



SUSTAINABILITY
REPORT

20
18

WALKING
TOGETHER



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About this Report

In Frontera's 2018 Sustainability Report, entitled **"Walking Together"** we present the economic, environmental and social performance of the Company during 2018, reporting on operations undertaken in Colombia, Peru and Canada.

The information included in this report is the result of continuous engagement with internal and external stakeholders and is focused on material issues for our corporate strategy and stakeholders.

Additionally, this report is based on the standards of the Global Reporting Initiative and includes our progress with respect to the implementation of the ten principles of the UN Global Compact.

The figures presented in this report are in US dollars (USD). See legal advisories. (page 57).

Your opinions are welcome

For Frontera, the opinions of our readers and stakeholders are a priority in order to improve our performance, communication and innovation in our sustainability strategy. We invite you to send comments, suggestions and new ideas related to the issues presented in this report to:



sustainability@fronteraenergy.ca

For more information about the Company, please visit our website:



<http://www.fronteraenergy.ca>

[GRI 102-45]
[GRI 102-50]
[GRI 102-53]



Walking Together

Words of the CEO

“A year ago, when I joined Frontera, I focused the Company’s efforts on our operating performance and things in our control, while continuing to advance longer term initiatives. In 2018, Frontera made significant progress in safety and operations, while developing a medium-term plan to return the Company to growth through access to new opportunities. So far, we have had a good start to the year in 2019 with strong production performance in Colombia, the restart of operations in Peru, and we have begun to enhance our portfolio for growth over the medium and long term with new joint ventures and access to new countries.”

[GRI 102-14]
[GRI 102-15]


Welcome to the 2018 Sustainability Report entitled **“Walking Together”**. 2018 was a key year to consolidate Frontera and our culture model, in which the corporate values of integrity, respect, sustainability and commitment, are our cornerstone.

Globally speaking, during this year, oil and gas companies face a much healthier scenario than 12 months ago. Oil prices averaged just below \$55/bbl in 2017 and above \$70/bbl in 2018, which allowed us to achieve more stability than in previous years. However, considering the hard and extended consequences of the intrinsic volatility of the sector, our efforts needed to continue heading toward reducing costs, realigning our portfolio, following strict financial discipline and consistently searching for efficiency and productivity gains.

Therefore, this year we implemented organizational changes to improve Frontera’s organizational efficiency and save on G&A costs. We have also amended our hedging policy and practices to protect the balance sheet and capital program while leaving the benefit from the upside of higher oil prices. These changes implied a corporate effort to Company all our leaders and employees in the transition to new roles and challenges.

Despite these circumstances, the commitment undertaken by all our staff to continue building the future of our Company was extremely gratifying. Proof thereof were the results obtained in the implementation of our Work Environment survey where, with 94% participation, we obtained an average of 76% favourability in Colombia, Peru and Canada, highlighting that the majority of our employees perceive the organizational atmosphere of our Company as a corporate strength. These results constitute fundamental input in our road map for 2019, which will allow us to continually grow stronger as a working team.





This hard work and commitment to the future from our employees, was reflected in the economic, environmental, ethical and social results and challenges that we share in this report and that I will briefly mention as follows.

In terms of our operational results, in 2018 our production averaged 71,032 boe/d (63,187 boe/d after royalties). We developed a more detailed understanding of our core assets to be confident in our ability to sustain production in Colombia between 60,000 boe/d and 65,000 boe/d for the next five years by spending between \$250 and \$300 million of capital. This level of sustainable production in a Brent oil price environment of \$60/bbl or higher generates sufficient cash flow to invest to sustain the base and to invest for growth.

In relation to our HSEQ management, health and safety indicators were a priority during this year because we exceed the tolerance level established for 2018. Regarding this, we focused our efforts on prioritizing the life of each person who works for our Company, strengthening our commitment to keep each workspace safe and free from accidents, and raise awareness for all employees on the risks associated with our operations. The lessons learned during this year were fundamental inputs to determine our HSEQ 2019 agenda, which we expect to achieve, emphasizing respect for life as our top priority in every activity.

During the year, we also focused our efforts on building and strengthening a compliance, ethics and transparency culture. In-line with this initiative we developed the Code of Conduct and Corporate Ethics Manual and implemented internal campaigns and staff training, which led our employees to increase their level of knowledge on ethics and

compliance, properly report and manage their conflicts of interest, raise their hand in the event they find irregularities, and apply our corporate values in their daily work. Finally, in 2018, two of our commitments were recognized internationally as best practices: our strategies of social investment and relations with ethnic groups was recognized by Canada's United Nations Global Compact Network, for its contribution to the Sustainable Development Goals, and our commitment to labour equality and diversity was awarded by the Colombian Association of Oil Engineers (Sociedad Colombiana de Ingenieros de Petróleos).

At Frontera, we are conscious of the changes in the global energy sector. We must be prepared and focused on cost reductions, financial discipline and the implementation of technology related to social, environmental and economical solutions that will allow us to remain competitive in an increasingly diversified global energy mix.

Frontera aims to add shareholder value through efficient, responsible, sustainable and profitable operations. Additionally, we continue to work on improving costs and simplifying our business. Our accomplishments and knowledge gained, combined with economical, social, environmental and ethical lessons we have learned, will be key factors for continued progress and innovation in 2019.

We hope you enjoy the read.

Richard Herbert
Chief Executive Officer

Who we are

[GRI 102-2]
[GRI 102-5]

Frontera Energy Corporation is a Canadian public Company dedicated to the exploration and production of crude oil and natural gas with operations focused in South America. The Company is committed to working hand-in-hand with all its stakeholders to conduct business in a socially and environmentally responsible manner.

[GRI 102-7]
[GRI 102-9]

As of December 2018, the Company employed:



In Colombia,



Contractors were engaged by Frontera.

In Peru,



Contractors were engaged by Frontera.





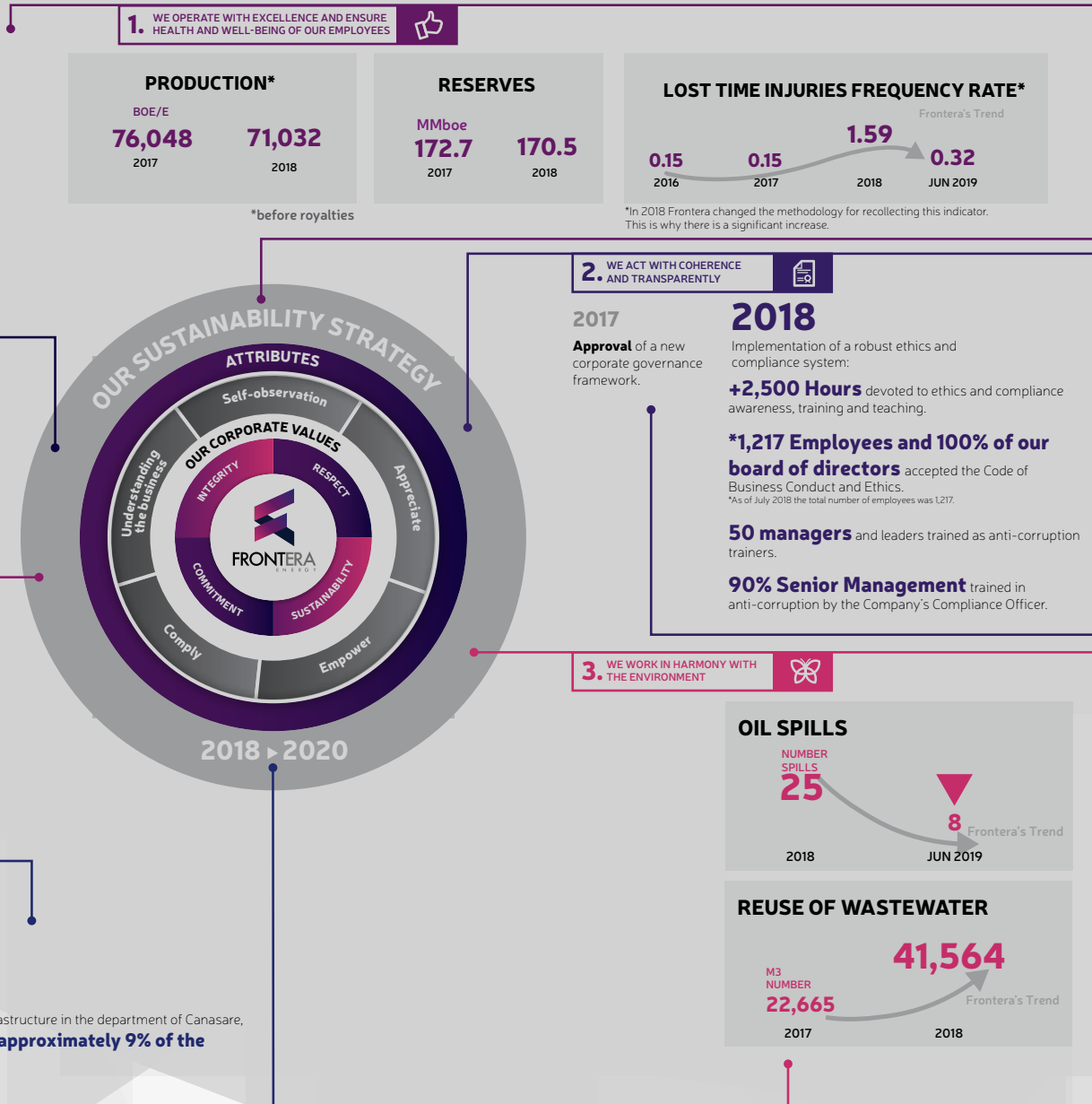
Corporate Strategy

FRONTERA'S PURPOSE

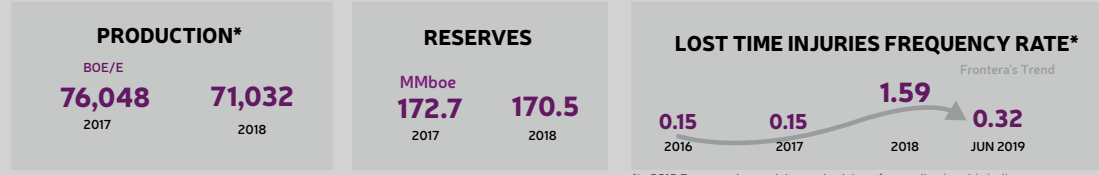
Frontera generates value through the responsible and sustainable exploration and production of oil and gas. We value life, health and well-being. To ensure a high-performance culture, we work collectively in an ethical and responsible manner, using our skills to grow the success of the Company.

Our values inspire our decisions and our resources support our future endeavours; to lead Frontera and its partners to growth in a safe way.

2018 Results of Frontera's Commitments to sustainability



1. WE OPERATE WITH EXCELLENCE AND ENSURE HEALTH AND WELL-BEING OF OUR EMPLOYEES



*before royalties

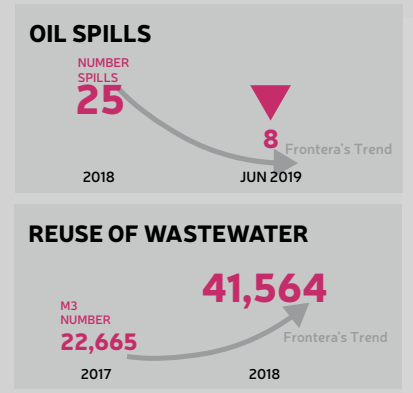
*In 2018 Frontera changed the methodology for recollecting this indicator. This is why there is a significant increase.

2. WE ACT WITH COHERENCE AND TRANSPARENTLY

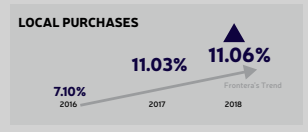
2017
Approval of a new corporate governance framework.

2018
Implementation of a robust ethics and compliance system:
+2,500 Hours devoted to ethics and compliance awareness, training and teaching.
***1,217 Employees and 100% of our board of directors** accepted the Code of Business Conduct and Ethics.
*As of July 2018 the total number of employees was 1,217.
50 managers and leaders trained as anti-corruption trainers.
90% Senior Management trained in anti-corruption by the Company's Compliance Officer.

3. WE WORK IN HARMONY WITH THE ENVIRONMENT



6. WE PROMOTE A SUSTAINABLE SUPPLY CHAIN



5. WE DEVELOP TALENT TO ITS FULLEST PROFESSIONAL AND PERSONAL POTENTIAL AND PROMOTE THE RESPECT OF HUMAN RIGHTS



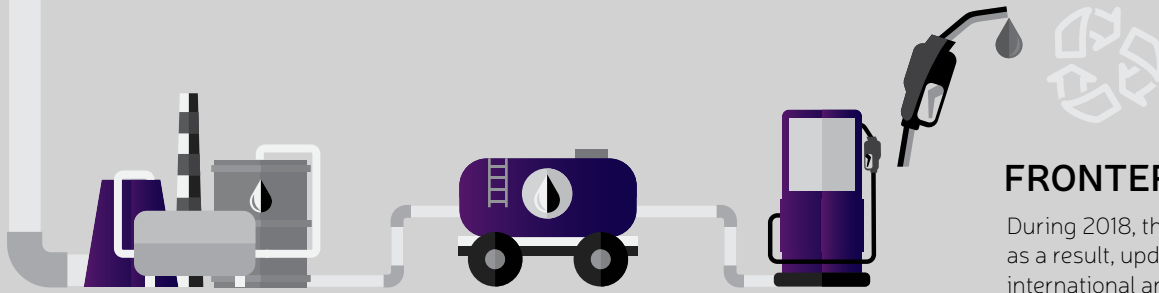
4. WE CONTRIBUTE TO THE SUSTAINABLE DEVELOPMENT OF COMMUNITIES

SOCIAL INVESTMENT

\$5.06 millions invested in 2018 and more than **10,300 beneficiaries**.

32% of our social projects were focused on the development of quality infrastructure in the department of Casanare, Colombia. **These investments contributed with the decrease of approximately 9% of the housing deficit of the department of Casanare, Colombia.**

Corporate Strategy



[GRI 103-1]
[GRI 102-44]
[GRI 102-46]
[GRI 102-47]

FRONTERA'S SUSTAINABILITY STRATEGY

During 2018, the Company completed a materiality analysis process (initiated in 2017), and as a result, updated its Sustainability Policy and Strategy based on its business needs, new international and national standards, industry best practices, alignment with expectations identified by its stakeholders, and the Sustainable Development Goals. Frontera's Sustainability Policy was approved by its Board of Directors (the "Board") and its strategy is highlighted throughout this report.

