payment for any accrued but unused vacation or paid time-off as of Employee's Termination Date, to the extent payment is required under Company's vacation or paid time-off policies,

(iii) Any earned but unpaid Annual Bonus, incentive or other cash bonuses for any prior period that remain unpaid as of Employee's Termination Date,

(iv) Any reimbursements for expenses incurred but not yet paid as of Employee's Termination Date, and

(v) Any other amounts or benefits required to be paid or provided or which Employee is eligible to receive under any plan, program, policy or practice or contract or agreement of Company and in accordance with the terms thereof, any deferred compensation arrangements or agreements between Employee and Company, or other benefit plans, in accordance with the terms of such plans, programs or policies (collectively, "Accrued Obligations").

Payment of any Accrued Obligations in clauses (i) through (iii) shall be made in a single lump sum in cash within ten (10) business days following Employee's Termination Date (or such earlier date as required by applicable law). Payment of any Accrued Obligations under clause (iv) shall be made in accordance with Company's expense reimbursement policies. Any Accrued Obligations under clause (v) shall be paid or provided in accordance with the terms of the applicable plan, program, policy or practice or contract or agreement.

(b) Termination by Company for Cause; Termination by Employee without Good Reason; Termination due to Disability; Employee's Death; Termination due to Non-Renewal of Agreement by Employee. If, during the Employment Term, Employee's employment is terminated (i) by Company for Cause, (ii) by Employee without Good Reason, (iii) by Company due to Employee's Disability, (iv) due to Employee's death, or (v) by Employee due to Employee's non-renewal of the Agreement, then Company shall have no further obligations to Employee, other than with respect to the Accrued Obligations.

(c) Termination by Company without Cause; Termination by Employee for Good Reason; Termination due to Non-renewal of Agreement by Company—Not in Connection with Change in Control. If, during the Employment Term, Employee's employment is terminated (i) by Company without Cause, (ii) by Employee for Good Reason, or (iii) due to Company's non-renewal of the Agreement, in each case, prior to a Change in Control or more than two years after a Change in Control, then Company shall have no further obligations to Employee, other than with respect to the Accrued Obligations.

(d) Termination by Company without Cause; Termination by Employee for Good Reason; Termination due to Non-renewal of Agreement by Company—In Connection with Change in Control.

(i) If, during the Employment Term, Employee's employment is terminated (A) by Company without Cause, (B) by Employee for Good Reason, or (C) due to Company's non-renewal of the Agreement, in each case, within two years following a Change in Control, then, in addition to the Accrued Obligations, Employee shall be entitled, subject to Employee's execution, return to Company and non-revocation of a release of claims in favor of Company in a form reasonably acceptable to Company, which release becomes final and irrevocable no later than 55 days after the Termination Date ("Release Requirement"), Company shall pay to Employee in a lump sum in cash an amount equal to the product of (I) three (3), multiplied by (II) the sum of (x) Employee's then-current Base Salary (provided that if Employee is terminating employment for Good Reason due to a reduction in Base Salary, then Base Salary immediately prior to such reduction shall be used) and (y) Employee's average Annual Bonus for the three immediately preceding years or such lesser number of completed years of employment with Company as applicable (provided that if Employee's employment terminates prior to completion of one full year for Annual Bonus purposes, Employee's then-current target Annual Bonus opportunity shall be used) (such product, "Severance Payment").

(ii) The Severance Payment shall be paid on the 60th day following the Termination Date.

(iii) In the event Employee does not timely satisfy the Release Requirement, the Severance Payment shall not be paid.

(iv) For purposes of this Agreement, "Change in Control" means the first of the following to occur during the Employment Term:

(A) The acquisition by any "Person" (as the term person is used for purposes of Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended (the "1934 Act")) of "Beneficial Ownership" (within the meaning of Rule 13d-3 promulgated under the 1934 Act) of any securities of Company that generally entitles the holder thereof to vote for the election of directors of Company (the "Voting Securities") which, when added to the Voting Securities then Beneficially Owned by such Person, would result

in such Person either Beneficially Owning fifty percent (50%) or more of the combined voting power of Company's then outstanding Voting Securities or having the ability to elect fifty percent (50%) or more of the members of the Board; *provided*, *however*, that for purposes of this paragraph (A) of this Section 8(d)(iv), a Person shall not be deemed to have made an acquisition of Voting Securities if such Person: (1) becomes the Beneficial Owner of more than the permitted percentage of Voting Securities solely as a result of open market acquisition of Voting Securities by Company which, by reducing the number of Voting Securities outstanding, increases the proportional number of shares Beneficially Owned by such Person; (2) is Company or any corporation or other Person of which a majority of its voting power or its equity securities or equity interest is owned directly or indirectly by Company (a "Controlled Entity"); (3) acquires Voting Securities in connection with a Non-Control Transaction (as defined in paragraph (C) of this Section 8(d)(iv)); or (4) becomes the Beneficial Owner of more than the permitted percentage of Voting Securities as a result of a transaction approved by a majority of the Incumbent Board (as defined in paragraph (B) below); or

