INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

For the three and nine months ended September 30, 2024 and 2023

Interim Condensed Consolidated Statements of Income

(Unaudited; in thousands of U.S.$, except per share information)	Notes	Three Months Ended September 30 2024	Three Months Ended September 30 2023	Nine Months Ended September 30 2024	Nine Months Ended September 30 2023
Oil and gas produced, purchased sales and other revenue	4	$ 281,328	$ 321,083	$ 836,306	$ 880,368
Royalties		(2,853)	(12,216)	(13,133)	(31,266)
Revenue		278,475	308,867	823,173	849,102
Operating costs	5	105,763	106,998	301,930	296,212
Cost of diluent and oil purchased	5	57,557	54,555	170,569	180,444
General and administrative	6	12,719	11,925	39,203	37,016
Share-based compensation		680	1,018	1,720	1,893
Depletion, depreciation and amortization	10	68,269	61,756	197,269	209,858
Impairment expense, exploration expenses and other	7	6,291	6,257	7,527	1,032
Restructuring, severance and other costs		361	1,407	3,216	4,804
Income from operations		26,835	64,951	101,739	117,843
Share of income from associates	12	13,411	13,726	40,712	41,643
Foreign exchange (loss) income		(631)	4,305	(9,246)	9,551
Finance income		3,126	1,941	6,534	7,714
Finance expense		(17,696)	(16,411)	(52,395)	(47,320)
Income (loss) on risk management contracts	16	5,802	(1,820)	(6,621)	10,245
Other (loss) income		(4,292)	(1,207)	(7,425)	4,382
Gain on repurchase of senior unsecured notes	13	292	—	1,001	—
Net income before income tax		26,847	65,485	74,299	144,058
Current income tax expense	8	(6,792)	(15,333)	(13,075)	(27,141)
Deferred income tax expense	8	(3,668)	(17,679)	(56,629)	(15,996)
Income tax expense	8	(10,460)	(33,012)	(69,704)	(43,137)
Net income for the period		$ 16,387	$ 32,473	$ 4,595	$ 100,921
Attributable to:					
Equity holders of the Company		16,588	32,582	5,239	101,459
Non-controlling interests		(201)	(109)	(644)	(538)
		$ 16,387	$ 32,473	$ 4,595	$ 100,921
Earnings per share attributable to equity holders of the Company					
Basic	9	$ 0.20	$ 0.38	$ 0.06	$ 1.19
Diluted	9	$ 0.19	$ 0.37	$ 0.06	$ 1.16

On behalf of the Board of Directors:

“Gabriel de Alba” (signed)

Chairman of the Board of Directors

“W. Ellis Armstrong” (signed)

Director

Interim Condensed Consolidated Statements of Comprehensive Income (Loss)

	Three Months Ended September 30		Nine Months Ended September 30	
(Unaudited; in thousands of U.S.$)	**2024**	**2023**	**2024**	**2023**
Net income for the period	$ 16,387	$ 32,473	$ 4,595	$ 100,921
Other comprehensive income (loss) that may be reclassified to net income (loss) in subsequent periods (nil tax effect)				
Foreign currency translation	(1,693)	3,508	(18,656)	33,853
Total comprehensive income (loss) for the period	$ 14,694	$ 35,981	$ (14,061)	$ 134,774
Attributable to:				
Equity holders of the Company	14,895	36,090	$ (13,417)	$ 135,312
Non-controlling interests	(201)	(109)	(644)	(538)
	$ 14,694	$ 35,981	$ (14,061)	$ 134,774

Interim Condensed Consolidated Statements of Financial Position

As at *(Unaudited; in thousands of U.S.$)*	**Notes**	**September 30 2024**	**December 31 2023**
ASSETS			
Current			
Cash and cash equivalents		$ 205,572	$ 159,673
Restricted cash	16	18,538	12,076
Receivables from investment	16	17,587	—
Trade receivables	16	43,797	11,066
Other receivables	16	72,474	74,657
Inventories		90,313	72,321
Income taxes receivable		33,886	128,075
Prepaid expenses and deposits		15,288	14,313
Risk management assets	16	5,446	10,665
Total current assets		502,901	482,846
Non-current			
Properties, plant and equipment	10	1,900,225	1,872,581
Exploration and evaluation assets	11	475,422	454,748
Investments in associates	12	56,272	82,825
Deferred tax assets	8	47,441	101,589
Restricted cash	16	16,214	18,224
Other assets		16,788	3,467
Total non-current assets		2,512,362	2,533,434
Total assets		$ 3,015,263	$ 3,016,280
LIABILITIES			
Current			
Accounts payable and accrued liabilities	16	$ 445,240	$ 427,156
Short-term debt and current portion of long-term debt	13	51,487	52,152
Risk management liabilities	16	—	1,275
Income taxes payable		5,781	13,829
Lease liabilities		3,936	5,327
Asset retirement obligations	14	38,926	44,962
Total current liabilities		545,370	544,701
Non-current			
Unsecured notes	13	389,436	393,660
Long-term debt	13	76,276	71,792
Other payables	16	15,005	2,361
Lease liabilities		10,100	13,891
Deferred tax liabilities	8	15,976	14,320
Asset retirement obligations	14	160,388	141,562
Total non-current liabilities		667,181	637,586
Total liabilities		$ 1,212,551	$ 1,182,287
Commitments and contingencies	18		
EQUITY			
Share capital		$ 4,598,560	$ 4,604,704
Contributed surplus		111,409	110,882
Other reserves		(66,228)	(47,572)
Accumulated deficit		(2,850,837)	(2,844,416)
Equity attributable to equity holders of the Company		$ 1,792,904	$ 1,823,598
Non-controlling interests		9,808	10,395
Total equity		$ 1,802,712	$ 1,833,993
Total liabilities and equity		$ 3,015,263	$ 3,016,280

Interim Condensed Consolidated Statements of Changes in Equity

(Unaudited; in thousands of U.S.$)	Number of Common Shares	Share Capital	Contributed Surplus	Cumulative Translation Adjustment	Fair Value Investment	Accumulated Deficit	Total	Non-Controlling Interests	Total Equity
		Attributable to Equity Holders of the Company							
As at January 1, 2024	85,151,216	$ 4,604,704	$ 110,882	$ (42,370)	$ (5,202)	$ (2,844,416)	$ 1,823,598	$ 10,395	$ 1,833,993
Net income for the period	—	—	—	—	—	5,239	5,239	(644)	4,595
Other comprehensive loss	—	—	—	(18,656)	—	—	(18,656)	—	(18,656)
Total comprehensive loss	—	—	—	(18,656)	—	5,239	(13,417)	(644)	(14,061)
Dividends declared to equity holders of the Company [(1)] [(2)]	626	4	—	—	—	(11,660)	(11,656)	—	(11,656)
Repurchase of Common Shares under NCIB [(3)]	(1,271,600)	(7,823)	—	—	—	—	(7,823)	—	(7,823)
Share-based compensation [(4)]	287,614	1,675	527	—	—	—	2,202	57	2,259
As at September 30, 2024	84,167,856	$ 4,598,560	$ 111,409	$ (61,026)	$ (5,202)	$ (2,850,837)	$ 1,792,904	$ 9,808	$ 1,802,712

(Unaudited; in thousands of U.S.$)	Number of Common Shares	Share Capital	Contributed Surplus	Cumulative Translation Adjustment	Fair Value Investment	Accumulated Deficit	Total	Non-Controlling Interests	Total Equity
		Attributable to Equity Holders of the Company							
As at January 1, 2023	85,592,075	$ 4,608,234	$ 109,918	$ (95,690)	$ (5,202)	$ (3,037,913)	$ 1,579,347	$ 9,857	$ 1,589,204
Net income for the period	—	—	—	—	—	101,459	101,459	(538)	100,921
Other comprehensive income	—	—	—	33,853	—	—	33,853	—	33,853
Total comprehensive income	—	—	—	33,853	—	101,459	135,312	(538)	134,774
Acquisition of non-controlling interests	—	—	(1,469)	—	—	—	(1,469)	—	(1,469)
Repurchase of Common Shares under NCIB [(5)]	(461,200)	(4,170)	—	—	—	—	(4,170)	—	(4,170)
Share-based compensation [(4)]	300,841	2,336	522	—	—	—	2,858	1,252	4,110
As at September 30, 2023	85,431,716	$ 4,606,400	$ 108,971	$ (61,837)	$ (5,202)	$ (2,936,454)	$ 1,711,878	$ 10,571	$ 1,722,449

