

# 2016

SUSTAINABILITY  
REPORT



## Legal Notice – Forward-Looking Information and Statements

This Sustainability Report contains forward-looking statements. All statements, other than statements of historical fact that address activities, events or developments that Frontera Energy Corporation (the “**Company**” or “**Frontera**”) believes, expects or anticipates will or may occur in the future. Such forward-looking statements include, without limitation, the Company’s ability to grow in both the near and long term, the Company’s corporate strategy including its business plans, initiatives and objectives, new areas of operations, supplier development, environmental stewardship matters, safety matters, local development matters and human right matters. These forward-looking statements reflect the current expectations or beliefs of the Company based on information currently available to the Company. 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. These risk factors, among others, are discussed in the Company’s Annual Information Form dated March 14, 2017 filed on SEDAR at [www.sedar.com](http://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 securities 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 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. Furthermore, information contained in or otherwise accessible through our website does not form a part of this report and is not incorporated by reference into this report. In addition, 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 hydrocarbon.

The preparation of financial information is reported in United States dollars and is in accordance with International Financial Reporting Standards (“**IFRS**”) as issued by the International Accounting Standards Board, unless otherwise noted. The Company discloses several financial measures in this presentation that do not have any standardized meaning prescribed under IFRS (including

Operating Netback and Operating EBITDA). These measures should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IRFS. For more information please see the Company’s 2016 Management’s Discussion and Analysis dated March 14, 2017 filed on SEDAR. All comparative percentages are between the years ending December 31, 2016 and 2015, unless otherwise noted.

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 included in the Form 51-101 F1 Report filed on SEDAR. Additional reserves information as required under NI 51-101 can also be found on SEDAR, under the: (i) Form 51-101F2 – Report on Reserves Data by Independent Qualified Reserves Evaluator completed by each of RPS and D&M dated February 27, 2017; and (ii) Form 51-101F3 – Report of Management and Directors on Oil and Gas Disclosure dated March 15, 2017. All reserves presented are based on forecast pricing and estimated costs effective December 31, 2016 as determined by the Company’s independent reserves evaluators. The Company’s net reserves after royalties incorporate all applicable royalties under Colombia and Peru fiscal legislation based on forecast pricing and production rates, including any additional participation interest related to the price of oil applicable to certain Colombian blocks, as at year-end 2016, unless otherwise stated.

Additional information with respect to the Company is available on SEDAR and on the Company’s website at [www.fronteraenergy.ca](http://www.fronteraenergy.ca).



# 2016 SUSTAINABILITY REPORT

TAKING A STEP FORWARD

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## ABOUT THIS REPORT

As Frontera Energy Corporation's first Sustainability Report,<sup>1</sup> "Taking a Step Forward" covers the Company's economic, environmental, and social performance during 2016 and includes information on the operations undertaken in the past year in Colombia, Peru, and Canada.

The information included in this report is the result of continuous engagement with our internal and external stakeholders and is focused on the most important issues for our corporate strategy and our surroundings. Given the recent changes of the Company, this report contains in most cases information from 2016, however, due to the relevance of some operational, financial, and Corporate Governance data, some information is updated to 2017.

Additionally, this report is based on the guidelines of the G4 Global Reporting Initiative in accordance with its comprehensive option and includes our progress with respect to the implementation within our organization of the Global Compact's ten principles. The information included in this report has been externally audited by the firm BSD Consulting.

The figures presented in this report are in US dollars (USD).

This report was prepared in the Spanish language and subsequently translated into English. In the case of any differences between the English version and its translated counterpart, the Spanish version should be treated as the governing report.

### Your Opinions are Welcome

For Frontera, the opinions of our readers and stakeholders are a priority in order to continually improve our performance, communication, and innovation in Sustainability and Shared Value. We invite you to send comments, suggestions, and new ideas related to the issues presented in this report to:

[sustainability@fronteraenergy.ca](mailto:sustainability@fronteraenergy.ca)

For more information about the Company, please visit our website:

<http://www.fronteraenergy.ca>

GRI G4-17 Material Aspects and Boundaries

<sup>1</sup> Frontera Energy Corp. was formerly known as Pacific Exploration and Production.

## A MESSAGE FROM THE CEO

Welcome to our 2016 Sustainability Report, “Taking a Step Forward.” Frontera Energy, which was formerly known as Pacific Exploration and Production, adopted a new name to signify the beginning of a new era: an era of sustainable growth, respect towards our stakeholders, and transparency as key drivers for value creation. This is our first sustainability report under a new name and a new strategy, and this report represents a fundamental part of the Company’s commitment to continuously report and improve its economic, social, and environmental performance in the countries where it operates.

In 2016 the Company continued to face challenges, which resulted in significant operational, financial, and cultural change for Frontera. On November 2, 2016, the Company successfully completed a comprehensive financial restructuring and recapitalization, which was a critical first step in positioning the Company for future success. The Company emerged from its restructuring with a new Board of Directors, a significantly altered management team, and a plan focused on efficiency, capital discipline, and value maximization both socially and economically. The renewed brand and culture is to be a more focused low-cost producer with manageable growth.

On February 20, 2017, I assumed my position at Frontera Energy Corporation as Chief Executive Officer (CEO). I have over 40 years of oil and gas industry experience, 21 of which have been in operations at the international level. Today, I am at Frontera ready to contribute my experience to achieve our organization’s highest operational potential, while continuing to provide a positive impact on all our stakeholders. I know I can count on an honest and well-rounded team that is focused on working together to advance the accomplishments of the Company.

I am convinced of the Company’s potential, and of the high impact it can continue to have in its areas of operations. I will focus on rebuilding trust with our stakeholders, with whom we are proud to partner with, and work to contribute to the economic, social, and environmental development of the countries where we operate.

In 2016, the Company continued to operate fields and facilities to maximize production while minimizing capital expenditures. During the year, net production after royalties and internal consumption totalled 103,352 boe/d, representing a decrease of 51,120 boe/d (33%) from the average net production of 154,472 boe/d reported in the previous year. This reduction was primarily attributable to the expiration of the Rubiales and Piriri fields as well as lower drilling activity resulting from reduced capital expenditures during the Company’s restructuring process and operational issues related to water disposal capacity.

GRI G4-1, G4-2 Strategy and analysis

Despite great challenges and difficulties that we have overcome, the Company was able to deliver stable results through the end of 2016 and is positioned to perform well in 2017. While 2016's results were primarily impacted by the mid-year expiration of the Rubiales and Piriri fields and the difficulties of running the business while within a restructuring process, Frontera is very pleased with the amount of progress made in reducing costs, rationalizing the Company's portfolio, and allowing for a dedicated focus on high-return opportunities on core E&P assets in Colombia and Peru. Frontera has a vast opportunity to find future growth, and with capital discipline and operational rigor, it will take every necessary step to create long-term value for all shareholders.

Revenues decreased to \$1.412 billion from \$2.825 billion in 2015 due to the nearly 16% year-on-year decline in realized crude oil prices, the expiration of the Rubiales-Piriri contract, and \$138 million lower realized gains from oil hedging contracts compared with 2015. Operating EBITDA was \$445 million for 2016 and \$44 million for the fourth quarter of 2016, lower compared with \$1.166 billion in 2015 and \$235 million in the fourth quarter of 2015. General and administrative costs (excluding restructuring and severance expenses) decreased to \$145 million in 2016 from \$203 million in 2015 as the Company continues to reduce G&A and all nonessential spending activities.

In addition, and in line with growth of social and environmental value, I am proud to announce that our Sustainability and Shared Value strategy implemented since 2012 continues to be a central pillar for Frontera Energy's strategic direction. It allows us not only to generate value for the Company and its stakeholders, but to become more competitive, and establish ourselves as a leading player in the market. Today, we continue to be committed to our values, and regardless of the financial obstacles we have overcome, sustainability and relations with our stakeholders are the backbone of our organization; without these we cannot imagine a prosperous future for our Company and for society.

In 2016 we were recognized for the third time as the "Most Sustainable Company in Latin America," granted by World Finance from a select list of four peer companies. In addition, we were selected in the ranking of the 50 best Corporate Citizens in Canada, a recognition by the firm Corporate Knights. These recognitions confirm that we have maintained our performance within the most relevant sustainability indicators, such as greenhouse gas emissions, health and safety, and transparency, among others.

Frontera is off to a great start in 2017, an important year as the Company shifts focus and resources towards sustainable production through development drilling, and growth through low-risk exploration. The Company continues to look at ways to maximize the value of non-E&P related assets and reduce overall costs. Frontera's goal is to improve margins and drive higher returns for invested capital so that the Company's long-term growth can be self-sustaining.

***I am convinced that Frontera holds the keys to success: a unique asset portfolio, strong opportunities, a commitment to our stakeholders, and a dedicated and talented workforce who will continue to help us meet our objectives as the industry's top low-cost operator in Colombia and Peru.***

We invite you to join us on our road to success.

Enjoy the read,



**Barry Larson**  
Chief Executive Officer

# OUR OPERATIONS

Frontera Energy Corporation is a Canadian public company and a leading explorer and producer of natural gas and crude oil; operations are based in Colombia and Peru and there is a focus on Latin America. The Company has a diversified portfolio of assets with interests in more than 30 blocks. Frontera's strategy is focused on sustainable growth in production, reserves, and generation of value. It is committed to conducting business in a socially and environmentally responsible manner.

Frontera's shares are listed on the Toronto Stock Exchange under the ticker symbol FEC.

GRI G4-4, G4-6, G4-7, G4-8  
Organizational profile

## Operations Map



# FRONTERA IN NUMBERS

GRI G4-9 Organizational profile



## FRONTERA'S 2016 OPERATIONAL RESULTS:

The average daily net production after royalties was 103,532 boe/d, 33% lower compared with the previous year. Fourth quarter 2016 average daily net production after royalties decreased to 69,432 boe/d, a 57% decrease compared with the same period in 2015. The decrease in production was mainly attributable to the expiration of the Rubiales-Piriri contract on June 30, 2016, as well as lower production in other fields due to lower drilling activity and fourth quarter operational issues related to water disposal capacity.

The Company entered into several collaborative operational agreements with third parties in Colombia, which resulted in savings in dilution and fuel costs. Additionally, as a result of negotiation efforts, an increase in regulated transport tariffs was delayed until the end of 2016. At the same time, the tariff schemes for gas pipelines were adapted to the low oil price environment.

During 2016, the combined oil and gas operating cost was \$22.78/boe, slightly higher compared with \$22.48/boe for 2015 due to higher production and transportation costs but ameliorated by lower dilution costs. Average production cost was higher due to lower volume produced, and transportation cost rose as a result of slightly higher tariffs on the main pipelines. Dilution cost was lower because of the Company's strategy to utilize alternative dilution arrangements.

The Company continues to negotiate field commitments to focus on high-impact development drilling. On March 17, 2016, the Agencia Nacional de Hidrocarburos ("ANH") approved the transfer of \$38 million in exploration commitments from the Las Aguilas, Castor, LL-59, LL-15, and CPE-1 blocks to the Casanare Este, Mapache, Guatiquia, Guama LL-83, and Rio Ariari blocks. On November 22, 2016, the ANH approved a second investment transfer totalling \$19 million from the CPO 14, Sabanero, LL-19, and Topoyaco blocks to the LL-25 block.

The Company successfully completed the divestment of all non-core assets in Brazil, including:

- On September 27, 2016, the Company reached an agreement with partners Karoon Gas Australia Ltd. and Karoon Petroleo e Gas Ltda. to sell the Company's 35% working interest in the joint concession agreements in Brazil for \$15.5 million. The transaction was approved by the Brazilian regulator on January 31, 2017.

- On October 14, 2016, the Company also reached an agreement with partner Queiroz Galvão Exploração e Produção S.A. to withdraw from joint working interests; the Company will pay \$10 million in exchange for release from future work commitments in the aggregate amount of \$76.3 million. The Queiroz transaction was approved by the Brazilian regulator on March 13, 2017, and is expected to be fully consummated shortly, subject to the amendment of the concession agreements. Also as a result of the transaction, the Company will be released from approximately \$41 million of letter-of-credit requirements.



On November 30, 2016, the Company and CEPSA (Compañía Española de Petróleos) Peru entered into an agreement whereby CEPSA agreed to acquire the Company's 30% participating interest in the Licence Agreement for Block 131, in which CEPSA Peru is the operator. The sale price is \$17.8 million with adjustment based on future cash flow from the block; the transaction is subject to Peruvian regulatory approval.



## FRONTERA'S 2016 FINANCIAL RESULTS

Revenue decreased to \$1,412 million compared to \$2,825 million in 2015. Revenue for the fourth quarter of 2016 decreased to \$270 million from \$652 million for the same period in 2015. Reductions were caused by the 16% year-over-year reduction of oil prices, the expiration of the Rubiales-Piriri contract, and \$138 million in unrealized gains in hedging contracts compared with 2015.

Average oil and gas sales (including trading) for the year 2016 were 95,496 boe/d, 40% lower than the 159,113 boe/d in 2015. The decrease was mainly due to the expiration of the Rubiales-Piriri fields in June of 2016 and lower production in other fields.

Combined operating netback on oil and gas in 2016 was \$17.58/boe, 32% lower than \$26.03/boe in 2015. The decrease was mainly attributable to the decline in market prices for crude oil.

Operational EBITDA was \$445 million for 2016 and \$44 million for the fourth quarter of 2016, lower compared with \$1,166 million in 2015 and \$235 million in the fourth quarter of 2015. This was mainly due to the expiration of the Rubiales-Piriri fields in June of 2016, lower oil prices, and profits and hedging losses.

The Company's average sales price per barrel of crude oil and natural gas was \$40.36/boe in 2016 compared with \$48.51/boe in 2015. Due to lower volumes sold, netback for the fourth quarter of 2016 was reduced to \$13.94/boe from \$19.21/boe in the same period of 2015.

In 2016, combined oil and gas operating cost was \$22.78/boe, an increase compared with \$22.48/boe for 2015. The increase was mainly due to lower volumes of production after the expiration of Rubiales, which as a mature field had lower costs than other fields. In addition, transport costs increased due to lower volumes transported and the fixed costs of the purchase and exit agreements.

General and administrative expenses (excluding restructuring and severance expenses) were reduced to \$145 million in 2016 and \$40 million in the fourth quarter of 2016 compared with \$203 million in 2015 and \$55 million in the fourth quarter of 2015. The Company continues to reduce G&A as well as all expenses related to non-essential activities.

Net income for 2016 was \$2.45 billion, largely due to non-cash and one-time items including the recognition of a net gain of \$3.6 billion on the cancellation of debt held by the Affected Creditors in exchange for the issuance of shares and \$155 million in costs related to the Restructuring Transaction (explained in our Corporate Governance Section).

The Company recorded net impairment charges of \$477 million for 2016, which included impairment losses of \$1.114 billion during the first three quarters and a reversal of impairment of \$636.9 million in the fourth quarter of the year. Impairment tests were performed at the end of 2016 based on reserves certified by external evaluators as of December 31, 2016.

Total capital expenditures decreased to \$161 million in 2016 compared to \$726 million in 2015. The Company continues to focus its capital on high-impact programs.

For more financial and operational information, we recommend you review our 2016 Management Discussion & Analysis on our website: <http://www.fronteraenergy.ca/es/reportes-y-presentaciones/>.

# THE IMPACT OF OUR VALUE CHAIN

GRI G4-9, G 4-12 Organizational profile

Frontera mainly operates in the upstream segment of the business. The Company has specialized teams for identifying opportunities, creating and implementing new technologies for exploration and production of oil and gas, and developing infrastructure for transportation from our assets to the ports where our product is sent to clients. Frontera is focused on being a low-cost operator that is capable of improving its margins, generating greater returns on invested capital, and achieving long-term, sustainable growth.

Aware of the impact that our value chain has on the economic, social, and environmental framework, we strive for all areas of our business to align with the highest sustainability standards and for all activities to generate value for the Company and our surroundings.

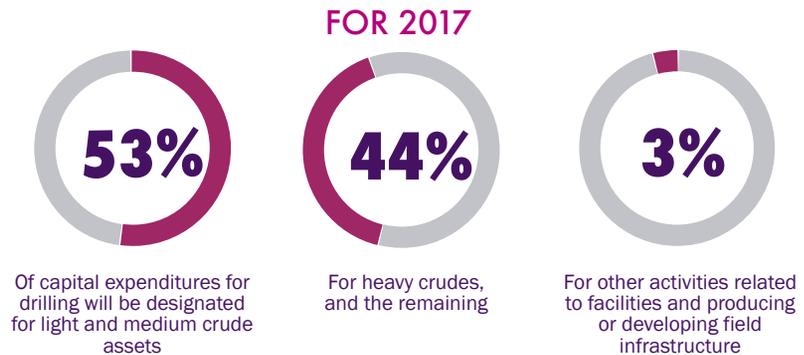
## NEW BUSINESS

We are continuously searching for new business opportunities through a comprehensive analysis where we determine the viability and efficiency of the business based on net value standards, possible commercialization in the case of success, and the technical, financial, legal, and socio-environmental information of each opportunity.

For the Company's current strategy, the key is to find profitable, efficient, and sustainable businesses while maintaining a conservative and realistic plan. We continue to review our current portfolio to divest assets that are not fundamental, allowing us to reduce commitments and improve liquidity.

## EXPLORATION

At Frontera, we continuously develop new technologies that allow us to find oil and gas in a more effective, high-quality, and cost-efficient manner.



## PRODUCTION

The heart of our business is generating high production levels efficiently, sustainably, and with the highest standards of health and safety to allow us to make maximum use of market opportunities.

Our strategy for the coming years is centred on reserves replacement and production growth, which we will achieve through a highly-disciplined focus, concentration on profit margins, and operational optimization of the current producing assets in Colombia and Peru.

## SUPPLY AND TRANSPORT

Our assets are located in remote locations, which has led us to develop infrastructure that allows us to transport our product in compliance with the requirements of our clients, and in a quick and efficient manner to contracted delivery points.

For 2017, we will focus on the renegotiation of transportation tariffs on the pipelines in order to continue to reduce our expenses.

## SALES AND EXPORTS

Our commitment is to deliver the highest quality crude that guarantees compliance, meets our clients' expectations, strengthens our commercial relationships, and assures us an excellent reputation in the international oil markets.



# OUR CORPORATE GOVERNANCE

## Restructuring transaction

Starting in the second half of 2014 and continuing into 2016, oil prices declined significantly, contributing substantially to a decline in the profitability of the Company and its ability to service its debt.

In this context, the Company reviewed and considered various strategic alternatives, including potential investment and divestment opportunities. After an extensive competitive bid solicitation process, the Board of Directors announced a proposed recapitalization and financing transaction (the “Restructuring Transaction”) on April 19, 2016 to be effected as a plan of arrangement (the “Plan”) pursuant to Canada’s Companies’ Creditors Arrangement Act (the “CCAA”). Together with appropriate proceedings in Colombia and the United States, the objective was to implement a financial restructuring to significantly reduce debt, improve liquidity, and position the Company in the new oil price environment.<sup>2</sup>

The Company commenced proceedings under the CCAA on April 27, 2016 before the Ontario Superior Court of Justice for the purpose of implementing the Restructuring Transaction. On June 22, 2016, the Company closed the US\$500 million debtor-in-possession note financing (the “DIP Note Financing”) as well as a US\$115,532,794 new letter of credit facility (the “DIP LC Facility”) with certain lenders under the Credit Facilities.

On August 17, 2016, the resolution approving the Plan was approved at a meeting of eligible Affected Creditors (defined below), and on August 23, 2016, the Ontario court granted an order sanctioning and approving the Plan.

<sup>2</sup> For more information regarding this restructuring process, please see the We Operate with Excellence Financial Results section of this report.

On November 2, 2016, the Company successfully implemented the Plan, subject to certain terms and conditions. Under the Plan, the Company introduced important changes to its corporate governance, including, among other things, the designation of a new Board of Directors. Currently, the Board is reviewing the Company’s governance structure and will continue to make several changes in 2017 in an effort to rationalize procedures, empower the Company, and contribute to its governance.

GRI G4-34, G4-35, G4-36, G4-42 Governance

## A new board of directors and committees

In November of 2016, the Board was reconstituted to comprise seven independent directors: Gabriel de Alba (Chairman), Luis Fernando Alarcón, W. Ellis Armstrong, Raymond Bromark, Russell Ford, Camilo Marulanda, and Barry Larson; Mr. Larson resigned as of January 27, 2017 to assume the role of CEO of the Company.

As a result of the appointment of these new members, the board committees were realigned and members appointed as follows:

**Audit Committee:** Raymond Bromark (Chair), W. Ellis Armstrong, and Russell Ford.

**Corporate Governance, Nominating and Sustainability Committee:** Luis Fernando Alarcón (Chair), W. Ellis Armstrong, and Camilo Marulanda.

**Compensation and Human Resources Committee:** Gabriel de Alba (Chair) and Russell Ford.

The functions and responsibilities formerly carried out by the Reserves Committee have been assumed by the Audit Committee; those of the Sustainability Committee have been assumed by the Corporate Governance, Nominating, and Sustainability Committee. The Business Opportunities Committee was eliminated, and responsibility for health, safety, and environmental matters, formerly the remit of the Sustainability Committee, were assumed by the board as a whole.

## Changes to Senior Management

As a result of the restructuring process, the Company's management changed significantly at the end of 2016. Below is a list of the current senior officers and their respective positions:\*



**Barry Larson CEO**  
Chief Executive Officer



**Camilo McAllister**  
Chief Financial Officer



**Erik Lyngberg**  
Corporate Vice President  
Exploration and Development



**Renata Campagnaro**  
Vice President Supply,  
Transport & Trading



**Federico Restrepo**  
Vice President Corporate  
Affairs



**Camilo Valencia**  
Corporate Operations  
Vice President



**Peter Volk**  
General Counsel & Secretary



**Jorge Fonseca**  
Senior Manager  
Business Dev

\* Senior management as of June 30th, 2017.

- The Company was delisted from the Colombian Stock Exchange (BVC).
- The Company was then re-listed on the Toronto Stock Exchange upon successful completion of the Restructuring Transaction.
- As part of the restructuring transaction, the Company's shares were consolidated at a rate of 1 "new" common share for every existing 100,000 common shares, with all fractional common shares being cancelled.
- The Company adopted a new Articles and Shareholders' Rights Plan.
- The Company has a new share compensation plan that replaces the Company's former option plan, the deferred share units plan for directors, and the deferred share units plan for employees.

# OUR STRATEGY

Today, Frontera is a new company with different dimensions and an ultimate goal of efficiently managing its processes, costs, financials, and administrative and operational decisions while working in harmony with the environment.

## OUR VISION:

WE WILL BE A COMPANY THAT:

- Is respected, focused, low cost, and efficient
- Generates sustainable growth for its stakeholders
- Values its employees
- Values relations with its suppliers, contractors, partners, Government and communities in our area of influence

## OUR OBJECTIVES:

In order to achieve this, we have created seven goals that will give us resilience in current and future markets and regain the confidence of our stakeholders.

1. A balanced portfolio with strong assets that allow better returns on our investments.
2. Adequate management of our exploration commitments ensuring compliance with regulators and sufficient investments for organic growth.
3. Operational excellence and cost efficiency to generate synergies in our fields where possible.
4. A commitment to financial discipline.
5. Strong and close relationships with our stakeholders to continue being a part of their value chain and promote the development of the areas where we operate. This involves respecting others and working collaboratively.
6. Greater profitability through low transportation costs and high sales.
7. Transparent and efficient corporate governance.

These goals will be fulfilled through the daily teamwork of four key elements: Efficiency, Accountability, Collaboration, and Transparency.



## OUR VALUES



Lead by example with **INTEGRITY**, acting consistently and transparently, as well as maintaining an open dialogue in our relations.



**RESPECT** means that we value diversity and inclusion, we learn from experience, and appreciate different points of view. We are authentic.



With our **COMMITMENT** we demonstrate that we are responsible for our decisions, we work as a single team to reach our business goals, and we seek excellence through innovation, adaptation, and learning.



Through **SUSTAINABILITY** we preserve and care for the wellbeing of employees and contractors, and we prioritize safety in our operations. This means we promote the generation of social, economic, and environmental value through positive interaction with our stakeholders. We produce reliable results, understanding that our actions generate long term value.

## OUR SUSTAINABILITY AND SHARED VALUE MODEL

GRI G4-25, G4-26 Stakeholder engagement

During 2016, we continued to focus our efforts on the seven commitments below. These are our value promises to internal and external stakeholders and are the vehicle through which we contribute to our strategic intent. They also align with our new strategy of operational efficiency.

Through continuous engagement with our internal and external stakeholders, a risk and opportunity analysis by our Board of Directors, and the Company's new strategy, we have modified the focus of our seven commitments.



### We operate with excellence

We seek to generate barrels with a legacy, becoming a focused, low-cost Company, maintaining manageable and sustainable growth that allows us to continue to provide society with the energy it needs. We achieve excellence under the highest health and safety standards.



### We act consistently and transparently

Our stakeholders' trust is essential to the Company's present and future, and for this reason we are constantly accountable for our actions, maintaining constant and open dialogue that meets the expectations of our surroundings and in turn allows execution of processes for continuous improvement, innovation, and building of our reputation.



### We work in harmony with the environment

We are aware of the environmental impact of our operations. Consequently, we focus on protecting our surroundings, operating without compromising the future, and strengthening our positive impacts.



### We contribute to the sustainable development of communities

By working jointly and constructively with communities and authorities, we can contribute to the development of competitive territories and local sustainable development.



### We respect and promote human rights in our operations

We know it's our duty to respect and promote the integrity of the individuals with whom we interact, and that it is imperative to build trust and legitimacy in those relationships. We respect the customs of ethnic communities within our operations.



### We have the best talent

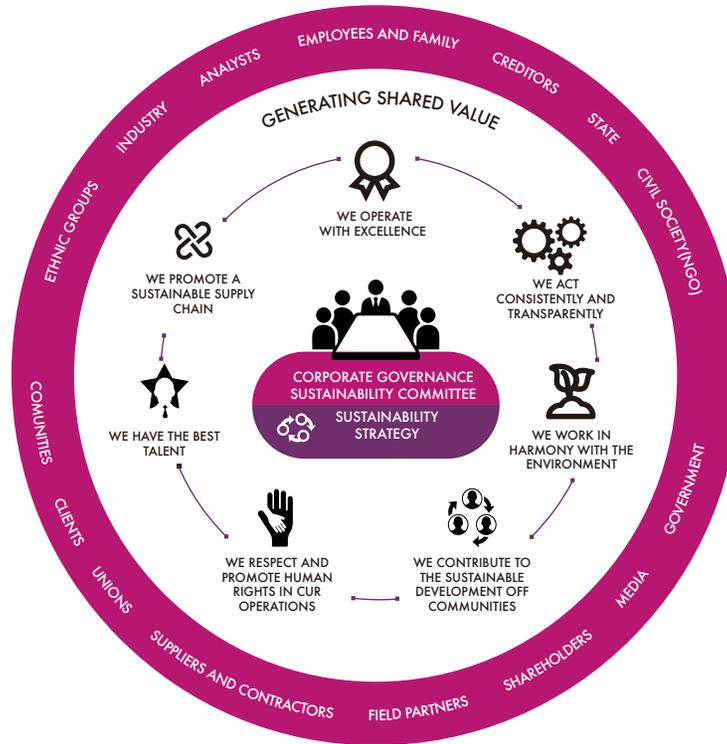
Honesty, integrity, efficiency, and productivity by our human talent team are indispensable drivers for our Company's prosperity and wellbeing.



### We promote a sustainable supply chain

We know that collaborating with our strategic partners is the key to success. Our strategic partners are the best allies for sustainable, efficient, and low-cost operations.

## OUR STAKEHOLDERS



GRI G4-24 Material aspects and boundaries

As a result of analysis and prioritization of stakeholders and taking into account the definition of stakeholder provided by the AA1000 Norm to include those individuals, groups, or organizations that were affected and/or may be affected by an association to an organization. Throughout 2016 we maintained the same priority of internal and external stakeholders.

The frequency (monthly, quarterly, bi-annually, or annually) of our involvement with each group depends on the characteristics of each stakeholder group, our relationship with them, and the matter at hand; however, at Frontera we maintain constant relationships with each of our stakeholder groups.

## OUR MATERIAL ISSUES

GRI G4-18, G4-19  
Material aspects and boundaries

Our Sustainability Model, developed in 2009, contains the most relevant issues for our stakeholders and for compliance with our corporate strategy. The Model is updated annually with the ultimate goal of aligning identified expectations in our relationship with the environment and the operational needs of the Company.

In 2013, the Company conducted a perception survey for internal and external stakeholders on the importance and management of issues defined in the Model. This survey tool has been a fundamental source of information for annual updates. In 2016, the board of directors updated the survey based on the current conditions of the Company and its goals of being an efficient and low-cost operator. The process resulted in 31 material matters and the modification of some management strategies.

