



www.fronteraenergy.ca

Positioning for Growth

Second Quarter 2018 Earnings Release
Conference Call Presentation
August 3, 2018



Advisories

This presentation contains forward-looking statements. All statements, other than statements of historical fact that address activities, events or developments that Frontera Energy Corporation (the “**Company**” or “**Frontera**”) believes, expects or anticipates will or may occur in the future (including, without limitation, statements regarding estimates or assumptions in respect of production, drilling plans involving completion and testing and the anticipated timing thereof, revenue, cash flow and costs, reserve and resource estimates, potential resources and reserves and the Company's exploration and development plans and objectives) are forward-looking statements. These forward-looking statements reflect the current expectations or beliefs of the Company based on information currently available to the Company. Forward-looking statements are subject to a number of risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the forward-looking statements, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, the Company. Factors that could cause actual results or events to differ materially from current expectations include, among other things: uncertainty of estimates of capital and operating costs, production estimates and estimated economic return; uncertainties associated with estimating oil and natural gas reserves; failure to establish estimated resources or reserves; volatility in market prices for oil and natural gas; fluctuation in currency exchange rates; inflation; changes in equity markets; perceptions of the Company's prospects and the prospects of the oil and gas industry in Colombia and the other countries where the Company operates or has investments; uncertainties relating to the availability and costs of financing needed in the future; the uncertainties involved in interpreting drilling results and other geological data; and the other risks disclosed under the heading "Risk Factors" in the Company's annual information form dated March 27, 2018 filed on SEDAR at www.sedar.com. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

This presentation contains future oriented financial information and financial outlook information (collectively, “**FOFI**”) (including, without limitation, statements regarding expected capital expenditures, production levels, oil prices and G&A), and are subject to the same assumptions, risk factors, limitations and qualifications as set forth in the above paragraph. The FOFI has been prepared by management to provide an outlook of the Company's activities and results, and such information may not be appropriate for other purposes. The Company and management believe that the FOFI has been prepared on a reasonable basis, reflecting management's best estimates and judgments, however, actual results of operations of the Company and the resulting financial results may vary from the amounts set forth herein. Any FOFI speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any FOFI, whether as a result of new information, future events or results or otherwise. The Company discloses several financial measures in this presentation that do not have any standardized meaning prescribed under International Financial Reporting Standards (“**IFRS**”) (including Operating EBTIDA, Operating Netback, Adjusted FFO and total sales after realized (loss) gain on risk management contracts.. These measures should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. For more information, please see the Company's management's discussion and analysis dated March 27, 2018 for the year ended December 31, 2017 filed on SEDAR at www.sedar.com.

All reserves estimates contained in this presentation were prepared in accordance with the definitions, standards and procedures contained in the Canadian Oil and Gas Evaluation Handbook and National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities (“**NI 51-101**”) and included in form 51-101F1 – Statement of Reserves Data and Other Oil and Gas Information filed on SEDAR. Additional reserves information as required under NI 51-101 can also be found on SEDAR, under the: (i) Forms 51-101F2 – Report on Reserves Data by Independent Qualified Reserves Evaluator completed by each of DeGolyer and MacNaughton on February 26, 2018, and RPS Energy Canada Ltd. on March 5, 2018; and (ii) Form 51-101F3 – Report of Management and Directors on Oil and Gas Disclosure dated March 27, 2018. All reserves presented are based on forecast pricing and estimated costs effective December 31, 2017 as determined by the Company's independent reserves evaluators. The Company's net reserves after royalties incorporate all applicable royalties under Colombia and Peru fiscal legislation based on forecast pricing and production rates, including any additional participation interest related to the price of oil applicable to certain Colombian blocks, as at December 31, 2017.

The values in this presentation are expressed in United States dollars and all production volumes are expressed net of royalties, and internal consumption, unless otherwise stated. Some figures presented are rounded and data in tables may not add due to rounding.

Frontera Energy

Corporate Snapshot

Capital Structure (\$U.S.)⁽¹⁾

Shares Outstanding (TSX: FEC; MM)	100
Market Cap (\$MM) ⁽²⁾	\$1,451
Total Cash ⁽³⁾ /Cash and Cash Equivalents (\$MM)	\$730 / \$551
Long-Term Debt (\$MM) ⁽⁴⁾	\$350
Enterprise Value (\$MM) ⁽²⁾⁽⁵⁾	\$1,336

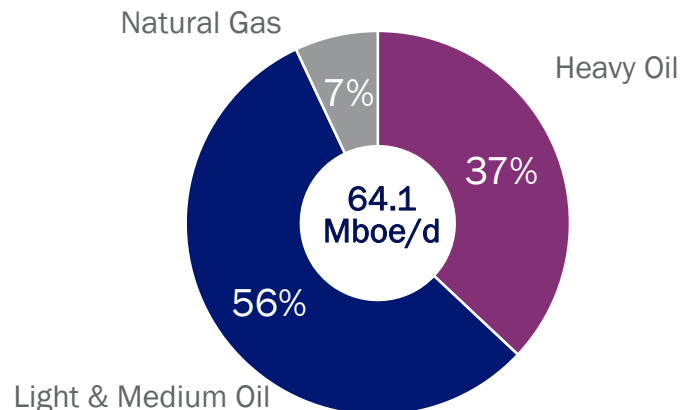
Net Reserves (Dec. 31, 2017)⁽⁶⁾

Proved (MMBoe)	114
Probable (MMBoe)	40
Proved + Probable (2P; MMBoe)	154
2P NPV10 Before Taxes (\$MM)	\$2,523

