

Extractive Sector Transparency Measures Act - Annual Report



Reporting Entity Name FRONTERA ENERGY CORPORATION

Reporting Year **From** 2019-01-01 **To:** 2019-12-31 **Date submitted** 2020-05-29

Reporting Entity ESTMA Identification Number E570651

Original Submission
 Amended Report

Other Subsidiaries Included
 (optional field)

Not Consolidated

Not Substituted

Attestation by Reporting Entity

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

Full Name of Director or Officer of Reporting Entity Alejandro Piñeros Ospina **Date** 2020-05-29

Position Title Chief Financial Officer

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| | | | |
|---|-----------------------------|-----------------------|-----------------------------------|
| Reporting Year | From: 2019-01-01 | To: 2019-12-31 | Currency of the Report USD |
| Reporting Entity Name | FRONTERA ENERGY CORPORATION | | |
| Reporting Entity ESTMA Identification Number | E570651 | | |
| Subsidiary Reporting Entities (if necessary) | | | |

Payments by Payee

| Country | Payee Name ¹ | Departments, Agency, etc... within Payee that Received Payments ² | Taxes | Royalties | Fees | Production Entitlements | Bonuses | Dividends | Infrastructure Improvement Payments | Total Amount paid to Payee | Notes ³⁴ |
|----------|---|--|------------|-------------|------------|-------------------------|-----------|-----------|-------------------------------------|----------------------------|---|
| Colombia | Government of Colombia | | 10,590,000 | 118,430,000 | 38,330,000 | - | - | - | - | 167,350,000 | - Agencia Nacional de Hidrocarburos (Includes Royalties in kind payments of US\$107,778,517 equivalent to 2.4 Mmboe) - Direccion de Impuestos y Aduana Nacionales - Fondo Nacional Ambiental - Servicio Geologico Colombiano - Ministerio de Defensa Nacional - Others |
| Colombia | Municipality Puerto Gaitan | | 150,000 | - | - | - | 420,000 | - | 180,000 | 750,000 | |
| Colombia | Municipality Orocué | | - | - | - | - | 410,000 | - | 250,000 | 660,000 | |
| Colombia | Municipality Cabuyaro | | 30,000 | - | - | - | 250,000 | - | 360,000 | 640,000 | |
| Colombia | Municipality San Luis de Palenque | | 40,000 | - | - | - | 260,000 | - | 330,000 | 630,000 | |
| Colombia | Parcialidad Indigena la Campana | | - | - | - | - | 510,000 | - | - | 510,000 | |
| Colombia | Asociación Nukanchipa | | - | - | - | - | 450,000 | - | - | 450,000 | |
| Colombia | Indigenous Reservation Sikuani de Domo | | - | - | - | - | 350,000 | - | - | 350,000 | |
| Colombia | Municipality San Pedro | | - | - | - | - | 180,000 | - | 80,000 | 260,000 | |
| Colombia | Vencedor Pirin Community | | - | - | - | - | 230,000 | - | - | 230,000 | |
| Colombia | Municipality Paz de Ariporo | | - | - | - | - | 130,000 | - | 90,000 | 220,000 | |
| Colombia | Municipality Mani | | 20,000 | - | - | - | 150,000 | - | 30,000 | 200,000 | |
| Colombia | Municipality Barranca de Upia | | - | - | - | - | 150,000 | - | 50,000 | 200,000 | |
| Colombia | Municipality Trinidad | | - | - | - | - | 140,000 | - | 10,000 | 150,000 | |
| Colombia | Municipality Monterrey | | - | - | - | - | 140,000 | - | - | 140,000 | |
| Colombia | Municipality Tauramena | | - | - | - | - | 120,000 | - | 30,000 | 150,000 | |
| Colombia | Municipality El Espinal | | - | - | - | - | 90,000 | - | 40,000 | 130,000 | |
| Colombia | Bogota District Capital | | 110,000 | - | - | - | - | - | - | 110,000 | |
| Colombia | Municipality Villanueva | | - | - | - | - | 40,000 | - | 60,000 | 100,000 | |
| Colombia | Municipality Guaduas | | 40,000 | - | - | - | 40,000 | - | - | 80,000 | |
| Colombia | Resguardo Indigena Alto Unuma | | - | - | - | - | 80,000 | - | - | 80,000 | |
| Peru | Government of Peru | | 2,990,000 | 1,540,000 | - | - | 820,000 | - | - | 5,350,000 | - Superintendencia Nacional de Aduanas y de Administración Tributaria - Perupetro S.A. |
| Peru | Native Community of Servicios Agropecuarios Jose Olaya | | - | - | - | - | 1,220,000 | - | - | 1,220,000 | |
| Peru | Community of Jose Olaya | | - | - | - | - | 830,000 | - | 180,000 | 1,010,000 | |
| Peru | Native Community of 12 de Octubre | | - | - | - | - | 780,000 | - | - | 780,000 | |
| Peru | Community of Antioquia | | - | - | - | - | 630,000 | - | - | 630,000 | |
| Peru | Native Community of Servicios Múltiples Capahurariyacu | | - | - | - | - | 560,000 | - | - | 560,000 | |
| Peru | Native Community of Porvenir | | - | - | - | - | 540,000 | - | - | 540,000 | |
| Peru | Community of Nueva Jerusalem | | - | - | - | - | 410,000 | - | 90,000 | 500,000 | |
| Peru | Native Community of Servicios Generales Nueva Jerusalem | | - | - | - | - | 440,000 | - | - | 440,000 | |
| Peru | Native Community of Nueva Andoas Pastaza | | - | - | - | - | 430,000 | - | - | 430,000 | |
| Peru | Native Community of Los Jardines | | - | - | - | - | 360,000 | - | - | 360,000 | |
| Peru | Community of Los Jardines | | - | - | - | - | 330,000 | - | - | 330,000 | |
| Peru | Community of Pampa Hermosa | | - | - | - | - | 60,000 | - | 240,000 | 300,000 | |
| Peru | Native Community of Antioquia | | - | - | - | - | 270,000 | - | - | 270,000 | |
| Peru | Native Community of Achuares | | - | - | - | - | 250,000 | - | - | 250,000 | |
| Peru | Community of 12 de Octubre | | - | - | - | - | 240,000 | - | 10,000 | 250,000 | |
| Peru | Environmental Audit and Assessment Organization | | - | - | 150,000 | - | - | - | - | 150,000 | |
| Peru | Community of Nueva Andoas | | - | - | - | - | 130,000 | - | - | 130,000 | |
| Peru | Community of Alianza Capahuari | | - | - | - | - | 120,000 | - | - | 120,000 | |
| Peru | Community of Alianza Topal | | - | - | - | - | 10,000 | - | 100,000 | 110,000 | |
| Peru | Community of Titiyacu | | - | - | - | - | 100,000 | - | - | 100,000 | |
| Peru | Community of Kashap | | - | - | - | - | 80,000 | - | - | 80,000 | |

