CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for preparing the consolidated financial statements and the notes hereto. These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards using the best estimates and judgments of management, where appropriate.

Management is also responsible for maintaining a system of internal controls designed to provide reasonable assurance that assets are safeguarded and that accounting systems provide timely, accurate and reliable information.

The Board of Directors of the Company (the "**Board**") is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Board is assisted by the Audit Committee of the Board in exercising its responsibilities. At a minimum, the Audit Committee meets quarterly with management and the internal and external auditors to ensure that management's responsibilities are properly carried out and to discuss accounting and auditing matters. The Audit Committee reviews the consolidated financial statements and recommends the consolidated financial statements be presented to the Board for approval.

The internal and external auditors have full and unrestricted access to the Audit Committee to discuss their audits and related findings as to the integrity of the financial reporting process.

"Orlando Cabrales Segovia" (signed)

Chief Executive Officer

"René Burgos" (signed)

Chief Financial Officer

Calgary, Canada

March 10, 2025

Independent Auditor’s Report

To the Shareholders of

Frontera Energy Corporation

Opinion

We have audited the consolidated financial statements of **Frontera Energy Corporation** and its subsidiaries (the “**Group**”), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of (loss) income, consolidated statements of comprehensive (loss) income, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (“**IFRS**”).

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor’s responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor’s opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor’s responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
Indicators of Impairment of Properties, Plant and Equipment ("PP&E") and Exploration and Evaluation ("E&E") Assets	
As at December 31, 2024, the carrying values of Oil & Gas Properties and E&E assets were $1,607 million and $457 million, respectively. Refer to Notes 13 and 14 of the consolidated financial statements for the Group's PP&E and E&E disclosures, respectively, and Note 3 for Group's policy on impairment assessment. Cash-generating units ("CGUs") are assessed by management for indicators of impairment at each reporting date. During the year, the Group recorded an impairment of PP&E and E&E of $9.8 million and $19.9 million, respectively, related to specific assets that were either returned to the Agencia Nacional de Hidrocarburos or that were determined to be below the Group's expectations based on preliminary seismic activity. Auditing the Group's assessment of indicators of impairment involved significant judgement due to the uncertainty associated with certain judgements made by the Group in making its assessment, including forecast commodity prices, future production and increased fluctuation in market interest rates.	To test the Group's assessment of indicators of impairment, we performed the following procedures, among others: • Involved our valuation specialists to assist in calculating threshold valuation multiples for the CGUs and comparing these threshold valuation multiples to the implied valuation multiples of the guideline public companies. • Evaluated the impact of the change in observable forecasted commodity prices relative to prices used in previous impairment test. • Compared significant reserve report data to historical results, third party sources, and the Group's development plan. • Assessed the forecasted production by evaluating the competence, capability and objectivity of the Group's independent certified reserves evaluators and obtaining an understanding of the work they performed. The appropriateness of their work as audit evidence was evaluated by considering the relevance and reasonableness of the inputs and data utilized, which included comparing to audited historical results and considering the impacts of forecasted commodity prices and significant reserve report data on forecasted production. • Reviewed a formal legal opinion from management's external legal counsel regarding the Company's license and interest in the Corentyne Block.

Other information

Management is responsible for the other information. The other information comprises:

- Management's discussion and analysis

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained management's discussion and analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

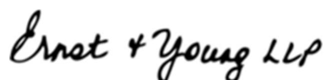
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The partner in charge of the audit resulting in this independent auditor's report is Ryan MacDonald.



Chartered Professional Accountants

Calgary, Canada
March 10, 2025

Consolidated Statements of (Loss) Income

(In thousands of U.S.$, except per share information)	Notes	Year Ended December 31 2024	2023
Oil and gas produced, purchased sales and other revenue	5	$ 1,129,891	$ 1,185,552
Royalties		(16,104)	(36,949)
Revenue		1,113,787	1,148,603
Operating costs	6	402,548	415,123
Cost of diluent and oil purchased	6	235,944	235,797
General and administrative	7	52,373	53,907
Share-based compensation	9	2,555	1,148
Depletion, depreciation and amortization	13	262,518	278,269
Impairment expense, exploration expenses and other	8	35,875	1,645
Restructuring, severance and other costs		5,312	8,548
Income from operations		116,662	154,166
Share of income from associates	15	53,912	56,476
Foreign exchange (loss) income		(11,041)	12,275
Finance income		8,386	9,984
Finance expense		(74,205)	(64,185)
(Loss) income on risk management contracts	23	(15,482)	19,234
Other (loss) income		(899)	8,936
Gain on repurchase of senior unsecured notes	16	1,001	—
Net income before income tax		78,334	196,886
Current income tax expense	10	(9,979)	(33,020)
Deferred income tax (expense) recovery	10	(93,126)	28,890
Income tax expense	10	(103,105)	(4,130)
Net (loss) income for the year		$ (24,771)	$ 192,756
Attributable to:			
Equity holders of the Company		(24,162)	193,497
Non-controlling interests		(609)	(741)
		$ (24,771)	$ 192,756
(Loss) earnings per share attributable to equity holders of the Company			
Basic	11	$ (0.29)	$ 2.27
Diluted	11	$ (0.29)	$ 2.19

On behalf of the Board of Directors:

“Gabriel de Alba” (signed)
Chairman of the Board of Directors

“W. Ellis Armstrong” (signed)
Director

Consolidated Statements of Comprehensive (Loss) Income

(In thousands of U.S.$)	Year Ended December 31 2024	2023
Net (loss) income for the year	$ (24,771)	$ 192,756
Other comprehensive (loss) income that may be reclassified to net (loss) income in subsequent periods (nil tax effect)		
Foreign currency translation	(32,031)	53,320
Total comprehensive (loss) income income for the year	$ (56,802)	$ 246,076
Attributable to:		
Equity holders of the Company	$ (56,193)	$ 246,817
Non-controlling interests	(609)	(741)
	$ (56,802)	$ 246,076

Consolidated Statements of Financial Position

(In thousands of U.S.$)	Notes	Year Ended December 31 2024	2023
ASSETS			
Current			
Cash and cash equivalents		$ 192,577	$ 159,673
Restricted cash	23	16,632	12,076
Trade receivables	23	9,254	11,066
Other receivables	23	61,277	74,657
Inventories	12	55,518	72,321
Income taxes receivable		62,702	128,075
Prepaid expenses and deposits		15,090	14,313
Risk management assets	23	—	10,665
Total current assets		413,050	482,846
Non-current			
Properties, plant and equipment	13	1,909,903	1,872,581
Exploration and evaluation assets	14	457,424	454,748
Investments in associates	15	66,142	82,825
Deferred tax assets	10	24,421	101,589
Restricted cash	23	13,617	18,224
Other assets	17	16,320	3,467
Total non-current assets		2,487,827	2,533,434
Total assets		$ 2,900,877	$ 3,016,280
LIABILITIES			
Current			
Accounts payable and accrued liabilities	23	$ 397,055	$ 425,358
Customer prepayments	23	30,348	1,798
Short-term debt and current portion of long-term debt	16	30,509	52,152
Risk management liabilities	23	4,568	1,275
Income taxes payable		3,185	13,829
Lease liabilities	18	4,523	5,327
Asset retirement obligations	19	43,427	44,962
Total current liabilities		513,615	544,701
Non-current			
Unsecured notes	16	389,803	393,660
Other long-term debt	16	73,452	71,792
Other payables	23	14,211	2,361
Lease liabilities	18	7,750	13,891
Deferred tax liabilities	10	28,848	14,320
Asset retirement obligations	19	147,065	141,562
Total non-current liabilities		661,129	637,586
Total liabilities		$ 1,174,744	$ 1,182,287
Commitments and contingencies	25		
EQUITY			
Share capital		$ 4,567,984	$ 4,604,704
Contributed surplus		111,599	110,882
Other reserves		(79,603)	(47,572)
Accumulated deficit		(2,883,695)	(2,844,416)
Equity attributable to equity holders of the Company		$ 1,716,285	$ 1,823,598
Non-controlling interests	20	9,848	10,395
Total equity		$ 1,726,133	$ 1,833,993
Total liabilities and equity		$ 2,900,877	$ 3,016,280

Consolidated Statements of Changes in Equity

(In thousands of U.S.$)	Number of Common Shares	Share Capital	Contributed Surplus	Cumulative Translation Adjustment	Fair Value Investment	Accumulated Deficit	Total	Non-Controlling Interests	Total Equity
		Attributable to Equity Holders of the Company							
As at January 1, 2023	85,592,075	$ 4,608,234	$ 109,918	$ (95,690)	$ (5,202)	$ (3,037,913)	$ 1,579,347	$ 9,857	$ 1,589,204
Net income (loss) for the year	—	—	—	—	—	193,497	193,497	(741)	192,756
Other comprehensive income	—	—	—	53,320	—	—	53,320	—	53,320
Total comprehensive income (loss)	—	—	—	53,320	—	193,497	246,817	(741)	246,076
Acquisition of non-controlling interests	—	—	268	—	—	—	268	—	268
Repurchase of Common Shares under NCIB (Note 21)	(741,700)	(5,866)	—	—	—	—	(5,866)	—	(5,866)
Share-based compensation (Note 21)	300,841	2,336	696	—	—	—	3,032	1,279	4,311
As at December 31, 2023	85,151,216	$ 4,604,704	$ 110,882	$ (42,370)	$ (5,202)	$ (2,844,416)	$ 1,823,598	$ 10,395	$ 1,833,993
Net loss for the year	—	—	—	—	—	(24,162)	(24,162)	(609)	(24,771)
Other comprehensive loss	—	—	—	(32,031)	—	—	(32,031)	—	(32,031)
Total comprehensive loss	—	—	—	(32,031)	—	(24,162)	(56,193)	(609)	(56,802)
Dividends declared to equity holders of the Company (Note 21)	1,157	8	—	—	—	(15,117)	(15,109)	—	(15,109)
Repurchase of Common Shares under SIB (Note 21)	(3,375,000)	(30,580)	—	—	—	—	(30,580)	—	(30,580)
Repurchase of Common Shares under NCIB (Note 21)	(1,271,600)	(7,823)	—	—	—	—	(7,823)	—	(7,823)
Share-based compensation (Note 21)	287,614	1,675	717	—	—	—	2,392	62	2,454
As at December 31, 2024	80,793,387	$ 4,567,984	$ 111,599	$ (74,401)	$ (5,202)	$ (2,883,695)	$ 1,716,285	$ 9,848	$ 1,726,133

Consolidated Statements of Cash Flows

(In thousands of U.S.$)	Notes	Year Ended December 31 2024	2023
OPERATING ACTIVITIES			
Net (loss) income for the year		$ (24,771)	$ 192,756
Items not affecting cash:			
Depletion, depreciation and amortization		262,518	278,269
Impairment expense	8	31,927	25,236
Expense (recovery) of asset retirement obligations	8	2,335	(25,622)
Unrealized loss (gain) on risk management contracts	23	13,976	(11,880)
Share-based compensation	9	1,727	96
Deferred income tax expense (recovery)	10	93,126	(28,890)
Unrealized foreign exchange loss (gain)		17,827	(45,295)
Share of income from associates	15	(53,912)	(56,476)
Finance expense		74,205	64,185
Finance income		(8,386)	(9,984)
Gain on repurchase of 2028 Unsecured Notes	16	(1,001)	—
Dividends from associates	15	52,755	31,269
Income tax paid, withheld, compensated or collected, net		41,978	(67,764)
Interest received, net		5,474	7,107
Settlement of asset retirement obligations	19	(17,838)	(5,368)
Other		1,097	417
Changes in working capital (excluding cash)	24	16,995	63,738
Cash provided by operating activities		$ 510,032	$ 411,794
INVESTING ACTIVITIES			
Additions to oil and gas properties, infrastructure port, and plant and equipment		$ (328,177)	$ (241,185)
Additions to exploration and evaluation assets	14	(22,480)	(195,210)
Decrease in restricted cash and other		470	10,705
Return of capital contributions from investment in associates	15	7,579	11,218
Acquisition of non-controlling interests		—	(12,902)
Sale of subsidiaries		—	(7,500)
Changes in working capital (excluding cash)	24	3,362	(49,443)
Cash used in investing activities		$ (339,246)	$ (484,317)
FINANCING ACTIVITIES			
Repayment of debt	16	$ (57,500)	$ (42,728)
Interest paid and other charges		(48,166)	(46,584)
Repurchase of Common Shares under SIB	21	(30,580)	—
Dividends paid to equity holders of the Company	21	(11,660)	—
Repurchase of Common Shares under NCIB	21	(7,823)	(5,866)
Lease payments		(6,947)	(4,535)
Repurchase of 2028 Unsecured Notes	16	(4,045)	—
Constitution debt service reserve account of PIL Loan Facility, net	16	(468)	(8,743)
Net proceeds from PIL Loan Facility (as defined below)	16	28,820	114,935
Short-term debt - working capital loan	16	9,509	20,000
Bancolombia Working Capital Loan	16	—	18,201
Repayment of Puerto Bahia debt facility	16	—	(106,192)
Transaction cost of PIL Loan Facility	16	—	(1,147)
Cash used in financing activities		$ (128,860)	$ (62,659)
Effect of exchange rate changes		(7,142)	5,010
Increase (decrease) in cash and cash equivalents during the year		32,904	(130,172)
Cash and cash equivalents, beginning of the year		159,673	289,845
Cash and cash equivalents, end of the year		$ 192,577	$ 159,673
Cash		91,352	127,793
Cash equivalents		101,225	31,880
Total cash and cash equivalents		$ 192,577	$ 159,673

1. Corporate Information

Frontera Energy Corporation (the “**Company**” or “**Frontera**”) is an oil and gas company formed and existing under the laws of British Columbia, Canada, that is engaged in the exploration, development, production, transportation, storage and sale of crude oil and natural gas in South America, including strategic investment in both upstream and infrastructure facilities. The Company’s common shares (“**Common Shares**”) are listed and publicly traded on the Toronto Stock Exchange (“**TSX**”) under the trading symbol “FEC”. The Company’s head office is located at 1030, 140 - 4 Avenue SW, Calgary, Alberta, Canada, T2P 3N3, and its registered office is 1500 Royal Centre, 1055, West Georgia Street, Vancouver, British Columbia, Canada, V6E 4N7.

