

CONSOLIDATED FINANCIAL STATEMENTS



*For the years ended
December 31, 2025 and 2024*



Management's Responsibility for the Consolidated Financial Statements

Management is responsible for preparing the consolidated financial statements and the notes hereto. These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards using the best estimates and judgments of management, where appropriate.

Management is also responsible for maintaining a system of internal controls designed to provide reasonable assurance that assets are safeguarded and that accounting systems provide timely, accurate and reliable information.

The Board of Directors of the Company (the "**Board**") is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Board is assisted by the Audit Committee of the Board in exercising its responsibilities. At a minimum, the Audit Committee meets quarterly with management and the internal and external auditors to ensure that management's responsibilities are properly carried out and to discuss accounting and auditing matters. The Audit Committee reviews the consolidated financial statements and recommends the consolidated financial statements be presented to the Board for approval.

The internal and external auditors have full and unrestricted access to the Audit Committee to discuss their audits and related findings as to the integrity of the financial reporting process.

"Orlando Cabrales Segovia" (signed)

Chief Executive Officer

"René Burgos" (signed)

Chief Financial Officer

Calgary, Canada

March 17, 2026

Independent Auditor's Report

To the Shareholders of

Frontera Energy Corporation

Opinion

We have audited the consolidated financial statements of **Frontera Energy Corporation** and its subsidiaries (the "**Group**"), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statements of loss, consolidated statements of comprehensive loss, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("**IFRS**").

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter

How our audit addressed the key audit matter

Impairment Assessment of Exploration and Production (E&P) Assets

As described in Note 9 to the consolidated financial statements for the year ended 31 December 2025, an impairment charge of \$591.6 million related to Colombian E&P assets was recognized. As at 31 December 2025, the carrying values of Oil & Gas Properties and E&E assets were \$961 million. Refer to Note 3, of the consolidated financial statements for a description of the Company's impairment of non-financial assets accounting policy. Refer to Note 9, of the consolidated financial statements for the Company's impairment disclosures.

Oil & Gas Properties and E&E assets are tested for impairment only when circumstances indicate that the carrying value of the cash generating units ("CGU") may exceed the recoverable amount. The recoverable amount of the Colombian CGUs which represent the Colombian E&P assets were determined using fair value less costs to sell method, whereby the new cash flows are estimated using the estimated proceeds from disposal.

Auditing the Group's impairment assessment involved judgment, including the determination of fair value based on the expected proceeds from disposition, estimation of costs of disposal, and evaluation of whether the carrying amounts exceeded the recoverable amount as at the reporting date.

To test the Group's assessment of impairment, we performed the following procedures, among others:

- Obtained an understanding of management's process for identifying impairment indicators and performing the impairment assessment.
- Inspected potential disposal proceeds to corroborate the purchase price and assess the terms of the agreement.
- Challenged management's key assumptions and estimates, including the expected sale proceeds, costs of disposal (such as transaction fees), and any contingencies that could affect the ultimate realizable value.
- Assessing whether the impairment charge was appropriately calculated and allocated to individual cash-generating units within the Colombian E&P segment.
- Tested the mathematical accuracy of the impairment calculation by reconciling the carrying amounts of the assets to the estimated recoverable amount.
- Assessed the completeness and appropriateness of the related disclosures in the consolidated financial statements.

Other information

Management is responsible for the other information. The other information comprises:

- Management's discussion and analysis

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained management's discussion and analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with

Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

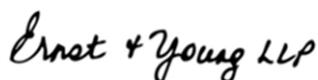
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The partner in charge of the audit resulting in this independent auditor's report is Ryan MacDonald.

The logo for Ernst & Young LLP, featuring the company name in a stylized, handwritten-style font.

Chartered Professional Accountants

Calgary, Canada
March 17, 2026

Consolidated Statements of Loss

(In thousands of U.S.\$, except per share information)	Notes	Year Ended December 31	
		2025	2024*
Continuing operations			
Oil and gas produced, purchased sales and other revenue	5	\$ 1,008,172	\$ 1,099,359
Royalties		(9,448)	(14,704)
Revenue		998,724	1,084,655
Operating costs	6	411,360	394,611
Cost of diluent and oil purchased	6	229,094	235,944
General and administrative	7	58,174	50,292
Share-based compensation		3,520	2,514
Depletion, depreciation and amortization	16	275,419	254,791
Impairment expense, exploration expenses and other	9	1,070,517	23,933
Restructuring, severance and other costs	11	21,084	5,312
(Loss) income from continuing operations		(1,070,444)	117,258
Share of income from associates	18	59,197	53,912
Foreign exchange loss		(2,595)	(11,041)
Finance income		6,677	8,363
Finance expense	20	(71,333)	(73,252)
Gain (loss) on risk management contracts	27	3,042	(15,482)
Other income (loss)	12	7,008	(672)
Debt extinguishment cost	20	(5,964)	—
Gain on repurchase of senior unsecured notes, net of consent solicitation	20	13,288	1,001
Net (loss) income before income tax from continuing operations		(1,061,124)	80,087
Current income tax expense	13	(46)	(7,029)
Deferred income tax recovery (expense)	13	22,603	(92,295)
Income tax recovery (expense) from continuing operations	13	22,557	(99,324)
Net loss for the year from continuing operations		\$ (1,038,567)	\$ (19,237)
Discontinued operations			
Loss after tax for the year from discontinued operations	8	(42,359)	(5,534)
Net loss for the year		\$ (1,080,926)	\$ (24,771)
Attributable to:			
Equity holders of the Frontera Energy Corporation (the "Company")		(1,062,720)	(24,162)
Non-controlling interests		(18,206)	(609)
		\$ (1,080,926)	\$ (24,771)
Loss per share attributable to equity holders of the Company from continuing operations			
Basic	14	\$ (13.77)	\$ (0.22)
Diluted	14	\$ (13.77)	\$ (0.22)
Loss per share attributable to equity holders of the Company from discontinued operations			
Basic	14	\$ (0.57)	\$ (0.07)
Diluted	14	\$ (0.57)	\$ (0.07)

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 8, "Discontinued Operations", for further details.

Consolidated Statements of Comprehensive Loss

<i>(In thousands of U.S.\$)</i>	Year Ended December 31	
	2025	2024
Net loss for the year	\$ (1,080,926)	\$ (24,771)
Other comprehensive income (loss) that may be reclassified to net income (loss) in subsequent periods (nil tax effect)		
Foreign currency translation	59,791	(32,031)
Total comprehensive loss for the year	\$ (1,021,135)	\$ (56,802)
Attributable to:		
Equity holders of the Company	\$ (1,002,929)	\$ (56,193)
Non-controlling interests	(18,206)	(609)
	\$ (1,021,135)	\$ (56,802)

Consolidated Statements of Financial Position

<i>(In thousands of U.S.\$)</i>	Notes	As at December 31	
		2025	2024
ASSETS			
Current			
Cash and cash equivalents		\$ 230,489	\$ 192,577
Restricted cash	27	86	16,632
Trade receivables	27	17,240	9,254
Other receivables	27	58,598	61,277
Inventories	15	40,245	55,518
Income taxes receivable		63,662	62,702
Prepaid expenses and deposits		7,099	15,090
Risk management assets	27	2,715	—
Total current assets		420,134	413,050
Non-current			
Properties, plant and equipment	16	1,273,115	1,909,903
Exploration and evaluation assets	17	10,685	457,424
Investments in associates	18	73,768	66,142
Deferred tax assets	13	21,701	24,421
Restricted cash	27	11,234	13,617
Other assets	19	21,095	16,320
Total non-current assets		1,411,598	2,487,827
Total assets		\$ 1,831,732	\$ 2,900,877
LIABILITIES			
Current			
Accounts payable and accrued liabilities	27	\$ 397,762	\$ 397,055
Customer prepayments	23	48,843	30,348
Short-term FPI Recapitalization Loan and FPI Loan Facility	20	42,023	21,000
Other short-term debt	20	—	9,509
Risk management liabilities	27	—	4,568
Income taxes payable		1,156	3,185
Lease liabilities	21	6,441	4,523
Asset retirement obligations	22	55,161	43,427
Total current liabilities		551,386	513,615
Non-current			
Unsecured notes	20	306,821	389,803
Long-term FPI Recapitalization Loan and FPI Loan Facility	20	125,160	73,452
Customer prepayments	23	57,778	—
Other payables	27	11,104	14,211
Lease liabilities	21	13,464	7,750
Deferred tax liabilities	13	—	28,848
Asset retirement obligations	22	173,432	147,065
Total non-current liabilities		687,759	661,129
Total liabilities		\$ 1,239,145	\$ 1,174,744
Commitments and contingencies	29		
EQUITY			
Share capital		\$ 4,467,618	\$ 4,567,984
Contributed surplus		112,787	111,599
Other reserves		(19,812)	(79,603)
Accumulated deficit		(3,959,648)	(2,883,695)
Equity attributable to equity holders of the Company		\$ 600,945	\$ 1,716,285
Non-controlling interests	24	(8,358)	9,848
Total equity		\$ 592,587	\$ 1,726,133
Total liabilities and equity		\$ 1,831,732	\$ 2,900,877

Consolidated Statements of Changes in Equity

Attributable to Equity Holders of the Company

<i>(In thousands of U.S.\$)</i>	Number of Common Shares	Share Capital	Contributed Surplus	Cumulative Translation Adjustment	Fair Value Investment	Accumulated Deficit	Total	Non-controlling Interests	Total Equity
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 loss for the year	—	—	—	—	—	(1,062,720)	(1,062,720)	(18,206)	(1,080,926)
Other comprehensive income	—	—	—	59,791	—	—	59,791	—	59,791
Total comprehensive income (loss)	—	—	—	59,791	—	(1,062,720)	(1,002,929)	(18,206)	(1,021,135)
Dividends declared to equity holders of the Company (Note 25)	3,634	17	—	—	—	(13,233)	(13,216)	—	(13,216)
Repurchase of Common Shares under SIB (Note 25)	(11,083,333)	(99,471)	—	—	—	—	(99,471)	—	(99,471)
Repurchase of Common Shares under NCIB (Note 25)	(532,300)	(2,589)	—	—	—	—	(2,589)	—	(2,589)
Share-based compensation (Note 25)	348,661	1,677	1,188	—	—	—	2,865	—	2,865
As at December 31, 2025	69,530,049	\$ 4,467,618	\$ 112,787	\$ (14,610)	\$ (5,202)	\$ (3,959,648)	\$ 600,945	\$ (8,358)	\$ 592,587

Attributable to Equity Holders of the Company

<i>(In thousands of U.S.\$)</i>	Number of Common Shares	Share Capital	Contributed Surplus	Cumulative Translation Adjustment	Fair Value Investment	Accumulated Deficit	Total	Non-controlling Interests	Total Equity
As at January 1, 2024	85,151,216	\$ 4,604,704	\$ 110,882	\$ (42,370)	\$ (5,202)	\$ (2,844,416)	\$ 1,823,598	\$ 10,395	\$ 1,833,993
Net loss for the year	—	—	—	—	—	(24,162)	(24,162)	(609)	(24,771)
Other comprehensive loss	—	—	—	(32,031)	—	—	(32,031)	—	(32,031)
Total comprehensive loss	—	—	—	(32,031)	—	(24,162)	(56,193)	(609)	(56,802)
Dividends declared to equity holders of the Company (Note 25)	1,157	8	—	—	—	(15,117)	(15,109)	—	(15,109)
Repurchase of Common Shares under SIB (Note 25)	(3,375,000)	(30,580)	—	—	—	—	(30,580)	—	(30,580)
Repurchase of Common Shares under NCIB (Note 25)	(1,271,600)	(7,823)	—	—	—	—	(7,823)	—	(7,823)
Share-based compensation (Note 25)	287,614	1,675	717	—	—	—	2,392	62	2,454
As at December 31, 2024	80,793,387	\$ 4,567,984	\$ 111,599	\$ (74,401)	\$ (5,202)	\$ (2,883,695)	\$ 1,716,285	\$ 9,848	\$ 1,726,133

Consolidated Statements of Cash Flows

<i>(In thousands of U.S.\$)</i>	Notes	Year Ended December 31	
		2025	2024*
OPERATING ACTIVITIES			
Net loss for the year from continuing operations		\$ (1,038,567)	\$ (19,237)
Net loss for the year from discontinued operations		(42,359)	(5,534)
Net loss for the year		(1,080,926)	(24,771)
Items not affecting cash:			
Depletion, depreciation and amortization		275,419	254,791
Impairment expense	9	1,063,169	19,985
Expense of asset retirement obligations	9	5,500	2,335
Unrealized (gain) loss on risk management contracts	27	(7,518)	13,976
Share-based compensation		1,983	1,686
Deferred income tax (recovery) expense	13	(22,603)	92,295
Unrealized foreign exchange (gain) loss		(9,205)	17,827
Share of income from associates	18	(59,197)	(53,912)
Debt extinguishment cost		5,964	—
Loss from discontinued operations	8	42,359	5,534
Finance expense	20	71,333	73,252
Finance income		(6,677)	(8,363)
Gain on repurchase of senior unsecured notes, net of consent solicitation	20	(13,288)	(1,001)
Dividends from associates	18	56,938	52,755
Income tax paid, withheld, compensated or collected, net		31,138	41,978
Interest received, net		6,268	5,474
Settlement of asset retirement obligations	22	(14,737)	(17,838)
Other		506	997
Customer prepayment - Chevron	23	78,950	—
Changes in working capital (excluding cash)	28	(6,326)	11,686
Cash provided by operating activities from discontinued operations	8	3,393	19,466
Cash provided by operating activities		\$ 422,443	\$ 508,152
INVESTING ACTIVITIES			
Additions to oil and gas properties, infrastructure Colombia, and plant and equipment		\$ (205,800)	\$ (311,759)
Additions to exploration and evaluation assets		(5,244)	(11,749)
Decrease in restricted cash and other		2,536	470
Return of capital contributions from investments in associates	18	4,617	7,579
Sale of Ecuador interest		4,114	—
Changes in working capital (excluding cash)	28	(29,584)	5,998
Cash used in investing activities from discontinued operations	8	(1,252)	(29,785)
Cash used in investing activities		\$ (230,613)	\$ (339,246)
FINANCING ACTIVITIES			
Net proceeds from FPI Recapitalization Loan	20	\$ 212,448	\$ —
Repayment of debt FPI Loan Facility	20	(105,213)	(30,600)
Repayment of debt FPI Recapitalization Loan	20	(46,832)	—
Repurchase of 2028 Unsecured Notes and consent solicitation	20	(69,192)	(4,045)
Interest paid and other charges		(42,934)	(47,320)
Repayment of short-term debt		(10,729)	(26,900)
Transaction cost of FPI Recapitalization Loan	20	(159)	—
Dividends paid to equity holders of the Company		(13,546)	(11,660)
Lease payments	21	(7,444)	(6,947)
Release and constitution debt service reserve account of FPI Loan Facility, net		16,113	(468)
Repurchase of Common Shares under SIB	25	(99,471)	(30,580)
Repurchase of Common Shares under NCIB	25	(2,589)	(7,823)
FPI Loan Facility	20	—	28,820
Short-term debt - working capital loan		—	9,509
Net cash used in financing activities from discontinued operations	8	(153)	(846)

Consolidated Statements of Cash Flows

Cash used in financing activities	\$	(169,701)	\$	(128,860)
Effect of exchange rate changes		15,783		(7,142)
Increase in cash and cash equivalents during the year		37,912		32,904
Cash and cash equivalents, beginning of the year		192,577		159,673
Cash and cash equivalents, end of the year	\$	230,489	\$	192,577
Cash		177,018		91,352
Cash equivalents		53,471		101,225
Total cash and cash equivalents	\$	230,489	\$	192,577

**As a result of discontinued operations these amounts have been re-presented. Refer to note 8, "Discontinued Operations", for further details.*

Notes to Consolidated Financial Statements

(In thousands of U.S.\$, unless otherwise stated)

1. Corporate Information

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

These consolidated financial statements of the Company, as at and for the years ended December 31, 2025 and 2024, include the accounts of the Company and its subsidiaries.

