

Extractive Sector Transparency Measures Act - Annual Report



Reporting Entity Name	FRONTERA ENERGY CORPORATION					
Reporting Year	From	2022-01-01	To:	2022-12-31	Date submitted	2023-05-30

Reporting Entity ESTMA Identification Number E570651

- Original Submission
- Amended Report

Other Subsidiaries Included
(optional field)

Not Consolidated

Not Substituted

Attestation by Reporting Entity

In accordance with the requirements of the ESTMA, and in particular section 9 thereof, I attest I have reviewed the information contained in the ESTMA report for the entity(ies) listed above. Based on my knowledge, and having exercised reasonable diligence, the information in the ESTMA report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

Full Name of Director or Officer of Reporting Entity	Rene Burgos	Date	2023-05-30
Position Title	Chief Financial Officer		

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Subsidiary Reporting Entities (if necessary)				

Payments by Payee

Country	Payee Name ¹	Departments, Agency, etc... within Payee that Received Payments ²	Taxes	Royalties	Fees	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments	Total Amount paid to Payee	Notes ^(3,4)
Colombia	Government of Colombia		43,420,000	111,370,000	59,130,000					213,920,000	- Agencia Nacional de Hidrocarburos (Includes Royalties in kind payments of US\$93.4 million equivalent to 1.1 Mmboe) - Direccion de Impuestos y Aduana Nacionales - Fondo Nacional Ambiental - Servicio Geologico Colombiano - Others
Colombia	Municipality Puerto Gaitan		90,000				540,000		50,000	680,000	
Colombia	Municipality Cabuyaro		160,000				120,000		140,000	420,000	
Colombia	Indigenous Community La Campana						320,000			320,000	
Colombia	Municipality San Luis de Palenque						90,000		190,000	280,000	
Colombia	Indigenous Reservation Sikuaní de Domo						290,000			290,000	
Colombia	Municipality Yopal		270,000							270,000	
Colombia	Vencedor Piniri Community						260,000			260,000	
Colombia	Municipality Trinidad						90,000		120,000	210,000	
Colombia	Municipality Mani		40,000				80,000		80,000	200,000	
Colombia	Municipality San Pedro		10,000				160,000			170,000	
Colombia	Municipality Orocué		20,000				30,000		100,000	150,000	
Colombia	Alto Unuma Community						130,000			130,000	
Colombia	Municipality Barranca de Upiá		50,000				30,000		40,000	120,000	
Colombia	Municipality Villanueva		50,000				20,000		40,000	110,000	
Peru	Government of Peru		200,000		3,690,000					3,890,000	- Superintendencia Nacional de Aduanas y de Administración Tributaria - Perupetro S.A. - Marina de Guerra del Peru - Organismo de Evaluación y Fiscalización Ambiental
Peru	Native Community of Servicios Agropecuarios Jose Olaya						330,000			330,000	
Peru	Community Nueva Jerusalem						160,000			160,000	
Peru	Native Community of 12 de Octubre						260,000			260,000	
Peru	Native Community ECOLJA of Responsibility Limited						190,000			190,000	
Peru	Native Community of Antioquia						180,000			180,000	
Peru	Native Community of Nuevo Andoas Pastaza						150,000			150,000	
Peru	Community of Areas Verdes						150,000			150,000	
Peru	Community of Jose Olaya						100,000			100,000	
Peru	Native Community of Porvenir						100,000			100,000	
Ecuador	Government of Ecuador		290,000		1,210,000	19,600,000	240,000		50,000	21,390,000	Includes production entitlements in kind payments of US\$19.6 million equivalent to 0.2 Mmboe, considering 100% of Perico block operate by the Company.
Ecuador	Community Nuevo Amanecer						180,000			180,000	
Ecuador	Community 12 de Febrero						110,000			110,000	

Additional Notes:

Payments have been reported on a cash accounting basis. All number have been rounded to the nearest US\$10,000. This report includes payments within a category of payment that are made to the same payee, if the total amount of all those payments during the financial year was at least CAD\$100,000 (US\$77,000). For purposes of determining whether a series of payments constitute payments to the same payee under the Act, the Reporting Entity has grouped together departments, ministries, trusts, boards, commissions, corporations, bodies or other authorities that perform or are established to perform a power, duty or function on behalf of a particular level (e.g. national, regional, municipal, local authority) of a particular government.