These consolidated financial statements of the Company, as at and for the years ended December 31, 2024 and 2023, include the accounts of the Company and its subsidiaries.

2. Basis of Preparation and Material Accounting Policy Information, Judgments, Estimates and Assumptions

Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”) as issued by the International Accounting Standards Board (“**IASB**”). The consolidated financial statements have been prepared on a historical cost basis, except for derivative financial instruments (risk management assets and liabilities) and investments that have been measured at fair value. These consolidated financial statements were approved and authorized for issuance by the Board of Directors and are dated as of March 10, 2025.

Functional and Presentation Currency

The consolidated financial statements are presented in United States (“**U.S.**”) dollars, which is the Company’s functional currency, and all values are rounded to the nearest thousand, except where otherwise indicated.

Principles of Consolidation

Subsidiaries are entities controlled by the Company. Control exists when the Company has power over an investee, when the Company is exposed, or has rights to variable returns from the investee and when the Company has the ability to affect those returns through its power over the investee. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases on the date when the Company loses control of the subsidiary. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between subsidiaries of the Company are eliminated in full upon consolidation. Where the Company’s interest in a subsidiary is less than 100%, the Company recognizes the net assets attributable to minority shareholders within a separate component of equity as non-controlling interests (“**NCI**”). Net income that is attributable to non-controlling interests is calculated based on the ownership of the minority shareholders in the subsidiary. A change in the ownership interest of a subsidiary without a loss of control is accounted for as an equity transaction.

For the year ended December 31, 2023, as a result of a review of the consolidated financial statements, the presentation of certain amounts has been changed. These changes will result in more useful information to the users of the financial statements.

The following table summarizes the Company’s principal subsidiaries, the location of their registered offices, the country of principal business activity, the method of consolidation, and the Company’s percentage interest.

	Registered Office	Country of Principal Business Activity	Recognition Method	Functional Currency	Percentage Interest as at December 31	
					2024	2023
Principal Subsidiaries						
Frontera Energy Colombia AG	Switzerland	Colombia / Ecuador	Consolidated	USD	100.00 %	100.00 %
CGX Energy Inc. "CGX"	Canada	Guyana	Consolidated	USD	76.05 %	76.05 %
Sociedad Portuaria Puerto Bahia S.A. "Puerto Bahia"	Colombia	Colombia	Consolidated	COP	99.97 %	99.97 %
Petroleos Sud Americanos S.A "Petrosud"	Switzerland	Colombia	Consolidated	USD	100.00 %	100.00 %
Frontera Energy del Peru S.A.	Peru	Peru	Consolidated	USD	100.00 %	100.00 %
Frontera Pipeline Investment AG "PIL" (1)	Switzerland	Colombia	Consolidated	COP	100.00 %	100.00 %
Frontera Energy Guyana Corp.	Bahamas	Guyana	Consolidated	USD	100.00 %	100.00 %
Agrocascada S.A.S	Colombia	Colombia	Consolidated	COP	100.00 %	100.00 %
Promotora Agricola de los Llanos S.A.	Panama	Colombia	Consolidated	USD	100.00 %	100.00 %

*(1) During 2024, the subsidiary changed its domicile and its company name to Frontera Pipeline Investment AG (formerly named Pipeline Investment Ltd., "**PIL**")*

3. Material Accounting Policy Information

a. Summary of Material Accounting Policy Information

Revenue Recognition

Oil and gas revenues from contracts with customers are determined by reference to consideration specified in the contracts and recognized when control of the product is transferred to the customer.

For crude oil and natural gas sales, control of the product transfers when the customer obtains legal title to the product, which is when the Company satisfies its performance obligations. This transfer of control typically occurs at a point in time when the product is physically discharged at the point of unloading, which can be a shipping port or customer storage facility, unless an alternative transportation method is agreed upon. Revenue represents the Company's share of oil and gas sales after deducting royalties, sales taxes, excise duties and similar levies. The Company does not have contracts where the period between the transfer of the product to the customer and payment by the customer exceeds one year and, therefore, the Company does not adjust its revenue transactions for the time value of money.

Overlift, or settlement, corresponds to a short-term imbalance between the Company's production and sales volumes. In these instances, the Company lifts barrels from the pipeline system, resulting in more volumes sold than produced, which is considered "**overlift**." During overlift, the Company recognizes the sales and an equivalent cost with no margin, when the overlift is settled, this expense is reversed to recognize the gross margin earned on the related sale in the period of production.

The proceeds from selling items produced by an exploration and evaluation ("**E&E**") asset are recognized in the profit or loss as revenue.

Share-Based Compensation

The Company has a share-based compensation plan (the "**Incentive Plan**"), which allows for the issuance of stock options, restricted stock units ("**RSUs**") and deferred stock units ("**DSUs**"). Under the Incentive Plan, non-employee directors receive DSUs and officers and employees receive RSUs in consideration for services provided to the Company. The DSUs and RSUs are accounted for using the fair value method, estimated using the Black-Scholes option pricing model.

DSUs represent a right to receive Common Shares (or the cash equivalent) at the time of the holder's retirement or death, or when the holder otherwise ceases to provide services to the Company, subject to limited exceptions as agreed to by the holder of the DSU, allowing the Company to pay compensation to holders of DSUs on a deferred basis. Each DSU awarded by the Company approximates the fair market value of a Common Share in U.S. dollars at the time the DSU is awarded, which is generally the grant date under IFRS. Settlement may be made, at the sole discretion of the Compensation and Human Resources Committee of the Board of Directors ("**CHRC**"), in Common Shares, cash or a combination thereof. Only directors are entitled to receive DSUs. On the grant date, the Company recognizes a share-based compensation expense for the DSU awards at fair value with a corresponding amount in contributed surplus.

The DSU awards are classified within equity, as settlement is in the sole discretion of the Company and its intention is to settle these instruments in Common Shares.

RSUs vest in accordance with the conditions outlined in the award agreement, which can include certain time-based, market and non-market performance conditions (termed the "**performance adjustment factor**"), over the term of the award agreement, which is typically between one and three years. RSUs may be settled in cash, shares, or a combination of both, at the sole discretion of the CHRC, and in accordance with terms set out in the award agreement. The Company expects to settle the RSU awards in a combination of cash and equity, and recognizes share-based compensation expense for the RSU awards based on the fair value, which is re-valued every reporting period with the corresponding amounts reflected as liabilities. The expense recognized includes an estimate of the number of units expected to vest based on the performance adjustment factor and forfeitures. Upon settlement, the associated amounts previously recorded as liabilities are reclassified to share capital if equity settled.

Foreign Currency Translation

Transactions denominated in a foreign currency are initially recorded at the rate of exchange on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at period-end closing exchange rates with translation gains and losses recorded in profit or loss. Non-monetary items are translated using the historical exchange rates as at the date of the initial transaction.

For a foreign operation whose functional currency is not the U.S. dollar, assets and liabilities are translated at period-end closing exchange rates, while revenue and expenses are translated using the rate as at the date of the transaction. All exchange differences resulting from the translation are recognized in Consolidated Statements of Comprehensive (Loss) Income. When a foreign operation is disposed, the cumulative currency translation adjustment is reclassified from other equity reserves to the Consolidated Statements of (Loss) Income.

(Loss) Earning Per Share

Basic earnings per share is calculated using net (loss) income, attributable to equity holders of the Company, divided by the weighted average number of Common Shares outstanding. Diluted earnings per share is calculated by adjusting the weighted-average number of Common Shares outstanding for the impact of potential dilutive instruments such as DSUs and RSUs. The Company follows the treasury stock method in the calculation of diluted earnings per share whereby any proceeds received from in-the-money options would be used to buy Common Shares at the average market price for the period.

Interest in Joint Arrangements

Joint arrangements occur when two or more parties have joint control, which is the contractually agreed sharing of an arrangement. This exists when decisions about the relevant activities (being those that significantly affect the returns of the arrangements) require the unanimous consent of the parties sharing control. Joint arrangements can be classified as either a joint operation or a joint venture.

A joint operation is an arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement. The Company recognizes its proportionate share of assets, liabilities, revenues and expenses of the joint operation.

Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method of accounting whereby the purchase consideration is allocated to the identifiable assets, liabilities and non-controlling interests, if any, on the basis of their fair values at the date of acquisition. Any excess of the purchase consideration over the fair value of the net identifiable assets acquired is recognized as goodwill. If the purchase consideration is less than the fair value of the net identifiable assets acquired, the Company recognizes a bargain purchase, which is a gain in profit or loss on the acquisition date.

Goodwill is not subject to amortization and is measured at cost less any accumulated impairment, if any. For impairment testing, goodwill is allocated to the Company's Cash Generating Units ("**CGUs**") or groups of CGUs that are expected to benefit from the acquisition.

Cash and Cash Equivalents

Cash and cash equivalents include cash, short-term investments and deposits with a maturity of three months or less.

Restricted Cash

Restricted cash includes mainly term deposits that have been escrowed to cover future commitments and future abandonment obligations that are not available for immediate disbursement.

Inventories

Oil and gas inventory is valued at the lower of cost and net realizable value, and materials and supplies are valued at cost. Cost is determined on a weighted-average basis and includes all costs incurred to bring the inventory to its current condition and including materials, labour, direct overhead, depletion, depreciation and amortization.

Non-Current Assets Held for Sale

The Company classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale or disposition rather than through continuing use. Such non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs of disposal ("FVLCD"), and are presented separately within the Consolidated Statements of Financial Position.

The criteria for held for sale classification is regarded as met only when the sale or disposition is highly probable and the asset is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. The Company must be committed to the plan to sell the asset and the sale is expected to be completed within one year from the date of the classification. When the assets or disposal group are sold, the gains or losses on the sale are recognized in other income (loss) within the Consolidated Statements of Income (Loss).

Properties, Plant and Equipment, and Exploration and Evaluation Assets

Properties, plant and equipment

Oil and gas properties, plant and equipment, including land, are measured at cost less accumulated depletion, depreciation and impairment. The initial cost of an asset comprises its purchase price or construction cost, any cost directly attributable to bringing the asset into operation, the ongoing estimate of asset retirement obligations, and borrowing costs for qualifying assets. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. Development costs are capitalized within oil and gas properties and include expenditures on the construction, installation or completion of infrastructure facilities such as pipelines and the drilling of development wells, including unsuccessful development or delineation wells. The value of a right-of-use ("**ROU**") asset is also included within properties, plant and equipment. Expenditures on major maintenance or repairs that improve the productive capacity, replace a component or extend the life of an asset are capitalized. All other maintenance costs are expensed as incurred.

Depletion, depreciation and amortization

Oil and gas properties are depleted using the unit-of-production method based on estimated proved and probable reserves using forward prices and costs. Costs subject to depletion include estimated future costs to be incurred in developing proved reserves.

Plant and equipment are generally depreciated on a straight-line basis over their estimated useful lives, which range from 1 to 10 years. Major inspection costs are depreciated over three to five years, which represent the estimated period before the next planned major inspection. Plant and equipment held as ROU assets are depreciated over the shorter of the lease term and the estimated useful life of the leased asset. Land is not amortized.

Exploration and evaluation costs

"**E&E**" costs include expenditures to acquire licenses to explore, farming into or acquiring rights to working interest on exploration properties, appraisal costs of technical services and studies, seismic acquisition, exploratory drilling and testing. These costs are initially capitalized by well, field, unit of account or specific exploration unit, as appropriate, and are not subject to depreciation or depletion. Costs incurred prior to obtaining the legal rights to explore an area, geological and geophysical ("**G&G**") costs, including payroll, and payments made to fulfill the remaining balance of minimum exploration work commitment for certain blocks, are recognized in profit or loss as exploration expenses. E&E assets are reclassified to oil and gas properties, after an impairment review, when commercial reserves have been discovered and technical feasibility and commercial viability are demonstrable. If technical feasibility and commercial viability cannot be demonstrated upon completion of the exploration phase, the carrying value of the E&E costs is expensed in the period this determination is made. The proceeds from selling items produced by an E&E asset are not deducted from the cost. The proceeds from selling such items, and the costs of producing those items, are recognized in profit or loss.

Investments in Associates

Associates are entities over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those decisions. Associates are accounted for using the equity method. Under the equity method, the investment is initially recorded at cost and the carrying value is subsequently adjusted to recognize the Company's share of earnings or losses of the investee and for impairment

after the initial recognition date. Losses recognized using the equity method in excess of the Company's investment in ordinary shares are applied to the other components of the Company's interest in an associate. Other components may include preference shares and long-term receivables or loans, but do not include trade receivables, trade payables or any long-term receivables for which adequate collateral exists. Profit distributions from the investee, typically in the form of dividends, reduce the carrying value of the investment when declared.

At each reporting date, the Company assesses whether there are any indicators of impairment. When there are indicators that an investment is impaired, the carrying value of the investment is compared to its recoverable amount, being the higher of the present value of cash flows expected to be generated (value-in-use; "**VIU**") and fair value less costs of disposal ("**FVLCD**") that could be realized by selling the investment. If the recoverable amount of the investment is less than its carrying value, an impairment loss is recognized in the period in which they occur.

Impairment of Non-Financial Assets

At each reporting date, the Company assesses whether there are indicators that non-financial assets may be impaired. If an indication of impairment exists, the Company estimates the recoverable amount as the higher of VIU and FVLCD. Individual assets are grouped for impairment assessment purposes at the level of CGU, which is the lowest level for which identifiable cash inflows exist that are largely independent on the cash flows of other groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is written down to its recoverable amount. VIU is estimated as the present value of future cash flows expected to arise from the continuing use of the CGU and discounted at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the asset. FVLCD is based on available market information, where applicable. In the absence of such information, FVLCD is determined using discounted future after-tax net cash flows of proved and probable reserves using forecasted prices and costs consistent with reserves reports produced by independent certified reserves evaluators.