- For the “We operate with excellence” commitment, the following material issues changed: “Success in our Operations” and “Profitability” became “Operational Results” and “Financial Results,” respectively, with the objective of guaranteeing more transparency with our stakeholders.
- For the “We act consistently and transparently” commitment, we extended the focus of our “Transparency with the Market” issue to become “Relations with the Market” with the objective of being accountable for all interactions with this priority stakeholder for the Company.
- Finally, for the “Relations with Ethnic Groups” in the “We respect and promote human rights in our operations” commitment, we included the development of an Ethnic Investment Framework that was built in 2016. The addition was created specifically for our surroundings in the department of Meta, Colombia. This framework seeks to develop projects with a differentiated focus that include indigenous groups and their needs.

For each of the 31 prioritized and updated issues that have been identified, we present the progress and the quantitative and qualitative performance, which has been validated internally and externally. All of these issues were managed by the Company in 2016.

Below is the internal and external scope of the impact of our affairs and the information channels used to keep our stakeholders informed.

## Coverage of our material issues

GRI G4-19, G4-20, G4-21 Material aspects and boundaries  
G4-27 Stakeholder Engagement

Frontera Commitment	Material Issues	GRI Aspect	Coverage	Channels for Relations
We operate with excellence	Operational Results	Not Applicable	<p><b>Internal:</b> Exploration, Production, Supply and Transport, Investor Relations</p> <p><b>External:</b> Shareholders, State, Government, Media Outlets, Analysts, Clients, Creditors, Suppliers and Contractors</p>	<ul style="list-style-type: none"> <li>- Quarterly MD&amp;A</li> <li>- Frontera's web page</li> <li>- Web page with public documents of Canadian companies</li> <li>- www.sedar.com</li> <li>- Consolidated Financial Reports</li> <li>- Events with investors</li> <li>- Periodic meetings</li> <li>- Annual Sustainability Report</li> </ul>
	Financial Results	Not Applicable	<p><b>Internal:</b> Finance, Investor Relations, Legal Inversionistas, Legal</p> <p><b>External:</b> Shareholders, Creditors, Analysts, State, Government, Suppliers and Contractors</p>	<ul style="list-style-type: none"> <li>- Quarterly MD&amp;A</li> <li>- Frontera's web page</li> <li>- Web page with public documents of Canadian companies</li> <li>- www.sedar.com</li> <li>- Consolidated Financial Reports</li> <li>- Events with investors</li> <li>- Periodic meetings</li> <li>- Annual Sustainability Report</li> </ul>
	Occupational Health and Industrial Safety	Safety and Occupational Health	<p><b>Internal:</b> HSEQ</p> <p><b>External:</b> Field Partners, Suppliers and Contractors</p>	<ul style="list-style-type: none"> <li>- Frontera's web page</li> <li>- Periodic meetings</li> <li>- Annual Sustainability Report</li> </ul>
	Supply and Transport	Compliance (Product Liability)	<p><b>Internal:</b> Production, Supply and Transport, Finance</p> <p><b>External:</b> Field Partners, Suppliers and Contractors, State</p>	<ul style="list-style-type: none"> <li>- Quarterly MD&amp;A</li> <li>- Frontera's web page</li> <li>- Periodic meetings</li> <li>- Annual Sustainability Report</li> </ul>
We act consistently and transparently	Ethics and Business Compliance	Ethics and Integrity Anti-Competitive behavior Compliance (Society)	<p><b>Internal:</b> Ethics, Finance</p> <p><b>External:</b> Shareholders, Analysts, State, Media Outlets, Creditors, Suppliers and Contractors, Field Partners</p>	<ul style="list-style-type: none"> <li>- Ethics channels (mail, phone)</li> <li>- Frontera's web page</li> <li>- Annual Sustainability Report</li> </ul>
	Anti-Corruption	Anti-Corruption Actions	<p><b>Internal:</b> Ethics, Legal</p> <p><b>External:</b> Shareholders, Analysts, State, Media Outlets, Creditors, Suppliers and Contractors, Field Partners</p>	<ul style="list-style-type: none"> <li>- Ethics channels (mail, phone)</li> <li>- Frontera's web page</li> <li>- Annual Sustainability Report</li> </ul>
	Internal Audits and Control	Not Applicable	<p><b>Internal:</b> Audits and control</p> <p><b>External:</b> Shareholders, Analysts, Field Partners</p>	<ul style="list-style-type: none"> <li>- Annual Sustainability Report</li> <li>- Frontera's web page</li> </ul>

<b>Frontera Commitment</b>	<b>Material Issues</b>	<b>GRI Aspect</b>	<b>Coverage</b>	<b>Channels for Relations</b>
<b>We act consistently and transparently</b>	Risk Management	Not Applicable	<b>Internal:</b> Risk Management <b>External:</b> Shareholders, Field Partners, State	-Quarterly MD&A -Annual Sustainability Report -Frontera's web page
	Transparency in Royalties	Not Applicable	<b>Internal:</b> Taxes, Finance, Institutional Relations and Sustainability <b>External:</b> State, Government, Communities	-Quarterly MD&A -Annual Sustainability Report -Annual Extractive Industries -Transparency Initiative Report
	Relations with the Market	Not Applicable	<b>Internal:</b> Investors Relations, Institutional Relations and Sustainability <b>External:</b> Shareholders, Analysts, Creditors, State	-Events with investors -Periodic meetings -Field visits -Annual Sustainability Report
	Corporate Governance	Governance	<b>Internal:</b> Corporate Governance, Legal <b>External:</b> Shareholders, Analysts, Creditors, State, Field Partners, Media Outlets	-Quarterly MD&A -Frontera's web page -Web page with public documents of Canadian companies -www.sedar.com -Consolidated Financial Reports -Events with investors -Periodic meetings -Annual Sustainability Report
<b>We work in harmony with the environment</b>	Biodiversity	Biodiversity	<b>Internal:</b> HSEQ, Operations <b>External:</b> Communities, Ethnic Groups, Civil Society, Government, State, Media Outlets	-Frontera's web page -Annual Sustainability Report -Environmental licences -Frontera's social networks
	Waste Management	Effluents and Waste	<b>Internal:</b> HSEQ, Operations <b>External:</b> Communities, Ethnic Groups, Civil Society, Government, State, Media Outlets	-Frontera's web page -Annual Sustainability Report -Environmental licences -Frontera's social networks
	Comprehensive Water Management	Water	<b>Internal:</b> HSEQ, Operations <b>External:</b> Communities, Ethnic Groups, Civil Society, Government, State, Media Outlets	-Frontera's web page -Annual Sustainability Report -Environmental licences -Frontera's social networks
	Energy and Emissions	Energy Emissions	<b>Internal:</b> HSEQ, Operations <b>External:</b> Communities, Ethnic Groups, Civil Society, Government, State, Media Outlets	-Frontera's web page -Annual Sustainability Report -Environmental licences -Frontera's social networks
	Prevention and Remediation of Incidents	Effluents and Waste Environmental Compliance	<b>Internal:</b> HSEQ, Operations <b>External:</b> Communities, Ethnic Groups, Civil Society, Government, State, Media Outlets	-Frontera's web page -Annual Sustainability Report -Environmental licences -Frontera's social networks

Frontera Commitment	Material Issues	GRI Aspect	Coverage	Channels for Relations
We contribute to the sustainable development of communities	Productivity of the Local Economy	Indirect Economic Consequences	<b>Internal:</b> Institutional Relations and Sustainability, Operations <b>External:</b> Communities, Government, State, Civil Society, Media Outlets	–Annual Sustainability Report –Frontera’s web page –Socialization with communities –Frontera’s social networks
	Development of Human Capital	Local Communities	<b>Internal:</b> Institutional Relations and Sustainability, Operations <b>External:</b> Communities, Government, State, Civil Society, Media Outlets	–Annual Sustainability Report –Frontera’s web page –Socialization with communities –Frontera’s social networks
	Social and Institutional Strengthening	Local Communities	<b>Internal:</b> Institutional Relations and Sustainability, Operations <b>External:</b> Communities, Government, State, Civil Society, Media Outlets	–Annual Sustainability Report –Frontera’s web page –Socialization with communities –Frontera’s social networks
	Quality Infrastructure	Indirect Economic Consequences	<b>Internal:</b> Institutional Relations and Sustainability, Operations <b>External:</b> Communities, Government, State, Civil Society, Media Outlets	–Annual Sustainability Report –Frontera’s web page –Socialization with communities –Frontera’s social networks
We respect and promote human rights in our operations	Right of Association	Freedom of Association	<b>Internal:</b> Labour Relations, Human Talent, Supply, Employees <b>External:</b> Suppliers and Contractors, State, Government, Civil Society, Media Outlets, Communities	–Annual Sustainability Report –Frontera’s web page –Periodic meetings –Frontera’s social networks
	Eradication of Child and Forced Labour	Child Labour Forced Labour	<b>Internal:</b> Labour Relations, Human Talent, Supply, Employees <b>External:</b> Suppliers and Contractors, State, Government, Civil Society, Media Outlets, Communities	–Annual Sustainability Report –Frontera’s web page –Periodic meetings –Frontera’s social networks
	Security and Human Rights	Security Measures	<b>Internal:</b> Security, Supply <b>External:</b> Suppliers and Contractors, State, Government, Civil Society, Media Outlets, Communities	–Annual Sustainability Report –Frontera’s web page –Periodic meetings –Frontera’s social networks

<b>Frontera Commitment</b>	<b>Material Issues</b>	<b>GRI Aspect</b>	<b>Coverage</b>	<b>Channels for Relations</b>
We respect and promote human rights in our operations	Relations with Ethnic Groups	Rights of Indigenous Peoples	<b>Internal:</b> Institutional Relations and Sustainability, Operations, Exploration <b>External:</b> Ethnic Groups, Government, State, Civil Society, Media Outlets	–Annual Sustainability Report –Frontera’s web page –Periodic meetings –Frontera’s social networks –Registration minutes
	Gender Equality	Equal Remuneration for Men and Women	<b>Internal:</b> Human Talent, Labour Relations, Institutional Relations and Sustainability, Communications <b>External:</b> Civil Society, Media Outlets, State, Government	–Annual Sustainability Report –Frontera’s web page –Periodic meetings –Frontera’s social networks
We have the best talent	Selection and Retention of Human Talent	Presence in the Market Employment	<b>Internal:</b> Human Talent, Employees <b>External:</b> Civil Society, Communities	–Annual Sustainability Report –Frontera’s web page –Frontera’s social networks
	Comprehensive Development of our People	Training and Education	<b>Internal:</b> Human Talent, Employees <b>External:</b> Civil Society, Communities	–Annual Sustainability Report –Frontera’s web page –Frontera’s social networks
	Organizational Learning	Training and Education	<b>Internal:</b> Human Talent, Corporate University, Employees <b>External:</b> Civil Society, Communities	–Annual Sustainability Report –Frontera’s web page –Frontera’s social networks
We promote a sustainable supply chain	Sustainable Management	Environmental Evaluation of Suppliers Evaluation of Suppliers’ Labour Practices	<b>Internal:</b> Supply, Institutional Relations and Sustainability <b>External:</b> Suppliers and Contractors, Field Partners	–Annual Sustainability Report –Frontera’s web page –Frontera’s social networks
	Development of Suppliers and Contractors	Not Applicable	<b>Internal:</b> Supply, Institutional Relations and Sustainability <b>External:</b> Suppliers and Contractors, Field Partners	–Annual Sustainability Report –Frontera’s web page –Frontera’s social networks
	Purchase of Local Goods and Services	Procurement Practices	<b>Internal:</b> Supply, Institutional Relations and Sustainability <b>External:</b> Suppliers and Contractors, Field Partners	–Annual Sustainability Report –Frontera’s web page –Frontera’s social networks

At the beginning of each section on our commitments, you will find details of the relevance of issues as well as the identification of their impact on internal and external stakeholders.

# OUR 2016 RECOGNITIONS AND HIGHLIGHTS



“Most Sustainable Company in Latin America” award. In 2016, our Company was chosen for the third time (2012, 2014) by World Finance as the “Most Sustainable Company in Latin America.” World Finance selects the winner through a committee that evaluates companies recommended by peer companies and institutions.



Labour Equity Silver Seal. Following up on the commitment initiated in 2015, and after an external audit that evaluated internal processes implemented in seven social and labour metrics, Frontera received the Silver Seal from EQUIPARES, granted by the Colombian Ministry of Labour and the United Nations Development Programme. We are the first oil Company in Latin America to receive this recognition.



Best Private Social Investment-MERCO. For our social projects in 2016, we were selected as one of the 15 best companies focused on social investment; we are the first Company in the oil and gas industry to be included in this ranking.



World Petroleum Congress. In 2016, our case study on “How companies contribute to the democratization of access to less contaminating energy sources and improve the quality of life of communities” was selected among more than 1,600 submissions. This demonstrated our leadership in the development of Sustainability and Social Responsibility.



Second EITI Report. For the second consecutive year, we participated in the reconciliation report by the Extractive Industry Transparency Initiative. In 2015, Frontera was responsible for 8.4% of the total royalties paid in Colombia, equal to 71 billion pesos (COP).



Green Shares Colombian Initiative. We value suppliers that propose initiatives to care for and protect biodiversity. ANDIA SAS, from which we acquired equipment to monitor water quality, awarded us five Green Shares in the form of the cultivation of trees in the Bojonawi natural reserve area located in the municipality of Puerto Carreño, department of Vichada. The purpose of this initiative is to generate organic growth with trees planted in protected zones across Colombia.



Corporate Knights Best 50: In 2016, we were selected as one of the 50 Best Corporate Citizens in Canada. For 14 years, this ranking has measured the performance of companies in 12 sustainability metrics, including greenhouse gas emissions, health and safety, transparency, and others. This year, Frontera was ranked 42 of 50.



## FINANCIAL RESULTS

### The Restructuring Transaction

#### Successful Completion of the CCAA Restructuring

On April 19, 2016, with the support of certain holders of its senior unsecured notes and lenders under its credit facilities, the Company entered into an agreement with The Catalyst Capital Group Inc. (“Catalyst”) with respect to the comprehensive Restructuring Transaction. Under the terms of the agreement, the claims of the senior noteholders, the lenders under the credit facilities, and certain other third parties (collectively the “Affected Creditors”) were exchanged for new common shares of the reorganized Company. In addition, Catalyst and certain Affected Creditors provided the DIP Note Financing and DIP L/C Facility to recapitalize the Company.

On April 27, 2016, the Company, including certain direct and indirect subsidiaries, obtained an Initial Order from the Superior Court of Justice in Ontario under the CCAA with respect to the Restructuring Transaction.

On November 2, 2016, the Company successfully completed the Restructuring Transaction upon approval of the CCAA plan of arrangement by the Superior Court of Justice in Ontario and through appropriate proceedings in Colombia and in the United States. The Restructuring Transaction included the following key features:

- The Company’s operations continued as normal throughout the period of restructuring and obligations to the Company’s suppliers, trade partners, and contractors continued to be met.
- Certain of the Company’s Affected Creditors (the “Funding Creditors”) and Catalyst jointly provided the DIP Financing less an original issue discount of 4%. The DIP Financing was secured by assets of the Company and its subsidiaries. Pursuant to the DIP Financing, Catalyst provided \$240

million (after taking into account the original issue discount) for the purchase of notes (the “Plan Sponsor DIP Notes”); the Funding Creditors provided the other \$240 million for the purchase of notes (the “Creditor DIP Notes”) and received warrants with a nominal exercise price (the “Warrants”).

- Upon implementation of the Restructuring Transaction, claims by the Affected Creditors in the amount of approximately \$5.7 billion (including principal and accrued interest) were exchanged for approximately 58.2% of the common shares of the reorganized Company.
- The Affected Creditors also had the opportunity to receive cash in lieu of some or all of the common shares of the reorganized Company that they would otherwise be entitled to receive (the “Cash Elections”). Approximately 1.5% of the common shares of the reorganized Company were acquired by Catalyst as Plan Sponsor, and another 0.35% acquired by certain of the Company’s Affected Creditors through subscriptions to fund the Cash Elections.
- Upon implementation of the Restructuring Transaction:
  - The Plan Sponsor DIP Notes were exchanged for 29.3% of the total newly issued common shares. As Plan Sponsor, Catalyst acquired an additional 1.5% of the common shares through the Cash Elections for a total interest of 30.8% of the common shares of the reorganized Company.
  - The Creditor DIP Notes were amended and restated as five-year secured notes (the “Senior Secured Notes”). The Senior Secured Notes accrue interest at a rate equal to 10%. The Funding Creditors also exercised the Warrants in exchange for 12.5% of the newly issued common shares.

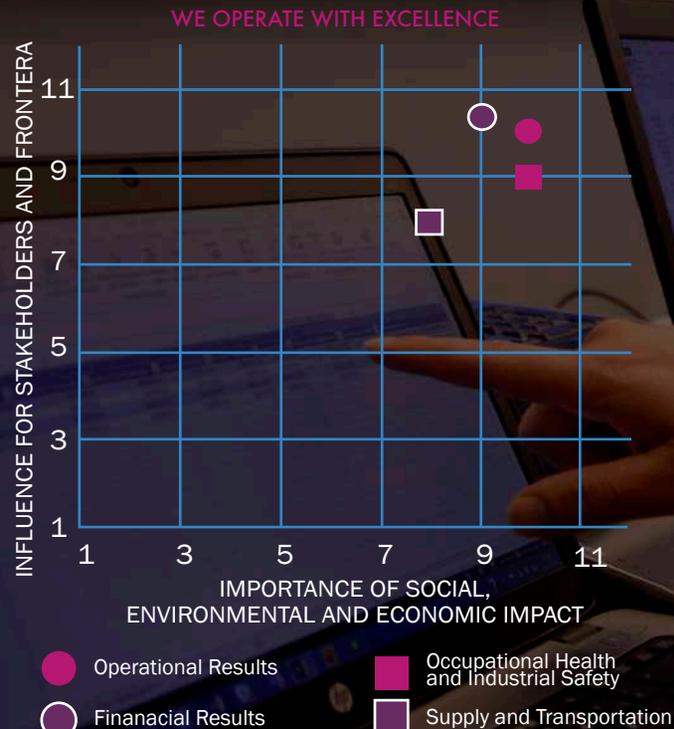
# TAKING A STEP FORWARD

## WE OPERATE WITH EXCELLENCE

At Frontera, we seek to generate a barrel with a legacy and to become a more focused, low-cost Company while maintaining manageable and sustainable growth that allows us to continue to provide society with the energy it needs while operating under the highest health and safety standards.

In 2016, we focused our actions on the following material issues:

GRI G4-19, 4-27  
Material aspects and boundaries



## OPERATIONAL RESULTS

Operational and financial summary

	Year Ended December 31		Three Months Ended December 31		For reconciliation IFRS Figures, see section on the MD&A.
	2016	2015	2016	2015	
Average daily D&P production volume (boe/d)	102,107	151,488	68,011	157,755	D&P Production pg 9
Combined Operating Netback (\$/boe)					
ICE BRENT price	45.13	53.6	51.06	44.69	
Hedge effect	4.39	5.6	(1.52)	8.47	
Differential	(9.16)	(10.32)	(7.62)	(11.94)	
Crude oil and natural gas sales price	40.36	48.51	41.92	41.22	Sales pg 11
Production cost of barrels	(8.98)	(8.54)	(12.63)	(9.10)	
Transportation (trucking and pipeline)	(12.33)	(11.89)	(14.82)	(10.61)	
Diluent cost	(1.47)	(2.05)	(0.53)	(2.30)	
<b>Total operating cost</b>	<b>(22.78)</b>	<b>(22.48)</b>	<b>(27.98)</b>	<b>(22.01)</b>	<b>Operating cost pg 13</b>
Operating netback crude oil & gas (\$/boe)	(17.58)	(26.03)	(13.94)	(19.21)	
Fees paid on suspended pipeline capacity	(2.31)	(2.24)	(2.98)	(2.88)	Operating cost pg 13
Share of gain of equity-accounted investees-pipelines	1.72	0.99	2.34	1.08	Equity investees pg 16
<b>Consolidate netback (\$/boe)</b>	<b>16.49</b>	<b>24.78</b>	<b>13.3</b>	<b>17.41</b>	<b>G&amp;A pg 15</b>
General and administrative expenses	(3.87)	(3.67)	(6.34)	(3.76)	Finance cost pg 16
Cash finance cost	(3.31)	(4.89)	(1.50)	(3.95)	
<b>Cash netback (\$/boe)</b>	<b>9.31</b>	<b>16.2</b>	<b>5.46</b>	<b>9.70</b>	

\*Further financial and operational information can be found in the Company's MD&A dated March 14, 2017, for the year ended December 31, 2016 filed on SEDAR at [www.sedar.com](http://www.sedar.com) or on the Company's website at <http://www.fronteraenergy.ca/es/reportes-y-presentaciones>.

In 2016, the Company's average combined realized oil and gas price from operated barrels declined to \$40.36/boe from \$48.51/boe due to the decline in world crude prices. Comparing the fourth quarter of 2016 with the same period of 2015, the average combined realized oil and gas price increased from \$41.22/boe to \$41.92/boe.

Total operating costs including production, transportation, and dilution costs increased from \$22.48/boe in 2015 to \$22.78/boe in 2016. During 2016, the Bicentenario Pipeline was not operational for 185 days; however, the Company was able to source available operational capacity from the OCENSA pipeline at comparable costs per unit.

## Production and development

The following table highlights the average daily net share production after royalties from all of the Company's producing fields in Colombia and Peru, reconciled to volumes sold for the year ended December 31, 2016.

	Years Ended December 31		Three Months Ended December 31	
	2016	2015	2016	2015
Producing fields (boe/d)				
Rubiales / Piriri	23,861	54,713	-	54,713
Quifa SW <sup>1</sup>	25,094	29,643	22,135	29,818
Light and medium <sup>2</sup>	39,607	51,436	35,182	50,959
Gas <sup>3</sup>	8,763	9,227	7,203	10,463
Heavy Oil <sup>4,4</sup>	3,101	3,867	2,833	3,416
Total Production Colombia	100,426	148,886	67,353	149,369
Perú - Light and medium <sup>5</sup>	3,106	5,586	2,079	10,462
Total crude oil and natural gas production	103,532	154,472	69,432	159,831
D&P crude oil and natural gas production	102,107	151,488	68,011	157,755
E&E crude oil and natural gas production	1,425	2,984	1,421	2,076
Total crude oil and natural gas production	103,532	154,472	69,432	159,831
Crude oil inventory (build) draw	(8,040)	119	(953)	12,653
Average daily sales of produced crude oil and natural gas	95,492	154,591	68,479	172,484
Crude oil purchased	1,282	6,914	2,544	864
Sales from E&E assets (boe/d)	(1,278)	(2,392)	(1,370)	(1,420)
Volume sold oil and gas including trading (boe/day)	95,496	159,113	69,653	171,928

1. The Company's share before royalties in the Quifa SW and Cajua fields is 60% and decreases in accordance with a high-price clause ("PAP") that assigns additional production to ECOPEPETROL S.A. ("Ecopetrol").
2. Mainly includes Cubiro, Cavroviejo, Casanare este, Canaguaro, Guatiquia, Casimena, Corcel, CPI Neiva, Cachicamo, Arrendajo, and other producing fields.
3. Includes La Creciente, Dindal/Rio Seco, Cerrito, and Guama fields.
4. Includes Cajua, Sabanero, CPE-6, Rio Ariari, Prospecto S, and prospecto D fields.
5. Includes Block 192, where normal production should be 12,000 bbl/d gross; however, oil production has been halted since February 23, 2016 due to a force majeure at the Block arising from the shutdown of the Norperuano Pipeline.

During 2016, net production after royalties and internal consumption totalled 103,352 boe/d, representing a decrease of 51,120 boe/d (33%) from the average net production of 154,472 boe/d reported in the previous year. This reduction was mainly attributable to the expiration of the Rubiales and Piriri fields, both of which were returned on June 30, 2016 to Ecopetrol, S.A. (“Ecopetrol”), a company majority-owned by the state of Colombia involved in the exploration and exploitation of hydrocarbons.

In addition, heavy oil production from Quifa SW and other fields declined 16% compared with 2015, mainly due to lower drilling activity and operational issues related to water disposal capacity. Production of light and medium oil in Colombia and Peru totalled 42,713 bbl/d, a reduction of 25% compared with 2015 (57,022 bbl/d). The overall reduction was mainly due to lower drilling activity as a result of the reduction of capital expenditures in 2016 during the Company’s restructuring process. Production of light and medium oil and production of heavy oil (excluding production at the Rubiales Field) now represent 41% and 27%, respectively, of total net production of oil and gas. Additionally, gas production decreased 5% compared with 2015 due to operational issues, and as of December 31, 2016, represented 8% of total production.

## EXPLORATION

### Reserves

For the year ended December 31, 2016, the Company received independent certified reserves evaluation reports for all of its assets with total net 2P reserves of 170.7 MMboe. Compared with 290.8 MMboe certified for the year ended 2015, the year-over-year decline is mainly due to production for the year, the lower oil price forecasts resulting in economic revisions and the impact of technical revisions as assessed by the Company’s independent reserves evaluators. Proved net reserves of 117.3 MMboe now represent 69% of the total 2P reserves compared with 68% of the total 2P reserves in 2015.

The reserves reports were prepared in accordance with the definitions, standards, and procedures provided in the Canada Oil & Gas Evaluation Manual and National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities -101 (“NI 51-101”).

Additional reserves information required under NI 51-101 is included in the Company’s Annual Information Form dated March 14, 2017.

Reserves at December 31, 2016 (MMboe)								
Country	Field	Proved (P1)		Probable (P2)		Proved + Probable (“P”)		Hydrocarbon Type
		Gross	Net	Gross	Net	Gross	Net	
Colombia	Quifa SW	47.2	41.3	3.5	3.0	50.7	44.3	Heavy Oil
	Outbar Heavy Oil Blocks <sup>3</sup>	32.5	28.1	14.5	12.2	50.7	44.3	Heavy Oil
	Light Medium Oil Blocks	38.8	35.7	28.0	25.7	66.8	61.4	Light & Medium Oil, Associated Natural Gas
	Natural Gas Blocks <sup>3</sup>	6.7	6.7	7.9	7.9	14.6	14.6	Natural Gas
	Sub Total	125.3	111.8	53.8	48.7	179.1	160.5	Oil & Natural Gas
Peru	Light/medium oil/natural gas <sup>3</sup>	6.5	5.5	4.7	4.7	11.2	10.2	Oil & Natural Gas
	Total at December 31 2016	131.8	117.3	55.5	53.4	190.3	170.7	Oil & Natural Gas
	Total at December 31 2015	216.6	197.8	1015.5	53.4	190.3	170.7	
	Difference	(84.8)	(80.5)	(12.7)	(39.6)	/127.4)	(120.1)	
	2016 Production	41.9	37.9	Total Reserves Incorporated				

1. See “Boe conversion” on the “Advisores” section pg 35 MD&A
2. Includes Cajua, Jaspe, Quifa North, Sabanero, CPE-6, and Rio Arari properties
3. Includes la Creciente field

4. Includes onshore Block 131, Block 192, and offshore Block Z1
5. In the table above, “Gross” refers to W1 before royalties, and “Net” refers to W1 after royalties. Numbers in the table may not add due to rounding differences

- All the previously issued and outstanding common shares of the Company, 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. As a result, upon completion of the Restructuring Transaction, there were 50,002,363 fully diluted common shares in the reorganized Company, allocated as follows:

Shareholder	Percentage
Catalyst <sup>1</sup>	30.8%
Affected Creditors	69.2%

<sup>1</sup>.Includes shares Catalyst recived through subscriptions to fund the Cash Elections.

- The Company's common shares that were issued and outstanding prior to the implementation of the Restructuring Transaction were extensively diluted as a result of the 100,000-to-1 consolidation.

The Restructuring Transaction substantially changed the capital structure of the Company, as set out below:

	Principal outstanding as at	
	December 31, 2016	Immediately before restructuring
Credit Facilities	\$	\$1,215,440
Senior Unsecured Notes	-	4,104,200
Catalyst & Creditor DIP Notes	-	500,00
Exit Notes (due 2021)	250,000	-
<b>Total loans and borrowings</b>	<b>\$250,000</b>	<b>\$5,819,640</b>
<b>Number of common shares outstanding</b>	<b>50,002,363</b>	<b>315,021,198</b>

### Restructuring Costs

During the year ended December 31, 2016, the Company incurred \$154.9 million in costs related to the Restructuring Transaction. These costs were incurred predominantly for the appointment of independent financial and legal advisors, retention bonuses, and severances related to workforce reductions.

	Year ended December 31	
	2016	2015
Restructuring Cost	\$121,608	\$ -
Severance	33,247	18,311
<b>Total</b>	<b>\$154,855</b>	<b>\$18,311</b>

## OCCUPATIONAL HEALTH AND INDUSTRIAL SAFETY

At Frontera, we focus on the integrity of our operations by adopting implementation and mitigation plans that have allowed for the continuous improvement of our Occupational Health and Industrial Safety standards. The Company has established guidelines and management systems to comply with the laws and regulations of Colombia and other countries in which it operates. During 2016, the Company received recertification of its environmental, health, and safety management systems under ISO 9001:2008, ISO 14001:2004, and OHSAS 18001:2007 standards.

