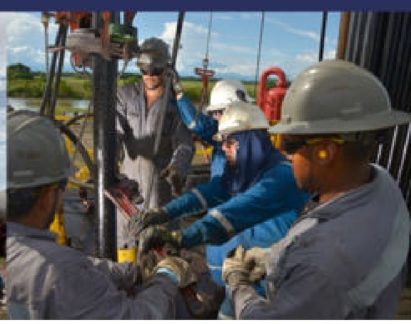
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

For the three months ended
March 31, 2025 and 2024

FRONTERA ENERGY

Interim Condensed Consolidated Statements of Income (Loss)

(In thousands of U.S.$, except per share information)	Notes	Three Months Ended March 31 2025	2024
Oil and gas produced, purchased sales and other revenue	4	$ 278,121	$ 269,681
Royalties		(3,060)	(4,506)
Revenue		275,061	265,175
Operating costs	5	107,795	95,778
Cost of diluent and oil purchased	5	68,860	57,859
General and administrative	6	13,571	13,556
Share-based compensation		862	286
Depletion, depreciation and amortization	10	67,394	65,812
Impairment expense, exploration expenses and other	7	1,981	395
Restructuring, severance and other costs		1,001	1,803
Income from operations		13,597	29,686
Share of income from associates	12	15,109	13,894
Foreign exchange income (loss)		2,239	(1,097)
Finance income		1,483	1,592
Finance expense		(15,405)	(17,270)
Gain (loss) on risk management contracts	16	645	(8,813)
Other loss		(112)	(359)
Gain on repurchase of senior unsecured notes	13	190	294
Net income before income tax		17,746	17,927
Current income tax expense	8	(5,795)	(5,010)
Deferred income tax recovery (expense)	8	15,446	(21,575)
Income tax recovery (expense)	8	9,651	(26,585)
Net income (loss) for the period		$ 27,397	$ (8,658)
Attributable to:			
Equity holders of the Company		27,524	(8,503)
Non-controlling interests		(127)	(155)
		$ 27,397	$ (8,658)
Earnings (loss) per share attributable to equity holders of the Company			
Basic	9	$ 0.35	$ (0.10)
Diluted	9	$ 0.34	$ (0.10)

On behalf of the Board of Directors:

"Gabriel de Alba" (signed)
Chairman of the Board of Directors

"W. Ellis Armstrong" (signed)
Director

Interim Condensed Consolidated Statements of Comprehensive Income (Loss)

(In thousands of U.S.$)	Three Months Ended March 31 2025	2024
Net income (loss) for the period	$ 27,397	$ (8,658)
Other comprehensive income that may be reclassified to net income (loss) in subsequent periods (nil tax effect)		
Foreign currency translation	14,066	781
Total comprehensive income (loss) for the period	$ 41,463	$ (7,877)
Attributable to:		
Equity holders of the Company	$ 41,590	$ (7,722)
Non-controlling interests	(127)	(155)
	$ 41,463	$ (7,877)

Interim Condensed Consolidated Statements of Financial Position

(In thousands of U.S.$)	Notes	March 31 2025	December 31 2024
ASSETS			
Current			
Cash and cash equivalents		$ 170,094	$ 192,577
Restricted cash	16	16,119	16,632
Receivables from investment	15, 16	26,141	—
Trade receivables	16	8,573	9,254
Other receivables	16	70,722	61,277
Inventories		46,106	55,518
Income taxes receivable		73,736	62,702
Prepaid expenses and deposits		12,419	15,090
Risk management assets	16	2,142	—
Total current assets		426,052	413,050
Non-current			
Properties, plant and equipment	10	1,895,611	1,909,903
Exploration and evaluation assets	11	458,970	457,424
Investments in associates	12	32,405	66,142
Deferred tax assets	8	24,468	24,421
Restricted cash	16	13,619	13,617
Other assets		16,324	16,320
Total non-current assets		2,441,397	2,487,827
Total assets		$ 2,867,449	$ 2,900,877
LIABILITIES			
Current			
Accounts payable and accrued liabilities	16	$ 380,833	$ 397,055
Customer prepayments	16	31,413	30,348
Short-term debt and current portion of long-term debt	13	44,200	30,509
Risk management liabilities	16	2,144	4,568
Income taxes payable		3,149	3,185
Lease liabilities		4,258	4,523
Asset retirement obligations	14	40,193	43,427
Total current liabilities		506,190	513,615
Non-current			
Unsecured notes	13	389,011	389,803
Other long-term debt	13	60,439	73,452
Other payables	16	11,780	14,211
Lease liabilities	18	7,578	7,750
Deferred tax liabilities	8	12,483	28,848
Asset retirement obligations	14	145,783	147,065
Total non-current liabilities		627,074	661,129
Total liabilities		$ 1,133,264	$ 1,174,744
Commitments and contingencies	18		
EQUITY			
Share capital		$ 4,537,764	$ 4,567,984
Contributed surplus		111,785	111,599
Other reserves		(65,537)	(79,603)
Accumulated deficit		(2,859,548)	(2,883,695)
Equity attributable to equity holders of the Company		$ 1,724,464	$ 1,716,285
Non-controlling interests		9,721	9,848
Total equity		$ 1,734,185	$ 1,726,133
Total liabilities and equity		$ 2,867,449	$ 2,900,877