[(1)] *The Company's board of directors approved and declared three cash dividends of $3.9 million each on March 7, May 7 and August 6, 2024, corresponding to CAD$0.0625 per Common Share. These dividends were paid on April 16, July 17 and October 16, 2024, respectively.*

[(2)] *The Company's Dividend Reinvestment Plan ("**DRIP**") allows shareholders resident in Canada with the option to have the cash dividends declared on their Common Shares automatically reinvested back into additional Common Shares, without the payment of brokerage commissions or service charges. During the period ended September 30, 2024, the Company issued 626 Common Shares under the DRIP.*

[(3)] *On November 16, 2023, the TSX approved the Company's notice to initiate an NCIB (the "**2023 NCIB**"). Pursuant to the 2023 NCIB, the Company may purchase up to 3,949,454 Common Shares, representing approximately 10% of the Company's "public float" (as calculated in accordance with TSX rules) as at November 8, 2023, during the twelve-month period commencing on November 21, 2023 and ending on November 20, 2024. During the three and nine months ended September 30, 2024, the Company repurchased for cancellation $2.3 million and $7.8 million, respectively, equivalent to 374,200 and 1,271,600 Common Shares under the 2023 NCIB, for an average repurchase cost of $6.16/Common Share and $6.15/Common Share, respectively.*

[(4)] *During the nine months ended on September 30, 2024, the Company settled 451,902 restricted share units ("**RSUs**") (2023: 433,654 RSUs). This included an issuance of 287,614 Common Shares (2023: 300,841 Common Shares), for an average price of $5.83/Common Share (2023: $7.76/Common Share). The remaining 164,288 RSUs were settled in cash (2023: 132,813 RSUs).*

[(5)] *On March 15, 2022, the TSX approved the Company's notice to initiate an NCIB (the "**2022 NCIB**"). Pursuant to the 2022 NCIB, the Company was permitted to purchase for cancellation up to 4,787,976 Common Shares during the 12-month period that commenced on March 17, 2022, and ended on March 16, 2023. During the three and nine months ended September 30, 2023, the Company repurchased for cancellation $Nil million and $4.2 million, respectively, equivalent to 461,200 Common Shares under the 2022 NCIB, for an average repurchase cost of $Nil/Common Share and $9.04/Common Share, respectively. Between March 17, 2022 and March 16, 2023, the Company purchased for cancellation 4,270,100 Common Shares under the 2022 NCIB.*

Interim Condensed Consolidated Statements of Cash Flows

(Unaudited; in thousands of U.S.$)	Notes	Three Months Ended September 30 2024	Three Months Ended September 30 2023	Nine Months Ended September 30 2024	Nine Months Ended September 30 2023
OPERATING ACTIVITIES					
Net income for the period		$ 16,387	$ 32,473	$ 4,595	$ 100,921
Items not affecting cash:					
Depletion, depreciation and amortization		68,269	61,756	197,269	209,858
Impairment expense	7	361	2,342	1,780	23,819
Expense (recovery) of asset retirement obligations	7	5,546	3,480	4,549	(24,001)
Unrealized (gain) loss on risk management contracts	16	(7,644)	4,002	3,941	(4,880)
Share-based compensation		(148)	399	892	841
Deferred income tax expense	8	3,668	17,679	56,629	15,996
Unrealized foreign exchange loss (gain)		6,726	(13,348)	15,618	(37,196)
Share of income from associates	12	(13,411)	(13,726)	(40,712)	(41,643)
Finance expense		17,696	16,411	52,395	47,320
Finance income		(3,126)	(1,941)	(6,534)	(7,714)
Dividends from associates	12	10,643	8,243	37,996	31,269
Income tax paid, withheld, compensated or collected, net		82,803	8,508	53,690	(32,854)
Interest received		3,126	1,543	6,534	5,154
Settlement of asset retirement obligations	14	(7,648)	(435)	(8,596)	(3,925)
Gain on repurchase of 2028 Unsecured Notes	13	(292)	—	(1,001)	—
Other		1,527	(1,169)	1,895	774
Changes in working capital (excluding cash)	17	(60,425)	27,740	(41,479)	54,623
Cash provided by operating activities		$ 124,058	$ 153,957	$ 339,461	$ 338,362
INVESTING ACTIVITIES					
Additions to oil and gas properties, infrastructure port, and plant and equipment		$ (84,533)	$ (61,745)	$ (234,415)	$ (170,891)
Additions to exploration and evaluation assets	11	(7,496)	(12,169)	(20,450)	(190,039)
(Increase) decrease in restricted cash and other		(3)	2,362	(3,322)	6,675
Return of capital contributions from investment in associates	12	1,529	3,475	5,459	6,191
Acquisition of non-controlling interests		—	(3,475)	—	(12,702)
Sale of subsidiaries		—	—	—	(7,500)
Changes in working capital (excluding cash)	17	(4,349)	(61,194)	10,631	(44,721)
Cash used in investing activities		$ (94,852)	$ (132,746)	$ (242,097)	$ (412,987)
FINANCING ACTIVITIES					
Interest paid and other charges		$ (765)	$ (1,390)	$ (23,705)	$ (22,396)
Repayment of debt	13	(224)	(8,000)	(13,923)	(17,128)
Dividends paid to equity holders of the Company		(3,892)	—	(7,799)	—
Repurchase of Common Shares under NCIB		(2,304)	—	(7,823)	(4,170)
Repurchase of 2028 Unsecured Notes	13	(1,224)	—	(4,045)	—
Lease payments		(1,769)	(1,169)	(4,866)	(3,249)
Constitution debt service reserve account of PIL Loan Facility, net	13	—	—	(468)	(8,743)
Net proceeds from PIL Loan Facility (as defined below)	13	10,000	—	18,820	114,935
Repayment of Puerto Bahia debt facility	13	—	—	—	(106,192)
Short-term debt - working capital loan	13	—	—	—	20,000
Transaction cost of PIL Loan Facility	13	—	—	—	(1,147)
Cash used in financing activities		$ (178)	$ (10,559)	$ (43,809)	$ (28,090)
Effect of exchange rate changes		(4,115)	(1,756)	(7,656)	2,060
Increase (decrease) in cash and cash equivalents during the period		24,913	8,896	45,899	(100,655)
Cash and cash equivalents, beginning of the period		180,659	180,294	159,673	289,845
Cash and cash equivalents, end of the period		$ 205,572	$ 189,190	$ 205,572	$ 189,190
Cash		73,744	101,224	73,744	101,224
Cash equivalents		131,828	87,966	131,828	87,966
Total cash and cash equivalents		$ 205,572	$ 189,190	$ 205,572	$ 189,190

1. Corporate Information

Frontera Energy Corporation (the "**Company**" or "**Frontera**") is an oil and gas company formed and existing under the laws of British Columbia, Canada, that is engaged in the exploration, development, production, transportation, storage and sale of crude oil and natural gas in South America, including strategic investment in both upstream and infrastructure facilities. The Company's common shares ("**Common Shares**") are listed and publicly traded on the Toronto Stock Exchange ("**TSX**") under the trading symbol "FEC". The Company's head office is located at 2000, 222 - 3rd Avenue SW, Calgary, Alberta, Canada, T2P 0B4, and its registered office is 1500 Royal Centre, 1055, West Georgia Street, Vancouver, British Columbia, Canada, V6E 4N7.

These interim condensed consolidated financial statements of the Company include the accounts of the Company and its subsidiaries.

