LISTING PARTICULARS

PAREX RESOURCES INC.

(a corporation incorporated under the laws of Alberta, Canada)

U.S.$500,000,000 8.500% Senior Notes due 2031

These Listing Particulars have been prepared in connection with the listing of the U.S.$500,000,000 8.500% senior notes due 2031 (the "**Notes**") on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") only.

These Listing Particulars are supplemental to, and should be read together with, the Offering Memorandum dated May 6, 2026 in respect of the Notes, which is attached hereto as Exhibit A (the "**Offering Memorandum**").

The Notes are as described in the Offering Memorandum.

Any terms used herein but not defined shall have the meaning given to them in the Offering Memorandum.

19 October, 2026

Listing

Approval in-principle has been received for the listing of the Notes on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in the Offering Memorandum or these Listing Particulars. Approval in-principle for the listing of the Notes on the SGX-ST or admission of the Notes to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Notes, the Issuer, its subsidiaries or quality of disclosure in the Offering Memorandum or these Listing Particulars. For so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Notes will be traded on the SGX-ST in a minimum board lot size of U.S.$200,000.

Paying Agent and Registrar

For so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Issuer will appoint and maintain a paying agent in Singapore, where the Notes may be presented or surrendered for payment or redemption, in the event that a global note is exchanged for certificated Notes. In addition, in the event that a global note is exchanged for certificated Notes, an announcement of such exchange shall be made by or on behalf of the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the certificated notes, including details of the paying agent in Singapore.

Singapore Selling Restrictions

These Listing Particulars (including the Offering Memorandum) have not been registered as a prospectus with the Monetary Authority of Singapore. Each Initial Purchaser has represented, warranted and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, the Offering Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed for or purchased under Section 275 of the SFA by a relevant person which is (i) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor, or (ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an accredited investor, securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interests (howsoever described) in that trust shall not be transferred within six months after the corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except: (1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA, (2) where no consideration is or will be given for the transfer, (3) where the transfer is by operation of law, (4) as specified in Section 276(7) of the SFA, or

(5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Notice Pursuant to Section 309B of the SFA

Solely for the purposes of the Issuer's obligations pursuant to sections 309B(1)(a) and 309B(1) of the SFA, the Issuer has determined, and hereby notify all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are "prescribed capital markets products" (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

EXHIBIT TO THESE LISTING PARTICULARS

The following exhibit attached hereto constitutes part of these Listing Particulars and is hereby incorporated by reference:

EXHIBIT A: Offering Memorandum dated May 6, 2026



PAREX RESOURCES INC.

$500,000,000 8.500% Senior Notes due 2031

Parex Resources Inc. (the "Issuer," the "Company," "we," "us" or "our") is offering $500,000,000 aggregate principal amount of our 8.500% Senior Notes due 2031 (the "Notes"). The Notes will bear interest at an annual rate of 8.500%. Interest on the Notes will be payable on May 11 and November 11 of each year, commencing on November 11, 2026. The Notes will mature on May 11, 2031.

We may, at our option, redeem all or a portion of the Notes at any time on or after May 11, 2028 at the redemption prices set forth in this offering memorandum. We are also entitled to redeem up to 40% of the aggregate principal amount of the Notes before May 11, 2028 with an amount equal to the net proceeds that we raise in equity offerings at a redemption price equal to 108.500% of the principal amount of the Notes being redeemed plus accrued and unpaid interest, if any, to, but not including the redemption date. In addition, prior to May 11, 2028 we may redeem some or all of the Notes at a price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but not including the redemption date, plus the applicable "make-whole" premium set forth in this offering memorandum. See "Description of Notes—Optional Redemption." If we experience certain kinds of changes of control or we sell certain assets, holders of the Notes may have the right to require us to repurchase their Notes, as further described in this offering memorandum. See "Description of Notes—Repurchases at the Option of the Holders of the Notes Upon Change of Control Triggering Events."

On March 10, 2026, we entered into an arrangement agreement (the "Arrangement Agreement") with Parex AcquisitionCo Inc., a wholly-owned subsidiary of ours ("Purchaser" and, together with us, the "Purchaser Parties") and Frontera Energy Corporation ("Frontera") to acquire, through Purchaser's acquisition of all of the issued and outstanding shares of common stock of Frontera Petroleum International Holdings B.V. ("Frontera E&P") by way of a court-approved plan of arrangement under the *Business Corporations Act* (British Columbia), all of Frontera's Colombian upstream business (the "Frontera Acquisition"), which consists of all of Frontera's oil and gas exploration and production assets in Colombia, its reverse osmosis water treatment facility and its palm oil plantation (collectively, the "Frontera E&P Assets"). Prior to the closing of the Frontera Acquisition, Frontera E&P and the Frontera E&P Subsidiaries (as defined herein) will complete the Pre-Acquisition Frontera Reorganization (as defined herein) and will spin out the Non-E&P Transferred Assets (as defined herein) to Frontera and consolidate the Frontera E&P Subsidiary Assets (as defined herein) under Frontera E&P.

The net proceeds from the offering of the Notes will be placed into escrow pending satisfaction of certain escrow release conditions as set forth in the Escrow Agreement (as defined herein), including the condition that the Frontera Acquisition has been consummated or will be consummated substantially concurrently with the Escrow Release (as defined herein). If the conditions to the Escrow Release are not satisfied prior to the SMR Outside Date (as defined herein), or upon the occurrence of certain other events, the Notes will be subject to a special mandatory redemption at a price equal to (i) 100% of the initial issue price of the Notes, in the case of a Special Mandatory Redemption Event (as defined herein) occurring on or prior to January 29, 2027, and (ii) 101% of the initial issue price of the Notes, in the case of a Special Mandatory Redemption Event occurring after January 29, 2027, in each case, plus accrued and unpaid interest from the issue date of the Notes up to, but not including, the payment date of such mandatory redemption. See "Description of Notes—Escrow of Proceeds" and "Description of Notes—Special Mandatory Redemption."

The Notes will be senior unsecured obligations and will rank equally in right of payment with all of our existing and future senior unsecured indebtedness and senior in right of payment to any of our subordinated indebtedness. The Notes will be fully and unconditionally guaranteed on a senior unsecured basis by each of our current and future restricted subsidiaries that guarantees certain indebtedness of us or the guarantors. Following the consummation of the Frontera Acquisition, the Notes will be fully and unconditionally guaranteed on a senior unsecured basis by the Purchaser and each of the entities acquired in the Frontera Acquisition. The guarantees of the Notes will rank equally in right of payment with all of the existing and future senior unsecured indebtedness of the guarantors and senior in right of payment to any subordinated indebtedness of the guarantors. The Notes and the related guarantees will be effectively subordinated to all existing and future senior secured indebtedness incurred from time to time by us and the guarantors, to the extent of the value of any assets securing such indebtedness, and will be structurally subordinated in right of payment to all indebtedness and other liabilities of our subsidiaries that do not guarantee the Notes.

There is currently no public market for the Notes. The Issuer intends to apply to list the Notes on the Singapore Exchange Securities Trading Limited (the "Singapore Stock Exchange").

Investing in the Notes involves risks. See "Risk Factors" beginning on page 28 of this offering memorandum.

Issue Price of the Notes: 100.000% plus accrued interest, if any, from May 11, 2026

The Notes have not been, and will not be, registered under the Securities Act, or the securities laws of any other jurisdiction. The Notes are being offered and sold in the United States only to persons reasonably believed to be qualified institutional buyers in accordance with Rule 144A under the Securities Act and to certain non-U.S. persons outside the United States under Regulation S under the Securities Act. For a description of certain information about eligible offerees and restrictions on transfers of the Notes, see "Selling Restrictions" and "Plan of Distribution."

Neither the U.S. Securities and Exchange Commission (the "SEC") nor any state securities commission has approved or disapproved of the Notes or passed upon the adequacy or accuracy of this offering memorandum. Any representation to the contrary is a criminal offense.

We expect delivery of the Notes and the guarantees, in book entry form through The Depository Trust Company for the account of its participants, including Euroclear Bank S.A./N.V., as operator of the Euroclear System and Citibank, N.A., as operator of Clearstream Banking, S.A., will be made on or about May 11, 2026.

Global Coordinators and Joint Bookrunners

Deutsche Bank Securities* **Itau BBA*** **Santander*** **Scotiabank***

**listed in alphabetical order*

Passive Joint Bookrunner

BMO Capital Markets

Co-Managers

BBVA **Bladex**

Offering Memorandum dated May 6, 2026

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In this offering memorandum, unless the context otherwise requires, references to "we," "our," "us" and the "Company" when used in a historical context are to the Issuer and its consolidated subsidiaries. Such references, when used with respect to a date or period of time following the closing of the Frontera Acquisition, including references to the combined company, refer to the Issuer and its consolidated subsidiaries, including Frontera E&P and its subsidiaries. References to the "Issuer" are to the Issuer only. References to the "guarantors" or "Note Guarantors" are collectively all of the Issuer's current and future direct and indirect subsidiaries that guarantee the Notes in accordance with the indenture governing the Notes. References to "Frontera E&P" are to Frontera E&P and its consolidated subsidiaries prior to the consummation of the Frontera Acquisition.

For definitions of certain terms used in this offering memorandum, see Annex A hereto.

In deciding whether to purchase the Notes, you should rely only on the information contained or incorporated by reference in this offering memorandum, including the annexes hereto. Information on or connected to our website or the website of Frontera, even if referred to in a document incorporated by reference herein, does not constitute part of this offering memorandum. We have not, and Deutsche Bank Securities Inc., Itau BBA USA Securities, Inc., Santander US Capital Markets LLC, Scotia Capital (USA) Inc., BMO Capital Markets Corp., BBVA Securities Inc. and Banco Latinoamericano de Comercio Exterior S.A. (together the "Initial Purchasers") have not, authorized anyone to provide you with different or other information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the Initial Purchasers are not, making an offer to sell the Notes in any jurisdiction where the offer or sale is not permitted. You should not assume that the information contained or incorporated by reference in this offering memorandum, including the annexes hereto, is accurate as of any date other than the date on the front of this offering memorandum or the respective dates of the applicable documents incorporated by reference herein or the date of such annex, as applicable, and such information is subject to change, completion or amendment without notice.

ABOUT THIS OFFERING MEMORANDUM

This offering is being made in reliance upon exemptions from registration under the Securities Act, and applicable state securities laws for offers and sales of securities that do not involve a public offering or that are made in offshore transactions to non-U.S. persons, as well as prospectus exemptions provided under applicable securities laws in each of the provinces of Canada. By purchasing Notes, you will be deemed to have made the acknowledgments, representations, warranties and agreements set forth under the heading "Transfer Restrictions" in this offering memorandum. You should understand that you may be required to bear the financial risks of your investment for an indefinite period of time. The Initial Purchasers are relying on exemptions from the provisions of Section 5 of the Securities Act provided by Rule 144A and Regulation S and certain registration and prospectus exemptions provided under applicable securities laws in each of the provinces of Canada in connection with the initial resale of the Notes. The Notes may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable state and provincial securities laws.

Laws in certain jurisdictions may restrict the distribution of this offering memorandum and the offer and sale of the Notes. Persons into whose possession this offering memorandum or any of the Notes are delivered must inform themselves about and observe those restrictions. Each prospective purchaser of the Notes must comply with all applicable laws and regulations in force in any applicable jurisdiction and must obtain any consent, approval or permission required for the purchase, offer or sale by it of the Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or sales, and neither we nor the Initial Purchasers shall have any responsibility therefor. This offering memorandum does not constitute an offer to sell any of the Notes to, or a solicitation of an offer to buy any of the Notes from, any person in any jurisdiction where it is unlawful to make such an offer or solicitation.

The Notes and related guarantees described in this offering memorandum have not been and will not be registered with, qualified for distribution by, recommended by or approved by the SEC or any other federal, state or foreign securities commission or regulatory authority, including the securities commission or similar regulatory authority of any of the provinces or territories of Canada, nor has the SEC or any such securities commission or regulatory authority passed upon the accuracy or adequacy of this offering memorandum. Any representation to the

contrary is a criminal offense. See "No Review by the SEC" and "Selling Restrictions—Notice to Prospective Investors in Canada."

U.S. federal securities laws and applicable provincial securities and corporate laws in Canada prohibit trading in our securities while in possession of material non-public information with respect to us.

You should not construe the contents of this offering memorandum as investment, legal or tax advice. You should consult your counsel, accountant and other advisors as to legal, tax, business, financial and related aspects of a purchase of the Notes. We are not, and the Initial Purchasers are not, making any representation to you regarding the legality of an investment in the Notes by you under any investment or similar laws. In making an investment decision regarding the Notes offered by this offering memorandum, you must rely on your own examination of the Company and the terms of this offering, including, without limitation, the merits and risks involved. You should contact the Initial Purchasers with any questions about this offering or if you require additional information to verify the information contained or incorporated by reference in this offering memorandum, including the annexes hereto.

This offering memorandum is being provided on a confidential basis to persons reasonably believed to be "qualified institutional buyers," as defined in Rule 144A under the Securities Act, to non-U.S. persons in offshore transactions complying with Regulation S under the Securities Act and to certain purchasers in accordance with applicable securities laws in the provinces of Canada for informational use solely in connection with their consideration of the purchase of the Notes. The use of this offering memorandum for any other purpose is not authorized. This offering memorandum is personal to each offeree and does not constitute an offer to any other person or the public generally to subscribe for or otherwise acquire the Notes. This offering memorandum may not be copied or reproduced in whole or in part, nor may it be distributed or any of its contents be disclosed to anyone other than the prospective investors to whom it is being provided. By accepting delivery of this offering memorandum, you agree to the foregoing. By accepting delivery, you also acknowledge that this offering memorandum contains confidential information and you agree that the use of this information for any purpose other than considering a purchase of the Notes is strictly prohibited. If you do not purchase any Notes or this offering is terminated for any reason, you must dispose of any copies of this offering memorandum or delete this offering memorandum and all documents referred to herein from your records. These undertakings and prohibitions are intended for our benefit and may be enforced by us.

The information contained or incorporated by reference in this offering memorandum, including the annexes hereto, has been furnished by us and other sources we believe to be reliable. No representation or warranty, express or implied, is made by the Initial Purchasers as to the accuracy or completeness of any of the information set forth in this offering memorandum, and nothing contained or incorporated by reference in this offering memorandum, including the annexes hereto, is or shall be relied upon as a promise or representation, whether as to the past, the present or the future. We have summarized certain documents and other information in a manner we believe to be accurate, but we refer you to the actual documents for a more complete understanding of what we discuss in this offering memorandum.

No person is authorized in connection with any offering made by this offering memorandum to give any information or to make any representation not contained in this offering memorandum and, if given or made, any other information or representation must not be relied upon as having been authorized by us or the Initial Purchasers.

The information contained or incorporated by reference in this offering memorandum, including the annexes hereto, is as of the date of this offering memorandum or the respective dates of the applicable documents incorporated by reference herein or annexes hereto, as applicable, and is subject to change without notice. Neither the delivery of this offering memorandum at any time nor any subsequent commitment to enter into any financing shall, under any circumstances, create any implication that there has been no change in the information set forth in this offering memorandum or in our affairs since the date of this offering memorandum. Our business, financial condition, results of operations and prospects may have changed since such dates.

In making your purchase, you will be deemed to have made certain acknowledgments, representations and agreements as set forth in this offering memorandum under the caption "Transfer Restrictions." The Notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and applicable state or provincial securities laws pursuant to registration or exemption therefrom. See

"Transfer Restrictions." You should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time.

We reserve the right to withdraw this offering of the Notes at any time, and we and the Initial Purchasers reserve the right to reject any commitment to subscribe for the Notes in whole or in part and to allot to you less than the full amount of Notes subscribed for by you. We are making this offering subject to the terms described in this offering memorandum and the indenture governing the Notes.

The Notes will be available in book entry form only. We expect that the Notes will be issued in the form of one or more global notes, all of which will be deposited with, or on behalf of, The Depository Trust Company ("DTC"), and registered in its name or in the name of Cede & Co., its nominee. Beneficial interests in the global notes will be shown on, and transfers of the global notes will be effected only through, records maintained by DTC and its participants. After the initial issuance of the global notes, Notes in certificated form will be issued in exchange for the global notes only as set forth in the indenture governing the Notes. See "Description of Notes—Book Entry, Delivery and Form."

By accepting delivery of this offering memorandum, you acknowledge that: (1) you have been afforded an opportunity to request and to review all additional information considered by you to be necessary to verify the accuracy of, or to supplement, the information contained or incorporated by reference in this offering memorandum, including the annexes hereto; (2) you have not relied on the Initial Purchasers or any person affiliated with the Initial Purchasers in connection with the investigation of the accuracy of such information or your investment decision; (3) this offering memorandum relates to an offering that is exempt from registration under the Securities Act; and (4) no person has been authorized to give information or to make any representations concerning us, this offering or the Notes described in this offering memorandum, other than as contained or incorporated by reference in this offering memorandum, including the annexes hereto, and information given by our duly authorized officers in connection with an investor's examination of us and the terms of the offering of the Notes.

Investors subject to the U.S. Employee Retirement Income Security Act of 1974 or Section 4975 of the U.S. Internal Revenue Code of 1986 should consult with their advisors as to the appropriateness of their investment in the Notes.

In making an investment decision, prospective investors must rely on their own examination of us and the terms of the offer of the Notes pursuant to this offering memorandum, including the merits and risks involved. Prospective investors should not construe anything in this offering memorandum as legal, business or tax advice. Each prospective investor should consult their own advisors as needed to make their investment decision and to determine whether they are legally permitted to purchase the Notes under applicable legal investment or similar laws or regulations.

With limited exceptions, this offering memorandum does not constitute an offer of or an invitation to purchase the Notes in any province or territory of Canada. No prospectus or other disclosure document in relation to the Notes or the guarantees has been filed with or otherwise provided to a securities regulatory authority in Canada.

We expect to deliver the Notes on or about May 11, 2026, which would be the third business day after the date of this offering memorandum ("T+3"), as agreed to by the Company and the Initial Purchasers. Pursuant to Rule 15c6-1 under the Exchange Act, trades in the secondary market generally are required to settle in one business day, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the Notes prior to the business day before delivery will be required, by virtue of the fact that the Notes will initially settle T+3 to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Investors who wish to trade the Notes prior to the delivery date should consult their own advisors.

CERTAIN DEFINED TERMS, ABBREVIATIONS AND CONVENTIONS

Certain terms, abbreviations and conventions used herein are defined in Annex A to this offering memorandum.

INDUSTRY AND MARKET DATA

Market data and other statistical information in this offering memorandum or incorporated by reference herein, including the annexes hereto, are based on independent industry publications, government publications, reports by market research firms or other published independent sources and estimates based on such publications and our management's knowledge and experience in the markets in which we operate. Government and industry publications and reports generally indicate that they have obtained their information from sources believed to be reliable, but do not guarantee the accuracy and completeness of their information. Often, such information is provided subject to specific terms and conditions limiting the liability of the provider, disclaiming any responsibility for such information, and/or limiting a third party's ability to rely on such information. None of the authors of such publications and reports has provided any form of consultation, advice or counsel regarding any aspect of, or is in any way whatsoever associated with, the Issuer or Frontera E&P. Further, certain of these organizations are advisors to participants in the oil and gas industry, and they may present information in a manner that is more favorable to the industry than would be presented by an independent source. Actual outcomes may vary materially from those forecasted in such reports or publications, and the prospect for material variation can be expected to increase as the length of the forecast period increases. While management believes this data to be reliable, market and industry data is subject to variations and cannot be verified due to limits on the availability and reliability of data inputs, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any market or other survey. Accordingly, the accuracy, currency and completeness of this information cannot be guaranteed. Such data has not been independently verified by us, Frontera E&P or the Initial Purchasers, and neither we nor the Initial Purchasers make any representation as to the accuracy or completeness of such data or any assumptions relied upon therein.