(B) The individuals who, as of the Effective Date, are members of the Board (the "Incumbent Board"), cease for any reason to constitute at least a majority of the Board; *provided*, *however*, that if either the election of any new director or the nomination for election of any new director by Company's stockholders was approved by a vote of at least a majority of the Incumbent Board, such new director shall be considered as a member of the Incumbent Board; provided, further, however, that no individual shall be considered a member of the Incumbent Board if such individual initially assumed office as a result of either an actual or threatened "Election Contest" (as described in Rule 14a-11 promulgated under the 1934 Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board (a "Proxy Contest") including by reason of any agreement intended to avoid or settle any Election Contest or Proxy Contest; or

(C) The consummation of a merger, consolidation or reorganization involving Company (a "Business Combination"), unless (1) the stockholders of Company, immediately before the Business Combination, own, directly or indirectly immediately following the Business Combination, at least fifty percent (50%) of the combined voting power of the outstanding voting securities of the corporation resulting from the Business Combination (the "Surviving Corporation") in substantially the same proportion as their ownership of the Voting Securities immediately before the Business Combination, and (2) the individuals who were members of the Incumbent Board immediately prior to the execution of the agreement providing for the Business Combination constitute at least a majority of the members of the Board of Directors of the Surviving Corporation, and (3) no Person (other than (x) Company or any Controlled

Entity, (y) a trustee or other fiduciary holding securities under one or more employee benefit plans or arrangements (or any trust forming a part thereof) maintained by Company, the Surviving Corporation or any Controlled Entity, or (z) any Person who, immediately prior to the Business Combination, had Beneficial Ownership of fifty percent (50%) or more of the then outstanding Voting Securities) has Beneficial Ownership of fifty percent (50%) or more of the combined voting power of the Surviving Corporation's then outstanding voting securities (a Business Combination described in clauses (1), (2) and (3) of this paragraph shall be referred to as a "Non-Control Transaction");

(D) A complete liquidation or dissolution of Company; or

(E) The sale or other disposition of all or substantially all of the assets of Company to any Person (other than a transfer to (1) any entity that, immediately prior to its acquisition of such assets, is owned directly or indirectly by the stockholders of Company in substantially the same proportion as their ownership of stock in Company immediately prior to such acquisition or (2) an affiliate of Company).

A Change in Control shall not be deemed to occur solely because fifty percent (50%) or more of the then outstanding Voting Securities is Beneficially Owned by (x) a trustee or other fiduciary holding securities under one or more employee benefit plans or arrangements (or any trust forming a part thereof) maintained by Company or any Controlled Entity or (y) any entity that, immediately prior to its acquisition of such interest, is owned directly or indirectly by the stockholders of Company in substantially the same proportion as their ownership of stock in Company immediately prior to such acquisition.

Any event that would otherwise constitute a Change in Control shall not be deemed to be a Change in Control if thereafter the Incumbent Board continues to constitute a majority of the Board.

For purposes of this Agreement, neither of the Mergers shall be considered a Change in Control.

9. **Restrictive Covenants**.

(a) Confidential Information; Unauthorized Disclosure. Employee acknowledges that during the Term, Company shall disclose to Employee and provide Employee with access to trade secrets and confidential information of Company or its Subsidiaries; or place Employee in a position to develop business goodwill on behalf of Company or its Subsidiaries; or entrust Employee with business opportunities of Company or its Subsidiaries. During the period of Employee's employment hereunder and for a period of two (2) years following the termination of employment, Employee shall not, whether during the period of Employee's employment hereunder or thereafter, without the written consent of the Chief Executive Officer or a person authorized thereby, disclose to

any person, other than an employee of Company or a person to whom disclosure is reasonably necessary or appropriate in connection with the performance by Employee of Employee's duties as an executive of Company, any trade secrets or confidential information obtained by Employee while in the employ of Company with respect to Company's business, including but not limited to technology, know-how, processes, maps, geological and geophysical data, other proprietary information and any information whatsoever of a confidential nature, the disclosure of which Employee knows or should know will be damaging to Company; *provided*, *however*, that trade secrets and confidential information shall not include any information known generally to the public (other than as a result of unauthorized disclosure by Employee) or any information which Employee may be required to disclose by any applicable law, order, or judicial or administrative proceeding.