2. Basis of Preparation

Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”) as issued by the International Accounting Standards Board (“**IASB**”). The consolidated financial statements have been prepared on a historical cost basis, except for derivative financial instruments (risk management assets and liabilities) and investments that have been measured at fair value. These consolidated financial statements were approved and authorized for issuance by the Board of Directors and are dated as of March 17, 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.

Principles of Consolidation

Subsidiaries are entities controlled by the Company. Control exists when the Company has power over an investee, when the Company is exposed, or has rights to variable returns from the investee and when the Company has the ability to affect those returns through its power over the investee. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases on the date when the Company loses control of the subsidiary. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between subsidiaries of the Company are eliminated in full upon consolidation. Where the Company’s interest in a subsidiary is less than 100%, the Company recognizes the net assets attributable to minority shareholders of the Company (“**Shareholders**”) within a separate component of equity as non-controlling interests (“**NCI**”). Net income (loss) that is attributable to NCI is calculated based on the ownership of the minority Shareholders in the subsidiary. A change in the ownership interest of a subsidiary without a loss of control is accounted for as an equity transaction.

The following table summarizes the Company’s principal subsidiaries, the location of their registered offices, the country of principal business activity, the method of consolidation and the Company’s percentage interest.

	Registered Office	Country of Principal Business Activity	Recognition Method	Functional Currency	Percentage Interest as at December 31	
					2025	2024
Principal Subsidiaries						
Frontera Energy Colombia AG	Switzerland	Colombia	Consolidated	USD	100.00%	100.00%
CGX Energy Inc.	Canada	Guyana	Consolidated	USD	76.05%	76.05%
Sociedad Portuaria Puerto Bahia S.A. (“ Puerto Bahia ”)	Colombia	Colombia	Consolidated	COP	99.97%	99.97%
Petroleos Sud Americanos S.A (“ Petrosud ”)	Switzerland	Colombia	Consolidated	USD	100.00%	100.00%
Frontera Energy del Peru S.A.	Peru	Peru	Consolidated	USD	100.00%	100.00%
Frontera Pipeline Investment AG (“ FPI ”)	Switzerland	Colombia	Consolidated	USD	100.00%	100.00%
Frontera Energy Guyana Corp. (“ Frontera Guyana ”)	Bahamas	Guyana	Consolidated	USD	100.00%	100.00%
Agrocascada S.A.S	Colombia	Colombia	Consolidated	COP	100.00%	100.00%
Promotora Agrícola de los Llanos S.A.	Panama	Colombia	Consolidated	USD	100.00%	100.00%

Notes to Consolidated Financial Statements

(In thousands of U.S.\$, unless otherwise stated)

3. Material Accounting Policies, Judgments, Estimates and Assumptions

a. Summary of Material Accounting Policy Information

Revenue Recognition

Oil and gas revenues from contracts with customers are determined by reference to consideration specified in the contracts and recognized when control of the product is transferred to the customer.

For crude oil and natural gas sales, control of the product transfers when the customer obtains legal title to the product, which is when the Company satisfies its performance obligations. This transfer of control typically occurs at a point in time when the product is physically discharged at the point of unloading, which can be a shipping port or customer storage facility, unless an alternative transportation method is agreed upon. Revenue represents the Company's share of oil and gas sales after deducting royalties, sales taxes, excise duties and similar levies. The Company does not have contracts where the period between the transfer of the product to the customer and payment by the customer exceeds one year; therefore, the Company does not adjust its revenue transactions for the time value of money.

Overlift, or settlement, corresponds to a short-term imbalance between the Company's production and sales volumes. In these instances, the Company lifts barrels from the pipeline system, resulting in more volumes sold than produced, which is considered "overlift." During overlift, the Company recognizes the sales and an equivalent cost with no margin; when the overlift is settled, this expense is reversed to recognize the gross margin earned on the related sale in the period of production.

The proceeds from selling items produced by an exploration and evaluation ("E&E") asset are recognized in profit or loss as revenue.

Contract assets and contracts liabilities

The Company recognizes each contract in the statement of financial position as either a contract asset or a contract liability, based on the relationship between the Company's performance under the contract and the consideration received from the customer. Additionally, when a customer pays consideration, or when the Company has an unconditional right to consideration (i.e., a receivable) before transferring goods or services, the entity shall present the amount as a contract liability or customer prepayment in the statement of financial position. This classification applies at the earlier of the payment date or the date the payment becomes due.

Share-Based Compensation

The Company has a share-based compensation plan (the "Incentive Plan"), which allows for the issuance of stock options, restricted stock units ("RSUs") and deferred stock units ("DSUs"). Under the Incentive Plan, non-employee directors receive DSUs and officers and employees receive RSUs in consideration for services provided to the Company. The DSUs and RSUs are accounted for using the fair value method, estimated using the Black-Scholes option pricing-model.

DSUs represent a right to receive Common Shares (or the cash equivalent) at the time of the holder's retirement or death, or when the holder otherwise ceases to provide services to the Company, subject to limited exceptions as agreed to by the holder of the DSU, allowing the Company to pay compensation to holders of DSUs on a deferred basis. Each DSU awarded by the Company approximates the fair market value of a Common Share in U.S. dollars at the time the DSU is awarded, which is generally the grant date under IFRS. Settlement may be made, at the sole discretion of the Compensation and Human Resources Committee of the Board of Directors ("CHRC"), in Common Shares issued from treasury or purchased on the open market, cash or a combination thereof. Only persons holding the office of a director at the time of grant are entitled to receive DSUs. On the grant date, the Company recognizes a share-based compensation expense for the DSU awards at fair value with a corresponding amount in contributed surplus.

The DSU awards are classified within equity, as settlement is in the sole discretion of the Company and its intention is to settle these instruments in Common Shares.

RSUs vest in accordance with the conditions outlined in the award agreement, which can include certain time-based, market and non-market performance conditions (termed the "performance adjustment factor"), over the term of the award agreement, which is typically between one and three years. RSUs may be settled in cash, Common Shares issued from treasury or purchased on the open market, or a combination of both, at the sole discretion of the CHRC, and in accordance with terms set out in the award agreement. The Company expects to settle the RSU awards in a combination of cash and equity and recognizes share-based compensation expense for the RSU awards based on the fair value, which is revalued every reporting period with the corresponding amounts reflected as liabilities. The expense recognized includes an estimate of the number of units expected to vest based on the performance adjustment factor and forfeitures. Upon settlement, the associated amounts previously recorded as liabilities are reclassified to share capital if equity-settled.

Notes to Consolidated Financial Statements

(In thousands of U.S.\$, unless otherwise stated)

Foreign Currency Translation

Transactions denominated in a foreign currency are initially recorded at the rate of exchange on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at period-end closing exchange rates with translation gains and losses recorded in profit or loss. Non-monetary items are translated using the historical exchange rates as at the date of the initial transaction.

For a foreign operation whose functional currency is not the U.S. dollar, assets and liabilities are translated at period-end closing exchange rates, while revenue and expenses are translated using the rate as at the date of the transaction. All exchange differences resulting from the translation are recognized in Consolidated Statements of Comprehensive Loss. When a foreign operation is disposed, the cumulative currency translation adjustment is reclassified from other equity reserves to the Consolidated Statements of Loss.

Loss Per Share

Basic earnings per share is calculated using net (loss) income, attributable to equity holders of the Company, divided by the weighted average number of Common Shares outstanding. Diluted earnings per share is calculated by adjusting the weighted-average number of Common Shares outstanding for the impact of potential dilutive instruments such as DSUs and RSUs. The Company follows the treasury stock method in the calculation of diluted earnings per share whereby any proceeds received from in-the-money options would be used to buy Common Shares at the average market price for the period.

Interest in Joint Arrangements

Joint arrangements occur when two or more parties have joint control, which is the contractually agreed sharing of an arrangement. This exists when decisions about the relevant activities (being those that significantly affect the returns of the arrangements) require the unanimous consent of the parties sharing control. Joint arrangements can be classified as either a joint operation or a joint venture.

A joint operation is an arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement. The Company recognizes its proportionate share of assets, liabilities, revenues and expenses of the joint operation.

Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method of accounting whereby the purchase consideration is allocated to the identifiable assets, liabilities and non-controlling interests, if any, on the basis of their fair values at the date of acquisition. Any excess of the purchase consideration over the fair value of the net identifiable assets acquired is recognized as goodwill. If the purchase consideration is less than the fair value of the net identifiable assets acquired, the Company recognizes a bargain purchase, which is a gain in profit or loss on the acquisition date.

Goodwill is not subject to amortization and is measured at cost less any accumulated impairment, if any. For impairment testing, goodwill is allocated to the Company's Cash Generating Units ("CGUs") or groups of CGUs that are expected to benefit from the acquisition.

Cash and Cash Equivalents

Cash and cash equivalents include cash, short-term investments and deposits with a maturity of three months or less.

Restricted Cash

Restricted cash includes mainly term deposits that have been escrowed to cover future commitments and future abandonment obligations that are not available for immediate disbursement.

Inventories

Oil and gas inventory is valued at the lower of cost and net realizable value, and materials and supplies are valued at cost. Cost is determined on a weighted-average basis and includes all costs incurred to bring the inventory to its current condition and including materials, labour, direct overhead, depletion, depreciation and amortization.

Non-Current Assets Held for Sale

The Company classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale or disposition rather than through continuing use. Such non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs of disposal ("FVLCD"), and are presented separately within the Consolidated Statements of Financial Position.

Notes to Consolidated Financial Statements (In thousands of U.S.\$, unless otherwise stated)

The criteria for held for sale classification is regarded as met only when the sale or disposition is highly probable and the asset is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. The Company must be committed to the plan to sell the asset and the sale is expected to be completed within one year from the date of the classification. When the assets or disposal group are sold, the gains or losses on the sale are recognized in other income (loss) within the Consolidated Statements of Loss.

Properties, Plant and Equipment, and Exploration and Evaluation Assets

Properties, plant and equipment

Oil and gas properties, plant and equipment, including land, are measured at cost less accumulated depletion, depreciation and impairment. The initial cost of an asset comprises its purchase price or construction cost, any cost directly attributable to bringing the asset into operation, the ongoing estimate of asset retirement obligations, and borrowing costs for qualifying assets. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. Development costs are capitalized within oil and gas properties and include expenditures on the construction, installation or completion of infrastructure facilities such as pipelines and the drilling of development wells, including unsuccessful development or delineation wells. The value of a right-of-use (“ROU”) asset is also included within properties, plant and equipment. Expenditures on major maintenance or repairs that improve the productive capacity, replace a component or extend the life of an asset are capitalized. All other maintenance costs are expensed as incurred.

Depletion, depreciation and amortization

Oil and gas properties are depleted using the unit-of-production method based on estimated proved and probable reserves using forward prices and costs. Costs subject to depletion include estimated future costs to be incurred in developing proved reserves.

Plant and equipment are generally depreciated on a straight-line basis over their estimated useful lives, which range from 1 to 10 years. Major inspection costs are depreciated over three to five years, which represent the estimated period before the next planned major inspection. Plant and equipment held as ROU assets are depreciated over the shorter of the lease term and the estimated useful life of the leased asset. Land is not amortized.

Exploration and evaluation costs

E&E costs include expenditures to acquire licenses to explore, farming into or acquiring rights to working interest on exploration properties, appraisal costs of technical services and studies, seismic acquisition, exploratory drilling and testing. These costs are initially capitalized by well, field, unit of account or specific exploration unit, as appropriate, and are not subject to depreciation or depletion. Costs incurred prior to obtaining the legal rights to explore an area, geological and geophysical (“G&G”) costs, including payroll, and payments made to fulfill the remaining balance of minimum exploration work commitment for certain blocks, are recognized in profit or loss as exploration expenses. E&E assets are reclassified to oil and gas properties, after an impairment review, when commercial reserves have been discovered and technical feasibility and commercial viability are demonstrable. If technical feasibility and commercial viability cannot be demonstrated upon completion of the exploration phase, the carrying value of the E&E costs is expensed in the period this determination is made. The proceeds from selling items produced by an E&E asset are not deducted from the cost. The proceeds from selling such items, and the costs of producing those items, are recognized in profit or loss.

Investments in Associates

Associates are entities over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those decisions. Associates are accounted for using the equity method. Under the equity method, the investment is initially recorded at cost and the carrying value is subsequently adjusted to recognize the Company’s share of earnings or losses of the investee and for impairment after the initial recognition date. Losses recognized using the equity method in excess of the Company’s investment in ordinary shares are applied to the other components of the Company’s interest in an associate. Other components may include preference shares and long-term receivables or loans, but do not include trade receivables, trade payables or any long-term receivables for which adequate collateral exists. Profit distributions from the investee, typically in the form of dividends, reduce the carrying value of the investment when declared.

At each reporting date, the Company assesses whether there are any indicators of impairment. When there are indicators that an investment is impaired, the carrying value of the investment is compared to its recoverable amount, being the higher of the present value of cash flows expected to be generated (value-in-use; “VIU”) and FVLCD that could be realized by selling the investment. If the recoverable amount of the investment is less than its carrying value, an impairment loss is recognized in the period in which they occur.

Notes to Consolidated Financial Statements

(In thousands of U.S.\$, unless otherwise stated)

Impairment of Non-Financial Assets

At each reporting date, the Company assesses whether there are indicators that non-financial assets may be impaired. If an indication of impairment exists, the Company estimates the recoverable amount as the higher of VIU and FVLCD. Individual assets are grouped for impairment assessment purposes at the level of CGU, which is the lowest level for which identifiable cash inflows exist that are largely independent of the cash flows of other groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is written down to its recoverable amount. VIU is estimated as the present value of future cash flows expected to arise from the continuing use of the CGU and discounted at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the asset. FVLCD is based on available market information, where applicable. In the absence of such information, FVLCD is determined using discounted future after-tax net cash flows of proved and probable reserves using forecasted prices and costs consistent with reserves reports produced by independent certified reserves evaluators.

An assessment is also made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount or the carrying amount that would have been determined, net of depreciation, had no impairment been recognized in prior years.

Impairment losses and any reversals of impairment are recognized in profit or loss in the period in which they occur.

Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument and are initially measured at fair value. Transaction costs directly attributable to the acquisition or issue of financial instruments classified as amortized cost are included in the carrying value of such instruments. Transaction costs directly attributable to the acquisition of financial instruments classified as fair value through profit or loss ("FVTPL") are expensed as incurred.

Financial assets

Financial assets are subsequently measured at either amortized cost using the effective interest method or fair value based on their classification. Financial assets are subsequently measured at amortized cost less impairment if they meet the following conditions:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- The asset was not acquired principally for the purpose of selling in the near term or management for short-term profit taking (i.e., held for trading).

All other financial assets, except equity investments as described below, are classified as FVTPL and subsequently measured at fair value with gains or losses arising from changes in fair value recorded in profit or loss.

On the day of acquisition of an equity instrument, the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments at fair value through other comprehensive income ("FVTOCI"). Designation at FVTOCI is not permitted if the equity investment is held for trading. Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive loss. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the investments. The Company has designated all investments in equity instruments as FVTPL (Note 27).

Impairment of financial assets carried at amortized cost - Expected credit loss allowances

At each reporting date, the Company assesses whether a financial asset or group of financial assets is impaired under the expected credit loss ("ECL") model. For short-term trade receivables, the Company applies the simplified approach and has calculated ECLs based on lifetime ECLs. The Company has established a provision matrix that is based on historical normalized credit loss experience. The loss rate under the provision matrix is based on the payment profiles and aging of trade receivables and is adjusted to reflect current and forward-looking information on macroeconomic factors.

For long-term receivables, joint arrangement receivables and short-term loan assets, the ECL is based on the 12-month ECL and lifetime ECL approach. The 12-month ECL is the portion of lifetime ECLs that result from default events that are possible

Notes to Consolidated Financial Statements (In thousands of U.S.\$, unless otherwise stated)

within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL, and if risk decreases lifetime can move back to 12 months.

The Company evaluates for credit risk increases based on a variety of indicators, including credit risk rating agency assessments, available counterparty internal and external information, letter of credits, deposits and macroeconomic factors. The Company considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past the contractual due date. The Company considers a financial asset in default when contractual payments are more than 90 days past the due date.

Impairments on financial assets carried at amortized cost can be reversed in subsequent periods if the asset is no longer credit-impaired and the improvement can be objectively related to an event occurring after the impairment was recognized.

Financial liabilities

Financial liabilities are classified as FVTPL if they are held for trading or designated as FVTPL on initial recognition. Financial liabilities at FVTPL are measured at fair value with gains and losses arising from changes in fair value recognized in profit or loss. Other financial liabilities are measured at amortized cost using the effective interest method.

Fair value hierarchy

The Company uses a three-level hierarchy to categorize the significance of the inputs used in measuring or disclosing the fair value of financial instruments. The three levels of the fair value hierarchy are as follows:

- Level 1 - Quoted prices in active markets for identical assets or liabilities. Active markets are those in which transactions occur in a frequency and volume sufficient to provide pricing information on an ongoing basis.
- Level 2 - Inputs other than quoted prices that are observable either directly or indirectly. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value, volatility factors and broker quotations that can be substantially observed or corroborated in the marketplace.
- Level 3 - Inputs that are based on unavailable or observable data. Level 3 instruments may include items based on pricing services or broker quotes where the Company is unable to verify the observability of inputs into their prices. Level 3 instruments include longer-term transactions, transactions in less active markets or transactions at locations for which pricing information is not available. In these instances, fair value is determined through internally developed methodologies, which primarily includes the extrapolation of observable future prices to similar locations, similar instruments or later time periods.

If different levels of inputs are used to measure a financial instrument's fair value, the classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement.

Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks and commodity price risks. Derivative financial instruments are classified at FVTPL and are measured at fair value. The resulting gain or loss is recognized immediately in profit or loss unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. The Company has not formally designated any derivatives as hedging instruments.

Borrowing Costs

Borrowing costs directly relating to the acquisition, construction or production of a qualifying capital project under construction are capitalized and added to the project cost during construction until such time as the assets are substantially ready for their intended use by management (i.e., when they are capable of commercial production). All other borrowing costs are recognized in profit or loss using the effective interest rate method.

Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases, leases of low-value assets and variable lease payments. The Company recognizes lease liabilities to make lease payments and ROU assets representing the right to use the underlying assets.

Notes to Consolidated Financial Statements (In thousands of U.S.\$, unless otherwise stated)

Right-of-use assets

The Company recognizes ROU assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROU assets are measured at cost, less any accumulated depreciation and impairment losses, and are adjusted for any remeasurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities recognized, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized ROU assets are depreciated on a straight-line basis over the shorter of estimated useful life and the lease term. ROU assets are subject to impairment testing. Refer to Impairment of Non-Financial Assets described above.

Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate.

The variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities increases to reflect the accretion of interest and decreases for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases, leases of low-value assets and variable lease payments

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment, mainly those considered low value. These exemptions also apply to lease arrangements that include variable lease payments. Lease payments on short-term leases, leases of low-value assets and leases with variable payments that qualify for the exemption are recognized as expenses on a straight-line basis over the lease term.

Asset Retirement Obligations (“ARO”)

An ARO is recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the obligation can be made. A corresponding amount equivalent to the ARO is also recognized as part of the cost of the related oil and gas properties or E&E assets. The amount recognized is the estimated cost of decommissioning, discounted to its present value. Changes in the estimated timing or costs of decommissioning or in the discount rate are recognized prospectively by recording an adjustment to the ARO and a corresponding adjustment to the related properties. When a decrease in the ARO exceeds the carrying amount of the related asset, or there is an increase in the ARO related to fully impaired or relinquished assets, the change is recognized in profit or loss as a recovery or expense of ARO. The unwinding of the discount on the decommissioning cost is included as a finance expense.

This accounting policy also applies to the costs the Company deems to be environmental liabilities, which include, but are not limited to, the provision of 1% in Colombia of the investment for use of water sources, costs of reforestation, and any compensation or other costs incurred by environmental licenses.

Taxes

Current income tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable regarding previous periods. Current income tax is recognized in the Consolidated Statements of Loss, except when it relates to items recognized in other comprehensive loss or directly in equity, in which case it is also recognized in other comprehensive income or equity.

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits, and unused tax losses to the extent that it is probable that taxable profits will be available against which the deductible temporary

Notes to Consolidated Financial Statements (In thousands of U.S.\$, unless otherwise stated)

differences and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred income tax is not recognized on the initial recognition of goodwill, or assets and liabilities in a transaction that is not a business combination.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each date of the Consolidated Statements of Financial Position and are recognized to the extent that it becomes probable that future taxable earnings will allow the deferred tax asset to be recovered.

Deferred income tax is recognized in the Consolidated Statements of Loss, except when it relates to items recognized in other comprehensive loss or directly in equity.

Deferred income tax assets and liabilities are offset if a legally enforceable right exists to offset current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Current income tax includes Pillar Two taxes and the Company has applied the mandatory temporary exception to recognizing and disclosing Pillar Two deferred taxes.

b. Changes in Accounting Policies and Disclosures, and Standards Issued but not yet Effective

Changes in Accounting Policies and Disclosures Effective January 1, 2025

The Company has adopted the following new amendments that could have an impact on the consolidated financial statements. Other than the adoption of these items, the accounting policies applied are consistent with those applied in the previous year.

Lack of exchangeability – Amendments to International Accounting Standard (“IAS”) 21

In August 2023, the IASB issued amendments to IAS 21, *The Effects of Changes in Foreign Exchange Rates*, to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity’s financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after January 1, 2025. The application of such amendment had no impact on the Company or the consolidated financial statements.

Standards Issued but not yet Effective

Amendments to standards that have been issued but are not yet effective up to the date of issuance of these consolidated financial statements, which are likely to have an impact on the Company, are listed below. The Company intends to adopt these amended standards and interpretations, if applicable, when they become effective.

IFRS 18, Presentation and Disclosure in Financial Statements (“IFRS 18”)

In April 2024, the IASB issued IFRS 18, which replaces IAS 1, *Presentation of Financial Statements*. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures and subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified “roles” of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7, *Statement of Cash Flows*, which include changing the starting point for determining cash flows from operations under the indirect method, from “profit or loss” to “operating profit or loss” and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after January 1, 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively. The Company is currently assessing the impact of the new standard.

IFRS 19, Subsidiaries without Public Accountability: Disclosures (“IFRS 19”)

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS. To be eligible, at the end of the

Notes to Consolidated Financial Statements (In thousands of U.S.\$, unless otherwise stated)

reporting period, an entity must be a subsidiary as defined in IFRS 10, *Consolidated Financial Statement*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS.

IFRS 19 will become effective for reporting periods beginning on or after January 1, 2027, with early application permitted. The Company is currently assessing the impact of the new standard.

Classification and Measurement of Financial Instruments – Amendments to Financial Instruments: Disclosures (“IFRS 7”) and Financial Instruments (“IFRS 9”)

In May 2024, the IASB issued amendments to the IFRS 9 and IFRS 7, Classification and Measurement of Financial Instruments, to clarify that a financial liability is derecognized on the “settlement date”. It also introduced an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met, clarified how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (“ESG”)-linked features and other similar contingent features and clarifies the treatment of non-recourse assets and contractually linked instruments. The amendments also require additional disclosures for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked) and equity instruments classified at FVTOCI.

The amendments will be effective for annual reporting periods beginning on or after January 1, 2026. The Company is currently assessing the impact of these amendments.

Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 7 and IFRS 9

In December 2024, the IASB issued amendments to IFRS 9 and IFRS 7, Contracts Referencing Nature-dependent Electricity, to update the “own-use” requirements for contracts that expose an entity to variability in an underlying amount of electricity because the source of electricity generation depends on uncontrollable natural conditions, typically associated with renewable electricity sources such as sun and wind. The amendments refine the eligibility and designation criteria for hedged items in cash flow hedge relationships, specifically for contracts that meet the scope conditions set out in IFRS 9. The amendments also require disclosure of information that enable investors to understand the effect of these contracts on a company’s financial performance and cash flows.

The amendments will be effective for annual reporting periods beginning on or after January 1, 2026. The Company is currently assessing the impact of these amendments.

c. 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. 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 Consolidated Financial Statements

(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.

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 30 "Subsequent Events."

Based on the analysis above, the criteria for classification as assets held for sale were not met as of December 31, 2025. subsequently on January 29, 2026 the highly probable criteria were met. According to IAS 10, *Events After The Reporting Period* transactions or developments relating to a potential sale of assets represent non-adjusting subsequent events. Consequently, no adjustment related to assets held for sale were included in the financial statements as of December 31, 2025.

CGU

The determination of a CGU requires the Company to apply judgments, and the CGUs may change over time to reflect changes in the Company's oil and gas assets. CGUs are identified as major areas within which there are groups of producing blocks that share similar characteristics, infrastructure and cash inflows that are largely independent of cash inflows of other groups of assets. Impairment assessment is generally carried out separately for each CGU based on cash flow forecasts calculated using oil and gas reserves and resources for each CGU.

The Company has identified its CGUs in Colombia, which are categorized as follows: North and Central. The North CGU mainly includes the El Dificil and VIM-1 blocks, while the Central CGU includes the CPE-6, Quifa, Guatiquia, Cubiro, Corcel and other remaining blocks located in Colombia.

E&E assets are allocated to CGUs based on several factors, including, but not limited to, proximity to existing CGUs, ability to share infrastructure and workforce, and management's grouping of these assets for decision-making and budget allocations. If the E&E property is not part of an existing operational CGU, it is assessed based on a geographically similar pool of E&E assets.

Impairment indicators

The Company monitors internal and external indicators of impairment relating to its properties, plant and equipment, investments in associates and E&E assets. External sources of information include changes in the economic and legal environment in which the CGUs operate. Internal sources include the economic performance of the CGUs and other asset specific indicators. In assessing impairment for E&E assets, the Company applies judgment in considering various factors that determine technical feasibility and commercial viability.

Notes to Consolidated Financial Statements (In thousands of U.S.\$, unless otherwise stated)

Corentyne license

Frontera Guyana and CGX Resources Inc. (“**CGX**”, and together with Frontera Guyana, the “**Joint Venture**”), jointly hold 100% of the working interest in the Corentyne block, located off-shore Guyana. Frontera Guyana and CGX Resources have agreed that their respective participating interests are 72.52% and 27.48%, which includes a 4.52% interest which CGX Resources agreed to assign to Frontera Guyana in 2023. The assignment remains subject to the approval of the Government of Guyana (“**GoG**”) but is enforceable between Frontera Guyana and CGX.

On June 26, 2024, the Company and CGX Energy Inc. announced that they submitted a notice of potential commercial interest for the Wei-1 discovery to the GoG, which preserves their interests in the Petroleum Prospecting License (“**PPL**”) and the Petroleum Agreement (“**PA**”) for the Corentyne block off-shore Guyana. Due to the absence of a response from the GoG and the remarks made by certain Government officials, on December 12, 2024, the Joint Venture announced that it had sent the GoG a letter activating a 60-day period for the parties to the PA to make all reasonable efforts to amicably resolve all disputes via negotiation. On February 11, 2025, the Joint Venture announced that it received a communication from the GoG in which the GoG has taken the position that the PPL has terminated or, alternatively, that the communication served as a 30-day notice of the GoG's intention to cancel the PPL. Although the GoG argued that the PPL and PA have been terminated, it invited the Joint Venture to submit any representations it wished to have considered by the GoG prior to its final decision on whether to cancel any existing license. The GoG further stated that any such license would cease to have effect on March 10, 2025, unless any representations made are favorably considered. On February 24, 2025, CGX announced that the Joint Venture had provided a response, advising the GoG that notwithstanding the GoG's contradictory positions, both the PPL and the PA remain valid and in force. The Joint Venture remains firmly of the view that its interest in the PPL and the PA for the Corentyne block remain in place and in good standing. On March 11, 2025, the GoG issued a “Notice of Cancellation/Termination” asserting the GoG's conclusion that the PA was terminated and the PPL was cancelled while failing to address any of the Joint Venture's substantive arguments.

On March 26, 2025, the Company and its subsidiaries, Frontera Petroleum International Holding B.V. and Frontera Energy Guyana Holding Ltd. (the “**Investors**”) sent a notice of intent to the GoG by which the Investors alleged breaches of the United Kingdom – Guyana Bilateral Investment Treaty (BIT) and the Guyana Investment Act by the GoG (the “**Notice of Intent**”). This communication triggered a 90-day consultation and negotiation period intended to resolve the dispute amicably. The parties have been unable to reach a mutual resolution to date.

On July 23, 2025, the Government of Guyana, through its legal counsel, responded to the Notice of Intent, rejecting the claims regarding the Corentyne block license, and reaffirmed its view that the Joint Venture's interest expired on June 28, 2024. The Joint Venture has continued to exchange certain without prejudice communications with the Government of Guyana, and remains open to engaging in good faith discussions with the Government.

The Joint Venture continues to firmly maintain that its interests in, and the license for, the Corentyne block remain valid and in good standing and that the Petroleum Agreement for such block has not been terminated. While the GoG reaffirmed its position that the Joint Venture's interest expired on June 28, 2024, the Joint Venture strongly disagrees and remains committed to asserting its legal rights under applicable treaties and agreements.

