INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

For the three and nine months ended September 30, 2017 and 2016

FRONTERA ENERGY

Interim Condensed Consolidated Statements of Loss

(In thousands of U.S.$, except per share information; unaudited)	Notes	Three months ended September 30 2017	Three months ended September 30 2016	Nine months ended September 30 2017	Nine months ended September 30 2016
Sales					
Oil and gas sales and other income		$ 278,137	$ 307,587	$ 842,881	$ 1,138,941
Trading sales		28,943	1,118	80,289	2,998
Total sales		307,080	308,705	923,170	1,141,939
Costs of operations					
Oil and gas operating costs	4	145,801	181,537	478,358	669,084
Purchase of oil and gas for trading		28,719	905	79,174	2,411
Overlift (underlift)		106	19	81	(34,816)
Fees paid on suspended pipeline capacity		34,838	43,032	84,175	86,481
Gross earnings		97,616	83,212	281,382	418,779
Depletion, depreciation and amortization		87,802	113,802	287,184	490,285
General and administrative		26,569	36,398	80,373	104,898
Impairment and exploration expenses	13	74,000	423,913	86,712	1,113,599
Share-based compensation		233	—	486	(8,503)
Restructuring and severance costs		2,393	32,102	10,181	99,821
Loss from operations		(93,381)	(523,003)	(183,554)	(1,381,321)
Finance costs	14	(7,207)	(22,943)	(18,690)	(124,748)
Share of gain of equity-accounted investees	11	27,452	10,720	61,377	67,093
Equity tax		—	—	(11,694)	(26,901)
Foreign exchange gain		6,511	17,541	5,348	22,720
(Loss) gain on risk management	18c	(43,567)	(18,514)	9,012	(125,986)
Other (loss) income		(8,487)	(2,792)	(639)	41,628
Net loss before income tax		(118,679)	(538,991)	(138,840)	(1,527,515)
Current income tax expense	5	(12,134)	(21,321)	(25,703)	(41,409)
Deferred income tax recovery	5	—	940	—	2,456
Income tax expense		(12,134)	(20,381)	(25,703)	(38,953)
Net loss for the period		$ (130,813)	$ (559,372)	$ (164,543)	$ (1,566,468)
Attributable to:					
Equity holders of the parent		(141,115)	(557,068)	(184,159)	(1,576,671)
Non-controlling interests		10,302	(2,304)	19,616	10,203
		$ (130,813)	$ (559,372)	$ (164,543)	$ (1,566,468)
Basic and diluted loss per share attributable to equity holders of the parent	6	$ (2.82)	$(176,835.08)	$ (3.68)	$ (500,496.80)

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Interim Condensed Consolidated Statements of Comprehensive Loss

(In thousands of U.S.$; unaudited)	Three months ended September 30 2017	Three months ended September 30 2016	Nine months ended September 30 2017	Nine months ended September 30 2016
Net loss for the period	$ (130,813)	$ (559,372)	$ (164,543)	$ (1,566,468)
Other comprehensive income not to be reclassified to net earnings in subsequent periods (nil tax effect)				
Fair value adjustments	—	—	—	190
Other comprehensive (loss) income to be reclassified to net earnings in subsequent periods (nil tax effect)				
Foreign currency translation	20,163	3,015	12,944	45,505
Unrealized loss on the time value of cash flow hedges	—	—	—	(99)
Realized gain on cash flow hedges transferred to earnings	—	—	—	(12,146)
	20,163	3,015	12,944	33,450
Total comprehensive loss for the period	$ (110,650)	$ (556,357)	$ (151,599)	$ (1,533,018)
Attributable to:				
Equity holders of the parent	(125,679)	(554,564)	(173,795)	(1,553,743)
Non-controlling interests	15,029	(1,793)	22,196	20,725
	$ (110,650)	$ (556,357)	$ (151,599)	$ (1,533,018)

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Interim Condensed Consolidated Statements of Financial Position

(In thousands of U.S.$; unaudited)	Notes	As at September 30 2017	As at December 31 2016
ASSETS			
Current			
Cash and cash equivalents		$ 500,643	$ 389,099
Restricted cash		27,814	61,036
Accounts receivables	18a	262,908	234,828
Inventories		65,387	38,609
Income tax receivable		33,044	59,451
Prepaid expenses		2,876	3,453
Assets held for sale	7	25,626	44,797
Risk management assets	18c	2,233	—
Total current assets		920,531	831,273
Non-current			
Oil and gas properties	8	929,745	1,182,668
Exploration and evaluation assets	9	12,227	9,000
Plant and equipment	10	37,596	53,402
Intangible assets		6,844	14,800
Investments in associates	11	440,004	415,198
Other assets	12	128,250	182,632
Restricted cash		71,434	52,746
Total assets		$ 2,546,631	$ 2,741,719
LIABILITIES			
Current			
Accounts payable and accrued liabilities	18b	$ 551,342	$ 576,350
Risk management liabilities	18c	25,206	31,985
Income tax payable		4,811	10,775
Current portion of obligations under finance lease		4,134	3,713
Asset retirement obligations	15	21,691	2,834
Total current liabilities		607,184	625,657
Non-current			
Long-term debt	14	250,000	250,000
Obligations under finance lease		16,088	19,229
Asset retirement obligations	15	230,928	245,798
Total liabilities		$ 1,104,200	$ 1,140,684
Contingencies and commitments	16		
EQUITY			
Common shares		4,745,440	4,745,355
Contributed surplus		124,654	123,525
Other reserves		(224,516)	(234,880)
Retained deficit		(3,322,389)	(3,138,230)
Equity attributable to equity holders of the parent		$ 1,323,189	$ 1,495,770
Non-controlling interests		119,242	105,265
Total equity		$ 1,442,431	$ 1,601,035
Total liabilities and equity		$ 2,546,631	$ 2,741,719

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Interim Condensed Consolidated Statements of Changes in Equity (Deficit)

