Frontera Announces Third Quarter 2020 Results

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Strong Stable Cash Position with Increased Production Volumes

TORONTO, Nov. 4, 2020 - Frontera Energy Corp. (TSX: FEC) ("Frontera" or the "Company") today reported financial a operational results for the third quarter ended September 30, 2020. All financial amounts in this news release are in Un dollars, unless otherwise stated. During the third quarter, the Company acquired control of Infrastructure Ventures Inc. parent company of Puerto Bahia which owns and operates a bulk liquid and dry cargo port in Cartagena, Colombia. As Company now fully consolidates IVI's results in the Financial Statements, impacting the comparability of various financi Please see the section entitled the Acquisition of Infrastructure Ventures Inc ("IVI") in the Financial Statements for full d

Third Quarter Operational and Financial Results:

- Third quarter production averaged 43,202 boe/d, all from Colombia, compared to second quarter 2020 productio boe/d. In August, the Company brought back online most of the Colombian fields which it had shut-in earlier in th Peru Block 192, production remained closed during the third quarter.
- The Company reported a net loss of $90 million ($0.93/share), compared to a net loss of $68 million ($0.70/share second quarter of 2020. The loss in 3Q was primarily related to non-cash adjustments due to the acquisition of IV
- Production costs in the third quarter averaged $8.97/boe, compared to $9.03/boe in the second quarter of 2020 r Company's success in controlling costs in the current environment.
- Transportation costs averaged $9.89/boe in the third quarter, compared to $11.28/boe in the second quarter of 20 as a result of the consolidation of IVI. In the third quarter of 2020, the acquisition of IVI lowered reported transpor by $0.94/boe compared to the second quarter of 2020. In addition, we have reclassified $8 million in third quarter ($20 million year-to-date 2020) related to non-cash transportation ancillary contracts to Costs under terminated pi contracts.
- General & Administrative Expenses were $10.5 million in the third quarter, compared to $9.7 million in the second reflecting $1.2 million in additional costs as a result of the IVI consolidation.
- Operating EBITDA was $52 million compared to $38 million in the second quarter of 2020. Revenue increased du volumes deferred from the second quarter (which resulted in an additional cargo in the third quarter) and improve prices. In addition, production and transportation costs improved in the quarter.
- Capital expenditures in the third quarter were $3 million, versus $16 million in the second quarter of 2020 as the C focused on conserving cash during the quarter.
- The Company ended the third quarter of 2020 with total cash of $421 million, as compared to $395 million in the p quarter. Of total cash, at the end of the third quarter, restricted cash totaled $161 million as compared to $139 mi end of the second quarter of 2020. The consolidation of IVI resulted in an increase of $26 million of restricted cas million of cash and cash equivalents.
- The Company's total debt and lease liabilities ended the third quarter of 2020 at $557 million, including an increas and lease liabilities due to the consolidation of $203 million of 2025 Puerto Bahia debt as a result of the IVI acqui bank loan is non-recourse to Frontera (other than as provided for by the equity contribution agreement). Net debt Unrestricted Subsidiaries) was $113 million as of September 30, 2020.

Gabriel de Alba, Chairman of the Board of Directors, commented:

"Frontera continues to demonstrate operational and financial discipline against the backdrop of a difficult oil price envir the third quarter, the Company finished with higher production volumes, stable production costs, and a cash position vi unchanged quarter over quarter. Purchasing a controlling interest in Puerto Bahia provides several benefits for Fronter the Company authority to shape the strategic direction in order to release value from the port, and (ii) removes both the voting provisions and a put option held by former shareholders which created potential uncertainty around the port. We port is a unique asset, combining a liquids terminal with a dry cargo facility, in a strategic location. We will continue to e means to maximize the value of the port, and Frontera's other midstream assets. Our focus in the fourth quarter remair maintaining our production volumes and our strong balance sheet, while ensuring we are positioned for long-term grow creation."

Richard Herbert, Chief Executive Officer of Frontera, commented:

"In the third quarter, we brought back online and stabilized a portion of the production previously shut-in while maintaini improvements in costs and processes achieved earlier in the year. Quarterly production was above the high end of our guidance while production costs remained stable. We achieved this while upholding our commitment to the health and our field and office staff and people in the local communities where we operate.

