

Bogotá, D.C., February 25, 2020

Frontera Energy Corp is pleased to receive the invitation from the Business and Human Rights Resource Centre to respond to some concerns raised about Frontera's Energy operations, related to:

“On 27 November 2018, eight social leaders protesting the operations of the Frontera Energy oil company were arrested, allegedly for belonging to an organized crime group, and called to trial. NGOs have denounced this and requested international intervention, but the government said that they belonged to an organized crime group that used social protest as a *“facade to harass the hydrocarbon companies”*. NGOs stated that those captured in this case are *“deprived of their freedom solely by participating in social organizations, holding meetings and promoting peaceful mobilizations”*.”

Regarding these concerns, Frontera would like to share with the Business and Human Rights Centre the following clarifications regarding events that took place during 2018 in one of our operating fields in the Department of Casanare, municipality of San Luis de Palenque, mentioned in the report of the Special Rapporteur.

1. Frontera Energy is committed to upholding the principles and practices of a Canadian company operating in Colombia.

As a Canadian company operating in Colombia, we are committed to implementing Canadian standards and ensuring a responsible business conduct that places the name of our home country in high regard. We work in an ethical and responsible manner, using our Canadian values to grow the success of our Colombian operations. The values of integrity, respect, commitment and sustainability inspire our decisions and inform our relationships with stakeholders.

As part of our corporate commitment, we act as a responsible corporate citizen, including protecting and promoting the human rights of land defenders. Frontera Energy is a member of the Global Compact, the Voluntary Principles on Security and Human Rights and the Mining and Energy Committee on Security and Human Rights, among others. Our practices are in line with the implementation of the Sustainability Policy and Human Rights Declaration based on the Guiding Principles on Business and Human Rights. We recognize that communities neighbouring our project sites and operations, and their leaders, have a say in the development of their lands and resources. Frontera Energy proudly exercises award-winning best practices in environmental protection and sustainability.

For Frontera Energy, the local community, its leaders and authorities are indispensable for democracy and for the construction of a long-lasting and stable peace. An example of our commitment to this principle can be seen in our recent action. We released a statement condemning the attack on the life of a leader of the *Unión Sindical Obrera* (Colombia oil industry's workers' union) of Puerto Gaitán, a municipality in which we also have operations. A copy of the statement is attached.

Since inception in July of 2017, Frontera Energy has invested in community outreach to build trust with local communities. Listening and learning from local players is a critical part of our stakeholder engagement process. To date, we have undertaken community surveys, perceptions studies and socio-economic studies to identify and understand local impacts and community expectations. With this analysis aligned with our operational strategy, in 2018 and 2019 we invested approximately US\$5 million (per year) in social projects related to education, infrastructure and productivity. As a result, we are developing long-term relationships with the more than 150 communities, including 27 indigenous communities, in which we operate. While protests have occasionally arisen, we have worked together with social and community leaders to resolve them in peaceful and productive ways. The events referenced in the UN report is the only case of a protest involving a Frontera Energy project turned violent.

2. Frontera duly activated its established processes and protocols in this particular case

The events in question took place around the Cubiro operation field under the Cubiro Sector Exploration and Exploitation Contract (E&P), still in force with the National Hydrocarbons Agency (ANH). At the beginning of 2018, a group of people who had claims involving labor issues and road maintenance, among other matters, undertook some local demonstrations, including local blockades.

Frontera Energy, consistent with its operating principles which recognize social protest as a legitimate means of expression, duly activated its established processes and protocols on community engagement, whereby it promoted several safe dialogue spaces to clarify the concerns of the group of demonstrators regarding the Company's compliance with their demands.

However, despite these conciliation efforts and the clear explanations on the way in which Frontera Energy was managing the situation, the protests turned violent, including acts of violence against Frontera Energy employees, contractors and facilities. As a result, and to ensure the safety of its workers, suppliers and the local community, the company fully closed its operation for 46 days for the period from February 5, 2018 to March 22, 2018. This was highly disruptive to the work of almost two thousand local workers employed by the company and 11 local suppliers. These local suppliers provide goods and services to the field totaling more than US\$ 6 million over the last three years.

Independently of the Company, law enforcement authorities intervened to restore order to the area. As we understand it, the Attorney General's Office (*Fiscalía General de la Nación*), has proceeded to arrest and is bringing to trial certain of the individuals involved in the violence, which arose during the protests. As with any company operating in Canada or a Canadian company operating in a foreign jurisdiction, we are not privy to the decision-making or actions of the public authorities. We are, of course, concerned that our operations are conducted in a safe environment for our employees, our suppliers and the local community

and we are pleased to note that this almost universally is the case in the rest of our projects in Colombia.

3. We are committed to the rule of law

Frontera Energy has conducted an internal review of the company's actions during the protests in Cubiro to identify areas for improvement and to prevent, if possible, such an occurrence in the future. The review focused on whether Frontera abided by its internal sustainability principles. While sustainability seeks to accommodate reasonable community concerns, Frontera can only take actions in respect of matters over which it has control or which otherwise abide by its operating principles. In that regard, a number of protesters made demands that were beyond Frontera Energy's responsibility – including demands that were specifically for personal gain, not community benefit. Secondly, while Frontera sought to ensure the safety and security of its employees, suppliers and the protestors, ultimate responsibility for ensuring compliance with laws rests with local and national authorities. Unfortunately, protesters turned against local forces that were onsite to oversee the safety and security of Frontera Energy employees, contractors and protesters alike. In this context, Frontera Energy operated in the same way as a Canadian company would operate faced with similar circumstances in Canada involving a blockade of its extractive activities and subsequent transport of its product.

4. We are committed to the advancement of humanitarian law.

The relationship with law enforcement authorities is established within a framework ensuring strict compliance with the law and respect for human rights. Thus, our security agreements with the Ministry of Defense are framed by the Constitutional Court (article 209), the Law 489 of 1998 (Articles 5 and 6), the Law 1150 of 2007 and the Resolution No. 5342 of the Ministry of Defense, dated June 25, 2014. Moreover, these collaboration agreements additionally seek to provide in-kind support to improve the military's logistical (non-lethal) capacity and allocate resources for the ongoing training of officers on Human Rights and on International Humanitarian Law. We do note that these arrangements are common among all companies doing business in Colombia in the sectors in which Frontera is involved.

In this context it is worthwhile to note that, during 2019, through these agreements at the national level, 247 Army members and 71 members of the National Police were trained on human rights and humanitarian principles. Likewise, during 2019, 100% of our contractors and employees were trained on the Frontera's corporate commitments to responsible corporate behavior.