AVAILABLE INFORMATION AND INCORPORATION BY REFERENCE

Investors should rely only upon the information included or incorporated by reference in this offering memorandum, including the annexes hereto. Neither the Issuer nor any of the Initial Purchasers has authorized anyone to provide different information. Investors should assume that the information appearing in this offering memorandum, as well as information that is incorporated by reference into this offering memorandum or included in an annex hereto, is accurate only as of the respective dates of the applicable documents. Our and Frontera E&P's respective business, financial condition, results of operations and prospects may have changed since those dates. This offering memorandum may only be used where it is legal to offer and sell the Notes.

We are required to file annual and quarterly financial statements, annual information forms, information circulars and other information with the various provincial securities commissions or similar authorities in Canada ("Canadian Securities Regulators"). Copies of such filings are available to the public on the internet at www.sedarplus.ca ("SEDAR+") but are not part of this offering memorandum unless specifically referenced as incorporated herein.

Information has been incorporated by reference in this offering memorandum from documents filed with various Canadian Securities Regulators. The information incorporated by reference is deemed to be part of this offering memorandum. Copies of the documents incorporated by reference herein from documents filed in Canada on SEDAR+ may be obtained without charge from us at 2700 Eighth Avenue Place, 585 – 8th Avenue S.W., Calgary, Alberta T2P 1G1, Fax (403) 265-8216.

The following Issuer documents are specifically incorporated by reference in this offering memorandum from documents filed in Canada on SEDAR+:

- our annual information form dated March 3, 2026 for the year ended December 31, 2025 (the "AIF") filed on SEDAR+ on March 4, 2026, including the statement of reserves data and other oil and gas information contained therein;

- our audited consolidated financial statements as at December 31, 2025 and 2024 together with the notes thereto and the auditors' report thereon;

- our management's discussion and analysis dated March 3, 2026 for the year ended December 31, 2025 (the "MD&A") included as Annex D to this offering memorandum; and

- our material change report dated March 18, 2026 relating to the Frontera Acquisition.

Any statement contained in a document filed prior to the date of this offering memorandum and incorporated by reference herein will be deemed to be modified or superseded for the purposes of this offering memorandum by the express statements of this offering memorandum to the extent of any inconsistency therewith. Any statement contained in this offering memorandum or in a document incorporated by reference herein will be deemed to be modified or superseded for purposes of this offering memorandum to the extent that a statement contained herein or in any other subsequently filed document that is also incorporated by reference herein modifies or supersedes such statement. Any statements so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this offering memorandum.

While any of the Notes are outstanding, we will make available to the holders or prospective purchasers the information required by Rule 144A(d)(4) under the Securities Act during any period we are not subject to Section 13 or 15(d) of the Exchange Act.

PRESENTATION OF FINANCIAL INFORMATION

Historical Financial Data and Unaudited Pro Forma Condensed Consolidated Financial Statements

Unless indicated otherwise, the Issuer's and Frontera E&P's financial information included in this offering memorandum, including the documents incorporated by reference herein and the annexes hereto, have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). IFRS Accounting Standards differ from U.S. GAAP and thus the Issuer's and Frontera E&P's financial statements may not be comparable to financial statements of U.S. companies prepared in accordance with U.S. GAAP. In making an investment decision, investors must rely on their own examination of the Issuer's and Frontera E&P's results and consult with their own professional advisors for an understanding of the differences between IFRS Accounting Standards and U.S. GAAP and how those differences might affect the financial information herein.

The unaudited pro forma condensed consolidated financial statements included in this offering memorandum (the "Unaudited Pro Forma Condensed Consolidated Financial Statements") have been derived from the consolidated historical financial statements of the Issuer and the combined historical financial statements of Frontera E&P, which combined historical financial statements of Frontera E&P are presented on a "carve-out" basis. See notes 2 and 6 to the Unaudited Pro Forma Condensed Consolidated Financial Statements included in this offering memorandum.

Rounding adjustments have been made in calculating some of the financial information included or incorporated by reference in this offering memorandum. As a result, numerical figures shown as totals in some tables may not be exact arithmetic aggregations of the figures that precede them.

Non-GAAP and Specified Financial Measures

This offering memorandum contains certain financial measures and ratios that are not calculated or presented in accordance with IFRS Accounting Standards (such measures being "non-GAAP" measures). The terms "capital expenditures," "EBITDA," "Adjusted EBITDA," "free funds flow," "operating netback" and "FFO" are specified financial measures that do not have any standardized meaning as prescribed by IFRS Accounting Standards. We believe that the inclusion of these non-GAAP and specified financial measures provides useful information to investors when evaluating the financial results of the Issuer. However, our use of the terms "capital expenditures," "EBITDA," "Adjusted EBITDA," "free funds flow," "operating netback" and "FFO" may vary from that of others in our industry and accordingly, may not be directly comparable to similarly titled measures as defined by other companies. These financial measures should not be considered as alternatives to, or more meaningful than, measures determined in accordance with IFRS. We encourage you to review our financial information in its entirety and not

rely on any single financial measure. For definitions of such measures and a reconciliation of such measures to the most comparable measure calculated in accordance with IFRS Accounting Standards, please see "Summary—Summary Historical and Pro Forma Consolidated Financial Data" in this offering memorandum and "Non-GAAP and Other Financial Measures Advisory" in our MD&A attached hereto.

PRESENTATION OF OIL AND NATURAL GAS INFORMATION AND RESERVES

Disclosure in this offering memorandum and the documents incorporated by reference herein, including the annexes hereto, of estimates of our and Frontera E&P's oil and natural gas reserves and disclosure regarding oil and gas production is presented in accordance with Canadian securities laws and regulatory standards. These differ from the reserves and production definitions and guidelines issued by the SEC.

Disclosure of Reserves and Production Information

The Issuer's reserves and production information that is included and incorporated by reference herein, including the annexes hereto, have been prepared in accordance with guidelines specified in National Instrument 51-101 — *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101"), as adopted by the Canadian Securities Administrators, and the Canadian Oil and Gas Evaluation Handbook maintained by the Society of Petroleum Evaluation Engineers (Calgary Chapter), as amended from time to time ("COGE Handbook") with an effective date of December 31, 2025. Frontera E&P's reserves and production information that is included in this offering memorandum under "Summary—Summary Historical and Pro Forma Reserves Information" and any pro forma presentation of the Issuer and Frontera E&P's combined reserve or production information included herein has been prepared pursuant to NI 51-101. The Issuer's pro forma reserves are the sum of the Issuer's reserves and Frontera E&P's reserves. The Issuer did not construct a consolidated reserves report of the combined assets of the Issuer and Frontera E&P and did not engage an independent reserves evaluator to produce such a report. Therefore, the actual reserves of the Issuer after giving effect to the Frontera Acquisition, if evaluated as of December 31, 2025, may differ from the reserves presented for a number of reasons. The Parex Reserves Report was prepared using the average commodity price forecasts and inflation rates of GLJ as of January 1, 2026. The Frontera E&P Reserves Report was prepared using the average commodity price forecasts and inflation rates of West Texas Intermediate and Brent, as well as a Vasconia blend price forecast provided by Frontera, as of December 31, 2025.

There are significant differences in the types of volumes disclosed and the basis from which reserves volumes are economically determined under the U.S. Standards and NI 51-101. Below is a general description of the principal differences between U.S. Standards and NI 51-101 in relation to reserves and related disclosure, some of which may be material:

- the COGE Handbook and NI 51-101 require disclosure of reserves and related future net revenue estimates based on forecast prices and costs, whereas the U.S. Standards require that reserves and related future net revenue be estimated using average prices for the previous 12 months and that the standardized measure reflect discounted future net income taxes related to the company's operations;

- U.S. Standards require disclosure of production on a net (after royalties) basis, whereas NI 51-101 requires disclosure of production on a gross (before royalties) basis;

- there are differences in the technical reserves estimation standards applicable under NI 51-101 and, pursuant thereto, the COGE Handbook, and those applicable under the U.S. Standards;

- U.S. Standards require proved undeveloped reserves to be drilled within five years of the date the reserves were recorded (unless the specific circumstances justify a longer time), whereas NI 51-101 generally requires proved undeveloped reserves to be drilled within two or three years (depending on the magnitude of the capital expenditures required for development) and probable undeveloped reserves within five years of the date of the evaluation;

- the SEC prohibits disclosure of oil and gas resources in SEC filings, including contingent resources, whereas Canadian securities regulatory authorities allow disclosure of oil and gas resources; resources are different than, and should not be construed as, reserves;

- the SEC generally permits U.S. companies to disclose only proved and probable reserves and production, net of royalties and interests of others whereas NI 51-101 requires issuers to disclose proved and probable reserves and to disclose reserves and production on a gross basis before deducting royalties and on a net basis after deducting royalties;

- the SEC mandates disclosure of reserves by geographic area only, whereas NI 51-101 requires disclosure of more reserve categories and product types;

- the SEC definitions of proved and probable reserves are different than NI 51-101;

- NI 51-101 requires disclosure of both proved and probable reserves, and permits the disclosure of possible reserves at the issuer's discretion, whereas U.S. Standards require disclosure of proved reserves only but provide for the option, at the issuer's discretion, to disclose probable and possible reserves;

- the SEC limits reserve bookings on undrilled acreage to "those directly offsetting development spacing areas that are reasonably certain of production when drilled, unless evidence using reliable technology exists that establishes reasonable certainty of economic producibility at greater distances", whereas under NI 51-101, reserves may be recognized on undrilled properties beyond directly offsetting spacing units if there is "compelling evidence of reservoir continuity";

- the SEC and NI 51-101 differ in their definitions of the levels of certainty required to record reserves, the economic thresholds utilized to determine recoverability of reserves and in their approach to recognizing reserves on undrilled acreage;

- NI 51-101 requires that issuers engaged, directly or indirectly, in oil and gas activities appoint a qualified reserves evaluator or auditor, who must be independent of the issuer, to report to the board of directors on the issuer's reserves data, whereas U.S. Standards leave the engagement of third-party reserves consultants to the discretion of the issuer's board of directors;

- the SEC does not permit the disclosure of resources other than reserves, internal rate of return in respect of wells or properties or type well curves, whereas NI 51-101 does not prohibit such disclosures; and

- the SEC does not allow proved and probable reserves to be aggregated, whereas NI 51-101 requires issuers disclose aggregate proved and probable reserves and related future net revenue.

The foregoing is not an exhaustive summary of Canadian or U.S. reserves reporting requirements. The reserves estimates described herein are estimates only and there is no guarantee that the estimated reserves will be recovered. There are numerous uncertainties inherent in estimating quantities of crude oil, reserves and the future cash flows attributed to such reserves. Actual reserves and future production from such reserves may be greater or less than the estimates provided herein. It should not be assumed that the estimates of future net revenues presented herein represent the fair market value of the reserves. The estimates of reserves and future net revenue for individual properties may not reflect the same confidence level as estimates of reserves and future net revenue for all properties, due to the effects of aggregation.

For additional information regarding the presentation of the Issuer's reserves and other oil and gas information, see the section entitled "Statement of Reserves Data and Other Oil and Gas Information" in the AIF, which is incorporated by reference in this offering memorandum. For additional information regarding the presentation of the pro forma reserve information and the Frontera E&P's reserve information, see "Summary—Summary Historical and Pro Forma Reserves Information."

Oil & Gas Metrics

This offering memorandum contains certain oil and gas metrics, such as "operating netback." These oil and gas metrics have been prepared by management of the Issuer, do not have a standardized meaning, may not be comparable to similar measures presented by other companies, and, therefore, should not be used to make such comparisons. Such metrics have been included in this offering memorandum to provide additional measures to evaluate our performance; however, such measures are not reliable indicators of our future performance and future performance may not compare to our performance in previous periods and therefore such metrics should not be unduly relied upon. A description of certain oil and gas metrics is included under "Non-GAAP and Other Financial Measures Advisory" in the MD&A, attached hereto.

Original Oil in Place

Original Oil in Place ("OOIP") is the quantity of petroleum that is estimated to originally exist in naturally occurring accumulations prior to production. OOIP is equivalent to petroleum initially in place as defined in the COGE Handbook. It includes that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations, prior to production, plus those estimated quantities in accumulations yet to be discovered. A portion of the OOIP is considered undiscovered and there is no certainty that any portion of such undiscovered resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of such undiscovered resources. With respect to the portion of the OOIP that is considered discovered resources, there is no certainty that it will be commercially viable to produce any portion of such discovered resources. A significant portion of the estimated volumes of OOIP will never be recovered. OOIP disclosed herein in respect of the Company's Putumayo Blocks by area and in aggregate, effective June 30, 2025, is based on an independent review, with an evaluation prepared in accordance with reserves, definitions, standards and procedures contained in the COGE Handbook.

Disclosure of Reserves

The term "boe" means a barrel of oil equivalent on the basis of 6 thousand cubic feet ("Mcf") of natural gas to 1 bbl. Boe may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf:1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6 Mcf:1 bbl, utilizing a conversion ratio at 6 Mcf:1 bbl does not represent a value equivalency.

Reserves are estimates of remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, from a given date, based on:

- analysis of drilling, geological, geophysical and engineering data;
- the use of established technology; and
- specified economic conditions, which are generally accepted as being reasonable.

Reserves are classified according to the degree of certainty associated with the estimates:

- proved reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves; and
- probable reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

Other criteria that must also be met for the categorization of reserves are provided in the COGE Handbook.

Each of the reserves categories (proved and probable) may be divided into developed and undeveloped categories:

- Developed reserves are those reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (for example, when compared to the cost of drilling a well) to put the reserves on production. The developed category may be subdivided into producing and non-producing.
    - o Developed producing reserves are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.
    - o Developed non-producing reserves are those reserves that either have not been on production, or have previously been on production, but are shut-in, and the date of resumption of production is unknown.
- Undeveloped reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (for example, when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves category (proved or probable) to which they are assigned.

In multi-well pools it may be appropriate to allocate total pool reserves between the developed and undeveloped categories or to subdivide the developed reserves for the pool between developed producing and developed non-producing. This allocation should be based on the estimator's assessment as to the reserves that will be recovered from specific wells, facilities and completion intervals in the pool and their respective development and production status.

The qualitative certainty levels referred to in the definitions above are applicable to "individual reserves entities," which refers to the lowest level at which reserves calculations are performed, and to "reported reserves," which refers to the highest level or the sum of individual entity estimates for which reserves are presented. Reported reserves should target the following levels of certainty under a specific set of economic conditions:

- at least a 90 percent probability that the quantities actually recovered will equal or exceed the estimated proved reserves; and
- at least a 50 percent probability that the quantities actually recovered will equal or exceed the sum of the estimated proved plus probable reserves.

A quantitative measure of the certainty levels pertaining to estimates prepared for the various reserves categories is desirable to provide a clearer understanding of the associated risks and uncertainties. However, the majority of reserves estimates are prepared using deterministic methods that do not provide a mathematically derived quantitative measure of probability. In principle, there should be no difference between estimates prepared using probabilistic or deterministic methods.

Additional clarification for the classification of reserves and the certainty levels associated with reserves estimates is provided in the COGE Handbook. See "Abbreviations, Conventions and Other Information" in the AIF, incorporated by reference herein, for additional information in respect of the oil and gas related terms used in this offering memorandum.

Disclaimer

This offering memorandum and certain documents incorporated by reference herein, including the annexes hereto, disclose test rates of production for certain wells over short periods of time (i.e. 24 hours, IP30, IP60, IP90, etc.), which are preliminary and not determinative of the rates at which those or any other wells will commence

production and thereafter decline. Short-term test rates are not necessarily indicative of long-term well or reservoir performance or of ultimate recovery. Although such rates are useful in confirming the presence of hydrocarbons, they are preliminary in nature, are subject to a high degree of predictive uncertainty as a result of limited data availability and may not be representative of stabilized on-stream production rates. A pressure transient analysis or well-test interpretation has not been carried out in respect of all wells. Production over a longer period will also experience natural decline rates, which can be high in certain plays in which we operate, and may not be consistent over the longer term with the decline experienced over an initial production period. Initial production or test rates may also include recovered "load" fluids used in well completion stimulation operations. Actual results will differ from those realized during an initial production period or short-term test period, and the difference may be material.

RATINGS

Credit ratings accorded to the Issuer by S&P Global Ratings ("S&P") and Fitch Ratings, Inc. ("Fitch") are not recommendations to purchase, hold or sell any of our securities since such ratings do not comment as to market price or suitability for a particular investor. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be revised or withdrawn entirely by a rating agency in the future if in its judgment circumstances so warrant.

EXCHANGE RATE INFORMATION

In this offering memorandum, unless otherwise specified or the context otherwise requires, references to "$" or "US$" or "U.S. dollars" or "USD" are to United States dollars, references to "C$" or "CAD" are to Canadian dollars and references to "Colombian Peso" or "COP" are to Colombian Pesos. For the convenience of the reader, this offering memorandum contains translations of certain Canadian dollar and Colombian Peso amounts into U.S. dollars. The following table sets forth certain exchange rates based on the daily average exchange rate provided by the Bank of Canada on each trading day for the periods indicated. Such rates are set forth as U.S. dollars per C$1.00.

	Years ended December 31,	
U.S. dollars	2025	2024
High for period	0.7376	0.7510
Low for period	0.6848	0.6937
Rate at end of period	0.7296	0.6950
Average rate for the period	0.7157	0.7302

On April 27, 2026, the daily exchange rate was C$1.00 = US$0.7345.

The Issuer's assets and operations are located in Colombia, and the Company's sales are currently derived from its Colombian crude oil and natural gas production. Accordingly, the Company's financial condition and results of operations depend to a significant extent on macroeconomic and political regulatory conditions prevailing from time to time in Colombia and on the exchange rates between the COP and the U.S. dollar. The following table sets forth certain exchange rates based on the daily average exchange rate provided by the Colombian Superintendence of Finance on each trading day for the periods indicated. Such rates are set forth as Colombian Pesos per US$1.00.

	Years ended December 31,	
Colombian Pesos	2025	2024
High for period	4,416.69	4,478.21
Low for period	3,706.94	3,763.43

	Years ended December 31,	
Colombian Pesos	2025	2024
Rate at end of period	3,757.08	4,409.15
Average rate for the period	4,052.86	4,071.35

On April 27, 2026, the daily exchange rate was COP1.00 = US$0.00028.

NO REVIEW BY THE SEC

The information included and incorporated by reference in this offering memorandum, including the annexes hereto, is not intended to, and does not, comply with all of the disclosure requirements of the SEC that would apply if this offering was being made pursuant to a registration statement filed with the SEC. Compliance with such requirements could require the modification or exclusion of certain financial measures, and the presentation of certain other information not included in this offering memorandum or the exclusion of certain information included herein, including information incorporated herein by reference. There are no registration rights associated with the Notes, and we have no intention to offer to exchange the Notes for new Notes pursuant to a registration statement to be filed with the SEC. The indenture governing the Notes will not be qualified under the Trust Indenture Act of 1939, as amended.