Interim Condensed 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, 2025	80,793,387	$ 4,567,984	$ 111,599	$ (74,401)	$ (5,202)	$ (2,883,695)	$ 1,716,285	$ 9,848	$ 1,726,133
Net income for the period	—	—	—	—	—	27,524	27,524	(127)	27,397
Other comprehensive income	—	—	—	14,066	—	—	14,066	—	14,066
Total comprehensive income (loss)	—	—	—	14,066	—	27,524	41,590	(127)	41,463
Dividends declared to equity holders of the Company (1) (2)	1,073	6	—	—	—	(3,377)	(3,371)	—	(3,371)
Repurchase of Common Shares under SIB (3)	(3,500,000)	(30,226)	—	—	—	—	(30,226)	—	(30,226)
Share-based compensation	—	—	186	—	—	—	186	—	186
As at March 31, 2025	77,294,460	$ 4,537,764	$ 111,785	$ (60,335)	$ (5,202)	$ (2,859,548)	$ 1,724,464	$ 9,721	$ 1,734,185

(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, 2024	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 period	—	—	—	—	—	(8,503)	(8,503)	(155)	(8,658)
Other comprehensive income	—	—	—	781	—	—	781	—	781
Total comprehensive loss	—	—	—	781	—	(8,503)	(7,722)	(155)	(7,877)
Acquisition of non-controlling interests	—	—	—	—	—	—	—	—	—
Dividends declared to equity holders of the Company (1)	—	—	—	—	—	(3,907)	(3,907)	—	(3,907)
Repurchase of Common Shares under NCIB (4)	(457,800)	(2,731)	—	—	—	—	(2,731)	—	(2,731)
Share-based compensation	—	—	151	—	—	—	151	19	170
As at March 31, 2024	84,693,416	$ 4,601,973	$ 111,033	$ (41,589)	$ (5,202)	$ (2,856,826)	$ 1,809,389	$ 10,259	$ 1,819,648

(1) On March 10, 2025, the Company's Board of Directors approved and declared a cash dividend of $3.4 million, which represents CAD$0.0625 per Common Share, which was paid on April 16, 2025. On March 7, 2024, the Company's Board of Directors has approved and declared a $3.9 million cash dividend, which represents to CAD$0.0625 per Common Share, which was paid on April 16, 2024.

*(2) The Company's Dividend Reinvestment Plan ("**DRIP**") allows shareholders resident in Canada to automatically reinvest the cash dividends declared on their Common Shares back into additional Common Shares, without the payment of brokerage commissions or service charges. During the period ended March 31, 2025, the Company issued 1,073 Common Shares under the DRIP.*

*(3) On December 16, 2024, the Company announced that its board of directors had approved the commencement of a second Substantial Issuer Bid (the "**2025 SIB**") pursuant to which the Company offered to purchase from holders 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. The 2025 SIB 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 the Company's issued and outstanding Common Shares as at January 23, 2025) at a price of CAD$12.00 per Common Share, representing an aggregate purchase price of CAD$42.0 million funded by cash (total cost of $30.2 million, including transaction costs of $0.4 million and taxes of $0.6 million). The 2025 SIB had over 90% shareholder participation rate.*

*(4) 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 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 commencing on November 21, 2023, and ending on November 20, 2024. During the three months ended March 31, 2024, the Company repurchased for cancellation $2.7 million equivalent to 457,800 Common Shares under the 2023 NCIB, for an average repurchase cost of $5.96 per Common Share.*

Interim Condensed Consolidated Statements of Cash Flows

(In thousands of U.S.$)	Notes	Three Months Ended March 31 2025	2024
OPERATING ACTIVITIES			
Net income (loss) for the period		$ 27,397	$ (8,658)
Items not affecting cash:			
Depletion, depreciation and amortization		67,394	65,812
Impairment expense	7	1,134	1,027
Expense (recovery) of asset retirement obligations	7	375	(1,042)
Unrealized (gain) loss on risk management contracts	16	(4,786)	7,939
Share-based compensation		862	286
Deferred income tax (recovery) expense	8	(15,446)	21,575
Unrealized foreign exchange (gain) loss		(6,073)	552
Share of income from associates	12	(15,109)	(13,894)
Finance expense		15,405	17,270
Finance income		(1,483)	(1,592)
Gain on repurchase of 2028 Unsecured Notes (as defined below)	13	(190)	(294)
Dividends from associates	12	26,172	—
Income tax paid, withheld, compensated or collected, net		(13,109)	(22,713)
Interest received, net		1,499	1,592
Settlement of asset retirement obligations	14	(4,725)	(645)
Other		(337)	(91)
Changes in working capital (excluding cash)	17	(8,843)	(1,508)
Cash provided by operating activities		$ 70,137	$ 65,616
INVESTING ACTIVITIES			
Additions to oil and gas properties, infrastructure port, and plant and equipment		$ (42,582)	$ (62,849)
Additions to exploration and evaluation assets	11	(1,835)	(2,487)
Decrease in restricted cash and other		1,353	4,759
Changes in working capital (excluding cash)	17	(15,456)	(6,474)
Cash used in investing activities		$ (58,520)	$ (67,051)
FINANCING ACTIVITIES			
Repurchase of Common Shares under SIB		$ (30,226)	$ —
Dividends paid to equity holders of the Company		(3,494)	—
Lease payments		(1,356)	(1,365)
Repurchase of 2028 Unsecured Notes	13	(815)	(1,233)
Interest paid and other charges		(261)	(234)
Repayment of debt	13	—	(5,899)
Repurchase of Common Shares under NCIB		—	(2,731)
Constitution debt service reserve account of FPI Loan Facility (as defined below), net	13	—	(468)
Net proceeds from FPI Loan Facility (as defined below)	13	—	8,820
Cash used in financing activities		$ (36,152)	$ (3,110)
Effect of exchange rate changes		2,052	(221)
Decrease in cash and cash equivalents during the period		(22,483)	(4,766)
Cash and cash equivalents, beginning of the period		192,577	159,673
Cash and cash equivalents, end of the period		$ 170,094	$ 154,907
Cash		132,534	110,833
Cash equivalents		37,560	44,074
Total cash and cash equivalents		$ 170,094	$ 154,907