Payments have been reported on a cash accounting basis. All number have been rounded to the nearest US\$10,000. This report includes payments within a category of payment that are made to the same payee, if the total amount of all those payments during the financial year was at least CAD\$100,000 (US\$75,000). For purposes of determining whether a series of payments constitute payments to the same payee under the Act, the Reporting Entity has grouped together departments, ministries, trusts, boards, commissions, corporations, bodies or other authorities that perform or are established to perform a power, duty or function on behalf of a particular level (e.g. national, regional, municipal, local authority) of a particular government.

Additional Notes:

All amounts are reported in United States (U.S.) dollars, the reporting currency of the reporting entity. Payments denominated in currencies other than US dollars are translated for this report at the exchange rate in effect at the payment date. The following are the weighted average exchange rates to U.S. dollars for 2019:
 1 COP = 0.0003048 USD
 1 PEN = 0.3030303 USD

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

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

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| Reporting Entity ESTMA Identification Number | E570651 | | |
| Subsidiary Reporting Entities (if necessary) | | | |

Payments by Project

| Country | Project Name ¹ | Taxes | Royalties | Fees | Production Entitlements | Bonuses | Dividends | Infrastructure Improvement Payments | Total Amount paid by Project | Notes ²³ |
|----------|---------------------------|------------|-------------|------------|-------------------------|-----------|-----------|-------------------------------------|------------------------------|--|
| Colombia | Colombia Central | 10,580,000 | 116,600,000 | 37,450,000 | - | 3,960,000 | - | 1,430,000 | 170,020,000 | Includes Royalties in kind payments of US\$107,778,517 equivalent to 2.4 Mmboe |
| Colombia | Colombia North | 140,000 | 1,360,000 | 350,000 | - | 180,000 | - | 80,000 | 2,110,000 | |
| Colombia | Entity Level | 200,000 | - | 510,000 | - | - | - | - | 710,000 | |
| Colombia | Colombia South | 60,000 | 470,000 | 20,000 | - | - | - | - | 550,000 | |
| Peru | Peru | 2,990,000 | 1,540,000 | 150,000 | - | 8,610,000 | - | 620,000 | 13,910,000 | |

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