

This document is important and requires your immediate attention. If you are in any doubt as to how to deal with it, you should consult your investment dealer, stock broker, bank manager, lawyer or other professional advisor.

This document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. The Offer (as defined below) is not being made to Shareholders (as defined below) in any jurisdiction in which the making or acceptance of the Offer would not be in compliance with the laws of such jurisdiction. This Offer has not been approved by any securities regulatory authority nor has any securities regulatory authority passed upon the fairness or merits of the Offer or upon the adequacy of the information contained in this document. Any representation to the contrary is an offense.

For U.S. Shareholders: *The Offer is made by a Canadian issuer, for its own Shares (as defined below), and while the Offer is subject to the disclosure requirements of the province of Alberta and the other provinces of Canada, U.S. Shareholders should be aware that these disclosure requirements are different from those of the United States. The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards and are subject to Canadian auditing and auditor independence standards, and thus are not comparable in all respects to financial statements of U.S. companies. The enforcement by U.S. Shareholders of civil liabilities under U.S. federal and state securities laws may be adversely affected by the fact that the Company is incorporated under the BCBCA (as defined below) and located in Canada, and that certain of its directors and officers are residents of Canada or other countries other than the United States.*

December 19, 2024



FRONTERA ENERGY CORPORATION

OFFER TO PURCHASE FOR CASH UP TO \$42,000,000 IN VALUE OF ITS COMMON SHARES AT A PURCHASE PRICE OF \$12.00 PER COMMON SHARE

Frontera Energy Corporation (the “**Company**”) hereby offers to its shareholders (“**Shareholders**”), upon the terms and subject to the conditions described herein, to purchase 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). Only Shares will be taken up and purchased for cancellation pursuant to the Offer (as defined below).

The offer by the Company is subject to the terms and conditions set forth in this offer to purchase (the “**Offer to Purchase**”), the accompanying issuer bid circular (the “**Circular**”), related letter of transmittal (the “**Letter of Transmittal**”) and notice of guaranteed delivery (the “**Notice of Guaranteed Delivery**”), and together with the Offer to Purchase, Circular and Letter of Transmittal, each as amended or supplemented from time to time, the “**Offer**”).

The Offer commences on the date hereof and expires at 5:00 p.m. (Eastern time) on January 24, 2025 unless withdrawn, extended or varied by the Company (the “Expiration Date”).

The Offer is not conditional upon any minimum number of Shares being properly deposited under the Offer. The Offer is, however, subject to other conditions and the Company reserves the right, subject to applicable laws, to withdraw, extend or vary the Offer if, at any time prior to the payment of any Shares, certain events occur. See Section 7 of the Offer to Purchase, “Certain Conditions of the Offer”.

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 purchased upon the terms and subject to the conditions of the Offer, including the provisions relating to proration described herein.

The Purchase Price will be payable in Canadian dollars; however, Shareholders may elect to receive the Purchase Price in United States dollars as described in the Offer. The risk of any fluctuation in exchange rates, including risks relating to the particular date and time at which funds are converted, will be borne solely by the Shareholder.

If the aggregate number of Shares validly tendered for purchase under the Offer is less than or equal to 3,500,000 Shares, the Company will, upon the terms and subject to the conditions of the Offer, purchase all Shares so deposited.

If more than 3,500,000 Shares are tendered for purchase under the Offer, the tendered Shares will be purchased on a pro rata basis according to the number of Shares tendered (or deemed to be tendered) by the tendering Shareholders (with adjustments to avoid the purchase of fractional Shares, rounding down to the nearest whole number of Shares).

All payments to Shareholders will be subject to a deduction of applicable withholding taxes. See Section 3 of the Offer to Purchase, "Number of Shares and Proration".

Certificates for Shares not purchased under the Offer (including Shares not purchased because of proration), or properly withdrawn before the Expiration Date, will be returned (in the case of certificates representing Shares all of which are not purchased) or replaced with new certificates or DRS advices representing the balance of Shares not purchased (in the case of certificates representing Shares of which less than all are purchased), promptly after the Expiration Date, termination of the Offer, or the date of withdrawal of the Shares, as applicable, without expense to the Shareholder. In the case of Shares tendered through book-entry transfer, such Shares will be credited to the appropriate account, without expense to the Shareholder.

As of December 11, 2024, there were 80,793,387 Shares issued and outstanding. Accordingly, a maximum of 3,500,000 Shares, or approximately 4.33% of the total number of issued and outstanding Shares will be taken up and paid for under the Offer.

The Catalyst Capital Group Inc. ("**Catalyst**") and Gramercy Funds Management LLC ("**Gramercy**" and, collectively 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, Orlando Cabrales Segovia, Chief Executive Officer and Director, René Roberto Burgos Diaz, Chief Financial Officer, Ivan Arevalo, Corporate Vice President, Operations, Alejandra Bonilla, General Counsel & Secretary, Renata Campagnaro, Corporate Vice President, Marketing, Logistics & Business Sustainability, Victor Vega, Corporate Vice President, Field Development, Reservoir Management & Exploration (the "**Depositing D&Os**") have advised the Company that they intend to deposit an aggregate of 244,568 Shares under the Offer (representing approximately 0.30% of all issued and outstanding Shares).

The Shares are listed and posted for trading on the Toronto Stock Exchange ("**TSX**") under the symbol "FEC". 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 \$7.71 per Share.

In accordance with Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"), the Company has determined that: (i) a liquid market exists for the Shares, and (ii) it is reasonable to conclude that, following the completion of the Offer in accordance with its terms, there will be a market for holders of Shares who do not tender to the Offer that is not materially less liquid than the market that existed at the time of the making of the Offer. In addition, while not required under securities laws, the board of directors of the Company (the "**Board of Directors**" or the "**Board**") has obtained, on a voluntary basis, an opinion from BMO Nesbitt Burns Inc. ("**BMO Capital Markets**"), which is also serving as the Canadian dealer manager for the Offer (the "**Dealer Manager**"), that as at December 12, 2024, based on and subject to the qualifications, assumptions and limitations set out therein, (i) a liquid market for the Shares exists and (ii) it is reasonable to conclude that, following the completion of the Offer, there will be a market for holders of Shares who do not tender to the Offer that is not materially less liquid than the market that existed at the time of the making of the Offer (the "**Liquidity Opinion**"). A copy of the Liquidity Opinion is attached hereto as Schedule A. The summary of the Liquidity Opinion herein is qualified in its entirety by reference to the full text of the Liquidity Opinion. The Board of Directors urges Shareholders to read the Liquidity Opinion in its entirety. The

Liquidity Opinion is not a recommendation as to whether or not Shareholders should tender or refrain from tendering any or all of such Shareholder's Shares pursuant to the Offer.

The Board of Directors has approved the Offer. However, none of the Company, its Board of Directors, the Dealer Manager or the Depository (as defined below) makes any recommendation to any Shareholder as to whether to deposit or refrain from depositing Shares under the Offer. Shareholders are urged to carefully evaluate all information in the Offer, consult their own financial, legal, investment and tax advisors and make their own decisions as to whether to deposit Shares under the Offer, and, if so, how many Shares to deposit. 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, the Depositing D&Os are the only directors and officers that have advised the Company that they intend to deposit Shares under the Offer, and the Depositing D&Os have informed the Company that they intend to deposit, in the aggregate, 244,568 Shares under the Offer. See Section 3 "Purpose and Effect of the Offer", Section 12 "Ownership of the Company's Securities", and Section 13 "Arrangements Concerning Securities of the Company" of the Circular.

Shareholders should carefully consider the income tax consequences of having Shares being purchased under the Offer. See Section 16 of the Circular, "Income Tax Considerations".

Shareholders wishing to deposit all or any portion of their Shares pursuant to the Offer must comply in all respects with the delivery procedures described herein. See Section 5 of the Offer to Purchase, "Procedure for Depositing Shares".

On November 16, 2023, the Company announced the renewal of its normal course issuer bid to repurchase for cancellation up to 3,949,454 of its Shares over the 12-month period commencing on November 21, 2023 and ending November 20, 2024 (the "**2023 NCIB**"). The Company repurchased 1,552,100 Shares at a volume weighted average price of \$8.21 per Share under the 2023 NCIB. See Section 9 of the Circular, "Previous Purchases of Shares".

NO PERSON HAS BEEN AUTHORIZED TO MAKE ANY RECOMMENDATION ON BEHALF OF THE COMPANY AS TO WHETHER YOU SHOULD DEPOSIT OR REFRAIN FROM DEPOSITING SHARES PURSUANT TO THE OFFER. NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE OFFER OTHER THAN AS SET FORTH IN THIS OFFER. IF GIVEN OR MADE, ANY SUCH RECOMMENDATION OR ANY SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY.

No Canadian, U.S. or foreign securities commission has approved or disapproved of this Offer or passed upon the merits or fairness of this Offer or passed upon the adequacy or accuracy of the information contained in this Offer. Any representation to the contrary is a criminal offense.

Any questions or requests for information regarding the Offer should be directed to Computershare Investor Services Inc. (the "**Depository**") or the Dealer Manager at the addresses and telephone numbers of the Depository and the Dealer Manager set forth below.

The Offer will expire at 5:00 p.m. (Eastern time) on January 24, 2025, unless extended or withdrawn.
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The Depository for the Offer is:

Computershare Investor Services Inc.

100 University Avenue
8th Floor
Toronto, ON M5J 2Y1
Attention: Corporate Actions

The Dealer Manager for the Offer is:

BMO Nesbitt Burns Inc.

First Canadian Place
100 King St. W.
Toronto, Ontario
M5X 1H3
Email: FronteraSIB@bmo.com

Telephone (outside North America): 1 (514) 982-7555
Toll Free (within North America): 1 (800) 564-6253
Email: corporateactions@computershare.com

ADDITIONAL INFORMATION

The Company is subject to the continuous disclosure requirements of applicable Canadian securities legislation and the rules of the TSX, and in accordance therewith, files periodic reports and other information with Canadian provincial securities regulators and the TSX. Shareholders may access the Company's disclosure documents and any report, statements or other information that the Company files with the securities regulatory authorities in each of the provinces of Canada through the Internet on the Canadian System for Electronic Document Analysis and Retrieval + ("**SEDAR+**") and which may be accessed at www.sedarplus.ca. Copies of these documents may also be obtained upon written or oral request without charge to the Company at the Company's head office at Suite 2000, 222 - 3rd Avenue SW, Calgary, Alberta, Canada, T2P 0B4 or by email at generalcounsel@fronteraenergy.ca.

FORWARD-LOOKING STATEMENTS

Certain statements in this Offer about the Offer, including the terms and conditions of the Offer, the aggregate amount of Shares to be purchased for cancellation under the Offer, the expected Expiration Date of the Offer, as well as the Company's current and future plans, expectations and intentions (including in connection with any potential strategic transaction), results, levels of activity, performance, goals or achievements or any other future events or developments constitute "forward-looking information" within the meaning of applicable Canadian securities laws (collectively, "**forward-looking statements**"). The words "may", "will", "would", "should", "could", "expects", "forecasts", "plans", "intends", "trends", "indications", "anticipates", "believes", "estimates", "outlook", "predicts", "projects", "likely" or "potential" or the negative or other variations of these words or other comparable words or phrases, are intended to identify forward-looking statements.

Forward-looking statements, by their very nature, involve inherent risks and uncertainties and are based on a number of assumptions, both general and specific, made by the Company in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors that the Company believes are appropriate and reasonable in the circumstances. The Company cautions that there can be no assurance that such assumptions will prove to be correct or that the Company's expectations regarding this Offer or the Company's business guidance, objectives, plans and strategic priorities will be achieved. The current economic conditions, including the current uncertainty resulting from the continuing Russia-Ukraine conflict, the continuing conflict in the Middle East and their broader repercussions on the global economy, may render such assumptions, although believed reasonable at the time they were made, subject to greater uncertainty.

Many factors could cause the Company's expectations regarding this Offer or the Company's actual results, level of activity, performance or achievements or future events or developments to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, the following factors, which are discussed in greater detail under the heading "Risk Factors" of the Company's annual information form dated March 7, 2024, in respect of the year ended December 31, 2023: the trading price of the Shares may be subject to large fluctuations; investor sentiment about the oil and gas industry may shift negatively; the Company's business, operations, and financial condition could decline due to negative public opinion or sentiment towards the Company's reputation with stakeholders, special interest groups, political leadership, the media, and other entities; the impact of the Russia-Ukraine conflict; the impact of the Israel-Hamas conflict, increases in market volatility in recent years; no assurance that the Company will be able to obtain adequate financing or lines of credit in the future, refinance or replace its existing debt, or that such financing will be on terms advantageous to the Company; restrictions on the Company's business imposed by its material debt facilities could limit the Company's ability to seize attractive opportunities for its business or otherwise engage in activities that may be in the Company's long-term best interests; any failure of the Company to comply with its obligations to pay material debt facilities; the incurrence of increased debt; exposure to third party credit risk through its contractual arrangements with its current or future joint venture partners, service providers and other parties; potential ratings downgrades; any failure to maintain adequate control over financial processes and reporting; any failure to retain and attract key personnel; any adverse impact to the management and operations of the Company stemming from changes in management; any inability to appropriately manage conflicts of interest; no assurance that the Company will pay dividends in the future; the significant influence of the Principal Shareholders; unanticipated operational problems, expenses and liabilities as part of the Company's initiative to streamline operations; challenges in the execution of the Company's restructuring plan; the difficulty or impossibility of enforcing judgements granted by a court in Canada against the assets of the Company or the directors and officers of the Company residing outside of Canada; the inability to effectively manage growth of the Company; the risk that actual results may differ materially from management estimates and assumptions; potential breaches of confidentiality; the risks inherent in oil and natural gas exploration; potential declines to actual or projected oil production levels; failure to establish and develop oil reserves; the adoption of new royalty regimes, or the modification of existing regimes; health, safety, and environmental risk in the oil and gas industry; any failure to carry proper insurance coverage; any future litigation against the Company;

contractual contingent obligations; failure to prevent any cyber-attacks or data security incidents; failure to appropriately estimate reserves and resources; failure to satisfy the minimum investments required by its exploration and production agreements; disruptions in transportation and increases in distribution costs; diversion of funds to satisfy costs associated with the decommissioning of oil wells; failure to obtain, or delays in obtaining appropriate permits and licenses; any deterioration in relationships with employees or the occurrence of significant labour unrest; failure to comply with environmental regulations and increased costs related to compliance thereto; the changing sentiment regarding climate change; potential natural disasters which interrupt the Company's operations; the impact of exploration, production and development operations in sensitive eco-regions; failure to extend exploration and production contracts; reliance on foreign subsidiaries; failure to establish, or maintain, important strategic relationships; failure to manage conflicts of interest with joint venture partners; health hazards and personal safety incidents; unforeseen title claims; fluctuations in foreign currency exchange rates; failure to prevent fraud and ensure compliance with anticorruption and anti-bribery legislation; failure to prevent the misappropriation of the Company's assets, manipulation of the Company's assets or information, improper payments, or engaging in money laundering or the financing of terrorism; failure to maintain the efficacy of the Company's technology; the Company's competition in the oil and gas industry; economic and political developments; social risks including protests or blockades affecting the Company's operations; dependence on third party service providers; failure to prevent or mitigate security incidents and guerilla activity; any changes in tax laws and unanticipated tax liabilities; the possibility of implementation of a restrictive exchange control policy; impact of any amendments to current laws, regulations and permits; the geographic concentration of the Company's producing properties and leases in Colombia; any sanctions imposed on Colombia by the United States government; and any seizure or expropriation of the Company's assets. These factors are not intended to represent a complete list of the factors that could affect the Company; however, these factors should be considered carefully. Other factors could also cause the Company's expectations regarding the Offer to differ materially from those expressed or implied by the forward-looking statements, including with respect to the Company's ability to complete the Offer on the timelines anticipated, the Company's expectation that any purchases of Shares pursuant to the Offer will be funded with available cash on hand, the Company continuing to have sufficient financial resources and working capital following the completion of the Offer, the Offer not precluding the Company from pursuing future business opportunities, the market for the Shares not being materially less liquid after the completion of the Offer than the market that exists at the time of the Offer, the satisfaction or waiver of the conditions to the Offer, the extent to which Shareholders determine to deposit their Shares to the Offer, and the Company's status as a reporting issuer and the continued listing of the Shares on the TSX. These factors are not intended to represent a complete list of the factors that could affect the Company and the Offer; however, these factors should be considered carefully.

The purpose of the forward-looking statements is to provide the reader with a description of management's expectations and may not be appropriate for other purposes; readers should not place undue reliance on forward-looking statements made herein. Furthermore, unless otherwise stated, the forward-looking statements contained in this Offer are made as of the date of this Offer, and the Company has no intention and undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. The forward-looking statements contained in this Offer are expressly qualified by this cautionary statement. Further details and descriptions of these and other factors are disclosed in the Offer and in the Company's public filings with Canadian provincial securities regulatory authorities, which may be accessed on the SEDAR+ website at www.sedarplus.ca.

NOTICE TO HOLDERS OF OPTIONS, RSUS, AND DSUS

The Offer is made only for Shares and is not made for any other securities or other rights to acquire Shares, such as stock options ("**Options**"), restricted share units ("**RSUs**"), or deferred share units ("**DSUs**") of the Company. Any holder of such securities who wishes to accept the Offer must, to the extent permitted by the terms thereof and applicable law, fully exercise, convert or exchange, or make arrangement for settlement of, as applicable, the securities or other rights to acquire Shares in order to deposit the resulting Shares in accordance with the terms and conditions of the Offer. Any such exercise, conversion, settlement, or exchange must occur sufficiently in advance of the Expiration Date to assure holders of securities or other rights to acquire Shares that they will have sufficient time to comply with the procedures for depositing Shares under the Offer. Any such exercise, conversion, settlement, or exchange will be irrevocable, including where the Shares tendered are subject to proration or otherwise are not taken up. The tax consequences to holders of securities or other rights to acquire Shares in respect of any such exercise, conversion, settlement or exchange are not described herein and all such holders are advised to contact their own tax advisors for tax advice having regard to their own particular circumstances.

