

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS



(UNAUDITED)

*For the three and six months ended
June 30, 2025 and 2024*



Interim Condensed Consolidated Statements of Loss

(In thousands of U.S.\$, except per share information)	Notes	Three Months Ended June 30		Six Months Ended June 30	
		2025	2024	2025	2024
Oil and gas produced, purchased sales and other revenue	4	\$ 242,191	\$ 285,297	\$ 520,312	\$ 554,978
Royalties		(2,304)	(5,774)	(5,364)	(10,280)
Revenue		239,887	279,523	514,948	544,698
Operating costs	5	92,447	100,389	200,242	196,167
Cost of diluent and oil purchased	5	58,609	55,153	127,469	113,012
General and administrative	6	14,279	12,928	27,850	26,484
Share-based compensation		1,624	754	2,486	1,040
Depletion, depreciation and amortization	10	60,600	63,188	127,994	129,000
Impairment expense, exploration expenses and other	7	477,577	841	479,558	1,236
Restructuring, severance and other costs		9,526	1,052	10,527	2,855
(Loss) Income from operations		(474,775)	45,218	(461,178)	74,904
Share of income from associates	12	14,124	13,407	29,233	27,301
Foreign exchange loss		(2,553)	(7,518)	(314)	(8,615)
Finance income		2,073	1,816	3,556	3,408
Finance expense		(18,310)	(17,429)	(33,715)	(34,699)
Gain (loss) on risk management contracts	16	4,030	(3,610)	4,675	(12,423)
Other income (loss)		1,303	(2,774)	1,191	(3,133)
Debt extinguishment cost	13	(5,964)	—	(5,964)	—
Gain on repurchase of senior unsecured notes net of consent solicitation	13	11,735	415	11,925	709
Net (loss) income before income tax		(468,337)	29,525	(450,591)	47,452
Current income tax expense	8	(1,391)	(1,273)	(7,186)	(6,283)
Deferred income tax recovery (expense)	8	14,348	(31,386)	29,794	(52,961)
Income tax recovery (expense)	8	12,957	(32,659)	22,608	(59,244)
Net loss for the period		\$ (455,380)	\$ (3,134)	\$ (427,983)	\$ (11,792)
Attributable to:					
Equity holders of the Company		(455,212)	(2,846)	(427,688)	(11,349)
Non-controlling interests		(168)	(288)	(295)	(443)
		\$ (455,380)	\$ (3,134)	\$ (427,983)	\$ (11,792)
Loss per share attributable to equity holders of the Company					
Basic	9	\$ (5.89)	\$ (0.03)	\$ (5.50)	\$ (0.13)
Diluted	9	\$ (5.89)	\$ (0.03)	\$ (5.50)	\$ (0.13)

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 Loss

<i>(In thousands of U.S.\$)</i>	Three Months Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
Net loss for the period	\$ (455,380)	\$ (3,134)	\$ (427,983)	\$ (11,792)
Other comprehensive income (loss) that may be reclassified to net (loss) income in subsequent periods (nil tax effect)				
Foreign currency translation	11,084	(17,744)	25,150	(16,963)
Total comprehensive loss for the period	\$ (444,296)	\$ (20,878)	\$ (402,833)	\$ (28,755)
Attributable to:				
Equity holders of the Company	\$ (444,128)	\$ (20,590)	\$ (402,538)	\$ (28,312)
Non-controlling interests	(168)	(288)	(295)	(443)
	\$ (444,296)	\$ (20,878)	\$ (402,833)	\$ (28,755)

Interim Condensed Consolidated Statements of Financial Position

<i>(In thousands of U.S.\$)</i>	Notes	June 30 2025	December 31 2024
ASSETS			
Current			
Cash and cash equivalents		\$ 184,860	\$ 192,577
Restricted cash	16	81	16,632
Receivables from ODL investment	15, 16	26,930	—
Trade receivables	16	14,240	9,254
Other receivables	16	85,429	61,277
Inventories		56,780	55,518
Income taxes receivable		62,072	62,702
Prepaid expenses and deposits		10,206	15,090
Risk management assets	16	4,126	—
Total current assets		444,724	413,050
Non-current			
Properties, plant and equipment	10	1,874,819	1,909,903
Exploration and evaluation assets	11	14,617	457,424
Investments in associates	12	47,927	66,142
Deferred tax assets	8	30,174	24,421
Restricted cash	16	12,598	13,617
Other assets		16,826	16,320
Total non-current assets		1,996,961	2,487,827
Total assets		\$ 2,441,685	\$ 2,900,877
LIABILITIES			
Current			
Accounts payable and accrued liabilities	16	\$ 384,927	\$ 397,055
Customer prepayments	16	27,926	30,348
Short-term debt and current portion of long-term debt	13	43,028	30,509
Risk management liabilities	16	571	4,568
Income taxes payable		1,252	3,185
Lease liabilities		5,476	4,523
Asset retirement obligations	14	32,104	43,427
Total current liabilities		495,284	513,615
Non-current			
Unsecured notes	13	310,253	389,803
Other long-term debt	13	167,818	73,452
Other payables	16	10,597	14,211
Lease liabilities	18	8,771	7,750
Deferred tax liabilities	8	4,652	28,848
Asset retirement obligations	14	157,732	147,065
Total non-current liabilities		659,823	661,129
Total liabilities		\$ 1,155,107	\$ 1,174,744
Commitments and contingencies	18		
EQUITY			
Share capital		\$ 4,537,768	\$ 4,567,984
Contributed surplus		112,002	111,599
Other reserves		(54,453)	(79,603)
Accumulated deficit		(3,318,292)	(2,883,695)
Equity attributable to equity holders of the Company		\$ 1,277,025	\$ 1,716,285
Non-controlling interests		9,553	9,848
Total equity		\$ 1,286,578	\$ 1,726,133
Total liabilities and equity		\$ 2,441,685	\$ 2,900,877

Interim Condensed Consolidated Statements of Changes in Equity

Attributable to Equity Holders of the Company

(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
As at January 1, 2025	80,793,387	\$ 4,567,984	\$ 111,599	\$ (74,401)	\$ (5,202)	\$ (2,883,695)	\$ 1,716,285	\$ 9,848	\$ 1,726,133
Net loss for the period	—	—	—	—	—	(427,688)	(427,688)	(295)	(427,983)
Other comprehensive income	—	—	—	25,150	—	—	25,150	—	25,150
Total comprehensive income (loss)	—	—	—	25,150	—	(427,688)	(402,538)	(295)	(402,833)
Dividends declared to equity holders of the Company ^{(1) (2)}	2,091	10	—	—	—	(6,909)	(6,899)	—	(6,899)
Repurchase of Common Shares under SIB ⁽³⁾	(3,500,000)	(30,226)	—	—	—	—	(30,226)	—	(30,226)
Share-based compensation	—	—	403	—	—	—	403	—	403
As at June 30, 2025	77,295,478	\$ 4,537,768	\$ 112,002	\$ (49,251)	\$ (5,202)	\$ (3,318,292)	\$ 1,277,025	\$ 9,553	\$ 1,286,578

Attributable to Equity Holders of the Company

(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
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 loss for the period	—	—	—	—	—	(11,349)	(11,349)	(443)	(11,792)
Other comprehensive loss	—	—	—	(16,963)	—	—	(16,963)	—	(16,963)
Total comprehensive loss	—	—	—	(16,963)	—	(11,349)	(28,312)	(443)	(28,755)
Dividends declared to equity holders of the Company ⁽¹⁾	—	—	—	—	—	(7,799)	(7,799)	—	(7,799)
Repurchase of Common Shares under NCIB ⁽⁴⁾	(897,400)	(5,519)	—	—	—	—	(5,519)	—	(5,519)
Share-based compensation	—	—	338	—	—	—	338	35	373
As at June 30, 2024	84,253,816	\$ 4,599,185	\$ 111,220	\$ (59,333)	\$ (5,202)	\$ (2,863,564)	\$ 1,782,306	\$ 9,987	\$ 1,792,293

⁽¹⁾ On March 10, 2025 and May 8, 2025, the Company's Board of Directors approved and declared a cash dividend of \$3.4 million and \$3.5 million, respectively, corresponding to CAD\$0.0625 per Common Share (as defined below), which were paid on April 16, 2025 and July 17, 2025, respectively. On March 7, 2024 and May 7, 2024, the Company's Board of Directors approved and declared a cash dividend of \$3.9 million each, corresponding to CAD\$0.0625 per Common Share, which were paid on April 16, 2024 and on July 17, 2024, respectively.