2. Basis of Preparation and Material Accounting Policy Information, Judgments, Estimates and Assumptions

Statement of Compliance

These Interim Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2024, and 2023 (the "**Interim Condensed Financial Statements**"), have been prepared in accordance with IAS 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board ("**IASB**"). The Company has prepared the Interim Condensed Financial Statements on the basis that it will continue to operate as a going concern.

The Interim Condensed Financial Statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended December 31, 2023 (the "**2023 Annual Financial Statements**"). These Interim Condensed Financial Statements were approved and authorized for issuance by the Audit Committee of the Board of Directors on November 6, 2024.

Functional and Presentation Currency

The Interim Condensed Financial Statements are presented in United States ("U.S.") dollars, which is the Company's functional currency, and all values are rounded to the nearest thousand, except where otherwise indicated.

Material Accounting Policy Information

The accounting policies used in the preparation of the Interim Condensed Financial Statements are consistent with those disclosed in the 2023 Annual Financial Statements, except for the adoption of new standards effective as of January 1, 2024.

The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments apply for the first time in 2024, but do not have an impact on the Interim Condensed Financial Statements of the Company.

Key Accounting Estimates and Judgments

Global Economy

Russia-Ukraine Conflict

In February 2022, Russian military forces invaded Ukraine, leading to active and continued resistance from Ukrainian military and civilians. Certain countries, such as Canada and the United States, have imposed strict financial and trade sanctions against Russia, disrupting the global supply of oil and natural gas and leading to sustained high energy prices. To date, these events have not negatively impacted the Company's operations. The long-term impacts of the conflict and sanctions remain uncertain, the Company continues to monitor the evolving situation.

Middle East Conflict

The outcome of the conflict in the Middle East continues to be uncertain and has the potential to have wide-ranging consequences on the world economy. Global oil prices have remained highly volatile since the beginning of the Middle East conflict. There is a risk that the conflict could lead to wider regional instability in the Middle East, home to some of the world's biggest oil producers. To date, these events have not impacted the Company's ability to carry on business, and there have been no significant delays or direct security issues affecting the Company's operations, offices or personnel. The long-term impacts of the conflict remain uncertain, and the Company continues to monitor the evolving situation.

(Unaudited; in thousands of U.S.$, unless otherwise stated)

3. Segmented Information

The Company has four reportable operating segments, consistent with the basis on which management assesses performance and allocates resources across its business units, as follows:

- Colombia: Includes all upstream business activities of exploration and production in Colombia.
- Ecuador: Includes all upstream business activities of exploration and production in Ecuador.
- Guyana: Includes all offshore business activities of exploration in Guyana.
- Infrastructure Colombia: Includes the Company's investment in certain infrastructure, midstream and other assets, including storage, port, the reverse osmosis water treatment facility ("**SAARA**"), the palm oil plantation, other facilities in Colombia and the Company's investment in pipelines.

Canada & Others: Includes the corporate office in Canada and non-operating entities that have been aggregated as they do not generate revenue for the Company. In addition, it includes certain business activities in Peru, which include completing remediation work in Block 192 as its petroleum license expired on February 5, 2021.

For the three and nine months ended September 30, 2024, operating segmented information for the Interim Condensed Consolidated Statements of Income is as follows:

Three Months Ended September 30	Exploration and Production Onshore – Colombia		Exploration and Production Onshore – Ecuador		Exploration Guyana		Infrastructure Colombia		Canada & Others		Eliminations		Total	
	2024	2023*	2024	2023	2024	2023	2024	2023*	2024	2023	2024	2023*	2024	2023*
Oil and gas sales	$ 261,761	$ 303,740	$ 9,880	$ 5,620	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 271,641	$ 309,360
Other revenues	—	—	—	—	—	—	11,247	13,068	—	—	(1,560)	(1,345)	9,687	11,723
Royalties	(2,412)	(12,033)	(441)	(183)	—	—	—	—	—	—	—	—	(2,853)	(12,216)
Revenue	259,349	291,707	9,439	5,437	—	—	11,247	13,068	—	—	(1,560)	(1,345)	278,475	308,867
Operating costs	96,689	95,055	2,503	2,926	—	—	7,592	9,347	49	236	(1,070)	(566)	105,763	106,998
Cost of diluent and oil purchased	58,047	55,334	—	—	—	—	—	—	—	—	(490)	(779)	57,557	54,555
General and administrative	8,659	7,912	246	333	813	608	1,528	1,477	1,473	1,618	—	(23)	12,719	11,925
Share-based compensation	472	1,007	(6)	—	22	(195)	—	—	192	206	—	—	680	1,018
Depletion, depreciation and amortization	63,172	59,430	2,688	12	3	5	1,921	1,720	485	589	—	—	68,269	61,756
Impairment expense, exploration expenses and other	5,937	6,352	—	—	—	—	355	—	(1)	(95)	—	—	6,291	6,257
Restructuring, severance and other costs	121	109	—	—	—	—	140	298	100	1,000	—	—	361	1,407
Income (loss) from operations	26,252	66,508	4,008	2,166	(838)	(418)	(289)	226	(2,298)	(3,554)	—	23	26,835	64,951
Share of income from associates	—	—	—	—	—	—	13,411	13,726	—	—	—	—	13,411	13,726
Segment income (loss)	$ 26,252	$ 66,508	$ 4,008	$ 2,166	$ (838)	$ (418)	$ 13,122	$ 13,952	$ (2,298)	$ (3,554)	$ —	$ 23	$ 40,246	$ 78,677
Other non-operating expense items													(13,399)	(13,192)
Income tax expense													(10,460)	(33,012)
Net income for the period													$ 16,387	$ 32,473

** As a result of the redefinition of the Infrastructure Colombia segment, the presentation of certain amounts has been changed. These changes will result in more useful information to the users of the Interim Condensed Financial Statements.*

(Unaudited; in thousands of U.S.$, unless otherwise stated)

Nine Months Ended September 30	Exploration and Production Onshore				Exploration Guyana		Infrastructure Colombia		Canada & Others		Eliminations		Total	
	Colombia		Ecuador											
	2024	2023*	2024	2023	2024	2023	2024	2023*	2024	2023	2024	2023*	2024	2023*
Oil and gas sales	$ 783,324	$ 832,895	$ 22,326	$ 12,693	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 805,650	$ 845,588
Other revenue	—	—	—	—	—	—	34,669	38,416	—	—	(4,013)	(3,636)	30,656	34,780
Royalties	(12,105)	(30,690)	(1,028)	(576)	—	—	—	—	—	—	—	—	(13,133)	(31,266)
Revenue	771,219	802,205	21,298	12,117	—	—	34,669	38,416	—	—	(4,013)	(3,636)	823,173	849,102
Operating costs	275,027	266,479	5,312	5,633	—	—	23,339	24,498	363	1,118	(2,111)	(1,516)	301,930	296,212
Cost of diluent and oil purchased	172,471	182,564	—	—	—	—	—	—	—	—	(1,902)	(2,120)	170,569	180,444
General and administrative	26,409	22,789	731	927	2,301	3,710	4,396	4,472	5,390	5,231	(24)	(113)	39,203	37,016
Share-based compensation	1,080	1,371	33	8	57	95	—	—	550	419	—	—	1,720	1,893
Depletion, depreciation and amortization	184,864	203,833	5,215	36	11	23	5,699	4,608	1,480	1,358	—	—	197,269	209,858
Impairment expense, exploration expenses and other	6,565	25,387	—	—	—	—	355	—	607	(24,355)	—	—	7,527	1,032
Restructuring, severance and other costs	1,559	1,188	—	—	—	—	1,298	1,101	359	2,515	—	—	3,216	4,804
Income (loss) from operations	103,244	98,594	10,007	5,513	(2,369)	(3,828)	(418)	3,737	(8,749)	13,714	24	113	101,739	117,843
Share of income from associates	—	—	—	—	—	—	40,712	41,643	—	—	—	—	40,712	41,643
Segment income (loss)	$ 103,244	$ 98,594	$ 10,007	$ 5,513	$ (2,369)	$ (3,828)	$ 40,294	$ 45,380	$ (8,749)	$ 13,714	$ 24	$ 113	$ 142,451	$ 159,486
Other non-operating expense items													(68,152)	(15,428)
Income tax expense													(69,704)	(43,137)
Net income for the period													$ 4,595	$ 100,921