ENFORCEMENT OF CIVIL LIABILITIES AGAINST FOREIGN PERSONS

The Issuer is a corporation existing under the laws of Alberta, Canada. A majority of our directors, controlling persons and officers, as well as certain of the experts named in this offering memorandum, are residents of Canada, and all or a substantial portion of our assets and all or a substantial portion of the assets of our directors, controlling persons and officers are located outside the United States. We have agreed, in accordance with the terms under the indenture under which the Notes will be issued, to accept service of process in any suit, action or proceeding with respect to the indenture governing the Notes, the Notes or the related guarantees brought in any federal or state court located in New York City by an agent designated for such purpose, and to submit to the jurisdiction of such courts in connection with such suits, actions or proceedings. However, it may be difficult for holders of the Notes to effect service within the United States upon directors, officers and experts who are not residents of the United States or to enforce against them, in the United States, judgments of courts of the United States predicated upon civil liability under U.S. federal or state securities laws or other laws of the United States. We have been advised by Norton Rose Fulbright Canada LLP, our Canadian counsel, that liabilities predicated solely upon U.S. federal or state securities laws may be enforced in Canada against us or against our directors, officers and experts who are not residents of the United States, in original actions or in actions for enforcement of judgments of courts of the United States, only if certain conditions are met.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this offering memorandum, including information incorporated by reference into this offering memorandum and the annexes hereto, may contain “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995 and “forward-looking information”, “financial outlook” or “future-oriented financial information” within the meaning of applicable Canadian securities legislation (collectively, “forward-looking statements”). The use of any of the words “anticipate”, “believe”, “contemplate”, “continue”, “could”, “estimate”, “expect”, “forecast”, “growth”, “intend”, “likely”, “maintain”, “might”, “potential”, “project”, “plan”, “realize”, “seek”, “shall”, “should”, “would”, or other similar words, or statements that certain events or conditions “may” or “will” occur are intended to identify forward-looking statements. Such statements represent our internal projections, estimates or beliefs concerning, among other things, future growth, results of operations, production, reserves estimates and development, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, plans for and results of drilling activity, environmental matters, business prospects and opportunities. These statements are only predictions and actual events or results may differ materially. Although management believes that the expectations reflected in the forward-

looking statements are reasonable, it cannot guarantee future results, levels of activity, performance or achievement since such expectations are inherently subject to significant business, economic, operational, competitive, political and social uncertainties and contingencies. Many factors could cause our actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, us.

In particular, forward-looking statements included in this offering memorandum and documents incorporated by reference, including the annexes hereto, include, but are not limited to, statements with respect to:

- the timing and completion of the Frontera Acquisition, including receipt of regulatory, court and shareholder approvals and the satisfaction of other conditions precedent;
- the realization of anticipated benefits of the Frontera Acquisition and related transactions and the timing and quantum thereof;
- anticipated synergies and pro forma leverage, funds flow, production, Adjusted EBITDA and other financial, reserves and production results upon the completion of the Frontera Acquisition;
- the timing of and our ability to enter into credit agreements for the New Parex Credit Facilities on acceptable terms;
- our continued commitment to Colombia-focused strategies, and maximizing shareholder value while maintaining safe operations and supporting local communities;
- the anticipated terms, timing and closing of the offering of the Notes, and the escrow release conditions of the proceeds in connection thereto;
- the intended use of proceeds from the offering;
- the anticipated listing of the Notes on the Singapore Stock Exchange;
- our intention to redeem the Frontera Notes and the anticipated timing thereof;
- the anticipated potential difficulties for holders of the Notes to effect service and enforcement within the United States of civil liabilities against foreign persons, including our directors, officers and experts who are not residents of the United States;
- the expectations relating to the timing and results of our development activities;
- business strategy, objectives, and operational plans, including growth strategy and plans for our properties and wells;
- capital expenditures, forecasted future development costs and plans, including the amount, nature, timing, and funding thereof;
- our intention to continue to pay a regular quarterly dividend;
- production volumes, reserves estimates, future net revenues, production costs and the performance characteristics of our oil and natural gas properties;
- that we are leveraging industry-proven, but new-to-Colombia technology;
- that we are actively exploring and exploiting our high-quality asset portfolio, with ambitions to continue growing as a multi-field operator;

- expectations regarding our operations in Arauca;
- that we do not expect any material reorganizations in the current financial year;
- the potential farm-in agreement in respect of several fields in the Magdalena basin and potential capital commitment associated therewith;
- expectations regarding our joint venture agreement with Ecopetrol, including anticipated costs, timing, and the benefits thereof;
- environmental matters, including the anticipated impact of environmental regulations and effects on capital expenditures, earnings or competitive position in the near and long terms, trends in environmental regulations, expected expenditures, abandonment and reclamation costs, and the benefits of environmental and social responsibility strategies;
- financial and operational results, including supply and demand for oil and gas, receipt of regulatory approvals, tax horizon and future tax rates, and the impact of community and political factors, including community unrest;
- risk management and hedging activities, including our risk management program;
- anticipated timing for relinquishment of land;
- anticipated timing of the development of undeveloped reserves, the estimated future capital spending to develop such undeveloped reserves, including development scheduling assumptions, and expectations that no significant economic factors or uncertainties will affect properties with no attributed reserves at this time;
- our expectations regarding potential acquisitions including the Frontera Acquisition and the value and benefits thereof;
- our expectations regarding our holdings in GeoPark Limited and the director nominations made by us to the board of GeoPark Limited;
- expectations regarding significant development opportunities and the pace of development relative to corporate capital expenditure targets;
- expectations that we will not incur unusually high development costs or operating costs, will not require a major pipeline or other major facility before production of reserves can begin, and will not be subject to material below-market sales obligations;
- expectations that significant economic factors or significant uncertainties will not affect any particular components of the reserves data;
- expectations that interest or other funding costs would not make further development of any of our properties uneconomic;
- expectations that our transportation obligations or commitments for future deliveries will not exceed expected production from total reserves;
- anticipated changes to the leadership of our board of directors;
- estimated total inflated, undiscounted amount required to settle asset retirement obligations and other environmental obligations and the anticipated timing thereof; and

- activities to be undertaken in various areas, including the fulfillment of exploration and farm-in commitments.

Statements relating to "reserves" are by their nature forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated and can be profitably produced in the future. The recovery and reserve estimates of our and Frontera E&P's reserves provided and incorporated by reference herein, including the annexes hereto, as applicable, are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual results may differ materially from those anticipated in the forward-looking statements.

These forward-looking statements are subject to numerous risks and uncertainties. Such risks and uncertainties include, but are not limited to, those discussed under "Risk Factors" in this offering memorandum and the following:

- Frontera Acquisition Risks: all of the risks and uncertainty related to the Frontera Acquisition, including, but not limited to, the risk that the conditions to the closing of the Frontera Acquisition are not satisfied including that the Quifa Association Contract is not extended on the terms anticipated or at all; and risks related to the completed Frontera Acquisition, including the risk that the benefits of the Frontera Acquisition may not be fully realized or may take longer to realize than expected, the risk that pro forma expectations may not be met in the manner planned, and that management attention will be diverted to integration-related issues.

- Offering Risks: there can be no assurance that the satisfaction of all conditions to closing the offering and release of proceeds will be completed on the timeframes contemplated or at all.

- Operational Risks: the results of exploration and development drilling and related activities; imprecision in reserve and resource estimates; the production and growth potential of our assets; the risk that our volumes of gross and net production in 2026 may be less than anticipated; risks related to water management and waterflood activities; the risk that we may not be able to leverage industry-proven, but new-to-Colombia technology; risks related to the ability of partners to fund capital work programs and other matters requiring partner approval; lack of availability of qualified personnel; competition; and the risk that development opportunities may not be available to us.

- Regulatory, Political and Geopolitical Risks: industry conditions including changes in laws and regulations including adoption of new environmental laws and regulations, and changes in how they are interpreted and enforced, in Canada, Colombia, and Switzerland; risks associated with the 2026 Colombian election cycle; obtaining required approvals of regulatory authorities in Canada and Colombia; risks associated with negotiating with foreign governments as well as country risk associated with conducting international activities; geopolitical risks associated with conflicts in South America and the Middle East and elsewhere; and changes in income tax laws or changes in tax laws and incentive programs relating to the oil and natural gas industry.

- Environmental, Climate and Environmental, Social and Governance Risks: environmental risks, including that our environmental strategies may not be successful or that we may not remain in material compliance with environmental protection legislation; the risk that costs in connection with our abandonment and reclamation obligations, asset retirement obligations and environmental obligations may be greater than anticipated; the impacts of community unrest on us; and the risk that environmental protection requirements may have a significant financial or operational effect on our capital expenditures, earnings, or competitive position.

- Market and Commodity Risks: volatility in market prices for oil, natural gas liquids and natural gas, including the impact of significant declines in such prices; the impact of general economic conditions in Canada, Colombia, and Switzerland; fluctuations in foreign exchange or interest rates; and the risk that fees, significant economic factors, or significant uncertainties may affect particular components of the reserves data.

- Financial and Capital Structure Risks: ability to access sufficient capital from internal and external sources; risk that our future development costs may be greater than anticipated; the risk that interest or other funding costs would make the further development of any of our properties uneconomic; the risk that we may not meet our corporate capital expenditure targets; the risk that our capital and operating expenditures relating to the protection of the environment may be greater than anticipated; and the risk that our future net revenues from oil and natural gas reserves may be less than anticipated.

- Contractual and Counterparty Risks: failure to realize anticipated benefits of acquisitions and divestitures; risk that we may not be able to obtain contract extensions or fulfill the contractual obligations required to retain our rights to explore, develop and exploit any of our undeveloped properties; and the risk that our BCAs may not lead to the benefits anticipated.

Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect our operations and financial results are included in reports on file with Canadian Securities Regulators and may be accessed through the SEDAR+ website (www.sedarplus.ca).

Although the forward-looking statements contained in this offering memorandum are based upon assumptions which management believes to be reasonable, we cannot assure investors that actual results will be consistent with these forward-looking statements. With respect to forward-looking statements contained in this offering memorandum, including the annexes hereto, and incorporated by reference herein, we have made assumptions regarding, but not limited to:

- the timely satisfaction of all conditions to the closing of the Frontera Acquisition on the timeframes contemplated, including receipt of the Quifa Association Contract extension and the receipt of all necessary regulatory, court and shareholder approvals for the Frontera Acquisition;

- the successful completion of the Frontera Acquisition and our ability to realize the anticipated benefits thereof;

- the costs of integration and the ability to integrate Frontera E&P into our business and manage the risks and potential liabilities, including financial, tax and litigation risks and liabilities, specifically associated wit the Frontera business;

- the ability to obtain financing on acceptable terms, including in connection with the Amended Parex Credit Facilities;

- heavy crude oil differentials and changes in our production mix following the completion of the Frontera Acquisition;

- commodity prices and royalty regimes;

- availability of skilled labor and the availability of drilling and related field equipment and services;

- timing and amount of capital expenditures;

- uninterrupted access to and reliability of infrastructure; transportation and takeaway capacity (including pipeline and export routes);

- foreign exchange rates and interest rates;

- the impact of increasing competition;

- conditions in general economic and financial markets;

- effects of and compliance with regulation by governmental agencies (including environmental legislation and permitting);

- recoverability of reserves, natural decline rates, royalty rates and future operating costs;
- timely receipt of, environmental licenses and other regulatory approvals, including ANH approvals;
- the impact of community unrest, social license and security conditions in operating areas;
- funding availability from operations and capital markets, continued access to credit facilities and capital markets on acceptable terms and continued compliance with applicable financial covenants;
- the ability to develop properties as contemplated, including alignment with and performance of non-operated partners and counterparties under joint operating agreements and BCAs;
- that our conduct and results of operations will be consistent with our expectations;
- continuation of industry conditions, laws and regulations as anticipated including no material adverse changes to tax laws, royalty regimes or incentive programs in our areas of operation;
- accuracy in all material respects of reserve volume estimates and related assumptions;
- obtaining contract extensions and fulfilling obligations required to retain rights to explore, develop and exploit properties;
- compliance with environmental legislation and our ability to obtain and maintain required environmental, health and safety permits;
- marketability of production and access to sales markets; and
- availability and cost stability of key supplies and services and broader supply chain conditions.

Forward-looking statements and other information contained herein concerning the oil and natural gas industry in the countries in which we operate and our general expectations concerning this industry are based on estimates prepared by management using data from publicly available industry sources as well as from resource reports, market research and industry analysis and on assumptions based on data and knowledge of this industry which we believe to be reasonable. However, this data is inherently imprecise, although generally indicative of relative market positions, market shares and performance characteristics. While we are not aware of any material misstatements regarding any industry data presented herein, the oil and natural gas industry involves numerous risks and uncertainties and is subject to change based on various factors.

Management has included the above summary of risks and assumptions related to forward-looking statements and other information provided in this offering memorandum in order to provide investors with a more complete perspective on our current and future operations and such information may not be appropriate for other purposes. Our actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits we will derive therefrom.

These forward-looking statements are made as of the date of this offering memorandum and we disclaim any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

SUMMARY

This summary highlights significant aspects of our business, the Frontera Acquisition and this offering, but it does not include all the information you should consider prior to making an investment decision with respect to the Notes. You should read this entire offering memorandum, including the information set forth under "Risk Factors," the financial statements and related notes included in this offering memorandum and the documents incorporated herein by reference before making an investment decision. We have provided definitions for certain capitalized defined terms used in this offering memorandum in Annex A to this offering memorandum.

Our Company

Parex Resources Inc. is one of the largest independent oil and gas companies operating in Colombia based on average daily production, focusing on sustainable, conventional oil and gas exploration, development and production. Our corporate headquarters are in Calgary, Canada, and we have an operating office in Bogotá, Colombia. Our common shares trade on the TSX under the symbol "PXT." Our production for the year ended 2025 was approximately 97% liquids-weighted, driving strong netbacks, and is majority pipeline-connected, providing access to Colombia's extensive infrastructure network with premium Brent-linked pricing exposure. We are also one of the largest independent land holders in Colombia, with approximately 6.8 million gross acres, and we are actively exploring and utilizing our high-quality asset portfolio with ambitions to continue growing as a multi-field operator.

Founded in 2009, we have an established track record of operational success and sustained growth through both acquisitions and organic development. Since acquiring Colombian assets in 2010 we have grown production from zero to approximately 45,000 boe/d in 2025.

For the year ended December 31, 2025, we produced approximately 44,701 boe/d on a standalone basis, generated Adjusted EBITDA of approximately $513 million and as of December 31, 2025, we had proved ("1P") reserves of 113 MMboe and proved plus probable ("2P") reserves of 178 MMboe. Our long-standing strategic partnership with Ecopetrol S.A., the Colombian state-owned producer, underpins several of our key exploration and development programs, including the Capachos, Llanos Foothills and Putumayo basins.

Frontera E&P Acquisition and Business

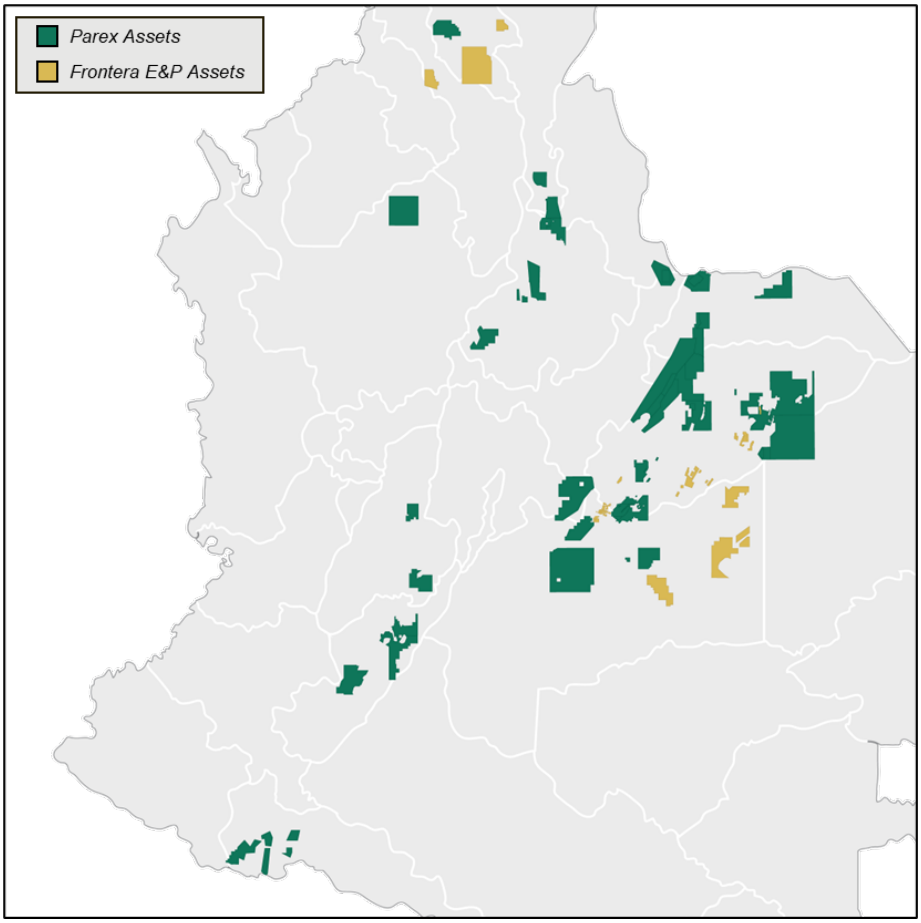
On March 10, 2026, we entered into a definitive agreement to acquire 100% of Frontera E&P from Frontera. See "—The Transactions—The Frontera Acquisition." Frontera E&P is an upstream oil and gas business and one of the largest independent oil and gas operators in Colombia in terms of both assets and production. The business holds working interests in 17 blocks across approximately 1.1 million net acres in the Llanos and Lower Magdalena Valley basins, of which 12 blocks are in the production phase, four are in the exploration phase and one is in the exploration and production phase. For the year ended December 31, 2025, total production from the Frontera E&P business was approximately 39,011 boe/d, comprising 83.45% oil production (consisting of 67.46% heavy crude oil and 15.99% light and medium crude oil) and 16.55% gas production (10.36% conventional natural gas and 6.19% natural gas liquids). The largest producing block is Quifa, operated under an association contract with Ecopetrol in which Frontera is entitled to receive 60% and Ecopetrol 40% of production from each commercial field (after deduction of applicable government royalties and other economic rights of Ecopetrol). Capital costs and operating expenses under the contract are borne 70% by Frontera and 30% by Ecopetrol. See "The Frontera Acquisition—Frontera E&P Business" for additional information. The Quifa Association Contract terminates in December 2031, at which time all producing wells and real estate possessions in the block will revert to Ecopetrol free of charge. See "Risk Factors—Risk Related to the Frontera Acquisition—The amount of the Purchase Price is subject to adjustments and a $25 million contingent payment in the event the Quifa Condition is satisfied." Other significant producing blocks include CPE-6 (100% working interest, approximately 7,719 boe/d), Guatiquia (100% working interest, approximately 5,164 boe/d) and VIM-1 (50% working interest, approximately 2,070 boe/d). The Frontera E&P assets also include the SAARA reverse osmosis water treatment facility and a palm oil plantation. The asset base is capital-light, with predominantly low-decline (approximately 13% decline rate) crude production and over 15 years of natural decline production, generating meaningful free cash flow.