(b) Non-Competition. As part of the consideration for the compensation and benefits to be paid to Employee hereunder; to protect the trade secrets and confidential information of Company or its Subsidiaries that have been and will in the future be disclosed or entrusted to Employee; the business goodwill of Company or its Subsidiaries that has been and will in the future be developed by Employee or the business opportunities that have been and will in the future be disclosed or entrusted to Employee by Company or its Subsidiaries; and as an additional incentive for Company to enter into this Agreement, Company and Employee agree to the following competition provisions:

During the Employment Term and for a period of two years thereafter, Employee shall not, with respect to oil & gas assets in the state of California, directly or indirectly engage in or become interested financially in as a principal, employee, partner, shareholder, agent, manager, owner, advisor, lender, guarantor of any person engaged in any business substantially identical to the Business (defined below); provided, however, that Employee may invest in stock, bonds or other securities in any such business (without participating in such business) if: (i) (A) such stock, bonds or other securities are listed on any United States securities exchange or are publicly traded in an over the counter market and (B) its investment does not exceed, in the case of any capital stock of any one issuer, 5% of the issued and outstanding capital stock, or in the case of bonds or other securities, 5% of the aggregate principal amount thereof issued and outstanding, or (ii) such investment is completely passive and no control or influence over the management or policies of such business is exercised. The term "Business" shall mean the exploration, development and production of crude petroleum and natural gas. Notwithstanding the foregoing provisions of this Section 9(b), in the event of a termination of Employee's employment by Company without Cause or in the event of Employee's resignation for Good Reason, Employee shall have no further obligations under this Section 9(b) unless such termination occurs within the two-year period immediately following a Change in Control or Employee otherwise becomes entitled to receive the Severance Payment.

(c) Non-Solicitation. Employee undertakes toward Company and is obligated, during the Employment Term and for a period of two years thereafter, not to solicit or hire, directly or indirectly, in any manner whatsoever (except in response to a general solicitation), in the capacity of employee, consultant or in any other capacity whatsoever, one or more of the employees, directors or officers or other persons (hereinafter

collectively referred to as "Employees") who at the time of solicitation or hire, or in the 90 day period prior thereto, are working full-time or part-time for Company or any of its Subsidiaries and not to endeavor, directly or indirectly, in any manner whatsoever, to encourage any of said Employees to leave Employee's job with Company or any of its Subsidiaries and not to endeavor, directly or indirectly, and in any manner whatsoever, to incite or induce any client or customer of Company or any of its Subsidiaries to terminate, in whole or in part, its business relations with Company or any of its Subsidiaries.

(d) Proprietary Rights.

(i) Assignment. Employee hereby irrevocably assigns and agrees to assign to Company all rights Employee may have in any and all intellectual property that relate to Company's actual or anticipated business developed partially or wholly by Employee during Employee's employment with Company. Company agrees to provide Employee an opportunity to develop new intellectual property in an expanded nature.

(ii) Work for Hire. Employee agrees that if, in connection with the performance of Employee's duties while employed by Company, Employee creates, or assists in the creation of, any work that relates to Company's actual or anticipated business that may be protectable under the copyright laws or similar laws: (a) that such work is considered a "work made for hire," (b) Company shall be considered the author and owner of the work, and (c) if it is later determined that the work was not a "work made for hire," Employee hereby assigns to Company any copyrights and other ownership interests that Employee may have in the work.

(iii) Inventions. Employee further agrees to promptly and fully inform and disclose to Company the existence of all (a) inventions, potential inventions, designs, discoveries, processes, business plans, improvements, ideas ("Inventions"), (b) works of authorship, or (c) derivative works, provided that such Inventions, works of authorship or derivative works relate to Company's actual or anticipated business, that are in any way created, have resulted, or are derived from the use of Company's resources or were created, resulted or derived from while performing Employee's duties as an employee employed by Company, all of which shall be the exclusive property of Company. Employee further agrees to maintain current and adequate written records on the development of the aforementioned Inventions, works of authorship and derivative works. Employee hereby assigns and agrees to assign, without further compensation, all of Employee's right, title, and interest in or to the aforementioned Inventions, works of authorship, and derivative works.

(iv) Applications and Registrations. Employee agrees to assist Company in every proper way to perfect Company's rights in all Inventions, trademarks, and copyrightable works; including, without limitation, promptly executing and delivering such patent, copyright, trademark or other applications, assignments, descriptions and other instruments, and to take such actions, as may be reasonably necessary to vest title to, maintain title to, and/or defend or enforce the rights of Company in the Inventions, trademarks, or copyrightable works.