** As a result of the redefinition of the Infrastructure Colombia segment, the presentation of certain amounts has been changed. These changes will result in more useful information to the users of the Interim Condensed Financial Statements.*

(Unaudited; in thousands of U.S.$, unless otherwise stated)

The following table provides geographic information of the Company's non-current assets:

	September 30 2024	December 31 2023
Colombia	$ 1,989,317	$ 2,033,350
Guyana	451,939	449,252
Ecuador	71,058	50,466
Canada & Others	48	366
Total non-current assets	$ 2,512,362	$ 2,533,434

4. Revenue from Contracts with Customers

The following table provides the disaggregation of the Company's revenue from contracts with customers, including a reconciliation with the amounts disclosed in the segmented information (Note 3):

	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023*	2024	2023*
Colombia				
Produced crude oil sales	$ 211,877	$ 252,421	$ 629,095	$ 663,757
Purchased crude oil and products sales	47,963	48,532	148,283	159,745
Gas sales	1,921	2,787	5,946	9,393
Colombia oil and gas sales	261,761	303,740	783,324	832,895
Ecuador crude oil sales	9,880	5,620	22,326	12,693
Oil and gas sales	271,641	309,360	805,650	845,588
Infrastructure Colombia sales to external customers	9,687	11,723	30,656	34,780
Inter-segment sales	1,560	1,345	4,013	3,636
Infrastructure Colombia sales	11,247	13,068	34,669	38,416
Elimination of Infrastructure Colombia inter-segment sales	(1,560)	(1,345)	(4,013)	(3,636)
Oil and gas produced, purchased sales and other revenue	$ 281,328	$ 321,083	$ 836,306	$ 880,368

** As a result of the redefinition of the Infrastructure Colombia segment, the presentation of certain amounts has been changed. These changes will result in more useful information to the users of the Interim Condensed Financial Statements.*

5. Operating Costs

	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
Production costs (excl. energy costs)	$ 32,395	$ 35,237	$ 110,635	$ 102,795
Energy costs	19,019	19,705	55,984	50,919
Transportation costs	39,273	40,166	109,385	116,666
Post-termination costs	(314)	1,377	(128)	7,654
Inventory valuation	3,857	1,178	(1,086)	(7,436)
Trunkline costs (1)	3,829	—	3,829	—
Total oil and gas operating costs	98,059	97,663	278,619	270,598
Port operating costs	4,797	6,419	16,470	17,269
Special projects and other costs (2)	2,907	2,916	6,841	8,345
Total operating costs	$ 105,763	$ 106,998	$ 301,930	$ 296,212

(1) Corresponds to repairs and other activities resulting from unexpected failures in a trunkline in Quifa block.

*(2) Mainly includes costs related to Promotora Agricola de los Llanos S.A., SAARA, and for 2023 included operating costs from Peru before the sale of Frontera Energy Offshore Perú, the wholly owned subsidiary that held a 100% working interest ("**W.I**".) in Block Z1.*

(Unaudited; in thousands of U.S.$, unless otherwise stated)

Cost of Diluent and Oil Purchased

Costs of diluent and oil purchased correspond mainly to the cost of third-party hydrocarbon volumes purchased primarily for use in dilution and refining as part of the Company's oil operations, and marketing and transportation strategy. For the three and nine months ended September 30, 2024, the cost of purchases and diluent was $57.6 million and $170.6 million, respectively (2023: $54.6 million and $180.4 million, respectively).

6. General and Administrative

	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
Salaries and benefits	$ 7,406	$ 7,181	$ 23,170	$ 22,536
Professional fees	3,802	2,738	11,025	9,219
Taxes	1,161	1,401	3,518	3,395
Other expenses	350	605	1,490	1,866
Total	$ 12,719	$ 11,925	$ 39,203	$ 37,016

7. Impairment Expense, Exploration Expenses and Other

	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
Impairment expense of:				
Exploration and evaluation assets	$ —	$ —	$ —	$ 19,503
Other	361	2,342	1,780	4,316
Total impairment expense	361	2,342	1,780	23,819
Exploration expenses of:				
Geological and geophysical costs, and other	384	435	1,198	1,214
Total exploration expenses	384	435	1,198	1,214
Expense (recovery) of asset retirement obligations (Note 14)	5,546	3,480	4,549	(24,001)
Impairment expense, exploration expenses and other	$ 6,291	$ 6,257	$ 7,527	$ 1,032

Exploration and Evaluation Assets

During the three and nine months ended September 30, 2024, the Company recorded an impairment charge on exploration and evaluation ("**E&E**") of assets of $Nil. During the three and nine months ended September 30, 2023, the Company recorded an impairment charge on exploration and evaluation of assets in Colombia of $Nil and $19.5 million, respectively, mainly as a result of the relinquishment of the VIM-22 block.

Other

During the three and nine months ended September 30, 2024, the Company recognized other impairment expenses of $0.4 million and $1.8 million, respectively (2023: $2.3 million and $4.3 million, respectively), mainly related to obsolete material inventories and impairment of crude oil inventories from Peru.

Expense (recovery) of asset retirement obligations

During the three and nine months ended September 30, 2024, the Company recognized an expense of asset retirement obligations of $5.5 million and $4.5 million, respectively. During the three and nine months ended September 30, 2023, the Company recognized an expense of asset retirement obligations of $3.5 million and a recovery of asset retirement obligations of $24.0 million, respectively, mainly as a result of the sale of Frontera Energy OffShore Perú S.R.L, the wholly owned subsidiary that held a 100% W.I. in Block Z1, for a payment of $7.5 million. As a result of this transaction, the Company derecognized the asset retirement obligation related to Block Z1 and recognized a $37.4 million asset retirement obligation recovery.

(Unaudited; in thousands of U.S.$, unless otherwise stated)

8. Income Taxes

The following is a reconciliation of income tax expense calculated at the Colombian corporate tax rate with the reported income tax expense:

	Three Months Ended September 30		Nine Months Ended September 30	
	2024	**2023**	**2024**	**2023**
Net income before income tax	$ 26,847	$ 65,485	$ 74,299	$ 144,058
Colombian statutory income tax rate [(1)]	45%	50%	45%	50%
Income tax expense at statutory rate	12,081	32,743	33,435	72,029
Increase (decrease) in income tax provision resulting from:				
Non-deductible/taxable expense/income and other differences	(9,205)	10,513	(2,503)	23,302
Foreign exchange impact on deferred income tax	10,546	(20,911)	55,704	(66,751)
Share-based compensation	264	(203)	645	101
Differences in tax rates	(24,298)	(460)	(24,432)	(11,722)
Change in deferred income tax	21,072	11,330	6,855	26,178
Income tax expense	10,460	33,012	69,704	43,137
Current income tax expense	6,792	15,333	13,075	27,141
Deferred income tax expense:				
Relating to origination and reversal of temporary differences	3,668	17,679	56,629	15,996
Income tax expense	$ 10,460	$ 33,012	$ 69,704	$ 43,137
Effective tax rate	38.96%	50.41%	93.82%	29.94%

[(1)] Statutory income tax rate includes an additional estimated surcharge of 10% according to the forecasted average Brent prices for full year 2024.

During the three and nine months ended September 30, 2024, the Company recognized a current income tax expense of $6.8 million and $13.1 million, respectively, compared to $15.3 million and $27.1 million, respectively, in the same periods of 2023, and a deferred income tax expense of $3.7 million and $56.6 million, respectively, compared to $17.7 million and $16.0 million, respectively, in the same periods of 2023.

The decrease in the current income tax expense is mainly due to a reduction in net income before income tax and taxable net income and in the nominal income rate from 50% to 45%. The increase in the deferred tax expense for the nine months ended September 30, 2024 is mainly due to foreign exchange rate fluctuations.

As at September 30, 2024, the deferred tax asset was $47.4 million (December 31, 2023: $101.6 million), and the deferred tax liability was $16.0 million (December 31, 2023: $14.3 million).