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited, in thousands of U.S.$, unless otherwise stated)

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 interim condensed consolidated financial statements of the Company 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 Interim Condensed Consolidated Financial Statements for the three months ended March 31, 2025, and 2024 (the "**Interim Condensed Financial Statements**"), have been prepared in accordance with IAS 34, Interim Financial Reporting as issued by the International Accounting Standards Board ("**IASB**"). The Company has prepared the Interim Condensed Financial Statements on the basis that it will continue to operate as a going concern.

The Interim Condensed 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 annual consolidated financial statements for the year ended December 31, 2024 (the "**2024 Annual Financial Statements**"). These Interim Condensed Financial Statements were approved and authorized for issuance by the Audit Committee of the Board of Directors on May 8, 2025.

Functional and Presentation Currency

The Interim Condensed 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.

Material Accounting Policy Information

The accounting policies used in preparation of the Interim Condensed Financial Statements are consistent with those disclosed in the 2024 Annual Financial Statements, except for the adoption of new standards effective as of January 1, 2025.

The Company has not early adopted any standard, interpretation, or amendment that has been issued but is not yet effective.

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. – Trade Tensions and tariffs

Recent developments indicate heightened trade tensions between the United States and Colombia and elsewhere. In April 2025, the U.S. government enacted trade tariffs on over fifty countries including Colombia. The global shock caused by the massive tariffs imposed by the U.S. is not over; and although it was subsequently announced that the tariffs would ultimately be lower than initially stated, and that a 90-day pause would be granted to most of the affected countries to allow them to negotiate new agreements with the administration, uncertainties remain. 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

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. On March 13, 2025, the Joint Venture announced the receipt of a communication from the Government of Guyana indicating that, on the one hand, the Government was of the view that the PPL and Petroleum Agreement are at an end but, on the other hand, that the Government was terminating the Petroleum Agreement and cancelling the PPL. On March 26, 2025, the Company and its subsidiaries Frontera Petroleum International Holding B.V. and Frontera Energy Guyana Holding Ltd. (the “**Investors**”) sent a notice of intent to the Government of Guyana, by which the Investors alleged breaches of the United Kingdom – Guyana Bilateral Investment Treaty (BIT) and the Guyana Investment Act by the Government of Guyana (the “**Notice of Intent**”). The Notice of Intent initiated a three-month period for consultations and negotiations between the parties to resolve the dispute amicably. Should the parties not reach a mutually agreeable solution, the Joint Venture and its other stakeholders are prepared to assert their legal rights.

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 March 31, 2025 is $432.3 million (December 31, 2024 $431.9 million).

(Unaudited, in thousands of U.S.$, unless otherwise stated)

3. 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 three months ended March 31, 2025, operating segmented information for the Interim Condensed Consolidated Statements of Income (Loss) is as follows:

Three Months Ended March 31	Exploration and Production Onshore				Exploration Guyana		Infrastructure Colombia		Canada & Others		Eliminations		Total	
	Colombia		Ecuador											
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Oil and gas sales	$ 259,929	$ 258,528	$ 7,061	$ 1,800	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 266,990	$ 260,328
Other revenue	—	—	—	—	161	—	12,864	10,528	34		(1,928)	(1,175)	11,131	9,353
Royalties	(2,788)	(4,394)	(272)	(112)	—	—	—	—	—	—	—	—	(3,060)	(4,506)
Revenue	257,141	254,134	6,789	1,688	161	—	12,864	10,528	34	—	(1,928)	(1,175)	275,061	265,175
Operating costs	98,067	87,423	2,186	427	—	—	8,930	8,149	161	210	(1,549)	(431)	107,795	95,778
Cost of diluent and oil purchased	69,205	58,603	—	—	—	—	—	—	—	—	(345)	(744)	68,860	57,859
General and administrative	9,812	9,009	226	238	362	499	1,507	1,479	1,698	2,344	(34)	(13)	13,571	13,556
Share-based compensation	665	109	8	3	—	19	—	—	189	155	—	—	862	286
Depletion, depreciation and amortization	63,228	63,206	1,771	221	2	4	2,026	1,816	367	565	—	—	67,394	65,812
Impairment expense, exploration expenses and other	1,981	(213)	—	—	—	—	—	—	—	608	—	—	1,981	395
Restructuring, severance and other costs	622	1,151	—	—	—	—	214	426	165	226	—	—	1,001	1,803
Income (loss) from operations	13,561	34,846	2,598	799	(203)	(522)	187	(1,342)	(2,546)	(4,108)	—	13	13,597	29,686
Share of income from associates	—	—	—	—	—	—	15,109	13,894	—	—	—	—	15,109	13,894
Segment income (loss)	$ 13,561	$ 34,846	$ 2,598	$ 799	$ (203)	$ (522)	$ 15,296	$ 12,552	$ (2,546)	$ (4,108)	$ —	$ 13	$ 28,706	$ 43,580
Other non-operating expense items													(10,960)	(25,653)
Income tax recovery (expense)													9,651	(26,585)
Net income (loss) for the period													$ 27,397	$ (8,658)