For the nine months ended September 30, 2017

(In thousands of U.S.$; unaudited)	Attributable to equity holders of parent								
	Number of Common Shares	**Common Shares**	**Contributed Surplus**	**Foreign Currency Translation**	**Fair Value Investment**	**Retained Deficit**	**Total**	**Non-Controlling Interests**	**Total Equity**
As at December 31, 2016	50,002,363	$ 4,745,355	$ 123,525	$ (229,678)	$ (5,202)	$ (3,138,230)	$ 1,495,770	$ 105,265	$ 1,601,035
Net loss for the period		—	—	—	—	(184,159)	(184,159)	19,616	(164,543)
Other comprehensive income		—	—	10,364	—	—	10,364	2,580	12,944
Total comprehensive (loss) income	50,002,363	—	—	10,364	—	(184,159)	(173,795)	22,196	(151,599)
Share-based compensation	3,469	85	1,129	—	—	—	1,214	—	1,214
Dividends paid to non-controlling interest		—	—	—	—	—	—	(8,219)	(8,219)
As at September 30, 2017	50,005,832	$ 4,745,440	$ 124,654	$ (219,314)	$ (5,202)	$ (3,322,389)	$ 1,323,189	$ 119,242	$ 1,442,431

For the nine months ended September 30, 2016

(In thousands of U.S.$; unaudited)	Attributable to equity holders of parent									
	Number of Common Shares	**Common Shares**	**Contributed Surplus**	**Other Reserves**	**Foreign Currency Translation**	**Fair Value Investment**	**Retained Deficit**	**Total**	**Non-Controlling Interests**	**Total Deficit**
As at December 31, 2015	3,150	$ 2,615,788	$ 124,150	$ 12,245	$ (259,414)	$ (5,392)	$ (5,586,753)	$ (3,099,376)	$ 109,145	$ (2,990,231)
Net loss for the period		—	—	—	—	—	(1,576,671)	(1,576,671)	10,203	(1,566,468)
Other comprehensive income (loss)		—	—	(12,245)	34,983	190	—	22,928	10,522	33,450
Total comprehensive (loss) income	3,150	—	—	(12,245)	34,983	190	(1,576,671)	(1,553,743)	20,725	(1,533,018)
Dividends paid to non-controlling interest		—	—		—	—	—	—	(14,618)	(14,618)
Effect of deconsolidation of subsidiary		—	—		—	—	—	—	19,433	19,433
As at September 30, 2016	3,150	$ 2,615,788	$ 124,150	$ —	$ (224,431)	$ (5,202)	$ (7,163,424)	$ (4,653,119)	$ 134,685	$ (4,518,434)

[1] Upon implementation of the Restructuring Transaction (as defined herein, refer to Note 1) on November 2, 2016, all previously issued and outstanding common shares of Frontera Energy Corporation, together with the common shares issued as part of the Restructuring Transaction, were consolidated on the basis of 100,000 pre-consolidation shares to one post-consolidation share. The number of common shares for the nine months ended September 30, 2016, reflect the impact of the share consolidation.

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Interim Condensed Consolidated Statements of Cash Flows

(In thousands of U.S.$; unaudited)	Notes	Three months ended September 30 2017	Three months ended September 30 2016	Nine months ended September 30 2017	Nine months ended September 30 2016
OPERATING ACTIVITIES					
Net loss for the period		$ (130,813)	$ (559,372)	$ (164,543)	$ (1,566,468)
Items not affecting cash:					
Depletion, depreciation and amortization		87,802	113,802	287,184	490,285
Impairment and exploration expenses	13	74,000	423,913	86,712	1,113,599
Accretion expense		2,474	13,674	5,157	19,266
Loss (gain) on risk management	18c	43,567	18,514	(9,012)	125,986
Share-based compensation		233	—	486	(8,503)
Deferred income tax recovery	5	—	(940)	—	(2,456)
Unrealized foreign exchange gain		(6,705)	(21,176)	(9,994)	(20,422)
Loss (gain) on disposal of plant and equipment		195	(2,622)	195	(2,622)
Share of gain of equity-accounted investees	11	(27,452)	(10,720)	(61,377)	(67,093)
Gain on loss of control		—	—	—	(15,597)
Other		3,162	—	(4,666)	(7,841)
Dividends from associates		5,519	49,922	33,119	90,761
Settlement of asset retirement obligations		(1,565)	(502)	(1,847)	(2,308)
Equity tax		(5,844)	(14,061)	—	—
Deferred revenue (non-cash settlement)		—	—	—	(75,000)
Changes in non-cash working capital	19	65,733	(22,846)	27,873	(128,037)
Net cash provided (used) by operating activities		$ 110,306	$ (12,414)	$ 189,287	$ (56,450)
INVESTING ACTIVITIES					
Net additions to oil and gas properties and plant and equipment		(41,944)	(20,251)	(108,672)	(64,590)
Net additions to exploration and evaluation assets		(5,469)	(2,505)	(4,234)	(11,995)
Investment in associates and other assets		—	(274)	(2,573)	(9,027)
Decrease (increase) in restricted cash and others		6,047	(10,406)	19,102	(81,931)
Proceeds from the sale of assets held for sale		—	—	32,572	—
Net cash used in investing activities		$ (41,366)	$ (33,436)	$ (63,805)	$ (167,543)
FINANCING ACTIVITIES					
Payment of debt and leases		(1,709)	(1,739)	(5,069)	(36,060)
DIP Notes and Warrants		—	—	—	480,000
Dividends paid to non-controlling interest	11	(8,219)	—	(8,219)	(14,618)
Net cash (used) provided in financing activities		$ (9,928)	$ (1,739)	$ (13,288)	$ 429,322
Effect of exchange rate changes on cash and cash equivalents		2,152	3,903	(650)	7,735
Change in cash and cash equivalents during the period		61,164	(43,686)	111,544	213,064
Cash and cash equivalents, beginning of the period		439,479	599,410	389,099	342,660
Cash and cash equivalents, end of the period		$ 500,643	$ 555,724	$ 500,643	$ 555,724
Cash		$ 168,558	$ 522,634	$ 168,558	$ 522,634
Cash equivalents		332,085	33,090	332,085	33,090
		$ 500,643	$ 555,724	$ 500,643	$ 555,724

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

1. Corporate Information

Frontera Energy Corporation (formerly Pacific Exploration & Production Corporation; the **"Company"**) is an oil and gas company incorporated and domiciled in British Columbia, Canada that is engaged in the exploration, development, and production of crude oil and natural gas primarily in Colombia and Peru. The Company's common shares are listed and publicly traded on the Toronto Stock Exchange under the trading symbol "FEC". The Company's head office is located at 333 Bay Street, Suite 1100, Toronto, Ontario, Canada, M5H 2R2 and its registered office is 1188 West Georgia Street, Suite 650, Vancouver, British Columbia, Canada, V6E 4A2.