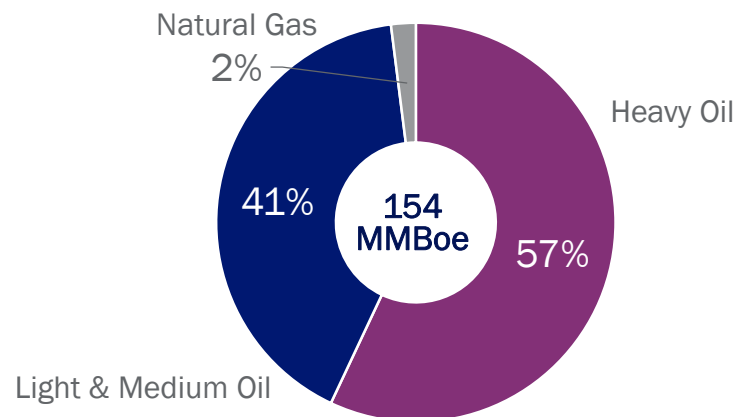
Recent Successes

- Reduced transportation costs and commitments
- Increased EBITDA guidance
- Refinanced exit notes
- Continued success in Guatiquia
- Exploration drilling performance

Q2 2018 Production Mix



2017 Net 2P Reserves⁽⁶⁾



(1) Shares outstanding, cash and cash equivalents, long-term debt and non-controlling interests as at June 30, 2018.

(2) Assumes Frontera share price of CAD\$19.00 and USD/CAD exchange rate of 1.31

(3) Total cash balance includes current restricted cash \$90MM and non-current restricted cash \$89MM

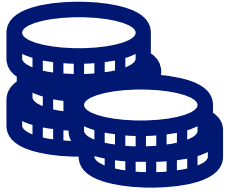
(4) In June 2018 Fitch Ratings Inc. assigned a B+/RR4 rating and S&P assigned a BB- rating on the \$350 million senior unsecured notes due 2023

(5) Enterprise value is calculated as the market capitalization plus long-term debt, minority interest, minus total unrestricted cash and cash equivalents

(6) Reserves reports were prepared by RPS Energy Canada Ltd. and DeGolyer and MacNaughton ("D&M")

Frontera Energy

Key Priorities



Sound financial footing, with a strong balance sheet and the flexibility to manage our cash and take advantage of exploration success and other opportunities which become available.



To improve the quality of our existing upstream business through higher production, improving efficiency and reducing costs.



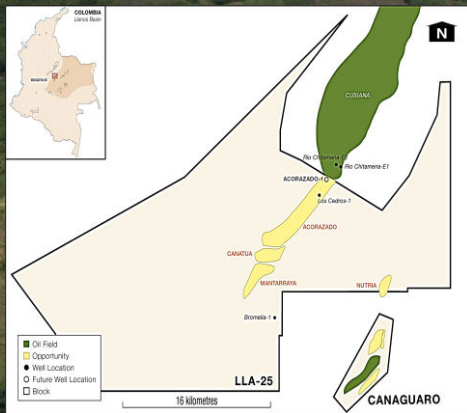
To create a portfolio of assets which provide Frontera with the capability to grow in the future.



We want to remain focused on the key relationships and ways of working which make us a natural partner for the governments, communities and service companies where we operate.