The Company evaluated the Corentyne E&E asset's recoverability given the GoG's conduct and communications, and its unwillingness to recognize the Joint Venture's rights during the consultation periods, which have since expired. Although all contractual requirements of the Company have been met and an external legal assessment determined that the Company's interests in the PA and PPL for the Corentyne block remain valid, the GoG's position, as described above, has restricted the Company's ability to develop activities under the PA and PPL. This situation has led to uncertainty regarding the asset's future development and constituted an impairment indicator under IFRS 6, *Exploration for and Evaluation of Mineral Resources* and IAS 36, *Impairment of Assets*. Consequently, the Company recognized an impairment of \$432.2 million in its income statement during the second quarter, and the Corentyne E&E asset's carrying value as at December 31, 2025 is \$Nil (2024: \$431.9 million).

This accounting treatment reflects the current operational limitations and does not constitute an acknowledgment by the Joint Venture of any diminution in its legal position regarding its rights under the PA, PPL and applicable law regarding the Corentyne block. The Joint Venture, along with its stakeholders, remains committed to protecting and enforcing their contractual and legal rights through all appropriate means. According to IFRS, an impairment expense can be reversed in the future if subsequent circumstances indicate changes in the recoverable amount of the asset.

Notes to Consolidated Financial Statements

(In thousands of U.S.\$, unless otherwise stated)

Estimation Uncertainty and Assumptions

Oil and gas reserves

Oil and gas reserves are estimates of the amount of hydrocarbons that can be economically and legally extracted from the Company's oil and gas properties. Commercial reserves are determined using estimates of oil and gas in place, recovery factors and future commodity prices. Future development costs are estimated using assumptions as to the number of wells required to produce the commercial reserves, the cost of such wells and associated production facilities, and other capital costs.

As the economic assumptions used may change and as additional geological information is obtained during the operation of a field, estimates of recoverable reserves may change. Such changes may impact the Company's reported Consolidated Financial Position and results, which include the following:

- The carrying value of E&E assets and properties, plant and equipment may be affected due to changes in estimated future cash flows.
- Depletion, depreciation and amortization charges in the Consolidated Statements of Loss may change where such charges are determined using the unit-of-production method or where the useful life of the related assets change.
- Provisions for decommissioning may require revision where changes to reserves estimates affect expectations about when such activities will occur and the associated cost of these activities.
- The recognition and carrying value of deferred tax assets may change due to changes in the judgments regarding the existence of such assets and in estimates of the likely recovery of such assets.

Depletion of oil and gas properties

Oil and gas properties are depleted using the unit-of-production method. In applying the unit-of-production method, oil and gas properties are depleted over proved and probable reserves. The calculation of the unit-of-production rate of amortization could be impacted to the extent that actual production in the future is different from current forecasted production based on proved and probable reserves. This would generally result from significant changes in any of the following:

- Changes in reserves.
- The effect on reserves due to differences between actual commodity prices and commodity price assumptions.
- Unforeseen operational issues.

Recoverable amounts - Oil and gas properties and E&E assets

The determination of the recoverable amount of the Frontera E&P Assets required significant management judgment.

As of December 31, 2025, management identified an indicator of impairment arising from market conditions and a change in the intended use of the assets due to the decision to potentially sell the Frontera E&P Assets.

In estimating the recoverable amount in accordance with IAS 36, management assessed the most appropriate basis to estimate FVLCD.

Management determined the FVLCD using market-based evidence of the price that market participants would be willing to pay for the Frontera E&P Assets in an orderly transaction. Accordingly, management concluded that the recoverable amount of the Frontera E&P Assets as at December 31, 2025 was best estimated based on the cash consideration contemplated to be paid to the Company pursuant to the Parex Arrangement Agreement, adjusted for estimated transaction costs and the purchaser break fee payable by the Company to GeoPark under the GeoPark Arrangement Agreement (as defined below).

Asset retirement obligations - Environmental and decommissioning costs

The Company will incur environmental and decommissioning costs at the end of the operating life of certain facilities and properties. The ultimate environmental and decommissioning costs are uncertain, and estimates can vary in response to many factors, including changes to relevant legal requirements, the emergence of new restoration techniques or experience at other production sites, or environmental legislation. The expected timing and amount of expenditure can also change, for example, in response to changes in reserves or changes in laws and regulations or their interpretation. As a result, there could be significant adjustments to the decommissioning ARO and environmental liabilities that would affect future financial results (Note 22).

Notes to Consolidated Financial Statements (In thousands of U.S.\$, unless otherwise stated)

Deferred tax assets

Deferred tax assets are recognized only to the extent that it is probable that taxable profit will be available against which the unused temporary differences can be utilized. Future projected income could be affected by oil prices and quantities of proved and probable reserves. If these factors or other circumstances change, the Company would reassess its ability to record any increase or decrease in its deferred income tax assets. To the extent that actual outcomes differ from management's estimates, taxation charges or credits may arise in future periods (Note 13). As of December 31, 2025, no deferred tax assets were recognized in respect of Frontera's Colombian oil and gas exploration and production assets, as recoverability was not considered probable following the announcements made on January 30, 2026 and March 10, 2026 and the execution of the Parex Arrangement Agreement (refer to note 30 "Subsequent Events" for further details).

Notes to Consolidated Financial Statements (In thousands of U.S.\$, unless otherwise stated)

4. Segmented Information

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

- Colombia: Includes all upstream business activities of exploration and production in Colombia.
- Guyana: Includes all offshore business activities of exploration in Guyana.
- Infrastructure Colombia: Includes the Company's investment in certain infrastructure, midstream and other assets, including storage, port, the reverse osmosis water treatment facility ("SAARA"), the palm oil plantation, other facilities in Colombia and the Company's investment in pipelines. As part of the Parex Arrangement Agreement, Frontera is selling the SAARA and ProAgrollanos assets, given their close operational linkage to supporting activities in the Quifa block. Following the closing of the Parex Arrangement Agreement, Frontera's Infrastructure Colombia business will no longer include SAARA or ProAgrollanos.

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. In addition, it 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.

For the year ended December 31, 2025, operating segmented information for the Consolidated Statements of Loss is as follows:

Year Ended December 31	Exploration and Production Onshore Colombia		Exploration Guyana		Infrastructure Colombia		Canada & Others		Eliminations		Total Continuing Operations	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Oil and gas sales	\$ 958,870	\$1,056,863	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 958,870	\$1,056,863
Other revenue	—	—	443	—	60,055	48,542	6,132	2,743	(17,328)	(8,789)	49,302	42,496
Royalties	(9,448)	(14,704)	—	—	—	—	—	—	—	—	(9,448)	(14,704)
Revenue	949,422	1,042,159	443	—	60,055	48,542	6,132	2,743	(17,328)	(8,789)	998,724	1,084,655
Operating costs	377,120	366,004	—	—	42,674	31,438	340	570	(8,774)	(3,401)	411,360	394,611
Cost of diluent and oil purchased	231,516	238,590	—	—	—	—	—	—	(2,422)	(2,646)	229,094	235,944
General and administrative	49,859	36,775	1,074	2,551	5,653	5,903	7,720	6,204	(6,132)	(1,141)	58,174	50,292
Share-based compensation	2,598	1,721	—	62	—	—	922	731	—	—	3,520	2,514
Depletion, depreciation and amortization	258,993	245,366	632	14	14,191	7,576	1,603	1,835	—	—	275,419	254,791
Impairment expense, exploration expenses and other	601,846	22,793	449,815	—	13,021	350	5,835	790	—	—	1,070,517	23,933
Restructuring, severance and other costs	6,793	2,404	908	—	2,739	1,710	10,644	1,198	—	—	21,084	5,312
(Loss) income from operations	(579,303)	128,506	(451,986)	(2,627)	(18,223)	1,565	(20,932)	(8,585)	—	(1,601)	(1,070,444)	117,258
Share of income from associates	—	—	—	—	59,197	53,912	—	—	—	—	59,197	53,912
Segment (loss) income	\$ (579,303)	\$ 128,506	\$ (451,986)	\$ (2,627)	\$ 40,974	\$ 55,477	\$ (20,932)	\$ (8,585)	\$ —	\$ (1,601)	\$ (1,011,247)	\$ 171,170
Other non-operating expense items											(49,877)	(91,083)
Income tax recovery (expense)											22,557	(99,324)
Net loss for the year											\$ (1,038,567)	\$ (19,237)

Notes to Consolidated Financial Statements (In thousands of U.S.\$, unless otherwise stated)

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

	As at December	
	2025	2024
Colombia	\$ 1,400,984	\$ 1,964,756
Guyana	3,067	452,591
Ecuador	—	57,507
Canada & Others	7,547	12,973
Total non-current assets	\$ 1,411,598	\$ 2,487,827

The Company's oil and gas sales and other revenue based on the geographic location of the port of delivery is as follows:

	Year Ended December 31	
	2025	2024*
United States	\$ 437,059	\$ 377,357
Panama (Petroterminal de Panama)	257,310	426,365
Colombia	209,468	187,844
Africa	45,329	33,644
Europe	35,953	—
Caribbean	23,053	74,149
Total oil and gas sales and other revenue	\$ 1,008,172	\$ 1,099,359

*As a result of discontinued operations these amounts have been re-presented. Refer to note 8, "Discontinued Operations", for further details.

For the year ended December 31, 2025, the Company had three customers (2024: three customers) that individually accounted for more than 10% of revenue. Sales to these customers were \$422.8 million, \$140.9 million and \$114.9 million (2024: \$446.4 million, \$151.4 million and \$115.5 million). These customers are associated to the sales that come from the productive assets in Colombia.

5. Revenue from Contracts with Customers

The following table provides the disaggregation of the Company's revenue from contracts with customers, including a reconciliation with the amounts disclosed in the segmented information (Note 4):

	Year Ended December 31	
	2025	2024*
Colombia		
Produced crude oil sales	\$ 753,575	\$ 846,574
Purchased crude oil and products sales	194,015	202,752
Gas sales	11,280	7,537
Oil and gas sales*	958,870	1,056,863
Infrastructure Colombia sales to external customers	48,859	42,496
Inter-segment sales	11,196	6,046
Infrastructure Colombia sales	60,055	48,542
Other revenues	6,575	2,743
Elimination of Infrastructure Colombia inter-segment sales	(17,328)	(8,789)
Oil and gas produced, purchased sales and other revenue	\$ 1,008,172	\$ 1,099,359

*As a result of discontinued operations these amounts have been re-presented. Refer to note 8, "Discontinued Operations", for further details.

Notes to Consolidated Financial Statements (In thousands of U.S.\$, unless otherwise stated)

6. Operating Costs

	Year Ended December 31	
	2025	2024*
Transportation costs	\$ 154,426	\$ 146,741
Production costs (excludes energy costs)	128,296	134,694
Energy costs	79,546	75,622
Trunkline costs and other ⁽¹⁾	2,162	5,314
Inventory valuation	917	236
Post-termination costs	3,339	577
Total oil and gas operating costs	368,686	363,184
Port operating costs	25,643	21,557
Special projects and other costs ⁽²⁾	17,031	9,870
Total operating costs	\$ 411,360	\$ 394,611

*As a result of discontinued operations these amounts have been re-presented. Refer to note 8, "Discontinued Operations", for further details.

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

⁽²⁾ Mainly includes costs related to Promotora Agrícola de los Llanos S.A. and SAARA.

Cost of Diluent and Oil Purchased

Cost of diluent and oil purchased represents the cost of third-party hydrocarbon volumes purchased primarily for dilution and refining purposes as part of the Company's oil operations, as well as its marketing and transportation strategy. For the year ended December 31, 2025, the cost of oil purchased and diluent was \$229.1 million (2024: \$235.9 million).

7. General and Administrative

	Year Ended December 31	
	2025	2024*
Salaries and benefits	\$ 30,649	\$ 30,487
Professional fees	14,641	15,630
Taxes	4,149	4,678
Other expenses (income)	1,502	(503)
Colombian temporary taxes ⁽¹⁾	7,233	—
Total	\$ 58,174	\$ 50,292

*As a result of discontinued operations these amounts have been re-presented. Refer to note 8, "Discontinued Operations", for further details.

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

8. Discontinued Operations

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.

As a result, the Company recognized a loss related to remeasurement to fair value less costs to sell of \$5.4 million.

Notes to Consolidated Financial Statements (In thousands of U.S.\$, unless otherwise stated)

The results of the discontinued operations during the year ended December 31, 2025 and 2024 are presented below:

	Year Ended December 31	
	2025	2024
Oil and gas produced, purchased sales and other revenue	\$ 18,463	\$ 30,532
Royalties	(875)	(1,400)
Revenue from discontinued operations	17,588	29,132
Operating costs	7,231	7,937
General and administrative	804	2,081
Share-based compensation	(8)	41
Depletion, depreciation and amortization	4,081	7,727
Impairment, exploration expenses and other	45,553	11,942
Loss from operations from discontinued operations	(40,073)	(596)
Finance income	32	23
Finance expense	(333)	(953)
Other income (loss)	405	(228)
Net loss before income tax from discontinued operations	(39,969)	(1,754)
Current income tax expense	(477)	(2,949)
Deferred income tax recovery (expense)	3,525	(831)
Income tax recovery (expense)	3,048	(3,780)
Related to remeasurement to fair value less costs to sell	(5,438)	—
Net loss for the year from discontinued operations	\$ (42,359)	\$ (5,534)

The cash flows from the discontinued operations are as follows:

	Year Ended December 31	
	2025	2024
Operating	\$ 3,393	\$ 19,466
Investing	(1,252)	(29,785)
Financing	(153)	(846)
Net cash inflow (outflow)	\$ 1,988	\$ (11,165)

9. Impairment, Exploration Expenses and Other

	Year Ended December 31	
	2025	2024*
Impairment expense of:		
Properties, plant and equipment		
North Colombia CGU	\$ 43,474	\$ 980
Central Colombia CGU	540,132	8,429
Infrastructure	13,021	350
Guyana	17,057	—
Properties, plant and equipment (Note 16)	\$ 613,684	\$ 9,759
Exploration and evaluation assets		
Colombia	6,808	7,996
Guyana	432,757	—
Exploration and evaluation assets (Note 17)	\$ 439,565	\$ 7,996
Other	9,920	2,230
Total impairment expense	\$ 1,063,169	\$ 19,985

*As a result of discontinued operations these amounts have been re-presented. Refer to note 8, "Discontinued Operations", for further details.

Notes to Consolidated Financial Statements

(In thousands of U.S.\$, unless otherwise stated)

Impairment Test

The Company assesses at the end of each reporting period whether there are indicators, from both external and internal sources, that an asset or CGU may be impaired, or if there is any indication that previously recognized impairment losses may no longer exist or may have decreased. In performing the assessment, the Company considers changes in the market, economic and legal environments in which the Company operates that are beyond its control and that may affect the recoverable amount of its oil and gas and E&E assets.

