

Extractive Sector Transparency Measures Act - Annual Report



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|---|---|--|------------|-----------------------|-----------------------|------------|
| Reporting Entity Name | Frontera Energy Corporation | | | | | |
| Reporting Year | From | 2017-01-01 | To: | 31/12/2017 | Date submitted | 2019-09-03 |
| Reporting Entity ESTMA Identification Number | E570651 | <input type="radio"/> Original Submission <input checked="" type="radio"/> Amended Report | | Report Version | | 2 |
| Other Subsidiaries Included (optional field) | | | | | | |
| Not Consolidated | | | | | | |
| Not Substituted | | | | | | |
| Attestation by Reporting Entity | <p><i>In accordance with the requirements of the ESTMA, and in particular section 9 thereof, I attest I have reviewed the information contained in the ESTMA report for the entity(ies) listed above. Based on my knowledge, and having exercised reasonable diligence, the information in the ESTMA report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.</i></p> | | | | | |
| Full Name of Director or Officer of Reporting Entity | David Dyck | | | Date | 2019-09-03 | |
| Position Title | Chief Financial Officer | | | | | |

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|--|-----------------------------|----------------|----------------------------|
| Reporting Year | From: 2017-01-01 | To: 2017-12-31 | |
| Reporting Entity Name | Frontera Energy Corporation | | Currency of the Report USD |
| Reporting Entity ESTMA Identification Number | E570651 | | |
| Subsidiary Reporting Entities (if necessary) | | | |

Payments by Payee

| Country | Payee Name ¹ | Departments, Agency, etc... within Payee that Received Payments ² | Taxes | Royalties | Fees | Production Entitlements | Bonuses | Dividends | Infrastructure Improvement Payments | Total Amount paid to Payee | Notes ^(3,4) |
|-----------------------------|--|--|-------------------|-------------------|-------------------|-------------------------|------------------|-----------|-------------------------------------|----------------------------|--|
| Colombia | Nacional Government | | 47,440,000 | 92,910,000 | 18,580,000 | - | - | - | - | 158,930,000 | Taxes: initial ESTMA filing did not reflect withholding income tax charge included in the annual declaration for 2017. This amended report includes withholding income tax charge by US\$29,890,000. |
| Colombia | Yopal | | 450,000 | - | - | - | - | - | - | 450,000 | |
| Colombia | Banco Agrario de Colombia | | - | - | 380,000 | - | - | - | - | 380,000 | |
| Colombia | Servicio Geológico Colombiano | | - | - | 310,000 | - | - | - | - | 310,000 | |
| Colombia | Parcialidad la Campana | | - | - | - | - | 280,000 | - | - | 280,000 | |
| Colombia | Municipio de San Pedro Sucre | | - | - | - | - | - | - | 280,000 | 280,000 | |
| Colombia | Vencedor Piriri Community | | - | - | - | - | 220,000 | - | - | 220,000 | |
| Colombia | Orinoquia Regional Autonomous Corporation | | - | - | 180,000 | - | - | - | - | 180,000 | |
| Colombia | Corporation for the Sustainable Development of La Macarena | | - | - | 180,000 | - | - | - | - | 180,000 | |
| Colombia | Puerto Gaitán | | 130,000 | - | - | - | - | - | 40,000 | 170,000 | |
| Colombia | Bogotá D.C. | | 140,000 | - | - | - | - | - | - | 140,000 | |
| Colombia | Departamento del Meta | | 120,000 | - | - | - | - | - | - | 120,000 | |
| Colombia | Universidad Nacional de Colombia | | - | - | 90,000 | - | - | - | - | 90,000 | |
| Subtotal Colombia | | | 48,280,000 | 92,910,000 | 19,720,000 | - | 500,000 | - | 320,000 | 161,730,000 | |
| Peru | Nacional Government | | 1,310,000 | 2,410,000 | 2,790,000 | - | - | - | - | 6,510,000 | |
| Peru | Community of Jose Olaya | | - | - | - | - | 630,000 | - | - | 630,000 | |
| Peru | Native Community of 12 de Octubre | | - | - | - | - | 620,000 | - | - | 620,000 | |
| Peru | Native Community of Servicios Agropecuarios Jose Olaya | | - | - | - | - | 530,000 | - | - | 530,000 | |
| Peru | Native Community of Antioquia | | - | - | - | - | 420,000 | - | - | 420,000 | |
| Peru | Native Community of Nuevo Andoas | | - | - | - | - | 280,000 | - | - | 280,000 | |
| Peru | Native Community of Servicios Generales Nueva Jerusalem | | - | - | - | - | 280,000 | - | - | 280,000 | |
| Peru | Native Community of Achuares | | - | - | - | - | 280,000 | - | - | 280,000 | |
| Peru | Native Community of Los Jardines | | - | - | - | - | 270,000 | - | - | 270,000 | |
| Peru | Native Community of Porvenir | | - | - | - | - | 230,000 | - | - | 230,000 | |
| Peru | Training Resources Management Committee | | - | - | 200,000 | - | - | - | - | 200,000 | |
| Peru | Native Community of Servicios Multiples Capahurariyacu | | - | - | - | - | 170,000 | - | - | 170,000 | |
| Peru | Community of Alianza Capahuari | | - | - | - | - | 150,000 | - | - | 150,000 | |
| Peru | Community of Nuevo Andoas | | - | - | - | - | 100,000 | - | - | 100,000 | |
| Peru | Community of Marsella | | - | - | - | - | 90,000 | - | - | 90,000 | |
| Peru | Community of Kashap | | - | - | - | - | 90,000 | - | - | 90,000 | |
| Peru | Community of Tityacu | | - | - | - | - | 80,000 | - | - | 80,000 | |
| Peru | Community of Santa Rosa | | - | - | - | - | 80,000 | - | - | 80,000 | |
| Subtotal Peru | | | 1,310,000 | 2,410,000 | 2,990,000 | - | 4,300,000 | - | - | 11,010,000 | |
| Switzerland | Kanton Schaffhausen Steuerverwaltung | | 310,000 | - | - | - | - | - | - | 310,000 | |
| Subtotal Switzerland | | | 310,000 | - | - | - | - | - | - | 310,000 | |
| Total | | | 49,900,000 | 95,320,000 | 22,710,000 | - | 4,800,000 | - | 320,000 | 173,050,000 | |