Restructuring Transaction

On April 19, 2016, with the support of certain holders of its senior unsecured notes and lenders under its credit facilities, which totalled $5.3 billion, the Company entered into an agreement with The Catalyst Capital Group Inc. (**"Catalyst"**) with respect to implementing a comprehensive financial restructuring transaction (the **"Restructuring Transaction"**). Pursuant to the terms of the Restructuring Transaction, the claims of certain creditors (the **"Affected Creditors"**) were compromised in exchange for new common shares in the Company after reorganization. On November 2, 2016, the Company successfully completed the Restructuring Transaction in accordance with its plan of compromise and arrangement, which was approved by both the Affected Creditors and the Ontario Superior Court of Justice. The Restructuring Transaction substantially changed the capital structure of the Company, reducing financial debt to $250.0 million, represented in five-year secured notes (the **"Exit Notes"**) and a letter of credit facility, which at the time of the implementation of the Restructuring Transaction totalled $115.5 million (Note 14). After completion of the Restructuring Transaction, the shareholders of the Company comprised the Affected Creditors and Catalyst, with approximately 69.2% and 30.8% of the common shares, respectively.

Additional information is included in "Note 1 - Corporate Information" of the Company's annual audited consolidated financial statements for the year ended December 31, 2016.

2. Basis of Preparation and Significant Accounting Policies

These interim condensed consolidated financial statements for the three and nine months ended September 30, 2017 (the **"Interim Financial Statements"**) have been prepared in accordance with IAS 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board (**"IASB"**). The Interim Financial Statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2016 (the **"2016 Audited Financial Statements"**). Certain prior period amounts have been reclassified to conform to the current period presentation.

The Interim Financial Statements were approved and authorized for issuance by the Audit Committee of the Board of Directors on November 13, 2017.

2.1. Significant Accounting Policies

The accounting policies used in preparation of the Interim Financial Statements are consistent with those disclosed in the 2016 Audited Financial Statements, except for the adoption of minor amendments and interpretations effective January 1, 2017, which had little or no impact on the Interim Financial Statements. The Company has not early adopted any standard, interpretation, or amendment that has been issued but is not yet effective.

Standards Issued but Not Yet Effective

IFRS 9 Financial Instruments ("IFRS 9")

The Company previously adopted IFRS 9 (2013) and will adopt the amendments to IFRS 9 (2014) as of the effective date of January 1, 2018. The amendments primarily relate to a new "expected credit loss" impairment model. The Company does not expect this standard to have an impact given the negligible historical level of customer default and that sales are almost exclusively to large organizations and governmental entities with strong credit ratings. The Company is evaluating the impact of the standard on other non-trade receivable balances and will complete the assessment during the fourth quarter of 2017.

(Unaudited, U.S.$ thousands, except share and per share amounts or unless otherwise stated)

IFRS 15 Revenue from Contracts with Customers ("IFRS 15")

The Company will adopt IFRS 15 as of January 1, 2018. The Company has completed the scoping and analysis phases of this project, which included an evaluation of each revenue stream by legal entity. This assessment included a detailed review of significant revenue contracts, including those relating to infrastructure assets, using the five-step model under the new standard. Based on the assessment to date, the Company has identified additional presentation and disclosure requirements for oil and gas revenues, and will complete the assessment, including the selection of an adoption method, during the fourth quarter of 2017.

IFRS 16 Leases ("IFRS 16")

The Company will adopt IFRS 16 as of January 1, 2019 and is currently developing an implementation plan to assess the impact on its consolidated financial statements.

IFRIC 23 Uncertainty over Income Tax Treatments ("IFRIC 23")

In June 2017, the IASB issued IFRIC 23 to clarify the accounting for uncertainties in income taxes. The interpretation provides guidance and clarifies the application of the recognition and measurement criteria in IAS 12 Income Taxes when there is uncertainty over income tax treatments. The interpretation is effective for annual periods beginning on January 1, 2019 and the Company is currently assessing the impact of IFRIC 23 on its consolidated financial statements.

2.2. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Interim Financial Statements in accordance with IFRS requires the Company to make judgments in applying its accounting policies and estimates and assumptions about the future. These judgments, estimates, and assumptions affect the reported amounts of assets, liabilities, revenues and other items in operating income or loss, and the related disclosure of contingent liabilities included in the consolidated financial statements. The Company's estimates are evaluated on an ongoing basis, and are based on historical experience and on various other assumptions that the Company believes are reasonable under the circumstances. These estimates form the basis for making judgments about the carrying value of assets and liabilities and the reported amounts of revenues and other items. Actual results may differ from these estimates under different assumptions or conditions.

In preparing the Interim Financial Statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were consistent with those that were applied in the 2016 Audited Financial Statements, except as described below:

Oil and Gas Properties

As of January 1, 2017, oil and gas properties were depleted over proved and probable reserves, compared with 2016, when they were depleted over proved reserves. This change is a result of the Company's ability to finance its near-term capital programs, which are included in the updated reserve estimates.

The Company has recognized impairments and reversal of impairments on certain oil and gas properties in the nine months ended September 30, 2017; refer to Note 13 for further details.

3. Segmented Information

As at September 30, 2017, the Company was organized into business units based on its main types of activities: exploration, development, and production of crude oil and natural gas, and had two reportable segments: Colombia and Peru. The Company manages its operations to reflect differences in the regulatory environments and risk factors for each country.