⁽²⁾ The Company's Dividend Reinvestment Plan ("DRIP") allows shareholders residing in Canada to automatically reinvest the cash dividends declared on their Common Shares back into additional Common Shares, without the payment of brokerage commissions or service charges. During the six months ended June 30, 2025, the Company issued 2,091 Common Shares under the DRIP.

⁽³⁾ On December 16, 2024, the Company announced that its Board of Directors had approved the commencement of a substantial issuer bid (the "2024 SIB") pursuant to which the Company offered to purchase from holders of Common Shares up to 3,500,000 Common Shares for cancellation at a purchase price of CAD\$12.00 per share, for an aggregate purchase price not exceeding CAD\$42.0 million. The 2024 SIB expired on January 24, 2025. On January 28, 2025, the Company announced that in accordance with the terms and conditions of the 2024 SIB, the Company took up for cancellation 3,500,000 Common Shares (approximately 4.33% of the total number of the Company's issued and outstanding Common Shares as at January 23, 2025) at a price of CAD\$12.00 per Common Share, representing an aggregate purchase price of CAD\$42.0 million funded by cash (total cost of \$30.2 million, including transaction costs of \$0.4 million and taxes of \$0.6 million). Over 90% of the issued and outstanding Common Shares were tendered to the 2024 SIB.

⁽⁴⁾ On November 16, 2023, the TSX (as defined below) approved the Company's notice to initiate a normal course issuer bid (the "2023 NCIB"). Pursuant to the 2023 NCIB, the Company was permitted to 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 six months ended June 30, 2024, the Company repurchased for cancellation \$2.8 million in Common Shares and \$5.5 million in Common Shares, respectively, equivalent to 439,600 and 897,400 Common Shares under the 2023 NCIB, for an average repurchase cost of \$6.34 per Common Share and \$6.15 per Common Share, respectively.

Interim Condensed Consolidated Statements of Cash Flows

(In thousands of U.S.\$)	Notes	Three Months Ended June 30		Six Months Ended June 30	
		2025	2024	2025	2024
OPERATING ACTIVITIES					
Net loss for the period		\$ (455,380)	\$ (3,134)	\$ (427,983)	\$ (11,792)
Items not affecting cash:					
Depletion, depreciation and amortization		60,600	63,188	127,994	129,000
Impairment expense	7	476,960	392	478,094	1,419
Expense (recovery) of asset retirement obligations	7	151	45	526	(997)
Unrealized (gain) loss on risk management contracts	16	(3,556)	3,646	(8,342)	11,585
Share-based compensation		1,624	754	2,486	1,040
Deferred income tax (recovery) expense	8	(14,348)	31,386	(29,794)	52,961
Unrealized foreign exchange loss (gain)		1,455	8,340	(4,618)	8,892
Share of income from associates	12	(14,124)	(13,407)	(29,233)	(27,301)
Debt extinguishment cost		5,964	—	5,964	—
Finance expense		18,310	17,429	33,715	34,699
Finance income		(2,073)	(1,816)	(3,556)	(3,408)
Gain on repurchase of notes	13	(11,735)	(415)	(11,925)	(709)
Dividends from associates	12	—	27,353	26,172	27,353
Income tax paid, withheld, compensated or collected, net		(194)	(6,400)	(13,303)	(29,113)
Interest received, net		2,102	1,816	3,601	3,408
Settlement of asset retirement obligations	14	(4,557)	(303)	(9,282)	(948)
Other		962	459	625	368
Changes in working capital (excluding cash)	17	(20,375)	20,454	(29,218)	18,946
Cash provided by operating activities		\$ 41,786	\$ 149,787	\$ 111,923	\$ 215,403
INVESTING ACTIVITIES					
Additions to oil and gas properties, infrastructure port, and plant and equipment		\$ (60,487)	\$ (87,033)	\$ (103,069)	\$ (149,882)
Additions to exploration and evaluation assets	11	(1,692)	(10,467)	(3,527)	(12,954)
Decrease (increase) in restricted cash and other		1,386	(8,078)	2,739	(3,319)
Return of capital contributions from investment in associates	12	—	3,930	—	3,930
Changes in working capital (excluding cash)	17	10,597	21,454	(4,859)	14,980
Cash used in investing activities		\$ (50,196)	\$ (80,194)	\$ (108,716)	\$ (147,245)
FINANCING ACTIVITIES					
Net proceeds from FPI Recapitalization Loan (as defined below)	13	\$ 212,448	\$ —	\$ 212,448	\$ —
Repayment of debt FPI Loan Facility (as defined below)	13	(105,213)	—	(105,213)	—
Repurchase of 2028 Unsecured Notes and consent solicitation	13	(65,598)	(1,588)	(66,413)	(2,821)
Interest paid and other charges		(18,102)	(22,706)	(18,363)	(22,940)
Repayment of short-term debt		(12,218)	(7,800)	(12,218)	(13,699)
Transaction cost of FPI Recapitalization Loan (as define below)	13	(159)	—	(159)	—
Dividends paid to equity holders of the Company		(3,410)	(3,907)	(6,904)	(3,907)
Lease payments		(2,151)	(1,732)	(3,507)	(3,097)
Release and constitution debt service reserve account of FPI Loan Facility (as defined below), net	13	16,113	—	16,113	(468)
Repurchase of Common Shares under SIB		—	—	(30,226)	—
Repurchase of Common Shares under NCIB		—	(2,788)	—	(5,519)
FPI Loan Facility (as defined below)	13	—	—	—	8,820
Cash used in financing activities		\$ 21,710	\$ (40,521)	\$ (14,442)	\$ (43,631)
Effect of exchange rate changes		1,466	(3,320)	3,518	(3,541)
Increase (decrease) in cash and cash equivalents during the period		14,766	25,752	(7,717)	20,986
Cash and cash equivalents, beginning of the period		170,094	154,907	192,577	159,673
Cash and cash equivalents, end of the period		\$ 184,860	\$ 180,659	\$ 184,860	\$ 180,659
Cash		144,867	149,572	144,867	149,572
Cash equivalents		39,993	31,087	39,993	31,087
Total cash and cash equivalents		\$ 184,860	\$ 180,659	\$ 184,860	\$ 180,659

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited, in thousands of U.S.\$, unless otherwise stated)

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 1030, 140 - 4 Avenue SW, Calgary, Alberta, Canada, T2P 3N3, 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 six months ended June 30, 2025 and 2024 (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, 2024 (the “**2024 Annual Financial Statements**”). These Interim Condensed Financial Statements were approved and authorized for issuance by the Audit Committee of the Board of Directors on August 13, 2025.

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 preparation of the Interim Condensed Financial Statements are consistent with those disclosed in the 2024 Annual Financial Statements, except for the adoption of new standards effective as of January 1, 2025.

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

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.

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited, in thousands of U.S.\$, unless otherwise stated)

U.S. – Trade Tensions and tariffs

Recent developments indicate heightened trade tensions between the United States and Colombia and elsewhere. During the year, the U.S. government has enacted trade tariffs on numerous countries including Colombia and has more recently reached trade agreements with several countries which have agreed to the imposition of broad tariffs. The Company continues to monitor the situation for any new developments. The Company could be adversely affected by the imposition of new tariffs or adverse developments in the diplomatic and commercial relations between the United States and Colombia or the United States and other countries, which could disrupt the Company's financial performance and operational stability. Additionally, given the unpredictable nature of international trade policies, there can be no assurance that future disputes will not arise or that they will be resolved favorably.

Critical Judgments in Applying Accounting Policies

Corentyne License

Frontera Energy Guyana Corp. ("**Frontera Guyana**") and CGX Resources Inc. ("**CGX**", and together with Frontera Guyana, the "**Joint Venture**"), jointly hold 100% working interest in the Corentyne block, located off-shore Guyana. Frontera Guyana and CGX Resources have agreed that their respective participating interests are 72.52% and 27.48%, which includes a 4.52% interest which CGX Resources agreed to assign to Frontera Guyana in 2023. The assignment of this 4.52% participating interest remains subject to the approval of the Government of Guyana (the "**GoG**"), but is believed to be enforceable between Frontera Guyana and CGX Resources.

