FRONTERA ENERGY CORPORATION

ANNUAL INFORMATION FORM

FOR THE YEAR ENDED

DECEMBER 31, 2020

DATED: MARCH 3, 2021

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NOTE TO READER

The information in this Annual Information Form dated March 3, 2021 for the fiscal year ended December 31, 2020 ("**AIF**") is stated as at December 31, 2020 unless otherwise indicated. All dollar amounts are expressed in U.S. dollars and references to "$" are to U.S. dollars unless otherwise indicated. References to C$ are to Canadian dollars.

This AIF contains forward-looking statements based on Frontera's current expectations, activities and beliefs. Such information involves a number of known and unknown risks and uncertainties, including those discussed in this document in the "Risk Factors" section, and other factors that may cause the actual results, performance or achievements of the Company or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. See "Forward-Looking Information."

Reference made in this AIF to other documents or information or documents available on a website does not constitute the incorporation by reference into this AIF of such other documents or such other information or documents available on such website, unless otherwise stated.

GLOSSARY OF TERMS AND ABBREVIATIONS

Capitalized terms used, but not otherwise defined in this AIF, have the meanings set out below. Words importing the singular, where the context requires, include the plural and vice versa and words importing any gender include all genders.

"2020 Annual Financial Statements" means the audited annual financial statements for the years ended December 31, 2020 and 2019, available on SEDAR at www.sedar.com.

"2025 Puerto Bahia Debt" the debt facility, in the principal amount of $370 million, dated October 4, 2013, between *inter alia*, Puerto Bahia, Itaú BBA Colombia S.A. and other lenders, which matures in June 2025, for the construction and development of the Port Facility.

"ANH" means Agencia Nacional de Hidrocarburos, the governmental entity in Colombia responsible for the granting of exploration and exploitation agreements with respect to hydrocarbons.

"Audit Committee" means the audit committee of the Board.

"BCBCA" means the *Business Corporations Act* (British Columbia), S.B.C. 2002, C. 57, as amended, including the regulations promulgated thereunder.

"BIC Pipeline" means the Oleoducto Bicentenario pipeline, a Colombian pipeline that connects the Araguaney Station in Casanare Department to the Banadia Station in Arauca Department.

"Bicentenario" means Oleoducto Bicentenario de Colombia S.A.S., owner of the BIC Pipeline.

"Board" means the board of directors of the Company.

"Catalyst" means The Catalyst Capital Group Inc. or any funds managed or administered by it or its affiliates.

"CENIT" means Cenit Transporte y Logística de Hidrocarburos S.A.S, a subsidiary of Ecopetrol and owner and operator of the CLC Pipeline.

“CGX” means CGX Energy Inc., a Canadian public company, listed on the TSX Venture Exchange (TSXV:OYL), a partially owned subsidiary of the Company and part owner and operator of the Company’s Guyana blocks.

“CLC Pipeline” means the Caño Limón–Coveñas pipeline, a Colombian pipeline that connects the Banadia Station in Arauca Department to the Coveñas terminal on Colombia’s Caribbean coastline in Sucre Department.

“Common Shares” means the common shares in the capital of the Company.

“Company” or **“Frontera”** means Frontera Energy Corporation and includes, where the context dictates, its subsidiaries on a consolidated basis.

“**Compensation and Human Resources Committee**” means the compensation and human resources committee of the Board.

“D&M” means DeGolyer and MacNaughton, an independent petroleum engineering consulting firm.

“E&P” means exploration and production.

“**Ecopetrol**” means Ecopetrol S.A., the Colombian majority state-owned oil and gas company.

“Equity Contribution Agreement” has the meaning given to such term under the heading “Description of Capital Structure – Material Debt Facilities – Puerto Bahia Secured Syndicated Credit Loan.”

“FECC” means Frontera Energy Colombia AG, a company duly incorporated under the laws of Schaffhausen, Switzerland and a wholly-owned subsidiary of the Company.

“Frontera Bahia” means Frontera Bahia Holding Ltd. (formerly Pacinfra Holding Ltd.), a subsidiary of the Company which holds, directly and indirectly, the Company’s interests in Puerto Bahia.

“IFC Parties” means International Finance Corporation and related funds.

“IVI” means Infrastructure Ventures Inc., a partially owned subsidiary of the Company which holds debt and equity interests in Puerto Bahia.

“**NCIB**” means normal course issuer bid.

“**NorPeruano Pipeline**” means the Peruvian pipeline that connects Block 192 to the export terminal at Bayovar on the Pacific coast.

“Ocensa” means the Oleoducto Central S.A., owner of the Ocensa Pipeline.

“Ocensa Pipeline” means the Colombian pipeline that connects the Cusiana and Cupiagua fields in Casanare Department to the Coveñas export terminal on Colombia’s Caribbean coastline in Sucre Department.

“ODC Pipeline” means the Oleoducto de Colombia pipeline, a Colombian pipeline that connects the Vasconia Station in Boyacá Department to the Coveñas terminal on Colombia’s Caribbean coastline in Sucre Department.

“ODL” means Oleoducto de los Llanos Orientales S.A., owner of the ODL Pipeline.

“**ODL JV**” means ODL JV Limited (formerly Pacific Midstream Ltd.), a partially owned subsidiary of the Company which holds a 35% equity interest in ODL.

"ODL Pipeline" means Oleoducto de los Llanos pipeline, a Colombian pipeline that connects the Rubiales field to the Monterrey Station or Cusiana Station in Casanare Department.

"OGD Pipeline" means the Guaduas-La Dorada pipeline, a Colombian pipeline that connects the Guaduas Station in Cundinamarca Department to the La Dorada Station in Caldas Department.

"Perupetro" means Perupetro S.A., the Peruvian governmental entity responsible for promoting, negotiating, underwriting and monitoring contracts for exploration and exploitation of hydrocarbons in Peru.

"Port Facility" has the meaning given to such term under the heading "Description of the Business – Midstream Activities – Puerto Bahia."

"production" means working interest production before royalties, and total volumes produced from service contracts.

"Puerto Bahia" means Sociedad Portuaria Puerto Bahia S.A., a partially owned subsidiary of the Company which is the owner and operator of the Port Facility.

"SEDAR" means the system for Electronic Data Analysis and Retrieval at www.sedar.com.

"Shareholder" means a holder of Common Shares.

"TSX" means the Toronto Stock Exchange.

"Unsecured Indenture" means the indenture governing the Unsecured Notes.

"Unsecured LC Facility" means the Company's prior letter of credit and reimbursement agreement with a syndicate of banks.

"Unsecured Notes" means the Company's $350 million unsecured notes due 2023 issued pursuant to the Unsecured Indenture.

Technical Terms

"barrel" means the volume unit of measure of liquid hydrocarbons equivalent to forty-two (42) U.S. gallons, corrected to standard conditions (a temperature of sixty degrees Fahrenheit (60ºF) and one (1) atmosphere of absolute pressure).

"hydrocarbons" means all the organic compounds mainly composed of the natural mixture of carbon and hydrogen, as well as of those substances that accompany them or are derived from them.

"natural gas" means the mixture of hydrocarbons in a gaseous state, under standard conditions (a temperature of sixty degrees Fahrenheit (60º F) and one (1) atmosphere of absolute pressure), composed of the most volatile members of the paraffin series of hydrocarbons.

Abbreviations

The following is a list of abbreviations used in this AIF.

Oil and Natural Gas Liquids

bbl	barrels
bbl/d	barrels per day
MMbbl	million barrels

Natural Gas

Mcf	thousand cubic feet
MMcf/d	million cubic feet per day

Other

boe	barrels of oil equivalent
boe/d	barrels of oil equivalent per day
MMboe	million barrels of oil equivalent
WTI	West Texas Intermediate

BOE Conversion

The term "boe" is used in this AIF. 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 AIF boe has been expressed using the Colombian conversion standard of 5.7 Mcf to 1 bbl required by the Colombian Ministry of Mines and Energy. As the value ratio between natural gas and crude oil based on the current prices of natural gas and crude oil is significantly different from the energy equivalency of 5.7 to 1, utilizing a conversion on a 5.7 to 1 basis may be misleading as an indication of value.

CORPORATE STRUCTURE

General

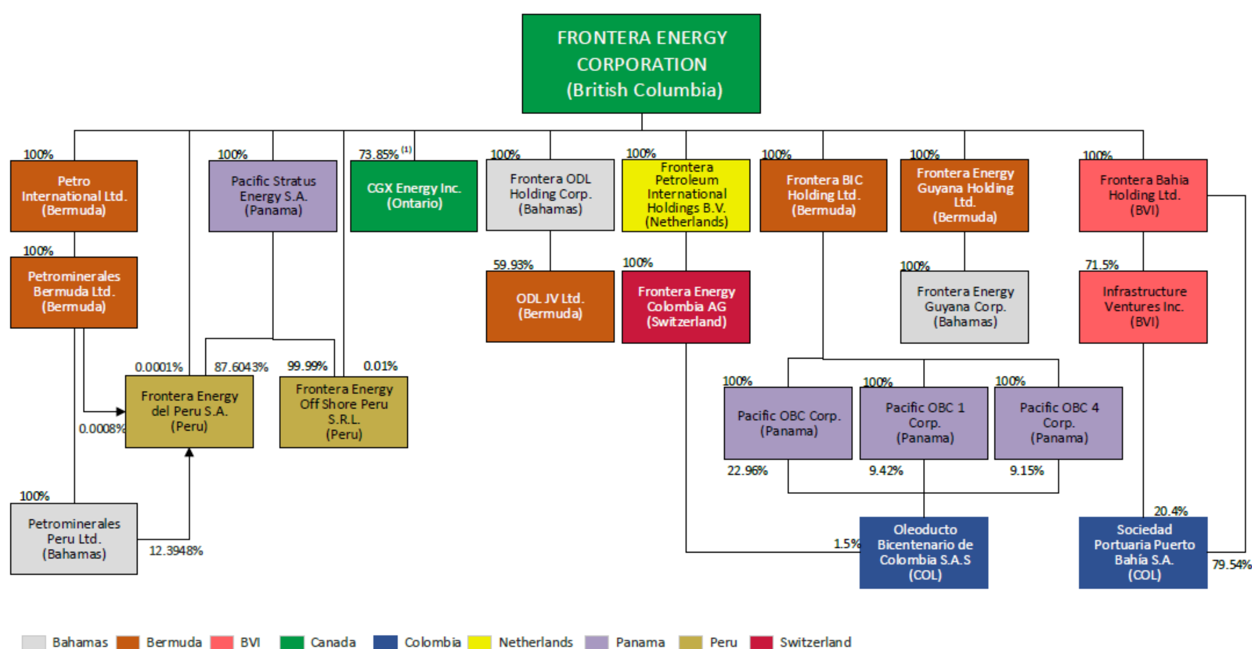
The Company was incorporated under the laws of the Province of British Columbia on April 10, 1985, pursuant to the *Company Act* (British Columbia). Subsequently, the Company was continued as a corporation of the Yukon Territories on May 22, 1996 and continued back into the Province of British Columbia on July 9, 2007 under the BCBCA.

The Company's articles were amended and restated on May 20, 2020 to (a) reflect best practices including: (i) providing the Board with the authority to determine that a meeting of shareholders be held entirely or in part by electronic or other communication mediums; (ii) permitting any vote at a meeting of shareholders be held entirely or partially by means of electronic or other communication mediums; and (iii) setting the quorum necessary for the transaction of the business of the directors at a meeting of the Board at the majority of directors; and (b) remove provisions of the Articles that, pursuant to the terms of the Articles, are no longer in effect.

The Company's head office is located at Suite 1100, 333 Bay Street, Toronto, Ontario, M5H 2R2 and its registered office is located at 1500 Royal Centre, 1055, West Georgia Street, P.O. Box 11117 Vancouver, British Columbia, V6E 4N7.

Intercorporate Relationships

The Company's organizational structure facilitates its business as a global company with operations primarily located in South America. The following chart illustrates certain subsidiaries of the Company, together with their respective jurisdictions of incorporation and share ownership as at December 31, 2020. The chart does not include all of the subsidiaries of the Company. The assets and revenues of excluded subsidiaries did not individually exceed 10%, and in the aggregate exceed 20%, of the total consolidated assets or total consolidated revenues of the Company as at December 31, 2020.



Notes:

(1) CGX is a Canadian-based oil and gas exploration company focused on the exploration of oil in the Guyana-Suriname Basin and is listed on the TSX Venture Exchange. On December 29, 2020 Frontera exercised its warrants to purchase common shares of CGX. Following the exercise of warrants, the Company holds approximately 73.85% of the issued and outstanding common shares of CGX (previously 72.41%).

GENERAL DEVELOPMENT OF THE BUSINESS

Recent Developments

Period Beginning on January 1, 2021 and Ending on March 3, 2021

On March 3, 2021 the Company announced the appointment of Board Member Orlando Cabrales Segovia as Chief Executive Officer, effective March 15, 2021.

On March 3, 2021 the Company announced that Raymond J. Bromark has decided not to seek re-election to the Company's Board of Directors at the Company's next annual general meeting. Mr. Bromark will resign as chair of the Company's Audit Committee effective March 29, 2021 and will remain a member of the Committee until the next annual general meeting transitioning his responsibilities as chair to current Board member Ellis Armstrong.

On February 16, 2021, the Company and CGX announced that the Government of Guyana had advised that the deadline for drilling an exploration well in the Demerara Block, offshore Guyana, pursuant to the work program would be extended to February 11, 2022 subject to documentation.

On February 5, 2021, the Services Contract on Block 192 ended and the Company returned operations on the block back to PeruPetro. With the expiration of the contract, the Company's obligations on the block are primarily related to the Company's share of environmental commitments and abandonment costs.

Three Year History

The following is a description of major transactions and events that have influenced the general development of the Company's business during the years ended December 31, 2018, 2019 and 2020.

Period Ending December 31, 2020

In 2020, the Company drilled 22 development wells (14 in the Quifa block, 6 in the CPE-6 block, one in the Sabanero block and one in the Canaguaro block) and one exploration well in the Guama block (Asai-1) which was a dry hole. All of these blocks are in Colombia.

In 2020, in response to the lower oil price environment and the COVID-19 pandemic, the Company proactively reduced its capital program and shut-in production. Production in 2020 was 47,800 boe/d, lower compared to production of 70,875 boe/d in 2019. Production from Colombia decreased 27% in 2020 as compared to 2019, while production from Peru was down by 82% in 2020 as compared to 2019.

In 2020, the Company utilized the ANH's special program to defer certain eligible exploration commitments in Colombia by 12 months due to the COVID-19 pandemic.

On December 31, 2020, the Company and its joint venture partner Parex Resources Inc. ("**Parex**") successfully extended the contract area on the VIM-1 block to cover the whole of the La Belleza discovery. See "Description of the Business - Upstream Activities - Exploration and Production Agreements - Colombia."

On December 30, 2020, the Company through its subsidiaries Frontera Bahia and IVI, converted certain debt into preferred shares of Puerto Bahia. As a result, the Company through its wholly owned subsidiary Frontera Bahia, now directly owns 79.54% of Puerto Bahia and IVI (71.5% owned by Frontera Bahia) owns 20.4% of Puerto Bahia. In aggregate, Frontera holds approximately 94.16% of the issued and outstanding shares of Puerto Bahia.

On December 11, 2020, Frontera Bahia advanced $8 million to Puerto Bahia in accordance with the Equity Contribution Agreement. See "Description of Capital Structure – Material Debt Facilities – Puerto Bahia Secured Syndicated Credit Loan."

On November 27, 2020, the Company and CGX announced that the deadline for drilling an exploration well in the Corentyne Block, offshore Guyana, pursuant to the work program was extended to November 26, 2021.

On November 17, 2020, the Company announced that it had reached an agreement for the joint filing of a petition for a binding settlement which, upon completion and approval by the competent Colombian court, will resolve all the disputes pending among the Company, Bicentenario and CENIT, related to the BIC Pipeline and the CLC Pipeline, and will terminate all the pending arbitration proceedings related to such disputes. See "Legal Proceedings and Regulatory Actions."

On August 6, 2020, the Company closed an agreement with the IFC to purchase all of IFC's interests in IVI, the parent company of Puerto Bahia. The acquisition terminated a put option and special voting provisions held by the former shareholders. With the acquisition, Frontera acquired control over the future strategic direction of the port with a view to unlocking material value for the Company. As a result of the acquisition, Frontera, through its wholly owned subsidiary Frontera Bahia, increased its ownership to approximately 71.57% of the issued and outstanding shares of IVI. See "Description of the Business – Midstream Activities – Puerto Bahia."

On July 24, 2020 majority lenders of the 2025 Puerto Bahia Debt consented to defer the advance to be made by the Company of $13 million under the Equity Contribution Agreement to Puerto Bahia, from July 25, 2020 to December 15, 2021. See "Description of Capital Structure – Material Debt Facilities – Puerto Bahia Secured Syndicated Credit Loan."

On May 20, 2020 the shareholders of the Company approved amending and restating the Company's articles. See "Corporate Structure – General."

On March 31, 2020, David Dyck resigned as Chief Financial Officer and Alejandro Piñeros was appointed Chief Financial Officer.

On March 23, 2020 in response to the lower oil price environment caused by excess global supply and COVID-19 pandemic, the Company announced a reduction in its 2020 capital plan by approximately 60%, focusing on activities that generate positive cash returns at current oil prices, and acceleration of cost savings initiatives. The Company also temporarily shut-in production from certain fields in Colombia with lower field netbacks, including the highest water cut wells in Quifa.

On March 9, 2020, the Company announced that Block 192 in Peru was placed in force majeure, effective February 28, 2020 as a result of a community blockade. The Company notified Perupetro, that effective July 30, 2020 the force majeure was lifted, however the block remained with no production as operations were not restarted at that time.

On March 2, 2020, the Company announced that it has executed an extension agreement with Perupetro with respect to the temporary service contract on Block 192 in Peru. The contract, which was due to expire on March 2, 2020, was extended by six months.

On February 6, 2020, the Company announced the successful testing results from the La Belleza-1 well on the VIM-1 block.

Period Ending December 31, 2019

In 2019, the Company drilled 116 development wells (91 in the Quifa block, 14 in the CPE-6 block, five in the Cubiro block, three in the Guatiquia block, two in the Sabanero block and one in the Cravoviejo block) and eight exploration wells (four in the CPE-6 block and one in each of the Mapache, Sabanero, Quifa and VIM-1 blocks).

In 2019, production totaled 70,875 boe/d, relatively flat compared to production of 71,032 boe/d in 2018. Production from Colombia increased 1.2% in 2019 as compared to 2018, while production from Peru was down by 11.3% in 2019 as compared to 2018.

In 2019, the Company received ANH approval to transfer approximately $7.5 million in exploration commitments from the Portofino, Llanos-83 and COR-24 blocks to the CPE-6 block.

On December 11, 2019, the Company was awarded the Llanos-119 block in Colombia following the successful ANH bid round. The exploration and production contract for the block was executed on December 20, 2019.

On December 12, 2019, Frontera Bahia advanced $13.8 million to Puerto Bahia and on June 14, 2019 it advanced $10.9 million in accordance with the Equity Contribution Agreement, both in the form of subordinated loans. See “Description of Capital Structure – Material Debt Facilities – Puerto Bahia Secured Syndicated Credit Loan.”

On December 4, 2019, the Company appointed René Burgos Díaz to the Board. With this appointment, the Company's Board totals eight members, all of whom are independent.

On November 2, 2019, the seismic acquisition of a full broadband marine 3D seismic survey covering approximately 577 km^2 of the north portion of the Corentyne block, offshore Guyana was successfully completed.

On October 18, 2019, the Company renewed its NCIB which had expired on July 17, 2019. See “Description of Capital Structure – NCIB.”

On October 17, 2019, Colombia's constitutional court confirmed that it would not review the constitutional action initiated by the ANH seeking to revoke an arbitral ruling in favour of the Company's interpretation of the high-price clause (a royalty payment made to the ANH once an exploitation area has cumulatively produced five million or more barrels of oil) on the Corcel block. The case is now closed with constitutional *res judicata* effects.

On September 25, 2019, the Company announced that it had elected to convert the principal amount outstanding ($8.8 million) under its bridge loan to CGX due September 30, 2019 (“**Bridge Loan**”) into shares of CGX at a price of $0.22 per share. As a result of the conversion, Frontera acquired an additional 40,000,000 common shares of CGX. Following the conversion of the Bridge Loan, Frontera owned 197,383,129 common shares of CGX (representing approximately 72.51% on a non-diluted basis).

On August 30, 2019, the ANH approved the transfer of the Company's interest in the Casanare Este block to Invepetrol Limited. This transaction reduced the Company's contractual evaluation net obligations by approximately $9 million.

On August 2, 2019, the Company and CGX announced that a resequencing of the work programme in the Corentyne block, offshore Guyana, had been approved by the government of the Cooperative Republic of Guyana. See “Description of the Business - Upstream Activities - Exploration and Production Agreements - Guyana.”

On July 3, 2019, the Company was awarded the Llanos-99 block in Colombia following the successful ANH bid round. Subsequently, on July 17, 2019 the Company was also awarded the VIM-22 block in Colombia. The exploration and production contracts for these blocks were entered into on July 18, 2019.

On July 3, 2019, the Company announced that it had been notified by Petroperú, the operator of the NorPeruano Pipeline, of a force majeure event affecting a portion of the pipeline as a result of an attack at Kilometer 237 near pump station 5 of the North Branch Pipeline located in the Manseriche district. On July 30, 2019, the Company announced that the repairs were completed and production on Block 192 was restarted.

On June 17, 2019, the Company announced that it would be added to the S&P/TSX Composite Index, the S&P/TSX Composite Dividend, the S&P/TSX Composite High Dividend and the S&P/TSX Capped Energy Index prior to the opening of trading on June 24, 2019. On June 22, 2020 Frontera was removed from these indices.

On April 1, 2019, Transporte Incorporado S.A.S. (“**Transporte**”), exercised its right to terminate a temporary assignment agreement. As a consequence of the termination, Transporte's transportation capacity rights related to the Ocensa Pipeline were definitively transferred to the Company effective as of April 1, 2019. The Company paid $48.5 million and settled receivables with Transporte of $20.1 million in exchange for the capacity rights, for a total value of

$68.6 million. With the termination of the assignment agreement, the Company is no longer required to pay the monthly contractual fee of $1.5 million to Transporte from April 1, 2019, through March 31, 2024. This transaction reduced the Company's transportation commitments in the aggregate amount of $90.0 million.

