

Frontera Announces Closing of New U.S.\$100 Million Credit Facility

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TORONTO, May 22, 2018 /CNW/ - [Frontera Energy Corp.](#) (TSX: FEC) ("Frontera" or the "Company") today announced the closing of a U.S.\$100 million revolving letter of credit facility (the "Credit Facility") arranged by Itaú Corpbanca Colombia S.A., Citibank N.A., JPMorgan Chase Bank, N.A., HSBC Mexico, S.A., Institución de Banca Múltiple, Grupo Financiero HSBC and Bank of America Merrill Lynch (collectively, the "Participating Banks"), funds of which, will be used to provide letters of credit to fund exploration and transportation commitments in Colombia and Peru.

The Credit Facility will replace the Company's current secured letter of credit facility (the "Secured LC Facility"), which has U.S.\$81.9 million of used capacity as of March 31, 2018 and matures on June 22, 2018. The Credit Facility will allow Frontera to release collateral and reduce the Company's cost of funds. The Credit Facility has a maturity date of May 17, 2020.

The Credit Facility will have an initial term of up to eight months (the "Initial Term"). Upon satisfaction of certain extension conditions (the "Extension Conditions"), the term of the Credit Facility will be extended to a total term of two years. During the Initial Term, the Credit Facility will have substantially the same security, covenants and events of defaults as the Secured LC Facility and the Company's senior secured notes due 2021.

Upon satisfaction of the Extension Conditions, the Credit Facility will become an unsecured facility and the guarantors under the Credit Facility will be limited to the Company's principal subsidiaries.

"We are extremely pleased with the strong support received from our banking partners," said Gabriel de Alba, Chairman of Frontera. "To have closed this facility indicates the strength of our lender relationships and the confidence that they have in Frontera. It's also testimony to this management team's accomplishments, transforming Frontera into a world-class oil and gas exploration company."

Richard Herbert, Chief Executive Officer, said, "The entering into of this facility, following rigorous due diligence performed by our lenders, validates the long-term viability of Frontera's strategy, operations and finances. It's also a model for our agile approach to managing our capital structure, as well as operations. This transaction was only possible because of the teamwork and collaboration among our advisors and Frontera's legal, treasury, planning and corporate development teams, working between Colombia and Canada. In particular, I want to congratulate Jorge Fonseca Chaumer, Frontera's Corporate Vice President, Business Development, for successfully leading this group effort."

David Dyck, Chief Financial Officer, added, "The new facility further strengthens our balance sheet, credit profile and long-term access to capital. This gives us great confidence as we continue to position ourselves for growth in 2018."

Proskauer Rose LLP and McMillan LLP acted as legal counsel for the Company and Clifford Chance LLP acted for the Participating Banks in the negotiation and execution of the Credit Facility.

About Frontera:

[Frontera Energy Corp.](#) is a Canadian public company and a leading explorer and producer of crude oil and natural gas, with operations focused in Latin America. The Company has a diversified portfolio of assets with interests in more than 30 exploration and production blocks in Colombia and Peru. The Company's strategy is focused on sustainable growth in production and reserves. Frontera is committed to conducting business

safely, in a socially and environmentally responsible manner. Frontera's common shares trade on the Toronto Stock Exchange under the ticker symbol "FEC".

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This news release contains forward-looking statements. All statements, other than statements of historical fact, that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future (including, without limitation, statements regarding estimates and/or assumptions in respect of production, revenue, cash flow and costs, reserve and resource estimates, potential resources and reserves and the Company's exploration and development plans and objectives) are forward-looking statements. These forward-looking statements reflect the current expectations or beliefs of the Company based on information currently available to the Company. Forward-looking statements are subject to a number of risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the forward-looking statements, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, the Company. Factors that could cause actual results or events to differ materially from current expectations include, among other things: failure to meet the Extension Conditions or other conditions of the Credit Facility; and the other risks disclosed under the heading "Risk Factors" and elsewhere in the Company's annual information form dated March 27, 2018 filed on SEDAR at www.sedar.com. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

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