On June 26, 2024, the Company and CGX Energy Inc. announced that they submitted a notice of potential commercial interest for the Wei-1 discovery to the GoG, which preserves their interests in the Petroleum Prospecting License ("**PPL**") and the Petroleum Agreement ("**PA**") for the Corentyne block off-shore Guyana. Due to the absence of a response from the GoG and the remarks made by certain Government officials, on December 12, 2024, the Joint Venture announced that it had sent the GoG a letter activating a 60-day period for the parties to the PA to make all reasonable efforts to amicably resolve all disputes via negotiation. On February 11, 2025, the Joint Venture announced that it received a communication from the GoG in which the GoG has taken the position that the PPL has terminated or, alternatively, that the communication served as a 30-day notice of the GoG's intention to cancel the PPL. Although the GoG argued that the PPL and PA have been terminated, it invited the Joint Venture to submit any representations it wished to have considered by the GoG prior to its final decision on whether to cancel any existing license. The GoG further stated that any such license would cease to have effect on March 10, 2025, unless any representation made are favorably considered. On February 24, 2025, CGX announced that the Joint Venture had provided a response, advising the GoG that notwithstanding the GoG's contradictory positions, both the PPL and the PA remain valid and in force. The Joint Venture remains firmly of the view that its interest in the PPL and the PA for the Corentyne block remain in place and in good standing. On March 11, 2025, the GoG issued a "Notice of Cancellation/Termination" asserting the GoG's conclusion that the PA was terminated and the PPL was cancelled while failing to address any of the Joint Venture's substantive arguments.

On March 26, 2025, the Company and its subsidiaries Frontera Petroleum International Holding B.V. and Frontera Energy Guyana Holding Ltd. (the "**Investors**") sent a notice of intent to the GoG by which the Investors alleged breaches of the United Kingdom – Guyana Bilateral Investment Treaty (BIT) and the Guyana Investment Act by the GoG (the "**Notice of Intent**"). The communication initiated a 90-day period for consultations and negotiations between the parties to resolve the dispute amicably. The 90-day period lapsed without a mutually acceptable solution having been reached. As informed in previous quarters, the Joint Venture and its other stakeholders are prepared to assert their legal rights.

On July 23, 2025, the GoG, through its legal counsel, responded to the Investors, rejecting their assertions regarding the PPL. The GoG reaffirmed its view that the Joint Venture's interest expired on June 28, 2024, but noted that it may consider a final meeting with the Investors, on a without prejudice basis, in October 2025, and the Joint Venture would be informed as to whether such a meeting will occur in September 2025.

The Company evaluated the Corentyne E&E asset's recoverability given the GoG's conduct and communications, and its unwillingness to recognize the joint venture's rights during the consultation periods, which have since expired. Although all contractual requirements of the Company have been met and an external legal assessment determined that the Company's interests in the PA and PPL for the Corentyne block remain valid, the GoG's positions mentioned above have restricted the Company's ability to develop activities under the PA and PPL. This situation has led to uncertainty regarding the asset's future development and constituted an impairment indicator under IFRS 6 and IAS 36. Consequently, the Company recognized an impairment of \$432.2 million in its income statement, and the Corentyne E&E asset's carrying value as of June 30, 2025 is \$Nil (December 31, 2024 \$431.9 million).

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited, in thousands of U.S.\$, unless otherwise stated)

This accounting treatment reflects the current operational limitations and does not constitute an acknowledgment by the Joint Venture of any diminution in its legal position regarding its rights under the PA, PPL and applicable law regarding the Corentyne block. The Joint Venture, along with its stakeholders, remain committed to protecting and enforcing their contractual and legal rights through all appropriate means. According to IFRS standards, impairment expense can be reversed in the future if subsequent circumstances indicate changes in the recoverable amount of the asset.

Notes to the Interim Condensed Consolidated Financial Statements (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 six months ended June 30, 2025, operating segmented information for the Interim Condensed Consolidated Statements of Loss is as follows:

Three Months Ended June 30	Exploration and Production Onshore				Exploration Guyana		Infrastructure Colombia		Canada & Others		Eliminations		Total		
	Colombia		Ecuador		2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	
	2025	2024	2025	2024											
Oil and gas sales	\$ 224,716	\$ 263,035	\$ 5,504	\$ 10,646	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 230,220	\$ 273,681	
Other revenues	—	—	—	—	175	—	14,479	12,894	—	—	(2,683)	(1,278)	11,971	11,616	
Royalties	(1,965)	(5,299)	(339)	(475)	—	—	—	—	—	—	—	—	(2,304)	(5,774)	
Revenue	222,751	257,736	5,165	10,171	175	—	14,479	12,894	—	—	(2,683)	(1,278)	239,887	279,523	
Operating costs	81,546	90,915	2,322	2,382	—	—	10,493	7,598	101	104	(2,015)	(610)	92,447	100,389	
Cost of diluent and oil purchased	59,277	55,821	—	—	—	—	—	—	—	—	(668)	(668)	58,609	55,153	
General and administrative	10,406	8,741	259	247	630	989	1,180	1,389	1,804	1,573	—	(11)	14,279	12,928	
Share-based compensation	1,387	499	16	36	—	16	—	—	221	203	—	—	1,624	754	
Depletion, depreciation and amortization	56,421	58,486	1,390	2,306	295	4	2,100	1,962	394	430	—	—	60,600	63,188	
Impairment (reversal) expense, exploration expenses and other	317	841	45,067	—	432,248	—	(55)	—	—	—	—	—	477,577	841	
Restructuring, severance and other costs	109	287	—	—	5	—	607	732	8,805	33	—	—	9,526	1,052	
(Loss) income from operations	13,288	42,146	(43,889)	5,200	(433,003)	(1,009)	154	1,213	(11,325)	(2,343)	—	11	(474,775)	45,218	
Share of income from associates	—	—	—	—	—	—	14,124	13,407	—	—	—	—	14,124	13,407	
Segment (loss) income	\$ 13,288	\$ 42,146	\$ (43,889)	\$ 5,200	\$ (433,003)	\$ (1,009)	\$ 14,278	\$ 14,620	\$ (11,325)	\$ (2,343)	\$ —	\$ 11	\$ (460,651)	\$ 58,625	
Other non-operating expense items														(7,686)	(29,100)
Income tax recovery (expense)														12,957	(32,659)
Net loss for the period														\$ (455,380)	\$ (3,134)

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited, in thousands of U.S.\$, unless otherwise stated)

Six Months Ended June 30	Exploration and Production Onshore				Exploration Guyana		Infrastructure Colombia		Canada & Others		Eliminations		Total		
	Colombia		Ecuador		2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	
	2025	2024	2025	2024											
Oil and gas sales	\$ 484,645	\$ 521,563	\$ 12,565	\$ 12,446	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 497,210	\$ 534,009	
Other revenue	—	—	—	—	336	—	27,343	23,422	34	—	(4,611)	(2,453)	23,102	20,969	
Royalties	(4,753)	(9,693)	(611)	(587)	—	—	—	—	—	—	—	—	(5,364)	(10,280)	
Revenue	479,892	511,870	11,954	11,859	336	—	27,343	23,422	34	—	(4,611)	(2,453)	514,948	544,698	
Operating costs	179,613	178,338	4,508	2,809	—	—	19,423	15,747	262	314	(3,564)	(1,041)	200,242	196,167	
Cost of diluent and oil purchased	128,482	114,424	—	—	—	—	—	—	—	—	(1,013)	(1,412)	127,469	113,012	
General and administrative	20,218	17,750	485	485	992	1,488	2,687	2,868	3,502	3,917	(34)	(24)	27,850	26,484	
Share-based compensation	2,052	608	24	39	—	35	—	—	410	358	—	—	2,486	1,040	
Depletion, depreciation and amortization	119,649	121,692	3,161	2,527	297	8	4,126	3,778	761	995	—	—	127,994	129,000	
Impairment (reversal) expense, exploration expenses and other	2,298	628	45,067	—	432,248	—	(55)	—	—	608	—	—	479,558	1,236	
Restructuring, severance and other costs	731	1,438	—	—	5	—	821	1,158	8,970	259	—	—	10,527	2,855	
(Loss) income from operations	26,849	76,992	(41,291)	5,999	(433,206)	(1,531)	341	(129)	(13,871)	(6,451)	—	24	(461,178)	74,904	
Share of income from associates	—	—	—	—	—	—	29,233	27,301	—	—	—	—	29,233	27,301	
Segment (loss) income	\$ 26,849	\$ 76,992	\$ (41,291)	\$ 5,999	\$ (433,206)	\$ (1,531)	\$ 29,574	\$ 27,172	\$ (13,871)	\$ (6,451)	\$ —	\$ 24	\$ (431,945)	\$ 102,205	
Other non-operating expense items														(18,646)	(54,753)
Income tax recovery (expense)														22,608	(59,244)
Net loss for the period														\$ (427,983)	\$ (11,792)

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited, in thousands of U.S.\$, unless otherwise stated)

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

	June 30 2025	December 31 2024
Colombia	\$ 1,952,320	\$ 1,964,756
Guyana	20,481	452,591
Ecuador	10,875	57,507
Canada & Others	13,285	12,973
Total non-current assets	\$ 1,996,961	\$ 2,487,827