On March 22, 2019, the Company acquired ODL JV's ownership interest in Bicentenario for approximately $85 million. The net cash cost of the acquisition was approximately $34 million after the proceeds of the transaction were distributed by ODL JV to its shareholders. See "Description of the Business – Midstream Activities – Bicentenario."

On March 14, 2019, the Company announced that it acquired 101,316,916 additional common shares of CGX pursuant to a rights offering for an aggregate purchase price of C$25 million (or C$0.25 per common share). Also, as consideration for providing a standby commitment in connection with the rights offering, the Company received 15,009,026 5-year warrants to purchase up to 15,009,026 common shares at an exercise price equal to C$0.415 per common shares (the "**CGX Warrants**"). The Company subsequently exercised the CGX Warrants on December 29, 2020.

On March 12, 2019, the Company and GeoPark Limited, as part of a consortium (Frontera 50%, GeoPark Limited 50%), were awarded production sharing contracts on two blocks in Ecuador's Intracampos Bid Round. The award was finalized on May 22, 2019 upon receipt of regulatory approval. See "Description of the Business - Upstream Activities - Exploration and Production Agreements - Ecuador."

On January 31, 2019, the Company and CGX entered into a farm-in agreement covering CGX's two offshore petroleum prospecting licences in Guyana which was subsequently approved and formalized by the government of the Cooperative Republic of Guyana on May 20, 2019. Concurrent with the signing of the farm-in agreement, the Company entered into a standby commitment agreement with CGX whereby it agreed to back-stop the equity rights offering launched by CGX on February 1, 2019. See "Description of the Business - Upstream Activities - Exploration and Production Agreements - Guyana."

On January 29, 2019, Frontera signed a farm-in agreement with Parex. Under the agreement, Parex transferred a 50% working interest in the VIM-1 block in the Lower Magdalena Valley basin in Colombia to Frontera in exchange for funding 100% of the first $10 million of the drilling, testing and completion costs for the La Belleza-1 exploration well in Colombia, after which costs on the block will be split 50/50 with Parex. The transfer was approved by the ANH on November 1, 2019.

Period Ending December 31, 2018

In 2018, the Company completed a total of 121 development wells in Colombia (108 in the Quifa block, 11 in the Guatiquia block and one in each of the Cubiro and Cravoviejo blocks). The Company also completed eight exploration wells (two in the Quifa block, three in the Guatiquia block and one in each of the Llanos-25, Z-1 and Sabanero blocks).

In 2018, production totaled 71,032 boe/d, representing a reduction of 4,424 boe/d from 75,456 boe/d in 2017 primarily as a result of lower production in Colombia, partially offset by increased production in Peru on a year-over-year basis.

In 2018, the Company was released from its outstanding exploration commitments on two blocks in Colombia by paying $8 million to the ANH. The Company also received ANH approval to transfer approximately $16 million in exploration commitments among its blocks.

On December 14, 2018, Frontera Bahia advanced $10.75 million to Puerto Bahia and on May 31, 2018, it advanced $30.46 million to Puerto Bahia in accordance with the Equity Contribution Agreement. See "Description of Capital Structure – Material Debt Facilities – Puerto Bahia Secured Syndicated Credit Loan."

On December 6, 2018, the Company announced that the CMA water handling expansion project at Quifa was operational.

On December 5, 2018, a force majeure event was declared on Block 192 in Peru for the second time in 2018. Operations were suspended for a total of 116 days during 2018.

On November 28, 2018, the Company successfully completed a consent solicitation with respect to certain proposed amendments to the Unsecured Indenture and the Unsecured LC Facility. See "Description of Capital Structure – Material Debt Facilities – Unsecured Notes."

On November 20, 2018, the Company sold its interest in Interamerican Energy Corp. to Faustia Development S.A. for an aggregate purchase price of $10 million.

On November 7, 2018, Camilo Marulanda elected to resign from the Board and was replaced by Orlando Cabrales Segovia.

On November 7, 2018, Veronique Giry was appointed to the Board.

On September 28, 2018, Les Etablissements Maurel & Prom, Maurel & Prom Colombia B.V. and M&P Peru Holdings S.A.S. transferred all of their participating interest in Block 116 in Peru to the Company and the funding agreement relating to the exploration licence contract for Block 116 and the Company's parent company guarantee were terminated.

On July 12, 2018, the Company and Ocensa reached a successful settlement agreement in an arbitration on tariffs and monetary conditions relating to transportation contracts entered into with Ocensa in connection with the Ocensa Pipeline expansion project, project P-135. Pursuant to the settlement agreement, the Company committed to ship 30,000 barrels of oil per day at $6.3601 per barrel (adjusted at 2.57% inflation per year until 2023 and pursuant to applicable regulation thereafter) through the Ocensa Pipeline. See "Description of the Business – Midstream Activities – Other Transportation Rights."

On July 12, 2018, the Company exercised its rights to terminate its contracts with Bicentenario and CENIT to transport oil through the BIC Pipeline and CLC Pipeline. See "Description of the Business – Midstream Activities – Bicentenario" and "Legal Proceedings and Regulatory Actions – Disputes with Counterparties – Bicentenario and CENIT."

On July 6, 2018, the Company terminated the share sale agreement, dated October 13, 2017, with the IFC Parties to purchase the IFC Parties' 36.36% interest in ODL JV, which had an acquisition price of $225 million. On October 19, 2018, the IFC Parties received a $5 million break fee as a result of the termination.

On June 26, 2018, the Company completed a two-for-one share split with Common Shares trading on a post-split basis commencing on June 27, 2018.

On June 25, 2018, the Company completed an offering of the $350 million Unsecured Notes. A portion of the proceeds from the offering were used to repurchase, at a premium, the Company's $250 million 10.0% senior secured notes due 2021, pursuant to a tender offer. The remaining proceeds were allocated to be used for general purposes. See "Description of Capital Structure – Material Debt Facilities – Unsecured Notes."

On May 17, 2018, the Company replaced its existing amended and restated secured letter of credit facility with the Unsecured LC Facility. The Unsecured LC Facility expired on May 17, 2020.

On April 19, 2018, ODL JV completed the sale of its interest in Petroeléctrica de los Llanos Ltd. which owns an electrical power transmission line, to Transportadora Electrica del Oriente S.A.S., an affiliate of Electricas de Medellin-Ingenieria y Servicios S.A.S., for an aggregate purchase price of $56 million.

On April 2, 2018, Richard Herbert was appointed Chief Executive Officer and David Dyck was appointed Chief Financial Officer.

On February 20, 2018, the Company closed a transaction pursuant to which the Company transferred its interest in the petroleum prospect licence PPL 475 and petroleum retention licence PRL 39 in Papua New Guinea to ExxonMobil Canada Holdings ULC for a purchase price of $57 million.

DESCRIPTION OF THE BUSINESS

OVERVIEW

Frontera is a Canadian public company involved in the exploration, development, production, transportation, storage and sale of oil and natural gas in South America, including related investments in both upstream and midstream facilities. The Company has a diversified portfolio of assets which consists of interests in 40 exploration and production blocks in Colombia, Ecuador and Guyana, and in pipeline and port facilities in Colombia. Frontera's common shares trade on the TSX under the ticker symbol "FEC."

The Company is committed to conducting its business safely and in a socially, environmentally and ethically responsible manner.

The Company's strategy is to deliver value-focused production, cash flows and reserves from Frontera's strong Colombian operations, pursue continuous operational improvements and greater cost efficiencies and create opportunities for future growth through the advancement of the Company's exploration portfolio in Colombia, Ecuador and Guyana.

UPSTREAM ACTIVITIES

Frontera is involved in the exploration, development and production of a diverse portfolio of oil and natural gas interests.

The Company is one of the largest independent oil and gas operators in Colombia in terms of both assets and production. Through its subsidiaries, the Company holds indirect interests in certain hydrocarbon properties in Colombia through contracts with Ecopetrol and the ANH. Total production from fields operated represented approximately 7.86% of total oil production and 1.16% of total gas production in Colombia during 2020, based on publicly reported data in Colombia published in December 2020.

In Colombia, the Company's diversified asset base includes 3.40 million net acres in the Llanos, Lower Magdalena Valley, Upper Magdalena Valley, Middle Magdalena Valley, Cesar Rancheria, Putumayo and Cordillera Oriental basins. The Company's Colombian assets are divided into working interests in 34 blocks of which 14 of these blocks are in the exploration phase, 16 are in the production phase and four are in the exploration and production phase.

In Ecuador, the Company holds a 50% working interest in the Perico and Espejo exploration blocks located in the north-eastern part of Ecuador in the Oriente basin.

In Guyana, the Company holds an 82.57% consolidated working interest in the offshore Corentyne and Demerara blocks, which are held directly through its 33.333% working interest and indirectly through its 73.85% equity interest in CGX and a 44.89% indirect working interest in the Berbice block located onshore Guyana which is held by ON Energy Inc., a 62% owned subsidiary of CGX.

In Peru, the Company's asset base includes over 1.27 million net acres in the Marañón basin onshore and the Tumbes basin offshore, which is divided into working interests in two blocks which. The Company has started remediation work on these blocks as it transitions out of Peru. On June 19, 2020, the Company formally relinquished its interest in Block 116, located in the Santiago basin onshore.

Oil and Natural Gas Contracts and Properties

The following is a description of the Company's oil and gas properties for the year ended December 31, 2020.

Property	Working Interest	Status	Gross Acres	Net Acres	Annual Production[1] (boe/d)[2]
Colombia - *Operated Properties*					
Abanico	25%	Production	62,560	15,640	140
Arrendajo	97.5%	Production	5,730	5,587	1,039
Cachicamo	100%	Production	10,091	10,091	864
Caguan-5	50%	Exploration	919,321	459,661	-
Caguan-6	60%	Exploration	119,048	71,429	-
Canaguaro	87.5%	Production	6,290	5,504	273
CPE-6	100%	Exploration & Production	529,758	529,758	2,375
Corcel	100%	Production	11,188	11,188	955
Cordillera-24	100%	Exploration	619,817	619,817	-
Casimena	100%	Production	6,850	6,850	796
CR-1	60%	Exploration	307,384	184,431	-
Cravoviejo	100%	Production	23,836	23,836	1,533
Cubiro	100%	Production	31,029	31,029	2,598
Dindal	45.3%	Production	32,401	14,678	104
Guama	100%	Exploration & Production	50,170	50,170	12
Guatiquia	100%	Production	11,086	11,086	10,850
La Creciente	100%	Production	16,711	16,711	1,476
Llanos-7	100%	Exploration	152,675	152,675	-
Llanos-55	100%	Exploration	102,800	102,800	-
Llanos-83	100%	Exploration	35,755	35,755	-
Llanos-25	100%	Evaluation	13,949	13,949	-
Llanos-99	100%	Exploration	134,992	134,992	-
Llanos-119	100%	Exploration	26,956	26,956	-
Mapache	100%	Evaluation & Production	6,010	6,010	40
Quifa	60%	Production	248,586	149,152	21,578
Rio Seco	45%	Production	25,266	11,370	-
Sabanero	100%	Production	67,897	67,897	432
VIM-22	100%	Exploration	412,330	412,330	-
Colombia - *Non-Operated Properties*					
Cordillera-15[3]	N/A	Exploration	585,128	N/A	-

Muisca[3]	N/A	Exploration	141,307	N/A	-
Neiva[4]	53.1%	Production	2,395	1,272	1,018
VIM-1	50%	Exploration & Production	142,047	71,024	70
Orito[4]	79%	Production	42,490	33,567	308
Tinigua[5]	50%	Exploration	105,466	52,733	-
Ecuador - *Operated Properties*					
Perico	50%	Exploration	17,744	8,872	-
Ecuador - *Non-Operated Properties*					
Espejo	50%	Exploration	15,652	7,826	-
Guyana - *Non-Operated Properties*					
Corentyne[6]	33.333%	Exploration	862,600	287,530	-
Demerara[6]	33.333%	Exploration	545,900	181,965	-
Berbice[7]	N/A	Exploration	585,000	N/A	-
Peru - *Operated Properties*					
Block Z1[8]	49%	Exploration & Production	62,785	30,765	37
Block 192[9]	N/A	Production	1,266,037	1,266,037	1,302
		TOTAL	**8,365,037**	**5,122,943**	**47,800**

Notes:

(1) Represents working interest production before royalties and total volumes produced from service contracts.

(2) boe has been expressed using the 5.7 to 1 Colombian Mcf to bbl conversion standard required by the Colombian Ministry of Mines and Energy.

(3) The Company holds a 49.9999% indirect interest in this block through its interest in Maurel & Prom Colombia B.V., the owner of the block.

(4) Subject to incremental production contracts. FECC's initial participation levels at Orito and Neiva blocks are 79% and 69%, respectively. These participation levels decline on a contract-by-contract basis once the ratio of cumulative total revenues to total costs ("**R Factor**") exceeds 1.5 times. At R Factors above 2.5 times, the participation levels at Orito and Neiva blocks are fixed at 39.5% and 34.5%, respectively. As of July 1, 2020, the R Factor (i) at the Orito block was 0.91 and therefore the participation level was 79%, and (ii) at the Neiva block was 1.80 and therefore the participation level was 53.1%.

(5) The contract is in the process of being formally relinquished. On December 11, 2020, the ANH accepted the operators request to relinquish the block. On December 22, 2020 and as part of the relinquishment process, the Company paid the ANH 50% of the outstanding minimum exploration obligations (US $2.25 million).

(6) Amount present in the chart represents the Company's direct interest. The Company also has a 49.27% indirect interest in the blocks through its 73.85% interest in CGX who holds the remaining 66.667% working interest in the block. Block acreage reflects the proposed 25% relinquishment that has been submitted to the Government of Guyana in connection with moving to the second renewal period of the Corentyne and Demerara PPLs. Final relinquishment details remain subject to government approval.

(7) The Company holds a 44.89% indirect interest in this block through its 73.85% interest in CGX who has an indirect interest held through its 62.0% interest in ON Energy Inc., the owner of the block. Block acreage reflects the proposed 25% relinquishment that has been submitted to the Government of Guyana. Final relinquishment details remain subject to government approval.

(8) The Company relinquished the exploratory area of Block Z1 on September 16, 2020.

(9) The Company operated Block 192 through a service contract, which expired on February 5, 2021. At this time the Company no longer has an interest in the block and is engaged in various abandonment activities. Under the terms of the service contract, the volumes produced were owned by Perupetro and the Company was entitled to in-kind payments on production, which could range from 44% to 84% of production on the block. The percentage was determined by an "R" Factor, which was related to income and expenses in accordance with the service contract. The Company reports the share of production retained by the government as royalties paid in-kind.

Exploration and Production Agreements - Colombia

The following is a summary of the Company's material oil and gas producing properties in Colombia.

Quifa Block

The Quifa block, located in the Llanos Basin in Colombia, is in the production phase. The Company has an association contract with Ecopetrol pursuant to which the Company holds a 60% working interest and is the operator. Ecopetrol holds the remaining interest in the block. The Company is entitled to 60% of production less (i) applicable legal royalties ranging from 6% to 25% and (ii) any additional participation percentage attributable to Ecopetrol when accumulated gross production of a field exceeds five MMbbl and the price of WTI crude during any month exceeds the base price for crude oil in dollars set forth in the contract. The Quifa contract establishes that capital costs and operational expenses must be borne 70% by the Company and 30% by Ecopetrol. Upon termination of the Quifa contract in December 2031, any wells in production, any buildings and other real estate possessions in the Quifa block will revert to Ecopetrol free of charge.

Within the Quifa block, the Company has developed three commercial fields, Quifa SW (with 258 producing wells), Cajua (with 30 producing wells) and Jaspe (with 4 wells drilled, not yet producing). Commerciality was declared on the Quifa SW field in 2010, on the Cajua field in 2012 and the Jaspe field in 2020. Production is currently sent by flow lines to the CMA and then to Bateria-4 for fluid processing and storage and subsequently to the ODL Pipeline, which connects to the national pipeline system.

Guatiquia Block

The Company holds a 100% working interest in the Guatiquia block, located in the Llanos Basin of Colombia. The Guatiquia exploration and production agreement provides for an initial five-year and nine-month exploration period, extendable for up to four years, and a 24-year exploitation period, which begins upon a declaration of commerciality of the relevant field.

In 2019, the ANH approved the unification of the Ceibo/Avispa/Ardilla/Alligator fields. The exploitation period for the unified fields, named Ceibo, commenced in 2014. The exploitation periods for Yatay and Coralillo began on declaration of commerciality in 2012 and 2018, respectively. In 2019, the Company submitted a request to the ANH for commercial unification of the Yatay and Coralillo fields. Unification of the fields remains subject to ANH approval.

The Company is entitled to 100% of production less (i) applicable legal royalties ranging from 6% to 25% and (ii) any additional participation percentage attributable to ANH when accumulated gross production of a field exceeds five MMbbl and the price of WTI crude during any month exceeds the base price for crude oil in dollars set forth in the contract.

Within the Guatiquia block, there are currently 30 medium crude oil producing wells. Production is primarily transported first to the facilities at the Corcel block through pipelines and then to off-loading stations to enter the national pipeline system.

Cubiro Block

The Cubiro block, located in the Llanos Basin in Colombia, in which the Company holds a 100% working interest, is in the production phase. The Cubiro exploration and exploitation contract provides for a 24-year exploitation period, which begins upon declaration of commerciality of the relevant field. This declaration occurred in 2008 for the Careto and Arauca fields, 2012 for the Barranquero field (which includes the Cernicalo and Tijereto Sur fields), 2013 for the Copa, Copa A, Copa B, Copa C, Copa D, Petirrojo and Petirrojo Sur fields and 2014 for the Yopo field. The Company is entitled to 100% of production less (i) applicable legal royalties ranging from 6% to 25% and (ii) any additional participation percentage attributable to ANH when accumulated gross production of a field exceeds five MMbbl and the price of WTI crude during any month exceeds the base price for crude oil in dollars set forth in the contract. In addition, the Company has granted a private royalty to Montecz S.A. equivalent to 3% of the sale price of the produced volumes.

Within the Cubiro block, there are 32 light crude oil producing wells. Production is primarily transported by truck to off-loading stations to enter the national pipeline system.

CPE-6

The CPE-6 block, located in the Llanos Basin in Colombia, in which the Company holds a 100% working interest, is in the exploration and production phase. The CPE-6 exploration and production contract provides for a 24-year exploitation period, which began upon declaration of commerciality. This declaration occurred on January 30, 2018 for the Hamaca field. The Company is entitled to 100% of production less (i) applicable legal royalties ranging from 6.0%

to 25%, (ii) any additional participation percentage attributable to ANH when accumulated gross production of a block exceeds five MMbbl and the price of WTI crude during any month exceeds the base price for crude oil in dollars set forth in the contract and (iii) 2.0% of the produced volume after the applicable legal royalties. In addition, Talisman Colombia Oil & Gas Ltd. is entitled to the following up to a maximum amount of $48 million: (i) a variable monthly payment equal to four percent (4%), multiplied by the monthly net total production and multiplied by the applicable price per barrel; and (ii) $5 million payable once the total accumulated gross production reaches 5 million, 10 million and 20 million boe, respectively.

In 2019, the Company submitted a request to the ANH to extend the Hamaca Field to the north of the current CPE-6 area. The extension remains subject to ANH approval.

Within the CPE-6 block, there are 14 heavy crude oil producing wells. Production is transported by truck to off-loading stations to enter the national pipeline system.

La Creciente

The La Creciente block, located in Lower Magdalena Basin in northwest Colombia, in which the Company holds a 100% working interest (subject to adjustment by the ANH based on the benchmark price of natural gas), is in the production phase. The La Creciente exploration and production contract provides for a five year and five month exploration period and a 24-year production period.

Within the La Creciente block, the Company has three gas producing wells. Production is primarily transported through flow lines to an existing pipeline which connects the La Creciente field to the national pipeline system.

VIM-1

The VIM-1 block, located in Lower Magdalena valley, in which the Company holds a 50% working interest, is in the exploration phase. Parex holds the remaining 50% working interest and is the operator of the block. The VIM-1 exploration and production contract provides for a 6 year exploration period and a 24 year production period. In February 2020, the Company announced successful testing results from La-Belleza-1 well that was drilled on the block in 2019. On December 30, 2020, an amendment to the contract was signed to formalize the approval to extend the area of the block by 32,000 acres to cover the complete area of the La Belleza-1 discovery. As a condition to this extension, Parex and Frontera have committed to drill one additional exploration well in the extended area within the 24 month period following the area extension.

Exploration and Production Agreements - Ecuador

The following is a summary of the Company's oil and gas properties in Ecuador.

The Perico and Espejo exploration blocks are located in Sucumbíos Province in the north-eastern part of Ecuador, in the Oriente basin. The blocks were acquired in Ecuador's Intracampos Bid Round that took place in the first quarter of 2019 under an initial four-year exploration period, with the option to extend the exploration period by an additional two years to fulfill the minimum work commitments. The Company has a 50% working interest in both blocks through a consortium with Geopark Limited.

Work commitments on the Perico block include: drilling four wells, 72 km^2 of 3D seismic reprocessing and 72 km^2 of magnetometry and gravimetry. Work commitments on the Espejo block include: drilling four wells, 3D seismic acquisition program of 55 km^2, 74 km^2 of 3D seismic reprocessing and 63 km^2 of magnetometry. Geochemical soil

surveying over both blocks, initiated in 2019 and seismic processing in the Perico block that began in early 2020 has been completed. The Company's plan to start drilling on the Perico Block and to acquire 3D seismic in the Espejo block in the second half of 2020 were delayed to 2021 due to the delay in obtaining the requisite environmental permits.

Exploration and Production Agreements - Guyana

The Company's material properties in Guyana consist of the Corentyne and Demerara blocks located in the Guyana-Suriname Basin. CGX is the operator of the blocks and holds a 66.667% working interest. The Company holds a 82.57% consolidated working interest in the blocks held directly through its 33.333% working interest in the blocks and indirectly through its 73.85% equity interest in CGX.

Corentyne Block

The Corentyne block is in phase one of the second renewal period, which was extended to November 26, 2021 from the initial expiry date of November 27, 2020. Final block relinquishment details relating to moving to the second renewal period remain subject to government approval. Under the petroleum prospecting licence covering the block, the joint venture partners are required to drill one commitment exploration well on the Corentyne block during phase one of the second renewal period.