(Unaudited, in thousands of U.S.$, unless otherwise stated)

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

	March 31 2025	December 31 2024
Colombia	$ 1,918,886	$ 1,964,756
Guyana	452,936	452,591
Ecuador	56,344	57,507
Canada & Others	13,231	12,973
Total non-current assets	$ 2,441,397	$ 2,487,827

4. 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 3):

	Three Months Ended March 31	
	2025	2024
Colombia		
Produced crude oil sales	$ 201,569	$ 205,377
Purchased crude oil and products sales	57,363	51,285
Gas sales	997	1,866
Colombia oil and gas sales	259,929	258,528
Ecuador crude oil sales	7,061	1,800
Oil and gas sales	266,990	260,328
Infrastructure Colombia sales to external customers	10,970	9,353
Inter-segment sales	1,894	1,175
Infrastructure Colombia sales	12,864	10,528
Other revenues	195	—
Elimination of Infrastructure Colombia inter-segment sales	(1,928)	(1,175)
Oil and gas produced, purchased sales and other revenue	$ 278,121	$ 269,681

5. Operating Costs

	Three Months Ended March 31	
	2025	2024
Transportation costs	$ 39,549	$ 35,195
Production costs (excl. energy costs)	35,679	36,839
Energy costs	19,584	18,968
Trunkline costs and other [(1)]	2,000	—
Inventory valuation	1,756	(3,923)
Post-termination costs	297	550
Total oil and gas operating costs	98,865	87,629
Port operating costs	5,002	6,069
Special projects and other costs [(2)]	3,928	2,080
Total operating costs	$ 107,795	$ 95,778

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

[(2)] *Mainly includes costs related to Promotora Agricola de los Llanos S.A. and SAARA.*

Cost of Diluent and Oil Purchased

Cost of diluent and oil purchased represents the cost of third-party hydrocarbon volumes purchased primarily for dilution and refining purposes as part of the Company's oil operations, as well as its marketing and transportation strategy. For the three months ended March 31, 2025, the cost of oil purchased and diluent was $68.9 million (2024: $57.9 million).

(Unaudited, in thousands of U.S.$, unless otherwise stated)

6. General and Administrative

	Three Months Ended March 31	
	2025	2024
Salaries and benefits	$ 7,642	$ 7,882
Professional fees	3,131	3,677
Taxes	1,089	1,259
Other expenses	770	738
Colombian temporary taxes (1)	939	—
Total	$ 13,571	$ 13,556

(1) These temporary taxes include a 1% contribution on the export of hydrocarbons in Colombia (Catatumbo Tax) resulting from the state of internal commotion declared by the Government of Colombia.

7. Impairment Expense, Exploration Expenses and Other

	Three Months Ended March 31	
	2025	2024
Impairment expense of:		
Exploration and evaluation assets (Note 11)	$ 235	$ —
Other	899	1,027
Total impairment expense	1,134	1,027
Exploration expenses of:		
Geological and geophysical costs, and other	472	410
Total exploration expenses	472	410
Expense (recovery) of asset retirement obligations (Note 14)	375	(1,042)
Impairment expense, exploration expenses and other	$ 1,981	$ 395

Exploration and Evaluation Assets

During the three months ended March 31, 2025, the Company recorded an impairment charge of $0.2 million (2024: $Nil) resulting from certain additions to exploration and evaluation ("**E&E**") assets that had previously been impaired.

Other

During the three months ended March 31, 2025, the Company recognized other impairment expenses of $0.9 million (2024: $1.0 million), mainly related to obsolete inventory materials.

Expense (recovery) of asset retirement obligations

During the three months ended March 31, 2025, the Company recognized an asset retirement obligations expense of $0.4 million. During the three months ended March 31, 2024, the Company recognized a recovery of asset retirement obligations of $1.0 million.

8. Income Taxes

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

	Three Months Ended March 31	
	2025	**2024**
Net income before income tax	17,746	17,927
Colombian statutory income tax rate [(1)]	40 %	50 %
Income tax expense at statutory rate	7,098	8,964
Increase (decrease) in income tax provision resulting from:		
Non-deductible/taxable expense/income and other differences	10,190	4,265
Foreign exchange impact on deferred income tax	(19,485)	9,439
Share-based compensation	43	41
Differences in tax rates	(5,718)	(134)
Change in deferred income tax	(1,779)	4,010
Income tax (recovery) expense	(9,651)	26,585
Current income tax expense	5,795	5,010
Deferred income tax (recovery) expense:		
Relating to origination and reversal of temporary differences	(15,446)	21,575
Income tax (recovery) expense	$ (9,651)	$ 26,585
Effective tax rate	(54.38)%	148.30 %

[(1)] *Statutory income tax rate includes an additional estimated surcharge of 5% according to the forecasted average Brent prices. As at March 31, 2024 the surcharge was 15%.*

During the three months ended March 31, 2025, the Company recognized a current income tax expense of $5.8 million, compared to $5.0 million in the same period of 2024, and a deferred income tax recovery of $15.4 million compared to a deferred income tax expense of $21.6 million in the same period of 2024.

