

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS



(UNAUDITED)
For the three months ended
March 31, 2026 and 2025



Interim Condensed Consolidated Statements of (Loss) Income

<i>(In thousands of U.S.\$, except per share information)</i>	Notes	Three Months Ended March 31	
		2026	2025*
Continuing operations			
Port revenues	4	\$ 12,654	\$ 10,028
Share of Income from ODL Pipeline Investment (equity method)	11	14,179	15,109
Total Revenues and Other Income		26,833	25,137
Operating costs		7,102	5,164
General and administrative (Port, Corporate and Other)	5	3,039	3,406
Depletion, depreciation and amortization	9	2,121	1,750
Restructuring, severance and other costs		1,083	379
Operating income from continuing operations		13,488	14,438
Foreign exchange gain		6,796	2,498
Finance income		386	642
Finance expense		(5,728)	(3,201)
Other loss		(2,494)	(2,392)
Gain on risk management contracts		—	685
Net income before income tax from continuing operations		12,448	12,670
Deferred income tax recovery (expense)	7	467	(1,027)
Income tax recovery (expense) from continuing operations	7	467	(1,027)
Net income for the period from continuing operations		\$ 12,915	\$ 11,643
Discontinued operations			
(Loss) income after tax for the period from discontinued operations	6	(28,459)	15,754
Net (loss) income for the period		\$ (15,544)	\$ 27,397
Attributable to:			
Equity holders of the Frontera Energy Corporation (the "Company")		(15,404)	27,524
Non-controlling interests		(140)	(127)
		\$ (15,544)	\$ 27,397
Income per share attributable to equity holders of the Company from continuing operations			
Basic	8	\$ 0.19	\$ 0.15
Diluted	8	\$ 0.18	\$ 0.14
(Loss) income per share attributable to equity holders of the Company from discontinued operations			
Basic	8	\$ (0.41)	\$ 0.20
Diluted	8	\$ (0.39)	\$ 0.19

On behalf of the Board of Directors:

"Gabriel de Alba" (signed)

Chairman of the Board of Directors

"W. Ellis Armstrong" (signed)

Director

*As a result of discontinued operations these amounts have been re-presented. Refer to note 6, "Discontinued Operations", for further details.

Interim Condensed Consolidated Statements of Comprehensive (Loss) Income

<i>(In thousands of U.S.\$)</i>	Three Months Ended March 31	
	2026	2025
Net (loss) income for the period	\$ (15,544)	\$ 27,397
Other comprehensive income that may be reclassified to net (loss) income in subsequent periods (nil tax effect)		
Foreign currency translation from continuing operations	2,727	13,476
Foreign currency translation from discontinued operations	157	590
Total comprehensive (loss) income for the period	\$ (12,660)	\$ 41,463
Attributable to:		
Equity holders of the Company	\$ (12,520)	\$ 41,590
Non-controlling interests	(140)	(127)
	\$ (12,660)	\$ 41,463

Interim Condensed Consolidated Statements of Financial Position

<i>(In thousands of U.S.\$)</i>	Notes	March 31 2026	December 31 2025
ASSETS			
Current			
Cash and cash equivalents		\$ 19,562	\$ 230,489
Restricted cash	15	—	86
Receivables from ODL investment	11,14	65,355	—
Trade receivables	15	6,141	17,240
Other receivables	15	4,298	58,598
Inventories		2,773	40,245
Income taxes receivable		4,262	63,662
Prepaid expenses and deposits		4,094	7,099
Assets held for sale	6	1,419,923	—
Risk management assets	15	—	2,715
Total current assets		1,526,408	420,134
Non-current			
Properties, plant and equipment	9	280,342	1,273,115
Investments in associates	11	24,461	73,768
Deferred tax assets	7	22,164	21,701
Other assets		7,276	21,095
Exploration and evaluation assets	10	—	10,685
Restricted cash	15	—	11,234
Total non-current assets		334,243	1,411,598
Total assets		\$ 1,860,651	\$ 1,831,732
LIABILITIES			
Current			
Accounts payable and accrued liabilities	15	\$ 75,512	\$ 397,762
Short-term FPI Recapitalization Loan	12	43,800	42,023
Asset retirement obligations	13	8,258	55,161
Lease liabilities		497	6,441
Income taxes payable		—	1,156
Customer prepayments		—	48,843
Liabilities directly associated with the assets held for sale	6	1,033,964	—
Total current liabilities		1,162,031	551,386
Non-current			
Long-term FPI Recapitalization Loan	12	123,942	125,160
Lease liabilities		949	13,464
Asset retirement obligations	13	168	173,432
Other payables	15	—	11,104
Unsecured notes	12	—	306,821
Customer prepayments		—	57,778
Total non-current liabilities		125,059	687,759
Total liabilities		\$ 1,287,090	\$ 1,239,145
Commitments and contingencies	17		
EQUITY			
Share capital		\$ 4,469,327	\$ 4,467,618
Contributed surplus		104,712	112,787
Other reserves		(16,928)	(19,812)
Accumulated deficit		(3,975,052)	(3,959,648)
Equity attributable to equity holders of the Company		\$ 582,059	\$ 600,945
Non-controlling interests		(8,498)	(8,358)
Total equity		\$ 573,561	\$ 592,587
Total liabilities and equity		\$ 1,860,651	\$ 1,831,732

Interim Condensed Consolidated Statements of Changes in Equity

(In thousands of U.S.\$)	Attributable to Equity Holders of the Company							Non-controlling Interests	Total Equity
	Number of Common Shares	Share Capital	Contributed Surplus	Cumulative Translation Adjustment	Fair Value Investment	Accumulated Deficit	Total		
As at January 1, 2026	69,530,049	\$ 4,467,618	\$ 112,787	\$ (14,610)	\$ (5,202)	\$ (3,959,648)	\$ 600,945	\$ (8,358)	\$ 592,587
Net loss for the period	—	—	—	—	—	(15,404)	(15,404)	(140)	(15,544)
Other comprehensive income	—	—	—	2,884	—	—	2,884	—	2,884
Total comprehensive (loss) income	—	—	—	2,884	—	(15,404)	(12,520)	(140)	(12,660)
Dividends declared to equity holders of the Company ⁽¹⁾	338	2	—	—	—	—	2	—	2
Repurchase of Common Shares under NCIB ⁽²⁾	(184,900)	(1,195)	—	—	—	—	(1,195)	—	(1,195)
Share-based compensation	332,733	2,902	(8,075)	—	—	—	(5,173)	—	(5,173)
As at March 31, 2026	69,678,220	\$ 4,469,327	\$ 104,712	\$ (11,726)	\$ (5,202)	\$ (3,975,052)	\$ 582,059	\$ (8,498)	\$ 573,561