(v) Attorney in Fact. Employee agrees that in the event Company is unable, for any reason, after reasonable effort, to secure Employee's signature on any document needed in connection with the actions specified in this Section 9(d), Employee irrevocably designates and appoints Company and its duly authorized officers and agents as Employee's agent and attorney in fact, to act for and on behalf of Employee to execute, verify and file any such documents and to do all other lawfully permitted acts to further the purposes of this assignment with the same legal force and effect as if executed by Employee.

(e) Enforcement. It is the desire and intent of the parties that the provisions of this Section 9 shall be enforced to the fullest extent permissible under the laws and public policies applied in each jurisdiction in which enforcement is sought. Accordingly, if any particular provision of this Section 9 shall be adjudicated to be invalid or unenforceable, such provision shall be deemed amended to delete therefrom the portion thus adjudicated to be invalid or unenforceable. Such deletion shall apply only with respect to the operation of such provisions of this Section 9 in the particular jurisdiction in which such adjudication is made. In addition, if the scope of any restriction contained in this Section 9 is too broad to permit enforcement thereof to its fullest extent, then such restriction shall be enforced to the maximum extent permitted by law, and Employee hereby consents and agrees that such scope may be judicially modified in any proceeding brought to enforce such restriction.

(f) Remedies. In the event of a breach or threatened breach by Employee of the provisions of this Section 9, Company shall be entitled to an injunction and such other equitable relief as may be necessary or desirable to enforce the restrictions contained herein. Nothing herein contained shall be construed as prohibiting Company from pursuing any other remedies available for such breach or threatened breach or any other breach of this Agreement.

(g) Immunity Notice. Notwithstanding any other provision of this Agreement:

(i) Employee will not be held criminally or civilly liable under any federal or state trade secret law for any disclosure of a trade secret that (i) is made: (A) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding;

(ii) If Employee files a lawsuit for retaliation, Employee may disclose Company's trade secrets to Employee's attorney and use the trade secret information in the court proceeding if Employee: (i) files any document containing the trade secret under seal; and (ii) does not disclose the trade secret, except pursuant to court order; and

(iii) Nothing in this Agreement prohibits Employee from (i) exercising any rights that cannot be lawfully waived or restricted; (ii) communicating with or initiating or participating in any investigation conducted by the Equal Employment Opportunity Commission or other fair employment practices agency; or (iii) otherwise reporting possible violations of federal, state, or local law or regulation to any governmental agency or entity, including but not limited to the United States Department of Justice, the Securities and Exchange Commission, Congress, and/or any agency Inspector General, or making other disclosures that are protected under the whistleblower provisions or other provisions of federal, state, or local law or regulation. Employee does not need the prior authorization of Company to make any such reports or disclosures and Employee is not required to notify Company that Employee has made such reports or disclosures.

10. **Mitigation**. Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which Company may have against Employee or others. In no event shall Employee be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to Employee under any of the provisions of this Agreement and such amounts shall not be reduced whether or not Employee obtains other employment.

11. **Non-exclusivity of Rights**. Nothing in this Agreement shall prevent or limit Employee's continuing or future participation in any employee benefit plan, program, policy or practice provided by Company or its affiliates and for which Employee may qualify, except as specifically provided herein. Amounts that are vested benefits or which Employee is otherwise entitled to receive under any plan, policy, practice or program of Company or any of its affiliates at or subsequent to Employee's Termination Date shall be payable in accordance with such plan, policy, practice or program except as explicitly modified by this Agreement.

12. **Assignability**. The obligations of Employee hereunder are personal and may not be assigned or delegated by Employee or transferred in any manner whatsoever, nor are such obligations subject to involuntary alienation, assignment or transfer, except by will or the laws of descent and distribution.

13. **Notice**. For the purpose of this Agreement, notices and all other communications provided for in the Agreement shall be in writing and shall be deemed to have been duly given when personally delivered, sent by overnight courier or by electronic mail with confirmation of receipt or on the third business day after being mailed by United States registered mail, return receipt requested, postage prepaid, addressed to Company at its principal office address and electronic mail address, directed to the attention of the Chief Executive Officer with a copy to the Secretary of Company, and to Employee at Employee's residence address and electronic mail address on the records of Company or to such other address as either party may have furnished to the other in writing in accordance herewith except that notice of change of address shall be effective only upon receipt.

14. **Validity**. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

15. **Successors**. This Agreement is personal to Employee and shall not be assignable by Employee otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by Employee's legal representatives, executors, administrators, successors, heirs, distributes, devisees and legatees. This Agreement may be assigned by Company and shall be binding and inure to the benefit of Company and its successors and assigns.