In 2016 the Company's Comprehensive Management System was audited by Bureau Veritas Certification and received a score of "zero non-conformities."

### We work hand in hand with our contractors in line with our Comprehensive HSEQ Policy

- In 2016 we updated the HSEQ annex for our contractors in Colombia to customize the HSEQ Plan for each company that operated in our fields to ensure compliance with applicable safety, health, and environmental legislations and regulations.



### HSEQ ELEMENTS CONTRACTOR ANNEX

- |   |   |
|---|---|
| Leadership and Managerial Commitment                        | Preventive and Corrective Maintenance of Facilities and Equipment |
| Management of HSEQ Risk                                     | Report and Investigation of Accidents                             |
| Legal Compliance  | Management of Health at Work                                      |
| Induction and Training                                      | Environmental Management  |
| Management with Subcontractors and Other Interested Parties | Self-evaluation, Evaluation, and Continuous Improvement           |



2. In furtherance of our internal processes to ensure compliance with norms at the operating fields, we audited certain key production, drilling, and project services contractors to ensure compliance by them:

100% coverage through audits of high-impact contractors

100% compliance with action plans derived from the audits, which were developed with the managers of contracting companies

3. In 2016, we maintained permanent contact with our stakeholders through continuous visits to our fields as follows:

1. National Environmental Licensing Authority: 23
2. National Hydrocarbon Agency: 4
3. Autonomous Regional Corporations: 6
4. Other Government Control Entities: 1
5. Our Partners: 4

### INDUSTRIAL SAFETY

At Frontera, we constantly endeavour to improve our occupational health and safety standards. Maintaining a safe working environment by having preventative control measures enables us to protect the health, integrity, and wellbeing of our workers.

### Safe execution preserving the integrity of people

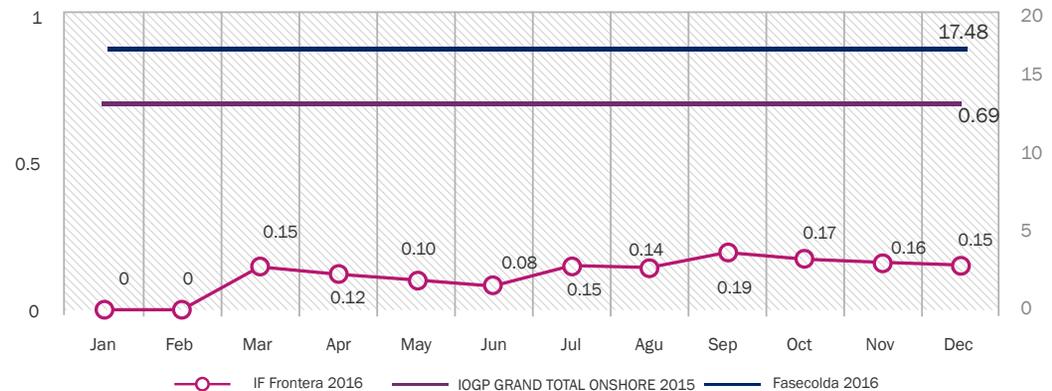
#### Frequency Index of Disabling Injuries

In 2016, we continued to maximize our efforts to promote safe behaviour as an integral part of our HSEQ culture. We continued to strengthen self-care programs directed at our employees and contractors, programs which are aimed at integrating our HSEQ culture into daily work. This in turn allowed us to maintain positive results, complying with the Colombian regulators and our internal procedures for reporting and investigating incidents.

In comparison with the International Association of Oil & Gas Producers (“OGP”), for onshore operations the Company’s Frequency Index of Disabling Injuries was 0.15, 78% below the results registered with the OGP. In regards to the results published by Fasecolda, from the Colombian Labour Risks Fund hydrocarbon sector, we were 99% below the average as evidenced in the graph below.

GRI G4-LA6 Occupational Health and Industrial Safety

FRONTERA IF 2016 OGP ONSHORE RESULTS 2015 FASECOLDA 2015



Reference Limit Indicator	2016	
Frequency index of disabling injuries	0.15/0.30 ✓	50% below reference limit
Frequency index of non-disabling injuries	1.33/4.00 ✓	67% below reference limit
Index of severity of injuries	3.20/7.27 ✓	56% below reference limit
Frequency index of vehicular accident	0.21/0.30 ✓	30% below reference limit

Note: Statistics registered are corporate data that include numbers for direct personnel and contractors from Colombia and Peru.

### Committed to road safety

Given that many of our workers routinely use motorized transportation in our fields, we continue to strive to provide our workers with educational programs focused on prevention and application of good practices. To this effect, we have implemented a strategic program for road safety in our internal field operations.

#### 2016 Results

- Accident reduction
- Road culture
- Better behaviour behind the wheel



- 1.572 field driving permits.
- 1.396 vehicles inspected.
- 421 road controls.
- 386 safe behaviour interventions.
- 163 communication campaigns for prevention of road dangers and risks, with attendance of 1.506 drivers among direct employees and contractors.
- 140 training activities regarding safe driving of light vehicles.
- 2000 person hours during training activities.

### Road safety during transportation of hydrocarbons

In 2016, our production material has travelled more that 21 million kilometres on national roads, and ensuring the safety of our workers transporting such material is a daily priority. In 2016, we developed:

- 150 road safety sessions with the support of road police.
- 115 training sessions carried out by transport companies at the locations where we have crude loading and unloading operations.
- 5 simulation activities to test response capacity of transport companies, specialized hazardous response units, and institutional entities.
- Recognition of 700 drivers for their operational performance.

## OCCUPATIONAL HEALTH

The Company's Occupational Health Management System is based on legal requirements and a systematic focus on best practices that are of vital importance to maintaining the high physical, mental, and social wellbeing of our workers.

### Human resources are our Company's most prized assets.

- 2016 represented a public health challenge for the Company with the World Health Organization's alert on the Zika virus and the permanence of Chikungunya in the territories where we have operations. Based on quarterly reports from the Health Secretariats, the Company worked on disseminating knowledge on preventative actions that covered 100% of our workers.
- We implemented an influenza immunization vaccination strategy in accordance with the international immunizations protocol, achieving coverage in excess of 97%.

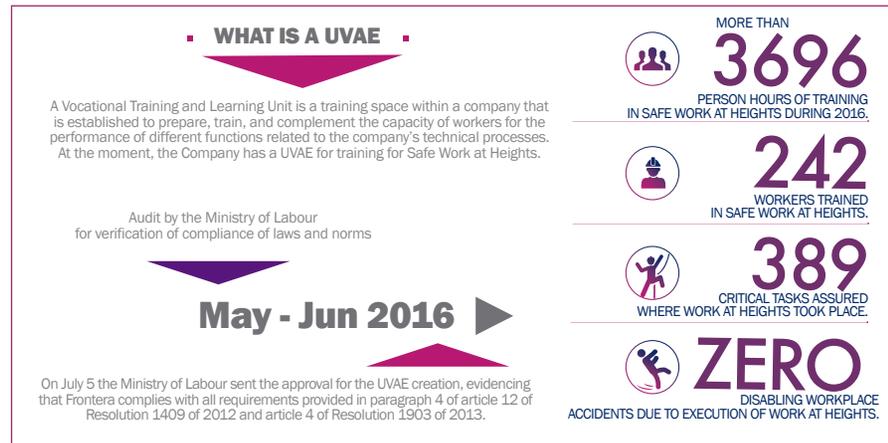
### We work for the safety of persons and operations

- In regions far from urban centres, we implemented a remote medicine program, which included an on-field medical support system. In 2016, we carried out 140 remote assistance sessions; of these, none required a transfer.
- We implemented and strengthened our epidemiological supervision programs for noise, biomechanical, cardiovascular, and chemical risks, complying with 100% of the activities planned for the year.

### A program of operational excellence in occupational hygiene is our commitment.

- 60 personal full-day noise measurements (dosimetry) were carried out representing 648 measurement hours. Field measurements were carried out under normal operating conditions during different work shifts.
- 140 field noise sound measurements were taken under normal operating conditions.

1. The Ministry of Labour approved Frontera's application for the creation of a Vocational Training and Learning Unit ("UVAE"), further verifying our commitment to comply with requirements established by the Ministry.



**VOCATIONAL TRAINING AND LEARNING UNIT (UVAE)**  
MAIN TRAINING AND CERTIFICATION PROGRAM OF THE COLOMBIAN MINISTRY OF LABOUR

2. We participated in the ARL SURA's Excellence Symposium on Labour Risks for corporate clients to represent the Company's experience and the implementation of our occupational health program both on the fields where we operate and in our offices. The ARL SURA is an insurance company for labour risks in Colombia.

## SUPPLY AND TRANSPORTATION

At Frontera, the supply and transport process is an integral part of our value chain as it guarantees timely delivery of production and proper distribution in the market. In addition, it facilitates the supply of diluents required to bring heavy crudes to the quality required by the different pipeline systems we use and to supply the fuels required for power generation at our producing fields.

In the current oil price environment, optimization of logistical operations is critical to the Company's sustainability and the maximization of its revenues.

We have developed a linear programming model with which we ensure that transport and disposition of all of the Company's crudes is carried out through its best transportation and value option in the market, minimizing costs and maximizing revenue for the Company.

In 2016, we achieved the following in Colombia:

- Ensured transportation of all production and reduced delays in our shipments' sales windows during multiple force majeure events: heavy cargo truck work stoppage (55 days), non-operation of the Bicentenario and Caño Limón System (185 days), and the collapse of the Charte Bridge (43 days). These actions helped guarantee our planned sales revenue and proved our reliability to our clients.
- In conjunction with all other producers and shippers in the pipelines, maintained frozen tariffs during the majority of the year. This generated savings estimated at \$119 million.
- Maintained and generated new collaborative operational schemes and assignments of capacity with other producers and shippers, thereby optimizing dilution and transport costs, which allowed us to save an estimated \$10 million.
- Reduced fuel purchases at all our production fields through a commercial model in which the Hidrocasanare refinery processed about 3,700 bbl/d of medium and light crudes.
- Savings are estimated at \$12.3 million versus other fuel options.
- Reduced dilution cost by 20% from \$2.17/bbl in 2015 to \$1.74/bbl in 2016. Savings are estimated at \$13.6 million compared with the previous year.
- Increased the sales price of Vasconia crude by \$0.21/bbl versus the Vasconia Platts market indicator.
- Reduced hydrocarbon losses and missing inventory to 0% through constant monitoring of land transportation operations and personnel training.

- Increased the participation of companies from the communities in which we operate from 18% to 24%, all of which achieved high operating standards.
- Reduced tariffs for quality and quantity inspection by 50%.
- Reinforced the quality control system of our export shipments, which reduced claims due to quality and quantity.
- Reduced accidents in land transportation of hydrocarbons by 25%.
- Optimized gas sales revenue during force majeure events at La Creciente and eliminated the risk for unused "ship or pay" gas capacity through a new contract for 2017.
- Reactivated purchases in the local market to optimize transportation and dilution operations.

In the case of Peru, we executed the following initiatives:

- Reduced costs, which generated savings of 27% at Lot 192 and 19% at Lot Z1 for a total reduction of \$3.9 million.
- Improved the sale price by \$2.25/bbl for the Corvina and Albacora crude sales contracts, which generated additional revenue of \$1.11 million.
- Initiated the Loreto Temporary Crude Transport Project through cisterns from Station 5 of the ONP to the Bayovar Terminal as of December 2016.

Relevant indicators for transport and supply in 2016		
Indicator	2016	2015
Transport Cost (\$/bbl sold)	12.57	11.55
Dilution Cost (\$/bbl sold)	1.74	2.17
Standby Cost (MM)	0.15	0.50
Transported Volume Pipeline (KBPD)	85	114
Transported Volume Land (KBPD)	40	58
Volume Sold (KBPD)	94.7	151.8
Negotiated Brent-Vasconia difference	-6.37	-6.88
Loss of Hydrocarbons	0.00%	0.15%
Deferred Production by Transportation	0	0

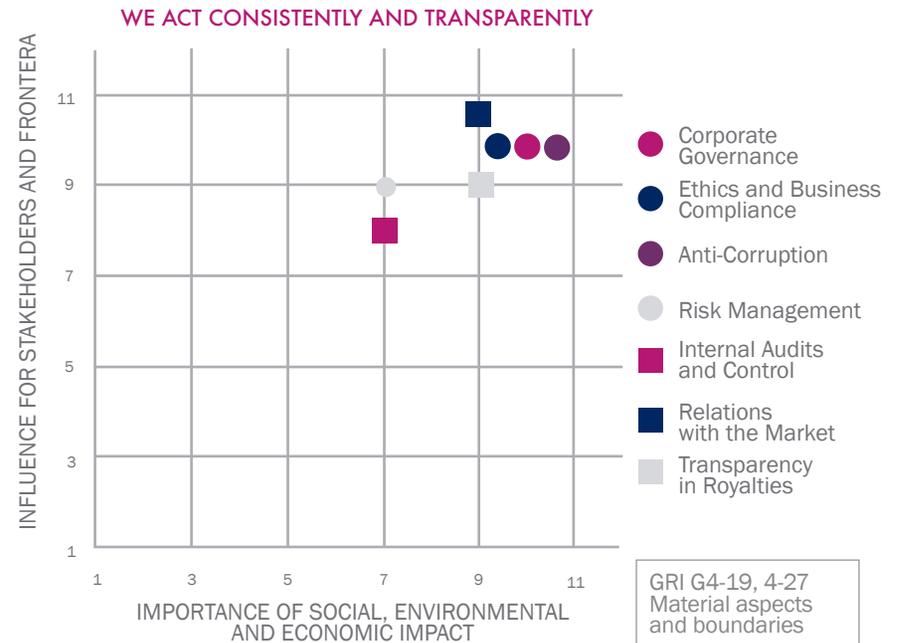
# WHERE ARE WE HEADED?

Issue	Challenge	Deadline
Operational Results	<ul style="list-style-type: none"> <li>■ Continue reducing our G&amp;A and all non-essential activities.</li> <li>■ Improve field management, reorganize field supervision, and reduce operating costs.</li> <li>■ Reduce exploration commitments by \$40 million.</li> <li>■ Achieve long-term and sustainable growth by increasing production through capital expenditures and drilling campaigns.</li> <li>■ Develop and implement a growth and reserves replacement strategy.</li> </ul>	2017
Financial Results	<ul style="list-style-type: none"> <li>■ Prioritize the Company's exploration portfolio on fields with the greatest prospects.</li> <li>■ Maximize operational efficiencies and sustainable production growth through the sales of assets with lower future prospects and cumbersome exploration and production commitments. In turn, this will improve the Company's budget and future liquidity.</li> <li>■ Ensure a sale price for crude for 2017 within the \$50-\$60/bbl range through hedging instruments.</li> </ul>	
Occupational Health and Industrial Safety	<ul style="list-style-type: none"> <li>■ Strengthen the safe work culture with our employees, suppliers, and contractors to continue improving our injury indexes.</li> <li>■ Continue working to be a healthy Company through a health promotion and prevention culture.</li> <li>■ Achieve ISO 90001, ISO140001, and OHSAS 18001 recertification.</li> </ul>	
Supply and Transport	<ul style="list-style-type: none"> <li>■ Continue with transport and dilution cost reductions through the:                             <ul style="list-style-type: none"> <li>■ Development and maintenance of collaborative operational schemes.</li> <li>■ Purchase of crudes to reduce utilization of natural gasoline, maximize use of PF2-OGD facilities, and ensure use of our take-or-pay contracts.</li> <li>■ Timely supply of more economic fuels for energy generation.</li> <li>■ Optimization of loading and unloading logistics for tank trucks to maintain transport tariffs and standby costs.</li> </ul> </li> </ul>	



## WE ACT CONSISTENTLY AND TRANSPARENTLY

The trust of our stakeholders is essential for the present and future of the Company. For this reason, we are always accountable for our actions and maintain a constant and open dialogue with our stakeholders. We meet the expectations of our environment while continuing to carry out processes of continuous improvement and innovation to strengthen our reputation.



### ETHICS AND BUSINESS COMPLIANCE

At Frontera, conducting ourselves in a transparent and inclusive manner and respecting our surroundings enriches the Company and increases our value.

It is a policy of the Company that all our activities be conducted with the highest standards of honesty and integrity and in compliance with legal and regulatory requirements. We have a Code of Business Conduct and Ethics that prescribes the minimum moral and ethical standards of conduct required of all directors, officers, and employees of the Company.



In 2016, as a result of the Restructuring Transaction, the Company underwent significant changes to its corporate governance, including changes to both our Board of Directors and executive management team. Currently, our internal Ethics Committee is comprised of:

- CEO
- Chairman of the Board of Directors
- Vice-President of Corporate Affairs and Sustainability
- General Counsel
- CFO
- Compliance Officer

During 2016, we handle investigations received through the Ethics Hotline. The Ethics Committee, Audit Committee, and senior management received periodic updates from this corporation on such matters.

Below are the number of submissions received through our Ethics Hotline by category and channel:

CATEGORY	REPORTS	CHANNEL	REPORTS
Relations with Employees	18	Ethics Channels	83
Relations with Contractors and Suppliers	23	Whistleblower	6
Consultation	28	Letters	1
Conflict of Interest	15		
Potential Fraud	5		
Relations with Communities	1		
<b>TOTAL</b>	<b>90</b>	<b>TOTAL</b>	<b>90</b>

GRI G4-58 Ethics and Integrity

## ANTI-CORRUPTION

GRI G4-S04 Anti-corruption

In 2016 we focused on enhancing our standards on ethics, transparency, and compliance with respect to regulatory issues, business sustainability, and value generation for our various stakeholders through the following actions:

- 94.27% of our employees completed the Company's conflict of interest survey.
- The Ethics and Compliance function maintained its focus on the strengthening of ethics, transparency, and compliance through the enhancement of internal procedures aimed at aiding process efficiency through:
  - Updating and strengthening anti-corruption controls (CFPOA\*).
  - Assurance of processes sensitive to fraud and corruption.
  - Development of a program for both internal and external stakeholders for dissemination and training regarding the new Code of Business Conduct and Ethics.
  - Training of 117 employees on anti-fraud and corruption practices through online programs.
  - Verification of third-party compliance with our procedures relating to the prevention of asset laundering, fraud, and corruption: 4,646 reviews and 13 alerts in 2016.

## INTERNAL AUDITS AND CONTROL

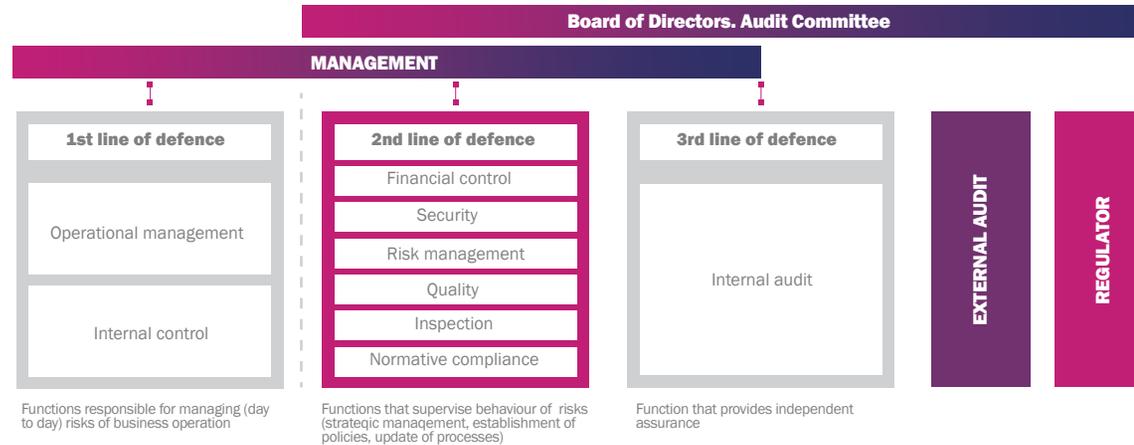
Internal audits and controls play an integral role at Frontera. They ensure that our processes are performed with efficiency and allow us to achieve corporate objectives in an efficient manner. Further, they contribute to the strengthening of corporate governance practices and allow us to control the variety of risks associated with our operations. Furthermore, our current internal audit procedures and controls are in compliance with National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"). Pursuant to NI 52-109, the Company's CEO and CFO certify their responsibility in the establishment and maintenance of disclosure controls and procedures ("DC&P"), internal control over financial reporting ("ICFR"), and on the reasonable assurance of the effectiveness of the internal control system based on the COSO Framework (Committee of Sponsoring Organizations of the Treadway Commission).

In 2016, in alignment with the Company's transition process and the new strategy of defined efficiency, we executed the following projects:

- Review of the recognition of the revenue cycle related to the commercial function responsible for identifying opportunities for improvement in the internal control process.
- Evaluation of the security protocols currently implemented by the Company to secure the Company's information.
- Evaluation of procedures in place to ensure compliance with contractual commitments and the maintenance plan that provides reliability to the Company's various operations.
- Review of the crude transportation process (land, pipelines, and maritime).
- Along with the Agrocascada team, confirmation of certification under International Health, Safety, Environment, and Quality norms (ISO 9001, ISO 14001, & OHSAS 18001).
- Evaluation of the SAP sourcing module that supports the Supply Chain Management ("SCM") process to aid in the identification of improvements and to evidence the adequacy of its delegation of authority ("DoA") process.
- Development of an audit process for the migration from the SAP system at C&C and PMG to the Corporate SAP system to determine the accuracy, comprehensiveness, and integrity of the information migrated as well as to guarantee that migrated information reflected the prior registries of the migrated companies.
- Evaluation of the Company's contract for administration of aircraft and the balance of the funds derived from the operation of aircraft for 2013, 2014, 2015, and the first half of 2016.
- Evaluation of provisions recognized for the closing of 2016's financial results.
- Analysis of the payment process for affiliates such as Midstream and Petroeléctrica de los Llanos.
- Support in the auditing of joint accounts with field partners.

In addition to these projects, the Company defined the audit and control strategy for 2017 with a focus on the strengthening of internal control, management of risks, and governance of the different business cycles. This included evaluation of the efficiency and efficacy in operations, protection of assets, reliability and integrity of processes for reporting of information (financial and non-financial), and compliance with laws, external regulations, and internal policies and procedures.

This focus on strengthening of the control model was based on the following three lines of defence:



In addition, with this focus we seek to optimize the internal audit function's resources with a holistic perspective considering the evaluation of risks identified by the Company.

Driving elements in defining the annual plan included, among others:

- Reduction of costs and cash flow efficiency
- Operational excellence
- Strengthening of trust with stakeholders
- Strengthening of corporate culture

## RISK MANAGEMENT

During 2016 we continued to manage our Enterprise Risk Management ("ERM") program, which seeks to support the corporate value creation strategy by becoming a bridge that provides a methodology for risk management in the Company and the achievement of the objectives of its various business units and processes. The ERM function seeks to provide methodical support to the different process owners in the Company through the correct identification and evaluation of risks and the establishment of mitigation plans and controls in order to monitor and escalate the trend of the evolution of the behaviour of risks.

For this year, the Company identified 16 corporate risks classified as Strategic, Operational, Financial, Surroundings, Control, and Compliance.<sup>3</sup> Each one of these risks can positively or negatively

impact the business's strategy and objectives, and the Company has assigned a "risk champion" at the director level, or the highest-ranking person responsible for adequately managing the risk, in order to avoid, mitigate, transfer, share, or accept the risk to comply with the corporate strategy and objectives. Identified risks are presented quarterly to the Canadian regulator.

In the case of fraud and corruption risks, the Company developed an analysis of the primary impacts for the organization which first considered the effectiveness of ethics hotlines, the Company's values, and the main fraud and corruption risks that employees believe may have the highest impact. In a second stage, we analyzed the different scenarios for these risks. As a final result, the parties responsible for the different areas generated risk mitigation plans for subsequent execution.

In the same manner, for Frontera the risk management culture is a fundamental pillar for compliance in its objectives. Therefore, during 2016, we trained more than 60 employees in different themes related to risks, and we carried out risk workshops with the respective process owners (core and support) and their teams to update them on operational realities and changes to business structures.

The risk workshops have become a fundamental pillar for strengthening the risk management culture in the Company as it teaches our employees to manage risk through mitigation.

<sup>3</sup> For a detailed list of our corporate risks, please see the Company's MD&A as at December 2016, at: <http://www.fronteraenergy.ca/reports-presentations/>



## TRANSPARENCY IN ROYALTIES

In 2016, for the fifth consecutive year, we announced our support for the Extractive Industries Transparency Initiative (“EITI”) because we firmly believe in the power of the resources granted as royalties and taxes to transform the surroundings of the places where we operate.

In line with this commitment, we hold the firm conviction that the contribution to governance that we are able to make starts with the presentation of accounts on the payments made in our countries of operation.

For the case of Colombia, we reported the following numbers in 2016:

### Summary of our contribution in taxes and royalties in Colombia<sup>4</sup>

Concept	COP	USD
National taxes	\$ 185,399,014,912	\$ 61,785,049
District taxes	\$ 22,792,161,921	\$ 7,595,590
Social security	\$ 35,243,103,903	\$ 11,744,922
Royalties	\$ 1.137,304,427,253	\$ 379,011,776
Others	\$ 1,458,375,802	\$ 486,010
<b>Total</b>	<b>\$ 1,382,197,083,791</b>	<b>\$ 460,623,347</b>

## RELATIONS WITH THE MARKET

During the Restructuring Transaction, the strengthening of communication channels between the Company and shareholders, regulatory entities, and analysts was a priority. Our objective was to provide necessary feedback on relevant operational, financial, and legal issues in a transparent, timely, and clear manner.

These continuous relations with shareholders, regulatory entities, and analysts allowed us to keep them constantly updated on the effects of the Restructuring Transaction on the shareholdings of Colombian investors as well as on the consequences of the implementation of the Restructuring Transaction, emphasizing that a liquidation of the Company would have destroyed shareholders’ investments and left little recovery for creditors while exacerbating the negative effects of unemployment. In addition, it allowed us to continue to make available to all stakeholders relevant financial information for their investment decisions and provide clear context regarding the risks associated with their investment.

<sup>4</sup> In-kind royalties are calculated multiplying total barrels by average 2016 WTI used by the Company and reported in the MD&A, and is converted to pesos using the average exchange rate (TRM), until December 31, 2016 from Banco de la Republica of COP 3,000.71 for each USD



During the Restructuring Transaction, the Company used the following tools to inform the market:

- Resolution of concerns from shareholders regarding the process in strict compliance with applicable laws and norms.
- Timely publication of press releases on the characteristics and main effects of the reorganization process.
- Timely responses to requirements from regulatory entities.
- Timely and complete responses to complaints made by shareholders to the Financial Superintendence of Colombia.
- Attendance at meetings or teleconferences with regulatory entities to align information provided to the market.
- Publication of documents that allowed shareholders easy and illustrative understanding of the restructuring process and its effects.

In addition, and taking into account the impact to stakeholders generated by the restructuring process, the Company focused its relations strategy on rebuilding trust and restoring its reputation with the market through:

- The abilities, experience, and leadership of the Company's management team to guide performance and create value for all interested parties.
- Application of high standards of corporate governance focused on value creation and disciplined growth.
- Maximization of value for shareholders in a sustainable manner as a leading low cost producer that can grow from a solid base of development assets and existing exploration portfolio.

During 2016 we maintained contact with our sustainable investors through phone calls, emails, questionnaires, and requested discussions on social, environmental, and economic indicators. On average, these discussions centered on issues such as prior consultation, social investments, water disposal, and blockades once per quarter.