CRA 2016 Settlement

The Company entered into Minutes of Settlement dated July 12, 2024, with the Canadian Minister of National Revenue to resolve a dispute in connection with the Company's 2016 restructuring process and relating to, among other things, the fair market value of the Company's Common Shares as at November 2, 2016, the computation of the net capital losses and the computation of non-capital losses of the Company in respect of its taxation year ending December 31, 2016 (the "**CRA Settlement**").

The Company has assessed the impact of the CRA Settlement on the computation of the historical paid-up capital in respect of the Common Shares. This assessment has resulted in a decrease in the net capital losses of the Company, as last reported in the 2023 Annual Financial Statements, and an increase in the computed amount of the historical paid-up capital in respect of the Common Shares. The resulting increase in the computed amount of the historical paid-up capital in respect of the Common Shares may reduce the amount of the dividends deemed to have been received by certain shareholders in connection with the repurchase of Common Shares under the Company's substantial issuer bid, completed on August 11, 2022.

9. Earnings per Share

(In thousands of U.S.$, except share and per share amounts)	Three Months Ended September 30 2024	Three Months Ended September 30 2023	Nine Months Ended September 30 2024	Nine Months Ended September 30 2023
Income attributable to equity holders of the Company	$ 16,588	$ 32,582	$ 5,239	$ 101,459
Basic weighted average number of shares outstanding	84,201,887	85,278,430	84,571,681	85,270,203
Effect of dilution from dilutive instruments	3,360,799	2,228,004	3,199,415	2,208,131
Diluted weighted average number of shares outstanding	87,562,686	87,506,434	87,771,096	87,478,334
Earnings per share attributable to equity holders of the Company				
Basic	$ 0.20	$ 0.38	$ 0.06	$ 1.19
Diluted	$ 0.19	$ 0.37	$ 0.06	$ 1.16

10. Properties, Plant and Equipment

Cost	Oil & Gas Properties	Infrastructure Colombia*	Plant & Equipment	Total
As at January 1, 2024	$ 7,196,558	$ 363,245	$ 75,207	$ 7,635,010
Additions	208,479	21,670	4,503	234,652
Change in asset retirement obligations (Note 14)	10,387	97	—	10,484
Disposal	(3,060)	(144)	(3,213)	(6,417)
Currency translation adjustment	(541)	(29,199)	(992)	(30,732)
As at September 30, 2024	$ 7,411,823	$ 355,669	$ 75,505	$ 7,842,997

Accumulated Depletion, Depreciation and Impairment	Oil & Gas Properties	Infrastructure Colombia*	Plant & Equipment	Total
As at January 1, 2024	$ 5,600,540	$ 103,103	$ 58,786	$ 5,762,429
Charge for the period [(1)]	189,246	5,180	2,050	196,476
Disposal	(2,797)	(30)	(3,137)	(5,964)
Currency translation adjustment	(331)	(9,054)	(784)	(10,169)
As at September 30, 2024	$ 5,786,658	$ 99,199	$ 56,915	$ 5,942,772

[(1)] *Includes depletion, depreciation and amortization inventory fluctuation of $0.8 million.*

Net Book Value	Oil & Gas Properties	Infrastructure Colombia*	Plant & Equipment	Total
As at January 1, 2024	$ 1,596,018	$ 260,142	$ 16,421	$ 1,872,581
As at September 30, 2024	$ 1,625,165	$ 256,470	$ 18,590	$ 1,900,225

Properties, plant and equipment consist of owned and leased assets, as follows:

	Oil & Gas Properties	Infrastructure Colombia*	Plant & Equipment	Total
Properties, plant and equipment - owned	$ 1,612,453	$ 256,470	$ 17,011	$ 1,885,934
Right-of-use (“**ROU**”) assets - leased	12,712	—	1,579	14,291
As at September 30, 2024	$ 1,625,165	$ 256,470	$ 18,590	$ 1,900,225

** As a result of the redefinition of the Infrastructure Colombia segment, the presentation of certain amounts has been changed. These changes will result in more useful information to the users of the Interim Condensed Financial Statements.*

Details of ROU assets are as follows:

	Power Generation	Plant & Equipment	Total
As at January 1, 2024	$ 14,938	$ 3,315	$ 18,253
Additions	—	154	154
Termination of lease contracts	—	(200)	(200)
Depreciation	(2,226)	(1,690)	(3,916)
As at September 30, 2024	$ 12,712	$ 1,579	$ 14,291

(Unaudited; in thousands of U.S.$, unless otherwise stated)

11. Exploration and Evaluation Assets

		2024
As at January 1, 2024	$	454,748
Additions [(1)]		20,450
Change in asset retirement obligations		224
As at September 30, 2024	$	475,422

[(1)] Includes additions of $7.9 million from Llanos 119, y VIM1 in Colombia, $10.2 million in Ecuador related to the Espejo block and $2.4 million in Guyana related to the post-well studies from the Corentyne block.

12. Investments in Associates

		2024
As at January 1, 2024	$	82,825
Share of income from associates		40,712
Dividends		(54,949)
Return of capital contributions		(7,894)
Currency translation adjustment		(4,422)
As at September 30, 2024	$	56,272
Company's interest as at September 30, 2024		35.0 %

The Company accounts for its investments in associates using the equity method as the criteria to exert significant influence was met given the Company's percentage holdings, ability to appoint directors to the investee's board of directors and its ability to participate in its decision making.

Oleoducto de los Llanos Orientales S.A. ("ODL")

ODL is a Panamanian company with a Colombian branch that operates an oil pipeline for the transportation of heavy crude oil produced primarily from the Rubiales and Quifa blocks. The Company, through its 100%-owned subsidiary, Pipeline Investment Limited ("**PIL**"), has a 35% equity investment in the ODL pipeline, which connects the Rubiales, Quifa and Llanos-34 blocks to the Monterrey Station or Cusiana Station in the Casanare Department. The remaining 65% interest in ODL is owned by Cenit Transporte y Logistica de Hidrocarburos S.A.S. ("**Cenit**"). ODL's functional currency is COP, and currency translation adjustments are recorded in other comprehensive income (loss).

During the three and nine months ended September 30, 2024, the Company recognized the dividends declared by ODL of $Nil and $54.9 million, respectively (2023: $Nil and $37.0 million, respectively), and a return of capital of $Nil and $7.9 million, respectively (2023: $Nil and $5.2 million, respectively).

During the three and nine months ended September 30, 2024, the Company received cash dividends of $10.6 million and $38.0 million, respectively (2023: $8.2 million and $31.3 million, respectively), and a cash return of capital of $1.5 million and $5.5 million, respectively (2023: $3.5 million and $6.2 million, respectively).

As at September 30, 2024, the carrying value of dividends receivable was $15.4 million (December 31, 2023: $Nil), and the carrying value of return of capital receivable was $2.2 million (December 31, 2023: $Nil).

(Unaudited; in thousands of U.S.$, unless otherwise stated)

13. Short-Term and Long-Term Debt

As at	Maturity	Principal	Currency	Interest Rate	September 30 2024	December 31 2023
2028 Unsecured Notes	June 2028	395,000	U.S. dollars	7.875%	$ 389,436	$ 393,660
Unsecured Notes					$ 389,436	$ 393,660
PIL Loan Facility (Tranche A-1)	December 2027	100,000	U.S. dollars	SOFR 6M + 7.25%	73,369	76,762
PIL Loan Facility (Tranche A-2)	December 2028	20,000	U.S. dollars	SOFR 6M + 7.25%	18,820	—
Bancolombia Working Capital Loan	October 2024	75,000,000,000	COP	IBR(1) + 4%	17,787	19,623
PIL Loan Facility (Tranche B)	December 2027	20,000	U.S. dollars	11%	17,787	18,860
PetroSud Davivienda Loan	June 2024	2,800	U.S dollars	SOFR + 5.30%	—	2,800
PetroSud Working Capital Loan	June 2024	22,000	U.S dollars	SOFR + 5.30%	—	5,899
Loans					$ 127,763	$ 123,944
Total					$ 517,199	$ 517,604

(1) *Reference Banking Indicator from the central bank of Colombia ("**IBR**" for its acronym in Spanish).*

As at	September 30 2024	December 31 2023
Current portion	$ 51,487	$ 52,152
Non-current portion	465,712	465,452
Total	$ 517,199	$ 517,604

2028 Unsecured Notes

On June 21, 2021, the Company completed the offering of $400.0 million 7.875% senior unsecured notes due 2028 ("**2028 Unsecured Notes**"). The interest is payable semi-annually in arrears on June 21 and December 21 of each year, beginning on December 21, 2021. The 2028 Unsecured Notes will mature in June 2028, unless earlier redeemed or repurchased.