Additional Notes:

Payments have been reported on a cash accounting basis. All number have been rounded to the nearest US\$10,000. This report includes payments within a category of payment that are made to the same payee, if the total amount of all those payments during the financial year was at least CAD\$100,000 (US\$77,000). For purposes of determining whether a series of payments constitute payments to the same payee under the Act, the Reporting Entity has grouped together departments, ministries, trusts, boards, commissions, corporations, bodies or other authorities that perform or are established to perform a power, duty or function on behalf of a particular level (e.g. national, regional, municipal, local authority) of a particular government.

All amounts are reported in United States (U.S.) dollars, the reporting currency of the reporting entity. Payments denominated in currencies other than US dollars are translated for this report at the exchange rate in effect at the payment date. The following are the weighted average exchange rates to U.S. dollars for 2017:
 Colombian Peso 2.951:1
 Peruvian Nuevos soles 3.3:1

Royalties paid in kind have been valued at monthly adjusted realized price. All other payments in kind and infrastructure improvements are reported at historical cost.
 The Company has reported all payments made by it on behalf of joint venture partners, where the Company acts in the capacity of operator.

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|---|---------------------------|------------|------------|------------|-----------------------------------|
| Reporting Year | From: | 2017-01-01 | To: | 2017-12-31 | Currency of the Report USD |
| Reporting Entity Name | Fraser Energy Corporation | | | | |
| Reporting Entity ESTMA Identification Number | E570651 | | | | |
| Subsidiary Reporting Entities (if necessary) | | | | | |

Payments by Project

| Country | Project Name ¹ | Taxes | Royalties | Fees | Production Entitlements | Bonuses | Dividends | Infrastructure Improvement Payments | Total Amount paid by Project | Notes ^(2,3) |
|--------------------------|---------------------------|-------------------|-------------------|-------------------|-------------------------|------------------|-----------|-------------------------------------|------------------------------|---|
| Colombia | Colombia Central | 28,620,000 | 89,930,000 | 18,660,000 | - | 500,000 | - | 40,000 | 137,750,000 | This amended report includes withholding income tax charge by US\$27,650,000. |
| Colombia | Entity Level | 17,870,000 | - | 820,000 | - | - | - | - | 18,690,000 | This amended report includes withholding income tax charge by US\$450,000. |
| Colombia | Colombia North | 1,280,000 | 2,980,000 | 210,000 | - | - | - | 280,000 | 4,750,000 | This amended report includes withholding income tax charge by US\$1,280,000. |
| Colombia | Colombia South | 510,000 | - | 30,000 | - | - | - | - | 540,000 | This amended report includes withholding income tax charge by US\$510,000. |
| Subtotal Colombia | | 48,280,000 | 92,910,000 | 19,720,000 | - | 500,000 | - | 320,000 | 161,730,000 | |
| Peru | Peru | 1,310,000 | 2,410,000 | 2,990,000 | - | 4,300,000 | - | - | 11,010,000 | |
| Switzerland | Entity Level | 310,000 | - | - | - | - | - | - | 310,000 | |
| Total | | 49,900,000 | 95,320,000 | 22,710,000 | - | 4,800,000 | - | 320,000 | 173,050,000 | |

Additional Notes³:

Payments have been reported on a cash accounting basis. All numbers have been rounded to the nearest US\$10,000. This report includes payments within a category of payment that are made to the same payee, if the total amount of all those payments during the financial year was at least CAD\$100,000 (US\$77,000). For purposes of determining whether a series of payments constitute payments to the same payee under the Act, the Reporting Entity has grouped together departments, ministries, trusts, boards, commissions, corporations, bodies or other authorities that perform or are established to perform a power, duty or function on behalf of a particular level (e.g. national, regional, municipal, local authority) of a particular government.

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