(In thousands of U.S.\$)	Attributable to Equity Holders of the Company							Non-controlling Interests	Total Equity
	Number of Common Shares	Share Capital	Contributed Surplus	Cumulative Translation Adjustment	Fair Value Investment	Accumulated Deficit	Total		
As at January 1, 2025	80,793,387	\$ 4,567,984	\$ 111,599	\$ (74,401)	\$ (5,202)	\$ (2,883,695)	\$ 1,716,285	\$ 9,848	\$ 1,726,133
Net income for the period	—	—	—	—	—	27,524	27,524	(127)	27,397
Other comprehensive income	—	—	—	14,066	—	—	14,066	—	14,066
Total comprehensive income (loss)	—	—	—	14,066	—	27,524	41,590	(127)	41,463
Dividends declared to equity holders of the Company ⁽¹⁾⁽³⁾	1,073	6	—	—	—	(3,377)	(3,371)	—	(3,371)
Repurchase of Common Shares under SIB ⁽⁴⁾	(3,500,000)	(30,226)	—	—	—	—	(30,226)	—	(30,226)
Share-based compensation	—	—	186	—	—	—	186	—	186
As at March 31, 2025	77,294,460	\$ 4,537,764	\$ 111,785	\$ (60,335)	\$ (5,202)	\$ (2,859,548)	\$ 1,724,464	\$ 9,721	\$ 1,734,185

⁽¹⁾The Company's Dividend Reinvestment Plan ("DRIP") allows shareholders resident in Canada to automatically reinvest the cash dividends declared on their Common Shares back into additional Common Shares, without the payment of brokerage commissions or service charges. During the period ended March 31, 2026, the Company issued 338 Common Shares under the DRIP (2025: 1,073 Common Shares).

⁽²⁾On July 15, 2025, the Toronto Stock Exchange ("TSX") approved the Company's notice to initiate a normal course issuer bid (the "2025 NCIB"). Pursuant to the 2025 NCIB, the Company was permitted to purchase up to 3,502,962 Common Shares, during the twelve-month period commencing on July 18, 2025 and ending July 17, 2026, representing approximately 5% of the Company's issued and outstanding Common Shares as at July 15, 2025. During the three months ended March 31, 2026, the Company repurchased for cancellation \$1.2 million in Common Shares, equivalent to 184,900 Common Shares under the 2025 NCIB, for an average repurchase cost of 6.46 per Common Share.

⁽³⁾On March 10, 2025, the Company's Board of Directors approved and declared a cash dividend of \$3.4 million, which represents CAD\$0.0625 per Common Share, which was paid on April 16, 2025.

⁽⁴⁾On December 16, 2024, the Company announced that its board of directors had approved the commencement of a second Substantial Issuer Bid (the "2025 SIB") pursuant to which the Company offered to purchase from holders of Common Shares of the Company up to 3,500,000 Common Shares for cancellation at a purchase price of CAD\$12.00 per share, for an aggregate purchase price not exceeding CAD\$42.0 million. The 2025 SIB expired on January 24, 2025. On January 28, 2025, the Company announced that in accordance with the terms and conditions of the 2025 SIB, the Company took up for cancellation 3,500,000 Common Shares (approximately 4.33% of the total number of the Company's issued and outstanding Common Shares as at January 23, 2025) at a price of CAD\$12.00 per Common Share, representing an aggregate purchase price of CAD\$42.0 million funded by cash (total cost of \$30.2 million, including transaction costs of \$0.4 million and taxes of \$0.6 million). The 2025 SIB had over 90% shareholder participation rate.

Interim Condensed Consolidated Statements of Cash Flows

(In thousands of U.S.\$)	Notes	Three Months Ended March 31	
		2026	2025*
OPERATING ACTIVITIES			
Net income for the period from continuing operations		\$ 12,915	\$ 11,643
Net (loss) income for the period from discontinued operations		(28,459)	15,754
Net (loss) income for the period		(15,544)	27,397
Items not affecting cash:			
Depletion, depreciation and amortization		2,121	1,750
Unrealized gain on risk management contracts		—	(685)
Deferred income tax (recovery) expense	7	(463)	1,027
Unrealized foreign exchange gain		(6,244)	(3,471)
Share of Income from ODL Pipeline Investment (equity method)	11	(14,179)	(15,109)
Loss (income) from discontinued operations	6	28,459	(15,754)
Finance expense		5,728	3,201
Finance income		(386)	(642)
Dividends received from ODL	11	—	26,172
Income tax paid		(425)	(112)
Interest received, net		267	658
Other		3	146
Changes in working capital (excluding cash)	16	(4,298)	(702)
Cash (used) provided by operating activities from continuing operations		(4,961)	23,876
Break Fee – GeoPark Arrangement Agreement ⁽¹⁾	6	(25,000)	—
Cash from operating activities - Discontinued Operations (excl. GeoPark Break Fee)		18,883	46,261
Cash (used) provided by operating activities from discontinued operations	6	(6,117)	46,261
Cash (used) provided by operating activities		\$ (11,078)	\$ 70,137
INVESTING ACTIVITIES			
Additions of properties, plant and equipment		\$ (986)	\$ (1,908)
Additions to exploration and evaluation assets		—	(324)
Changes in working capital (excluding cash)	16	256	(2,659)
Cash used in investing activities from continuing operations		(730)	(4,891)
Cash used in investing activities from discontinued operations	6	(29,661)	(53,629)
Cash used in investing activities		\$ (30,391)	\$ (58,520)
FINANCING ACTIVITIES			
Repurchase of Common Shares under NCIB		(1,195)	—
Lease payments		(169)	(170)
Dividends paid to equity holders of the Company		(3,130)	(3,494)
Repurchase of Common Shares under SIB		—	(30,226)
Net cash used in financing activities from continuing operations		(4,494)	(33,890)
Net cash used in financing activities from discontinued operations	6	(2,071)	(2,262)
Cash used in financing activities		\$ (6,565)	\$ (36,152)
Effect of exchange rate changes		(5)	2,052
Decrease in cash and cash equivalents during the period		(48,039)	(22,483)
Cash and cash equivalents, beginning of the period		230,489	192,577
Cash and cash equivalents, end of the period		\$ 182,450	\$ 170,094
Cash		153,043	132,534
Cash equivalents		29,407	37,560
Total cash and cash equivalents		\$ 182,450	\$ 170,094
Cash and cash equivalents attributable to continuing operations		19,562	52,242
Cash and cash equivalents attributable to discontinued operations		162,888	117,852
Total cash and cash equivalents		\$ 182,450	\$ 170,094

*As a result of discontinued operations these amounts have been re-presented. Refer to note 6, "Discontinued Operations", for further details.