In consideration of the potential sale of the Frontera E&P Assets, the Company identified a change in the intended use such assets. Consequently, the recoverable amount was measured based on FVLCD, consistent with the value expected to be recovered in connection with the Parex Arrangement. For further details, refer to the "Critical Judgments in Applying Accounting Policies" section on page 21.

As a result, the carrying amounts as of December 31, 2025 of the assets related to the Colombian upstream business exceeded their recoverable amount. Accordingly, the Company determined that impairment charges of \$591.6 million before tax should be recognized. This amount has been allocated between properties, plant and equipment and E&E asset's, as presented below.

The impairment generated by the change in the intended use of the assets related to the Colombian upstream business creates a temporary difference for deferred tax purposes. However, deferred tax assets are not recognized because, in accordance with paragraph 24 of IAS 12, they are not expected to be recovered in the future, considering the sale of the assets.

Properties, plant and equipment

During the year ended December 31, 2025, the Company recognized an impairment charge of \$613.7 million (2024: \$9.8 million). The impairment was mainly attributable to the change in the intended use of the assets related to the Colombian upstream business, totalling \$585.4 million (for further information, refer to the "Critical Judgments in Applying Accounting Policies" section on page 21).

The Company also recognized an impairment related to the Guyana port. The recoverable amount of the Port was determined based on VIU using a discounted cash flow model. Management determined that VIU was the most appropriate basis as there is no active market for comparable port infrastructure assets in the relevant jurisdiction. The discounted cash flow model is based on management-approved forecasts reflecting the current operating plan and expected utilization of the port facilities. Cash flows were projected over the remaining concession life through 2060. No terminal value was applied beyond the concession term.

The key assumptions used in the estimation of the Guyana Port included: pre-tax discount rate of 23%, forecast ramp-up of vessel traffic and throughput volumes consistent with current contractual and non-binding commercial discussions, operating cost structure reflecting current fixed and variable cost levels, capital expenditures limited to essential maintenance and committed infrastructure works and no significant expansion capex beyond currently supportable funding capacity. Based on these assumptions, the recoverable amount of the Guyana port was estimated at \$2.2 million, resulting in an impairment charge of \$17.1 million.

In addition, impairment charges were recognized in relation to Infrastructure assets and the relinquishment of certain fields or areas within the Cubiro and Corcel blocks.

Exploration and evaluation assets

During the year ended December 31, 2025, the Company recorded an impairment charge of \$439.6 million (2024: \$8.0 million), mainly related to the impairment of the Corentyne block in Guyana (for further information, refer to the "Critical Judgments in Applying Accounting Policies" section on page 21). Additionally, an amount of \$6.3 million was recognized in relation to the change in the intended use of the assets related to the Colombian upstream business (for further information, refer to the "Critical Judgments in Applying Accounting Policies" section on page 21).

Other

During the year ended December 31, 2025, the Company recognized an impairment expense of \$9.9 million, primarily related to Inventory and VAT in Peru, in addition to impairment attributable to obsolete inventory materials and certain accounts receivable (2024: \$2.2 million).

Notes to Consolidated Financial Statements (In thousands of U.S.\$, unless otherwise stated)

Exploration Expenses

During the year ended December 31, 2025, the Company recognized exploration expenses of \$1.8 million (2024: \$1.6 million), primarily related to geological and geophysical activities

Expense of Asset Retirement Obligations

During the year ended December 31, 2025, the Company recognized an ARO expense of \$5.5 million (2024: \$2.3 million).

Total Impairment Expense, Exploration Expenses and Other

	Year Ended December 31	
	2025	2024*
Impairment expense	\$ 1,063,169	\$ 19,985
Exploration expenses	1,848	1,613
Expense of asset retirement obligations (Note 22)	5,500	2,335
Total impairment expense, exploration expenses and other	\$ 1,070,517	\$ 23,933

*As a result of discontinued operations these amounts have been re-presented. Refer to note 8, "Discontinued Operations", for further details.

10. Employee Salaries and Benefit Expenses

	Year Ended December 31	
	2025	2024
Salaries, bonuses and other short-term benefits	\$ 51,561	\$ 51,974
Share-based compensation ⁽¹⁾	3,520	2,514
Total	\$ 55,081	\$ 54,488

⁽¹⁾ Includes cash settlement of \$0.8 million (2024: \$0.8 million).

11. Restructuring, Severance and Other Costs

During the year ended December 31, 2025, the Company incurred the following:

- \$7.0 million (2024: \$2.3 million) in severance costs related to targeted reorganization initiatives simplifying corporate structure.
- \$14.1 million (2024: \$3.0 million) in costs regarding activities to deliver process improvements, operational efficiencies and other projects. For the year ended December 31, 2025 includes employee incentive payments, fees and expenses resulting from the recapitalization of the Company's interest in the Oleoducto de los Llanos Orientales S.A. ("ODL").

12. Other income (loss)

During the year ended December 31, 2025, the Company recognized an income of \$7.0 million. This amount primarily reflects the recognition of a insurance recoveries associated with the Sabanero block of \$14.7 million. The effect of this income was partially offset by other expenses, net, \$7.7 million (2024:\$0.7 million).

13. 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:

Notes to the Consolidated Financial Statements (In thousands of U.S.\$, unless otherwise stated)

	Year Ended December 31	
	2025	2024*
Net (loss) income before income tax from continuing operations	\$ (1,061,124)	\$ 80,087
Colombian statutory income tax rate ⁽¹⁾	35%	45%
Income tax expense at statutory rate	(371,393)	36,039
Increase (decrease) in income tax provision resulting from:		
Non-deductible/taxable expense/income and other differences	33,028	(42,428)
Foreign exchange impact on deferred income tax	(61,556)	69,128
Share-based compensation	212	805
Differences in tax rates	(1,501)	(2,848)
Change in deferred income tax	378,653	38,628
Income tax (recovery) expense from continuing operations	(22,557)	99,324
Current income tax expense	46	7,029
Deferred income tax (recovery) expense:		
Relating to origination and reversal of temporary differences	(22,603)	92,295
Income tax (recovery) expense from continuing operations	\$ (22,557)	\$ 99,324
Effective tax rate	2.13%	124.02%

*As a result of discontinued operations these amounts have been re-presented. Refer to note 8, "Discontinued Operations", for further details.

⁽¹⁾ According to the forecasted average Brent prices, the statutory income tax rate included an additional estimated surcharge of 10% as at December 31, 2024.

During the year ended December 31, 2025, the Company recognized a current income tax expense of \$46 thousand, compared to \$7.0 million in the same period 2024, and a deferred income tax recovery of \$22.6 million, compared to a deferred income tax expense of \$92.3 million in the same period 2024.

The deferred tax recovery for the year ended December 31, 2025, is mainly due to the reversal of deferred tax liabilities recorded in 2024. As of December 31, 2025, no deferred tax assets were recognized in respect of Frontera's Colombian oil and gas exploration and production assets, as recoverability was not considered probable following the announcements made on January 30, 2026 and March 10, 2026 and the execution of the Parex Arrangement Agreement (for further information, refer to the "Critical Judgments in Applying Accounting Policies" section on page 21).

As at December 31, 2025, the deferred tax asset was \$21.7 million (2024: \$24.4 million), and the deferred tax liability was \$Nil million (2024: \$28.8 million).

Deferred tax (liability) asset balances	As at December 31	
	2025	2024
Tax losses	34,419	50,778
Accruals	684	70,828
Oil and gas properties	(13,402)	(126,033)
Total net deferred tax, as at December 31	21,701	(4,427)

Below movements in deferred tax assets and deferred tax liabilities:

Movement in deferred tax assets	As at December 31	
	2025	2024
As at January 1	\$ 24,421	\$ 101,589
Recognized as deferred income tax (expense) recovery	(2,720)	(78,598)
Recognized as deferred income tax asset	—	1,430
As at December 31	21,701	24,421

Movement in deferred tax liability	As at December 31	
	2025	2024
As at January 1	\$ 28,848	\$ 14,320
Recognized as deferred income tax expense	(28,848)	14,528
Recognized as deferred income tax liability	—	—
As at December 31	—	28,848

Notes to the Consolidated Financial Statements (In thousands of U.S.\$, unless otherwise stated)

As at December 31, 2025, deferred tax asset of \$204.2 million (2024: \$307.1 million Canada, Colombia, Guyana and Peru) relating to non-capital losses in Canada, Colombia, Guyana and Peru were not recognized as it is probable that the Company will not be able to use these balances in the future.

The following table summarizes the Company's tax attributes and expiry dates by jurisdiction as at December 31, 2025:

Tax attributes and expiry years	Year 2025-2027	2028 and Beyond	Indefinitely	Total
Depreciable capital costs				
Colombia	\$ —	\$ —	\$ 1,524,029	\$ 1,524,029
Non-capital losses				
Canada	—	664,750	—	664,750
Colombia	—	136,867	114,150	251,017
Guyana	1,454	66,459	—	67,913
Peru	16,036	5,555	—	21,591
Capital Losses				
Canada	—	—	99,147	99,147
Total	\$ 17,490	\$ 873,631	\$ 1,737,326	\$ 2,628,447

The government declared a new state of emergency in 2026 due to the impact of prolonged adverse weather conditions, including heavy rainfall, in several regions of the country. The decree provides for the adoption of measures to address the crisis, including both direct and indirect tax measures. These measures will be temporary and intended exclusively to finance the response, recovery, and rehabilitation of the affected areas, and will automatically expire at the end of the following fiscal year.

Within 30 calendar days of the declaration of the emergency, the government issued an additional decree adopting further tax measures, including, among others, a wealth tax on branches of foreign companies. These measures are intended to cover expenditures under the General Budget of the Nation required to address the state of emergency declared by Decree 150 of February 11, 2026. The administration will closely monitor the corresponding constitutional review process.

14. Earnings per Share

<i>(In thousands of U.S.\$, except share and per share amounts)</i>	Year Ended December 31	
	2025	2024
Loss attributable to equity holders of the Company from continuing operations	\$ (1,020,361)	\$ (18,628)
Loss attributable to equity holders of the Company from discontinued operations	\$ (42,359)	\$ (5,534)
Basic weighted average number of shares outstanding	74,084,160	83,806,350
Diluted weighted average number of shares outstanding	74,084,160	83,806,350
Loss per share attributable to equity holders of the Company from continuing operations		
Basic	\$ (13.77)	\$ (0.22)
Diluted	\$ (13.77)	\$ (0.22)
Loss per share attributable to equity holders of the Company from discontinued operations		
Basic	\$ (0.57)	\$ (0.07)
Diluted	\$ (0.57)	\$ (0.07)

Notes to the Consolidated Financial Statements (In thousands of U.S.\$, unless otherwise stated)

15. Inventories

	As at December 31	
	2025	2024
Crude oil and diluents	\$ 20,211	\$ 34,200
Materials and supplies	20,034	21,318
Total	\$ 40,245	\$ 55,518

As at December 31, 2025, crude oil and diluents inventory includes \$20.2 million in Colombia (2024: \$32.8 million in Colombia and \$1.4 million in Ecuador).

As at December 31, 2025, materials and supplies inventories were net of impairment of \$15.2 million (2024: \$12.8 million).

16. Properties, Plant and Equipment

Cost	Oil & Gas Properties	Infrastructure Colombia	Plant & Equipment	Total
As at January 1, 2024	\$ 7,196,558	\$ 362,934	\$ 75,518	\$ 7,635,010
Additions	269,192	48,662	10,894	328,748
Change in ARO (Note 22)	13,649	(244)	—	13,405
Disposal	(82,413)	(30)	(17,457)	(99,900)
Currency translation adjustment	(879)	(45,649)	(1,531)	(48,059)
As at January 1, 2025	\$ 7,396,107	\$ 365,673	\$ 67,424	\$ 7,829,204
Additions	190,712	16,561	12,028	219,301
Change in ARO (Note 22)	29,845	1,395	—	31,240
Disposal ⁽¹⁾	(53,533)	(4,039)	(455)	(58,027)
Currency translation adjustment	1,005	64,212	1,480	66,697
Disposition of Ecuador interest (Note 8)	(53,417)	—	(188)	(53,605)
As at December 31, 2025	\$ 7,510,719	\$ 443,802	\$ 80,289	\$ 8,034,810

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

Accumulated Depletion, Depreciation and Impairment	Oil & Gas Properties	Infrastructure Colombia	Plant & Equipment	Total
As at January 1, 2024	\$ 5,600,540	\$ 102,937	\$ 58,952	\$ 5,762,429
Charge for the year ⁽¹⁾	250,920	6,958	2,658	260,536
Impairment (Note 9)	9,759	—	—	9,759
Disposal	(81,832)	(30)	(17,457)	(99,319)
Currency translation adjustment	(529)	(12,558)	(1,017)	(14,104)
As at January 1, 2025	\$ 5,778,858	\$ 97,307	\$ 43,136	\$ 5,919,301
Charge for the year ⁽¹⁾	262,049	14,042	2,710	278,801
Disposition of Ecuador interest (Note 8)	(42,600)	—	(153)	(42,753)
Impairment (Note 9)	573,942	29,721	10,021	613,684
Impairment reclassified to discontinued operations (Note 8)	31,268	—	—	31,268
Disposal ⁽²⁾	(53,533)	(4,039)	(455)	(58,027)
Currency translation adjustment	66	18,411	944	19,421
As at December 31, 2025	\$ 6,550,050	\$ 155,442	\$ 56,203	\$ 6,761,695

⁽¹⁾ Does not include depletion, depreciation and amortization inventory fluctuation of \$0.5 million (2024: \$2.0 million).

⁽²⁾ Corresponds mainly to write-off due to the relinquishment of the Entrerrios and Rio Meta blocks.

Net Book Value	Oil & Gas Properties	Infrastructure Colombia	Plant & Equipment	Total
As at December 31, 2024	\$ 1,617,249	\$ 268,366	\$ 24,288	\$ 1,909,903
As at December 31, 2025	\$ 960,669	\$ 288,360	\$ 24,086	\$ 1,273,115

Notes to the Consolidated Financial Statements (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	\$ 1,606,978	\$ 268,366	\$ 21,347	\$ 1,896,691
ROU assets - leased	10,271	—	2,941	13,212
As at December 31, 2024	\$ 1,617,249	\$ 268,366	\$ 24,288	\$ 1,909,903
Properties, plant and equipment - owned	\$ 945,189	\$ 288,360	\$ 19,219	\$ 1,252,768
ROU assets - leased	15,480	—	4,867	20,347
As at December 31, 2025	\$ 960,669	\$ 288,360	\$ 24,086	\$ 1,273,115

Details of ROU assets are as follows:

	Power Generation	Plant & Equipment	Total
As at January 1, 2024	\$ 14,938	\$ 3,315	\$ 18,253
Additions	—	2,187	2,187
Termination of lease contracts	(1,699)	(288)	(1,987)
Depreciation	(2,968)	(2,273)	(5,241)
As at December 31, 2024	10,271	2,941	13,212
Additions	6,374	4,029	10,403
Termination or modifications of lease contracts	1,914	(50)	1,864
Depreciation	(3,079)	(2,053)	(5,132)
As at December 31, 2025	\$ 15,480	\$ 4,867	\$ 20,347

17. Exploration and Evaluation Assets

	2025	2024
As at January 1	\$ 457,424	\$ 454,748
Additions ⁽¹⁾	6,248	22,480
Impairment expense (Note 9)	(439,237)	(7,996)
Impairment reclassified to discontinued operations (Note 8)	(13,799)	(11,942)
Change in asset retirement obligations	49	134
As at December 31	\$ 10,685	\$ 457,424

⁽¹⁾ Includes additions of \$4.7 million in Colombia mainly from Llanos 99, Llanos 119, VIM46, VIM1 and Administrative, \$1.0 million in Ecuador related to the Espejo block and \$0.5 million in Guyana.