The deferred tax recovery for the three months ended March 31, 2025 is mainly due to foreign exchange rate fluctuations.

9. Earnings (Loss) per Share

	Three Months Ended March 31	
(In thousands of U.S.$, except share and per share amounts)	**2025**	**2024**
Income (loss) attributable to equity holders of the Company	$ 27,524	$ (8,503)
Basic weighted average number of shares outstanding	78,344,269	84,994,245
Effect of dilution from dilutive instruments	3,309,521	—
Diluted weighted average number of shares outstanding	81,653,790	84,994,245
Earnings (loss) per share attributable to equity holders of the Company		
Basic	$ 0.35	$ (0.10)
Diluted	$ 0.34	$ (0.10)

10. Properties, Plant and Equipment

Cost	Oil & Gas Properties	Infrastructure Colombia	Plant & Equipment	Total
As at January 1, 2025	$ 7,396,107	$ 365,673	$ 67,424	$ 7,829,204
Additions	38,806	2,379	1,620	42,805
Change in asset retirement obligations (Note 14)	(4,187)	694	—	(3,493)
Disposal [(1)]	(52,970)	(74)	(335)	(53,379)
Currency translation adjustment	299	19,629	470	20,398
As at March 31, 2025	$ 7,378,055	$ 388,301	$ 69,179	$ 7,835,535

[(1)] *Corresponds mainly to write off due to the relinquished of Entrerrios and Rio Meta blocks.*

(Unaudited, in thousands of U.S.$, unless otherwise stated)

Accumulated Depletion, Depreciation and Impairment	Oil & Gas Properties	Infrastructure Colombia	Plant & Equipment	Total
As at January 1, 2025	$ 5,778,858	$ 97,307	$ 43,136	$ 5,919,301
Charge for the period (2)	64,136	1,853	713	66,702
Disposal (1)	(52,970)	(41)	(315)	(53,326)
Currency translation adjustment	174	6,796	277	7,247
As at March 31, 2025	$ 5,790,198	$ 105,915	$ 43,811	$ 5,939,924

(1) *Corresponds mainly to write off due to the relinquished of Entrerrios and Rio Meta blocks.*

(2) *Does not include depletion, depreciation and amortization inventory fluctuation of $0.7 million.*

Net Book Value	Oil & Gas Properties	Infrastructure Colombia	Plant & Equipment	Total
As at December 31, 2024	$ 1,617,249	$ 268,366	$ 24,288	$ 1,909,903
As at March 31, 2025	$ 1,587,857	$ 282,386	$ 25,368	$ 1,895,611

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

Properties, plant and equipment - owned	$ 1,578,106	$ 282,386	$ 22,648	$ 1,883,140
ROU assets - leased	9,751	—	2,720	12,471
As at March 31, 2025	$ 1,587,857	$ 282,386	$ 25,368	$ 1,895,611

Details of ROU assets are as follows:

	Power Generation	Plant & Equipment	Total
As at January 1, 2025	$ 10,271	$ 2,941	$ 13,212
Additions	—	238	238
Termination or modifications of lease contracts	—	113	113
Depreciation	(520)	(572)	(1,092)
As at March 31, 2025	$ 9,751	$ 2,720	$ 12,471

11. Exploration and Evaluation Assets

	2025
As at January 1	$ 457,424
Additions (1)	1,835
Impairment expense (Note 7)	(235)
Change in asset retirement obligations	(54)
As at March 31, 2025	$ 458,970

(1) *Includes additions of $0.9 million from Llanos 99, Llanos 119 and VIM46 in Colombia, $0.6 million in Ecuador related to the Espejo block and $0.3 million in Guyana.*

12. Investments in Associates

	2025
As at January 1	$ 66,142
Share of income from associates	15,109
Dividends	(52,893)
Currency translation adjustment	4,047
As at March 31, 2025	$ 32,405
Company's interest as at March 31, 2025	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.

(Unaudited, in thousands of U.S.$, unless otherwise stated)

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, Frontera Pipeline Investment AG ("**FPI**", formerly named Pipeline Investment Ltd), has a 35% equity investment in the ODL pipeline, which connects the Rubiales, Quifa, Caño Sur, Llanos-34, among other blocks to the Monterrey 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 income (loss).

During the three months ended March 31, 2025, the Company recognized the dividends declared by ODL of $52.9 million (2024: $54.9 million), and a return of capital of $Nil (2024: $7.9 million).

During the three months ended March 31, 2025 the Company received cash dividends of $26.2 million, (2024: $Nil).