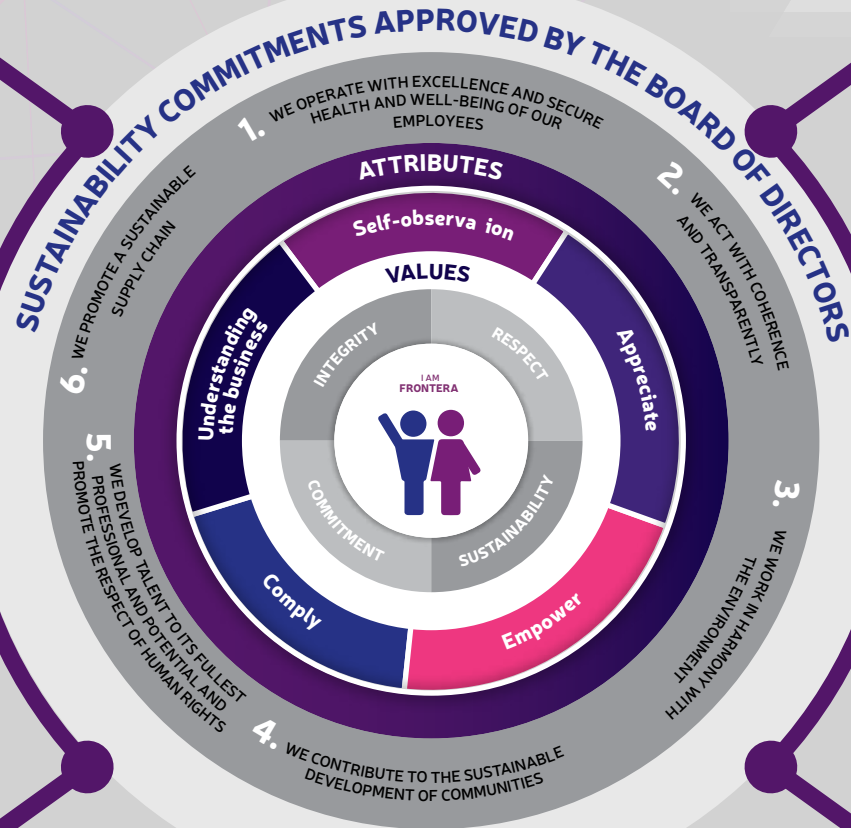
For this year, the materiality analysis included;

OPERATIONAL STRATEGY

To stabilize production of our core assets for three to five years, while optimizing available cash for growth initiatives and value creation through the following actions:



SUSTAINABLE DEVELOPMENT GOALS



1

8

We Operate with Excellence and Secure Employees Health and Well-Being: creating value through efficient processes to maximize economic performance, in accordance with the highest health and safety standards.

Material Issues:

- Operational efficiency
- Occupational health and safety

2

16

We Act Consistently and Transparently: according to our corporate values, internal regulations, and the law.

Material issues:

- Ethics, transparency and compliance

6

8

We Promote a Sustainable Supply Chain: through collaborative and efficient operations with our suppliers as our allies.

Material issues:

- Local Suppliers Strengthening Program
- Development of Suppliers and Contractors

3

13

We Work in Harmony with the Environment: ensuring the preservation and protection of natural resources within our operations.

Material issues:

- Biodiversity
- Waste and effluents
- Energy and emissions
- Responsible and efficient use of water

5

5

We Develop Talent to its Fullest Professional and Personal Potential, and Promote the Respect of Human Rights: ensuring the well-being and holistic development of our stakeholders.

Material issues:

- Working for Frontera
- Human Rights

4

8

11

We Contribute to the Sustainable Development of Communities: through the creation of local competitive territories and shared value initiatives in our areas of operation.

Material issues:

- Local employment
- Social investment in communities
- Engagement with ethnic groups

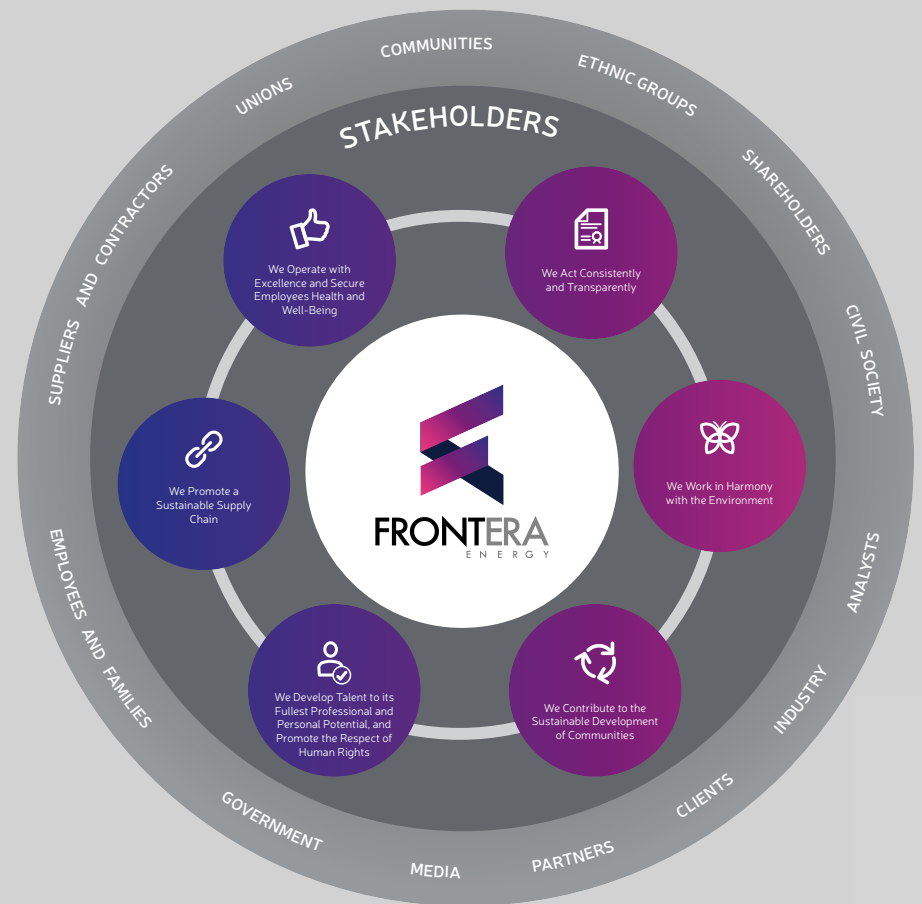
STAKEHOLDERS

[GRI 102-40]
[GRI 102-42]

As a result of the materiality analysis described above, Frontera's internal and external priority stakeholders remain unchanged. The prioritization was conducted taking into consideration the definition provided by Standard AA1000 "individuals, groups or organizations that affect and/or may be affected by the activities, products, services or performance associated with an organization".

[GRI 102-43]







The frequency of engagement (monthly, quarterly, biannual or annual) depends on the features of each stakeholder, our relations with them, and the topics addressed. Frontera continually engages with each of our identified stakeholders.



COVERAGE OF MATERIAL TOPICS

[GRI 103-1]
[GRI 102-44]
[GRI 102-46]

Below is the scope of Frontera's internal and external commitments, in addition to the communication channels used to inform the Company's stakeholders.

COMMITMENT	COVERAGE OF MATERIAL TOPICS	COMMUNICATION CHANNELS
 <p>WE OPERATE WITH EXCELLENCE AND SECURE EMPLOYEES HEALTH AND WELL-BEING</p>	Shareholders, Analysts, Creditors, Government, Media, Customers, Suppliers and Contractors, Partners, Employees and Families, Unions.	Quarterly management report, Frontera's website, Canadian public filing website www.sedar.com , Consolidated financial statements, Events with investors, Regular meetings, Annual Sustainability Report.
 <p>WE ACT CONSISTENTLY AND TRANSPARENTLY</p>	Shareholders, Creditors, Analysts, Government, Media, Suppliers and Contractors, Partners, Customers, Industry, Communities.	Whistleblower hotline (email and phone), Frontera's website, Annual Sustainability Report, Quarterly management report, EITI, ESTMA.
 <p>WE WORK IN HARMONY WITH THE ENVIRONMENT</p>	Communities, Ethnic Groups, Civil Society, Government, Media, Partners.	Annual Sustainability Report, Frontera's website, Meetings with communities, Frontera's social networks.
 <p>WE CONTRIBUTE TO THE SUSTAINABLE DEVELOPMENT OF COMMUNITIES</p>	Communities, Government, Civil Society, Media, Ethnic Groups, Partners.	Annual Sustainability Report, Frontera's website, Meetings with communities, Frontera's social networks.
 <p>WE DEVELOP TALENT TO ITS FULLEST PROFESSIONAL AND PERSONAL POTENTIAL, AND PROMOTE RESPECT OF HUMAN RIGHTS</p>	Employees and Families, Unions, Suppliers and Contractors, Government, Civil Society, Media, Communities, Ethnic Groups.	Internal meetings, Performance evaluations, Annual Sustainability Report, Frontera's website, Regular meetings, Frontera's social networks, Meeting minutes.
 <p>WE PROMOTE A SUSTAINABLE SUPPLY CHAIN</p>	Suppliers and Contractors, Unions, Partners, Communities.	Annual Sustainability Report, Frontera's website, Frontera's social networks.

Corporate Governance

[GRI 102-18]
[GRI 102-20]
[GRI 102-22]

SHAREHOLDERS

BOARD OF DIRECTORS

GABRIEL DE ALBA, CHAIRMAN

RAYMOND
BROMARK

DIRECTOR

RUSSELL
FORD

DIRECTOR

LUIS F.
ALARCÓN

DIRECTOR

ORLANDO
CABRALES

DIRECTOR

VERONIQUE
GIRY

DIRECTOR

ELLIS
ARMSTRONG

DIRECTOR

COMPENSATION AND HUMAN RESOURCES COMMITTEE

GABRIEL DE ALBA (CHAIRMAN)
RUSSELL FORD AND ORLANDO CABRALES

GOVERNANCE, NOMINATIONS AND SUSTAINABILITY COMMITTEE

LUIS F. ALARCÓN (CHAIRMAN)
ELLIS ARMSTRONG AND VERONIQUE GIRY

AUDIT COMMITTEE

RAYMOND BROMARK (CHAIRMAN)
ELLIS ARMSTRONG AND RUSSELL FORD

MANAGEMENT TEAM

RICHARD HERBERT - CHIEF EXECUTIVE OFFICER

DAVID
DYCK

CHIEF
FINANCIAL
OFFICER

ANDREW
KENT

GENERAL
COUNSEL AND
SECRETARY

ALEJANDRA
BONILLA

CORPORATE VICE
PRESIDENT, LEGAL
& HEAD OF LEGAL
COLOMBIA

ALEJANDRO
PIÑEROS

CORPORATE
VICE PRESIDENT,
STRATEGY &
PLANNING

ERIK
LYNGBERG

CORPORATE
VICE PRESIDENT,
EXPLORATION

DUNCAN
NIGHTINGALE

CORPORATE VICE
PRESIDENT, OPERATIONS,
DEVELOPMENT
& RESERVOIR
MANAGEMENT

GRAYSON
ANDERSEN

CORPORATE
VICE PRESIDENT,
CAPITAL MARKETS

RENATA
CAMPAGNARO

CORPORATE VICE
PRESIDENT, SUPPLY,
TRANSPORTATION &
TRADING



We Operate with Excellence and Secure Employees Health and Well-Being

In 2018, Frontera made significant progress with regards to the health and safety of its employees, the efficiency of its operations, and in developing a strategic plan for the next three to five years.²












² For more information on the Company's operational and financial results, please refer to its "Management, Discussion and Analysis" at www.fronteraenergy.ca











FINANCIAL AND OPERATIONAL RESULTS

 **2018**
71,032 boe/d

In 2018, production averaged 71,032 boe/d (63,187 boe/d after royalties), within the revised annual guidance of 70,000 to 72,000 boe/d (63,000 to 65,000 boe/d after royalties).

 **170.5 MMboe**
    
    






For the year ended December 31, 2018, the Company received an independent certified reserves evaluation report ("Reserves Reports") for all of its assets, with total net 2P reserves of 170.5 MMboe compared with 172.7 MMboe certified reserves for the year ended 2017.

 **\$1.4 billion**
15%  
     

Oil and gas sales and other revenues of \$1.4 billion in 2018 was 15% higher compared to the prior year. Net sales for the year (including the impact of realized losses of \$193.0 million on risk management contracts, royalties and diluent costs) decreased by 2% compared to 2017.

 **\$25.98/boe**
     

Operating netback for 2018 was \$25.98/boe, 14% higher than \$22.79/boe in 2017.

 **\$2.59/share**
   

The Company reported a net loss for 2018 of \$259.1 million (\$2.59/share) compared with a net loss of \$216.7 million (\$2.17/share) in 2017.

 **7%**  **\$28.7 million**

Operating EBITDA in 2018 increased by \$28.7 million, or 7%, to \$422.5 million compared to the prior year.

\$588.4 million
    

The Company generated \$312.0 million of cash from operating activities in the year compared to \$314.4 million in the same prior year period, contributing to a strong balance sheet with a total cash position of \$588.4 million as at December 31, 2018 (including restricted cash of \$142.3 million).

 **\$446.1 million**
   

Capital expenditures during 2018 were \$446.1 million compared to \$236.4 million in the prior year.

 **54%** 

During 2018, dilution and transport activities in Colombia and Peru represented 54% of the Company's operative costs (\$14.69/bbl of \$27.36/bbl), and as a result, Frontera continues to develop strategies and processes focused on reducing costs and increasing profits.

OCCUPATIONAL HEALTH AND INDUSTRIAL SAFETY

“We continue to build a high-performance culture, in-line with our corporate values, that is based on contributing our best efforts”

- Richard Herbert, CEO.

In 2018, the Company was granted recertification of its integrated management system according to ISO 9001:2015, ISO 14001:2015 and OHSAS 18001:2007 Standards by the Bureau Veritas in both Colombia and Peru. This means Frontera has successfully implemented required management systems related to quality, environment, and health and safety to secure compliance with applicable laws. The certification is in-line with the Company’s commitment to act according to its HSEQ policy of caring for people and preventing environmental damage.

INDUSTRIAL SAFETY

At Frontera, our people are our priority. We are focused on strengthening safety systems, preventing incidents and maintaining a safe work environment.

In 2018, Frontera’s frequency rate of disabling injuries was 1.59, including our operations in Colombia, Perú and contractors. Although the rate was lower than the extractive industry in Colombia (according to the frequency rate of Colombia’s 2018 Occupational Risk Fund), it was higher than the Company’s 2017 performance, as well as the average in the Oil & Gas sector.

In accordance with these results, Frontera focused its efforts on the implementation of culture-generating actions and habits aimed to strengthen the Company’s HSEQ culture. Frontera created communications to preserve the health and safety of all stakeholders involved in its operations. This initiative will continue to be a priority in 2019.