# WHERE ARE WE HEADED?

Issue	Challenge	Deadline
Ethics and Business Compliance	<ul style="list-style-type: none"> <li>Update and redefine a new Code of Business Conduct and Ethics identifying new values that more appropriately align with the Company's values post-Restructuring Transaction.</li> <li>Update and train employees at all levels through audio-visual and in-person systems.</li> </ul>	2017
Anti-Corruption	<ul style="list-style-type: none"> <li>Continually review and update processes sensitive to fraud and corruption.</li> <li>Develop a method for the dissemination of and training on the new Code of Business Conduct and Ethics Corporate for both external and internal stakeholders.</li> <li>Strengthen Ethics Management through relaunching of channels as well as the agility and resolution of the Ethics Committee.</li> </ul>	
Internal Audits and Control	<ul style="list-style-type: none"> <li>Follow up on findings from prior periods to ensure closing of previously identified gaps.</li> <li>Use data analytics to obtain a greater degree of assurance related to the effectiveness of controls and exactness of information registered and reported. Data analysis allows us better coverage through quantitative analysis of trends.</li> <li>Improve culture of control by implementation of self-control mechanisms.</li> <li>Identify opportunities for improvement in the different business cycles that are supported by technological mechanisms to improve security and efficiency in each cycle.</li> </ul>	
Risk Management	<p>Continue strengthening the risk management culture in the Company and at all the different levels through training actions for different employees and through re-dimensioning the risk function by assigning it to the new Corporate Planning Office.</p>	
Transparency in Royalties	<p>Continue supporting the Extractive Industries Transparency Initiative in Colombia and Peru through active participation in spaces where we are invited and the delivery of information regarding what we pay for our operations.</p>	
Relations with the Market	<p>Continue our commitment to maintain close relationships with shareholders, analysts, regulatory entities, and the Canadian securities market via the following channels:</p> <ul style="list-style-type: none"> <li>Non-deal roadshows, conferences, one-on-one meetings, teleconferences: creating a channel that facilitates close relations between the Company's management and its investors.</li> <li>Press releases: communicating in a precise and timely manner information on the Company's financial-economic, commercial, and operational performance.</li> </ul>	



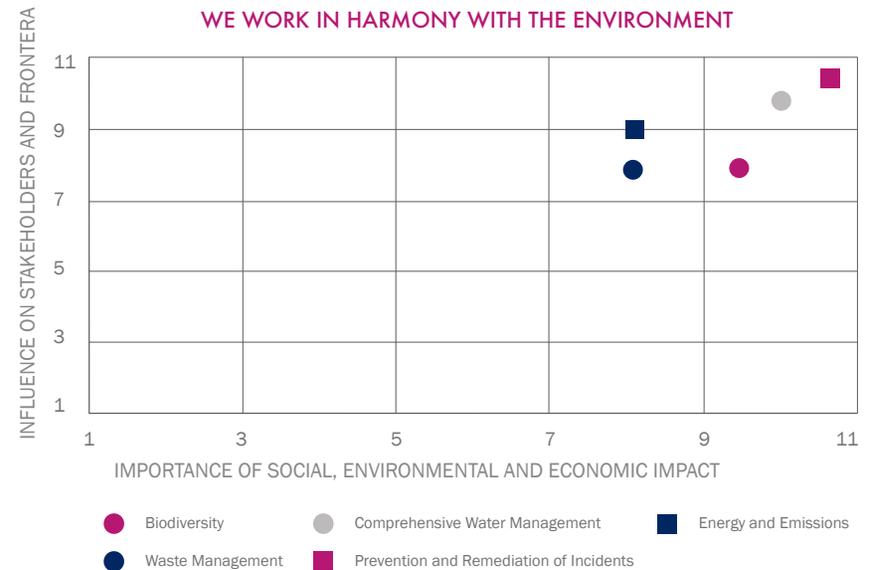
# WE WORK IN HARMONY WITH THE ENVIRONMENT

We are aware of the environmental impact of our operations, so we always seek to operate without compromising the future of our natural surroundings and repairing what we do impact.

Our Board of Directors approved our HSEQ Policy in 2010, which focuses on guaranteeing execution of our operations to ensure the sustainable use of natural resources in our areas of influence while rigorously complying with applicable laws, regulations, and standards.

This year we continued managing the key issues that impact our environment: biodiversity, comprehensive water and waste management, energy and emissions, and prevention and remediation of incidents. The reversion of the Rubiales field to our partner Ecopetrol signified important changes in our indicators, especially in energy and emissions given that the field contributed more than 60% of our emissions.

GRI G4-19, 4-27  
Material aspects and boundaries



## BIODIVERSITY

GRI G4 EN14 Biodiversity

Aware of the natural diversity of the areas in which we operate, we continuously evaluate possible impacts on the natural environment to identify opportunities to optimize our industrial processes and generate best practices.

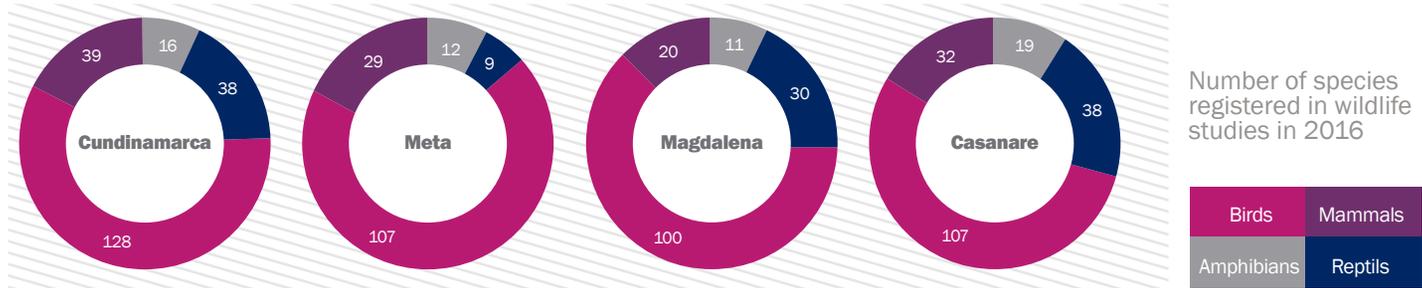
### We value the biodiversity in our areas of operations

Based on the environmental studies we have carried out in our areas of operation, we have identified the zones with special importance for the fauna in the area; in the execution of our activities, we focus efforts on their preservation. In the following graphic, we present zones deemed strategic ecosystems and some of the species of amphibians, reptiles, birds, and mammals registered during the environmental studies carried out in 2016:



## Knowing our surroundings

We study fauna that is part of our operation zones.



We identify important zones for conservation of biodiversity in our areas of operations in line with environmental permits granted to us.

### Our strategic ecosystems for conservation of biodiversity:

GRI G4 EN11 Biodiversity

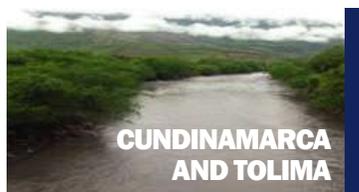
The Company operates in very diverse Colombian landscapes located in the Orinoquía (Meta and Casanare), the Caribbean Region (Magdalena and Sucre), and the Andean Region (Cundinamarca and Tolima), evaluating 100% of the areas. Below, we present a summary of the representative landscape and coverage characteristics of each region that favour protection of biodiversity in the areas of the Company's operations.



The areas of the Rubiales, Quifa, Cajua, Sabanero, Ariari, Corcel and Guatiquía Blocks/Fields do not overlap with Natural Protected Areas. Although the predominant coverage is dry unwooded grassland, the main biodiversity and wildlife habitats and refuges are associated with fountainheads, springs, estuaries, water bodies (lentic and lotic), gallery forests and Morichal groves. Although the gallery forests and Morichal groves occupy a smaller proportion of the area, they constitute very important coverage because of high biodiversity, due to, in the case of the Morichal groves, their structural complexity, which provides an array of habitats and microclimates.



The Moriche, Cachicamo, Cravo Viejo, Llanos 19, Cubiro, Arrendajo, Casimena, Casanare Este II, and Canaguaro Fields/Blocks do not overlap with Natural Protected Areas, but there is some overlap with some Civil Society Natural Reserves, Protective Forest Reserves, and local Natural Protected Areas. The most typical coverage is dense dry unwooded grassland, floodable plains, gallery forests, Morichal groves, water currents, lagoons, madre vieja wetlands and estuaries, which are the most biodiverse and most important biotic habitats as well as the main wildlife refuges in our areas of operation, including species of aquatic and semiaquatic birds.



The Guaduas and Abanico Fields/Blocks do not overlap with Natural Protected Areas, but the area of influence of the Guaduas Field crosses the Protective Forest Reserve of the San Francisco River Hydrographic Basin. This reserve is more than 2,800 ha, is located in an altitude range that exceeds 1,100 MASL (metres above sea level), and is very important from an exosystemic and biodiversity standpoint, as well as to serve as refuge for wild fauna associated with the Company's area of operation. Its natural richness provides potential for eco-tourism development and nature tourism. Other biodiversity and wildlife refuges are located in the mountain range of the San Lorenzo vereda (Girardot) and the gallery forests.

As at the end of 2016 our area of operation was 552,950 ha, of which 23% has been identified through environmental zoning as exclusion areas due to its great value for biodiversity

GRI G4 EN12 Biodiversity

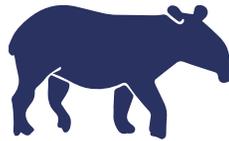
Taking into account that areas of high relevance for the protection of biodiversity are excluded from any activity, no significant impacts have been identified in these ecosystems. The following are the steps we take to protect biodiversity within our areas of operation:

**Evaluation of impact on biodiversity**



Before initiating any project, the Company carries out Environmental Impact Studies with the objective of identifying priority zones for conservation. When planning the studies, we establish the location of the infrastructure in accordance with the environmental zoning limits to establish safe distances to protect strategic or high-impact ecosystems for conservation.

**Awareness on wildlife near our operations**



Within our strategy to generate a culture of caring and protecting the biodiversity of the zones where we operate, we promote conservation efforts through talks and workshops with experts and our own personnel. We also promote these efforts by teaching workers, contractors, and communities ways to protect and care for their surroundings by training them on reporting mechanisms to inform the correct authorities of anomalies in a timely manner.

**Relocation of fauna and protection measures**



Upon initiating projects at our fields, it is common to find different species of animals that require protection. For the purpose of protection, these animals are relocated within their habitat.

**Signage for fauna**



We install signs informing of the presence of fauna and of the prohibition of practices such as hunting and fishing. We do the same in terms of flora, including signs that highlight prohibitions on removal. We promote the reporting of fauna and flora sightings in order to increase interest in knowing and protecting the biodiversity of the zones where we operate.

## Restored zones

GRI G4 EN13 Biodiversity

**Revitalization of Intervened Areas :  
1,591 Ha in 2016**

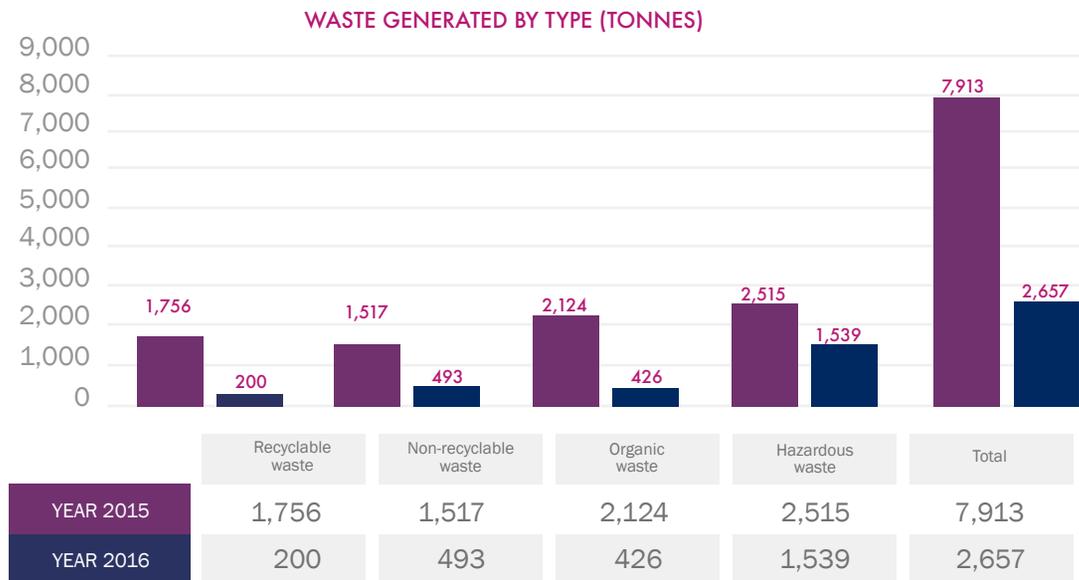
**Zones restored by the Company  
Geotechnical Engineering:  
188 Ha in 2016**

**Zones reforested by the Company  
Protective Reforestation:  
924 Ha in 2016**

## WASTE MANAGEMENT

A central issue in our operation is the optimization of resources and waste management. In 2016 we reduced our generation of waste by 67%. This significant reduction is primarily due to the return of the Rubiales field to Ecopetrol in June, and to a reduction in the construction of new projects and drilling campaigns.

GRI G4 EN23 Effluents and Waste



# 33%

Of the total waste generated in 2016 was used in activities such as delivery to third parties for reuse and manufacturing of compost for agricultural activities. With these efforts, we are reducing waste volumes sent for final disposal to authorized external parties, which corresponds to the remaining 77%.

### WASTE GENERATED VS USED 2016



**+1,200** Tonnes of metallic waste in 2016, which were provided to third parties.

We carried out a cleaning session in the head office with 459 participants, collecting 1 tonne of usable waste that was then handled via a third party that works with vulnerable persons (heads of families).



**+200** Hours dedicated to training on efficient management of waste for direct personnel and contractors.

## COMPREHENSIVE WATER MANAGEMENT

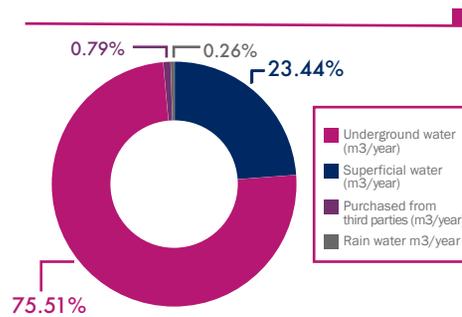
We understand that water is one of the greatest riches of our ecosystem, which is why we control consumption to maintain a level of water use below the authorized level. In addition, we implement alternative uses that allow us to further reduce consumption levels annually.

GRI G4 EN 8 Water

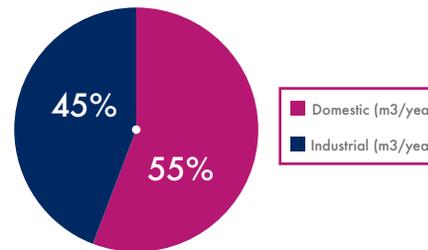
Year	VOLUMES CONSUMED					USE	
	Superficial water (m3/year)	Underground water (m3/year)	Water municipal aqueduct (m3/year)	Rain water m3/year	Total water stored	Domestic (m3/year)	Industrial (m3/year)
2016	135,376	436,157	4,564	1,514	577,611	317,101	260,510
2015	322,405	738,900	14,360	4,625	1,080,289	603,427	476,862

GRI G4 EN 9 Water

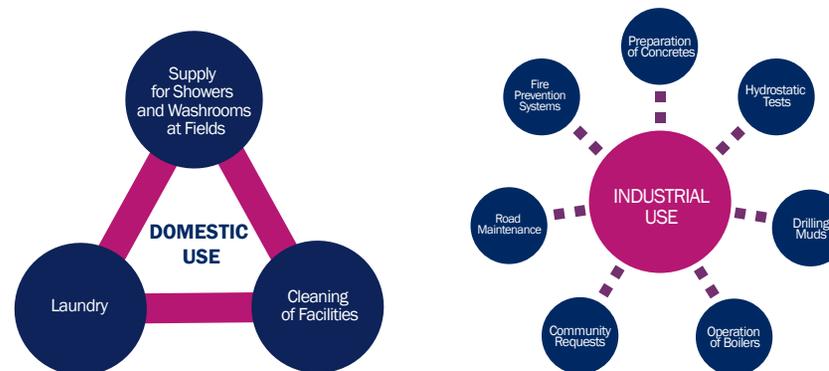
STORAGE % BY SUPPLY SOURCE 2016



TYPE OF USE % OF STORED WATER 2016



The 46% reduction in consumption volume compared to the previous year is mainly due to the reversion of the Rubiales field to Ecopatrol in June and to a reduction in activities related to construction of new projects and drilling campaigns. Activities that demand the use of water are identified and monitored to implement programs to optimize water usage.

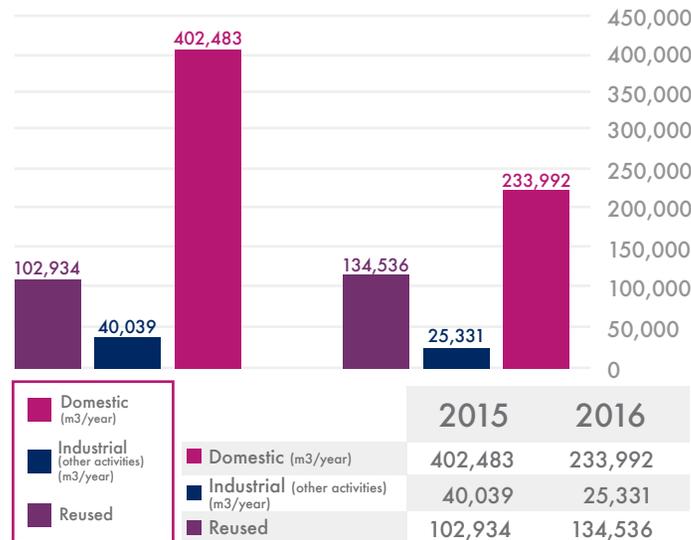


## WE CREATED INITIATIVES FOR REUSE OF GENERATED RESIDUAL WATER

We have implemented a system for water treatment that allow us to meet the parameters set by industry norms and reuse part of the volume generated. In 2016 we reused 41% of the total volume of residual water generated but not associated with industrial production, 31,602 m3 more than in 2015.

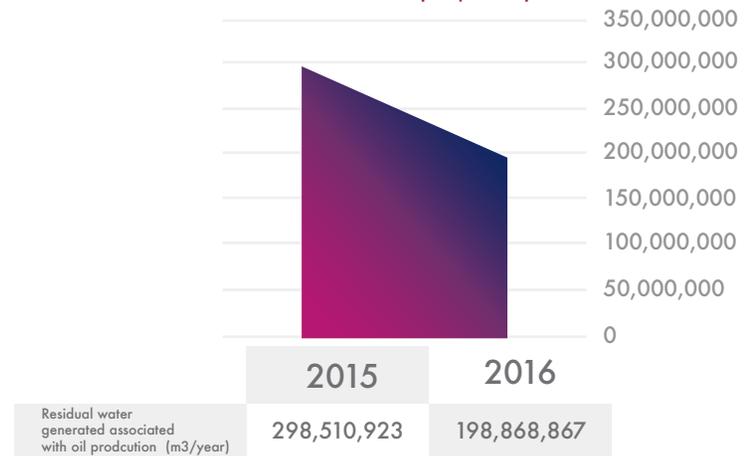
GRI G4 EN10 Water

### GENERATION AND REUSE OF RESIDUAL WATER



GRI G4 EN22 Water

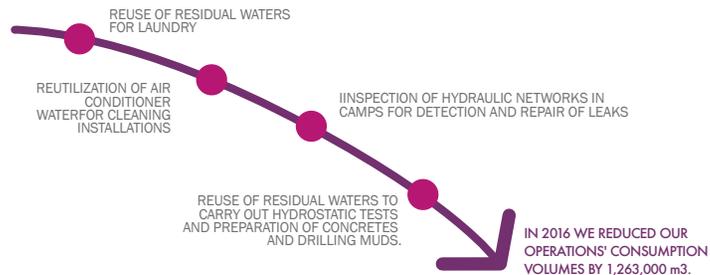
### RESIDUAL WATER GENERATED ASSOCIATED WITH OIL PRODUCTION (M3/YEAR)



In **2016** we had a **33%** reduction in the volume of process water generated. Using the permits in effect we have received from government entities, we also injected into the earth more than **94%** of the water associated with production.

## We carried out actions intended to reduce water consumption

REUSE OF RESIDUAL WATERS



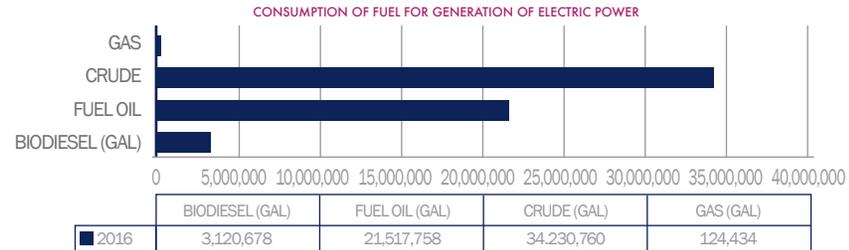
## ENERGY AND EMISSIONS

In 2016 we significantly reduced the total consumption of energy and emissions. This reduction was the result of the reversion of the Rubiales field to Ecopetrol and the reduction of new projects. Additionally, we continue to focus on energy reduction by centralizing energy use and utilizing the national electric network.



## Direct energy consumption

### GRI G4 EN3 Energy and Emissions



### GRI G4 EN4 Energy and Emissions

#### ELECTRIC POWER GENERATION MWh

YEAR	ADMINISTRATIVE OFFICE BOGOTA	POWER ACQUIRED FOR OPERATING FIELDS	ELECTRIC POWER GENERATED AT OPERATING FIELDS
2016	4,457	542,518	1,021,296

Origin of power acquired externally:

- a. Fields: Emp. Energía de Cundinamarca / Electricaribe / Enertolima / Petroeléctrica de los Llanos  
 b. Administrative Offices: Vatia / Codensa

### GRI G4 EN5 Energy intensity Emissions

YEAR	ENERGY INTENSITY			OBSERVATIONS
	CONSUMPTION OF ELECTRIC POWER (MWh)	PRODUCTION (BOE)	INTENSITY (MWh/BOE)	
2016	1,568,271	62,782,648	0.02	This indicator was calculated based on internal and external consumption of electric power, including administrative offices.

### GRI G4 EN19/EN6 Reduction of GG and Energy

- Purchase of external energy: by purchasing 542 GWh from the Sistema Interconectado Nacional to supply the Rubiales, Quifa, Abanico, La Creciente, and Guaduas fields, we avoided the burning of fuel and saved an average of 25,900 Tonnes CO<sub>2</sub> eq.
- Solar panels: the production wells at the La Creciente field work with solar panels that generated 2.7 MWh during 2016. By avoiding the burning of fuels we saved 0.6 Tonnes CO<sub>2</sub> eq.

### GRI G4 EN7 Energy and Emissions

- Compared with the previous year, the purchase of power for our operating fields was reduced by 34% in 2016 due to the reversion of the Rubiales field to Ecopetrol in the second quarter of 2016.

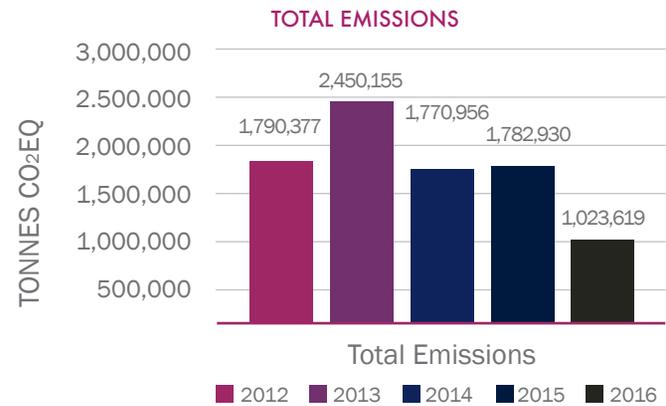
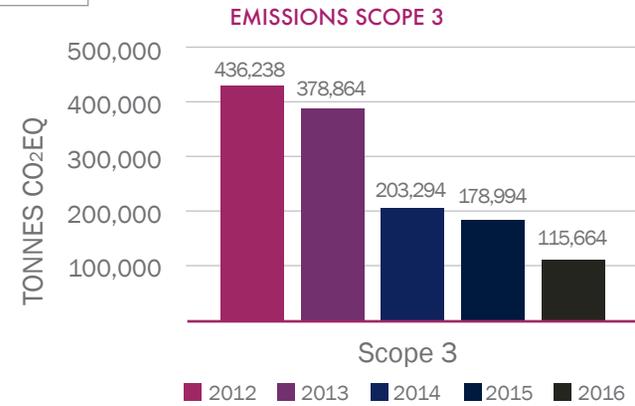
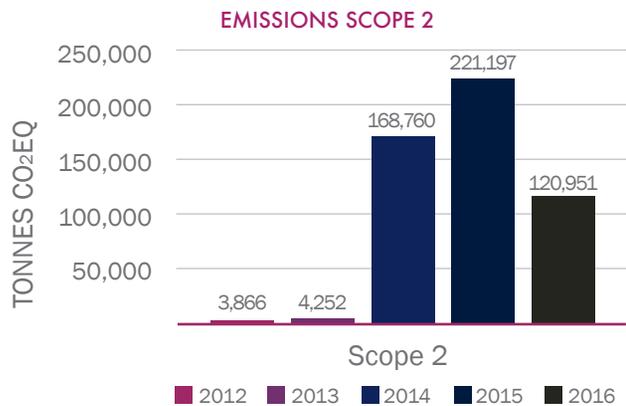
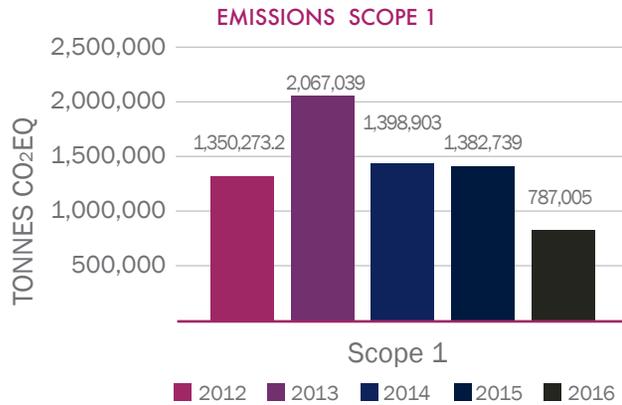
<sup>1</sup> To calculate greenhouse gas emissions during 2016, the Company used a mathematic extrapolation model.

GRI G4 EN15. Total, direct, and indirect emissions, and emission of greenhouse gases (GG)

GRI G4 EN16 Energy and Emissions

GRI G4 EN17 Energy and Emissions

Below are the results of estimated greenhouse gas emissions for 2016, showing a reduction in consumption of 43% compared to 2015, due mainly to the reversion of the Rubiales field to Ecopetrol in the second quarter of 2016.



GRI G4 EN18 Intensity of GG emissions

BOE	Tonnes CO <sub>2</sub> Producing Fields	Intensity of GG emissions
<b>62,782,648</b>	<b>969,819</b>	<b>0.015</b>

GRI G4 EN21 NOx and SOx

	<b>SOX</b>	<b>NOX</b>	
<b>Tonnes/year</b>	<b>4.765</b>	<b>11.942</b>	Estimated data is according to measurements carried out in a % of the internal and external combustion equipment at the Rubiales* and Quifa fields.

\*We only made estimates for the first quarter of the year taking into account the reversion of this field

## PREVENTION AND REMEDIATION OF INCIDENTS

We continuously prepare for events that may affect the conditions of our operations, and we update and disseminate contingency plans for each one of our operating fields.

### During 2016 our efforts were focused on:

- Carrying out drills for contaminating liquids spills with the participation of direct personnel and contractors.
- Inspecting and executing maintenance plans for the alarm systems that measure levels of contents, pressure, and temperature, and allow for early detection and prevention of incidents.

- Updating the equipment of the service brigades for emergencies at the operating fields.
- Carrying out training in matters of contamination spills and preparing our partners to act when necessary.

GRI G4 EN24 Effluents and Waste

In 2016 we had a total of 15 incidents at the operating fields in Colombia for which we activated the relevant contingency plan. Due to our prompt response and the use of on-site containment systems, these incidents did not generate a negative impact.

## WHERE ARE WE HEADED?

Issue	Challenge	Deadline
Biodiversity	Continue with the implementation of strategies directed at the conservation of species and reforestation.	2017
Comprehensive Water Management	Continue to manage our water consumption to maintain a level of use below the authorized level and implement alternatives for reuse of water that allow us to continue to reduce consumption levels annually.	
Waste Management	Promote the implementation of campaigns for waste reduction, reuse, and recycling.	
Energy and Emissions	Include new operational assets into the Company's carbon footprint strategy.	
Prevention and Remediation of Incidents	Continue to strengthen emergency prevention strategies and contingency management systems.	

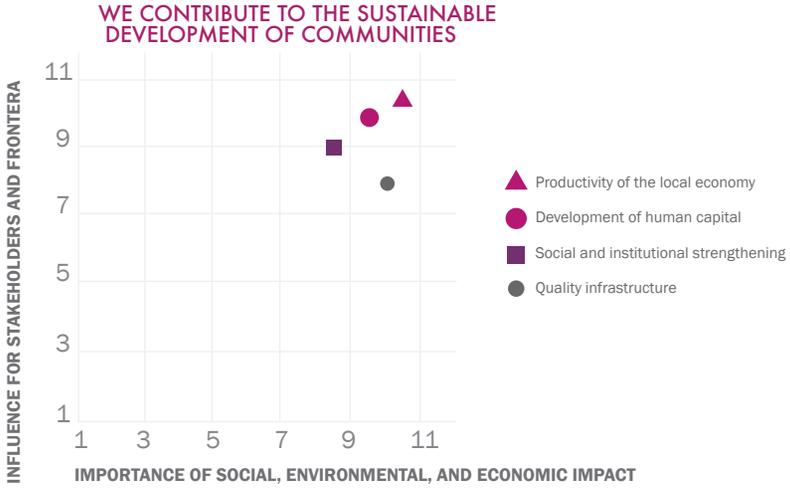


# WE CONTRIBUTE TO THE SUSTAINABLE DEVELOPMENT OF COMMUNITIES

At Frontera, we contribute to the construction of competitive territories for local sustainable development through joint work with communities, locales, and regional authorities under a system of co-responsibility.