The Frontera Acquisition is expected to establish the Issuer as one of the largest independent Colombia-focused upstream companies based on production; providing greater scale, enhanced capital efficiency, and a more resilient

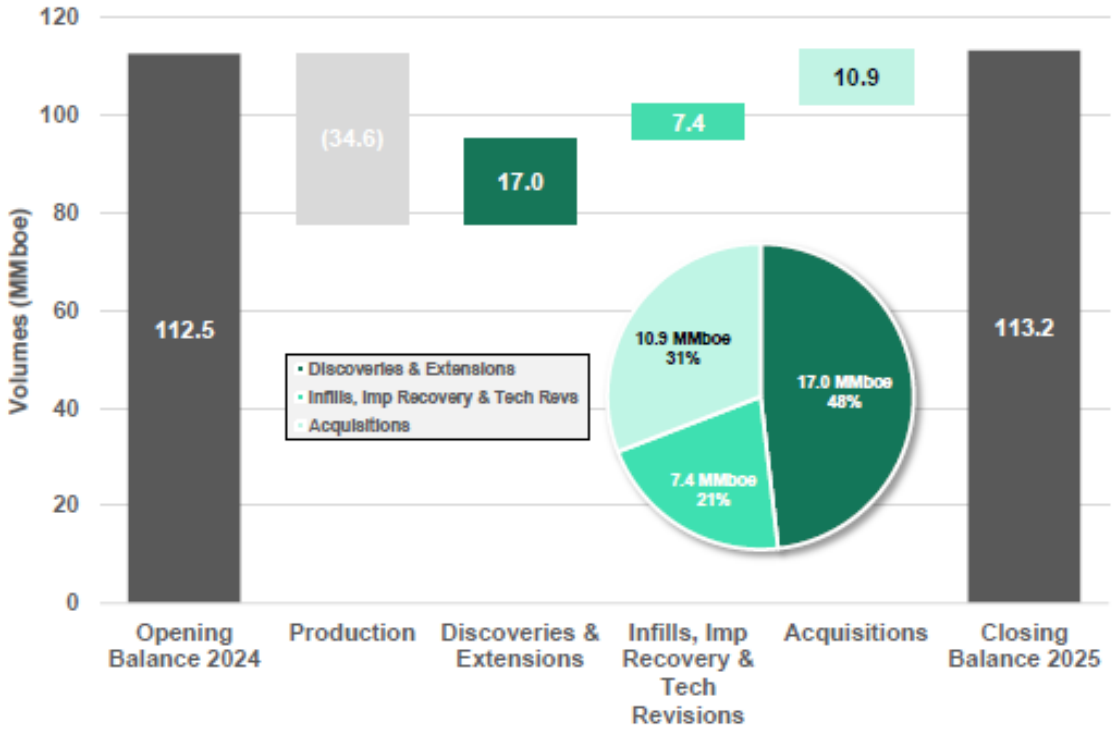
platform for long-term growth. Upon completion of the Frontera Acquisition, these assets are expected to effectively double our standalone production and 1P reserve base, and will consolidate our working interest in the VIM-1 block to 100% on a pro forma basis. On a pro forma basis after giving effect to the Frontera Acquisition, our 2025 production would have been approximately 83,712 boe/d (~98% liquids), our Adjusted EBITDA would have been approximately $814 million, and our 1P and 2P reserves would have been approximately 207 MMboe and 311 MMboe, respectively.

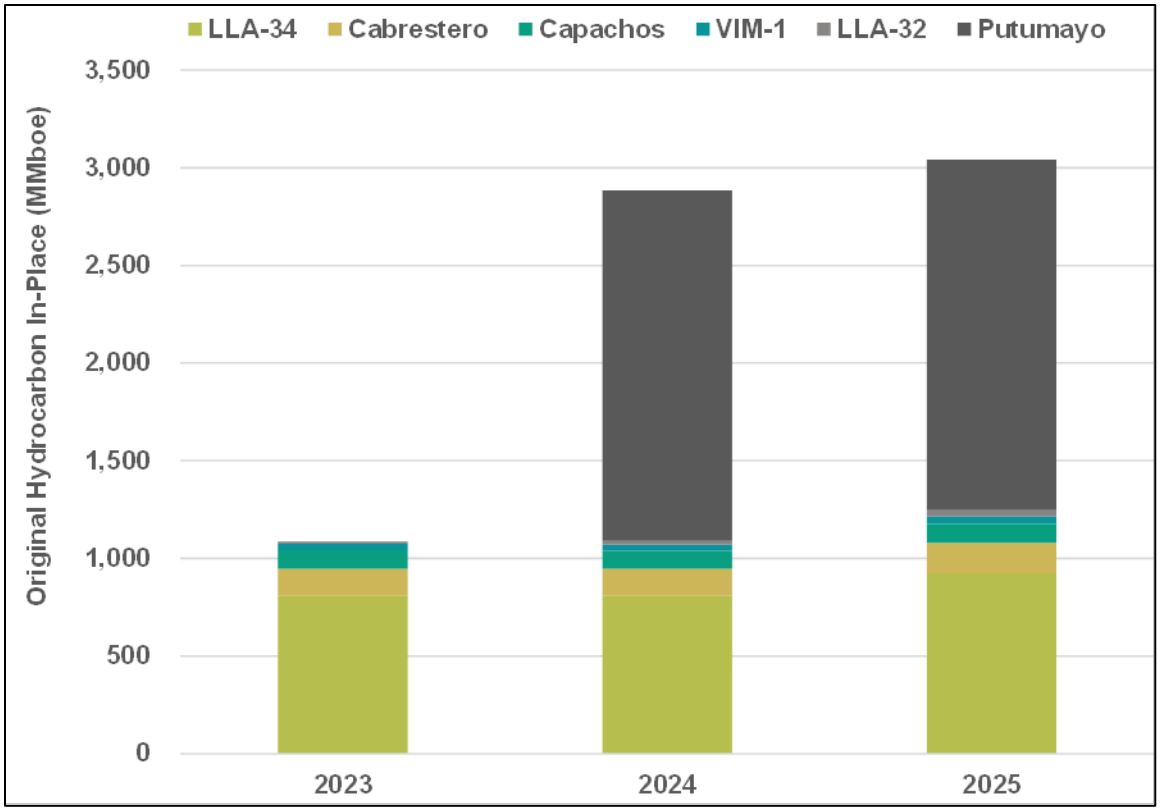
Our Asset Base and Operations

We believe that our asset base offers an attractive combination of cash flow producing legacy assets as well as a deep portfolio of development opportunities and exploration prospects to maintain and grow production economically. After giving effect to the Frontera Acquisition, our assets will include 7.1 million surface acres across the Magdalena, Llanos and Putumayo Basins:



We have been able historically to replace annual production with predictable capital expenditures as a result of significant original hydrocarbons in-place across a variety of producing formations. The charts below illustrate the change in our booked 1P volumes from 2024 to 2025 as production was replaced and our total proved original hydrocarbons in-place by formation over time grew (without giving effect to the Frontera Acquisition):


120
100
80
60
40
20
0
Volumes (MMboe)
112.5
(34.6)
17.0
7.4
10.9
113.2
Discoveries & Extensions
Infills, Imp Recovery & Tech Revs
Acquisitions
10.9 MMboe
31%
17.0 MMboe
48%
7.4 MMboe
21%
Opening Balance 2024
Production
Discoveries & Extensions
Infills, Imp Recovery & Tech Revisions
Acquisitions
Closing Balance 2025


LLA-34
Cabrestero
Capachos
VIM-1
LLA-32
Putumayo
3,500
3,000
2,500
2,000
1,500
1,000
500
0
Original Hydrocarbon In-Place (MMboe)
2023
2024
2025

Our most significant producing properties are LLA-34, Cabrestero, LLA-32, Capachos, VIM-1 and Arauca. Our base production is centered on our Southern Llanos assets, primarily LLA-34 and Cabrestero, which have historically supported oil production and cash flow through ongoing development and enhanced recovery initiatives. LLA-32 provides short-cycle, near-field development opportunities that can extend the Southern Llanos production base. VIM-1 provides portfolio diversification with gas-weighted and liquids-rich potential and forms part of our longer-term natural gas strategy. Capachos provides established, liquids-rich production and benefits from existing infrastructure, contributing to near-term cash flow and operational efficiency. In the Southern Llanos, LLA-74 is an emerging area with potential that could add scale and improve infrastructure utilization over time, subject to operational, social and regulatory outcomes, and may further balance the Company's asset portfolio.

We believe the Frontera Acquisition complements our existing portfolio and provides key strategic operational benefits. As a result of the Frontera Acquisition we will have a 100% working interest in the VIM-1 block, that has historically been highly profitable, and anticipate leveraging our in-basin expertise across 17 acquired upstream blocks and 1.1 million acquired net acres.

Our Competitive Strengths

Leading Upstream Operator in Colombia.

We are one of the largest independent Colombian oil and gas producers, operating within an attractive fiscal regime with meaningful development opportunities. Our annual average production in 2025 was 44,701 boe/d and we owned 6.0 million net surface acres. On a pro forma basis, after giving effect to the Frontera Acquisition, our 2025 production would have been 83,712 boe/d and we would have owned approximately 7.1 million net surface acres. Colombia is an OECD member country with independent branches of government, free capital movement and no foreign currency controls. We receive Brent-linked pricing in U.S. dollars, and our offshore oil sales provide direct exposure to global benchmark pricing, which supports top-decile cash flow per BOE when compared against TSX-listed oil and gas peers. We have also maintained positive community relationships in Colombia, having invested approximately $52 million in community initiatives throughout 2024 and 2025 with government support.

Long and Established Track Record of Organic and M&A Growth in Colombia.

From our founding in 2009 following the spin-off from Petro Andina, we have achieved material growth since acquiring Colombian assets in 2010 and we have grown production from zero to approximately 45,000 boe/d in 2025. This growth has been achieved through a combination of strategic acquisitions—including the acquisitions of Remora Energy, Ramshorn International, and Verano Energy—and organic development success. We have also deepened our partnership with Ecopetrol through a series of notable agreements, including the 2024 definitive agreements that secured a 50% working interest farm-in in the Putumayo Basin and enabled access to explore the high-potential Llanos Foothills.

Strong Base Assets with Meaningful Exploration Upside.

We have significantly expanded our net acreage in Colombia over time and we are now one of the largest independent land holders in Colombia, with approximately 6.0 million net acres and producing assets in the Llanos, Magdalena, and Putumayo basins. Our portfolio is anchored by high-quality, low-decline assets supported by proven development techniques—including horizontal drilling, waterflooding, and polymer flooding—enabling stable production and efficient capital deployment. This foundation is further strengthened by the addition of complementary assets, enhancing scale and cash flow generation.

We have demonstrated a consistent ability to replace production through a balanced mix of reserve additions, including near-field discoveries, extensions, and improved recovery initiatives. For example, from 2024 to 2025, production of approximately 35 MMboe was replaced across all reserves categories. This diversified approach reduces reliance on high-risk exploration while sustaining reserve life.

We also benefit from a multi-billion barrel hydrocarbons-in-place resource base, providing significant long-term development and exploration optionality. As a result, we are well positioned to maintain and grow production

through capital-efficient, repeatable activities, with exploration offering incremental upside rather than being a core dependency.

Advantaged Revenue and Cost Structure Drives Premium Netback.

For the year ended December 31, 2025, we generated robust operating netbacks of approximately $35.52/boe (based on an average Brent reference price of $68.19/bbl), driven by our approximately 97% liquids weighting, attractive cost structure, and Brent reference pricing. Our lean cost structure is supported by ongoing fixed cost absorption, internal cost reduction initiatives and majority pipeline-connected production underpinning attractive transportation costs. We also benefit from a favorable effective cash tax rate, which has historically been significantly below the 35% Colombian statutory rate, providing additional support to our funds flow provided by operations. We are well positioned to take advantage of Colombia's well developed midstream network – permitting expeditious movement of crude from the Llanos (Eastern Plains) and Magdalena basins through a central hub at the Vasconia pumping station (Boyacá, interior) to the Caribbean export terminal at Coveñas (Sucre), with major storage along the coast. Approximately 40% of our volumes have historically been sold into global export markets across a diverse base of high credit quality, global counterparties, including into the United States (approximately 55% of export volumes), Panama (approximately 35% of export volumes), Canada (approximately 5% of export volumes) and Africa (approximately 5% of export volumes). We have historically generated free funds flow even during periods of Brent oil prices below $45/bbl, demonstrating the resilience of our business model across commodity cycles.

Resilient Balance Sheet Underpinned by Material Free Cash Flow.

We maintain a strong balance sheet with a focus on financial prudency and a history of minimal leverage. Our pro forma leverage is expected to be approximately 0.9x net debt to Adjusted EBITDA (based on Adjusted EBITDA for the year ended December 31, 2025) at the closing of the Frontera Acquisition, with ample liquidity available under the Amended Parex Credit Facilities. We have maintained substantially zero net leverage for five years with over $200 million in average balance sheet cash during this period, and we maintain a low long-term leverage target. Our approach to capital stewardship and financial modeling features conservative leverage, a prudent risk management and hedging program, a rigorous budgeting and forecasting process, and a track record of access to capital through long-standing relationships with capital providers and public equity markets.

Highly Experienced Management Team with Strong Track Record of Community Engagement.

Our management team has over 150 years of combined industry experience, with decades of experience operating in Colombia and internationally. Our President and CEO, Imad Mohsen, brings over 30 years of oil and natural gas leadership experience, having previously served as CEO of Tulip Oil Holding B.V. and spent 15 years with Shell in various senior leadership roles. Our CFO, Cameron Grainger, has over 20 years of finance, strategy and corporate tax experience and has been with us since 2011. Our management team is complemented by extensive in-country technical expertise, with over 370 engineers, technical personnel and other professionals on the ground in Colombia leveraging significant historical experience operating and developing Colombian assets. We have earned external recognition as a top-quartile ESG performer, including an MSCI ESG Rating of AA, an S&P Global Sustainability Yearbook score of 58 placing us in the top 15% of our industry, and 9 out of 10 independent directors with 33% women representation on our board of directors. With respect to environmental performance, we have reduced our greenhouse gas intensity by 29% (scope 1 and 2) from our 2019 baseline while absolute emissions increased, avoided approximately 3,000 tCO2e by connecting our Cabrestero field to the electricity grid and planted over 31,000 native tree species in Colombia. In addition, we have supported over 120,000 people through social investments, including Work for Taxes investments on road construction, machinery and educational technology. We are committed to proactive community engagement to create a positive relationship between the oil business and existing local industries while ensuring compliance with all local environmental regulations.

Our Strategy

Our growth strategy has three strategic focus areas, each designed to build on our competitive advantages and drive long-term stakeholder value. By progressing each focus area, we believe our portfolio assets will continue to be the foundation for strong returns.

Investing in Technology to Optimize Capital Efficiency.

We are investing in industry-proven technologies to optimize capital efficiency and unlock Colombia's vast resources. Our technology toolkit includes enhanced oil recovery, horizontal and multilateral drilling, and advanced seismic imaging, all of which are being deployed across our portfolio to flatten production declines, reduce maintenance capital requirements and improve recovery factors.

Growing Onshore Gas Production.

We are growing onshore gas production from liquids-rich gas fields, pursuing world-class gas plays that are currently underexplored, which provide attractive gas dynamics and premium pricing opportunities. Natural gas production in Colombia has declined consistently year-over-year beginning in 2013. This decline has resulted in Colombia becoming a net importer of natural gas. This creates what we believe to be a positive pricing environment. The Llanos Foothills exploration program, operated in partnership with Ecopetrol, offers material gas development potential in an area on trend with historically prolific producing fields.

Targeting High-Impact Exploration.

We are targeting high-impact exploration opportunities while actively managing risk and reward through a portfolio approach. We maintain a premium prospect funnel that we continuously replenish through our extensive land position, with approximately 140 projects under lead evaluation, 50 to 70 projects under prospect and risk analysis and 20 to 30 drill-ready projects. We have historically added 30 to 40 new leads per year, creating additional growing exploration opportunities. Near-field exploration and follow-up wells in the Southern Llanos have demonstrated strong profitability with average IP30 rates of approximately 1,600 bbl/d, average IP365 rate of approximately 800 bbl/d and average well costs of approximately $6 to $8 million.

Frontera Acquisition Advances Our Strategic Vision.

The Frontera Acquisition is expected to further advance our exploration strategy by creating one of the largest independent Colombia-focused E&P companies based on production, with pro forma 2026 production expected to be between approximately 80,000 to 88,000 boe/d. The combination of two high-quality, Colombian oil-weighted portfolios in basins where we are experienced allows us to apply our technical knowledge to further optimize the combined portfolio. The acquisition is expected to be immediately accretive to key financials metrics including funds flow and free funds flow, expecting to generate pro forma Adjusted EBITDA of $814 million, adding approximately 39,000 boe/d of predominantly heavy, low-decline (~13%) crude production across 17 upstream blocks in Colombia, based on Frontera E&P's 2025 production, effectively doubling our production and 1P reserve base. We believe the assets to be acquired are capital-light, with over 15 years of natural decline production, generating meaningful free cash flow to support deleveraging and development in high-value areas within our portfolio. The transaction will consolidate our working interest in the VIM-1 block to 100% on a pro forma basis. We have also identified potential development upside opportunities, including extension of the Quifa field, optimization of development plans at the VIM-1 and El Dificil blocks in the Lower Magdalena, and incremental opportunities to apply proven technology across the enlarged portfolio.

The Transactions

The Frontera Acquisition

In connection with the Frontera Acquisition, we will acquire all the issued and outstanding shares of Frontera E&P for aggregate consideration of upfront cash consideration of $500 million, the assumption of approximately $225 million of net debt, and a contingent payment of $25 million related to satisfaction of the Quifa Condition. Additionally, the Issuer (or an affiliate thereof) will assume at closing of the Transactions all obligations under Frontera's outstanding $310 million senior unsecured notes due 2028 (7.875% coupon) and the $80 million outstanding under Frontera's prepayment facility with Chevron Products Company.

The Amended Parex Credit Facilities

On March 4, 2026, we entered into a debt commitment letter with The Bank of Nova Scotia (and certain other financial institutions who became party thereto by way of joinder agreement dated March 27, 2026), providing for certain debt financing, the proceeds of which will be used for general corporate purposes and to partially fund the Frontera Acquisition. Pursuant to the debt commitment letter, The Bank of Nova Scotia and such financial institutions have agreed to amend and restate the Credit Agreement pursuant to the terms of the Amended Credit Agreement to provide for the New Parex Credit Facilities, consisting of: (a) borrowing base credit facilities available on a revolving basis in the aggregate principal amount of $240 million (to replace the Existing Parex Credit Facilities); and (b) a 364-day bridge loan facility in the aggregate principal amount of up to $600 million. The New Parex Credit Facilities will be guaranteed by the Company and its material restricted subsidiaries on a first-priority secured basis. The Parex Bridge Facility will be reduced on a dollar-for-dollar basis from the net proceeds of this Note offering.

Recent Developments

Preliminary Q1 Financial Information

Set forth below is selected preliminary financial information of the Company for the three months ended March 31, 2026. The information set forth below is not a comprehensive discussion of the Company's financial results for the quarter ended March 31, 2026, does not give effect to the Frontera Acquisition, and remains subject to, among other things, the completion of the Company's financial closing procedures. We are currently in the process of reviewing our financial results and applying our normal closing procedures for the three months ended March 31, 2026, and the information below reflects various assumptions and estimates based upon information available to us as of the date of this offering memorandum. As a result, while this information is based on assumptions and estimates that we consider to be reasonable, it remains in all cases subject to change pending finalization. Actual results may differ materially from the estimates presented below due to developments or other information that may arise between now and the time the financial results for the three months ended March 31, 2026 are finalized.

- Average production was 44,735 boe/d, compared to 43,658 boe/d in the first quarter of 2025.
- We expect to recognize net income of $5 million compared to net income of $81 million in the first quarter of 2025. The expected decrease is largely related to unrealized loss on commodity risk management contracts, an increase in deferred tax expense, higher cash settled share-based compensation expense, and the recognition of one-time costs, partially offset by lower current income tax due to lower operating cashflows and utilization of tax pools.
- Previously, the Company had hedged Brent crude oil prices for Q2 2026 on approximately 25% of its planned net production. In early Q2 2026, these hedging positions were unwound at a cost of roughly $29 million. The Company is currently unhedged for 2026, with full exposure to higher commodity prices.
- We expect to generate funds flow provided by operations of $114 million, compared to $122 million in the first quarter of 2025. Expected one-time costs in Q1 2026 total approximately $17 million, comprising of: a Colombian temporary corporate wealth tax of $7 million, site restoration costs of $7 million, with a significant portion expected to be recovered through insurance; and $3 million of project and other G&A costs.
- We expect to incur $91 million of capital expenditures compared to $57 million in the first quarter of 2025. The increase from the prior year is primarily related to the ramping up of activity at the Orito and Occidente blocks in the Putumayo, and LLA-32 and LLA-111 in the Llanos, partially offset by lower activity at Cabrestero and LLA-74 in the Llanos.
- We expect to recognize adjusted EBITDA of $133 million, compared to $135 million in the first quarter of 2025.