In Peru, with ongoing disruption caused by the pandemic and the closure of the Norperuano pipeline, we have maintair in Block 192 shut-in throughout the quarter. Frontera has notified PeruPetro of the lifting of force majeure on July 30 an six-month extension of our service contract, which was negotiated in March, will now expire in February 2021.

We are affirming our guidance for the remainder of the year, adjusted for the recent consolidation of Puerto Bahia, as w stable operations and results for the remainder of 2020. Remaining work this year will include infrastructure investment Lower Magdalena Valley and other preparatory work in Colombia, Ecuador and Guyana for our future exploration and c projects. Our strategy is designed to give us flexibility for the future, depending on oil prices, while maintaining the high discipline. We expect to release our 2021 capital budget and guidance in December."

Operational and Financial Summary:

		Q3 2020	Q2 2020	Q3 2019
Operational Results (1)				
Average Production				
Oil production - Colombia	(bbl/d)	41,817	40,948	61,420
Oil production - Peru	(bbl/d)	—	—	6,510
Natural gas production - Colombia	(boe/d)	1,385	1,649	2,283
Total (2)	(boe/d) (3)	43,202	42,597	70,213
Sales Volumes				
Colombia	(boe/d)	40,445	35,963	53,802
Peru	(bbl/d)	—	—	576
Total	(boe/d)	40,445	35,963	54,378
Inventory Balance				
Colombia	(bbl)	708,103	840,893	798,953
Peru	(bbl)	1,000,058	852,892	1,851,080
Total	(bbl	1,708,161	1,693,785	2,650,033

Operating Netback				
Net sales realized price [4]	($/boe)	36.31	34.62	53.21
Production costs [5]	($/boe)	(8.97)	(9.03)	(11.60)
Transportation costs [6][7]	($/boe)	(9.89)	(11.28)	(12.00)
Operating netback [7][8]	($/boe)	17.45	14.31	29.61
Financial Results				
Oil and Gas Sales	($M)	149,474	81,701	289,641
Net sales [8]	($M)	135,123	113,313	266,217
Net (loss) income[9]	($M)	(90,473)	(67,760)	(49,117)
Per share – basic	($)	(0.93)	(0.70)	(0.50)
Per share – diluted	($)	(0.93)	(0.70)	(0.50)
General and administrative	($M)	10,539	9,716	18,476
Operating EBITDA [7][8]	($M)	52,113	37,608	124,586
Cash provided by operating activities [10]	($M)	35,929	102,256	124,289
Capital expenditures [11]	($M)	2,905	15,651	70,761
Total cash, including restricted cash	($M)	421,298	394,769	442,293
Working capital	($M)	(78,911)	37,403	124,998
Total debt and lease liabilities	($M)	557,182	379,790	404,815
Consolidated total indebtedness (Excluding Unrestricted Subsidiaries) [12]	($M)	352,058	373,363	388,766
Net debt (Excluding Unrestricted Subsidiaries) [12]	($M)	113,054	128,882	94,082

1. Results not comparable to previous quarters due to IVI consolidation

2. Represents working interest production before royalties and total volumes produced from service contracts. Refer to the "Further Disclosures" section on page 25 of the MD&A.

3. Boe has been expressed using the 5.7 to 1 Colombian Mcf/bbl conversion standard required by the Colombian Ministry of Mines & Energy.

4. Per boe is calculated using sales volumes from development and producing ("D&P") assets.

5. Per boe is calculated using production.

6. Per boe is calculated using net production after royalties.

7. For the second quarter of 2020 the cost of the BIC Ancillary Agreements and CLC Ancillary Agreements cancelled and unpaid were reclassified as Cost Under Terminated Pipeline Contracts, refer to "Commitments and Contractual Obligations" section on page 20 of the MD&A for further details.

8. Refer to the "Non-IFRS Measures" section on page 15 of the MD&A. This section also includes a description and details for all per boe metrics included in operating netback.