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 June 30		Six Months Ended June 30	
	2025	2024	2025	2024
Colombia				
Produced crude oil sales	\$ 174,019	\$ 211,841	\$ 375,588	\$ 417,218
Purchased crude oil and products sales	49,139	49,035	106,502	100,320
Gas sales	1,558	2,159	2,555	4,025
Colombia oil and gas sales	224,716	263,035	484,645	521,563
Ecuador crude oil sales	5,504	10,646	12,565	12,446
Oil and gas sales	230,220	273,681	497,210	534,009
Infrastructure Colombia sales to external customers	11,796	11,616	22,766	20,969
Inter-segment sales	2,683	1,278	4,577	2,453
Infrastructure Colombia sales	14,479	12,894	27,343	23,422
Other revenues	175	—	370	—
Elimination of Infrastructure Colombia inter-segment sales	(2,683)	(1,278)	(4,611)	(2,453)
Oil and gas produced, purchased sales and other revenue	\$ 242,191	\$ 285,297	\$ 520,312	\$ 554,978

5. Operating Costs

	Three Months Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
Transportation costs	\$ 38,701	\$ 34,917	\$ 78,250	\$ 70,112
Production costs (excl. energy costs)	32,367	41,401	68,046	78,240
Energy costs	17,591	17,997	37,175	36,965
Trunkline costs and other ⁽¹⁾	519	—	2,519	—
Inventory valuation	(6,817)	(1,019)	(5,061)	(4,942)
Post-termination costs	(406)	(364)	(109)	186
Total oil and gas operating costs	81,955	92,932	180,820	180,561
Port operating costs	6,103	5,604	11,105	11,673
Special projects and other costs ⁽²⁾	4,389	1,853	8,317	3,933
Total operating costs	\$ 92,447	\$ 100,389	\$ 200,242	\$ 196,167

⁽¹⁾ Mainly corresponds to repairs and other activities resulting from unexpected failures in a trunkline in the Quifa block. For the second quarter 2025 also includes external road maintenance expenses associated with damage caused by the heavy rainy season.

⁽²⁾ Mainly includes costs related to Promotora Agrícola de los Llanos S.A. and SAARA.

Cost of Diluent and Oil Purchased

Cost of diluent and oil purchased represents the cost of third-party hydrocarbon volumes purchased primarily for dilution and refining purposes as part of the Company's oil operations, as well as its marketing and transportation strategy. For the three and six months ended June 30, 2025, the cost of oil purchased and diluent was \$58.6 million and \$127.5 million, respectively (2024: \$55.2 million and \$113.0 million, respectively).

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited, in thousands of U.S.\$, unless otherwise stated)

6. General and Administrative

	Three Months Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
Salaries and benefits	\$ 7,703	\$ 7,882	\$ 15,345	\$ 15,764
Professional fees	3,531	3,546	6,662	7,223
Taxes	834	1,098	1,923	2,357
Other expenses	292	402	1,062	1,140
Colombian temporary taxes ⁽¹⁾	1,919	—	2,858	—
Total	\$ 14,279	\$ 12,928	\$ 27,850	\$ 26,484

⁽¹⁾ These temporary taxes include a 1% contribution on the export of hydrocarbons in Colombia (Catatumbo Tax) resulting from the state of internal commotion declared by the Government of Colombia.

7. Impairment Expense, Exploration Expenses and Other

	Three Months Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
Impairment expense of:				
Properties, plant and equipment (Note 10)	\$ 31,268	\$ —	\$ 31,268	\$ —
Exploration and evaluation assets (Note 11)	446,148	—	446,383	—
Other	(456)	392	443	1,419
Total impairment expense	476,960	392	478,094	1,419
Exploration expenses of:				
Geological and geophysical costs, and other	466	404	938	814
Total exploration expenses	466	404	938	814
Expense (recovery) of asset retirement obligations (Note 14)	151	45	526	(997)
Impairment expense, exploration expenses and other	\$ 477,577	\$ 841	\$ 479,558	\$ 1,236

Properties, plant and equipment

During the three and six months ended June 30, 2025, the Company recorded an impairment charge of \$31.3 million and \$31.3 million, respectively (2024: \$Nil and \$Nil). At the end of the second quarter, the Company identified a change in the intended of use of the assets related to the Perico block in Ecuador. As a result, the recoverable amount was reassessed in accordance with IAS 36, recognizing impairment charges of \$31.3 million and \$31.3 million, respectively (2024: \$Nil and \$Nil).

Exploration and Evaluation Assets

During the three and six months ended June 30, 2025, the Company recorded an impairment charge of \$446.1 million and \$446.4 million, respectively (2024: \$Nil and \$Nil), mainly related to the impairment of Corentyne block of \$432.2 million (for further information refer to “Critical Judgments in Applying Accounting Policies” section on page 8). In addition, during the end of the second quarter, the Company identified a change in the intended of use of the assets related to the Espejo block in Ecuador. As a result, the recoverable amount was reassessed in accordance with IAS 36, recognizing an impairment charge of \$13.8 million.

Other

During the three months ended June 30, 2025, the Company recognized a reversal of other impairment expenses of \$0.5 million, mainly related to the sale of inventory materials previously impaired (2024: Other impairment expenses of \$0.4 million). During the six months ended June 30, 2025, the Company recognized other impairment expenses of \$0.4 million, mainly related to obsolete inventory materials (2024: \$1.4 million).

Expense (recovery) of asset retirement obligations

During the three and six months ended June 30, 2025, the Company recognized an asset retirement obligations expense of \$0.2 million and \$0.5 million, respectively. During the three and six months ended June 30, 2024, the Company recognized an asset retirement obligations expense of \$45 thousand and recovery of asset retirement obligations of \$1.0 million.

Notes to the Interim Condensed Consolidated Financial Statements (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 (recovery) expense:

	Three Months Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
Net (loss) income before income tax	(468,337)	29,525	(450,591)	47,452
Colombian statutory income tax rate ⁽¹⁾	40%	50%	40%	50%
Income tax expense at statutory rate	(187,335)	14,763	(180,237)	23,727
Increase (decrease) in income tax provision resulting from:				
Non-deductible/taxable expense/income and other differences	15,100	2,437	25,290	6,702
Foreign exchange impact on deferred income tax	(16,527)	31,489	(36,012)	40,928
Share-based compensation	51	340	94	381
Differences in tax rates	(1,129)	—	(6,847)	(134)
Change in deferred income tax	176,883	(16,370)	175,104	(12,360)
Income tax (recovery) expense	(12,957)	32,659	(22,608)	59,244
Current income tax expense	1,391	1,273	7,186	6,283
Deferred income tax (recovery) expense:				
Relating to origination and reversal of temporary differences	(14,348)	31,386	(29,794)	52,961
Income tax (recovery) expense	\$ (12,957)	\$ 32,659	\$ (22,608)	\$ 59,244
Effective tax rate	2.77%	110.61%	5.02%	124.85%

⁽¹⁾ Statutory income tax rate includes an additional estimated surcharge of 5% according to the forecasted average Brent prices. As at June 30, 2024 the surcharge was 15%.

During the three and six months ended June 30, 2025, the Company recognized a current income tax expense of \$1.4 million and \$7.2 million, respectively, compared to \$1.3 million and \$6.3 million, respectively, in the same periods of 2024, and a deferred income tax recovery of \$14.3 million and \$29.8 million, respectively, compared to a deferred income tax expense of \$31.4 million and \$53.0 million, respectively, in the same periods of 2024.

The deferred tax recovery for the three and six months ended June 30, 2025, is mainly due to foreign exchange rate fluctuations.

As at June 30, 2025, the deferred tax assets was \$30.2 million (December 31, 2024: \$24.4 million), and the deferred tax liabilities was \$4.7 million (December 31, 2024: \$28.8 million).

9. Loss per Share

	Three Months Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
<i>(In thousands of U.S.\$, except share and per share amounts)</i>				
Loss attributable to equity holders of the Company	\$ (455,212)	\$ (2,846)	\$ (427,688)	\$ (11,349)
Basic weighted average number of shares outstanding	77,295,310	84,522,975	77,816,892	84,758,610
Diluted weighted average number of shares outstanding	77,295,310	84,522,975	77,816,892	84,758,610
Loss per share attributable to equity holders of the Company				
Basic	\$ (5.89)	\$ (0.03)	\$ (5.50)	\$ (0.13)
Diluted	\$ (5.89)	\$ (0.03)	\$ (5.50)	\$ (0.13)

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited, in thousands of U.S.\$, unless otherwise stated)

10. Properties, Plant and Equipment

Cost	Oil & Gas Properties	Infrastructure Colombia	Plant & Equipment	Total
As at January 1, 2025	\$ 7,396,107	\$ 365,673	\$ 67,424	\$ 7,829,204
Additions	92,438	8,807	5,700	106,945
Change in asset retirement obligations (Note 14)	(217)	685	—	468
Disposal ⁽¹⁾	(53,022)	(432)	(373)	(53,827)
Currency translation adjustment	483	30,116	915	31,514
As at June 30, 2025	\$ 7,435,789	\$ 404,849	\$ 73,666	\$ 7,914,304

⁽¹⁾ Corresponds mainly to write off due to the relinquishment of Entrerrios and Rio Meta blocks.

