



FRONTERA ENERGY CORPORATION

RISK MANAGEMENT POLICY

1. BACKGROUND

Frontera Energy Corporation (the “**Corporation**”) is subject to many opportunities and risks associated within the industry in which it operates, the countries in which it does business, and the stakeholders with which it engages. The Corporation is committed to identifying, assessing, mitigating and monitoring risks, and managing all opportunities and risks, in a systematic manner through the implementation of its Enterprise Risk Management (“**ERM**”) framework.

The Corporation’s ERM framework establishes a governance framework to manage risks across the organization. The ERM framework involves: (i) identification of strategic and macro process risks; (ii) assessment of risks and their allocation into various categories, and establishing key risk indicators; (iii) defining key mitigation plans and controls; and (iv) ongoing evaluation and monitoring of risks and risk mitigation plans and controls.

The purpose of this Risk Management Policy (the “**Policy**”) is to define the principles and objectives of the Corporation’s approach to the management of risks through the ERM framework in a manner that supports the achievement of the corporate strategy and objectives, protects personnel and business assets, establishes trustworthiness with all stakeholders, maximizes the financial value of the Corporation, and guarantees the continuity of our business model in the long term.

2. POLICY

The Corporation’s ERM framework is based on the following principles:

- Commitment to protecting life, the environment, its people and its assets and complying with applicable laws and regulations.
- Strong culture of risk management.
- Oversight and accountability of risks at all levels of the organization in accordance with the ERM Procedures established to execute ERM framework.
- Management of risks in a systematic manner.
- Clear process for establishing key risk indicators.
- Commitment to the application of international best practices and standards for proper risk management.

3. SCOPE AND MONITORING

Management is responsible for risk oversight and monitoring, including approving the Corporation’s risk strategy, reviewing the Corporation’s principal risks at least quarterly, and overseeing the effective execution of the ERM framework.

A risk champion is appointed for every key risk identified and is responsible for reporting to Management.

The Board is responsible for reviewing, at least annually, the principal risks of the Corporation's business and assessing Management's approach to risk management. The Audit Committee is responsible for reviewing the effectiveness of Corporation's controls.

4. COMPLIANCE

This Policy and the Corporation's ERM procedures established to execute the ERM framework apply to all directors, officers, employees (whether temporary, fixed-term, or permanent), consultants, contractors, subcontractors, trainees, seconded staff, home workers, volunteers, interns, agents, sponsors, or any other person or persons working for the Corporation and its subsidiaries that are subject to the Code of Business Conduct and Ethics, no matter where they are located in the world ("**Personnel**"), and compliance is mandatory for all Personnel.

5. CURRENCY OF POLICY

This is a Board Policy and it was last revised effective February 26, 2021.