- 1. Definition of Rules** which are directed to promote the best practices during the development of routine and critical jobs that are executed in our areas of operations to guide behaviour.
- 2. HSEQ Culture Promotion** and implementation of practices to promote safe culture in the development of operational and administrative activities, safety moments prior to team meetings, trainings, and security based in behavior interventions. The main goal of this promotion is to internalize a safe culture in daily activities.

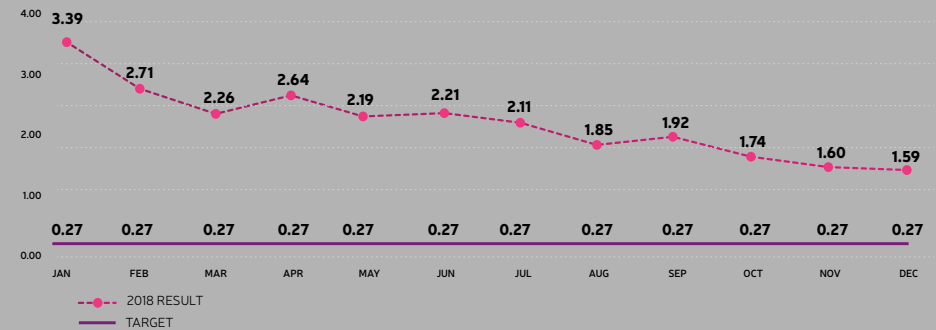
- 3. Strengthening of performance evaluations in terms of industrial safety to employees and contractors,** increasing the percentage in which these variables impact the total result.

CORPORATE SAFETY INDICATORS

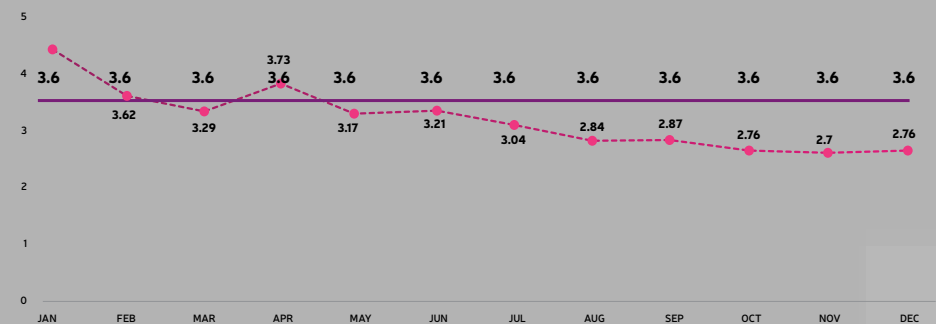
[GRI 403-2]

LOST TIME INJURIES FREQUENCY RATE

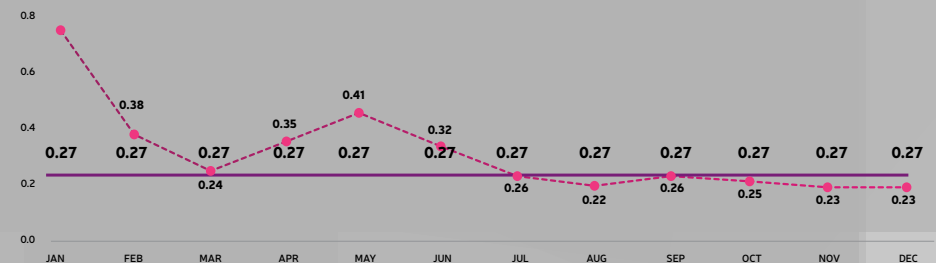
These graphs represent the results in the operations in Colombia, Peru and contractors.

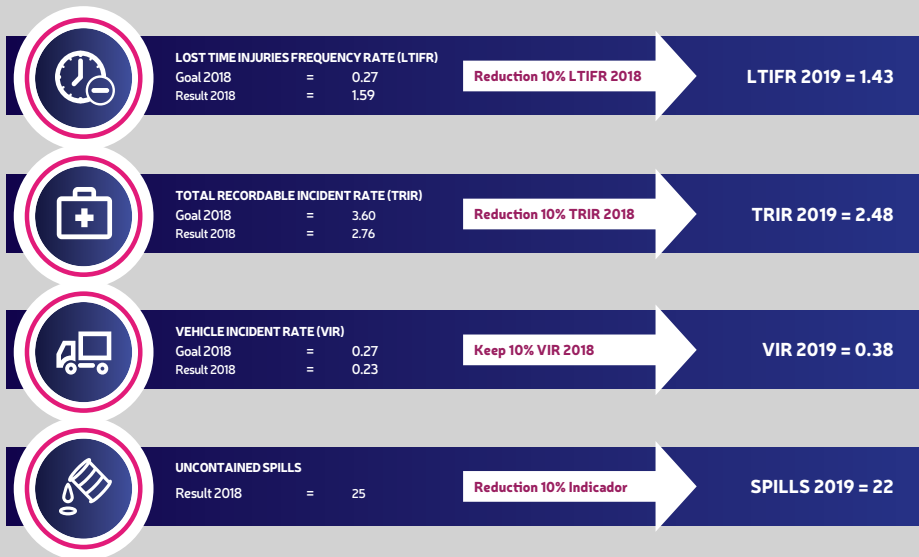


TOTAL RECORDABLE INCIDENT RATE



VEHICLE INCIDENT RATE





ROAD SAFETY INDICATORS

The Company has implemented the following actions to promote safe land transportation:

- **140 road safety training days** with the support of road police and the presence of contracted transport companies.
- **140 contracted drivers trained** in the main areas of our operations.
- **Six nation-wide drills** to measure and strengthen the responsiveness to an emergency.
- **100% drivers** of authorized vehicles trained, in Peru's operations.
- **425 drivers were recognized** for their performance in HSE compliance.
- **2,258 driver's licenses were granted** to drive at the field.
- **1,296** inspected vehicles.
- **364** speed monitoring.
- **1,204** interventions of drivers' behavior.
- **1,930** employees trained on road safety.

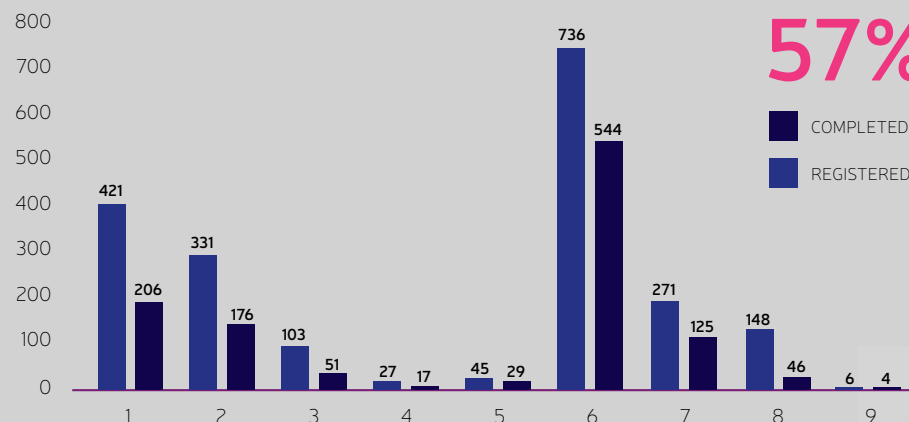
TRAINING ACTIVITIES IN COLOMBIA

With the aim of promoting an HSEQ culture, during 2018 we carried out the following activities in Colombia and Peru operations:



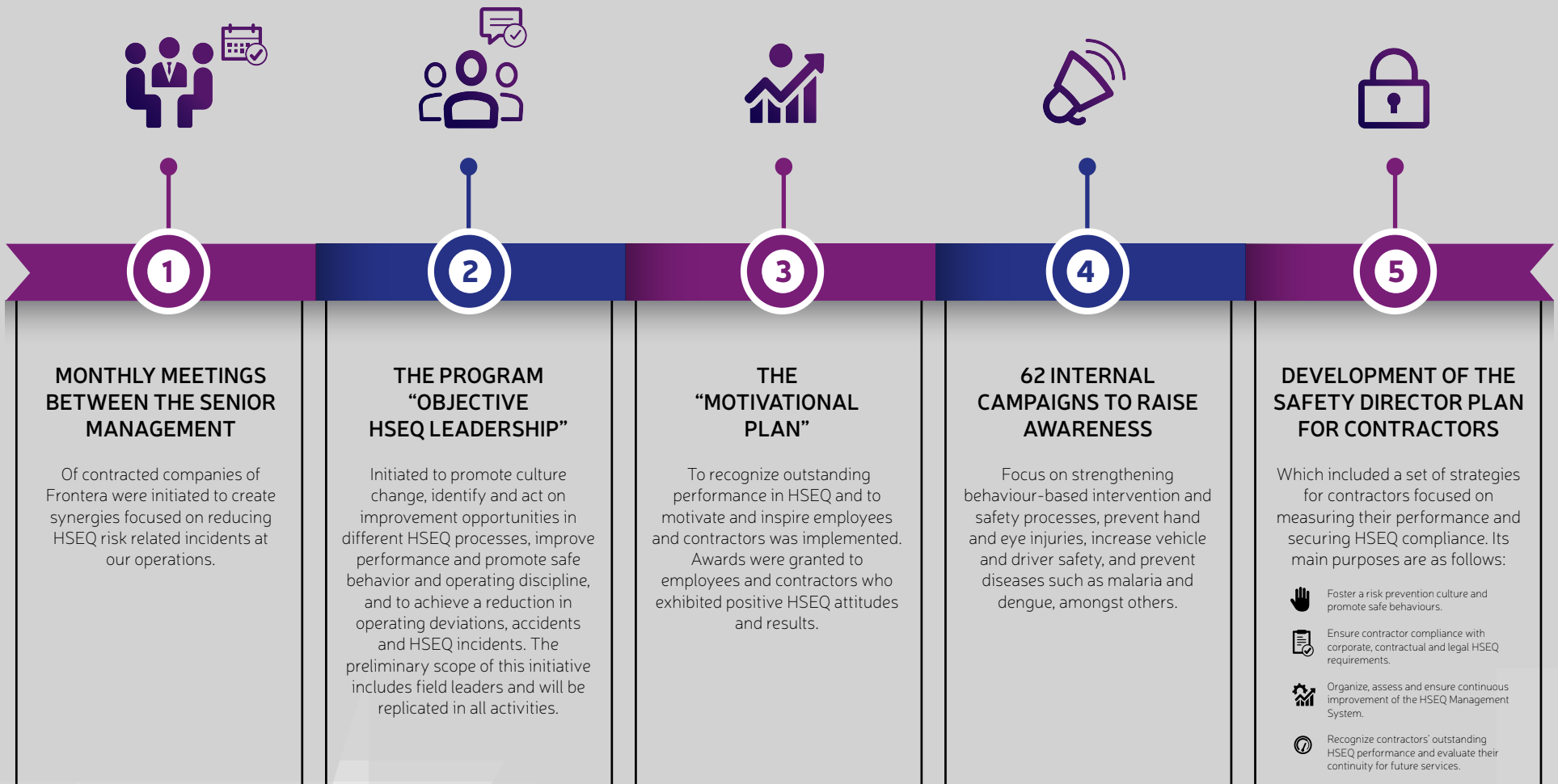
Other training actions involved:

Nº OF PEOPLE TRAINED PER COURSE



- 1 Personal Protection Equipment
- 2 Identification of risk factors and inspections
- 3 Investigation of accidents and incidents
- 4 Forklift self driving
- 5 Electrical Risk Prevention
- 6 Prevention of labor risk at the office
- 7 Signaling and area marking
- 8 Work at confined spaces
- 9 Safe welding work

In Peru, our main training activities during 2018 were:



This strategy resulted in an accident rate of zero for contractors and community associations in the last quarter of the year, and resulted in rewarding the applicable contractor with the best performance in HSEQ in our operations.

OCCUPATIONAL HEALTH

Frontera is constantly working to improve health conditions and comprehensive development of its employees to positively impact the Company's productivity and reduce economic loss due to employee absenteeism.

The Company focuses its efforts on activities planned in the **Occupational Safety and the Health Management System**, while fulfilling the legal requirements, with good practices to keep a high level of physical, mental and social wellbeing of the working population.



THE FOLLOWING ACTIVITIES WERE DEVELOPED IN COLOMBIA AND PERU, DURING 2018:

1. First aid for psychological emergency: During 2018, mental health was a priority topic for our operations in Colombia. Understanding that our people are of the highest importance, and in-line with the Company's change management process, a "Community Psychology" model was implemented, focusing on employee wellbeing.

The following initiatives were carried out for employees:

- Psychoeducation on mental health.
- Coping mechanisms.
- Catharsis contextualization group: emotional discharge.
- Psychoeducational group activity: generalities, psycho-emotional reactions in stress situations and their consequences.
- Intervention in detected cases.



2. Protection of workers: In 2018, the Risk Assessments per Profession (Análisis de Riesgo por Oficio, ARO) was updated to determine potential risks that employees are exposed to based on their positions and tasks inherent to their work. The update established and introduced preventive measures and risk controls that protect the integrity of our human talent.



The immunization of employees continues as the flagship of preventive medicine. In 2018, more than 650 doses of the flu vaccine were distributed in Bogota and our fields. Vaccines against yellow fever and tetanus were given to 100% of employees entering our fields, and the hepatitis A vaccine was given to 100% of employees who work with food.

In our operations in Peru, the **Occupational Health Plan** was reinforced in four main cornerstones:

- Occupational risk control through the vaccination program,** training and inspection of work spaces and environments.
- Occupational medical surveillance,** verifying the execution of employee occupational medical examinations and control of deviations found.
- Medical care at the field.** Considering operations are in remote areas, medical centers were implemented to provide healthcare to workers with any type of health problem.
- Medical evacuation plan** considering all possible scenarios and announcing the MEDEVAC (medical evacuation) to all employees, supervisors, contractors and support centers.



Additionally, medical care and support was provided to communities in our areas of operation. The support included treating medical and dental problems, laboratory and X-ray support, and obstetric care.

This initiative had the following results:

- 4 Successful Level III Emergency** evacuations of Lot 192, one due to a snake bite.
- 18 Additional training opportunities** on the prevention of ophidian (snake) incidents and tropical diseases.
- 100% Compliance with the inspection schedule,** resulting in 335 recorded observations.
- 321 Care services** to the community; among them, 200 dental procedures and two assisted deliveries.
- 100% Medical examinations** completed.

2019+ CHALLENGES AND OPPORTUNITIES



OPERATIONAL AND FINANCIAL RESULTS

1. Improve costs and efficiency in all fields of operation, and continue working to reduce transportation costs in Colombia, maintaining efforts to simplify the business by divesting in non-core assets and infrastructure.
2. Ensure an efficient and timely evacuation of oil and gas production.
3. Reduce transportation costs for pipeline systems for the period 2019-2023.
4. Ensure a 1.1% sulfur content in our crude mix to comply with the new environmental regulations of MARPOL- International Maritime Organization.