The evaluation of the 3D seismic campaign covering approximately 577 km^2 of the northern region of the Corentyne Block was completed in 2020 and a preliminary inventory of cretaceous leads in the North Corentyne area was generated. The resulting prospects are located in water depths ranging from approximately 500 to 3,600 feet and are estimated to be at a drilling depth of between approximately 11,000 to 21,700 feet. Plans are proceeding on the Kawa-1 prospect, located in the northern region of the Corentyne Block. Work is advancing to prepare the Kawa-1 location for drilling prior to the commitment deadline of November 26, 2021.

Demerara Block

The Demerara block is in phase one of the second renewal period which was extended to February 11, 2022 from the initial expiry date of February 12, 2021 subject to documentation. Final block relinquishment details relating to moving to the second renewal period remain subject to government approval. Under the petroleum prospecting licence covering the block, the joint venture partners are required to drill one commitment exploration well on the block during this phase. A shallow hazard survey on the top-ranked Makarapan-1 prospect (formerly known as "Demerara F") was completed in October 2020. In addition, in November 2020, the joint venture commenced seismic reprocessing of the 3D seismic data over the Demerara Block which is expected to take approximately 7 months to complete.

Exploration and Production Agreements - Peru

The following is a summary of the Company's material oil and gas producing property in Peru.

Block 192 Contract

Block 192, located in the Northern Marañón Basin of Peru, was operated by the Company pursuant to a service contract awarded by Perupetro. The service contract expired as per its terms on February 5, 2021 and the Company is no longer operating on the block.

Block 192 was declared in force majeure on several occasions during the term of the contract. Operations were suspended for 116 days in 2018, 151 days in 2019 and 156 in 2020 due to ruptures of the NorPeruano Pipeline and community blockades. As a result, the term of the service contract (which was extended from the initial expiry date of

August 30, 2017) was further extended. On February 27, 2020, Block 192 was placed in force majeure as a result of a community blockade. On February 28, 2020, the Company executed a six-month extension on the service contract with Perupetro. The Company notified Perupetro, that effective July 30, 2020 the force majeure was lifted. The contract expired as per the terms of the agreement on February 5, 2021. Pursuant to the terms of the contract, upon expiry, Frontera is obligated to submit an environmental abandonment plan covering the following: (i) clean all oil spills that occurred during its operations and dispose of waste generated as a result of such cleaning; (ii) perform environmental abandonment activities on sites/facilities received in operation that are out of service at time of termination of the contract, if any; and (iii) return all facilities in the same condition they were received from Perupetro except for the normal wear and tear over the life of the contract.

MIDSTREAM ACTIVITIES

The Company has an integrated transportation and trading team, responsible for shipping, blending, storage and exporting the Company's oil and gas production and associated sales. The Company's transportation and trading strategy is to optimize the price and costs associated with selling oil and gas produced, including developing oil blends to meet market demand and optimizing storage opportunities.

The Company has invested in various midstream assets to support its transportation and trading business, including its investments in pipelines, storage, ports and other facilities relating to the transportation and exportation of crude oil and refined products.

Puerto Bahia

The Company holds a 94.16% indirect interest in Puerto Bahia through its wholly owned subsidiary Frontera Bahia, and its 71.5% equity interest in IVI. Puerto Bahia operates a multipurpose port facility (the "**Port Facility**") in the Bay of Cartagena, one of the largest trade hubs in Latin America. The port is adjacent to the Bocachica access channel of the Cartagena Bay and is strategically located near the Cartagena Refinery, the Panama Canal and the Dique Channel/ Magdalena river, Colombia's main river route.

The Port Facility consists of two terminals: a liquid bulk terminal for handling clean products and crude oil, storage and dispatch and a general cargo terminal for dry cargo storage including vehicles and high and heavy cargo, livestock, and metal and steel. Existing facilities at the liquid bulk terminal and dry cargo terminal offer deep-water capability with a natural depth of approximately 20.5 metres and 16.5 metres respectively, which makes the Port Facility the only multi-purpose terminal in Colombia capable of receiving Panamax ships (large cargo vessels) and Suezmax tankers (liquid purpose vessels) simultaneously.

The liquid bulk terminal has an operational capacity of 2.6 MMbbl, distributed amongst eight storage tanks with blending functionalities, each of which is capable of storing up to 330,000 bbl of oil. Three of the tanks have the ability to store heavy fuel oil and have heating capabilities between 30ºC - 60ºC and the remaining tanks store crude oil. The terminal also includes a barge platform with four berths, a tanker truck station that is interconnected with the storage tanks and provides eight loading and unloading stations and a liquid jetty with two docking positions for vessels with up to 1 million barrels of capacity.

The general cargo terminal has a berthing platform that is 290 metres long and 44 metres wide. The facilities have a total area of 16 hectares (40 acres) with covered and uncovered storage capacity and equipment for cargo handling.

During the third quarter of 2020, the Company acquired control of Puerto Bahia (for further information refer to Note 14 of the 2020 Annual Financial Statements). On December 30, 2020 the Company converted certain debt held by Frontera Bahia and IVI into preferred shares of Puerto Bahia which resulted in an indirect control of 94.16% of the shares issued and outstanding of Puerto Bahia.

Pipelines

The following table provides a summary of the main pipelines in which the Company has an interest.

Pipeline	Product Transported	Km	Pipeline Capacity (bbl/d)	Origin	Destination	Interest
BIC	Crude Oil	226	120,000	Araguaney	Banadia	43.03% equity interest in Bicentenario
OAM	Crude Oil	391.4	100,000[(1)]	Tenay	Vasconia	1.2% working interest pursuant to a construction and operation contract
ODC	Crude Oil	483	236,000[(2)]	Vasconia	Coveñas	1.00% working interest through an equity interest in Oleoducto de Colombia S.A.
ODL	Crude Oil	260	300,000	Rubiales	Cusiana/ Monterrey	approximately 21% indirect ownership interest through a 59.93% equity interest in ODL JVL
OGD	Crude Oil	63.7	40,000[(3)]	Guaduas field	La Dorada	90.6% working interest pursuant to a joint venture agreement with Cimarrona LLC

Notes:

(1) The Company has transportation rights up to 1,200 bbl/d and additional capacity of up to 30,000 bbl/d, subject to available capacity from the other owners.
(2) The Company has transportation rights of up to 2,000 bbl/d and additional capacity subject to available capacity from the other owners.
(3) The Company has the right to use all available capacity.

Bicentenario

The Company holds a 43.03% indirect interest in Bicentenario. Bicentenario owns the BIC Pipeline, which connects the Araguaney Station in Casanare Department to the Banadia Station in Arauca Department. At Banadia Station, the BIC Pipeline connects to the CLC Pipeline, which connects to the Coveñas terminal on Colombia's Caribbean coastline in the Sucre Department. CENIT, a subsidiary of Ecopetrol, owns 100% of the CLC Pipeline and 55% of Bicentenario and the BIC Pipeline.

In 2019, the Company increased its net ownership interest in Bicentenario from 26.4% to 43.03% through the acquisition of ODL JV's ownership interest in Bicentenario. The acquisition was triggered by the IFC Parties pursuant to the ODL JV shareholders agreement put option, which provided that in the event the BIC Pipeline was non-operational for six consecutive months, and as a result, the Bicentenario ship or pay contracts with the Company's affiliates were terminated, ODL JV would have the option to require the Company to purchase ODL JV's interest in Bicentenario at the IFC Parties' decision. The net cost of the acquisition to the Company was approximately $34.0 million after the proceeds of the transaction were distributed to its shareholders, including the Company.

Oleoducto de los Llanos Orientales S.A.

The Company holds an indirect interest in ODL through ODL JV's 35% interest in ODL. ODL owns the ODL Pipeline, which runs from the Rubiales field to the Monterrey Station or Cusiana Station in Casanare Department. The Company holds a 59.93% interest in ODL JV and has two representatives on ODL's board of directors.

The Company entered into a transportation agreement with ODL on December 20, 2013, which initially provided the Company with transportation rights for up to 27,643 bbl/d, and a ship-or-pay commitment up to July 31, 2020 and after that date, to continue on a ship-and-pay basis until its scheduled expiration on December 31, 2020. On July 6, 2020,

ODL and the Company amended the payment terms of the transportation agreement, and as a consequence, the term of agreement was extended on a ship-and-pay basis until December 31, 2021. On November 16, 2020 the Company, in connection with the Conciliation Agreement (defined below) entered into a new transportation agreement with ODL on a ship-or-pay basis for 10,000 bbls/day for approximately 3.8 years at a current tariff of $4.0/bbl. The Company expects to initiate services under the new transportation agreement with ODL during the second quarter of 2021. For additional details regarding Frontera's transportation contracts with ODL see "Legal Proceedings and Regulatory Actions – Bicentenario and CENIT Transportation Dispute – Conciliation Agreement" For details of the Company's transactions with ODL see "Note 18 – Investments in Associates" and "Note 26 – Related-Party Transactions" of the 2020 Annual Financial Statements.

Berbice Deep Water Port

The Company holds an indirect interest in the proposed Berbice Port through its equity interest in CGX. The Berbice Port, which is in the development phase, is expected to include oil and gas offshore operations support as well as agricultural and general cargo. The land is leased by Grand Canal Industrial Estates Inc., a wholly owned subsidiary of CGX. The port's location, on the eastern Berbice river, Guyana, close to the mouth of the river, has been cited as the most strategic for a deep water port facility servicing the oil and gas and agricultural industries in Guyana by a number of international studies. The location also has the advantage of being very close to the rapidly developing offshore oil and gas industry in Suriname.

The project is currently in development and over the past years CGX has performed various developmental works on the site, including installing vertical drains and geotechnical land treatment, building an access road and bridge. Currently, CGX is refurbishing a 3.1 km road leading from the Corentyne Highway to the Berbice Port and has awarded a contract to review the engineering designs for the construction of a new bridge leading from the Corentyne Highway to Seawell Village, which connects to the road leading to the Berbice Port site. CGX has also entered into contracts for the relocation of utility services and extension of utilities to the Berbice Port site.

Other Transportation Rights

As part of a project to expand the Ocensa Pipeline, project P-135, the Company entered into two crude oil transport agreements with Ocensa for future transport capacity for up to 30,000 bbl/d. The transport agreements expire on June 30, 2025. As part of these agreements, the Company is required to maintain a minimum credit rating of BB- (Fitch Ratings Inc.) and Ba3 (Moody's Investors Service, Inc.), or to provide evidence of compliance with the net assets and working capital tests included in such agreements. On April 29, 2020, Ocensa agreed to replace these requirements with a pledge agreement, pursuant to which the Company guaranteed payment to Ocensa through a pledge of the crude oil transported in the Ocensa Pipeline. The pledge agreement will automatically terminate if the Company subsequently meets any of the minimum credit requirements as set forth in the ship-or-pay agreement. The Company also has transportation agreements in place to secure transportation capacity on Colombia's national pipeline system. As part of its response to lower commodity prices, the Company negotiated the deferral of take or pay volumes with ODL and Ocensa beginning in May 2020, and received a 50% financing of 6 months of transportation tariffs resulting in a deferral of $24.7 million in payments to 2021.

OTHER INFORMATION RELATING TO FRONTERA'S BUSINESS

Specialized Skill and Knowledge

The Company's operations in the oil and natural gas industry require professionals with skills and knowledge in diverse fields of expertise. In the course of its exploration, development and production operations, the Company uses the expertise of drilling engineers, exploration geophysicists and geologists, petrophysicists, petroleum engineers, petroleum geologists and production and completion engineers. The Company relies heavily on its personnel and works hard to meet the challenges inherent in attracting and retaining the professionals and experts required for its operations. See "Risk Factors – General Risks – Reliance on Key Personnel ."

Business Cycles

The oil and natural gas business is subject to commodity price cycles. The Company's operations and ability to market its oil and gas are sensitive to the market price of oil and natural gas. These prices fluctuate widely and are affected by numerous factors such as global supply, demand, inflation, exchange rates, interest rates, forward selling by producers, production, global or regional political, economic or financial situations and other factors beyond the control of the Company. See "Risk Factors – Risks Related to the Company conducting business in the Oil and Natural Gas Industry."

Environmental, Social, Governance

Overview

The Company is committed to conducting its business safely and in a socially, environmentally and ethically responsible manner and recognizes the importance of a strong Environmental, Social, and Governance framework to achieve this goal.

Environmental Protection, Health and Safety

The oil and natural gas industry in Colombia, Peru, Ecuador and Guyana is subject to environmental laws and regulations. Prior to commencing exploration and production activities, the Company must obtain requisite environmental licences and permits. Compliance with environmental obligations and requirements can require significant expenditures and impose constraints on the Company's operations in the applicable jurisdiction. The Company is exposed to potential environmental liability in connection with its operations. See "Risk Factors – Risks Relating to the Company conducting Business in the Oil and Natural Gas Industry – Environmental Regulations and Risks."

The Company has implemented guidelines and management systems to ensure compliance with all applicable laws.

In 2018, the Company received recertification of its integrated management system under ISO 9001, ISO 14001 and OHSAS 18001 standards, which certify that the Company has successfully implemented the requirements related to quality, environmental, health and safety of the management systems. These certifications are valid until 2021 and during 2019, the Company maintained them after a follow-up audit of its operations.

The Company has implemented environmental management programs that help prevent and mitigate the environmental impact caused by operations. These programs aim to measure, reduce and compensate the impact in environmental aspects such as: emissions, water and soil quality and waste. In Colombia, regulatory investments for

compensation are established by the environmental authority, due to consumption of water and soil impact during exploration and production projects. To execute Frontera's commitment to make a positive impact in the areas in which we operate, Frontera is implementing projects involving conservation, restoration, reforestation and sustainable land use.

In 2020, the Company started implementing a multi-year climate change strategy to improve its carbon footprint. The strategy includes improving measurement and reporting practices, neutralizing carbon emissions and investing in energy efficiency projects and initiatives.

Community and Stakeholder Relations

The Company continues to implement its social investment framework in a manner that encourages local community engagement and involvement. Based on the identification of socio-economic indicators and basic needs in areas where the Company operates, the Company updated its social investment framework, focusing its efforts on the design and implementation of projects related to education and economic development and quality of life. Frontera's social investment framework is aligned with supporting the Company advancement towards the UN Sustainable Development Goals.

Currently, the Company is designing projects which can be implemented through collaborative efforts with peers and international organizations. During 2020, the Company's efforts included responding to the COVID-19 pandemic and its impact on local communities. In order to help mitigate the impact of the pandemic, Frontera provided humanitarian aid to communities and initiated social investment projects responding to the current community needs.

The Company has adopted a Gender Declaration which guarantees an inclusive and diverse work environment for all Frontera employees. The objective of the Gender Declaration is to promote respect for the human rights of employees, contractors and external stakeholders, and to implement initiatives to avoid any type of discrimination. Frontera has maintained the EQUIPARES' Silver Seal certification "Implementation of Actions for Equality" since 2016, a certification program, led by the Colombian Ministry of Labor, the Presidential Council for Equality of Women and the United Nations Development Program (UNDP), that recognizes companies that take actions to close the labour gap between men and women. Frontera was the first oil company in Colombia (and South America) to achieve this certification. Frontera is currently working on a Diversity Strategy which guarantees not only inclusion in terms of gender but also related to sexual preferences, race, age culture, among others. Also, it is currently working to obtain EQUIPARES level III-GOLD certification. In 2019, this corporate effort was recognized by the Global Compact Network Canada as emerging practice for the contribution of the private sector in the Sustainable Development Goal: Gender equality.

The Company designs and executes multiple social projects pursuant to Colombian regulation for the benefit of the communities near the areas where the Company operates. Every project is developed jointly with the communities, the local governments and in some cases national entities, and is designed to address the needs and requirements of the communities.

The Company remains committed to the promotion and protection of human rights, including among other things, freedom of association, eradication of child and forced labour, security, and the economic, social and cultural rights of local communities. See "Risk Factors - Risk Related to Operations in Colombia and the Company's other Markets" and "Risk Factors - Risks Related to the Company Conducting Business in the Oil and Natural Gas Industry."

Governance

The Board currently consists of eight directors all of whom are independent. See "Directors and Officer". The Board has three committees: the Audit Committee, the Compensation and Human Resources Committee and the Corporate Governance, Nominating and Sustainability Committee.

The Board, directly and through its standing committees, works with management to develop fundamental policies and establish strategic objectives that preserve and enhance the sustainability of the business and value of the Company. The Board has oversight of Environmental, Social and Governance and health and safety matters including the responsibility to review programs and strategies and identify critical issues and risks.

Frontera is committed to upholding the values set out in its Code of Business Conduct and Ethics and conducting business fairly, with integrity and in compliance with applicable laws. It has an Anti-Bribery and Anti-Corruption Policy to reinforce the Code of Business Conduct and Ethics with additional guidance regarding applicable anti-bribery and anti-corruption laws. All officers and employees, including temporary and contract staff, are expected to observe the highest standards of honesty, integrity, diligence and fairness in all business activities.

On February 23, 2021 Frontera was named by the Ethisphere Institute as one of 2021 world's most ethical companies. The Ethisphere Institute is an independent company that defines and measures corporate ethical standards, recognizes companies that excel, and promotes best practices in corporate ethics. Companies are scored using a rating system that collects and objectively scores self-reported data in five weighted categories: (i) Governance, (ii) Leadership and Reputation, (iii) Environmental and Societal Impact, (iv) Culture of Ethics and Ethics and (iv) Compliance Program. This recognition demonstrates Frontera's commitment operating in an ethically responsible manner.

Employees

As at December 31, 2020, the Company had approximately 818 employees in total, of which 16 employees are located in Canada, 746 employees are located in Colombia, 52 employees are located in Peru and four employees are located in Ecuador. Through CGX, the Company has an additional 2 employees in Canada, **6** employees in the United States and 40 employees in Guyana. Through Puerto Bahia, the Company has an additional 226 employees located in Colombia. In addition, the Company uses the services of professionals on a contract or consulting basis, as required from time to time.

Foreign Operations

The Company's hydrocarbon production and sales activities are presently located in Colombia and Peru and therefore all of the Company's revenues are generated from operations located outside of Canada.

Renegotiation or Termination of Contracts

As at the date hereof, the Company does not anticipate that any aspect of its business will be materially affected in the remainder of 2021 by the renegotiation or termination of contracts or subcontracts. See "Risk Factors – Risks Related to the Company Conducting Business in the Oil and Natural Gas Industry – Expiration of contracts."

RISK FACTORS

An investment in the securities of the Company involves a high degree of risk due to the nature of the Company's business of the exploration and production of oil and natural gas. The Company considers the risks set out below to be the most significant to potential investors in the Company, but this list does not contain all of the risks associated with

an investment in the securities of the Company. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the Company is currently unaware or which it considers not to be currently material in relation to the Company's business actually occur, the Company's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects are likely to be materially and adversely affected. In such circumstances, the price of Common Shares may decline and investors may lose all or part of their investment.

Investors should carefully consider the risk factors set out below and all other information contained in this AIF and in the Company's other public filings before making an investment decision. An investment in the Common Shares is speculative and involves a high degree of risk due to the nature of the Company's business. It is recommended that investors consult with their own professional advisors before investing in the Common Shares.

General Risks

Risks related to the Common Shares

The trading price of the Common Shares may be subject to large fluctuations, which may result in losses to investors. The trading price of the Common Shares may increase or decrease in response to a number of events and factors, including: the COVID-19 pandemic; the price of oil and natural gas; the Company's financial condition, financial performance and future prospects; the public's reaction to the Company's news releases, other public announcements and the Company's filings with the various securities regulatory authorities; changes in earnings estimates or recommendations by research analysts who track the Common Shares or the securities of other companies in the oil and natural gas sector; changes in general economic conditions and the overall condition of the financial markets; the number of Common Shares that are publicly traded; the arrival or departure of key personnel; and acquisitions, strategic alliances or joint ventures involving the Company or its competitors, among others.

In addition, an active public market for the Common Shares may not exist or be sustained. If an active public market does not exist, the liquidity of the Common Shares may be limited and the value of the Common Shares may decline.

Changing investor sentiment about the oil and gas industry

A number of factors, including the concerns of the impact of oil and gas operations on the environment, CO_2 emissions, and hydrocarbon production and concerns about indigenous rights, have affected certain investors' sentiments towards investing in the oil and natural gas industry. As a result of these concerns, some institutional, retail and public investors have announced that they are no longer willing to fund or invest in oil and gas properties or companies or are reducing the amount of their investment over time. In addition, certain institutional investors are requesting that issuers develop and implement more robust social, environmental and governance policies and practices. Developing and implementing such policies and practices can involve significant costs and require a significant time commitment from the Board, management and employees of the Company. Failing to implement the policies and practices as requested by institutional investors may result in such investors reducing their investment in the Company or not investing in the Company at all. Any reduction in the investor base interested or willing to invest in the oil and gas industry and, more specifically, the Company, may result in limiting the Company's access to capital, increasing the cost of capital and decreasing the price or liquidity of the Common Shares.

COVID-19 Pandemic

The ongoing COVID-19 pandemic has had, and could continue to have, a negative impact on the Company's financial condition, results of operations, and cash flows. The COVID-19 pandemic and the measures imposed by governments in response thereto have resulted in, and may continue to result in: a reduction in the demand for and price of oil and natural gas products; business closures and shutdowns; travel restrictions; volatility and disruption in regular business operations; operating restrictions and civil unrest in the communities in which the Company operates; voluntary production shutdowns to limit the spread of COVID-19; increased volatility in financial markets and foreign currency exchange rates; reduced labour capacity; and supply shortages.

The impact of the COVID-19 pandemic and related supply-demand market imbalances continues to evolve. The risk of resurgence of cases or variant strains of COVID-19 remains high and the timing and delay in vaccine rollouts remain uncertain. Consequently, this may result in further volatility in the price of oil and natural gas products. The extent to which such events impact the Company's business, financial condition and results of operations will depend on future developments, which are highly uncertain and cannot be predicted with any degree of confidence. Such events have had and could continue to have a material adverse effect on the Company's business, financial condition and results of operations. Even after the COVID-19 pandemic has subsided, the Company may continue to experience materially adverse impacts to its business as a result of the pandemic's global economic impact, and amplify various risks set forth herein.

Global financial conditions

In recent years, global financial conditions have been subject to increased volatility. Market event conditions, including global excess oil and natural gas supply, actions taken by the Organization of Petroleum Exporting Countries ("**OPEC**"), market volatility and sanctions imposed on certain oil producing nations by other countries have caused a significant decrease in the valuation of oil and gas companies, affected equity investor sentiment and decreased market confidence in the oil and natural gas industry in general. If these conditions were to continue and commodity prices remain volatile, this may have an adverse effect on the Company's Common Shares, business, financial condition or results of operations.

