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Frontera Energy Earning Slides

August 11, 2021

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This presentation contains forward-looking statements or “forward-looking information (collectively, “**forward-looking statements**”) within the meaning of applicable securities legislation, which involve known and unknown risks, uncertainties, and other factors that may because the actual results, performance or achievements of Frontera Energy Corporation (the “**Company**” or “**Frontera**”) or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward- looking statements. All statements, other than statements of historical fact that address activities, events or developments that (the Company believes, expects or anticipates will or may occur in the future (including, without limitation, statements with respect to estimates and/or assumptions in respect of statements regarding the corporate strategy, the Company's guidance (including production levels, production and transportation costs, Operating EBITDA, capital expenditure, infrastructure and exit production levels) future income generation capacity, impact of oil price changes on the Company's Operating EBITDA,the Company's exploration and development plans and objectives, including its drilling plans and the timing thereof and regulatory approvals) are forward-looking statements. In particular, statements relating to "reserves" are deemed to be forward-looking statements since they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated and that the reserves can be profitably produced in the future. These Forward-looking statements are subject to a number of risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the forward-looking statements, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, the Company. Factors that could cause actual results or events to differ materially from current expectations include, among other things: volatility in market prices for oil and natural gas (including as a result of demand and supply shifts caused by the sustained COVID-19 pandemic and the actions of the Organization of Petroleum Exporting Countries (“**OPEC**”) and non-OPEC countries and the procedures imposed by governments in response thereto); the extent and duration and spread of the COVID-19 pandemic and its severity, the success of the Company's program to manage COVID-19; uncertainties associated with estimating and establishing oil and natural gas reserves; liabilities inherent with the exploration, development, exploitation and reclamation of oil and natural gas; uncertainty of estimates of capital and operating costs, production estimates and estimated economic return; increases or changes to transportation costs; expectations regarding the Company's ability to raise capital and to continually add reserves through acquisition and development; the Company's ability to access additional financing; the ability of the Company to maintain its credit ratings; the ability of the Company to: meet its financial obligations and minimum commitments, fund capital expenditures and comply with covenants contained in the agreements that govern indebtedness; political developments in the countries where the Company operates; the uncertainties involved in interpreting drilling results and other geological data; geological, technical, drilling and processing problems; timing on receipt of government approvals; fluctuations in foreign exchange or interest rates and stock market volatility; and the other risks disclosed under the heading "Risk Factors" and elsewhere in the Company's Annual Information Form dated March 3, 2021, available on SEDAR at www.sedar.com. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Although the Company currently believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein. Although the Company has attempted to take into account important factors that could cause actual costs or operating results to differ materially, there may be other unforeseen factors and therefore results may not be as anticipated, estimated or intended.

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This presentation contains future oriented financial information and financial outlook information (collectively, “FOFI”) within the meaning of applicable securities laws, (including, without limitation, statements regarding expected average production, production costs, transportation costs, capital expenditures, total cash and cash equivalents), and are subject to the same assumptions, risk factors, limitations and qualifications as set forth in the above paragraph. The FOFI has been prepared by management to provide an outlook of the Company’s activities and results, and such information may not be appropriate for other purposes. The Company and management believe that the FOFI has been prepared on a reasonable basis, reflecting management’s best estimates and judgments, however, actual results of operations of the Company and the resulting financial results may vary from the amounts set forth herein. Any FOFI speaks only as of the date on which it is made and, except as may be required by applicable laws, the Company disclaims any intent or obligation to update any FOFI, whether as a result of new information, future events or results or otherwise.

The Company discloses several financial measures in this presentation that do not have any standardized meaning prescribed under International Financial Reporting Standards (“**IFRS**”) (including Operating EBITDA). These measures should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. For more information, please see the Company’s management’s discussion and analysis dated August 10, 2021 for the three and six months ended June 30, 2021 filed on SEDAR at www.sedar.com.