INFORMATION FOR UNITED STATES SHAREHOLDERS

The Offer is made by the Company, a Canadian issuer, for its own Shares, and while the Offer is subject to the disclosure requirements of the province of Alberta and the other provinces of Canada, U.S. Shareholders should be

aware that these disclosure requirements are different from those of the United States. Financial statements of the Company have been prepared in accordance with International Financial Reporting Standards and are subject to Canadian auditing and auditor independence standards, and thus are not comparable in all respects to financial statements of United States companies.

The enforcement by Shareholders of civil liabilities under U.S. federal and state securities laws may be adversely affected by the fact that the Company is incorporated under the laws of British Columbia, Canada, substantially all of the Company's assets are located outside of the United States, and certain of its directors and officers are residents of Canada or other countries other than the United States. In addition, U.S. Shareholders should not assume that courts in Canada or in the countries where such directors and officers reside or in which the Company's assets or the assets of such persons are located (i) would enforce judgments of U.S. courts obtained in actions against the Company or such persons predicated upon civil liability provisions of U.S. federal and state securities laws as may be applicable, or (ii) would enforce, in original actions, any asserted liabilities against the Company, its subsidiaries or such persons predicated upon such laws. Enforcement of any asserted civil liabilities under U.S. securities laws may be further adversely affected by the fact that some or all of the experts named in the Offer may be residents of Canada.

U.S. Holders (as defined below) of the Shares should be aware that the acceptance of the Offer will have certain tax consequences under United States and Canadian law. See Section 16 of the Circular, "Income Tax Considerations".

CURRENCY

All dollar references in the Offer to Purchase and the Circular are expressed in Canadian dollars, except where otherwise indicated. References to "\$" are to Canadian dollars and references to US\$ are to United States dollars.

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SUMMARY

This summary is provided for your convenience. It highlights certain material information relating to the Offer, but you should understand that it does not describe all of the details of the Offer to the same extent as described elsewhere herein. The Company therefore urges you to read the entire Offer to Purchase, Circular, Letter of Transmittal and Notice of Guaranteed Delivery because they each contain important information. References have been included to certain sections of the Offer where you will find a more complete discussion.

Expiration Date	The Offer expires at 5:00 p.m. (Eastern time) on January 24, 2025 or at such later time and date to which the Offer may be extended or varied by the Company. See Section 1 of the Offer to Purchase, "The Offer".
Payment Date	The Company will take up the Shares to be purchased pursuant to the Offer as soon as reasonably practicable after the Expiration Date and in any event not later than 10 days after the Expiration Date, provided that the conditions of the Offer (as the same may be varied) have been satisfied or waived. Any Shares taken up will be paid for as soon as reasonably practicable, but in any event no later than three business days after they are taken up in accordance with applicable Canadian securities laws. See Section 9 of the Offer to Purchase, "Taking Up and Payment for Deposited Shares".
Currency of Payment	The Purchase Price will be denominated in Canadian dollars and payments of amounts owing to Shareholders whose Shares are taken up will be made in Canadian dollars. However, Shareholders may elect to receive the Purchase Price in United States dollars, as described in the Offer. In such case, the risk of any fluctuation in exchange rates, including risks relating to the particular date and time at which funds are converted, will be borne solely by the Shareholder. See Section 2 of the Offer to Purchase, "Purchase Price".
Purchase Price	<p>\$12.00 per Share.</p> <p>The Company will return all Shares not purchased under the Offer, including Shares not purchased as a result of proration or invalid tender, promptly after the Expiration Date. See Section 2 of the Offer to Purchase, "Purchase Price".</p>
Number of Shares to be Purchased	The Company will purchase Shares under the Offer up to a maximum of 3,500,000 Shares. See Section 3 of the Offer to Purchase, "Number of Shares and Proration".
Proration	<p>If the aggregate number of Shares validly tendered for purchase under the Offer is less than or equal to 3,500,000 Shares, the Company will, upon the terms and subject to the conditions of the Offer, purchase all Shares so deposited.</p> <p>If more than 3,500,000 Shares are tendered for purchase, the tendered Shares will be purchased on a pro rata basis according to the number of Shares tendered (or deemed to be tendered) by the tendering Shareholders (with adjustments to avoid the purchase of fractional Shares, rounding down to the nearest whole number of Shares). See Section 3 of the Offer to Purchase, "Number of Shares and Proration".</p>
Delivery Procedure	<p>Each Shareholder wishing to deposit Shares pursuant to the Offer must:</p> <ul style="list-style-type: none">• provide certificates for all deposited Shares in proper form for transfer, together with a properly completed and duly executed Letter of Transmittal, in accordance with the instructions in such Letter of Transmittal, together with all other documents required

by the Letter of Transmittal and must be delivered to, and received by, the Depository at one of the addresses listed in the Letter of Transmittal by the Expiration Date;

- follow the guaranteed delivery procedure described in Section 5 of the Offer to Purchase, "Procedure for Depositing Shares"; or
- transfer Shares pursuant to a book-entry transfer, provided that a confirmation of the book-entry transfer (a "**Book-Entry Confirmation**") of such Shares through the book-entry system ("**CDSX**") administered by CDS Clearing and Depository Services Inc. ("**CDS**") (in the case of Shares held in CDS) or an Agent's Message (in the case of Shares held through the Depository Trust Company ("**DTC**")) is received by the Depository at its office in Toronto, Ontario prior to the Expiration Date (as such terms are defined herein).

A Shareholder who wishes to deposit Shares under the Offer and who holds such Shares through an investment dealer, stockbroker, bank, trust company or other nominee should immediately contact such nominee in order to take the necessary steps to be able to deposit such Shares under the Offer. See Section 5 of the Offer to Purchase, "Procedure for Depositing Shares".

Brokerage Commissions

Shareholders depositing Shares will not be obligated to pay brokerage fees or commissions to the Company or to the Depository. However, Shareholders are cautioned to consult with their own brokers or other intermediaries to determine whether any fees or commissions are payable to their own brokers or other intermediaries in connection with a deposit of Shares pursuant to the Offer. See Section 9 of the Offer to Purchase, "Taking Up and Payment for Deposited Shares".

Conditions to the Offer

The obligation of the Company to take up and pay for any Shares deposited under the Offer is subject to the conditions described in Section 7 of the Offer to Purchase, "Certain Conditions of the Offer".

Withdrawal Rights

Shares deposited pursuant to the Offer may be withdrawn by the Shareholder (a) at any time if the Shares have not been taken up by the Company before actual receipt by the Depository of a notice of withdrawal in respect of such Shares, (b) at any time before the expiration of ten (10) days from the date that a notice of change or variation (unless (i) the Company has taken up the Shares deposited pursuant to the Offer before the date of the notice of change or variation, (ii) the variation consists solely of an increase in the consideration offered for those Shares pursuant to the Offer where the time for deposit is not extended for greater than ten (10) days, or (iii) the variation consists solely of the waiver of a condition of the Offer) has been given in accordance with Section 8 of the Offer to Purchase, "Extension and Variation of the Offer", or (c) at any time if the Shares have been taken up but not paid for by the Company within three business days of being taken up.

Position of the Company and its Directors

Neither the Company nor its Board of Directors makes any recommendation to any Shareholder as to whether to deposit or refrain from depositing Shares. Shareholders are urged to carefully evaluate all information in the Offer, consult their own investment and tax advisors and make their own decisions whether to deposit Shares under the Offer. See Section 1 of the Offer to Purchase, "The Offer".

Interest of Principal Shareholders

Catalyst and Gramercy are the beneficial owners of, or exercise control or direction over, 33,262,348 and 10,808,311 Shares, respectively. 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.

Directors & Officers

The Depositing D&Os are the only directors and officers that have advised the Company that they intend to deposit Shares under the Offer, and the Depositing D&Os have informed the Company that they intend to deposit 244,568 Shares under the Offer (representing approximately 0.30% of all issued and outstanding Shares). See Section 12 “Ownership of the Company’s Securities” and Section 13 “Arrangements Concerning Securities of the Company” of the Circular.

Purpose of the Offer

As part of its efforts to maximize shareholder value, the Company has identified the Offer as an attractive and efficient means to return capital to its Shareholders. Upon successful completion of the Offer, the Company will have returned over US\$83 million of capital to our shareholders this year, including US\$15.2 million in declared dividends and US\$7.8 million of Share repurchases through the 2023 NCIB.

Assuming 100% uptake by all Shareholders, this transaction would represent a \$0.52 distribution equivalent to a 6.7% yield on the Company’s stock price prior to the announcement of the Company’s third quarter 2024 results. Including dividends, the year-to-date total would be \$1.27 or a 16.5% yield. The Board shall continue to consider future investor initiatives in 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. See Section 3 of the Circular, “Purpose and Effect of the Offer”.

Tax Considerations

Shareholders should carefully consider the income tax consequences of having Shares being purchased under the Offer. See Section 16 of the Circular, “Income Tax Considerations”.

Trading Information

On November 5, 2024, the last full trading day prior to the public announcement of the Company’s intention to make the Offer, the closing price of the Shares on the TSX was \$7.71 per Share. During the 6-month period ended December 11, 2024, the closing prices of the Shares on the TSX has ranged from a low of \$7.25 to a high of \$8.81. See Section 7 of the Circular, “Price Range of Shares”.

Further Information

For further information regarding the Offer, Shareholders may contact the Depositary, the Dealer Manager or consult their own brokers. The address and telephone numbers and email of the Depositary and Dealer Manager are set forth on page iii and the back cover of the Offer.

NO PERSON HAS BEEN AUTHORIZED TO MAKE ANY RECOMMENDATION ON BEHALF OF THE COMPANY AS TO WHETHER SHAREHOLDERS SHOULD DEPOSIT OR REFRAIN FROM DEPOSITING SHARES PURSUANT TO THE OFFER. NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE OFFER OTHER THAN AS SET FORTH IN THE OFFER. IF GIVEN OR MADE, ANY SUCH RECOMMENDATION OR ANY SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY.

OFFER TO PURCHASE

To the holders of Shares of the Company:

1. THE OFFER

The Company hereby offers, upon the terms and subject to the conditions described in this Offer to Purchase, the accompanying Circular, the related Letter of Transmittal, and the Notice of Guaranteed Delivery, to purchase for cancellation a maximum of 3,500,000 Shares at a price of \$12.00 per Share.

The Offer will commence on December 19, 2024, the date of this Offer to Purchase, and expire at 5:00 p.m. (Eastern time) on January 24, 2025, or at such later time and date to which the Offer may be extended by the Company.

THE OFFER IS NOT CONDITIONAL UPON ANY MINIMUM NUMBER OF SHARES BEING DEPOSITED. THE OFFER IS, HOWEVER, SUBJECT TO CERTAIN OTHER CONDITIONS. SEE SECTION 7 OF THIS OFFER TO PURCHASE, "CERTAIN CONDITIONS OF THE OFFER".

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 purchased upon the terms and subject to the conditions of the Offer, including the provisions relating to proration described herein.

None of the Company, its Board of Directors, the Dealer Manager or the Depositary makes any recommendation to any Shareholder as to whether to deposit or refrain from depositing Shares. Shareholders must make their own decisions as to whether to deposit Shares under the Offer. **Shareholders should carefully consider the income tax consequences of having Shares being purchased under the Offer. See Section 16 of the Circular, "Income Tax Considerations".**

The accompanying Circular and Letter of Transmittal contain important information and should be read carefully before making a decision with respect to the Offer.

2. PURCHASE PRICE

Purchase Price

All Shares purchased by the Company pursuant to the Offer will be purchased at the Purchase Price. All Shares will be subject to adjustment to avoid the purchase of fractional Shares (rounding down to the nearest whole number of Shares). The Company will return all Shares not purchased under the Offer, including Shares not purchased because of proration or invalid tenders, or properly withdrawn before the Expiration Date.

As promptly as practicable following the Expiration Date, the Company will, upon the terms and subject to the conditions of the Offer, determine the number of Shares tendered pursuant to the Offer. The Company will publicly announce the number of Shares tendered pursuant to the Offer, and upon the terms and subject to the conditions of the Offer (including the proration provisions described herein), all Shareholders who have properly deposited and not withdrawn their Shares will receive \$12.00 per Share, payable in cash (but subject to applicable withholding tax), for all Shares purchased.

No alternative, conditional or contingent tenders will be accepted.

Currency

Each registered Shareholder who has tendered Shares under the Offer will receive payment of the Purchase Price for purchased Shares in Canadian dollars, unless such Shareholder exercises the applicable election in the Letter of Transmittal to use the Depositary's currency exchange services to convert payment of the Purchase Price of the tendered Shares into United States dollars as described below.

Each non-registered or beneficial Shareholder who has tendered Shares under the Offer will receive payment of the Purchase Price for purchased Shares in Canadian dollars, unless such non-registered Shareholder contacts the intermediary in whose name such Shareholder's Shares are registered and requests that the intermediary make an election on its behalf to receive the Purchase Price in United States dollars as described below.

The exchange rate that will be used to convert payments from Canadian dollars into United States dollars will be the rate available from Computershare Trust Company of Canada, in its capacity as foreign exchange service provider, on the date on which the funds are converted, which rate will be based on the prevailing market rate on such date. The risk of any fluctuations in such rates, including risks relating to the particular date and time at which funds are converted, will be borne solely by the Shareholder. Computershare Trust Company of Canada will act as principal in such currency conversion transactions.

3. NUMBER OF SHARES AND PRORATION

As of December 11, 2024, there were 80,793,387 Shares issued and outstanding. Accordingly, a maximum of 3,500,000 Shares, or approximately 4.33% of the total number of issued and outstanding Shares will be taken up and paid for under the Offer. The Offer is not conditional upon any minimum number of Shares being properly deposited under the Offer.

If the aggregate number of Shares validly tendered for purchase under the Offer is less than or equal to 3,500,000 Shares, the Company will, upon the terms and subject to the conditions of the Offer, purchase all Shares so deposited.

If more than 3,500,000 Shares are tendered for purchase under the Offer, the tendered Shares will be purchased on a pro rata basis according to the number of Shares tendered (or deemed to be tendered) by the tendering Shareholders (with adjustments to avoid the purchase of fractional Shares, rounding down to the nearest whole number of Shares).

4. ANNOUNCEMENT OF RESULTS OF THE OFFER

The Company will publicly announce the results of the Offer, including the number of Shares validly tendered to the Offer and the aggregate purchase price of the Shares to be purchased for cancellation pursuant to the Offer, as promptly as reasonably practicable after the Expiration Date.

5. PROCEDURE FOR DEPOSITING SHARES

Proper Deposit of Shares

To deposit Shares pursuant to the Offer, Shareholders must (a) provide certificates for all deposited Shares in proper form for transfer, together with a properly completed and duly executed Letter of Transmittal (or a manually executed photocopy thereof), in accordance with the instructions in such Letter of Transmittal, together with all other documents required by the Letter of Transmittal and must be delivered to, and received by, the Depositary at one of the addresses listed in the Letter of Transmittal by the Expiration Date, (b) follow the guaranteed delivery procedure described below, or (c) transfer Shares pursuant to the procedures for book-entry transfer, provided that the Depositary receives at its office in Toronto, Ontario prior to the Expiration Date, (i) in the case of Shares held by CDS, a Book-Entry Confirmation of Shares into the Depositary's account established at CDS in accordance with the terms of the Offer, through CDSX, or (ii) in the case of Shares held through the DTC, a message, transmitted by DTC, to and received by the Depositary and forming a part of a DTC book-entry confirmation.

A non-registered Shareholder who desires to deposit Shares under the Offer should immediately contact such Shareholder's investment dealer, stockbroker, commercial bank, trust company or other nominee in order to take the necessary steps to be able to deposit such Shares under the Offer.

If an investment dealer, stockbroker, bank, trust company or other nominee holds Shares for a Shareholder, it is likely the nominee has established an earlier deadline for that Shareholder to act to instruct the nominee to accept the Offer on its behalf. A Shareholder should immediately contact the Shareholder's investment dealer, stockbroker, bank, trust company or other nominee to find out the nominee's deadline.

Participants of CDS should contact CDS to obtain instructions as to the method of depositing Shares under the terms of the Offer. CDS will be issuing instructions to CDS participants as to the method of depositing Shares under the terms of the Offer.

Signature Guarantees

No signature guarantee is required on the Letter of Transmittal if either (a) the Letter of Transmittal is signed by the registered holder of the Shares exactly as the name of the registered holder appears on the share certificate deposited therewith, and payment is to be made directly to such registered holder, or (b) Shares are tendered for the account of

a Canadian Schedule I chartered bank, a member of the Securities Transfer Agents Medallion Program (STAMP), a member of the Stock Exchanges Medallion Program (SEMP) or a member of the New York Stock Exchange Inc. Medallion Signature Program (MSP) (each such entity, an “**Eligible Institution**”). In all other cases, all signatures on the Letter of Transmittal must be guaranteed by an Eligible Institution. See the appropriate instructions in the Letter of Transmittal.

If a certificate representing Shares is registered in the name of a person other than the signatory to a Letter of Transmittal, or if payment is to be made, or certificates representing Shares not purchased are to be issued, to a person other than the registered holder, the certificate must be endorsed or accompanied by an appropriate stock power, in either case, signed exactly as the name of the registered holder appears on the certificate with the signature on the certificate or stock power signature guaranteed by an Eligible Institution.

Book-Entry Transfer Procedures - CDS

An account with respect to the Shares will be established at CDS for purposes of the Offer. Any financial institution that is a participant in CDS may make a book-entry delivery of the Shares through CDSX by causing CDS to transfer such Shares into the Depository’s account in accordance with CDS’s procedures for such transfer. Delivery of Shares to the Depository by means of a book-entry transfer through CDSX will constitute a valid tender under the Offer.