- Bank debt is $175 million as at March 31, 2026, compared to $50 million as at March 31, 2025. The increase was primarily from debt incurrence on the Existing Parex Credit Facilities in connection with the public acquisition of 6.1 million GeoPark Limited common shares and a $75 million deposit related to the Frontera Acquisition. See "Consolidated Capitalization".

Parex has been informed by Frontera that Q1 2026 oil and natural gas production is expected to be between 36,000 - 38,000 boepd.

The preliminary financial information for the three months ended March 31, 2026 included in this offering memorandum is derived from internal management records prepared by the Company's management. Neither the Company's independent accountants nor any other independent accounting firm have audited, reviewed, compiled or applied agreed upon procedures with respect to this information. Accordingly, neither the Company's independent accountants nor any other independent accounting firm express any opinion or any other form of assurance with respect thereto and assume no responsibility for, and disclaim any association with, this information. We have also not finalized our closing procedures for the three months ended March 31, 2026. In particular, during the course of our review process we could identify items that could require us to make adjustments, which may be material. These estimates should not be viewed as a substitute for the historical financial information contained elsewhere in this offering memorandum. The Company's unaudited financial statements for the quarter ended March 31, 2026 will not be available until after this offering is completed, and consequently will not be available to you prior to investing in this offering.

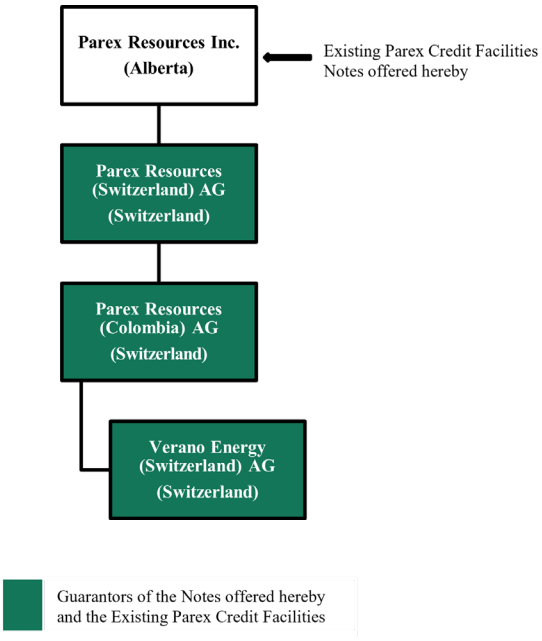
In light of the foregoing, prospective purchasers of the Notes are cautioned not to place undue reliance on the preliminary financial information. Our preliminary financial information should be read in conjunction with "Cautionary Statement Regarding Forward-Looking Statements," "Risk Factors," our MD&A attached hereto as Annex D and our financial statements and the accompanying notes included elsewhere in this offering memorandum. For a discussion of our calculation of Adjusted EBITDA, Free Funds Flow and FFO, see "Non-GAAP and Specified Financial Measures."

Agreement to Earn Additional Working Interest in Colombia

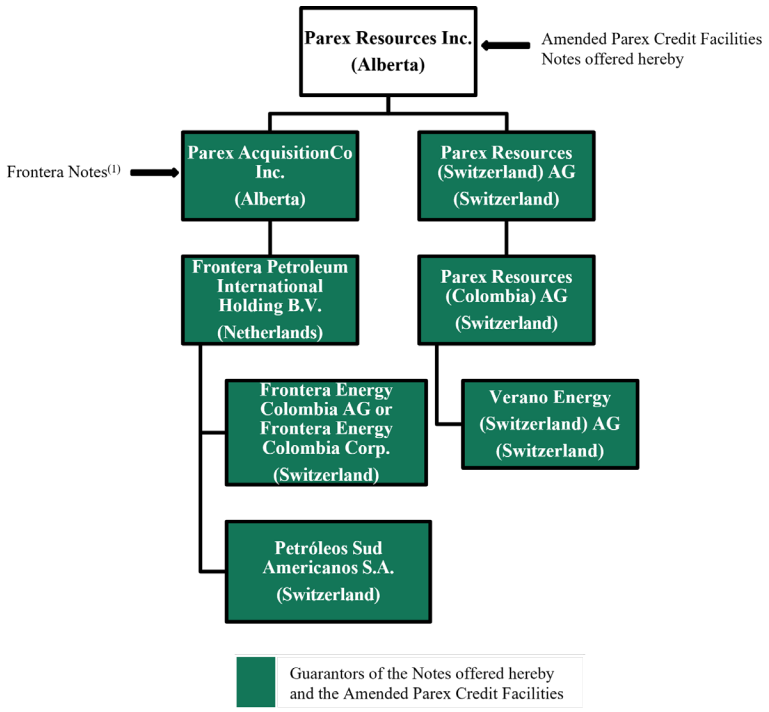
The Company is in the process of negotiating a business opportunity in respect of a potential 50% working interest in several fields in Colombia's Magdalena basin. To secure the working interest, it is anticipated that the Company would be required to commit to, and execute, a capital development program of approximately $250 million over five years. The terms of this potential transaction have not been finalized and there is no guarantee that the Company will enter into an agreement on the terms described above or at all.

Corporate and Capital Structure Before and After the Frontera Acquisition

The following chart summarizes our corporate structure and principal indebtedness after giving effect to the offering of the Notes:



The following chart summarizes our corporate structure and principal indebtedness after giving effect to the Transactions:



(1) The Frontera Notes will be guaranteed by certain of the Frontera E&P Subsidiaries.

Company Information

Parex Resources Inc. is a corporation incorporated under the laws of the Province of Alberta. Our registered offices are located at 2700 Eighth Avenue Place, West Tower, 585 8th Avenue S.W., Calgary, Alberta, Canada, T2P 1G1.

Information about our Company can be found on our website at www.parexresources.com. Information on, or accessible through, our website is not part of this offering memorandum, nor is such content incorporated by reference herein. You should rely only on the information contained or incorporated by reference in this offering memorandum, including the annexes hereto, when making a decision as to whether to invest in the Notes.

THE OFFERING

The following is a brief summary of some of the terms of this offering. Certain of the terms and conditions described below are subject to important limitations and exceptions. The "Description of Notes" section of this offering memorandum contains a more detailed description of the terms and conditions of the Notes and the related guarantees.

Issuer……..	Parex Resources Inc., a corporation incorporated under the laws of the Province of Alberta.
Guarantors……..…	At closing of the offering of the Notes: Parex Resources (Switzerland) AG; Parex Resources (Colombia) AG; and Verano Energy (Switzerland) AG. Following closing of the Frontera Acquisition, the following entities will be added as Note Guarantors: Purchaser; Frontera E&P; Frontera Energy Colombia AG or Frontera Energy Colombia Corp.; and Petroleos Sud Americanos S.A.
Notes Offered…….	$500,000,000 aggregate principal amount of 8.500% senior notes due 2031 (the "Notes").
Issue Date……...	May 11, 2026.
Issue Price……..	100.000% plus accrued interest, if any, from May 11, 2026.
Maturity Date…….	The Notes will mature on May 11, 2031.
Interest……	Interest on the Notes will accrue at a rate of 8.500% per year.
Interest Payment Dates…...	Each May 11 and November 11, commencing November 11, 2026.
Ranking……..	The Notes will be senior unsecured obligations. Accordingly, they will be: • equal in right of payment to all of our existing and future senior indebtedness; • effectively subordinated to any of our secured indebtedness to the extent of the value of the collateral securing such indebtedness, including indebtedness under the New Parex Credit Facilities; • senior in right of payment to any of our future subordinated indebtedness; • structurally subordinated to the indebtedness and other liabilities of our subsidiaries that do not guarantee the Notes; and • unconditionally guaranteed by the Note Guarantors.

	As of December 31, 2025, after giving effect to the Transactions and the application of the net proceeds therefrom in the manner described under "Use of Proceeds" and based on the assumptions described under "Consolidated Capitalization" the principal amount of our total long-term debt would have been approximately $840 million, $33 million of which would have been secured.
Guarantees……..	The Notes will be fully and unconditionally guaranteed on a senior unsecured basis by each of our present and future restricted subsidiaries that guarantee certain indebtedness of us or the Note Guarantors. The guarantees of the Notes will rank equally in right of payment with all of the existing and future senior unsecured indebtedness of the Note Guarantors and senior in right of payment to any subordinated indebtedness of the Note Guarantors. The guarantees of the Notes will be effectively subordinated to all existing and future senior secured indebtedness incurred from time to time by the Note Guarantors to the extent of the value of the assets securing such indebtedness, and will be structurally subordinated in right of payment to all indebtedness and other liabilities of our subsidiaries that do not guarantee the Notes. See "Description of Notes—The Notes, the Subsidiary Guarantees and the Indenture."
	As of the issue date, the Notes will be guaranteed by all material subsidiaries of the Issuer. Upon the consummation of the Frontera Acquisition, the Notes will also be guaranteed by Frontera E&P and all of its material subsidiaries. The Issuer and the Note Guarantors represented more than 98% of our consolidated revenues, more than 98% of our consolidated Adjusted EBITDA and 99% of our consolidated total assets, each as of the issue date of these Notes and after giving effect to the Frontera Acquisition.
Special Mandatory Redemption……	The net proceeds from this offering will be placed into escrow pending satisfaction of certain escrow release conditions as set forth in the Escrow Agreement, including the consummation of the Frontera Acquisition in all material respects in accordance with the terms of the Arrangement Agreement. If (i) the conditions to the Escrow Release are not satisfied prior to January 29, 2027 (or, to the extent the Arrangement Agreement is amended to remain in effect until a later date, such later date (but in no event later than July 29, 2027) (the "SMR Outside Date")), (ii) the Company notifies the Escrow Agent and the Trustee at any time prior to the SMR Outside Date that the Arrangement Agreement is terminated (other than as a result of consummating the Frontera Acquisition) or (iii) the Company delivers a notice to the Escrow Agent and the Trustee at any time prior to the SMR Outside Date stating that it will no longer pursue the consummation of the Frontera Acquisition, the Notes will be subject to a special mandatory redemption at a price equal to (i) 100% of the initial issue price of the Notes, in the case of a Special Mandatory Redemption Event occurring on or prior to January 29, 2027, and (ii) 101% of the initial issue price of the Notes, in the case of a Special Mandatory Redemption Event occurring after January 29, 2027, in each case, plus accrued and unpaid interest from the issue date of the Notes to, but not including, the payment date of such mandatory redemption (the "Special Mandatory Redemption Price"). See "Description of Notes—Escrow of Proceeds" and "Description of Notes—Special Mandatory Redemption."
Optional Redemption…….	At any time prior to May 11, 2028, we may, from time to time, redeem up to 40% of the aggregate principal amount of the Notes with an amount equal to the net cash proceeds of certain equity offerings at the redemption price set forth under "Description of Notes—Optional Redemption" if at least 60% of the aggregate principal amount of the Notes issued under the indenture remains outstanding immediately after such redemption and the redemption occurs within 180 days of the closing date of any such equity offering.

	At any time prior to May 11, 2028, we may redeem the Notes, in whole or in part, at a "make whole" redemption price set forth under "Description of Notes—Optional Redemption." On and after May 11, 2028, we may redeem the Notes, in whole or in part, at the redemption prices set forth under "Description of Notes—Optional Redemption."
Additional Amounts; Tax Redemption……	All payments made by or on behalf of the Company and any Note Guarantor under or with respect to the Notes or any Subsidiary Guarantee will be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, except to the extent required by law. If such withholding or deduction is required by law in any relevant taxing jurisdiction, subject to certain exceptions, the Company or relevant Note Guarantor will pay such additional amounts as may be necessary so that the net amount received by each holder of Notes after such withholding or deduction will not be less than the amount such holder would have received if such withholding or deduction had not been required. See "Description of Notes—Additional Amounts." In the event of certain developments affecting taxation of the Notes, the Company may redeem all, but not less than all, of the Notes of the applicable series at a redemption price of 100% of the principal amount, plus accrued and unpaid interest, if any, to but not including the redemption date. See "Description of Notes—Optional Tax Redemption."
Change of Control……..	If we experience certain change of control events, each holder of Notes may require the Issuer to repurchase all or a portion of its Notes for cash at a price equal to 101% of the aggregate principal amount of such Notes, plus any accrued and unpaid interest to, but not including, the date of repurchase. See "Description of Notes—Repurchases at the Option of the Holders of the Notes Upon Change of Control Triggering Event."
Certain Covenants……..	The indenture governing the Notes will contain covenants that, among other things, limit our ability and the ability of our restricted subsidiaries to: • incur or guarantee additional indebtedness or issue certain preferred stock; • pay dividends on capital stock or redeem, repurchase or retire our capital stock or subordinated indebtedness or make certain other restricted payments; • transfer or sell assets; • make loans and other investments; • engage in other lines of business other than an Oil and Gas Business; • create certain liens; • enter into agreements that restrict dividends or other payments from our restricted subsidiaries to us; • consolidate, merge or transfer all or substantially all of our assets; • engage in transactions with affiliates; and

	• create unrestricted subsidiaries. These covenants are subject to important exceptions and qualifications. See "Description of Notes—Certain Covenants." In addition, substantially all of the covenants will be suspended before the Notes mature if the Notes achieve an investment grade rating in the future from any two of three specified rating agencies and no events of default exist under the indenture governing the Notes for so long as no such ratings agency lowers its ratings for the Notes below investment grade. See "Description of Notes—Certain Covenants."
Use of Proceeds……..	We estimate that our net proceeds from this offering will be approximately $488 million, after deducting the Initial Purchasers' discount and estimated offering expenses. The net proceeds from the offering before expenses will be deposited into Escrow. Upon satisfaction of the conditions to the Escrow Release, we intend to use the net proceeds from this offering to fund the cash portion of the consideration for the Frontera Acquisition and to pay fees and expenses in connection with the Transactions. Any net proceeds not used for such purposes will be used for general corporate purposes. See "Use of Proceeds." If the conditions to the Escrow Release, including consummation of the Frontera Acquisition, are not satisfied prior to the SMR Outside Date, or upon the occurrence of certain other events, the Notes will be subject to a special mandatory redemption. The Special Mandatory Redemption Price will be equal to (i) 100% of the initial issue price of the Notes, in the case of a Special Mandatory Redemption Event occurring on or prior to January 29, 2027, and (ii) 101% of the initial issue price of the Notes, in the case of a Special Mandatory Redemption Event occurring after January 29, 2027, in each case, plus accrued and unpaid interest from the issue date of the Notes to, but not including, the payment date of such mandatory redemption. See "Use of Proceeds," "Consolidated Capitalization," "Description of Notes—Escrow of Proceeds" and "Description of Notes—Special Mandatory Redemption."
Relationships (Conflicts of Interest)	Certain affiliates of the Initial Purchasers serve as agents or lenders under the Existing Parex Credit Facilities or may be lenders under the New Parex Credit Facilities and may receive a portion of the net proceeds of this offering. See "Plan of Distribution".
No Registration Rights…..	We will not be required to, nor do we intend to, register the Notes for resale under the Securities Act or the securities laws of any other jurisdiction or offer to exchange the Notes for registered Notes under the Securities Act or the securities laws of any other jurisdiction.
Transfer Restrictions……..	We have not registered the offer and sale of the Notes under the Securities Act. The Notes are subject to restrictions on transfer and may only be offered or sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. See "Transfer Restrictions."
Form and Denomination…	The Notes will initially be issued in the form of one or more global notes without interest coupons, registered in the name of DTC, or its nominee. The Notes will be issued in minimum denominations of $200,000 and integral multiples of $1,000 in excess thereof.
Listing……	The Company intends to apply to list the Notes on the Singapore Stock Exchange. We cannot assure you, however, that this application will be accepted, or if accepted, that, once listed, the Notes will remain so listed. The Notes will be traded

	in a minimum board lot size of $200,000 and integral multiples of $1,000 in excess thereof as long as the Notes are listed on the Singapore Stock Exchange.
Absence of Public Market for the Notes……..	The Notes are a new issue of securities and there is currently no established trading market for the Notes. Accordingly, there can be no assurance as to the development or liquidity of any market for the Notes.
Trustee, Registrar, Paying Agent and Transfer Agent..	Odyssey Transfer and Trust Company or an affiliate as trustee (the "Trustee").
Escrow Agent…….	Odyssey Transfer and Trust Company or an affiliate
Governing Law……...	The indenture and the Notes will be governed by the laws of the State of New York.
Risk Factors……	You should consider carefully the information set forth in the section entitled "Risk Factors" beginning on page 28 and all other information contained or incorporated by reference in this offering memorandum, including the annexes hereto, before deciding to invest in the Notes.

SUMMARY HISTORICAL CONSOLIDATED FINANCIAL DATA OF THE ISSUER

The summary historical consolidated financial data set forth below as of and for each of the years ended December 31, 2025 and December 31, 2024 have been derived from the Issuer's audited financial statements for each of the years ended December 31, 2025 and December 31, 2024 (the "Parex Annual Financial Statements"). Such Parex Annual Financial Statements are incorporated by reference in this offering memorandum. The summary historical consolidated financial data is qualified in its entirety by, and should be read in conjunction with, the MD&A incorporated by reference into this offering memorandum and included as Annex D hereto, and the consolidated financial statements and related notes and other financial information included or incorporated by reference into this offering memorandum. Historical results are not necessarily indicative of results that may be expected for any future period.