The following table provides the total balances as at September 30, 2017 and December 31, 2016:

	Colombia		Peru		Canada & Other Non-Reportable Segments		Total	
	2017	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**
Cash and cash equivalents	$ 234,482	$ 123,445	$ 11,749	$ 4,543	$ 254,412	$ 261,111	$ 500,643	$ 389,099
Non-current assets	1,324,760	1,792,200	32,737	36,751	268,603	81,495	1,626,100	1,910,446
	$ 1,559,242	$ 1,915,645	$ 44,486	$ 41,294	$ 523,015	$ 342,606	$ 2,126,743	$ 2,299,545

(Unaudited, U.S.$ thousands, except share and per share amounts or unless otherwise stated)

Selected components of the Interim Condensed Consolidated Statements of Loss are as follows:

Three months ended September 30	Colombia		Peru		Canada & Other Non-Reportable Segments		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
Oil and gas sales and other income	$ 258,432	$ 296,671	$ 19,705	$ 10,916	$ —	$ —	$ 278,137	$ 307,587
Trading sales	28,943	1,118	—	—	—	—	28,943	1,118
Oil and gas operating costs	138,159	170,287	7,642	11,250	—	—	145,801	181,537
Purchase of oil and gas for trading	28,719	905	—	—	—	—	28,719	905
Overlift (underlift)	106	19	—	—	—	—	106	19
Fees paid on suspended pipeline capacity	34,838	43,032	—	—	—	—	34,838	43,032
Depletion, depreciation and amortization	85,878	108,174	1,708	5,088	216	540	87,802	113,802
General and administrative	21,084	21,095	1,560	2,189	3,925	13,114	26,569	36,398
Impairment and exploration expenses	74,000	299,665	—	118,116	—	6,132	74,000	423,913
Shared-based compensation	—	—	—	—	233	—	233	—
Restructuring and severance costs	1,132	7,227	—	71	1,261	24,804	2,393	32,102
(Loss) income from operations	**(96,541)**	**(352,615)**	**8,795**	**(125,798)**	**(5,635)**	**(44,590)**	**(93,381)**	**(523,003)**
Finance (costs) income	(1,733)	2,161	(473)	(252)	(5,001)	(24,852)	(7,207)	(22,943)
Share of gain (loss) of equity-accounted investees	25,470	15,581	—	—	1,982	(4,861)	27,452	10,720
(Loss) gain on risk management	(43,567)	(18,514)	—	—	—	—	(43,567)	(18,514)
Income tax expense	(12,012)	(19,886)	—	—	(122)	(495)	(12,134)	(20,381)
Other	(7,777)	4,878	(65)	10,463	5,866	(592)	(1,976)	14,749
Net (loss) income for the period	**$ (136,160)**	**$ (368,395)**	**$ 8,257**	**$(115,587)**	**$ (2,910)**	**$ (75,390)**	**$ (130,813)**	**$ (559,372)**

Nine months ended September 30	Colombia		Peru		Canada & Other Non-Reportable Segments		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
Oil and gas sales and other income	$ 797,601	$ 1,111,404	$45,280	$ 27,537	$ —	$ —	$ 842,881	$ 1,138,941
Trading sales	80,289	2,998	—	—	—	—	80,289	2,998
Oil and gas operating costs	439,898	622,107	38,460	46,977	—	—	478,358	669,084
Purchase of oil and gas for trading	79,174	2,411	—	—	—	—	79,174	2,411
Overlift (underlift)	81	(34,180)	—	(636)	—	—	81	(34,816)
Fees paid on suspended pipeline capacity	84,175	86,481	—	—	—	—	84,175	86,481
Depletion, depreciation and amortization	277,331	436,515	9,082	50,523	771	3,247	287,184	490,285
General and administrative	61,919	64,056	4,586	6,251	13,868	34,591	80,373	104,898
Impairment and exploration expenses	96,088	890,825	(10,362)	197,543	986	25,231	86,712	1,113,599
Shared-based compensation	—	—	—	—	486	(8,503)	486	(8,503)
Restructuring and severance costs	6,773	8,439	1,008	389	2,400	90,993	10,181	99,821
(Loss) income from operations	**(167,549)**	**(962,252)**	**2,506**	**(273,510)**	**(18,511)**	**(145,559)**	**(183,554)**	**(1,381,321)**
Finance (costs) income	(4,907)	(2,194)	(1,153)	1,094	(12,630)	(123,648)	(18,690)	(124,748)
Share of gain (loss) of equity-accounted investees	62,744	72,100	—	—	(1,367)	(5,007)	61,377	67,093
(Loss) gain on risk management	9,012	(125,986)	—	—	—	—	9,012	(125,986)
Income tax expense	(25,086)	(37,388)	—	—	(617)	(1,565)	(25,703)	(38,953)
Other	(15,669)	16,444	(359)	13,121	9,043	7,882	(6,985)	37,447
Net (loss) income for the period	**$ (141,455)**	**$ (1,039,276)**	**$ 994**	**$(259,295)**	**$ (24,082)**	**$ (267,897)**	**$ (164,543)**	**$ (1,566,468)**

(Unaudited, U.S.$ thousands, except share and per share amounts or unless otherwise stated)

4. Oil & Gas Operating Costs

	Three months ended September 30		Nine months ended September 30	
	2017	2016	2017	2016
Transportation costs	$ 76,931	$ 87,704	$ 261,618	$ 367,851
Production costs	70,940	64,896	197,857	240,340
Dilution costs	7,052	5,870	21,146	51,823
Royalties paid in cash	4,047	7,798	14,842	16,376
Rubiales post-termination	4,358	—	4,358	—
Inventory valuation	(17,527)	15,269	(21,463)	(7,306)
Total costs	$ 145,801	$ 181,537	$ 478,358	$ 669,084

5. Income Tax Expense

	Three months ended September 30		Nine months ended September 30	
	2017	2016	2017	2016
Net loss before income tax	$ (118,679)	$ (538,991)	$ (138,840)	$ (1,527,515)
Colombian statutory income tax rate	40%	40%	40%	40%
Income tax recovery at statutory rate	(47,472)	(215,596)	(55,536)	(611,006)
Increase (decrease) in income tax provision resulting from:				
Other non-deductible expenses (non-taxable income)	117	92,073	2,423	160,027
Share-based compensation	35	—	102	(2,305)
Differences in tax rates in foreign jurisdictions	3,792	3,139	448	32,512
Losses for which no tax benefit is recognized	16,430	73,474	28,720	100,365
Minimum income tax (presumptive income tax)	9,018	26,006	24,451	183,620
Changes in deferred income tax not recognized	30,214	41,285	25,095	175,740
Income tax expense	$ 12,134	$ 20,381	$ 25,703	$ 38,953
Current income tax expense	12,134	21,321	25,703	41,409
Deferred income tax recovery:				
Relating to origination and reversal of temporary differences	—	(940)	—	(2,456)
Income tax expense	$ 12,134	$ 20,381	$ 25,703	$ 38,953

The Canadian statutory combined income tax rate was 26.5% as at September 30, 2017 (2016: 26.5%).