Shareholders may accept the Offer by following the procedures for a book-entry transfer established by CDS, provided that a Book-Entry Confirmation through CDSX is received by the Depository at its Toronto, Ontario office address set forth on the back-cover page of this Offer to Purchase and Circular prior to the Expiration Date. Shareholders, through their respective CDS participants, who utilize CDSX to accept the Offer through a book-entry transfer of their holdings into the Depository’s account with CDS shall be deemed to have completed and submitted a Letter of Transmittal and to be bound by the terms thereof and, therefore, such instructions received by the Depository are considered a valid tender in accordance with the terms of the Offer. **Delivery of documents to CDS does not constitute delivery to the Depository.**

Book-Entry Transfer Procedures - DTC

Shareholders who have an account maintained by DTC may accept the Offer by following the procedures for book-entry transfer established by DTC, provided that a book-entry confirmation, together with an Agent’s Message in respect thereof, or a properly completed and duly executed Letter of Transmittal and any other required documents, are received by the Depository at its office specified in the Letter of Transmittal prior to the Expiration Date of the Offer. If necessary, the Depository will establish an account at DTC for the purpose of the Offer. Any financial institution that is a participant in DTC’s systems may cause DTC to make a book-entry transfer of a Shareholder’s Shares into the Depository’s account in accordance with DTC’s procedures for such transfer. However, as noted above, although delivery of Shares may be effected through book-entry transfer at DTC, either a Letter of Transmittal (or a manually signed facsimile copy thereof), properly completed and duly executed, together with any required signature guarantees, or an Agent’s Message in lieu of a Letter of Transmittal, and any other required documents, must, in any case, be received by the Depository, at its office specified in the Letter of Transmittal prior to the Expiration Date. Delivery of documents to DTC in accordance with its procedures does not constitute delivery to the Depository.

Method of Delivery

The method of delivery of certificates representing Shares and all other required documents is at the option and risk of the depositing Shareholder. If certificates representing Shares are to be sent by mail, registered mail that is properly insured is recommended and it is suggested that the mailing be made sufficiently in advance of the Expiration Date to permit delivery to the Depository on or prior to such date. Delivery of a share certificate representing Shares will only be made upon actual receipt of such share certificate representing Shares by the Depository.

Procedure for Guaranteed Delivery

If a Shareholder wishes to deposit Shares pursuant to the Offer and cannot deliver certificates for such Shares prior to the Expiration Date, the book-entry transfer procedures described above cannot be completed prior to the Expiration Date, or time will not permit all required documents to reach the Depository by the Expiration Date, such Shares may nevertheless be deposited if all of the following conditions are met:

- (a) such deposit is made by or through an Eligible Institution;

- (b) a properly completed and duly executed Notice of Guaranteed Delivery substantially in the form provided by the Company through the Depository is received by the Depository, at its Toronto office listed in the Notice of Guaranteed Delivery, by the Expiration Date; and
- (c) the share certificates for all Shares proposed to be taken up in proper form for transfer, together with a properly completed and duly executed Letter of Transmittal (or a manually executed photocopy thereof) or, in the case of a book-entry transfer, a Book-Entry Confirmation through CDSX (in the case of Shares held in CDS) or an Agent's Message (in the case of Shares held in DTC), and any other documents required by the Letter of Transmittal, are received by the Toronto office of the Depository, before 5:00 p.m. (Eastern time) on or before the first trading day on the TSX after the Expiration Date.

The Notice of Guaranteed Delivery may be hand delivered, couriered, mailed or transmitted by electronic mail transmission to the Toronto office of the Depository listed in the Notice of Guaranteed Delivery, and must include a guarantee by an Eligible Institution in the form set forth in the Notice of Guaranteed Delivery.

Notwithstanding any other provision hereof, payment for Shares accepted for payment pursuant to the Offer will be made only after timely receipt by the Depository of the share certificates for all Shares proposed to be taken up in proper form for transfer, together with a properly completed and duly executed Letter of Transmittal (or a manually executed photocopy thereof) or Book-Entry Confirmation in lieu thereof relating to such Shares, with signatures that are guaranteed if so required in accordance with the Letter of Transmittal, and any other documents required by the Letter of Transmittal.

The tender information specified in a Notice of Guaranteed Delivery by a person completing such Notice of Guaranteed Delivery will, in all circumstances, take precedence over the tender information that is specified in the related Letter of Transmittal that is subsequently deposited.

Determination of Validity, Rejection, and Notice of Defect

All questions as to the number of tenders to be accepted, the form of documents and the validity, eligibility (including consideration of the time of receipt) and acceptance for payment of any Shares will be determined by the Company, in its sole discretion, which determination shall be final and binding on all parties. The Company reserves the absolute right to reject any deposits of Shares determined by it not to be in proper form or completed in accordance with the instructions herein and in the Letter of Transmittal or the acceptance for payment of or payment for which may, in the opinion of the Company's counsel, be unlawful. The Company also reserves the absolute right to waive any of the conditions of the Offer or any defect or irregularity in the deposit of any particular Shares and the Company's interpretation of the terms of the Offer (including these instructions) will be final and binding on all parties. No individual deposit of Shares will be deemed to be properly made until all defects and irregularities have been cured or waived. Unless waived, any defects or irregularities in connection with deposits must be cured within such time as the Company shall determine. None of the Company, the Depository nor any other person is or will be obligated to give notice of defects or irregularities in deposits, nor shall any of them incur any liability for failure to give any such notice. The Company's interpretation of the terms and conditions of the Offer (including the Letter of Transmittal and the Notice of Guaranteed Delivery) will be final and binding.

Under no circumstances will interest be paid by the Company by reason of any delay in making payment to any person using the guaranteed delivery procedures, including without limitation any delay arising because the Shares to be delivered pursuant to the guaranteed delivery procedures are not so delivered to the Depository, and therefore payment by the Depository on account of such Shares is not made until after the date the payment for the deposited Shares taken up pursuant to the Offer is to be made by the Company.

Formation of Agreement

A valid deposit of Shares pursuant to any one of the procedures described above will constitute a binding agreement between the tendering Shareholder and the Company, effective as of the Expiration Date, upon the terms and subject to the conditions of the Offer. Such agreement will be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.

Further Assurances

Each Shareholder accepting the Offer covenants under the terms of the Letter of Transmittal to execute, upon request of the Company, any additional documents, transfers and other assurances as may be necessary or desirable to

complete the sale, assignment and transfer of any Shares proposed to be taken up by the Company. Each authority therein conferred or agreed to be conferred may be exercised during any subsequent legal incapacity of such Shareholder and shall, to the extent permitted by law, survive the death or incapacity, bankruptcy or insolvency of the Shareholder and all obligations of the Shareholder therein shall be binding upon the heirs, personal representatives, successors and assigns of such Shareholder.

6. WITHDRAWAL RIGHTS

Except as otherwise provided in this Section, deposits of Shares pursuant to the Offer will be irrevocable. Shares deposited pursuant to the Offer may be withdrawn by the Shareholder (a) at any time if the Shares have not been taken up by the Company before actual receipt by the Depositary of a notice of withdrawal in respect of such Shares, (b) at any time before the expiration of ten (10) days from the date that a notice of change or variation (unless (i) the Company has taken up the Shares deposited pursuant to the Offer before the date of the notice of change or variation, (ii) the variation consists solely of an increase in the consideration offered for those Shares pursuant to the Offer where the time for deposit is not extended for greater than ten (10) days, or (iii) the variation consists solely of the waiver of a condition of the Offer) has been given in accordance with Section 8, "Extension and Variation of the Offer"; or (c) at any time if the Shares have been taken up but not paid for by the Company within three business days of being taken up.

For a withdrawal to be effective, a written or printed copy of a notice of withdrawal must be actually received by the Depositary prior to 5:00 p.m. (Eastern time) by the applicable date specified above at the place of deposit of the relevant Shares. Any such notice of withdrawal must be signed by or on behalf of the person who signed the Letter of Transmittal or Notice of Guaranteed Delivery in respect of the Shares being withdrawn. In the case of Shares tendered by a CDS participant through CDSX or in the case of Shares tendered by a DTC participant, the Shareholder should contact CDS or DTC with respect to the withdrawal of Shares under the Offer. If the certificates for the Shares deposited pursuant to the Offer have been delivered or otherwise identified to the Depositary, then, prior to the release of such certificates, the depositing Shareholder must submit the serial numbers shown on the particular certificates evidencing the Shares to be withdrawn and the signature on the notice of withdrawal must be guaranteed by an Eligible Institution (as defined in Section 5 of this Offer to Purchase, "Procedure for Depositing Shares"), except in the case of Shares deposited by an Eligible Institution. **A withdrawal of Shares deposited pursuant to the Offer may only be accomplished in accordance with the foregoing procedure. The withdrawal shall take effect only upon actual receipt by the Depositary of a written or printed copy of a properly completed and executed notice of withdrawal (except in the case of a CDS or DTC participant).**

A Shareholder who wishes to withdraw Shares under the Offer and who holds Shares through an investment dealer, stockbroker, bank, trust company or other nominee should immediately contact such nominee in order to take the necessary steps to be able to withdraw such Shares under the Offer. Participants of CDS or DTC should contact these depositaries with respect to the withdrawal of Shares under the Offer. A Shareholder's dealer, stockbroker, bank, trust company or other nominee may set deadlines for the withdrawal of Shares deposited under the Offer that are earlier than those specified herein.

All questions as to the form and validity (including time of receipt) of notices of withdrawal will be determined by the Company, in its sole discretion, which determination shall be final and binding. None of the Company, the Depositary, the Dealer Manager or any other person shall be obligated to give any notice of any defects or irregularities in any notice of withdrawal and none of them shall incur any liability for failure to give any such notice.

Any Shares properly withdrawn will thereafter be deemed not deposited for purposes of the Offer. However, withdrawn Shares may be redeposited prior to the Expiration Date by again following the procedures described in the Offer to Purchase, "Procedure for Depositing Shares".

If the Company extends the period of time during which the Offer is open, is delayed in its purchase of Shares or is unable to purchase Shares pursuant to the Offer for any reason, then, without prejudice to the Company's rights under the Offer, the Depositary may, subject to applicable law, retain on behalf of the Company all deposited Shares, and such Shares may not be withdrawn except to the extent that depositing Shareholders are entitled to withdrawal rights as described in this Section.

7. CERTAIN CONDITIONS OF THE OFFER

Notwithstanding any other provision of the Offer, the Company shall not be required to accept for purchase, to purchase or, subject to any applicable law, to pay for any Shares deposited, and may terminate, extend or amend the Offer, subject to applicable law, or may postpone the payment for Shares deposited, if, at any time before the payment for

any such Shares, any of the following events shall have occurred (or shall have been determined by the Company, in its sole judgment, acting reasonably, to have occurred) which, in the Company's sole judgment, acting reasonably, in any such case and regardless of the circumstances, makes it inadvisable to proceed with the Offer or with such acceptance for purchase or payment:

- (a) there has been threatened, instituted or pending any action, suit or proceeding by any government or governmental authority or regulatory or administrative agency in any jurisdiction, or by any other person in any jurisdiction, before any court or governmental authority or regulatory or administrative agency in any jurisdiction:
 - (i) challenging or seeking to cease trade, make illegal, delay or otherwise directly or indirectly restrain or prohibit the making of the Offer, the acceptance for payment of some or all of the Shares by the Company or otherwise directly or indirectly relating in any manner to or affecting the Offer, or seeking to obtain material damages in respect of the Offer, or
 - (ii) that, in the sole judgment of the Company, acting reasonably, has or may have a material adverse effect on the Shares, or the business, income, assets, liabilities, condition or position (financial or otherwise), properties, operations, results of operations or prospects of the Company and its subsidiaries or joint ventures taken as a whole or has impaired or may materially impair the contemplated benefits of the Offer to the Company;
- (b) there has been any action or proceeding threatened, pending or taken or approval withheld or any statute, rule, regulation, stay, decree, judgment or order or injunction proposed, sought, enacted, enforced, promulgated, amended, issued or deemed applicable to the Offer or the Company or any of its subsidiaries or joint ventures by or before any court, government or governmental authority or regulatory or administrative agency or any statute, rule or regulation shall become operative or applicable in any jurisdiction that, in the sole judgment of the Company, acting reasonably, might directly or indirectly result in any of the consequences referred to in clauses (i) or (ii) of paragraph (a) above or that would or might prohibit, prevent, restrict or delay consummation of the Offer or would or might impair the contemplated benefits of the Offer to the Company;
- (c) there has occurred (i) any general suspension of trading in, or limitation on prices for, securities on any securities exchange or in the over-the-counter market in Canada or the United States, (ii) the declaration of a banking moratorium or any suspension of payments in respect of banks in Canada or the United States (whether or not mandatory), (iii) a natural disaster or the commencement of a war, armed hostilities, act of terrorism or other international or national calamity directly or indirectly involving Canada, Colombia or the United States, (iv) any limitation (whether or not mandatory) by any government or governmental authority or regulatory or administrative agency or any other event that, in the sole judgment of the Company, acting reasonably, might affect the extension of credit by banks or other lending institutions, (v) any significant decrease, in the sole judgment of the Company, acting reasonably, in the market price of the Shares since the close of business on December 19, 2024, (vi) any change in the general political, market, economic or financial conditions that, in the sole judgment of the Company, acting reasonably, has or may have a material adverse effect on the Company's or its subsidiaries', taken as a whole, business, operations or prospects or the trading in, or value of, the Shares, or (vii) any decline in any of the S&P/TSX Composite Index, the NYSE Composite Index, the Dow Jones Industrial Average or the S&P 500 Index by an amount in excess of 10%, measured from the close of business on December 19, 2024 or (viii) in the case of any of the foregoing existing at the time of the commencement of the Offer, an acceleration or worsening thereof;
- (d) any change has occurred (or any development involving any prospective change or changes) in (i) general, political, market, economic, financial or industry conditions in Canada, Colombia or the United States, or (ii) the business, earnings, assets, liabilities, properties, condition (financial or otherwise), operations, results of operations or prospects of the Company or any of its subsidiaries or joint ventures that, in the sole judgment of the Company, acting reasonably, has, have or may have, individually or in the aggregate, material adverse effect with respect to the Company and its subsidiaries taken as a whole;
- (e) any take-over bid or tender or exchange offer with respect to some or all of the securities of the Company, or any merger, amalgamation, arrangement, business combination or acquisition proposal, disposition of assets, or other similar transaction with or involving the Company or any of its affiliates, other than the Offer, or any solicitation of proxies, other than by management, to seek to control or influence the Board of Directors, shall have been proposed, announced or made by any individual or entity;

- (f) the Company shall have concluded, in its sole judgment, acting reasonably, that the Offer or the take up and payment for any or all of the Shares by the Company is illegal or not in compliance with applicable law, or that necessary exemptions under applicable securities legislation, are not available to the Company for the Offer and, if required under any such legislation, the Company shall not have received the necessary exemptions from or waivers of the appropriate courts or securities regulatory authorities in respect of the Offer, or such exemptions or waivers are rescinded or modified in a manner that is not in form and substance satisfactory to the Company;
- (g) any changes shall have occurred or been proposed to the *Income Tax Act* (Canada) (the “**Tax Act**”) or the Internal Revenue Code (United States) (the “**Code**”), to the publicly available administrative policies or assessing practices of the Canada Revenue Agency (“**CRA**”) or to relevant tax jurisprudence that, in the sole judgment of the Company, are detrimental to the Company and its subsidiaries, joint ventures, or affiliates taken as a whole or any one or more Shareholders, or with respect to making the Offer or taking up and paying for Shares deposited under the Offer;
- (h) a material change in Canadian, United States or any other currency exchange rates or a suspension of or limitation on the markets for such currencies that could have, in the Company’s sole judgment, acting reasonably, a material adverse effect on the business, properties, assets, liabilities, capitalization, Shareholders’ equity, condition (financial or otherwise), operations, results of operations or prospects of the Company and its subsidiaries, taken as a whole, or on the trading in the Shares;
- (i) any material change in commodity prices which affect, or could be reasonably expected to affect, the Company’s business, operations and financial results, including the Brent benchmark oil price, the differential between Vasconia and Brent, and natural gas prices in Colombia;
- (j) the completion of the Offer subjects the Company to any material tax liability;
- (k) BMO Capital Markets shall have withdrawn or amended the Liquidity Opinion provided by it in connection with the Offer; or
- (l) the Company reasonably determines that the completion of the Offer and the purchase of the Shares may cause the Shares to be delisted from the TSX.

The foregoing conditions are for the sole benefit of the Company and may be asserted by the Company in its sole discretion, acting reasonably, regardless of the circumstances (including any action or inaction by the Company) giving rise to any such conditions, or may be waived by the Company, in its sole discretion, in whole or in part at any time. The failure by the Company at any time to exercise its rights under any of the foregoing conditions shall not be deemed a waiver of any such right; the waiver of any such right with respect to particular facts and other circumstances shall not be deemed a waiver with respect to any other facts and circumstances; and each such right shall be deemed an ongoing right which may be asserted at any time or from time to time. Any determination by the Company concerning the events described in this Section shall be final and binding on all parties.

Any waiver of a condition or the withdrawal of the Offer by the Company shall be deemed to be effective on the date on which notice of such waiver or withdrawal by the Company is delivered or otherwise communicated to the Depository. The Company, after giving notice to the Depository of any waiver of a condition or the withdrawal of the Offer, shall immediately make a public announcement of such waiver or withdrawal and provide or cause to be provided notice of such waiver or withdrawal to the TSX, and the applicable Canadian securities regulatory authorities. If the Offer is withdrawn, the Company shall not be obligated to take up, accept for purchase or pay for any Shares deposited under the Offer, and the Depository will return all certificates for deposited Shares, Letters of Transmittal and Notices of Guaranteed Delivery and any related documents to the parties by whom they were deposited.

8. EXTENSION AND VARIATION OF THE OFFER

Subject to applicable law, the Company expressly reserves the right, in its sole discretion, and regardless of whether or not any of the conditions specified in Section 7 of this Offer to Purchase, “Certain Conditions of the Offer”, shall have occurred, at any time or from time to time, to extend the period of time during which the Offer is open, or to vary the terms and conditions of the Offer by giving written notice, or oral notice to be confirmed in writing, of extension or variation to the Depository and by causing the Depository to provide to all Shareholders, where required by law, as soon as practicable thereafter, a copy of the notice in the manner set forth in Section 12 of this Offer to Purchase, “Notice”. Promptly after giving notice of an extension or variation to the Depository, but, in the case of an extension, no later than 9:00 a.m. (Eastern time) on the next business day following the last previously scheduled or announced

Expiration Date, the Company will make a public announcement of the extension or variation and provide or cause to be provided notice of such extension or variation to the TSX and the applicable Canadian securities regulatory authorities. Any notice of extension or variation will be deemed to have been given and be effective on the day on which it is delivered or otherwise communicated to the Depository at its principal office in Toronto, Ontario.