OCCUPATIONAL HEALTH AND INDUSTRIAL SAFETY

1. Implement a Human Factors Model in the oil industry, to reduce causes of accidents, night work and mental health.
2. Implement the HSEQ strategy that will allow Frontera to develop an industrial safety culture, and ensure accident-free operation where employees develop activities prioritizing life. This strategy contains elements associated with developing new behaviors, defining clear norms, empowering Frontera leaders and living a daily safety culture.



We Act Consistently and Transparently

[GRI 102-16]

We are committed to ethics and transparency. This commitment generates confidence for our investors and the general public, as well as it is aligned with our Sustainability Policy.

ETHICS, TRANSPARENCY AND COMPLIANCE

We believe that to achieve success, it is essential to know and internalize the values that define our corporate culture: **integrity, respect, commitment and sustainability**. With this framework of action, we will be leaders in the sector, countries, and regions in which we operate.

Moving forward with ethics and transparency means making responsible decisions, assessing our relationships with stakeholders, acting in harmony with the environment and respecting our differences.

Frontera designed a compliance strategy for 2017-2020, in the context of which, during 2018, focus was on strengthening a culture based on corporate values.

[GRI 103-2]
[GRI 103-3]

In 2018, the Board approved the following strategic compliance initiatives:

1. **Risk assessment of money laundering, financing of terrorism and corruption.**
2. **Review of policies and procedures associated with Corporate Governance, Ethics and Compliance.**
3. **Campaigns to raise awareness.**
4. **Training program.**
5. **Compliance program.**
6. **Redesigning of the compliance due diligence processes.**
7. **Relaunching of the whistleblower line.**

STRATEGY 2017 – 2020





Additionally, this year Frontera devoted economic, technical and human resources to implement the **Corporate Integrity System** (Ethics and Compliance).

As part of this process, the following initiatives stand out:



“Ethics is the Path”

Frontera launched the Code of Business Conduct and Ethics Manual “Ethics is the Path,” along with a virtual training accessible to all employees.

The training explains the Code, presents case studies and familiarizes employees with the Company’s compliance culture.



The Code’s web training

Implementation of a second Code’s web training including policies related to Conflict of Interest, Anti-corruption, and Anti-money laundering policies. The training was taken by all employees.



Internal campaigns

Throughout the year, Frontera developed the campaigns for all employees, including those at the fields, to raise awareness on compliance and ethical culture.



Anticorruption Program.

Frontera developed a “Train the Trainers” program in Anticorruption,” where 50 managers and leaders were trained and empowered to communicate ethics and compliance messages within their teams.

With the aim of preventing risks associated with money laundering, bribery and corruption, the due diligence process with third parties was strengthened. The process includes specific contractual provisions requiring related parties to comply with applicable anti-corruption laws and policies regarding their activities on behalf of, or in connection with Frontera.

Additionally, internal control systems and procedures were maintained to identify, assess and manage bribery, corruption and money laundering risks, with a focus on prevention.



Strengthened reporting channels regarding ethics and compliance matters.

With the new **whistleblower line**, all employees, as well as stakeholders, are encouraged to report situations of potential breach of the law, Code of Conduct Business and Ethics, and policies associated therewith. Reporting helps the Company prevent harmful situations that may affect reputation.

[GRI 102-17]

The whistleblower channels are supported by a specialized Company, which brings accessibility, objectivity and traceability to all reports.



Frontera's hot line was promoted through awareness campaigns with the message of "even the strongest structure needs a foundation, ours is your integrity – raise your hand".

The new whistleblower channels are:



Report through filling online via Frontera's website:
www.fronteraenergy.ethicspoint.com.

Phone at the following numbers:



Canada: 1-855-815-2385

Colombia: 01-800-911-0010/ 01-800-911-0011. After the operator's message, dial 855-815-2385

Peru: 0-800-50-000/ 0-800-50-288. After the operator's message, dial 855-815-2385.

The service is free and available 24/7, 365 days a year.

The information reported is managed under strict confidentiality and anonymity (at the whistleblower's discretion).

[GRI 205-3]

In 2018, we received 77 reports related to ethics and compliance topics. The reports were revised and analyzed in accordance with our established protocols. As a result of formal investigation procedures, measures were taken which included disciplinary procedures, termination of contracts, and decisions to refrain from new contracts or contract renewals.

Throughout the year, Frontera developed the following campaigns for all employees, to raise awareness on compliance and ethical culture:

1. **KISS (Keep Integrity Super Solid) Compliance:** emphasis on the value of integrity.
2. **Compliance is Simple:** emphasis on the value of commitment and how to live compliance in a simple way.
3. **Compliance Day "Front Talk":** emphasis on the four organizational values.
4. **Compliance Moment:** emphasis on the value of sustainability.

[GRI 103-2]
[GRI 205-1]
[GRI 205-2]

Frontera is against public and private corruption and continues to focus its efforts on doing business in an ethical and honest way.

During 2018, as a part of its bet for Integrity, the Company carried out the following actions aimed at preventing conflicts of interest and corruption practices:

[GRI 102-25]

1. Launched the Annual Conflicts of Interest Survey.



1,178 employees answered the survey (94.77% of all employees).

244 employees reported 438 conflict of interest.

2. Communication and training:

- Online training on conflicts of interest.
- Information to all employees on the general results of the annual conflicts of interest survey.
- Communication and training to managers and supervisors on conflicts administration and mitigation.

3. Participation in collective action initiatives:

Aware of the combined responsibility in the fight against corruption, Frontera joined the Pact for Integrity of the Colombian–Canadian Chamber of Commerce, the United Nations Global Compact, and collective initiative "Hacia la Integridad in order to support projects with impact on society in the fight against corruption.



RELEVANT NUMBERS FOR 2018 PERFORMANCE

	Launching of the "Ethics is the Path" manual focused on the Code of Business Conduct and Ethics .
	Installation of a new whistleblower line.
+20	News on the Company's intranet related to ethics and compliance.
	Virtual training courses: Acknowledge and Acceptance of the Code of Business Conduct and Ethics Manual . The training increased understanding of the Code of Conduct, Business and Ethics, and related policies that are the foundation of the Company's compliance strategy. 96% of employees and 100% of board members were trained and formally acknowledged and adopted the Code.
	Case Studies Code of Business Conduct and Ethics Manual . The training, consisting of case studies, increased knowledge of concepts, standards and guidelines established in the Code and its main policies. 95% of all employees completed the course.
77	Cases were reported through the whistleblower hotline.
1,217*	Of our employees and 100% of our board members accepted the Code of Conduct and Corporate Ethics. <small>*As of July 2018 the total number of employees was 1217.</small>
+2,500	Hours devoted to ethics and compliance awareness, training and teaching.
50 	Managers and leaders trained as anti-corruption educators to communicate anti-corruption messages to their teams.
22	Workshops on prevention of money laundering, financing of terrorism and corruption.
90%	Senior Management trained in anti-corruption by the Company's compliance officer and PricewaterhouseCoopers.



2019+ CHALLENGES AND OPPORTUNITIES



1. Measure and positively influence the Ethics Quotient (EQ)* of the organization to secure business and activities with integrity.
2. Develop joint and coordinated actions with stakeholders and relevant authorities to strengthen the compliance and integrity culture.
3. Implement management indicators for all departments on the effectiveness of controls and implementation of action plans, generating a culture of accountability.

*(EQ) A proprietary rating system that collects and objectively scores self-reported data in five weighted categories: Ethics and Compliance Program, Culture of Ethics, Corporate Citizenship and Responsibility, Governance and Leadership and Reputation.



We Work in Harmony with the Environment

The environmental feasibility of Frontera's projects is the basis for its development in harmony and sustainable use of natural resources.



BIODIVERSITY

[GRI 103-2]
[GRI 304-1]
[GRI 304-2]

The natural wealth of our areas of operation is valuable for Frontera

Knowing the environment and its natural dynamics has helped prevent and mitigate the impacts of our operations in areas where projects are developed.

Frontera conducts frequent monitoring studies of the wildlife present in the areas in which we operate: Area recognition methods are used placing monitoring equipment at random spots for the purpose of recognizing and detecting amphibians, reptiles, birds and mammals. In addition, technical observation walks are scheduled regularly for the purpose of recording the abundance and characterization of species.

This process helps to identify the areas of importance for biodiversity conservation in the areas in which we operate, in line with the environmental permits granted.

[GRI 304-3]

By 2018, the operation area was of **511,393 Ha**, of which **22%** are due to environmental zoning, identified as exclusion areas because of their great value for biodiversity.

ENVIRONMENTAL COMPLIANCE REPORTS (ECR's)

72 environmental compliance reports presented to environmental authorities.

ENVIRONMENTAL MANAGEMENT PLANS IN COLOMBIA

36 environmental management plans were reported, which involved actions to be implemented by the Company to make growth project's viable, providing proper management of environmental components of the execution areas of operations.

Agreements were signed with CORMACARENA (environmental authority in Meta, Colombia) for **\$6.4 MM** (F&E) and with FOB (Orinoquia Biodiversa Foundation) for **\$600,000** for the formulation and execution of projects to comply with environmental obligations.

1% AND COMPENSATION

ENVIRONMENTAL MANAGEMENT IN PERU

Our activities were granted environmental permits approved by government entities: 22 Environmental Impact Assessments (EIAs) and Environmental Management Plans (PMAs) approved (Z1 and Block 192) 11 new licenses (Z1 and Block 192).

GEOTECHNICS: 31.9 Ha. A 2018

Areas restored by the Company

PROTECTIVE REFORESTATION: 1,129 Ha. A 2018

Areas reforested by the Company

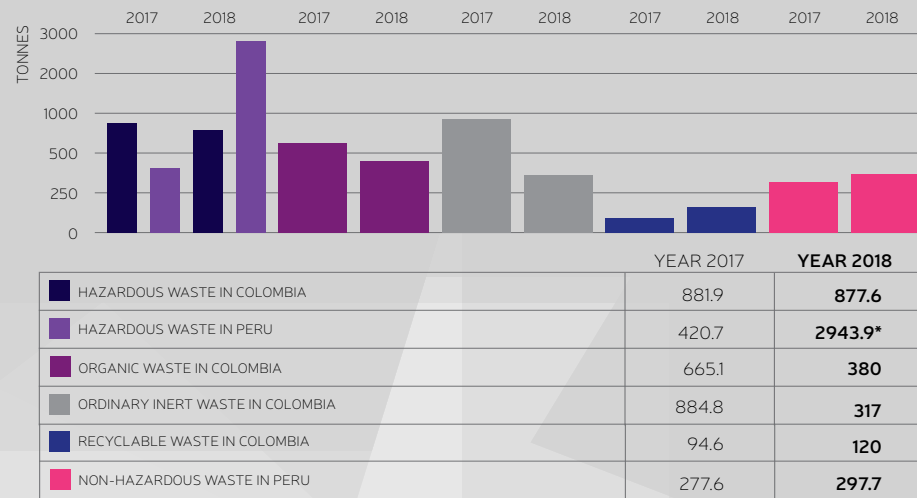
WASTE MANAGEMENT AND EFFLUENTS

[GRI 103-2]

In line with its corporate policy, Frontera controls the generation of solid and hazardous waste in the course of its operations, ensuring proper management, classification and disposal according to the type of waste and its characteristics. The Company also promotes reutilization and recycling activities. The waste management results for 2018 in Colombia and Peru are as follows:

[GRI 306-2]

GENERATED WASTE 2018 VS 2017

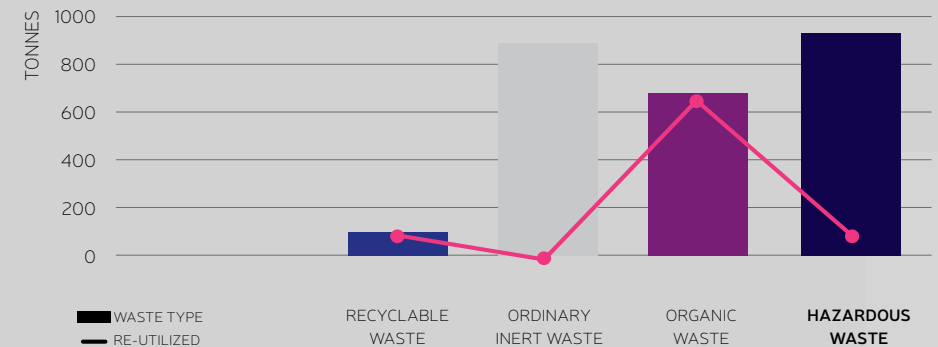


*This increase is due to perforation activities in Delfin platform.



43% of the total waste generated in 2018 was used in reutilization and recycling activities.

GENERATED WASTE VS RE-UTILIZED WASTE 2018



The increase in waste generation is primarily due to the reactivation of projects in producing fields, in line with growth of the Company's assets.

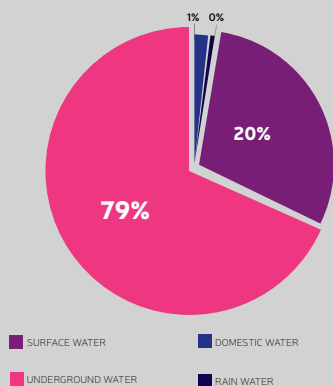
RESPONSIBLE AND EFFICIENT USE OF WATER

[GRI 103-2]

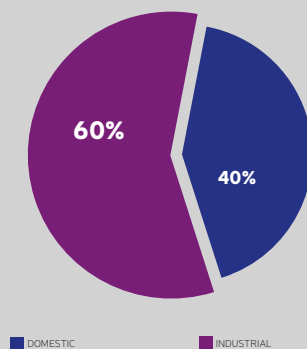
Ensuring the protection of water resources is fundamental for Frontera. Therefore, the Company focuses its management on responsible and efficient water handling, constantly measuring its quality and volumes associated with the use and generation determined by the demand of this resource in operations and projects.