18. Investments in Associates

	2025	2024
As at January 1	\$ 66,142	\$ 82,825
Share of income from associates	59,197	53,912
Dividends declared	(57,264)	(54,949)
Return of capital contributions	(4,567)	(7,894)
Currency translation adjustment	10,260	(7,752)
As at December 31	\$ 73,768	\$ 66,142
Company's interest as at December 31	35 %	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, 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%

Notes to the Consolidated Financial Statements (In thousands of U.S.\$, unless otherwise stated)

interest in ODL is owned by Cenit Transporte y Logistica de Hidrocarburos S.A.S. (“Cenit”). ODL’s functional currency is COP, and currency translation adjustments are recorded in other comprehensive income (loss).

During the year ended December 31, 2025, the Company recognized the dividends declared by ODL of \$57.3 million (2024 \$54.9 million) and a return of capital of \$4.6 million (2024: \$7.9 million).

During the year ended December 31, 2025, the Company received cash dividends of \$56.9 million (2024: 52.8 million) and a cash return of capital of \$4.6 million (2024: \$7.6 million).

Financial Position	ODL	
	2025	2024
As at December 31		
Assets	\$ 354,524	\$ 315,883
Liabilities	143,759	126,907
Equity	210,765	188,976
Company's interest in associate	35%	35%
Carrying amount of the investment	73,768	66,142

Income Statement		
	2025	2024
As at December 31		
Revenue	\$ 374,236	\$ 351,000
Expenses	(205,104)	(196,964)
Net income	169,132	154,036
Company's share of income for the year	59,197	53,912

19. Other Assets

	As at December 31	
	2025	2024
Investments and others	\$ 7,729	\$ 12,126
Long-term withholding tax	11,691	1,367
Long-term recoverable VAT	1,675	2,827
Total	\$ 21,095	\$ 16,320

Notes to the Consolidated Financial Statements

(In thousands of U.S.\$, unless otherwise stated)

20. Short-Term and Long-Term Debt

	Maturity	Principal	Currency	Interest Rate	As at December 31	
					2025	2024
2028 Unsecured Notes	June 2028	310,001	U.S. dollars	7.875%	\$ 306,821	\$ 389,803
Unsecured Notes					\$ 306,821	\$ 389,803
FPI Recapitalization Loan First Lien - Floating Rate	December 2030	140,000	U.S. dollars	SOFR ⁽¹⁾ 6M + 6%	\$ 89,743	\$ —
FPI Recapitalization Loan Second Lien - Fixed Rate	December 2031	40,000	U.S. dollars	15.00%	38,526	—
FPI Recapitalization Loan First Lien - Tranche A	December 2030	20,000	U.S. dollars	9.75%	19,390	—
FPI Recapitalization Loan First Lien - Tranche B	December 2027	20,000	U.S. dollars	11.00%	19,524	—
Agro Cascada Working Capital Loan	October 2025	41,927,400,000	COP	IBR ⁽²⁾ + 2.5%	—	9,509
FPI Loan Facility (Tranche A-1)	December 2027	100,000	U.S. dollars	SOFR ⁽¹⁾ 6M + 6.25% ⁽³⁾	—	51,969
FPI Loan Facility (Tranche A-2)	December 2028	30,000	U.S. dollars	SOFR ⁽¹⁾ 6M + 6.25% ⁽³⁾	—	24,620
FPI Loan Facility (Tranche B)	December 2027	20,000	U.S. dollars	11.00%	—	17,863
Loans					\$ 167,183	\$ 103,961
Total					\$ 474,004	\$ 493,764

⁽¹⁾ Secured overnight Financing Rate (“SOFR”).

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

⁽³⁾ The interest rate changed from SOFR 6M + 7.25% to SOFR 6M + 6.25% in December 2024 in accordance with the contract, which stipulates that if the ratio of debt to dividends received is greater than 2.0, the interest rate margin will decrease.

	As at December 31	
	2025	2024
Current portion	\$ 42,023	\$ 30,509
Non-current portion	431,981	463,255
Total	\$ 474,004	\$ 493,764

2028 Unsecured Notes

On June 21, 2021, the Company completed the offering of \$400.0 million 7.875% senior unsecured notes due 2028 (“**2028 Unsecured Notes**”). The interest is payable semi-annually in arrears on June 21 and December 21 of each year, beginning on December 21, 2021. The 2028 Unsecured Notes will mature in June 2028, unless earlier redeemed or repurchased.

On May 9, 2025, the Company announced that it had commenced a cash tender offer (the “**Offer**”) for up to \$65.0 million in aggregate principal amount of its outstanding 2028 Unsecured Notes and a concurrent consent solicitation (the “**Solicitation**”) with respect to certain proposed amendments (the “**Proposed Amendments**”) to the indenture governing the 2028 Unsecured Notes (the “**Indenture**”). The Offer and Solicitation were amended on May 26, 2025 to extend the Early Tender Date and Consent Deadline (as defined in the Offer to Purchase and Consent Solicitation Statement dated as of May 9, 2025) to 5:00 p.m., New York City time, on June 9, 2025 (the “**Extended Early Tender Date and Consent Deadline**”). The Offer and Solicitation were further amended on June 2, 2025 to, among other things: (i) increase the maximum tender amount from \$65.0 million to \$80.0 million; (ii) increase the payment for those consents validly delivered at or prior to the Extended Early Tender Date and Consent Deadline from \$15.00 for each \$1,000 principal amount of 2028 Unsecured Notes to an aggregate amount of \$8 million, to be divided pro rata among all tendering and consenting holders of 2028 Unsecured Notes (“**Holders**”) in the Offer and Solicitation in aggregate (the “**Amended Consent Payment**”); and (iii) increase the consideration payment for each \$1,000 principal amount of 2028 Unsecured Notes validly tendered at or prior to the Extended Early Tender Date and Consent Deadline, and accepted for purchase pursuant to the Offer, from \$700.00 to \$720.00. As of the Extended Early Tender Date and Consent Deadline, which was also the expiry time of the Offer. The Company received without duplication: (i) validly delivered tenders from Holders representing \$134,169,000 in aggregate principal amount 2028 Unsecured Notes and (ii) validly delivered consents from Holders (including consents delivered without tenders) representing \$194,448,000 (i.e., 50.38%) in aggregate principal amount of 2028 Unsecured Notes outstanding. Therefore, the Company obtained the requisite consents to the Proposed Amendments under the Indenture and proceeded to execute a supplemental indenture incorporating the Proposed Amendments, paid to consenting Holders the Amended Consent Payment, and repurchased and proceeded to

Notes to the Consolidated Financial Statements (In thousands of U.S.\$, unless otherwise stated)

cancel \$80.0 million in face value of its 2028 Unsecured Notes. As of the completion of the Offer and Solicitation, the Company has \$320.0 million in principal amount of 2028 Unsecured Notes outstanding, including \$10.0 million held by the Company.

During the year ended December 31, 2025, the Company repurchased \$85.0 million (2024: \$5.0 million) in aggregate amount of its 2028 Unsecured Notes pursuant to the Offer and Solicitation and in the open market for a cash consideration of \$61.2 million (2024: \$4.0 million). As a result, during the year ended December 31, 2025 the Company recognized a gain of \$13.3 million (2024: \$1.0 million). This gain is after deducting the Amended Consent Payment of \$8.0 million, the proportional deferred financing fees write-offs of \$1.0 million, and legal and advisory fees totalling \$1.6 million.

The carrying value for the 2028 Unsecured Notes as at December 31, 2025 was \$306.8 million (2024: \$389.8 million).

The purpose of the Offer and the Solicitation was to gain greater financial and operational flexibility while simultaneously reducing the Company's overall debt. Additionally, the Proposed Amendments permitted the Company to take certain actions that were previously restricted under the Indenture. These include, but were not limited to, allowing additional restricted payments (particularly from proceeds of unrestricted subsidiaries); providing greater flexibility in managing working capital to support operational efficiency and financial resilience; increasing the amount of permitted indebtedness and liens; and reducing conditions and requirements that previously limited the Company's ability to pursue strategic transactions aimed at enhancing growth and value.

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

On March 27, 2023, FPI entered into a new credit agreement through which lenders provided a \$120.0 million loan facility to FPI, secured by substantially all the assets and shares of FPI, the shares of Puerto Bahia held by the Company and assets related to Puerto Bahia's liquids terminal. It is guaranteed by Frontera Bahia Holding Ltd. and FEC ODL Holdings Corp. (formerly named Frontera ODL Holding Corp.), the parent company of FPI. The FPI Loan Facility is a five-year credit facility maturing in December 2027, with principal payments made semi-annually. The FPI Loan Facility has two tranches: a \$100.0 million amortizing tranche that pays SOFR six-month term plus a margin of 7.25% per annum (with a step down to 6.25% if certain conditions are met) and a \$20.0 million bullet maturity tranche that pays a fixed rate of 11.0% per annum. The conditions precedent to the FPI Loan Facility were fully satisfied, and both tranches of the facility were funded on March 31, 2023.

On February 16, 2024, as part of the FPI Loan Facility (Tranche A-2), the Company amended the facility to disburse an accordion tranche of \$30.0 million. This tranche secures funding for the connection project between Puerto Bahia's port facility and the Cartagena refinery operated by Refineria de Cartagena S.A.S. On February 23, 2024, August 7, 2024 and December 16, 2024, the lenders disbursed \$8.8 million, \$10.0 million and \$10.0 million, respectively. The accordion tranche was recognized, net of an original issue discount of \$1.2 million, primarily related to lender and legal fees, which were discounted at the time of disbursement.

On May 14, 2025, FPI amended and restated its 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 guaranteed by FEC ODL Holdings Corp. and is secured exclusively by the cash flows generated from Frontera's interest in ODL, with Puerto Bahia removed from the security package.

As at December 31, 2025, the carrying value of the FPI Loan Facility is \$Nil (2024: \$94.5 million). As at December 31, 2025, the FPI Loan Facility debt service reserve account has a balance of \$Nil (2024: \$15.9 million). As at December 31, 2025, the carrying value of the FPI Recapitalization Loan is \$167.2 million, which includes short-term debt of \$42.0 million.

In accordance with IFRS 9, an entity is required to evaluate whether modifications to a financial instrument represent a substantial modification of the contractual terms. Where such a modification is deemed substantial, the original financial liability is treated as extinguished and a new financial liability is recognized. Following a detailed assessment, the Company determined that the modification of this debt instrument qualified as a substantial modification under IFRS requirements. Consequently, a financial liability of \$100.8 million was derecognized, and a new financial liability of \$220 million was recognized. The transaction cost of \$6.0 million associated with the extinguishment was recorded as a loss in the Consolidated

Notes to the Consolidated Financial Statements (In thousands of U.S.\$, unless otherwise stated)

Statements of Loss. Additionally, the transaction costs of \$7.7 million related to the new liability were included by adjusting the carrying amount of the liability and will be amortized over the term of the new liability.

Agro Cascada Working Capital Loan

On October 10, 2024, the Company entered into a one-year working capital loan agreement with Citibank Colombia S.A, denominated in COP, with a principal amount of COP \$41,927 million (equivalent to \$9.5 million), maturing on October 10, 2025, with an interest rate of IBR plus 2.5%, payable monthly (the “**Agro Cascada Working Capital Loan**”). On October 10, 2024 and November 21, 2024, the lender disbursed COP \$29,337 million and COP \$12,590 million, respectively. The proceeds of the Agro Cascada Working Capital Loan were intended to support the development of the Company’s water treatment facilities, and the loan is guaranteed by Frontera Energy Colombia Corp. Sucursal Colombia.

The Company fully repaid the loan on October 10, 2025. As at December 31, 2025, the carrying value of the Agro Cascada Working Capital Loan was \$Nil (2024: \$9.5 million).

Letters of Credit

The Company has various uncommitted bilateral letters of credit. As at December 31, 2025, the Company had issued letters of credit and guarantees for exploration and abandonment funds totaling \$119.5 million (against total credit lines of \$172.5 million), without cash collateral.

Finance Expense

The following table summarizes the main components of finance expense:

	Year Ended December 31	
	2025	2024*
Interest on Senior Secured Notes	\$ 28,037	\$ 31,035
Interest on borrowings	20,129	14,915
Accretion expenses	10,330	15,759
Letters of credit fees and other bank charges	4,643	5,556
Other interest	3,581	2,544
Deferred financing fees amortization	3,048	1,885
Lease financing costs (Note 21)	1,565	1,558
Total	\$ 71,333	\$ 73,252

*As a result of discontinued operations these amounts have been re-presented. Refer to note 8, “Discontinued Operations”, for further details.

21. Leases Obligations

The Company leases various properties, vehicles, power generation supply, including the arrangements associated to the CPE-6 Solar Plant and CPE-6 Battery Energy Storage System, and other assets.

CPE-6 Solar Plant Project Leasing Agreement

During the fourth quarter of 2022, the Company executed a leasing agreement with Bancolombia to finance the construction and commissioning of a solar power plant project in the CPE-6 block (the “**Solar Plant Debt**”). The financing is denominated in COP, amounting approximately to \$6.8 million as at December 31, 2025, expiring on July 20, 2030 from April 3, 2024 (the maturity was extended during 2025; initially, it was 72 months). The Solar Plant Debt bears interest equivalent to IBR + 3.00% (the rate was modified during 2025; initially it was IBR + 5.75%), payable monthly over the outstanding amount. As at December 31, 2025, the outstanding balance was \$5.6 million. The Company recognized this obligation as a lease liability.

CPE-6 Battery Energy Storage System Leasing Agreement

During the fourth quarter of 2023, the Company entered into a leasing agreement with Bancolombia to finance the Battery Energy Storage System at the CPE-6 block (the “**BESS Project**”). The financing is denominated in COP, amounting approximately to \$1.0 million as at December 31, 2025, and its maturity is on April 9, 2029. The BESS Project lease bears interest equivalent to IBR + 5.10%, payable monthly. As at December 31, 2025, the outstanding balance was \$0.6 million. The Company recognized this obligation as a lease liability.

Notes to the Consolidated Financial Statements (In thousands of U.S.\$, unless otherwise stated)

During the year ended December 31, 2025, the Company recognized an increase in ARO, mainly due to changes in estimates of \$34.8 million (2024: decrease in ARO due to changes in estimates of \$5.0 million), which includes an increase of \$1.5 million related to updating the risk-free and inflation rates (2024: increase of \$6.0 million), \$19.8 million related to updated cost estimates (2024: increase of \$11.2 million) and \$13.5 million due to the impact of foreign exchange rates (2024: decrease of \$12.2 million). A total of \$31.2 million relating to changes in estimates was recognized within properties, plant and equipment (Note 16).