Exploration Update

Llanos 25 Block in Colombia

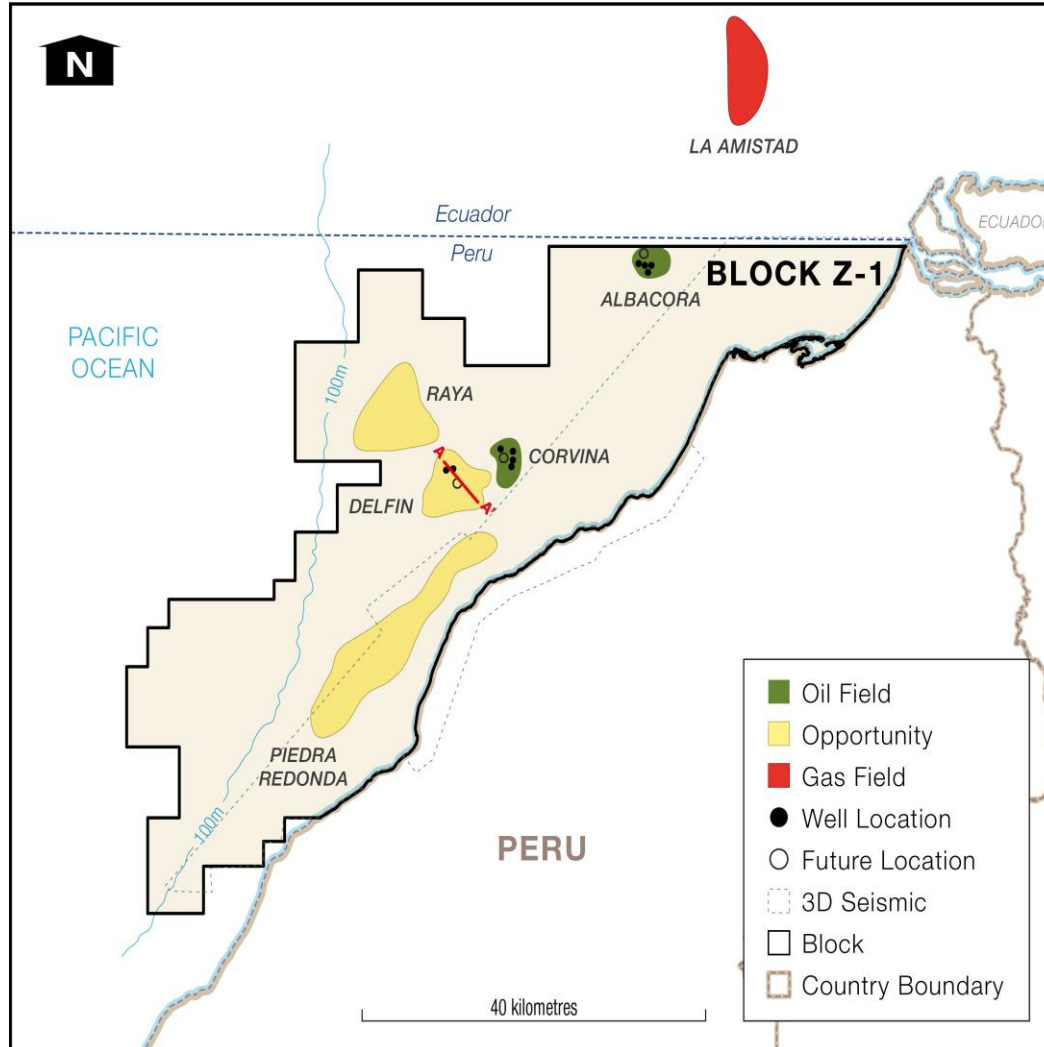


Acorazado prospect (Llanos 25 Colombia):

- Acorazado-1 well testing structural closure on trend with proven Cusiana and Cupiagua hydrocarbon fairway
- Exploration well spud on April 22nd
- Reached total depth of 15,470 feet on July 23, 2018, a week ahead of schedule
- Wireline logging operations are ongoing and depending upon results, testing is expected to be completed by the end of August.
- Estimated drilling cost: \$35-\$50MM
- Potential for 6 to 8 additional development wells and exploration prospects

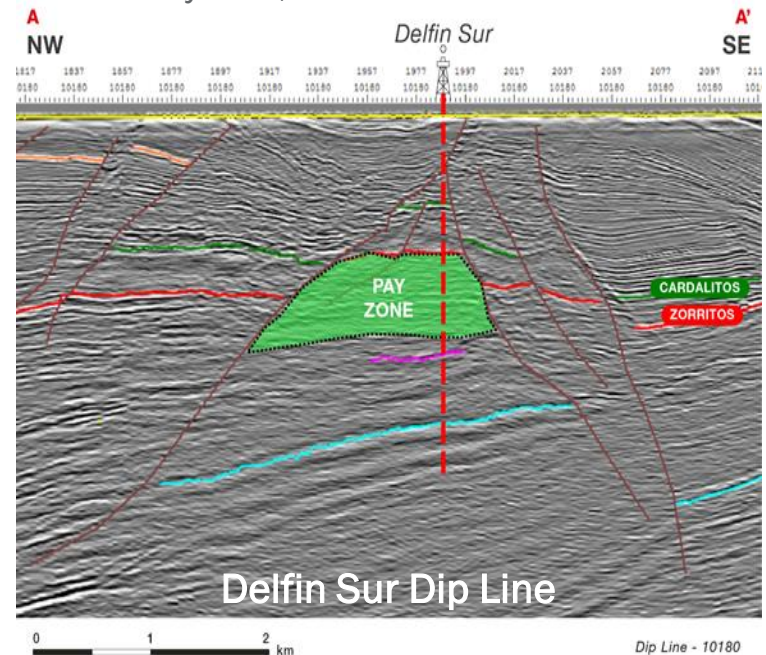
Exploration Update

Offshore Z-1 Block in Peru



Delfin Sur-1 prospect (Block Z-1 Peru):

- Delfin Sur-1 well started drilling on July 14, 2018 and is expected to reach total depth by the middle of August with the Petrex-10 drilling rig
- Targeting a total depth of 9,750 feet, currently at 6,000 feet