Consolidated Statements of Comprehensive Income

	Years Ended December 31 (Audited)	
	2025	2024
	(thousands of United States dollars)	
Revenue:		
Oil and natural gas sales	$ 1,005,842	$ 1,280,029
Royalties	(126,752)	(201,418)
Net revenue	$ 879,090	1,078,611
Other revenue	9,826	8,157
Commodity risk management contracts (loss)	(1,419)	(1,160)
	$ 887,497	$ 1,085,608
Expenses:		
Production	$ 225,543	$ 255,278
Transportation	76,444	65,745
Purchased Oil	162	904
General and administrative	71,326	68,908
Impairment of exploration and evaluation assets	11,140	54,085
Impairment of property, plant and equipment assets	—	78,417
Impairment of long-term inventory	6,470	10,000
Equity settled share-based compensation expense	714	878
Cash settled share-based compensation expense	29,802	584
Depletion, depreciation and amortization	200,405	215,770
Other expense	29,200	6,227
Foreign exchange (gain) loss	(10,932)	5,447
Unrealized gain on marketable securities	(4,616)	—
	$ 635,658	$ 762,243
Finance (income)	$ (4,369)	$ (4,315)
Finance expense	21,402	18,408
Net finance expense	$ 17,033	$ 14,093
Income before income taxes	$ 234,806	$ 309,272
Income tax (recovery) expense	$ (20,277)	$ 248,592
Net income and comprehensive income for the year	$ 255,083	$ 60,680

Consolidated Balance Sheets

	Years Ended December 31 (Audited)	
	2025	2024
	(thousands of United States dollars)	
Current assets	$ 273,994	$ 245,943
Property, plant and equipment	$ 1,500,213	$ 1,419,301
Total assets	$ 2,341,092	$ 2,155,062
Total liabilities	$ 388,159	$ 323,741
Total shareholders' equity	$ 1,952,933	$ 1,831,321

Consolidated Statements of Cash Flows

	Years Ended December 31 (Audited)	
	2025	2024
	(thousands of United States dollars)	
Net cash provided by (used in):		
Operating activities	$ 424,756	$ 569,915
Investing activities	$ (304,038)	$ (392,243)
Financing activities	$ (162,869)	$ (214,896)

Other Consolidated Financial and Operating Data

	Years Ended December 31 (Audited)	
	2025	2024
	(thousands of United States dollars)	
Capital Expenditures [(1)]	$ 310,325	$ 347,695
Free Funds Flow[(2)]	$ 144,660	$ 274,538
Funds Flow Provided by Operations [(3)]	$ 454,985	$ 622,233
EBITDA[(4)]	$ 481,444	$ 545,362
Adjusted EBITDA[(4)]	$ 512,937	$ 720,089
Operating Netback [(5)]	$ 576,941	$ 756,684

(1) Capital expenditures, is a non-GAAP financial measure which the Issuer uses to describe its capital costs associated with oil and gas expenditure. The measure considers both property, plant and equipment expenditures and exploration and evaluation asset expenditures which are items in the Issuer's statement of cash flows for the period and is calculated as follows:

	Years Ended December 31 (Audited)	
	2025	2024
	(thousands of United States dollars)	
Property, plant and equipment expenditures	$ 200,595	$ 221,250
Exploration and evaluation expenditures	109,730	126,445

	Years Ended December 31 (Audited)	
	2025	2024
	(thousands of United States dollars)	
Capital Expenditures	$ 310,325	$ 347,695

(2) Free Funds Flow, is a non-GAAP financial measure that is determined by funds flow provided by operations less capital expenditures. The Issuer considers free funds flow to be a key measure as it demonstrates the Issuer's ability to fund returns of capital, such as the Normal Course Issuer Bid or dividends, without accessing outside funds and is calculated as follows:

	Years Ended December 31 (Audited)	
	2025	2024
	(thousands of United States dollars)	
Cash provided by operating activities	$ 424,756	$ 569,915
Net change in non-cash assets and liabilities	30,229	52,318
Funds flow provided by operations	$ 454,985	$ 622,233
Capital Expenditures	310,325	347,695
Free Funds Flow	$ 144,660	$ 274,538

(3) Funds Flow Provided by Operations, is a capital management measure that includes all cash generated from operating activities and is calculated before changes in non-cash assets and liabilities. The Issuer considers funds flow provided by operations to be a key measure as it demonstrates profitability after all cash costs. A reconciliation from cash provided by operating activities to funds flow provided by operations is as follows:

	Years Ended December 31 (Audited)	
	2025	2024
	(thousands of United States dollars)	
Cash provided by operating activities	$ 424,756	$ 569,915
Net change in non-cash assets and liabilities	30,229	52,318
Funds flow provided by operations	$ 454,985	$ 622,233

(4) EBITDA, is a non-GAAP financial measure that is defined as net income (loss) adjusted for finance income and expense, other expense, income tax expense (recovery) and depletion, depreciation and amortization ("**EBITDA**"). Adjusted EBITDA, is a non-GAAP financial measure defined as EBITDA adjusted for non-cash impairment charges, share-based compensation expense (recovery), unrealized foreign exchange (gains) losses and unrealized (gains) losses on risk management contracts and marketable securities ("**Adjusted EBITDA**"). The Issuer considers EBITDA and Adjusted EBITDA to be key measures as they demonstrate the Issuer's profitability before finance income and expenses, taxes, depletion, depreciation and amortization and other non-cash items. A reconciliation from net income to EBITDA and Adjusted EBITDA is as follows:

	Years Ended December 31 (Audited)	
	2025	2024
	(thousands of United States dollars)	
Net income (loss)	$ 255,083	$ 60,680
Finance (income)	(4,369)	(4,315)
Finance expense	21,402	18,408
Other expense	29,200	6,227
Income tax (recovery) expense	(20,277)	248,592
Depletion, depreciation and amortization	200,405	215,770
EBITDA	$ 481,444	$ 545,362

	Years Ended December 31 (Audited)	
	2025	2024
	(thousands of United States dollars)	
Non-cash impairment charges	17,610	142,502
Share-based compensation expense	30,516	1,462
Unrealized foreign exchange (gain) loss	(10,857)	29,603
Unrealized (gain) loss on risk management contracts	(1,160)	1,160
Unrealized gain on marketable securities	(4,616)	—
Adjusted EBITDA	$ 512,937	$ 720,089

(5) Operating netback is a non-GAAP financial measure that the Issuer considers to be a key measure as it demonstrates the Issuer's profitability relative to current commodity prices. The Issuer calculates operating netback as oil and natural gas sales from production less royalties, production expense, transportation expense, and purchased oil expense as follows:

	Years Ended December 31 (Audited)	
	2025	2024
	(thousands of United States dollars)	
Oil and natural gas sales	$ 1,005,842	$ 1,280,029
Royalties	(126,752)	(201,418)
Net revenue	$ 879,090	$ 1,078,611
Production expense	(225,543)	(255,278)
Transportation expense	(76,444)	(65,745)
Purchased oil expense	(162)	(904)
Operating netback	$ 576,941	$ 756,684

SUMMARY HISTORICAL PRO FORMA RESERVES INFORMATION

The following table sets forth reserves information for each of the Issuer and Frontera E&P and for the Issuer on a pro forma basis after giving effect to the Frontera Acquisition, in each case, as of the dates indicated in the table below.

	Issuer (as of December 31, 2025)	Frontera E&P (as of December 31, 2025)	Issuer pro forma combined (as of December 31, 2025)[1]
Total Proved Developed Producing Reserves			
(based on forecast prices and costs) [2][3]			
Light and medium crude oil (mbbl)	16,094	7,191	23,285
Heavy crude oil (mbbl)	53,296	18,811	72,107
Conventional natural gas (mmcf)	18,332	13,883	32,215
Natural gas liquids (mbbl)	361	827	1,188
Total Proved Reserves			
(based on forecast prices and costs) [2][3]			
Light and medium crude oil (mbbl)	39,818	10,137	49,955
Heavy crude oil (mbbl)	68,024	72,945	140,969
Conventional natural gas (mmcf)	25,702	53,599	79,301
Natural gas liquids (mbbl)	1,052	1,871	2,923
Total Probable Reserves			
(based on forecast prices and costs) [2][3]			
Light and medium crude oil (mbbl)	24,894	14,935	39,829
Heavy crude oil (mbbl)	34,369	18,767	53,136
Conventional natural gas (mmcf)	31,705	25,235	56,940
Natural gas liquids (mbbl)	458	1,364	1,822
Total Proved Plus Probable Reserves			
(based on forecast prices and costs) [2][3]			
Light and medium crude oil (mbbl)	64,712	25,072	89,784
Heavy crude oil (mbbl)	102,392	91,712	194,104
Conventional natural gas (mmcf)	57,408	78,834	136,242
Natural gas liquids (mbbl)	1,509	3,235	4,744

(1) Reflects the aggregation of the reserves of the Issuer and Frontera E&P as of December 31, 2025 as evaluated by their respective independent reserves engineers. The reserves data has been derived from the Parex Reserves Report and the Frontera Reserves Report, excerpts of the executive summaries of which are appended to this offering memorandum as Annex C. This summary is qualified by, and should be read in conjunction with, such excerpted summaries. The Issuer did not engage an independent reserves evaluator to prepare a report evaluating the combined reserves of the Issuer and Frontera E&P as of December 31, 2025. Therefore, the actual reserves of the Issuer after giving effect to the Frontera Acquisition, if evaluated as of December 31, 2025, may differ from the combined reserves presented for a number of reasons.

(2) Reserves data presented for the Issuer are derived from the AIF and for Frontera E&P are derived from Frontera's statement of reserves data and other oil and gas information as of December 31, 2025, filed in Canada on SEDAR+ on March 18, 2026. Please refer to the AIF, which is incorporated by reference into this offering memorandum, for further information regarding the reserves and other oil and gas information of the Issuer as of December 31, 2025. Frontera's statement of reserves data and other oil and gas information as of December 31, 2025 is not incorporated by reference herein.

(3) Reserves presented for the Issuer and Frontera E&P are gross reserves as defined in NI 51-101 utilizing forecast price and costs assumptions.

SUMMARY OF NET PRESENT VALUES OF FUTURE NET REVENUE

The following table sets forth the net present value of the future net revenue from the reserves of each of the Issuer and Frontera E&P before taxes, in each case, as of the dates indicated below.

	Issuer Before Income Taxes Discounted at (%/year) (as of January 1, 2026)					Frontera E&P Before Income Taxes Discounted at (%/year) (as of December 31, 2025)				
Reserves Category	**0 (M$)**	**5 (M$)**	**8 (M$)**	**10 (M$)**	**15 (M$)**	**0 (M$)**	**5 (M$)**	**10 (M$)**	**15 (M$)**	**20 (M$)**
Proved										
Developed Producing	2,402,215	2,046,174	1,878,044	1,780,668	1,577,804	673,764	640,581	607,902	576,491	546,727
Developed Non-Producing	114,923	91,868	81,351	75,380	63,253	294,312	257,158	224,892	197,057	173,130
Undeveloped	1,139,626	840,858	710,947	638,907	496,386	1,279,036	955,373	719,063	544,624	414,182
Total Proved	3,656,765	2,978,900	2,670,342	2,494,956	2,137,442	2,247,112	1,853,112	1,551,857	1,318,171	1,134,039
Total Probable	2,792,187	1,955,205	1,629,434	1,458,614	1,140,702	1,319,502	972,737	732,608	562,396	439,141
Total Proved Plus Probable	6,448,951	4,934,104	4,299,776	3,953,570	3,278,145	3,566,613	2,825,849	2,284,464	1,880,567	1,573,180

(1) The unit values are based on net reserve volumes.

SUMMARY UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The following summary unaudited pro forma condensed consolidated financial information (the "Summary Unaudited Pro Forma Condensed Consolidated Financials") combine the historical financial information of the Issuer and Frontera E&P using the information from the Issuer's and Frontera E&P's audited historical financial statements as of and for the year ended December 31, 2025, which are included or incorporated by reference in this offering memorandum.

The respective Issuer and Frontera E&P consolidated statement of financial position as of December 31, 2025 and the respective Issuer and Frontera E&P consolidated statement of income and comprehensive income for the year ended December 31, 2025, were prepared in accordance with IFRS Accounting Standards and are presented in United States dollars. The Summary Unaudited Pro Forma Condensed Consolidated Financials are presented in United States dollars and in accordance with IFRS Accounting Standards.

The unaudited pro forma consolidated statement of financial position as of December 31, 2025 presents the financial position of the Issuer and Frontera E&P giving pro forma effect to the Transactions as if the Transactions had occurred on December 31, 2025, except as disclosed in the footnotes below the table. The unaudited pro forma consolidated statement of income for the year ended December 31, 2025 presents the results of operations of the Issuer and Frontera E&P giving pro forma effect to the Transactions as if the Transactions had occurred on January 1, 2025.

The Summary Unaudited Pro Forma Condensed Consolidated Financials should be read together with the complete Unaudited Pro Forma Condensed Consolidated Financial Information, including the notes thereto, which are included in this offering memorandum. The Summary Unaudited Pro Forma Condensed Consolidated Financials are presented for illustrative purposes only and are not necessarily indicative of: (i) the financial results that would have occurred had the Transactions actually occurred at the times contemplated by the notes to the Unaudited Pro Forma Condensed Consolidated Financial Statements; or (ii) the results expected in future periods.

Unaudited Pro Forma Condensed Consolidated Financial Information for the year ended December 31, 2025
(thousands of United States dollars, except per common share amounts, weighted average common shares or as otherwise indicated) (unaudited)

Year Ended December 31, 2025	Issuer	Frontera E&P	Reclassification Adjustments	Pro Forma Adjustments (1)	Other Transaction Accounting Adjustments	Pro forma combined
Revenue:						
Oil and natural gas sales	1,005,842	967,207	—	—	—	1,973,049
Royalties	(126,752)	(9,448)	—	—	—	(136,200)
Net Revenue	879,090	957,759	—	—	—	1,836,849
Other revenue	9,826	—	21,900	—	—	31,726
Commodity risk management contracts (loss)	(1,419)	4,885	—	—	—	3,466
	887,497	**962,644**	**21,900**	**—**	**—**	**1,872,041**
Expenses:						
Production	225,543	—	233,938	—	—	459,481
Transportation	76,444	—	154,426	—	—	230,870
Purchased Oil	162	231,326	—	—	—	231,488
General and administrative	71,326	53,826	(9,585)	21,000	—	136,567
Impairment of exploration and evaluation assets	11,140	—	6,523	—	—	17,663
Impairment of property, plant and equipment assets	—	—	566,291	(566,291)	—	—
Impairment of long-term inventory	6,470	—	—	—	—	6,470

Year Ended December 31, 2025	Issuer	Frontera E&P	Reclassification Adjustments	Pro Forma Adjustments (1)	Other Transaction Accounting Adjustments	Pro forma combined
Impairment expense, exploration expenses and other	—	584,302	(572,814)	—	—	11,488
Equity settled share-based compensation expense	714	—	—	—	—	714
Cash settled share-based compensation expense	29,802	—	—	—	—	29,802
Depletion, depreciation and amortization	200,405	263,320	—	(42,664)	—	421,061
Other expense	29,200	—	14,515	—	—	43,715
Foreign exchange (gain) loss	(10,932)	21	—	—	—	(10,911)
Unrealized gain on marketable securities	(4,616)	—	—	—	—	(4,616)
Operating costs	—	388,364	(388,364)	—	—	—
	635,658	**1,521,159**	**4,930**	**(587,955)**	**—**	**1,573,792**
Finance (income)	(4,369)	(3,854)	—	—	—	(8,233)
Finance expense	21,402	49,347	—	—	46,150	116,899
Other income/(loss)	—	(16,970)	16,970	—	—	—
Gain on repurchase of senior unsecured notes, net of consent solicitation	—	(13,288)	—	13,288	—	—
Income (loss) before income taxes	**234,806**	**(573,750)**	**—**	**574,667**	**(46,150)**	**189,573**
Current tax expense	33,502	26,960	—	12,001	16,153	88,615
Deferred tax (recovery) expense	(53,779)	(23,501)	—	(213,134)	—	(290,414)
Net Income (loss) for the year from continuing operations	**255,083**	**(577,209)**	**—**	**775,800**	**(62,303)**	**349,012**
Discontinued operations	—	(42,359)	—	—	—	(42,359)
Income (loss) after tax for the year from discontinued operations	**255,083**	**(619,568)**	**—**	**775,800**	**(62,303)**	**349,012**
Foreign currency translation	—	2,075	—	—	—	2,075
Income (loss) and comprehensive income (loss) for the year	**255,083**	**(617,493)**	**—**	**775,800**	**(62,303)**	**351,087**
Income (loss) per share – basic and diluted	2.62	—	—	—	—	3.61
Weighted average number of common shares outstanding – basic	97,176,254	—	—	—	—	97,176,254
Weighted average number of common shares outstanding – diluted	97,223,062	—	—	—	—	97,223,062

(1) Please see the notes to the Unaudited Pro Forma Consolidated Financial Statements, which are included in this offering memorandum in Annex B, for a description of the adjustments.

Year Ended December 31, 2025	Issuer	Frontera E&P	Reclassification Adjustments	Pro Forma Adjustments(1)	Other Transaction Accounting Adjustments	Pro forma combined
Current assets	273,994	328,862	(1,150)	(518,245)	488,000	571,461
Property, plant and equipment	1,500,213	1,024,448	—	308,557	—	2,833,218
Total assets	2,341,092	1,389,227	(1,150)	(209,688)	488,000	4,007,481
Total liabilities	388,159	1,120,644	(1,150)	79,895	488,000	2,075,548
Total shareholders' equity	1,952,933	268,583	—	(289,583)	—	1,931,933

(1) Please see the notes to the Unaudited Pro Forma Consolidated Financial Statements, which are included in this offering memorandum in Annex B, for a description of the adjustments.

Other Consolidated Financial and Operating Data

Year Ended December 31, 2025 (millions of United States dollars)	Issuer	Frontera E&P	Pro forma combined(1)
Adjusted EBITDA(2)…….	$513	$301	$814
Funds Flow Provided by Operations(3)……..	$455	$366	$821
Free Funds Flow(4)……	$145	$169	$314

(1) Pro Forma Year End December 31, 2025 reflects the combined adjusted EBITDA, funds flow provided by operations and free funds flow of the Issuer for the year ended December 31, 2025 and Frontera E&P for year ended December 31, 2025.

(2) **Issuer**: EBITDA and Adjusted EBITDA are non-GAAP financial measures. For descriptions of EBITDA and Adjusted EBITDA and reconciliations for the Issuer, see "Summary Historical Consolidated Financial Data of the Issuer" in this offering memorandum.

Frontera E&P: EBITDA is a non-GAAP financial measure which Frontera E&P uses to adjusts net loss as reported under IFRS to exclude the effects of income taxes, finance income and expenses, and depletion, depreciation, and amortization expense. Adjusted EBITDA is a non-GAAP financial measure that represents the operating results of Frontera E&P's primary business, excluding the following items: restructuring, severance and other costs, post-termination obligation, trunkline costs, temporal taxes, payments of minimum work commitments and certain non-cash items (such as impairments, foreign exchange, unrealized risk management contracts, share-based compensation and debt extinguishment cost) and gains or losses arising from the disposal of capital assets. In addition, other unusual or non-recurring items are excluded from operating EBITDA from continuing operations, as they are not indicative of the underlying core operating performance of Frontera E&P. A reconciliation from net income (loss) to EBITDA and Adjusted EBITDA for Frontera E&P is as follows:

	Year Ended December 31, 2025 (thousands of United States dollars)
Net income (loss)…….....	($619,568)
Income tax (recovery) expense……	$3,459
Other expense (income)……..	($16,970)
Finance expense…….....	$49,347
Finance income…….....	($3,854)
Depletion, depreciation and amortization……	$263,320
EBITDA……..	**($324,266)**
Non-cash impairment charges…….....	$576,954
Expense of ARO……..	$5,500
Colombian temporary taxes…….....	$7,233

Trunkline costs…….....	$2,162
Post-termination obligation…….....	$2,996
Gain on repurchase of senior notes……..	($13,288)
Loss from discontinued operations……..	$42,359
Restructuring, severance, and other……	$6,793
Foreign exchange loss……..	$21
Unrealized (gain) loss on risk management contracts……..	($7,064)
Non-cash share-based compensation expense…….	$1,835
Adjusted EBITDA……..…….....	**$301,235**

(3) **Issuer**: Funds flow provided by operations is a non-GAAP financial measure. For a description and reconciliation of funds flow provided by operations for the Issuer, see "Summary Historical Consolidated Financial Data of the Issuer" in this offering memorandum.

Frontera E&P: Funds flow provided by operations is a non-GAAP financial measure that includes all cash generated from operating activities and is calculated before changes in non-cash assets and liabilities. Frontera E&P considers funds flow provided by operations to be a key measure as it demonstrates Frontera E&P's profitability after all cash costs. A reconciliation from cash provided by operating activities to funds flow provided by operations for Frontera E&P is as follows:

	Year Ended December 31, 2025
	(thousands of United States dollars)
Cash provided by operating activities……..……	$343,395
Net change in non-cash assets and liabilities……...…	$22,191
Funds flow provided by operations……..……	**$365,586**

(4) **Issuer**: Free funds flow is a non-GAAP financial measure. For a description and reconciliation of free funds flow for the Issuer, see "Summary Historical Consolidated Financial Data of the Issuer" in this offering memorandum.

Frontera E&P: Free funds flow is a non-GAAP financial measure that is determined by funds flow provided by operations less capital expenditures. Frontera E&P considers free funds flow to be a key measure as it demonstrates Frontera E&P's ability to fund returns of capital without accessing outside funds. A reconciliation from funds flow provided by operations to free funds flow for Frontera E&P is as follows:

	Year Ended December 31, 2025
	(thousands of United States dollars)
Funds flow provided by operations……..……	**$365,586**
Capital expenditures……	($196,600)
Free Funds Flow……	**$168,986**

USE OF PROCEEDS

We expect to receive total gross proceeds of approximately $500 million and total net proceeds of approximately $488 million from the issuance of the Notes, after payment of the Initial Purchasers' fees and the estimated expenses of the offering in an amount equal to $12 million. The net proceeds from the offering before expenses will be deposited into escrow pending satisfaction of certain escrow release conditions, including the consummation of the Frontera Acquisition in all material respects in accordance with the Arrangement Agreement.