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

- A risk-free rate between 10.55% and 13.13% and an inflation rate between 2.80% and 3.44% for cash flows expected to be settled in COP for Colombia (2024: risk-free rate between 9.88% and 14.03% with an inflation rate between 2.90% and 3.20%); and
- A risk-free rate between 6.13% and 7.51% and an inflation rate between 2.13% and 2.21% for cash flows expected to be settled in U.S. dollars for Colombia (2024: risk-free rate between 6.79% and 7.47% with an inflation rate between 1.65% and 2.55%).

23. Customer Prepayments

In December 2025, the Company entered into a 24-month agreement to supply 500,000 barrels of crude oil per month with Chevron Products Company ("**Chevron**"). An advance payment of \$80 million was received and recorded as a customer prepayment, to be recognized as revenue upon monthly deliveries. The sales price will be based on the Brent reference price, adjusted for applicable differentials and discounts, and repayment of the prepayment will begin after a six-month grace period. The Company may request an additional \$40 million advance for up to six months on a fully committed basis. Under the agreement, the prepayment amounts will be subject to a financial discount calculated at SOFR plus 4.25% per annum. The cash consideration related to the advance amounted to \$79.0 million; the remaining balance corresponds to contract-obtaining costs discounted upfront.

As at December 31, 2025, customer prepayments are principally attributable to the advance payment received under the crude oil supply agreement described above. As at December 31, 2025, the carrying value for customer prepayments was \$106.6 million (2024: \$30.3 million), which includes short-term prepayments of \$48.8 million. The short-term carrying amount includes an existing prepayment agreement with Chevron, which expired at the end of January 2026 of \$26.6 million.

24. Non-Controlling Interest

	CGX Energy Inc.
As at January 1, 2024	\$ 10,395
Net loss attributable to NCI	(609)
Share-based compensation	62
As at December 31, 2024	\$ 9,848
Net loss attributable to NCI	(18,206)
As at December 31, 2025	\$ (8,358)

Notes to the Consolidated Financial Statements (In thousands of U.S.\$, unless otherwise stated)

The summarized financial information for CGX Energy Inc. is as follows:

	CGX Energy Inc. ⁽¹⁾	
	As at December 31	
	2025	2024
Current assets	\$ 1,242	\$ 2,531
Non-current assets	4,250	76,830
Total assets	5,492	79,361
Current liabilities	17,564	18,281
Non-current liabilities	—	133
Total liabilities	17,564	18,414
Equity	(12,072)	60,947
Total liabilities and equity	\$ 5,492	\$ 79,361

	CGX Energy Inc.	
	Year ended December 31	
	2025	2024
Revenue	\$ 443	\$ —
Other expenses, net	(75,853)	(2,541)
Net expenses	\$ (75,410)	\$ (2,541)

⁽¹⁾ Since the Company's initial acquisition of shares of CGX Energy Inc., NCI has fluctuated between 23.03% and 26.15%.

25. Share Capital and Share-Based Arrangements

The Company is authorized to issue an unlimited number of Common Shares with no par value.

Dividends

During the year ended December 31, 2025, the Company declared dividends of C\$0.0625 per Common Share for \$13.2 million (2024: \$15.1 million) and paid dividends of \$13.5 million (2024: \$11.7 million). The Company's Dividend Reinvestment Plan (the "DRIP") allows Shareholders resident in Canada to have the option to have the cash dividends declared on their Common Shares automatically reinvested back into additional Common Shares, without the payment of brokerage commissions or service charges. During the year ended December 31, 2025, the Company issued 3,634 Common Shares under the DRIP (2024: 1,157 Common Shares).

Normal Course Issuer Bids ("NCIB")

On July 15, 2025, the TSX approved the Company's notice to initiate an NCIB (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 year ended December 31, 2025, the Company repurchased for cancellation \$2.6 million in Common Shares, equivalent to 532,300 Common Shares under the 2025 NCIB, for an average repurchase cost of \$4.86 per Common Share.

On November 16, 2023, the TSX approved the Company's notice to initiate an NCIB (the "2023 NCIB"). Pursuant to the 2023 NCIB, the Company was permitted to purchase for cancellation up to 3,949,454 Common Shares, representing approximately 10% of the Company's "public float" (as calculated in accordance with TSX rules) as at November 8, 2023 during the twelve-month period that commenced on November 21, 2023 and ended on November 20, 2024. On September 4, 2024, in connection with the 2024 SIB (as defined below) and as required under TSX rules, the Company suspended repurchases under the 2023 NCIB until October 17, 2024 (the date upon which a substantial issuer bid completed by the Company expired on October 17, 2024). During the year ended December 31, 2024, the Company repurchased for cancellation \$7.8 million in Common Shares, equivalent to 1,271,600 Common Shares under the 2023 NCIB, for an average repurchase cost of \$6.15 per Common Share.

Notes to the Consolidated Financial Statements (In thousands of U.S.\$, unless otherwise stated)

The following table provides a summary of the share repurchases under the Company's 2025 and 2023 NCIB programs:

<i>(In thousands of U.S.\$, except share and per share amounts)</i>	As at December 31	
	2025	2024
Number of Common Shares repurchased	532,300	1,271,600
Total amount of Common Shares repurchased	\$ 2,589	\$ 7,823
Weighted-average price per share	\$ 4.86	\$ 6.15

Substantial Issuer Bids ("SIB")

On December 16, 2024, the Company announced that its Board of Directors had approved an SIB (the "January 2025 SIB") pursuant to which the Company offered to purchase from holders of Common Shares up to 3,500,000 Common Shares for cancellation at a purchase price of CAD\$12.00 per share. The January 2025 SIB expired on January 24, 2025. On January 28, 2025, the Company announced that in accordance with the terms and conditions of the January 2025 SIB, the Company took up for cancellation 3,500,000 Common Shares with a total cost of \$30.2 million, including transaction costs of \$0.4 million and taxes of \$0.6 million.

On June 2, 2025, the Company announced that its Board of Directors had approved a new SIB pursuant to which the Company offered to purchase from its Shareholders up to 7,583,333 Common Shares for cancellation at a purchase price of C\$12.00 per share (the "July 2025 SIB"), for an aggregate purchase price up to approximately C\$91.0 million (equivalent to \$66.5 million). The July 2025 SIB expired on July 10, 2025. On July 15, 2025, the Company announced that in accordance with the terms and conditions of the July 2025 SIB, the Company took up and paid for 7,583,333 Common Shares with a total cost of \$69.3 million, including transaction costs of \$1.4 million and taxes of \$1.3 million.

Share-Based Compensation

Restricted Stock Units

The Company's RSUs typically vest between the course of one and three years after the grant date and are settled in cash, Common Shares issued from treasury or purchased on the open market, or a combination thereof, at the election of the Company. For performance-based RSUs, the number of RSUs that will ultimately vest is determined by internal business performance measures and a performance adjustment factor ranging from 0% to 150% depending on the Company's total Shareholder return relative to a peer group of companies during the three-year performance period. Time-based RSUs vest on an annual basis, based on a grantee's continued employment with the Company. During the vesting period, dividend equivalents in the form of additional RSUs are issued to reflect dividends granted on the Common Shares, or in certain circumstances, an equivalent cash payment may be made based on the fair market value of the Common Shares at the applicable time. The Company recognized \$2.6 million of share-based compensation expense relating to RSUs for the year ended December 31, 2025 (2024: \$1.8 million). As of December 31, 2025, \$4.6 million RSUs are recorded as liabilities (2024: \$4.3 million). The following table provides a summary of the activity related to RSUs during the year:

	Year Ended December 31	
	2025	2024
Outstanding, beginning of year	2,046,165	1,850,688
Granted ⁽¹⁾	728,450	739,300
Dividends and SIB attributed to previous grants	199,508	49,318
Forfeited	(483,499)	(141,239)
Settled ⁽²⁾	(650,724)	(451,902)
Outstanding, end of year	1,839,900	2,046,165

⁽¹⁾ The weighted average fair value of the RSUs granted was \$4.59 (2024: \$5.97).

⁽²⁾ Includes the issuance of 348,661 Common Shares (2024: 287,614 Common Shares).

Deferred Stock Units

Pursuant to the Incentive Plan, directors of the Company can elect to receive their annual compensation, or a portion thereof, in DSUs. DSUs vest immediately and are settled in cash, Common Shares or a combination thereof, at the election of the Company, when the recipient ceases to be a director, subject to limited exceptions as agreed to by the holder of the DSU. Until settled, dividend equivalents in the form of additional DSUs are issued to reflect dividends granted on the Common Shares, or in certain circumstances, an equivalent cash payment may be made based on the fair market value of the Common Shares at the applicable time. The Company recognized \$0.9 million of share-based compensation expense relating to DSUs for the year ended December 31, 2025 (2024: \$0.6 million).

Notes to the Consolidated Financial Statements (In thousands of U.S.\$, unless otherwise stated)

The following table provides a summary of the activity related to DSUs during the year:

	Year Ended December 31	
	2025	2024
Outstanding, beginning of year	1,033,223	912,493
Granted ⁽¹⁾	132,856	101,773
Dividends and return of capital attributed to previous grants	119,060	18,957
Outstanding, end of year	1,285,139	1,033,223

⁽¹⁾ The weighted average fair value of the DSUs granted was \$4.41 (2024: \$5.93).

Stock Options

The Company has not issued any stock options; however, certain subsidiaries of the Company may incur stock-based compensation pursuant to their respective long-term incentive plan arrangements. For the year ended December 31, 2025, stock-based compensation expense relating to stock options granted directly by the Company's subsidiaries was \$Nil (2024: \$0.1 million).

26. Related-Party Transactions

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

	As at December 31			Year Ended December 31
	2025	2024	2023	2025
	Receivables from ODL Investment	Accounts Payable	Commitments	Purchases/Services
ODL (Note 18)	\$ —	\$ 3,262	\$ 925	\$ 31,131
	2024	2,901	356	29,608

As at December 31, 2025, as part of the second lien of FPI Recapitalization Loan, a \$5.0 million balance (2024: \$Nil) 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 December 31, 2025, The Catalyst Capital Group Inc exercises control or direction over \$8.0 million (2024: \$8.0 million) aggregate principal amount of Unsecured Notes.

Key Management Compensation

The Company's key management personnel includes its Board of Directors and executive officers. Compensation for key management personnel is summarized below:

	As at December 31	
	2025	2024
Short-term employee benefits and incentive payments	\$ 12,907	\$ 3,388
Termination benefits	281	—
Share-based payments	1,464	1,320
	\$ 14,652	\$ 4,708

27. 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

Notes to the Consolidated Financial Statements (In thousands of U.S.\$, unless otherwise stated)

mitigate losses from non-collection of trade receivables. The Company monitors the credit quality of associates and, where appropriate, structures its loans and advances to include collateral or security. Credit risk arising on receivables from joint arrangements and risk management assets is not significant given the counterparties are large institutions with strong credit ratings.

The following table shows the maximum credit risk exposure of financial assets, presented at the gross carrying amounts, prior to the ECL model allowances:

	As at December 31	
	2025	2024
Trade receivables before ECL	\$ 33,391	\$ 25,137
Allowance for ECLs - trade receivables	(16,151)	(15,883)
Trade receivables	17,240	9,254
Other receivables:		
Receivables from joint arrangements	24,913	26,944
VAT receivable and others ⁽¹⁾	28,509	29,482
Other receivables	12,038	11,192
Allowance for ECLs - other receivables	(6,862)	(6,341)
Other receivables	\$ 58,598	\$ 61,277
Withholding tax and others - not considered for credit risk	(28,509)	(29,482)
Total financial assets carried at amortized cost	\$ 47,329	\$ 41,049

⁽¹⁾ Does not include long-term VAT.

Reconciliation of ECLs

The following table shows a continuity of ECLs:

	2025	2024
As at January 1	\$ 22,224	\$ 22,403
Provision for ECLs	658	—
Effect of exchange rate changes	131	(179)
As at December 31	\$ 23,013	\$ 22,224

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 December 31, 2025:

Financial Liability Due In	2026	2027	2028	2029	2030	Subsequent to 2031	Total
Accounts payable, accrued liabilities and other payables ⁽¹⁾	\$ 398,287	\$ 5,225	\$ 4,631	\$ 723	\$ —	\$ —	\$ 408,866
Unsecured notes	—	—	310,001	—	—	—	310,001
FPI Recapitalization Loan	42,023	43,447	37,298	24,000	26,400	—	173,168
Interest on unsecured notes	25,200	25,200	12,600	—	—	—	63,000
Interest on loans	19,056	14,169	9,237	4,465	2,041	—	48,968
Lease liabilities	8,498	4,153	4,025	3,343	2,107	6,447	28,573
Total	\$ 493,064	\$ 92,194	\$ 377,792	\$ 32,531	\$ 30,548	\$ 6,447	\$ 1,032,576

⁽¹⁾ Includes provisions of \$98.3 million, which do not have a definitive amortization term and are therefore classified as current liabilities.

Notes to the Consolidated Financial Statements (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 December 31	
	2025	2024
Trade and other payables	\$ 144,274	\$ 148,236
Accrued liabilities	113,836	115,882
Supplier holdbacks	36,040	39,398
Withholding tax and tax provisions	11,749	12,730
Share-based payment liability	4,643	4,260
	310,542	320,506
Provision for contingencies and others	98,324	90,760
Total accounts payable and accrued liabilities and other payables	\$ 408,866	\$ 411,266

The Company has various uncommitted bilateral letters of credit. As at December 31, 2025, the Company has issued letters of credit and guarantees for exploration and abandonment funds totalling \$119.5 million (2024: \$108.9 million).

Restricted cash

As at December 31, 2025, the Company has short-term and long-term restricted cash of \$11.3 million (2024: \$30.2 million) in trust accounts primarily to cover future abandonment obligations.

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
Put Spread	March 2026 - June 2026	Brent	1,529,200	62.7x55	\$ 767	\$ —
Put Spread	January 2026 - March 2026	Brent	1,107,000	65x55	1,948	—
Total as at December 31, 2025					\$ 2,715	\$ —
Put	January to April 2025	Brent	1,502,000	70.00	\$ —	\$ 2,669
Total as at December 31, 2024					\$ —	\$ 2,669

Risk management contracts - Foreign exchange

The Company is exposed to foreign currency fluctuations. This exposure arises primarily due to expenditures incurred in COP and the fluctuation of this currency against the USD. As of December 31, 2025, the Company had not entered into new hedging arrangements. The foreign exchange hedging portfolio expired in December 2025.

Type of Instrument	Term	Benchmark	Notional Amount/ Volume in USD	Avg. Put/Call	Carrying Amount	
				Par forward (COP\$)	Assets	Liabilities
Total as at December 31, 2025					\$ —	\$ —
Zero-cost collars	April to June 2025	USD/COP	60,000,000	4,200/4,626	\$ —	\$ 810
Zero-cost collars	July to September 2025	USD/COP	60,000,000	4,200/4,795	—	593
Forward ⁽¹⁾	February 2025	USD/COP	7,000,000	4,303	—	219
Zero-cost collars	January to March 2025	USD/COP	60,000,000	4,150/4,618	—	277
Total as at December 31, 2024					\$ —	\$ 1,899

Notes to the Consolidated Financial Statements (In thousands of U.S.\$, unless otherwise stated)

	Assets	Liabilities
Total risk management contracts as at December 31, 2025	\$ 2,715	\$ —
Total risk management contracts as at December 31, 2024	\$ —	\$ 4,568

⁽¹⁾ Contracts related to the Reficar Connection Project.