An assessment is also made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount or the carrying amount that would have been determined, net of depreciation, had no impairment been recognized in prior years.

Impairment losses and any reversals of impairment are recognized in profit or loss in the period in which they occur.

Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument and are initially measured at fair value. Transaction costs directly attributable to the acquisition or issue of financial instruments classified as amortized cost are included in the carrying value of such instruments. Transaction costs directly attributable to the acquisition of financial instruments classified as fair value through profit or loss ("**FVTPL**") are expensed as incurred.

Financial assets

Financial assets are subsequently measured at either amortized cost using the effective interest method or fair value based on their classification. Financial assets are subsequently measured at amortized cost less impairment if they meet the following conditions:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- The asset was not acquired principally for the purpose of selling in the near term or management for short-term profit taking (i.e., held for trading).

All other financial assets, except equity investments as described below, are classified as FVTPL and subsequently measured at fair value with gains or losses arising from changes in fair value recorded in profit or loss.

On the day of acquisition of an equity instrument, the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments at fair value through other comprehensive income ("**FVTOCI**"). Designation at FVTOCI is not permitted if the equity investment is held for trading. Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive (loss) income. The

cumulative gain or loss will not be reclassified to profit or loss on disposal of the investments. The Company has designated all investments in equity instruments as FVTOCI (Note 23).

Impairment of financial assets carried at amortized cost - Expected credit loss allowances

At each reporting date, the Company assesses whether a financial asset or group of financial assets is impaired under the expected credit loss ("**ECL**") model. For short-term trade receivables, the Company applies the simplified approach and has calculated ECLs based on lifetime ECLs. The Company has established a provision matrix that is based on historical normalized credit loss experience. The loss rate under the provision matrix is based on the payment profiles and aging of trade receivables and is adjusted to reflect current and forward-looking information on macroeconomic factors.

For long-term receivables, joint arrangement receivables and short-term loan assets, the ECL is based on the 12-month ECL and lifetime ECL approach. The 12-month ECL is the portion of lifetime ECLs that result from default events that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL, and if risk decreases lifetime can move back to 12 months.

The Company evaluates for credit risk increases based on a variety of indicators, including credit risk rating agency assessments, available counterparty internal and external information, letter of credits, deposits and macroeconomic factors. The Company considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past the contractual due date. The Company considers a financial asset in default when contractual payments are more than 90 days past the due date.

Impairments on financial assets carried at amortized cost can be reversed in subsequent periods if the asset is no longer credit-impaired and the improvement can be objectively related to an event occurring after the impairment was recognized.

Financial liabilities

Financial liabilities are classified as FVTPL if they are held for trading or designated as FVTPL on initial recognition. Financial liabilities at FVTPL are measured at fair value with gains and losses arising from changes in fair value recognized in profit or loss. Other financial liabilities are measured at amortized cost using the effective interest method.

Fair value hierarchy

The Company uses a three-level hierarchy to categorize the significance of the inputs used in measuring or disclosing the fair value of financial instruments. The three levels of the fair value hierarchy are as follows:

- Level 1 - Quoted prices in active markets for identical assets or liabilities. Active markets are those in which transactions occur in a frequency and volume sufficient to provide pricing information on an ongoing basis.
- Level 2 - Inputs other than quoted prices that are observable either directly or indirectly. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value, volatility factors and broker quotations that can be substantially observed or corroborated in the marketplace.
- Level 3 - Inputs that are based on unavailable or observable data. Level 3 instruments may include items based on pricing services or broker quotes where the Company is unable to verify the observability of inputs into their prices. Level 3 instruments include longer-term transactions, transactions in less active markets or transactions at locations for which pricing information is not available. In these instances, fair value is determined through internally developed methodologies, which primarily includes the extrapolation of observable future prices to similar locations, similar instruments or later time periods.

If different levels of inputs are used to measure a financial instrument's fair value, the classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement.

Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks and commodity price risks. Derivative financial instruments are classified at FVTPL and are measured at fair value. The resulting gain or loss is recognized immediately in profit or loss unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. The Company has not formally designated any derivatives as hedging instruments.

Borrowing Costs

Borrowing costs directly relating to the acquisition, construction or production of a qualifying capital project under construction are capitalized and added to the project cost during construction until such time as the assets are substantially ready for their

intended use by management (i.e., when they are capable of commercial production). All other borrowing costs are recognized in profit or loss using the effective interest rate method.

Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and ROU assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognizes ROU assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROU assets are measured at cost, less any accumulated depreciation and impairment losses, and are adjusted for any remeasurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities recognized, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized ROU assets are depreciated on a straight-line basis over the shorter of estimated useful life and the lease term. ROU assets are subject to impairment testing. Refer to Impairment of Non-Financial Assets described above.

Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate.

The variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities increases to reflect the accretion of interest and decreases for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment, mainly those considered low value. Lease payments on short-term leases and leases of low-value assets are recognized as expenses on a straight-line basis over the lease term.

Asset Retirement Obligations

An asset retirement obligation is recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the obligation can be made. A corresponding amount equivalent to the asset retirement obligation is also recognized as part of the cost of the related oil and gas properties or E&E assets. The amount recognized is the estimated cost of decommissioning, discounted to its present value. Changes in the estimated timing or costs of decommissioning or in the discount rate are recognized prospectively by recording an adjustment to the asset retirement obligations and a corresponding adjustment to the related properties. When a decrease in the asset retirement obligations exceeds the carrying amount of the related asset, or there is an increase in the asset retirement obligations related to fully impaired or relinquished assets, the change is recognized in profit or loss as a recovery or expense of asset retirement obligations. The unwinding of the discount on the decommissioning cost is included as a finance expense.

This accounting policy also applies to the costs the Company deems to be environmental liabilities, which include, but are not limited to, the provision of 1% in Colombia of the investment for use of water sources, costs of reforestation, and any compensation or other costs incurred by environmental licenses.

Taxes

Current income tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable regarding previous periods. Current income tax is recognized in the Consolidated Statements of (Loss) Income, except when it relates to items recognized in other comprehensive (loss) income or directly in equity, in which case it is also recognized in other comprehensive income or equity.

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits, and unused tax losses to the extent that it is probable that taxable profits will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred income tax is not recognized on the initial recognition of goodwill, or assets and liabilities in a transaction that is not a business combination.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each date of the Consolidated Statements of Financial Position and are recognized to the extent that it becomes probable that future taxable earnings will allow the deferred tax asset to be recovered.

Deferred income tax is recognized in the Consolidated Statements of (Loss) Income, except when it relates to items recognized in other comprehensive (loss) income or directly in equity.

Deferred income tax assets and liabilities are offset if a legally enforceable right exists to offset current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

b. Changes in Accounting Policies and Disclosures, and Standards Issued but not yet Effective

Changes in Accounting Policies and Disclosures Effective January 1, 2024

The Company has adopted the following new amendments that could have an impact on the consolidated financial statements. Other than the adoption of these items, the accounting policies applied are consistent with those applied in the previous year.

Classification of Liabilities as Current or Non-current – Amendments to IAS 1

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of International Accounting Standards ("**IAS**") 1 to specify the requirements for classifying liabilities as current or non-current.

Additional requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within 12 months.

The amendments are effective for annual reporting periods beginning on or after January 1, 2024, and must be applied retrospectively. The application of such amendment had no impact on the Company or the consolidated financial statements.

Lease Liability in a Sale and Leaseback - Amendments to IFRS 16

In September 2022, the IASB issued amendments to IFRS 16, to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the ROU it retains.

The amendments are effective for annual reporting periods beginning on or after January 1, 2024, and must be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. The application of such amendment had no impact on the Company or the consolidated financial statements.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7, *Statement of Cash Flows* and IFRS 7, *Financial Instruments: Disclosures* to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments are effective for annual reporting periods beginning on or after January 1, 2024. The application of such amendment had no impact on the Company or the consolidated financial statements.

Standards Issued but not yet Effective

Amendments to standards that have been issued but are not yet effective up to the date of issuance of these consolidated financial statements, which are likely to have an impact on the Company, are listed below. The Company intends to adopt these amended standards and interpretations, if applicable, when they become effective.

Lack of exchangeability – Amendments to IAS 21

In August 2023, the IASB issued amendments to IAS 21, *The Effects of Changes in Foreign Exchange Rates* to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments will be effective for annual reporting periods beginning on or after January 1, 2025. Early adoption is permitted, but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information. The Company is currently assessing the impact of the amendments.

IFRS 18, Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, *Presentation and Disclosure in Financial Statements,* which replaces IAS 1, *Presentation of Financial Statements*. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7, *Statement of Cash Flows*, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after January 1, 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively. The Company is currently assessing the impact of the new standard.

IFRS 19, Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, *Consolidated Financial Statement*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 will become effective for reporting periods beginning on or after January 1, 2027, with early application permitted. The Company is currently assessing the impact of the new standard.

c. Key Accounting Estimates and Judgments

Global Economy

Russia-Ukraine Conflict

In February 2022, Russian military forces invaded Ukraine, leading to active and continued resistance from Ukrainian military and civilians. Certain countries, such as Canada and the United States, have imposed strict financial and trade sanctions against Russia, disrupting the global supply of oil and natural gas and leading to sustained high energy prices. To date, these events have not negatively impacted the Company's operations. The long-term impacts of the conflict and sanctions remain uncertain, the Company continues to monitor the evolving situation.

Middle East Conflict

The outcome of the conflict in the Middle East continues to be uncertain and has the potential to have wide-ranging consequences on the world economy. Global oil prices have remained highly volatile since the beginning of the Middle East conflict. There is a risk that the conflict could lead to wider regional instability in the Middle East, home to some of the world's biggest oil producers. To date, these events have not impacted the Company's ability to carry on business, and there have been no significant delays or direct security issues affecting the Company's operations, offices or personnel. The long-term impacts of the conflict remain uncertain, and the Company continues to monitor the evolving situation.

U.S. – Colombia Trade Tensions

Recent developments indicate heightened trade tensions between the United States and Colombia. In January 2025, the U.S. government threatened to impose tariffs of up to 25% on Colombian imports. Although an agreement was ultimately reached to avert these tariffs, the Company continues to monitor the situation for any new developments. The Company could be adversely affected by the imposition of new tariffs which could disrupt its financial performance and operational stability. Additionally, given the unpredictable nature of international trade policies, there can be no assurance that future disputes will not arise or that they will be resolved favorably.

Critical Judgments in Applying Accounting Policies

CGU

The determination of a CGU requires the Company to apply judgments, and the CGUs may change over time to reflect changes in the Company's oil and gas assets. CGUs are identified as major areas within which there are groups of producing blocks that share similar characteristics, infrastructure and cash inflows that are largely independent of cash inflows of other groups of assets. Impairment assessment is generally carried out separately for each CGU based on cash flow forecasts calculated using oil and gas reserves and resources for each CGU.

The Company has identified its CGUs in Ecuador and Colombia. In Colombia, these CGUs are categorized as follows: North and Central. The North CGU mainly includes the El Dificil and VIM-1 blocks, while the Central CGU includes the CPE-6, Quifa, Guatiquia, Cubiro, Corcel, and other remaining blocks located in Colombia.

E&E assets are allocated to CGUs based on several factors, including, but not limited to, proximity to existing CGUs, ability to share infrastructure and workforce, and management's grouping of these assets for decision-making and budget allocations. If the E&E property is not part of an existing operational CGU, it is assessed based on a geographically similar pool of E&E assets.

Impairment indicators

The Company monitors internal and external indicators of impairment relating to its properties, plant and equipment, investments in associates and E&E assets. External sources of information include changes in the economic and legal environment in which the CGUs operate. Internal sources include the economic performance of the CGUs and other asset specific indicators. In assessing impairment for E&E assets, the Company applies judgment in considering various factors that determine technical feasibility and commercial viability.

Corentyne License

On June 26, 2024, Frontera Energy Guyana Corp. ("**Frontera Guyana**") and CGX Resources Inc. ("**CGX**" and together with Frontera Guyana, the "**Joint Venture**") announced that they submitted a notice of potential commercial interest for the Wei-1 discovery to the Government of Guyana, which preserves their interests in the Petroleum Prospecting License ("**PPL**") and the Petroleum Agreement ("**PA**") for the Corentyne block. Due to the absence of a response from the Government of Guyana and the remarks made by certain Government officials, on December 12, 2024, the Joint Venture announced that it had sent the Government of Guyana a letter activating a 60-day period for the parties to the PA to make all reasonable efforts to amicably resolve all disputes via negotiation. On February 11, 2025, the Joint Venture announced that it received a communication from the Government of Guyana in which the Government has taken the position that the PPL has terminated or, alternatively, that the communication served as a 30-day notice of the Government's intention to cancel the PPL. Although the Government argued that the PPL and PA have been terminated, it invited the Joint Venture to submit any representations it wished to have considered by the Government prior to its final decision on whether to cancel any existing license. The Government further stated that any such license would cease to have effect on March 10, 2025, unless any representation made are favorably considered. On February 24, 2025, CGX announced that the Joint Venture had provided a response, advising the Government of Guyana that notwithstanding the Government's contradictory positions, both the PPL and the PA remain valid and in force. The Joint Venture remains firmly of the view that its interest in the PPL and the PA for the Corentyne block remain in place and in good standing.

Considering the circumstances described, the Company has assessed whether under IFRS 6.20 there is any impairment indicator, which needs to make significant judgements based on facts and external legal opinions.

The Company has concluded that there are no impairment indicators under IFRS 6 considering that:

- the interest in the PA and the PPL for the Corentyne block remain in place and in good standing;
- the volume of gross prospective resources identified, and independently evaluated, in the Corentyne block; and
- the conceptual field development plan, performed by third parties, for the northern portion of the Corentyne block including subsea architecture, development well planning, production and export facilities and other considerations.

The Corentyne E&E asset's carrying value as of December 31, 2024 is $431.9 million (December 31, 2023 $429.3 million).