All reserves estimates contained in this presentation were prepared in accordance with the definitions, standards and procedures contained in the Canadian Oil and Gas Evaluation Handbook and National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities (“**NI 51-101**”) and are based on the Company’s 2020 year-end estimated reserves as evaluated by the Company’s independent reserves evaluator, DeGolyer and MacNaughton (“**D&M**”) in their reserves report dated February 18, 2021 with an effective date of December 31, 2020 (the “**Reserves Report**”). Additional reserves information required by NI-51-101 is included in (i) 51-1010F1 – Statement of Reserves Data and Other Oil and Gas Information; (ii) Forms 51-101F2 – Report on Reserves Data by Independent Qualified Reserves Evaluator completed by D&M; and (iii) Form 51-101F3 – Report of Management and Directors on Oil and Gas Disclosure filed on SEDAR on March 3, 2021. All reserves presented are based on forecast pricing and estimated costs effective December 31, 2020 as determined by the Company’s independent reserves evaluators. Actual oil and natural gas reserves and future production may be greater than or less than the estimates provided in this presentation. There is no assurance that forecast prices and costs assumed in the Reserves Report, and presented in this presentation, will be attained and variances from such forecast prices and costs could be material. The estimated future net revenue from the production of the disclosed oil and natural gas reserves in this presentation does not represent the fair market value of these reserves.

The estimates of reserves for individual properties may not reflect the same confidence level as estimates of reserves for all properties, due to the effects of aggregation. In addition, possible reserves are those additional reserves that are less certain to be recovered than probable reserves. There is a 10% probability that the quantities actually recovered will equal or exceed the sum of proved plus probable plus possible reserves.

Reported production levels may not be reflective of sustainable production rates and future production rates may differ materially from the production rates reflected in this presentation due to, among other factors, difficulties or interruptions encountered during the production of hydrocarbons.

The term “boe” is used in this presentation. Boe may be misleading, particularly if used in isolation. A boe conversion ratio of cubic feet to barrels is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. In this presentation, boe has been expressed using the Colombian conversion standard of 5.7 Mcf: 1 bbl required by the Colombian Ministry of Mines and Energy.

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

COMPANY SNAPSHOT

Capital Structure (As at June 30, 2021) (\$U.S.)

2023 senior note balance (\$MM) ¹	\$63
Long-term debt (\$MM)	\$391
(+) Total Lease Liabilities (\$MM) ²⁵	\$11
(+) Risk Management Liabilities, net (\$MM) ³⁵	\$3
= Consolidated Total Indebtedness excl. 2025 Puerto Bahia debt (\$MM)	\$468
(-) Cash and Cash Equivalents (excluding unrestricted subsidiaries)(\$MM) ⁴⁵	\$330
= Net Debt excl. Puerto Bahia Debt (\$MM)	\$139
(+) Market Cap (\$MM) ⁶	\$598
= Enterprise Value (\$MM)	\$737

Credit ratings

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

In June 2021, Frontera closed a USD**\$400 million** offering of senior unsecured notes due **2028** at a coupon rate of **7.875%**

1. Including as Accounts payable and accrued liabilities in the Interim Condensed Financial Statements. Paid on July 7, 2021.
2. Excludes \$0.5 million of lease liabilities attributable to the Unrestricted Subsidiaries.
3. Excludes \$9.4 million of risk management liabilities attributable to the Unrestricted Subsidiaries.
4. Excludes \$28.6 million of cash and cash equivalent attributable to the Unrestricted Subsidiaries.
5. Unrestricted subsidiaries shall mean CGX Energy Inc, Frontera ODL Holding Corp., including its subsidiary Pipeline Investment Ltd. Frontera BIC Holding, and Frontera Bahía Holding Ltd., including its subsidiary Sociedad Portuaria Puerto Bahía S.A.
6. Assumes Frontera share price of CAD \$7.66, USD/CAD exchange rate of 0.8066, and 96,751,979 total shares outstanding as at June 30, 2021.