Upon satisfaction of the conditions to the Escrow Release, we intend to use the net proceeds from this offering to fund the cash portion of the consideration for the Frontera Acquisition and to pay fees and expenses in connection with the Transactions. Any net proceeds not used for such purposes will be used for general corporate purposes. See "The Frontera Acquisition," "The Frontera Notes" and "Description of Other Indebtedness." Certain affiliates of the Initial Purchasers serve as agents or lenders under the Existing Parex Credit Facilities or may be lenders under the New Parex Credit Facilities and may receive a portion of the net proceeds of this offering. See "Plan of Distribution".

If the conditions to the Escrow Release are not satisfied prior to the SMR Outside Date, or upon the occurrence of certain other events, the Notes will be subject to a special mandatory redemption at a price equal to (i) 100% of the initial issue price of the Notes, in the case of a Special Mandatory Redemption Event occurring on or prior to January 29, 2027, and (ii) 101% of the initial issue price of the Notes, in the case of a Special Mandatory Redemption Event occurring after January 29, 2027, in each case, plus accrued and unpaid interest from the issue date of the Notes to, but not including, the payment date of such mandatory redemption. See "Description of Notes—Escrow of Proceeds" and "Description of Notes—Special Mandatory Redemption."

CONSOLIDATED CAPITALIZATION

The following table sets forth our consolidated capitalization as of December 31, 2025:

- on a historical basis; and
- as adjusted to give effect to the Transactions, as described under "Use of Proceeds." See "The Frontera Acquisition," "The Frontera Notes" and "Description of Other Indebtedness."

This table should be read in conjunction with the Parex Annual Financial Statements that are incorporated by reference in this offering memorandum and the Unaudited Pro Forma Condensed Consolidated Financial Statements that are included in this offering memorandum in Annex B. In addition, you should read this table in conjunction with "Use of Proceeds" and "Description of Other Indebtedness."

As of December 31, 2025

(US$ in thousands)	**Actual**	**As adjusted[6]**
Cash and cash equivalents[1]	58,328	211,744[7]
Long-term debt:		
Existing Parex Credit Facilities[2]	33,000	-
Amended Parex Credit Facilities[3]	-	33,000
Notes offered hereby[4]	-	500,000
Frontera Notes[5]	-	306,821
Total long-term debt	33,000	839,821
Shareholders' equity	1,952,933	1,931,933
Total capitalization	2,044,261	2,983,498

(1) Not including restricted cash and cash equivalents.

(2) The Existing Parex Credit Facilities are comprised of a $220 million syndicated credit facility and a $20 million operating facility made available under the Credit Agreement. The Existing Parex Credit Facilities are available on a revolving basis until May 21, 2027. The Existing Parex Credit Facilities are guaranteed by the Company's material restricted subsidiaries, and the Existing Parex Credit Facilities and such guarantees are secured by first-priority security interests (subject to certain permitted liens) over all of the assets of the Company and the shares, bank accounts and certain contracts of the material restricted subsidiaries. See "Description of Other Indebtedness" for a more detailed description of the Existing Parex Credit Facilities.

(3) The Amended Parex Credit Facilities will be comprised of a $220 million syndicated credit facility and a $20 million operating facility, and will be documented by way of an amendment and restatement of the Credit Agreement to be entered into concurrently with the consummation of the Transactions. The Amended Parex Credit Facilities will have substantially the same terms as the Existing Parex Credit Facilities, except the maturity date will be extended to May 21, 2028 unless the Frontera Notes have not been extended or refinanced by December 31, 2027, for a minimum additional four years, in which case the maturity date will automatically become December 31, 2027. The Amended Parex Credit Facilities will continue to be guaranteed by the Company's material restricted subsidiaries, and the Amended Parex Credit Facilities and the guarantees will be secured by first-priority security interests (subject to certain permitted liens) over all of the assets of the Company and the shares, bank accounts and certain contracts of the material restricted subsidiaries. See "Description of Other Indebtedness" for a more detailed description of the Amended Parex Credit Facilities.

(4) Assumes the Notes offered hereby are issued at par and reflects the aggregate principal amount of the Notes, excluding debt issuance costs and Initial Purchaser discounts.

(5) We will assume the Frontera Notes upon closing of the Frontera Acquisition. See "The Frontera Acquisition" and "The Frontera Notes."

(6) Not including the $25 million payment that is contingent upon the Quifa Condition being satisfied. See "The Frontera Acquisition—Summary of the Frontera Acquisition".

(7) Balance adjusted for the Initial Purchasers' fees and the estimated expenses of the offering in an amount equal to $12 million and the repayment of approximately $20 million of the outstanding Chevron Prepay Obligation subsequent to December 31, 2025. While the estimated $21 million of transaction costs related to the Frontera Acquisition will be paid in cash, the table above and the Unaudited Pro Forma Condensed Consolidated Financial Statements attached hereto reflect such costs as a reduction in shareholder's equity.

RISK FACTORS

Investing in the Notes involves a high degree of risk. You should carefully consider the following risk factors and the other information relating to risks discussed elsewhere in this offering memorandum and in the documents incorporated by reference in this offering memorandum, including the annexes hereto, before deciding whether to invest in the Notes. The risks and uncertainties described below and in the documents incorporated by reference are not the only risks and uncertainties that we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business. If any of these risks actually occurs, our business, financial condition, results of operations and prospects would suffer. In such cases, you may lose all or part of your original investment.

In addition, our and Frontera E&P's respective businesses are subject to numerous risks and uncertainties, including the risks described below, and, with respect to our business, in our AIF and other documents incorporated by reference herein.

Risks Related to our and Frontera E&P's Business

Operational Risks

Our operations may be subject to social disruptions and instability.

The oil and natural gas exploration, development and operating activities conducted by us may, at times, be subject to disruption. We operate in Colombia, where companies in the oil and gas industry have experienced interruptions to their operations and production curtailments as a result of social instability and labor disruptions that may include community-led blockades, protests and other forms of civil unrest that can directly interfere with access to and operation of oil and gas assets.

We have experienced and continue to experience interruptions to operations as a result of social instability. We cannot provide assurances that this type of labor disruption, social instability and public order disruption will not be experienced in future. The potential impact of such disturbances on the oil and gas industry in Colombia, and on our operations in particular, is not known at this time. This uncertainty may affect operations in unpredictable ways, including disruptions of fuel supplies and markets, the ability to move equipment such as drilling rigs from site to site, or disruption of infrastructure facilities, including pipelines, production facilities, public roads, and off-loading stations, which could be targets or experience collateral damage as a result of social instability, labor disputes or protests. We may suffer loss of production or be required to incur significant costs in the future to safeguard our assets against such activities, incur standby charges on stranded or idle equipment or to remediate potential damage to our facilities. There can be no assurance that we will be successful in protecting ourselves against these risks and the related financial consequences. Further, these risks may not in any part be insurable in the event we do suffer damage.

We must fulfill certain minimum work commitments on exploration blocks.

We must fulfill certain minimum work commitments on certain projects in Colombia. There are no assurances that these commitments will be fulfilled within the required time frames. Consequently, we may lose certain exploration rights on the blocks affected and may be subject to certain regulatory penalties imposed by the ANH or contractual remedies sought by Ecopetrol, as applicable.

Title to our assets may be subject to claims and defects.

The assignment of working interests under the exploration and production contracts in the jurisdictions in which we operate is a detailed and time-consuming process. Our properties may be subject to unforeseen title claims, including, among others, claims by indigenous communities. Title to assets in Colombia is by way of an undivided working interest provided by the E&P Contracts, or *Convenios* signed with ANH and Ecopetrol. Title to the properties may be affected by undisclosed and undetected defects. We do not warrant title to the oil and natural gas properties.

We are not the operator of our significant assets.

The majority of our oil production and oil reserves are attributed to block LLA-34. While we hold a 55% working interest in LLA-34, we are not the operator of the block. As a result, we may not have the ability to manage the development of the blocks' oil and natural gas reserves at the pace that we would choose. Further, managing the cost of development is largely the responsibility of the operator of the block. Historically, we and the operator of block LLA-34 have agreed on the exploration and development efforts for the block. The joint operating agreement for the block provides us with certain protections, such as the right to audit the operator, the right to approve all capital plans for the block and the approval of an annual capital and operating budget.

Our business lacks geographical diversification.

Our business focuses on the petroleum and gas industry in Colombia. Other companies have the ability to manage their risk by diversification; however, we lack diversification in terms of the geographic scope of our business. As a result, factors affecting the industry or the regions in which we operate will likely impact us more acutely than if our business were more diversified.

Expansion into new activities may expose us to unexpected risks.

The operations and expertise of management are currently focused primarily on oil and gas production, exploration and development in Colombia. In the future, we may acquire or move into new industry-related activities or new geographical areas and acquire different energy-related assets, and, as a result, may face unexpected risks or, alternatively, significantly increase our exposure to one or more existing risk factors, which may in turn result in our future operational and financial conditions being adversely affected.

There is uncertainty surrounding reserves estimates.

There are numerous uncertainties inherent in estimating reserves and the future cash flows attributed to such reserves. The reserves and associated cash flow information set forth in this document are estimates only. Generally, estimates of economically recoverable oil and natural gas reserves (including the breakdown of reserves by product type) and the future net cash flows therefrom are based upon a number of variable factors and assumptions, such as historical production from the properties; production rates; ultimate reserve recovery; timing and amount of capital expenditures; marketability of oil and natural gas; royalty rates; and the assumed effects of regulation by governmental agencies and future operating costs, all of which may vary materially from actual results.

For those reasons, estimates of the economically recoverable oil and natural gas reserves attributable to any particular group of properties, classification of such reserves based on risk of recovery and estimates of future net revenues associated with reserves prepared by different engineers, or by the same engineers at different times, may vary. Our actual production, revenues, taxes and development and operating expenditures with respect to our reserves will vary from estimates thereof, and such variations could be material.

The estimation of proved reserves that may be developed and produced in the future is often based upon volumetric calculations and upon analogy to similar types of reserves rather than actual production history. Recovery factors and drainage areas are often estimated by experience and analogy to similar producing pools. Estimates based on these methods are generally less reliable than those based on actual production history. Subsequent evaluation of the same reserves based upon production history and production practices will result in variations in the estimated reserves. Such variations could be material.

In accordance with applicable securities laws, our independent reserves evaluator has used forecast prices and costs in estimating the reserves and future net cash flows as summarized herein. Actual future net cash flows will be affected by other factors, such as actual production levels, supply and demand for oil and natural gas, curtailments or increases in consumption by oil and natural gas purchasers, changes in governmental regulation, tariffs or taxation and the impact of inflation on costs.

Actual production and cash flows derived from our oil and natural gas reserves will vary from the estimates contained in the reserve evaluation, and such variations could be material. The reserve evaluation is based in part on the assumed success of activities we intend to undertake in future years. The reserves and estimated cash flows to be

derived therefrom and contained in the reserve evaluation will be reduced to the extent that such activities do not achieve the level of success assumed in the reserve evaluation. The reserve evaluation is effective as of a specific effective date and, except as may be specifically stated, has not been updated and therefore does not reflect changes in our reserves since that date.

We face competition in the oil and natural gas industry.

The petroleum industry is competitive in all of its phases. We compete with numerous other entities in the exploration, development, production and marketing of oil and natural gas. Our competitors include oil and natural gas companies that have substantially greater financial resources, staff and facilities than those available to us. Some of these companies not only explore for, develop and produce oil and natural gas, but also carry on refining operations and market oil and natural gas on an international basis. As a result of these complementary activities, some of these competitors may have greater and more diverse competitive resources to draw on than us. Our ability to increase our reserves in the future will depend not only on our ability to explore and develop our present properties, but also on our ability to select and acquire other suitable producing properties or prospects for exploratory drilling. Competitive factors in the distribution and marketing of oil and natural gas include price, process, methods and reliability of delivery and storage.

Exploration, development and production operations involve significant risks.

Oil and natural gas operations involve many risks that even a combination of experience, knowledge and careful evaluation may not be able to overcome. Our long-term commercial success depends on our ability to find, acquire, develop, and commercially produce oil and natural gas reserves. Without the continual addition of new reserves, our existing reserves and the production from them will decline over time as we produce from such reserves. A future increase in our reserves will depend on both our ability to explore and develop our existing properties and our ability to select and acquire suitable producing properties or prospects. There is no assurance that we will be able continue to find satisfactory properties to acquire or participate in. Moreover, management may determine that current markets, terms of acquisition, participation or pricing conditions make potential acquisitions or participation uneconomic. There is also no assurance that we will discover or acquire further commercial quantities of oil and natural gas.

Future oil and natural gas exploration may involve unprofitable efforts from dry wells as well as from wells that are productive but do not produce sufficient petroleum substances to return a profit after drilling, completing (including hydraulic fracturing), operating and other costs. Completion of a well does not ensure a profit on the investment or recovery of drilling, completion and operating costs.

We are exposed to a high level of exploration risk. Our current and future proved reserves (to the extent discovered or acquired) will decline as reserves are produced from our properties unless we are able to acquire or develop new reserves. The business of exploring, developing or acquiring reserves is capital-intensive and is subject to numerous estimates and interpretations of geological and geophysical data. There can be no assurance that our future exploration, development and acquisition activities will result in material additions of proved reserves.

Drilling hazards, environmental damage and various field operating conditions could greatly increase the cost of operations and adversely affect the production from successful wells. Field operating conditions include, but are not limited to, delays in obtaining governmental approvals or consents, shut-ins of wells resulting from extreme weather conditions, insufficient storage or transportation capacity or geological and mechanical conditions, the availability of, and the ability to acquire, water supplies needed for drilling, hydraulic fracturing and waterflood or our ability to dispose of water used or removed from strata at a reasonable cost and in accordance with applicable environmental regulations. While diligent well supervision, effective maintenance operations and the development of enhanced oil recovery technologies can contribute to maximizing production rates over time, it is not possible to eliminate production delays and declines from normal field operating conditions, which can negatively affect revenue and cash flow levels to varying degrees.

Oil and natural gas exploration, development and production operations are subject to all the risks and hazards typically associated with such operations, including, but not limited to, equipment breakdown, fire, explosion, blowouts, cratering, sour gas releases, spills and other environmental hazards. These typical risks and hazards could result in substantial damage to oil and natural gas wells, production facilities, other property and the environment

and cause personal injury or threaten wildlife and the environment. In particular, we may explore for and produce sour natural gas in certain areas. An unintentional leak of sour natural gas could result in personal injury, loss of life or damage to property and may necessitate an evacuation of populated areas, all of which could result in our liability. Further, it is difficult to project the costs of implementing any exploratory drilling program due to the inherent uncertainties of drilling in unknown formations, the costs associated with encountering various drilling conditions such as over-pressured zones, changes in drilling plans and locations as a result of prior exploratory wells or additional seismic data and interpretations thereof, and the risks and hazards described above. There is no assurance that expenditures made on future exploration or development activities will result in discoveries of oil or natural gas that are commercially or economically feasible.

Oil and natural gas production operations are also subject to all the risks typically associated with such operations, including encountering unexpected formations or pressures, premature decline of reservoirs and the invasion of water into producing formations. Losses resulting from the occurrence of any of these risks may have a material adverse effect on our business, financial condition, results of operations and prospects.

As is standard industry practice, we are not fully insured against all risks, nor are all risks insurable. Although we maintain liability insurance and business interruption insurance in an amount that we consider consistent with industry practice, liabilities associated with certain risks could exceed policy limits or not be covered. In either event we could incur significant costs.

Our production depends on the availability of gathering, processing and pipeline systems.

We deliver our products through gathering, processing and pipeline and storage systems, some of which we do not own. The amount of oil and natural gas that we can produce and sell is subject to the accessibility, availability, proximity and capacity of these gathering, processing and pipeline and storage systems. The lack of availability of capacity in any of the gathering, processing and pipeline and storage systems could result in our inability to realize the full economic potential of our production or in a reduction of the price offered for our production. We currently produce oil in multiple basins in Colombia and are heavily reliant on the Ocensa pipeline system. Although pipeline expansions in Colombia have occurred from time to time, the lack of firm pipeline capacity may limit the ability to produce and to market oil and natural gas production. Any significant change in market factors or other conditions affecting these infrastructure systems and facilities, as well as any delays in constructing new infrastructure systems and facilities, could harm our business and, in turn, our financial condition, results of operations and funds flow provided by operations.

Pipeline and transportation infrastructure in Colombia has historically been subject to operational disruptions, including outages caused by maintenance activities, integrity issues, illegal tapping, and security-related incidents such as attacks on infrastructure. Any such events could result in temporary or extended interruptions to our operations.

All of our oil production for export is delivered to shipment facilities owned by third parties and over which we do not have control. From time to time, these facilities may discontinue or decrease operations, either as a result of normal servicing requirements or as a result of unexpected events. A discontinuation or decrease of operations could materially adversely affect our ability to process our production and to deliver the same for sale. Unexpected shutdowns or curtailment of capacity of pipelines or storage systems for maintenance or integrity work, or because of actions taken by regulators, could also affect our production, operations and financial results.

We rely on trucking and barging to evacuate a portion of our production, which exposes us to additional operational, safety, security and cost risks.

Although the majority of our production is evacuated through Colombia's pipeline network, a portion of our and Frontera E&P's production is, and is expected to continue to be, transported by truck and, in certain cases, by barge. Following the closing of the Frontera Acquisition, our reliance on trucking and barging will increase.

Trucking and barging operations are subject to risks that do not affect pipeline-connected production to the same degree, including limited availability of contractors, drivers and equipment; adverse road, weather and river conditions; and congestion at off-loading stations and export terminals. They also involve heightened safety, security and environmental risks, such as road accidents, marine incidents, spills and fires, as well as road

blockades, civil unrest, illegal taxation, extortion, sabotage and theft associated with illegal armed groups and criminal organizations operating in our areas of activity. Any of these factors could result in delays, production curtailments, increased costs, environmental liabilities, regulatory or judicial actions, fines, reputational harm or suspension of our evacuation activities, any of which could have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

Our operations depend on the availability of drilling equipment and skilled personnel.

Oil and natural gas exploration, development and operating activities are dependent on the availability of third-party contractor drilling and related equipment, as well as skilled personnel trained to use such equipment in the areas where such activities will be conducted. Demand for such limited equipment and skilled personnel or access restrictions may affect the availability of such equipment and skilled personnel to us and may delay exploration and development activities.

Our producing fields depend on the power supply in Colombia.

Several of our producing fields are connected to the national electrical transmission system and depend on its expansion and reliability to keep stable production levels. The national electricity market is volatile due to changes in hydrology and availability of fuels (natural gas, diesel, etc.), which brings uncertainty to energy prices. If energy were to become unavailable or difficult to obtain, our results of operation and financial condition could be adversely affected. Due to the El-Niño-induced drought across Colombia, the decrease in power generated from hydroelectricity increased power costs, which resulted in higher operating expenses during the past year.

We face risks related to water management and waterflooding activities that could constrain our production levels.

We produce water as part of our operations. Taking into account the nature of reservoirs, the water production levels to be managed by us may increase in the future. In order to achieve oil and gas production goals and to avoid any production restrictions going forward, we will need to secure the required capacity to manage water levels. Factors that may trigger a possible constraint to our crude oil production due to the rising water production levels are: (i) ineffective project management of the required facilities, (ii) our and our partners' ability to timely obtain the environmental permits related to water management, (iii) social and community interactions that could affect the development and operation of these projects, (iv) the availability of capital to execute the required projects, and (v) the commencement or outcome of administrative, judicial or other legal or regulatory proceedings seeking to challenge, restrict, suspend, modify or impose additional conditions in connection with our water management, water injection, water disposal or related activities.