Where the terms of the Offer are varied (other than a variation consisting solely of the waiver of a condition of the Offer), the period during which Shares may be deposited pursuant to the Offer shall not expire before ten (10) days after the notice of variation has been given to holders of Shares, unless otherwise permitted by applicable law. During any such extension or in the event of any variation, all Shares previously deposited and not taken up or withdrawn will remain subject to the Offer and may be accepted for purchase by the Company in accordance with the terms of the Offer, subject to Section 6 of this Offer to Purchase, "Withdrawal Rights". An extension of the Expiration Date or a variation of the Offer does not constitute a waiver by the Company of its rights in Section 7 of this Offer to Purchase, "Certain Conditions of the Offer".

If the Company makes a material change in the terms of the Offer or the information concerning the Offer, the Company will extend the time during which the Offer is open to the extent required under applicable Canadian securities legislation.

The Company also expressly reserves the right, in its sole discretion, (a) to terminate the Offer and not take up and pay for any Shares not theretofore taken up and paid for upon the occurrence of any of the conditions specified in Section 7 of this Offer to Purchase, "Certain Conditions of the Offer", and/or (b) at any time or from time to time, to vary the Offer in any respect, including increasing or decreasing the aggregate purchase price for Shares that the Company may purchase or the Purchase Price, subject to compliance with applicable Canadian securities legislation.

Any such extension, delay, termination or variation will be followed as promptly as practicable by a public announcement. Without limiting the manner in which the Company may choose to make any public announcement, except as provided by applicable law, the Company shall have no obligation to publish, advertise or otherwise communicate any such public announcement other than by making a release through a widely circulated news wire service.

9. TAKING UP AND PAYMENT FOR DEPOSITED SHARES

Upon the terms and provisions of the Offer (including proration) and subject to and in accordance with applicable Canadian securities laws, the Company will take up and pay for Shares properly deposited under the Offer in accordance with the terms thereof as soon as practicable after the Expiration Date, but in any event not later than ten (10) days after the Expiration Date, provided that the conditions of the Offer (as the same may be varied) have been satisfied or waived. Any Shares taken up will be paid for as soon as reasonably practicable, but in any event no later than three business days after they are taken up in accordance with applicable Canadian securities laws.

For the purpose of the Offer, the Company will be deemed to have taken up and accepted for payment validly tendered Shares up to a maximum of 3,500,000 Shares if, as and when the Company gives written notice or other communication confirmed in writing to the Depository to that effect.

The Company reserves the right, in its sole discretion, to delay taking up or paying for any Shares or to terminate the Offer and not take up or pay for any Shares upon the occurrence of any of the conditions specified in Section 7 of this Offer to Purchase, "Certain Conditions of the Offer", by giving written notice thereof or other communication confirmed in writing to the Depository. The Company also reserves the right, in its sole discretion and notwithstanding any other condition of the Offer, to delay taking up and paying for Shares in order to comply, in whole or in part, with any applicable law.

In the event of proration of Shares deposited pursuant to the Offer, the Company will determine the proration factor and pay for those deposited Shares accepted for payment as soon as practicable after the Expiration Date. However, the Company does not expect to be able to announce the final results of any such proration until approximately three business days after the Expiration Date.

Certificates for all Shares not purchased, including Shares not purchased due to proration, will be returned (in the case of certificates representing Shares all of which are not purchased), or replaced with new certificates or DRS advices representing the balance of Shares not purchased (in the case of certificates representing Shares of which less than all are purchased), as soon as practicable after the Expiration Date or termination of the Offer without expense to the depositing Shareholder.

The Company will pay for Shares taken up under the Offer by providing the Depositary with sufficient funds (by bank transfer or other means satisfactory to the Depositary) for transmittal to depositing Shareholders. **Under no circumstances will interest accrue or be paid by the Company or the Depositary on the Purchase Price of the Shares purchased by the Company, regardless of any delay in making such payment or otherwise.**

Depositing Shareholders will not be obligated to pay brokerage fees or commissions to the Company or the Depositary. However, Shareholders are cautioned to consult with their own brokers or other intermediaries to determine whether any fees or commissions are payable to their brokers or other intermediaries in connection with a deposit of Shares pursuant to the Offer. The Company will pay all fees and expenses of the Depositary in connection with the Offer.

The Depositary will act as agent of persons who have properly deposited Shares under the Offer and have not properly withdrawn them, for the purposes of receiving payment from the Company and transmitting payment to such persons. Receipt by the Depositary from the Company of payment for such Shares will be deemed to constitute receipt of payment by persons depositing Shares.

The settlement with each Shareholder who has deposited Shares under the Offer will be effected by the Depositary by forwarding a cheque, representing the cash payment (subject to applicable withholding taxes, if any) for such Shareholder's Shares taken up under the Offer. The cheque will be issued in the name of the person as specified by properly completing the appropriate box in the Letter of Transmittal. Unless the depositing Shareholder instructs the Depositary to hold the cheque for pick-up by checking the appropriate box in the Letter of Transmittal, the cheque will be forwarded by first class mail, postage prepaid, to the payee at the address specified in the Letter of Transmittal. If no such address is specified, the cheque will be sent to the address of the depositing Shareholder as it appears in the registers maintained in respect of the Shares. Cheques mailed in accordance with this paragraph will be deemed to have been delivered at the time of mailing. See Section 10 of this Offer to Purchase, "Payment in the Event of Mail Service Interruption", in the event of real or possible mail service interruption.

All Shares purchased by the Company pursuant to the Offer will be cancelled.

Each registered Shareholder who has tendered Shares under the Offer will receive payment of the Purchase Price for purchased Shares in Canadian dollars, unless such Shareholder exercises the applicable election in the Letter of Transmittal to use the Depositary's currency exchange services to convert payment of the Purchase Price of the tendered Shares into United States dollars as described below.

Each non-registered or beneficial Shareholder who has tendered Shares under the Offer will receive payment of the Purchase Price for purchased Shares in Canadian dollars, unless such non-registered Shareholder contacts the intermediary in whose name such Shareholder's Shares are registered and requests that the intermediary make an election on its behalf to receive the Purchase Price in United States dollars.

The exchange rate that will be used to convert payments from Canadian dollars into United States dollars will be the rate available from Computershare Trust Company of Canada, in its capacity as foreign exchange service provider, on the date on which the funds are converted, which rate will be based on the prevailing market rate on such date. The risk of any fluctuations in such rates, including risks relating to the particular date and time at which funds are converted, will be borne solely by the Shareholder. Computershare Trust Company of Canada will act as principal in such currency conversion transactions.

10. PAYMENT IN THE EVENT OF MAIL SERVICE INTERRUPTION

Notwithstanding the provisions of the Offer, cheques in payment for Shares purchased under the Offer and certificates for any Shares to be returned will not be mailed if the Company determines that delivery by mail may be delayed. Persons entitled to cheques or certificates that are not mailed for this reason may take delivery at the office of the Depositary at which the deposited certificates for the Shares were delivered until the Company has determined that delivery by mail will no longer be delayed. The Company will provide notice, in accordance with Section 12 of this Offer to Purchase, "Notice", of any determination not to mail under this Section as soon as reasonably practicable after such determination is made.

11. LIENS AND DIVIDENDS

Shares acquired pursuant to the Offer shall be acquired by the Company free and clear of all liens, charges, encumbrances, security interests, claims, restrictions and equities whatsoever, together with all rights and benefits arising therefrom, provided that any dividends or distributions that may be paid, issued, distributed, made or transferred

on or in respect of such Shares to Shareholders of record on or prior to the date upon which the Shares are taken up and paid for under the Offer shall be for the account of such Shareholders. Each Shareholder of record on that date will be entitled to receive that dividend or distribution whether or not such Shareholder deposits Shares pursuant to the Offer.

12. NOTICE

Without limiting any other lawful means of giving notice, any notice to be given by the Company or the Depositary under the Offer will be deemed to have been properly given if it is mailed by first-class mail, postage prepaid, to the registered holders of Shares at their respective addresses as shown on the share registers maintained in respect of the Shares and will be deemed to have been received on the first business day following the date of mailing. These provisions apply despite (i) any accidental omission to give notice to any one or more Shareholders, and (ii) an interruption of mail service following mailing. In the event of an interruption of mail service following mailing, the Company will use reasonable efforts to disseminate the notice by other means, such as publication. If post offices are not open for deposit of mail, or there is reason to believe there is or could be a disruption in all or any part of the postal service, any notice which the Company or the Depositary may give or cause to be given under the Offer will be deemed to have been properly given and to have been received by Shareholders if it is issued by way of a news release and if it is published once in *The Globe and Mail* or the *National Post* and in a French language daily newspaper of general circulation in the Province of Québec.

13. OTHER TERMS

No broker, dealer or other person has been authorized to give any information or to make any representation on behalf of the Company other than as contained in the Offer, and, if any such information or representation is given or made, it must not be relied upon as having been authorized by the Company.

It is a term of the Offer that for the purposes of subsection 191(4) of the Tax Act, the “specified amount” in respect of each Share shall be an amount equal to the closing trading price for the Shares on the TSX on the Expiration Date. The Company will publicly announce the specified amount when the Company announces the final results of the Offer.

Shareholders should carefully consider the income tax consequences of accepting the Offer. See Section 16 of the Circular, “Income Tax Considerations”.

The Offer and all contracts resulting from the acceptance thereof shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.

The Company, in its sole discretion, shall be entitled to make a final and binding determination of all questions relating to the interpretation of the Offer, the validity of any acceptance of the Offer and the validity of any withdrawals of Shares. The Offer is not being made to, and deposits of Shares will not be accepted from or on behalf of, Shareholders residing in any jurisdiction in which the making of the Offer or the acceptance thereof would not be in compliance with the laws of such jurisdiction. The Company may, in its sole discretion, take such action as it may deem necessary to make the Offer in any such jurisdiction and extend the Offer to Shareholders in any such jurisdiction.

The accompanying Circular, together with this Offer to Purchase, constitutes the issuer bid circular required under Canadian provincial securities legislation applicable to the Company with respect to the Offer. **Shareholders are urged to carefully review the accompanying Circular for additional information relating to the Offer and the Company.**

DATED this 19th day of December, 2024, at Bogotá, Colombia.

FRONTERA ENERGY CORPORATION

By: /s/ Orlando Cabrales Segovia
Name: Orlando Cabrales Segovia
Title: Chief Executive Officer

CIRCULAR

This Circular is being furnished in connection with the Offer by the Company to purchase for cancellation up to a maximum of 3,500,000 Shares at \$12.00 per Share.

Terms defined in the Offer to Purchase and not otherwise defined herein have the same meaning in this Circular. The terms and conditions of the Offer to Purchase, Letter of Transmittal and the Notice of Guaranteed Delivery are incorporated into and form part of this Circular. Reference is made to the Offer to Purchase for details of its terms and conditions.

1. FRONTERA ENERGY CORPORATION

The Company was incorporated under the laws of the Province of British Columbia on April 10, 1985, pursuant to the *Company Act* (British Columbia). Subsequently, the Company was continued as a corporation of the Yukon Territories on May 22, 1996 and continued back into the Province of British Columbia on July 9, 2007 under the *Business Corporations Act* (British Columbia) (“**BCBCA**”).

The Company’s head office is located at 2000, 222 – 3rd Avenue SW, Calgary, Alberta, Canada, T2P 0B4, and its registered office is located at 1500 Royal Centre, 1055, West Georgia Street, P.O. Box 11117 Vancouver, British Columbia, V6E 4N7.

The Company is a Canadian public company involved in the exploration, development, production, transportation, storage and sale of oil and natural gas in South America, including related investments in both upstream and midstream facilities. The Company has a diversified portfolio of assets which consists of interests in 22 exploration and production blocks in Colombia, Ecuador and Guyana, and in pipeline and port facilities in Colombia.

The Company’s corporate strategy remains focused on maximizing and realizing value through its strategic portfolio of energy and infrastructure related assets as captured by its 3 core businesses:

- **Colombian and Ecuador Upstream:** cash flow-focused production and reserves management from large onshore Colombia and Ecuador operations with a strong commitment to responsible and sustainable business practices;
- **Infrastructure Colombia (formerly Midstream Colombia):** profitable and significant Colombian infrastructure footprint uniquely positioned to capture growth from emerging opportunities providing stable and long-term revenue streams; and
- **Guyana Exploration:** potentially transformational offshore Guyana opportunity for a Maastrichtian-based, stand-alone commercial development, with upside and future opportunities in the deeper zones.

Additional Information

The Company is subject to the information and reporting requirements of Canadian securities laws, and the rules of the TSX, and in accordance therewith files periodic reports and other information with the Canadian securities regulatory authorities and the TSX, relating to its business, financial condition and other matters. The Company files reports, statements and other information with the Canadian regulatory authorities, which may be accessed on the SEDAR+ website at www.sedarplus.ca.

2. AUTHORIZED CAPITAL

The Company’s authorized share capital consists of an unlimited number of Shares without nominal or par value and an unlimited number of preferred shares (“**Preferred Shares**”) without nominal or par value. As at December 11, 2024, 80,793,387 Shares and no Preferred Shares were issued and outstanding.

Common Shares

The holders of the Shares are entitled to receive notice of, and to vote at, every meeting of the Shareholders and are entitled to one vote for each Share held. Subject to the rights, privileges, restrictions and conditions attached to the Preferred Shares, the holders of the Shares are (i) entitled to receive dividends, if and when declared by the Board of Directors, and (ii) in the event of liquidation, dissolution or winding-up of the Company or upon any distribution of the assets of the Company among Shareholders being made (other than by way of dividend out of the monies properly applicable to the payment of dividends), entitled to share equally.

Preferred Shares

Preferred Shares may be issued from time to time in one or more series, each series consisting of a number of Preferred Shares as determined by the Board of Directors. The Preferred Shares of each series shall, with respect to dividends, if any, and the distribution of assets in the event of liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the Company among its Shareholders for the purpose of winding-up its affairs, be entitled to preference over the Shareholders and the shares of any other class ranking junior to the Preferred Shares, and on parity with the Preferred Shares of every other series. At this time, the Company has no plans to issue any Preferred Shares, and the Offer is not being made to purchase any series of Preferred Shares.

For a full description of the rights, restrictions and conditions attached to each class of shares and the capital structure of the Company, please see the Company's annual information form for the year ended December 31, 2023, which may be accessed on the SEDAR+ website at www.sedarplus.ca.

3. PURPOSE AND EFFECT OF THE OFFER

As part of its efforts to maximize shareholder value, the Company has identified the Offer as an attractive and efficient means to return capital to its Shareholders. Upon successful completion of the Offer, the Company will have returned over US\$83 million of capital to our shareholders this year, including US\$15.2 million in declared dividends and US\$7.8 million of Share repurchases through the 2023 NCIB.

Assuming 100% uptake by all Shareholders, this transaction would represent a \$0.52 distribution equivalent to a 6.7% yield on the Company's stock price prior to the announcement of the Company's third quarter 2024 results. Including dividends, the year-to-date total would be \$1.27 or a 16.5% yield. The Board shall continue to consider future investor initiatives in 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.

After giving effect to the Offer, the Company will continue to have sufficient financial resources and working capital to conduct its ongoing business and operations and the Offer is not expected to preclude the Company from pursuing its foreseeable business opportunities or the future growth of the Company's business.

As of December 11, 2024, there were 80,793,387 Shares issued and outstanding. Accordingly, a maximum of 3,500,000 Shares, or approximately 4.33% of the total number of issued and outstanding Shares will be taken up and paid for under the Offer.

Shares acquired by the Company pursuant to the Offer will be cancelled.

Canadian securities laws prohibit the Company and its affiliates from acquiring or offering to acquire beneficial ownership of any Shares, other than pursuant to the Offer, until at least 20 business days after the Expiration Date or termination of the Offer, except, in the case of acquisitions during the period following the Expiration Date, pursuant to certain acquisitions effected in the normal course on a published market or as otherwise permitted by applicable law.

Background to the Offer

Management and the Board of Directors evaluate the capital allocation of the Company on a regular basis and regularly consider, monitor, and assess available options to return capital to Shareholders. At a meeting of the Board of Directors held on May 22, 2024, the Board of Directors tasked management of the Company to consider various options for returning cash to Shareholders, including the potential completion of a substantial issuer bid or the payment of a special dividend, consistent with the Company's goal to continue to unlock value for its stakeholders.

On October 22, 2024, the Company completed a substantial issuer bid to purchase from Shareholders for cancellation up to \$40.5 million (equivalent to US\$30 million) of Shares (the "**October 2024 SIB**"). The Company took up and paid for 3,500,000 Shares at a price of \$12.00 per Share under the October 2024 SIB, which saw over 90% of Shareholders participate.

At a meeting of the Board of Directors held on November 5, 2024, management of the Company presented to the Board of Directors an assessment of available options to return further capital to Shareholders. The Board of Directors reviewed the capital allocation of the Company and, after giving consideration to, among other things, the presentations from management, the financial resources and strong third quarter results of the Company, the then prevailing trading

price of the Shares, the success of the normal course issuer bids of the Company, and the potentially more favourable outcomes to Shareholders in comparison to a special dividend, the Board of Directors determined that the Company should proceed with another substantial issuer bid whereby the Company would offer to purchase for cancellation up to US\$30,000,000 of its Common Shares at a fixed price per Common Share. The decision was further supported by the overwhelming response to the October 2024 SIB, which was significantly oversubscribed, demonstrating strong shareholder demand for such initiatives.

Following the meeting, the Board of Directors tasked management to complete further analyses (including having discussions with outside legal and financial advisors) in order to assist the Board of Directors in making a determination on the particular terms of another substantial issuer bid.

On November 6, 2024, the Company announced its intention to commence a new substantial issuer bid pursuant to which the Company will offer to purchase up to US\$30 million of its Common Shares for cancellation at a fixed price per share.

Following the meeting held on November 5, 2024, management of the Company with its outside legal counsel reviewed high-level considerations related to the completion of a potential substantial issuer bid, including pricing and alternative pricing mechanisms, tax implications, liquidity requirements and costs associated with a substantial issuer bid. The Company also engaged BMO Capital Markets to provide capital markets advice and a liquidity opinion in connection with the Offer.

During the period of November 22 to December 12, 2024, BMO Capital Markets provided preliminary advice and presentation materials management of the Company. On December 12, 2024, BMO Capital Markets delivered the Liquidity Opinion to the Board of Directors.