All amounts are reported in United States (U.S.) dollars, the reporting currency of the reporting entity. Payments denominated in currencies other than US dollars are translated for this report at the exchange rate in effect at the payment date. The following are the weighted average exchange rates to U.S. dollars for 2022:
 1 COP = 0.002350 USD
 1 PEN = 0.26040887 USD

Royalties paid in kind have been valued at monthly adjusted realized price. All other payments in kind and infrastructure improvements are reported at historical cost.

Frontera's subsidiary, CGX Energy Inc. (ESTMA ID: E331794) whose financial information is fully consolidated in Frontera's consolidated financial statements, has elected to file a separate, stand alone ESTMA report. None of CGX's payments are included in this report, however, payee aggregation and application of the \$100K threshold has been done on a consolidated level.

¹ Enter the proper name of the Payee receiving the money (i.e. the municipality of x, the province of y, national government of z).

² Optional field.

³ When payments are made in-kind, the notes field must highlight which payment includes in-kind contributions and the method for calculating the value of the payment.

⁴ Any payments made in currencies other than the report currency must be identified. The Reporting Entity may use the Additional notes row or the Notes column to identify any payments that are converted, along with the exchange rate and primary method used for currency conversions.

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Payments by Project

Country	Project Name ¹	Taxes	Royalties	Fees	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments	Total Amount paid by Project	Notes ^(2,3)
Colombia	Colombia Central	41,030,000	110,250,000	58,270,000		1,980,000		760,000	212,290,000	Includes Royalties in kind payments of US\$94.5 million equivalent to 1.1 Mmboe
Colombia	Colombia North	3,080,000	1,120,000	470,000		180,000			4,850,000	
Colombia	Colombia South			120,000					120,000	
Colombia	Entity Level			270,000					270,000	
Peru	Peru	200,000		3,690,000		1,620,000			5,510,000	
Ecuador	Ecuador	290,000		1,210,000	19,600,000	530,000		50,000	21,680,000	Includes production entitlements in kind payments of US\$19.6 million equivalent to 0.2 Mmboe, considering 100% of Perico block operate by the Company.

Additional Notes³:	<p>Payments have been reported on a cash accounting basis. All number have been rounded to the nearest US\$10,000. This report includes payments within a category of payment that are made to the same payee, if the total amount of all those payments during the financial year was at least CAD\$100,000 (US\$77,000). For purposes of determining whether a series of payments constitute payments to the same payee under the Act, the Reporting Entity has grouped together departments, ministries, trusts, boards, commissions, corporations, bodies or other authorities that perform or are established to perform a power, duty or function on behalf of a particular level (e.g. national, regional, municipal, local authority) of a particular government.</p> <p>All amounts are reported in United States (U.S.) dollars, the reporting currency of the reporting entity. Payments denominated in currencies other than US dollars are translated for this report at the exchange rate in effect at the payment date. The following are the weighted average exchange rates to U.S. dollars for 2022: 1 COP = 0.0002350 USD 1 PEN = 0.260408887 USD</p> <p>Royalties paid in kind have been valued at monthly adjusted realized price. All other payments in kind and infrastructure improvements are reported at historical cost.</p> <p>Frontera's subsidiary, CGX Energy Inc. (ESTMA ID: E331794) whose financial information is fully consolidated in Frontera's consolidated financial statements, has elected to file a separate, stand alone ESTMA report. None of CGX's payments are included in this report, however, payee aggregation and application of the \$100K threshold has been done on a consolidated level.</p>
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¹ Enter the project that the payment is attributed to. Some payments may not be attributable to a specific project, and do not need to be disclosed in the "Payments by Project" table.

² When payments are made in-kind, the notes field must highlight which payment includes in-kind contributions and the method for calculating the value of the payment.

³ Any payments made in currencies other than the report currency must be identified. The Reporting Entity may use the "Additional Notes" row or the "Notes" column to identify any payments that are converted, along with the exchange rate and primary method used for currency conversions.