16. **Indemnification**. During the Employment Term and for a period of six years thereafter, Company shall cause Employee to be covered by and named as an insured under any policy or contract of insurance obtained by it to insure its directors and officers against personal liability for acts or omissions in connection with service as an officer or director of Company or service in other capacities at the request of Company. In addition, to the maximum extent permitted by the by-laws of Company in effect from time to time and applicable law, during the Employment Term and for a period of six years thereafter, Company shall indemnify Employee against and hold Employee harmless from any costs, liabilities and losses for Employee's services as an employee, officer and director of Company (or any successor).

17. **Withholding**. Anything to the contrary notwithstanding, all payments required to be made by Company hereunder to Employee, Employee's spouse, Employee's estate or beneficiaries, shall be subject to withholding of such amounts relating to taxes as Company may reasonably determine it should withhold pursuant to any applicable law or regulation. In lieu of withholding such amounts in whole or in part, Company may, in its sole discretion, accept other provisions for payment of taxes as required by law, provided it is satisfied that all requirements of law affecting its responsibilities to withhold such taxes have been satisfied.

18. **Section 280G**.

(a) Notwithstanding anything in this Agreement or any other plan or agreement to the contrary, in the event that any payment or benefit received or to be received by Employee (whether pursuant to the terms of this Agreement or any other plan, arrangement or agreement) (all such payments and benefits, the "Total Payments") would not be deductible (in whole or in part) by Company or any affiliate thereof making such payment or providing such benefit as a result of Section 280G of the Code, then, to the extent necessary to make such portion of the Total Payments deductible, the portion of the Total Payments that do not constitute deferred compensation within the meaning of Section 409A shall first be reduced (if necessary, to zero), and all other Total Payments shall thereafter be reduced (if necessary, to zero) with cash payments being reduced before non-cash payments, and payments to be paid last being reduced first, but only if (i) the net amount of such Total Payments, as so reduced (and after subtracting the net amount of federal, state and local income taxes on such reduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such reduced Total Payments) is greater than or equal to (ii) the net amount of such Total Payments

without such reduction (but after subtracting the net amount of federal, state and local income taxes on such Total Payments and the amount of tax imposed by Section 4999 of the Code (and similar state and local laws) to which Employee would be subject in respect of such unreduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such unreduced Total Payments).

(b) Any determination required under this Section 18 shall be made in writing by an accounting firm selected by Company ("Accountants"). Company and Employee shall provide the Accountants with such information and documents as the Accountants may reasonably request in order to make a determination under this Section 18. For purposes of making the calculations and determinations required by this Section 18, the Accountants may rely on reasonable, good faith assumptions and approximations concerning the application of Section 280G and Section 4999 of the Code. The Accountants' determinations shall be final and binding on Company and Employee.

19. **Section 409A**.

(a) General. This Agreement shall be interpreted and administered in a manner so that any amount or benefit payable hereunder shall be paid or provided in a manner that is either exempt from or compliant with the requirements of Section 409A of the Code and applicable Internal Revenue Service guidance and Treasury Regulations issued thereunder (collectively, "Section 409A").

(b) Definitional Restrictions. Notwithstanding anything in this Agreement to the contrary, to the extent that any amount or benefit that would constitute non-exempt "deferred compensation" for purposes of Section 409A ("Non-Exempt Deferred Compensation") would otherwise be payable or distributable hereunder by reason of Employee's termination of employment, such Non-Exempt Deferred Compensation will not be payable or distributable to Employee by reason of such circumstance unless the circumstances giving rise to such termination of employment meet any description or definition of "separation from service" in Section 409A. This provision does not affect the dollar amount or prohibit the vesting of any Non-Exempt Deferred Compensation upon a termination of employment, however defined.

(c) Six-Month Delay in Certain Circumstances. Notwithstanding anything in this Agreement to the contrary, if any amount or benefit that would constitute Non-Exempt Deferred Compensation would otherwise be payable or distributable under this Agreement by reason of Employee's separation from service during a period in which Employee is a "specified employee" (as defined in Section 409A), then: (i) the amount of such Non-Exempt Deferred Compensation that would otherwise be payable during the six-month period immediately following Employee's separation from service will be accumulated through and paid or provided, without interest, on the first day of the seventh month following Executive's separation from service (or, if Employee dies during such period, within 30 days after Employee's death) (in either case, the "Required Delay Period"); and (ii) the normal payment or distribution schedule for any remaining payments or distributions will resume at the end of the Required Delay Period.