Liquidity/ Financial risks

The Company expects that its current cash and working capital balances, cash flow from operations and available debt and credit facilities will be sufficient to fund the necessary level of working capital, and that revenues generated will be sufficient to fund its operational development strategy. Certain long term abandonment obligations and legal contingencies also require that the Company post cash collateral or provide letters of credit to support such commitments.

There is no assurance that the Company will be able to obtain adequate financing or lines of credit in the future, refinance or replace its existing debt, or that such financing will be on terms advantageous to the Company. The Company's ability to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as its business performance. Economic uncertainty and liquidity in capital markets may increase the risk that additional financing will only be available on terms and conditions unacceptable to the Company, or not at all.

The Company may require additional capital to continue to operate its business, to expand its exploration and production programs to additional properties (including meeting minimum exploration requirements under the

Company’s contracts and licences) and to undertake future acquisitions, if any. Failure to obtain such financing on a timely basis could cause the Company to forfeit its interests in certain properties, miss certain business opportunities and reduce or terminate its operations or contracts.

Material debt facilities risks

The Company’s material debt facilities, including the Unsecured Indenture impose certain operating and financial restrictions, and obligations on the Company. These restrictions limit the Company’s ability to, among other things, incur additional indebtedness, make investments, sell assets, incur liens, enter into certain agreements, enter into transactions with affiliates, pay dividends, buy-back shares and consolidate or merge or sell substantially all of the Company’s assets. In addition, obligations may be imposed on the Company as a result of actions not within its control, including as a result of a change of control.

These restrictions could limit the Company’s ability to seize attractive opportunities for its business or otherwise engage in activities that may be in the Company’s long-term best interests that are currently unforeseeable.

The failure of the Company to comply with these restrictions and obligations could result in an event of default that, if not cured or waived, could result in the acceleration of substantially all amounts outstanding under its material debt facilities. The Company may not have sufficient working capital to satisfy such debt obligations in the event of an acceleration of all or a significant portion of the Company’s outstanding indebtedness which could have a material adverse effect on the Company’s business, financial condition and results of operations.

Ratings downgrade

Rating agencies regularly evaluate the Company. These ratings are based on a number of factors, including the Company’s financial strength, as well as factors not entirely within its control, including conditions affecting the oil and natural gas industry generally, and the wider state of the economy. Credit ratings are important to the Company’s borrowing costs and ability to raise funds. Rating downgrades could potentially affect existing agreements of the Company, (such as triggering the collateralization requirements related to financial instrument and midstream service providers), result in higher financing costs, reduce access to capital markets, suppliers or counterparties, impair the Company’s ability to enter certain transactions, including hedging agreements, decrease the Company’s market share price and increase borrowing costs under credit facilities, all of which may have a material adverse effect on the Company. See “Description of Capital Structures - Credit Ratings.”

Control environment

Effective internal controls are necessary for the Company to provide reliable financial reports and to help prevent fraud. The Company has procedures in place to ensure the reliability of its financial reports, including those imposed on it under Canadian securities laws. However, the Company cannot be certain that such measures will ensure that the Company will maintain adequate control over financial processes and reporting. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Company’s results of operations or cause it to fail to meet its reporting obligations. If the Company or its independent auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market’s confidence in the Company’s financial statements and harm the trading price of the Common Shares

Reliance on Key Personnel

The Company’s success depends in large measure on the ability, expertise and judgment of the Company’s executive leadership team. The Company also has an experienced management team supporting its operations. There is a risk that the loss of any of the Company’s executive leadership or key employees could adversely impact the Company’s business. The Company’s Board and senior management regularly consider and assess succession plans and contingencies in order to ensure that the Company has the right expertise within its leadership team and to attempt to mitigate the impact of any management changes.

The Company’s success is also dependent on the availability of suitable qualified staff. The number of persons skilled in the acquisition, exploration, development and operation of oil and gas properties in the jurisdictions the Company operates is limited, and competition for such persons is intense. If the Company is unable to attract, develop or retain key personnel, its business may be adversely affected.

Dividends

Payment of future dividends, if any, on Common Shares will be subject to the discretion of the Board and may vary depending on, among other things, oil prices, the Company’s financial condition, results of operations, cash flow, foreign exchange rates, need for funds to finance ongoing operations, covenants and conditions under the Company's material debt facility, legislative requirements and liquidity and solvency tests imposed by applicable corporate law for the declaration and payment of dividends. Based on these and other factors, many of which are beyond the Company's control, the Company’s dividend policy may be reduced or stopped entirely and there can be no assurance that the Company will continue to pay dividends in the future.

In addition, the provisions of the Unsecured Indenture and the BTG Instrument restrict the Company’s ability to declare and pay dividends to the Shareholders under certain circumstances and, if such restrictions apply, they may in turn have an impact on the Company’s ability to declare and pay dividends.

Certain Shareholders hold a significant portion of the Common Shares

Based on current public filings, Catalyst currently holds approximately 35.68% of the Company’s issued and outstanding Common Shares. As a result, Catalyst has the ability to exercise substantial influence over the policies and management of the Company, which could prove to be contrary to the interests of the other stakeholders of the Company. In addition, Gramercy Funds Management LLC holds approximately 10.90% of the Company’s issued and outstanding Common Shares.

It cannot be assumed that Catalyst or other large shareholders will remain as shareholders for the long-term. Catalyst may be interested in disposing of its interest in its Common Shares in the near or medium term, and may therefore be unwilling to pursue certain long-term policies to the extent they may have short-term goals. In addition, if Catalyst decides to dispose all of its Common Shares, this event may trigger change of control provisions under the Unsecured Indenture, at which point the Company may have an obligation to offer to redeem the Unsecured Notes at 101% of the principal amount thereof plus accrued, unpaid interest and Additional Amounts (as defined in the Unsecured Indenture).

If, as a result of the disposition of Common Shares by Catalyst, a controlling shareholder is created, the new controlling shareholder could have a different vision and strategy for the Company’s business, which the Company cannot predict, but which may be adverse to the interests of other stakeholders of the Company.

Reduction of costs through corporate initiatives

The Company continues to implement a series of initiatives intended to streamline operations, improve efficiencies and reduce costs across the organization. In the first half of 2020, with the historic drop in oil prices, the Company accelerated its cost savings initiatives to reduce its capital expenditures, operating costs, and overhead costs. The resulting adjustments to operations, technologies and personnel as part of these initiatives may result in unanticipated operational problems, expenses and liabilities, among others.

While the Company's cost reduction efforts have reduced the Company's operating costs and improved efficiencies, the Company cannot be certain that all efforts will be successful or sustainable and that the Company will not be required to implement additional actions to structure its business to operate in a cost-effective manner in the future.

Enforcement of civil liabilities

Substantially all of the assets of the Company are located outside of Canada, and certain directors and officers of the Company are residents outside of Canada. As a result, it may be difficult or impossible to enforce judgments granted by a court in Canada against the assets of the Company or the directors and officers of the Company residing outside of Canada.

Managing growth through acquisitions and dispositions

The Company considers acquisitions and dispositions in the ordinary course of business. The identification and integration of acquisition and award opportunities may require significant effort, time and management resources and there is no assurance that the Company will be successful in acquiring or being awarded new properties and, if acquired or awarded, that such properties will result in commercial quantities of oil and natural gas.

In addition, the Company cannot guarantee that it will be able to successfully dispose of its non-core assets or that, if disposed of, the Company will receive the full carrying amount. Should the Company reach agreements to divest certain non-core assets, some agreements may include specific conditions to closing that may delay or inhibit the disposition and there can be no assurances that the Company will be able to meet these conditions and therefore close such transactions. Failure of the Company to close any disposition transaction may have an adverse effect of the Company's business, financial condition or results of operations.

Management Assumptions /Contingencies

Actual results may differ materially from management estimates and assumptions. In preparing consolidated financial statements in conformity with IFRS, estimates and assumptions are used by management in determining the reported amounts of assets and liabilities, revenues and expenses recognized during the periods presented and disclosures of contingent assets and liabilities known to exist as of the date of the financial statements. These estimates and assumptions must be made because certain information that is used in the preparation of such financial statements is dependent on future events, and cannot be calculated with a high degree of certainty from information available and the Company must exercise significant judgment in applying its accounting policies, estimates and assumptions about the future.

Estimates may be used in management's assessment of items such as fair values, income taxes, royalties, net operating earnings or loss, contingent liabilities and reported amount of assets. Actual results for all estimates could differ materially from the estimates and assumptions used by the Company, which may have a material adverse effect on the Company's business, financial condition, results from operations and business prospects.

In addition, the presentation of financial information in accordance with the International Financial Reporting Standards (**"IFRS"**) as issued by the International Accounting Standards Board requires that management apply certain accounting policies and make certain estimates and assumptions that affect reported amounts in the Company's consolidated financial statements. The accounting policies may result in non-cash charges to net income and write-downs of net assets in the consolidated financial statements. Such non-cash charges and write-downs may be viewed unfavourably by the market and may result in an inability to borrow funds and/or may result in a decline in the Common Share price.

Lower oil and gas prices may result in a write-downs of the Company's oil and gas properties, plant and equipment and deferred tax assets. Under IFRS, oil and gas assets are aggregated into groups known as Cash Generation Units ("**CGUs"**) for impairment testing. CGUs are reviewed for indicators that the carrying value of the CGU may exceed its recoverable amount. If an indication of impairment exists, the CGUs' recoverable amount is then estimated. If the carrying amount exceeds its recoverable amount, an impairment loss is recorded in the period to reduce the carrying value of the CGU to its recoverable amount.

Risks Related to the Company Conducting Business in the Oil and Natural Gas Industry

Fluctuating prices and markets

Substantially all of the Company's revenues are derived from the extraction and sale of oil and natural gas. Oil and gas prices have been and are expected to remain volatile as a result of the market uncertainties over supply and demand and other factors, all of which are beyond the Company's control. These factors can include, among other things, global supply and demand factors, political conditions in oil and gas exporting nations, the actions of the OPEC, oil demand growth from emerging markets, inflation expectations, currency exchange rate fluctuations, supply disruption, the availability of, and demand for, alternative fuel sources, circumstantial effects of climate change and meteorological phenomena and threat of terrorism.

The Company is significantly vulnerable when oil and natural gas prices decline below the necessary levels to fund its operating costs and general and administrative expenses, planned non-discretionary capital programs, taxes and debt service. Any substantial decline in the prices of oil and natural gas could have a material adverse effect on the Company's earnings. Any substantial and prolonged decline in prices of crude oil or natural gas would have an adverse effect on the carrying value of the Company's reserves, borrowing capacity, revenues, profitability and funds flow from operations and may have a material adverse effect on the Company's business, financial condition, results from operations and business prospects.

The Company periodically enters into hedging transactions with respect to a portion of its expected future production to offset the risk of revenue losses if commodity prices decline. However, to the extent that the Company engages in hedging transactions to protect itself from commodity price declines, it may also be prevented from realizing the full benefits of price increases. In addition, the Company's hedging arrangements may expose it to the risk of financial loss in certain circumstances, including instances in which production falls short of the hedged volumes; oil prices become significantly higher or lower than projected; the counterparties to the hedging arrangements or other price risk management contracts fail to perform under those arrangements. There is no assurance that the Company will always be able to enter into hedging agreements or reduce the risk or minimize the effect of any future decline in oil or natural gas prices.

Production

The Company's operations are subject to risks that could impact oil and gas production from operations. Changes to actual or projected production levels can be the result of capital expenditure levels and management decisions to shut-in production. In April 2020, in response to the low oil price environment, the Company reduced capital expenditures and temporarily shut-in production from certain fields in Colombia with lower field netbacks. As a result of these actions, production levels decreased. The Company seeks to minimize the financial impact of such risks by managing capex programs to focus on economic production and focusing on maintaining reservoir management as fields are brought back online.

The Company may experience declines in the average daily total oil and gas production from fields as they continue to mature. In an effort to maintain production rates at these fields, development and production costs (including workover costs and transportation costs), marketing costs and costs required to comply with regulations may increase, thus having a significant effect on the Company's ability to generate future revenues from its operations.

The Company's production levels could be impacted by operational hazards (explosion, mechanical failures), community blockades, human health issues (poisoning, virus outbreak) and delays in critical suppliers. These risks could generate impacts on the revenue generation (deferral losses) and reputational damage related to non-compliance with the market and stakeholders expectations. As part of the risk mitigation, the Company monitors the operational risks, social environment and community engagement, to manage any impacts to changes in total production.

Health, Safety and Environmental

Given the operational and technical complexity associated with the oil and gas industry, the Company is subject to health, safety and the environment risk. The Company's operations are subject to normal hazards and risks related to the exploration, development and production of natural resources, any of which could result in work stoppages, damage to persons or property and possible environmental damage. If any of these risks should materialize, the Company could incur legal defence costs and remedial costs and could suffer substantial losses due to injury or loss of life; human health risks; severe damage to or destruction of oil and gas wells, formations, production facilities or other properties; natural resources and equipment; pollution or other environmental damage; unplanned production outage; cleanup responsibilities; regulatory investigation and penalties; increased public interest in the Company's operational performance; and suspension of operations.

Oil and natural gas drilling and producing operations are subject to many operating hazards and risks, including the risk of fire; explosions; mechanical failure; pipe or well cement failure; well casing collapse; abnormal pressure in formations; chemical and other spills; unauthorized access to hydrocarbons; accidental flows of oil and/or gas; natural gas or well fluids; sour gas releases; contamination of oil and gas; vessel collision; structural failure; storms; earthquakes; hurricanes; floods or other adverse weather conditions and other occurrences. The Company seeks to minimize these risks by measuring and monitoring HSE standards on a continuous basis and conducting its operations in a safe and reliable manner in accordance with high safety standards. Emergency preparedness, enhanced safety protocols, business continuity and security policies and programs are in place for all operating areas and are adhered to on an ongoing basis.

The Company is not fully insured against all risks, nor are all risks insurable. While the Company obtains insurance in an amount consistent with industry standards, the nature of these risks is such that liabilities might exceed policy limits, the liabilities and hazards might not be insurable, or the Company might not elect to insure itself against such liabilities

due to high premium costs or other reasons and the Company could incur significant costs that could have a material adverse effect upon its financial condition. A loss not fully covered by insurance, or the solvency of an insurer, could have a material adverse effect on the Company's financial position. The insurance coverage that the Company maintains may not be sufficient to cover every claim made against the Company in the future. In addition, a major incident could impact the Company's reputation in such a way that it could have a material adverse effect on the Company's business, financial condition or results of operations.

Pending or future litigation, arbitration and other regulatory proceedings

From time to time the Company is involved in litigation and arbitration relating to, among other things, labour, health and safety matters; environmental matters; regulatory, tax and administrative proceedings; governmental investigations; arbitration; and contractual claims and disputes. In addition, in some cases, the Company requires governmental authorities to approve certain settlements which are not in its control. Litigation is inherently costly and unpredictable, making it difficult to accurately estimate the outcome, among other matters. Although the Company has established financial provisions and contingencies which it believes are individually appropriate, there is a risk that on a cumulative basis adverse decisions in such matters could materially affect the Company's financial condition or results of operations if such contingencies vary significantly from any amounts actually paid. In addition, if the Company were to receive an unfavourable decision through such proceedings, the Company may suffer reputational damage as a result, which could have an adverse effect on the Company's business and its ability to grow. For additional information see "Legal Proceedings and Regulatory Actions."

Contractual contingent obligations

The Company is subject to certain contractual contingencies, which, if they were to occur, could have an impact on the Company's business, financial condition or results of operations.

Certain of the Company's commercial agreements include provisions that require the Company, upon the occurrence of certain specific events, to contribute capital, repurchase shares from the Company's partners, suffer dilution or provide financial guarantees. If these contingencies were to occur the Company may not have the ability to raise the funds necessary to finance such contingent obligations.

Data management and information security

The Company is dependent on the use of technology to properly operate its business and relies on various information technology systems to manage reserves and production, process financial data, administer contracts and communicate with employees and third-parties. In addition, with the majority of employees now working remotely, technology systems have become even critical to day to day operations. The Company may be threatened by problems such as cyber-attacks, cyber-fraud, computer viruses, hacking, security breaches or information theft that may compromise critical infrastructure. Cyber-attacks have become more prevalent and much harder to detect and defend. Attacks may result in compromising confidential or personal information, failures in information and operation systems, operation outages, a negative impact on the Company's reputation, environmental incidents, legal sanctions and, in extreme cases, risks to people's physical safety. In addition, information systems could be damaged or interrupted by natural disasters, force majeure events, telecommunications failures, power loss, acts of war or terrorism, computer viruses, malicious code, physical or electronic security breaches, intentional or inadvertent user misuse or error, or similar events or disruptions. Any of these or other events could cause interruptions, delays, loss of critical or sensitive data or similar effects, which

could have a material adverse impact on the protection of intellectual property, confidential and proprietary information, and on the Company's business, financial condition and results operations.

The Company has implemented an information security strategy designed to help protect the Company's information technology systems. However, the Company's mitigation strategy cannot guarantee absolute security and the Company may still be vulnerable to cyber-attacks or data security incidents.

Exploration, New Business and Reserves Growth

The long-term commercial success of the Company depends on its ability to find, acquire, develop and commercially produce oil and natural gas. Without the continual addition of new reserves through exploration, acquisition or development activities, the Company's existing reserves and production therefrom will decline over time as such reserves are exploited. A future increase in the Company's reserves will depend on both the ability of the Company to explore and develop its existing properties and its ability to select, acquire or be awarded prospective or producing properties. There is no assurance that the Company will be able to continue to explore and develop its existing properties or find satisfactory properties to acquire or participate in. Moreover, management of the Company may determine that current markets, terms of acquisition, participation or pricing conditions make potential acquisitions or participation uneconomic. There is also no assurance that the Company will discover or acquire further commercial quantities of oil and natural gas.

It is also difficult to project the costs of implementing a development or exploratory drilling program due to the normal risks and uncertainties inherent in oil and natural gas exploration. The individual impact generated by these factors cannot be predicted with any certainty and, once combined, may result in non-economic reserves. If costs exceed the Company's estimates, or if the Company's efforts do not produce results that meet its expectations, the Company's future exploration and development efforts may not be commercially successful, which could adversely impact the Company's ability to generate future revenues from its operations.

Future oil and natural gas exploration may involve unprofitable efforts, not only from dry wells, but also from wells that are productive but do not produce sufficient net revenues to return a profit after drilling, operating and other costs. Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs.

Reserves and Resources estimates

There are numerous uncertainties inherent in estimating reserves and resources and cash flows to be derived therefrom, including many factors beyond the control of the Company. The Company prepares these reserve and resource estimates using various factors and assumptions, including historical production in the area compared with production rates from analogous producing areas; initial production rates; production decline rates; ultimate recovery of reserves; success of future development activities; timing and amount of capital expenditures; marketability of production; royalty rates, effects of regulations by government agencies (including levies imposed over the life of the reserves); and future operating costs (all of which could materially vary from actual results).

Some of these assumptions are inherently subjective, and the accuracy of the Company's reserve and/or resource estimates relies in part on the ability of its management team, engineers and other advisors to make accurate assumptions. Economic factors beyond the Company's control, such as oil prices, interest rates and exchange rates, will also impact the value of its reserves and resources. As a result, the Company's reserve and resource estimates will be inherently imprecise. The reserves and resources disclosed by the Company should not be interpreted as

assurances of property life or of the profitability of current or future operations. Actual future production; oil and natural gas prices; revenues, taxes; development expenditures; operating expenses and quantities of recoverable oil and gas reserves may vary substantially from those the Company estimates. If actual production results vary substantially from the Company's estimates, this could materially reduce its revenues and result in the impairment of its oil and natural gas interests.

Exploration Commitments

Government contracts such as exploration and production agreements require that minimum investments be made as a condition to maintaining the rights under the agreements. As of December 31, 2020, the Company has certain minimum work program commitments for 2021 and beyond. If the Company fails to satisfy the minimum investments required by its exploration and production agreements, the Company could be subject to significant monetary penalties of up to 100% of the minimum work program commitment, among other penalties or sanctions (including forfeiture of a block) which could have a material adverse effect on the Company's business, financial condition and results of operations.

Transportation costs

To sell the oil and natural gas that the Company is able to produce, it must make arrangements for dilution, transportation and storage of oil and gas to deliver to the market. The industry depends on trucking, pipeline facilities, and barge transportation to deliver shipments, and transportation costs are a significant component of the total cost of supplying oil and natural gas to the market. Disruptions of these transportation services because of weather-related problems, strikes, lockouts, delays, terrorist acts or other events could temporarily impair the ability to supply oil and natural gas to customers and may result in lost sales.

Decommissioning costs

The Company may become responsible for costs associated with abandoning and reclaiming wells, facilities and pipelines that it uses for production of oil and gas reserves. Abandonment and reclamation of these facilities and the costs associated therewith is often referred to as "decommissioning." If decommissioning is required before economic depletion of the Company's properties, or if its estimates of the costs of decommissioning exceed the value of the reserves remaining at any particular time, it may have to draw on funds from other sources to satisfy such costs. The use of other funds to satisfy such decommissioning costs could impair the Company's ability to focus capital in other areas of its business.

Permits and licences

The Company's interest in its properties are held in the form of licences, contracts and leases and working interests in licences, contracts and leases held by others. If the specific requirements of a licence, contract or lease are not met by either the Company or the holder of such licence, contract or lease, it may be terminated or expire. There can be no assurance that any of the obligations required to maintain each licence, contract or lease will be met. The termination or expiration of licences, contracts or leases or the working interests relating thereto could have a material adverse effect on the business, financial condition, results of operations and prospects of the Company.

The Company's exploration, development and production activities may require licences and permits from governmental authorities, and as such operations are and will be governed by laws and regulations governing exploration, development and production, labour standards, occupational health, waste disposal, toxic substances, land

use, environmental protection, safety and other matters. Companies engaged in exploration activities generally experience increased costs and delays as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that all licences and permits that the Company may require to carry out exploration and development of its projects will be obtained on reasonable terms or on a timely basis, or that such laws and regulations would not have an adverse effect on any project that the Company may undertake.

In the recent past, the Company and other oil and gas companies operating in South America have experienced significant delays from regional and national authorities with respect to the issuance of such licences. Unanticipated licencing delays can result in significant delays and cost overruns in the exploration and development of blocks and could affect the Company's financial condition and results of operations. The Company cannot assure that these delays will not continue or worsen in the future.