In evaluating the Offer, the Board of Directors gave careful consideration to the factors set forth below, and on December 12, 2024, approved the making of the Offer, including the terms and conditions of the Offer, the engagement of the Depositary, and the delivery of the materials with respect to the Offer to the Shareholders. In so doing, the Board of Directors determined that the Offer is in the best interests of the Company and its Shareholders. The terms of the Offer were announced on December 16, 2024 before market open.

In evaluating the Offer and determining that it would be in the best interests of the Company, the Board of Directors gave careful consideration to a number of factors, including, without limitation, the following:

- (a) as part of its ongoing strategic review of available options to return capital to the Shareholders, the Offer may result in a more favourable outcome to Shareholders than other conventional means of returning capital;
- (b) although the Company continues to consider all options to enhance the value of the Shares and in so doing may consider forms of strategic transactions, there can be no assurance that any such transaction will occur or if it occurs the timing thereof;
- (c) after giving effect to the Offer, the Company will continue to have sufficient financial resources and working capital to conduct its ongoing business and operations and the Offer is not expected to preclude the Company from pursuing its foreseeable business opportunities or the future growth of the Company's business;
- (d) the Offer provides Shareholders with an opportunity to realize on all or a portion of their investment in the Company;
- (e) the deposit of Shares under the Offer is optional, the option is available to all Shareholders, and all Shareholders are free to accept or reject the Offer;
- (f) the Offer provides Shareholders who are considering the sale of all or a portion of their Shares with the opportunity to sell such Shares for cash without the usual transaction costs associated with market sales;
- (g) the Offer is not conditional on any minimum number of Shares being deposited;
- (h) the intended participation of Catalyst and Gramercy in respect of the Offer;

- (i) Shareholders who do not deposit their Shares under the Offer will realize an increase in their equity ownership in the Company to the extent that Shares are purchased by the Company pursuant to the Offer;
- (j) the advice of the Company's financial advisor, BMO Capital Markets, in respect of the Offer, including receipt of the preliminary presentation materials from BMO Capital Markets regarding the liquidity of the market for the Shares after completion of the Offer, and confirmation that the Liquidity Opinion would be provided in due course; and
- (k) the fact that it is reasonable to conclude that, following the completion of the Offer in accordance with its terms, there will be a market for holders of Shares who do not tender to the Offer that is not materially less liquid than the market that existed at the time of the making of the Offer (see "Liquidity of Market" below).

The foregoing summary of the factors considered by the Board of Directors is not, and is not intended to be, exhaustive. In view of the variety of factors and the amount of information considered in connection with its determination to proceed with the Offer, the Board of Directors did not find it practical to, and did not, quantify or otherwise attempt to assign any relative weight to each specific factor considered in reaching its conclusion.

The Company does not consider the Offer to involve a material conflict of interest, as all Shareholders are receiving equal treatment under the Offer. However, the Board of Directors did consider the differential positions of Catalyst and Gramercy, given their significant shareholdings and intention to participate in the Offer. As a result, the Board of Directors took steps to ensure that the Offer was considered independently of Catalyst and Gramercy.

Mr. Gabriel de Alba, Chair of the Board of Directors, is a managing partner and director of Catalyst and therefore all Board of Directors' approvals relating to the Offer were made with Mr. de Alba abstaining. Orlando Cabrales Segovia, Chief Executive Officer and a director of the Company, has indicated an intention to deposit Shares under the Offer but the Board of Directors has determined that pursuant to applicable law he is not required to abstain from voting.

As a result of the purpose and effect of the Offer, the Company expects that more than the maximum 3,500,000 Shares to be purchased under the Offer will be tendered. However, none of the Company, its Board of Directors, the Dealer Manager or the Depository makes any recommendation to any Shareholder as to whether to deposit or refrain from depositing Shares under the Offer. Shareholders are urged to carefully evaluate all information in the Offer, consult their own investment and tax advisors and make their own decisions whether to deposit Shares under the Offer. Shareholders are urged to carefully evaluate all information in the Offer, consult their own financial, legal, investment and tax advisors and make their own decisions as to whether to deposit Shares under the Offer, and, if so, how many Shares to deposit. See Section 16 of the Circular, "Income Tax Considerations".

Liquidity of Market

As at December 11, 2024, there were 80,793,387 Shares issued and outstanding, of which 36,478,160 Shares comprise the "public float" (as defined in the policies of the TSX), which excludes Shares beneficially owned, or over which control or direction is exercised, by "related parties" of the Company and Shares that are not "freely tradeable" (each as defined in MI 61-101). The maximum number of Shares that the Company is offering to purchase pursuant to the Offer, being 3,500,000, represents approximately 4.33% of the Shares outstanding as at December 11, 2024. If the Company purchases such maximum number of Shares, there will be approximately 77,293,387 Shares outstanding following completion of the Offer.

The Company is relying on the "liquid market exemption" specified in MI 61-101 from the requirement to obtain a formal valuation applicable to the Offer. Accordingly, the valuation requirements of securities regulatory authorities in Canada applicable to issuer bids generally are not applicable in connection with the Offer.

The Company has determined that there is a liquid market in the Shares because:

- (a) there is a published market for the Shares (the TSX);
- (b) during the 12 months before November 5, 2024 (the last full trading day prior to the date of announcement of the Company's intention to make the Offer):

- i. the number of issued and outstanding Shares was at all times at least 5,000,000 (excluding Shares beneficially owned, or over which control and direction was exercised, by related parties and securities that were not freely tradeable);
 - ii. the aggregate trading volume of Shares on the TSX (the exchange on which the Shares were principally traded) was at least 1,000,000 Shares;
 - iii. there were at least 1,000 trades in the Shares on the TSX;
 - iv. the aggregate value of the trades in the Shares on the TSX was at least \$15,000,000; and
- (c) the market value of the Shares on the TSX, as determined in accordance with MI 61-101, was at least \$75,000,000 for October 2024 (the calendar month preceding the calendar month in which the Offer was announced).

The Company has also obtained, on a voluntary basis, the Liquidity Opinion of BMO Capital Markets to the effect that as at December 12, 2024 a liquid market for the Shares existed and that it is reasonable to conclude that, following the completion of the Offer, there will be a market for holders of Shares who do not tender to the Offer that is not materially less liquid than the market that existed at the time of the making of the Offer. A copy of the Liquidity Opinion of BMO Capital Markets is attached hereto as Schedule A. The summary of the Liquidity Opinion in this Circular is qualified in its entirety by the full text of the Liquidity Opinion. The Liquidity Opinion is not a recommendation to any Shareholder as to whether to deposit or refrain from depositing Shares to the Offer. Shareholders should read the Liquidity Opinion in its entirety.

Based on the liquid market test set out above and the Liquidity Opinion of BMO Capital Markets, the Company determined that it is reasonable to conclude that, following the completion of the Offer, there will be a market for holders of Shares who do not tender to the Offer that is not materially less liquid than the market that existed at the time of the making of the Offer.

Accordingly, the valuation requirements of securities regulatory authorities in Canada applicable to issuer bids generally are not applicable in connection with the Offer.

Additional Securities Law Considerations

The Company is a reporting issuer (or the equivalent thereof) in each of the provinces of Canada, and the Shares are listed on the TSX. The Company believes that the purchase of Shares pursuant to the Offer will not result in: (i) the Company ceasing to be a reporting issuer in any jurisdiction in Canada, or (ii) the Shares being delisted from the TSX.

4. WITHDRAWAL RIGHTS

The withdrawal rights of Shareholders are described under Section 6 of the Offer to Purchase, "Withdrawal Rights", and are incorporated into and form part of this Circular.

5. SOURCE OF FUNDS

The Company expects to fund the purchase of Shares pursuant to the Offer, including all related fees and expenses, with available cash on hand.

6. FINANCIAL STATEMENTS

A copy of the Company's most recent unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2024 is available on the SEDAR+ website at www.sedarplus.ca. Shareholders who wish to obtain a copy of these financial statements may do so, without charge, upon written or oral request without charge upon request to the Company at the Company's head office at Suite 2000, 222 - 3rd Avenue SW, Calgary, Alberta, Canada, T2P 0B4, or by email at generalcounsel@fronteraenergy.ca.

7. PRICE RANGE OF SHARES

The Shares are listed on the TSX under the symbol “FEC”. The following tables set forth the reported high and low closing prices per Share and total trading volume of Shares as reported by the TSX for the periods indicated:

Month	High (\$)	Low (\$)	Total Volume (#)
December 1, 2024 – December 11, 2024	8.10	7.66	181,491
Month ended November 30, 2024	8.25	7.61	724,741
Month ended October 31, 2024	8.50	7.56	1,463,272
Month ended September 30, 2024	8.81	7.46	1,977,643
Month ended August 30, 2024	8.64	7.25	1,007,704
Month ended July 31, 2024	8.22	7.65	846,604
Month ended June 30, 2024	8.80	7.90	472,245

On November 5, 2024, the last full trading day prior to the date of the public announcement by the Company of its intention to make the Offer, the closing price of the Shares on the TSX was \$7.71.

Shareholders are urged to obtain current market quotations for the Shares.

8. DIVIDEND POLICY

During the first quarter of 2020, the Company suspended its quarterly dividend due to the decline in global demand for oil and the subsequent oil price decline. On February 15, 2024, the Company announced that the Board had adopted a new dividend policy to pay a dividend of \$0.0625 per Share quarterly (the “**Dividend Policy**”), following the release of year-end 2023 results. Dividend payments will be subject to quarterly review and approval by the Board and the determination to pay such dividends will be based on, among other things, the Company’s view of prevailing and prospective macroeconomic conditions and business performance. Each dividend, if declared by the Board, is intended to be payable to Shareholders of record at the close of business on the second trading day of the first calendar quarter following the date of declaration. The Company will review the Dividend Policy on an ongoing basis and may amend the Dividend Policy at any time in light of the Company’s then current financial position, profitability, cash flow, debt covenant compliance, legal requirements and other factors considered relevant.

The provisions of its material debt facilities and instruments, including the indenture governing the Company’s currently outstanding US\$400 million 7.875% senior unsecured notes due on June 21, 2028 (the “**2028 Notes**”), contain certain restrictions and covenants that, subject to certain exceptions, limit the Company’s ability to pay dividends. In addition, the payment of dividends by the Company is governed by the liquidity and insolvency tests described in the BCBCA, pursuant to which the Board of Directors shall not declare and the Company shall not pay a dividend if there are reasonable grounds for believing that the Company is insolvent or that the payment of the dividend would render the Company insolvent.

The following table shows the aggregate amount of the dividends declared payable per Share for the year to date. No dividends were declared payable during the years ended December 31, 2021, 2022 or 2023.

Record Date	Payment Date	Per Share Amount (\$)	Type of Dividend
April 2, 2024	April 16, 2024	0.0625	Quarterly, Cash
July 3, 2024	July 17, 2024	0.0625	Quarterly, Cash
October 2, 2024	October 16, 2024	0.0625	Quarterly, Cash
January 3, 2025	January 17, 2025	0.0625	Quarterly, Cash

Payment of future dividends, if any, on Shares will be subject to the discretion of the Board of Directors and may vary depending on, among other things, oil prices, the Company’s financial condition, results of operations, cash flow, foreign exchange rates, need for funds to finance ongoing operations, covenants and conditions under the Company’s material debt facilities and instruments, legislative requirements and liquidity and solvency tests imposed by applicable

corporate law for the declaration and payment of dividends. Based on these and other factors, many of which are beyond the Company's control, there can be no assurance that the Company will continue paying dividends in the future.

9. PREVIOUS PURCHASES OF SHARES

Except for the purchase of Shares pursuant to the 2023 NCIB and the October 2024 SIB, both described below, and the repurchase of a portion of the 2028 Notes (See Section 10 of the Circular, "Previous Sales of Securities and Repurchase of 2028 Notes"), the Company has not purchased any of its securities during the 12 months preceding the date of the Offer.

On November 16, 2023, the Company announced the renewal of its normal course issuer bid to repurchase for cancellation up to 3,949,454 of its Shares over the 12-month period commencing on November 21, 2023 and ending November 20, 2024. The Company repurchased 1,552,100 Shares at a volume weighted average price of \$8.21 per Share under the 2023 NCIB. The Company made the purchases on the open market.

The following table sets out the date of purchase, the number of Shares purchased, and the average price per Share paid by the Company with respect to purchases of Shares made by the Company in the 12 months preceding the Offer under the 2023 NCIB:

Date of Purchase	Shares Purchased (#)	Average Price Per Share (\$)
11/21/2023	3,500	8.9823
11/22/2023	3,200	9.0219
11/23/2023	4,300	9.1803
11/24/2023	4,300	9.0495
11/27/2023	10,000	8.7785
11/28/2023	10,700	8.6927
11/29/2023	11,600	8.6157
11/30/2023	11,500	8.5213
12/1/2023	9,800	8.4099
12/4/2023	12,000	8.1339
12/5/2023	12,900	7.7110
12/6/2023	13,100	7.6073
12/7/2023	13,200	7.5761
12/8/2023	13,400	7.4536
12/11/2023	12,200	8.1668
12/12/2023	12,900	7.7091
12/13/2023	12,800	7.7652
12/14/2023	10,500	8.2528
12/15/2023	12,500	7.9610
12/18/2023	12,300	8.0829
12/19/2023	11,900	8.1626
12/20/2023	11,600	8.2618
12/21/2023	12,200	8.1721
12/22/2023	8,600	8.2615
12/27/2023	11,900	8.2225
12/28/2023	11,100	8.0105
12/29/2023	6,500	7.9760
1/2/2024	7,500	8.0904
1/3/2024	7,900	8.1456
1/4/2024	6,800	8.2416
1/5/2024	8,000	8.0995
1/8/2024	7,900	7.8504
1/9/2024	8,200	7.8423
1/10/2024	8,300	7.7888
1/11/2024	8,200	7.6780
1/12/2024	8,200	7.8401

Date of Purchase	Shares Purchased (#)	Average Price Per Share (\$)
1/15/2024	2,200	8.0245
1/16/2024	7,700	7.9448
1/17/2024	8,100	7.9706
1/18/2024	7,100	7.9961
1/19/2024	8,100	8.0302
1/22/2024	7,900	8.1872
1/23/2024	7,500	8.5779
1/24/2024	3,100	8.4561
1/25/2024	3,100	8.4155
1/26/2024	3,300	8.4355
1/29/2024	7,700	8.3844
1/30/2024	6,800	8.2409
1/31/2024	8,000	8.1100
2/1/2024	8,000	8.1073
2/2/2024	8,200	7.8579
2/5/2024	6,800	7.6035
2/6/2024	8,000	7.6989
2/7/2024	5,700	7.5577
2/8/2024	7,800	7.6086
2/9/2024	7,300	7.7063
2/12/2024	7,700	7.8544
2/13/2024	8,300	7.8095
2/14/2024	8,100	7.8295
2/15/2024	7,600	8.3082
2/16/2024	7,000	8.3439
2/20/2024	8,000	8.0705
2/21/2024	7,500	8.0897
2/22/2024	7,900	8.2116
2/23/2024	8,000	8.1065
2/26/2024	7,800	8.0197
2/27/2024	7,200	8.0094
2/28/2024	7,600	7.9792
2/29/2024	8,100	7.9252
3/1/2024	8,100	7.9988
3/4/2024	8,300	7.7929
3/5/2024	8,100	7.7414
3/6/2024	7,700	7.8546
3/7/2024	7,700	7.9539
3/8/2024	7,000	8.0194
3/11/2024	7,800	8.2672
3/12/2024	6,800	8.3131
3/13/2024	7,700	8.3358
3/14/2024	8,000	8.0360
3/15/2024	8,000	8.0172
3/18/2024	6,600	8.0692
3/19/2024	7,200	8.1831
3/20/2024	7,900	8.1620
3/21/2024	7,800	8.3327
3/22/2024	7,900	8.1285
3/25/2024	7,300	8.1840
3/26/2024	8,000	8.0799
3/27/2024	7,900	8.1467
3/28/2024	7,800	8.2765
4/1/2024	7,700	8.3825
4/2/2024	7,600	8.4737
4/3/2024	7,500	8.6227

Date of Purchase	Shares Purchased (#)	Average Price Per Share (\$)
4/4/2024	7,500	8.6356
4/5/2024	6,800	8.6849
4/8/2024	9,000	8.5502
4/9/2024	9,300	8.5911
4/10/2024	7,600	8.7022
4/11/2024	8,900	8.7427
4/12/2024	8,900	8.6829
4/15/2024	9,200	8.4100
4/16/2024	5,200	8.3485
4/17/2024	9,200	8.3696
4/18/2024	9,700	8.2333
4/19/2024	7,400	8.1681
4/22/2024	9,400	8.1022
4/23/2024	8,700	8.2991
4/24/2024	4,000	8.9945
4/25/2024	8,300	9.3255
4/26/2024	7,400	9.4049
4/29/2024	8,000	9.6889
4/30/2024	8,200	9.7137
5/1/2024	8,200	9.1383
5/2/2024	2,900	9.2734
5/3/2024	5,700	9.3660
5/6/2024	6,900	9.3333
5/7/2024	3,500	9.3131
5/8/2024	8,600	9.2163
5/9/2024	6,900	9.0659
5/10/2024	8,800	8.8465
5/13/2024	8,800	9.0048
5/14/2024	8,900	8.9763
5/15/2024	4,800	9.0146
5/16/2024	5,200	8.8969
5/17/2024	2,100	8.9476
5/21/2024	8,100	8.9596
5/22/2024	9,100	8.7280
5/23/2024	9,200	8.6580
5/24/2024	8,500	8.6599
5/27/2024	3,700	8.6114
5/28/2024	9,000	8.8622
5/29/2024	4,800	8.6879
5/30/2024	7,700	8.6394
5/31/2024	4,100	8.7246
6/3/2024	9,000	8.7629
6/4/2024	9,100	8.7602
6/5/2024	7,400	8.6390
6/6/2024	3,800	8.5171
6/7/2024	5,600	8.4398
6/10/2024	4,500	8.5162
6/11/2024	4,400	8.4248
6/12/2024	8,300	8.3819
6/13/2024	7,700	8.1256
6/14/2024	7,900	7.9923
6/17/2024	5,300	7.9383
6/18/2024	2,800	8.0793
6/19/2024	5,300	8.1212
6/20/2024	5,300	8.1676
6/21/2024	5,700	8.1054

Date of Purchase	Shares Purchased (#)	Average Price Per Share (\$)
6/24/2024	3,900	8.2197
6/25/2024	1,600	8.2450
6/26/2024	4,200	8.1840
6/27/2024	8,700	8.2744
6/28/2024	8,100	8.1842
7/2/2024	7,300	8.0270
7/3/2024	4,900	8.0308
7/4/2024	700	8.1671
7/5/2024	9,100	7.9897
7/8/2024	2,800	7.8682
7/9/2024	10,000	7.6957
7/10/2024	7,400	7.7123
7/11/2024	8,700	7.8621
7/12/2024	9,900	8.0277
7/15/2024	9,800	8.0981
7/16/2024	7,400	8.0428
7/17/2024	9,900	8.0391
7/18/2024	9,700	8.0127
7/19/2024	5,900	7.9817
7/22/2024	9,500	7.9597
7/23/2024	8,300	7.7791
7/24/2024	10,300	7.6979
7/25/2024	10,000	7.6080
7/26/2024	9,000	7.8545
7/29/2024	6,200	7.6897
7/30/2024	6,700	7.6378
7/31/2024	8,500	7.7405
8/1/2024	10,500	7.5938
8/2/2024	10,400	7.2562
8/6/2024	10,600	7.2186
8/7/2024	5,700	7.3204
8/8/2024	8,000	8.1628
8/9/2024	9,600	8.1923
8/12/2024	9,100	8.4040
8/13/2024	8,800	8.4924
8/14/2024	8,600	8.5460
8/15/2024	8,900	8.6451
8/16/2024	9,300	8.4957
8/19/2024	7,700	8.5205
8/20/2024	9,500	8.3480
8/21/2024	9,600	8.2720
8/22/2024	7,800	8.1911
8/23/2024	9,700	8.2129
8/26/2024	9,300	8.2570
8/27/2024	9,100	7.9605
8/28/2024	8,900	7.8683
8/29/2024	10,200	7.7878
8/30/2024	10,400	7.6613
9/3/2024	10,500	7.5415

On September 4, 2024, the Company announced that the Board of Directors had approved the commencement of the October 2024 SIB pursuant to which the Company offered to purchase from Shareholders up to 3,375,000 Shares for cancellation at a purchase price of \$12.00 per Share, for an aggregate purchase price up to \$40.5 million (equivalent to US\$30.0 million). The October 2024 SIB expired on October 17, 2024.

