Form 51–102F3
MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

Frontera Energy Corporation ("**Frontera**" or the "**Company**")
2000, 222 – 3rd Avenue SW
Calgary, Alberta T2P 0B4

Item 2. Date of Material Change

December 16, 2024

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 December 16, 2024, and subsequently filed the news release on the Company's SEDAR+ profile at www.sedarplus.ca.

Item 4. Summary of Material Change

On December 16, 2024, Frontera announced that its board of directors (the "**Board**") approved the commencement of a substantial issuer bid (the "**Offer**") pursuant to which the Company will offer to purchase from its shareholders ("**Shareholders**") for cancellation up to 3,500,000 common shares of the Company (the "**Shares**") at a purchase price of $12.00 per Share (the "**Purchase Price**"), for an aggregate purchase price not exceeding $42,000,000 (equivalent to US$30,000,000).

The Offer commenced on December 19, 2024, and will remain open for acceptance until 5:00 p.m. (Eastern time) on January 24, 2025, unless extended, varied or withdrawn by the Company.

Item 5. Full Description of Material Change

5.1 Full Description of Material Change

On December 16, 2024, Frontera announced that its Board approved the Offer pursuant to which the Company will offer to purchase from Shareholders for cancellation up to 3,500,000 Shares at the Purchase Price, for an aggregate purchase price not exceeding $42,000,000 (equivalent to US$30,000,000).

The Offer commenced on December 19, 2024, and will remain open for acceptance until 5:00 p.m. (Eastern time) on January 24, 2025, unless extended, varied or withdrawn by the Company. Pursuant to the Offer, tendering Shareholders will have the right to elect to tender a specified number of Shares.

The Company plans to fund the Share repurchases through available cash on hand. The

Offer is denominated in Canadian dollars, and Shareholders will have the option to elect to receive payment in either Canadian or United States dollars.

As part of its efforts to maximize value for Shareholders, the Company has identified the Offer as an attractive and efficient means to return capital to Shareholders. Upon successful completion of the Offer, the Company will have returned over US$83 million of capital to its shareholders this year, including US$30 million from the substantial issuer bid announced in September 2024 and completed in October 2024, US$15.2 million in declared dividends, and US$7.8 million of share repurchases through the Company's normal course issuer bid program.

On November 5, 2024, the last full trading day prior to the date of announcement of the Company's intention to make the Offer, the closing price of the Shares on the TSX was CAD$7.71 per Share.

Assuming full and pro-rata shareholder participation, the Offer represents a CAD$0.52 per Share distribution equivalent to a 6.7% yield on the Company's stock price prior to the announcement of the Offer in the Company's third quarter 2024 results. Including all dividends declared this year, the year-to-date distribution total to shareholders would be CAD$1.27 per Share (equivalent to a 16.5% yield). The Board shall continue to consider future investor initiatives in the remainder of 2024 and beyond, including potential additional dividends, share buybacks, bond buybacks or other initiatives, based on the overall results of the business, oil prices and the Company's strategic goals.

Frontera will pay the Purchase Price of $12.00 per Share for each validly deposited Share taken up by the Company up to a maximum of 3,500,000 Shares, for an aggregate purchase price not exceeding $42,000,000 (equivalent to US$30,000,000).

Each Shareholder who has properly deposited Shares and who has not withdrawn such Shares will receive the Purchase Price, payable in cash (subject to applicable withholding taxes, if any), for all Shares taken up by the Company upon the terms and subject to the conditions of the Offer.

If more than 3,500,000 Shares are tendered for purchase, the Company will purchase the Shares on a pro rata basis. In that case, Shares that are tendered but not purchased will be returned to Shareholders.

Pursuant to the terms and subject to the conditions of the Offer, Shareholders wishing to tender to the Offer may do so by making an election to tender a specified number of Shares (representing, in the Shareholders' discretion, all or a portion of the Shareholders' Shares) at the Purchase Price.

As of December 11, 2024, the Company had 80,793,387 issued and outstanding Shares. The Offer will be for up to approximately 4.33% of the total number of issued and outstanding Shares on a non-diluted basis.

The Offer is optional for all Shareholders, who are free to choose whether to participate, and if they participate how many Shares to tender. Any Shareholders who do not deposit their Shares (or whose Shares are not purchased under the Offer) will realize a proportionate increase in their equity interest in the Company to the extent that Shares are purchased under the Offer.

The terms and conditions of the Offer, including instructions for tendering Shares, are included in the formal offer to purchase and issuer bid circular, letter of transmittal, notice of guaranteed delivery and other related documents (the "**Offer Documents**"). On or about December 19, 2024, the Offer Documents were sent to registered Shareholders, filed with applicable Canadian securities regulatory authorities, and made available without charge on SEDAR+ at www.sedarplus.ca.

The Offer is not conditional upon any minimum number of Shares being tendered. However, the Offer is subject to other conditions described in the Offer Documents. Frontera reserves the right, subject to applicable laws, to withdraw, extend or amend the Offer if certain events occur at any time prior to the payment for the tendered Shares.

The Catalyst Capital Group Inc. ("**Catalyst**") and Gramercy Funds Management LLC ("**Gramercy**" and, together with Catalyst, the "**Principal Shareholders**") are the beneficial owners of, or exercise control or direction over, 33,262,348 and 10,808,311 Shares, respectively, which in the aggregate represent approximately 54.55% of all issued and outstanding Shares. Each of Catalyst and Gramercy has advised the Company that their current intention is to deposit Shares pursuant to the Offer, however, their decision to participate in the Offer is subject to market conditions and other factors. Each of Catalyst and Gramercy reserves the right, without notice and for any or no reason, to change its investment decision at any time prior to the Expiration Date. In addition, certain officers of the Company have expressed an intention to tender 244,568 Shares to the Offer.

The Company has engaged Computershare Investor Services Inc. to act as depositary for the Offer and BMO Nesbitt Burns Inc. to act as financial advisor and dealer manager. Shareholders who have questions regarding the Offer or require any assistance tendering Shares may contact Computershare Investor Services Inc. by telephone at 1-800-564-6253 (North America) or 514-982-7555 (International), or by e-mail at corporateactions@computershare.com, or BMO Nesbitt Burns Inc. by e-mail at FronteraSIB@bmo.com.

The solicitation and the offer to buy Shares will only be made pursuant to the Offer Documents to be filed with the applicable Canadian securities regulatory authorities. The Offer will not be made to, nor will tenders be accepted from or on behalf of, holders of Shares in any jurisdiction in which the making or acceptance of offers to sell Shares would not be in compliance with the laws of that jurisdiction. None of Frontera, its Board or the depositary makes any recommendation to Shareholders as to whether to tender or refrain from tendering any or all of their Shares pursuant to the Offer. Shareholders are strongly urged to read the Offer Documents carefully and to consult with their financial, tax and legal advisors prior to making any decision with respect to the Offer.

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

December 27, 2024

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 participation of the Principal Shareholders and certain officers, the number of Shares to be purchased, the amount of capital returned to Shareholders under the Offer and the consideration of future investor initiatives in 2024 and beyond. Any such forward-looking statements are based on information currently available to the Company and are based on assumptions and analyses made by the Company in light of its experience and its 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, 2023, each dated March 7, 2024, available on SEDAR+ at www.sedarplus.ca. 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.