(d) Treatment of Installment Payments. Each payment in a series of payments shall be considered a separate payment for purposes of Section 409A.

(e) Timing of Reimbursements and In-Kind Benefits. If Employee is entitled to be paid or reimbursed for any taxable expenses under this Agreement, and such payments or reimbursements are includible in Employee's federal gross taxable income, the amount of such expenses reimbursable in any one calendar year shall not affect the amount reimbursable in any other calendar year, and the reimbursement of an eligible expense must be made no later than December 31 of the year after the year in which the expense was incurred. No right of Employee to reimbursement of expenses under this Agreement shall be subject to liquidation or exchange for another benefit.

20. **Compensation Recoupment Policy**. Any incentive compensation, including, but not limited to, cash-based and equity-based compensation, awarded to Employee by Company shall be subject to any compensation recoupment policy that Company may adopt from time to time that is applicable by its terms to Employee. In addition, the Compensation Committee and/or the Board may specify in any written documentation memorializing an incentive award that Employee's rights, payments and benefits with respect to such award shall be subject to reduction, cancellation, forfeiture or recoupment upon the occurrence of certain specified events, in addition to any otherwise applicable conditions of such award. Such events may include, but shall not be limited to, (i) termination of employment for Cause, (ii) violation of material Company policies, (iii) breach of noncompetition, confidentiality or other restrictive covenants, (iv) other conduct by Employee that is detrimental to the business or reputation of Company, or (v) a later determination that the amount realized from a performance-based award was based on materially inaccurate financial statements or any other materially inaccurate performance metric criteria, whether or not Employee caused or contributed to such material inaccuracy.

21. **Construction**. The parties understand and agree that because they both have been given the opportunity to have counsel review and revise this Agreement, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement. Instead, the language of all parts of this Agreement shall be construed as a whole, and according to its fair meaning, and not strictly for or against either of the parties.

22. **Amendment; Waiver**. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by Employee and such officer as may be specifically authorized by the Board. No waiver by either party hereto at any time of any breach by the other party hereto of, or in compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. This Agreement is an integration of the parties' agreement: no agreement or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement. Employee represents and warrants that the execution of this Agreement will not result in any breach of any prior or existing agreement executed by Employee with respect to any third party.

23. **Applicable Law**. Company and Employee agree that this Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of Texas without giving effect to its conflicts of law principles.

24. **Counterparts**. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

25. **Entire Agreement**. This Agreement contains the entire agreement between Company and Employee with respect to the subject matter hereof and, from and after the date hereof, this Agreement shall supersede any other agreement, written or oral, between the parties relating to the subject matter of this Agreement, including but not limited to any prior discussions, understandings, or agreements between the parties, written or oral, at any time.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have executed this Agreement as of November 2nd, 2022, effective for all purposes as provided above on the Effective Date.

SABLE OFFSHORE CORP.

By: /s/ Christopher B. Sarofim James C. Flores

Name: James C. Flores

Title: Chief Executive Officer

EMPLOYEE

Christopher B. Sarofim

Anthony C. Duenner

Signature Page to Employment Agreement

IN WITNESS WHEREOF, the parties have executed this Agreement as of November 2nd, 2022, effective for all purposes as provided above on the Effective Date.

SABLE OFFSHORE CORP.

By: _____

Name: Director James C. Flores

Title: March 31, 2023
Chief Executive Officer

EMPLOYEE

/s/ Anthony C. Duenner

Anthony C. Duenner

Signature Page to Employment Agreement

EXHIBIT 31.1

CERTIFICATION

I, James C. Flores, certify that:

1. I have reviewed this annual report on Form 10-K of Sable Offshore Corp. (f/k/a Flame Acquisition Corp.);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 31, 2023 March 28, 2024

/s/ James C. Flores

James C. Flores
Chairman and Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION

I, Gregory D. Patrinely, certify that:

1. I have reviewed this annual report on Form 10-K of Sable Offshore Corp. (f/k/a Flame Acquisition Corp.);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 31, 2023 March 28, 2024

/s/ Gregory D. Patrinely

Gregory D. Patrinely
Executive Vice President and Chief Financial Officer
(Principal Accounting Officer and Principal Financial Officer)

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K of Sable Offshore Corp. (f/k/a Flame Acquisition Corp.) (the "Company") for the period ended December 31, 2022 December 31, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, James C. Flores, Chairman and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. To my knowledge, the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: March 31, 2023 March 28, 2024

/s/ James C. Flores

James C. Flores
Chairman and Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K of Sable Offshore Corp. (f/k/a Flame Acquisition Corp.) (the "Company") for the period ended December 31, 2022 December 31, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Gregory D. Patrinely, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. To my knowledge, the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: March 31, 2023 March 28, 2024

/s/ Gregory D. Patrinely

Gregory D. Patrinely
Executive Vice President and Chief Financial Officer
(Principal Accounting Officer and Principal Financial Officer)

EXHIBIT 97.1

SABLE OFFSHORE CORP.