Estimation Uncertainty and Assumptions

Oil and gas reserves

Oil and gas reserves are estimates of the amount of hydrocarbons that can be economically and legally extracted from the Company's oil and gas properties. Commercial reserves are determined using estimates of oil and gas in place, recovery factors and future commodity prices. Future development costs are estimated using assumptions as to the number of wells required to produce the commercial reserves, the cost of such wells and associated production facilities, and other capital costs.

As the economic assumptions used may change and as additional geological information is obtained during the operation of a field, estimates of recoverable reserves may change. Such changes may impact the Company's reported Consolidated Financial Position and results, which include:

- The carrying value of E&E assets and properties, plant and equipment may be affected due to changes in estimated future cash flows.
- Depletion, depreciation and amortization charges in the Consolidated Statements of (Loss) Income may change where such charges are determined using the unit-of-production method, or where the useful life of the related assets change.
- Provisions for decommissioning may require revision — where changes to reserves estimates affect expectations about when such activities will occur and the associated cost of these activities.
- The recognition and carrying value of deferred tax assets may change due to changes in the judgments regarding the existence of such assets and in estimates of the likely recovery of such assets.

Depletion of oil and gas properties

Oil and gas properties are depleted using the unit-of-production method. In applying the unit-of-production method, oil and gas properties are depleted over proved and probable reserves. The calculation of the unit-of-production rate of amortization could be impacted to the extent that actual production in the future is different from current forecasted production based on proved and probable reserves. This would generally result from significant changes in any of the following:

- Changes in reserves.
- The effect on reserves due to differences between actual commodity prices and commodity price assumptions.
- Unforeseen operational issues.

Recoverable amounts - Oil and gas properties, and E&E assets

The recoverable amounts of CGUs and individual assets have been determined based on the higher of VIU calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. Estimates include, but are not limited to, estimates of the discounted future after-tax cash flows expected to be derived from the Company's oil and gas properties and the discount rate. Changes in oil price forecasts, reserves, estimated future costs of production, future capital costs, decommissioning costs and income taxes can result in changes in the recoverable amount of the CGUs. It is possible that the oil price assumption may change, which may then impact the estimated life of the field and require a material adjustment to the carrying value of properties, plant, and equipment, and E&E assets.

Asset retirement obligations - Environmental and decommissioning costs

The Company will incur environmental and decommissioning costs at the end of the operating life of certain facilities and properties. The ultimate environmental and decommissioning costs are uncertain, and estimates can vary in response to many factors, including changes to relevant legal requirements, the emergence of new restoration techniques or experience at other production sites, or environmental legislation. The expected timing and amount of expenditure can also change for example, in response to changes in reserves or changes in laws and regulations or their interpretation. As a result, there could be significant adjustments to the decommissioning asset retirement obligations and environmental liabilities that would affect future financial results (Note 19).

Deferred tax assets

Deferred tax assets are recognized only to the extent that it is probable that taxable profit will be available against which the unused temporary differences can be utilized. Future projected income could be affected by oil prices and quantities of proved and probable reserves. If these factors or other circumstances change, the Company would reassess its ability to record any increase or decrease in its deferred income tax asset. To the extent that actual outcomes differ from management's estimates, taxation charges or credits may arise in future periods (Note 10).

4. Segmented Information

The Company has four reportable operating segments, consistent with the basis on which management assesses performance and allocates resources across its business units, as follows:

- Colombia: Includes all upstream business activities of exploration and production in Colombia.
- Ecuador: Includes all upstream business activities of exploration and production in Ecuador.
- Guyana: Includes all offshore business activities of exploration in Guyana.
- Infrastructure Colombia: Includes the Company's investment in certain infrastructure, midstream and other assets, including storage, port, the reverse osmosis water treatment facility ("**SAARA**"), the palm oil plantation, other facilities in Colombia and the Company's investment in pipelines.

Canada & Others: Includes the corporate office in Canada and non-operating entities that have been aggregated as they do not generate revenue for the Company. In addition, it includes certain business activities in Peru, which include completing remediation work in Block 192 as its petroleum license expired on February 5, 2021.

For the year ended December 31, 2024, operating segmented information for the Consolidated Statements of (Loss) Income is as follows:

	Exploration and Production Onshore				Exploration		Infrastructure							
Year Ended December 31	**Colombia**		**Ecuador**		**Guyana**		**Colombia**		**Canada & Others**		**Eliminations**		**Total**	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Oil and gas sales	$1,056,863	$1,121,949	$ 30,532	$ 19,097	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$1,087,395	$1,141,046
Other revenue	—	—	—	—	—	—	48,542	49,041	2,743	1,249	(8,789)	(5,784)	42,496	44,506
Royalties	(14,704)	(36,004)	(1,400)	(945)	—	—	—	—	—	—	—	—	(16,104)	(36,949)
Revenue	1,042,159	1,085,945	29,132	18,152	—	—	48,542	49,041	2,743	1,249	(8,789)	(5,784)	1,113,787	1,148,603
Operating costs	366,004	364,221	7,937	7,420	—	—	31,438	33,296	570	11,827	(3,401)	(1,641)	402,548	415,123
Cost of diluent and oil purchased	238,590	238,691	—	—	—	—	—	—	—	—	(2,646)	(2,894)	235,944	235,797
General and administrative	36,775	35,317	2,081	1,223	2,551	4,540	5,903	5,527	6,204	7,413	(1,141)	(113)	52,373	53,907
Share-based compensation	1,721	504	41	6	62	122	—	—	731	516	—	—	2,555	1,148
Depletion, depreciation and amortization	245,366	269,684	7,727	121	14	27	7,576	6,546	1,835	1,891	—	—	262,518	278,269
Impairment expense, exploration expenses and other	22,793	25,563	11,942	—	—	—	350	—	790	(23,918)	—	—	35,875	1,645
Restructuring, severance and other costs	2,404	4,479	—	—	—	—	1,710	1,547	1,198	2,522	—	—	5,312	8,548
Income (loss) from operations	128,506	147,486	(596)	9,382	(2,627)	(4,689)	1,565	2,125	(8,585)	998	(1,601)	(1,136)	116,662	154,166
Share of income from associates	—	—	—	—	—	—	53,912	56,476	—	—	—	—	53,912	56,476
Segment income (loss)	$ 128,506	$ 147,486	$ (596)	$ 9,382	$ (2,627)	$ (4,689)	$ 55,477	$ 58,601	$ (8,585)	$ 998	$ (1,601)	$ (1,136)	$ 170,574	$ 210,642
Other non-operating expense items													(92,240)	(13,756)
Income tax expense													(103,105)	(4,130)
Net (loss) income for the year													$ (24,771)	$ 192,756

The following table provides geographic information of the Company's non-current assets:

	As at December 31	
	2024	2023
Colombia	$ 1,964,756	$ 2,033,350
Guyana	452,591	449,252
Ecuador	57,507	50,466
Canada & Others	12,973	366
Total non-current assets	$ 2,487,827	$ 2,533,434

The Company's oil and gas sales and other revenue based on the geographic location of the port of delivery, is as follows:

	Year Ended December 31	
	2024	2023
Panama (Petroterminal de Panama)	$ 451,438	$ 666,678
United States	380,308	262,186
Colombia	187,844	134,826
Caribbean	74,149	69,863
Africa	33,644	—
South America	2,508	3,774
Canada	—	48,225
Total oil and gas sales and other revenue	$ 1,129,891	$ 1,185,552

For the year ended December 31, 2024, the Company had three customers (2023: four customers) that individually accounted for more than 10% of revenue. Sales to these customers were $446.4 million, $151.4 million and $115.5 million (2023: $357.2 million, $261.2 million, $155.5 million and $149.0 million), which are included in the Colombia segment.

5. Revenue from Contracts with Customers

The following table provides the disaggregation of the Company's revenue from contracts with customers, including a reconciliation with the amounts disclosed in the segmented information (Note 4):

	Year Ended December 31	
	2024	2023
Colombia		
Produced crude oil sales	$ 846,574	$ 902,476
Purchased crude oil and products sales	202,752	208,069
Gas sales	7,537	11,404
Colombia oil and gas sales	1,056,863	1,121,949
Ecuador crude oil sales	30,532	19,097
Oil and gas sales	1,087,395	1,141,046
Infrastructure Colombia sales to external customers	42,496	44,506
Inter-segment sales	6,046	4,535
Infrastructure Colombia sales	48,542	49,041
Other revenues	2,743	1,249
Elimination of Infrastructure Colombia inter-segment sales	(8,789)	(5,784)
Oil and gas produced, purchased sales and other revenue	$ 1,129,891	$ 1,185,552

6. Operating Costs

	Year Ended December 31	
	2024	2023
Transportation costs	$ 148,513	$ 151,416
Production costs (excl. energy costs)	139,726	139,917
Energy costs	76,631	69,924
Trunkline costs [(1)]	5,314	—
Post-termination costs	577	18,814
Inventory valuation	360	633
Total oil and gas operating costs	371,121	380,704
Port operating costs	21,557	23,133
Special projects and other costs [(2)]	9,870	11,286
Total operating costs	$ 402,548	$ 415,123

[(1)] *Corresponds to repairs and other activities resulting from unexpected failures in a trunkline in Quifa block.*

[(2)] *Mainly includes costs related to Promotora Agricola de los Llanos S.A., SAARA, and for 2023 included operating costs from Peru before the sale of Frontera Energy Offshore Perú, the wholly owned subsidiary that held a 100% working interest ("**W.I**".) in the Block Z1.*

Cost of Diluent and Oil Purchased

Costs of diluent and oil purchased correspond mainly to the cost of third-party hydrocarbon volumes purchased primarily for use in dilution and refining as part of the Company's oil operations, and marketing and transportation strategy. For the year ended December 31, 2024, the cost of purchases and diluent was $235.9 million (2023: $235.8 million).

7. General and Administrative

	Year Ended December 31	
	2024	2023
Salaries and benefits	$ 31,030	$ 31,159
Professional fees	15,945	15,203
Taxes	4,678	4,597
Other expenses	720	2,948
Total	$ 52,373	$ 53,907

8. Impairment Expense, Exploration Expenses and Other

	Year Ended December 31	
	2024	2023
Impairment expense of:		
Properties, plant and equipment (Note 13)	$ 9,759	$ —
Exploration and evaluation assets (Note 14)	19,938	20,593
Other	2,230	4,643
Total impairment expense	31,927	25,236
Exploration expenses of:		
Geological and geophysical costs, and other	1,613	1,673
Minimum work commitment paid	—	358
Total exploration expenses	1,613	2,031
Expense (recovery) of asset retirement obligations (Note 19)	2,335	(25,622)
Impairment expense, exploration expenses and other	$ 35,875	$ 1,645

Properties, Plant and Equipment

As of December 31, 2024, the Company recognized impairment charges in properties, plant and equipment of $9.8 million, including $8.8 million in Central CGU due to return of the Entrerrios block to the Agencia Nacional de Hidrocarburos ("**ANH**"), and $1.0 million in North CGU related to the La Creciente block.

As at December 31, 2023, the Company did not identify impairment indicators in properties, plant and equipment.

Exploration and Evaluation Assets

During the year ended December 31, 2024, the Company recorded an impairment charge of $19.9 million (2023: $20.6 million) mainly related to E&E assets, as follows: i) $11.9 million associated to Espejo block from Ecuador; and ii) $8.0 million in Colombia as a consequence of the preliminary results from the seismic activities related to the Llanos-119 block, which were below the Company's expectations. Frontera has requested the transfer of its exploration commitments in the block and subsequent relinquishment. During the year ended December 31, 2023, the Company recorded an impairment charge on E&E of assets in Colombia, mainly as a result of the Company's decision to proceed with steps to relinquish the VIM-22 block.

Other

During the year ended December 31, 2024, the Company recognized other impairment expenses of $2.2 million (2023: $4.6 million), mainly related to obsolete material inventories and impairment of crude oil inventories from Peru.

Expense (recovery) of asset retirement obligations

During the year ended December 31, 2024, the Company recognized an expense of asset retirement obligations of $2.3 million. During the year ended December 31, 2023, the Company recognized a recovery of asset retirement obligations of $25.6 million, mainly as a result of the sale of Frontera Energy OffShore Perú S.R.L, the wholly owned subsidiary that held a 100% W.I. in the Block Z1, for a payment of $7.5 million to a third party. As a result of this transaction, the Company derecognized the asset retirement obligation related to the Block Z1 and recognized a $37.4 million asset retirement obligation recovery.

9. Employee Salaries and Benefit Expenses

	Year Ended December 31	
	2024	**2023**
Salaries, bonuses and other short-term benefits	$ 53,047	$ 54,392
Share-based compensation [1]	2,555	1,148
Total	$ 55,602	$ 55,540

[1] *Includes cash settlement of $0.8 million (2023: $1.1 million).*

10. Income Taxes

The following is a reconciliation of income tax expense calculated at the Colombian corporate tax rate with the reported income tax expense:

	Year Ended December 31	
	2024	**2023**
Net income before income tax	$ 78,334	$ 196,886
Colombian statutory income tax rate [(1)]	45%	45%
Income tax expense at statutory rate	35,250	88,599
Increase (decrease) in income tax provision resulting from:		
Non-deductible/taxable expense/income and other differences	(42,163)	2,952
Foreign exchange impact on deferred income tax	69,128	(20,911)
Share-based compensation	805	421
Differences in tax rates	(3,918)	(11,417)
Change in deferred income tax	44,003	(55,514)
Income tax expense	103,105	4,130
Current income tax expense	9,979	33,020
Deferred income tax expense:		
Relating to origination and reversal of temporary differences	93,126	(28,890)
Income tax expense	$ 103,105	$ 4,130
Effective tax rate	131.62%	2.10%

[(1)] Statutory income tax rate includes an additional estimated surcharge of 10% according to the forecasted average Brent prices for full year 2024.

During the year ended December 31, 2024, the Company recognized a current income tax expense of $10.0 million, compared to $33.0 million in the same period of 2023, and a deferred income tax expense of $93.1 million compared to a deferred income tax recovery of $28.9 million in the same period of 2023.

The decrease in the current income tax expense is mainly due to the reversal of tax contingencies. The increase in the deferred tax expense for the year ended December 31, 2024 is mainly due to foreign exchange rate fluctuations and the offsetting of tax losses.

