

**Form 51-102F3**  
**MATERIAL CHANGE REPORT**

**Item 1. Name and Address of Company**

Frontera Energy Corporation (“Frontera” or the “Company”)  
1610, 222 – 3rd Avenue SW  
Calgary, Alberta T2P 0B4

**Item 2. Date of Material Change**

August 11, 2022

**Item 3. News Release**

The Company disseminated the news release reporting the material change described in this report through the facilities of CNW News Group on August 11, 2022 and subsequently filed the news release on the Company’s SEDAR profile at [www.sedar.com](http://www.sedar.com).

**Item 4. Summary of Material Change**

On August 11, 2022, Frontera took up and paid for 5,416,666 of its outstanding common shares (the “Shares”) at a price of \$12.00 per Share (the “Purchase Price”) under its substantial issuer bid pursuant to which the Company offered to purchase from shareholders for cancellation up to \$65 million (equivalent to US\$50 million) of its Shares (the “Offer”).

**Item 5. Full Description of Material Change**

**5.1 Full Description of Material Change**

On August 11, 2022, Frontera announced that the Company had taken up and paid for 5,416,666 Shares at the Purchase Price under the Offer. All dollar amounts are in Canadian dollars unless otherwise specified.

The Shares taken up and paid for by the Company represent approximately 5.84% of the total number of Frontera’s issued and outstanding Shares as of August 8, 2022. The aggregate Purchase Price is equal to approximately \$65 million. After the cancellation of the Shares taken up and paid for by the Company, Frontera anticipates that 87,408,875 Shares will be issued and outstanding.

6,498,558 Shares were validly tendered and not withdrawn pursuant to auction tenders at or below the Purchase Price and pursuant to purchase price tenders. Since the Offer was oversubscribed, shareholders who made auction tenders at or below the Purchase Price and shareholders who made, or were deemed to have made, purchase price tenders will have the number of Shares purchased prorated (other than “odd lot” tenders, which are not subject to proration).

Shareholders who made auction tenders at or below the Purchase Price and shareholders who made, or were deemed to have made, purchase price tenders will have approximately 83.3% of their tendered Shares purchased by the Company. Shareholders who made auction tenders at a price in excess of the Purchase Price should not expect to have any of their Shares purchased by the Company. 609 Shares were taken up and purchased pursuant to proportionate tenders.

Payment for Shares taken up by the Company under the Offer will be effected by Computershare Investor Services Inc., the depositary for the Offer, on or about August 15, 2022, in accordance with the Offer and applicable law. Any Shares not taken up, including such Shares not taken up as a result of proration or Shares tendered pursuant to auction tenders at prices higher than the Purchase Price or invalidly tendered, will be returned to shareholders as soon as practicable.

To assist shareholders in determining the tax consequences of the Offer, Frontera estimates that a deemed dividend in the amount of \$2.04 per Share was triggered on the repurchase of each Share, based on the estimated paid-up capital of \$9.96 per Share at August 8, 2022. The dividend deemed to have been paid by Frontera to Canadian resident persons is designated as an “eligible dividend” for purposes of the *Income Tax Act* (Canada) and any corresponding provincial and territorial tax legislation.

For the purposes of subsection 191(4) of the *Income Tax Act* (Canada), the “specified amount” in respect of each Share is \$11.41.

Shareholders should consult with their own tax advisors with respect to the income tax consequences of the disposition of their Shares under the Offer.

The terms and conditions of the Offer are described in the offer to purchase and issuer bid circular dated June 24, 2022, letter of transmittal, notice of guaranteed delivery, and notice of variation dated July 25, 2022, copies of which were filed and are available without charge on SEDAR at [www.sedar.com](http://www.sedar.com).

**5.2 Disclosure for Restructuring Transactions**

Not applicable.

**Item 6. Reliance on subsection 7.1(2) of National Instrument 51-102**

Not applicable.

**Item 7. Omitted Information**

None.

**Item 8. Executive Officers**

The following is the name and business telephone number of an executive officer of the Company who is knowledgeable about the material change and this material change report.

René Burgos Díaz  
Chief Financial Officer  
Tel: +57 601 5117765

**Item 9. Date of Report**

August 15, 2022

***Forward-Looking Statements***

*This material change report contains forward-looking information or forward-looking statements (collectively, “forward-looking statements”) within the meaning of applicable securities laws, including statements as to the timing of payment for the Shares taken up under the Offer, the number Shares issued and outstanding after the cancellation of the Shares taken up and paid for by the Company, the estimated deemed dividend triggered on the repurchase of each Share, the estimated “specified amount” in respect of each Share and the return of Shares not purchased under the Offer. Any such forward-looking statements are based on information currently available to us and are based on assumptions and analyses made by us in light of our experience and our perception of historical trends and current market and other conditions. Readers should also refer to the risk factors set forth in the Company’s annual information form and management’s discussion and analysis for the year ended December 31, 2021, each dated March 2, 2022, and the Company’s management’s discussion and analysis for the three and six months ended June 30, 2022, available on SEDAR at [www.sedar.com](http://www.sedar.com). There can be no assurance that the plans, intentions or expectations upon which forward-looking statements are based will be realized. Actual results may differ, and the difference may be material and adverse to the Company and its shareholders.*