[GRI 303-1]
[GRI 303-2]

COLLECTION PER SUPPLY SOURCE 2018:



TYPE OF COLLECTED WATER USE 2018:

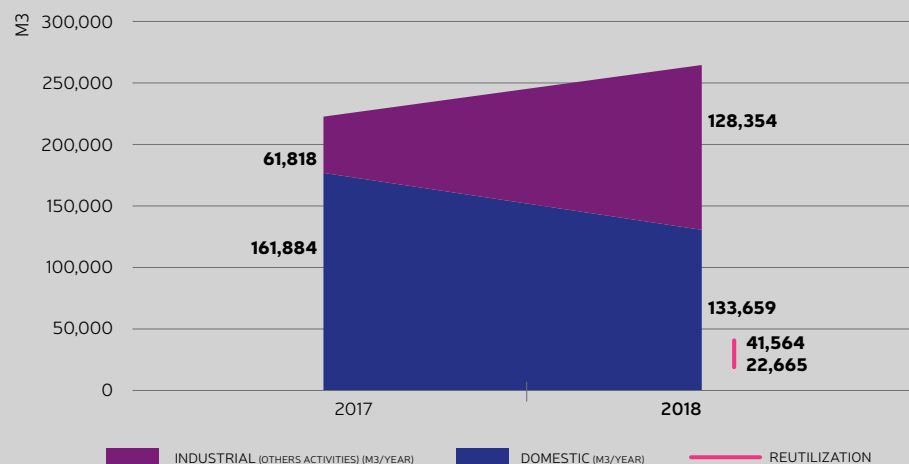


[GRI 303-3]

WATER REUTILIZATION INITIATIVES

Water treatment systems allow Frontera to comply with regulatory requirements and present possibilities to reutilize a portion of the water volume generated. In 2018, nearly 9% of total water volume was reused.

GENERATION AND REUTILIZATION OF WATER



	TOTAL CONSUMPTION PER USE (m ³ /year)				TOTAL WATER DEMAND	DOMESTIC	INDUSTRIAL
	SUPERFICIAL WATER (M3/YEAR)	UNDERGROUND WATER (M3/YEAR)	MUNICIPAL AQUEDUCT WATER (M3/YEAR)	OTHERS (M3/YEAR)			
2018	158,829	303,665	5,884	1,349	469,727	229,733	230,130
2017	151,190	334,446	2,814	0	488,450	201,468	287,392
2016	135,376	436,157	4,564	1,514	577,611	135,376	436,157

Water use at the Company's fields increased nearly 40% due to the reactivation of drilling and infrastructure projects, primarily aimed at the growth of the assets.



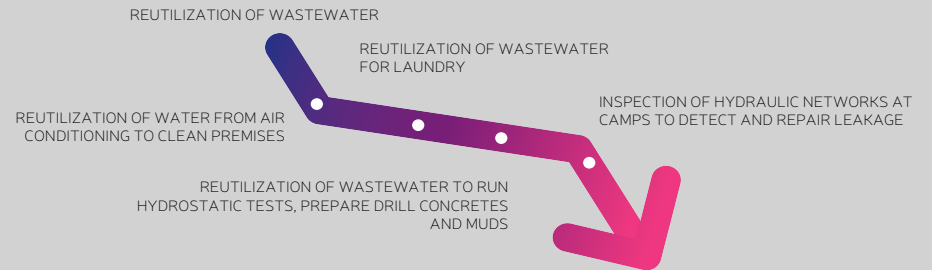
INDUSTRIAL USE

- Preparation of concretes
- Hydrostatic tests
- Road maintenance
- Boiler operation
- Well drilling and maintenance activities
- Firefighting systems

DOMESTIC USE

- Supply to showers and toilets at camps
- Cleaning of premises
- Laundry

ACTIONS AIMED TO REDUCE WATER COLLECTION



ENERGY AND EMISSIONS

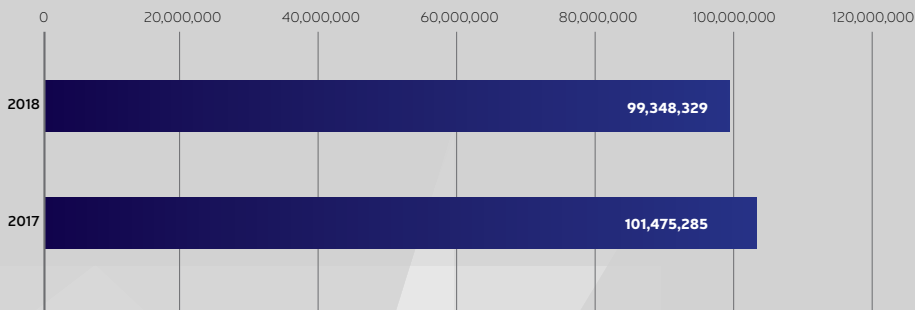
[GRI 103-2]

Frontera is committed to reduce its contribution to climate change, regarding this we continuously identify, evaluate and measure climate-related risks by incorporating them in the strategic management process, through the definition of performance objectives for activities associated with this global impact. These risks are included in the Company's risk matrix and in the identification of environmental impacts and issues related to the activities planned by the Company.

With the aim of improving our measure of these risks and managing it strategically, for 2019, Frontera will participate in the CDP (formerly the Carbon Disclosure Project) which runs the global disclosure system that enables companies, cities, states and regions to measure and manage their environmental impacts.

[GRI 306-1]

WASTEWATER GENERATED ASSOCIATED WITH PRODUCTION (M3/YEAR)



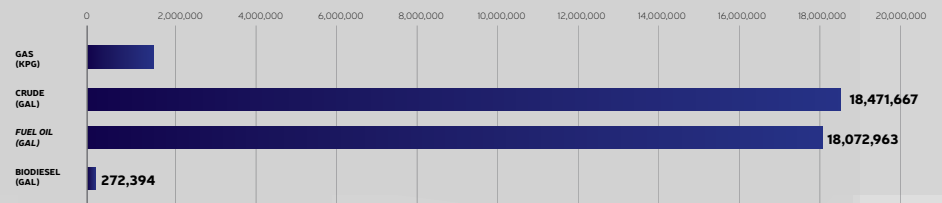
Approximately 95% of water generated and associated with production was disposed of through the injection mechanism.

DIRECT ENERGY CONSUMPTION



CONSUMPTION OF FUEL TO GENERATE ELECTRIC AND THERMAL ENERGY

[GRI 302-1]



PURCHASE AND GENERATION OF ELECTRIC AND THERMAL ENERGY (MWH)



[GRI 302-2]

	ADMINISTRATIVE OFFICE IN BOGOTA	ENERGY ACQUIRED EXTERNALLY FOR OPERATING FIELDS	ELECTRIC AND THERMAL ENERGY GENERATED AT OPERATING FIELDS
2018	3,822	189,724	706,353
ORIGIN OF ENERGY ACQUIRED EXTERNALLY:	A. FIELDS: EMP. ENERGY OF CUNDINAMARCA, ELECTRICARIBE, ENERTOLIMA, PETROELECTRICA DE LOS LLANOS B. ADMINISTRATIVE OFFICES: VATIA/CODENSA.		



ENERGY INTENSITY

[GRI 302-2]

	ENERGY CONSUMPTION (MWh)	PRODUCTION (BOE)	INTENSITY (MWh/BOE)	OBSERVATIONS
2018	899,899	34,324,303	0.0262	The indicator is calculated on the basis of consumption of electric and thermal energy demanded internally and externally by the fields, as well as administrative offices.

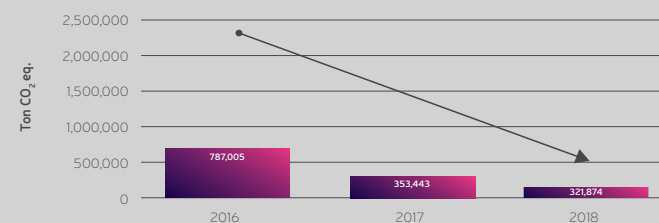
[GRI 302-4]
[GRI 305-5]

In 2018, **189.07 GWh** was purchased from the National Interconnected System for energy consumption at the Rubiales, Quifa, Abanico, La Creciente and Guaduas fields in Colombia, reducing fuel consumption by localized generation, and preventing the generation of an average of **9,079 Ton CO₂eq.**

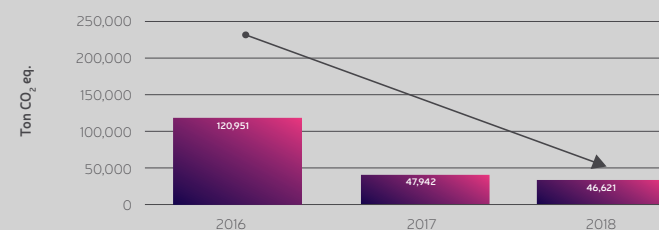
Below are the estimated results of greenhouse gas emissions from operations since 2016.

[GRI 305-1]
[GRI 305-2]
[GRI 305-3]

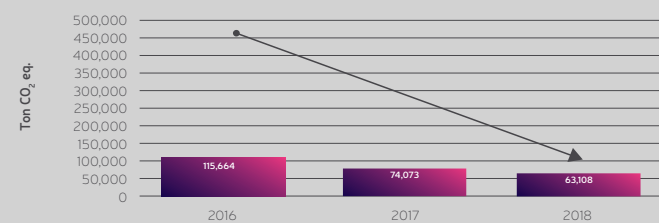
EMISSIONS SCOPE 1 (DIRECT EMISSIONS)



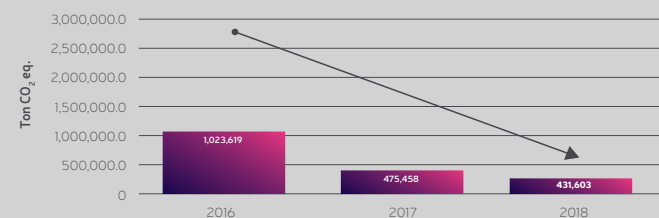
EMISSIONS SCOPE 2 (INDIRECT EMISSIONS - PURCHASE OF ENERGY)



EMISSIONS SCOPE 3 (INDIRECT EMISSIONS- TRANSPORTATION)




TOTAL EMISSIONS



METHODOLOGY: the estimation of the carbon footprint was done through an extrapolation based on the Company's 2018 production.

[GRI 305-4]

 PRODUCTION FIELDS			
YEAR	BOE	TON (CO ₂ eq) PRODUCTION FIELDS	INTENSITY OF GHG EMISSIONS
2017	31,878,707	442,126	0.0139
2018	29,033,661	404,205	0.0139

[GRI 305-7]

2018	SO ₂	Nox	COMMENTS
Ton/year	2,223	6,171	Estimated data according to measurements performed on larger equipment (capacity >1MW) at the Quifa field.

PREVENTION AND REMEDIATION OF INCIDENTS

[GRI 103-2]
[GRI 306-3]

Throughout 2018, 25 environmental incidents were reported in Colombia and Peru operations. The incidents were controlled through the activation of specific contingency plans according to the field. Thanks to the timely actions taken, efforts in training, preparedness, and systems available in the facilities, the incidents did not affect the environment.

Regarding the level of risk related to spills, Frontera keeps the contingency plans updated and ensures its correct implementation in each of the operation fields, with the aim of being prepared to attend at any time in a timely and efficient manner the events that can affect the natural environment of the areas where we operate.

- Conducting drills regarding pollutant liquid spillage with the participation of employees and contractors.
- Inspecting and executing maintenance plans for content level, pressure and temperature alarm systems, which allow early detection and prevention of incidents.
- Updating of equipment for emergency response brigade teams at each of the fields where we operate.
- Training in spill response issues, preparing our employees to act when necessary.



2019+ CHALLENGES AND OPPORTUNITIES



Frontera works to promote and ensure the protection of the environment in its operations through the implementation and development of programs and strategies to maintain clean and efficient operations, in compliance with the obligations established in licenses permits and current environmental laws.





We Contribute to the Sustainable Development of Communities

[GRI 103-2]

The territories where the Company's operations are carried out have fragile institutional frameworks and countless social needs. That is why Frontera, along with local and national authorities, have the goal of leaving behind a legacy with the implementation of sustainable projects of high social and economic impact.



SOCIAL INVESTMENT IN COMMUNITIES

The Social Investment Framework continues to be a fundamental tool for implementing Frontera's commitment and to promote sustainable development in communities in which we operate in Colombia and Peru. In 2018 Frontera implemented projects in the following social investment categories:



Productivity of the
Local Economic
Fabric



Development of
Human Capital




Strengthening of the
Institutional Social
Fabric





Development of
Quality
Infrastructure

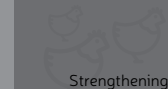
The most symbolic projects during 2018 were:

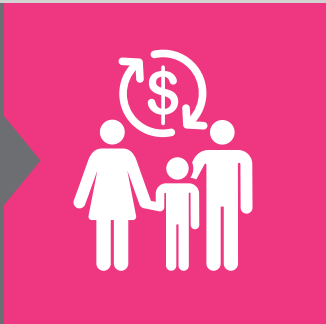



 Adaptation and improvement of corrals by delivering materials and livestock inputs in the municipality of Orocué. The project allowed beneficiaries to rely on economic development separate from the hydrocarbons sector. The project benefited 105 families.


 Delivery of cattle for the commercialization of milk and meat in the village of Santa Maria de Palmarito, municipality of Mani-Casanare. The project benefited 80 families.


 A project to strengthen fish farming through the delivery of 200,000 fish for seven villages in the area of direct influence in the department of Sucre.


 Strengthening of the poultry industry through the delivery of laying hens in the municipalities of San Pedro-Sucre, Mani-Casanare, and Ariguani-Magdalena. The project benefited a total of 60 families.




 Improvement of educational institutions through the delivery and construction of playgrounds in the municipalities of Guaduas, Monterrey, and Orocué. With this type of project, Frontera seeks to promote sports through the improvement and construction of areas for recreation, culture and sports.


 Improvement and maintenance of the community road in the Municipality of Cabuyaro, department of Meta. This project has benefited more than eight villages in the municipality of Barranca de Upiá.


 Road maintenance in El Caribe village, municipality of Paz de Ariporo, Arrendajo block, benefiting 15 families of the village who had poor road access.


 Improvement of housing in the municipalities of San Luis de Palenque, Trinidad, Orocué, San Pedro, Orito, Paz de Ariporo, Tauramena, Mani, Barranca de Upiá, Cabuyaro and Espinal. Improvement of public electricity and gas service networks in the municipalities of Cabuyaro, Orocué, Yopal, San Luis de Palenque and Espinal.



 28 educational seminars on subjects related to leadership, conflict resolution, and workshops for the protection of the environment and citizenship. The training took place in different educational institutions in the municipalities of Paz de Ariporo and Orocué, in the department of Casanare.


 Strengthening of the Institutional Educational Plan for the 10 schools of the Vencedor Piriri indigenous community. This project seeks to promote education based on the standards established by the Ministry of Education in Colombia.


 A Training program for older adults in the Vencedor Piriri indigenous community, where 122 people obtained a high-school degree. Literacy programs for 105 adults in the villages of Santa Helena, Rubiales and Puerto Triunfo, seeking to improve knowledge levels through educational training meetings and basic education classes.

 Corporate Scholarship Program, which began in 2005, and at the end of this year had 32 active students nationwide studying at the best universities in Colombia. A total of 17 students completed their studies in 2018.