Accumulated Depletion, Depreciation and Impairment	Oil & Gas Properties	Infrastructure Colombia	Plant & Equipment	Total
As at January 1, 2025	\$ 5,778,858	\$ 97,307	\$ 43,136	\$ 5,919,301
Charge for the period ⁽²⁾	126,938	4,124	1,346	132,408
Impairment (Note 7)	31,268	—	—	31,268
Disposal ⁽¹⁾	(52,970)	(403)	(315)	(53,688)
Currency translation adjustment	289	9,409	498	10,196
As at June 30, 2025	\$ 5,884,383	\$ 110,437	\$ 44,665	\$ 6,039,485

⁽¹⁾ Corresponds mainly to write off due to the relinquishment of Entrerrios and Rio Meta blocks.

⁽²⁾ Does not include depletion, depreciation and amortization inventory fluctuation of \$4.4 million.

Net Book Value	Oil & Gas Properties	Infrastructure Colombia	Plant & Equipment	Total
As at December 31, 2024	\$ 1,617,249	\$ 268,366	\$ 24,288	\$ 1,909,903
As at June 30, 2025	\$ 1,551,406	\$ 294,412	\$ 29,001	\$ 1,874,819

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

Properties, plant and equipment - owned	\$ 1,540,760	\$ 294,412	\$ 25,231	\$ 1,860,403
ROU assets - leased	10,646	—	3,770	14,416
As at June 30, 2025	\$ 1,551,406	\$ 294,412	\$ 29,001	\$ 1,874,819

Details of ROU assets are as follows:

	Power Generation	Plant & Equipment	Total
As at January 1, 2025	\$ 10,271	\$ 2,941	\$ 13,212
Additions	—	1,988	1,988
Termination or modifications of lease contracts	1,914	(5)	1,909
Depreciation	(1,539)	(1,154)	(2,693)
As at June 30, 2025	\$ 10,646	\$ 3,770	\$ 14,416

11. Exploration and Evaluation Assets

	2025
As at January 1	\$ 457,424
Additions ⁽¹⁾	3,527
Impairment expense (Note 7)	(446,383)
Change in asset retirement obligations	49
As at June 30	\$ 14,617

⁽¹⁾ Includes additions of \$2.2 million in Colombia mainly from Llanos 99, Llanos 119 and VIM46, \$1.0 million in Ecuador related to the Espejo block and \$0.4 million in Guyana.

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited, in thousands of U.S.\$, unless otherwise stated)

12. Investments in Associates

	2025
As at January 1	\$ 66,142
Share of income from associates	29,233
Dividends	(52,893)
Currency translation adjustment	5,445
As at June 30	\$ 47,927
Company's interest as at June 30	35 %

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, Frontera Pipeline Investment AG ("FPI", formerly named Pipeline Investment Ltd), has a 35% equity investment in the ODL pipeline, which connects the Rubiales, Quifa, Caño Sur, Llanos-34, among other blocks to the Monterrey 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 loss.

During the three and six months ended June 30, 2025, the Company recognized the dividends declared by ODL of \$Nil and \$52.9 million, respectively (2024: \$Nil and \$54.9 million, respectively), and a return of capital of \$Nil and \$Nil (2024: \$Nil and \$7.9 million, respectively).

During the three and six months ended June 30, 2025, the Company received cash dividends of \$Nil and \$26.2 million, respectively (2024: \$27.4 million and \$27.4 million, respectively).

As at June 30, 2025, the carrying value of dividends receivable is \$26.9 million (December 31, 2024: \$Nil).

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited, in thousands of U.S.\$, unless otherwise stated)

13. Short-Term and Long-Term Debt

As at	Maturity	Principal	Currency	Interest Rate	June 30	December 31
					2025	2024
2028 Unsecured Notes	June 2028	314,001	U.S. dollars	7.875%	\$ 310,253	\$ 389,803
Unsecured Notes					\$ 310,253	\$ 389,803
FPI Recapitalization Loan First Lien - Floating Rate	December 2030	140,000	U.S. dollars	SOFR 6M + 6%	\$ 124,654	\$ —
FPI Recapitalization Loan Second Lien - Fixed Rate	December 2031	40,000	U.S. dollars	15.00%	38,174	—
FPI Recapitalization Loan First Lien - Tranche A	December 2030	20,000	U.S. dollars	9.75%	19,334	—
FPI Recapitalization Loan First Lien - Tranche B	December 2027	20,000	U.S. dollars	11.00%	19,401	—
Agro Cascada Working Capital Loan	October 2025	41,927,400,000	COP	IBR ⁽¹⁾ + 2.5%	9,283	9,509
FPI Loan Facility (Tranche A-1)	December 2027	100,000	U.S. dollars	SOFR 6M + 6.25% ⁽²⁾	—	51,969
FPI Loan Facility (Tranche A-2)	December 2028	30,000	U.S. dollars	SOFR 6M + 6.25% ⁽²⁾	—	24,620
FPI Loan Facility (Tranche B)	December 2027	20,000	U.S. dollars	11.00%	—	17,863
Loans					\$ 210,846	\$ 103,961
Total					\$ 521,099	\$ 493,764

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

⁽²⁾ The interest rate changed from SOFR 6M + 7.25% to SOFR 6M + 6.25% in December 2024 in accordance with the contract, which stipulates that if the ratio of debt to dividends received is greater than 2.0 the interest rate margin will decrease.

As at	June 30	December 31
	2025	2024
Current portion	\$ 43,028	\$ 30,509
Non-current portion	478,071	463,255
Total	\$ 521,099	\$ 493,764

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.

On May 9, 2025, the Company announced that it had commenced a cash tender offer (the “**Offer**”) for up to \$65.0 million in aggregate principal amount of its outstanding 2028 Unsecured Notes and a concurrent consent solicitation (the “**Solicitation**”) with respect to certain proposed amendments (the “**Proposed Amendments**”) to the indenture governing the 2028 Unsecured Notes (the “**Indenture**”). The Offer and Solicitation were amended on May 26, 2025 to extend the Early Tender Date and Consent Deadline (as defined in the Offer to Purchase and Consent Solicitation Statement dated as of May 9, 2025) to 5:00 p.m., New York City time, on June 9, 2025 (the “**Extended Early Tender Date and Consent Deadline**”). The Offer and Solicitation were further amended on June 2, 2025 to, among other things: (i) increase the maximum tender amount from \$65.0 million to \$80.0 million; (ii) increase the payment for those consents validly delivered at or prior to the Extended Early Tender Date and Consent Deadline from \$15.00 for each \$1,000 principal amount of 2028 Unsecured Notes to an aggregate amount of \$8 million, to be divided pro rata among all tendering and consenting holders of 2028 Unsecured Notes (“**Holder**s”) in the Offer and Solicitation in aggregate (the “**Amended Consent Payment**”); and (iii) increase the consideration payment for each \$1,000 principal amount of 2028 Unsecured Notes validly tendered at or prior to the Extended Early Tender Date and Consent Deadline, and accepted for purchase pursuant to the Offer, from \$700.00 to \$720.00. As of the Extended Early Tender Date and Consent Deadline which was also the expiry time of the Offer. The Company received without duplication: (i) validly delivered tenders from Holders representing \$134,169,000 in aggregate principal amount 2028 Unsecured Notes and (ii) validly delivered consents from Holders (including consents delivered without tenders) representing \$194,448,000 (i.e. 50.38%) in aggregate principal amount of 2028 Unsecured Notes outstanding. Therefore, the Company obtained the requisite consents to the Proposed Amendments under the Indenture and proceeded to execute a supplemental indenture incorporating the Proposed Amendments, paid to consenting Holders the Amended Consent Payment, and repurchased and proceeded to cancel \$80.0 million in face value of its 2028 Unsecured Notes. As of the completion of the Offer and Solicitation, the Company has \$320.0 million in principal amount of 2028 Unsecured Notes outstanding, including \$6.0 million held by the Company.