For this reason, in 2011 the Company developed its Social Investment Framework where it set the guidelines under which it has created different projects in its area of influence. Given that the Company is interested in generating social intervention with greater impact, sustainability, and visibility, and having its contribution to the sustainable development of territories be recognized, since 2015 it has implemented a new Social Investment Framework. Its main objective was the investment as a vehicle to create competitive territories for local sustainable development through the following material issues:

GRI G4-19, 4-27  
Material aspects and boundaries



Taking into account the economic crisis that has affected the sector in the past few years, a change of focus from investment to relations was necessary. This shift is how we focused on making our local coordinators into allies of the communities, in charge of not only tending to the day-to-day needs of the operation, but also leveraging resources from non-traditional sources and being as cost-efficient as possible with the resources directed by the Company in order to achieve the greatest impact on quality of life. The success of this intervention is evidenced by the low rate of social incidents and the quality of interventions as described below.

## PRODUCTIVITY OF THE LOCAL ECONOMY

In accordance with our strategic objective to positively impact the areas in which we operate, the Company continued the implementation of our strategy of generating local economic development by focusing on two aspects: promotion of entrepreneurship through the Program for Development of Local Suppliers, and the implementation of productive projects that allow communities to have other sources of revenue.

Within the framework of the Program for Development of Local Suppliers, we helped 30 companies in the municipality of Puerto Gaitán by guiding them to reach certification in quality management.

**Within this group of companies we worked on the following aspects:**

GRI G4 EC8 Indirect Economic Impacts

<b>Legal and Corporate:</b>	Drafting documents for incorporation of 14 simplified companies, amending bylaws of 12 companies, and projects for reorganizing 4 companies.
<b>Brand and Communication Processes:</b>	Preparation and delivery of the Visual Identity Manual for each company – 44% of the entrepreneurs changed their brand as a result of the manual.
<b>Human Management:</b>	Evaluation of leadership competencies and managerial and administrative abilities.
<b>Financial Processes:</b>	Analyzing supply chain processes and organizational and revenue generation structures for 30 companies and proceeded with training to strengthen identified gaps.
<b>Commercial Processes:</b>	The Program for Development of Local Suppliers was focused on the design and implementation of commercial strategies for each entrepreneurial sector.

We worked with entrepreneurs and their work teams to design or adjust the procedures necessary so that they could proceed with quality certification, which would allow them to expand the markets in which they can operate.

We supported productive projects by taking into account productive vocations of the areas in which we operate. In the departments of Meta, Casanare, and Sucre we focused on projects that involve strengthening farming methods, maintenance of livestock, and technical assistance. In 2016 we implemented 20 projects in the municipalities of Orocué (Casanare), Puerto Gaitán (Meta), and San Pedro (Sucre), which benefited more than 5,000 people.

The projects were directed towards support for the creation and strengthening of small business and local competitive companies. We held training sessions for the Associations of Fishermen of Puerto Gaitán to improve their artisanal fishing competencies as well as for the hotel guild in the same municipality to promote Puerto Gaitán as a tourist destination. In the same manner, we supported initiatives, most of them aimed towards strengthening livestock production in the Vencedor Piriri Indigenous Reservation and the La Campana indigenous sector, which not only allows indigenous to advance their process in achieving food sovereignty, but also to generate revenue that allows them to improve their living conditions.



## HUMAN CAPITAL DEVELOPMENT

The objective of this initiative is to create capable communities that support sustainability and progress in their territories. We are aligned with the vision of the 2014-2018 National Development Plan, “Through education, Colombia must prepare the citizens it needs to build a lasting peace, a more equitable society, and sustainable economic development.” In 2016 we continued to carry out projects focused on supporting the Colombian government’s indexes with greater coverage, improved access to higher education, and strengthened educational quality in the areas in which we operate.

In the municipality of Puerto Gaitán, we work with the Secretariat of Education of the Department to eradicate illiteracy in youth and adults. This year, we implemented the second phase of the adult education program, which benefited 140 people in the Rubiales, Puerto Triunfo, and Santa Helena veredas as well as 69 people from the urban centre. From those that participated, 19 obtained high school diplomas.

In 2016, we continued to support the 88 active scholarship holders in our Program to Encourage Higher Education, 8 of which have successfully completed their studies. This Program is aimed towards sponsoring access to higher education for students that have demonstrated good academics in the areas in which we operate, and allows social mobility and access to labour markets. We continue working with our partners at Universidad del Norte and Corporación Universitaria del

Caribe (“CECAR”), with whom we have an agreement to provide greater support for students during their education.

Additionally, 25 beneficiaries that were part of the Rubiales block were part of our Program to Encourage Higher Education until June of 2016, and then became part of the group of Ecopetrol beneficiaries (which as of July 1, 2016 operates the field).

We supported the introduction of information and communication technologies in classrooms to promote quality learning through the implementation of Aulas AMIGAS (Ambientes Integrados para la Gestión de Aprendizaje Significativo) at seven schools in the municipality of Guaduas (Cundinamarca), which benefited 386 children from different regions. The AMIGAS is a Colombian program that implements communication technologies into classrooms to improve education and adapt to current contexts. This project included both the hardware (equipment) and software (programs) as well as training teachers on their use and implementation, which has allowed students to access interactive content to facilitate learning and encourage appropriate use of IT at an early age.

With regards to indigenous communities, we continue to work on strengthening their culture and knowledge through the construction of the Institutional Educational Plan for the Vencedor Piriri reservation. The Plan was constructed in response to their need to preserve and protect their cultural practices, ancestral struggles, territory, and language.

## SOCIAL AND INSTITUTIONAL STRENGTHENING

Cognizant of the social inequality that continues to exist in the zones where we operate, it is necessary to promote democratic participation to increase the social concertation spaces in the communities in which we operate. We also encourage the strengthening of institutional relations with local, regional, and national authorities, which allows for joint efforts in creating projects with greater impact and sustainability in these communities.

This year, we continued to carry out investments aligned with our Social Investment Framework in the “Strengthening of the Social and Institutional Fibre” issue. In line with this goal, we trained the leaders of the Community Action Boards (“JAC”) and communities in the area of Meta and Casanare in matters of governance, protection and environmental conservation, conflict resolution, and human rights.

With the objective of strengthening relations with local authorities, we donated two dump trucks to the municipality of Puerto Gaitán Meta. These trucks expand the municipality’s fleet and will be used for maintenance of rural roads. In a partnership with the municipality of Tauramena and the operating companies Geopark Colombia, Parex, and Verano Energy, we donated a garbage compacter vehicle to the municipality and 100 tablets to the JAC of the Las Moras vereda municipality of Barranca de Upía in the department of Meta, promoting the use of technology and good consultation practices and to improve educational quality. In addition, we donated office equipment to improve the spaces of the mayoralties of the Orito department in Putumayo and the Mani department in Casanare.

### Formulation of projects under the National Planning Department (DNP) methodology to receive royalty funds

Part of the commitment to social and institutional strengthening is to strengthen the internal capabilities of the communities with which we interact. In 2016, we financed training in several reservations with the Unuma Indigenous Association, which included: Unuma, Wacoyo, Awaliba, Campana, Vencedor, and El Tigre as well as members of the indigenous board in order to formulate projects under the DNP methodology to receive royalty funds.

For this purpose, we formulated the general methodology according to Law 1530 of 2012 and offered community training that focused on identifying problems, possible solutions, cost structures, and schedules to implement initiatives that improve their quality of life.

In addition, we developed and implemented two food safety projects:

- The project for the Unuma reservations consisted of planting 460 hectares of pasture, purchasing 736 cows and 92 bulls, and hiring professional support to grow the livestock and milk production infrastructure.
- The project for Vencedor and Campana consisted of the planting and installation of technology at more than 350 hectares of yucca, corn, and plantain crops at Vencedor and Campana.

In October, the Association filed the projects before the mayorality to obtain approval and facilitate resources to finance the execution. This filing reduced dependence on the Company, promoted active citizens, and contributed to a more equal distribution of resources for vulnerable communities.

## QUALITY INFRASTRUCTURE

GRI G4 EC7 Indirect Economic Impacts

Infrastructure is fundamental to the Country’s economic growth. In order to contribute to the development of the regions where we operate, we continued to join efforts with local and regional authorities, as well as local communities, to create projects that are sustainable and improve quality of life.

We continue to make investments aligned with the Social Investment Framework, where we work on strategies focused on improving the housing conditions of communities in the areas where we operate.

In 2016 we ratified our commitment through the self-construction strategy, which consists of the contribution of materials so beneficiaries could carry out housing improvements and participate through manual labour. We benefited 4,714 people in the municipalities of Mani, Monterrey, Orocué, Paz de Ariporo, San Luis de Palenque, Trinidad, and Villanueva, Casanare. In the department of Meta, we benefited 240 people within the municipality of Barranca de Upía; in the department of Tolima, in the municipality El Espinal, we benefited 190 people. The housing improvements were focused on the construction of living rooms, updating kitchens and bathrooms, improving roofing and flooring, and creating farm enclosures, all of which allowed for reduced overcrowding and an improvement in the communities’ quality of life.

Aligned with the development programs of the local and regional governments of the departments of Casanare, Cundinamarca, Meta, and Putumayo, we continue to work on improving the existing infrastructure of the educational institutions and parks in order to generate healthy environments for recreation, improve educational spaces, and promote access to education.

We also built two schools and one sports complex in the department of Casanare, which benefited 708 people through the construction of a bandshell, the design, construction and implementation of Wi-Fi and Internet access, and improvement of bathrooms.

In the department of Meta, we built four schools in the Rubiales, Puerto Triunfo, and Santa Helena veredas and on the Vencedor Piriri reservation, which benefited approximately 150 children. These projects focused on building enclosures for the schools to provide greater security for the children, construction of laboratories, refurbishing of drainage systems, and installation of a synthetic soccer field. One of the more successful projects in the department of Meta was the construction of the chemistry and physics laboratories in the Rubiales Educational Institution in alliance with the Governorship of Meta. With this project we ratified our commitment to expand the educational network and improve services for children and youth.

Additionally, we supported the construction and improvements of park spaces, benefiting 1,400 people in the department of Meta, 515 people in Putumayo, and 450 people in Cundinamarca.

With regards to providing equipment for productivity, we benefited 428 people in the department of Casanare, 100 people in Meta, and 647 people in Putumayo. Through the delivery of materials we improved communal halls, strengthened livestock activities through the construction of seven feeders for livestock, and supported the refurbishment of a warehouse. With these projects we improved the revenue of local families and generated spaces that allow for the integration of these communities.

Finally, we continued supporting the regions where we operate through the expansion of electric network coverage. In the department of Casanare we benefited 747 people with the supply of 13 wind mills for extraction of water; we provided materials for the installation of home electric systems; we supported the preparation of pre-feasibility studies for the construction of natural gas networks; we delivered materials for the installation of the low and mid-tension electricity network for seven farms and for the rural schools in the region of La Frontera; and we installed 120 posts for rural electricity networks. In the department of Cundinamarca we benefited 1,500 people with the delivery of materials for the improvement of the aqueduct in the Raizal y Cajón region, thus driving the development of, and access to, those services that allow for the improvement of the quality of life in these communities.

## WHERE ARE WE HEADED?

Issue	Challenge	Deadline
Productivity of the Local Economy	<ul style="list-style-type: none"> <li>Continue promoting local purchases in the areas in which we operate, working with entrepreneurs that have been part of the Program.</li> <li>Continue promoting productive vocations in the municipalities where we operate through training processes and implementation of projects focused on generating revenue.</li> </ul>	2017
Development of Human Capital	<ul style="list-style-type: none"> <li>Continue efforts with local and departmental governments to promote educational quality, the expansion of coverage, and access to education.</li> <li>Replicate successful experiences in the areas in which we operate that have contributed to improving the conditions in our communities.</li> </ul>	
Local Social and Institutional Strengthening	<ul style="list-style-type: none"> <li>Through sustainable projects in partnership with the local, regional, and national governments, continue to strengthen communities.</li> </ul>	
Quality Infrastructure	<ul style="list-style-type: none"> <li>Continue with investments in quality infrastructure in partnership with the local, regional, and national governments, and seek greater and sustainable impact at a lower cost for our Company.</li> </ul>	



## WE RESPECT AND PROMOTE HUMAN RIGHTS IN OUR OPERATIONS

We are cognizant of our duty to respect the integrity of all the people with whom we interact in order to build relationships based on trust and legitimacy. In addition, we respect the traditions and customs of the ethnic communities with which we have contact due to our operations.

For us, acting with the proper diligence to identify, prevent, and address the actual or potential impact on the dignity, wellbeing, and rights of our personnel, their families, and the communities

where we operate, as well as those of other actors impacted by our operations, is fundamental. For this reason, our actions are aligned with international initiatives such as the Voluntary Principles on Security and Human Rights, the Global Compact, and the United Nations Guiding Principles on Business and Human Rights, among others.

In 2016, we focused our actions on the following material issues:

### WE RESPECT AND PROMOTE HUMAN RIGHTS



## RIGHT OF ASSOCIATION

At Frontera, respect and promotion of the labour rights of our personnel, our suppliers and contractors, which include the right to form a union, is fundamental for the execution of our activities and the sustainable growth of the Company. Our employees are our most important assets, and for this reason we always fully comply with the provisions of the law, and always endeavour to go beyond it.

As a result, during 2016, crude production was not delayed by unions or individual workers at any of our operations. This year, we enjoyed labour stability and maintained permanent dialogue with our personnel, suppliers, and contractors, which guaranteed the absence of non-formal alternatives.

The main activities carried out during this year to promote these rights were:

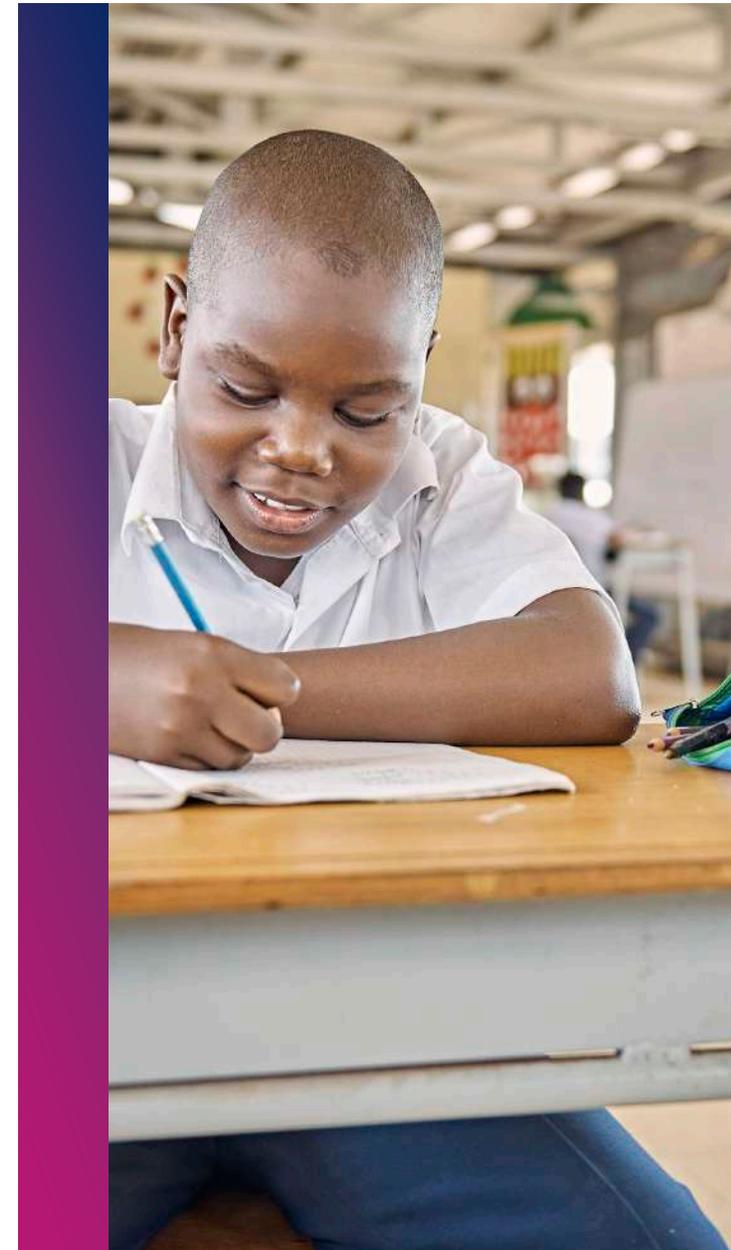
- **Creation of a labour module on training**, which contains a specific chapter on collective rights. The pilot project for this module was carried out with all workers in the Human Talent area, and will be replicated for all Company workers and subsequently for contractor companies.
- **Permanent monitoring of direct workers and contractor companies**, where we have demonstrated respect for the right to form a union, given that no petitions, complaints, or claims have been received on the matter.
- **Respect for union membership protections**. The Company, although having gone through an important restructuring process, has respected the guarantees originated by the exercise of the right to form unions, such as protection for founding members, circumstantial protections, and in general union membership protections, which is evidenced by the absence to date of administrative and/or judicial claims on this matter.

For 2016, our personnel were affiliated with two main unions:

<i>Unión Sindical Obrera (USO)</i>	<i>Unión de Trabajadores de la Industria Energética Nacional(UTENH)</i>	
<b>23</b> Direct employees	<b>863</b> Direct workers	<b>735</b> Contractors

On the other hand, and based on the USO's active affiliates, during 2016 the Company continued to work on the petition presented by USO on June 16, 2015, where minutes of guarantees were signed by the parties (rules of engagement) with the purpose of completing the direct arrangement stage. Within the main guarantees that were offered, we can highlight:

- **Duration of Direct Arrangement Stage:** From August 12 to 31, 2015.
- **Union Permits:** During the direct arrangement stage union permits were granted to Company workers that were part of the negotiation table.
- **Travel and Housing Expenses:** As a guarantee of access to the direct arrangement stage during the negotiation, travel and housing expenses were granted to workers that were part of the negotiation table.



After completing all the scheduled sessions where the parties presented their positions, the direct arrangement stage was completed without an agreement in regards to the petition presented by the union. Given the foregoing, the Company fully complied with labour laws, namely appearing before the Arbitration Tribunal, taking into account:

Activities such as "those related to production, refining, transport and distribution of oil and its derivatives" are not subject to a strike in Colombia, this due to the fact that oil activities are deemed an essential public service (Art. 430, Literal h of the Substantive Labour Code), section declared enforceable, by the Constitutional Court by Decision C-796 de 2014.

The Ministry of Labour – Bogotá Territorial Directorate, corroborated compliance of Labour Laws as well as the right to constitute a union and negotiation carried out by the Company through the administrative decision which ended the investigation requested by the USO.

The Arbitration Tribunal analyzed the collective conflict during 2016, when on January 30, 2017, the USO decided to withdraw the petition with which they initiated a collective conflict since June 16, 2015 and presented a new petition.

As a consequence of the withdrawal of the petition, the Company informed the Arbitration Tribunal and the Ministry of Labour, given their jurisdiction over the case. The Arbitration Tribunal notified the Company of its decision to abstain from issuing any decision, and transferred the file to the Ministry of Labour. As a consequence of the new petition, the Company called the USO to a meeting on February 20, 2017, in order to carry out the direct arrangement stage. The Company and the USO, signed guarantee minutes regulating the direct arrangement stage from March 2 to 21, 2017. At the end of the direct arrangement stage the Company and USO had not reached an agreement.

Based on the foregoing, the union may again call an Arbitration Tribunal. To date we have not been notified by the Arbitration Tribunal.

#### GRI G4-11 Organizational profile

With respect to our UTEN affiliates, and following up on the commitment acquired by the Company, during this year we worked hard to comply with all labour agreements signed between all business units in the Company, including the UTEN-Frontera agreement. This agreement outlines education aid for young children and family education for workers directly employed by the Company; this agreement strengthens human capital, which will provide great benefits in the long term.

### ERADICATION OF CHILD AND FORCED LABOUR

#### GRI G4 HR5 Child Labour

As in previous years, Frontera continues to be committed to protecting the rights of children and adolescents, especially through the prevention of child and forced labour.

Frontera rejects the hiring and exploitation of minors in our operations and supply chain, and we strictly impose zero tolerance for child labour through our recognition and compliance with Principles 4 and 5 of the Global Compact; Agreements 29, C105, 138 and 182 of the ILO; the International Convention on the Rights of the Child of the United Nations; Articles 44 and 53 and Law 1098 – Code of Infancy and Adolescence of the Political Constitution of Colombia; and the United Nations Guiding Principles on Business and Human Rights. This is also documented internally through our Declaration of Human Rights, the Code of Business Conduct and Ethics, our labour and contracting policies, and our CSR and labour contractual annexes.



## SECURITY AND HUMAN RIGHTS

GRI G4 HR7 Security Practices

Through 2016, managing Security and Human Rights issues was of great importance for Frontera given that work related to these issues allowed the Company to carry out activities related to assurance, preservation, and conservation of assets and interests under the framework of compliance, respect, and promotion of human rights in each of the organizational echelons and levels and in line with agreements and acquired commitments.

Our management of this issue is framed by the guiding principles of the International Initiative on Voluntary Principles of Security and Human Rights and the recommendations of the Energy Mining Committee in the case of Colombia.

One of the main activities this year was to update our contractual physical safety annex, which is based on our requirements for suppliers and contractors to comply with security guidelines in their relationship with Frontera as well as to document their commitment to respect and promote human rights, the voluntary principles, and the obligation to carry out preventive security activities. In the new annex, the following information was included:

This annex provide measures for protection, information, and compliance by the contractor, whether in operational areas, areas of influence, or in urban

zones, for its personnel, equipment, elements, and information necessary for the execution of the objects of the contract in order to prevent and minimize associated risks and provide guidance for the adoption of a self-care and prevention policy in compliance with the respect for human rights.

The Company, in accordance with its commitment to "Respect and Promote Human Rights in all its Operations," considers integrating and aligning its management of safety to the Voluntary Principles on Security and Human Rights a priority. As well as promoting the implementation of the United Nations Guiding Principles on Business and Human Rights, it seeks to improve norms and practices regarding companies and human rights.

Compliance with this contract schedule is reviewed periodically by our direct field personnel who, through periodic meetings with suppliers, identify evidence of socialization with their workers and third parties of the contract schedule, the Voluntary Principles, and the security procedures set by the Company. In the case of evidencing gaps of these socializations, the Company contributes to their compliance through training and one-on-one support, among other things. During 2016 we carried out 216 reviews of the schedule with suppliers and contractors.

Additionally, we held three training sessions with the Office of Human Rights of the National Police at the fields, blocks, and administrative offices, which were attended by 120 uniformed members of the National Police and 192 Frontera

contractor companies (which represent 22.4% of the total), of which 136 were security suppliers. These training sessions carried out by the National Police team accompanied by the Company were focused on International Human Rights Law, Populations with Special Constitutional Protection, the Inter-American Human Rights Commission, and Court and International Humanitarian Law.

These training sessions have been of great importance for the creation of a new culture of promotion and respect for Human Rights, and they have been an important tool for the Company to sensitize employees and contractors in our value chain on the importance of operating in compliance with applicable legislation and in harmony with our stakeholders.

Finally, for reports on potential violations of human rights in our operations, the Company in 2016 maintained the corporative ethics channels as well as direct reporting to Company security personnel.

### RELATIONS WITH ETHNIC GROUPS

The importance of relations with ethnic groups is recognized at all stages of our engagement in our direct areas of influence.

In Frontera's view, the need to inform, consult, and agree with the indigenous communities based in our areas of influence, aligning industrial activities with the everyday life of ethnic groups, respecting and empowering the capacity for self-determination of indigenous peoples, and following through on our commitments are all inherent to the Company's reason for being.

This commitment is reflected by an understanding and respect for cultural tradition as well as for legislation and the focus of the indigenous people. We work to execute actions that allow mitigation of possible economic, social, and cultural impacts while undertaking projects that benefit the community by promoting trust and credibility between the parties.

At Frontera, we recognize the fundamental right of ethnic minorities legally provided in the 1989 Convention 169 by the International Labour Organization and adopted in internal legislation in Colombia and Peru, which grants and guarantees the opportunity for these minorities to participate in the decisions and projects of interest in order that their physical and cultural integrity are not affected.

**For 2016, these are the production areas in Colombia that have indigenous communities present:**

BLOCK	MUNICIPALITY	COMMUNITY
QUIFA NORTH - NORTH AND QUIFA NW	PUERTO GAITÁN	Vencedor Piriri
		Vencedor Piriri
		Awaliba
		Walliani
		Vencedor Piriri
		Awaliba
		Vencedor Piriri
		Parcialidad indígena La Campana
		Vencedor Piriri
		Parcialidad indígena La Campana
SABANERO	PUERTO GAITÁN	Domo Planas
		Domo Planas
CPEI ORITO	ORITO, PUTUMAYO	Comunidad Awa. Cabildo Alto Temblor

In Peru, we have the following indigenous communities near our operation blocks:

Block/ Production field	Community	Región	Municipality	District
116	Kashap	Amazonas	Condorcanqui	Nieva
	Ciro Alegría			
126	Nativa de Parantari	Ucayali	Coronel Portillo	Iparia
	Puerto Esperanza de Sheshea			
	Nueva Italia			
192	Titiyacu	Loreto	Datem del Marañón	Andoas
	Andoas Viejo			
	Pañayacu			
	Nuevo Andoas			
	Alianza Topal			
	Nuevo Porvenir			
	Los Jardines			
	Alianza Capahuari		Loreto	Trompeteros
	Pampa Hermosa			
	Sauki			
	José Olaya			
	Nueva Jerusalén			
	Antioquia			
	San Juan de Bartra			
	Andrés A. Cáceres			
	Doce de Octubre			
	Marsella			
Nuevo Remanente	El Tigre			
Vista Alegre				

**Prior consultation:**

During 2016 we initiated the following prior consultations based on Presidential Directive of Colombia No. 10 dated November 7, 2013:

1. A prior consultation with the indigenous community of Vencedor Piriri (Sikuani People) under decision T-764-2015 in the Quifa SE block.
2. A compensation for the CR1 Indigenous Reservations: We accompanied the execution of the compensation agreed in the prior consultation for the Trupigachó and San Francisco

Reservations, and Yoronachon and Los Manantiales Communities in January of 2016.

3. Follow-up on prior consultations in Sinú San Jacinto Norte (SSJN):
  - We held follow-up meetings on the prior consultations for the 2D seismic project for Block SSJN7 initiated by the Ministry of the Interior. The sessions were held from November 13 to 18, 2016, with: Communities Alto Plano San Antonio, Sabanas del Potrero, La Gallera, Chochó, Policarpa, Cerro Naranjo, San Martín, San Jacinto, Buena Vista, and La Venta la Esperanza from the San Andrés de

Sotavento Indigenous Reservation of the Zenú Peoples of Córdoba y Sucre. The other meetings were held with the Yuma de las Piedras Indigenous Reservation of the Zenú Peoples of Córdoba y Sucre with the communities La Queveva, Las Piedras, Cerrito de la Palma, Putumayo Laguna Flor, Las Huertas, La Unión Floresta, Varsovia, Palmira, Caracol, and Los Alto.

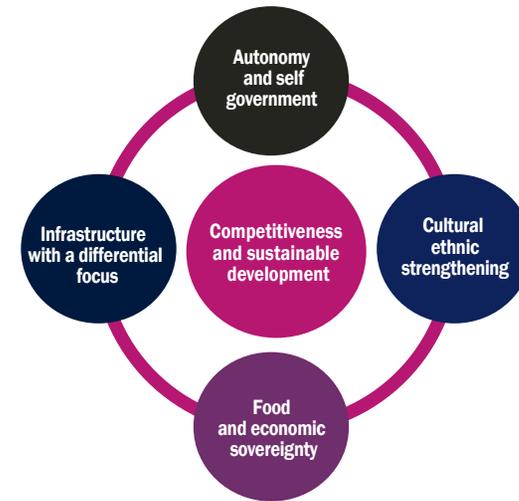
- On February 18, 2016, we held a meeting with the Zenú work group and the board of directors of the Reservation to continue with the prior consultation process for the 2D seismic project
  - From October 30 to November 2, 2016, we carried out visits in the communities of El Mamón in the municipality Corozal and La Esmeralda in the municipality of Colosó for the Ministry of the Interior and visits to the Mayoralties of Corozal and Colosó.
4. At Tacacho, we held a meeting with the Governors of the Indigenous communities along with the ANH. The meeting took place from April 25 to 27, 2016 in order to build an access strategy for the department of Caquetá.

**Prior consultation stages completed in 2016 according to our operations in Colombia:**

Indicator	2016
Number of pre-consultations: First official meeting of the prior consultation process established by law.	2
Number of openings: Its objective is share the intention of the project and the activities to be consulted on.	2
Number of impact workshops and management measurements: Its objective is to identify project impact and agree on management measures (prevention, mitigation, correction, and compensation).	4
Number of pre-agreements: Meeting, the main objective of which is to define in detail and with numbers, the deadlines, amounts, and management measures agreed to.	2
Number of registries: Space where pre-agreements and proposals presented by the community and the Company are ratified or validated.	2
Number of follow-up meetings:	22
Number of closing meetings for prior consultation processes:	0

Additional to strict legal compliance for 2016, the Company carried out the Ethnic Investment Framework with the objective of focusing on relationships within these communities to allow recognition, understanding, and support for indigenous needs.