⁽¹⁾ Break fee of \$25 million related to the GeoPark Arrangement Agreement included as a part of discontinued operations

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

1. Corporate Information

Frontera Energy Corporation (the “**Company**” or “**Frontera**”) is an oil and gas company formed and existing under the laws of British Columbia, Canada, that is engaged in the exploration, development, production, transportation, storage and sale of crude oil and natural gas in South America, including strategic investment in both upstream and infrastructure facilities. The Company’s common shares (“**Common Shares**”) are listed and publicly traded on the TSX under the trading symbol “FEC”. The Company’s head office is located at 1030, 140-4 Avenue SW, Calgary, Alberta, Canada T2P 3N3, and its registered office is 1500 Royal Centre, 1055 West Georgia Street, Vancouver, British Columbia, Canada V6E 4N7.

Upon completion of the Parex Arrangement (as defined below), Frontera will own and operate its Colombian infrastructure business and will retain interests in certain other non-Colombian assets, including its interest in Guyana. Frontera’s business will emerge as a newly focused infrastructure company, anchored by a standalone and growing portfolio of highly strategic Colombian infrastructure assets.

These interim condensed consolidated financial statements of the Company include the accounts of the Company and its subsidiaries.

2. Basis of Preparation

Statement of Compliance

These interim condensed consolidated financial statements for the three months ended March 31, 2026 and 2025 (the “**Interim Condensed Financial Statements**”), have been prepared in accordance with International Accounting Standard (“**IAS**”) 34, Interim Financial Reporting as issued by the International Accounting Standards Board (“**IASB**”). The Company has prepared the Interim Condensed Financial Statements on the basis that it will continue to operate as a going concern.

The Interim Condensed Financial Statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company’s audited annual consolidated financial statements for the year ended December 31, 2025 (the “**2025 Annual Financial Statements**”). These Interim Condensed Financial Statements were approved and authorized for issuance by the Audit Committee of the Board of Directors on May 14, 2026.

Functional and Presentation Currency

The consolidated financial statements are presented in United States (U.S.) dollars, which is the Company’s functional currency, and all values are rounded to the nearest thousand, except where otherwise indicated.

Material Accounting Policy Information

The accounting policies used in preparation of the Interim Condensed Financial Statements are consistent with those disclosed in the 2025 Annual Financial Statements.

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

Key Accounting Estimates and Judgments

Global Economy

International conflicts

Geopolitical instability, international conflicts, and related sanctions have contributed to and may continue to contribute to increased volatility in the global oil and gas markets. Following the February 2022 invasion by Russia of Ukraine, certain countries, including Canada, the United States and many European nations, have imposed numerous and varying levels of financial and trade sanctions against Russia, a major oil and gas producing state. In addition, other international disputes, including the recent conflict and ongoing instability in the Middle East, which is home to many of the world’s biggest oil producers, have had and may continue to have wide-ranging consequences on the world economy and in particular the oil and gas industry. Most recently, Israel, together with the United States, conducted a major joint military operation in Iran, which triggered a military response from Iran against Israel and other countries in the region, including the United Arab Emirates, Bahrain and Qatar, as well as against U.S. targets in the Middle East, and the closure or restriction of the Strait of Hormuz. These matters have caused and may continue to cause increased volatility in the global supply of oil and natural gas, energy prices, and the market value of the securities of those companies which operate in the oil and gas industry, including the Company. To date, these events have not negatively impacted the Company’s operations, and there have been no significant delays or direct security issues affecting the Company’s operations, offices or personnel. The long-term impacts of these conflicts and sanctions remain uncertain, the Company continues to monitor these types of situations as they evolve.

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

U.S. – Trade Tensions and Tariffs

Recent developments indicate heightened trade tensions between the United States and Colombia and elsewhere. During the year, the U.S. government enacted trade tariffs on numerous countries including Colombia and has more recently introduced a 10% global tariff rate. The Company may be adversely affected by the imposition of new tariffs, higher tariffs, or adverse developments in the diplomatic and commercial relations between the United States and Colombia or the United States and other countries, which may disrupt the Company's financial performance and operational stability. Additionally, given the unpredictable nature of international trade policies, there can be no assurance that future disputes will not arise or that they will be resolved favorably. The long-term implications of these trade tensions remain uncertain, and the Company continues to monitor these matters as they evolve.

Completion of the Parex Arrangement

Completion of the Parex Arrangement (as defined below) involves risks and uncertainties, including but not limited to, the risk that the Parex Arrangement will not be completed on the terms or within the timeframes currently contemplated or at all. Completion of the Parex Arrangement remains subject to the satisfaction or waiver of a number of conditions precedent, some of which are outside the Company's control. For a more comprehensive discussion of the risks and uncertainties in respect of the Parex Arrangement, please see the Company's management information circular dated March 30, 2026 prepared in connection with the Parex Arrangement, a copy of which is available on SEDAR+ at www.sedarplus.ca. These risks may adversely affect Frontera's business, operations or financial results and may adversely affect the market or trading price of the Common Shares.

Critical Judgments in Applying Accounting Policies

Asset Held for Sale

The classification of assets as held for sale requires that specific criteria be met as of the reporting date. These criteria include management's expectation that the carrying amount of the assets will be recovered principally through a sale transaction rather than through continuing use, that the assets are available for immediate sale in their present condition, and that the sale is highly probable. A sale is considered highly probable only when, among other factors, the appropriate level of management is committed to a plan to sell, an active program to locate a buyer and complete the plan has been initiated, the asset (or disposal group) is being marketed for sale at a price that is reasonable in relation to its current fair value, and the actions required to complete the plan indicate that it is unlikely that significant changes will be made to the plan or that the plan will be withdrawn.

Considering the announcements made on January 30, 2026 and March 10, 2026 in respect of the potential sale of the Frontera E&P Assets (as defined below), the Company assessed if the assets as held for sale criteria were met as of the reporting date. On January 9, 2026, GeoPark Limited ("GeoPark") provided a non-binding offer to acquire Frontera's Colombian oil and gas exploration and production assets. After several negotiations held during January, entered into the GeoPark Arrangement Agreement (as defined below).

Following such events, on March 10, 2026, as a result of a binding offer from Parex which the Board determined to be a "Superior Proposal" under the terms of the GeoPark Arrangement Agreement: (i) Frontera terminated the GeoPark Arrangement Agreement in accordance with its terms; and (ii) concurrently entered into the Parex Arrangement Agreement (as defined below). For further information, refer to Note 6 "Discontinued Operations".

Based on the analysis above, the criteria for classification as assets held for sale were met as at the reporting date. Accordingly, the related amounts for assets held for sale, liabilities directly associated with assets held for sale, and discontinued operations have been reflected in the financial statements as at March 31, 2026.

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

3. Segmented Information

The Company has one reportable operating segment, consistent with the basis on which management assesses performance and allocates resources across its business units, as follows:

- Infrastructure Colombia: Includes the Company's investment in certain infrastructure, midstream and other assets, including storage, port, and the Company's investment in pipelines.