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited, in thousands of U.S.\$, unless otherwise stated)

During the three and six months ended June 30, 2025 the Company repurchased \$80.0 million and \$81.0 million, respectively, in the aggregate amount of its 2028 Unsecured Notes pursuant to the Offer and Solicitation and in the open market for a cash consideration of \$57.6 million and \$58.4 million, respectively. As a result, during the three and six months ended June 30, 2025 the Company recognized a gain of \$11.7 million and \$11.9 million, respectively. These gains are after deducting the Amended Consent Payment of \$8.0 million, the proportional deferred financing fees write-offs of \$1.0 million, and legal and advisory fees totaling \$1.6 million.

The carrying value for the 2028 Unsecured Notes as at June 30, 2025, was \$310.3 million (December 31, 2024: \$389.8 million).

The purpose of the Offer and the Solicitation was to gain greater financial and operational flexibility while simultaneously reducing the Company's overall debt. Additionally, the Proposed Amendments permitted the Company to take certain actions that were previously restricted under the Indenture. These include, but were not limited to: allowing additional restricted payments (particularly from proceeds of unrestricted subsidiaries); providing greater flexibility in managing working capital to support operational efficiency and financial resilience; increasing the amount of permitted indebtedness and liens; and reducing conditions and requirements that previously limited the Company's ability to pursue strategic transactions aimed at enhancing growth and value.

Frontera Pipeline Investment Loan Facility ("FPI Loan Facility", formerly named "PIL Loan Facility") and Frontera Pipeline Investment Recapitalization Loan Facility ("FPI Recapitalization Loan")

On March 27, 2023, FPI entered into a new credit agreement through which lenders provided a \$120.0 million loan facility to FPI, secured by substantially all the assets and shares of FPI, 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 FEC ODL Holdings Corp. (formerly named Frontera ODL Holding Corp.), the parent company of FPI. The FPI Loan Facility is a five-year credit facility maturing in December 2027, with principal payments made semi-annually. The FPI Loan Facility has two tranches: a \$100.0 million amortizing tranche that pays SOFR six-month term plus a margin of 7.25% per annum (with a step down to 6.25% if certain conditions are met) and a \$20.0 million bullet maturity tranche that pays a fixed rate of 11.0% per annum. The conditions precedent to the FPI Loan Facility were fully satisfied, and both tranches of the facility were funded on March 31, 2023.

On February 16, 2024, as part of the FPI Loan Facility (Tranche A-2), the Company amended the facility to disburse an accordion tranche of \$30.0 million. This tranche secures 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, August 7, 2024 and December 16, 2024, the lenders disbursed \$8.8 million, \$10.0 million and \$10.0 million, respectively. The accordion tranche was recognized, net of an original issue discount of \$1.2 million, primarily related to lender and legal fees, which were discounted at the time of disbursement.

On May 14, 2025, FPI amended and restated its credit agreement through which lenders increased their commitments to \$220.0 million. The FPI Recapitalization Loan comprises various tranches, the last of which matures in December 2031, with principal payments made semi-annually. The FPI Recapitalization Loan comprises: a \$140.0 million tranche (FPI Recapitalization Loan First Lien - Floating Rate) that pays SOFR six-month term plus a margin of 6% per annum, a \$20.0 million tranche (FPI Recapitalization Loan First Lien - Tranche B) that pays a fixed rate of 11% per annum, a \$20.0 million tranche (FPI Recapitalization Loan First Lien - Tranche A) that pays a fixed rate of 9.75% per annum and a \$40.0 million tranche (FPI Recapitalization Loan Second Lien - Fixed Rate) that pays a fixed rate of 15% per annum.

Apart from extending the term of the \$100.8 outstanding amount (for further information, refer to Note 13 of the Interim Condensed Consolidated Financial Statements for the three months ended March 31, 2025), the proceeds of the FPI Recapitalization Loan were used to pay fees and accrued interest. The FPI Recapitalization Loan is guaranteed by FEC ODL Holdings Corp. and is secured exclusively by the cash flows generated from Frontera's interest in ODL, with Puerto Bahia removed from the security package.

As at June 30, 2025, the carrying value of the FPI Loan Facility is \$Nil (December 31, 2024: \$94.5 million). As at June 30, 2025, the FPI Loan Facility debt service reserve account has a balance of \$Nil (December 31, 2024: \$15.9 million). As at June 30, 2025, the carrying value of the FPI Recapitalization Loan is \$201.6 million, which includes short-term debt of \$33.7 million.

In accordance with IFRS 9, Financial Instruments, an entity is required to evaluate whether modifications to a financial instrument represent a substantial modification of the contractual terms. Where such a modification is deemed substantial, the original financial liability is treated as extinguished and a new financial liability is recognised. Following a detailed assessment, the Company determined that the modification of this debt instrument qualified as a substantial modification under IFRS requirements. Consequently, a financial liability of \$100.8 million was derecognised, and a new financial liability of \$220 million was recognised. The transaction cost of \$6.0 million associated with the extinguishment was recorded as a loss in the income

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited, in thousands of U.S.\$, unless otherwise stated)

statement. Additionally, the transaction costs of \$7.7 million related to the new liability were included by adjusting the carrying amount of the liability and will be amortized over the term of the new liability.

Agro Cascada Working Capital Loan

On October 10, 2024, the Company entered into a one-year working capital loan agreement with Citibank Colombia S.A, denominated in COP, with a principal amount of COP \$41,927 million (equivalent to \$9.5 million), maturing on October 10, 2025, with an interest rate of IBR plus 2.5%, payable monthly (the “**Agro Cascada Working Capital Loan**”). On October 10, 2024 and November 21, 2024, the lender disbursed COP \$29,337 million and COP \$12,590 million, respectively. The proceeds of the Agro Cascada Working Capital Loan were intended to support the development of the Company’s water treatment facilities, and it is guaranteed by Frontera Energy Colombia Corp. Sucursal Colombia.

The Company prepaid \$1.0 million of the Agro Cascada Working Capital Loan during the second quarter. As at June 30, 2025, the carrying value of the Agro Cascada Working Capital Loan is \$9.3 million.

14. Asset Retirement Obligations

	2025	
As at January 1	\$	190,492
Accretion expense		4,624
Additions		2,575
Changes in estimates		901
Liabilities settled		(9,282)
Expense of asset retirement obligations (Note 7)		526
As at June 30	\$	189,836

	June 30 2025	December 31 2024
Current portion	\$ 32,104	\$ 43,427
Non-current portion	157,732	147,065
Total	\$ 189,836	\$ 190,492

Asset retirement obligations (“**ARO**”) represent the present value of decommissioning and environmental liability costs relating to oil and gas properties and exploration & evaluation assets. As at June 30, 2025, the total undiscounted ARO is \$302.5 million (2024: \$295.6 million), expected to be executed between 2025 and 2049, of which \$292.0 million (2024: \$285.2 million) relates to Colombia, \$8.3 million (2024: \$8.3 million) to Peru and \$2.2 million (2024: \$2.2 million) to Ecuador.

During the six months ended June 30, 2025, the Company recognized a decrease in ARO due to changes in estimates of \$0.9 million, which includes a decrease of \$3.1 million related to updating the risk-free and inflation rates, a decrease of \$2.1 million related to updated cost estimates, partially offset by an increase of \$6.1 million due to the impact of foreign exchange rates. A total of \$0.5 million relating to changes in estimates was recognized within Properties, Plant and Equipment (Note 10).

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

- A risk-free rate between 9.16% and 12.73% and an inflation rate between 2.90% and 3.50% for cash flows expected to be settled in COP for Colombia (2024: risk-free rate between 9.88% and 14.03% with an inflation rate between 2.90% and 3.20%);
- A risk-free rate between 7.17% and 8.32% and an inflation rate between 1.99% and 2.20% for cash flows expected to be settled in U.S. dollars for Colombia (2024: risk-free rate between 6.79% and 7.47% with an inflation rate between 1.65% and 2.55%); and
- A risk-free rate between 11.82% and 12.70% and an inflation rate between 1.45% and 3.09% for cash flows expected to be settled in U.S. dollars for Ecuador (2024: risk-free rate between 16.21% and 16.86% with an inflation rate between 1.40% and 2.50%).

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15. Related-Party Transactions

The following table provides the total balances outstanding, commitments, and transactional amounts with related parties as at June 30, 2025 and December 31, 2024, and for the three and six months ended June 30, 2025 and 2024, respectively:

	June 30, 2025, and December 31, 2024			Three Months Ended	Six Months Ended
		Receivables from ODL Investment	Accounts Payable	June 30	June 30
				Purchases/Services	
ODL (Note 12)	2025	\$ 26,930	\$ 3,042	\$ 7,499	\$ 14,754
	2024	—	\$ 2,901	7,522	14,974
			\$ 54		
			356		

The related-party transactions correspond to dilution services for a total commitment of \$0.1 million until 2025 (Note 18).

