

FRONTERA ENERGY CORPORATION

NEWS RELEASE

FRONTERA ANNOUNCES DIVIDEND REINVESTMENT PLAN AND LOAN TO PUERTO BAHIA

Toronto, Canada, December 18, 2018 - Frontera Energy Corporation (TSX: FEC) (“**Frontera**” or the “**Company**”) today announced the option for a Dividend Reinvestment Plan. As initially announced on December 6, 2018, Frontera has now adopted a Dividend Reinvestment Plan (the “**Plan**”) effective December 17, 2018 to provide shareholders of Frontera who are resident in Canada (“**Eligible Shareholders**”) with the option to have the cash dividends declared on their common shares of Frontera (“**Shares**”) reinvested automatically back into additional Shares, without the payment of brokerage commissions or service charges.

Participation in the Plan is optional; shareholders of Frontera who do not wish to participate in the Plan will receive a cash dividend. Dividends are payable only as and when declared by Frontera’s board of directors.

Computershare Trust Company of Canada (the “**Agent**”) has been appointed as the agent for the Plan. Frontera will pay to the Agent all cash dividends which are to be reinvested on behalf of Eligible Shareholders participating in the Plan and the Agent will then use those funds to purchase additional Shares on behalf of participants. All Shares purchased under the Plan will be newly issued by Frontera from the treasury and purchased at 100% of the average market price of the Shares on the Toronto Stock Exchange (“**TSX**”).

Frontera may from time to time, in its sole discretion, offer a discount of up to 5% of the average market price for Shares purchased under the Plan. At this time, no discount is being offered.

To enroll in the Plan, Eligible Shareholders must contact the broker, dealer, bank or other market participant who holds their Shares and complete and submit an enrollment form before 4:00 p.m. (Eastern) on the fifth business day immediately preceding a dividend record date.

On December 6, 2018, Frontera's board of directors declared a dividend of C\$0.33 per Share, which will be paid on January 17, 2019 to shareholders of record at the close of business on January 3, 2019. Enrollment for the January dividend will commence on December 17, 2018 and will end on December 24, 2018.

The Plan is an “automatic securities purchase plan” under applicable securities laws. Eligible Shareholders that are insiders (as defined under applicable securities laws) or employees of Frontera or its subsidiaries may elect to participate in the Plan in order to permit the Agent to purchase Shares on their behalf during blackout periods under the Company’s insider trading policy, provided however, that such persons must give directions to participate, vary or terminate their participation in the Plan when they are not subject to a blackout period and must otherwise comply with any additional requirements imposed upon them by Frontera’s insider trading policy.

Proceeds received by Frontera from the issuance of Shares from treasury under the Plan will be used for general corporate purposes.

Additional information on the Plan including the Reinvestment Enrollment — Participant Declaration Form can be found on Frontera’s website at www.fronteraenergy.ca, on the Agent’s self-service web portal at www.investorcentre.com or by contacting your financial institution or investment advisor.

Loan to Puerto Bahia

Frontera also announced that it has entered into an unsecured loan agreement with Puerto Bahia, pursuant to which the Company has agreed to loan the aggregate amount of U.S.\$10.75 million to Puerto Bahia, subject to certain terms and conditions (the “**Loan Agreement**”).

On October 4, 2013, Pacinfra Holding Ltd. (“**Pacinfra Holding**”), a wholly-owned subsidiary of the Company, Pacific Infrastructure Inc. (“**Pacific Infrastructure**”), an entity in which the Company indirectly holds a 39.22% interest, Puerto Bahia, a wholly-owned subsidiary of Pacific Infrastructure, and Wilmington Trust, National Association (as administrative agent) entered into an equity contribution agreement (the “**Equity Contribution Agreement**”) pursuant to which Pacinfra Holding and Pacific Infrastructure agreed to both jointly and severally cause equity or debt contributions to be made to Puerto Bahia up to an aggregate amount of U.S.\$130 million in circumstances where it is determined that there were certain deficiencies related to operation and maintenance of the multi-purpose port facility developed by Puerto Bahia and Puerto Bahia’s ability to make payments towards its bank debt obligations.

In accordance with the Equity Contribution Agreement, a deficiency notice to Pacinfra Holding was issued requesting that the Company fund, or cause to be funded, a total amount of U.S.\$10.75 million to Puerto Bahia, due December 15, 2018. The Loan Agreement will satisfy this funding commitment.

The Loan Agreement bears an annual interest rate of 14% and will mature on December 15, 2019.

Puerto Bahia is a private company organized and existing under the laws of Colombia that is responsible for the design, construction, ownership, operation and maintenance of a large-scale multi-purpose port facility located in the Cartagena Bay in Colombia.

About Frontera:

Frontera is a Canadian public company and a leading explorer and producer of crude oil and natural gas, with operations focused in Latin America. The Company has a diversified portfolio of assets with interests in 38 exploration and production blocks in Colombia and Peru. The Company's strategy is focused on sustainable growth in production and reserves and cash generation. Frontera is committed to conducting business safely, in a socially and environmentally responsible manner.

The Company’s common shares trade on the Toronto Stock Exchange under the ticker symbol “FEC”.

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Advisories:

Cautionary Note Concerning Forward-Looking Statements

This news release contains forward-looking statements. All statements, other than statements of historical fact, that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future (including, without limitation, statements regarding advance of the loan under the Loan Agreement, satisfaction of the funding commitment, future discounts under the Plan, payment of dividends and use of proceeds received from Share issuances under the Plan) are forward-looking statements. These forward-looking statements reflect the current expectations or beliefs of the Company based on information currently available to the Company. Forward-looking statements are subject to a number of risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the forward-looking statements, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, the Company. Factors that could cause actual results or events to differ materially from current expectations include, among other things: uncertainty of production estimates and estimated economic return; uncertainties associated with estimating oil and natural gas reserves; failure to establish estimated resources or reserves; the Company's prospects and the prospects of the oil and gas industry in Colombia and other countries where the Company operates or has investments; uncertainties relating to the availability and costs of financing needed in the future; uncertainties involved in interpreting drilling results and other geological data; and the other risks disclosed under the heading "Risk Factors" and elsewhere in the Company's annual information form dated March 27, 2018 filed on SEDAR at www.sedar.com. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

FOR FURTHER INFORMATION:

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