Labour disruptions

The Company operates in countries that have large state-sponsored or owned oil and gas companies that have traditionally employed unionized personnel. From time to time, the unions attempt or threaten to disrupt field operations and crude oil transportation activities of their employers which may directly or indirectly affect the operations of the Company. The Company has previously experienced significant labour unrest that resulted in higher operating costs, although it did not have a significant impact on the Company's production output. The Company cannot provide any assurances that it will not face labour disruptions in the future, nor that any agreement reached with workers would not result in material increase to the Company's labour costs all of which may have a material adverse effect on the Company's operations.

Environmental regulations and risk

All phases of the oil and natural gas business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and local laws and regulations. Prior to conducting projects, the Company must procure the licences and environmental permits required by national and regional regulators.

Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with oil and gas operations. The legislation also imposes compensation and investment obligations and requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures, and a breach may result in revocation or suspension of environmental licences and permits, civil liability for damages and the imposition of fines or penalties, some of which may be material. While the Company endeavors to meet all of its environmental obligations, it cannot guarantee that it has been and will be in compliance at all times. Environmental legislation is evolving in a manner that may result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs.

Climate Change Regulation

Climate change policy is continually evolving. The 2015 United Nations Climate Change Conference adopted by consensus the 2015 Paris Climate Agreement. The agreement established greenhouse gas ("**GHG**") emission reduction measures, targets to limit global temperature increases and requires countries to review and "represent a progression" in their intended nationally determined contributions, which set emissions reduction goals every five years,

beginning in 2020. In Colombia, the government passed Law 1931 of 2018, which establishes guidelines for the management of climate change. The purpose of this law is to promote the development of actions to mitigate GHGs.

Although the Company has initiated a carbon footprint management strategy to reduce emissions, the GHG emissions of the Company may increase as the Company continues to manage declining fields and pursues a growth strategy.

Additional factors, such as the price and availability of new technologies, including renewable energy and unconventional oil and gas extraction methods, and the global geopolitical climate and other relevant conditions, have an indirect impact on oil demand and oil prices. There can be no assurances that these factors, in combination with others, will not result in a prolonged or further decline in oil prices, which may continue to have an adverse effect on revenues. Any long-term material adverse effect on the oil and gas industry could adversely affect the financial and operational aspects of the Company's business, which the Company cannot predict with certainty at this time and which are beyond the Company's control. Revenue generation and strategic growth opportunities may also be adversely affected which in the long-term may reduce the demand for oil and natural gas production, resulting in a decrease in the Company's financial and operating results.

The changing sentiment regarding climate change, and the increasingly stringent regulation of GHG, including regulations resulting from the implementation of international treaties, are expected to increase the Company's costs. The direct or indirect costs of compliance with GHG-related legislation may have a material adverse effect on the Company's business, financial condition, results of operations and prospects including, but not limited to increased costs to: (i) operate and maintain its facilities; (ii) install new emission controls on its facilities; and (iii) administer and manage any GHG emissions program. Additionally, there is a risk of third parties initiating litigation against the Company related to the GHG emissions and its impact on the climate.

In addition to risks associated with climate change regulations, climate change is expected to increase the frequency of severe weather conditions including storms, flooding and fluctuating temperature or other events which can impact the ability of the Company to complete capital projects or cause delays in operations.

Expiration of contracts

The Company may be unable to find alternative revenue sources to replace the revenue that it has lost upon the expiration of certain exploration and exploitation contracts. Although the Company may want to extend its exploration and production contracts beyond their original expiration date, there is no assurance that such extension would be agreed to or, if so agreed, that they would agree to terms that are acceptable to the Company. If the contracts are terminated, any wells in production, buildings and other real estate possessions related to the fields subject to such contracts will revert without any additional compensation to the Company.

Reliance on foreign subsidiaries

The Company conducts all of its operations through foreign subsidiaries and foreign branches. Therefore, the Company will be dependent on the flow of funds from operations of these subsidiaries and branches to meet its obligations excluding any additional equity or debt the Company may issue from time to time. The ability of its subsidiaries to make payments and transfer cash to the Company may be constrained by, among other things: the level of taxation, particularly corporate profits and withholding taxes, in the jurisdiction in which it operates; change in government approvals and the introduction of foreign exchange and/or currency controls or repatriation restrictions, or the availability of hard currency to be repatriated.

The implementation of a restrictive exchange control policy, including the imposition of restrictions on the repatriation of earnings to foreign entities, could affect the Company's ability to engage in foreign exchange activities and could also have a material adverse effect on its business, financial condition and results of operations.

In particular, Colombian law provides that the Central Bank of Colombia may intervene in the foreign exchange market if the Colombian peso experiences significant volatility. The Company cannot provide assurance that the Central Bank of Colombia will not intervene in the future, and the Company may be temporarily unable to convert Colombian pesos to dollars.

Strategic relationships

To develop the Company's business, the Company may use business relationships to enter into strategic relationships, which may take the form of joint ventures with other private parties, with local government bodies or contractual arrangements with other oil and gas companies, including those that supply equipment and other resources that the Company will use in its business. The Company may not be able to establish these strategic relationships or, if established, the Company may not be able to maintain them. If the Company's strategic relationships are not established or maintained, its business prospects may be limited, which could diminish the Company's ability to conduct its operations.

Conflicting interest with joint venture partners

In the development of the Company's business, the Company has entered into various joint venture activities to explore for or develop certain hydrocarbon or infrastructure assets. The success and timing of the Company's activities that are developed through these joint venture arrangements depend on a number of factors that are outside the Company's control, including the approval of other participants on major decisions concerning the direction and operation of the assets and the development of certain projects, the timing and amount of capital expenditures to meet minimum work commitments, and the objectives and interests of other participants. Failure to satisfactorily meet demands or expectations by all of the parties may affect the Company's participation in the operation of a joint venture asset and may result in the Company losing the contractual right to the asset or project. As a result, the Company may assume significant additional costs that it would not otherwise be inclined to undertake to fulfill the obligations to meet certain work commitments to maintain its contractual rights for certain hydrocarbon or infrastructure assets that are considered material to the Company's business and operations.

Health hazards and personal safety incidents

The employees and contractor personnel involved in exploration and production activities and operations of the Company are subject to many inherent health and safety risks and hazards, which could result in occupational illness or health issues, personal injury and loss of life, facility quarantine or facility and personnel evacuation. To address these risks, the Company has implemented monitoring and reporting programs for environment, health and safety performance in day-to-day operations, as well as inspections and assessments, designed to ensure that environmental and regulatory standards are met including complying with COVID-19 procedures.

No assurance of title

The acquisition of title to oil and natural gas properties in the jurisdictions the Company operates is a detailed and time-consuming process. Title to oil and natural gas interests is often not capable of conclusive determination without incurring substantial expense. The Company's properties may be subject to unforeseen title claims, including, among

others, claims by indigenous communities. While the Company intends to make appropriate inquiries into the title of properties and other development rights it acquires, title defects may exist. If title defects do exist, it is possible that the Company may lose all or a portion of its right, title and interest in and to the properties that the title defects relate.

Foreign currency exchange rates

The Company mainly sells the oil it produces in the international markets under agreements that are denominated in U.S. dollars and foreign currencies. Many of the operational and other expenses the Company incurs are paid in the local currency of the countries where the Company conducts its operations. As a result, the Company may be exposed to translation risk when local currency financial statements are translated to U.S. dollars, the Company's functional currency.

Exchange rates between the Colombian peso and U.S. dollar have fluctuated significantly in the past and may fluctuate in the future. As currency exchange rates fluctuate, translation of the statements of income of international businesses into dollars will affect comparability of revenues and expenses between periods.

Corruption

The Company is subject to laws that prohibit bribery and other forms of corruption in Canada and Colombia and other jurisdictions where it operates and may be subject to similar laws in jurisdictions where it may operate in the future. In conducting its operations in South America and carrying out its social investment and environmental compensation requirements, the Company may be at risk of public corruption.

The Company has policies and procedures to detect and prevent bribery and corruption in any form. Such policies and controls include, employee training, enforcement of policies prohibiting the giving or accepting of money or gifts in certain circumstances and an annual conflict of interest declaration from each employee confirming that such employee has disclosed actual, perceived or eventual conflicts, and confirming that such employee has not violated any applicable anti-corruption or bribery legislation. In addition, employees are required to annually acknowledge their compliance with the Company's Code of Business Conduct and Ethics and its Conflict of Interest Policy. Despite these policies and procedures, the Company cannot be certain that such measures will enable it to be successful in preventing fraud and ensuring compliance with anti-corruption and anti-bribery legislation. It is possible that the Company, or its employees or contractors, could be charged with bribery or other forms of corruption as a result of the unauthorized actions of its employees or contractors. If the Company is found guilty of such a violation, the Company could be subject to onerous criminal or civil sanctions or other penalties as well as reputational damage. A mere investigation itself could lead to significant corporate disruption, high legal costs and forced settlements (such as the imposition of an internal monitor). In addition, such allegations or convictions could impair the Company's ability to work with governments or non-governmental organizations, including the formal exclusion of the Company from a country or area, national or international lawsuits, government sanctions or fines, project suspension or delays, reduced market capitalization and increased investor concern.

Technology

The Company relies on technology, including geologic and seismic interpretation and economic models, to develop its reserve estimates and to guide its exploration, development and production activities. The Company is required to continually enhance and update its technology to maintain its efficacy and to avoid obsolescence. The costs of doing so may be substantial and may be higher than the costs that the Company anticipates. If the Company is unable to

maintain the efficacy of its technology, its ability to manage its business and to compete may be impaired, in which case the Company may incur higher operating costs than it would if the Company's technology was more efficient.

Risks Related to Operations in Colombia and the Company's Other Markets

Economic and political developments

The Company's current projects are located in emerging market countries such as Colombia, Peru, Ecuador and Guyana. Consequently, the Company is dependent upon these countries' respective economic and political developments. As a result, the Company's business, financial position and results of operations may be affected by factors which are outside of its control, including, but not limited, the general conditions of these economies, economic instabilities, price instabilities, currency fluctuations, inflation, interest rates, taxation, regulation and policy changes, changes to drilling, development and abandonment obligations, expropriation of property without fair compensation, termination of existing contracts, political unrest, administrative or process changes, social instabilities, and other developments in or affecting these countries, over which the Company has no control.

There can be no assurance that the governments of the countries where the Company operates and has investments will continue to pursue business friendly and open market economic policies or policies that stimulate economic growth and social stability. Any changes in the economy or the respective governments' economic policies in the countries where the Company operates, in particular as they relate to the oil and gas industries, may have a negative impact on the Company's business, financial condition and results of operations. Any of these factors, as well as volatility in the markets, may adversely affect the value of the securities of the Company.

In order to reduce its exposure to political risks, the Company has established a government stakeholder engagement plan, created a legislative activity plan and continues to build a balanced, diversified portfolio in the region.

Social risks

The Company's activities are subject to social risks, including protests or blockades by groups located near some of the Company's operations. Despite the fact that the Company is committed to operating in a socially responsible manner, the Company may face opposition from local communities with respect to its current and future projects, which could adversely affect the Company's business, results of operations and financial condition. No certainty can be given that the Company will be able to reach an agreement with the different communities. The Company may be exposed to similar delays due to opposition from local communities in other countries where the Company carries out its activities.

In Colombia, the Company currently carries out and plans to carry out activities in areas classified by the government as indigenous reserves (*resguardos*) and Afro-Colombian lands (*territorios colectivos*). In order to undertake these activities, the Company must first comply with the previous consultation process, set forth by Colombian law. These consultation processes may be significantly delayed if the Company cannot reach an agreement with the communities.

Security Risk and Guerrilla activity

The Company's operations may be adversely affected by security incidents or guerrilla activity that are not within the control of the Company. In addition, terrorist activity in Colombia may disrupt supply chains and discourage qualified individuals from being involved with the Company's operations.

In both Colombia and Peru, the Company has security protocols in place to enable contingency plans to prevent damage to its infrastructure or to avoid its production from being compromised. It has agreements with military and police to supervise the areas of operation and private security forces that seek to protect its installations. The Company also has whistleblower intelligence mechanisms in place so that community members can report in advance if they obtain knowledge about possible criminal activities against the Company's assets.

There can be no assurance that continuing attempts to reduce or prevent security incidents will be successful or that guerrilla activity will not disrupt the Company's operations in the future. There can also be no assurance that the Company can maintain the safety of its operations and personnel in Colombia and Peru or other jurisdictions where the Company operates or that this violence will not affect the Company's operations in the future. Continued or heightened security concerns in these countries could also result in a significant loss to the Company.

Income Tax

The Company (and its subsidiaries) files all required income tax returns and is of the view that it is in material compliance with all applicable tax laws. However, such tax returns are subject to reassessment by the applicable jurisdictional tax authorities and the Company has been subject to such reassessments from time to time. In the event of a reassessment of our tax returns, such reassessment may have an impact on current and future taxes payable.

Legislative changes may also have an adverse impact on the Company's operations and performance. Changes in tax-related laws and regulations, and interpretations thereof, can affect tax burdens by increasing tax rates and fees, creating new taxes, limiting tax deductions, and eliminating tax-based incentives. In addition, jurisdictional tax authorities or courts may interpret tax regulations differently than the Company does, which could result in tax litigation and additional costs and penalties. Such legislative changes may have an adverse impact on our business, financial condition and results from operations. For additional information see "Tax review in Colombia" in the Liquidity and Capital Resources section of management's discussion and analysis for the year ended December 31, 2020 available on SEDAR at www.sedar.com.

Local legal and regulatory systems

The Company exists under the laws of the Province of British Columbia and is subject to Canadian laws and regulations. The jurisdictions in which the Company operates its exploration, development and production activities may have different legal systems than Canada or the United States, which may result in risks such as: (i) effective legal redress in the courts of such jurisdictions, whether in respect of a breach of law or regulation, or, in an ownership dispute, being more difficult to obtain; (ii) a higher degree of discretion on the part of governmental authorities; (iii) the lack of judicial or administrative guidance on interpreting applicable rules and regulations; (iv) inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; and (v) relative inexperience of the judiciary and courts in such matters.

In certain jurisdictions, the commitment of local business people, government officials and agencies and the judicial systems to abide by legal requirements and negotiated agreements may be more uncertain, creating particular concerns with respect to licences, agreements and permits required for the Company's business. These licences, agreements and permits may be susceptible to revision or cancellation and legal redress may be uncertain or delayed. There can be no assurances that joint ventures, licences, licence applications or other legal arrangements will not be adversely affected by the actions of government authorities or others.

Concentrated geographic area

The majority of our producing properties and leases are geographically concentrated in the Llanos Basin in eastern Colombia. As a result of this concentration, the Company may be disproportionately exposed to the impact of delays or interruptions of production from these wells caused by significant governmental regulation, processing or transportation capacity constraints, curtailments of production, natural disasters, interruption of transportation of gas produced from the wells in these basins, guerrilla activities or other events that impact this area.

Oil and natural gas exploration and production activities are dependent on the availability of drilling and related equipment, transportation, power and technical support in the particular areas where these activities will be conducted, and the Company's access to these facilities may be limited. Demand for such limited equipment and other facilities or access restrictions may affect the availability of such equipment to the Company and may delay exploration and production activities. The quality and reliability of necessary facilities may also be unpredictable, and the Company may be required to make efforts to standardize its facilities, which may entail unanticipated costs and delays. Shortages or the unavailability of necessary equipment or other facilities will impair the Company's activities, either by delaying its activities, increasing its costs, or otherwise.

International Relations Between the United States of America and Colombia

Colombia is among several nations subject to annual certification by the President of the United States of America based on the progress it has made in respect to halting the production and transit of illegal drugs. Although Colombia has received a current certification, there can be no assurance that, in the future, Colombia will continue to receive certification or a national interest waiver. The failure to receive certification or a national interest waiver may result in any of the following: all bilateral aid, except anti-narcotics and humanitarian aid, would be suspended; the Export-Import Bank of the United States and the Overseas Private Investment Corporation would not approve financing for new projects in Colombia; United States representatives at multilateral lending institutions would be required to vote against all loan requests from Colombia, although such votes would not constitute vetoes, and the President of the United States and Congress would retain the right to apply future trade sanctions.

Any sanctions imposed on Colombia by the United States government could threaten the Company's ability to obtain any necessary financing to develop its Colombian properties. There can be no assurance that the United States will not impose sanctions on Colombia in the future, nor can the effect in Colombia that these sanctions might cause be predicted. In addition, any changes in the holders of significant government offices, including its regulatory bodies such as the ANH, could have an adverse effect on the Company's operations and business.

Seizure or expropriation of assets

Pursuant to Article 58 of the Colombian Constitution, the Colombian government can, through a judicial order and prior compensation for damages, expropriate the Company's private property in the event such action is required to protect public interests. In such cases, the Company would be entitled to fair compensation for the expropriated assets. As a general rule (with the exception of expropriation for reasons of war, in which case compensation may be quantified and paid later), compensation must be paid before the asset is effectively expropriated. However, compensation may be paid in some cases years after the asset is effectively expropriated and the indemnification may be lower than the price for which the expropriated asset could be sold in a free market sale or the value of the asset as part of an ongoing business.

In the other countries where the Company operates or has investments, the state can also generally exercise eminent domain powers in respect of the Company's assets based on principles somewhat similar to those that apply in Colombia.

RESERVES DATA AND OTHER INFORMATION

The Company's reserves were evaluated by D&M, effective as of December 31, 2020, in accordance with National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities*. D&M is an independent, qualified reserves evaluator appointed pursuant to such instrument.

Concurrently with the filing of this AIF, the Company has filed the following: (i) the *Statement of Reserves Data and Other Oil and Gas Information* on Form 51-101F1; (ii) *Report on Reserves Data by Independent Qualified Reserves Evaluator* on Form 51-101F2 by D&M; and (iii) the *Report of Management and Directors on Oil and Gas Disclosure* on Form 51-101F3. These reports have been filed on SEDAR at www.sedar.com and are incorporated by reference into this AIF.

DIVIDENDS AND DISTRIBUTIONS

During the first quarter of 2020, the Company suspended its quarterly dividend due to the oil price decline. Prior to the suspension, the Company had paid dividends during 2019 and 2020 as presented in the table below. The declaration and payment of any specific dividend, including the actual amount, declaration date and record date are subject to the discretion of the Board of Directors. In response to the volatility in oil prices, the Company has not reinstated its quarterly dividend.

The provisions of its material debt facilities, including the Unsecured Indenture contain certain restrictions and covenants that, subject to certain exceptions, limit the Company's ability to pay dividends. In addition, the payment of dividends by the Company is governed by the liquidity and insolvency tests described in the BCBCA, pursuant to which the Board shall not declare and the Company shall not pay a dividend if there are reasonable grounds for believing that the Company is insolvent or the payment of the dividend would render the Company insolvent. See "Risk Factors – General Risks – Dividends."

The following table shows the aggregate amount of the dividends declared payable per share in respect of the year ended December 31, 2019 and 2020, for the Common Shares. No dividends were paid on the Common Shares in 2018.

Record Date	Payment Date	Per Share Amount (C$)	Type of Dividend
January 3, 2019[1]	January 17, 2019	0.33	Special, Cash
April 2, 2019	April 16, 2019	0.165	Quarterly, Cash
July 3, 2019	July 17, 2019	0.205	Quarterly, Cash
August 9, 2019	August 23, 2019	0.535	Special, Cash
October 2, 2019	October 16, 2019	0.205	Quarterly, Cash
January 3, 2020[2]	January 17, 2020	0.205	Quarterly, Cash
April 2, 2020	April 16, 2020	0.205	Quarterly, Cash

Notes:
(1) Dividend was declared in 2018 and paid in 2019.
(2) Dividend was declared in 2019 and paid in 2020.

The Company has a dividend reinvestment plan ("**DRIP**") that allows Shareholders resident in Canada to automatically reinvest their dividends in new Common Shares at a price equal to the volume weighted average trading price on the

TSX for the last five (5) trading days on which at least one hundred Common Shares traded immediately preceding a dividend payment date, less a discount of up to 5% (if any). The DRIP became effective on December 17, 2018. In 2020, 2,153,633 Common Shares were issued to Shareholders enrolled in the DRIP.

The declaration of dividends is subject to the approval of the Company's Board in its sole discretion.

DESCRIPTION OF CAPITAL STRUCTURE

General Description of Capital Structure

Common Shares

The Company is authorized to issue an unlimited number of Common Shares without nominal or par value. As at December 31, 2020 97,466,224 Common Shares were issued and outstanding and as at March 3, 2021, 97,466,224 Common Shares were issued and outstanding. The holders of the Common Shares are entitled to receive notice of, and to vote at, every meeting of the Shareholders and are entitled to one vote for each Common Share held. Subject to the rights attached to any other class of shares, the holders of the Common Shares are entitled to receive dividends, if and when declared by the Board. Upon liquidation, dissolution or wind-up, whether voluntary or involuntary, or any other distribution of assets of the Company, Shareholders share equally in such assets of the Company as are distributable to the holders of Common Shares under applicable laws.

Preferred Shares

The Company is authorized to issue an unlimited number of preferred shares ("**Preferred Shares**") without nominal or par value. As of December 31, 2020, no Preferred Shares were issued or outstanding. The Preferred Shares may be issued from time to time in one or more series, each series consisting of a number of Preferred Shares as determined by the Board. The Preferred Shares of each series shall, with respect to dividends, if any, and the distribution of assets in the event of liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the Company among its Shareholders for the purpose of winding-up its affairs, be entitled to preference over holders of Common Shares and the shares of any other class ranking junior to the Preferred Shares, and on parity with the Preferred Shares of every other series. At this time, the Company has no plans to issue any Preferred Shares.

Shareholder Rights Plan

The Company adopted a shareholder rights plan and entered into a shareholder rights plan agreement dated effective November 2, 2016 with Computershare Investor Services Inc., as rights agent, which was subsequently amended and restated on November 20, 2017 and April 23, 2019 (the "**Amended and Restated Rights Plan**").

Pursuant to the Rights Plan, one right ("**Right**") is attached to each voting share (which as defined under the Amended and Restated Rights Plan includes Common Shares). The Rights will separate from the voting shares to which they are attached and will become exercisable upon the occurrence of certain events in accordance with the Amended and Restated Rights Plan. Pursuant to the terms of the Amended and Restated Rights Plan, any bid that meets certain criteria intended to protect interests of all Shareholders will be deemed to be a "permitted bid" and will not trigger the Amended and Restated Rights Plan. In the event of a take-over bid that does not meet the permitted bid requirements of the Amended and Restated Rights Plan, the Rights issued under the Amended and Restated Rights Plan will entitle

Shareholders, other than any Shareholder involved in the take-over bid, to purchase additional Common Shares at a discount to the market price.