SECOND QUARTER 2021 HIGHLIGHTS

- ✔ Cash provided by operating activities was \$87.4 million, up 84% from Q1
- ✔ Operating EBITDA was \$84.8million, up 23% from Q1
- ✔ Operating netback was \$32.83/BOE, up 12.7% from Q1
- ✔ Through its majority-owned subsidiary and joint venture, prepared to spud the Kawa-1 well, offshore Guyana
- ✔ Completed an offering of U.S.\$400 million in senior unsecured notes at a coupon rate of 7.875%, maturing in 2028
- ✔ Received ~116,000 net acre extension to the CPE-6 boundary area
- ✔ Released Frontera's 2020 Sustainability Report
- ✔ Repurchased for cancelation ~1.5 million shares through NCIB program
- ✔ Decreased restricted cash position by ~\$33 million compared to Q1 2021
- ✔ Increased annual Operating EBITDA guidance by 17% at the midpoint to \$325-\$375 million

SECOND QUARTER 2021 BY NUMBERS

Production

**35,682
BOE/D**



Operating Cost

\$22.92/boe

Netback

\$32.83/boe

Capital Expenditures

\$61MM

Total Cash Position of

\$487MM

including Restricted Cash of

\$128MM

Cash Provided by Operating Activities

\$87MM



Operating EBITDA

\$85MM



Released Restricted Cash

\$33MM



\$400MM
2028 Senior Unsecured Notes

Coupon Rate
7.785%

60% of production Hedged for the second part of the year

Development Wells Drilled

12

Well Services

23



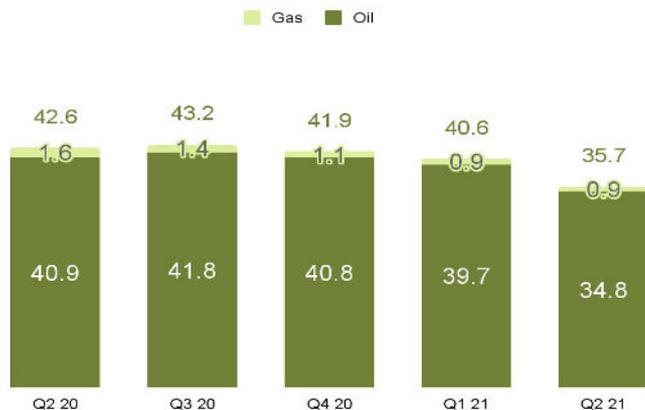
Total Inventory

**968,028
bbls**

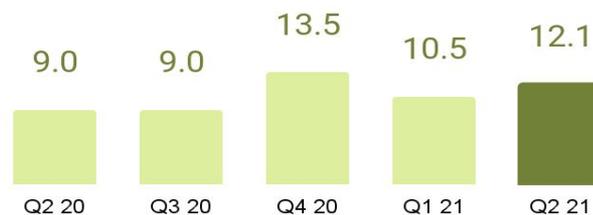
Q2 2021 QUARTERLY RESULTS

Capital expenditures, production and transportation costs

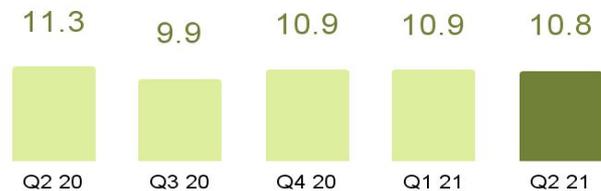
Production by Source (kboed)



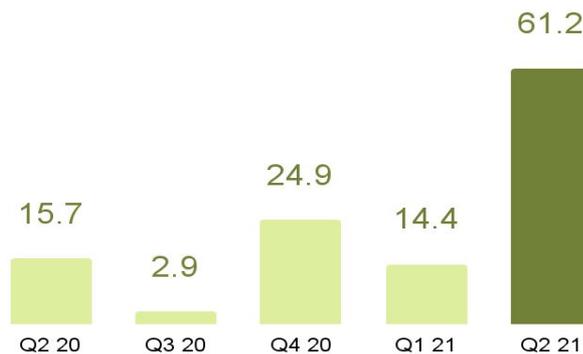
Production Cost (\$/boe)



Transport Cost (\$/boe)



Capital Expenditures (\$MM)