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

	As at December 31	
	2025	2024
Loss on oil price risk management contracts	\$ (8,680)	\$ (8,457)
Realized gain on foreign exchange risk hedge	4,204	6,951
Realized loss on risk management contracts ⁽¹⁾	(4,476)	(1,506)
Unrealized gain (loss) on risk management contracts	7,518	(13,976)
Total gain (loss) on risk management contracts	\$ 3,042	\$ (15,482)

⁽¹⁾ For the year ended December 31, 2025, the realized loss of \$4.5 million (2024: \$1.5 million) on risk management contracts was mainly due to a loss of \$8.7 million (2024: \$8.5 million) from oil price risk management contracts, resulting from a net amount of the put premiums paid for expired positions of \$18.4 million (2024: \$14.5 million), partially offset by the positive cash settlement of \$9.7 million (2024: \$6.1 million).

b. Fair Value of Financial Instruments

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

The following table summarizes the Company's remaining financial instruments that are carried or disclosed at fair value in accordance with the classification under the fair value hierarchy as at December 31, 2025 and December 31, 2024:

	Period	Carrying Value	Fair Value		
			Level 1	Level 2	Level 3
Financial Assets Measured at Fair Value Through Profit and Loss					
Risk management assets	2025	\$ 2,715	\$ —	\$ 2,715	\$ —
	2024	—	—	—	—
Investments in equity instruments	2025	\$ 1,749	\$ —	\$ —	\$ 1,749
	2024	1,813	—	—	1,813
Financial Liabilities Measured at Fair Value Through Profit and Loss					
Risk management liabilities	2025	\$ —	\$ —	\$ —	\$ —
	2024	(4,568)	—	(4,568)	—
Financial Liabilities Measured at Amortized Cost					
2028 Unsecured Notes (Note 20)	2025	\$ (306,821)	\$ —	\$ (207,174)	\$ —
	2024	(389,803)	—	(302,207)	—
Other short-term and long-term debt (Note 20)	2025	\$ (167,183)	\$ —	\$ (173,168)	\$ —
	2024	(103,961)	—	(110,309)	—

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

c. Capital Management

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

Specifically, the Company's capital management objectives are to maintain compliance with the debt covenant ratios associated with the Company's outstanding 2028 Unsecured Notes 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.

Notes to the Consolidated Financial Statements (In thousands of U.S.\$, unless otherwise stated)

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 December 31	
	2025	2024
Equity attributable to equity holders of the Company	\$ 600,945	\$ 1,716,285
Long-term debt	431,981	463,255
Working capital deficit ⁽¹⁾	131,252	100,565
Total	\$ 1,164,178	\$ 2,280,105

⁽¹⁾ Working capital deficit is a capital management measure, according to NI 52-112 - Non-GAAP and Other Financial Measures Disclosure, and is defined as the net of total current assets after deducting total current liabilities, including the current portion of long-term debt.

28. Supplemental Disclosure on Cash Flows

Changes in non-cash working capital are as follows:

	Year Ended December 31	
	2025	2024
Decrease in accounts payable and accrued liabilities	\$ (36,385)	\$ (3,992)
(Increase) decrease accounts receivable and other assets	(13,339)	1,149
Increase (decrease) in income taxes payable	400	(12,313)
Increase in customer prepayments	14,753	28,587
Decrease (increase) in inventories	14,145	(1,173)
Decrease (increase) in prepaid expenses and deposits	7,812	(633)
(Increase) decrease in income taxes receivable	(23,296)	6,059
Changes in working capital (excluding cash)	\$ (35,910)	\$ 17,684
Attributable to:		
Operating activities	\$ (6,326)	\$ 11,686
Investing activities	(29,584)	5,998
Changes in working capital (excluding cash)	\$ (35,910)	\$ 17,684

Notes to the Consolidated Financial Statements

(In thousands of U.S.\$, unless otherwise stated)

29. Commitments and Contingencies

Commitments

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

As at December 31, 2025	2026	2027	2028	2029	2030	Subsequent to 2031	Total
Transportation							
Ocensa P-135 ship-or-pay contract	\$ 12,690	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 12,690
ODL agreements	925	—	—	—	—	—	925
Other transportation and processing commitments	13,985	1,420	—	—	—	—	15,405
Exploration and evaluation							
Minimum work commitments ⁽¹⁾	—	15,687	6,880	5,066	—	—	27,633
Other commitments							
Operating purchases, community obligations and others ⁽²⁾	119,432	258	259	264	270	2,407	122,890
Energy supply commitments ⁽³⁾	23,622	11,478	11,908	8,249	8,496	8,741	72,494
Total	\$ 170,654	\$ 28,843	\$ 19,047	\$ 13,579	\$ 8,766	\$ 11,148	\$ 252,037

⁽¹⁾ On August 28, 2025, the Company received a communication from the Agencia Nacional de Hidrocarburos (the "ANH") confirming the acceptance of the transfer of the investment commitment from Llanos 119 to Vim-46, amounting to \$6.8 million. This does not imply any decrease or increase in the minimum exploration commitments.

⁽²⁾ It does not include the commitments associated with the LPG project in Puerto Bahia, which are fully assumed by the partner according to the JOA agreement.

⁽³⁾ Includes executed contracts for grid-connected, on-site generation, and solar power sources, ensuring the electricity supply across operational blocks, particularly Quifa and CPE-6.

Oleoducto Central S.A. ("Ocensa") and Cenit Pledge

In May 2022, a new ship-or-pay contract with Bicentenario and Cenit became effective; as a result, the pledged inventory crude oil is stored in Cenit's terminal of Coveñas (TLU-3) instead of Ocensa's terminal. On March 31, 2022, the Company signed a new pledge agreement with Ocensa and Cenit, which guarantees the payment obligations of both contracts, up to \$30.0 million and \$6.0 million, respectively. On July 16, 2025, the overall guaranteed amount was reduced to \$21.0 million (up to \$15.0 million with Ocensa and \$6.0 million with Cenit) and the term of the pledge agreement was extended to December 31, 2026, with Ocensa, and to January 31, 2027, with Cenit.

Overriding Royalty Interest CPE-6

As part of the Company's acquisition of Repsol Colombia Oil & Gas Ltd.'s ("RCOG") 50% working interest in the CPE-6 block, the Company granted a pledge to RCOG over the production from the CPE-6 block to guarantee the payments, of up to a maximum of \$48.0 million. Under the farm-out agreement, two kinds of payments are set, each contingent on production from this block and each applicable until the maximum payment of \$48.0 million is paid: (i) a variable monthly payment; and (ii) three potential production milestone payments of \$5.0 million each when 5 million, 10 million and 20 million total barrels of production, respectively, are achieved. As at December 31, 2025, the Company has an outstanding payment of \$14.4 million.

Contingencies

The Company is involved in various claims and litigation arising from the normal course of business. Since the outcomes of these matters are uncertain, there can be no assurance that such matters will be resolved in the Company's favour. The outcome of adverse decisions in any pending or threatened proceedings related to these and other matters could have a material impact on the Company's financial position, results of operations or cash flows.

Corentyne License

As provided above, the Company evaluated the Corentyne E&E asset's recoverability given the GoG's conduct and communications, and its unwillingness to recognize the Joint Venture's rights during the consultation periods, which have since expired. Although all contractual requirements of the Company have been met and an external legal assessment determined that the Company's interests in the PA and PPL for the Corentyne block remain valid, the GoG's positions as described above has restricted the Company's ability to develop activities under the PA and PPL. This situation has led to uncertainty regarding the asset's future development and constituted an impairment indicator under IFRS 6 and IAS 36. Consequently, the Company recognized an impairment of \$432.2 million in its income statement during the second quarter of 2025. The Corentyne E&E asset's carrying value as of December 31, 2025 is \$Nil (2024: \$431.9 million).

Notes to the Consolidated Financial Statements

(In thousands of U.S.\$, unless otherwise stated)

High-Price Clause

The Company has certain exploration and production contracts acquired through business combinations where outstanding disagreements with the ANH existed relating to the interpretation of high-price clause participation (“**PAP**”) clauses. These contracts require high-price participation payments to be made to ANH for each designated exploitation area within a block under contract, which has cumulatively produced five million or more barrels of oil. The disagreement involves whether the cumulative production amounts in an exploitation area should be calculated individually (as each exploitation area represents independent reservoirs) or combined with other exploration areas within the same block for the purpose of determining the five million barrel threshold. ANH has interpreted that PAP should be calculated on a combined basis as opposed to the Company’s interpretation that the calculation should be provided on an individual basis. Upon acquisition of these contracts and in accordance with IFRS 3, *Business Combinations*, provisions for contingent liabilities were recognized regarding these disagreements with ANH.

On March 13, 2025, the Company obtained a favorable arbitral award in the Cubiro Exploration & Production (“**E&P**”) Contract litigation, confirming its contractual rights under the Cubiro E&P Contract. The arbitral tribunal ruled in the Company’s favor, rejecting ANH’s actions and recognizing the independence of the Copa and Petirrojo exploitation areas. While the award was favorable to the Company, the arbitral tribunal refrained from ruling on the legality of the administrative acts issued by ANH. Consequently, both parties have filed annulment appeals against the award, which remain pending adjudication.

Puerto Bahía – Arbitration *against* the CITT Consortium relating to the EPC Contract

Puerto Bahía entered into an Engineering, Procurement and Construction (“**EPC**”) agreement with the consortium composed of Isolux Ingeniería S.A., Tradeco Industrial S.A. de C.V., and Tradeco Infraestructura S.A. de C.V. (the “**CITT Consortium**”) for the construction of the port’s hydrocarbons terminal. During the execution of the project, the CITT Consortium incurred material contractual breaches, primarily significant delays and other technical deficiencies. As a result, Puerto Bahía terminated the EPC Contract for cause attributable to the contractor and enforced the performance guarantee (letter of credit) in the amount of USD 17.0 million. The CITT Consortium initiated an international arbitration administered by the International Chamber of Commerce (“**ICC**”), challenging the termination and asserting monetary claims against Puerto Bahía.

On March 1, 2023, the ICC Arbitral Tribunal issued a final award largely in favor of Puerto Bahía. The award confirmed the validity of the termination of the EPC Contract and the legality of the enforcement of the letter of credit, rejected the CITT Consortium’s principal claims, and granted contractual penalties in favor of Puerto Bahía in the approximate amount of USD 24.7 million. The Tribunal also awarded certain specific amounts to the CITT Consortium and, following the offsetting of reciprocal awards, the net result of the award reflected an approximate balance of USD 2.0 million in favor of Puerto Bahía, with an overall favorable economic effect for the Company.

In 2023, the CITT Consortium filed a constitutional action (acción de tutela) against the arbitral award, which was denied by the Supreme Court of Justice and subsequently confirmed on appeal. Thereafter, on April 16, 2024, the CITT Consortium filed an annulment action against the award and its clarifying addendum before the Supreme Court of Justice. Puerto Bahía timely submitted its opposition and, by order dated August 22, 2025, the Court recognized the authority of Puerto Bahía’s legal representatives, confirmed the timely filing of the opposition, and referred the case for a decision on the merits. As of the date hereof, the annulment action remains pending.

Based on the analysis conducted by external counsel specialized in international arbitration, the likelihood of annulment of the award is remote. Accordingly, Management considers that a reversal of the favorable outcome is not probable and that no additional provision is required, and the matter continues to be classified as a remote contingency.

Ecopetrol - Rubiales Field Disagreement

Since 2018, Frontera and Ecopetrol have initiated claims against each other before local courts due to disagreements related to the expiration of the Rubiales and Piriri exploration and production contracts.

To settle certain differences under dispute, on December 13, 2023, Frontera and Ecopetrol entered into an agreement, which closed 21 (out of 57) disagreements between the parties. As a result, the Company recorded a reversal of a liability provision of \$5.9 million recognized during 2016, 2017, 2020, 2021, 2022 and 2023, a reversal of net liabilities with Ecopetrol of \$0.5 million and paid to Ecopetrol \$4.2 million pursuant to the settlement agreement. Also, as a result of the settlement, Ecopetrol amended the amount of its first lawsuit from \$45.0 million to \$32.0 million, and Frontera withdrew one of the lawsuits filed against Ecopetrol and amended the amount of another one from \$9.0 million to \$2.6 million.

In addition, Ecopetrol has filed a new lawsuit claiming approximately \$4.3 million against Frontera for post-termination activities in Rubiales. In January, 2026, Ecopetrol's lawsuit was not admitted and is pending to be remedied by Ecopetrol.

Notes to the Consolidated Financial Statements

(In thousands of U.S.\$, unless otherwise stated)

Tax Reviews

The Company operates in various jurisdictions and is subject to assessments by tax authorities in each of those jurisdictions, which can be complex and based on interpretations. The Company is currently in discussions with tax authorities for various assessments with respect to certain income tax deductions relating to exportation expenditures, transportation costs, VAT credits, municipal taxes and other expenses. As at December 31, 2025, the Company has assessed a possible tax exposure of \$96.2 million (2024: \$90.9 million) relating to these assessments for taxes, interest and penalties (the increase is mainly due to exchange rate effects resulting from the depreciation of the Colombian peso against the U.S. dollar). As at December 31, 2025, the carrying value of the tax liability provisions is \$1.1 million (2024: \$0.7 million). The increase is mainly due to the Company's decision to pay the 2020 self-withholding contingency corresponding to the months of January to November.

30. Subsequent Events

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 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, 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 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 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 including, without limitation, receipt of Frontera's shareholder approval in accordance with applicable corporate and securities laws, approval of the plan of arrangement by the British Columbia Supreme Court and receipt of required regulatory approvals.

Additional information regarding the Parex Arrangement is contained in the Company's material change report dated March 13, 2026, and the Company's annual information form for the year ended December 31, 2025, which are available on the Company's SEDAR+ profile at www.sedarplus.ca. Additionally, a copy of the Parex Arrangement Agreement has been filed on the Company's SEDAR+ profile.

LNG Regasification Services Agreement With Ecopetrol

At the beginning of 2026, Puerto Bahía secured a take-or-pay agreement with Ecopetrol, subject to certain conditions precedent, to develop an LNG regasification project, providing integrated logistics and regasification services to Reficar and the Colombian Natural Gas Transportation System (SNT). The project is expected to benefit from Puerto Bahía's existing and robust port facilities and operating platform, including the repurposing of the Reficar connection, enabling an accelerated development timeline and faster time-to-market. The project contemplates two phases, with an initial regasification capacity of approximately 126 MMcfd anticipated to increase to at least 300 MMcfd by 2029. The services are planned to be available in the fourth quarter of 2026, and the agreement contemplates an up to seven-year service term commencing from the start of operations, with options to extend for an additional five years by mutual agreement.