As at June 30, 2025, Loans includes \$5.0 million balance (December 31, 2024, \$Nil) acquired by funds controlled by GDA Luma Capital Management, LP (which itself is controlled by Gabriel de Alba, the Chair of the Board of Directors of Frontera) as part of the second lien of the FPI Recapitalization Loan.

As at June 30, 2025 the Unsecured Notes includes \$8.0 million balance (December 31, 2024, \$8.0 million) controlled or directed by The Catalyst Capital Group Inc.

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.

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

As At	June 30 2025	December 31 2024
Trade receivables before ECL	\$ 30,386	\$ 25,137
Allowance for ECLs - trade receivables	(16,146)	(15,883)
Trade receivables	14,240	9,254
Receivables from ODL investment	26,930	—
Receivables from ODL investment	26,930	—
Other receivables:		
Receivables from joint arrangements	30,792	26,944
VAT receivable and others ⁽¹⁾	49,210	29,482
Other receivables	11,845	11,192
Allowance for ECLs - other receivables	(6,418)	(6,341)
Other receivables	\$ 85,429	\$ 61,277
Withholding tax and others - not considered for credit risk	(49,210)	(29,482)
Total financial assets carried at amortized cost	\$ 77,389	\$ 41,049

⁽¹⁾ Does not include long-term VAT

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited, in thousands of U.S.\$, unless otherwise stated)

Reconciliation of ECLs

The following table shows a continuity of ECLs:

	2025
As at January 1	\$ 22,224
Provision for ECLs	259
Effect of exchange rate changes	81
As at June 30	\$ 22,564

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 June 30, 2025:

Financial Liability Due In	2025	2026	2027	2028	2029	Subsequent to 2030	Total
Accounts payable, accrued liabilities and other payables ⁽¹⁾	\$ 379,640	\$ 8,045	\$ 7,532	\$ 307	\$ —	\$ —	\$ 395,524
Customer prepayments	27,926	—	—	—	—	—	27,926
Unsecured Notes	—	—	—	314,001	—	—	314,001
Loans	33,028	20,000	20,000	19,600	24,000	101,455	218,083
Interest on Unsecured Notes	12,600	25,200	25,200	12,600	—	—	75,600
Interest on loans	12,216	20,398	18,244	16,179	14,065	17,760	98,862
Lease liabilities	3,670	5,117	2,721	2,605	1,979	1,241	17,333
Total	\$ 469,080	\$ 78,760	\$ 73,697	\$ 365,292	\$ 40,044	\$ 120,456	\$ 1,147,329

⁽¹⁾ Includes provisions of \$93.5 million, which do not have a definitive amortization term and are therefore classified as current liabilities.

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

	June 30 2025	December 31 2024
Trade and other payables	\$ 145,236	\$ 148,236
Accrued liabilities	112,208	117,984
Supplier holdbacks	41,398	39,398
Withholding tax and tax provisions	1,509	12,730
Share-based payment liability	1,669	2,158
	302,020	320,506
Provision for contingencies and others	93,504	90,760
Total accounts payable and accrued liabilities and other payables	\$ 395,524	\$ 411,266
Customer prepayments	\$ 27,926	\$ 30,348

The Company has various uncommitted bilateral letters of credit. As at June 30, 2025, the Company has issued letters of credit and guarantees for exploration and abandonment funds totaling \$111.6 million (December 31, 2024: \$108.9 million).

Restricted cash

As at June 30, 2025, the Company has short-term and long-term restricted cash of \$12.7 million (December 31, 2024: \$30.2 million) in trust accounts primarily to cover future abandonment obligations.

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.

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited, in thousands of U.S.\$, unless otherwise stated)

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 estimated production with a tactical approach, using derivative commodity instruments to protect the Company's revenue generation and cash position, while maximizing the upside.

Type of Instrument	Term	Benchmark	Volume (bbl)	Avg. Strike Prices	Carrying Amount	
				Put \$/bbl	Assets	Liabilities
Put Spread	October 2025 to December 2025	Brent	1,370,000	65/55	\$ 631	\$ —
Put Spread	July 2025 to September 2025	Brent	1,461,000	70/55	434	—
Total as at June 30, 2025					\$ 1,065	\$ —
Total as at December 31, 2024					\$ —	\$ 2,669

Risk management contracts - Foreign exchange

The Company is exposed to foreign currency fluctuations. This exposure arises primarily due to expenditures incurred in COP and the fluctuation of this currency against the USD. In addition, during 2025, the Company entered into new derivative contracts associated with the collection of dividends from ODL, as required under the FPI Recapitalization Loan.

Type of Instrument	Term	Benchmark	Notional Amount/ Volume in USD	Avg. Put/Call	Carrying Amount	
				Par forward (COP\$)	Assets	Liabilities
Zero-cost collars	July 2025 to September 2025	USD/COP	60,000,000	4,200/4,795	\$ 1,777	\$ —
Zero-cost collars	October 2025 to December 2025	USD/COP	30,000,000	4,250/4,787	1,284	—
Forward ⁽¹⁾	August 2025	USD/COP	10,423,124	4,206	—	223
Forward ⁽¹⁾	October 2025	USD/COP	7,741,875	4,247	—	168
Forward ⁽¹⁾	December 2025	USD/COP	7,666,063	4,289	—	180
Total as at June 30, 2025					\$ 3,061	\$ 571
Total as at December 31, 2024					\$ —	\$ 1,899

	Assets	Liabilities
Total risk management contracts as at June 30, 2025	\$ 4,126	\$ 571
Total risk management contracts as at December 31, 2024	\$ —	\$ 4,568

⁽¹⁾ Contracts related to the FPI Recapitalization Loan.

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

	Three Months Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
Gain (loss) on oil price risk management contracts	\$ 431	\$ (3,796)	\$ (3,710)	\$ (7,285)
Realized gain on foreign exchange risk hedge	43	3,832	43	6,447
Realized gain (loss) on risk management contracts ⁽¹⁾	474	36	(3,667)	(838)
Unrealized gain (loss) on risk management contracts	3,556	(3,646)	8,342	(11,585)
Total gain (loss) on risk management contracts	\$ 4,030	\$ (3,610)	\$ 4,675	\$ (12,423)

⁽¹⁾ For the three and six months ended June 30, 2025, the realized gain of \$0.5 million and loss of \$3.7 million, respectively, on risk management contracts was mainly due to a gain of \$0.4 million and loss of \$3.7 million, respectively, net of the positive cash settlement of \$4.1 million and \$4.1 million, respectively, from oil price contracts during the periods, partially offset by the put premiums paid for expired positions of \$3.7 million and \$7.8 million.

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited, in thousands of U.S.\$, unless otherwise stated)

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 June 30, 2025 and December 31, 2024:

	Period	Carrying Value	Fair Value		
			Level 1	Level 2	Level 3
Financial Assets Measured at Fair Value through Profit and Loss					
Risk management assets	2025	\$ 4,126	\$ —	\$ 4,126	\$ —
	2024	—	—	—	—
Financial Assets Measured at Fair Value through Other Comprehensive Income					
Investments in equity instruments	2025	\$ 1,802	\$ —	\$ —	\$ 1,802
	2024	1,813	—	—	1,813
Financial Liabilities Measured at Fair Value through Profit and Loss					
Risk management liabilities	2025	\$ (571)	\$ —	\$ (571)	\$ —
	2024	(4,568)	—	(4,568)	—
Financial Liabilities Measured at Amortized Cost					
2028 Unsecured Notes (Note 13)	2025	\$ (310,253)	\$ —	\$ (212,224)	\$ —
	2024	(389,803)	—	(302,207)	—
Other short-term and long-term debt (Note 13)	2025	\$ (210,846)	\$ —	\$ (218,083)	\$ —
	2024	(103,961)	—	(110,309)	—

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

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 and FPI Recapitalization Loan, 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:

	June 30	December 31
	2025	2024
Equity attributable to equity holders of the Company	\$ 1,277,025	\$ 1,716,285
Long-term debt	478,071	463,255
Working capital deficit ⁽¹⁾	50,560	100,565
Total	\$ 1,805,656	\$ 2,280,105

⁽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.