9. Net (loss) income attributable to equity holders of the Company.

10. Figures for 2019 have been revised to reflect the change in the accounting policy of interest paid as a financing activity instead of an operating activity. For further information on this adjustment, refer to Note 3b of the 2019 Annual Consolidated Financial Statements.

11. Capital expenditures includes costs, net of income from exploration and evaluation ("E&E") assets.

12. Refer to the "Non-IFRS Measures" section on page 15 of the MD&A. ("Unrestricted Subsidiaries") include CGX Energy Inc.("CGX"), Pacific Midstream Ltd., and Pacinfra Holding Ltd ("Pacinfra", including its subsidiary IVI).

Operational Update:

In the upstream heavy oil business unit, we reactivated CPE-6 and the Quifa satellite Cajua field during the third quarter. Subsequently, the Sabanero block was shut-in due to ongoing issues partially stemming from Covid-19, in the surrounding communities.

In the light and medium district, we reactivated the Cubiro, Casimena, and Canaguaro blocks during the quarter. Subsequently, we performed successful workovers and stimulations on several key wells including Ardilla-3, Yatay-2, and Candelilla-6 wells.

Capital expenditures were $3 million in the quarter as stable production allowed us to defer some well service and workovers into the fourth quarter. In the fourth quarter, Frontera expects to ramp up activity and capital expenditures, including workover / well service work in key oil fields in Colombia and to begin construction on facilities in the Lower Magdalena Valley ("VIM"), well test in Asai and other projects in anticipation of next year's development plans. The Company initiated work with 1 rig in the third quarter and expects to have 4 rigs running during the quarter.

In Ecuador, Frontera continues working to obtain environmental permits to start exploration activities in the Perico block. The permit is expected to be received in late 2020 and the first well is planned for drilling in late 2021.

Operational activities in Guyana have been affected throughout most of 2020 due to the COVID-19 Pandemic. Our Joint Venture with CGX Energy continues to have constructive collaborative discussions with the regulatory authorities in Guyana regarding work commitments in that country.

In our midstream business, as previously disclosed, on August 6, 2020, Frontera closed an agreement with the International Finance Corporation and related funds (the "IFC") to purchase all of IFC's interests in IVI. IVI is the parent company of Sociedad Portuaria Puerto Bahia ("Puerto Bahia"), which owns and operates a bulk liquid and dry cargo port in Cartagena, Colombia. The acquisition terminated a put option and special governance rights held by the IFC. Therefore, Frontera has acquired control over the future strategic direction of the port with a view to unlocking material value for the Company. Frontera, through its wholly owned subsidiary Pacinfra, now owns approximately 71.57% of the issued and outstanding shares of IVI and as a result from the third quarter of this year is consolidating IVI in its financial results.

Financial Liquidity:

As of the third quarter of 2020, the Company now consolidates IVI / Puerto Bahia, including its $203 million of debt (non-recourse to Frontera) and $26 million of restricted cash.

The Company's debt as of September 30, 2020, is outlined in the table below.

($M)	3Q 2020	2Q 2020
Gross Debt [1][2]	$ 557	$ 380
(-) 2025 Puerto Bahia Debt	$ 203	$ —
(+) Risk Management Assets, net [3]	$ (2)	$ (7)
= Consolidated Total Indebtedness excluding 2025 Puerto Bahia Debt [4]	$ 352	$ 373
(-) Cash and Cash Equivalents (excluding unrestricted subsidiaries) [5]	$ 239	$ 244
= Net Debt excluding 2025 Puerto Bahia Debt	$ 113	$ 129

1. Gross debt is the sum of Long-term debt, Borrowings (2025 Puerto Bahia Debt), and Lease liabilities

2. Excludes $0.1 million of lease liabilities attributable to the Unrestricted Subsidiaries on the third quarter

3. Excludes $15.0 million of risk management liabilities attributable to the Unrestricted Subsidiaries on the third quarter

4. Consolidated Total Indebtedness per Frontera 2023 indenture definition

5. Excludes $21.0 million of cash attributable to the Unrestricted Subsidiaries.

Guidance Restatement for the Consolidation of IVI

On August 6, 2020, the Company released updated guidance for full-year and second-half 2020. At the time, the prevailing Brent oil price of close to $45/bbl was projected forward for the remainder of 2020. We are reaffirming our guidance only adjusting transportation costs for the acquisition of IVI and changes to accounting treatment of unused ancillary contracts. To make the guidance comparable given those changes, we have reduced transportation cost guidance in the full year by $2.0 per boe (to $11.0 - $12.0 per boe from $13.0 - $14.0 per boe) and in the second half by $4.0 per boe (to $9.5 - $10.5 per boe from $13.5 - $14.5 per boe).