Q2 2021 QUARTERLY RESULTS

Sustainable Operational Performance

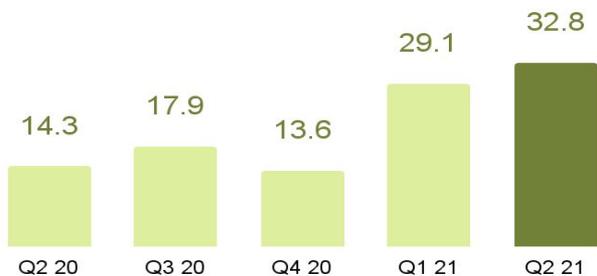
Realized Price (\$/boe) and Brent (\$/bbl)



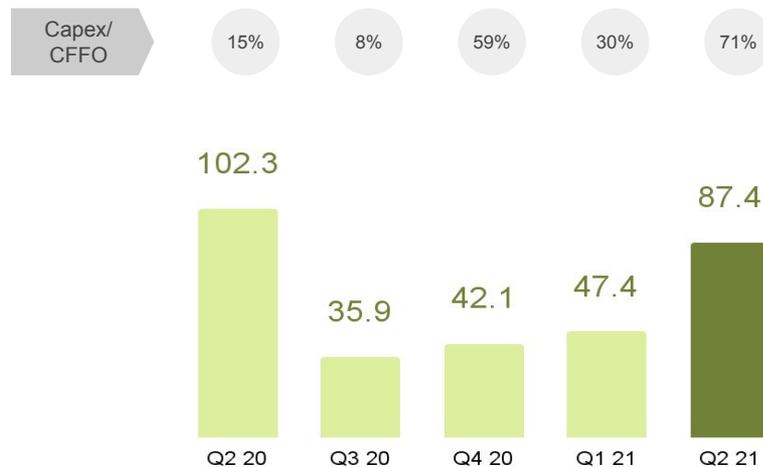
EBITDA(\$MM) and EBITDA Margin (%)



Operating Netback (\$/boe)



CFFO (\$MM) and CapEx/CFFO (%)



Q2 2021 QUARTERLY RESULTS

Debt Ratios

Net debt (excluding Unrestricted Subsidiaries) (\$MM)



Net Debt to EBITDA Ratio (X)



Debt to Book Capitalization (%)