On October 22, 2024, the Company announced that in accordance with the terms and conditions of the October 2024 SIB, the Company had taken up and paid for 3,375,000 Shares (approximately 4.01% of the total number of issued and outstanding Shares as of October 17, 2024) at a price of \$12.00 per Share, representing an aggregate purchase price of approximately \$40.5 million.

10. PREVIOUS SALES OF SECURITIES AND REPURCHASE OF 2028 NOTES

On June 21, 2021, the Company completed an offering of the 2028 Notes. The interest thereunder is payable semi-annually in arrears on June 21 and December 21 of each year. As of December 11, 2024, the Company has repurchased \$5 million of its 2028 Notes for a cash consideration of \$4 million including interest payable of \$0.1 million.

The repurchase of the 2028 Notes was undertaken to improve the Company's debt covenants and to reduce the Company's average cost of debt. The Company expects to continue to repurchase the 2028 Notes during the Offer.

The Company has not sold any of its securities during the 12 months preceding the date of the Offer.

11. PREVIOUS DISTRIBUTIONS OF SHARES

Excluding Shares issued pursuant to the exercise of Options and the settlement of DSUs and RSUs, the Company has not distributed any of its Shares during the five years preceding the date of the Offer.

Shares Issued Pursuant to Amended and Restated Equity Incentive Plan

The Company's security-based compensation plan (the "**Equity Incentive Plan**") was originally approved and implemented on November 2, 2016 and amended on March 14, 2017, April 24, 2020, and March 29, 2022, and allows for the issuance of RSUs, DSUs and Options to any director, officer employee of the company, or affiliate, as applicable, according to the terms of the Equity Incentive Plan. The Company may settle RSUs and DSUs in cash or Shares. As of December 11, 2024, 2,486,126 Shares have been issued under the Equity Incentive Plan and 959,256 awards have been settled in cash.

The Company has issued no Shares during the 5 years preceding the Offer pursuant to the exercise of Options.

The following table below indicates the number of Shares issued by the Company during the 5 years preceding the Offer pursuant to the settlement of RSUs and DSUs:

Period of Distribution	Number of Shares Issued (#)	Average Price per Share (\$)
January 1, 2024 – December 11, 2024	287,614	7.98
Year ended December 31, 2023	300,841	10.37
Year ended December 31, 2022	510,147	14.63
Year ended December 31, 2021	1,084,870	6.68
Year ended December 31, 2020	271,648	2.95
Year ended December 31, 2019	24,068	9.71

12. OWNERSHIP OF THE COMPANY'S SECURITIES

Directors, Officers and Other Insiders

To the knowledge of the Company, after reasonable inquiry, the following table indicates, as at December 11, 2024, the number of securities of the Company beneficially owned, directly or indirectly, or over which control or direction is exercised, by each director and executive officer of the Company, and, after reasonable inquiry, each insider of the Company (other than directors, executive officers and Principal Shareholders) and their respective associates and affiliates, and each associate or affiliate of the Company or person or company acting jointly or in concert with the Company in connection with the Offer.

Name	Relationship with the Company	Number of Shares	Percentage of Outstanding Shares	Number of DSUs	Percentage of Outstanding DSUs	Number of RSUs	Percentage of Outstanding RSUs
Orlando Cabrales Segovia	Chief Executive Officer, Director	39,447	0.05%	69,127	6.69%	270,400	13.19%
René Roberto Burgos Diaz	Chief Financial Officer	17,055	0.02%	65,497	6.34%	201,540	9.83%

Name	Relationship with the Company	Number of Shares	Percentage of Outstanding Shares	Number of DSUs	Percentage of Outstanding DSUs	Number of RSUs	Percentage of Outstanding RSUs
Alejandra Bonilla	General Counsel & Secretary	31,543	0.04%	0	0.00%	122,416	5.97%
Ivan Arevalo	Corporate Vice President, Operations	32,180	0.04%	0	0.00%	117,301	5.72%
Renata Campagnaro	Corporate Vice President, Marketing, Logistics & Business Sustainability	110,168	0.14%	0	0.00%	127,571	6.22%
Victor Vega	Corporate Vice President, Field Development, Reservoir Management & Exploration	14,175	0.02%	0	0.00%	107,147	5.23%
Gabriel de Alba	Chairman, Director	0	0.00%	250,671	24.26%	0	0.00%
Luis F. Alarcón Mantilla	Director	0	0.00%	184,609	17.87%	0	0.00%
W. Ellis Armstrong	Director	0	0.00%	205,427	19.88%	0	0.00%
Russell Ford	Director	0	0.00%	170,180	16.47%	0	0.00%
Veronique Giry	Director	0	0.00%	87,712	8.49%	0	0.00%

Principal Shareholders

To the knowledge of the Company, there is no person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to any class of voting securities in the capital of the Company, other than:

Name	Number of Common Shares Held	Approximate Percentage of Outstanding Common Shares
The Catalyst Capital Group Inc. ⁽¹⁾	33,262,348	41.17%
Gramercy Funds Management LLC	10,808,311	13.38%

Notes:

(1) The Chair of the Board of Directors, Gabriel de Alba, is a managing partner and director of Catalyst.

13. ARRANGEMENTS CONCERNING SECURITIES OF THE COMPANY

Commitments to Acquire Securities

To the knowledge of the Company, after reasonable inquiry, no person or company referred to in this Circular under Section 12 of this Circular “Ownership of the Company’s Securities” has any agreement, commitment or understanding to acquire securities of the Company.

Acceptance of Offer

To the knowledge of the Company, after reasonable inquiry, no director or officer of the Company, other than the Depositing D&Os will be depositing any Shares pursuant to the Offer. The Depositing D&Os have indicated that they intend to tender the number of Shares, shown opposite their respective names below, to the Offer:

Name and Title	Number of Common Shares Held	Number of Common Shares to be Tendered
Orlando Cabrales Segovia, Chief Executive Officer, Director	39,447	39,447
René Roberto Burgos Diaz, Chief Financial Officer	17,055	17,055
Alejandra Bonilla, General Counsel & Secretary	31,543	31,543
Ivan Arevalo, Corporate Vice President, Operations	32,180	32,180
Renata Campagnaro, Corporate Vice President, Marketing, Logistics & Business Sustainability	110,168	110,168
Victor Vega, Corporate Vice President, Field Development, Reservoir Management & Exploration	14,175	14,175

Catalyst and Gramercy 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.

The intentions of the Principal Shareholders, the Depositing D&Os and the other directors and officers of the Company and their respective associates or affiliates as described above may change.

Benefits from the Offer

No person named under Section 12 of the Circular “Ownership of the Company’s Securities” will receive any direct or indirect benefit from accepting or refusing to accept the Offer other than the Purchase Price for any Shares tendered to the Offer and purchased by the Company in accordance with the terms of the Offer.

Arrangements, Commitment or Understandings with Security Holders

Except as described or referred to in the Offer, there are no contracts, arrangements or understandings, formal or informal, made or proposed to be made between the Company and any holder of any securities of the Company in relation to the Offer.

14. MATERIAL CHANGES IN THE AFFAIRS OF THE COMPANY

Except as described or referred to in the Offer or as otherwise publicly disclosed, the Company is not aware of any plans or proposals for material changes in the affairs of the Company.

15. PRIOR VALUATIONS AND BONA FIDE OFFERS

To the knowledge of the directors and officers of the Company, after reasonable inquiry, no “prior valuation” (as defined in MI 61-101) in respect of the Company has been made in the 24 months before the date hereof. No bona fide prior offer that relates to the Shares or is otherwise relevant to the Offer has been received by the Company during the 24 months preceding the date of the Offer.

16. INCOME TAX CONSIDERATIONS

Certain Canadian Federal Income Tax Considerations

The Company has been advised by McMillan LLP that the following summary describes certain of the principal Canadian federal income tax considerations pursuant to the Tax Act generally applicable, as at the date hereof, to a disposition of Shares by a Shareholder pursuant to the Offer.

This summary is based on the current provisions of the Tax Act, the regulations promulgated thereunder, all specific proposals to amend the Tax Act and the regulations thereunder publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the “**Proposed Amendments**”) and counsel’s understanding of the current administrative policies and assessing practices of the CRA published in writing prior to the date hereof. This summary assumes that the Proposed Amendments will be enacted in the form currently proposed. No assurances can be given that the Proposed Amendments will be enacted as currently proposed, or at all. Except for the Proposed Amendments, this summary does not otherwise take into account or anticipate any changes in law or administrative policies or assessing practices, whether by judicial, governmental or legislative decision or action, nor does it take into account provincial, territorial or foreign tax considerations, which may differ significantly from those discussed herein.

This summary is not applicable to a Shareholder: (i) that is a “financial institution”, (ii) that is a “specified financial institution”, (iii) an interest in which is a “tax shelter investment”, (iv) that reports its “Canadian tax results” in a currency other than Canadian dollars, or (v) that has entered into, or enters into, a “derivative forward agreement”, “synthetic disposition arrangement” or “dividend rental arrangement” in respect of the Shares, as each of those terms is defined in the Tax Act. This summary is also not applicable to a Shareholder that acquired Shares pursuant to the exercise of an employee stock option and who disposes of such Shares pursuant to the Offer. Such Shareholders should consult their own tax advisors regarding their particular circumstances.

This summary is of a general nature only and is not exhaustive of all possible Canadian federal income tax considerations. This summary is not, and should not be construed as, legal or tax advice to any particular Shareholder and no representations with respect to Canadian federal income tax consequences to any particular Shareholder are made. Accordingly, Shareholders are urged to consult their own tax advisors with respect to their particular circumstances.

Having regard to the possible deemed dividend tax treatment described below on a disposition of Shares pursuant to the Offer (including the possible imposition of Canadian withholding tax on Shareholders that are non-residents of Canada), as opposed to capital gains (or capital loss) treatment, which would generally apply to a disposition of Shares in the market by a Shareholder that holds Shares as capital property for the purposes of the Tax Act, Shareholders who wish to dispose of their Shares and who are not generally exempt from Canadian federal income tax should consult their tax advisors regarding the disposition of their Shares in the market as an alternative to disposing of their Shares pursuant to the Offer in order that capital gains (or capital loss) treatment may potentially apply on the disposition of their Shares.

For purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition or deemed disposition of Shares must be expressed in Canadian dollars. This summary assumes that at all relevant times the Shares will be listed on a “designated stock exchange” as defined in the Tax Act (which currently includes the TSX).

Residents of Canada

This portion of the summary is applicable to a Shareholder who at all relevant times for the purposes of the Tax Act (i) is or is deemed to be a resident of Canada, (ii) deals at arm’s length with the Company and is not affiliated with the Company, (iii) is not exempt from tax under Part I of the Tax Act, and (iv) holds its Shares as capital property (a “**Resident Shareholder**”). Generally, Shares will be considered to be capital property to a Resident Shareholder provided the Resident Shareholder does not hold the Shares in the course of carrying on a business and has not acquired the Shares in one or more transactions considered to be an adventure or concern in the nature of trade. A Resident Shareholder whose Shares might not otherwise qualify as capital property may, in certain circumstances, make an irrevocable election under subsection 39(4) of the Tax Act to have the Shares and every other “Canadian security”, as defined in the Tax Act, owned by such Resident Shareholder in the taxation year of the election and in all subsequent taxation years deemed to be capital property. Resident Shareholders are advised to consult their own tax advisors to determine if this election is available or appropriate in their particular circumstances.

Disposition of Shares and Deemed Dividend

A Resident Shareholder who disposes of Shares pursuant to the Offer will be deemed to receive a taxable dividend on a separate class of shares comprising the Shares so sold equal to the amount, if any, by which the amount paid by the Company for the Shares, being the Purchase Price, exceeds the “paid-up capital” in respect of the Shares for purposes of the Tax Act. The Company estimates that, on the Expiration Date, the paid-up capital per Share should not be less

than \$14.91 for purposes of the Tax Act. As a result, a Resident Shareholder who disposes of Shares pursuant to the Offer may not be deemed to receive a taxable dividend. However, whether a deemed dividend will arise in respect of Shares disposed of pursuant to the Offer, or the exact quantum of any resulting deemed dividend, cannot be guaranteed.

Any dividend deemed to be received by a Resident Shareholder who is an individual will be subject to the gross-up and dividend tax credit rules applicable to taxable dividends received by Canadian resident individuals from a taxable Canadian corporation, including the enhanced gross-up and dividend tax credit applicable to dividends validly designated as “eligible dividends” for purposes of the Tax Act. There may be limitations on the ability of a corporation to designate dividends as eligible dividends. Subject to such limitations, the Company intends to designate as an eligible dividend the maximum amount of any deemed dividend arising in respect of Shares disposed of pursuant to the Offer as may be designated without creating taxes for the Company under the Tax Act.

Subject to the application of subsection 55(2) of the Tax Act, as described below, any dividend deemed to be received by a Resident Shareholder that is a corporation will be included in computing such Resident Shareholder’s income as a dividend, and will ordinarily be deductible in computing its taxable income subject also to all other limitations under the Tax Act. To the extent that such a deduction is available, private corporations (as defined in the Tax Act) and certain other corporations may be liable to pay tax under Part IV of the Tax Act at a rate of 38 1/3% of the amount of the deemed dividend. This additional tax may be refundable in certain circumstances.

Under subsection 55(2) of the Tax Act, a Resident Shareholder that is a corporation may be required to treat all or a portion of any deemed dividend that is deductible in computing taxable income as proceeds of disposition of capital property and not as a dividend where the Resident Shareholder would have realized a capital gain if it had disposed of any Share at fair market value immediately before the disposition of Shares to the Company, the disposition to the Company resulted in a significant reduction in such capital gain, and the dividend exceeds the “safe income” in respect of the particular Share that could reasonably be considered to contribute to such capital gain. Subsection 55(2) of the Tax Act does not apply to the portion of the taxable dividend subject to tax under Part IV of the Tax Act that is not refunded under the circumstances specified in subsection 55(2) of the Tax Act. The application of subsection 55(2) of the Tax Act involves a number of factual considerations that will differ for each Resident Shareholder. Resident Shareholders to whom it may be relevant are urged to consult their own tax advisors concerning its application having regard to their particular circumstances.

The amount paid by the Company under the Offer for the Shares less any amount deemed to be received by the Resident Shareholder as a dividend (after the application of subsection 55(2) of the Tax Act, if applicable, in the case of a corporate Resident Shareholder) will be treated as proceeds of disposition of the Shares. The Resident Shareholder will realize a capital gain (or capital loss) on the disposition of the Shares equal to the amount by which the Resident Shareholder’s proceeds of disposition, net of any costs of disposition, exceed (or are less than) the adjusted cost base to the Resident Shareholder of the Shares sold to the Company pursuant to the Offer.

Taxation of Capital Gains and Losses

Under the current provisions of the Tax Act, a Resident Shareholder would generally be required to include in computing its income for a taxation year one-half of any capital gain (a “**taxable capital gain**”) realized by it in that year. A Resident Shareholder would generally be required to deduct one-half of the amount of any capital loss realized in a taxation year from taxable capital gains realized by the Resident Shareholder in that year, and any excess would generally be permitted to be applied to reduce taxable capital gains realized by the Resident Shareholder in the three preceding taxation years or in any subsequent taxation year to the extent and under the circumstances specified in the Tax Act.