Effective January 1, 2017, the Colombian Congress enacted structural tax reform whereby it abolished the fairness tax ("**CREE**"), while modifying the income tax rates to adjust for this change. The Colombian Congress maintained the previously set corporate tax rates for Colombian source income at 40% in 2017, 37% in 2018, and 33% in 2019 and subsequent taxation years. However, these rates will apply to a broader taxable base due to limitations and modifications on certain deductions. In addition, the tax reform increased the minimum tax (presumptive tax) from 3% to 3.5% and introduced a dividend withholding tax on previously taxed profits of 5%.

6. Loss Per Share

	Three months ended September 30		Nine months ended September 30	
	2017	2016	2017	2016
Net loss attributable to equity holders of the parent	$ (141,115)	$ (557,068)	$ (184,159)	$ (1,576,671)
Basic and diluted weighted average number of shares	50,005,832	3,150	50,003,913	3,150
Basic and diluted loss per share attributable to equity holders of the parent	$ (2.82)	$ (176,835.08)	$ (3.68)	$ (500,496.80)

(Unaudited, U.S.$ thousands, except share and per share amounts or unless otherwise stated)

7. Assets Held for Sale

		Exploration and evaluation assets		Oil and gas properties		Total
As at December 31, 2016	$	20,647	$	24,150	$	44,797
Additions (Notes 8,9)		10,562		4,243		14,805
Disposals		(16,149)		(17,768)		(33,917)
Adjustment		—		(217)		(217)
Currency translation adjustment		—		158		158
As at September 30, 2017	$	15,060	$	10,566	$	25,626

On September 27, 2016, the Company reached an agreement with its partner Karoon Gas Australia Ltd., to sell the Company's 35% working interest in its joint concession agreements in Brazil, which included receiving a subsequent payment of $5 million should commercial production reach 1 million barrels of oil or oil equivalents on these concessions. On January 30, 2017, the Company received Brazilian regulatory approval for the sale, and received $15.5 million in cash consideration and settlement of $0.6 million in accounts payable in accordance with the terms of the agreement.

On November 30, 2016, the Company and Cepsa Peruana S.A.C. (**"Cepsa"**) entered into a farm-out agreement whereby Cepsa agreed to acquire the Company's participation interest in Lot 131 in Peru for a total cash consideration of $17.8 million and the assumption of the Company's contractual exploration obligations. On April 26, 2017, the Company received Peruvian regulatory approval for the sale and received proceeds of $17.1 million in cash plus VAT.

8. Oil and Gas Properties

Cost		Amount
As at December 31, 2016	$	7,225,489
Additions		108,453
Transferred to assets held for sale (Note 7)		(230,626)
Currency translation adjustment		5,840
Change in asset retirement obligation		1,937
Derecognition, sales, disposals, and write-off		(1,998)
As at September 30, 2017	$	7,109,095

Accumulated depletion and impairment		Amount
As at December 31, 2016	$	6,042,821
Charge for the period		266,260
Transferred to assets held for sale (Note 7)		(226,383)
Currency translation adjustment		2,182
Impairment (Note 13)		95,896
Disposal of properties		(1,426)
As at September 30, 2017	$	6,179,350

Net book value		Amount
As at December 31, 2016		1,182,668
As at September 30, 2017	$	929,745

(Unaudited, U.S.$ thousands, except share and per share amounts or unless otherwise stated)

9. Exploration and Evaluation Assets

		Amount
As at December 31, 2016	$	9,000
Additions, net of production from long-term testing		4,930
Transferred to assets held for sale (Note 7)		(10,562)
Reversal of impairments (Note 13)		10,362
Change in asset retirement obligations		(807)
Disposals		(696)
As at September 30, 2017	$	12,227

10. Plant and Equipment

Cost		Land & buildings		Other plant & equipment		Total
As at December 31, 2016	$	61,744	$	190,609	$	252,353
Additions		—		2,505		2,505
Disposals		(33)		(3,061)		(3,094)
Currency translation adjustment		—		(196)		(196)
As at September 30, 2017	$	61,711	$	189,857	$	251,568

Accumulated depletion and impairment		Land & buildings		Other plant & equipment		Total
As at December 31, 2016	$	55,119	$	143,832	$	198,951
Charge for the period		3,871		13,639		17,510
Disposals		(7)		(2,544)		(2,551)
Currency translation adjustment		—		62		62
As at September 30, 2017	$	58,983	$	154,989	$	213,972
Net book value						
As at December 31, 2016	$	6,625	$	46,777	$	53,402
As at September 30, 2017	$	2,728	$	34,868	$	37,596

11. Investments in Associates

	ODL		Bicentenario		PII		Interamerican		CGX		Total
As at December 31, 2016	$ 123,244	$	190,502	$	81,350	$	16,086	$	4,016	$	415,198
Dilution	—		—		(4,558)		—		—		(4,558)
Gain (loss) from equity investments	28,291		40,179		(6,104)		886		(1,875)		61,377
Dividends	(34,643)		(10,797)		—		—		—		(45,440)
Currency translation adjustment	6,567		3,762		260		2,838		—		13,427
As at September 30, 2017	$ 123,459	$	223,646	$	70,948	$	19,810	$	2,141	$	440,004
Company´s interest as at September 30, 2017	35.0 %		43.0 %		39.2 %		21.1 %		45.6 %		

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

The Company holds 63.6% interest in consolidated subsidiary Pacific Midstream Limited (**"PML"**), which has equity accounted investments in two pipelines, ODL and Bicentenario. During the three and nine months ended September 30, 2017, PML recognized dividends of $17.8 million and $45.4 million, respectively (2016: $49.9 million and $90.7 million, respectively), of which $12.3 million was receivable as at September 30, 2017. During the three and nine months ended September 30, 2017, $8.2 million in dividends was distributed to the minority interest in PML (2016: $Nil and $14.6 million, respectively). Subsequent to September 30, 2017, the Company entered into an agreement to acquire the remaining 36.4% ownership interest in PML. Refer to Note 20 for further details.

(Unaudited, U.S.$ thousands, except share and per share amounts or unless otherwise stated)

Pacific Infrastructure Ventures Inc. ("PII")

Pursuant to a warrant agreement dated November 7, 2013, International Finance Corporation (**"IFC"**) and certain of its affiliates, upon meeting certain conditions included in the agreement, exercised warrants for shares of PII for nominal consideration during the three months ended September 30, 2017. As a result, the Company's ownership interest in PII was diluted to 39.2% from 41.8%, resulting in a dilution loss of $4.6 million.