During the three and nine months ended September 30, 2024, the Company repurchased in the open market $1.5 million and $5.0 million, respectively, of its 2028 Unsecured Notes for a cash consideration of $1.2 million and $4.0 million, respectively. As a result, during the three and nine months ended September 30, 2024, the Company recognized a gain of $0.3 million and $1.0 million, respectively. The carrying value for the 2028 Unsecured Notes as at September 30, 2024 is $389.4 million (December 31, 2023: $393.7 million).

Pipeline Investment Loan Facility ("PIL Loan Facility")

On March 27, 2023, PIL entered into a new credit agreement through which lenders provided a $120.0 million loan facility to PIL, secured by substantially all the assets and shares of PIL, the shares of Sociedad Portuaria Puerto Bahia S.A. ("**Puerto Bahia**") held by the Company and assets related to Puerto Bahia's liquids terminal. It is guaranteed by Frontera Bahia Holding Ltd. and Frontera ODL Holding Corp., the parent company of PIL. The PIL Loan Facility is a five-year credit, to mature in December 2027, paying its principal semi-annually. The PIL Loan Facility has two tranches: a $100.0 million amortizing tranche that pays a SOFR six-month term plus margin of 7.25% per annum and a $20.0 million bullet maturity tranche that pays a fixed rate of 11.0% per annum. The conditions precedent to the PIL Loan Facility were fully satisfied, and both tranches of the facility were funded on March 31, 2023.

The PIL Loan Facility was recognized net of an original issue discount of $5.1 million, and directly attributable transaction costs of $1.1 million, primarily related to underwriter fees, legal fees, registration fees and other professional fees. In addition, a $10.5 million debt service reserve account for the PIL Loan Facility was constituted.

The proceeds of the PIL Loan Facility were used to repay in full the Puerto Bahia debt facility between Puerto Bahia, Itaú BBA Colombia S.A. and other lenders, maturing in June 2025, which had an outstanding balance plus accrued interest of $106.2 million to pay transaction fees and expenses, and to fund a six-month debt service reserve account (for further information, refer to Note 16 of the 2023 Annual Financial Statements). The PIL Loan Facility has no impact on the Company's financial covenant calculations under the 2028 Unsecured Notes.

On February 16, 2024, as part of the PIL Loan Facility (Tranche A-2), the Company amended the facility to disburse an accordion tranche of $30.0 million. This tranche secures the funding for the connection project between Puerto Bahia's port facility and the Cartagena refinery operated by Refineria de Cartagena S.A.S. On February 23, 2024 and August 7, 2024, the lenders disbursed $8.8 million and $10.0 million, respectively, and additional resources of $10.0 million are expected to be disbursed in the fourth quarter of 2024. The accordion tranche was recognized, net of an original issue discount of $1.2 million, primarily related to lenders and legal fees discounted at the disbursement.

(Unaudited; in thousands of U.S.$, unless otherwise stated)

As at September 30, 2024, the carrying value of the PIL Loan Facility was $110.0 million (December 31, 2023: $95.6 million), which includes short-term debt of $33.7 million. As at September 30, 2024, the PIL Loan Facility debt service reserve account had a balance of $17.8 million (December 31, 2023: $11.3 million).

Bancolombia Working Capital Loan

On October 24, 2023, the Company entered into a one-year working capital loan agreement with Bancolombia S.A. ("**Bancolombia**"), denominated in COP, with a principal amount of COP 75,000 million (equivalent to $18.2 million) maturing on October 30, 2024, with an interest rate of IBR + 4.00%, payable quarterly (the "**Bancolombia Working Capital Loan**"). On October 30, 2023, Bancolombia disbursed the total amount of the loan. The proceeds of the Bancolombia Working Capital Loan were intended for general corporate purposes. In connection to the Bancolombia Working Capital Loan, the Company entered into a foreign exchange forward on October 31, 2023, hedging the original loan amount at a forward rate of COP 4,386.17, with a maturity date of October 29, 2024.

Concurrent with the closing of the Bancolombia Working Capital Loan, the Company repaid in full the existing Citibank working capital loan, which had an outstanding balance of $12.0 million (for further information, refer to Note 13 of the Interim Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2023). As at September 30, 2024, the carrying value of the Bancolombia Working Capital Loan was $17.8 million (December 31, 2023: $19.6 million). Following the end of the quarter, the Bancolombia Working Capital Loan has been paid in full.

PetroSud Loans

On December 30, 2021, the Company acquired 100% of the issued and outstanding shares of Petroleos Sud Americanos S.A. ("**PetroSud**") (for further information, refer to Note 4 of the 2022 Annual Financial Statements of the Company).

On March 15, 2019 and December 20, 2021, PetroSud entered into two credit agreements with Banco Davivienda S.A. ("**Banco Davivienda**") for a principal amount of $22.0 million and $2.8 million, respectively (the "**PetroSud Debt**").

On March 11, 2024 and May 23, 2024, the Company prepaid the outstanding balance of $5.9 million and $2.8 million, respectively to Banco Davivienda. As of September 30, 2024, the PetroSud Debt was paid in full. PetroSud and Frontera have no obligation under the former PetroSud Debt, and there are no additional restricted funds related to the PetroSud Debt.

14. Asset Retirement Obligations

		2024
As at January 1, 2024	$	186,524
Accretion expense		7,635
Additions		4,174
Changes in estimates		5,028
Liabilities settled		(8,596)
Expense of asset retirement obligations (Note 7)		4,549
As at September 30, 2024	$	199,314

		September 30 2024		December 31 2023
Current portion	$	38,926	$	44,962
Non-current portion		160,388		141,562
Total	$	199,314	$	186,524

Asset retirement obligations ("**ARO**") represent the present value of decommissioning and environmental liability costs relating to oil and gas properties and E&E assets. The total undiscounted ARO is $311.2 million (2023: $300.6 million), expected to be executed between 2024 and 2049, of which $300.8 million (2023: $290.4 million) relates to Colombia, $8.3 million (2023: $8.3 million) to Peru and $2.1 million (2023: $1.9 million) to Ecuador.

During the nine months ended September 30 2024, the Company recognized an increase in ARO due to changes in estimates of $5.0 million, which includes an increase of $13.1 million related to updated cost estimates, a decrease of $0.7 million related to updating the risk-free and inflation rates, and decrease of $7.4 million due to the impact of foreign exchange rates. A total of $10.5 million relating to changes in estimates was recognized within Properties, Plant and Equipment (Note 10).

(Unaudited; in thousands of U.S.$, unless otherwise stated)

The risk-free and inflation rates used for discounting to present value are as follows:

- A risk-free rate between 8.47% and 11.64% and an inflation rate between 2.80% and 3.20% for cash flows expected to be settled in COP for Colombia (2023: risk-free rate between 9.56% and 10.96% with inflation rate between 2.60% and 3.20%); and
- A risk-free rate between 15.59% and 16.15% and an inflation rate between 0.90% and 2.30% for cash flows expected to be settled in U.S. dollars for Ecuador (2023: risk-free rate between 0% and 24.78% with inflation rate between 0% and 2.00%).