As at December 31, 2024, the deferred tax asset is $24.4 million (2023: $101.6 million), and the deferred tax liability is $28.8 million (2023: $14.3 million).

	As at December 31	
Deferred tax (liability) asset balances	**2024**	**2023**
Tax losses	50,778	109,993
Accruals	70,828	65,116
Oil and gas properties	(126,033)	(87,840)
Total net deferred tax, as at December 31	$ (4,427)	$ 87,269

Below movements in deferred tax assets and deferred tax liabilities:

Movement in deferred tax assets	**2024**	**2023**
As at January 1	101,589	64,290
Recognized as deferred income tax (expense) recovery	(78,598)	37,299
Recognized as deferred income tax asset	1,430	—
As at December 31	$ 24,421	$ 101,589

Movement in deferred tax liability	2024	2023
As at January 1	14,320	4,610
Recognized as deferred income tax expense	14,528	8,409
Recognized as deferred income tax liability	—	1,301
As at December 31	$ 28,848	$ 14,320

As at December 31, 2024, deferred tax asset of $307.1 million (2023: $433.0 million Canada, Colombia, Guyana and Peru) relating to non-capital losses in Canada, Colombia, Guyana and Peru were not recognized as it is probable that the Company will not be able to use these balances in the future.

The following table summarizes the Company's tax attributes and expiry dates by jurisdiction as at December 31, 2024:

Tax attributes and expiry years	Year 2025-2027	2028 and Beyond	Indefinitely	Total
Depreciable capital costs				
Colombia	$ —	$ —	$ 1,455,596	$ 1,455,596
Ecuador	—	—	29,304	29,304
Non-capital losses				
Canada	—	1,059,020	—	1,059,020
Colombia	70	117,751	95,504	213,325
Guyana	3,020	61,271	—	64,291
Peru	131,878	—	—	131,878
Total	**$ 134,968**	**$ 1,238,042**	**$ 1,580,404**	**$ 2,953,414**

CRA 2016 Settlement

The Company entered into Minutes of Settlement dated July 12, 2024, with the Canadian Minister of National Revenue to resolve a dispute in connection with the Company's 2016 restructuring process and relating to, among other things, the fair market value of the Company's Common Shares as at November 2, 2016, the computation of the net capital losses and the computation of non-capital losses of the Company in respect of its taxation year ending December 31, 2016 (the "**CRA Settlement**").

The Company has assessed the impact of the CRA Settlement on the computation of the historical paid-up capital in respect of the Common Shares. This assessment has resulted in a decrease in the net capital losses of the Company, as last reported in the 2023 Annual Financial Statements, and an increase in the computed amount of the historical paid-up capital in respect of the Common Shares. The resulting increase in the computed amount of the historical paid-up capital in respect of the Common Shares may reduce the amount of the dividends deemed to have been received by certain shareholders in connection with the repurchase of Common Shares under the Company's substantial issuer bid, completed on August 11, 2022.

International Tax Reform – OECD Pillar Two Model Rules

Certain jurisdictions in which the Company operates have enacted global minimum tax legislation generally consistent with the Pillar Two model rules released by the Organisation for Economic Co-operation and Development ("OECD"). The Pillar Two model rules are designed to ensure large multinational enterprises pay a minimum level of tax in each jurisdiction where they operate by imposing a top-up tax in jurisdictions where the Pillar Two effective tax rate is below 15%.

Canada's Pillar Two global minimum tax legislation is effective January 1, 2024 for the Company. Based on assessments of the most recent country-by-country reporting data and available financial information of the Company's constituent entities, virtually all jurisdictions in which the Company operates should benefit from transitional safe harbour relief. Consequently, the Company does not estimate a significant impact derived from this new tax legislation.

The IASB issued amendments to IAS 12 Income Taxes on May 23, 2023 to clarify that the accounting standard applies to income taxes arising from implementing the Pillar Two model rules, and to introduce a mandatory temporary exception to recognizing and disclosing Pillar Two deferred taxes and add certain disclosure requirements. The Company has adopted the IAS 12 amendments; however, the application of such amendments has minimal impact on the Company's consolidated financial statements.

11. (Loss) Earnings per Share

(In thousands of U.S.$, except share and per share amounts)	Year Ended December 31 2024	2023
(Loss) income attributable to equity holders of the Company	$ (24,162)	$ 193,497
Basic weighted average number of shares outstanding	83,806,350	85,305,125
Effect of dilution from dilutive instruments	—	3,056,687
Diluted weighted average number of shares outstanding	83,806,350	88,361,812
Earnings per share attributable to equity holders of the Company		
Basic	$ (0.29)	$ 2.27
Diluted	$ (0.29)	$ 2.19

12. Inventories

	As at December 31 2024	2023
Crude oil and diluents	$ 34,200	$ 51,537
Materials and supplies	21,318	20,784
Total	$ 55,518	$ 72,321

As at December 31, 2024, crude oil and gas inventory includes $32.8 million in Colombia, and $1.4 million in Ecuador (2023: $34.8 million in Colombia, $15.7 million in Peru, and $1.1 million in Ecuador).

As at December 31, 2024, materials and supplies inventories were net of impairment of $12.8 million (2023: $11.5 million).

13. Properties, Plant and Equipment

Cost	Oil & Gas Properties	Infrastructure Colombia	Plant & Equipment	Total
As at January 1, 2023	$ 8,185,730	$ 280,024	$ 92,312	$ 8,558,066
Additions	233,585	18,056	8,680	$ 260,321
Transfer from exploration and evaluation assets (Note 14)	36,375	—	—	36,375
Change in asset retirement obligations (Note 19)	39,770	(130)	—	39,640
Disposal [(1)]	(1,300,196)	(266)	(26,647)	(1,327,109)
Currency translation adjustment	1,294	65,250	1,173	67,717
As at December 31, 2023	$ 7,196,558	$ 362,934	$ 75,518	$ 7,635,010
Additions	269,192	48,662	10,894	328,748
Change in asset retirement obligations (Note 19)	13,649	(244)	—	13,405
Disposal	(82,413)	(30)	(17,457)	(99,900)
Currency translation adjustment	(879)	(45,649)	(1,531)	(48,059)
As at December 31, 2024	$ 7,396,107	$ 365,673	$ 67,424	$ 7,829,204

[(1)] *Corresponds to the write off due to assets sold or relinquished as Block Z1, Guaduas, Orito and Neiva blocks.*

Accumulated Depletion, Depreciation and Impairment	Oil & Gas Properties	Infrastructure Colombia	Plant & Equipment	Total
As at January 1, 2023	$ 6,633,942	$ 79,526	$ 79,244	$ 6,792,712
Charge for the year	263,763	6,502	5,719	275,984
Disposal [1]	(1,298,291)	—	(26,647)	(1,324,938)
Currency translation adjustment	1,126	16,909	636	18,671
As at December 31, 2023	$ 5,600,540	$ 102,937	$ 58,952	$ 5,762,429
Charge for the year [2]	250,920	6,958	2,658	260,536
Impairment (Note 8)	9,759	—	—	9,759
Disposal	(81,832)	(30)	(17,457)	(99,319)
Currency translation adjustment	(529)	(12,558)	(1,017)	(14,104)
As at December 31, 2024	$ 5,778,858	$ 97,307	$ 43,136	$ 5,919,301

[1] Corresponds to the write off due to assets sold or relinquished as Block Z1, Guaduas, Orito and Neiva blocks.

[2] Does not include depletion, depreciation and amortization inventory fluctuation of $2.0 million (2023: $2.0 million).

Net Book Value	Oil & Gas Properties	Infrastructure Colombia	Plant & Equipment	Total
As at December 31, 2023	$ 1,596,018	$ 259,997	$ 16,566	$ 1,872,581
As at December 31, 2024	$ 1,617,249	$ 268,366	$ 24,288	$ 1,909,903

Properties, plant and equipment consist of owned and leased assets, as follows:

	Oil & Gas Properties	Infrastructure Colombia	Plant & Equipment	Total
Properties, plant and equipment - owned	$ 1,581,080	$ 259,997	$ 13,251	$ 1,854,328
Right-of-use (“**ROU**”) assets - leased	14,938	—	3,315	18,253
As at December 31, 2023	$ 1,596,018	$ 259,997	$ 16,566	$ 1,872,581
Properties, plant and equipment - owned	$ 1,606,978	$ 268,366	$ 21,347	$ 1,896,691
ROU assets - leased	10,271	—	2,941	13,212
As at December 31, 2024	$ 1,617,249	$ 268,366	$ 24,288	$ 1,909,903

Details of ROU assets are as follows:

	Power Generation	Plant & Equipment	Total
As at January 1, 2023	$ 2,275	$ 2,496	$ 4,771
Additions	15,542	3,688	19,230
Depreciation	(2,879)	(2,869)	(5,748)
As at December 31, 2023	$ 14,938	$ 3,315	$ 18,253
Additions	—	2,187	2,187
Termination or modifications of lease contracts	(1,699)	(288)	(1,987)
Depreciation	(2,968)	(2,273)	(5,241)
As at December 31, 2024	$ 10,271	$ 2,941	$ 13,212

14. Exploration and Evaluation Assets

	2024	2023
As at January 1, 2024	$ 454,748	316,006
Additions [1]	22,480	195,210
Transfer to oil and gas properties (Note 13) [2]	—	(36,375)
Impairment expense (Note 8)	(19,938)	(20,593)
Change in asset retirement obligations	134	138
Disposals	—	362
As at December 31, 2024	$ 457,424	$ 454,748

[1] Includes additions of $9.1 million from Llanos 119, and VIM1 in Colombia, $10.7 million in Ecuador related to the Espejo block and $2.6 million in Guyana related to the post-well studies from the Corentyne block.

[2] On December 5, 2023, the Company approved the development plan for the Perico block, as a result the block was transferred to Oil & Gas properties (Note 13).

15. Investments in Associates

	2024	2023
As at January 1, 2024	$ 82,825	$ 59,974
Share of income from associates	53,912	56,476
Dividends	(54,949)	(37,018)
Return of capital contributions	(7,894)	(10,299)
Currency translation adjustment	(7,752)	13,692
As at December 31, 2024	$ 66,142	$ 82,825
Company's interest as at December 31, 2024	35 %	35 %

The Company accounts for its investments in associates using the equity method as the criteria to exert significant influence was met given the Company's percentage holdings, ability to appoint directors to the investee's board of directors and its ability to participate in its decision making.

Oleoducto de los Llanos Orientales S.A. ("ODL")

ODL is a Panamanian company with a Colombian branch that operates an oil pipeline for the transportation of heavy crude oil produced primarily from the Rubiales and Quifa blocks. The Company, through its 100%-owned subsidiary, PIL, has a 35% equity investment in the ODL pipeline, which connects the Rubiales, Quifa and Llanos-34 blocks to the Monterrey Station or Cusiana Station in the Casanare Department. The remaining 65% interest in ODL is owned by Cenit Transporte y Logistica de Hidrocarburos S.A.S. ("**Cenit**"). ODL's functional currency is COP, and currency translation adjustments are recorded in other comprehensive (loss) income.

During the year ended December 31, 2024, the Company recognized the dividends declared by ODL of $54.9 million (2023: $37.0 million), and a return of capital of $7.9 million (2023: $10.3 million).

During the year ended December 31, 2024, the Company received cash dividends of $52.8 million, (2023: $31.3 million), and a cash return of capital of $7.6 million (2023: $11.2 million).

As at December 31, 2024, the carrying value of dividends receivable is $Nil (2023: $Nil), and the carrying value of return of capital receivable is $Nil (2023: $Nil).

Financial Position	**ODL**	
As at December 31	**2024**	**2023**
Assets	$ 315,883	$ 410,141
Liabilities	69,237	173,499
Equity	188,976	236,642
Company's interest in associate	35%	35%
Carrying amount of the investment	66,142	82,825
Income Statement		
As at December 31	**2024**	**2023**
Revenue	351,000	345,370
Expenses	(196,964)	(184,010)
Net income	154,036	161,360
Company´s share of the income for the year	53,912	56,476

16. Short-Term and Long-Term Debt

	Maturity	Principal	Currency	Interest Rate	As at December 31 2024	2023
2028 Unsecured Notes	June 2028	395,000	U.S. dollars	7.875%	$ 389,803	$ 393,660
Unsecured Notes					$ 389,803	$ 393,660
PIL Loan Facility (Tranche A-1)	December 2027	100,000	U.S. dollars	SOFR 6M + 6.25%[1]	$ 51,969	$ 76,762
PIL Loan Facility (Tranche A-2)	December 2028	30,000	U.S. dollars	SOFR 6M + 6.25%[1]	24,620	—
PIL Loan Facility (Tranche B)	December 2027	20,000	U.S. dollars	11%	17,863	18,860
Agro Cascada Working Capital Loan	October 2025	41,927,400,000	COP	IBR + 2.5%	9,509	—
Bancolombia Working Capital Loan	October 2024	75,000,000,000	COP	IBR[2] + 4%	—	19,623
PetroSud Davivienda Loan	June 2024	2,800	U.S dollars	SOFR + 5.30%	—	2,800
PetroSud Working Capital Loan	June 2024	22,000	U.S dollars	SOFR + 5.30%	—	5,899
Loans					$ 103,961	$ 123,944
Total					$ 493,764	$ 517,604

[1] *The interest rate changed from SOFR 6M + 7.25% to SOFR 6M + 6.25% in December 2024 in accordance with the contract, which stipulates that if the ratio of debt to dividends received is greater than 2.0 the interest rate marge will decrease.*

[2] *Reference Banking Indicator from the central bank of Colombia ("**IBR**" for its acronym in Spanish).*

	As at December 31 2024	2023
Current portion	$ 30,509	$ 52,152
Non-current portion	463,255	465,452
Total	$ 493,764	$ 517,604

2028 Unsecured Notes

On June 21, 2021, the Company completed the offering of $400.0 million 7.875% senior unsecured notes due 2028 ("**2028 Unsecured Notes**"). The interest is payable semi-annually in arrears on June 21 and December 21 of each year, beginning on December 21, 2021. The 2028 Unsecured Notes will mature in June 2028, unless earlier redeemed or repurchased.