CGX Energy Inc. ("CGX")

On April 26, 2017, the Company entered into a secured bridge loan facility with CGX. The principal amount of up to $3.1 million is divided into tranches payable within 12 months of the first draw-down. The loan carries an annual interest rate of 5% and is secured by the assets of CGX. As at September 30, 2017, the Company had advanced $2.8 million under this facility (Note 17). On October 30, 2017, the Company amended the secured bridge loan facility to increase the principal amount by $0.3 million with all other terms unchanged.

12. Other Assets

	As at September 30 2017	As at December 31 2016
Long-term receivables	$ 52,609	$ 105,460
Long-term recoverable VAT	25,711	26,989
Long-term withholding tax	25,877	27,439
Advances	22,983	21,782
Investments	1,070	962
	$ 128,250	$ 182,632

In the second quarter of 2017, $57.0 million was reclassified from long-term Other Assets to short-term Accounts Receivable related to the Company's exit from the Papua New Guinea blocks ($56.1 million as at December 31, 2016, included in long-term Other Assets). On June 22, 2017, the Company executed an Assignment Deed and Termination Deed with ExxonMobil Canada Holdings ULC as successor to InterOil Corporation for transferring and assigning its rights and benefits in the PPL 475 and PRL 39 interests. The consideration for this transaction totalled $57.0 million, net of outstanding liabilities, which is due upon approval by the appropriate regulatory authority.

13. Impairment and Exploration Expenses

	Three months ended September 30		Nine months ended September 30	
	2017	2016	2017	2016
Impairment expenses of oil & gas properties and plant and equipment (Note 8)	$ 74,000	$ 281,272	$ 95,896	$ 885,270
Impairment expenses (reversal) of exploration and evaluation assets (Note 9)	—	13,115	(10,362)	45,941
Impairment of other assets (advances and Bicentenario prepayments)	—	120,851	—	173,446
Loan, taxes and others	—	8,675	1,178	8,942
Total impairment and exploration expenses	$ 74,000	$ 423,913	$ 86,712	$ 1,113,599

The Company continued its strategy to divest certain non-core assets in 2017. As part of this process, the Company received various bid offers below carrying value. In accordance with the provisions of IAS 36 *Impairment of Assets*, the Company considered this to be an indicator of impairment and, accordingly, was required to estimate the recoverable amount of the Cash Generating Unit (¨**CGU**¨). As a result of this analysis, the Company recognized impairment expenses of $74.0 million and $97.1 million during the three and nine months ended September 30, 2017, respectively.

In the third quarter of 2017, an impairment charge of $56.0 million was recognized with respect to natural gas field assets in the Colombia North CGU. The carrying value was written down to a recoverable amount consistent with the bid offer received to purchase these assets.

(Unaudited, U.S.$ thousands, except share and per share amounts or unless otherwise stated)

In the second and third quarters of 2017, a total impairment charge of $41.2 million was recognized with respect to the transmission line assets of Petroelectrica de los Llanos ("**PEL**") based on bid offers received in the second quarter and a final offer received in the third quarter. Based on the final offer, an agreement to sell PEL for proceeds of $56.0 million was entered into on October 25, 2017.The carrying value was ultimately written down to a recoverable amount consistent with the sale consideration. Refer to Note 20 for further details.

The Company did not classify the above assets as held-for-sale as the criteria for classification, such as formal approval to sell, were not met as at September 30, 2017.

In the first quarter of 2017, the Company recognized a reversal of impairment of $11.6 million on certain assets classified as held for sale. The Company assessed the fair value of those assets and reversed the following impairment charges previously recognized: exploration and evaluation assets in the Peru CGU by $10.3 million, and oil and gas properties in the Colombia Central CGU by $1.3 million.

14. Interest-Bearing Loans and Borrowing

Exit Notes

The Exit Notes are listed on the Official List of the Luxembourg Stock Exchange and trade on the Euro MTF. Pursuant to the indenture governing the Exit Notes (the "**Indenture**"), the Company may not incur, with some exceptions, any additional indebtedness prior to November 2, 2018. Following this date, the Company is required to maintain (as such terms are defined in the Indenture): (1) a consolidated fixed charge ratio greater than 3.25:1; and (2) a consolidated debt-to-consolidated adjusted EBITDA ratio lower than 2.5:1. If such ratios are not met, the Company would continue to be restricted from incurring additional indebtedness. Other covenants under the Indenture limit, with some exceptions, the Company's ability to sell assets, incur liens, declare dividends, and enter into lease-back transactions.

	Maturity	Principal	Currency	Interest Rate	As at September 30 2017	As at December 31 2016
Exit Notes	2021	250,000	USD	10%	$ 250,000	$ 250,000
		250,000			$ 250,000	$ 250,000

Letter of Credit Facility

On June 22, 2016, as a part of the Restructuring Transaction, the Company entered into a letter of credit facility that was amended and restated on November 2, 2016, and matures on June 22, 2018 (the "**Letter of Credit Facility**"). The Company pays a credit facility fee of 5% per annum on the issued and maintained amounts, and will pay 8% per annum on amounts drawn under any issued letters of credit. If any event of default exists, the applicable rate will increase by an additional 2% per annum until such default is cured. As of September 30, 2017, letters of credit totalling $103.1 million were issued and maintained under the Letter of Credit Facility (December 31, 2016: $111.7 million).

The following table summarizes the main components of finance costs for the period:

	Three months ended September 30		Nine months ended September 30	
	2017	2016	2017	2016
Interest on Exit Notes	$ 6,250	$ 15,000	$ 18,750	$ 16,333
Accretion of asset retirement obligations	2,338	2,626	6,686	8,009
Letters of credit fees and other bank charges	1,909	1,381	3,931	4,247
Lease financing costs	750	882	2,349	3,053
Accretion income of account receivables	(616)	(1,676)	(3,878)	(6,838)
Interest income	(3,424)	(7,111)	(9,148)	(13,182)
Interest on Senior Notes	—	—	—	76,599
Interest on other debt	—	—	—	21,486
Accretion of deferred transaction costs	—	11,841	—	15,041
	$ 7,207	$ 22,943	$ 18,690	$ 124,748

(Unaudited, U.S.$ thousands, except share and per share amounts or unless otherwise stated)

15. Asset Retirement Obligations

		Amount
As at December 31, 2016	$	248,632
Accretion expense		6,686
Additions		11,414
Changes in assumptions		(13,745)
Currency translation adjustment		3,858
Liabilities settled		(1,847)
Derecognition and disposals		(2,379)
As at September 30, 2017	$	252,619
Current portion	$	21,691
Non-current portion		230,928
	$	252,619

Asset retirement obligations represent the present value of decommissioning and environmental liability costs relating to oil and gas properties, of which $273.4 million, on an undiscounted basis, is expected to be incurred (2016: $309.0 million).