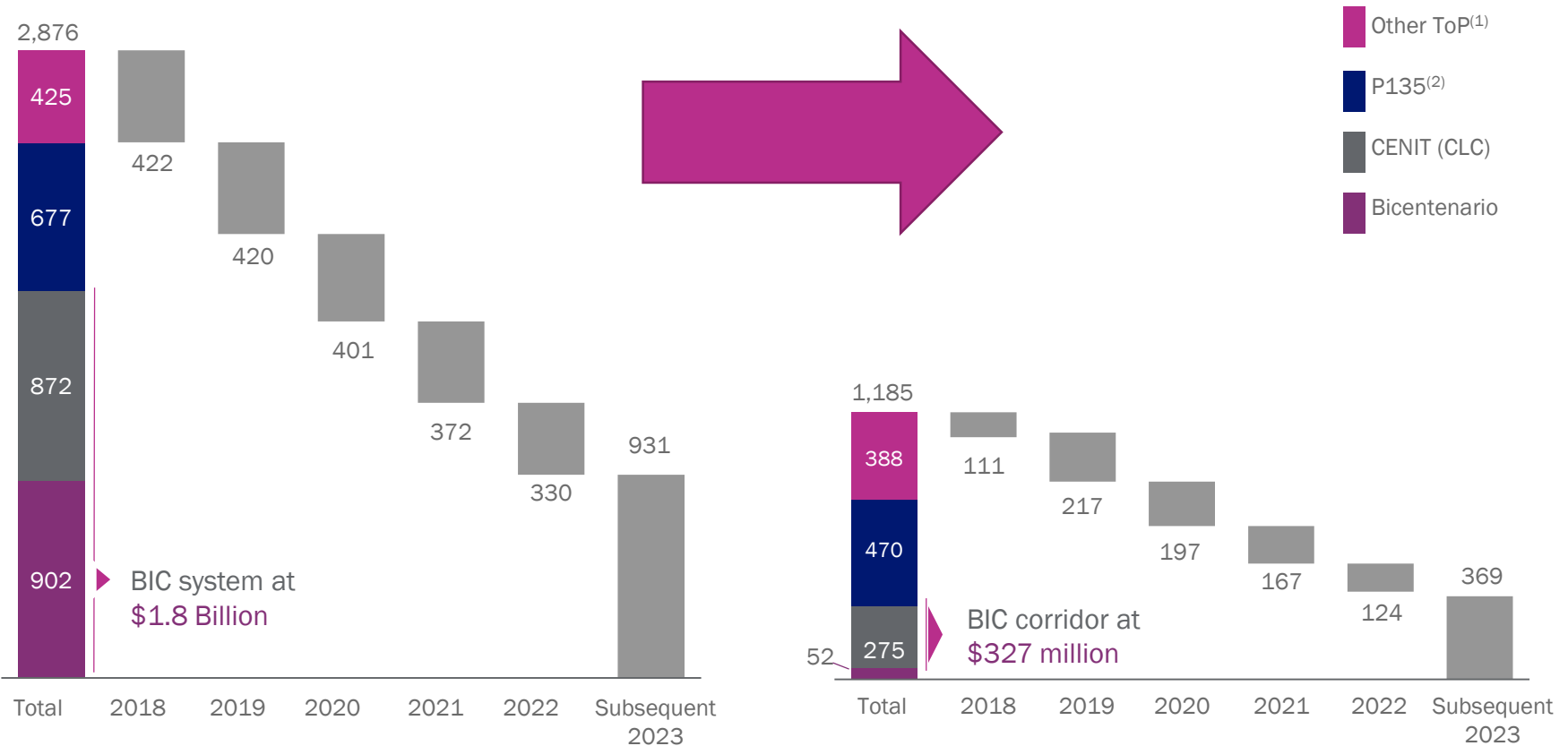
Transportation Commitments Summary

Over \$1.5 Billion Reduction in 2018

Transportation
(Ship-or-Pay)

December 31, 2017

June 30, 2018



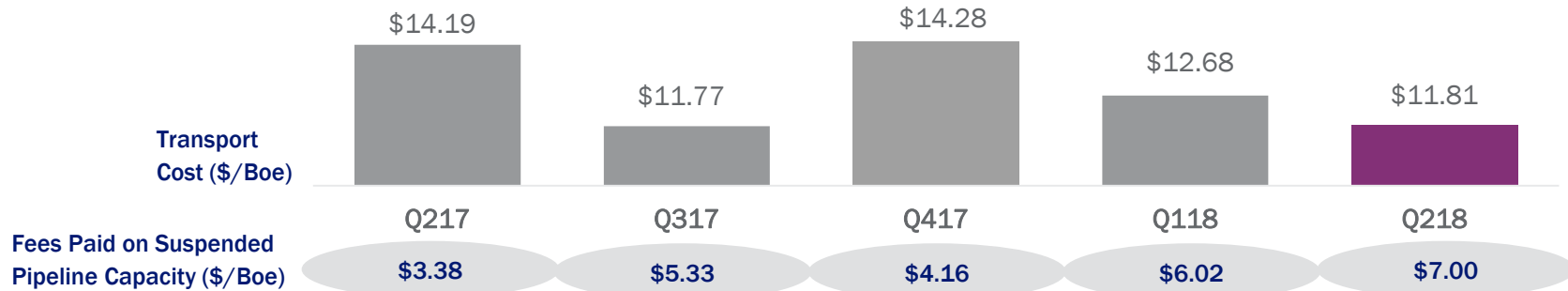
(1) Other ToPs include: Puerto Bahia \$144 MM, ODL \$107MM, Darby \$102 MM, others \$28MM (Cusiana offloading, Monterey-EI Porvenir pipeline and Santiago offloading contracts) and gas transport and purchases \$7MM

(2) Ocesa P135 commitment was calculated using 26,400 bbl/d at rate of \$9.36/bbl at December 31, 2017 and 26,400 bbl/d at a rate of \$6.9605 at June 30, 2018