15. Related-Party Transactions

The following table provides the total balances outstanding, commitments and transactional amounts with related parties as at September 30, 2024 and December 31, 2023, and for the three and nine months ended September 30, 2024 and 2023, respectively:

		As at September 30, 2024 and December 31, 2023			Three Months Ended September 30	Nine Months Ended September 30
		Receivables from Investment	Accounts Payable	Commitments	Purchases / Services	
ODL (Note 12)	2024	$ 17,587	$ 2,591	$ 511	$ 7,061	$ 22,035
	2023	—	3,141	2,380	7,960	22,749

The related-party transactions correspond to the ship-and-pay contract for the transportation of crude oil in Colombia and ship-or-pay for other services for a total commitment of $0.5 million until 2025 (Note 18).

16. Financial Instruments and Risk Management

a. Risks Associated with Financial Assets and Liabilities

The Company's activities expose it to various risks including credit risk, liquidity risk and market risk (from changes in commodity prices and foreign exchange) that could have a significant impact on profitability, operating cash flows and the value of financial instruments.

i) Credit Risk

Credit risk relates to the potential that the Company may incur a loss if a counterparty to a financial instrument fails to meet its obligations, and arises primarily from trade customers, loans and advances to associates, receivables from joint arrangements and other financial counterparties. The Company actively limits the total exposure to individual client counterparties by maintaining a credit policy, which sets forth prepayment or letters of credit requirements for trade customers in order to mitigate losses from non-collection of trade receivables. The Company monitors the credit quality of associates and, where appropriate, structures its loans and advances to include collateral or security. Credit risk arising on receivables from joint arrangements and risk management assets is not significant given the counterparties are large institutions with strong credit ratings.

(Unaudited; in thousands of U.S.$, unless otherwise stated)

The following table shows the maximum credit risk exposure of financial assets, presented at the gross carrying amounts, prior to the expected credit loss ("**ECL**") model allowances:

As at	September 30 2024	December 31 2023
Trade receivables before ECL	$ 59,682	$ 26,723
Allowance for ECLs - trade receivables	(15,885)	(15,657)
Trade receivables	43,797	11,066
Receivables from investment	17,587	—
Receivables from investment [1]	17,587	—
Other receivables:		
Receivables from joint arrangements	32,809	27,864
VAT receivable and others	34,993	43,882
Other receivables	11,067	9,657
Allowance for ECLs - other receivables	(6,395)	(6,746)
Other receivables	$ 72,474	$ 74,657
Withholding tax and others - not considered for credit risk	(34,993)	(43,882)
Total financial assets carried at amortized cost	$ 98,865	$ 41,841

[1] As at September 30, 2024, includes accounts receivable related to dividends of $15.4 million and a return of capital of $2.2 million (Note 12).

Reconciliation of ECLs

The following table shows a continuity of ECLs:

	2024
As at January 1, 2024	$ 22,403
Effect of exchange rate changes	(123)
As at September 30, 2024	$ 22,280

ii) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company mitigates its liquidity risk by managing its capital expenditures, operational cash flows, and by maintaining adequate lines of credit and cash and cash equivalents.

The following table summarizes the undiscounted cash outflows relating to contractual maturities of the Company's non-derivative financial liabilities as at September 30, 2024:

Financial Liability Due In	2024	2025	2026	2027	2028	Subsequent to 2029	Total
Accounts payable, accrued liabilities and other payables [1]	$ 439,340	$ 7,676	$ 6,999	$ 6,230	$ —	$ —	$ 460,245
Unsecured Notes	—	—	—	—	395,000	—	395,000
Loans	41,987	19,000	20,000	44,000	9,200	—	134,187
Interest on unsecured notes	15,750	31,500	31,500	31,500	15,750	—	126,000
Interest on loans	7,771	10,655	7,324	4,506	710	—	30,966
Lease liabilities	5,275	5,214	2,745	2,256	1,991	1,239	18,720
Total	$ 510,123	$ 74,045	$ 68,568	$ 88,492	$ 422,651	$ 1,239	$ 1,165,118

[1] Includes provisions of $98.7 million, which do not have a definitive amortization term and are therefore classified as current liabilities.

(Unaudited; in thousands of U.S.$, unless otherwise stated)

The following table shows the breakdown of accounts payable and accrued liabilities and other payables:

	September 30 2024	December 31 2023
Trade and other payables	$ 144,539	$ 171,212
Accrued liabilities	128,391	81,709
Supplier holdbacks and advances [1]	79,334	43,224
Withholding and tax provisions [2]	7,575	17,403
Share-based payment liability	1,716	4,857
	361,555	318,405
Provision for contingencies and others	98,690	111,112
Total accounts payable and accrued liabilities and other payables	$ 460,245	$ 429,517

[1] As at September 30, 2024, includes a prepayment of $33.7 million received from customers of Colombia and Ecuador for $31.1 million and $2.6 million, respectively, expected to be settled during the fourth quarter of 2024 (December 31, 2023: $Nil).

[2] Since March 1, 2024, Colombia tax rules decreased the self-withholding tax rates related to crude oil extraction and exportation from 9.9% to 5.6%.

The Company has various uncommitted bilateral letters of credit. As at September 30, 2024, the Company had issued letters of credit and guarantees for exploration and abandonment funds totalling $120.4 million (December 31, 2023: $135.7 million).

Restricted Cash

As at September 30, 2024, the Company has short-term and long-term restricted cash of $34.8 million (December 31, 2023: $30.3 million) in trust accounts primarily to cover future abandonment obligations, and restricted funds related to the PIL Loan Facility.

iii) Market and Interest Risk

Market and interest risk are the risks associated with fluctuations in oil prices, foreign exchange rates and interest rates. To manage this risk, the Company uses derivative commodity instruments to manage exposure to price volatility by hedging a portion of its oil production and foreign exchange hedging instruments to manage foreign currency fluctuations.

Risk Management Contracts

The terms of the outstanding instruments and settlement periods are as follows:

Risk Management Contracts - Crude Oil

As part of its risk management strategy, the Company uses derivative commodity instruments to manage exposure to price volatility by hedging a portion of its oil production. The Company's strategy is designed to protect a minimum of 40% of the estimated production with a tactical approach, using derivative commodity instruments to protect the revenue generation and cash position of the Company, while maximizing the upside.

				Avg. Strike Prices	Carrying Amount	
Type of Instrument	Term	Benchmark	Volume (bbl)	Put $/bbl	Assets	Liabilities
Put	October to November 2024	Brent	844,000	78	$ 3,206	$ —
Total as at September 30, 2024					$ 3,206	$ —
Total as at December 31, 2023					$ 552	$ 1,275

Risk Management Contracts - Foreign Exchange

The Company is exposed to foreign currency fluctuations. Such exposure arises primarily from expenditures that are incurred in COP and its fluctuation against the USD. In addition, since the second and third quarter of 2024, the Company has entered into new derivatives in order to hedge the currency risk exposure for the collection of the dividends from ODL as required by the PIL Loan Facility and for the payments related to the third disbursement of the PIL Loan Facility.

(Unaudited; in thousands of U.S.$, unless otherwise stated)

Type of Instrument	Term	Benchmark	Notional Amount / Volume in USD	Avg. Put / Call Par forward (COP$)	Carrying Amount Assets	Carrying Amount Liabilities
Zero-cost collars	October to December 2024	USD / COP	60,000,000	4,100/4,476	$ 193	$ —
Zero-cost collars	January to March 2025	USD / COP	60,000,000	4,150/4,618	620	—
Forward [1]	October to December 2024	USD / COP	17,851,713	4,078/4,115	574	—
Forward	October 2024	USD / COP	17,099,200	4,386	781	—
Forward	February 2025	USD / COP	7,000,000	4,303	72	—
Total as at September 30, 2024					$ 2,240	$ —
Total as at December 31, 2023					$ 10,113	$ —

	Assets	Liabilities
Total Risk Management Contracts as at September 30, 2024	$ 5,446	$ —
Total Risk Management Contracts as at December 31, 2023	$ 10,665	$ 1,275

[1] *Contracts related to the PIL Loan Facility.*

The following table provides the disaggregation of the Company's total gain (loss) on risk management contracts:

	Three Months Ended September 30 2024	Three Months Ended September 30 2023	Nine Months Ended September 30 2024	Nine Months Ended September 30 2023
Premiums paid on oil price risk management contracts, net	$ (1,425)	$ (1,930)	$ (8,710)	$ (7,705)
Realized (loss) gain on foreign exchange risk hedge	(417)	4,112	6,030	13,070
Realized (loss) gain on risk management contracts	(1,842)	2,182	(2,680)	5,365
Unrealized gain (loss) on risk management contracts	7,644	(4,002)	(3,941)	4,880
Total gain (loss) on risk management contracts	$ 5,802	$ (1,820)	$ (6,621)	$ 10,245

b. Fair Value of Financial Instruments

The carrying values of the Company's cash and cash equivalents, restricted cash, accounts receivable, accounts payable and accrued liabilities approximate their fair value.