Catalyst, which currently owns approximately 35.68% of the Common Shares, is grandfathered under the Amended and Restated Rights Plan and will not, under the terms of the Amended and Restated Rights Plan, be restricted from acquiring additional Common Shares in any manner. A copy of the Amended and Restated Rights Plan is available on SEDAR at www.sedar.com.

Incentive Plan

On November 2, 2016, the Company approved and implemented a security-based compensation plan (the "**Incentive Plan**"), which was amended on March 14, 2017 and April 24, 2020. The Incentive Plan allows for the issuance of stock options, restricted stock units ("**RSUs**") and deferred stock units ("**DSUs**") (collectively, the "**Awards**"). The aggregate number of Common Shares reserved for issuance in respect of which Awards may be granted shall not exceed 5,000,300. Common Shares subject to any Award (or any portion thereof) that have expired or are forfeited, surrendered, cancelled or otherwise terminated prior to the issuance or transfer of such Common Shares will again be available for grant under the Incentive Plan. Notwithstanding the foregoing, treasury Common Shares subject to an Award (or any portion thereof) that is settled in cash in lieu of settlement in treasury Common Shares shall reduce the number of Common Shares available for grant under the Incentive Plan.

i. Stock Options

Stock options allow holders to receive Common Shares at a future date. Stock options are granted with vesting conditions (typically based on continued service or achievement of personal or corporate objectives). The exercise price per Common Share for stock options is fixed by the Compensation and Human Resources Committee, but under no circumstances can the exercise price at the time of grant be less than the fair market value (as defined in the Incentive Plan) of the Common Shares. Vesting of stock options is determined by the Compensation and Human Resources Committee in its sole discretion and specified in the Award agreement pursuant to which the stock option is granted. Directors are not entitled to receive stock options.

As of December 31, 2020, no stock options were issued or outstanding.

ii. Restricted Stock Units

RSUs are granted with vesting conditions (typically based on continued service or achievement of personal or corporate objectives). The value of an RSU increases or decreases as the price of the Common Shares increases or decreases, thereby promoting alignment of interests of an RSU holder with Shareholders. Settlement may be made, in the sole discretion of the Compensation and Human Resources Committee, in Common Shares, cash or a combination thereof. Vesting of RSUs is determined by the Compensation and Human Resources Committee in its sole discretion and specified in the Award agreement pursuant to which the RSU is granted. If and when the Company declares a dividend, a dividend equivalent payment will be awarded in respect of RSUs held by a participant on the same basis as dividends declared and paid on Common Shares as if the participant was a shareholder of record on the relevant record date.

As of December 31, 2020, the Company had 2,876,614 RSUs issued and outstanding.

iii. Deferred Stock Units

DSUs represent a future right to receive Common Shares (or the cash equivalent) at the time of the holder's retirement, death, or the holder otherwise ceasing to provide services to the Company. Each DSU awarded by the Company is initially equal to the fair market value of a Common Share at the time the DSU is awarded. The value of a DSU increases or decreases as the price of the Common Shares increases or decreases, thereby promoting alignment of interests of a DSU holder with Shareholders. DSU settlements may be made, in the sole discretion of the Compensation and Human Resources Committee, in Common Shares, cash or a combination thereof. Only directors are entitled to receive DSUs. If and when the Company declares a dividend, a dividend equivalent payment will be awarded in respect of DSUs held by a participant on the same basis as dividends declared and paid on Common Shares as if the participant was a shareholder of record on the relevant record date.

As of December 31, 2020, the Company had 595,359 DSUs issued and outstanding.

NCIB

Over a 12-month period between October 18, 2019 and October 17, 2020, the Company had an NCIB through the TSX allowing the Company to purchase up to 6,532,400 shares of the Company, representing approximately 10% of the public float (as such term is defined by the policies of the TSX) as at October 7, 2019. All Common Shares purchased by Frontera under the NCIB were returned to treasury and cancelled. Concurrently with establishing the NCIB, the Company entered into an automatic purchase plan agreement with its designated broker which allows the purchase of Common Shares under the NCIB at times when the Company would ordinarily not be permitted to purchase its Common Shares due to regulatory restrictions or self-imposed trading blackout periods. During the twelve month term of the NCIB, the Company purchased and cancelled a total of 2,941,128 Common Shares at a weighted average price of C$9.788/share (or $21.9 million) under its NCIB.

Material Debt Facilities

Unsecured Notes

On June 25, 2018, the Company closed the offering of the Unsecured Notes. The Unsecured Notes rank equal in right of payment with all of the existing and future senior unsecured debt and are guaranteed by FECC, Frontera Energy Stratus Del Peru S.A. and Frontera ODL Holding Corp.

Under the terms of the Unsecured Indenture, the Company may, among other things, incur indebtedness provided that the consolidated debt to consolidated adjusted EBITDA ratio is less than or equal to 3.0:1.0 and the consolidated fixed charge ratio is greater than or equal to 2.5:1.0. In the event that the said financial tests are not met, the Company may still incur indebtedness under certain permitted baskets, including an aggregate amount that does not exceed the higher of $100.0 million and 10% of consolidated net tangible assets. In addition, guarantors under the Unsecured Indenture must comprise of a minimum of 85% of the Company's net tangible assets and Consolidated Adjusted EBITDA (excluding unrestricted subsidiaries, as calculated under the terms of the Unsecured Indenture) and as such, additional subsidiaries may be added or removed as guarantors from time to time to meet this requirement. As at December 31, 2020, the Company is in compliance with such covenants.

On November 28, 2018, the Unsecured Indenture was supplemented to amend certain restrictions relating to "Limitations on Restricted Payments" in the Unsecured Indenture to, among other changes: (i) replace an existing $40 million basket permitting Restricted Payments (as defined in the Unsecured Indenture), with a new basket permitting

Restricted Payments of up to $100 million per year, on a cumulative basis, subject to meeting certain financial ratio tests and other conditions and (ii) add a new basket permitting Restricted Payments in respect of certain proceeds from the sale of Unrestricted Subsidiaries (as defined in the Unsecured Indenture), subject to meeting certain financial ratio tests and other conditions.

Additional information on the calculation of the financial covenants can be found in the 2020 Annual Financial Statements and management's discussion and analysis for the year ended December 31, 2020. A copy of the Unsecured Indenture and the supplemental indenture are also available on SEDAR at www.sedar.com.

Puerto Bahia Secured Syndicated Credit Loan

In October 2013 Puerto Bahia entered into a credit agreement with a syndicate of lenders for a $370 million debt facility, which matures in June 2025, to fund the construction and development of the Port Facility (the "**2025 Puerto Bahia Debt**"). During the course of 2018, 2019 and 2020, the lenders gave notices stating that Puerto Bahia is in breach of various loan covenants but the lenders have not accelerated the loan. The 2025 Puerto Bahia Debt bears interest at 6-month LIBOR plus 5% which is payable semi–annually, which is secured by substantially all the assets and shares of Puerto Bahia and which is non-recourse to the Company (other than as provided for by the Equity Contribution Agreement) and it has no impacts on the Company's financial covenants under the Unsecured Notes. As of December 31, 2020 the 2025 Puerto Bahia Debt outstanding amount is $183.1 million.

As part of the agreements for the 2025 Puerto Bahia Debt credit agreement, Frontera Bahia, IVI, Puerto Bahia and Wilmington Trust, National Association (as administrative and collateral agent) entered into an equity contribution agreement (the "**Equity Contribution Agreement**") dated October 4, 2013. Under the Equity Contribution Agreement, the Company and IVI agreed jointly and severally to cause contributions (via debt or equity) to Puerto Bahia up to the aggregate amount of $130 million whenever Puerto Bahia had a deficiency between (i) monies on deposit on the revenue account, good faith estimate of projected of revenues, and monies on deposit of the distribution account of Puerto Bahia, and (ii) the aggregate amount of the debt service scheduled to become due and payable. Amounts disbursed under the Equity Contribution Agreement are designated to the repayment of principal and interest from that loan.

Pursuant to the terms of the Equity Contribution Agreement, Frontera has from time to time made loans to Puerto Bahia that are subordinated to the 2025 Puerto Bahia Debt and bear interest of 14%. These loans give Frontera a direct claim against Puerto Bahia that is in priority to IVI's equity interest in Puerto Bahia, and thus indirectly in priority to the claims of the remaining minority shareholders of IVI.

On December 11**,** 2020 Frontera Bahia advanced $8 million to Puerto Bahia under the Equity Contribution Agreement as a loan. To date, Frontera Bahia has advanced a total of $73.9 million under the Equity Contribution Agreement, out of which $41.3 million was converted into preferred shares of Puerto Bahia on December 30, 2020. For details of the Company's transactions with IVI, see "Note 4 - Acquisition of Infrastructure Ventures Inc.", "Note 18 – Investments in Associates," "Note 19 – Other Assets" and "Note 26 – Related-Party Transactions" of the 2020 Annual Financial Statements.

Other Debt Instruments

The Company has various uncommitted bilateral letter of credit lines (the "**Uncommitted LCs**"). In addition, the Company has a master agreement for the issuance of standby letters of credit up to a maximum amount of $50 million

(uncommitted) entered into with BTG Pactual S.A. (the “**BTG Instrument**”). Under the terms of this agreement, the issuer has the right to demand the return and cancellation of the letters of credit, or require the Company to deposit an equivalent amount if it breaches certain covenants, including receiving a credit rating downgrade two notches or more by any rating agency. The Fitch downgrade of the Company’s credit rating on March 20, 2020, by two notches resulted in non-compliance. On August 19, 2020, the Company’s credit rating was upgraded by Fitch which remedied this non-compliance.

As of December 31, 2020, the Company had $56.9 million of issued and outstanding Uncommitted LCs and $4.0 million outstanding under the BTG Master Agreement, for exploratory commitments and abandonment funds in Colombia and Ecuador.

Credit Ratings

This section provides a summary of the Company’s credit ratings as it relates to the Company’s cost of funds and liquidity. Specifically, credit ratings can impact the Company’s ability to obtain short- and long-term financing and the cost of such financing. See “Risk Factors – General Risks – Ratings Downgrade” for additional further information.

The following table shows the ratings issued for the Company by Fitch Ratings Inc. (“**Fitch**”) and S&P Global Ratings (“**S&P**”). Credit ratings are intended to provide an independent measure of the credit quality of an issuer of securities. The credit ratings assigned by the ratings agencies are not a recommendation to buy, sell or hold securities of the Company, nor do they comment on market price or suitability for a particular investor. A rating may not remain in effect for any given period or may be revised or withdrawn entirely by a rating agency in the future if, in its judgment, circumstances so warrant.

	Fitch	**S&P**
Issuer Default Rating / Issuer Credit Rating	B	B+
Unsecured Notes	B/RR4	B+
Outlook	Stable	Negative

On March 20, 2020, Fitch downgraded the Company’s long-term foreign and local currency issuer default rating by two notches to B- with a Negative Outlook and also downgraded the Unsecured Note to B-/RR4. On August 19, 2020 Fitch upgraded the Company’s long-term foreign and local currency issuer default rating by one notch to B with a Stable Outlook and also upgrade the Unsecured Notes to B/RR4.

Fitch’s issuer default ratings are on a rating scale that ranges from AAA (highest) to D (lowest). The ratings from AA to CCC may be modified by the addition of a plus (+) or minus (-) sign to show the relative standing within the major rating categories. A rating of B by Fitch is the sixth highest of 11 categories and indicates that material default risk is present, but a limited margin of safety remains. Financial commitments are currently being met; however, capacity for continued payment is vulnerable to deterioration in the business and economic environment.

Fitch’s individual securities ratings are on a rating scale that ranges from AAA (highest) to C (lowest). The addition of a plus (+) or minus (-) designation after the rating indicates the relative standing within the major rating categories. A rating of B is within the sixth highest of nine categories and indicates that material credit risk is present. The recovery ratings are on a scale that ranges from RR1 (outstanding recovery prospects given default) to RR6 (poor recovery prospects given default). RR4 (average recovery prospects given default) rated securities have characteristics consistent with historically recovering 31%-50% of current principal and related interest.

A Fitch rating outlook indicates the direction a rating is likely to move over a one to two-year period, with rating outlooks falling into four categories: “Positive,” “Negative,” “Stable” or “Evolving.” Rating outlooks reflect financial or other trends that have not yet reached the level that would trigger a rating action, but which may do so if such trends continue. A “Negative” outlook signals a negative trend on the rating scale. Positive or Negative Rating Outlooks do not imply that a rating change is inevitable, and similarly, ratings with stable outlooks can be raised or lowered without a prior revision to the outlook.

On March 27, 2020, S&P downgraded its global scale long-term issuer credit rating on the Company by one notch to B+ with a negative outlook. S&P also downgraded its issue-level rating on the Company’s Unsecured Notes by one notch to B+.

S&P’s issuer credit ratings are on a rating scale that ranges from AAA (highest) to SD and D (lowest). The ratings from AA to CCC may be modified by the addition of a plus (+) or a minus (-) sign to show relative standing within the rating categories. According to the S&P rating system, obligations rated “BB,” “B,” “CCC,” “CC” and “C” are regarded as having significant speculative characteristics. A rating of BB by S&P is the fifth highest of ten categories and is considered less vulnerable in the near-term than other lower-rated obligors. However, it faces major ongoing uncertainties and exposure to adverse business, financial or economic conditions that could lead to the obligator’s inadequate capacity to meet its financial commitments.

S&P’s long-term issue credit rating of individual securities are on a rating scale of AAA (highest) to D (lowest). The ratings from AA to CCC may be modified by the addition of a plus (+) or a minus (-) sign to show relative standing within the rating categories. A long-term credit rating of BB is within the fifth highest of ten categories and is considered less vulnerable to non-payment in the near-term than other speculative grade investments but faces major ongoing uncertainties and exposure to adverse business, financial and economic conditions that could lead to the obligor’s inadequate capacity to meet its financial commitments on the obligation.

S&P outlook assesses the potential direction of a long-term credit rating over the intermediate term (typically six months to two years), with ratings outlooks falling into five categories: “Positive,” “Negative,” “Stable,” “Developing” and “N.M.” In determining a rating outlook, consideration is given to any changes in economic and/or fundamental business conditions. A “Stable” outlook means that a rating is not likely to change.

The Company paid Fitch and S&P their customary fees in connection with the provision of the above ratings. The Company has not made any payments to Fitch and S&P in the past two years for services unrelated to the provision of such ratings.

MARKET FOR SECURITIES

The Common Shares

The Common Shares are listed on the TSX under the trading symbol “FEC.” The closing price on the TSX on March 2, 2021 was C$6.23. The following table sets out the high and low trading prices of the Common Shares for the periods indicated, as reported by the TSX. The trading history below should not be used as an indication of the trading prices or volume of the Common Shares in the future.

Period (2020)	High (C$)	Low (C$)	Trading Volume
December	3.56	2.56	9,075,600

November	3.36	2.01	6,851,700
October	2.40	2.05	2,878,200
September	2.81	2.19	2,566,700
August	3.18	2.74	3,356,000
July	3.42	2.86	2,833,400
June	5.62	3.34	12,107,600
May	4.65	3.32	4,341,700
April	4.70	3.15	3,544,700
March	7.62	2.71	7,899,200
February	9.41	7.12	4,892,900
January	10.50	9.19	4,453,100

Unsecured Notes

The Unsecured Notes are listed on the Official List of the Luxembourg Stock Exchange and trade on its Euro MTF Market with the ISIN number USC35898AA00 and US35905BAA52 and commenced trading on June 25, 2018.

The trading activity for the Unsecured Notes, as reported by the Luxembourg Stock Exchange, is insufficient to provide meaningful trading data for the purposes of this AIF.

Unlisted Securities

During the financial year ended December 31, 2020, Frontera did not issue any class of securities not listed or quoted on a marketplace.

DIRECTORS AND OFFICERS

Directors and Officers of the Company

The following table sets forth the name, country of residence, position with the Company, and principal occupation within the five (5) preceding years of each director and officer of the Company, and in the case of directors, the period each has served as a director of the Company. Such information is based upon information furnished by the person concerned.

Name, Residence and Position with the Company	Director Since[(1)]	Principal Occupation for the Past Five Years
Gabriel de Alba[(3), (5)] Florida, United States Chairman, Director	November 2, 2016	Gabriel de Alba has been the Managing Director and Partner of Catalyst since 2002. Mr. de Alba's responsibilities have included acting as a director or senior officer of various Catalyst portfolio companies, including World Color Press Inc., Cable Satisfaction International Inc. and Geneba Properties. Mr. de Alba is currently the Chairman of the Board of Directors' of Therapure Biopharma Inc., Evolve Biologics, Gateway Casinos & Entertainment and Co-Chairman of the Board of Cirque du Soleil. In addition, Mr. de Alba is also currently a Director and Co-Chairman of the board of CGX

Name, Residence and Position with the Company	Director Since[1]	Principal Occupation for the Past Five Years
Luis F. Alarcon Mantilla[4] Bogotá, Colombia Director	November 2, 2016	Luis F. Alarcon is an executive with a long record in the Colombian business environment. He currently serves as chairman of the board of directors of Almacenes Exito, one of the largest companies in Colombia and is a member of the board of directors of Edemco SAS, an electric power infrastructure company and Fundacion Plan, a non-profit Colombian civil society organization. He previously served as Chairman of the board of directors of Grupo Sura. From 2007 through 2015, Mr. Alarcon served as Chief Executive Officer of Interconexión Eléctrica S.A. E.S.P.
W. Ellis Armstrong[2], [4] London, United Kingdom Director	November 2, 2016	Ellis Armstrong currently serves as an independent director of Lloyds Register Group. From 1981 through 2013, he held various senior strategy, commercial, technical and operational roles with BP and was also the Chief Financial Officer for the group's global exploration and production business.
René Burgos Díaz[2] New York, US Director	December 4, 2019	René Burgos Díaz is a financial markets executive with approximately 20 years of experience in investment management, leveraged financing, restructuring and financial advisory expertise across multiple industries and geographies, specifically in Latin America. In his current role, he is the Head of USD Private Credit for Latin America for Compass Group. Prior to joining Compass Group, Mr. Burgos Díaz held the position of Director in the Emerging Markets team at CarVal Investors, a leading global alternative investment management firm with $10 billion in assets under management. Mr. Burgos Díaz has also held roles at Deutsche Bank and Bank of America, including the role of Director with Deutsche Bank's Emerging Markets Structured Credit Trading team. Mr. Burgos Díaz also currently serves on the board of Curie Co Inc., a synthetic biology company that engineers enzymes to replace chemicals in consumer products.
Raymond J Bromark[2] Florida, United States Director	November 2, 2016	Raymond Bromark is a certified public accountant and retired partner of PricewaterhouseCoopers LLP, where he served for almost 40 years. He currently serves on the advisory board of The Siegfried Group and is a member of the Canadian Directors Network. Mr. Bromark previously served as a director and chair of the Audit and Ethics Committee for YRC Worldwide Inc. until his retirement in December 2019, as a director and chair of the Audit Committee and a member of the Conflicts Committee for Tesoro Logistics GP, LLC prior to its October 2018 merger with Marathon Petroleum Corporation, and as a director and chair of the Audit Committee of CA, Inc. prior to its acquisition by Broadcom in November 2018.
Orlando Cabrales Segovia[3] Bogotá, Colombia Director	November 7, 2018	Orlando Cabrales is currently the President of NATURGAS, the Colombian natural gas trade association. Previously, he served as Vice Minister of Energy of the Ministry of Mines and Energy in Colombia between 2013 and 2014 and as the President of the ANH from 2011 to 2013. Mr. Cabrales has held senior roles at BP in Latin America and has been on the boards of numerous companies in Colombia, including ISAGEN S.A., Tuscany Drilling, CENIT and ISA.

Name, Residence and Position with the Company	Director Since[1]	Principal Occupation for the Past Five Years
Russell Ford[2], [3] Texas, United States Director	November 2, 2016	Russell Ford served as Chairman of the board of directors of Aera Energy from 2012 to 2015. He led Royal Dutch Shell Group's global supply chain activities as Executive Vice President of Contracting and Procurement from 2013 to 2015 and prior to that was the Executive Vice President Onshore from 2009 to 2012. Since 2015, Mr. Ford has advised companies and financial institutions on project-specific matters.
Veronique Giry[4] Alberta, Canada Director	November 7, 2018	Veronique Giry is currently a director and the Vice President and Chief Operating Officer of ISH Energy Limited in Calgary, Canada. From 2016 through 2017, Ms. Giry was Vice President, Industry Operations at the Alberta Energy Regulator and between 2015 and 2016 she was the Principal Consultant of Giry O&G Advisors. Prior to that role, she worked at Total Exploration & Production where she has held various roles in France, Latin America, Canada, Europe and the UK; the most recent, being Vice President, Thermal Assets and Exploration Leases in Calgary, Canada.
Richard Herbert Bogotá, Colombia Chief Executive Officer	N/A	Richard Herbert joined the Company as Chief Executive Officer in April 2018. Prior to his appointment, he served on the Board from December 21, 2017 to March 27, 2018. Mr. Herbert is a petroleum geologist with over 40 years of experience in the global upstream industry. He currently serves as an independent director of Petroleum Geo-Services. From 2013 to 2016, Mr. Herbert served as Chief Operating Officer, Exploration at BP.
Alejandro Piñeros Bogotá, Colombia Chief Financial Officer	N/A	Alejandro Piñeros joined the Company in 2017. He previously served as Corporate Finance Director and Corporate Vice President, Strategy & Planning prior to his appointment as Chief Financial Officer in March 2020. Prior to joining the Company, Mr. Piñeros was Chief Financial Officer and /Head of Planning at Creditfinanciera, Chief Financial Officer of IVI, Chief Financial Officer and Head of Planning at Summum Energy and Chief Financial Officer and Vice President of Administration at Propilco/Essentia, which is part of the Ecopetrol group. Mr. Piñeros also worked for six years at McKinsey & Company as Engagement Manager and associate.
Andrew Kent Ontario, Canada General Counsel & Secretary	N/A	Andrew Kent joined the Company in September 2018. Previously, he was Managing Partner and then National Senior Partner of the Canadian law firm McMillan LLP, where he practiced corporate law for over 30 years.
Ivan Arevalo Bogotá, Colombia Corporate Vice President, Operations	N/A	Ivan Arevalo has more than 27 years of experience in the oil and gas industry. Mr. Arevalo has been with the company for more than 14 years. Prior to his current role, he has held a number of positions with the Company, in Colombia managing Heavy oil assets and leading the operation of Frontera Energy in Peru and Ecuador during the last 4 years.
Renata Campagnaro Bogotá, Colombia Corporate Vice President, Business Sustainability, Trading and Logistics	N/A	Renata Campagnaro has over 40 years of experience in the oil and gas industry. Ms. Campagnaro has been with the Company since 2010. Prior to her current role, she has held a number of positions with the Company, including Corporate Vice President of Supply, Transport and Trading and Executive Vice President of Supply and Transport.

