

Frontera Announces an Operational Update

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2019 Production Exceeds Guidance as Core Asset Base Continues to Deliver Stable Production

Promising Llanos-119 Block Awarded as Part of ANH Bid Round in Colombia

TORONTO, Jan. 20, 2020 - [Frontera Energy Corp.](#) (TSX: FEC) ("Frontera" or the "Company") announces an operational update. All values in this news release and the Company's financial disclosures are in United States dollars, unless otherwise noted.

Production and Pricing Update

Frontera delivered strong, stable estimated full year production of 70,875 boe/d in 2019. This level exceeded the high-end 2019 production guidance of 65,000 to 70,000 boe/d and was in-line with the prior year. Production from Colombia is estimated at 63,625 boe/d, up 1.2% in 2019 as compared to 2018 while production from Peru is estimated at 7,250 bbl/d, down 1.2% in 2019 as compared to 2018, reflecting increased downtime on the Norperuano pipeline during the year. Fourth quarter 2019 total estimated production of 70,905 boe/d was 1.0% higher than the prior quarter and 1.4% lower than the prior year.

Production was weighted approximately 97% to Brent exposed oil prices which averaged \$62.42/bbl during the fourth quarter of 2019, 0.6% higher than the prior quarter. The Bloomberg posted Vasconia crude oil differential during the fourth quarter averaged \$3.20/bbl, up from \$2.30/bbl in the third quarter of 2019. For the full year 2019, Brent oil price averaged \$64.10/bbl while the Bloomberg posted Vasconia crude oil differential averaged \$2.74/bbl.

Colombia Update

Colombia production averaged an estimated 60,741 boe/d in the fourth quarter of 2019 a decrease of 4.6% compared to the third quarter of 2019, reflecting the impact of higher than planned downtime due to weather events including seasonal flooding and electrical storms, which resulted in power outages in our heavy oil business unit and reduced drilling activity in our medium oil and natural gas business units.

During the fourth quarter of 2019, 10 of 17 planned development wells were drilled at Quifa; a four well vertical development well drilling program for the 2019 field expansion and reserves booking program was deferred to 2020 as a result of strong production performance during the year. The multilateral well pilot program planned for the fourth quarter of 2019 was also deferred to 2020. Additionally, during the fourth quarter of 2019 the water pumping and disposal system at Quifa was completed for additional water disposal capacity in 2020.

Production from the Hamaca field on the CPE-6 block more than tripled during 2019, exiting the year at 3,690 bbl/d, up from 1,010 bbl/d at the end of 2018. A total of eight new horizontal wells were drilled in the Hamaca field during 2019. During the fourth quarter of 2019 an additional water disposal well was drilled at Hamaca which will enable the Company to target production growth to between 4,000 and 5,000 bbl/d during 2020. The Company continues to experience consistent well performance at CPE-6, with flow rates higher than previously modeled, which provides additional encouragement for continued field expansion activity in 2020 and beyond. Four development wells and two successful exploration wells were drilled on the block during the fourth quarter of 2019, consistent with the Company's planned fourth quarter drilling plan.

The light and medium oil and natural gas business units had minimal activity during the fourth quarter, with no wells drilled during the fourth quarter of 2019 on either the Guatiquia or Cubiro blocks. Development drilling started on the Canaguaro block during December with activity expected to recommence in the first quarter of 2020 to appraise the Corallillo field on the Guatiquia block once the Canaguay-3 well is completed.

In December 2019, as part of the successful Agencia Nacional de Hidrocarburos ("ANH") bid round, the Company was

awarded and signed a contract for the Llanos-119 block ("LLA-119") onshore Colombia, in the prolific Llanos basin. The LLA-119 block includes 26,956 gross acres with a 100% operated working interest and an 8% base royalty plus 1% X-Factor royalty. LLA-119 is on trend with existing light and medium oil producing Frontera blocks including Cravoviejo, Mapache, Casimiro, and Cachicamo which produce from reservoirs including the C5, C7 and Gacheta formations. In addition to extending an existing field on the Cravoviejo block, the Company has identified two additional exploration opportunities on the block. Under the terms of the award of the block the Company is committed to undertaking a 37.5 km² 3D seismic survey and the drilling one exploration well.

In the Lower Magdalena Valley, the Company along with its partner, Parex Resources Inc., drilled and completed the La Belleza-1 exploration well on the VIM-1 block which targeted multiple prospective horizons. The well is in the process of being tested. Additionally, the natural gas business unit undertook a work over and well service program during the fourth quarter of 2019 which has improved the decline profile at both La Creciente and Guama.

The Company drilled 21 wells during the fourth quarter of 2019, including 18 development wells and three exploration wells. Three previously disclosed exploration wells on the Sabanero block were subsequently reclassified as development wells, of which two were drilled during the fourth quarter of 2019. During the first quarter of 2020, Frontera expects to drill 28 development wells (21 at Quifa, six at CPE-6, and one at Canaguaro), and commence drilling one exploration well (Asa on the Guama block), targeting natural gas and liquids.