Transportation Costs

P-135 Arbitration Settlement, Termination of Ship or Pay Contracts

Quarterly Transportation Cost (\$/boe)



Termination of Transportation Contracts

- Bicentenario Pipeline:
 - Ship or Pay: 47,333 Bbl/d, \$7.56 Bbl
 - June 2024
 - Annual Commitment: \$130.6 million
- Cano Limon Pipeline:
 - Ship or Pay: 47,333 Bbl/d, \$3.09 Bbl
 - October 2028
 - Annual Commitment: \$53.4 million

OCENSA P-135 Project Arbitration

- Ship or Pay: 30,000 Bbl/d until June 2025
- Settlement tariff of \$6.36 Bbl vs. \$8.77 Bbl
 - Reduces future transportation commitments by \$178.3 million
- Monetary conditions not applicable for 21.1 °API vs 21.9 °API
 - Eliminates the risk of increased oil quality discounts of \$199.2 million

Revising EBITDA Guidance Upwards

Increasing Brent Oil Price Forecast from \$63/bbl to \$70/bbl

2018 Updated Guidance Metrics and Year-to-Date Performance

	2018 Year to Date	Original	New	Change
Operating EBITDA ⁽¹⁾	\$211MM	\$375 - \$425MM	\$400 - \$450MM	↑ 6%
Capital Expenditures	\$166MM	\$450 - \$500MM	\$450 - \$500MM	No Change
Net Production	65.2Mboe/d	65 - 70Mboe/d	65 - 70Mboe/d	No Change
Production Cost	\$13.29 boe	\$12.00 - \$14.00	\$12.00 - \$14.00	No Change
Transportation Cost	\$12.25 boe	\$12.50 - \$14.50	\$12.50 - \$13.50	↓ (4%)
G&A Expenses	\$48 MM	\$100 - \$110 MM	\$100 - \$110 MM	No Change
Brent Oil Price Assumption	\$71.16/bbl	\$63/bbl	\$70/bbl	↑ 11%



Improved Prices and Improving Cost Structure Drive Improved Financial Expectations

⁽¹⁾ Non-IFRS measure: See Advisories

Second Quarter 2018 Operational & Financial Highlights

Strong Financial Results

	Q2 2018	Q1 2018	% Chg.	
Total Production (Boe/d) ⁽¹⁾	64,140	66,227	(3%)	PRICE / REVENUE / PRODUCTION Brent oil prices increased 12% quarter-over-quarter which helped realized price increase 8% quarter-over-quarter, 13% excluding losses from risk management activities
Total Sales (\$MM)	\$419	\$292	43%	Production decreased as a result of a force majeure event in Peru, higher PAP volumes at Quifa SW partially offset by stabilized production from light and medium oil in Colombia
Cash Flow from Ops (\$MM)	\$108	\$30	258%	FREE CASH FLOW Cash Flow from Operations of \$108 million in Q2 2018 was \$25 million higher than Capital Expenditures of \$87 million
Operating EBITDA (\$MM) ⁽²⁾⁽³⁾	\$125	\$86	45%	CAPITAL EXPENDITURES Increased capital costs relate to spending on exploration in Colombia and offshore Peru, and water handling expansion in the Quifa area
Combined Realized Price (\$/Boe) ⁽⁵⁾	\$56.70	\$52.36	8%	NETBACK IMPROVEMENTS Operating and Adjusted FFO netbacks improved as a result of higher realized price and lower transportation costs offset by increased hedging losses and higher suspended pipeline capacity fees from downtime on the Bicentenario and Cano Limon pipelines
Operating Costs (\$/Boe) ⁽²⁾⁽⁴⁾	\$29.94	\$27.94	7%	
Operating Netback (\$/Boe) ⁽³⁾	\$26.76	\$24.42	10%	
Adj. FFO Netback (\$/Boe) ⁽³⁾	\$17.53	\$16.64	6%	
Capital Expenditures (\$MM)	\$87	\$79	10%	
G&A (\$/Boe)	\$4.48	\$3.70	21%	

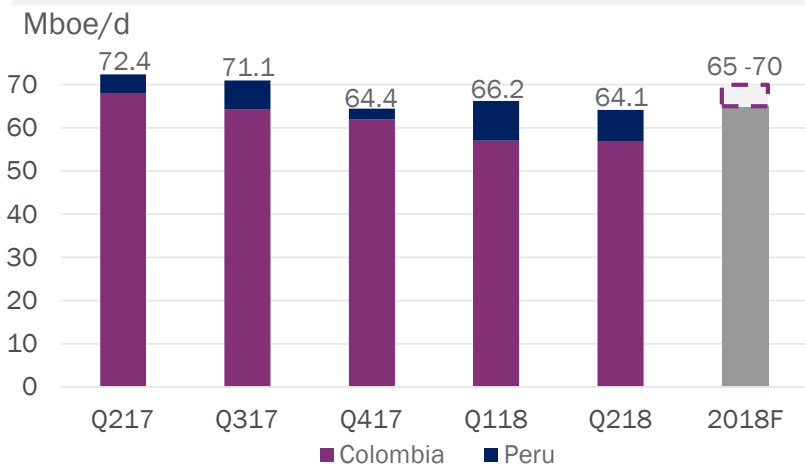


- (1) Net after royalties and internal consumption
 (2) Excludes fees paid on Bicentenario pipeline commitments
 (3) Non-IFRS Measures. See advisories
 (4) Refer to MD&A page 9, Operating Costs
 (5) Includes other revenue and realized losses on risk management contracts