During the year ended December 31, 2024, the Company repurchased in the open market $5.0 million, of its 2028 Unsecured Notes for a cash consideration of $4.0 million. As a result, during the year ended December 31, 2024, the Company recognized a gain of $1.0 million. The carrying value for the 2028 Unsecured Notes as at December 31, 2024 is $389.8 million (2023: $393.7 million).

Pipeline Investment Loan Facility ("PIL Loan Facility")

On March 27, 2023, PIL entered into a new credit agreement through which lenders provided a $120.0 million loan facility to PIL, secured by substantially all the assets and shares of PIL, the shares of Sociedad Portuaria Puerto Bahia S.A. ("**Puerto Bahia**") held by the Company and assets related to Puerto Bahia's liquids terminal. It is guaranteed by Frontera Bahia Holding Ltd. and FEC ODL Holdings Corp. (formerly named Frontera ODL Holding Corp.), the parent company of PIL. The PIL Loan Facility is a five-year credit, to mature in December 2027, paying its principal semi-annually. The PIL Loan Facility has two tranches: a $100.0 million amortizing tranche that pays a SOFR six-month term plus margin of 7.25% per annum (with a step down to 6.25% if certain conditions are met) and a $20.0 million bullet maturity tranche that pays a fixed rate of 11.0% per annum. The conditions precedent to the PIL Loan Facility were fully satisfied, and both tranches of the facility were funded on March 31, 2023.

The PIL Loan Facility was recognized net of an original issue discount of $5.1 million, and directly attributable transaction costs of $1.1 million, primarily related to underwriter fees, legal fees, registration fees and other professional fees. In addition, a $10.5 million debt service reserve account for the PIL Loan Facility was constituted.

The proceeds of the PIL Loan Facility were used to repay in full the Puerto Bahia debt facility between Puerto Bahia, Itaú BBA Colombia S.A. and other lenders, maturing in June 2025, which had an outstanding balance plus accrued interest of $106.2 million to pay transaction fees and expenses, and to fund a six-month debt service reserve account (for further information, refer to Note 16 of the 2023 Annual Financial Statements). The PIL Loan Facility has no impact on the Company's financial covenant calculations under the 2028 Unsecured Notes.

On February 16, 2024, as part of the PIL Loan Facility (Tranche A-2), the Company amended the facility to disburse an accordion tranche of $30.0 million. This tranche secures the funding for the connection project between Puerto Bahia's port facility and the Cartagena refinery operated by Refineria de Cartagena S.A.S. (the "**Reficar Connection Project**") On February 23, 2024, August 7, 2024 and December 16, 2024, the lenders disbursed $8.8 million, $10.0 million, and $10.0 million, respectively. The accordion tranche was recognized, net of an original issue discount of $1.2 million, primarily related to lenders and legal fees discounted at the disbursement.

As at December 31, 2024, the carrying value of the PIL Loan Facility is $94.5 million (2023: $95.6 million), which includes short-term debt of $21.0 million. As at December 31, 2024, the PIL Loan Facility debt service reserve account has a balance of $15.9 million (2023: $11.3 million).

Agro Cascada Working Capital Loan

On October 10, 2024 the Company entered into a one-year working capital loan agreement with Citibank Colombia S.A, denominated in COP, with a principal amount of COP $41,927 million (equivalent to $9.5 million), maturing on October 10, 2025, with an interest rate of IBR + 2.5%, payable monthly (the "**Agro Cascada Working Capital Loan**"). On October 10, 2024 and November 21, 2024, the lender disbursed COP $29,337 million and COP $12,590 million, respectively. The proceeds of the Agro Cascada Working Capital Loan were intended to support the development of the Company's water treatment facilities, and it is guaranteed by Frontera Energy Colombia Corp. Sucursal Colombia.

As at December 31, 2024, the carrying value of the Agro Cascada Working Capital Loan is $9.5 million.

Bancolombia Working Capital Loan

On October 24, 2023, the Company entered into a one-year working capital loan agreement with Bancolombia S.A. ("**Bancolombia**"), denominated in COP, with a principal amount of COP 75,000 million (equivalent to $18.2 million) maturing on October 30, 2024, with an interest rate of IBR + 4.00%, payable quarterly (the "**Bancolombia Working Capital Loan**"). On October 30, 2023, Bancolombia disbursed the total amount of the loan. The proceeds of the Bancolombia Working Capital Loan were intended for general corporate purposes. In connection to the Bancolombia Working Capital Loan, the Company entered into a foreign exchange forward on October 31, 2023, hedging the original loan amount at a forward rate of COP 4,386.17, with a maturity date of October 29, 2024.

Concurrent with the closing of the Bancolombia Working Capital Loan, the Company repaid in full the existing Citibank working capital loan, which had an outstanding balance of $12.0 million (for further information, refer to Note 13 of the Interim Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2023). On October 30, 2024, the Bancolombia Working Capital Loan was paid in full.

As at December 31, 2024, the carrying value of the Bancolombia Working Capital Loan is $Nil (2023: $19.6 million).

PetroSud Loans

On December 30, 2021, the Company acquired 100% of the issued and outstanding shares of Petroleos Sud Americanos S.A. ("**PetroSud**") (for further information, refer to Note 4 of the 2022 Annual Financial Statements of the Company).

On March 15, 2019 and December 20, 2021, PetroSud entered into two credit agreements with Banco Davivienda S.A. ("**Banco Davivienda**") for a principal amount of $22.0 million and $2.8 million, respectively (the "**PetroSud Debt**").

On March 11, 2024 and May 23, 2024, the Company prepaid the outstanding balance of $5.9 million and $2.8 million, respectively, to Banco Davivienda. As at December 31, 2024, the PetroSud Debt is paid in full. PetroSud and Frontera have no obligation under the former PetroSud Debt, and there are no additional restricted funds related to the PetroSud Debt.

Letters of Credit

The Company has various uncommitted bilateral letter of credit lines (the "**Uncommitted LCs**"). As at December 31, 2024, the Company has $89.0 million (2023: $86.7 million) of issued and outstanding Uncommitted LCs for exploratory commitments and abandonment funds in Colombia and Ecuador. The lenders under the Uncommitted LCs receive an average fee equal to 2.4% (2023: 2.4%) per annum. In addition to the Uncommitted LCs, as of December 31, 2024, the Company has outstanding letters of credit of $19.9 million (2023: $49.0 million) under a master agreement with Banco BTG Pactual S.A. ("**BTG**"). Under the terms of this agreement, BTG 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.

Finance Expense

The following table summarizes the main components of finance expense:

	Year Ended December 31	
	2024	2023
Interest on Senior Secured Notes	$ 31,035	$ 31,857
Accretion expenses	15,865	10,687
Interest on borrowings	14,915	15,821
Letters of credit fees and other bank charges	6,403	3,880
Other interest	2,544	—
Deferred financing fees amortization	1,885	1,520
Lease financing costs (Note 18)	1,558	420
Total	$ 74,205	$ 64,185

17. Other Assets

	As at December 31	
	2024	2023
Investments and others	$ 12,126	$ 1,712
Long-term withholding tax	1,367	1,489
Long-term recoverable VAT	2,827	266
Total	$ 16,320	$ 3,467

18. Lease Obligations

The Company leases various properties, vehicles, power generation supply, including the arrangements associated to the CPE-6 Solar Plant and CPE-6 Battery Energy Storage System, and other assets.

CPE-6 Solar Plant Project Leasing Agreement

During the fourth quarter of 2022, the Company executed a leasing agreement with Bancolombia to finance the construction and commissioning of a solar power plant project in the CPE-6 block (the "**Solar Plant Debt**"). The financing is denominated in COP, amounting approximately to $5.8 million as at December 31, 2024, and matures date of 72 months from April 3, 2024. The Solar Plant Debt bears interest equivalent to IBR +5.75%, payable monthly over the outstanding amount. As at December 31, 2024, the outstanding balance was $5.5 million. The Company recognized this obligation as a lease liability.

CPE-6 Battery Energy Storage System Leasing Agreement

During the fourth quarter of 2023, the Company entered into a leasing agreement with Bancolombia to finance the Battery Energy Storage System at the CPE-6 block (the "**BESS Project**"). The financing is denominated in COP, amounting approximately to $0.9 million as at December 31, 2024, and its maturing is April 9, 2029. The BESS Project leasing bears interest equivalent to IBR +5.10%, payable monthly. As at December 31, 2024, the outstanding balance was $0.6 million. The Company recognized this obligation as a lease liability.

The Company's lease liabilities have an average discount rate of 10.49% (2023: 12.55%), and the maturity analysis by contractual undiscounted cash flows is as follows:

	As at December 31	
	2024	2023
Within 1 year	$ 5,793	$ 7,438
Year 2	3,583	5,842
Year 3	2,111	5,462
Year 4	2,074	2,526
Year 5	1,542	2,493
Thereafter	505	1,856
Total undiscounted lease liabilities	$ 15,608	$ 25,617
Less amounts representing finance costs	(3,335)	(6,399)
Present value of lease liabilities	$ 12,273	$ 19,218
Current	$ 4,523	$ 5,327
Non-current	7,750	13,891
Total	$ 12,273	$ 19,218

Amounts Recognized in the Consolidated Statements of (Loss) Income

	Year Ended December 31	
	2024	2023
Interest on lease liabilities	$ (1,558)	$ (420)
Variable lease payments not included in the measurement of lease liabilities	(22,941)	(16,536)
Expenses relating to short-term leases	(874)	(702)
Expenses relating to leases of low-value assets	(1,390)	(2,689)

Amounts Recognized in the Consolidated Statements of Cash Flows

	Year Ended December 31	
	2024	2023
Total cash outflow for leases [1]	$ (32,151)	$ (24,462)

[1] Includes principal payments of lease liabilities and interest of $6.9 million (2023: $4.5 million), which are recognized in the Consolidated Statements of Cash Flows as financing activities.

19. Asset Retirement Obligations

	As at December 31	
	2024	2023
As at January 1	$ 186,524	$ 154,794
Accretion expense	10,137	10,687
Additions	4,323	3,487
Changes in estimates	5,011	44,540
Liabilities settled	(17,838)	(12,868)
Expense (recovery) of asset retirement obligations (Note 8)	2,335	(14,116)
As at December 31	$ 190,492	$ 186,524

	As at December 31	
	2024	2023
Current portion	$ 43,427	$ 44,962
Non-current portion	147,065	141,562
Total	$ 190,492	$ 186,524

Asset retirement obligations ("**ARO**") represent the present value of decommissioning and environmental liability costs relating to oil and gas properties and E&E assets. The total undiscounted ARO is $295.6 million (2023: $300.6 million), expected to be executed between 2025 and 2049, of which $285.2 million (2023: $290.4 million) relates to Colombia, $8.3 million (2023: $8.3 million) to Peru and $2.2 million (2023: $1.9 million) to Ecuador.

During the year ended December 31 2024, the Company recognized a decrease in ARO due to changes in estimates of $5.0 million, which includes an increase of $11.2 million related to updated cost estimates, an increase of $6.0 million related to updating the risk-free and inflation rates, partially offset by a decrease of $12.2 million due to the impact of foreign exchange rates. A total of $13.4 million relating to changes in estimates was recognized within Properties, Plant and Equipment (Note 13).

The risk-free and inflation rates used for discounting to present value are as follows:

- A risk-free rate between 9.88% and 14.03% and an inflation rate between 2.90% and 3.20% for cash flows expected to be settled in COP for Colombia (2023: risk-free rate between 9.56% and 10.96% with inflation rate between 2.60% and 3.20%);
- A risk-free rate between 6.79% and 7.47% and an inflation rate between 1.65% and 2.55% for cash flows expected to be settled in USD for Colombia. Since 2024 some abandonment contracts have been signed in US dollar.
- A risk-free rate between 16.21% and 16.86% and an inflation rate between 1.40% and 2.50% for cash flows expected to be settled in U.S. dollars for Ecuador (2023: risk-free rate between 0% and 24.78% with inflation rate between 0% and 2.00%).

20. Non-Controlling Interest

	CGX
As at January 1, 2023	$ 9,857
Net loss attributable to NCI	(741)
Share-based compensation	1,279
As at December 31, 2023	$ 10,395
Net loss attributable to NCI	(609)
Share-based compensation	62
As at December 31, 2024	$ 9,848

The summarized financial information for CGX is as follows:

	CGX [1]	
	As at December 31	
	2024	2023
Current assets	$ 2,531	$ 8,629
Non-current assets	76,830	76,252
Total assets	79,361	84,881
Current liabilities	18,281	21,177
Non-current liabilities	133	276
Total liabilities	18,414	21,453
Equity	60,947	63,428
Total liabilities and equity	$ 79,361	$ 84,881

	CGX	
	Year ended December 31	
	2024	2023
Revenue	$ —	$ —
Other (expenses) income, net	(2,541)	(3,194)
Net expenses	$ (2,541)	$ (3,194)

[1] *Since the Company's initial acquisition of shares of CGX, NCI has fluctuated between 23.03% and 26.15%.*

21. Share Capital and Share-Based Arrangements

The Company is authorized to issue an unlimited number of Common Shares with no par value.

Dividends

During the year ended December 31, 2024, the Company declared dividends of C$0.0625 per Common Share for $15.1 million (2023: $Nil) and paid dividends of $11.7 million. The Company's Dividend Reinvestment Plan ("**DRIP**") allows shareholders resident in Canada with the option to have the cash dividends declared on their Common Shares automatically reinvested back into additional Common Shares, without the payment of brokerage commissions or service charges. During the year ended December 31, 2024, the Company issued 1,157 Common Shares under the DRIP (2023: $Nil Common Shares).

