



# Frontera Energy Q1'22 Earning Slides

May, 2022





# CORPORATE SNAPSHOT

Capital Structure (As at March 31, 2022) (\$U.S.)	(\$MM)
(+) Long-term debt <sup>(1)(5)</sup>	\$408
(+) Total Lease Assets <sup>(2)(5)</sup>	\$7
(+) Risk Management Liabilities, net <sup>(3)(5)</sup>	-\$5
<b>= Consolidated Total Indebtedness excluding Unrestricted Subsidiaries<sup>(6)(9)</sup></b>	<b>\$410</b>
(-) Net Debt excluding Unrestricted Subsidiaries <sup>(4)(7)</sup>	\$211
<b>= Net Debt excl. Puerto Bahia Debt<sup>(9)</sup></b>	<b>\$199</b>
(+) Market Cap <sup>(8)</sup>	\$1,091
<b>= Enterprise Value (\$MM)</b>	<b>\$1,290</b>

## Balance sheet metrics – March 31, 2022

Total cash/cash and cash equivalents (\$MM)	\$324 / \$257
Consolidated Net Debt/ Operating EBITDA <sup>(9)</sup>	0.5x
Debt to book capitalization <sup>(10)</sup>	21%
Interest coverage <sup>(11)</sup>	13.9x

## Credit ratings

	Outlook:	Stable
S&P	Issuer Rating:	B+
	Senior Notes:	B+
	Outlook:	Stable
Fitch	Issuer Rating:	B
	Senior Notes:	B

### Notes:

<sup>1</sup> Excludes \$143.1 million of long term debt attributable to the Unrestricted Subsidiaries.

<sup>2</sup> Excludes \$0.4 million of lease liabilities attributable to the Unrestricted Subsidiaries.

<sup>3</sup> Excludes \$3.9 million of risk management liabilities attributable to the Unrestricted Subsidiaries.

<sup>4</sup> Excludes \$46 million of cash and cash equivalent attributable to the Unrestricted Subsidiaries.

<sup>5</sup> Unrestricted subsidiaries shall mean CGX Energy Inc., Frontera ODL Holding Corp., including its subsidiary Pipeline Investment Ltd., and Frontera Bahia Holding Ltd., including its subsidiary Sociedad Portuaria Puerto Bahia S.A.

<sup>6</sup> Consolidated Total Indebtedness is a non-IFRS measure. See "Non-IFRS Measures".

<sup>7</sup> Guarantors and borrower shall mean Frontera Energy Corporation (British Columbia), Frontera Energy Guyana Corp, Frontera Energy Colombia AG, Frontera Energy Colombia (Ecuador Branch), Frontera Energy Colombia Sucursal Colombia

<sup>8</sup> Assumes Frontera share price of CAD \$14.49 USD/CAD exchange rate of 0.8003, and 94,070,294 total shares outstanding as at March 31, 2022.

<sup>9</sup> Net debt/Operating EBITDA is net debt divided by 12 month Operating EBITDA of \$437MM. Consolidated Total Indebtedness, Net Debt and Operating EBITDA are non-IFRS measures. See "Non-IFRS Measures".

<sup>10</sup> Debt to book capitalization is long term debt divided by long term debt plus Equity attributable to equity holders of the Company.

<sup>11</sup> Interest coverage uses 12 month Operating EBITDA of \$437MM divided by the expected annual cash interest of \$32 MM.



# Q1'22 HIGHLIGHTS

## Compared to Q4 2021:

- ✔ Increased production **6.5%** to **41,100 boe/d**
- ✔ Increased operating netback<sup>(1)</sup> **22%** to **\$58.44/boe**
- ✔ Cash position of **\$323.5 million**
- ✔ Capital expenditures of **\$113.5 million**
- ✔ Increased net sales realized price **17%** to **\$81.66/boe**
- ✔ Delivered operating EBITDA<sup>(1)</sup> of **\$132.8 million**
- ✔ Recorded net income of **\$102.2 million**

<sup>1</sup> Operating Netback and Operating EBITDA are non-IFRS measures. See "Non-IFRS Measures".