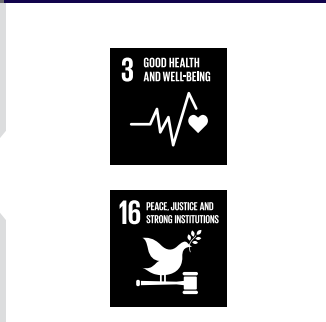


 Workshop on Inclusive Business Plans in the city of Iquitos, Loreto, for the communities of Lot 192, in alliance with the Committee for Administration of Resources for Training (Spanish acronym "CAREC"). The objective of CAREC is to promote, coordinate, approve, propose and execute the activities of technology transfer and training personnel in the hydrocarbon's subsector in Peru. Nine residents attended the workshop. As a result of this initiative, nine participants developed a business plan and proposals that sought to pursue potentialities and opportunities that each region offers its inhabitants, and in the short-term, businesses to improve the quality of life for their families.

 Cooperation Agreement between Frontera and the Program Responsible Peru of the Ministry of Labor and Employment Promotion (Spanish acronym "MINTRA"). The objective is to promote corporate social responsibility through alliances and joint development of activities to carry out, strengthen, facilitate and disseminate employment, employability and entrepreneurship programs.

 Training for students and civil society organizations Action Boards on topics related to conflict resolution, integral project structuring, protection of the environment, road safety, and customer service for public officials, benefiting more than 120 people.

 Health brigades in the village of Puerto Triunfo in the Municipality of Puerto Gaitan, Meta, benefiting 363 people. These included health days resulting in 168 general practitioner consultations, 103 dental consultations, 48 pediatric consultations and 44 gynecological consultations.



[GRI 410-1]

RELATIONSHIPS WITH ETHNIC GROUPS

In Colombia, Frontera focused its efforts on the following projects:



PERU


In Peru, Frontera has promoted the economic and social development of indigenous communities in areas of its operations through five corporate programs in-line with its Social Investment Framework.



2019+ CHALLENGES AND OPPORTUNITIES



1. Create and implement a manual for monitoring and assessing the impact of social investment projects, which will allow the reporting tangible progress in our commitment to contribute to the sustainable development of the communities.
2. Execute 100% of social projects agreed upon in previous periods in order to comply with all commitments to date.
3. Monitor the outcome of Frontera's social investment compared to the fulfillment of the Sustainable Development Goals (SDGS).
4. Explore and encourage the articulation of social investment with other partners (local and national authorities, NGOs, private sector, etc.).
5. Implement and execute the Agreement with the Peru Responsible Program of the Ministry of Labor and Employment Promotion (MINTRA).
6. Maintain a permanent and assertive relationship with indigenous communities located at our operation sites.
7. Strengthen trust building between the indigenous communities and the Company in the exploration blocks Caguán 5 and Caguán 6 (Colombia).



**We Develop talent to its fullest
professional and personal potential,
and promote respect of Human Rights**

2018, the Year of Frontera Culture

The hydrocarbons sector and the companies within it continue to demand efforts in the management of human talent. Frontera is mindful of the challenge to maintain excellent performance, ensuring a culture that is modeled and based on values and consistency in ethical compliance and established policies.

WORKING FOR FRONTERA

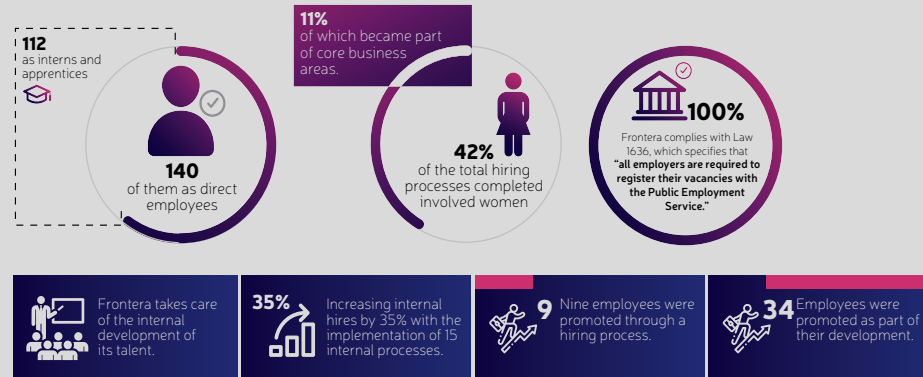
[GRI 103-2]

RECRUITMENT AND RETENTION OF TALENT

The new corporate culture, combined with Human Talent's value promise, allows Frontera to attract and retain the best talent. Our talent contributes to high performance standards, business continuity, stable presence in the market, and being profitable and efficient for our stakeholders.

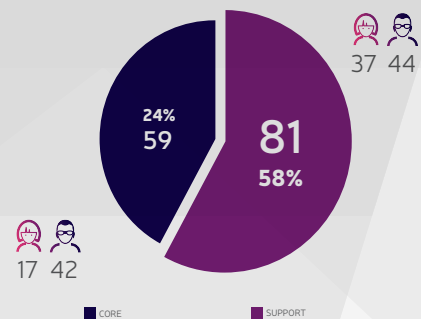


IN 2018, FRONTERA WELCOMED **252 EMPLOYEES**

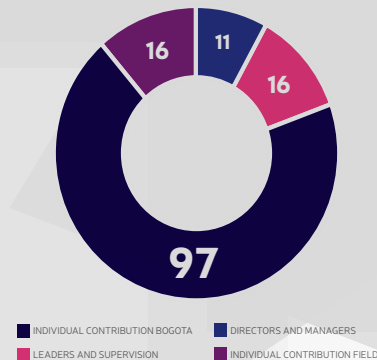


FRONTERA DIRECT CONTRACTING INDICATORS

DISTRIBUTION OF PROCESSES



BY POSITION

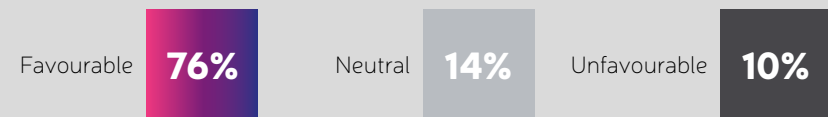


WORK ENVIRONMENT

Frontera is committed to offering its employees a suitable working environment that encourages trust, motivation, self-fulfillment and healthy productivity. Despite the circumstances of change and adaptation to the challenges of the sector, human talent continues to be the most important asset for Frontera; therefore, it seeks to identify strengths and areas for improvement in order to progress with humility, acceptance and learning. Work environment is a priority and therefore, the Company believes that measuring work conditions is a preventive diagnostic tool that involves understanding its employees.

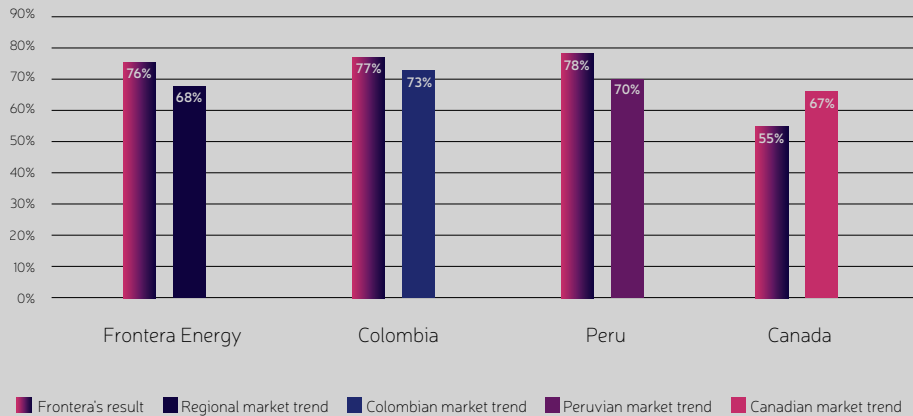
In 2018, Frontera conducted work environment measurements with a 94% employees' participation (1,050 surveys received).

2018 Results



Employees perceive Frontera's organizational climate as a corporate strength.

FAVOURABILITY BY COUNTRY:



COMMITMENT

Frontera employees primarily emphasize that they are proud to be a part of the Company (91%), which remains a major strength according to the 2017 survey, and that they would recommend the Company as a good place to work (86%).

Regarding topics related to commitment, those proving more favorable are the knowledge of principles and values of the Company (96%), understanding their contribution towards the goals and objectives of the Company (95%) and being treated fairly regardless of differences such as age, gender, etc. (93%).

SUPPORT FOR SUCCESS

Employees generally perceive professional support for success as a strength. They mainly emphasize that their work allows them to perform interesting and challenging tasks (87%) and that their job conditions allow them to be productive (80%).

The most favourable topics related to professional support for success are the commitment of their team/co-workers to provide high-quality products and services (91%) and the clearly defined goals, responsibilities and functions (91%). The latter remains the main strength according to the 2017 survey.



CULTURE

Frontera wants their employees to act towards achieving the Company's expected strategy and performance and build a culture that supports the challenges of the business. To this end, Frontera measures its cultural attributes in its Work Environment survey, achieving a high level of favourability:



Considering Frontera focused on promoting the cultural attribute of **Compliance** as a pillar of its cultural transition during 2018, it is important to point out that 96% of employees recognize the Company's set of corporate principles and values.



Regarding these results, Frontera put its culture model into action in 2018.

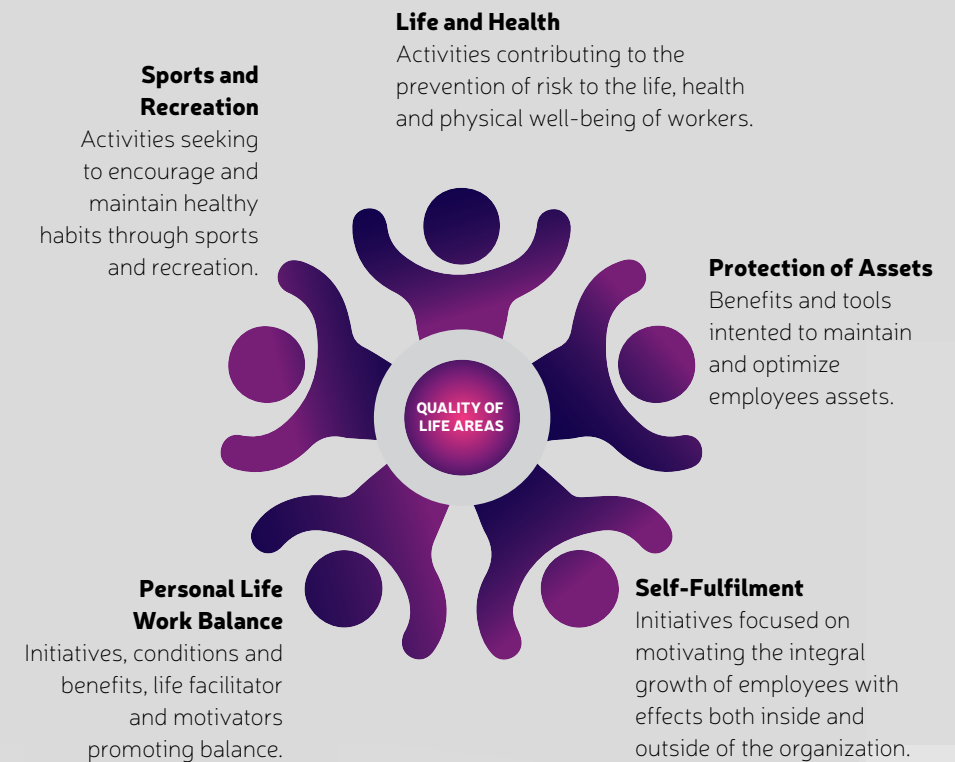
Thus, the Company focuses on training employees in this model through **“Frontera: a culture with a purpose”** workshops. These workshops were designed to consolidate a culture with an interest in people, their desires and what they want to achieve in their personal and professional lives.

A total of 713 employees attended the workshops, both in Bogota and at the field.



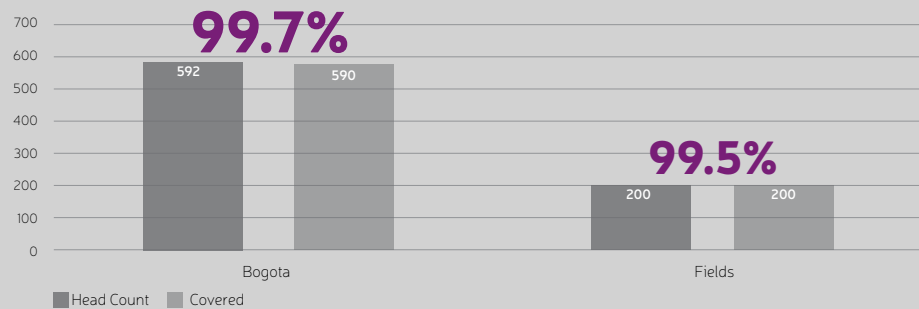
WELL-BEING

To generate a state of integral well-being in its employees, Frontera designed the new Quality of Life strategy in 2018. This strategy was in line with the WHO (World Health Organization), which defines it as: the set of conditions that protect the health, safety, and welfare of all workers and the sustainability of the workplace, in order to contribute to their physical, psychological and social capabilities for their own and their primary families wellbeing. Therefore, the Company established the following areas:

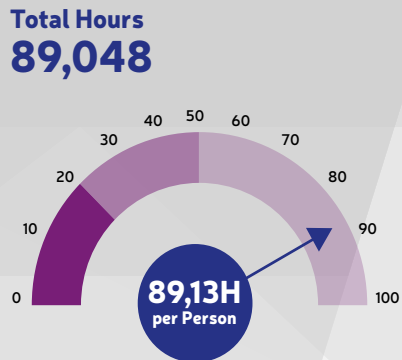


In the 2018 indicators, Frontera attained 99% coverage of these areas. The area that achieved greatest participation was Personal Life and Work Balance, where employees were able to participate with their families in different cultural and recreational activities.