As at March 31, 2025, the carrying value of dividends receivable is $26.1 million (December 31, 2024: $Nil)

13. Short-Term and Long-Term Debt

As at	Maturity	Principal	Currency	Interest Rate	March 31 2025	December 31 2024
2028 Unsecured Notes	June 2028	394,000	U.S. dollars	7.875%	$ 389,011	$ 389,803
Unsecured Notes					$ 389,011	$ 389,803
FPI Loan Facility (Tranche A-1)	December 2027	100,000	U.S. dollars	SOFR 6M + 6.25%(1)	$ 52,126	$ 51,969
FPI Loan Facility (Tranche A-2)	December 2028	30,000	U.S. dollars	SOFR 6M + 6.25%(1)	24,650	24,620
FPI Loan Facility (Tranche B)	December 2027	20,000	U.S. dollars	11%	17,863	17,863
Agro Cascada Working Capital Loan	October 2025	41,927,400,000	COP	IBR(2) + 2.5%	10,000	9,509
Loans					$ 104,639	$ 103,961
Total					$ 493,650	$ 493,764

(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 margin will decrease.

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

As at	March 31 2025	December 31 2024
Current portion	$ 44,200	$ 30,509
Non-current portion	449,450	463,255
Total	$ 493,650	$ 493,764

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 three months ended March 31, 2025, the Company repurchased $1.0 million, of its 2028 Unsecured Notes in the open market for a cash consideration of $0.8 million. As a result, the Company recognized a gain of $0.2 million during the same period. The carrying value for the 2028 Unsecured Notes as at March 31, 2025, was $389.0 million (December 31, 2024: $389.8 million).

Frontera Pipeline Investment Loan Facility ("FPI Loan Facility", formerly named "PIL Loan Facility")

On March 27, 2023, FPI entered into a new credit agreement through which lenders provided a $120.0 million loan facility to FPI, secured by substantially all the assets and shares of FPI, 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 FPI. The FPI Loan Facility is a five-year credit facility maturing in December 2027, with principal payments made semi-annually. The FPI Loan Facility has two tranches: a $100.0 million amortizing tranche that pays SOFR six-month term plus a 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 FPI Loan Facility were fully satisfied, and both tranches of the facility were funded on March 31, 2023.

(Unaudited, in thousands of U.S.$, unless otherwise stated)

On February 16, 2024, as part of the FPI Loan Facility (Tranche A-2), the Company amended the facility to disburse an accordion tranche of $30.0 million. This tranche secures 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 lender and legal fees, which were discounted at the time of disbursement.

As at March 31, 2025, the carrying value of the FPI Loan Facility is $94.6 million (December 31, 2024: $94.5 million), which includes short-term debt of $34.2 million. As at March 31, 2025, the FPI Loan Facility debt service reserve account has a balance of $16.0 million (December 31, 2024: $15.9 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 plus 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 March 31, 2025, the carrying value of the Agro Cascada Working Capital Loan is $10.0 million.

14. Asset Retirement Obligations

	2025
As at January 1	$ 190,492
Accretion expense	2,245
Additions	1,109
Changes in estimates	(3,520)
Liabilities settled	(4,725)
Expense of asset retirement obligations (Note 7)	375
As at March 31	$ 185,976

	March 31 2025	December 31 2024
Current portion	$ 40,193	$ 43,427
Non-current portion	145,783	147,065
Total	$ 185,976	$ 190,492

Asset retirement obligations ("**ARO**") represent the present value of decommissioning and environmental liability costs relating to oil and gas properties and E&E assets. As at March 31, 2025 the total undiscounted ARO is $299.1 million (**2024**: $295.6 million), expected to be executed between 2025 and 2049, of which $288.6 million (2024: $285.2 million) relates to Colombia, $8.3 million (2024: $8.3 million) to Peru and $2.2 million (2024: $2.2 million) to Ecuador.

During the three months ended March 31, 2025, the Company recognized a decrease in ARO due to changes in estimates of $3.5 million, which includes a decrease of $5.5 million related to updating the risk-free and inflation rates, a decrease of $1.8 million related to updated cost estimates, partially offset by an increase of $3.8 million due to the impact of foreign exchange rates. A total of $3.5 million relating to changes in estimates was recognized within Properties, Plant and Equipment (Note 10).

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

- A risk-free rate between 9.37% and 14.21% and an inflation rate between 2.90% and 3.10% for cash flows expected to be settled in COP for Colombia (2024: risk-free rate between 9.88% and 14.03% with inflation rate between 2.90% and 3.20%);
- A risk-free rate between 7.45% and 8.24% and an inflation rate between 2.11% and 2.23% for cash flows expected to be settled in U.S. dollars for Colombia (2024: risk-free rate between 6.79% and 7.47% with inflation rate between 1.65% and 2.55%); and

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- A risk-free rate between 20.18% and 20.87% and an inflation rate between 1.00% and 2.30% for cash flows expected to be settled in U.S. dollars for Ecuador (2024: risk-free rate between 16.21% and 16.86% with inflation rate between 1.40% and 2.50%).

15. Related-Party Transactions

The following table provides the total balances outstanding, commitments, and transactional amounts with related parties as at March 31, 2025, and December 31, 2024 and for the three months ended March 31, 2025 and 2024, respectively:

		March 31, 2025, and December 31, 2024			Three Months Ended March 31
		Receivables from Investment	Accounts Payable	Commitments	Purchases / Services
ODL (Note 12)	2025	$ 26,141	$ 3,036	$ 205	$ 7,255
	2024	—	2,901	356	7,452

The related-party transactions correspond to dilution services for a total commitment of $0.2 million until 2025 (Note 18).