To achieve this objective, the Social Ethnic Investment Framework contains the following:



The initiatives implemented in this framework concentrate on the execution of projects to benefit the community. Some of the more important projects we have include:

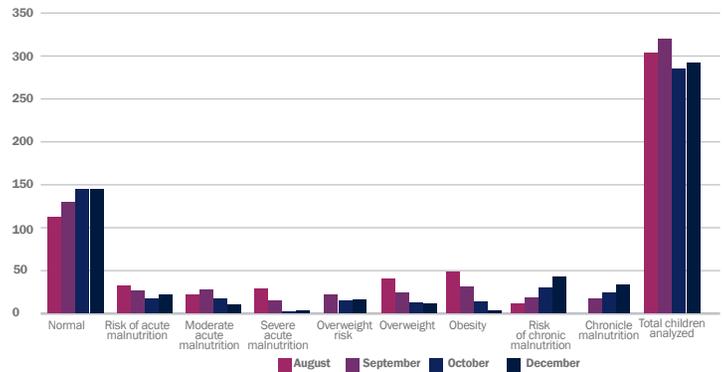
- Improvement of livestock infrastructure (corrals, enclosures, paddocks).
- Improvement of pasteurized lands.
- Livestock entrepreneurship (delivery of bovine livestock).
- Reforestation of areas of cultural and environmental interest (reforestation of cane in Cajua, Municipality of Puerto Gaitan, Meta).
- Small crops in savanna.
- Food security.
- Agricultural machinery.

**Successful case: Food safety in indigenous communities.**

During 2016 Frontera, under an agreement with the Alimentar Foundation, delivered 2,632 nutritional packages to families to improve their food safety and quality of life. In addition, this initiative evaluates the nutritional status of children, identifying

cases of acute and chronic malnutrition and pertinent action plans including the application of de-worming drugs and sending critical cases to competent authorities, all of which helped us save lives.

The chart evidences the downward trend of all indicators in a positive manner, except those for chronic and moderate malnutrition, which are irreversible cases where the size of children has been affected.



SECTORS	NUMBER OF COMMUNITIES	NUMBER OF FAMILIES	NUMBER OF BENEFICIARIES	NUTRITIONAL PACKAGES DELIVERED
Indigenous community La Campana	10	55	284	146
Indigenous community Vencedor Piriri Sector 1	10	110	472	245
Indigenous community Vencedor Piriri Sector 2	15	122	518	267
<b>TOTAL</b>	<b>35</b>	<b>287</b>	<b>1,274</b>	<b>685</b>

Taking into account the high prevalence of chronic malnutrition in the affected population during October and December of 2016, we held a new consultation with the national directorate of the ICBF. This was focused on ruling out the use of some different ranges when evaluating indigenous children from Colombia given that there is a history of more than 500 years of improper nutrition in indigenous communities that could cause a reduction of nutritional size. However, the use of existing norms by the ICBF was confirmed.

## GENDER EQUALITY

We received a Silver Seal for the implementation of the EQUIPARES System For Management of Gender Equality

We are continuing with our commitment to gender equality and the implementation of the EQUIPARES Gender Equality Management System by the Ministry of Labour. We achieved the Silver Seal after an external audit of our processes with respect to talent selection, organizational development, communications, remuneration, work environment, and health.

This audit was carried out by EXAC, which is the leading Company in Colombia and is certified by the Ministry of Labour to grant this certification. The Company was granted 98.9 points out of 100 and is the first oil Company in Colombia (and South America) to achieve this certification.

This achievement is very important for the Company and acts as an incentive to continue to comply with our corporate values with respect to diversity, inclusion, and shared values in order to inspire us to lead by example in the industry.



# WHERE ARE WE HEADED?

Issue	Challenge	Deadline
<p>Right of Association</p>	<ul style="list-style-type: none"> <li>Promote the right of association for unimpeded use by workers.</li> <li>Promote the right of association in contractors and subcontractors.</li> <li>Achieve salary increases by direct Company workers for 2017 based on economic realities of the industry and the Company so they are mutually beneficial and sustainable.</li> </ul>	<p>2017</p>
<p>Eradication of Child and Forced Labour</p>	<ul style="list-style-type: none"> <li>Strengthen our commitment to the eradication of child and forced labour by working with our suppliers and contractors.</li> </ul>	
<p>Security and Human Rights</p>	<ul style="list-style-type: none"> <li>Provide training on Security and Human Rights during the first quarter of 2017 to public forces and contract personnel.</li> </ul>	
<p>Relations with Ethnic Groups</p>	<ul style="list-style-type: none"> <li>Provide continuity in projects agreed to with the groups and as per the terms agreed.</li> <li>Continue routine relations with ethnic communities and strengthening of trust.</li> <li>Contribute to the strengthening of the vision of self-determination of communities.</li> </ul>	
<p>Gender Equity</p>	<ul style="list-style-type: none"> <li>Continue implementing the closing of gaps and action plan related to the EQUIPARES seal.</li> </ul>	

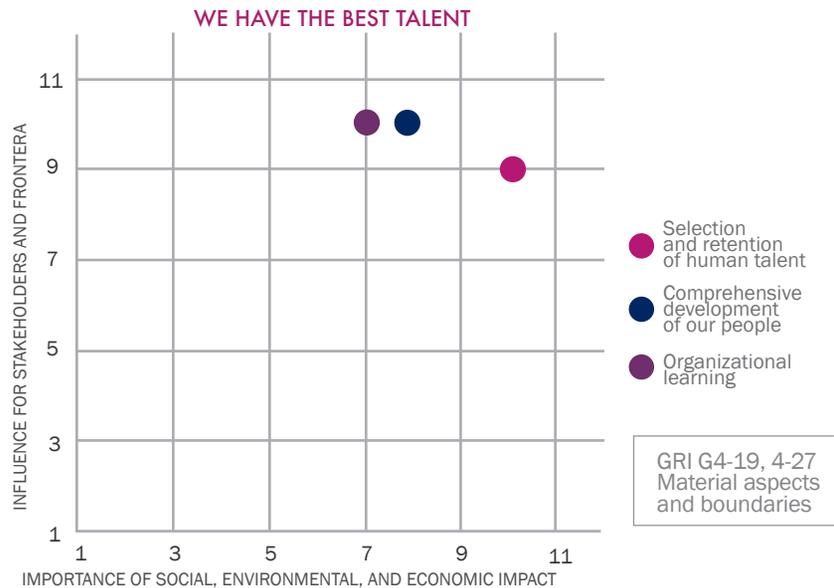


## WE HAVE THE BEST TALENT

Honesty, integrity, and hard and constructive work by our human talent are indispensable motors for the prosperity and well-being of our Company.

For this reason, Frontera's work on the selection and retention of the best talent and the comprehensive development of personnel through opportunities for vertical and horizontal growth as well as training and education initiatives that are adapted to the industry's best practices is indispensable.

Notwithstanding the difficulties faced by our personnel in the last year due to national and international industry conditions, Frontera focused its efforts on the following material issues:



### SELECTION AND RETENTION OF HUMAN TALENT

The Company continues to work to develop its employees and to promote a positive and constructive work environment. We strive to attract and retain the best human talent and continue to be a high-performance organization that ensures business continuity.

Management of our Total Compensation System, which aims to meet competitiveness in remuneration to ensure attraction and retention of ideal talent in the Company, is of great importance. In addition, maintenance of internal salary equality strengthens the sustainability of a good organizational climate.

Our compensation systems in Peru, Colombia, and Canada are aligned to local markets, and are therefore competitive with the industry. In addition, we promote the selection and retention of local talent with the objective of contributing to the generation of employment and the economic development of the countries in which we operate.

In 2016, we maintained our salary equality index at over 90% and maintained our external competitiveness salary index at reasonable levels, notwithstanding the fact that since 2014 we have not granted salary increases beyond what was legally required. In addition, we maintained the human talent necessary to ensure business viability and continuity.

### **Throughout all of this, we achieved:**

- Specific salary actions for critical competitiveness cases: We gave salary increases to employees that required special attention in terms of their salary level.
- Project for optimization of costs regarding extralegal health benefits: In 2016 we presented a proposal for the unification of prepaid medicine and health policy suppliers, which would allow the generation of annual savings of approximately US\$334,000, going from five suppliers to only two, while maintaining benefits for our contracted personnel.
- Support the Company's restructuring process: In 2016 we provided support to the financial restructuring process aiding numerous audits with zero non-compliance, preparation of cash flow and various reports related to the process demonstrating precision in the Compensation and Payroll processes. We prepared detailed reports that evidenced the process' progress through the savings generated in personnel costs and we carried out the pertinent calculations and compensation for key personnel to carry out this process.
- Evaluation of approximately 80 people to cover 40 vacancies in our operating fields and at the Company's offices.
- Contribution to Colombia with the generation of employment through 193 "access and opportunity practice contracts" for apprentices and university internships for the organization, providing the best opportunities for youth through the development of academic and professional abilities.
- Complied with Law 1636 of 2013: "all employers are obligated to register their vacancies at the Employment Public Service" taking into account Decree 1668 of 2016: "all unoccupied job positions, which functions are related to services or activities carried out in the framework of hydrocarbon exploration and production projects." During 2016, we published 100% of our

vacancies through this system.

- Accompaniment of persons that entered the Company or that changed area or field through a welcome experience and adaptation to culture program.
- The change management process of the Human Talent area is focused on mitigating risks and impact that allow organizational changes without major interference, communicating its benefits and motives; the way the process of change is directed is by a 7-step methodology: Conceive, Capture, Motivate, Define, Communicate, Act, and Consolidate with the purpose of presenting efficient plans and providing advice to leaders in a pertinent manner. We provided accompaniment on more than 20 processes in matters related to people, technology, policies, and processes to incentivize leadership and adaptability, where collaborative work that generated value to the business was recognized.

### **Our performance regarding the transition of the Rubiales Field:**

The transition of the Rubiales Field was a transcendental process for our organization, given that it marked an important landmark in each one of the organization's areas. The Human Talent area worked to support the 335 employees in this process of personal and professional evolution.

The main and most impactful actions on our personnel at the Rubiales Field included:

- A characterization of all personnel that was a part of the Rubiales process where we analyzed aspects such as: experience, competencies, and performance, among others, to understand the affected team and to make the best decision in terms of organizational structure.
- Accompaniment in all Human Talent processes for the operation leaders that managed the transition to mitigate risks and provide advice regarding decisions.
- Within the framework we held more than 15 work sessions to build on elements that may impact the field such as administrative area issues, on-field presence of leaders, and empowering key roles to contain the transition. In addition, we created the SMART group to incentivize the agents of change, which had the participation of 10 leaders of the Rubiales field with the purpose of strengthening the process and containing enabling factors and barriers to transition.

- Execution of workshops on change management, resilience, and personal finance that covered the Rubiales team with the objective of providing tools to face transition, life projects, and management of family economies.

Based on the foregoing, we prepared the impacted team, allowing completion of an adequate transition, and concluded with the process of removal with a percentage exceeding 95% under mutual agreement and voluntary resignation. This ensured the best operational conditions for the field for its continuation without problems.

### COMPREHENSIVE DEVELOPMENT OF OUR PEOPLE

At Frontera, the identification of potential, performance management, succession, and employee career development opportunities prepare the Company to assume the challenges brought on by the oil sector's business cycle. Essential to this preparation are the quality of work teams, the exercise of inspiring leadership, and personal development through our corporate values.

During 2016, we sought to get closer to our employees to identify needs, interests, and motivations to ensure optimal performance so we could achieve the results expected by the organization.

#### The most relevant activities included:

1. Updating the Company's succession plan, focusing on identification of critical, strategic positions and key talents aligned with the plan of the Vice-Presidency of Human Talent.
2. Designing the 2016 Labour Environment strategy, which is aligned to the needs of the new organizational structure, in order to strengthen culture.
3. Encouraging employees to reflect on their performance in a year of constant changes in the sector and in the Company, which caused adjustment at all levels of the organization.
4. Gathering evidence from employees around compliance with their objectives during 2016.
5. Updating of talent planning versus personnel reductions monthly, given the constant changes in the organization.
6. Sharing of weekly alerts related to psychosocial risk, labour relations, and issues presented to the internal ethics committee.

## ORGANIZATIONAL LEARNING

### GRI G4 LA10 Training and Education

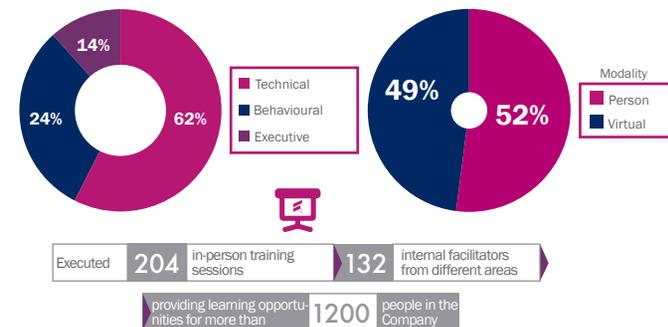
The development of talent continues to be a fundamental pillar for the Company's sustainability. The prolonged low oil price environment and technological, environmental, and socio-economic demands associated with exploration and production of oil impose important challenges in matters of training, development, and availability of specialized talent.

The response to these challenges demands a structured Organizational Learning strategy built on international best practices that guarantee human talent in a timely and pertinent manner, as well as adequate management of key knowledge that aims towards the business's strategy.

2016, notwithstanding the financial restructuring process and the cost restrictions on personnel training, was an intense year in regards to learning and exchange of knowledge, as demonstrated below:

- We supported the process for the reversion of the Rubiales field from a personnel training standpoint. Up to the date of delivery of the field (June 30, 2016), we trained 53% of the personnel, with an average of 10 training hours per person, in relevant matters such as management of change, resilience, personal finance, information security, working at heights, management of chemical risk, business continuity, and Excel, among others.

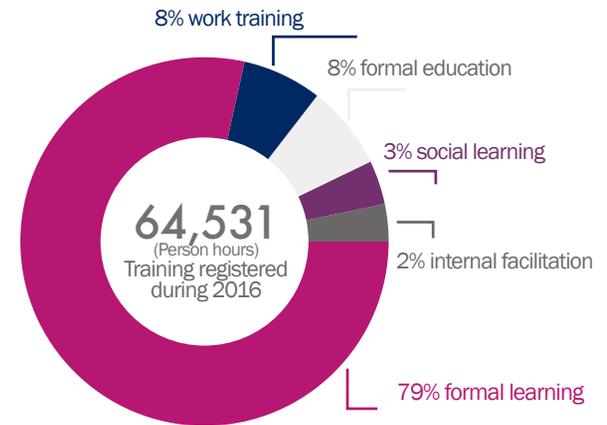
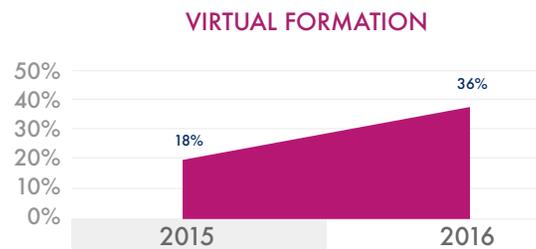
### DISTRIBUTION OF TRAINING BY TYPE OF COMPETENCIES



- We defined training plans for all employees in Colombia and Peru, of which more than 70% reached a satisfactory compliance level.



- 94% of our personnel participated in training activities with an average of 46 hours per person to strengthen technical, executive, and behavioural competencies in core business areas, highlighting, among others: economic evaluations, exploration and production of heavy and light crudes, facilities and commercialization of natural gas, evaluation and reporting of hydrocarbon reserves, technology for production processes, modeling of deposits, project management, environmental licensing, management of change, resilience, information security, systemic business vision, and leadership.
- We strengthened a high-impact and low-cost learning scheme, promoting and registering on our Administration of Learning platform social learning activities, work training, and facilitation, in addition to the formal courses.



### Evolution of organizational learning at frontera

INDICATOR	2012 <sup>+</sup>	2013 <sup>+</sup>	2014 <sup>+</sup>	2015	2016
Headcount	1,960	2,288	2,641	2,785	1,483
Coverage	89%	87%	99%	89%	94%
Intensity (average hours/employees)	57	70	65	36	46
Total investment in training activities	\$ 4,087,342	\$ 4,988,697	\$ 6,639,877	\$ 610,441*	\$ 40,000*
Average investment in training per employee	\$2,107	\$2,185	\$2,542	\$298*	\$30*

\* Replacement of investment (\$) by internal facilitation  
<sup>+</sup> Only Colombia until 2014

### Corporate Volunteering: English workshops for beneficiaries of the Corporate Scholarship Program

In line with our Corporate Volunteering Program, through the Corporate University we offered the opportunity to 13 students in our Corporate Scholarship Program from within our areas of influence to write an English test at Berlitz to identify their level of proficiency.

In addition, we held talks on “English Language Tools For Your Life” designed to give participants a toolbox for learning English naturally. In these talks we discussed issues relevant to motivation and purpose, heartbreak and disappointments with the language, and the importance and relevance of the culture as a whole in the development and learning of a language.

# WHERE ARE WE HEADED?

Issue	Challenge	Deadline
<p>Selection and Retention of Talent</p>	<ul style="list-style-type: none"> <li>■ Continue supporting the restructuring process, adjusting the compensation policy and levels to the new structure and adequately managing equity and salary competitiveness indexes.</li> <li>■ Continue the process of documentation of job descriptions according to the new organizational structure and carry out pertinent evaluation and calibration.</li> <li>■ Continue generating initiatives for generation of savings and optimization of extralegal benefits.</li> </ul>	
<p>Comprehensive Development of Our People</p>	<ul style="list-style-type: none"> <li>■ Allow that a positive working environment and organizational culture guarantee the creation of value at Frontera.</li> <li>■ Welcome experience: bring new employees closer to their work groups and facilitate adaptation to the new organizational culture, making the workplace entertaining and comfortable for working.</li> <li>■ Support the alignment of individual and corporate objectives with the short term incentive compensation program (performance based bonus).</li> <li>■ Strengthen the culture of merit throughout the organization to support individual growth, team performance, and to achieve excellence in business results.</li> </ul>	<p>2017</p>
<p>Organizational Learning</p>	<ul style="list-style-type: none"> <li>■ Identify and leverage the closing of competency and key knowledge gaps to face business challenges in line with the Company's new strategic axes.</li> <li>■ Support Human Talent in the design of the new Frontera culture and establish training systems for internalization and to impact efficiency, productivity, and performance of personnel and the organization.</li> <li>■ Extend the training and learning strategy to external stakeholders, using as leverage strategic alliances with firms, entities, and institutions involved in education issues.</li> </ul>	



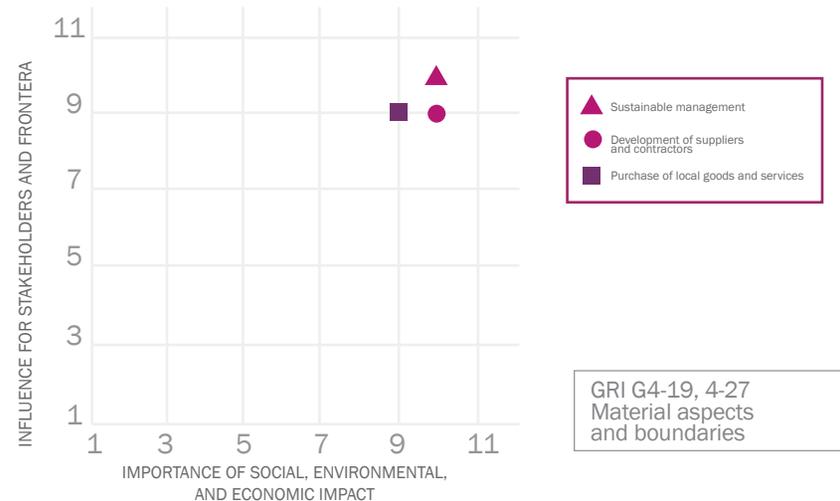
## WE PROMOTE A SUSTAINABLE SUPPLY CHAIN

Our strategic partners are the best allies for a sustainable, efficient, and low-cost operation, so working hand in hand with our suppliers and contractors continues to be a strategic priority. Through this interaction we seek, apart from compliance with operational activities, to carry out initiatives that allow these stakeholders to learn and grow with us on the path towards sustainability and the generation of economic, social, and environmental value.

Additionally, managing and developing local suppliers is a fundamental element of our work, given that it not only allows us to manage the operational and financial needs of our fields efficiently and with quality, but also to contribute to the economic development of neighbouring communities.

During 2016 we focused our actions on the following material issues:

### WE PROMOTE A SUSTAINABLE SUPPLY CHAIN



### SUSTAINABLE MANAGEMENT

During 2016 our main challenge within the supply chain was to guarantee the supply of goods and services required by the Company while meeting our principles of ethics, transparency, equality, and competitiveness in a scenario in which markets were affected by the decline of the price of oil and the sector's crisis in Colombia. These efforts contributed to our operational short- and mid-term viability and the continuity of the business, benefiting the different stakeholders.

We maintained our Shared Value promise, which is focused on managing our relations to achieve the Company's operational objectives as well as those related to growth and sustainability for all our contractors. This initiative allowed maintenance of the technical, environmental, and quality standards that have characterized us while we jointly optimized the cost of the goods and services. In addition, maintaining these commercial relations had positive results on local economies, strengthening the labour and life conditions of both direct workers and those of our contractors.

- a) **Strategic Supply Plan (SPP):** In 2016 we initiated an SPP for the drilling category in order to obtain the best supply sources at the best price and with the best technical specifications. In addition, we advanced on an SPP for materials, which allowed for a substantial reduction of costs and transactional effort covering material needs and utilizing mid-term and long-term supply agreements. Lastly, in the construction and installation category, we conceptualized an SPP and contemplated national, departmental, and municipal offers.
- b) **Local Contracting Strategies:** We identified 13 local supply lines, which are currently the main mechanism for contracting goods and services in the different areas of operation.
- c) **Market Adjustments:** Together with our current contractors, we held a series of negotiations with the objective of reducing the costs of services without affecting technical specifications and conditions provided in the Security, HSEQ, and Social Responsibility contract schedules. This allows continuity of operations in a difficult environment due to the weakening of supply markets arising from the low demand for goods and services.

## DEVELOPMENT OF SUPPLIERS AND CONTRACTORS

During 2016, Frontera continued with its commitment to the development of our suppliers and contractors, understanding the responsibility as operators that we have to the economic and sustainable development of the different actors in the supply chain.

- a) **Evaluation of Supplier Performance:** Our corporate policy provides that evaluation of contractor performance will be universally applied and its results binding in the contracting process. The scope of the evaluation is comprehensive with segmented application as a function of the nature and level of complexity of the supply. This evaluation must be communicated continuously to the supplier so it can strengthen the performance level.

During 2016, we executed the conceptual development of the Comprehensive Performance Evaluation for suppliers that included criteria in the pre-contract, contract, and post-contract phases. This project required the multidisciplinary effort of the Company's different areas, such as HSEQ, Security, Labour Relations, and Supply Chain Management, with the objectives of:

- Reviewing, developing, and updating parameters necessary for the evaluation of the performance of suppliers and contractors based on the criteria defined in the Corporate Policy on Management of Suppliers and the reality of the business's current situation.
- Generating a global comprehensive score for the supplier obtained from the weighted average of the score in each criteria defined by the Company.
- Centralizing in a sole system platform all the information necessary to maintain a comprehensive evaluation.

In 2016 we invited 1,706 suppliers to open tenders and we carried out the legal, technical, and financial evaluation of 1,166 suppliers.

For 2017, we expect to implement a computer solution that materializes the advances achieved.

- b) **Payment of Supplier Debts:** Continuing the effort from prior years, we continued with the identification of payment of debt to local suppliers, reinforcing our commitment to the areas of influence and ameliorating the effects of the decline of the price of oil and its effect on markets.
- c) **New Sole Proponents Version:** We launched the new version of our Sole Proponents Registry, which includes among its benefits a better interaction between suppliers and the platform. Interested parties may directly, and in a quicker manner, load their information into an Internet portal in a much more user-friendly environment. Improvement to this platform allows us to reduce risks associated with supplier management by access to complete updated information (Financial, Legal, CSR, Certifications from Quality Management Systems, Environmental and Security, and Labour Health) and contributing value in the different phases of the supply process (search for suppliers, pre-qualification, bids, execution, and closing of the contract).

In 2016, we completed 1,066 supplier registries (with 214 new registrations and 852 renewals). The registry ensures the Company has first hand knowledge of legal compliance and execution of each of its registered suppliers.

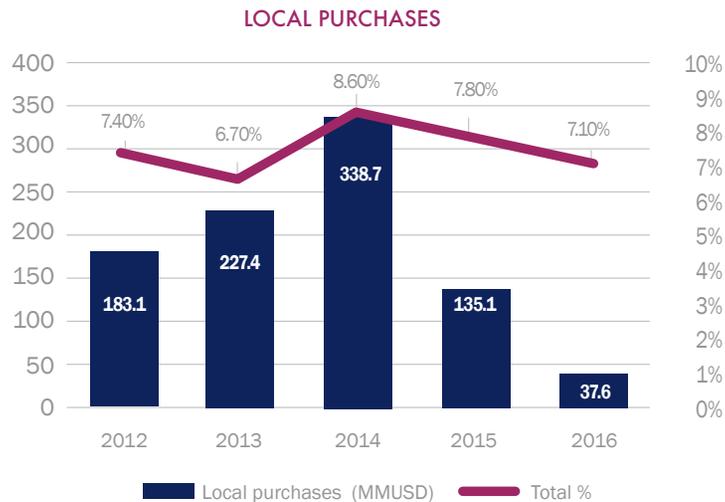
## NUMBER OF SUPPLIERS VS TYPE OF REGISTRY

Type of register	Quantity
New	214
Renewal	852
<b>Total</b>	<b>1,066</b>

- d) **Local Purchasing Taskforce:** We focused on maintaining the local purchasing desk, in which the Supply Chain Office and the Labour Relations Office participate. Its main focus in 2016 was to prepare a new version of the CSR Schedule, which substantially influenced indirect local purchases. We also worked on the identification of opportunities for improvement in our local purchase procedure.

## PURCHASES OF LOCAL GOODS AND SERVICES

GRI G4 EC9 Procurement practices



In 2016, local purchases in Colombia were \$37.6 million, a reduction of 72% compared to 2015, with the reversion of the Rubiales field and the reduction of Company investments having an important effect.

The relative weight of 7.1% of the total purchases made by the Company stands out. This meant we exerted additional effort to maintain a proportion similar to that of the last five years, accomplished within a scenario where there was a significant reduction in the demand for goods and services.

- a) **Registry of Local Suppliers:** During 2016 we maintained constant registration of local suppliers whose main domicile is in the areas of influence of our operations. Currently we have 392 local companies registered, of which 73 were registered last year (19%). This registry has the purpose of allowing the registered Company to be visible to purchasing professionals, providing them with the possibility to participate in contract processes conducted by any of Frontera's business units.

- b) **Registration Sessions:** Particularly for the Municipality of Puerto Gaitan, Meta, we held an "in situ" registration campaign, meeting the following objectives:

- Providing firsthand knowledge of the local offer of goods and services in Frontera's zones of operation that may be required directly by the Company.
- Having greater participation of local companies in upcoming purchasing and contracting processes for goods and/or services.
- Increasing the volume of local purchases for the benefit of municipalities that neighbour the Company's operations, providing a benefit to local markets.
- Increasing local purchases, and providing mutual social, environmental, and economic benefits.

In addition, we held meetings in the municipality of Orito in the Department of Putumayo to explain our purchase and contract processes and to listen to the concerns of contractors in this region.

- c) **Contract Strategy for Construction and Installation:** For civil, mechanical, electrical, and metal-mechanical construction services, we defined a strategy that provides market analysis of local contractors. This exercise allowed the identification of 231 potential suppliers that will be invited to contract processes in 2017.