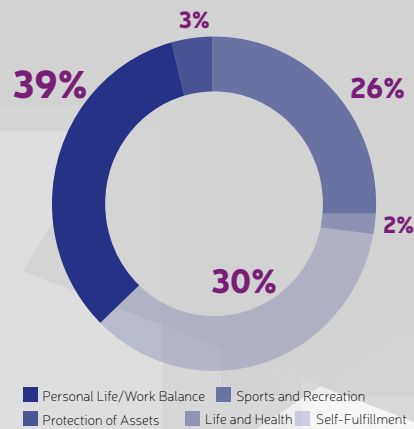
2018 COVERAGE BY LOCATION



2018 TOTAL AND AVERAGE WELLNESS HOURS OFFERED



2018 DISTRIBUTION OF WELLNESS ACTIVITIES BY QUALITY OF LIFE AREAS



PERFORMANCE MANAGEMENT AND CAREER DEVELOPMENT

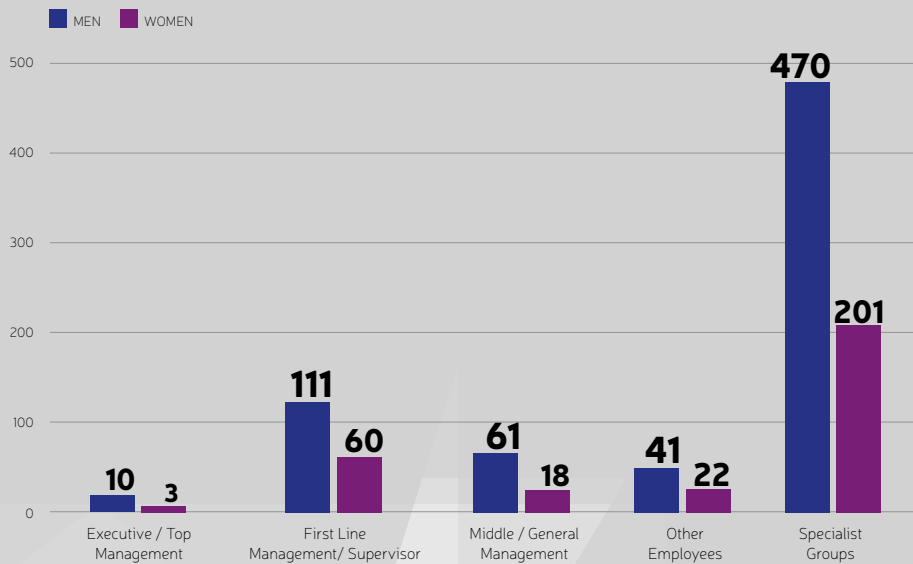
Frontera prioritizes monitoring employee achievements and performance quality, as well as contributing to the development of their skills. The performance management system is based on the following premises:





[GRI 404-3]

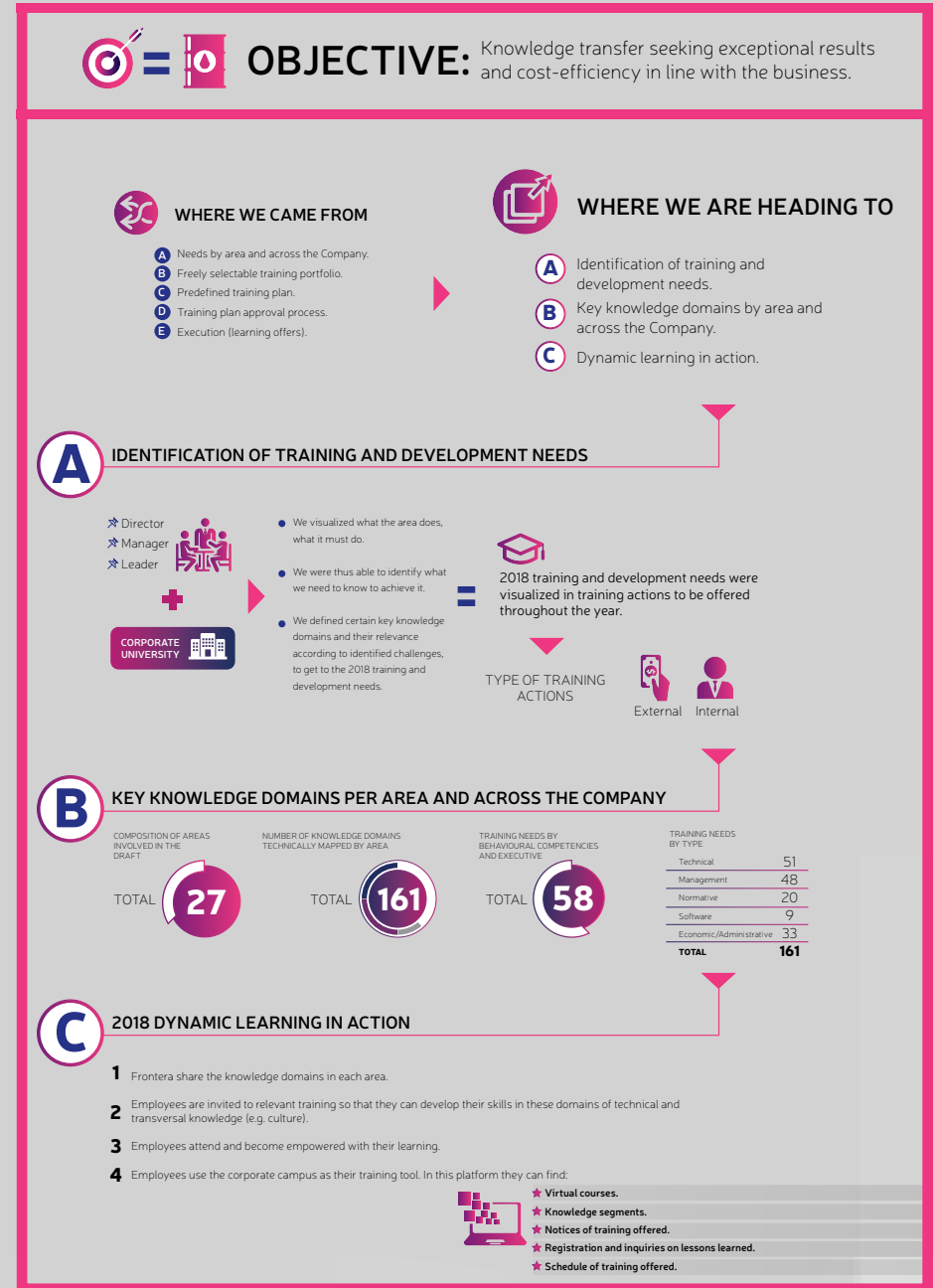
NUMBER OF EMPLOYEES INCLUDED IN THE PERFORMANCE MANAGEMENT PROCESS:



All positions within Frontera are included in the Performance Management process so long as they joined the Company by September 30 of the current year.

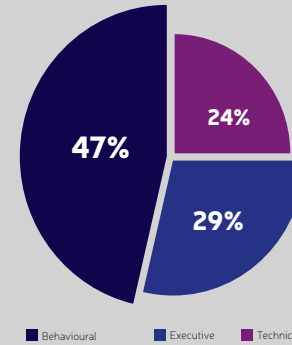
ORGANIZATIONAL LEARNING PROCESS 2018

[GRI 103-2]
[GRI 404-2]



During 2018, Frontera strengthened technical and leadership skills for core business areas in programs such as:

- Forklift operation
- Occupational health and safety management system
- Creation of a safety culture
- Annual certification of 'safe work at heights' new technologies in artificial lifting
- Drilling and cementing
- Operation and maintenance
- Training in Law 1668
- Contract administration
- Information security
- Personal finance
- Culture and purpose
- Ethics and compliance
- Development of accountable teams
- Oil for non-oil workers
- Internal negotiations
- High impact presentations
- Effective writing
- English, among others.



[GRI 404-2]

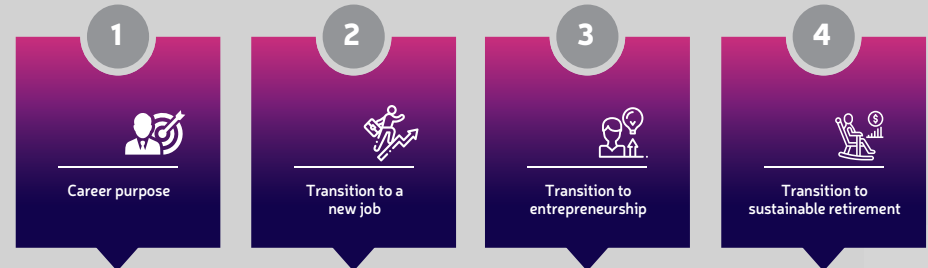
ANNUAL TRAINING INDICATOR			
INDICATOR	2016	2017	2018
Head count	1,483	1,076	1,184
Coverage	94%	89%	98%
Intensity hours/per employee	46	43	44
Total training investment	\$40,000	\$391,315	\$1,064,080
Average training Investment per employee	\$30	\$364	\$899

Only Colombia
Investment replacement (\$) due to internal facilitation

CAREER TRANSITION PROGRAM AND LEARNING EXPERIENCE FOR FORMER EMPLOYEES

In response to the organizational efficiency challenge faced by Frontera in 2018, and in support of changes in the headcount structure and reorganization, ex-employees were offered a career transition program to ensure their employability and favourable retirement conditions.

To date, 79 past employees of Frontera have completed the program, consisting of the following stages:



Identifying the best opportunities for success through one's own knowledge of talents, motivators and personality.

- Career purpose workshops,
- Individual counselling,
- Psychometric assessment, and
- Personal finance advice were offered.

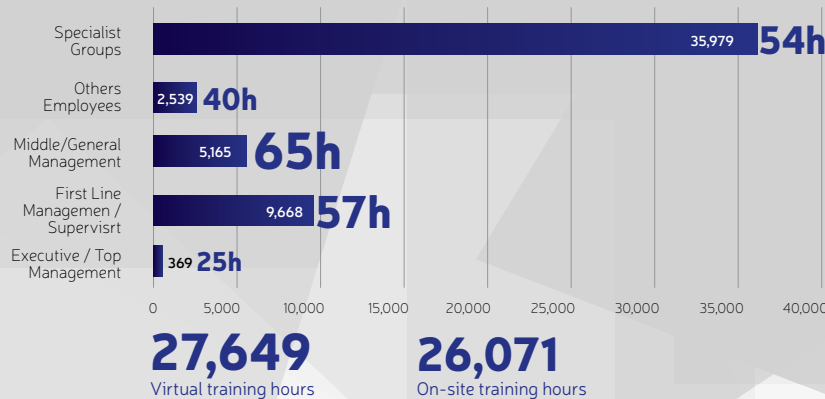
A comprehensive program focused on successful and efficient transition to future employment.

- Workshops to prepare for
- Job searching,
 - Designing of a transition plan,
 - Contacting management, and
 - Individual advice were offered.

A guided process to consider the option of creating business and the development of an idea accompanied creating a business model. The "Work Towards Entrepreneurship" course offered individuals advice and logistical support.

A process that anticipates factors to consider prior to retirement to ensure sustainability and enjoyment at this stage of life. Support workshops, financial and productive work advice was offered.

As a result of this process, 16 employees have been relocated.





HUMAN RIGHTS

Frontera frames its actions in the set of national rules and international standards applicable to all matters related to the fulfillment, protection and promotion of Human Rights in the countries where it operates.

The Company adheres to the Global Compact and the Voluntary Principles on Security and Human Rights, and its practices are aligned with the United Nations Guiding Principles on Business and Human Rights. In addition, it has a Code of Conduct and Corporate Ethics based on corporate values, with the ultimate goal of protecting the safety and dignity of the people who support the Company's work.

Frontera is firmly committed to the promotion, protection and assurance of Human Rights, and openly conveys its commitment to continuously forming a diverse and inclusive workforce and corporate culture based on respect and recognition of the unique value contribution of every employee.

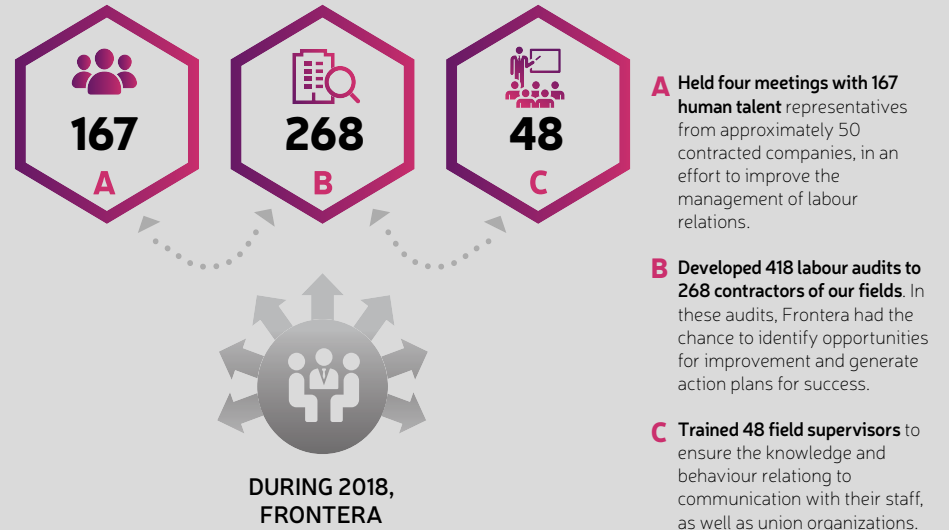


RIGHT OF ASSOCIATION

[GRI 103-2]
[GRI 102-41]
[GRI 407-1]

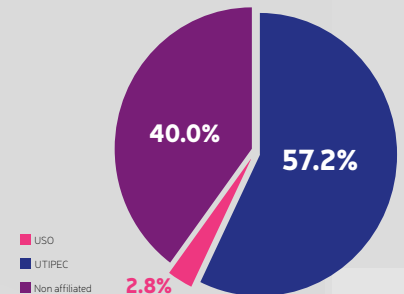
Frontera continues to manage its commitment to respect and build labour relations within a framework of legality and humanity. The Company believes that the elimination of all types of forced and child labor, and respect for the rights of association and collective bargaining, are pillars of relations between companies and their employees.

The Company emphasizes the concept of decent work as a persons opportunity to have a productive job that generates a decent income, security in the workplace, social protection for their families, better prospects for personal development and integration into society, freedom for workers to express their opinions, participation in decisions effecting their lives, and equal opportunities and treatment for all women and men.



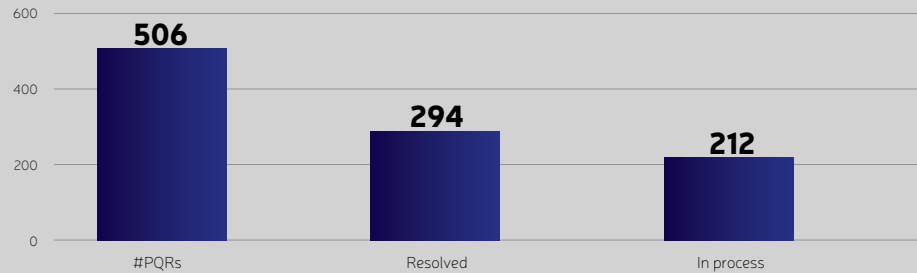
The Company also maintained respectful relations, within the legal and constitutional framework, with the two unions existing at Frontera: UTIPEC (majority) and USO (minority). Labor normality achieved in all fields of operation, without a day of cessation of activities by the staff, proved that the communication channels with these important stakeholders are efficient, fluent and of mutual trust.