16. 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	March 31 2025	December 31 2024
Trade receivables before ECL	$ 24,458	$ 25,137
Allowance for ECLs - trade receivables	(15,885)	(15,883)
Trade receivables	8,573	9,254
Receivables from investment	26,141	—
Receivables from investment	26,141	—
Other receivables:		
Receivables from joint arrangements	28,161	26,944
VAT receivable and others [(1)]	36,949	29,482
Other receivables	12,001	11,192
Allowance for ECLs - other receivables	(6,389)	(6,341)
Other receivables	$ 70,722	$ 61,277
Withholding tax and others - not considered for credit risk	(36,949)	(29,482)
Total financial assets carried at amortized cost	$ 68,487	$ 41,049

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

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited, in thousands of U.S.$, unless otherwise stated)

Reconciliation of ECLs

The following table shows a continuity of ECLs:

	2025
As at January 1	$ 22,224
Effect of exchange rate changes	50
As at March 31, 2025	$ 22,274

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 March 31, 2025:

Financial Liability Due In	2025	2026	2027	2028	2029	Subsequent to 2030	Total
Accounts payable, accrued liabilities and other payables (1)	$ 377,925	$ 7,725	$ 6,910	$ 53	$ —	$ —	$ 392,613
Customer prepayments	31,413	—	—	—	—	—	31,413
Unsecured Notes	—	—	—	394,000	—	—	394,000
Loans	44,200	20,000	36,100	10,500	—	—	110,800
Interest on Unsecured Notes	31,500	31,500	31,500	15,750	—	—	110,250
Interest on loans	10,881	6,174	3,697	646	—	—	21,398
Lease liabilities	4,487	3,851	2,304	2,209	1,622	518	14,991
Total	$ 500,406	$ 69,250	$ 80,511	$ 423,158	$ 1,622	$ 518	$ 1,075,465

(1) *Includes provisions of $93.1 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:

	March 31 2025	December 31 2024
Trade and other payables	$ 131,868	$ 148,236
Accrued liabilities	116,622	117,984
Supplier holdbacks	39,986	39,398
Withholding tax and tax provisions	9,940	12,730
Share-based payment liability	1,097	2,158
	299,513	320,506
Provision for contingencies and others	93,100	90,760
Total accounts payable and accrued liabilities and other payables	$ 392,613	$ 411,266
Customer prepayments (1)	$ 31,413	$ 30,348

(1)*As at March 31, 2025, includes a prepayment of $31.4 million received from customers of Colombia expected to be settled during the second quarter of 2025 (December 31, 2024: $30.3 million).*

The Company has various uncommitted bilateral letters of credit. As at March 31, 2025, the Company has issued letters of credit and guarantees for exploration and abandonment funds totalling $113.5 million (December 31, 2024: $108.9 million).

Restricted cash

As at March 31, 2025, the Company has short-term and long-term restricted cash of $29.7 million (December 31, 2024: $30.2 million) in trust accounts primarily to cover future abandonment obligations, and restricted funds related to the FPI Loan Facility.

(Unaudited, in thousands of U.S.$, unless otherwise stated)

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 estimated production with a tactical approach, using derivative commodity instruments to protect the Company's revenue generation and cash position, while maximizing the upside.

				Avg. Strike Prices	Carrying Amount	
Type of Instrument	**Term**	**Benchmark**	**Volume (bbl)**	**Put $/bbl**	**Assets**	**Liabilities**
Put Spread	May 2025 to June 2025	Brent	400,000	55/70	$ —	$ 548
Put Option	April 2025 to June 2025	Brent	876,000	70.00	—	1,596
Total as at March 31, 2025					$ —	$ 2,144
Total as at December 31, 2024					$ —	$ 2,669

Risk management contracts - Foreign exchange

The Company is exposed to foreign currency fluctuations. This exposure arises primarily due to expenditures incurred in COP and the fluctuation of this currency against the USD. In addition, during 2025, the Company entered into new derivative contracts associated with the collection of dividends from ODL as required under the FPI Loan Facility.

				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	$ 801	$ —
Zero-cost collars	July to September 2025	USD / COP	60,000,000	4,200/4,795	1,095	—
Forward [(1)]	August 2025	USD / COP	10,423,124	4,206	110	—
Forward [(1)]	October 2025	USD / COP	7,741,875	4,247	76	—
Forward [(1)]	December 2025	USD / COP	7,666,063	4,289	60	—
Total as at March 31, 2025					$ 2,142	$ —
Total as at December 31, 2024					$ —	$ 1,899

	Assets	Liabilities
Total risk management contracts as at March 31, 2025	$ 2,142	$ 2,144
Total risk management contracts as at December 31, 2024	$ —	$ 4,568

[(1)] *Contracts related to the FPI Loan Facility*

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

	Three Months Ended March 31	
	2025	**2024**
Loss on oil price risk management contracts [(1)]	$ (4,141)	$ (3,489)
Realized gain on foreign exchange risk hedge	—	2,615
Realized loss on risk management contracts	(4,141)	(874)
Unrealized gain (loss) on risk management contracts	4,786	(7,939)
Total gain (loss) on risk management contracts	$ 645	$ (8,813)