In second quarter of 2017, $14.6 million related to assets held for sale was reclassified from non-current to current liabilities as the responsibility for these liabilities is being assumed by third parties on the expected closing of each transaction.

16. Contingencies and Commitments

A summary of the Company's commitments, undiscounted and by calendar year, is presented below:

As at September 30, 2017	2017	2018	2019	2020	2021	2022 and thereafter	Total
Transportation commitments							
ODL Ship-or-Pay Agreement	$ 12,861	$ 50,047	$ 49,052	$ 30,170	$ 1,152	$ —	$ 143,282
Bicentenario Ship-or-Pay Agreement	34,643	138,573	138,573	138,573	138,573	349,229	938,164
Transportation and processing commitments	61,665	230,814	233,101	233,101	233,223	913,948	1,905,852
Exploration commitments							
Minimum work commitments	91,862	85,401	89,347	26,886	—	—	293,496
Other commitments							
Operating purchases and leases	22,878	13,856	5,199	5,062	5,062	9,337	61,394
Community obligations	4,377	—	—	—	—	—	4,377
Total	$ 228,286	$ 518,691	$ 515,272	$ 433,792	$ 378,010	$ 1,272,514	$ 3,346,565

The Company has various guarantees in place in the normal course of business. As at September 30, 2017, the Company issued letters of credit and guarantees for exploration and operational commitments for a total of $107.1 million (2016: $162.8 million).

In Colombia, the Company is participating as a shipper in a project to expand the OCENSA pipeline, which commenced operations in July 2017. As part of the expansion project, the Company, through its Colombian branches, entered into separate crude oil transport agreements with OCENSA for future transport capacity. The Company started paying ship-or-pay fees once the expansion project was completed and operational.

Contingencies

The Company is involved in various claims and litigation arising in the normal course of business. Since the outcome of these matters is uncertain, there can be no assurance that such matters will be resolved in the Company's favour. The Company does not currently believe that the outcome of adverse decisions in any pending or threatened proceedings related to these and other matters, or any amount which it may be required to pay by reason thereof, would have a material impact on its financial position, results of operations, or cash flows.

(Unaudited, U.S.$ thousands, except share and per share amounts or unless otherwise stated)

Except as noted above, no material changes have occurred with respect to the matters disclosed in "Note 25 - Contingencies and Commitments" of the Company's 2016 Audited Financial Statements, and no new contingencies have occurred that are material to the Company since the issuance of those financial statements.

17. Related-Party Transactions

The following table provides the total balances, loans, interest balance outstanding and commitments with related parties as at September 30, 2017 and December 31, 2016:

		Accounts Receivable	Accounts Payable	Commitments	Cash Advance	Loan Receivable	Interest Receivable	Convertible Debentures
ODL	2017	$ —	$ 288	$ 143,282	$ —	$ —	$ —	$ —
	2016	638	341	176,442	—	—	—	—
Bicentenario	2017	11,918	501	938,164	87,753	—	—	—
	2016	13,400	—	1,164,251	87,753	—	—	—
Pacific Infrastructure Ventures Inc.-Sociedad Portuaria Puerto Bahia S.A	2017	4,795	1,568	165,921	17,867	76,552	24,241	—
	2016	828	905	199,859	17,867	74,279	18,097	—
Interamerican Energy - Consorcio Genser Power - Proelectrica - Termomorichal	2017	—	107	—	—	—	—	—
	2016	174	555	—	—	—	—	—
CGX Energy Inc.	2017	110	—	—	—	13,650	515	1,500
	2016	—	—	—	—	10,000	1,500	1,500
Paye Foundation (1)	2017	—	35	—	—	—	—	—
	2016	—	1,737	—	—	—	—	—
Fupepco Foundation (1)	2017	—	217	—	—	—	—	—
	2016	$ —	$ —	$ —	$ —	$ —	$ —	$ —

(1) The Paye Foundation (formerly Pacific Rubiales Foundation) was in liquidation as of September 30, 2017, and the Company established the new charitable Fupepco Foundation in Colombia in 2017. The foundation has the objective of advancing social and community development projects in the country.

The following table provides the total amounts of transactions and interest income that were entered into with related parties during the three and nine months ended September 30, 2017 and 2016:

		Three months ended September 30			Nine months ended September 30		
		Sales	Purchases / Services	Interest Income	Sales	Purchases / Services	Interest Income
ODL	2017	$ —	$ 16,700	$ —	$ —	$ 37,995	$ —
	2016	—	23,794	—	217	75,260	—
Bicentenario	2017	—	28,991	—	—	95,196	—
	2016	—	50,129	—	—	129,447	—
Pacific Infrastructure Ventures Inc.-Sociedad Portuaria Puerto Bahia S.A	2017	—	5,823	2,094	—	25,793	6,143
	2016	123	9,750	—	2,715	29,814	
Interamerican Energy - Consorcio Genser Power - Proelectrica - Termomorichal	2017	—	293	—	495	312	—
	2016	1,915	1,766	—	9,575	16,960	—
CGX Energy Inc.	2017	—	—	30	—	—	45
	2016	—	—	—	—	—	—
Paye Foundation (1)	2017	—	64	—	—	1,779	—
	2016	—	1,958	—	—	7,242	—
Fupepco Foundation (1)	2017	—	17	—	—	71	—
	2016	$ —	$ —	$ —	$ —	$ —	$ —

(1) The Paye Foundation (formerly Pacific Rubiales Foundation) was in liquidation as of September 30, 2017, and the Company established the new charitable Fupepco Foundation in Colombia in 2017. The foundation has the objective of advancing social and community development projects in the country.