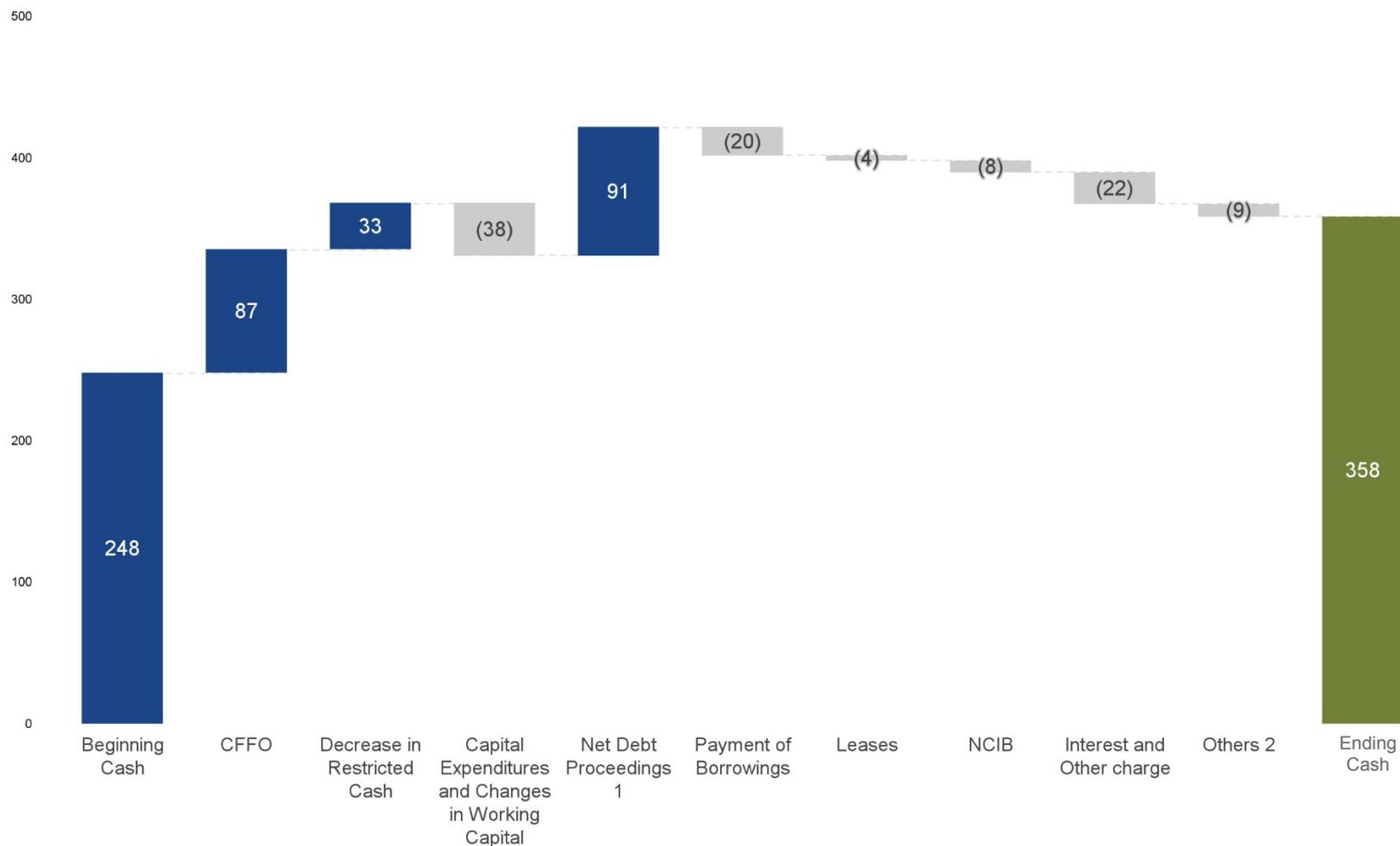


Interest Coverage (X)



Q2 2021 QUARTERLY RESULTS

Cash and Cash Equivalents

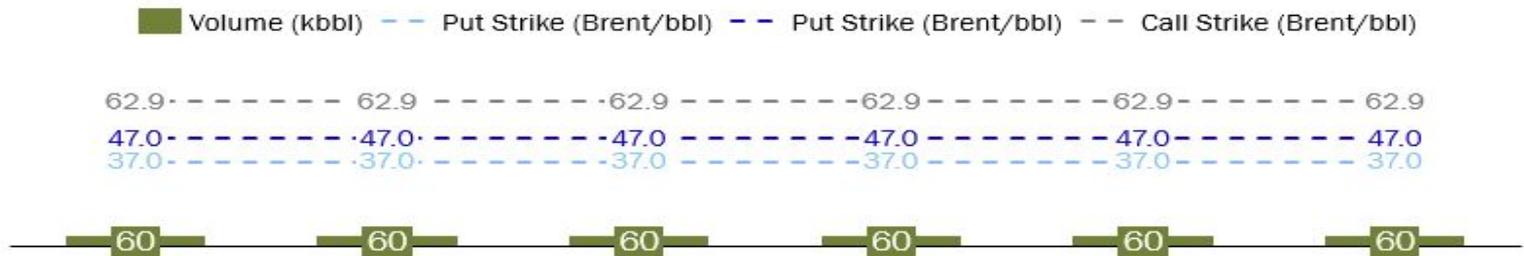


1. Net Debt proceedings include: Repayment of long-term debt at a premium, gross proceeds from long-term debt issuance prior to transaction cost, transaction cost of new unsecured notes. 63MM upstanding of 2023 notes, payment to be reflected in 3Q 2021
2. Others include: Dividends paid to non-cash controlling interest, changes in non-cash working capital (financing activities), effect of exchange rate changes on cash and cash equivalents

HEDGING PROGRAM 2021

Frontera has hedged ~60% of its production for the remainder of 2021.

Three Ways



Put Spread



Put



Total Volume Hedged





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