Canada & Others: Includes the corporate office in Canada and non-operating entities that have been aggregated as they do not generate revenue from third parties. It also includes certain business activities in Peru, which include completing remediation work in Block 192 as the Company's petroleum license expired on February 5, 2021, as well as the operation of the Berbice River port ("BRP") in Guyana.

For the three months ended March 31, 2026, operating segmented information for the Interim Condensed Consolidated Statements of (Loss) income is as follows:

Three Months Ended March 31	Infrastructure Colombia		Canada & Others		Total Continuing Operations	
	2026	2025*	2026	2025*	2026	2025
Port revenues	12,654	9,867	—	161	12,654	10,028
Share of Income from ODL Pipeline Investment (equity method)	14,179	15,109	—	—	14,179	15,109
Total Revenues and Other Income	26,833	24,976	—	161	26,833	25,137
Operating costs	7,102	5,003	—	161	7,102	5,164
General and administrative	1,439	1,346	1,600	2,060	3,039	3,406
Depletion, depreciation and amortization	2,098	1,381	23	369	2,121	1,750
Restructuring, severance and other costs	1,083	214	—	165	1,083	379
Segment income (loss)	\$ 15,111	\$ 17,032	\$ (1,623)	\$ (2,594)	\$ 13,488	\$ 14,438
Other non-operating expense items					(1,040)	(1,768)
Income tax recovery (expense)					467	(1,027)
Net income for the period					\$ 12,915	\$ 11,643

*As a result of discontinued operations these amounts have been re-presented. Refer to note 6, "Discontinued Operations", for further details.

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

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

	March 31 2026	December 31 2025
Colombia	\$ 323,830	\$ 1,400,984
Canada & Others	10,413	10,614
Total non-current assets	\$ 334,243	\$ 1,411,598

4. Revenue from Contracts with Customers

The following table provides the disaggregation of the Company's revenue from contracts with customers (Note 3):

	Three Months Ended March 31	
	2026	2025*
Colombia		
Liquids terminal	5,247	6,334
General cargo terminal	7,407	3,533
Colombia port revenues	12,654	9,867
Guyana		
Other port revenues	—	161
Total revenue	\$ 12,654	\$ 10,028

*As a result of discontinued operations these amounts have been re-presented. Refer to note 6, "Discontinued Operations", for further details.

5. General and Administrative

	Three Months Ended March 31	
	2026	2025*
Port General and administrative	\$ 1,433	\$ 1,346
Corporate and Other General and Administrative	1,606	2,060
Total	\$ 3,039	\$ 3,406

*As a result of discontinued operations these amounts have been re-presented. Refer to note 6, "Discontinued Operations", for further details.

6. Discontinued Operations

Parex Arrangement

On January 29, 2026, Frontera, GeoPark and GeoPark Colombia SLU, a wholly-owned subsidiary of GeoPark ("**GeoPark Purchaser**"), entered into an arrangement agreement (the "**GeoPark Arrangement Agreement**") pursuant to which GeoPark agreed to acquire, through GeoPark Purchaser's acquisition all of the outstanding shares of common stock of Frontera Petroleum International Holdings B.V., all of Frontera's Colombian upstream business, which consists of all of Frontera's oil and gas exploration and production assets in Colombia, its reverse osmosis water treatment facility and its palm oil plantation (collectively, the "**Frontera E&P Assets**") pursuant to a court-approved plan of arrangement under the *Business Corporations Act* (British Columbia) (the "**GeoPark Arrangement**").

On March 10, 2026, as a result of a binding offer received from Parex, which the Board determined to be a "Superior Proposal" under the terms of the GeoPark Arrangement Agreement, Frontera: (i) terminated the GeoPark Arrangement Agreement in accordance with its terms; and (ii) concurrently entered into an arrangement agreement with Parex Resources Inc. ("**Parex**") and Parex Acquisitionco Inc. ("**Parex Purchaser**"), pursuant to which Parex has agreed to acquire, through Parex Purchaser's acquisition of all of the outstanding shares of common stock of Frontera Petroleum International Holdings B.V., the Frontera E&P Assets (the "**Parex Arrangement Agreement**"), pursuant to a court-approved plan of arrangement under the *Business Corporations Act* (British Columbia) (the "**Parex Arrangement**"). In connection with the termination of the GeoPark Arrangement Agreement, Frontera paid a break fee of \$25,000,000 to GeoPark pursuant to the terms of the GeoPark Arrangement Agreement.

Under the Parex Arrangement Agreement, Parex Purchaser will, subject to the satisfaction of certain closing conditions, acquire the Frontera E&P Assets for a purchase price of: (i) \$500,000,000; plus (ii) an additional \$25,000,000 if the term of

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

Frontera's contract in respect of the Quifa area is extended prior to the first anniversary of the completion of the Parex Arrangement (collectively, the "**Purchase Price**"). The Purchase Price is subject to customary closing adjustments.

The Parex Arrangement Agreement also provides that Parex Purchaser, or an affiliate thereof, will assume all of the obligations under the outstanding 2028 Unsecured Notes, as well as the \$80,000,000 outstanding under the prepayment facility with Chevron.

The Parex Arrangement has an effective date of January 1, 2026, and completion of the Parex Arrangement is subject to customary closing conditions.

On April 30, 2026, Frontera shareholders approved the plan of arrangement under which Parex will acquire the upstream business in Colombia for \$500 million payable at closing plus an additional \$25 million contingent payment, and authorized a reduction of capital of up to CAD\$647 million (equivalent to approximately \$470 million) to enable a potential return of capital. On May 4, 2026, the Supreme Court of British Columbia issued the final order approving the arrangement, with closing subject to remaining conditions and expected in May 2026.

As a result, the Company recognized a gain related to remeasurement to fair value less costs to sell of \$6.9 million.

The results of the discontinued operations in connection with Parex Arrangement during the three months ended March 31, 2026 and 2025 are presented below:

	Three Months Ended March 31	
	2026	2025
Oil and gas produced, purchased sales and other revenue	\$ 259,739	\$ 261,824
Royalties	(2,700)	(2,788)
Revenue from discontinued operations	257,039	259,036
Operating costs	98,513	101,081
Cost of diluent and oil purchased	58,755	69,015
General and administrative	9,171	9,972
Share-based compensation	21,229	854
Depletion, depreciation and amortization	19,412	63,872
Impairment, exploration expenses and other	699	1,982
Restructuring, severance and other costs	38	622
Income from operations from discontinued operations	49,222	11,638
Equity tax	(6,830)	—
Finance income	939	829
Finance expense	(12,520)	(12,120)
Loss on risk management contracts	(9,960)	(40)
Other (loss) income ⁽¹⁾	(26,814)	2,310
Foreign exchange loss	(298)	(259)
Gain on repurchase of senior unsecured notes net of consent solicitation	—	190
Net (loss) income before income tax from discontinued operations	(6,261)	2,548
Current income tax expense	(29,085)	(5,632)
Deferred income tax recovery	—	16,929
Income tax (expense) recovery	(29,085)	11,297
Related to remeasurement to fair value less costs to sell	6,887	—
Net (loss) income for the period from discontinued operations	\$ (28,459)	\$ 13,845

⁽¹⁾ For three months ended March 31, 2026 other (loss) income primarily includes the break fee of \$25 million related to the GeoPark Arrangement Agreement.