Name, Residence and Position with the Company	Director Since[1]	Principal Occupation for the Past Five Years
Duncan Nightingale Bogotá, Colombia Corporate Vice President, Exploration, Reservoir Development and New Business	N/A	Duncan Nightingale has over 30 years of oil and gas exploration and development experience. Prior to joining the Company in 2017, Mr. Nightingale held various executive management positions with Gran Tierra Energy from 2009 to 2017. These included President, interim CEO, Chief Operating Officer and Vice President of Exploration. He currently serves as a member of the board of directors of CGX.

Notes:

(1) Each director will hold office until the Company's next annual general meeting or until his or her successor is appointed or elected.
(2) Member of the Audit Committee.
(3) Member of the Compensation and Human Resources Committee.
(4) Member of the Corporate Governance, Nominating and Sustainability Committee.
(5) Mr. de Alba is the Managing Director and Partner of Catalyst.

Share Ownership by Directors and Executive Officers

As of December 31, 2020, the directors and executive officers of the Company (as a group) owned, or exerted direction or control over, a total of 94,167 Common Shares, representing less than 1% of the Company's total issued and outstanding Common Shares.

On a partially-diluted basis, assuming the exercise of all RSUs, and DSUs, the directors and executive officers of the Company, as a group beneficially owned, or exercised control or direction over, directly or indirectly, an aggregate of 1,904,456 Common Shares, representing approximately 2% of the Company's issued and outstanding Common Shares as of December 31, 2020.

Corporate Cease Trade Orders

No director or executive officer of the Company, is, or within the ten years prior to the date hereof, has been a director, chief executive officer or chief financial officer of any company that was the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemptions under securities legislation for a period of more than 30 consecutive days while such director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer of the company being the subject of such order, or that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer in the company being the subject of such order and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer of the subject company.

Corporate Bankruptcies

Except as disclosed herein, no director or executive officer, or a shareholder holding a sufficient number of securities in the capital of the Company to affect materially the control of the Company, is or within ten years prior to the date hereof, has been a director or executive officer of any company, that while that person was acting in that capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Ivan Arevalo and Renata Campagnaro were officers of the Company prior to or during the recapitalization and financing transaction, respectively, which was implemented during 2016 pursuant to a proceeding under the *Companies' Creditors Arrangement Act* (Canada).

Penalties or Sanctions

No director or executive officer of the Company, and no shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

Personal Bankruptcies

No director or executive officer of the Company, and no shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, nor any personal holding company of any such person, has, during the ten years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or has been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his, her or its assets.

Conflicts of Interest

There may be potential conflicts of interest to which the directors or officers of the Company may be subject in connection with the operations of the Company. Conflicts of interest, if any, will be subject to the procedures and remedies as provided under the BCBCA, which require a director or officer of a corporation who is a party to, or is a director or an officer of, or has a material interest in any person who is a party to, a material contract or proposed material contract with the Company disclose his or her interest and in the case of directors, to refrain from voting on any matter in respect of such contract unless otherwise permitted under the BCBCA.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed herein, there were no material interests, direct or indirect, of directors or executive officers of the Company, of any shareholder who beneficially owns, directly or indirectly, or exercises control or direction over more than 10% of the outstanding voting securities of the Company, or any other Informed Person (as defined in National Instrument 51-102 - *Continuous Disclosure Obligations* ("**NI 51-102**") or any known associate or affiliate of such persons, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or would materially affect the Company or any of its subsidiaries.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

From time to time, the Company is the subject of litigation arising out of the Company's operations. Damages claimed under such litigation may be material or may be indeterminate, and the outcome of such litigation may materially impact the Company's financial condition or results of operations. While the Company assesses the merits of each lawsuit and defends itself accordingly, the Company may be required to incur significant expenses or devote significant resources to defend itself against such litigation.

Except as disclosed herein or elsewhere in this AIF, there are no legal proceedings or regulatory actions pending or known by the Company to which it is a party or in respect of which any of the properties of the Company are subject that are anticipated to be material to the Company and its subsidiaries taken as a whole. In the summary provided below, the Company has provided the estimates with respect to each claim where such an estimate is available; however, the estimates provided are not indicative of the probability of the final outcome.

<u>Bicentenario and CENIT Transportation Dispute</u>

Background

On July 12, 2018, FECC exercised contractual rights to terminate (a) three transportation contracts (the "**BIC Transportation Agreements**") with Bicentenario to ship oil through the BIC Pipeline which operates between Araguaney and Banadia where it connects to the CLC Pipeline because service had not been provided for more than six consecutive months, and (b) three related transportation agreements (the "**CLC Transportation Agreements**") with CENIT to ship oil through the CLC Pipeline because service had not been provided for more than 180 consecutive calendar days.

On December 3, 2018, CENIT, and on January 28, 2019, Bicentenario, commenced separate arbitration proceedings against FECC before the Centre for Arbitration and Conciliation of the Bogota Chamber of Commerce (the "**Bogota Arbitration Centre**") disputing the validity of the terminations (the "**Bicentenario Arbitration**" and "**CLC Arbitration**" respectively).

The Company believes that it was fully entitled to terminate both the BIC and CLC Transportation Agreements. In addition to vigorously defending itself in the Bicentenario Arbitration and the CLC Arbitration, FECC has filed counterclaims against CENIT and Bicentenario. In the counterclaims, the relief claimed against Bicentenario includes payment of $486.5 million plus interest for letters of credit improperly drawn, service prepayments, credits and unpaid dividends declared in 2018, and the relief claimed from CENIT includes release of $32.6 of restricted cash in connection with the dispute concerning the tariff rate for the CLC Pipeline applicable to service payments made before the termination of the CLC Transportation Agreements on July 12, 2018.

The Company, FECC and certain of its affiliates also commenced a separate arbitration proceeding against Bicentenario and CENIT on December 3, 2019 before the Bogota Arbitration Centre as an international arbitration (the "**International Arbitration**"), seeking relief from Bicentenario and CENIT on the basis that, amongst other things, those contracts were validly terminated. In addition to the relief claimed in the Bicentenario Arbitration and CLC Arbitration, the relief claimed in the International Arbitration includes claims for recovery of various rights as a shareholder of Bicentenario and for the termination of (a) three transportation ancillary contracts (the "**BIC Ancillary Agreements**") with Bicentenario for the use of ancillary facilities related to the BIC Pipeline, and (b) seven transportation ancillary contracts (the "**CLC Ancillary Agreements**") with CENIT related to the CLC Pipeline and the BIC Pipeline for offloading and maritime facilities (which were the subject of termination), and the Monterrey-Araguaney Pipeline.

During the first quarter of 2020, the Company asserted rights to stop making payments under the BIC Ancillary Agreements and the CLC Ancillary Agreements. Both Bicentenario and CENIT dispute the grounds for the termination of these contracts and the cessation of payment, but they have not filed any formal claim yet over this specific dispute.

In addition, on December 3, 2019 Bicentenario commenced arbitration proceedings before the Bogota Arbitration Centre against various shareholders of Bicentenario including the Company (the "**AMI Arbitration**"), claiming that as a result of the loss of revenue resulting from the cessation of payments pursuant to various transportation contracts including the BIC Transportation Agreements, the shareholders are obliged to contribute additional funds to Bicentenario to cover debt service payments and other amounts. On October 22, 2020, Bicentenario withdrew the AMI Arbitration proceedings and gave notice that it would make similar claims in a counterclaim under the International Arbitration initiated by the Company.

The Bicentenario Arbitration and CLC Arbitration have completed the initial pleadings stage. At the request of the parties the arbitration panels have suspended both the proceedings until March 31, 2021, pending the progress of approval of the Conciliation Agreement (defined below). The International Arbitration continues to progress with the pleadings phase at this time.

As of December 31, 2020, the amount of tariffs claimed by CENIT under the CLC Transportation Agreements would be approximately $147.1 million plus interest, and would be approximately $70.3 million per annum, subject to tariff adjustments from time to time, until 2028. As of December 31, 2020, the aggregate amount of monthly service payments claimed by Bicentenario under the BIC Transportation Agreements would be $189.1 million (net of credits note and SBLCs) plus interest, and would be approximately $130.6 million per annum, subject to tariff adjustments from time to time, until 2024. As of December 31, 2020, the Company has rejected invoices for $22.4 million relating to the BIC Ancillary Agreements and CLC Ancillary Agreements and intends to reject all invoices hereinafter.

For further information on these claims, see “Note 28 - Commitments and Contingencies” of the audited annual financial statements for the years ended December 31, 2020 and 2019, available on SEDAR at www.sedar.com.

Conciliation Agreement

On November 16, 2020, Frontera, CENIT and Bicentenario reached an agreement for the joint filing of a petition for approval of a conciliation agreement (the “**Conciliation Agreement**”) which, upon completion, will resolve all the disputes pending among them, related to the BIC Pipeline and the CLC Pipeline, and will terminate all proceedings related to such disputes, including the Bicentenario Arbitration, CLC Arbitration and International Arbitration.

The Conciliation Agreement includes a full and final mutual release upon closing of all present and future amounts claimed by all parties in respect of the terminated BIC Transportation Agreements, CLC Transportation Agreements, the BIC Ancillary Agreements and CLC Ancillary Agreements, which amounts would include the liabilities which are recorded by Frontera as Cost Under Terminated Pipeline Contracts in the Company’s financial statements.

The transaction does not include any cash payments between the parties, except for Frontera’s release of its interests in a trust fund (restricted cash) of approximately $32.1 million as of December 31, 2020 including interest, created as a collateral for one of the claims. Upon completion of the settlement, Frontera will transfer to CENIT its 43.03% interest in Bicentenario, any related outstanding Bicentenario dividends, and the BIC Pipeline line fill. The claims released by Frontera include recovery of the letters of credit drawn by Bicentenario in 2018 and all other claims that have been asserted by Frontera against Bicentenario.

In connection with the closing of the settlement, Frontera will also enter into new transportation contracts with CENIT and Bicentenario, and has already entered into a new transportation contract with ODL.

The new ODL transportation contract can be terminated at the option of Frontera if the settlement does not close and is expected to come into effect during the second quarter of 2021. The ODL transportation contract provides for a ship or pay commitment of 10,000 bbls/day for approximately 3.8 years at a current tariff of $3.99/bbl. The ODL pipeline is regularly used by Frontera to transport crude oil from its heavy oil district which produces sufficient volumes to comply with the new obligations. The new ODL contract is not expected to increase Frontera’s transportation costs.

The new transportation contracts with CENIT and Bicentenario for use of the CLC Pipeline and BIC Pipeline (and certain related facilities) will become effective within a six month period following the Conciliation Agreement. The new

take or pay commitment is projected to be approximately 3,900 bbls/day, subject to adjustments in changes in the oil price and Colombia/U.S. exchange rates between now and closing, for a term of five years at a current tariff of $11.5/bbl. Frontera will not have to make payments under the new transportation contracts for oil that is required to be shipped on alternative pipeline systems due to the unavailability of the CLC Pipeline and the BIC Pipeline. Frontera will be able to use the CLC Pipeline and the BIC Pipeline for the transportation of oil to Coveñas as an alternative to the use of the Ocensa pipeline. It is expected that the new contracts will increase Frontera's average transportation costs by approximately $0.30 per boe, or potentially less, at current tariffs.

The arrangement is conditional upon approval of the Conciliation Agreement under Colombian law which requires an opinion to be issued by the Office of the Attorney General of Colombia (Procuraduría General de la Nación) and approval of the Administrative Tribunal of Cundinamarca, the final appeals court with competence regarding conciliation arrangements to which state owned companies are a party. On November 17, 2020 the Conciliation Agreement was filed with the Office of the Attorney General of Colombia and is currently under review by that office.

The Conciliation Agreement provides that if such approvals are not obtained by June 30, 2021 or such later date as may be agreed, then either party will become entitled to terminate the Conciliation Agreement, and that the legal rights of the parties with respect to the disputes are not prejudiced unless and until the required approvals are obtained and the Conciliation Agreement is closed. There can be no assurance that the required approvals will be received on a timely basis or at all.

IRI de Colombia S.A.S – Purchase Order Dispute

On August 3, 2020, Importaciones y Representaciones de Colombia S.A.S. and IRI de Colombia ZF S.A.S. (collectively, "**IRI**"), a pipe supplier up until 2017, filed an arbitral lawsuit against the Company for approximately $185.5 million claiming payment of alleged amounts owed to them as per cancelled orders of goods and services, unperformed contracts, and reimbursement of warehouse costs of pipes.

The monetary value of the Company's contractual relationship with IRI was far less than the amount claimed and the Company believes that this claim is without merit. The arbitral tribunal has been appointed and the evidentiary stage is expected to commence in the first half of 2021.

Puerto Bahia - Tank Construction Related Arbitration

In the course of constructing the Port Facility, Puerto Bahia retained the services of Isolux Ingeniería S.A., Tradeco Industrial S.A. de C.V., Tradeco Infraestructura S.A. de C.V ("**CITT**") for the construction of the Hydrocarbons' Terminal, including eight storage tanks and other facilities (the "**EPC Contract**"). CITT failed to comply with the terms of the EPC Contract, including the timely delivery of the work contracted which caused damages to Puerto Bahia, among other contract breaches. As a result, Puerto Bahia proceeded to draw up a letter of credit in the amount of $17.0 million granted by CITT as a guarantee of the EPC Contract (the "**LOC**").

On June 11, 2015, CITT initiated arbitration proceedings under the regulations of the International Chamber of Commerce of Paris, claiming, among other things: (i) the return of the money from the LOC, (ii) recognition of costs incurred during the execution of the EPC Contract due to the stand-by, (iii) the right to extend the contract term as per the changes requested by Puerto Bahia, and (iv) unlawful termination of the EPC Contract. The total amount claimed is $70.4 million.

On August 21, 2015, Puerto Bahia filed a counterclaim against CITT for failure to comply with its contractual obligations under the EPC Contract that led it to breach the delivery dates and the agreed schedules, generating over costs, damages and losses to Puerto Bahia. Puerto Bahia claims damages up to $65 million

Ecopetrol - Rubiales Field Disagreement

The Company has been involved in negotiations with Ecopetrol with respect to disagreements on wind-down costs and expenses, as well as inventory, in connection with the expiration of the Rubiales and Piriri exploration and production contracts in June 2016. On November 22, 2018, the Company filed a lawsuit against Ecopetrol before the Administrative Tribunal of Cundinamarca claiming it is owed $25.3 million. The Company was formally notified by Ecopetrol that they had filed a lawsuit against FECC for over $45 million. At this time, the Company has not yet been served such claim and therefore the Company cannot anticipate what the outcome of this proceeding will be or whether the final settled net amount will be significant.

Water Injection Collective Action

A popular action (a type of collective action that seeks injunctions to prevent damages caused by activities that may be damaging collective rights) was filed in March 2016 by claimants against a predecessor of FECC, and other parties such as Ecopetrol, the objective of which is to suspend water injection in affected areas. The claim states that water injection is causing increased seismic activity in the areas surrounding the Quifa block. On December 19, 2019, a ruling was issued by the Court ordering FECC and the other respondents to perform a study in order to assess the effects of water injection in Quifa. Such decision was appealed by the claimants and the court of appeals' ruling is pending.

TRANSFER AGENT AND REGISTRAR

The registrar and transfer agent for the Common Shares is Computershare Trust Company of Canada through its offices in Toronto, Ontario.

The transfer agent for the Unsecured Notes is the Bank of New York Mellon.

MATERIAL CONTRACTS

The following are the only material contracts, other than contracts entered into in the ordinary course of business not otherwise required to be disclosed, that have been entered into by the Company within the most recently completed fiscal year or before the most recently completed fiscal year but still in effect:

1. the Unsecured Indenture (as amended, restated, supplemented or otherwise modified) (see "Description of Capital Structure – Material Debt Facilities – Unsecured Notes");
2. the Amended and Restated Rights Plan between the Company and Computershare Investor Services Inc. (see "Description of Capital Structure – General Description of Capital Structure – Shareholder Rights Plan"); and
3. the 2025 Puerto Bahia Debt (as amended, restated, supplemented or otherwise modified) (see "Description of Capital Structure – Material Debt Facilities – Puerto Bahia Secured Syndicated Credit Loan).

The foregoing agreements are available on SEDAR at www.sedar.com.

INTERESTS OF EXPERTS

There is no person or company whose profession or business gives authority to a statement made by such person or company and who is named as having prepared or certified a statement, report or valuation described or included in a filing, or referred to in a filing, made under NI 51-102 by the Company other than D&M, the Company's independent reserves evaluators, and Ernst & Young LLP, Chartered Professional Accountants, the Company's auditor. To management's knowledge, as of the date hereof, neither D&M nor the designated professionals of D&M, directly or indirectly owned any of the outstanding Common Shares or other securities of the Company. No director, officer or employee of D&M is to be or has been elected, appointed or employed as a director, officer or employee of the Company. Ernst & Young LLP is independent within the meaning of the CPA Code of Professional Conduct of the Chartered Professional Accountants of Ontario.

AUDIT COMMITTEE INFORMATION

The Audit Committee's Charter

The full text of the Company's Audit Committee Charter is appended hereto as Appendix "A."

Composition of the Audit Committee and Relevant Education and Experience

The members of the Audit Committee are Raymond Bromark (Chair), Ellis Armstrong, René Burgos Díaz and Russell Ford. All the members of the Audit Committee are independent and financially literate in accordance with National Instrument 52-110 – *Audit Committees*. A brief summary of each member's relevant education and experience is provided below.

Raymond Bromark is a certified public accountant and retired partner of PricewaterhouseCoopers LLP, where he served for almost 40 years. Mr. Bromark joined PricewaterhouseCoopers LLP's staff in Chicago in 1967 and was later transferred to the National Office (New York) in 1977. In 1983, he was appointed to the Boston Office and in 1990 he was selected as Deputy Vice Chairman of Auditing and Business Advisory Services for the firm. From 1994 through 2000, he was the Global Engagement Partner responsible for reporting on E.I. DuPont de Nemours and the company's financial statements. During the five years prior to his retirement in 2006, he led the PricewaterhouseCoopers Professional, Technical, Risk and Quality Group. He currently serves on the advisory board of The Siegfried Group and is a member of the Canadian Directors Network. Previously, he served as director and chair of the Audit and Ethics Committee for YRC Worldwide Inc. until his retirement in December, 2019, as a director for World Color Press (commercial and industrial printing) from 2009 to 2010 when the company merged into another company, as director and chair of the Audit Committee and a member of the Conflicts Committee for Tesoro Logistics GP, LLC prior to its October 2018 merger with Marathon Petroleum Corporation, and as director and chair of the Audit Committee of CA, Inc. prior to its acquisition by Broadcom in November 2018. Mr. Bromark earned a BSc degree in Business Management from Quincy University and is a member of the American Institute of Certified Public Accountants. He is also a former member of the National Association of Corporate Directors' (NACD) Audit Committee Chair Advisory Group.

Ellis Armstrong is a chartered engineer with over 35 years of international oil and gas industry experience with BP in Argentina, Colombia, Venezuela, Trinidad, Alaska and the North Sea. He held senior strategy, commercial, technical and operational roles with BP and was also the Chief Financial Officer for the group's global exploration and production business. Dr. Armstrong is an independent director of Lloyds Register Group, a leading international risk assurance

firm. Dr. Armstrong has a BSc and PhD in Civil Engineering from Imperial College, and a Master's degree in Business Administration from Stanford Business School.

René Burgos Díaz is a financial markets executive with approximately 20 years of experience in investment management, leveraged financing, restructuring and financial advisory expertise across multiple industries and geographies, specifically in Latin America. In his current role, he is the Head of USD Private Credit for Latin America for Compass Group. Prior to joining Compass Group, Mr. Burgos Díaz held the position of Director in the Emerging Markets team at CarVal Investors, a leading global alternative investment management firm with $10 billion in assets under management. Mr. Burgos Díaz has also held roles at Deutsche Bank and Bank of America, including the role of Director with Deutsche Bank's Emerging Markets Structured Credit Trading team. Mr. Burgos Díaz also currently serves on the board of Curie Co Inc., a synthetic biology company.

Mr. Burgos Díaz holds a Bachelor of Business Administration, Accounting and Finance from the Universidad de Puerto Rico.

Russell Ford is a senior executive with more than 35 years of experience within the global oil and gas industry. He started his career at Shell's E&P business in 1981 as a production engineer working in upstream. Afterwards, he served in a series of technical, operational and leadership roles across a number of onshore and deep-water assets, in upstream research, and as head of M&A for North America. More recently, he led Royal Dutch Shell Group's global supply chain activities as Executive Vice President of Contracting and Procurement (2013–2015). Prior to that he was Executive Vice President Onshore (2009–2012) with responsibility for drilling, development, and producing operations for the North American onshore unconventional/shale portfolio. This followed assignments as a Vice President over upstream onshore and offshore development in the Western Hemisphere (2005–2009), Private Assistant to Shell's Chief Executive (2004–2005), and Head of EP Strategy and Portfolio (2003–2004). Mr. Ford has a BS in Mechanical Engineering from the University of Michigan and an MBA from California State University. He served as Chairman of the board of directors of Aera Energy from 2012 until 2015. Since retiring from Shell in June 2015, he has advised companies and financial institutions on project-specific matters.

Pre-Approval Policies and Procedures

The Audit Committee has adopted policies and procedures with respect to the pre-approval of permitted non-audit services by Ernst & Young LLP. The Audit Committee has established a budget for the provision of a specified list of permitted non-audit services that the Audit Committee believes to be typical, recurring or otherwise likely to be provided by Ernst & Young LLP. The budget generally covers the period between the adoption of the budget and the next meeting of the Audit Committee, but at the option of the Audit Committee it may cover a longer or shorter period. The list of services is sufficiently detailed as to the particular services to be provided to ensure that: (i) the Audit Committee knows precisely what services it is being asked to pre-approve; and (ii) it is not necessary for any member of management to make a judgment as to whether a proposed service fits within the pre-approved services.