# WHERE ARE WE HEADED?

Issue	Challenge	Deadline
Sustainable Management	<ul style="list-style-type: none"> <li>■ Accompany and prioritize development of local suppliers and contractors through incorporation in Frontera's production chain.</li> <li>■ Seek new business models that allow maximization of revenue for our contractors, ensuring cost reduction for our Company through efficiency, innovation, and revision of supply and logistics strategies. This must ensure social responsibility throughout the supply chain, contemplating impact on the economic, social, and environmental surroundings.</li> <li>■ Transparency in contracting processes that leverage consolidation of Frontera as a responsible operator.</li> </ul>	2017
Development of Suppliers and Contractors	<ul style="list-style-type: none"> <li>■ Define a new supply strategy that contributes to the Company's growth and consolidation in the countries where it operates.</li> <li>■ Implement and consolidate a new corporate governance model for purchases and contracts.</li> <li>■ Update our procedure for local purchases and contracts, adjusting it to the current market reality for goods and services, strengthening the mechanisms designed to promote local offers.</li> <li>■ Update the list of preferred categories for local supply, taking into account the Company's new operational reality and transformations of entrepreneurial fibre in the areas of influence.</li> <li>■ Launch of the new Social Responsibility Annex that allows increasing indirect local purchases.</li> <li>■ Hold roundtables with local suppliers in the areas of operation.</li> </ul>	
Purchase of Local Goods and Services	<p>Maintain or exceed the proportion of local purchases, even in scenarios of reduction of demand for goods and services, through development of supply strategies that include tools that provide greater opportunities for local and national offers.</p>	

# GRI G4 INDICATORS

## GENERAL STANDARD DISCLOSURES

General Standard Disclosures	Page Number (or Link).	Identified Omission(s)	Reason(s) for Omission(s)	Explanation for Omission(s)	External Assurance
<b>STRATEGY AND ANALYSIS</b>					
G4-1	Words from our CEO. Page 4	Not applicable	Not applicable	Not applicable	Page 87
G4-2	Words from our CEO. Page 4	Not applicable	Not applicable	Not applicable	Page 87
<b>ORGANIZATIONAL PROFILE</b>					
G4-3	Frontera Energy Corporation (as of May 30, 2017).	Not applicable	Not applicable	Not applicable	Page 87
G4-4	Our Operations. Page 6. Frontera is currently owner of the following business units: <ul style="list-style-type: none"> <li>• Pacific Stratus Colombia Energy Corp.</li> <li>• Pacific Stratus Energy S.A.</li> <li>• Meta Petroleum Corp.</li> <li>• C&amp;C Energy.</li> <li>• Petrominerales</li> </ul>	Not applicable	Not applicable	Not applicable	Page 87
G4-5	333 Bay Street Suite 1100 Toronto, Ontario, Canada M5H 2R2.	Not applicable	Not applicable	Not applicable	Page 87
G4-6	Our Operations. Page 6. Colombia due to its current socio-political and economic conditions, and for having the majority of our production fields is the main country in which our sustainability model is implemented. Peru due to its economic and socio-political conditions, and the presence of ethnic communities close to our operations, is becoming relevant in terms of sustainability for the Company.	Not applicable	Not applicable	Not applicable	Page 87
G4-7	Our Operations. Page 6	Not applicable	Not applicable	Not applicable	Page 87
G4-8	Our Operations. Page 6	Not applicable	Not applicable	Not applicable	Page 87
G4-9	Frontera in numbers. Page 7 The impact of our value chain. Page 9	Not applicable	Not applicable	Not applicable	Page 87
G4-10	Total Employees in Colombia: 1,275. M: 898 W: 377 Canadá. 37. M:18 W: 19	Not applicable	Not applicable	Not applicable	Page 87
G4-11	We respect and promote human rights in our operations. Right of association. Page 54. Of the total number of employees, 67.68% of our direct employees are affiliated to UTENH, and 1.80% to USO.	Not applicable	Not applicable	Not applicable	Page 87
G4-12	The impact of our value chain. Page 9	Not applicable	Not applicable	Not applicable	Page 87
G4-13	Starting in April of 2016, the Company entered a restructuring process with significant changes to its Corporate Governance, size of operations, personnel, among others. These changes are reflected throughout the entire report.	Not applicable	Not applicable	Not applicable	Page 87

	PAGE NUMBER (or LINK)	IDENTIFIED OMISSION(S)	REASON(S)	EXPLANATION(S)	EXTERNAL ASSURANCE
G4-14	We act consistently and transparently. Risk management. Page 33 Since 2012, we have implemented the cause-effect methodology for the analysis of corporate risks with the participation of the areas involved. Annually, we carry out this evaluation.	Not applicable	Not applicable	Not applicable	Page 87
G4-15	We contribute to the sustainable development of communities. Page 48 Initiatives supported by the organization: Extractive Industry Transparency Initiative • Global Compact • Carbon Disclosure Project	Not applicable	Not applicable	Not applicable	Page 87
G4-16	Colombian Petroleum Association (ACP), Nacional Association of Colombian Businesses (ANDI-Colombia), Canadian Business for Social Responsibility (CBSR), member of the Global Compact and the Local Network in Colombia and founding member of the Regional Global Compact Centre for Latin America and the Caribbean, adhesion to the Business for Peace Initiative of the Global Compact, Committee to Follow up on Royalty Investments, EITI (Extractive Industry Transparency Initiative), Regional Association companies in the oil, gas and biofuels sector in Latin America and the Caribbean, Mining and Energy Committee, Voluntary Principles on Security and Human Rights.	Not applicable	Not applicable	Not applicable	Page 87
<b>IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES</b>					
G4-17	<ul style="list-style-type: none"> <li>• Pacific Stratus Colombia Energy Corp.</li> <li>• Pacific Stratus Energy S.A.</li> <li>• Meta Petroleum Corp.</li> <li>• C&amp;C Energy.</li> <li>• Petrominerales</li> </ul>	Not applicable	Not applicable	Not applicable	Page 87
G4-18	Our strategy. Our material issues. Page 14	Not applicable	Not applicable	Not applicable	Page 87
G4-19	Our strategy. Our material issues. Page 14-18 We operate with excellence. Page 20 We act consistently and transparently. Page 30 We work in harmony with the environment. Page 37 We contribute to the sustainable development of communities. Page 48 We respect and promote human rights in our operations. Page 53 We have the best talent. Page 62 We promote a sustainable supply chain. Page 67	Not applicable	Not applicable	Not applicable	Page 87
G4-20	Our strategy. Our material issues. Page 14-18	Not applicable	Not applicable	Not applicable	Page 87
G4-21	Our strategy. Our material issues. Page 14-18	Not applicable	Not applicable	Not applicable	Page 87
G4-22	With the expiration of our Rubiales-Piriri fields, the reduction of exploration and production activities, divestment of non-core assets, and in general the deceleration of the oil & gas industry, the financial, operational and environmental indicators suffered significant changes, reflected in this sustainability report. Also it is important to mention the restructuring process of the Company, which had significant changes in its Corporate Governance, size of operations, personnel, among others. These changes are also reflected throughout the entire report.	Not applicable	Not applicable	Not applicable	Page 87
G4-23	Starting in April of 2016 the Company entered a restructuring process with significant changes to its Corporate Governance, size of operations, personnel, among others. These changes are reflected throughout the entire report.	Not applicable	Not applicable	Not applicable	Page 87
<b>STAKEHOLDER ENGAGEMENT</b>					
G4-24	Our strategy. Our stakeholders. Page 14	Not applicable	Not applicable	Not applicable	Page 87
G4-25	Our strategy. Our sustainability and shared value model. Page 13	Not applicable	Not applicable	Not applicable	Page 87

	PAGE NUMBER (or LINK)	IDENTIFIED OMISSION(S)	REASON(S)	EXPLANATION(S)	EXTERNAL ASSURANCE
	The Priority of our stakeholders is determined based on criteria set by the AA1000 norm: representativeness, dependence, urgency, responsibility and influence.				
G4-26	Our strategy, Our Stakeholders. Page 13 Our material issues. Page 13 The frequency of our engagement with each stakeholder is as follow: Community: Daily Status: Quarterly Civil society: Daily Government: Monthly Media: Monthly Shareholders: Daily Field Partners: Weekly Suppliers and contractors: Daily / monthly Unions: Monthly Customers: Semester Ethnic groups: Daily Industry: Quarterly Employees: Daily Analysts: Monthly Creditors: Daily / monthly For each Stakeholder, the Company has an internal champion who, in addition to the formal communications, attends the needs of each SH	Not applicable	Not applicable	Not applicable	Page 87
G4-27	Our Strategy. Our Material Issues. Coverage of our material issues. Pages 14-18	Not applicable	Not applicable	Not applicable	Page 87
<b>REPORT PROFILE</b>					
G4-28	About this report. Page 3	Not applicable	Not applicable	Not applicable	Page 87
G4-29	2016	Not applicable	Not applicable	Not applicable	Page 87
G4-30	Annual	Not applicable	Not applicable	Not applicable	Page 87
G4-31	sustainability@fronteraenergy.ca	Not applicable	Not applicable	Not applicable	Page 93
G4-32	This report was prepared based on the GRI G4 Guide Comprehensive level.	Not applicable	Not applicable	Not applicable	Page 93
G4-33	Externally verified by BSD Consulting.	Not applicable	Not applicable	Not applicable	Page 87
<b>GOVERNANCE</b>					
G4-34	Our Corporate Governance. Page 10 For more information on the statutes of Committees, please see our web page:www.fronteraenergy.ca	Not applicable	Not applicable	Not applicable	Page 87
G4-35	Our Corporate Governance. Pages 10-11 Our Board of Directors Sustainability Committee was created on December 9, 2011, with the objective of supporting the Board of Directors in directing the sustainability commitments, including social, environmental, ethics and Corporate Governance, Human Rights, health and safety issues, among others. This Committee is responsible of providing advice and making recommendations to the Board, Board committees and Senior Management on management of these issues. In 2016, this Committee under the guidelines of the new members of the Board of Directors was merged with other areas relevant to the Company, and was constituted as the Corporate Governance, Nominations and Sustainability Committee. With the following members: Luis Fernando Alarcón (President), W. Ellis Armstrong and Camilo Marulanda.	Not applicable	Not applicable	Not applicable	Page 87
G4-36	At Frontera, we have a Vice-president of Corporate Affairs and Sustainability responsible of economic, environmental and social issues, who directly reports to our CEO.	Not applicable	Not applicable	Not applicable	Page 87
G4-37	Consultations are delegable to the departments responsible for stakeholder relations. Results of consultations are reported through the Vice-presidency of Corporate Affairs and Sustainability.	Not applicable	Not applicable	Not applicable	Page 87

	PAGE NUMBER (or LINK)	IDENTIFIED OMISSION(S)	REASON(S)	EXPLANATION(S)	EXTERNAL ASSURANCE
	<p>A. Communities: CSR            B. Suppliers: Purchasing team            c. Employees: Human Talent            d. Union: Labour Relations</p> <p>In 2016, we completed an internal materiality analysis that allowed us to align our sustainability and shared value model with the reality of the industry and the new Company strategy. For this year, we have 31 material issues on which we report our advance during the year, with their respective indicators.</p>				
G4-38	<p>Our Corporate Governance. Pages 10-11. The Company's highest governance body is our Board of Directors. Currently this Board is comprised on 6 independent directors.</p> <p>For more information on its composition, please see our web page: <a href="http://www.fronteraenergy.ca">www.fronteraenergy.ca</a></p>	Not applicable	Not applicable	Not applicable	Page 87
G4-39	<p>The President of the Board of Directors is Gabriel de Alba, who is not an executive director.</p>	Not applicable	Not applicable	Not applicable	Page 87
G4-40	<p>Our Corporate Governance, Nominations and Sustainability Committee supports the Board of Directors providing recommendations related to Corporate Governance, including but not limited to: a) all matters related to the management role of the Board regarding Company management. b) Size and composition of the board, including the process for selection of candidates and the orientation towards new members. c) Compensation of the Board and. d) other procedures considered necessary to allow the Board to operate independently from management. This Committee also supervises compliance of policies associated to an efficient and effective Corporate Governance system.</p> <p>When considering new designations to the Board, the Committee considers diversity, independence, and relevant expertise. Lastly, each of the Company's shareholders votes on the members proposed for the Board.</p>	Not applicable	Not applicable	Not applicable	Page 87
G4-41	<p>Board members are obligated to inform the Company regarding membership of other Boards of Directors, through a conflict of interest questionnaire carried out each quarter.</p> <p>Executive Directors of the Company are also obligated to complete this questionnaire quarterly with the objective of identifying conflicts of interest or related matters.</p> <p>Under Canadian law, shareholders that own more than 10% of issues and outstanding shares, must disclose publicly their share interest.</p>	Not applicable	Not applicable	Not applicable	Page 87
G4-42	<p>Our Corporate Governance. Pages 10-11            Our Board of Directors is responsible for reviewing and approving corporate values, strategies, policies and objectives related to social, environmental and economic impacts.</p>	Not applicable	Not applicable	Not applicable	Page 87
G4-43	<p>As reflected in our Corporate Governance Policy, the Board recognizes the importance of continuous education for their directors. Directors must make use of continuous training opportunities with the objective of being up-to-date on the oil &amp; gas industry best practices, corporate management and other matters relevant to being part of the Board of Directors of a public Company.</p> <p>Below some of the continuous training opportunities available for our directors, held in 2016:</p> <p>a. Presentations from members of Senior Management at Boards meetings regarding matters relevant for the Company's business para, risk analysis, environmental, economic and social issues, with the objective of maintaining directors up-to-date on Company activities, industry best practices, Corporate Governance and other developments.</p> <p>b. Presentations by external experts in mattes pertinent to the business, of interest to Board members</p> <p>c. Field Visits. Board members must visit a developing project or operation at least once a year.</p> <p>d. Professional development opportunities. Conferences, seminars or courses held for public Company directors, or relevant for persons that serve on Boards of Directors. Our members are part of the Institute of Corporate Directors.</p>	Not applicable	Not applicable	Not applicable	Page 87
G4-44	<p>a. Annual board evaluation process - self-evaluation by each director and another by each of the comities.            b. Results of board evaluation reviewed by the Independent Director and presented to the Corporate Governance and Nominations Committee, and subsequently to the entire Board</p>	Not applicable	Not applicable	Not applicable	Page 87

	PAGE NUMBER (or LINK)	IDENTIFIED OMISSION(S)	REASON(S)	EXPLANATION(S)	EXTERNAL ASSURANCE
	c. Additionally, the national Canadian newspaper, The Globe and Mail, evaluates the corporation on its corporate governance efforts, providing independent analysis of results for the year.				
G4-45	Our Corporate Governance, Nominations and Sustainability Committee is responsible of evaluating twice per year the advanced by the Company in implementation of the Sustainability and Shared Value Model. Also, it is responsible for formulating action plans, based on the analysis of opportunities and risks in economic, social and environmental terms.  For details on the mandate of our Sustainability Committee, please see: <a href="http://www.fronteraenergy.ca/en/corporate-governance">http://www.fronteraenergy.ca/en/corporate-governance</a>	Not applicable	Not applicable	Not applicable	Page 87
G4-46	Our Corporate Governance, Nominations and Sustainability Committee is responsible of evaluating twice per year the advanced by the Company in implementation of the Sustainability and Shared Value Model. Also, it is responsible for formulating action plans, based on the analysis of opportunities and risks in economic, social and environmental terms.  For details on the mandate of our Sustainability Committee, please see: <a href="http://www.fronteraenergy.ca/en/corporate-governance">http://www.fronteraenergy.ca/en/corporate-governance</a>	Not applicable	Not applicable	Not applicable	Page 87
G4-47	Our Corporate Governance, Nominations and Sustainability Committee is responsible of evaluating twice per year the advanced by the Company in implementation of the Sustainability and Shared Value Model. Also, it is responsible for formulating action plans, based on the analysis of opportunities and risks in economic, social and environmental terms.  For details on the mandate of our Sustainability Committee, please see: <a href="http://www.fronteraenergy.ca/en/corporate-governance">http://www.fronteraenergy.ca/en/corporate-governance</a>	Not applicable	Not applicable	Not applicable	Page 87
G4-48	Our Sustainability Report is prepared by Institutional Relations and Sustainability Department and reviewed and validated by our Vice-president of Corporate Affairs and Sustainability, and CEO. This year our Board of Directors approved this report.	Not applicable	Not applicable	Not applicable	Page 87
G4-49	We have ethics channels (phone, mailboxes in our offices and fields of operation, and web page: <a href="http://www.wiklow.com">www.wiklow.com</a> that can be used by our internal and external stakeholders to report to our Board of Directors critical issues.  Cases reported through these ethics channels are analyzed and resolved by our Ethics Committee which is comprised of our CEO and Vice-presidents of Human Talent, Corporate Affairs and Sustainability, Audit, among others.  For more information please see: Para mayor información por favor remitirse a: <a href="http://www.fronteraenergy.ca/en/">http://www.fronteraenergy.ca/en/</a>	Not applicable	Not applicable	Not applicable	Page 87
G4-50	The highest decision making body in the Company is the Board of Directors (BoD) and through the different Committees, which are listed below, the different members of the BoD participate in these Committees where they deal with specific issues according to the matter to resolve. These committees are extensions of the Bod and therefore, are the highest Governance bodies, they meet periodically (monthly, quarterly, each semester) depending on the type of Committee they belong to. At each Committee different issues are presented and it approves them, issues guidelines, directions and recommendations to be executed within the Corporation and to improve their management, seeking compliance of the corporate strategy presented and minimizing risks and impact and achieving long term sustainability. The issues discussed are: corporate risks, ethical issues, compensation and human talent, environmental, social, health and industrial safety, among others.  <ul style="list-style-type: none"> <li>• Audit Committee: Raymond Bromark (Chair), W. Ellis Armstrong and Russel Ford.</li> <li>• Corporate Governance, Nominations and Sustainability Committee: Luis Fernando Alarcón (Chair), W. Ellis Armstrong and Camilo Marulanda.</li> <li>• Human Talent and Compensation Committee: Gabriel de Alba (Chair), and Russell Ford.</li> </ul> The functions and responsibilities formerly carried out by the Reserves Committee have been assumed by the Audit Committee.	Not applicable	Not applicable	Not applicable	Page 87
G4-51	Compensation of non-executive directors is indented to attracting the nest talent with capacity to meet the demanding responsibilities of being a Board member, and align the interests of non-executive directors with the interests of our shareholders. Compensation of non-executive directors is not based on incentives.	Not applicable	Not applicable	Not applicable	Page 87

	PAGE NUMBER (or LINK)	IDENTIFIED OMISSION(S)	REASON(S)	EXPLANATION(S)	EXTERNAL ASSURANCE
	Our Compensation and Human Resources Committee reviews yearly the Board compensation levels to ensure they are competitive and are aligned with industry best practices in term of Corporate Governance.  For more information, see "Directors and Officers" sections of our annual information form at: <a href="http://sedar.com/DisplayCompanyDocuments.do?lang=EN&amp;issuerNo=00007953">http://sedar.com/DisplayCompanyDocuments.do?lang=EN&amp;issuerNo=00007953</a>				
G4-52	Remuneration in our Company is proposed by the Vice-presidency of Human Talent, with the support of an external consultant from the Hay Group. This proposal is reviewed and approved by our Compensation and Human Resources Committee.  For more information, see "Directors and Officers" sections of our annual information form at: <a href="http://sedar.com/DisplayCompanyDocuments.do?lang=EN&amp;issuerNo=00007953">http://sedar.com/DisplayCompanyDocuments.do?lang=EN&amp;issuerNo=00007953</a>	Not applicable	Not applicable	Not applicable	Page 87
G4-53	At Frontera, our shareholders do not have a voice or note in regards to the remuneration of our executives. However, we do take into account best practices in terms of peer Company compensation in the Oil & Gas industry, and the perception and guide of proxy advisory groups such as ISS and Glass Lewis.	Not applicable	Not applicable	Not applicable	Page 87
G4-54		We do not report this indicator because it is considered confidential.	Due to security issues of our personnel,the Company is not authorized to publicly disclose this information.	Due to security issues of our personnel,the Company is not authorized to publicly disclose this information.	Page 87
G4-55		We do not report this indicator because it is considered confidential.	Due to security issues of our personnel,the Company is not authorized to publicly disclose this information.	Due to security issues of our personnel,the Company is not authorized to publicly disclose this information.	Page 87

#### ETHICS AND INTEGRITY

G4-56	Our Strategy. Page 12	Not applicable	Not applicable	Not applicable	Page 87
G4-57	We have ethics channels (phone, mailboxes in our offices and fields of operation, and web page: <a href="http://www.wiklow.com">www.wiklow.com</a> that can be used by our internal and external stakeholders to report to our Board of Directors critical issues.  Cases reported through these ethics channels are analyzed and resolved by our Ethics Committee which is comprised of our CEO and Vice-presidents of Human Talent, Corporate Affairs and Sustainability, Audit, among others. For details please see: <a href="http://www.fronteraenergy.ca/en">http://www.fronteraenergy.ca/en</a>	Not applicable	Not applicable	Not applicable	Page 87
G4-58	We act consistently and transparently. Ethics and compliance in business. Petitions received through ethics channels, by category. Page 31  We have ethics channels (phone, mailboxes in our offices and fields of operation, and web page: <a href="http://www.wiklow.com">www.wiklow.com</a> that can be used by our internal and external stakeholders to report to our Board of Directors critical issues.  Cases reported through these ethics channels are analyzed and resolved by our Ethics Committee which is comprised of our CEO and Vice-presidents of Human Talent, Corporate Affairs and Sustainability, Audit, among others. For details please see: <a href="http://www.fronteraenergy.ca/en">http://www.fronteraenergy.ca/en</a>	Not applicable	Not applicable	Not applicable	Page 87

#### SPECIFIC STANDARD DISCLOSURES

DMA and Indicators	Page Number (or Link)	Identified Omission(s)	Reason(s) for Omission(s)	Explanation for Omission(s)	External Assurance.
<b>CATEGORY: ECONOMIC</b>					
<b>MATERIAL ASPECT: ECONOMIC PERFORMANCE</b>					
G4-DMA	We Operate with excellence. Page 20 We act consistently and transparently. Page 30	Not applicable	Not applicable	Not applicable	Page 87
G4-EC4	In our Code of Conduct and Ethics and according to Canadian regulations, Frontera explicitly prohibits political contributions.	Not applicable	Not applicable	Not applicable	Page 87

	PAGE NUMBER (or LINK)	IDENTIFIED OMISSION(S)	REASON(S)	EXPLANATION(S)	EXTERNAL ASSURANCE	
<b>MATERIAL ASPECT: MARKET PRESENCE</b>						
G4-DMA	We Have the Best Talent. Selection and Retention of Talent. Page 62	Not applicable	Not applicable	Not applicable	Page 87	
G4-EC5	<b>Colombia (Figures in COP)</b>	Not applicable	Not applicable	Not applicable	Page 87	
	Minimum wage Colombia 2016					\$ 689,455
	Minimum wage city - Male					\$ 1,667,000
	Minimum wage city - Woman					\$ 1,616,000
	<b>% Over the legal minimum wage Colombia</b>					
	Minimum wage city - Male					142%
	Minimum wage city- Woman					134%
	<b>Peru (Figures in PEN)</b>					
	Minimum legal wage Peru 2016					\$ 750
	Minimum wage city - Male					\$ 3,350
	Minimum wage city - Woman					\$ 3,960
	<b>% Over the legal minimum wage Peru</b>					
	Minimum wage city - Male					347%
	Minimum wage city - Woman					428%
<b>Canada (CAD figures)</b>						
Minimum legal wage Canada 2016	\$ 2,928					
Minimum wage City - Male	\$ 7,322					
Minimum wage city- Woman	\$ 4,488					
<b>% Over the legal minimum wage Canada</b>						
Minimum wage city- Male	150%					
Minimum wage city - Woman	53%					
G4-EC6	In Frontera we consider local employees, those born or naturalized in the country of operation. Senior managers are Vice Presidents. In colombia . Total managers: 5 senior managers. 40% senior local managers. In Canada. Total managers: 3. 100% senior local managers In Peru: Total managers: 3. 0% senior local managers	Not applicable	Not applicable	Not applicable	Page 87	
<b>MATERIAL ASPECT: INDIRECT ECONOMIC IMPACTS</b>						
G4-DMA	We Contribute to the sustainable development of communities. Quality Infraestructure Page 51 Productivity of the Local Economy. Page 49	Not applicable	Not applicable	Not applicable	Page 87	
G4-EC7	We Contribute to the sustainable development of communities. Quality Infraestructure 51 Productivity of the Local Economy. Page 49	Not applicable	Not applicable	Not applicable	Page 87	
G4-EC8	We Contribute to the sustainable development of communities. Productivity of the Local Economy. Page 49	Not applicable	Not applicable	Not applicable	Page 87	
<b>MATERIAL ASPECT: PROCUREMENT PRACTICES</b>						
G4-DMA	We promote a sustainable supply chain. Purchase of local goods and services. Page 69	Not applicable	Not applicable	Not applicable	Page 87	
G4-EC9	We promote a sustainable supply chain. Purchase of local goods and services. Page 69	Not applicable	Not applicable	Not applicable	Page 87	
<b>MATERIAL ASPECT: RESERVES</b>						
G4-DMA	We Operate with Excellence .Operational Results. Pages 20-21	Not applicable	Not applicable	Not applicable	Page 87	
G4-OG1	We Operate with Excellence .Operational Results. Exploration. Pages 20-21	Not applicable	Not applicable	Not applicable	Page 87	

PAGE NUMBER (or LINK)		IDENTIFIED OMISSION(S)	REASON(S)	EXPLANATION(S)	EXTERNAL ASSURANCE
<b>CATEGORY: ENVIRONMENTAL</b>					
<b>MATERIAL ASPECT: ENERGY</b>					
G4-DMA	We work in harmony with the environment. Energy and Emissions. Page 44	Not applicable	Not applicable	Not applicable	Page 87
G4-EN3	We work in harmony with the environment. Energy and Emissions. Consumption of fuel for generation of electric power. Page 45	This indicator is reported in gallons and KPC for Gas. We do not have this information in multiples of joules	The organization measures its performance in this issue in a different manner as required by the GRI.	Not applicable	Page 87
G4-EN4	We work in harmony with the environment. Electric power generation. MWh. Page 45	This indicator is reported in MWh. We do not have this information in multiples of joules	The organization measures its performance in this issue in a different manner as required by the GRI.	Not applicable	Page 87
G4-EN5	We work in harmony with the environment. Energy and Emissions. Energy Intensity. Page 45	Not applicable	Not applicable	Not applicable	Page 87
G4-EN6	We work in harmony with the environment. Energy and Emissions. Page 45. This year we had reductions in energy consumption because of the expiration of the operational contract in Rubiales field.	Not applicable	Not applicable	Not applicable	Page 87
G4-EN7	There were no reductions in energy consumption given the nature of our activities.	Not applicable	Not applicable	Not applicable	Page 87
G4-OG2	We work in harmony with the environment. Energy and Emissions. Page 44. The investment of US \$ 816,000 in solar panels was made in 2012.	Not applicable	Not applicable	Not applicable	Page 87
G4-OG3	We work in harmony with the environment. Energy and Emissions. Page 44. Since 2012, the Company has implemented solar panels for the generation of renewable energy in our fields of operation. Currently the Company continues with this initiative.	Not applicable	Not applicable	Not applicable	Page 87
<b>MATERIAL ASPECT: WATER</b>					
G4-DMA	We work in harmony with the environment. Comprehensive Water Management. Page 43	Not applicable	Not applicable	Not applicable	Page 87
G4-EN8	We work in harmony with the environment. Comprehensive Water Management. Volumes of water consumed. Page 43	Not applicable	Not applicable	Not applicable	Page 87
G4-EN9	We work in harmony with the environment. Comprehensive Water Management. Percentage of storage by supply source. Page 43 In 2016, Frontera had zero material impact on water sources, regarding the criteria established by the GRI.	Not applicable	Not applicable	Not applicable	Page 87
G4-EN10	Management. Generation and reuse of residual water. Page 43	Not applicable	Not applicable	Not applicable	Page 87
<b>MATERIAL ASPECT: BIODIVERSITY</b>					
G4-DMA	We work in harmony with the environment. Biodiversity. Page 38 For further reference on our management approach in Biodiversity, please refer to the sustainability reports 2015,2014,2013 and 2012 in the following link: <a href="http://www.fronteraenergy.ca/es/informes-de-sostenibilidad/">http://www.fronteraenergy.ca/es/informes-de-sostenibilidad/</a>	Not applicable	Not applicable	Not applicable	Page 87
G4-EN11	We work in harmony with the environment. Biodiversity. Our strategic ecosystems for conservation of biodiversity. Page 39	Not applicable	Not applicable	Not applicable	Page 87
G4-EN12	We work in harmony with the environment. Biodiversity. Knowing our surroundings. Page 39	Not applicable	Not applicable	Not applicable	Page 87