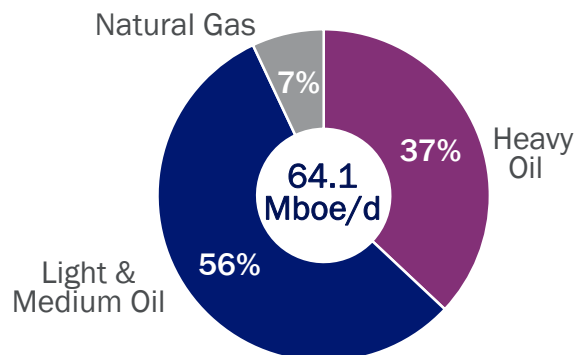
Q2 2018 Operational Highlights

Third Party Issues Impact Production

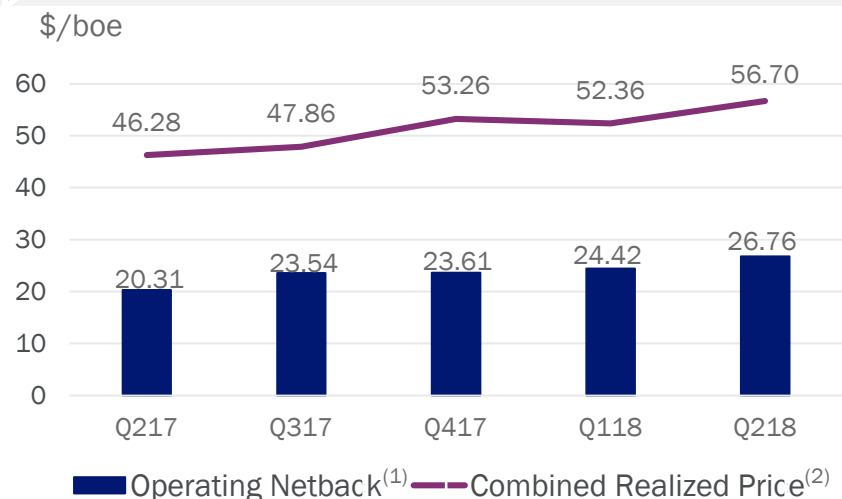
Production Profile: Stable



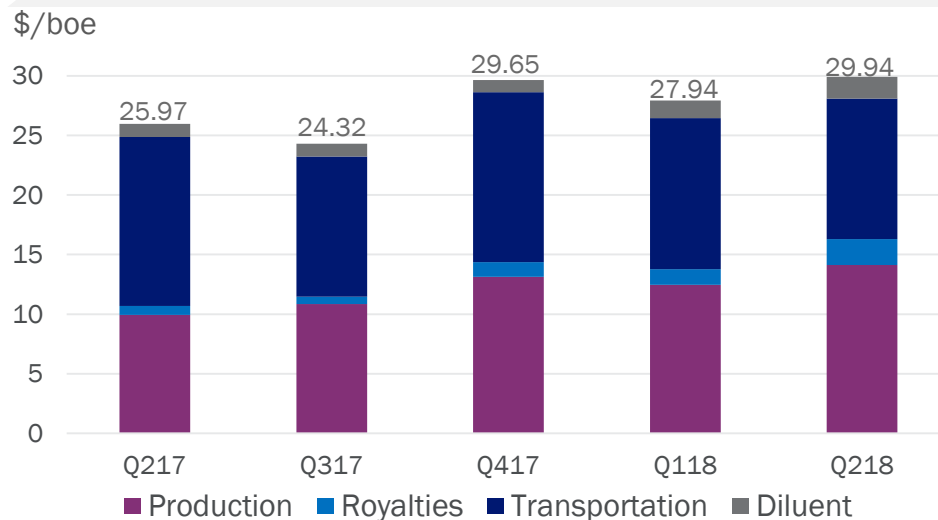
Production Mix: Balanced



Combined Realized Price and Operating Netback



Operating Costs: Stable



(1) Non-IFRS Measures. See Advisories

(2) Includes other revenue and realized losses on risk contracts

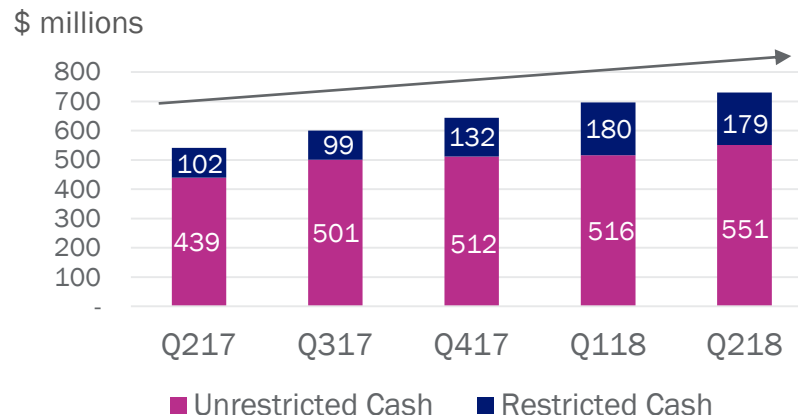
Financial Highlights

Strong Balance Sheet and Stable Costs

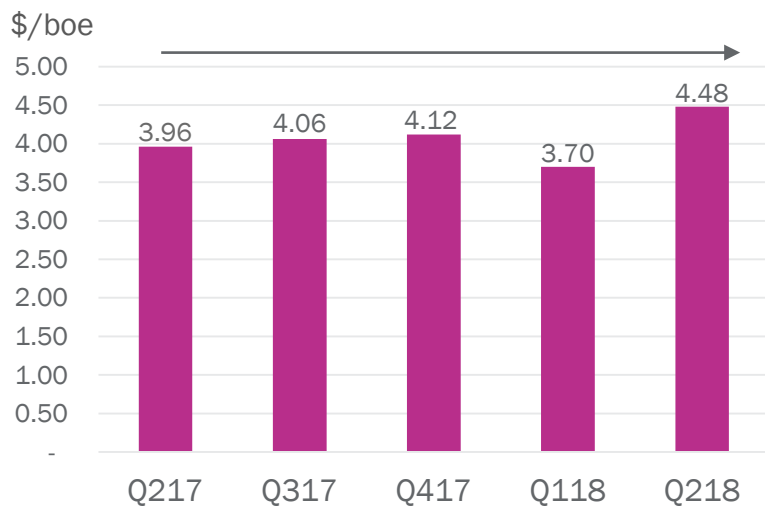