*Normal Course Issuer Bids ("**NCIB**")*

On November 16, 2023, the TSX approved the Company's notice to initiate a NCIB (the "**2023 NCIB"**). Pursuant to the 2023 NCIB, the Company was permitted to purchase for cancellation up to 3,949,454 Common Shares, representing approximately 10% of the Company's "public float" (as calculated in accordance with TSX rules) as at November 8, 2023 during the twelve-month period that commenced on November 21, 2023, and ended on November 20, 2024. On September 4, 2024, in connection with the 2024 SIB (as defined below) and as required under TSX rules, the Company suspended repurchases under the 2023 NCIB until October 17, 2024 (the expiry time of the 2024 SIB). During the year ended December 31, 2024, the Company repurchased for cancellation 1,271,600 Common Shares under the 2023 NCIB, and during the year ended December 31, 2023, the Company repurchased for cancellation 280,500 Common Shares under the 2023 NCIB. Between November 21, 2023 and November 20, 2024, the Company purchased for cancellation 1,552,100 Common Shares under the 2023 NCIB.

On March 15, 2022, the TSX approved the Company's notice to initiate a NCIB (the "**2022 NCIB**"). Pursuant to the 2022 NCIB, the Company was permitted to purchase for cancellation up to 4,787,976 Common Shares during the twelve-month period that commenced on March 17, 2022 and ended on March 16, 2023. During the year ended December 31, 2023, the Company repurchased for cancellation 461,200 Common Shares under the 2022 NCIB. Between March 17, 2022 and March 16, 2023, the Company purchased for cancellation 4,270,100 Common Shares under the 2022 NCIB.

The following table provides a summary of the share repurchases under the Company's 2023 and 2022 NCIB programs:

	As at December 31	
(In thousands of U.S.$, except share and per share amounts)	**2024**	**2023**
Number of Common Shares repurchased	1,271,600	741,700
Total amount of Common Shares repurchased	$ 7,823	$ 5,866
Weighted-average price per share	$ 6.15	$ 7.91

Substantial Issuer Bid

On September 4, 2024, the Company announced that its board of directors had approved the commencement of a Substantial Issuer Bid ("**2024 SIB**") pursuant to which the Company offered to purchase from shareholders of Common Shares of the Company up to 3,375,000 Common Shares for cancellation at a purchase price of C$12.00 per share, for an aggregate purchase price up to C$40.5 million. The 2024 SIB expired on October 17, 2024. On October 22, 2024, the Company announced that in accordance with the terms and conditions of the 2024 SIB, the Company took up for cancellation 3,375,000 Common Shares (approximately 4.01% of the total number of Frontera's issued and outstanding Common Shares as of October 17, 2024) at a price of C$12.00 per Common Share, with an approximately 92% shareholder participation rate and representing an aggregate purchase price of C$40.5 million funded by cash, for a total cost of $30.6 million, including transaction costs of $0.7 million and taxes of $0.6 million.

On December 16, 2024, the Company announced that its board of directors has approved the commencement of a second Substantial Issuer Bid (the "**2025 SIB**") pursuant to which the Company offered to purchase from shareholders of Common Shares of the Company up to 3,500,000 Common Shares for cancellation at a purchase price of CAD$12.00 per share, for an aggregate purchase price not exceeding CAD$42.0 million (equivalent to $30.0 million). The bid expired on January 24, 2025. On January 28, 2025, the Company announced that in accordance with the terms and conditions of the 2025 SIB, the Company took up for cancellation 3,500,000 Common Shares (approximately 4.33% of the total number of Frontera's issued and outstanding Common Shares as of January 23, 2025) at a price of CAD$12.00 per Common Share, with an over 90% shareholder participation rate and representing an aggregate purchase price of CAD$42.0 million.

Share-Based Compensation

Restricted Stock Units

The Company's RSUs typically vest between the course of one and three years after the grant date and are settled in cash, Common Shares or a combination thereof, at the election of the Company. For performance-based RSUs, the number of RSUs that will ultimately vest is determined by internal business performance measures and a performance adjustment factor ranging from 0% to 150% depending on the Company's total shareholder return relative to a peer group of companies during the three-year performance period. Time-based RSUs vest on an annual basis, based on a grantee's continued employment with the Company. During the vesting period, dividend equivalents in the form of additional RSUs are issued to reflect dividends granted on the Common Shares. The Company recognized $1.8 million of share-based compensation expense relating to RSUs for the year ended December 31, 2024, (2023: $0.3 million). As of December 31, 2024, $4.3 million RSUs are recorded as liabilities (2023: $4.9 million). The following table provides a summary of the activity related to RSUs during the year:

	Year Ended December 31	
	2024	**2023**
Outstanding, beginning of year	1,850,688	1,870,184
Granted [(1)]	739,300	816,300
Dividends attributed to previous grants	49,318	—
Forfeited	(141,239)	(402,142)
Settled [(2)]	(451,902)	(433,654)
Outstanding, end of year	2,046,165	1,850,688

[(1)] *The weighted average fair value of the RSUs granted was $5.97 (2023: $8.88).*

[(2)] *Includes the issuance of 287,614 Common Shares (2023: 300,841 common shares).*

Deferred Stock Units

Pursuant to the Incentive Plan, directors of the Company can elect to receive their annual compensation, or a portion thereof, in DSUs. DSUs vest immediately and are settled in cash, Common Shares or a combination thereof, at the election of the Company, when the recipient ceases to be a director, subject to limited exceptions as agreed to by the holder of the DSU. Until settled, dividend equivalents in the form of additional DSUs are issued to reflect dividends granted on the Common Shares. The Company recognized $0.6 million of share-based compensation expense relating to DSUs for the year ended December 31, 2024, (2023: $0.7 million).

The following table provides a summary of the activity related to DSUs during the year:

	Year Ended December 31	
	2024	**2023**
Outstanding, beginning of year	912,493	828,827
Granted [(1)]	101,773	83,666
Dividends attributed to previous grants	18,957	—
Outstanding, end of year	1,033,223	912,493

[(1)] *The weighted average fair value of the DSUs granted was $5.93 (2023: $8.32).*

Stock Options

The Company has not issued any stock options; however, certain subsidiaries of the Company may incur stock-based compensation pursuant to their respective long-term incentive plan arrangements. For the year ended December 31, 2024, stock-based compensation expense relating to stock options granted directly by the Company's subsidiaries was $0.1 million (2023: $0.1 million).

22. Related-Party Transactions

The following table provides the total balances outstanding, commitments and transactional amounts with related parties as at December 31, 2024 and 2023:

		As at December 31			Year Ended December 31
		Receivables from Investment	Accounts Payable	Commitments	Purchases / Services
ODL (Note 15)	2024	$ —	$ 2,901	$ 356	$ 29,608
	2023	—	3,141	2,380	30,525

The related-party transactions correspond to the ship-and-pay contract for the transportation of crude oil in Colombia and ship-or-pay for other services for a total commitment of $0.4 million until 2025 (Note 25).

Key Management Compensation

The Company's key management personnel includes its Board of Directors and executive officers. Compensation for key management personnel is summarized below:

	As at December 31	
	2024	2023
Short-term employee benefits	$ 3,388	$ 4,085
Share-based payments	1,320	1,112
	4,708	$ 5,197

23. Financial Instruments and Risk Management

a. Risks Associated with Financial Assets and Liabilities

The Company's activities expose it to various risks including credit risk, liquidity risk and market risk (from changes in commodity prices and foreign exchange) that could have a significant impact on profitability, operating cash flows and the value of financial instruments.

i) Credit Risk

Credit risk relates to the potential that the Company may incur a loss if a counterparty to a financial instrument fails to meet its obligations, and arises primarily from trade customers, loans and advances to associates, receivables from joint arrangements and other financial counterparties. The Company actively limits the total exposure to individual client counterparties by maintaining a credit policy, which sets forth prepayment or letters of credit requirements for trade customers in order to mitigate losses from non-collection of trade receivables. The Company monitors the credit quality of associates and, where appropriate, structures its loans and advances to include collateral or security. Credit risk arising on receivables from joint arrangements and risk management assets is not significant given the counterparties are large institutions with strong credit ratings.

The following table shows the maximum credit risk exposure of financial assets, presented at the gross carrying amounts, prior to the ECL model allowances:

	As at December 31	
	2024	2023
Trade receivables before ECL	$ 25,137	$ 26,723
Allowance for ECLs - trade receivables	(15,883)	(15,657)
Trade receivables	9,254	11,066
Other receivables:		
Receivables from joint arrangements	26,944	27,864
VAT receivable and others [1]	29,482	43,882
Other receivables	11,192	9,657
Allowance for ECLs - other receivables	(6,341)	(6,746)
Other receivables	$ 61,277	$ 74,657
Withholding tax and others - not considered for credit risk	(29,482)	(43,882)
Total financial assets carried at amortized cost	$ 41,049	$ 41,841

[1] *Does not include long-term VAT*

Reconciliation of ECLs

The following table shows a continuity of ECLs:

	2024	2023
As at January 1	$ 22,403	$ 23,312
Provision for ECLs	—	814
Reversion ECLs	—	(3,538)
Effect of exchange rate changes	(179)	1,844
Write-off	—	(29)
As at December 31	$ 22,224	$ 22,403

ii) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company mitigates its liquidity risk by managing its capital expenditures, operational cash flows, and by maintaining adequate lines of credit and cash and cash equivalents.

The following table summarizes the undiscounted cash outflows relating to contractual maturities of the Company's non-derivative financial liabilities as at December 31, 2024:

Financial Liability Due In	2025	2026	2027	2028	2029	Subsequent to 2030	Total
Accounts payable, accrued liabilities and other payables [1]	$ 397,454	$ 7,395	$ 6,417	$ —	$ —	$ —	$ 411,266
Customer prepayments	30,348	—	—	—	—	—	30,348
Unsecured Notes	—	—	—	395,000	—	—	395,000
Loans	30,509	20,000	46,000	13,800	—	—	110,309
Interest on unsecured notes	31,500	31,500	31,500	15,750	—	—	110,250
Interest on loans	10,770	7,466	4,861	962	—	—	24,059
Lease liabilities	5,793	3,583	2,111	2,074	1,542	505	15,608
Total	$ 506,374	$ 69,944	$ 90,889	$ 427,586	$ 1,542	$ 505	$ 1,096,840

[1] *Includes provisions of $90.8 million, which do not have a definitive amortization term and are therefore classified as current liabilities.*

The following table shows the breakdown of accounts payable and accrued liabilities and other payables:

	As at December 31	
	2024	2023
Trade and other payables	$ 148,236	$ 175,254
Accrued liabilities	117,984	81,709
Supplier holdbacks	39,398	37,384
Withholding and tax provisions [1]	12,730	17,403
Share-based payment liability	2,158	4,857
	320,506	316,607
Provision for contingencies and others	90,760	111,112
Total accounts payable and accrued liabilities and other payables	$ 411,266	$ 427,719
Customer prepayments [2]	$ 30,348	$ 1,798

[1] *Since March 1, 2024, Colombia tax rules decreased the self-withholding tax rates related to crude oil extraction and exportation from 9.9% to 5.6%.*

[2] *As at December 31, 2024, includes a prepayment of $30.3 million received from customers of Colombia expected to be settled during the first quarter of 2025 (2023: $Nil).*

The Company has various uncommitted bilateral letters of credit. As at December 31, 2024, the Company has issued letters of credit and guarantees for exploration and abandonment funds totalling $108.9 million (2023: $135.7 million).

Restricted cash

As at December 31, 2024, the Company has short-term and long-term restricted cash of $30.2 million (2023: $30.3 million) in trust accounts primarily to cover future abandonment obligations, and restricted funds related to the PIL Loan Facility.

iii) Market and Interest Risk

Market and interest risk are the risks associated with fluctuations in oil prices, foreign exchange rates and interest rates. To manage this risk, the Company uses derivative commodity instruments to manage exposure to price volatility by hedging a portion of its oil production and foreign exchange hedging instruments to manage foreign currency fluctuations.

Risk Management Contracts

The terms of the outstanding instruments and settlement periods are as follows:

Risk management contracts - Crude Oil

As part of its risk management strategy, the Company uses derivative commodity instruments to manage exposure to price volatility by hedging a portion of its oil production. The Company's strategy is designed to protect a minimum of 40% of the estimated production with a tactical approach, using derivative commodity instruments to protect the revenue generation and cash position of the Company, while maximizing the upside.

				Avg. Strike Prices	Carrying Amount	
Type of Instrument	**Term**	**Benchmark**	**Volume (bbl)**	**Put $/bbl**	**Assets**	**Liabilities**
Put	January to April 2025	Brent	1,502,000	70	$ —	$ 2,669
Total as at December 31, 2024					$ —	$ 2,669
Put	January 2024	Brent	428,500	80.00	$ 552	$ —
Put	February to March 2024	Brent	812,835	72.00	—	1,275
Total as at December 31, 2023					$ 552	$ 1,275

Risk management contracts - Foreign exchange

The Company is exposed to foreign currency fluctuations. Such exposure arises primarily from expenditures that are incurred in COP and its fluctuation against the USD. In addition, during 2024, the Company has entered into new derivatives associate to the Reficar Connection Project.

				Avg. Put / Call	Carrying Amount	
Type of Instrument	**Term**	**Benchmark**	**Notional Amount / Volume in USD**	**Par forward (COP$)**	**Assets**	**Liabilities**
Zero-cost collars	April to June 2025	USD / COP	60,000,000	4,200/4,626	$ —	$ 810
Zero-cost collars	July to September 2025	USD / COP	60,000,000	4,200/4,795	—	593
Forward [1]	February 2025	USD / COP	7,000,000	4,303	—	219
Zero-cost collars	January to March 2025	USD / COP	60,000,000	4,150/4,618	—	277
Total as at December 31, 2024					$ —	$ 1,899
Zero-cost collars	January to March 2024	USD / COP	60,000,000	4,125/4,763.25	4,544	—
Zero-cost collars	April to June 2024	USD / COP	60,000,000	4,125/4,763.25	4,166	—
Forward	October 2024	USD / COP	17,099,200	4386.17	1,403	—
Total as at December 31, 2023					$ 10,113	$ —

	Assets	Liabilities
Total risk management contracts as at December 31, 2024	$ —	$ 4,568
Total risk management contracts as at December 31, 2023	$ 10,665	$ 1,275

[1] *Contracts related to the Reficar Connection Project.*

The following table provides the disaggregation of the Company's total (loss) gain on risk management contracts:

	Year Ended December 31	
	2024	2023
Loss on oil price risk management contracts [1]	$ (8,457)	$ (9,903)
Realized gain on foreign exchange risk hedge	6,951	17,257
Realized (loss) gain on risk management contracts	(1,506)	7,354
Unrealized (loss) gain on risk management contracts	(13,976)	11,880
Total (loss) gain on risk management contracts	$ (15,482)	$ 19,234

[1] Includes the net of the put premiums paid for expired position by $14.5 million (2023: $9.9 million) and the positive cash settlement received from oil price contracts by $6.1 million (2023: $Nil).

a. Fair Value of Financial Instruments

The carrying values of the Company's cash and cash equivalents, restricted cash, accounts receivable, accounts payable and accrued liabilities approximate their fair value.