POLICY FOR RECOVERY OF ERRONEOUSLY AWARDED COMPENSATION

Sable Offshore Corp. (the "***Company***") has adopted this Policy for Recovery of Erroneously Awarded Compensation (the "***Policy***"), effective as of February 13, 2024 (the "***Effective Date***"). Capitalized terms used in this Policy but not otherwise defined herein are defined

in Section 11.

1. **Persons Subject to Policy**

This Policy shall apply to current and former Officers of the Company. Each Officer shall be required to sign an acknowledgment pursuant to which such Officer will agree to be bound by the terms of, and comply with, this Policy; however, any Officer's failure to sign any such acknowledgment shall not negate the application of this Policy to the Officer.

2. **Compensation Subject to Policy**

This Policy shall apply to Incentive-Based Compensation received on or after the Effective Date. For purposes of this Policy, the date on which Incentive-Based Compensation is "received" shall be determined under the Applicable Rules, which generally provide that Incentive-Based Compensation is "received" in the Company's fiscal period during which the relevant Financial Reporting Measure is attained or satisfied, without regard to whether the grant, vesting or payment of the Incentive-Based Compensation occurs after the end of that period.

3. **Recovery of Compensation**

In the event that the Company is required to prepare a Restatement, the Company shall recover, reasonably promptly, the portion of any Incentive-Based Compensation that is Erroneously Awarded Compensation, unless the Committee has determined that recovery would be Impracticable. Recovery shall be required in accordance with the preceding sentence regardless of whether the applicable Officer engaged in misconduct or otherwise caused or contributed to the requirement for the Restatement and regardless of whether or when restated financial statements are filed by the Company. For clarity, the recovery of Erroneously Awarded Compensation under this Policy will not give rise to any person's right to voluntarily terminate employment for "good reason," or due to a "constructive termination" (or any similar term of like effect) under any plan, program or policy of or agreement with the Company or any of its affiliates.

4. **Manner of Recovery; Limitation on Duplicative Recovery**

The Committee shall, in its sole discretion, determine the manner of recovery of any Erroneously Awarded Compensation, which may include, without limitation, reduction or cancellation by the Company or an affiliate of the Company of Incentive-Based Compensation or Erroneously Awarded Compensation, reimbursement or repayment by any person subject to this Policy of the Erroneously Awarded Compensation, and, to the extent permitted by law, an offset of the Erroneously Awarded Compensation against other compensation payable by the Company or an affiliate of the Company to such person. Notwithstanding the foregoing, unless otherwise prohibited by the Applicable Rules, to the extent this Policy provides for recovery of Erroneously

Awarded Compensation already recovered by the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 or Other Recovery Arrangements, the amount of Erroneously Awarded Compensation already recovered by the Company from the recipient of such Erroneously Awarded Compensation may be credited to the amount of Erroneously Awarded Compensation required to be recovered pursuant to this Policy from such person.

5. **Administration**

This Policy shall be administered, interpreted and construed by the Committee, which is authorized to make all determinations necessary, appropriate or advisable for such purpose. The Board of Directors of the Company (the "***Board***") may re-vest in itself the authority to administer, interpret and construe this Policy in accordance with applicable law, and in such event references herein to the "Committee" shall be deemed to be references to the Board. Subject to any permitted review by the applicable national securities exchange or association pursuant to the Applicable Rules, all determinations and decisions made by the Committee pursuant to the provisions of this Policy shall be final, conclusive and binding on all persons, including the Company and its affiliates, equityholders and employees. The Committee may delegate administrative duties with respect to this Policy to one or more directors or employees of the Company, as permitted under applicable law, including any Applicable Rules.

6. **Interpretation**

This Policy will be interpreted and applied in a manner that is consistent with the requirements of the Applicable Rules, and to the extent this Policy is inconsistent with such Applicable Rules, it shall be deemed amended to the minimum extent necessary to ensure compliance therewith.

7. **No Indemnification; No Liability**

The Company shall not indemnify or insure any person against the loss of any Erroneously Awarded Compensation pursuant to this Policy, nor shall the Company directly or indirectly pay or reimburse any person for any premiums for third-party insurance policies that such person may elect to purchase to fund such person's potential obligations under this Policy. None of the Company, an affiliate of the Company or any member of the Committee or the Board shall have any liability to any person as a result of actions taken under this Policy.