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

The assets and liabilities classified as held for sale as at March 31, 2026, are as follows:

	2026
ASSETS	
Current	
Cash and cash equivalents	162,888
Restricted cash	85
Trade receivables	21,840
Other receivables	61,892
Inventories	47,672
Income taxes receivable	44,312
Prepaid expenses and deposits	6,648
Total current assets	345,337
Non-current	
Properties, plant and equipment	1,038,603
Exploration and evaluation assets	9,979
Restricted cash	10,386
Other assets	15,618
Total non-current assets	1,074,586
Asset held for Sale	1,419,923
LIABILITIES	
Current	
Accounts payable and accrued liabilities	389,456
Customer prepayments	35,555
Equity Tax payable	6,832
Income taxes payable	42
Lease liabilities	5,002
Asset retirement obligations	47,206
Risk management liabilities	3,568
Total current liabilities	487,661
Non-current	
Unsecured notes	307,108
Customer prepayments	44,445
Other payables	8,014
Lease liabilities	12,055
Asset retirement obligations	174,681
Total non-current liabilities	546,303
Liabilities directly associated with assets held for sale	1,033,964
Net assets directly associated with disposal group	385,959

The cash flows from the discontinued operations of the Parex Arrangement are as follows:

	Three Months Ended March 31	
	2026	2025
Operating activities	\$ (6,117)	\$ 43,074
Investing activities	(29,661)	(52,310)
Financing activities	(2,071)	(2,203)
Net cash (outflow) inflow	\$ (37,849)	\$ (11,439)

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

Discontinued operations commitments

The commitments as at March 31, 2026, undiscounted and by calendar period, attributable to discontinued operations are presented below:

As at March 31, 2026	2026	2027	2028	2029	2030	Subsequent to 2031	Total
Transportation	\$ 20,745	\$ 1,759	\$ —	\$ —	\$ —	\$ —	\$ 22,504
Exploration and evaluation	3,185	13,566	5,066	—	—	—	21,817
Operating purchases, community obligations and others	127,141	—	—	—	—	—	127,141
Energy supply commitments	20,835	11,686	12,144	8,304	8,553	8,799	70,321
Total	\$ 171,906	\$ 27,011	\$ 17,210	\$ 8,304	\$ 8,553	\$ 8,799	\$ 241,783

Ecuador interest

On July 31, 2025, the Company entered into an agreement for the disposal of its 50% working interest in the Perico and Espejo blocks in Ecuador to Gran Tierra Energy Inc., for total cash consideration of \$7.8 million. The consideration was subject to working capital and other customary adjustments as of the effective date of January 1, 2025. The agreement also included a contingent consideration arrangement for an additional \$0.8 million, which was payable to the Company upon the Perico block having reached cumulative gross production of two million barrels from January 1, 2025 onward. After receiving government approval on November 25, 2025, and ultimately upon execution of a public deed on December 9, 2025, the transaction was fully completed.

The results of the discontinued operations of Ecuador interest during the three months ended March 31, 2026 and 2025 are presented below:

	Three Months Ended March 31	
	2026	2025
Oil and gas produced, purchased sales and other revenue	\$ —	\$ 7,061
Royalties	—	(272)
Revenue from discontinued operations	—	6,789
Operating costs	—	2,186
General and administrative	—	193
Share-based compensation	—	8
Depletion, depreciation and amortization	—	1,771
Income from operations from discontinued operations	—	2,631
Finance income	—	12
Finance expense	—	(84)
Other loss	—	(31)
Net income before income tax from discontinued operations	—	2,528
Current income tax expense	—	(163)
Deferred income tax expense	—	(456)
Income tax expense	—	(619)
Net income for the period from discontinued operations	\$ —	\$ 1,909

The cash flows from the discontinued operations of Ecuador interest are as follows:

	Three Months Ended March 31	
	2026	2025
Operating activities	\$ —	\$ 3,187
Investing activities	—	(1,319)
Financing activities	—	(59)
Net cash inflow	\$ —	\$ 1,809

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

The aggregate results from discontinued operations are as follows:

	Three Months Ended March 31	
	2026	2025
Parex Arrangement	\$ (28,459)	\$ 13,845
Ecuador interest	—	1,909
Total	\$ (28,459)	\$ 15,754

The aggregate cash flows from discontinued operations are as follows:

	Three Months Ended March 31	
	2026	2025
Operating activities		
Parex Arrangement	\$ (6,117)	\$ 43,074
Ecuador interest	—	3,187
Total Operating activities	\$ (6,117)	\$ 46,261
Investing activities		
Parex Arrangement	\$ (29,661)	\$ (52,310)
Ecuador interest	—	(1,319)
Total Investing activities	\$ (29,661)	\$ (53,629)
Financing activities		
Parex Arrangement	\$ (2,071)	\$ (2,203)
Ecuador interest	—	(59)
Total Financing activities	\$ (2,071)	\$ (2,262)

7. Income Taxes

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

	Three Months Ended March 31	
	2026	2025*
Net income before income tax from continuing operations	\$ 12,448	\$ 12,670
Colombian statutory income tax rate ⁽¹⁾	20%	20%
Income tax expense at statutory rate	2,490	2,534
Increase (decrease) in income tax provision resulting from:		
Non-deductible/taxable expense/income and other differences	1,377	1,791
Foreign exchange impact on deferred income tax	(575)	(872)
Differences in tax rates	(166)	(262)
Change in deferred income tax	(3,593)	(2,164)
Income tax (recovery) expense from continuing operations	(467)	1,027
Deferred income tax (recovery) expense:		
Relating to origination and reversal of temporary differences	(467)	1,027
Income tax (recovery) expense from continuing operations	\$ (467)	\$ 1,027
Effective tax rate	(3.75)%	8.11%

*As a result of discontinued operations these amounts have been re-presented. Refer to note 6, "Discontinued Operations", for further details.

⁽¹⁾ For purposes of the income tax rate reconciliation, a statutory income tax rate of 20% applicable to entities operating in Colombian Free Trade Zones has been used.

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

During the three months ended March 31, 2026, the Company recognized a current income tax benefit of \$Nil, compared to \$Nil in the same period 2025, and a deferred income tax recovery of \$0.5 million, compared to a deferred income tax expense of \$1.0 million in the same period 2025.

The deferred tax recovery for the three months ended March 31, 2026, mainly arose from the impact of foreign currency fluctuations and from the growth in accumulated tax losses.