# FIRST QUARTER 2022 BY NUMBERS

Production<sup>(1)</sup>

**41,100  
BOE/D**



Operating Cost<sup>(2)</sup>

**\$23.22/boe**

Netback

**\$58.44/boe**

Capital  
Expenditures

**\$114MM**



Total Cash  
Position of

**\$324MM**

including  
Restricted  
Cash of

**\$66MM**

Uncollateralized  
credit lines

**\$107MM**

Net sales  
realized  
price



**\$81.66/boe**



Operating  
EBITDA<sup>(3)</sup>

**\$133MM**

Frontera  
announced renewal  
of its NCIB to  
repurchase **up to  
10%** of its public  
float.



2022 World's Most  
Ethical Companies for  
the 2<sup>nd</sup> Straight Year



Development  
Wells Drilled

**14**

Workovers  
Well  
Services

**38**



Total Inventory

**1,434,111  
bbls**

1 Consisting of approximately 22,214 bbl/d of heavy crude oil, 17,248 bbl/d of light and medium crude oil, 9,530 mmcf/d of conventional natural gas and 966 bbl/d of natural gas liquids.

2 Operating Cost refers to Unit Production cost + Unit Transport cost.

3 Operating EBITDA is a non-IFRS measure. See "Non-IFRS Measures".

# Q1 2022 QUARTERLY RESULTS

Capital expenditures, production and transportation costs

## PRODUCTION BY SOURCE (KBOE)

Conventional Natural Gas Natural Gas Liquids L&M Oil Heavy Oil



## PRODUCTION COST (\$/BOE)



## TRANSPORTATION COST (\$/BOE)



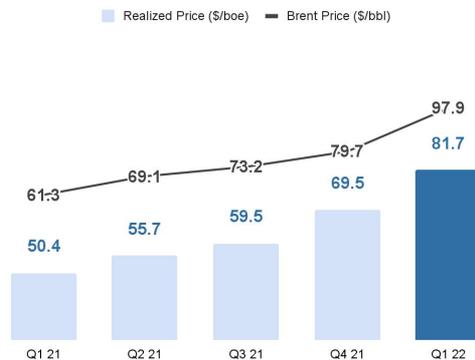
## CAPITAL EXPENDITURES (\$MM)



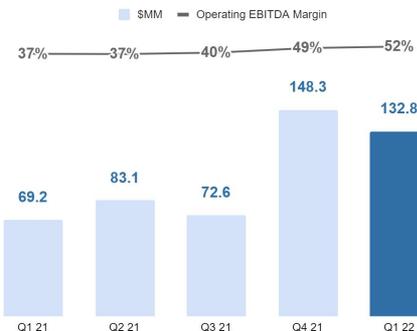
# Q1 2022 QUARTERLY RESULTS

## Sustainable Operational Performance

### REALIZED PRICE (\$BOE) AND BRENT (\$BBL)



### OPERATING EBITDA <sup>(1)</sup> (\$MM) AND OPERATING EBITDA MARGIN (%)



### OPERATING NETBACK (\$/BOE) <sup>(1)</sup>



### CFFO (\$MM) AND CAPEX/ CFFO (%)

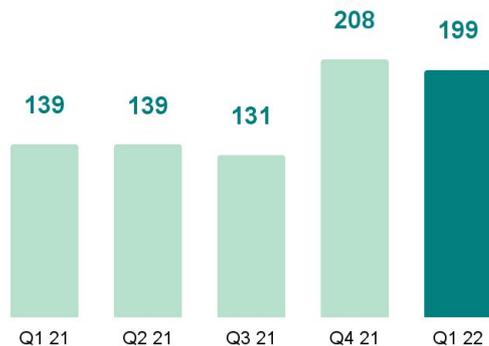


<sup>1</sup> Operating Netback and Operating EBITDA are non-IFRS measures. See "Non-IFRS Measures".

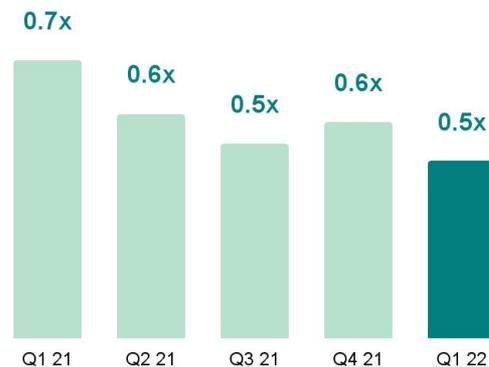
# Q1 2022 QUARTERLY RESULTS

## Debt Ratios

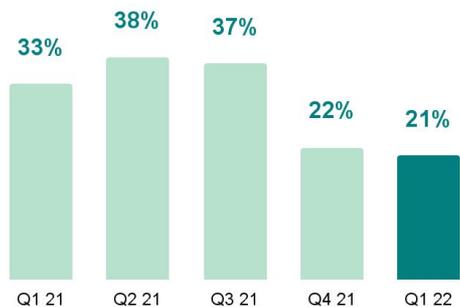
### NET DEBT<sup>(1)</sup> (EXCL. RESTRICTED SUBSIDIARIES) (\$MM)