8. **Application; Enforceability**

Except as otherwise determined by the Committee or the Board, the adoption of this Policy does not limit, and is intended to apply in addition to, any other clawback, recoupment, forfeiture or similar policies or provisions of the Company or its affiliates, including any such policies or provisions of such effect contained in any employment agreement, bonus plan, incentive plan, equity-based plan or award agreement thereunder or similar plan, program or agreement of the Company or an affiliate or required under applicable law (the "***Other Recovery Arrangements***"). The remedy specified in this Policy shall not be exclusive and shall be in addition to every other right or remedy at law or in equity that may be available to the Company or an affiliate of the Company.

9. **Severability**

The provisions in this Policy are intended to be applied to the fullest extent of the law; provided, however, to the extent that any provision of this Policy is found to be unenforceable or invalid under any applicable law, such provision will be applied to the maximum extent permitted, and shall automatically be deemed amended in a manner consistent with its objectives to the extent necessary to conform to any limitations required under applicable law.

10. **Amendment and Termination**

The Board or the Committee may amend, modify or terminate this Policy in whole or in part at any time and from time to time in its sole discretion. This Policy will terminate automatically when the Company does not have a class of securities listed on a national securities exchange or association.

11. **Definitions**

"***Applicable Rules***" means Section 10D of the Exchange Act, Rule 10D-1 promulgated thereunder, the listing rules of the national securities exchange or association on which the Company's securities are listed, and any applicable rules, standards or other guidance adopted by the Securities and Exchange Commission or any national securities exchange or association on which the Company's securities are listed.

"***Committee***" means the committee of the Board responsible for executive compensation decisions comprised solely of independent directors (as determined under the Applicable Rules), or in the absence of such a committee, a majority of the independent directors serving on the Board.

"***Erroneously Awarded Compensation***" means the amount of Incentive-Based Compensation received by a current or former Officer that exceeds the amount of Incentive-Based Compensation that would have been received by such current or former Officer based on a restated Financial Reporting Measure, as determined on a pre-tax basis in accordance with the Applicable Rules.

"***Exchange Act***" means the Securities Exchange Act of 1934, as amended.

"***Financial Reporting Measure***" means any measure determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and any measures derived wholly or in part from such measures, including GAAP, IFRS and non-GAAP/IFRS financial measures, as well as stock or share price and total equityholder return.

"***GAAP***" means United States generally accepted accounting principles.

"***IFRS***" means international financial reporting standards as adopted by the International Accounting Standards Board.

"***Impracticable***" means (a) the direct costs paid to third parties to assist in enforcing recovery would exceed the Erroneously Awarded Compensation; provided that the Company (i) has made reasonable attempts to recover the Erroneously Awarded Compensation, (ii) documented

such attempt(s), and (iii) provided such documentation to the relevant listing exchange or association, (b) to the extent permitted by the Applicable Rules, the recovery would violate the Company's home country laws pursuant to an opinion of home country counsel; provided that the Company has (i) obtained an opinion of home country counsel, acceptable to the relevant listing exchange or association, that recovery would result in such violation, and (ii) provided such opinion to the relevant listing exchange or association, or (c) recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and the regulations thereunder.

"***Incentive-Based Compensation***" means, with respect to a Restatement, any compensation that is granted, earned, or vested based wholly or in part upon the attainment of one or more Financial Reporting Measures and received by a person: (a) after beginning service as an Officer; (b) who served as an Officer at any time during the performance period for that compensation; (c) while the issuer has a class of its securities listed on a national securities exchange or association; and (d) during the applicable Three-Year Period.

"***Officer***" means each person who serves as an executive officer of the Company, as defined in Rule 10D-1(d) under the Exchange Act.

"***Restatement***" means an accounting restatement to correct the Company's material noncompliance with any financial reporting requirement under securities laws, including restatements that correct an error in previously issued financial statements (a) that is material to the previously issued financial statements or (b) that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.

"***Three-Year Period***" means, with respect to a Restatement, the three completed fiscal years immediately preceding the date that the Board, a committee of the Board, or the officer or officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare such Restatement, or, if earlier, the date on which a court, regulator or other legally authorized body directs the Company to prepare such Restatement. The "Three-Year Period" also includes any transition period (that results from a change in the Company's fiscal year) within or immediately following the three completed fiscal years identified in the preceding sentence. However, a transition period between the last day of the Company's previous fiscal year end and the first day of its new fiscal year that comprises a period of nine to 12 months shall be deemed a completed fiscal year.

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