Peru Update

Peru production averaged an estimated 10,164 bbl/d in the fourth quarter of 2019 an increase of 56.1% compared to the third quarter of 2019 reflecting stable production throughout the quarter and no downtime on the Norperuano pipeline. As the start date of the Block 192 service contract in early March approaches, we are in conversations with the Peruvian authorities to ensure continuity of production in the block.

Guyana Update

During the fourth quarter of 2019 the Company along with its partner, CGX Energy (TSXV: OYL) ("CGX") completed a 3D seismic program on the northern section of the Corentyne block offshore Guyana. The 3D program which is expected to be processed during the first half of 2020 covers approximately 582 km² and will greatly enhance the geological understanding of the block and allow for further identification and de-risking of exploration prospects. The Corentyne block lies adjacent to Block 58 in Suriname where operator Apache Corporation, recently announced a significant exploration discovery.

The additional 3D seismic program means that both the Corentyne and Demerara blocks will be largely covered by high resolution 3D seismic. The additional Corentyne seismic will facilitate the development of a higher quality ranked list of prospects and the selection of a drilling location on each block for drilling during the second half of 2020.

Shareholder Enhancement Initiatives

As at January 17, 2020 the Company has repurchased for cancellation 2,070,728 shares at an average cost of C\$10.00 per share for a total of C\$20.9 million (\$15.9 million), under the Company's 2019-2020 NCIB. A further 4,461,672 shares are available for repurchase under the terms of the NCIB. A dividend of C\$0.205 per share was paid on January 17, 2020, to shareholders of record as of January 3, 2020. The dividend reinvestment plan was taken up by 24.8% of shareholders and the Company's outstanding shares as of the record date.

Hedging Update

The Company uses a combination of Brent oil price linked purchased put options, zero cost collars, put spreads and call collars to protect the Company's balance sheet and capital program within hedging limits set by the Board of Directors.

For the first quarter of 2020, the Company has hedged an estimated 54% of expected net production with floor prices between \$55.00/bbl and \$58.64/bbl and a ceiling price of \$73.75/bbl. This includes an estimated 15% of expected net production hedged using put spreads with strike prices of \$47.00/bbl and \$57.00/bbl.

For the second quarter of 2020, the Company has hedged an estimated 40% of expected net production with floor prices

between \$55.00/bbl and \$57.00/bbl and a ceiling price of \$74.02/bbl. The estimated 40% of expected net production been hedged using put spreads (10%) and three-way collars (30%) have strike prices between \$45.00/bbl and \$47.00/bbl and \$55.00/bbl and \$57.00/bbl.

For the third quarter of 2020, the Company has hedged an estimated 40% of expected net production using three-way with floor prices between \$50.00/bbl and \$60.00/bbl and a ceiling price of \$75.00/bbl.

For the fourth quarter of 2020, the Company has hedged an estimated 15% of expected net production using put spread floor prices between \$50.00/bbl and \$60.00/bbl.

About Frontera:

[Frontera Energy Corp.](#) is a Canadian public company and a leading explorer and producer of crude oil and natural gas, operations focused in South America. The Company has a diversified portfolio of assets with interests in more than 40 exploration and production blocks in Colombia, Peru, Ecuador and Guyana. 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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Cautionary Note Concerning Forward-Looking Statements

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 expected production levels, development and drilling plans, (including timing and projected production levels), the Company's exploration and development plans, objectives, timing and expectations regarding the Company's programs, and statements regarding the Company's NCIP (future usage) 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 to differ materially from current expectations include, among other things: production estimates and estimated economic uncertainties associated with estimating oil and natural gas reserves; failure to establish estimated resources or reserves; failure to establish estimated resources or reserves; operating hazards and risks; volatility in market prices for oil and natural gas; the uncertainties involved in interpreting drilling results and other geological data; fluctuation in currency exchange rates; inflation; changes in equity markets; timing on receipt of government approvals; perceptions of the Company's prospects; the prospects of the oil and gas industry in Colombia and the other countries where the Company operates or has investments; and the other risks disclosed under the heading "Risk Factors" and elsewhere in the Company's annual information form for March 13, 2019 filed on SEDAR at www.sedar.com. Any forward-looking statement speaks only as of the date on which it was 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.

Production Levels

Reported production levels may not be reflective of sustainable production rates and future production rates may differ materially from the production rates reflected in this news release due to, among other factors, difficulties or interruptions encountered during the production of hydrocarbons.

BOE Conversion

The term "boe" is used in this news release. Boe may be misleading, particularly if used in isolation. A boe conversion ratio of cubic feet to barrels is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. In this news release, boe has been expressed using the Colombian conversion standard of 5.7 Mcf: 1 bbl required by the Colombian Ministry of Mines and Energy.

Definitions

bbl/d Barrels of oil per day

bbl(s) Barrel(s) of oil

boe Refer to "Boe Conversion" disclosure above

boe/d Barrels of oil equivalent per day

C\$ Canadian dollars

NCIB Normal Course Issuer Bid (share buyback program)

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