[(1)] *Corresponds to the put premiums paid for expired position.*

(Unaudited, in thousands of U.S.$, unless otherwise stated)

b. 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 March 31, 2025 and December 31, 2024:

			Fair Value		
	Period	Carrying Value	Level 1	Level 2	Level 3
Financial Assets Measured at Fair Value through Profit and Loss					
Risk management assets	2025	$ 2,142	$ —	$ 2,142	$ —
	2024	—	—	—	—
Financial Assets Measured at Fair Value through Other Comprehensive Income					
Investments in equity instruments	2025	$ 1,582	$ —	$ —	$ 1,582
	2024	1,813	—	—	1,813
Financial Liabilities Measured at Fair Value through Profit and Loss					
Risk management liabilities	2025	$ (2,144)	$ —	$ (2,144)	$ —
	2024	(4,568)	—	(4,568)	—
Financial Liabilities Measured at Amortized Cost					
2028 Unsecured Notes (Note 13)	2025	$ (389,011)	$ —	$ (299,373)	$ —
	2024	(389,803)	—	(302,207)	—
Other short-term and long-term debt (Note 13)	2025	$ (104,639)	$ —	$ (110,800)	$ —
	2024	(103,961)	—	(110,309)	—

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:

	March 31 2025	December 31 2024
Equity attributable to equity holders of the Company	$ 1,724,464	$ 1,716,285
Long-term debt	449,450	463,255
Working capital deficit [1]	80,138	100,565
Total	$ 2,254,052	$ 2,280,105

[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.

(Unaudited, in thousands of U.S.$, unless otherwise stated)

17. Supplemental Disclosure of Cash Flows

Changes in non-cash working capital are as follows:

	Three Months Ended March 31	
	2025	2024
Decrease in accounts payable and accrued liabilities	$ (33,865)	$ (6,327)
Increase in accounts receivable and other assets	(6,992)	(15,429)
(Decrease) increase in income taxes payable	(69)	85
Increase in customers prepayments	1,065	20,988
Decrease (increase) in inventories	7,821	(12,840)
Decrease (increase) in prepaid expenses and deposits	2,664	(2,078)
Decrease in income taxes receivable	5,077	7,619
Changes in working capital (excluding cash)	$ (24,299)	$ (7,982)
Attributable to:		
Operating activities	$ (8,843)	$ (1,508)
Investing activities	(15,456)	(6,474)
Changes in working capital (excluding cash)	$ (24,299)	$ (7,982)

18. Commitments and Contingencies

Commitments

The Company's commitments as at March 31, 2025, undiscounted and by calendar year, are presented below:

As at March 31, 2025	2025	2026	2027	2028	2029	Subsequent to 2030	Total
Transportation							
Ocensa P-135 ship-or-pay agreement	$ 18,608	$ —	$ —	$ —	$ —	$ —	$ 18,608
ODL agreements	205	—	—	—	—	—	205
Other transportation and processing commitments	10,521	10,583	—	—	—	—	21,104
Exploration and evaluation							
Minimum work commitments (1)	12,396	10,171	5,066	—	—	—	27,633
Other commitments							
Operating purchases, community obligations and others	54,421	871	254	259	264	2,455	58,524
Energy supply commitments	24,430	14,706	9,307	4,421	1,061	2,209	56,134
Total	$ 120,581	$ 36,331	$ 14,627	$ 4,680	$ 1,325	$ 4,664	$ 182,208

(1) *The Company has been reducing the value of its exploratory commitments as they are executed. Some of these commitments are still pending accreditation by the Agencia Nacional de Hidrocarburos ("**ANH**"); however, the Company does not consider this situation to represent a risk.*

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.

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 the Joint Venture composed by Frontera Energy Guyana Corp. and CGX Resources Inc. 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. On March 13, 2025, the Joint Venture announced the receipt of a communication from the Government of Guyana indicating that, on the one hand, the Government was of the view that the PPL and Petroleum Agreement are at an end but, on the other hand, that the Government was terminating the Petroleum Agreement and cancelling the PPL. On March 26, 2025, the Company and the Investors sent the Notice of Intent. The Notice of Intent initiated a three-month period for consultations and negotiations between the parties to resolve the dispute amicably. 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, and continues to invite the Government to amicably resolve the issues affecting the Joint Venture’s investments in the Corentyne block. Should the parties not reach a mutually agreeable solution, the Joint Venture and its other stakeholders are prepared to assert their legal rights. The Joint Venture looks forward to expeditiously resolving this matter and continuing its multi-year efforts and investments to realize value for the people of Guyana and its shareholders from the Corentyne block.

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.

On March 13, 2025, the Company obtained a favorable arbitral award in the Cubiro E&P Contract litigation, confirming its contractual rights under the Cubiro E&P Contract. The Tribunal ruled in the Company's favor, rejecting ANH's actions and recognizing the independence of the Copa and Petirrojo exploitation areas. This decision is favorable to the Company. However, the ANH can still pursue remedies against the award, so it is not yet final.

19. 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 July 16, 2025, to shareholders of record at the close of business on July 2, 2025.