Balance Sheet Metrics (June 30, 2018)

Total Cash ⁽¹⁾	\$730 million
Cash and Cash Equivalents	\$551 million
Working Capital	\$317 million
Long Term Debt	\$350 million

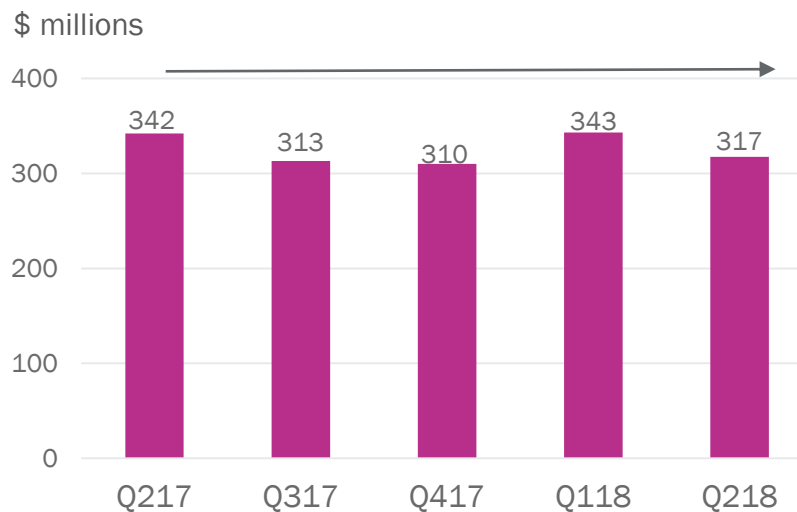
Cash Balances⁽¹⁾: Improving



G&A Costs: Stable



Working Capital: Stable



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Balance Sheet Strength

Strong Cash Position, Low Leverage Ratios

Balance Sheet Metrics

Total Cash ⁽¹⁾ /Cash and Cash Equivalents (\$MM)	\$730/\$551
Net Debt/EBITDA ⁽²⁾	(0.5)x
Debt to Book Capitalization ⁽³⁾	23.2%
Interest Coverage ⁽⁴⁾	12.4x