However, amendments to the Tax Act have been proposed that, if enacted, will affect the tax treatment of capital gains and capital losses (the “**Capital Gains Changes**”). If the Capital Gains Changes are enacted as proposed, (i) one-half of the first \$250,000 of capital gains realized in a taxation year by a Resident Shareholder who is an individual (net of current-year capital losses and certain other amounts), and two-thirds of any additional capital gains realized by such individual Resident Shareholder in the taxation year will be included in such Resident Shareholder’s income for the taxation year, and (ii) two-thirds of any capital gains realized in a taxation year by a Resident Shareholder that is a corporation or trust will be included in such Resident Shareholder’s income for the taxation year (each such amount would, upon enactment of the Capital Gains Changes, represent a “taxable capital gain”). The amendments to the Tax Act reflected in the Capital Gains Changes will, if enacted, apply to capital gains realized on or after June 25, 2024. The amendments to the Tax Act reflected in the Capital Gains Changes provide that a Resident Shareholder may generally deduct two-thirds of the amount of any capital loss realized in a taxation year from taxable capital gains realized by the Resident Shareholder in that year when determining taxable capital gains, and any excess may generally be applied to reduce taxable capital gains realized by the Resident Shareholder in the three preceding

taxation years or in any subsequent taxation year to the extent and under the circumstances specified in the Tax Act. The Capital Gains Changes permit net capital losses incurred prior to 2024 to continue to be deductible against taxable capital gains realized subsequent to June 24, 2024 by permitting the adjustment of their value to reflect the inclusion rate of the capital gains being offset. Resident Shareholders are strongly advised to consult with their own tax advisors to assess the impact of the Capital Gains Changes based on their particular circumstances. The amount of a capital loss realized on the disposition of a Share by a Resident Shareholder that is a corporation may, to the extent and under the circumstances specified in the Tax Act, be reduced by the amount of dividends received or deemed to be received on the Shares (including any dividends deemed to be received as a result of the disposition of Shares to the Company under the Offer). Similar rules may apply where Shares are owned by a partnership or trust of which a corporation, trust or partnership is a member or beneficiary. Resident Shareholders who may be affected by these rules are urged to consult with their own tax advisors in this regard.

A Resident Shareholder who is an individual (other than a trust) and has realized a capital loss on the disposition of Shares pursuant to the Offer could have all or a portion of that loss denied under the “superficial loss” rules set out in the Tax Act. In general, these rules apply where such Resident Shareholder or a person affiliated with such Resident Shareholder has acquired Shares in the period beginning 30 days before the disposition of Shares pursuant to the Offer and ending 30 days after the disposition of Shares pursuant to the Offer, and such acquired Shares are owned by such Resident Shareholder or by a person affiliated with such Resident Shareholder at the end of such period. Resident Shareholders are urged to consult their own tax advisors with respect to the potential application of the “superficial loss” rules in their particular circumstances.

A Resident Shareholder that is a corporation or trust and has realized a capital loss on the disposition of Shares pursuant to the Offer could have all or a portion of that loss denied under the “stop-loss” rules set out in the Tax Act. In general, these rules apply where such Resident Shareholder or a person affiliated with such Resident Shareholder has acquired Shares in the period beginning 30 days before the disposition of Shares pursuant to the Offer and ending 30 days after the disposition of Shares pursuant to the Offer, and such acquired Shares are owned by such Resident Shareholder or by a person affiliated with such Resident Shareholder at the end of such period. Resident Shareholders are urged to consult their own tax advisors with respect to the potential application of the “stop-loss” rules in their particular circumstances.

A Resident Shareholder that is a “Canadian-controlled private corporation” (as defined in the Tax Act) throughout the year may be liable to pay an additional tax on its “aggregate investment income” for the year, which is defined to include an amount in respect of taxable capital gains. This additional tax may be refundable in certain circumstances.

A Resident Shareholder who is an individual or a trust (other than certain specified trusts), who realizes a capital gain or who is deemed to receive a dividend on the disposition of Shares pursuant to the Offer may be subject to alternative minimum tax under the Tax Act. Such Resident Shareholders should consult their own tax advisors regarding the potential application of the alternative minimum tax rules set out in the Tax Act based on their particular circumstances.

Non-Residents of Canada

This portion of the summary is applicable to a Shareholder who, at all relevant times for purposes of the Tax Act: (i) is not resident or deemed to be resident in Canada, (ii) does not use or hold, and is not deemed to use or hold, its Shares in connection with a business carried on in Canada, (iii) has not, either alone or in combination with persons with whom the Shareholder does not deal at arm’s length and partnerships in which the Shareholder and any such non-arm’s length persons hold a membership interest directly or indirectly through one or more partnerships, owned (or had an option to acquire) 25% or more of the issued shares of any class or series of the capital stock of the Company at any time within a 60-month period preceding the disposition of the Shares under the Offer, and whose Shares are not otherwise deemed to be “taxable Canadian property” (as defined in the Tax Act), (iv) deals at arm’s length with the Company and is not affiliated with the Company, and (v) is not an insurer that carries on an insurance business in Canada and elsewhere (a “**Non-Resident Shareholder**”).

A Non-Resident Shareholder who disposes of Shares pursuant to the Offer will be deemed to receive a dividend equal to the amount, if any, by which the amount paid by the Company for the Shares, being the Purchase Price, exceeds the “paid-up capital” in respect of the Shares for purposes of the Tax Act. The Company estimates that, on the Expiration Date, the paid-up capital per Share should not be less than \$14.91 for purposes of the Tax Act. As a result, a Non-Resident Shareholder who disposes of Shares pursuant to the Offer may not be deemed to receive a taxable dividend. However, whether a deemed dividend will arise in respect of Shares disposed of pursuant to the Offer, or the exact quantum of any resulting deemed dividend, cannot be guaranteed. Any such deemed dividend will be subject to Canadian withholding tax at a rate of 25% or such lower rate as may be provided under the terms of an applicable Canadian tax treaty.

A Non-Resident Shareholder will not be subject to tax under the Tax Act in respect of any capital gain realized on the disposition of a Share pursuant to the Offer.

Certain United States Federal Income Tax Considerations

The following discussion describes certain material U.S. federal income tax consequences of the Offer to Shareholders whose securities are properly tendered and accepted for payment pursuant to the Offer. Those Shareholders who do not participate in the Offer will not incur any U.S. federal income tax liability as a result of the Offer.

This discussion is based upon the provisions of the Code, existing final and temporary regulations promulgated thereunder (the “**Treasury Regulations**”), and current administrative rulings and court decisions, all of which are subject to change, possibly with retroactive effect. Changes in these authorities may cause the U.S. federal income tax consequences to vary substantially from those described below. Furthermore, this discussion does not address the potential application of the alternative minimum tax, any aspect of U.S. federal non-income tax laws, such as gift or estate tax laws, state, local or non-U.S. tax laws or, except as discussed herein, any tax reporting obligations of a holder of the Company’s Shares. This discussion is not binding on the Internal Revenue Service (the “**IRS**”) or the courts, and therefore, could be subject to challenge, which could be sustained. No ruling has been or will be sought or obtained from the IRS with respect to any of the U.S. federal income tax consequences discussed herein.

This discussion applies only to U.S. Holders (as defined below) of the Company’s Shares that own the Shares as “capital assets” within the meaning of Section 1221 of the Code (generally, property held for investment), and does not comment on all aspects of U.S. federal income taxation that may be important to certain Shareholders in light of their particular circumstances, such as Shareholders subject to special tax rules (e.g., banks and other financial institutions, brokers, dealers or traders in securities or commodities, insurance companies, regulated investment companies, real estate investment trusts, traders that elect to mark-to-market their securities, certain expatriates or former long-term residents of the United States, personal holding companies, “S” corporations, U.S. expatriates, tax-exempt organizations, tax-qualified retirement plans, persons that own 10% or more of the Company’s voting stock, persons who are subject to alternative minimum tax, persons who hold Shares as a position in a “straddle” or as part of a “hedging,” “conversion” or “integrated” transaction, persons that have a functional currency other than the U.S. dollar, controlled foreign corporations, passive foreign investment companies, or persons who acquired Shares through the exercise of employee stock options or otherwise as compensation for services). If a partnership (including any entity treated as a partnership for U.S. federal income tax purposes) is a Shareholder, the tax treatment of a partner in the partnership generally will depend upon the status of the partner and the activities of the partnership. Partnerships or partners in a partnership holding Shares should consult their own tax advisors regarding the tax consequences of participating in the Offer. In addition, the discussion assumes that the provisions of Section 5881 of the Code are not applicable to any payments made pursuant to the Offer.

THIS SUMMARY IS FOR GENERAL INFORMATION ONLY AND IS NOT INTENDED TO CONSTITUTE A COMPLETE DESCRIPTION OF ALL TAX CONSEQUENCES RELATING TO THE OFFER. SHAREHOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS REGARDING THE TAX CONSEQUENCES TO THEM (INCLUDING THE APPLICATION AND EFFECT OF ANY STATE, LOCAL AND NON-U.S. INCOME AND OTHER TAX LAWS) OF THE OFFER.

For purposes of this summary, a “**U.S. Holder**” is a beneficial owner of Shares that is, for U.S. federal income tax purposes: (i) a U.S. citizen or U.S. resident alien, (ii) a corporation, or other entity taxable as a corporation for U.S. federal income tax purposes, that was created or organized under the laws of the United States, any State thereof or the District of Columbia, (iii) an estate whose income is subject to U.S. federal income taxation regardless of its source, or (iv) a trust that either is subject to the supervision of a court within the United States and has one or more U.S. persons with authority to control all of its substantial decisions or has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

Characterization of the Purchase — Distribution vs. Sale Treatment

The purchase of Shares from a U.S. Holder pursuant to the Offer generally will be a taxable transaction for U.S. federal income tax purposes. As a consequence of any such purchase, a U.S. Holder will, depending on the U.S. Holder’s particular circumstances, be treated either as having sold its Shares or as having received a distribution in respect of such Shares. The purchase will be treated as a sale if a U.S. Holder meets at least one of the three tests discussed below (the “**Section 302 tests**”). The purchase will be treated as a distribution if the U.S. Holder does not satisfy any of the Section 302 tests.

Section 302 Tests — Determination of Sale or Distribution Treatment

The purchase of Shares pursuant to the Offer will be treated as a sale of the Shares by a U.S. Holder if any of the following Section 302 tests is satisfied:

- as a result of the purchase, there is a “complete redemption” of the U.S. Holder’s equity interest in the Company;
- as a result of the purchase, there is a “substantially disproportionate” reduction in the U.S. Holder’s equity interest in the Company; or
- the receipt of cash by the U.S. Holder is “not essentially equivalent to a dividend”. These tests are described more fully below.

For purposes of the Section 302 tests, the constructive ownership rules of Section 318 of the Code generally apply. As a result, a U.S. Holder is treated as owning not only stock of the Company actually owned by such holder but also stock of the Company actually (and in some cases constructively) owned by certain related entities and individuals. Under the constructive ownership rules, a U.S. Holder will be considered to own stock of the Company owned, directly or indirectly, by certain members of the holder’s family and certain entities (such as corporations, partnerships, trusts and estates) in which the U.S. Holder has an equity interest or (in the case of a U.S. Holder that is itself an entity) which have an interest in the U.S. Holder, as well as certain stock of the Company which the U.S. Holder has an option to acquire or can acquire by exchange of a convertible security. U.S. Holders should consult their own tax advisors with respect to the operation of these constructive ownership rules.

The purchase of Shares pursuant to the Offer will result in a “complete redemption” of a U.S. Holder’s equity interest in the Company for purposes of the Section 302 tests, if, immediately after such purchase, such U.S. Holder owns, actually and constructively, no stock of the Company. In applying the “complete redemption” test, U.S. Holders may be able to waive the application of constructive ownership through the family attribution rules, provided that such U.S. Holders comply with the provisions of Section 302(c)(2) of the Code and applicable U.S. Treasury Regulations. U.S. Holders wishing to satisfy the “complete redemption” test through satisfaction of the special conditions set forth in Section 302(c)(2) of the Code should consult their tax advisors concerning the mechanics and desirability of those conditions.

In general, the purchase of a U.S. Holder’s Shares pursuant to the Offer will be “substantially disproportionate” as to a U.S. Holder for purposes of the Section 302 tests if, immediately after the purchase, the percentage of the outstanding voting stock of the Company that the U.S. Holder actually and constructively owns is less than 80% of the percentage of the outstanding voting stock of the Company actually and constructively owned by such U.S. Holder immediately before the purchase and, immediately following the exchange, such U.S. Holder actually and constructively owns less than 50% of the total combined voting power of the Company.

The purchase of a U.S. Holder’s Shares pursuant to the Offer will be treated as “not essentially equivalent to a dividend” for purposes of the Section 302 tests if it results in a “meaningful reduction” in the U.S. Holder’s proportionate interest in the Company, given the U.S. Holder’s particular facts and circumstances. The IRS has indicated in a published ruling that even a small reduction in the percentage interest of a Shareholder whose relative stock interest in a publicly held corporation is minimal after taking into account the constructive ownership rules of Section 318 of the Code, and who exercises no control over corporate affairs should constitute a “meaningful reduction”. U.S. Holders who intend to qualify for sale treatment by demonstrating that the proceeds received from the Company are “not essentially equivalent to a dividend” should consult their tax advisors to determine the possibility of satisfying this test.

The Company cannot predict whether any particular U.S. Holder will be subject to sale or distribution treatment.

Each U.S. Holder should be aware that because proration may occur in the Offer, even if all of the Shares actually and constructively owned by a U.S. Holder are tendered pursuant to the Offer and the U.S. Holder does not actually or constructively own any other stock of the Company, fewer than all of such Shares may be purchased by the Company. Also, a tendering U.S. Holder may not be able to satisfy one of the Section 302 tests because of contemporaneous acquisitions of shares by such U.S. Holder or a related party whose shares are attributed to such U.S. Holder. Consequently, the Company cannot provide assurances that a sufficient number of any particular U.S. Holder’s Shares will be purchased to ensure that this purchase will be treated as a sale, rather than as a distribution, for U.S. federal income tax purposes.

Treatment of a Distribution in Respect of Shares.

Subject to the PFIC (as defined herein) rules discussed below, if a U.S. Holder does not satisfy any of the Section 302 tests described above, the full amount received by the U.S. Holder pursuant to the Offer will be treated as a distribution to the U.S. Holder with respect to the U.S. Holder's Shares. The tax basis of the U.S. Holder's sold Shares will be added to the tax basis of such holder's remaining Shares. To the extent of the Company's current and accumulated earnings and profits allocated to the U.S. Holder's Shares, as determined under U.S. federal income tax principles, this distribution generally will be treated as a dividend. Such a dividend would be includible in the U.S. Holder's gross income as ordinary income without reduction for the tax basis of the Shares exchanged, and no current loss would be recognized.

Non-corporate U.S. Holders generally will be subject to U.S. federal income tax at a maximum rate of 20% with respect to any such dividend income, provided that (1) the shares are readily tradable on an established securities market in the United States or the Company is eligible for benefits under a comprehensive United States income tax treaty which the IRS has approved for these purposes, (2) the Company is not a "passive foreign investment company" ("PFIC") in the taxable year in which such dividends are paid or in the preceding taxable year, (3) such U.S. Holder satisfies a holding period requirement and (4) such U.S. Holder is not under an obligation (whether pursuant to a short sale or otherwise) to make payments with respect to positions in substantially similar or related property. The Company believes that the Shares are readily tradable on an established securities market in the United States.

A dividend received by a corporate U.S. Holder may be (1) eligible for a dividends-received deduction (subject to applicable exceptions and limitations) and (2) subject to the "extraordinary dividend" provisions of Section 1059 of the Code. Corporate shareholders should consult their own tax advisors regarding the U.S. federal tax consequences of the Offer in relation to their particular facts and circumstances.

Amounts treated as a dividend will be treated as foreign source income for U.S. federal income tax purposes. Subject to various limitations, a U.S. Holder may elect to claim a foreign tax credit against its United States federal income tax liability for Canadian income tax paid with respect to any such dividend income. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. For this purpose, any amount treated as a dividend will generally be categorized as "passive category income" for United States foreign tax credit purposes. U.S. Holders who do not elect to claim the foreign tax credit may instead claim a deduction for Canadian income tax paid, but only for a year in which the U.S. Holder elects to do so with respect to all foreign income taxes. A deduction does not reduce the United States tax on a dollar-for-dollar basis like a tax credit. The deduction, however, is not subject to the same limitations applicable to foreign tax credits. The rules relating to the foreign tax credit determination are complex. Accordingly, U.S. Holders should consult their own tax advisors to determine whether and to what extent they may be entitled to the credit.

Distributions in excess of the Company's current and accumulated earnings and profits allocated to the U.S. Holder's Shares will be treated first as a non-taxable return of capital to the extent of the U.S. Holder's tax basis in its Shares and thereafter as capital gain, which will be either long-term or short-term capital gain depending upon whether the U.S. Holder has held the Shares for more than one year. See, however, the discussion of the PFIC rules below, which could materially alter this treatment.

The Company does not maintain and will not report calculations of its earnings and profits in accordance with U.S. federal income tax accounting principles. U.S. Holders should consult their tax advisors as to whether all or any part of the payment received from the Company should be treated as a dividend.

Treatment of a Sale of Shares

Subject to the PFIC rules discussed below, a U.S. Holder that satisfies any of the Section 302 tests described above will be treated as having sold the Shares purchased by the Company pursuant to the Offer and generally will recognize capital gain or loss in an amount equal to the difference between the amount of cash received under the Offer and the U.S. Holder's adjusted tax basis in such Shares. The gain or loss recognized generally will be treated as (i) long-term capital gain or loss if the U.S. Holder's holding period is greater than one year as of the date of the Company's purchase pursuant to the Offer and (ii) U.S. source income or loss, as applicable, for foreign tax credit purposes. Consequently, a U.S. Holder may not be able to credit any Canadian tax imposed on the sale of shares unless such credit can be applied (subject to applicable limitations) against tax due on other foreign source income.

Certain U.S. Holders, including individuals, may be eligible for preferential rates of U.S. federal income tax in respect of long-term capital gains. A U.S. Holder's ability to deduct capital losses is subject to certain limitations (including the "wash sale" rules under the Code). A U.S. Holder must calculate gain or loss separately for each block of Shares (generally, Shares acquired at the same cost in a single transaction). A U.S. Holder may be able to designate which blocks of Shares it wishes to tender and the order in which different blocks will be purchased in the event that less than

all of its Shares are tendered. U.S. Holders should consult their tax advisors concerning the mechanics and desirability of that designation.

Medicare Surtax

U.S. Holders who are individuals, estates or trusts and whose income exceeds certain thresholds will also be required to pay (in addition to U.S. federal income tax) a 3.8% Medicare surtax on net investment income, including dividends and gains from the sale or other taxable disposition of the Shares. U.S. Holders are urged to consult their tax advisers regarding whether the Medicare surtax will apply to them.