		Jan 1, 2020 - Dec 31, 2020	Jan 1, 2020 - Sep 30, 2020	Jul 1, 2020 - Dec 31, 2020	Jul 1, 2020 - Sep 30, 2020 (Actuals)
		(Full Year Guidance)	(Actuals)	(Second Half Guidance)	
Average Production [1]	(boe/d)	46,000 - 48,000	49,765	40,000 - 43,000	43,202
Production Cost	($/boe)	$9.5 - $10.5	$10.48	$8.0 - $9.0	$8.97
Transportation Cost	($/boe)	$11.0 - $12.0	$11.36	$9.5 - $10.5	$9.89
Capital Expenditures [2]	($M)	$100 - $120	$83.2	$20 - $40	$2.9

1. Does not assume any production from Peru for July 1, 2020 through December 31, 2020.

2. Guidance includes Frontera's estimate of its share of costs of the 2020 Guyana exploration program, as joint venture partner, but does not include the consolidation impact of CGX share of those exploration costs.

Sustainability Disclosures

During the third quarter, Frontera released its 2019 Sustainability Report along with a brand new ESG presentation, detailing its key environmental, social, and governance ("ESG") initiatives. The report and presentation are aligned with the Sustainability Accounting Standard Board framework and available at www.fronteraenergy.ca.

Hedging Update:

The goal of the hedging program is to protect the revenue generation and cash position of the Company. The forward hedging position was also increased in part to support restarting production and protect the break-evens of the previously shut-in fields. The Company has now hedged approximately 3.7 million bbls (approximately 100% of expected production) at Brent $35/bbl for the fourth quarter of 2020 and 3.8 million bbls at Brent $35 - $37/bbl for the first half of 2021.

The following is the current hedging portfolio as of the date of this release:

Term	Type of Instrument	Notional Amount / Volume (bbl)	Put/Call/Spreads $/bbl
October	Put Spread	1,012,500	25/35
	3-ways	269,000	27/37/49
	Total October	1,281,500	
November	Put Spread	946,500	25/35
	3-ways	273,000	27/37/49
	Total November	1,219,500	
December	Put Spread	948,500	25/35
	3-ways	251,000	27/37/49
	Total December	1,199,500	
Q4 2020			

Total Q4

3,700,500

Total 2020		3,700,500	
January	Put Spread	377,000	26.5/36.5
	3-ways	296,000	25.5/35.5/50.4
	Total January	673,000	
February	Put Spread	366,800	26.5/36.5
	3-ways	244,000	25.5/35.5/50.4
	Total February	610,800	
March	Put Spread	377,000	26.5/36.5
	3-ways	300,000	25.5/35.5/50.4
	Total March	677,000	
Q1 2021	Total Q1	1,960,800	
April	Put Spread	160,000	26.5/36.5
	3-ways	457,000	25.5/35.5/51.8
	Total April	617,000	
May	Put Spread	160,000	26.5/36.5
	3-ways	481,000	25.5/35.5/51.8
	Total May	641,000	
June	Put Spread	160,000	26.5/36.5
	3-ways	452,000	25.5/35.5/51.8
	Total June	612,000	
Q2 2021	Total Q2	1,870,000	
Total Average 2021		3,830,800	

Third Quarter 2020 Conference Call Details

The Company will host a conference call for investors and analysts to discuss its results on Thursday, November 5, 2020 at 8:00 a.m. (MST) and 10:00 a.m. (EST/GMT-5). Participants should use the following dial-in numbers:

Participant Number (Toll Free North America):	1-888-664-6392
Participant Number (Toll Free Colombia):	01-800-518-4036
Participant Number (International):	1-416-764-8659
Conference ID:	19881048
Webcast:	https://produceredition.webcasts.com/starthere.jsp?ei=1383964&tp_key
A replay of the conference call will be available until 11:59 p.m. (EST/GMT-5) Thursday, November 12, 2020.	
Encore Toll free Dial-in Number:	1-888-390-0541
International Dial-in Number:	1-416-764-8677
Encore ID:	267364

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 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, ethically 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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Advisories:

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 the impact of a sustained low price of oil and natural gas, the ongoing impact of the COVID-19 pandemic on the Company's operations, the effectiveness or adequacy of the measures that the Company's has taken and continues to take to manage the COVID-19 pandemic and current oil price environment, estimates and/or assumptions in respect of the Company's capital expenditure program (including Company's guidance), production, costs, future income generation capacity, cash levels, the Company's exploration and development plans and objectives, including its drilling plans and the timing thereof, regulatory approvals, the impact of shut-ins and other work in the field on future field performance, and the Company's hedging program and its ability to mitigate the impact of lower oil prices) 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: volatility in market prices for oil and natural gas (including as a result of a sustained low oil price environment due to the COVID-19 pandemic and the actions of OPEC and non-OPEC countries and the procedures imposed by governments in response thereto; the duration and spread of the COVID-19 pandemic and its severity, the success of the Company's program to manage COVID-19; uncertainties associated with estimating and establishing oil and natural gas reserves and resources; liabilities inherent with the exploration, development, exploitation and reclamation of oil and natural gas; uncertainty of estimates of capital and operating costs, production estimates and estimated economic return; increases or changes to transportation costs; expectations regarding the Company's ability to raise capital and to continually add reserves through acquisition and development; the Company's ability to access additional financing; the ability of the Company to maintain its credit ratings; the ability of the Company to: meet its financial obligations and minimum commitments, fund capital expenditures and comply with covenants contained in the agreements that govern indebtedness; political developments in the countries where the Company operates; the uncertainties involved in interpreting drilling results and other geological data; geological, technical, drilling and processing problems; timing on receipt of government approvals; fluctuations in foreign exchange or interest rates and stock market volatility and the other risks disclosed under the heading "Risks and Uncertainties" in the Company's MD&A dated November 3, 2020 and under the heading "Risk Factors" and elsewhere in the Company's annual information form dated March 5, 2020 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.

This news release contains future oriented financial information and financial outlook information (collectively, "FOFI") (including, without limitation, statements regarding expected average production, production costs, transportation costs, capital expenditures, total cash and cash and cash equivalents), and are subject to the same assumptions, risk factors, limitations and qualifications as set forth in the above paragraph. The FOFI has been prepared by management to provide an outlook of the Company's activities and results, and such information may not be appropriate for other purposes. The Company and management believe that the FOFI has been prepared on a reasonable basis, reflecting management's reasonable estimates and judgments, however, actual results of operations of the Company and the resulting financial results may vary from the amounts set forth herein. Any FOFI speaks only as of the date on which it is made and the Company disclaims any intent or obligation to update any FOFI, whether as a result of new information, future events or results or otherwise, unless required by applicable laws.

Non-IFRS Financial Measures

This news release contains financial terms that are not considered in the International Financial Reporting Standards ("IFRS"): Operating EBITDA, Operating Netback, Net Sales, Consolidated Total Indebtedness and Net Debt. These financial measures, together with measures prepared in accordance with IFRS, provide useful information to investors and shareholders, as management uses them to evaluate the operating performance of the Company. The Company's determination of these non-IFRS measures may differ from other reporting issuers, and therefore are unlikely to be comparable to similar measures presented by other companies. Further, these non-IFRS measures should not be considered in isolation or as a substitute for measures of performance or cash flows prepared in accordance with IFRS. These financial measures are included because management uses this information to analyze operating performance and liquidity.

Operating EBITDA

Management believes that EBITDA is a common measure used to assess profitability before the impact of different financing methods, income taxes, depreciation and impairment of capital assets and amortization of intangible assets.