(Unaudited, U.S.$ thousands, except share and per share amounts or unless otherwise stated)

18. Financial Instruments

a. Credit Risk

As at September 30, 2017, two of the Company's customers had accounts receivable that were greater than 10% of the total trade accounts receivable. The Company's credit exposure to these customers was $27.7 million and $25.6 million or 37% and 34% of trade accounts receivable, respectively (December 31, 2016: two customers at $46.5 million and $24.6 million or 51% and 27% of trade accounts receivable). Revenues from these customers for the nine months ended September 30, 2017 were $159.5 million and $69.6 million, or 17% and 8% of revenue (2016: $220.9 million and $132.2 million or 19% and 12% of revenue), respectively.

b. Liquidity Risk

As at September 30, 2017, the Company had $107.1 million in letters of credit outstanding (2016: $162.8 million), $103.1 million of which is committed under the Letter of Credit Facility (2016: $111.7 million) (Note 14).

The following are the maturities of non-derivative financial liabilities (based on calendar year and undiscounted) as at September 30, 2017:

Financial liability due in	Note	2017	2018	2019	2020	2021	Total
Accounts payable and accrued liabilities		$ 257,075	$ 294,267	$ —	$ —	$ —	$ 551,342
Exit Notes	14	—	—	—	—	250,000	250,000
Obligations under finance lease		1,710	6,778	6,778	6,797	4,511	26,574
Total		**$ 258,785**	**$ 301,045**	**$ 6,778**	**$ 6,797**	**$ 254,511**	**$ 827,916**

Accounts payable and accrued liabilities as at September 30, 2017 and December 31, 2016:

	As at September 30 2017	As at December 31 2016
Trade and other payables	$ 107,628	$ 97,678
Accrued liabilities	149,608	170,588
Payables to JV partners	1,700	13,446
Advances, warranties, and deposits	39,803	38,074
Provisions and withholding tax	252,603	256,564
	$ 551,342	**$ 576,350**

c. Risk Management Contracts

The Company has entered into a number of oil price risk management contracts, but none of these instruments are subject to hedge accounting. Any change in fair value is recorded in profit or loss as risk management gain or loss with realized amounts recorded in revenue. The terms and conditions of the hedging instruments and expected settlement periods as at September 30, 2017 and December 31, 2016 are as follows:

Type of Instrument	Term	Benchmark	Notional Amount / Volume (bbl/	Put/ Call Strike	Carrying amount Assets	Carrying amount Liabilities
Zero-cost collars	January to July 2017	BRENT	8,080,000	42.5 / 61.5	—	31,985
Total as at December 31, 2016					**$ —**	**$ 31,985**
Zero-cost collars	October 2017 to July 2018	BRENT	12,720,000	49.1 / 59.6	295	25,206
Put spreads	November to December 2017	BRENT	1,155,000	51.5 / 54.2	1,938	—
Total as at September 30, 2017					**$ 2,233**	**$ 25,206**

For the three and nine months ended September 30, 2017, the Company recognized a gain of $1.8 million and a loss of $3.6 million in revenue, respectively, related to the contracts that were settled in the period (2016: gain in revenues of $Nil and $161.6 million, respectively).

(Unaudited, U.S.$ thousands, except share and per share amounts or unless otherwise stated)

d. Fair Value of Financial Instruments

The following table summarizes the Company's financial instruments that are carried or disclosed at fair value in accordance with the classification of fair value input hierarchy in IFRS 7 *Financial Instruments - Disclosures* as at September 30, 2017 and December 31, 2016:

			Fair Value			
	Period	Carrying Value	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss (FVTPL)						
Held-for-trading derivatives	2017	$ 2,233	$ —	$ 2,233	$ —	$ 2,233
	2016	—	—	—	—	—
Investments in equity instruments	2017	1,070	—	—	1,070	1,070
	2016	962	—	—	962	962
Financial assets measured at amortized cost						
Long-term receivables	2017	$ 52,609	$ —	$ 52,609	$ —	$ 52,609
	2016	105,460	—	105,460	—	105,460
Financial liabilities measured at fair value through profit or loss (FVTPL)						
Held-for-trading derivatives	2017	$ (25,206)	$ —	$ (25,206)	$ —	$ (25,206)
	2016	(31,985)	—	(31,985)	—	(31,985)
Financial liabilities measured at amortized cost						
Exit Notes	2017	$ (250,000)	$ (278,865)	$ —	$ —	$ (278,865)
	2016	(250,000)	(250,000)	—	—	(250,000)
Obligations under finance lease	2017	(20,222)	—	(25,477)	—	(25,477)
	2016	(22,942)	—	(28,904)	—	(28,904)

19. Supplemental Disclosure on Cash Flows

Changes in non-cash working capital are as follows:

	Three months ended September 30		Nine months ended September 30	
	2017	2016	2017	2016
Decrease in accounts receivable	$ 38,760	$ 42,074	$ 51,058	$ 256,746
Decrease in income taxes receivable	29,108	6,215	27,893	88,939
Decrease (increase) in accounts payable and accrued liabilities	16,018	(90,769)	(26,712)	(470,858)
(Increase) decrease in inventories	(18,185)	12,709	(19,095)	(14,189)
Increase (decrease) in income taxes payable	1,612	8,722	(5,848)	10,231
(Increase) decrease in prepaid expenses	(1,580)	(1,797)	577	1,094
	$ 65,733	$ (22,846)	$ 27,873	$ (128,037)

Other cash flow information is as follows:

	Three months ended September 30		Nine months ended September 30	
	2017	2016	2017	2016
Cash income taxes paid	$ 1,521	$ 1,984	$ 4,848	$ 6,648
Cash interest paid	6,250	15,646	18,750	20,545
Cash interest received	1,989	3,204	5,692	7,430

20. Subsequent Events

Strategic Acquisition of PML

On October 13, 2017, the Company entered into an agreement to acquire the outstanding 36.4% ownership of PML from the IFC, and related parties (jointly, the **"IFC Parties"**). Following the acquisition, the Company will own 100% of PML. Consideration for the acquisition will be $225 million in cash, to be paid in instalments over a 36-month period, plus accrued interest over unpaid amounts. Following the acquisition, PML will be a 100% consolidated entity of the Company and non-controlling interest related balances will be eliminated.

The completion of the transaction is subject to obtaining modifications to the Company's take-or-pay contracts and other customary conditions of closing. In addition, the consent of the Company's noteholders and secured lenders is required to complete the transaction.

Sale of PEL

On October 25, 2017, the Company entered into an agreement to sell its interest in PEL to an affiliate of Eléctricas de Medellín - Ingeniería y S.A.S, for a total cash consideration of $56 million.