As at March 31, 2026, the deferred tax asset was \$22.2 million (December 31, 2025: \$21.7 million), and the deferred tax liability was \$Nil (December 31, 2025: \$Nil).

8. Earnings per Share

<i>(In thousands of U.S.\$, except share and per share amounts)</i>	Three Months Ended March 31	
	2026	2025*
Income attributable to equity holders of the Company from continuing operations	\$ 13,055	\$ 11,770
(Loss) income attributable to equity holders of the Company from discontinued operations	\$ (28,459)	\$ 15,754
Basic weighted average number of shares outstanding	69,473,339	78,344,269
Effect of dilution from dilutive instruments	3,115,643	3,309,521
Diluted weighted average number of shares outstanding	72,588,982	81,653,790
Income per share attributable to equity holders of the Company from continuing operations		
Basic	\$ 0.19	\$ 0.15
Diluted	\$ 0.18	\$ 0.14
(Loss) income per share attributable to equity holders of the Company from discontinued operations		
Basic	\$ (0.41)	\$ 0.20
Diluted	\$ (0.39)	\$ 0.19

9. Properties, Plant and Equipment

Cost	Oil & Gas Properties	Infrastructure Colombia	Plant & Equipment	Total
As at January 1, 2026	\$ 7,510,719	\$ 443,802	\$ 80,289	\$ 8,034,810
Additions ⁽¹⁾	8,835	906	712	10,453
Currency translation adjustment ⁽²⁾	161	6,971	232	7,364
Transfer to assets held for sale (Note 6)	(7,519,715)	(108,487)	(65,015)	(7,693,217)
As at March 31, 2026	\$ —	\$ 343,192	\$ 16,218	\$ 359,410

⁽¹⁾ Include 1.0 million attributable to continuing operations and 9.5 million to discontinued operations

⁽²⁾ Include 4.9 million attributable to continuing operations and 2.5 to discontinued operations

Accumulated Depletion, Depreciation and Impairment	Oil & Gas Properties	Infrastructure Colombia	Plant & Equipment	Total
As at January 1, 2026	\$ 6,550,050	\$ 155,442	\$ 56,203	\$ 6,761,695
Charge for the period ⁽¹⁾	19,039	2,755	380	22,174
Transfer to assets held for sale (Note 6)	(6,569,193)	(92,867)	(42,790)	(6,704,850)
Currency translation adjustment	104	(194)	139	49
As at March 31, 2026	\$ —	\$ 65,136	\$ 13,932	\$ 79,068

⁽¹⁾ Include 2.6 million attributable to continuing operations and 19.6 million to discontinued operations

Net Book Value	Oil & Gas Properties	Infrastructure Colombia	Plant & Equipment	Total
As at December 31, 2025	\$ 960,669	\$ 288,360	\$ 24,086	\$ 1,273,115
As at March 31, 2026	\$ —	\$ 278,056	\$ 2,286	\$ 280,342

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

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

	Oil & Gas Properties	Infrastructure Colombia	Plant & Equipment	Total
Properties, plant and equipment - owned	\$ —	\$ 278,056	\$ 1,012	\$ 279,068
ROU assets - leased	—	—	1,274	1,274
As at March 31, 2026	\$ —	\$ 278,056	\$ 2,286	\$ 280,342

Details of ROU assets are as follows:

	Power Generation	Plant & Equipment	Total
As at January 1, 2026	15,480	4,867	20,347
Transfer to assets held for sale (Note 6)	(15,170)	(3,307)	(18,477)
Depreciation	(310)	(313)	(623)
Currency translation adjustment	—	27	27
As at March 31, 2026	\$ —	\$ 1,274	\$ 1,274

10. Exploration and Evaluation Assets

	2026
As at January 1	\$ 10,685
Additions	2
Transfer to assets held for sale (Note 6)	(10,687)
As at March 31	\$ —

11. Investments in Associates

	2026
As at January 1	\$ 73,768
Share of Income from ODL Pipeline Investment (equity method)	14,179
Dividends declared	(64,739)
Currency translation adjustment	1,253
As at March 31	\$ 24,461
Company's interest as at March 31	35 %

The Company accounts for its investments in associates using the equity method, as the criteria to exert significant influence was met given the Company's percentage holdings, ability to appoint directors to the investee's board of directors and ability to participate in its decision-making.

Oleoducto de los Llanos Orientales S.A.

ODL is a Panamanian company with a Colombian branch that operates an oil pipeline for the transportation of heavy crude oil produced primarily from the Rubiales and Quifa blocks. The Company, through its 100%-owned subsidiary, Frontera Pipeline Investment AG ("FPI", formerly named Pipeline Investment Ltd.), has a 35% equity investment in the ODL pipeline, which connects the Rubiales, Quifa, Caño Sur and Llanos-34, among other, blocks to the Monterrey or Cusiana Station in the Casanare Department. The remaining 65% interest in ODL is owned by Cenit Transporte y Logística de Hidrocarburos S.A.S. ("Cenit"). ODL's functional currency is COP, and currency translation adjustments are recorded in other comprehensive (loss) income.

During the three months ended March 31, 2026, the Company recognized the dividends declared by ODL of \$64.7 million (2025 \$52.9 million).

During the three months ended March 31, 2026, the Company received cash dividends of \$Nil (2025: \$26.2 million).

As at March 31, 2026, the carrying value of dividends receivable is \$65.4 million (December 31, 2025: \$Nil).

Following the end of the quarter, the Company entered into new derivative contracts associated with the collection of dividends from ODL, as required under the FPI Recapitalization Loan.

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

12. Short-Term and Long-Term Debt

					March 31 2026	December 31 2025
2028 Unsecured Notes ⁽¹⁾	June 2028	310,001	U.S. dollars	7.875%	\$ —	\$ 306,821
Unsecured Notes					\$ —	\$ 306,821
FPI Recapitalization Loan First Lien - Floating Rate	December 2030	140,000	U.S. dollars	SOFR ⁽²⁾ 6M + 6%	\$ 90,054	\$ 89,743
FPI Recapitalization Loan Second Lien - Fixed Rate	December 2031	40,000	U.S. dollars	15.00%	38,683	38,526
FPI Recapitalization Loan First Lien - Tranche A	December 2030	20,000	U.S. dollars	9.75%	19,419	19,390
FPI Recapitalization Loan First Lien - Tranche B	December 2027	20,000	U.S. dollars	11.00%	19,586	19,524
Loans					\$ 167,742	\$ 167,183
Total					\$ 167,742	\$ 474,004

⁽¹⁾Included as part of the liabilities directly associated with the assets held for sale (Note 6).

⁽²⁾ Secured Overnight Financing Rate (“SOFR”).