UNIONIZED EMPLOYEES VS TOTAL EMPLOYEES





MANAGEMENT SYSTEM FOR PETITIONS, COMPLAINTS AND CLAIMS



SECURITY AND HUMAN RIGHTS

[GRI 103-2]

In compliance with its Declaration of Human Rights, Frontera continued to align its security practices with national and international standards such as Voluntary Principles on Security and Human Rights, Mining and Energy Committee (Spanish acronym “CME”), and with the guidelines provided by different unions and government offices on the subject, such as the Office of the President of the Republic’s Counselor for Human Rights, the National Hydrocarbons Agency (Spanish acronym “ANH”), the Colombian Petroleum Association (Spanish acronym “ACP”), and the Office of the United Nations High Commissioner for Human Rights (“UN”), among others.

In terms of risk management, this year the Company updated its corporate safety risk assessment matrix, which includes the potential risks of Human Rights violations. This process, which is carried out annually for the Company’s key fields, blocks, facilities and projects, seeks to identify the most relevant critical vulnerability factors, and to develop a qualitative and quantitative assessment of risks with the highest probability of occurrence and impact at the time of occurrence.

In regards to relations with public forces and private security agencies, in 2018 the Company maintained its training in Human Rights and International Humanitarian Law, as follows:

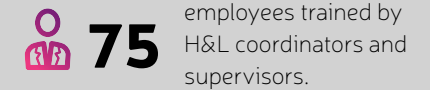
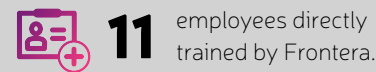
A LEVEL I HUMAN RIGHTS:



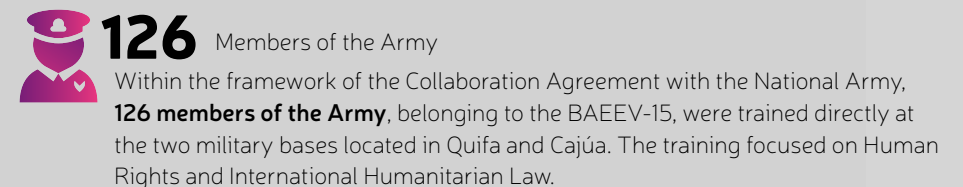
B LEVEL II HUMAN RIGHTS:



C E-LEARNING SELF-TAUGHT TRAINING:



D LAW ENFORCEMENT:



 **11** Coordinators
5 Security Officers

20 Supervisors

Training for a group of **11 coordinators, 20 supervisors and 5 field physical security officers**, who are in charge of Frontera's relationship with the military units in the field, and to the employees of the H&L Security Company, which were hired to ensure the operation and security interests of Frontera Energy at the national level.

E CORPORATE PERSONNEL:

 **26** employees trained

A **Human Rights workshop** was held for the Corporate Affairs team, with the support of the ANH, and the Office of the United Nations High Commissioner for Human Rights, in which **26 employees were trained** on the Guiding Principles on Business and Human Rights, for the implementation of the United Nations **"Protect, Respect and Remedy"** framework and policy.



Finally, management indicators (Spanish acronym "KPI") related to the Voluntary Principles on Security and Human Rights were included with the Company's security and surveillance contract with H&L. These indicators, included in the subject matter of H&L's service contract, will be monitored on a quarterly basis in 2019.



GENDER EQUITY

[GRI 103-2]

Regarding the Company commitment to promote gender equity, during 2018, Frontera continued to align its human talent and communications processes with the requirements of the EQUIPARES certification granted by the Ministry of Labor and the United Nations Program in Colombia. Since 2016, Frontera has maintained level II Silver Seal "Implementation of Actions for Equality."

Likewise, the Diversity and Equity Group, composed of managers from different areas of the Company, and in charge of the implementation and monitoring of the Gender Declaration, started the preparation process to obtain EQUIPARES level III-GOLD "Gap Closure" certification in 2019. The objective of this recognition is to verify the effective closure of gender gaps in our organizational structure and to achieve the highest goals proposed to the energy sector.

During 2018, an internal campaign was held to remind employees our commitment to diversity and inclusion in the workplace, and prevent sexual harassment. Appropriate channels for harassment-related complaints and claims were also initiated – the Coexistence Committee, given its closeness and trustworthiness of Frontera's employees, is the main communication channel.

2019+ CHALLENGES AND OPPORTUNITIES



WORKING FOR FRONTERA

1. Develop a Company brand that supports attracting integral professionals.
2. Create a plan to welcome recently graduated talents who wish to contribute their knowledge and gain experience in the hydrocarbons sector.
3. Strengthen our quality of life and well-being strategy, expanding the coverage to families, and making an impact on our different stakeholders, thus achieving well rounded work-life balance.
4. Based on the results of talent mapping, identify people with high potential to hold critical positions in the organization, thus building the Company's succession map and generating sustainability through talent development.
5. Continue to develop a performance management process leading to the generation of a high-performance culture where everyone, regardless of role or position, can contribute directly or indirectly to the achievement of the Company's strategic priorities.
6. Continue to strengthen technical and leaderships skills, collaborative work and accountability. Frontera wants to be a Company that gets the results it sets out to achieve, while being mindful at the same time mindful of the way it meets its challenges.



HUMAN RIGHTS

1. Improve the standards of the Company's contractors and subcontractors regarding good labor practices through management of human talent, economic, social and environmental spheres. This is done through working groups to share information with subsequent revision by Frontera. Emphasis will be placed on local sub-contractors, which on account of their size and short background have more opportunities for development.
2. Train 100% of field supervisors on individual and collective labor issues.
3. Train 200 Army and 140 National Police officers in Human Rights (officers who are supporting Frontera's security in field).
4. Train approximately 300 officials of H&L in Voluntary Principles and Human Rights, levels I and II.
5. Develop a plan for visits or official verification meetings at the national level to approximately 80 contractor companies to verify compliance with the Contractual Security annex.
6. Define a Corporate Human Rights Strategy for Frontera. This will determine specific corporate framework with an action plan for 2019, with management indicators (KPI's) regarding validity and areas in charge.
7. Align labor processes and corporate communications to the requirements of EQUIPARES Level III - Gold Seal certification.
8. Promote actions aimed at identifying Frontera as a leader in diversity, equity and inclusion.

A large, dark, cylindrical industrial pipe runs diagonally across the frame from the top left towards the bottom right. The background is a lush tropical landscape with numerous palm trees under a blue sky with light clouds. A semi-transparent network of white lines and dots is overlaid on the entire scene, connecting various points across the image.

We Promote a Sustainable Supply Chain

[GRI 103-2]
[GRI 102-9]

It is of great importance for Frontera to have a sustainable supply management, given the interaction that the supply chain has with the Company's environment and its impact on the fulfilment of corporate objectives. Frontera is focused on developing its business through sustainable practices applied to the optimization of supply sources, respect for human rights, ethical behavior and work under fair trade models.



With the purpose of having a sustainable supply chain, in 2018 Frontera redefined the guidelines, activities and responsibilities required to execute the supply process under the category management model, in order to obtain the best value in the supply of goods and services required for the operation.

This was done through the identification of opportunities in demand aggregation, scope optimization, cost reduction and complementary services, starting from a robust planning process to serve as a common thread to help understand and forecast the demand in the long-term strategic supply plan focused on maximizing the opportunities that contribute to a sustainable business.

DEVELOPMENT OF SUPPLIERS AND CONTRACTORS

The Company aims to define sourcing strategies to generate value within the life span of its contracts and ensure the supply of goods and services required for its operations.

Strategically managing supply and contract administration allows a competitive approach to suppliers/contractors that requires improvements in quality standards, cost and time reductions, process optimization, and value generation. It has an impact on the Company's profitability and consequently on the financial statements of both parties. As a result, Frontera believes its suppliers/contractors are key allies in developing a sustainable business model.

The processes listed below are contained in the supplier management program and allow the Company to achieve effective development of its suppliers and contractors:

- Pre-selection and selection of suppliers/contractors.
- Performance assessment.
- Agreements on payment terms appropriate to the needs of suppliers/contractors.

In 2018, the following aspects were managed, which contributed to the development of suppliers and contractors:

- Change in terms of payment to local creditors: Frontera changed the terms of payment for new local suppliers/contractors from 60 days to 30 days, an aspect that helped maximize sustainable business habits of suppliers through cash flow in their areas of finance, marketing, operations, strategy and human talent.
- With the implementation of the SAP Ariba tool, a platform approach was designed for suppliers/contractors, with friendly visualization that facilitates participation in the different selection processes, the loading of bids, questions and required documents, thus maximizing and promoting the plurality of bidders.

PURCHASE OF LOCAL GOODS AND SERVICES

For Frontera, it is vital to promote the sustainability of local companies by creating strategic relationships with companies located in the areas in which we operate, thereby ensuring a nearby supply source, which is more efficient in terms of logistic costs.

Frontera has focused on the participation of local suppliers and contractors in the required procurement and contracting processes, under conditions of suitability, competitiveness and efficiency.

LOCAL SUPPLIER DEVELOPMENT PROGRAM

Through this initiative, Frontera promoted a relationship with the community based on the respect for rights and compliance with duties, focused on maintaining the conditions for a sustainable operation and on generating development in the region.

The outstanding initiatives during 2018 are reported below:

A

DEFINITION OF AREAS OF INTEREST:

The areas of influence were determined and seven (7) work areas were defined.

PRESENTATION OF THE FRONTERA CONTRACTING SYSTEM TO LOCAL BUSINESSES:

meetings were held to communicate the contracting systems, emphasizing the following topics:

- Terms of reference
- Differences between the public and private sectors
- General aspects for bid evaluation
- Contracting principles
- Pre-qualifications
- Stages of the contracting process
- Local suppliers' registration procedure

B

C

CENSUS OF GOODS AND SERVICES AVAILABLE IN THE LOCAL MARKET AND REGISTRATION OF SUPPLIERS:

a census was conducted to identify the supply of local goods and services, to then proceed to register suppliers in different categories:

- ▶ Civil, mechanical and electrical work.
- ▶ Retail hardware stores stores (suppliers).
- ▶ Freight transport and special passenger transport.
- ▶ Environmental and health services.
- ▶ Accommodation, food (catering).
- ▶ Other local goods and services.

IDENTIFICATION OF LOCAL LEVELS OF MATURITY AND BUSINESS CAPACITY:

in order to identify the current status of local companies, pre-qualifications were put into practice according to supply needs for projects.

Pre-qualifications included a review of compliance with different aspects in previous contracts; **these aspects included legal, technical, financial, administrative, technical and CSR performance**, among others. The results of these pre-qualifications will be the basis for the design of sourcing and strengthening strategies for the coming years.

D

E

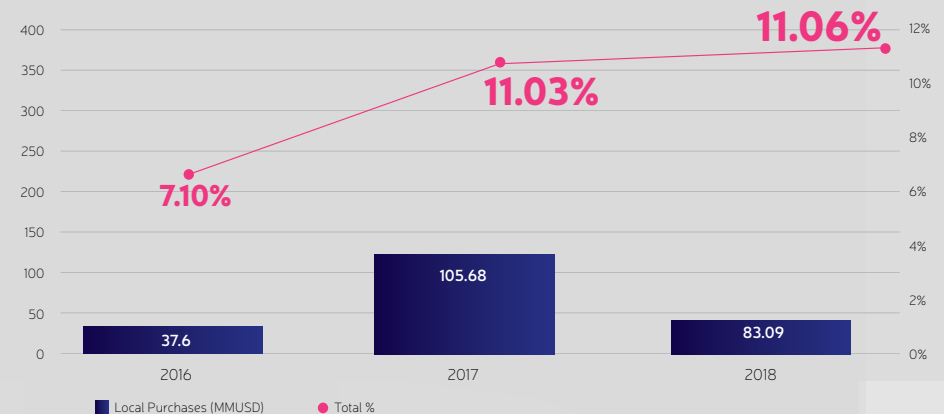
CLASSIFICATION OF LOCAL SUPPLIERS ACCORDING TO THEIR CAPACITY AND MATURITY.

RELEVANT FIGURES OF THE PROJECT:



[GRI 204-1]

The following chart shows the increase in the concentration of local purchases over the total supply of goods and services as a result of the implementation of local development strategies:



2019+ CHALLENGES AND OPPORTUNITIES



SUPPLIER AND CONTRACTOR DEVELOPMENT

1. Manage supplier performance through continuous improvement, sharing key success factors and performance expectations across teams and the organization. PRMs will be conducted with contractors to identify value propositions and improvement opportunities supported by the follow-up of KPIs previously agreed on between the parties.
2. Sourcing through category management, which will generate demand aggregation, environmental analysis, and sector analysis, providing a better value promise to generate scale economies resulting in lower costs and benefits for both parties.



PURCHASE OF LOCAL GOODS AND SERVICES

1. Identify and generate sourcing and strengthening strategies to offer development opportunities to local suppliers, focusing on:
 - o Legal and regulatory framework applicable to companies in Colombia.
 - o Strategic planning.
 - o Commercialization and marketing for commercial management.
 - o Use of ICTs.
 - o Financial administration.

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INFORMATION AND FORWARD LOOKING STATEMENTS

This Sustainability Report 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, are considered forward-looking statements. Such forward-looking statements include, without limitation, the Company’s ability to grow in both the near and long-term future, and the Company’s corporate strategy including its business plans, initiatives and objectives, new areas of operations, supplier development, environmental stewardship matters, safety matters, local development matters and human rights matters.

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 to differ materially from those discussed. 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. These risk factors, among others, are discussed in the Company’s Annual Information Form dated **March 13, 2019**, filed on SEDAR at www.sedar.com.

Any forward-looking statement speaks only as of the date 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 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.

Furthermore, information contained in or otherwise accessible through the Company’s website does not form part of this report and is not incorporated by reference into this report.

The preparation of financial information is reported in United States dollars and is in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board, unless otherwise noted. The Company discloses several financial measures in this presentation that do not have any standardized meaning prescribed under IFRS (including Operating EBITDA, Operating Netback and Net Sales). 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 2018 Management’s Discussion and Analysis dated March 13, 2019 (“2018 MD&A”), filed on SEDAR at www.sedar.com. All comparative percentages are between the years ending December 31, 2017 and 2018, unless otherwise noted.

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 the Form 51-101 F1 Report filed on SEDAR at www.sedar.com. Additional reserves information as required under NI 51-101 can also be found on SEDAR at www.sedar.com, under: (i) Form 51-101F2 – Report on Reserves Data by Independent Qualified Reserves Evaluator completed by each of RPS and D&M and (ii) Form 51-101F3 – Report of Management and Directors on Oil and Gas. All reserves presented are based on forecast pricing and estimated costs effective December 31, 2018, as determined by the Company’s independent reserves evaluators.

Additional information with respect to the Company is available on SEDAR at www.sedar.com and on the Company’s website at www.fronteraenergy.ca.

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