Notes to the Interim Condensed Consolidated Financial Statements (Unaudited, in thousands of U.S.\$, unless otherwise stated)

17. Supplemental Disclosure of Cash Flows

Changes in non-cash working capital are as follows:

	Three Months Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
Increase (decrease) in accounts payable and accrued liabilities	\$ 2,966	\$ 12,902	\$ (27,412)	\$ 6,575
(Increase) decrease accounts receivable and other assets	(18,974)	17,094	(25,966)	1,665
Decrease in income taxes payable	(1,917)	(9,497)	(1,986)	(9,412)
Decrease (increase) in customers prepayments	(3,487)	12,276	(5,909)	33,264
(Increase) decrease in inventories	(5,112)	(5,369)	2,709	(18,209)
Decrease (increase) in prepaid expenses and deposits	2,223	(1,121)	4,887	(3,199)
Decrease in income taxes receivable	14,523	15,623	19,600	23,242
Changes in working capital (excluding cash)	\$ (9,778)	\$ 41,908	\$ (34,077)	\$ 33,926
Attributable to:				
Operating activities	\$ (20,375)	\$ 20,454	\$ (29,218)	\$ 18,946
Investing activities	10,597	21,454	(4,859)	14,980
Changes in working capital (excluding cash)	\$ (9,778)	\$ 41,908	\$ (34,077)	\$ 33,926

18. Commitments and Contingencies

Commitments

The Company's commitments as at June 30, 2025, undiscounted and by calendar year, are presented below:

As at June 30, 2025	2025	2026	2027	2028	2029	Subsequent to 2030	Total
Transportation							
Ocensa P-135 ship-or-pay agreement	\$ 15,350	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 15,350
ODL agreements	54	—	—	—	—	—	54
Other transportation and processing commitments	7,119	14,519	—	—	—	—	21,638
Exploration and evaluation							
Minimum work commitments ⁽¹⁾	12,396	10,171	—	5,066	—	—	27,633
Other commitments							
Operating purchases, community obligations and others	70,926	866	256	260	264	2,513	75,085
Energy supply commitments	21,432	14,986	9,489	4,454	1,070	2,224	53,655
Total	\$ 127,277	\$ 40,542	\$ 9,745	\$ 9,780	\$ 1,334	\$ 4,737	\$ 193,415

⁽¹⁾ The Company has been reducing the value of its exploratory commitments as they are executed. Some of these commitments are still pending accreditation by the Agencia Nacional de Hidrocarburos ("ANH"); however, the Company does not consider this situation to represent a risk.

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 July 16, 2025, the overall guaranteed amount was reduced to \$21.0 million (up to \$15.0 million with Ocensa and \$6.0 million with Cenit) and the term of the pledge agreement was extended to December 31, 2026, with Ocensa and to January 31, 2027, 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.

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Corentyne License

On June 26, 2024, the Company and CGX Energy Inc. announced that the Joint Venture submitted a notice of potential commercial interest for the Wei-1 discovery to the GoG, which preserves their interests in the PPL and the PA for the Corentyne block. On December 12, 2024, the Company and CGX Energy Inc. announced that the Joint Venture had sent the GoG a letter activating a 60-day period for the parties to the PA to make all reasonable efforts to amicably resolve all disputes via negotiation. On February 11, 2025, the Company and CGX Energy Inc. announced that the Joint Venture received a communication from the GoG in which the Government has taken the position that the PPL has terminated or, alternatively, that the communication served as a 30-day notice of the Government's intention to cancel the PPL, but that the Government invites the Joint Venture to submit representations for the Government to consider in making its final decision as to whether or not to cancel the PPL. On February 24, 2025, CGX Energy Inc. announced that the Joint Venture had provided a response advising the GoG that notwithstanding the Government's contradictory positions, both the PPL and the PA remain valid and in force. On March 13, 2025, the Company and CGX Energy Inc. announced that the Joint Venture received a communication from the GoG indicating that, on the one hand, the Government was of the view that the PPL and PA are at an end but, on the other hand, that the Government was terminating the PA and cancelling the PPL. On March 26, 2025, the Company and the Investors sent the Notice of Intent. The Notice of Intent initiated a 90-day period for consultations and negotiations between the parties to resolve the dispute amicably.

On July 23, 2025, the GoG, through its legal counsel, responded to the Investors, rejecting their claims regarding the Corentyne block license. The GoG reaffirmed its view that the Joint Venture's interest expired on June 28, 2024, but noted that it may consider a final meeting with the Investors, on a without prejudice basis, in October 2025, and the Joint Venture would be informed as to whether such a meeting will occur in September 2025.

The Joint Venture remains firmly of the view that its interests in, and the license for, the Corentyne block remain in place and in good standing and that the Petroleum Agreement has not been terminated. Although the 90-day consultation and negotiation period derived from the Notice of Intent has now expired, the Joint Venture and its stakeholders continue to invite the GoG to amicably resolve the issues affecting the Joint Venture's investments in the Corentyne block. Should the parties not reach a mutually agreeable solution, the Joint Venture and its stakeholders are prepared to assert their legal rights.

In connection with the foregoing, the Company evaluated the Corentyne E&E asset's recoverability given the GoG's conduct and communications, and its unwillingness to recognize the joint venture's rights during the consultation periods, which have since expired. Although all contractual requirements of the Company have been met and an external legal assessment determined that the Company's interests in the PA and PPL for the Corentyne block remain valid, the GoG's positions mentioned above have restricted the Company's ability to develop activities under the PA and PPL. This situation has led to uncertainty regarding the asset's future development and constituted an impairment indicator under IFRS 6 and IAS 36. Consequently, the Company recognized an impairment of \$432.2 million in its income statement, and the Corentyne E&E asset's carrying value as of June 30, 2025 is \$Nil (December 31, 2024 \$431.9 million). See Note 2 for additional information.

High-Price Clause

The Company has certain exploration and production contracts acquired through business combinations where outstanding disagreements with the ANH existed relating to the interpretation of high-price clause participation ("PAP") clauses. These contracts require high-price participation payments to be made to the ANH for each designated exploitation area within a block under contract, which has cumulatively produced five million or more barrels of oil. The disagreement involves whether the cumulative production amounts in an exploitation area should be calculated individually (as each exploitation area represents independent reservoirs) or combined with other exploration areas within the same block for the purpose of determining the five million barrel threshold. The ANH has interpreted that PAP should be calculated on a combined basis as opposed to the Company's interpretation that the calculation should be provided on an individual basis. Upon acquisition of these contracts and in accordance with IFRS 3, *Business Combinations*, provisions for contingent liabilities were recognized regarding these disagreements with the ANH.

On March 13, 2025, the Company obtained a favorable arbitral award in the Cubiro E&P Contract litigation, confirming its contractual rights under the Cubiro E&P Contract. The arbitral tribunal ruled in the Company's favor, rejecting ANH's actions and recognizing the independence of the Copa and Petirrojo exploitation areas. While the award was favorable to the Company, the arbitral tribunal refrained from ruling on the legality of the administrative acts issued by the ANH. Consequently, both parties have filed annulment appeals against the award, which remain pending adjudication.

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19. Subsequent Events

Substantial Issuer Bid (the “2025 SIB”)

On June 2, 2025, the Company announced that its Board of Directors had approved the commencement of the 2025 SIB pursuant to which the Company offered to purchase from its shareholders up to 7,583,333 Common Shares for cancellation at a purchase price of C\$12.00 per share, for an aggregate purchase price up to approximately C\$91.0 million (equivalent to \$66.5 million). The 2025 SIB expired on July 10, 2025. On July 15, 2025, the Company announced that in accordance with the terms and conditions of the 2025 SIB, the Company took up and paid for 7,583,333 Common Shares (approximately 9.77% of the issued and outstanding Common Shares as at July 10, 2025) at a price of C\$12.00 per Common Share, representing an aggregate purchase price of approximately C\$91.0 million. Over 90% of the issued and outstanding Common Shares were tendered by the Company’s shareholders to the 2025 SIB.

Normal Course Issuer Bid (the “2025 NCIB”)

On July 15, 2025, the TSX approved the Company’s notice to initiate the 2025 NCIB. Pursuant to the 2025 NCIB, the Company may purchase up to 3,502,962 Common Shares, during the twelve-month period commencing on July 18, 2025, and ending July 17, 2026, representing approximately 5% of the Company’s issued and outstanding Common Shares as at July 15, 2025.

Ecuador Sale

On August 5, 2025, the Company announced that agreed to divest its 50% working interest in the Perico and Espejo blocks in Ecuador (reported as “Exploration and Production Onshore Ecuador” in segments note). The total cash consideration to Frontera for the blocks is \$7.8 million, subject to working capital and other customary adjustments as of the effective date of January 1, 2025.

The agreement includes an additional contingent consideration of \$0.8 million, payable to Frontera upon the Perico block achieving cumulative gross production of two million barrels as from January 1, 2025. Closing of the transaction is subject to satisfaction of customary closing conditions, including the receipt of regulatory approvals for closing and operations takeover from the Ministry of Energy of Ecuador, and is expected to occur by the second quarter of 2026.