	March 31 2026	December 31 2025
Current portion	\$ 43,800	\$ 42,023
Non-current portion	123,942	431,981
Total	\$ 167,742	\$ 474,004

Frontera Pipeline Investment Recapitalization Loan Facility (“FPI Recapitalization Loan”)

On March 27, 2023, FPI entered into a credit agreement through which lenders provided a \$120.0 million loan facility to FPI. On February 16, 2024, the loan facility was amended to disburse an accordion tranche of \$30.0 million. This tranche secures funding for the connection project between Puerto Bahia’s port facility and the Cartagena refinery operated by Refineria de Cartagena S.A.S.

On May 14, 2025, FPI amended and restated the credit agreement through which lenders increased their commitments to \$220.0 million. The FPI Recapitalization Loan is comprised of various tranches, the last of which matures in December 2031, with principal payments made semi-annually. The FPI Recapitalization Loan is comprised of: a \$140.0 million tranche (FPI Recapitalization Loan First Lien - Floating Rate) that pays SOFR six-month term plus a margin of 6% per annum, a \$20.0 million tranche (FPI Recapitalization Loan First Lien - Tranche B) that pays a fixed rate of 11% per annum, a \$20.0 million tranche (FPI Recapitalization Loan First Lien - Tranche A) that pays a fixed rate of 9.75% per annum and a \$40.0 million tranche (FPI Recapitalization Loan Second Lien - Fixed Rate) that pays a fixed rate of 15% per annum.

Apart from extending the term of the \$100.8 million outstanding amount (for further information, refer to Note 13 of the Consolidated Financial Statements for the three months ended March 31, 2025), the proceeds of the FPI Recapitalization Loan were used to pay fees and accrued interest. The FPI Recapitalization Loan is secured exclusively by the cash flows generated from Frontera’s interest in ODL, with Puerto Bahia removed from the security package.

As at March 31, 2026, the carrying value of the FPI Recapitalization Loan is \$167.7 million, which includes short-term debt of \$43.8 million.

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

13. Asset Retirement Obligations

	2026
As at January 1	\$ 228,593
Changes in estimates	2,237
Liabilities settled	42
Transfer to liabilities directly associated with the assets held for sale (Note 6)	(222,361)
Expense of asset retirement obligations	(95)
Currency translation adjustment	10
As at March 31	\$ 8,426

	March 31 2026	December 31 2025
Current portion	\$ 8,258	\$ 55,161
Non-current portion	168	173,432
Total	\$ 8,426	\$ 228,593

ARO represent the present value of decommissioning and environmental liability costs relating to oil and gas properties and E&E assets. As at March 31, 2026, the total undiscounted ARO is \$8.3 million (December 31, 2025: \$329.4 million), of which \$Nil (December 31, 2025: \$321.1 million) relates to Colombia and \$8.3 million (December 31, 2025: \$8.3 million) to Peru. The non-current portion of ARO corresponds to Sociedad Portuaria Puerto Bahía S.A. (“SPPB”).

14. Related-Party Transactions

The following table provides the total balances outstanding, commitments, and transactional amounts with related parties as at March 31, 2026 and December 31, 2025, and for the three months ended March 31, 2026 and 2025, respectively:

	March 31, 2026, and December 31, 2025			Three Months Ended March 31	
		Receivables from ODL Investment	Accounts Payable ⁽¹⁾	Commitments ⁽¹⁾	Purchases/Services ⁽¹⁾
ODL	2026	\$ 65,355	\$ 3,389	\$ 739	\$ 7,723
	2025	—	3,262	925	7,255

⁽¹⁾2026 Amounts have been presented within discontinued operations

As at March 31, 2026, as part of the second lien of FPI Recapitalization Loan, a \$5.0 million balance (December 31, 2025: \$5.0 million) was acquired by funds controlled by GDA Luma Capital Management, LP (which itself is controlled by Gabriel de Alba, the Chair of the Board of Directors of Frontera).

As at March 31, 2026, The Catalyst Capital Group Inc exercises control or direction over \$8.0 million (December 31, 2025: \$8.0 million) aggregate principal amount of Unsecured Notes, which are presented as liabilities directly associated with the assets held for sale in these interim condensed consolidated financial statements.

15. Financial Instruments and Risk Management

a. Risks Associated with Financial Assets and Liabilities

The Company’s activities expose it to various risks, including credit risk, liquidity risk and market risk (from changes in commodity prices and foreign exchange) that could have a significant impact on profitability, operating cash flows and the value of financial instruments.

i) Credit Risk

Credit risk relates to the potential that the Company may incur a loss if a counterparty to a financial instrument fails to meet its obligations and arises primarily from trade customers, loans and advances to associates, receivables from joint arrangements and other financial counterparties. The Company actively limits the total exposure to individual client counterparties by maintaining a credit policy, which sets forth prepayment or letters of credit requirements for trade customers in order to mitigate losses from non-collection of trade receivables. The Company monitors the credit quality of associates and, where appropriate, structures its loans and advances to include collateral or security. Credit risk arising on receivables from joint

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

arrangements and risk management assets is not significant given the counterparties are large institutions with strong credit ratings.

The following table shows the maximum credit risk exposure of financial assets, presented at the gross carrying amounts:

As at	March 31 2026	December 31 2025
Trade receivables before ECL	\$ 6,141	\$ 33,391
Allowance for ECLs - trade receivables	—	(16,151)
Trade receivables	6,141	17,240
Receivables from ODL investment	65,355	—
Receivables from ODL investment	65,355	—
Other receivables:		
Receivables from joint arrangements	—	24,913
VAT receivable and others ⁽¹⁾	837	28,509
Other receivables	6,595	12,038
Allowance for ECLs - other receivables	(3,134)	(6,862)
Other receivables	\$ 4,298	\$ 58,598
Withholding tax and others - not considered for credit risk	(837)	(28,509)
Total financial assets carried at amortized cost	\$ 74,957	\$ 47,329

⁽¹⁾ Does not include long-term VAT.

Reconciliation of ECLs

The following table shows a continuity of ECLs:

	2026
As at January 1	\$ 23,013
Effect of exchange rate changes	40
Transfer to assets held for sale (Note 6)	(19,919)
As at March 31	\$ 3,134

ii) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company mitigates its liquidity risk by managing its capital expenditures and operational cash flows, and by maintaining adequate lines of credit and cash and cash equivalents.

The following table summarizes the undiscounted cash outflows relating to contractual maturities of the Company's non-derivative financial liabilities as at March 31, 2026:

Financial Liability Due In	2026	2027	2028	2029	2030	Total
Accounts payable, accrued liabilities and other payables ⁽¹⁾	\$ 75,512	\$ —	\$ —	\$ —	\$ —	\$ 75,512
FPI Recapitalization Loan	43,800	43,645	35,323	24,000	26,400	173,168
Interest on loans	19,056	13,899	8,936	4,465	2,041	48,397
Lease liabilities	680	677	385	—	—	1,742
Total	\$ 139,048	\$ 58,221	\$ 44,644	\$ 28,465	\$ 28,441	\$ 298,819

⁽¹⁾ Includes provisions of \$24.4 million, which do not have a definitive amortization term and are therefore classified as current liabilities.