The Audit Committee has delegated authority to the Chair of the Audit Committee (or if the Chair is unavailable, any other member of the Audit Committee) to pre-approve the provision of permitted non-audit services by Ernst & Young LLP that have not otherwise been pre-approved by the Audit Committee, including the fees and terms of the proposed services ("**Delegated Authority**"). All pre-approvals granted pursuant to Delegated Authority must be presented by the member(s) who granted the pre-approvals to the full Audit Committee at its next meeting.

All proposed services, or the fees payable in connection with such permitted non-audit services, that have not already been pre-approved must be pre-approved by either the Audit Committee or pursuant to Delegated Authority. Prohibited services may not be pre-approved by the Audit Committee or pursuant to Delegated Authority.

External Auditor Service Fees (By Category)

The following are the aggregate fees incurred by the Company for services provided by Ernst & Young LLP during fiscal years 2019 and 2020 (in $ in thousands). Canadian, Colombian, Peruvian and Swiss fees have been converted to $ using the average exchange rate for each year.

	2020	**2019**[(4)]
Audit Fees[(1)]	1,540	1,755
Audit-Related Fees[(2)]	108	131
Tax Fees[(3)]	51	142
Total	**1,699**	**2,028**

Notes:

(1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Company's consolidated financial statements. This category includes fees for audit or other attest services required by legislation including statutory audits.
(2) "Audit-Related Fees" include fees billed for assurance and related services by Ernst & Young LLP that are reasonably related to the performance of the audit or review of the Company's financial statements.
(3) "Tax Fees" include fees for tax compliance, tax planning, foreign exchange and transfer pricing.
(4) The 2019 fees have been reclassified to reflect the current presentation for of audit related fees, tax fees and other fees.

ADDITIONAL INFORMATION

Additional financial information is provided in the 2020 Annual Financial Statements and management's discussion and analysis for the year ended December 31, 2020. Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under its Incentive Plan, among other things, is contained in the Company's information circular for its most recent annual meeting of Shareholders that involved the election of directors. This information and other pertinent information regarding the Company can be found on SEDAR at www.sedar.com.

FORWARD-LOOKING INFORMATION

This AIF may contain or incorporate by reference information that constitutes "forward-looking information" or "forward-looking statements" (collectively, "**forward-looking information**") within the meaning of applicable securities legislation, which involves known and unknown risks, uncertainties, and other factors that may cause the actual results, performance or achievements of the Company or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. When used in this AIF, such information uses words such as "may," "will," "expect," "believe," "plan," "intend" and other similar terminology. Forward-looking information contained herein reflects current expectations regarding future events and operating performance and speaks only as of the date of this AIF.

Forward-looking information involves significant risks and uncertainties, and therefore, should not be read as a guarantee of future performance or results and will not necessarily be an accurate indication of whether or not such results will be achieved. Accordingly, undue reliance should not be placed on such statements. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking information, including, but not limited to, the factors discussed under the heading entitled "Risk Factors." Although the forward-looking information contained in this AIF is based upon what management of the Company believes are reasonable

assumptions, the Company cannot assure readers that actual results will be consistent with the forward-looking information.

In particular, this AIF contains, or incorporates by reference, forward-looking information pertaining to the following:

- performance characteristics of the Company's oil and natural gas properties;
- the Company's oil and natural gas production levels;
- supply and demand for oil and natural gas;
- fluctuating prices and markets;
- the Company's future drilling activities and capital expenditures and the anticipated timing thereof;
- expectations regarding the ability to continually add to reserves through acquisitions, exploration and development;
- the Company's expectations and plans with respect to any contractual contingencies and current litigation, arbitration and regulatory proceedings;
- the expected impact of measures that the Company has taken and continues to take in response to the COVID-19 pandemic;
- treatment under governmental regulatory regimes, labour, environmental and tax laws;
- limitations on the Company's access to sources of financing or competitive terms and compliance with covenants; and
- the payment of future dividends.

Forward-looking information is based on current expectations, estimates and projections that involve a number of risks that could cause actual results to vary and in some instances differ materially from those anticipated by the Company and described in this AIF. The material risk factors include, but are not limited to:

- volatility in market prices for oil and natural gas;
- uncertainties associated with estimating and establishing oil and natural gas reserves;
- liabilities inherent with the exploration, development, exploitation and reclamation of oil and natural gas;
- uncertainty of estimates of capital and operating costs, production estimates and estimated economic return;
- uncertainties associated with estimates and/or assumptions in respect of the impact of a sustained low oil price environment due to the ongoing COVID-19 pandemic;
- increases or changes to transportation costs;
- expectations regarding the Company's ability to raise capital and to continually add to reserves through acquisitions and development;
- political developments in the countries where the Company operates;
- the outcome of litigation, arbitration and regulatory proceedings;
- fluctuations in foreign exchange or interest rates and stock market volatility;

- delays in obtaining required environmental and other licences and permits;
- the possibility that actual circumstances will differ from estimates and assumptions;
- changes in laws and regulations; and
- the other factors discussed under the heading entitled “Risk Factors.”

Statements relating to “reserves” or “resources” are by their nature forward-looking information, as they involve the implied assessment of such assets based on certain estimates and assumptions. The reserves information that is incorporated in this AIF are estimates only. In general, estimates of economically recoverable crude oil and natural gas reserves and the future net cash flows therefrom are based upon a number of variable factors and assumptions, such as historical production from the properties, production rates, ultimate reserve recovery, timing and amount of capital expenditures, ability to transport production, marketability of oil and natural gas, royalty rates, the assumed effects of regulation by governmental agencies and future operating costs, all of which may vary materially. For those reasons, estimates of the economically recoverable crude oil and natural gas reserves attributable to any particular group of properties, classification of such reserves based on risk of recovery and estimates of future net revenues associated with reserves prepared by different engineers, or by the same engineers at different times, may vary.

The Company’s actual production, revenues, taxes and development and operating expenditures with respect to its reserves will vary from estimates thereof and such variations could be material. All evaluations and reviews of future net revenue are stated prior to any provisions for interest costs or general and administrative costs and after the deduction of estimated future capital expenditures for wells to which reserves have been assigned.

Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward-looking information contained in this AIF is expressly qualified by this cautionary statement. Forward-looking information contained herein is made as of the date of the AIF, and the Company assumes no obligation to update or revise it to reflect new events or circumstances, other than as required by applicable securities laws.

APPENDIX "A"

FRONTERA ENERGY CORPORATION

AUDIT COMMITTEE CHARTER

GENERAL

The purpose of this Charter is to set forth the composition, authority and responsibilities of the Audit Committee (the "**Committee**") of the board of directors (the "**Board**") of Frontera Energy Corporation (the "**Corporation**").

COMPOSITION

The members of the Committee are designated by the Board in accordance with the Corporation's Articles, and serve at the discretion of the Board. The Board appoints one member of the Committee as Chair of the Committee.

The Committee consists of at least three members, all of whom must be independent[1] and be "financially literate"[2]. No member of the Committee may simultaneously serve on the audit committees of more than three other publicly traded companies, unless service on any such additional audit committee is approved by the Board upon recommendation of the Corporate Governance, Nominating and Sustainability Committee. No member of the Committee will have participated in the preparation of the financial statements of the Corporation or any of its subsidiaries (as such term is defined in the Code of Business Conduct and Ethics) at any time during the three year period prior to becoming a member.

AUTHORITY AND RESPONSIBILITIES

General. The general purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities with respect to:

1. the Corporation's financial reporting, including the audits of the Corporation's financial statements and the integrity of the Corporation's financial statements and internal controls;
2. the qualifications and independence of the Corporation's independent auditor (including the Committee's direct responsibility for the engagement of the independent auditor);
3. the performance of the Corporation's internal audit function and independent auditor;
4. the Corporation's compliance activities relating to accounting and financial reporting;
5. the Corporation's Ethics and Compliance Program;
6. the qualifications and independence of the Corporation's reserves evaluator(s) or auditor(s); and
7. the Corporation's oil and natural gas reserves and resources data.

To carry out this purpose, the Committee must serve as a focal point for communication among the Board, the independent auditor, the Corporation's internal audit department, the Corporation's qualified reserves evaluator(s) or auditor(s), the Corporation's Ethics & Compliance Department and the Corporation's management, as their respective duties relate to accounting, financial reporting, internal controls, and compliance with *National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities* ("**NI 51-101**"), *National Instrument 52-110 – Audit Committees* ("**NI 52-110**") and all related Canadian Securities Administrators instruments, policies and rules. In particular, the independent auditor, members of the internal audit department, the Chief Financial Officer, the Senior Manager of Financial Reporting, the General Counsel, and the Ethics & Compliance Officer will have unrestricted access to the Committee or its members, other directors or the entire Board, as needed.

Financial Statement and Disclosure Matters. The Committee will:

1. Meet to review and discuss with management and the independent auditor the Corporation's annual audited financial statements and financial and other data to be filed on an annual basis under *National Instrument 51-*

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[1] A member is "independent" if he or she would be independent for the purposes of Sections 1.4 and 1.5 of *National Instrument 52-110 – Audit Committees.*

[2] A "financially literate" individual is an individual who has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

102 – Continuous Disclosure ("**NI 51-102**"), including reviewing the specific disclosures made in the "Management's Discussion and Analysis" and the results of the independent auditor's audit of such financial statements, and recommending to the Board whether the audited financial statements should be approved for filing.

2. Meet to review and discuss with management and the independent auditor the Corporation's quarterly financial statements and financial and other data to be filed on a quarterly basis under NI 51-102, including reviewing the specific disclosures made in the "Management's Discussion and Analysis," and the results of the independent auditor's review of such financial statements and approve for filing.

3. Meet to review and discuss with management and the independent auditor the Corporation's annual information form and the financial and other data contained therein to be filed on an annual basis under NI 51-102.

4. Review and discuss with management and the independent auditor the following:
   (a) any major issues regarding accounting principles and financial statement presentations, including any significant changes in the Corporation's selection or application of accounting principles, and analyses prepared by management and/or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the Corporation's financial statements, including analyses of the effects on the financial statements of alternative methods under International Financial Reporting Standards ("**IFRS**");
   (b) any major issues as to the adequacy of the Corporation's internal controls, and any steps adopted in light of any material weakness or significant deficiencies; and
   (c) management's annual evaluation of internal controls over financial reporting and quarterly evaluation of any material changes in such controls, and the internal auditor's annual review of the effectiveness of internal control over financial reporting.

5. Review and discuss in a timely manner (but at least annually) reports from the independent auditor regarding:
   (a) all critical accounting policies and practices to be used;
   (b) all alternative treatments of financial information within IFRS that have been discussed with management, ramifications of the use of such alternative treatments and related disclosures, and the treatment preferred by the independent auditor; and
   (c) all other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted audit differences.

6. Generally review and discuss with management the type and presentation of information to be disclosed in the Corporation's earnings press releases, including the use of pro forma or "adjusted" non-IFRS information, as well as the type and presentation of financial information and earnings guidance to be provided to analysts and rating agencies; such discussions may be of a general nature and need not cover the specific information or presentations to be given.

7. Review and discuss with management and the independent auditor the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the Corporation's financial statements.

8. Discuss with the independent auditor the conduct of the audit, including any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.

9. Review disclosures made to the Committee by the Corporation's Chief Executive Officer and Chief Financial Officer in connection with their certification process under *National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings* ("**NI 52-109**") regarding any significant deficiencies or material weaknesses in the design or operation of internal controls, or any fraud involving management or other employees having a significant role in the Corporation's internal controls.

10. Review related party transactions.

Oversight of Independent Auditor. The Committee has the sole authority to appoint or replace the independent auditor; provided, however, that this is performed in compliance with NI 51-102. The Committee will be directly responsible for the compensation and oversight of the independent auditor (including the resolution of any disagreements between management and the independent auditor) and the Committee will review and assess the effectiveness of the independent auditor on an annual basis. The independent auditor will report directly to the Committee.

In addition, the Committee will:

1. Review and evaluate the lead partner of the independent auditor team.

2. Obtain on an annual basis a formal written statement from the independent auditor delineating all relationships between the independent auditor and the Corporation and review and discuss with the independent auditor any disclosed relationships or services that may impact the independent auditor's objectivity and independence.

3. Consider whether the independent auditor's provision of permissible non-audit services is consistent with the auditor's independence. As necessary, pre-approve non-audit services to be provided by the independent auditor, as further described in "Delegation of Authority" below.

4. Take appropriate action to oversee the independence of the independent auditor.

5. Obtain and review a report from the independent auditor at least annually regarding the independent auditor's internal quality control procedures.

6. Evaluate and report to the Board on its conclusions as to the qualifications, performance and independence of the independent auditor, including considering whether the auditor's quality controls are adequate and whether the provision of permitted non-audit services is compatible with maintaining the auditor's independence, taking into account the opinions of management and the internal audit department.

7. Ensure the regular rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit.

8. Establish clear policies regarding the Corporation's hiring of employees or former employees of the independent auditor.

9. Meet with the independent auditor to discuss the planning and staffing of the audit.

10. Obtain acknowledgment from the independent auditor that it will inform the Committee if the independent auditor detects or becomes aware of any illegal act.

Oversight of Internal Audit Department. The Committee has adopted the Institute of Internal Auditors' definition of Internal Auditing as follows:

> Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

The Committee will engage in general oversight with respect to the internal audit department. The head of Internal Audit will report directly to the Chair of the Committee and administratively to the Corporation's General Counsel. The Chair of the Committee will be involved in the hiring, termination and performance evaluation linked to the remuneration of the head of Internal Audit. In addition, the Committee will:

1. Monitor and examine the organization and performance of the internal audit department.

2. Approve the internal audit strategic plan and the annual risk-based audit plan (including budget, staff and resources) and material changes thereto.

3. Receive periodic reports from the head of Internal Audit regarding the status of the audit plan, audit results, management's responses, status of corrective actions defined by management, as well as, any significant difficulties or disagreements with management, and any scope restrictions encountered in the course of the function's work.

4. Periodically review the internal audit charter and approve any changes.

Oversight of Compliance Activities Relating to Accounting and Financial Reporting. The Committee will assist the Board in fulfilling its oversight responsibilities with respect to the Corporation's compliance activities relating to accounting and financial reporting.

The Committee will also establish, maintain and periodically review procedures for the receipt, retention and proper treatment of complaints regarding accounting, internal controls (including internal accounting controls) or auditing matters, which procedures will include provision for the confidential, anonymous submission of reports or complaints concerning potential violations of law or other misconduct and concerns regarding accounting, auditing or internal control matters.

Committee Report. The Committee will prepare the audit committee report required by NI 51-102 to be included in the Corporation's annual information circular.

Oversight of Ethics and Compliance Program. The Committee will assist the Board in fulfilling its oversight responsibilities with respect to the Corporation's Ethics and Compliance program, including the Corporation's compliance with legal and regulatory requirements.

In particular, the Committee will:

1. Oversee the activities of the Ethics and Compliance function. The Ethics & Compliance Officer will report directly to the Chair of the Committee and administratively to the General Counsel (unless the Ethics & Compliance Officer is also the General Counsel).

2. Oversee the adoption and maintenance of procedures to ensure that all compliance and ethics matters receive prompt review by or under the authority of the Ethics & Compliance Officer and the Chair of the Committee.

3. Oversee the establishment and maintenance of a comprehensive compliance and ethics program, including an ethics and compliance training program for all employees and the establishment and operation of the Ethics Committee comprising certain members of management.

4. Monitor the process for communicating to employees the Corporation's Code of Business Conduct and Ethics and Conflicts of Interest Policy and the importance of compliance therewith, including: (a) the maintenance and periodic review of the Code of Business Conduct and Ethics and Conflicts of Interest Policy; (b) assuring employees that no retaliation or other negative action will be taken against any employee because that employee submits any report or complaint under (but subject to the provisions of) the Whistle Blower Policy concerning potential violations of law or other misconduct and concerns regarding accounting, auditing or internal control matters; and (c) conducting reviews of complaints and investigations made pursuant to the Whistle Blower Policy.

The General Counsel and the Ethics & Compliance Officer will at all times have unrestricted access to the Chair of the Committee or any other member of the Committee or the Board for any purpose he or she deems appropriate.

To help ensure that the Ethics & Compliance Officer preserves the requisite, ongoing authority and independence to maintain an effective compliance program, the Chair of the Committee will be involved in any action to appoint, replace, reassign or terminate the Ethics & Compliance Officer.

Oversight of the Corporation's Reserves and Resources Reporting Process. The Committee will assist the Board in fulfilling its oversight responsibility to review and approve the Corporation's externally disclosed oil and gas reserves estimates, and any material changes to such reserves estimates, in accordance with NI 51-101, including reviewing the procedures used by the qualified reserves evaluator(s) or auditor(s) responsible for evaluating the Corporation's reserves and resources. In particular, the Committee will:

1. Consult with the Corporation's senior reserves evaluation personnel, and consider, review and report to the Board in respect of the following:
    - appointment of, or any changes to, qualified reserves evaluator(s) or auditor(s); and
    - determination of reasons for any proposed change in appointment of the qualified reserves evaluator(s) or auditor(s) and, in particular, in the event there is a change of qualified reserves evaluator(s) or auditor(s), whether there have been any disputes between the qualified reserves evaluator(s) or auditor(s) and the Corporation's management.

2. Consider and review, with reasonable frequency, the Corporation's internal procedures relating to the disclosure of reserves and resources, with special attention given to the following:
    - the adequacy of such procedures for fulfillment of applicable regulatory and disclosure requirements and restrictions;

- the Corporation's procedures for providing information to the qualified reserves evaluator(s) or auditor(s), and whether any restrictions affect the ability of the qualified reserves evaluator(s) or auditor(s) to report without reservation; and
- the scope of the annual evaluation of reserves by the qualified reserves evaluator(s) or auditor(s) having regard to applicable securities legislation, regulations and related requirements.

3. Annually review, assess, and approve the fees for any qualified reserves evaluator(s) or auditor(s).

4. Review all reserve audit reports prepared by the Corporation's reserves evaluation personnel or any qualified reserves evaluator(s) or auditor(s) for the Corporation.

5. Meet with the Corporation's management and, if deemed necessary, the qualified reserves evaluator(s) and auditor(s), prior to approval and filing of reserves or resources data and the report of the qualified reserves evaluator(s) or auditor(s) thereon, to review the Corporation's reserves and resources data, including the following:
   - review the scope of work of the qualified reserves evaluator(s) or auditor(s);
   - review the reserves or resources estimates of the qualified reserves evaluator(s) or auditor(s) thereon; and
   - determine whether any restrictions affected the ability of the qualified reserves evaluator(s) or auditor(s) to report on the Corporation's reserves or resources data without reservation.

6. Meet with the Corporation's management and the qualified reserves evaluator(s) and auditor(s), as may be required, to address matters of mutual concern in respect of the Corporation's evaluation of reserves and resources. However, in the normal course, the Corporation's Chief Executive Officer and Corporate Vice-President of Operations, Exploration and Development & Reservoir Management, or such other persons as the Committee may, from time to time, designate, shall be the Committee's liaison with the qualified reserves evaluator(s) or auditor(s).

7. Receive timely reports from management on the status of the Corporation's response to matters of concern raised in reports prepared by the Corporation's senior reserves evaluation personnel or any qualified reserves evaluator(s) or auditor(s) for the Corporation.

8. Meet with the Corporation's management, prior to public disclosure of the Corporation's annual reserves data, to review and provide recommendations regarding approval of the content and filing of information as required under applicable securities legislation, regulations and related requirements, including the following:
   - the content and filing of the statement of reserves data and related information;
   - the filing of the report of the qualified reserves evaluator(s) or auditor(s); and
   - the content and filing of the related report of management and the Board.

DELEGATION OF AUTHORITY

The Committee may delegate authority to one or more members or subcommittees when deemed appropriate, provided that the actions of any such members or subcommittees must be reported to the full Committee no later than at its next scheduled meeting. In addition, the Chair of the Committee is authorized to approve fees for the performance of all audit, audit-related and other services; however, in respect of tax-related services, the Chair of the Committee is authorized to approve fees of up to $100,000 and fees over this amount must be approved by the full Committee. The foregoing approval of fees for audit, audit-related, tax-related and other services shall be reported to the full Committee at its next scheduled meeting.

COUNSEL AND OTHER DELEGATION OF AUTHORITY; CORPORATION FUNDING OBLIGATIONS

The Committee has the authority, to the extent it deems necessary or appropriate, to retain and terminate independent legal counsel or other advisors to assist the Committee in carrying out its responsibilities. The Corporation will provide for appropriate funding, as determined by the Committee, to pay any such counsel or other advisors retained by the Committee and to pay ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

MEETINGS; IN CAMERA SESSIONS

The Committee meets as often as it deems necessary, but no less frequently than quarterly. The Committee meets periodically and separately with management, the internal auditors, and the independent auditor. Each regularly

scheduled Committee meeting may include an in camera session of the members of the Committee. In addition, the Committee may request any officer or other employee of the Corporation, counsel to the Corporation, or any representative of the independent auditor, to meet with the Committee, with one or more members of the Committee, or with counsel or another advisor to the Committee. Meeting agendas will be prepared and provided in advance to the Committee Chair for his review and approval. Briefing materials will be provided to the Committee in advance of the meeting.

The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak to and to hear each other. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present.

REPORTS TO THE BOARD; MINUTES

The Committee will make regular reports to the Board regarding the Committee's activities, including issues that arise with respect to the quality or integrity of the Corporation's financial statements, the Corporation's compliance with legal or regulatory requirements relating to accounting and financial reporting, the performance and independence of the independent auditor, the performance of the internal audit function, ethics and compliance matters and the Committee's work relating to the oversight of the reserves and resources reporting process. Minutes of the meetings and other actions of the Committee will be prepared and submitted for approval by the Committee and will be furnished to the Board at regular intervals.

COMMITTEE SELF-ASSESSMENT

The Committee will conduct an annual self-assessment of its performance with respect to its purposes and the authority and responsibilities set forth in this Charter. The results of the self-assessment will be reported to the Board.

COMMITTEE CHARTER

This Charter is subject to review and approval by the Board. The Committee will review this Charter annually and adopt any changes deemed appropriate, subject to approval by the Board.

LIMITATION OF COMMITTEE'S ROLE

Each member of the Committee shall be entitled, to the fullest extent permitted by law, to rely on the integrity of those persons and organizations within and outside the Corporation from whom he or she receives information, and the accuracy of the information provided to the Corporation by such other persons or organizations. While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Corporation's financial statements and disclosures are complete and accurate and in accordance with IFRS and applicable rules and regulations, each of which is the responsibility of management and the Corporation's external auditors.

CURRENCY OF CHARTER

This Charter was last revised effective January 15, 2021.