Reporting Requirement for Significant Holders

A U.S. Holder that is considered a “significant holder” within the meaning of U.S. Treasury Regulation Section 1.302-2(b) who exchanges Shares for cash pursuant to the Offer may be required to comply with the reporting requirements of such regulation.

Passive Foreign Investment Company

Generally, a PFIC is a non-U.S. corporation that, in any tax year, receives passive income in an amount equal to 75% or more of its gross income or holds assets for the production of passive income representing 50% or more of its assets in a taxable year of the non-U.S. corporation (ordinarily determined based on fair market value and averaged quarterly over the year), broadly speaking, on a consolidated basis with its subsidiaries. Passive income generally includes dividends, interest, rents and royalties (other than rents or royalties derived from the active conduct of a trade or business) and gains from the disposition of passive assets. A company’s status as a PFIC must be determined every year based on the income, assets and operations of the company for that year. Because this is a factual determination that must be made annually, no assurance can be provided that the Company will not be a PFIC in the current or any future year.

If the Company is treated as a PFIC in any year in which a U.S. Holder has held its Shares and the U.S. Holder did not make a timely qualified electing fund (“**QEF**”) election for the Company’s first taxable year as a PFIC in which the U.S. Holder held (or was deemed to hold) Shares, a QEF election along with a purging election, or a mark-to-market election, certain adverse consequences could apply to payments made with respect to the Offer, including (1) that gain on the disposition of Shares could be treated as ordinary income and subject to additional tax in the nature of interest, (2) amounts treated as distributions on the shares may fail to qualify for the preferential rates of taxation and (3) additional reporting requirements may apply to U.S. Holders. U.S. Holders should consult with their tax advisors as to the effect of these rules on their tender of Shares pursuant to the Offer.

Backup Withholding and Information Reporting

The sale by a U.S. holder of Shares pursuant to the Offer may be subject to information reporting requirements. Additionally, backup withholding may apply to the Purchase Price for Shares paid pursuant to the Offer to a non-corporate U.S. holder that fails to provide an accurate taxpayer identification number, is notified by the IRS that the holder has failed to report all interest and dividends required to be shown on the holder’s federal income tax returns, or, in certain circumstances, fails to comply with applicable certification requirements. Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against a U.S. Holder’s U.S. federal income tax liability, and a U.S. holder generally may obtain a refund of amounts withheld under the backup withholding rules that exceed the U.S. holder’s income tax liability by timely filing a refund claim with the IRS and furnishing any required information.

THIS DISCUSSION IS GENERAL IN NATURE AND DOES NOT DISCUSS ALL ASPECTS OF U.S. FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO A PARTICULAR SHAREHOLDER IN LIGHT OF THE SHAREHOLDER’S PARTICULAR CIRCUMSTANCES, OR TO CERTAIN TYPES OF SHAREHOLDERS SUBJECT TO SPECIAL TREATMENT UNDER U.S. FEDERAL INCOME TAX LAWS. YOU ARE ADVISED TO CONSULT WITH YOUR OWN TAX ADVISOR TO DETERMINE THE PARTICULAR TAX CONSEQUENCES TO YOU OF THE OFFER, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL AND FOREIGN TAX LAWS.

17. LEGAL MATTERS

The Company is not aware of any license or regulatory permit that is material to the Company’s business that might be adversely affected by the Company’s acquisition of Shares pursuant to the Offer or of any approval or other action by

any government or governmental, administrative or regulatory authority or agency in any jurisdiction, that would be required for the acquisition of Shares by the Company pursuant to the Offer and that has not been obtained on or before the date hereof. Should any such approval or other action be required, the Company currently contemplates that such approval will be sought or other action will be taken. The Company cannot predict whether it may determine that it must delay the acceptance for payment of Shares deposited pursuant to the Offer pending the outcome of any such matter.

There can be no assurance that any such approval or other action, if needed, would be obtained or would be obtained without substantial conditions or that the failure to obtain any such approval or other action might not result in adverse consequences to the Company's business.

The Company is relying on the "liquid market exemption" specified in MI 61-101. Accordingly, the valuation requirements of securities regulatory authorities in Canada applicable to issuer bids generally are not applicable in connection with the Offer.

18. DEALER MANAGER

BMO Capital Markets has been retained to serve as Dealer Manager in connection with the Offer. The Dealer Manager may communicate with investment dealers, stockbrokers, commercial banks, trust companies and dealers with respect to the Offer. BMO Capital Markets has also been retained as financial advisor in connection with the Offer and to provide the Liquidity Opinion.

19. DEPOSITARY

The Company has appointed Computershare Investor Services Inc. to act as a depositary for, among other things, (a) the receipt of certificates representing Shares and related Letters of Transmittal deposited under the Offer, (b) the receipt of Notices of Guaranteed Delivery delivered pursuant to the procedures for guaranteed delivery set forth in Section 5 of the Offer to Purchase, "Procedure for Depositing Shares", (c) the receipt from the Company of cash to be paid in consideration of the Shares acquired by the Company under the Offer, as agent for the depositing Shareholders, and (d) the transmittal of such cash to the depositing Shareholders, as agent for the depositing Shareholders, including the conversion of such cash from Canadian dollars to United States dollars for depositing Shareholders who elect to receive payment of the Purchase Price for their Shares in United States dollars. The Depositary may contact Shareholders by mail, telephone or facsimile and may request brokers, dealers and other nominee Shareholders to forward materials relating to the Offer to beneficial owners. The Depositary is not an affiliate of the Company and the Depositary acts as the Company's transfer agent and registrar.

20. FEES AND EXPENSES

BMO Capital Markets will receive a fee from the Company for its services performed in connection with the Offer. The Company has agreed to reimburse BMO Capital Markets for certain reasonable out-of-pocket expenses incurred in connection with the Offer and to indemnify BMO Capital Markets against certain liabilities to which it may become subject as a result of its engagement. None of the fees payable to BMO Capital Markets are contingent upon the conclusions reached by BMO Capital Markets in the Liquidity Opinion.

The Depositary will receive reasonable and customary compensation for its services, will be reimbursed for certain reasonable out-of-pocket expenses and will be indemnified against certain liabilities and expenses in connection with the Offer, including certain liabilities under Canadian provincial and territorial securities laws.

The Company will not pay any fees or commissions to any broker or dealer or any other person for soliciting deposits of Shares pursuant to the Offer. Brokers, dealers, commercial banks and trust companies will, upon request, be reimbursed by the Company for reasonable and necessary costs and expenses incurred by them in forwarding materials to their customers.

The Company is expected to incur expenses of approximately \$750,000 in connection with the Offer, which includes filing fees, advisory fees, the fees of BMO Capital Markets, Computershare Investor Services Inc., legal, translation, accounting, transfer agent and printing fees.

21. STATEMENT OF RIGHTS

Securities legislation in the provinces and territories of Canada provides Shareholders with, in addition to any other rights they may have at law, one or more rights of rescission, price revision or to damages, if there is a misrepresentation in a circular or notice that is required to be delivered to the Shareholders. However, such rights must be exercised within prescribed time limits. Shareholders should refer to the applicable provisions of the securities legislation of their province or territory for particulars of those rights or consult a lawyer.

APPROVAL AND CERTIFICATE

December 19, 2024

The board of directors of Frontera Energy Corporation has approved the contents of the Offer to Purchase and the accompanying Circular dated December 19, 2024, and the delivery thereto to Shareholders. The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

/s/ Orlando Cabrales Segovia

Orlando Cabrales Segovia

Chief Executive Officer

/s/ René Burgos

René Burgos

Chief Financial Officer

On behalf of the Board of Directors:

/s/ Luis Fernando Alarcón

Luis Fernando Alarcón

Director

/s/ W. Ellis Armstrong

W. Ellis Armstrong

Director

CONSENT OF BMO NESBITT BURNS INC.

TO: The Board of Directors of Frontera Energy Corporation

We consent to the inclusion of our Liquidity Opinion dated December 12, 2024 as Schedule A to the Circular dated December 19, 2024, which schedule is incorporated by reference in the Circular and consent to the inclusion of our name and reference to our firm name and to our Liquidity Opinion on the cover page and in the sections titled "Certain Conditions of the Offer", "Purpose and Effect of the Offer", "Dealer Manager" and "Fees and Expenses" of the Circular. Our Liquidity Opinion was given as at December 12, 2024 and remains subject to the assumptions, qualifications and limitations contained therein. In providing our consent, we do not intend that any person other than the directors of the Frontera Energy Corporation will be entitled to rely upon our opinion.

December 19, 2024

/s/ BMO Nesbitt Burns Inc.

BMO Nesbitt Burns Inc.

CONSENT OF MCMILLAN LLP

TO: The Board of Directors of Frontera Energy Corporation.

We consent to the inclusion of our name and reference to our opinion in the section titled "Income Tax Considerations - Certain Canadian Federal Income Tax Considerations" in the Circular dated December 19, 2024.

December 19, 2024

/s/ McMillan LLP

McMillan LLP

SCHEDULE A
LIQUIDITY OPINION OF BMO NESBITT BURNS INC.

See attached.

December 12, 2024

The Board of Directors
Frontera Energy Corporation
2000, 222 - 3rd Ave SW
Calgary, AB
T2P 0B9, Canada

To the Board of Directors:

BMO Nesbitt Burns Inc. (“BMO Capital Markets” or “we” or “us”) understands that Frontera Energy Corporation (the “Company”) intends to make an offer by way of a substantial issuer bid (the “Substantial Issuer Bid”) pursuant to which the Company would offer to acquire up to 3,500,000 Common Shares of the Company (the “Shares”) having an aggregate purchase price not exceeding C\$42,000,000 (~US\$30.0 million) in cash at a price of C\$12.00 per Share. BMO Capital Markets also understands that the terms and conditions of the Substantial Issuer Bid will be set forth in an offer to purchase and issuer bid circular to be issued by the Company (the “Offer to Purchase”) and the related letter of transmittal, notice of guaranteed delivery and other documents relating to the Substantial Issuer Bid (collectively, the “Offer Documents”) which will be mailed to the holders of the Shares in connection with the Substantial Issuer Bid. The terms used herein that are used or defined in the Offer to Purchase and not otherwise defined herein will have the same meaning as used in the Offer to Purchase.

We have been retained by the Company to act as its financial advisor and dealer manager in Canada in connection with the Substantial Issuer Bid pursuant to an engagement letter dated November 18, 2024 (the “Dealer Manager Engagement”), and to prepare and deliver to the Board of Directors of the Company (the “Board”) BMO Capital Markets’ opinion (the “Opinion”) as to whether, as of the date hereof, (i) a liquid market, as defined in Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”), exists for the Shares as at the date the Substantial Issuer Bid is publicly announced, and (ii) it is reasonable to conclude that, following completion of the Substantial Issuer Bid in accordance with its terms, there will be a market for holders of Shares who do not tender to the Substantial Issuer Bid that is not materially less liquid than the market that existed at the time of the making of the Substantial Issuer Bid. The Board has, on a voluntary basis, obtained the Opinion from BMO Capital Markets notwithstanding that such opinion is not required pursuant to MI 61-101. This Opinion is not an opinion referred to in paragraph (b) of subsection 1.2(1) of MI 61-101. As dealer manager, BMO Capital Markets is not independent of the Company in connection with the Substantial Issuer Bid for purposes of MI 61-101.

BMO Capital Markets and certain of our affiliates act as traders and dealers, both as principal and agent, in major financial markets and, as such, may have had and may in the future have positions in the Shares or other securities of the Company, or any of its associates or affiliates, and, from time to time, may have executed or may execute transactions on behalf of such companies or clients for which BMO Capital Markets or such affiliates received or may receive compensation. As investment dealers, BMO Capital Markets and certain of our affiliates conduct research on securities and may, in the ordinary course of business, provide research reports and investment advice to clients on investment matters, including with respect to the Company, its associates or affiliates, or the Substantial Issuer Bid. In addition, Bank of Montreal (“BMO”), of which BMO Capital Markets is a wholly owned subsidiary, or one or more affiliates of BMO, may provide banking or other financial services to the Company or its associates or affiliates in the ordinary course of business.

ENGAGEMENT OF BMO CAPITAL MARKETS

BMO Capital Markets was engaged by the Company to act as its financial advisor and dealer manager in Canada pursuant to the Dealer Manager Engagement. The terms of the Dealer Manager

Engagement provide that BMO Capital Markets is to be paid a fee for its services as financial advisor and dealer manager, including the delivery of the Opinion. In addition, BMO Capital Markets is to be reimbursed for its reasonable out-of-pocket expenses and to be indemnified by the Company in certain circumstances. BMO Capital Markets consents to the inclusion of the Opinion in its entirety and a summary thereof in the Offer to Purchase to be mailed to holders of Shares and to the filing of the Opinion, as necessary, by the Company with the securities commissions or similar regulatory authorities in each province and territory of Canada.

CREDENTIALS OF BMO CAPITAL MARKETS

BMO Capital Markets is one of North America's largest investment banking firms, with operations in all facets of corporate and government finance, mergers and acquisitions, equity and fixed income sales and trading, investment research and investment management. BMO Capital Markets has been a financial advisor in a significant number of transactions throughout North America involving public and private companies in various industry sectors.

The Opinion represents the opinion of BMO Capital Markets, the form and content of which have been approved for release by a committee of our officers who are collectively experienced in merger and acquisition, divestiture, restructuring, valuation, opinion and capital markets matters.

SCOPE OF REVIEW

In connection with rendering the Opinion, we have reviewed and relied upon, or carried out, among other things, the following:

1. a draft of the Offer to Purchase dated December 11, 2024;
2. the trading activity, volumes, and price history of the Shares on the Toronto Stock Exchange and other alternative trading venues as we deemed appropriate;
3. the distribution and ownership of the Shares, to the extent publicly disclosed or provided to us by the Company;
4. the number of Shares issued and outstanding;
5. the number of Shares proposed to be purchased under the Substantial Issuer Bid relative to (i) the total number of Shares issued and outstanding less (ii) the number of Shares owned by related parties of the Company and Shares or blocks thereof, that are known to us, that could be considered as not being freely tradable (the "public float");
6. the current size and market value of the Company's public float;
7. certain public information with respect to the Company, including quarterly and annual financial reports, supplemental information and management information circulars;
8. other public information with respect to the Company and the Shares;
9. the definition of "liquid market" as outlined in MI 61-101 and certain other parameters in MI 61-101;
10. certain precedent issuer bids that we considered relevant;
11. discussions with senior management of the Company and McMillan LLP, external legal counsel to the Company; and
12. such other information, including corporate, industry, and financial market information, investigations and analyses as BMO Capital Markets considered necessary or appropriate in the circumstances.

ASSUMPTIONS AND LIMITATIONS

We have relied upon and assumed the completeness, accuracy and fair presentation of all financial and other information, data, advice, opinions, representations and other material obtained by us from public sources or provided to us by or on behalf of the Company or otherwise obtained by us in connection with our engagement (the "Information"). The Opinion is conditional upon such completeness, accuracy and fair presentation. We have not been requested to, and have not attempted to or assumed any obligation to, independently verify the completeness, accuracy or fair presentation of any such Information.

In preparing the Opinion, we have assumed that the final Offer Documents will not differ in any material respect from the drafts that we reviewed, and that the Substantial Issuer Bid will be consummated in accordance with the terms and conditions of the Offer to Purchase without waiver of, or amendment to, any term or condition. We have also assumed that there will be no significant change in the holdings of the Shares other than as a result of the Substantial Issuer Bid.

The Opinion is rendered on the basis of securities markets, economic, financial and general business conditions prevailing as of the date hereof and the condition and prospects, financial and otherwise, of the Company as they are reflected in the Information and as they have been represented to BMO Capital Markets in discussions with management of the Company and its representatives. In our analyses and in preparing the Opinion, BMO Capital Markets made numerous judgments and assumptions, including with respect to industry performance, general business, market, economic, and financial conditions and other matters, many of which are beyond our control or that of any party involved in the Substantial Issuer Bid.

The Opinion is provided to the Board for its exclusive use only in determining the availability of an exemption from the formal valuation requirements of MI 61-101 (pursuant to Section 3.4(b)(i) and (ii) thereof) in connection with the Substantial Issuer Bid and may not be used or relied upon by any other person or for any other purpose without our prior written consent. The Opinion does not constitute a recommendation as to whether any holders of the Shares should tender their Shares to the Substantial Issuer Bid or in what manner or at what price. Except for the inclusion of the Opinion in its entirety and a summary thereof (in a form acceptable to us) in the Offer to Purchase, the Opinion is not to be reproduced, disseminated, quoted from or referred to (in whole or in part) without our prior written consent.

We have not been asked to prepare and have not prepared a formal valuation or appraisal of the securities or assets of the Company or of any of its affiliates, and the Opinion should not be construed as such. The Opinion is not, and should not be construed as, advice as to the value of any securities of the Company or the price at which the securities of the Company may trade at any time. BMO Capital Markets was not engaged to review any legal, tax or regulatory aspects of the Offer to Purchase and the Opinion does not address any such matters. We have relied upon, without independent verification, the assessment by the Company and its legal and tax advisors with respect to such matters.

BMO Capital Markets believes that its analyses must be considered as a whole and that selecting portions of the analyses or the factors considered by it, without considering all factors and analyses together, could create a misleading view of the process underlying the Opinion. The preparation of an opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis.

The Opinion is rendered as of the date hereof and BMO Capital Markets disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the Opinion which may come or be brought to the attention of BMO Capital Markets after the date hereof. Without limiting the foregoing, if we learn that any of the Information we relied upon in preparing the Opinion was inaccurate, incomplete or misleading in any material respect, or we learn of any material change in any fact or matter affecting the Opinion, BMO Capital Markets reserves the right to change or withdraw the Opinion.

For purposes of this Opinion, the phrase "liquid market" has the meaning ascribed thereto in MI 61-101.

CONCLUSION

Based upon and subject to the foregoing, BMO Capital Markets is of the opinion that, as of the date hereof, (i) a liquid market for the Shares exists, and (ii) it is reasonable to conclude that, following the completion of the Substantial Issuer Bid, there will be a market for holders of the Shares who do not tender to the Substantial Issuer Bid that is not materially less liquid than the market that existed at the time of the making of the Substantial Issuer Bid.

Yours truly,

/s/ BMO Nesbitt Burns Inc.

BMO Nesbitt Burns Inc.