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

The following table shows the breakdown of accounts payable and accrued liabilities and other payables:

As at	March 31	December 31
	2026	2025
Trade and other payables	\$ 37,199	\$ 144,274
Accrued liabilities	11,395	113,836
Supplier holdbacks	1,139	36,040
Withholding tax and tax provisions	426	11,749
Equity Tax	935	—
Share-based payment liability	—	4,643
	51,094	310,542
Provision for contingencies and others	24,418	98,324
Total accounts payable and accrued liabilities and other payables	\$ 75,512	\$ 408,866

The Company has various uncommitted bilateral letters of credit. As at March 31, 2026, the Company has issued letters of credit and guarantees for exploration and abandonment funds totalling \$118.2 million (December 31, 2025: \$119.5 million). All such amounts relate to entities classified within discontinued operations.

Restricted cash

As at March 31, 2026, the Company has short-term and long-term restricted cash of \$Nil (December 31, 2025: \$11.3 million).

iii) Market and Interest Risk

Market and interest risk are the risks associated with fluctuations in oil prices, foreign exchange rates and interest rates. To manage this risk, the Company uses derivative commodity instruments to manage exposure to price volatility by hedging a portion of its oil production and foreign exchange hedging instruments to manage foreign currency fluctuations.

Risk Management Contracts

The terms of the outstanding instruments and settlement periods are as follows:

Risk management contracts - Crude oil

As part of its risk management strategy, the Company uses derivative commodity instruments to manage exposure to price volatility by hedging a portion of its oil production. The Company's strategy is designed to protect a minimum of 40% of estimated production with a tactical approach, using derivative commodity instruments to protect the Company's revenue generation and cash position, while maximizing the upside.

Type of Instrument	Term	Benchmark	Volume (bbl)	Avg. Strike Prices	Carrying Amount	
				Put \$/bbl	Assets	Liabilities
Total as at March 31, 2026					\$ —	\$ —
Total as at December 31, 2025					\$ 2,715	\$ —

b. Fair Value of Financial Instruments

The carrying values of the Company's cash and cash equivalents, restricted cash, accounts receivable, accounts payable and accrued liabilities approximate their fair value.

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

The following table summarizes the Company's remaining financial instruments that are carried or disclosed at fair value in accordance with the classification under the fair value hierarchy as at March 31, 2026 and December 31, 2025:

	Period	Carrying Value	Fair Value		
			Level 1	Level 2	Level 3
Financial Assets Measured at Fair Value Through Profit and Loss					
Risk management assets	2026	\$ —	\$ —	\$ —	\$ —
	2025	2,715	—	2,715	—
Investments in equity instruments ⁽¹⁾	2026	\$ —	\$ —	\$ —	\$ —
	2025	1,749	—	—	1,749
Financial Liabilities Measured at Amortized Cost					
2028 Unsecured Notes ⁽²⁾	2026	\$ —	\$ —	\$ —	\$ —
	2025	(306,821)	—	(207,174)	—
Short-term and long-term debt (Note 12)	2026	\$ (167,742)	\$ —	\$ (173,168)	\$ —
	2025	(167,183)	—	(173,168)	—

⁽¹⁾Included as part of the assets held for sale (Note 6).

⁽²⁾Included as part of the liabilities directly associated with the assets held for sale (Note 6).

The Company uses Level 3 information to measure the fair value of certain investments that do not belong to active markets.

c. Capital Management

When managing capital, the Company's objectives are to maintain a capital structure that optimizes the cost of capital to support operating activities and sustain the development of its business while maintaining compliance with the terms and conditions of financial obligations. The Company manages its capital structure and adjusts as necessary in light of changes in economic conditions, operating risks and working capital requirements. To maintain or adjust its capital structure, the Company may issue or buy back shares, change its dividend policy, raise or refinance debt and/or adjust its capital spending to manage its operating and growth objectives.

Specifically, the Company's capital management objectives are to maintain compliance with the debt covenant ratios associated with the Company's outstanding 2028 Unsecured Notes⁽¹⁾ and FPI Recapitalization Loan, which are currently met, and to maintain sufficient liquidity to meet all contractual obligations and execute its business plan. To facilitate the management of these objectives, the Company utilizes a planning, budgeting and forecasting process to help determine and monitor the funds needed to maintain appropriate liquidity for operational, capital and financial needs.

The Company's capital consists of debt and total equity (less non-controlling interests) net of working capital. The following table summarizes the Company's capital structure balances:

As at	March 31		December 31	
	2026		2025	
Equity attributable to equity holders of the Company	\$	582,059	\$	600,945
Long-term debt		123,942		431,981
Working capital deficit ⁽²⁾⁽³⁾		21,582		131,252
Total	\$	727,583	\$	1,164,178

⁽¹⁾ Includes as a part of the Liabilities directly associated with the assets held for sale (Note 6).

⁽²⁾ Working capital deficit is a capital management measure, according to NI 52-112 - Non-GAAP and Other Financial Measures Disclosure.

⁽³⁾ Excludes assets and liabilities classified as held for sale.

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

16. Supplemental Disclosure on Cash Flows

Changes in non-cash working capital are as follows:

	Three Months Ended March 31	
	2026	2025
Decrease in accounts payable and accrued liabilities	\$ (4,418)	\$ (5,911)
(Increase) decrease in accounts receivable and other assets	(854)	3,187
Increase in income taxes payable	929	69
Increase in inventories	(14)	(83)
Decrease (increase) in prepaid expenses and deposits	880	(222)
Increase in income taxes receivable	(565)	(401)
Changes in working capital (excluding cash)	\$ (4,042)	\$ (3,361)
Attributable to:		
Operating activities	\$ (4,298)	\$ (702)
Investing activities	256	(2,659)
Changes in working capital (excluding cash)	\$ (4,042)	\$ (3,361)

17. Commitments and Contingencies

Commitments

The Company's commitments as at March 31, 2026, undiscounted and by calendar period, are presented below:

Continuing operations commitments

As at March 31, 2026	2026	2027	2028	2029	2030	Subsequent to 2031	Total
Operating purchases and others	2,756	304	260	264	270	2,457	6,311
Total	\$ 2,756	\$ 304	\$ 260	\$ 264	\$ 270	\$ 2,457	\$ 6,311

Contingencies

The Company is involved in various claims and litigation arising from the normal course of business. Since the outcomes of these matters are uncertain, there can be no assurance that such matters will be resolved in the Company's favour. The outcome of adverse decisions in any pending or threatened proceedings related to these and other matters could have a material impact on the Company's financial position, results of operations or cash flows. No material changes have occurred regarding the matters disclosed in Note 29 - Commitments and Contingencies of the 2025 Annual Consolidated Financial Statements.