The following table summarizes the Company's remaining financial instruments that are carried or disclosed at fair value in accordance with the classification under the fair value hierarchy as at December 31, 2024 and 2023:

			Fair Value		
	Period	Carrying Value	Level 1	Level 2	Level 3
Financial Assets Measured at Fair Value through Profit and Loss					
Risk management assets	2024	$ —	$ —	$ —	$ —
	2023	10,665	—	10,665	—
Financial Assets Measured at Fair Value through Other Comprehensive Income					
Investments in equity instruments	2024	$ 1,813	$ —	$ —	$ 1,813
	2023	1,712	—	—	1,712
Financial Liabilities Measured at Fair Value through Profit and Loss					
Risk management liabilities	2024	$ (4,568)	$ —	$ (4,568)	$ —
	2023	(1,275)	—	(1,275)	—
Financial Liabilities Measured at Amortized Cost					
2028 Unsecured Notes (Note 16)	2024	$ (389,803)	$ —	$ (302,207)	$ —
	2023	(393,660)	—	(300,380)	—
Other short-term and long-term debt (Note 16)	2024	$ (103,961)	$ —	$ (110,309)	$ —
	2023	(123,944)	—	(129,722)	—

The Company uses Level 3 information to measure the fair value of certain investments that do not belong to active markets.

c. Capital Management

When managing capital, the Company's objectives are to maintain a capital structure that optimizes the cost of capital to support operating activities and sustain the development of its business while maintaining compliance with the terms and conditions of financial obligations. The Company manages its capital structure and adjusts as necessary in light of changes in economic conditions, operating risks and working capital requirements. To maintain or adjust its capital structure, the Company may issue or buy back shares, change its dividend policy, raise or refinance debt and/or adjust its capital spending to manage its operating and growth objectives.

Specifically, the Company's capital management objectives are to maintain compliance with the debt covenant ratios associated with the Company's outstanding 2028 Unsecured Notes, which are currently met, and to maintain sufficient liquidity to meet all contractual obligations and execute its business plan. To facilitate the management of these objectives, the Company utilizes a planning, budgeting and forecasting process to help determine and monitor the funds needed to maintain appropriate liquidity for operational, capital and financial needs.

The Company's capital consists of debt and total equity (less non-controlling interests) net of working capital. The following table summarizes the Company's capital structure balances:

	As at December 31	
	2024	2023
Equity attributable to equity holders of the Company	$ 1,716,285	$ 1,823,598
Long-term debt	463,255	465,452
Working capital deficit [(1)]	100,565	61,855
Total	$ 2,280,105	$ 2,350,905

[(1)] *Working capital deficit is a capital management measure, according to NI 52-112 - Non-GAAP and Other Financial Measures Disclosure, and is defined as the net of total current assets after deducting total current liabilities, including the current portion of long-term debt.*

24. Supplemental Disclosure of Cash Flows

Changes in non-cash working capital are as follows:

	Year Ended December 31	
	2024	2023
Decrease in accounts payable and accrued liabilities	$ (3,846)	$ (42,298)
Decrease in accounts receivable and other assets	2,556	52,716
(Decrease) increase in income taxes payable	(10,516)	6,683
Increase in customers prepayments	28,587	1,524
Increase in inventories	(1,537)	(3,626)
(Increase) decrease in prepaid expenses and deposits	(750)	6,871
Decrease (increase) in income taxes receivable	5,863	(7,575)
Changes in working capital (excluding cash)	$ 20,357	$ 14,295
Attributable to:		
Operating activities	$ 16,995	$ 63,738
Investing activities	3,362	(49,443)
Changes in working capital (excluding cash)	$ 20,357	$ 14,295

25. Commitments and Contingencies

Commitments

The Company's commitments as at December 31, 2024, undiscounted and by calendar year, are presented below:

As at December 31, 2024	2025	2026	2027	2028	2029	Subsequent to 2030	Total
Transportation							
Ocensa P-135 ship-or-pay agreement	$ 37,011	$ —	$ —	$ —	$ —	$ —	$ 37,011
ODL agreements	356	—	—	—	—	—	356
Other transportation and processing commitments	14,204	13,051	—	—	—	—	27,255
Exploration and evaluation							
Minimum work commitments	17,681	9,871	5,066	—	—	—	32,618
Other commitments							
Operating purchases, community obligations and others	50,018	288	268	259	264	2,361	53,458
Energy supply	25,481	14,363	9,091	4,421	1,061	2,209	56,626
Total	$ 144,751	$ 37,573	$ 14,425	$ 4,680	$ 1,325	$ 4,570	$ 207,324

Oleoducto Central S.A. ("Ocensa") and Cenit Pledge

In May 2022, a new ship-or-pay contract with Bicentenario and Cenit became effective, and as a result, the pledged inventory crude oil is stored in Cenit's terminal of Coveñas (TLU-3) instead of Ocensa's terminal. On March 31, 2022, the Company signed a new pledge agreement with Ocensa and Cenit, which guarantees the payment obligations of both contracts, up to $30.0 million and $6.0 million, respectively. On January 30, 2025, the term of the pledge agreement was extended to June 30, 2025 with Ocensa and to July 31, 2025 with Cenit.

Overriding Royalty Interest CPE-6

As part of the Company's acquisition of Repsol Colombia Oil & Gas Ltd.'s ("**RCOG**") 50% working interest in the CPE-6 block, the Company granted a pledge to RCOG over the production from the CPE-6 block to guarantee the payments, of up to a maximum of $48.0 million. Under the farm-out agreement, two kinds of payments are set, each contingent on production from this block and each applicable until the maximum payment of $48.0 million is paid: (i) a variable monthly payment, and (ii) three potential production milestone payments of $5.0 million each when 5 million, 10 million and 20 million total barrels production, respectively, are achieved. As at December 31, 2024, the Company has an outstanding payment of $20.7 million.

Contingencies

The Company is involved in various claims and litigation arising from the normal course of business. Since the outcomes of these matters are uncertain, there can be no assurance that such matters will be resolved in the Company's favour. The outcome of adverse decisions in any pending or threatened proceedings related to these and other matters could have a material impact on the Company's financial position, results of operations or cash flows.

Corentyne License

On June 26, 2024, the Company and CGX announced that they submitted a notice of potential commercial interest for the Wei-1 discovery to the Government of Guyana, which preserves their interests in the PPL for the Corentyne block. On December 12, 2024, the Joint Venture announced that it had sent the Government of Guyana a letter activating a 60-day period for the parties to the Corentyne block PPL to make all reasonable efforts to amicably resolve all disputes via negotiation, as provided for in the Corentyne block PPL, which 60-day period expired on February 10, 2025. On February 11, 2025, the Joint Venture announced that it received a communication from the Government of Guyana in which the Government has taken the position that the PPL has terminated or, alternatively, that the communication served as a 30-day notice of the Government's intention to cancel the PPL, but that the Government invites the Joint Venture to submit representations for the Government to consider in making its final decision as to whether or not to cancel the PPL. On February 24, 2025, CGX announced that the Joint Venture had provided a response in which the Joint Venture advised the Government that, among other things, despite the Government's contradictory positions, the PPL remains valid and in force and that the Joint Venture has contested the Government's purported termination of the PPL. The Joint Venture remains firmly of the view that its interest in, and the PPL for, the Corentyne block remain in place and in good standing.

Agencia Nacional de Hidrocarburos Discussion

On December 20, 2022, the Company requested that the ANH terminate the contracts for the CAG-5 and CAG-6 blocks due to social and security restrictions in the contracted areas pursuant to a recent regulation issued by the ANH (Acuerdo 01 of 2022). On July 26, 2024, the Company received a communication from the ANH accepting the termination of the CAG-6 contract by mutual agreement. On October 8, 2024, the Company received a communication from the ANH accepting the termination of the CAG-5 contract by mutual agreement. As at December 31, 2024, the CAG-5 and CAG-6 blocks have exploration commitments for a total of $Nil (2023: $101.8 million).

High-Price Clause

The Company has certain exploration and production contracts acquired through business combinations where outstanding disagreements with the ANH existed relating to the interpretation of high-price clause participation ("**PAP**") clauses. These contracts require high-price participation payments be made to the ANH for each designated exploitation area within a block under contract, which has cumulatively produced five million or more barrels of oil. The disagreement involves whether the cumulative production amounts in an exploitation area should be calculated individually (as each exploitation area represents independent reservoirs) or combined with other exploration areas within the same block for the purpose of determining the five million barrel threshold. The ANH has interpreted that PAP should be calculated on a combined basis as opposed to the Company's interpretation that the calculation should be provided on an individual basis. Upon acquisition of these contracts and in accordance with IFRS 3, *Business Combinations*, provisions for contingent liabilities were recognized regarding these disagreements with the ANH.

The Company and the ANH continue to review differences in interpretations for the remaining exploitation areas. The Company does not disclose the recorded provision amounts, as required by IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, on the grounds that this would be prejudicial to the outcome of potential future disputes with the ANH.

Puerto Bahia –Tank Construction Related Arbitration

In the course of building its 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 upon 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. 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.

On March 1, 2023, the arbitral tribunal issued the arbitral award which (i) denied CITT's claim for an award of $68.4 million for the return of the LOC amount (including interests); (ii) rejected CITT's claim for damages of $14.9 million; (iii) confirmed that Puerto Bahia was entitled to terminate the EPC Contract, enforce the LOC, and charge penalties to CITT; (iv) granted Puerto Bahia a remedy of $24.7 million (i.e., special penalties of $14.4 million plus the termination penalty clause of $10.3 million); and (v) ruled to offset the $17.0 million LOC and $5.6 million awarded by the Tribunal to CITT as compensation for, among others, accepted invoices and procurement services rendered through June 5, 2015, for a final balance of $2.0 million in favour of Puerto Bahia, payable by any CITT member at an annual interest rate of 4%.

In September, 2023, CITT filed a constitutional action (tutela) against the award rendered on March 1, 2023. However, on September 29, 2023, Colombian Supreme Court issued a first instance ruling dismissing the constitutional action indicating that CITT cannot use it as a replacement of the annulment action which was not timely exercised. On October 4, 2023, CITT filed and appeal against the tutela decision.

In December, 2023, the Colombian Supreme Court confirmed the tutela decision however, it may eventually be selected for review by the Colombian Constitutional Court.

On April 16, 2024, the Colombian Supreme Court admitted an annulment appeal from CITT against the arbitral award from February 28, 2023, and its clarifying Addendum from May 19, 2023. CITT seeks to overturn the ruling, alleging violations of due process, access to justice, and international public order. The Colombian Supreme Court also included Puerto Bahia as a party to the case.

Puerto Bahia has strongly opposed this appeal, arguing that it does not meet the limited legal grounds for annulling an international arbitral award under Colombian law. Furthermore, Puerto Bahia emphasized that the annulment appeal is not a second-instance review, and the Supreme Court should not re-evaluate the arbitral tribunal's legal interpretations, evidentiary analysis, or substantive conclusions, as CITT intends.

Ecopetrol - Rubiales Field Disagreement

Since 2018, Frontera and Ecopetrol have initiated claims against each other before local courts due to disagreements related to the expiration of the Rubiales and Piriri exploration and production contracts.

To settle certain differences under dispute, on December 13, 2023, Frontera and Ecopetrol entered into an agreement which closed 21 (out of 57) disagreements between the parties. As a result, the Company recorded a reversal of a liability provision of $5.9 million recognized during 2016, 2017, 2020, 2021, 2022, and 2023, a reversal of net liabilities with Ecopetrol of $0.5 million and paid to Ecopetrol $4.2 million pursuant to the settlement agreement. Also, as a result of the settlement, Ecopetrol amended the amount of its first lawsuit from $45.0 million to $32.0 million and Frontera withdrew one of the lawsuits filed against Ecopetrol and amended the amount of another one from $9.0 million to $2.6 million.

In addition, Ecopetrol has filed a new lawsuit claiming approximately $4.3 million against Frontera for post-termination activities in Rubiales. Frontera has challenged the admission of this lawsuit, and a decision is currently pending.

Tax Reviews

The Company operates in various jurisdictions and is subject to assessments by tax authorities in each of those jurisdictions, which can be complex and based on interpretations. The Company is currently in discussions with tax authorities for various assessments with respect to certain income tax deductions relating to exportation expenditures, transportation costs, VAT credits, municipal taxes, and other expenses. As at December 31, 2024, the Company has assessed a possible tax exposure of $90.9 million (2023: $145.8 million) relating to these assessments for taxes, interest, and penalties (the decrease is mainly due to the closure of some of income tax and municipal tax litigation). As at December 31, 2024, the carrying value of the tax liability provisions is $0.7 million (2023: $13.1 million). The decrease is mainly due to the Company's decision to reverse the 2020 self-withholding contingency corresponding to the months of January to November. In a previous analysis with the lawyers, it was concluded that these periods are already closed and there is no possibility of a claim by the Dirección de Impuestos y Aduanas Nacionales.

26. Subsequent Events

Pursuant to Frontera's dividend policy, Frontera's Board of Directors has declared a dividend of C$0.0625 per common share to be paid on or around April 16, 2025, to shareholders of record at the close of business on April 2, 2025.