The following table summarizes the Company's remaining financial instruments that are carried or disclosed at fair value in accordance with the classification under the fair value hierarchy as at September 30, 2024 and December 31, 2023:

	Period	Carrying Value	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3
Financial Assets Measured at Fair Value through Profit and Loss					
Risk management assets	2024	$ 5,446	$ —	$ 5,446	$ —
	2023	10,665	—	10,665	—
Financial Assets Measured at Fair Value through Other Comprehensive Income					
Investments in equity instruments	2024	$ 1,558	$ —	$ —	$ 1,558
	2023	1,712	—	—	1,712
Financial Liabilities Measured at Fair Value through Profit and Loss					
Risk management liabilities	2024	$ —	$ —	$ —	$ —
	2023	(1,275)	—	(1,275)	—
Financial Liabilities Measured at Amortized Cost					
2028 Unsecured Notes (Note 13)	2024	$ (389,436)	$ —	$ (309,040)	$ —
	2023	(393,660)	—	(300,380)	—
Other short-term and long-term debt (Note 13)	2024	$ (127,763)	$ —	$ (134,187)	$ —
	2023	(123,944)	—	(129,722)	—

The Company uses Level 3 information to measure the fair value of certain investments that do not belong to active markets.

(Unaudited; in thousands of U.S.$, unless otherwise stated)

c. Capital Management

When managing capital, the Company's objectives are to maintain a capital structure that optimizes the cost of capital to support operating activities and sustain the development of its business while maintaining compliance with the terms and conditions of financial obligations. The Company manages its capital structure and adjusts as necessary in light of changes in economic conditions, operating risks and working capital requirements. To maintain or adjust its capital structure, the Company may issue or buy back shares, change its dividend policy, raise or refinance debt and/or adjust its capital spending to manage its operating and growth objectives.

Specifically, the Company's capital management objectives are to maintain compliance with the debt covenant ratios associated with the Company's outstanding 2028 Unsecured Notes, which are currently met, and to maintain sufficient liquidity to meet all contractual obligations and execute its business plan. To facilitate the management of these objectives, the Company utilizes a planning, budgeting and forecasting process to help determine and monitor the funds needed to maintain appropriate liquidity for operational, capital and financial needs.

The Company's capital consists of debt and total equity (less non-controlling interests) net of working capital. The following table summarizes the Company's capital structure balances:

	September 30 2024	December 31 2023
Equity attributable to equity holders of the Company	$ 1,792,904	$ 1,823,598
Long-term debt	465,712	465,452
Working capital deficit [1]	42,469	61,855
Total	$ 2,301,085	$ 2,350,905

[1] Working capital deficit is a capital management measure, according to NI 52-112 - Non-GAAP and Other Financial Measures Disclosure, and is defined as the net of total current assets after deducting total current liabilities, including the current portion of long-term debt.

17. Supplemental Disclosure of Cash Flows

Changes in non-cash working capital are as follows:

	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
(Decrease) increase in accounts payable and accrued liabilities	$ (12,617)	$ (53,905)	$ 27,222	$ (31,693)
(Increase) decrease in accounts receivable	(59,091)	8,213	(57,426)	49,095
Increase (decrease) in income taxes payable	1,347	10,509	(8,065)	5,410
(Increase) decrease in inventories	(1,603)	343	(19,812)	(6,878)
Decrease (increase) in prepaid expenses and deposits	2,224	5,026	(975)	7,578
Decrease (increase) in income taxes receivable	4,966	(3,640)	28,208	(13,610)
Changes in working capital (excluding cash)	$ (64,774)	$ (33,454)	$ (30,848)	$ 9,902
Attributable to:				
Operating activities	$ (60,425)	$ 27,740	$ (41,479)	$ 54,623
Investing activities	(4,349)	(61,194)	10,631	(44,721)
Changes in working capital (excluding cash)	$ (64,774)	$ (33,454)	$ (30,848)	$ 9,902

(Unaudited; in thousands of U.S.$, unless otherwise stated)

18. Commitments and Contingencies

Commitments

The Company's commitments as at September 30, 2024, undiscounted and by calendar year, are presented below:

As at September 30, 2024	2024	2025	2026	2027	2028	Subsequent to 2029	Total
Transportation							
Ocensa P-135 ship-or-pay agreement	$ 18,364	$ 36,578	$ —	$ —	$ —	$ —	$ 54,942
ODL agreements	153	358	—	—	—	—	511
Other transportation and processing commitments	4,125	14,206	12,193	—	—	—	30,524
Exploration and evaluation							
Minimum work commitments (1) (2)	300	20,315	9,871	5,066	—	—	35,552
Other commitments							
Operating purchases, community obligations and others	54,100	928	574	335	259	2,732	58,928
Energy supply	3,415	19,253	8,927	5,051	—	—	36,646
Total	$ 80,457	$ 91,638	$ 31,565	$ 10,452	$ 259	$ 2,732	$ 217,103

(1) Includes minimum work commitments relating to E&E activities in Colombia until the contractual phase, when the Company will decide whether to continue or relinquish the exploration areas.

(2) On October 8, 2024, the Company received a communication from the Agencia Nacional de Hidrocarburos accepting the termination of the CAG-5 contract by mutual agreement, as a result the $40.4 million commitment has been removed.

During the third quarter in Ecuador, two exploration wells were completed in the Espejo block, as a result the $13.0 million commitment has been removed.

Oleoducto Central S.A. ("Ocensa") and Cenit Pledge

In May 2022, a new ship-or-pay contract with Bicentenario and Cenit became effective, and as a result, the pledged inventory crude oil is stored in Cenit's terminal of Coveñas (TLU-3) instead of Ocensa's terminal. On March 31, 2022, the Company signed a new pledge agreement with Ocensa and Cenit, which guarantees the payment obligations of both contracts, up to $30.0 million and $6.0 million, respectively. On August 23, 2024, the term of the pledge agreement was extended to December 31, 2024 with Ocensa and to January 31, 2025 with Cenit.

Contingencies

The Company is involved in various claims and litigation arising from the normal course of business. Since the outcomes of these matters are uncertain, there can be no assurance that such matters will be resolved in the Company's favour. The outcome of adverse decisions in any pending or threatened proceedings related to these and other matters could have a material impact on the Company's financial position, results of operations or cash flows. No material changes have occurred regarding the matters disclosed in Note 25 - Commitments and Contingencies of the 2023 Annual Financial Statements.

19. Subsequent Events

On September 4, 2024, the Company announced that its board of directors has approved the commencement of a Substantial Issuer Bid ("**SIB**") pursuant to which the Company offered to purchase from shareholders of Common Shares of the Company up to 3,375,000 Common Shares for cancellation at a purchase price of CAD$12.00 per share, for an aggregate purchase price up to CAD$40.5 million (equivalent to $30.0 million). The bid expired on October 17, 2024.

On October 22, 2024, the Company announced that in accordance with the terms and conditions of the SIB, Frontera has taken up and paid for 3,375,000 Common Shares (approximately 4.01% of the total number of Frontera's issued and outstanding Common Shares as of October 17, 2024) at a price of CAD$12.00 per Common Share, representing an aggregate purchase price of approximately CAD$40.5 million. After the cancellation of the Common Shares taken up and paid for by the Company, approximately 80.78 million Common Shares will be issued and outstanding.