EBITDA is a commonly used measure that adjusts net income (loss) as reported under IFRS to exclude the effects of income taxes, finance income and depletion, depreciation and amortization expense.

Operating EBITDA represents the operating results of the Company's primary business, excluding the items noted above, restructuring, severance and other costs, certain non-cash items (such as impairments, foreign exchange, unrealized risk management contracts, costs under terminated pipeline contracts, and share-based compensation) and gains or losses arising from the disposal of capital assets. In addition, other unusual or non-recurring items are excluded from operating EBITDA, as they are not indicative of the underlying core operating performance of the Company.

A reconciliation of Operating EBITDA to net loss is as follows:

($M)	Three Months Ended September 30, 2020 / June 30, 2019 2020
	2020
Net (loss) income	[illegible]
Costs under terminated pipeline contracts[1]	[illegible]
Share-based compensation	[illegible]
Depletion, depreciation and amortization	[illegible]
Impairment	[illegible]
Restructuring, severance and other costs	[illegible]
Share of income from associates	[illegible]
Foreign exchange loss	[illegible]
Finance income	[illegible]
Finance expenses	[illegible]
Unrealized loss (gain) on risk management contracts	[illegible]
Other loss, net	[illegible]
Income tax expense	[illegible]
Non-controlling interests	[illegible]
Reclassification of currency translation adjustments	[illegible]
Operating EBITDA	[illegible]

1. For the second quarter of 2020 the cost of the BIC Ancillary Agreements and CLC Ancillary Agreements cancelled and unpaid were reclassified as Cost Under Terminated Pipeline Contracts, refer to "Commitments and Contractual Obligations" section on MD&A.

	2020			2019			
($M)	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Financial and Operational results:							
Operating EBITDA	52,113	37,608	46,982	137,052	124,586	179,665	144,855

Netbacks

Management believes that Netback is a useful measure to assess the net profit after all the costs associated with bringing one barrel of oil to the market. It is also commonly used by the oil and gas industry to analyze financial and operating performance expressed as profit per barrel. Operating Netback represents realized price per barrel plus realized gain or loss on financial derivatives, less production costs, transportation costs, royalties, and diluent costs, and shows how efficient the Company is at extracting and selling its product. For netback purposes, the Company removes the effects of trading activities and Midstream segment from its per barrel metrics. Refer to the "Operating Netback" section on page 6 of the MD&A.

Net Sales

Net sales is a non-IFRS subtotal that adjusts revenue to include realized gains and losses from risk management contracts while removing the cost of dilution activities. This is a useful indicator for management as the Company hedges a portion of its oil production using derivative instruments to manage exposure to oil price volatility. This metric allows the Company to report its realized net sales after factoring in these risk management activities. The deduction of diluent cost is helpful to understand the Company's sales performance based on the net realized proceeds from production net of dilution, the cost of which is partially recovered when the blended product is sold. Net sales exclude sales from port services, as it is not considered part of the oil & gas segment, and sales and purchases of oil and gas for trading as the gross margins from these activities are not considered significant or material to the Company's operations. Refer to the reconciliation in the "Sales" section on page 7 of the MD&A.

Consolidated Total Indebtedness and Net Debt

Consolidated total indebtedness and net debt are used by the Company to monitor its capital structure, financial leverage, and as a measure of overall financial strength. Consolidated total indebtedness is defined as long-term debt, plus liabilities for leases and net position of risk management contracts, excluding Unrestricted Subsidiaries. This metric is consistent with the definition under the Company's Unsecured Notes (as defined in the MD&A) for the calculation of certain conditions and covenants. Net debt is defined as consolidated total indebtedness less cash and cash equivalents. Both measures are exclusive of non-recourse subsidiary debt (2025 Puerto Bahia Debt) and cash attributable to the Unrestricted Subsidiaries.

Please see the MD&A for additional information about these financial measures.

Oil and Gas Information Advisories

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.

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(s)	Barrel(s) of oil
bbl/d	Barrel of oil per day
boe	Refer to "Boe Conversion" disclosure above
boe/d	Barrel of oil equivalent per day
Mcf	Thousand cubic feet
Net Production	Net production represents the Company's working interest volumes, net of royalties and internal consumption

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