No debt maturities until 2023

Credit Ratings

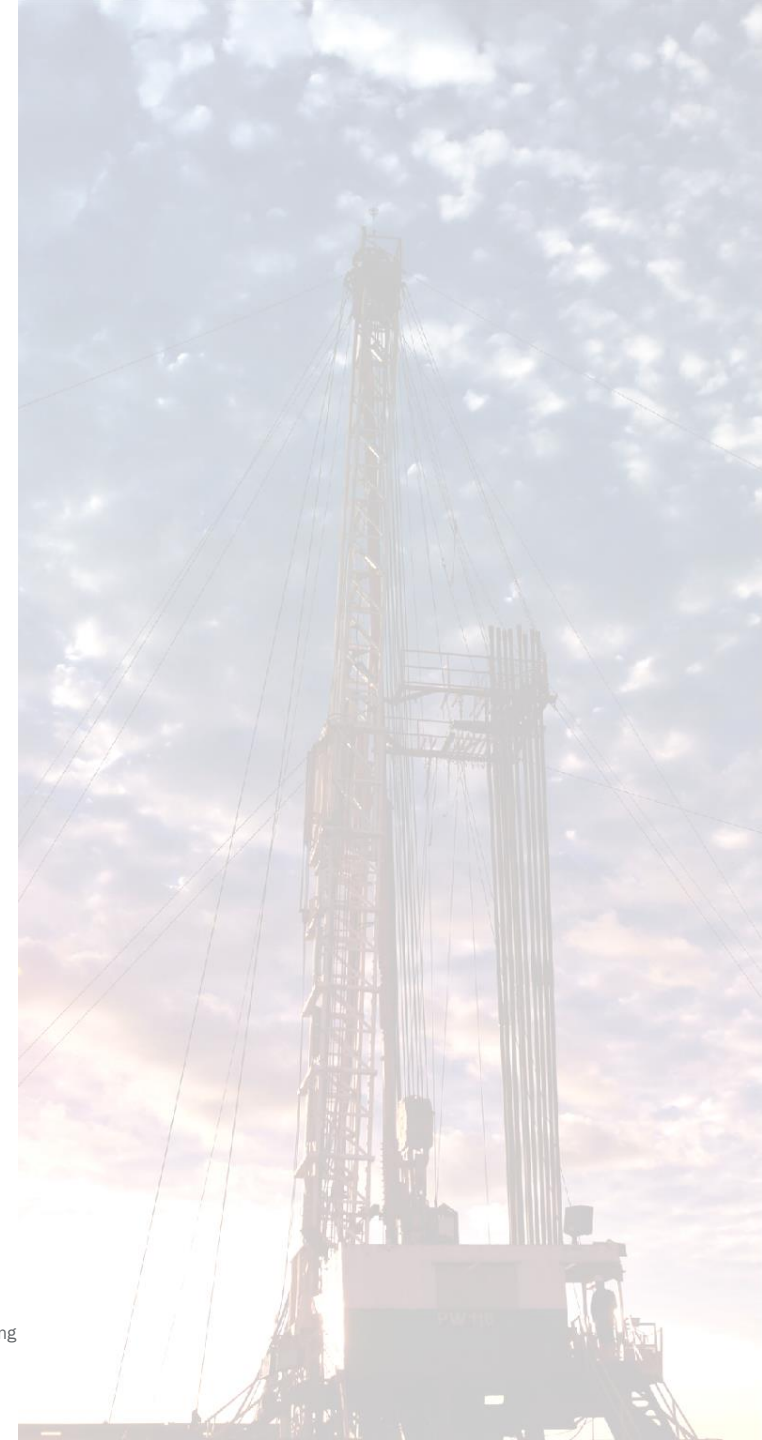
Fitch	Outlook:	Stable	Fitch assigned a rating of “B+/RR4” on Frontera’s senior unsecured notes on June 22, 2018.
	Issuer Rating:	B+	
	Senior Notes:	B+/RR4	
S&P	Outlook:	Stable	S&P assigned a rating of ‘BB-’ on Frontera’s senior unsecured notes on June 4, 2018.
	Issuer Rating:	BB-	
	Senior Notes:	BB-	

(1) Total cash balance includes current restricted cash \$90MM and non-current restricted cash \$89MM

(2) Net debt/EBITDA is net debt divided by trailing 12 month Operating EBITDA of \$422MM. Net debt is defined as long-term debt minus working capital. Net debt and Operating EBITDA are Non-IFRS measures

(3) Debt to book capitalization is long-term debt divided by long term debt plus shareholders equity

(4) Interest coverage uses trailing 12 month Operating EBITDA of \$422MM divided by the expected annual cash interest of \$33.95MM



2018 Brent oil Price Hedging Summary



The positive impact of Frontera’s exposure to strong international Brent oil prices is expected to be magnified when our hedges roll off at the end of October 2018.

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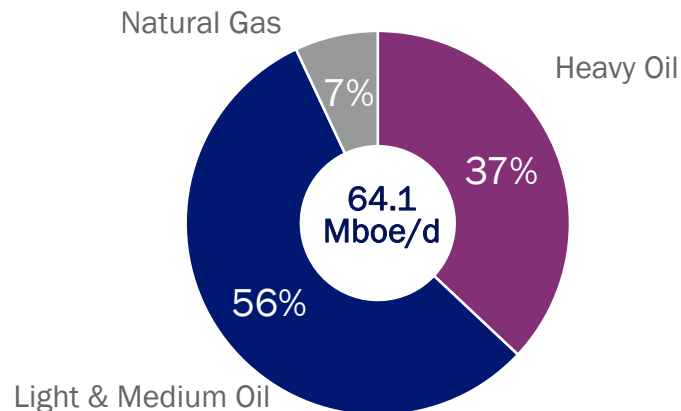
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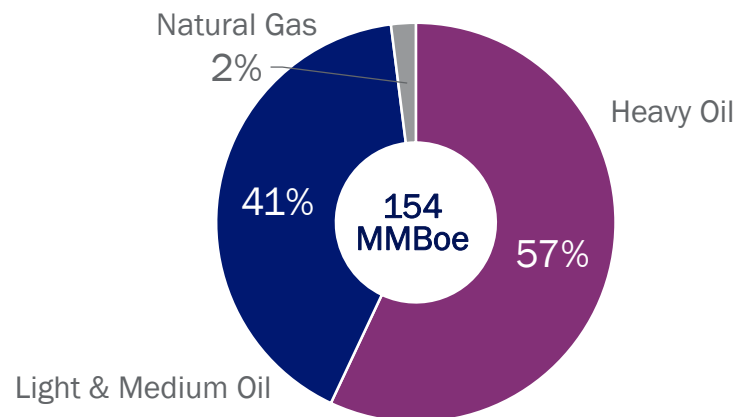
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