

Frontera To Acquire Petrosud

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ACQUISITION WILL GENERATE APPROXIMATELY US\$8-\$10 MILLION OF ANNUAL EBITDA, ADDS APPROXIMATELY 1,300 BOE/D IMMEDIATE PRODUCTION INCLUDING 5 MMCF/D CONVENTIONAL NATURAL GAS

PETROSUD HIGH QUALITY GAS FACILITIES ENHANCE ABILITY TO COMMERCIALIZE RECENT GAS DISCOVERIES IN VIM-1

FRONTERA SPUDS JANDAYA-1 EXPLORATION WELL IN ECUADOR

FRONTERA CHOSEN AS SUCCESSFUL BIDDER BY ANH FOR BLOCK VIM-46

CALGARY, Dec. 20, 2021 - [Frontera Energy Corp.](#) (TSX: FEC) ("Frontera" or the "Company") announced today that it has entered into an agreement to acquire 100% of the issued and outstanding shares in Petroleos Sud Americanos S.A. ("PetroSud") operations in Colombia in El Difícil (a 65% working interest ("W.I.")), Entrerrios and Rio Meta Blocks.

Assets to be acquired in the PetroSud and VIM-46 transactions:

Under the terms of the agreement, Frontera will acquire PetroSud for a total aggregate cash consideration of approximately US\$18 million plus the assumption of approximately US\$18 million in debt. The transaction is expected to close by December 31, 2021, subject to meeting certain closing conditions.

Orlando Cabrales, Chief Executive Officer (CEO), Frontera, commented:

"Frontera's acquisition of PetroSud supports the Company's strategy to increase gas production, lowers carbon emissions and includes strategically located, high quality gas facilities adjacent to an emerging core area which may enhance our ability to commercialize recent gas discoveries in VIM-1 in a very competitive market.

At \$70/bbl average Brent prices, Frontera anticipates its acquisition of PetroSud will generate approximately US\$8-10 million of annual EBITDA at a low production cost of \$7.50-\$8.50/boe and add approximately 1,300 boe/d of immediate production (comprised of approximately 5 mmcf/d of conventional natural gas, 80 bbl/d of natural gas liquids, 260 bbl/d of heavy oil and 1,000 bbl/d of light and medium crude oil) which the Company anticipates increasing to 2,000 - 3,000 boe/d between 2022 and 2025.

El Difícil and VIM-46 blocks are located in an emerging core area close to the Company's interests in La Creciente, VIM-1 and VIM-22 blocks. The Entrerrios and Rio Meta blocks are centrally located near the Company's Cravoviejo, Cachicamo and other producing assets.

Key anticipated benefits of the PetroSud acquisition include:

- No exploration commitments on any of the acquired blocks.
- Producing gas fields connected to existing distribution infrastructure.
- Immediate opportunities to increase production.
- Located approximately 75-kilometres from La Belleza (VIM-1) and VIM-22.
- Conventional natural gas assets further balance production profile.
- Possible synergies could be realized due to the close proximity of PetroSud's Llanos assets to Frontera's light oil assets.

Frontera Chosen as Successful Bidder by ANH for Block VIM-46

On December 16, 2021, Frontera was preliminarily appointed as the successful bidder to acquire interests in the VIM-46

pursuant to the 2021 Colombia Bid Round. Confirmation of the award by the Agencia Nacional de Hidrocarburos (ANH) execution of the relevant exploration and production contract is expected to take place shortly. VIM-46 block is located in proximity to a number of existing Frontera assets including the La Creciente block, the VIM-22 block, the VIM-1 block and a newly acquired El Difícil block. Frontera anticipates completing further exploration in this emerging core area.

Frontera Spuds the Jandaya-1 Well in the Perico Block in Ecuador

On December 7, 2021, Frontera spud the Jandaya-1 exploration well on the Perico block (Frontera 50% W.I. and operated by GeoPark Limited 50% W.I.). The Jandaya-1 well is expected to reach a total depth of 10,970 feet (3,344 metres) in January 2022 and is targeting light oil in the Main and Upper Hollin and T Sandstone formations. The Joint Venture targets spudding an additional exploration well on the Perico block once operations are complete at the Jandaya-1 well.