PAGE NUMBER (or LINK)		IDENTIFIED OMISSION(S)	REASON(S)	EXPLANATION(S)	EXTERNAL ASSURANCE
G4-EN13	We work in harmony with the environment. Biodiversity. Restored zones. Page 41	Not applicable	Not applicable	Not applicable	Page 87
G4-EN14	We work in harmony with the environment. Biodiversity. We value the biodiversity in our areas of operations. Page 38	We do not include the number of species	In the compilation of the information we did not have a general criteria of the species, therefore for this year it is difficult the consolidation in numbers.	We will report this information in 2017.	Page 87
G4-OG4	100% of our operations have an evaluation of impacts and risks to biodiversity, establishing management measures.	Not applicable	Not applicable	Not applicable	Page 87
<b>MATERIAL ASPECT: EMISSIONS</b>					
G4-DMA	We work in harmony with the environment. Energy and Emissions. Page 44	Not applicable	Not applicable	Not applicable	Page 87
G4-EN15	We work in harmony with the environment. Energy and Emissions. Total emissions SCOPE 1. Page 45 The methodology used for this indicator was a mathematical extrapolation method based on a projection of our production, and information from previous years, which is aligned with the UPME emission factors and the IPCC warming indices. The gases included in this measurement are the same as reported in our Sustainability Report 2015. For more information, please refer to the following link: <a href="http://www.fronteraenergy.ca/en/informes-de-sostenibilidad/">http://www.fronteraenergy.ca/en/informes-de-sostenibilidad/</a>	Not applicable	Not applicable	Not applicable	Page 87
G4-EN16	We work in harmony with the environment. Energy and Emissions. Indirect emissions SCOPE 2. Page 45 The methodology used for this indicator was a mathematical extrapolation method based on a projection of our production, and information from previous years, which is aligned with the UPME emission factors and the IPCC warming indices. The gases included in this measurement are the same as reported in our Sustainability Report 2015. For more information, please refer to the following link: <a href="http://www.fronteraenergy.ca/en/informes-de-sostenibilidad/">http://www.fronteraenergy.ca/en/informes-de-sostenibilidad/</a>	Not applicable	Not applicable	Not applicable	Page 87
G4-EN17	We work in harmony with the environment. Energy and Emissions. Indirect emissions SCOPE 3. Page 45 The methodology used for this indicator was a mathematical extrapolation method based on a projection of our production, and information from previous years, which is aligned with the UPME emission factors and the IPCC warming indices. The gases included in this measurement are the same as reported in our Sustainability Report 2015. For more information, please refer to the following link: <a href="http://www.fronteraenergy.ca/en/informes-de-sostenibilidad/">http://www.fronteraenergy.ca/en/informes-de-sostenibilidad/</a>	Not applicable	Not applicable	Not applicable	Page 87
G4-EN18	We work in harmony with the environment. Energy and Emissions. Intensity of GG emissions. Page 46. Type of emissions include:Nitrous Oxide, Carbon Dioxide and Methane.	Not applicable	Not applicable	Not applicable	Page 87
G4-EN19	We work in harmony with the environment. Energy and Emissions. page 45 Type of emissions include:Nitrous Oxide, Carbon Dioxide and Methane and HFC for scope 3.	Not applicable	Not applicable	Not applicable	Page 87
G4-EN20		In previous years, the Company reported this indicator. However, for this year, it was not possible given the budget reductions and the decrease of external consultants for the measurement of these indicators.	In previous years, the Company reported this indicator. However, for this year, it was not possible given the budget reductions and the decrease of external consultants for the measurement of these indicators.	We will report this information in 2018.	Page 87
G4-EN21	We work in harmony with the environment. Energy and Emissions. Nox, Sox. Page 46. This information is aligned to emission factors standardized by the UPME and the IPCC.	We do not include emissions generate by generation sources (<1.MV).	For the Company, these emissions are not material.	Not applicable	Page 87

PAGE NUMBER (or LINK)		IDENTIFIED OMISSION(S)	REASON(S)	EXPLANATION(S)	EXTERNAL ASSURANCE
<b>MATERIAL ASPECT: EFFLUENTS AND WASTE</b>					
G4-DMA	We work in harmony with the environment. Comprehensive Water Management. Page 43 Waste Management. Page 41	Not applicable	Not applicable	Not applicable	Page 87
G4-EN22	We work in harmony with the environment. Comprehensive Water Management. Residual water associated to oil production. Page 44 By type, disposal and use, the Company constantly monitors water quality in accordance with the requirements of national standards.	Not applicable	Not applicable	Not applicable	Page 87
G4-EN23	We work in harmony with the environment. Waste Management. Waste generated by type. Page 41. 33% of the total waste generated in 2016 was delivered to third parties and used in activities such as compost production and raw material source, to produce new products. With the above we are reducing the volumes of waste that we send for final management with external authorized parties, that correspond to the remaining 77%, which depending on the type of waste are incinerated, disposed in landfills or security cells.	Not applicable	Not applicable	Not applicable	Page 87
G4-EN24	We work in harmony with the environment. Prevention and remediation of incidents. Page 47. During 2016, all the incidents were onshore.	The Company does not include incidents by volume since they were not significant and therefore the information is not available.	Not applicable	Not applicable	Page 87
G4-EN25	Hazardous waste is treated entirely by third parties. We do not transport this waste internationally.	Not applicable	Not applicable	Not applicable	Page 87
G4-EN26	In 2016, we had zero negative impacts on the biodiversity and habitats of the hydric resources of our operating fields.	Not applicable	Not applicable	Not applicable	Page 87
G4-OG5	We work in harmony with the environment. Comprehensive Water Management. Residual water associated to oil production. Page 44	Not applicable	Not applicable	Not applicable	Page 87
G4-OG7	We work in harmony with the environment. Waste management. Page 41	Not applicable	Not applicable	Not applicable	Page 87
<b>MATERIAL ASPECT: COMPLIANCE</b>					
G4-DMA	We work in harmony with the environment. Page 37	Not applicable	Not applicable	Not applicable	Page 87
G4-EN29	In 2016, the cost of fines for environmental regulations in Colombia was US \$ 44,157.12 In Peru we had 0 fines or penalties.	Not applicable	Not applicable	Not applicable	Page 87
<b>MATERIAL ASPECT: OVERALL</b>					
G4-DMA	We work in harmony with the environment. Page 37	Not applicable	Not applicable	Not applicable	Page 87
G4-EN31	In 2016, Frontera paid USD \$ 9,020,530 in environmental investments, broken down into: Operational Investment Consultancy and Advising, Environmental Authorities processes, Environmental Investment Land Resource, Forests and Biodiversity, Investment in Basic Sanitation / Water Treatment, Investment in Basic Sanitation / Solid Waste, Investment in Risk Management / Care and Emergency Prevention.	Not applicable	Not applicable	Not applicable	Page 87

	PAGE NUMBER (or LINK)	IDENTIFIED OMISSION(S)	REASON(S)	EXPLANATION(S)	EXTERNAL ASSURANCE
<b>MATERIAL ASPECT: SUPPLIER ENVIRONMENTAL ASSESSMENT</b>					
G4-DMA	We Operate with Excellence. Occupational Health and Industrial Safety. Page 24	Not applicable	Not applicable	Not applicable	Page 87
G4-EN32	In 2016, we audited 100% of our high-impact contractors on HSEQ issues, including environmental performance.	Not applicable	Not applicable	Not applicable	Page 87
G4-EN33	We audited 100% of our high-impact contractors on HSEQ issues, including environmental performance.	Frontera Energy currently does not have a breakdown of the impacts of our value chain.	Frontera Energy currently does not have a breakdown of the impacts of our value chain.	We will report this information in 2018.	Page 87
<b>CATEGORY: SOCIAL</b>					
<b>SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK</b>					
<b>MATERIAL ASPECT: EMPLOYMENT</b>					
G4-DMA	We Have the Best Talent. Selection and Retention of Talent. Page 62	Not applicable	Not applicable	Not applicable	Page 87
G4-LA1	Total employees 2016: 1275 Women: 377 Men: 898 Total hires: 43 people Women: 13 (30%) Men:30 (41%) 21-31: 19 (44.2%) 32-41: 15 ( 34.9%) 42-57: 9 (20.9%) Bogotá: 22 (51.2%) Meta: 18 (41.9%) Cundinamarca: 2 (4.6%) Putumayo: 1 (2.3%) Personnel turnovers: 995 Women: 193 (19%) Men: 802 (81%) 22-32: 243 (24.4%) 33-43: 412 (41.4%) 44-55: 229 (23.15%) 56-65: 92 (9.2%) 66-78: 19 (1.9%) Bogotá: 418 (42%) Casanare: 37 (3.7%) Cundinamarca: 28 (2.8%) Huila: 3 (0.3%) Meta: 499 (50.2%) Norte de Santander: 1 (0.1%) Putumayo: 6 (0.6%) Sucre: 2 (0.2%) Tolima: 1 (0.1%) Turnover rate: 59% Headcount average: 1689	Not applicable	Not applicable	Not applicable	Page 87
G4-LA2	For fixed term employees in Colombia: Prepaid Medicine, Life Insurance, Field Bonus, Extralegal Transport Aid - City, Mileage Aid - Field, Extralegal Vacation Days.  For indefinite term employees in Colombia: Prepaid Medicine, Life Insurance, fixed use credit (new grants suspended), Housing interest subsidy (new grants suspended), Contribution, Field Bonus, Extralegal Transport Aid - City, Mileage Aid - Field, Extralegal Vacation Days.  For term contract employees subject to type in Peru: Extralegal transport aid, Field Bonus, Extralegal Medical Coverage, Life Insurance.  For indefinite term employees in Peru: Fixed use credit (new grants suspended), extralegal	Not applicable	Not applicable	Not applicable	Page 87

	PAGE NUMBER (or LINK)	IDENTIFIED OMISSION(S)	REASON(S)	EXPLANATION(S)	EXTERNAL ASSURANCE
	<p>transport aid, Field Bonus, Extralegal Medical Coverage, Contributions to Pension Plans, Life Insurance.</p> <p>In Canada: Life Insurance, Health Insurance, Gym, Health care spending account, transport aid, Additional Vacation Days, Group RRSP, Short Term Disability Insurance (STD), Long Term Disability Insurance (LTD).</p> <p>In USA: Health Insurance, Life Insurance, 401k plan, Short Term Disability Insurance (STD), Long Term Disability Insurance (LTD), Health Care Spending Account, Additional Vacation Days, sick days.</p> <p>In Frontera, fixed-term employees have contracts with a temporary duration as defined by GRI. During 2016 we did not have part-time employees.</p>				
G4-LA3	<p>Maternal leave: 34 people Paternal leave: 49 people Total: 83 100% of the people returned from their maternity and paternity leave. 64% of the people continued in the organization after 12 months of the return of their maternity and paternity leave.</p>	Not applicable	Not applicable	Not applicable	Page 87
<b>MATERIAL ASPECT: OCCUPATIONAL HEALTH AND SAFETY</b>					
G4-DMA	We Operate with Excellence. Occupational Health and Industrial Safety. Page 24	Not applicable	Not applicable	Not applicable	Page 87
G4-LA5	<p>Frontera has a Health and Safety Committee at work, which mission is to ensure the best health and safety conditions for the Company's workers. The Committee is comprised of representatives of collaborators at the different levels of the organization, with a deputy and it includes senior management representatives with authority and responsibility to support resulting initiatives and decisions.</p> <p>Its members are elected by vote and represent 100% of the workers.</p>	Not applicable	Not applicable	Not applicable	Page 87
G4-LA6	<p>We Operate with Excellence. Occupational Health and Industrial Safety. Frequency index of disabling and non-disabling injuries. Page 25</p> <p>In 2016: 0 professional sickness and 0 professional fatalities.</p>	We do not present this information by region and gender.	For this year we do not have the information available.	We will report this information in 2018.	Page 87
G4-LA7	<p>Risk identification and assessment is done in all of our fields and administrative headquarters, according to the positions and their functions.</p> <p>9% is the average number of personnel at high risk related to their occupation, who are controlled through their Prevention and Epidemiological Surveillance (PVE) programs (Biomechanical, Chemical, Noise, Psychosocial).</p>	Not applicable	Not applicable	Not applicable	Page 87
G4-LA8	<p>Within the framework of the Monitoring Contract and in compliance of the Framework Agreement between PRE and UTEN, the former carries out monitoring of compliance of best practices on industrial safety and occupational health at the different work fronts. In case of identifying non-conformities or events, UTEN prepares reports in the affiliate attention system and/or sends them directly to the organization through the Labour Relations Office, acting as a validator of the Company's HSEQ processes. Additionally, it has a QCA system through which it channels requests from affiliates and workers on the fields, which include HSEQ matters. The union has negotiated benefits for its affiliates in health matters such as: 2 agreements with Garnish and Medplus.</p>	Not applicable	Not applicable	Not applicable	Page 87
<b>MATERIAL ASPECT: TRAINING AND EDUCATION</b>					
G4-DMA	We have the best talent. Organizational Learning, Page 64	Not applicable	Not applicable	Not applicable	Page 87
G4-LA9	<p><b>1) Intensity (Average training hours per person)</b>  <b>By Gender:</b> Female: 47 hrs./Person, Male: 46 hrs./person  <b>By Job Category:</b>  - Senior executives: 11 hrs / person  - Medium and high management: 51 hrs./personal  - Supervisors: 46 hrs./personal  - Group of specialists: 60 hrs./personal</p>	Not applicable	Not applicable	Not applicable	Page 87

PAGE NUMBER (or LINK)		IDENTIFIED OMISSION(S)	REASON(S)	EXPLANATION(S)	EXTERNAL ASSURANCE
- Other employees: 35 hrs / person Total: 46 hrs. / Employee (average) (Colombia, Peru, Canada)  2) Coverage (% of employees who received at least 1 training during the year)					
<b>By Gender:</b> Female: 94%, Male: 94% <b>By Job Category:</b>					
- Senior executives: 50% trained - Medium and high management: 86% trained - Supervisors: 96% trained - Specialists: 96% trained - Other employees: 94% trained Total employees trained: 94% (Colombia, Peru, Canada)					
G4-LA10	Organizational Learning. Page 64  1) We held training sessions for all personnel for the development of behavioral, executive and technical competencies, based on our integral training model. The percentage of distribution training hours in these three categories in 2016 was: Behavioral (16%), Executive (21%) and Technical (62%).  2) Due to the strict measures of cost reduction of the Company during the last two years, the economic support for ormal education of pur employees was suspended. However, during 2016, the Company supported and encouraged those employees who decided to invest in their professional development, with work permits to meet the curriculum obligations, and establishing alliances with national universities to reach agreements, such as partial scholarships and discounts.	Not applicable	Not applicable	Not applicable	Page 87
G4-LA11	We have the best talent. Organizational Learning. Page 64	Not applicable	Not applicable	Not applicable	Page 87
<b>MATERIAL ASPECT: EQUAL REMUNERATION FOR WOMEN AND MEN</b>					
G4-DMA	We respect and promote human rights in our operations. Gender Equality. Page 60	Not applicable	Not applicable	Not applicable	Page 87
G4-LA13	Colombia (Figures in COP / month) Management / average level: Female: \$ 28,275,456 Male: \$ 28,444,830 First line management / Supervisor: Female: \$ 13,787,094 Male: \$ 13,932,227 Specialist Groups: Female: \$ 7,543,163 Male: \$ 7,869,059. Other employees: Female: \$ 1,814,333 Male: \$ 1,941,556 Peru: (Figures PEN / month) Management / average level: Female: \$ 30,000 Male: \$ 26,240 First line management / Supervisor: Female: \$ 14,016 Male: \$ 14,125 Specialist groups: Female: \$ 7,581 Male: \$ 7,207 employees: Not enough information Other	Not applicable	Not applicable	Not applicable	Page 87
<b>MATERIAL ASPECT: SUPPLIER ASSESSMENT FOR LABOR PRACTICES</b>					
G4-DMA	We Operate with Excellence. Occupational Health and Industrial Safety. Page 24	Not applicable	Not applicable	Not applicable	Page 87
G4-LA14	In 2016, we audited 100% of our high-impact contractors on HSEQ issues, including environmental performance.	Not applicable	Not applicable	Not applicable	Page 87

	PAGE NUMBER (or LINK)	IDENTIFIED OMISSION(S)	REASON(S)	EXPLANATION(S)	EXTERNAL ASSURANCE
G4-LA15	We audited 100% of our high-impact contractors on HSEQ issues, including environmental performance.	Frontera Energy currently does not have a breakdown of the impacts of our value chain.	Frontera Energy currently does not have a breakdown of the impacts of our value chain.	We will report this information in 2018.	Page 87
<b>SUB-CATEGORY: HUMAN RIGHTS</b>					
<b>MATERIAL ASPECT: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING</b>					
G4-DMA	We respect and promote human rights in our operations. Right of Association. Page 54	Not applicable	Not applicable	Not applicable	Page 87
G4-HR4	In 2016, we did not identify material operations and suppliers in which the right of association may be at significant risk.	Not applicable	Not applicable	Not applicable	Page 87
<b>MATERIAL ASPECT: CHILD LABOR</b>					
G4-DMA	We respect and promote human rights in our operations. Child and forced labour. Page 55	Not applicable	Not applicable	Not applicable	Page 87
G4-HR5	In 2016, we did not identify material operations and suppliers having significant risk for incidents of child labour.	Not applicable	Not applicable	Not applicable	Page 87
<b>MATERIAL ASPECT: SECURITY PRACTICES</b>					
G4-DMA	We respect and promote human rights in our operations. Security and Human Rights. Page 56	Not applicable	Not applicable	Not applicable	Page 87
G4-HR7	We respect and promote human rights in our operations. Security and Human Rights. Page 56	Not applicable	Not applicable	Not applicable	Page 87
<b>MATERIAL ASPECT: INDIGENOUS RIGHTS</b>					
G4-DMA	We respect and promote human rights in our operations. Relations with ethnic groups. Page 57	Not applicable	Not applicable	Not applicable	Page 87
G4-HR8	We had 0 human rights violation reported in 2016.	Not applicable	Not applicable	Not applicable	Page 87
G4-OG9	We respect and promote human rights in our operations. Relations with ethnic groups. Page 57	Not applicable	Not applicable	Not applicable	Page 87
<b>MATERIAL ASPECT: SUPPLIER HUMAN RIGHTS ASSESSMENT</b>					
G4-DMA	We respect and promote human rights in our operations Page 53	Not applicable	Not applicable	Not applicable	Page 87
G4-HR10	We respect and promote human rights in our operations. Security and Human Rights. Page 56	Not applicable	Not applicable	Not applicable	Page 87
<b>SUB-CATEGORY: SOCIETY</b>					
<b>MATERIAL ASPECT: LOCAL COMMUNITIES</b>					
G4-DMA	We contribute with the sustainable development of the communities. Page 48	Not applicable	Not applicable	Not applicable	Page 87
G4-S01	In 100% of our fields, Frontera implements development programs, impact assessments, and participation with local communities.	Not applicable	Not applicable	Not applicable	Page 87
G4-S02	The operation fields with the greatest impacts are those located in Colombia and Peru, due to their social and political contexts. In Colombia's case, because the majority of production is currently concentrated in this country. The significant impacts identified on local communities are: Increase in the cost of living, salary difference between the positions of industry and traditional jobs, environmental damages, among others.	Not applicable	Not applicable	Not applicable	Page 87

	PAGE NUMBER (or LINK)	IDENTIFIED OMISSION(S)	REASON(S)	EXPLANATION(S)	EXTERNAL ASSURANCE
<b>MATERIAL ASPECT: ANTI-CORRUPTION</b>					
G4-DMA	We act consistently and transparently. Anticorruption. Page 32	Not applicable	Not applicable	Not applicable	Page 87
G4-S03	100% of our business units were analyzed regarding the corporate risks defined by the Company, including those related to corruption. The risks of fraud, money laundering and corruption are related to: bribery, extortion, conflict of interest, non-competitive advantages, political contributions, donations.	Not applicable	Not applicable	Not applicable	Page 87
G4-S04	We act with consistently and transparently. Anticorruption. Page 32 100% of our Board members were informed about policies and procedures against corruption. During 2016, our Corporate Governance model was highly impacted by the financial restructuring process, with changes in our committees and their members. Nevertheless, all of our members were aware of these policies. 100% of employees were informed about anti-corruption policies and procedures.	Not applicable	Not applicable	Not applicable	Page 87
G4-S05	During 2016 we had 0 corruption cases reported.	Not applicable	Not applicable	Not applicable	Page 87
<b>MATERIAL ASPECT: COMPETITIVE PRACTICES</b>					
G4-DMA	We act with consistently and transparently. Business Ethics and Compliance. Page 30	Not applicable	Not applicable	Not applicable	Page 87
G4-S07	In 2016, we had no legal actions related to anticompetitive practices.	Not applicable	Not applicable	Not applicable	Page 87
<b>MATERIAL ASPECT: COMPLIANCE</b>					
G4-DMA	We Operate with Excellence. Supply and transportation. Page 28	Not applicable	Not applicable	Not applicable	Page 87
G4-S08	In 2016, the cost of fines paid for non-compliance with laws and regulations in Colombia was US \$ 1,689,363 In Peru, the cost of fines was US \$ 1,927	Not applicable	Not applicable	Not applicable	Page 87
<b>MATERIAL ASPECT: COMPLIANCE</b>					
G4-DMA	We Operate with Excellence. Supply and transportation. Page 28	Not applicable	Not applicable	Not applicable	Page 87
G4-PR9	In 2016, the cost of fines paid for non-compliance with the regulations related to the supply and use of products and services in Colombia was US \$ 9,235,179 In Peru we had 0 fines or penalties. The fines paid were for delays in product delivery.	Not applicable	Not applicable	Not applicable	Page 87
<b>MATERIAL ASPECT: OPERATIONAL RESULTS</b>					
G4-DMA	We operate with excellence. Operational Results . Page 20	Not applicable	Not applicable	Not applicable	Page 87
Company. 2016 Net production Production and sales volumes Exploration rate of success Reserves as at December 31, 2015 (Mmbpe) Oil and gas sales Adjusted Ebitda Fund flows from operations Net profits from operations Net profits Net loss	We operate with excellence. Operational Results. Page 20	Not applicable	Not applicable	Not applicable	Page 87

PAGE NUMBER (or LINK)		IDENTIFIED OMISSION(S)	REASON(S)	EXPLANATION(S)	EXTERNAL ASSURANCE
<b>MATERIAL ASPECT: FINANCIAL RESULTS</b>					
G4-DMA	We operate with excellence. Financial results. Page 23	Not applicable	Not applicable	Not applicable	Page 87
Company. Reestructuration process	We operate with excellence. Financial Results. Page 23	Not applicable	Not applicable	Not applicable	Page 87
<b>MATERIAL ASPECT: INTERNAL AUDITS AND CONTROL</b>					
G4-DMA	We act consistently and transparently. Internal Audits and control. Page 32	Not applicable	Not applicable	Not applicable	Page 87
Company. Internal audits and control projects.	We act consistently and transparently. Internal Audits and control. Page 32	Not applicable	Not applicable	Not applicable	Page 87
<b>MATERIAL ASPECT: RISK MANAGEMENT</b>					
G4-DMA	We act consistently and transparently. Risk Management. Page 33	Not applicable	Not applicable	Not applicable	Page 87
Company. Number of risks identified and categories.	We act consistently and transparently. Risk Management. Page 33	Not applicable	Not applicable	Not applicable	Page 87
<b>MATERIAL ASPECT: TRANSPARENCY IN ROYALTIES</b>					
G4-DMA	We act consistently and transparently. Transparency in royalties. Page 34	Not applicable	Not applicable	Not applicable	Page 87
Company. Number of risks identified and categories.	We act consistently and transparently. Transparency in royalties. Page 34	Not applicable	Not applicable	Not applicable	Page 87
<b>MATERIAL ASPECT: RELATIONS WITH THE MARKET</b>					
G4-DMA	We act consistently and transparently. Relations with the market. Page 34	Not applicable	Not applicable	Not applicable	Page 87
Company. Initiatives that promote transparency with the market.	We act consistently and transparently. Relations with the market. Page 34	Not applicable	Not applicable	Not applicable	Page 87

## Independent Assurance Statement

### Adherence to GRI G4 Principles and contents

BSD Consulting has conducted the Independent Assurance Statement for Frontera's Energy Sustainable Report 2016. This assurance aims to provide an independent opinion on:

- The stakeholder engagement processes
- The application of GRI G4 principles and indicators as well as the Oil & Gas Sector Disclosures in the report preparation process
- The company's sustainability management

#### Independency

We work independently and ensure that no member of BSD holds consulting contracts or other commercial ties with Frontera Energy.

#### Proficiency

BSD Consulting is a global consultancy that provides knowledge and solutions for sustainable development and is a GRI certified training partner. This assurance has been conducted by experienced professionals with expertise in sustainability reporting, stakeholder engagement and external assurance.

#### Frontera Energy and BSD Consulting responsibilities

The reporting, stakeholder engagement and materiality definition processes are Frontera's Energy responsibility. The Report's evaluation based on the adherence to GRI G4 principles and indicators are BSD's responsibility.

#### Scope

The scope of this assurance corresponds to the non-financial information of Frontera's Energy Integrated Sustainable Management Report 2016. The process of assurance was Type 1 and at moderate level. The application of the content and quality definition principles was verified for the preparation of the report as well as the inclusion of the general and specific contents indicated in the G4 version of the GRI Guidelines.

#### Methodology

BSD Consulting assurance process included:

- Reviewing the quality and reliability of selected information
- Interviews with Frontera employees who are in charge of the management of material issues
- Review of internal documents

- Review of industry's sustainability matters that were released by the media.

#### GRI External Assurance

##### Principles

BSD Consulting made a critical reading of the Frontera Energy Sustainability Report 2016, conducted interviews with the leaders of the reporting process and reviewed available documentation, concluding that it complies with the content principles (stakeholder inclusiveness, materiality, sustainability context, and completeness) and quality (balance, clarity, reliability, accuracy, timeliness, and comparability) established by the GRI.

The following are particularly observations and opportunities for improvement on the application of the principles.

##### Stakeholder Inclusiveness

- The last broad stakeholder engagement exercise to assess key sustainability issues for the different audiences was carried out in 2013 through a perception survey. This process was developed prior to the restructuring process of the company and the delivery of Campo Rubiales, so that for the 2016 revision of the materiality analysis there was no direct contact with stakeholders for the purpose of the report.
- The company has information on what is important to stakeholders based on existing and ongoing relationship channels.

##### Materiality

- Frontera reviewed its materiality analysis during 2016, based on the information collected in the perception survey carried out in 2013.

- The materiality analysis followed the identification, prioritization, revision and validation phases by the Board, resulting in 31 material matters.
- The review of the issues took into account the new situation of the company resulting from the restructuring process and the new business strategy in terms of positioning itself as a low-cost and efficient operator. As a result, some management approaches were adjusted for some of the issues.
- On the thirty-one material aspects, information about its context, management and performance is presented in a reasonable and sufficient manner. It covers the issues within and outside the organization and the stakeholders for whom the issue is important.
- The 31 material aspects are part of the company's sustainability management model.
- Within the materiality analysis process, the importance of issues to stakeholders is assessed. It also evaluates the importance for Frontera in terms of risks and opportunities, its management in the framework of policies and management systems and its internal and external communication. There is no evidence of how the company assesses the importance of impacts, in terms of probability and severity of impacts. This should be reinforced in the following reporting exercises.
- For future reporting exercises, Frontera must update the perception and expectation of the stakeholders in line with the changes generated by the restructuring process and the new situation of the company.

##### Sustainability context

- During the restructuring process and the new business strategy, the new context of the company in the sector and its positioning in relation to the sustainability challenges of its local contexts, Peru and Colombia, must be taken into account.
- Also, the changes in the context of the sector given the global situation and future prospects.

##### Completeness

It was found that the report shows performance information for material aspects within the framework indicated for each.

##### Quality principles

The critical reading of the Report, the documentary review and information management systems and the interviews carried out with the report leaders and process leaders allowed verifying the application of the principles of quality. The following are observations and conclusions on some of these principles.

**Balance**

The report presents the main achievements of the company during the reporting period. For some issues the unfavorable results are presented, particularly those related to economic performance given the changes that occurred during the restructuring of the company.

**Clarity and Accuracy**

The report presents information in clear language and accessible to different audiences. The qualitative information is presented in a concise manner. For future reporting processes, external references should be included where information can be extended by the user.

**Reliability**

During the interviews with the reporting areas, the existence of information management systems, formats and diverse matrices managed by the company was evidenced in order to continuously monitor the quantitative and qualitative information.

**Comparability and timeless**

The report is presented annually since 2009. The quantitative information shows historical information that allows comparing the performance of one reporting period to another. Explanations are provided for the changes generated by the restructuring process and the Rubiales field delivery.

**General and specific standard disclosures**

BSD Consulting reviewed in detail all the contents of the Report, in order to ensure that they comply with the technical requirements stipulated in the GRI G4 guidelines, finding that:

- Frontera reports all basic general contents (G4-1 to G4-58)
- Management approaches (DMAs) were included for all material matters as well as all indicators associated with them.
- DMAs and indicators of the Sector Guide for Oil and Gas are included.
- The general and specific basic contents follow faithfully what is established in the technical guides of the GRI.

In cases where it was deemed necessary, BSD requested Frontera to include adjustments to the text of the report to align it with the content requested by the GRI Guidelines.

Below are the contents that are not reported as required by GRI G4. In the GRI Index, Frontera points out the reason for the omission:

- G4-EN3
- G4-EN4
- G4-EN14
- G4-EN20
- G4-EN33
- G4-LA6
- G4-LA15

Of the above, BSD did not evidenced that the information came from unreliable sources or management systems, nor that the information reported lead the reader to misleading or erroneous conclusions about its performance.

**In accordance option**

In line with the above, BSD Consulting states that Frontera's Energy Sustainable Report 2016 meets the criteria for the "Comprehensive" in accordance option stipulated by GRI G4 Guidelines.



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TAKING A STEP FORWARD

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