### NET DEBT TO OPERATING EBITDA RATIO<sup>(1)</sup> (X)



### DEBT TO BOOK CAPITALIZATION (%)



### INTEREST COVERAGE (X)



<sup>1</sup> Net Debt and Operating EBITDA are non-IFRS measures. See "Non-IFRS Measures".



**Contact us at:**

[ir@fronteraenergy.ca](mailto:ir@fronteraenergy.ca)

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**Non-IFRS Measures** - This presentation contains financial terms that do not have standardized definitions in International Financial Reporting Standards (“**IFRS**”): Operating EBITDA, Operating Netback, Consolidated Total Indebtedness and Net Debt. These financial measures, together with measures prepared in accordance with IFRS, provide useful information to investors and shareholders, as management uses them to evaluate the operating performance of the Company. The Company's determination of these non-IFRS measures may differ from other reporting issuers, and therefore are unlikely to be comparable to similar measures presented by other companies. Further, these non-IFRS measures should not be considered in isolation or as a substitute for measures of performance or cash flows prepared in accordance with IFRS. Operating EBITDA represents the operating results of the Company's primary business, excluding the items noted above, restructuring, severance and other costs, certain non-cash items (such as impairments, foreign exchange, unrealized risk management contracts, costs under terminated pipeline contracts, and share-based compensation) and gains or losses arising from the disposal of capital assets. In addition, other unusual or non-recurring items are excluded from operating EBITDA, as they are not indicative of the underlying core operating performance of the Company. Refer to the “Operating EBITDA” section on page 15 of the Interim MD&A for a reconciliation of net income (loss) to operating EBITDA and a description of each component of the Company's operating netback and how it is calculated. Operating netback is used to assess the net margin of the Company's production after subtracting all costs associated with bringing one barrel of oil to the market. It is also commonly used by the oil and gas industry to analyze financial and operating performance expressed as profit per barrel and is an indicator of how efficient the Company is at extracting and selling its product. For netback purposes, the Company removes the effects of any trading activities and results from its midstream segment from the per barrel metrics. Refer to the reconciliation in the “Operating Netback” section on page 6 of the Interim MD&A. Refer to the “Operating Netback and Oil and Gas Sales, Net of Purchases” section on page 16 of the Interim MD&A for a description of each component of the Company's operating netback and how it is calculated. Consolidated total indebtedness and net debt are used by the Company to monitor its capital structure, financial leverage, and as a measure of overall financial strength. Consolidated total indebtedness is defined as long-term debt, plus liabilities for leases and net position of risk management contracts, excluding Unrestricted Subsidiaries. This metric is consistent with the definition under the Company's Indenture (as defined in the MD&A) for the calculation of certain conditions and covenants. Net debt is defined as consolidated total indebtedness less cash and cash equivalents. Both measures are exclusive of non-recourse subsidiary debt and certain amounts attributable to the Unrestricted Subsidiaries. Refer to the reconciliation in the “Consolidated Total Indebtedness and Net Debt” section on page 17 of the Interim MD&A for additional information about these financial measures.

**Oil and Gas Information Advisories** - Reported production levels may not be reflective of sustainable production rates and future production rates may differ materially from the production rates reflected in this presentation due to, among other factors, difficulties or interruptions encountered during the production of hydrocarbons. The term “boe” is used in this presentation. Boe may be misleading, particularly if used in isolation. A boe conversion ratio of cubic feet to barrels is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. In this presentation, boe has been expressed using the Colombian conversion standard of 5.7 Mcf: 1 bbl required by the Colombian Ministry of Mines and Energy.

**Currency** - The values in this presentation are expressed in United States dollars and all production volumes are expressed before royalties, unless otherwise stated. Some figures presented are rounded and data in tables may not add due to rounding.