The Perico and Espejo blocks are located near existing production and infrastructure in Sucumbíos Province in the northern part of Ecuador, in the Oriente basin and were awarded through Ecuador's 2019 Intracampes Bid Round. Frontera holds approximately 16,700 net acres in the Perico and Espejo exploration blocks. The Oriente basin currently produces more than 500,000 bbl/d.

ESG Strategy Results: Frontera Awarded Equipares Gold Seal For Gender Equality

On November 24, 2021, the Colombian Ministry of Labor and the Presidential Council for Equity for Women, with technical support from the United Nations Development Program (UNDP), awarded Frontera the Equipares Gold Seal for the Company's commitment and efforts to close gender gaps in the workplace and in the communities where it operates. The Gold Seal is the highest recognition of the program and Frontera is the first oil and gas company to receive this recognition.

As part of the 'S' Factor of its ESG Strategy, Frontera is focused on hiring and promoting women, seeking a better balance between work and personal life, as well as achieving a balance in professional development areas and leadership positions.

Fitch Affirms Frontera's IDR at 'B'; Outlook Stable

On December 7, 2021, Fitch Ratings affirmed Frontera's Long-Term Foreign and Local Currency Issuer Default Ratings at 'B'. Fitch also affirmed Frontera's senior unsecured notes at 'B/RR4'. The Rating Outlook is Stable.

About Frontera:

[Frontera Energy Corp.](#) is a Canadian public company involved in the exploration, development, production, transportation and sale of oil and natural gas in South America, including related investments in both upstream and midstream facilities. The Company has a diversified portfolio of assets with interests in 37 exploration and production blocks in Colombia, Ecuador, Peru, Guyana, and pipeline and port facilities in Colombia. Frontera is committed to conducting business safely and in a socially, environmentally and ethically responsible manner.

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Advisories:

Cautionary Note Concerning Forward-Looking Information

This news release contains forward-looking information within the meaning of Canadian securities laws. Forward-looking information relates to activities, events or developments that the Company believes, expects or anticipates will or may occur in the future. Forward-looking information in this news release includes statements regarding the anticipated timing for closing the PetroSud transaction, the anticipated completion and execution of the exploration and production contract with ANH for the VIM-46 block, the anticipated benefits of the PetroSud and VIM-46 transactions and their fit within the Company's strategic plan, and the anticipated timing and progress of exploration projects. All information other than historical fact is forward-looking information.

Forward-looking information reflects the current expectations, assumptions and beliefs of the Company based on information currently available to it and considers the Company's experience and its perception of historical trends, including expectations and assumptions relating to the closing of the PetroSud transaction; the completion and execution of the exploration and production contract with ANH for the VIM-26 block; the anticipated benefits of the PetroSud and VIM-46 transactions; commodity prices and interest and foreign exchange rates; the current and potential adverse impacts of the COVID-19 pandemic, including the status of the pandemic and future waves and any associated policies around current business restrictions; the performance of assets and equipment; the sufficiency of budgeted capital expenditures in carrying out planned activities; the availability and cost of labour, services and infrastructure; and the development and execution of projects.

Although the Company believes that the assumptions inherent in the forward-looking information are reasonable, forward-looking information is not a guarantee of future performance and accordingly undue reliance should not be placed on such information. Forward-looking information is subject to a number of risks and uncertainties, some that are similar to other oil and gas companies and some that are unique to the Company. The actual results may differ materially from those expressed or implied by forward-looking information, and even if such actual results are realized or substantially realized, there can be no assurance they will have the expected consequences to, or effects on, the Company. The Company's annual information form dated 2021, its annual management's discussion and analysis for the year ended December 31, 2020, and other documents from time to time with securities regulatory authorities describe the risks, uncertainties, material assumptions and other factors that could influence actual results and such factors are incorporated herein by reference. Copies of these documents are available without charge by referring to the company's profile on SEDAR at www.sedar.com. All forward-looking information speaks as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise.

Oil and Gas Information Advisories

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

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|--------|--|
| 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 |

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