We also undertake certain waterflooding programs, which involve the injection of water or other liquids into an oil reservoir to increase production from the reservoir and to decrease production declines. To undertake such waterflooding activities we need to have access to sufficient volumes of water, or other liquids, to pump into the reservoir to increase the pressure in the reservoir. There is no certainty that we will have access to the required volumes of water. In addition, in certain areas there may be restrictions on water use for activities such as waterflooding. If we are unable to access such water we may not be able to undertake waterflooding activities, which may reduce the amount of oil and natural gas that we are ultimately able to produce from our reservoirs. In addition, we may undertake certain waterflood programs that ultimately prove unsuccessful in increasing production from the reservoir and as a result have a negative impact on our results of operations.

We are subject to information technology systems and cyber-security related risks.

We have become increasingly dependent upon the availability, capacity, reliability and security of our information technology infrastructure and our ability to expand and continually update this infrastructure, to conduct daily operations. We depend on various information technology systems to estimate reserve quantities, process and record financial data, manage our land base, manage financial resources, analyze seismic information, administer our contracts with our operators and lessees and communicate with employees and third-party partners.

Further, we are subject to a variety of information technology and system risks as a part of our operations, including potential breakdown, invasion, virus, cyber-attack, cyber-fraud, security breach, and destruction or

interruption of our information technology systems by third parties or insiders. Unauthorized access to these systems by employees or third parties could lead to corruption or exposure of confidential, fiduciary or proprietary information, interruption to communications or operations or disruption to our business activities or our competitive position.

Phishing attacks (i.e., fraudulent attempts to obtain sensitive information such as passwords, financial details, or funds) have become increasingly sophisticated. A successful attack could result in loss of financial resources, theft of critical data, or compromise of our technology infrastructure. Employees are frequent targets, often through emails that appear legitimate but direct recipients to fraudulent websites, request confidential information, or install malware such as "Trojan horse" programs.

Increasingly, social media is used as a vehicle to carry out phishing attacks. Information posted on social media sites for business or personal purposes may be used by attackers to gain entry into our systems and obtain confidential information. As social media continues to grow in influence and access to social media platforms becomes increasingly prevalent, however, there are significant risks that we may not be able to properly regulate social media use and preserve adequate records of business activities and client communications conducted through the use of social media platforms.

Disruption of critical information technology services, or breaches of information security, could have a negative effect on our performance and earnings, as well as on our reputation, and any damages sustained may not be adequately covered by our current insurance coverage, or at all. The significance of any such event is difficult to quantify but may, in certain circumstances, be material and could have a material adverse effect on our business, financial condition and results of operations.

Our IT systems may incorporate artificial intelligence ("AI"), and development of these capabilities is ongoing. AI introduces risks and unintended consequences that could affect adoption and business operations. Algorithms and training methods may be flawed, and reliance on AI without adequate safeguards can lead to inaccurate outcomes or operational vulnerabilities.

AI also poses data privacy, cybersecurity, and intellectual property risks. Improper use may result in unauthorized disclosure of sensitive information or outputs that infringe copyrights, patents, or privacy rights. As legal and regulatory frameworks for AI remain uncertain, future compliance obligations could impose significant costs or limit our ability to integrate AI tools.

Data security risks could adversely affect our business.

The protection of customer, employee, and company data is critical to our business. The regulatory environment in Canada and Colombia surrounding information security and privacy is increasingly demanding, with the frequent imposition of new and evolving requirements. Certain legislation requires documents to be securely destroyed to avoid identity theft and inadvertent disclosure of confidential and sensitive information. A significant breach of customer, employee, or company data could attract a substantial amount of media attention, damage our customer relationships and reputation, and result in lost sales, fines, or lawsuits. In addition, an increasing number of countries have introduced and/or increased enforcement of comprehensive privacy laws or are expected to do so. The continued emphasis on information security as well as increasing concerns about government surveillance may lead customers to request us to take additional measures to enhance security and/or assume higher liability under our contracts. As a result of legislative initiatives and customer demands, we may have to modify our operations to further improve data security. Any such modifications may result in increased expenses and operational complexity, and adversely affect our reputation, business, financial condition and results of operations.

We are reliant on a skilled workforce and key personnel.

Our operations and management require the recruitment and retention of a skilled workforce, including engineers, technical personnel and other professionals. The loss of key members of such workforce, or a substantial portion of the workforce as a whole, could result in the failure to implement our business plans which could have a material adverse effect on our business, financial condition, results of operations and prospects. Competition for qualified personnel in the oil and natural gas industry is intense and there can be no assurance that we will be able to continue to attract and retain all personnel necessary for the development and operation of our business.

Contributions of the existing management team to immediate and near-term operations are likely to be of central importance. In addition, certain of our current employees may have significant institutional knowledge that must be transferred to other employees prior to their departure from the workforce. If we are unable to retain current employees, successfully complete effective knowledge transfers and/or recruit new employees with the requisite knowledge and experience, we could be negatively impacted. In addition, we could experience increased costs to retain and recruit these professionals. Investors must rely upon the ability, expertise, judgment, discretion, integrity and good faith of our management.

We may face labor disruptions.

We operate in a country that has large state-sponsored or majority-owned oil and gas companies that have traditionally employed unionized personnel. From time to time, unions may attempt or threaten to disrupt field operations and crude oil transportation activities of their employers, which may directly or indirectly affect our operations.

In addition, in the legislative field in Colombia, new labor regulations were decreed during 2025 and 2026, and additional regulations may be decreed in 2026. In particular, on June 25, 2025, Colombia enacted Law 2466, a substantive labor reform that significantly reshapes the employment landscape by strengthening worker protections and modernizing labor practices. Key aspects of this reform include indefinite-term contracts as the general rule with stricter limits on fixed-term contracts, an expanded definition of night work beginning at 7:00 p.m. (previously 9:00 p.m.) which increases the number of hours subject to a 35% night-work surcharge, a gradual increase in the surcharge for work on mandatory rest days and bank holidays from 75% to 100% by July 2027, mandatory quotas for hiring persons with disabilities applicable to companies with 500 or more employees, the redefinition of apprenticeship contracts as special fixed-term employment agreements with expanded remuneration and social security obligations, expanded rights for gig and platform workers, mandatory disciplinary procedures and broader anti-discrimination protections, and new obligations regarding telework including connectivity allowances. The reform has increased labor costs and compliance requirements for employers operating in Colombia, including companies in the oil and gas sector. Further, additional proposed laws cover areas such as outsourcing/subcontracting (restriction on the provision of services by third parties); parameters on the use of service contracts; and local hiring of workforce in municipalities where hydrocarbon exploration and production projects are carried out, among others.

On the other hand, Decree 236 of 2026 was issued, which regulates multi-level collective bargaining, allowing the extension of the benefits of a collective agreement to all companies belonging to an industry or economic sector, regardless of whether or not they have unionized workers. Although several of these decrees have already been or will be sued for unconstitutional, an increase in costs can be expected while their illegality is definitively resolved.

We cannot assure the contents of any final legislation or that it will not have an adverse effect on our operations and financial condition.

We face competitive pressure due to rapid and significant technological advancements.

The petroleum industry is characterized by rapid and significant technological advancements and introductions of new products and services utilizing new technologies. Other oil companies may have greater financial, technical and personnel resources that provide technological advantages and may, in the future, allow them to implement new technologies before us. There can be no assurance that we will be able to respond to such competitive pressures and implement such technologies on a timely basis or at an acceptable cost. If we do implement such technologies, there is no assurance that we will do so successfully. One or more of the technologies currently utilized by us or implemented in the future may become obsolete. In such case, our business, financial condition and results of operations could be affected adversely and materially. If we are unable to utilize the most advanced commercially available technology, or are unsuccessful in implementing certain technologies, our business, financial condition, and results of operations could also be adversely affected, potentially in a material way.

There are potential conflicts of interest to which some of our directors and officers will be subject.

There are potential conflicts of interest to which some of our directors and officers will be subject in connection with our operations. Some of the directors and officers are engaged and will continue to be engaged in the search for

oil and natural gas interests on their own behalf and on behalf of other corporations, and situations may arise where the directors and officers will be in direct competition with us. Conflicts of interest, if any, which arise will be subject to and be governed by procedures prescribed by the ABCA which require a director or officer of a corporation who is a party to or is a director or an officer of or has a material interest in any person who is a party to a material contract or proposed material contract with us, to disclose his interest and to refrain from voting on any matter in respect of such contract unless otherwise permitted under the ABCA.

Our operations are subject to health hazards and personal safety risks.

The employees and contractor personnel involved in our exploration and production activities and operations are subject to inherent environmental, health and safety risks and hazards, which could result in occupational illness or health issues, personal injury and loss of life, facility quarantine or facility and personnel evacuation.

Regulatory, Political and Geopolitical Risks

Changes in government and political shifts could adversely affect our business.

Political, legal and regulatory changes in Canada, the U.S., Colombia and other countries can impact our operations and business performance. In 2024, there were national elections in several of the world's largest economies, including Japan, India, the European Union, France, the United Kingdom, Mexico and the United States. Additional elections took place in 2025 in Canada and Germany, and congressional and presidential elections will take place in 2026 within Colombia.

Colombia held congressional elections on March 8, 2026 and is expected to hold presidential elections on May 31, 2026 (with a potential runoff on June 21, 2026). The outcome of the March 2026 congressional elections resulted in opposition parties gaining seats, though Congress remains fragmented. The incumbent president, Gustavo Petro, is constitutionally barred from re-election; the field of potential successors is fragmented across left, center and right coalitions, and campaign platforms include materially different approaches to hydrocarbons development, environmental licensing, royalties and community consultation. Colombia's 2026 electoral cycle introduces differentiated political and regulatory risks, mainly through uncertainty around fiscal policy, regulatory continuity, and governability in a polarized environment.

The Colombian national government has, in recent years, adopted policies focused on accelerating the energy transition, restricting the award of new exploration contracts and increasing environmental and social oversight of the oil and gas sector. The 2026 elections may lead to the adoption, modification or reversal of such policies, and the timing and scope of any such changes remain uncertain. Political campaigns and election platforms may also increase public and governmental scrutiny of the oil and natural gas industry and may contribute to regulatory or legislative proposals that could adversely affect industry participants.

These elections have brought, or may bring, new political leadership with substantially different political, social and economic policy priorities than their predecessors on both domestic and foreign policy matters, including environment, trade and tariffs and energy.

These political shifts may create uncertainty about future government policies, regulations, and trade relationships between major global economies, which could result in broad-based volatility and decreased investor confidence. Adverse changes to the trade relations between the governments of the United States, Canada, Mexico and/or Colombia on matters related to energy could have a material adverse effect on us and our business.

In Colombia, election cycles have historically been associated with periods of regulatory uncertainty, potential delays in licensing and permitting decisions, and changes in government agency leadership and administrative priorities. In addition, the formation of new congressional coalitions following legislative elections may impact the passage of hydrocarbons, environmental, tax or royalty legislation, including legislation affecting foreign investment, operational requirements, or the fiscal framework applicable to oil and gas activities. The 2026 legislative and presidential election cycle could result in shifts to upstream policy (including exploration authorizations, contract terms and royalties), environmental permitting criteria, and enforcement priorities, as well as increased scrutiny of social and community consultation processes.

Political, fiscal and regulatory developments in Colombia may also adversely affect our access to domestic and international capital markets, our cost of funding and our ability to refinance existing indebtedness on acceptable terms, or at all. Considering our investments in Colombia, changes in sovereign credit ratings, country risk perception or macroeconomic conditions could result in higher borrowing costs.

Changes in government, government policy or regulations, changes in law or interpretation of settled law, implementation of new, or expansion of existing tariffs on exported and/or imported products, opposition from government or other political actors to industrial activities generally or projects specifically and extended regulatory review periods and third-party consultation requirements could impact our existing operations and planned projects. This includes actions by regulators or other political actors to delay or deny necessary licenses and permits for our activities or restrict the operation of third-party infrastructure and supply chains that we rely on.

A change in federal, provincial or municipal governments in Canada, or in national, departmental or municipal governments in Colombia, may have an impact on the directions taken by such governments on matters that may impact the oil and natural gas industry, including the balance between economic development and environmental policy. The oil and natural gas industry has become an increasingly politically polarizing topic in Canada and Colombia, which has resulted in increased scrutiny of oil and gas companies in Canada and a rise in civil disobedience in Colombia surrounding oil and natural gas development – particularly with respect to infrastructure projects. Election-period dynamics in Colombia may intensify protest activity, security incidents and road blockades in producing regions, and may also contribute to longer decision timelines for permits and regulatory approvals. Protests, blockades and demonstrations have the potential to delay and disrupt our activities.

Our foreign operations are subject to various risks.

Our operations may be adversely affected by changes in foreign government policies and legislation or social instability and other factors which are not within our control, including, but not limited to: nationalization, expropriation of property without fair compensation or marketable compensation, or renegotiation or nullification of existing concessions and contracts; the imposition of specific drilling obligations and the development and abandonment of fields; changes in energy and environmental policies or the personnel administering them; changes in oil and natural gas pricing policies; the actions of national labor unions; currency fluctuations and devaluations; currency exchange controls; economic sanctions; and royalty and tax increases and other risks arising out of foreign governmental sovereignty over the areas in which our operations will be conducted, as well as risks of loss due to civil strife, acts of war, terrorism, guerrilla activities and insurrections. Our operations may also be adversely affected by laws and policies of Colombia affecting foreign trade, taxation of the oil and gas sector and investment. If our operations are disrupted and/or the economic integrity of our projects is threatened for unexpected reasons, our business may be harmed. Prolonged problems may threaten the commercial viability of our operations.

In addition, there can be no assurance that contracts, licenses, license applications or other legal arrangements will not be adversely affected by changes in governments in foreign jurisdictions, the actions of government authorities or others, or the effectiveness and enforcement of such arrangements.

In the event of a dispute arising in connection with our operations in Colombia, we may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdictions of the courts of Canada or enforcing Canadian judgments in such other jurisdictions. We may also be hindered or prevented from enforcing our rights with respect to governmental instrumentality because of the doctrine of sovereign immunity. Accordingly, our exploration, development and production activities in Colombia could be substantially affected by factors beyond our control, any of which could have a material adverse effect on us.

Acquiring interests and conducting exploration and development operations in foreign jurisdictions often require compliance with numerous and extensive procedures and formalities. These procedures and formalities may result in unexpected or lengthy delays in commencing important business activities. In some cases, failure to follow such formalities or obtain relevant evidence may call into question the validity of the entity or the actions taken. Management is unable to predict the effect of additional corporate and regulatory formalities which may be adopted in the future, including whether any such laws or regulations would materially increase our cost of doing business or affect our operations in any area.

Our assets and operations are located in Colombia, and our sales are currently derived from our Colombian crude oil and natural gas production. Accordingly, our financial condition and results of operations depend to a significant extent on macroeconomic and political and regulatory conditions prevailing from time to time in Colombia and on the exchange rates between the COP and the U.S. Dollar. Foreign exchange fluctuations and macroeconomic conditions in Colombia could adversely impact our financial results. Sustained COP depreciation or volatility could increase local-currency operating costs relative to U.S. Dollar revenues and adversely affect results of operations.

If the perception of improved overall security in Colombia deteriorates or if the investment climate worsens, the Colombian economy may face lower growth rates than the ones posted recently, which could negatively affect our financial condition and results of operations.

Any exercise of eminent domain powers by the Colombian government could have a material adverse effect on our business, financial condition and results of operations.

Pursuant to Articles 58 and 59 of the Colombian constitution, the Colombian government can exercise its eminent domain powers in respect of our assets for reasons of public utility or social interest, as defined by law, and, in the case of war, in accordance with the special regime applicable to wartime measures. According to Law 388 of 1997, and articles 58 and 59 of the Colombian constitution, eminent domain powers may be exercised through: (i) an ordinary judicial expropriation proceeding, (ii) an administrative expropriation (legally authorized exception), or (iii) an expropriation due to war—in which case solely to meet its requirements; real property, however, may only be temporarily occupied in order to meet the needs of the war or to allocate its products to that purpose.. In most cases, including expropriations carried out under Article 58 of the Colombian Constitution, we would generally be entitled to compensation, which is intended to be "just" and is determined taking into account both the interests of the community and the affected party. In a war scenario under Article 59 of the Colombian Constitution, compensation may not be paid in advance. However, compensation may be paid in some cases years after the asset is effectively expropriated. Furthermore, the indemnification may be lower than the price for which the expropriated asset could be sold in a free-market sale or the value of the asset as part of an ongoing business. Any exercise of eminent domain powers could have a material adverse effect on our business, financial condition and results of operations.

Regional conflicts and tensions may create uncertainty for our Colombia operations.

There have been significant and rapidly evolving political, economic and security developments in South America, which may heighten regional instability and create uncertainty for companies operating in Colombia.

In January 2026, United States military forces conducted strikes within Venezuela and captured former President Nicolás Maduro, an action that has been widely condemned by certain international bodies and governments and has contributed to heightened geopolitical tensions and uncertainty regarding Venezuela's governance and stability. The country is currently being administered by an interim leadership, and while certain diplomatic and economic engagement with foreign governments has been signaled, including efforts to reform Venezuela's hydrocarbons sector to attract foreign investment, the durability and effectiveness of such reforms remain uncertain and subject to political and legal risk. Recent legislative reforms in Venezuela have introduced measures to increase private and foreign participation in oil and gas production. These reforms, combined with evolving sanctions policies and expanded licensing arrangements permitting international companies to engage in Venezuelan energy activities, may result in a gradual reactivation or expansion of Venezuela's oil and gas sector. The timing, scale and sustainability of any such reactivation remain uncertain and dependent on political stability, infrastructure rehabilitation, financing availability and international regulatory developments.

Tensions between Venezuela and the United States remain elevated, with ongoing military activity, sanctions-related measures and differing positions among international stakeholders contributing to an uncertain regional security environment. These developments could lead to potential disruptions to cross-border commerce, migration pressures, or security concerns along the Colombia-Venezuela border, which could adversely affect Colombia's economy, social conditions and overall security environment. Although our reserves and production are generally not located proximate to the Colombia-Venezuela border, with the exception of the Capachos and Arauca blocks, any deterioration in regional stability or security conditions could negatively affect our operations, business environment and financial performance. In addition, a material recovery or expansion of Venezuela's oil and gas production could increase regional hydrocarbon supply, potentially affecting global and regional crude pricing

dynamics, investment allocation, access to capital, availability of oilfield services and skilled labor, and the relative competitiveness of Colombian upstream projects. Increased production and export capacity from Venezuela could also influence infrastructure utilization, transportation routes, market access and customer demand for Colombian crude oil.

Recently, relations between Colombia and Ecuador have deteriorated, resulting in reciprocal tariff measures, the suspension of cross-border electricity exports and the imposition by Ecuador of significantly increased transportation fees for Colombian crude oil using Ecuadorian pipeline infrastructure. Evolving bilateral trade measures, tariffs, non-tariff barriers, customs frictions or heightened border security between Colombia and Ecuador may adversely affect our business by increasing costs, delaying the movement of materials and equipment sourced through regional vendors, constraining workforce and contractor mobility in border areas, or disrupting field-level logistics in southern Colombia, including Putumayo where we operate.

Broader diplomatic or security tensions between Colombia and neighboring countries may lead to further trade restrictions, regulatory changes, or disruptions to cross-border infrastructure and supply chains. We cannot predict the nature, scope, or duration of geopolitical or trade disputes in the Andean region or their potential impact on cross-border infrastructure, regional security conditions or the Colombian oil and gas sector. Any such developments could increase operating costs, delay development activities, restrict crude oil evacuation routes, or otherwise materially adversely affect our business, financial condition, results of operations, reserves, or growth prospects.

Guerrilla activity in Colombia presents security risks to our operations.

Colombia continues to experience security risks arising from the activities of illegal armed groups, insurgent organizations and criminal groups, many of which are funded by narcotics trafficking and other illicit economies. These groups operate in various regions of Colombia, including areas near the Venezuelan and Ecuadorian borders and along key transportation corridors and riverine routes, and periodically engage in armed conflict with each other and with government security forces. Violence and humanitarian impacts associated with these conflicts, including displacement of local populations, kidnappings, armed strikes, mobility restrictions and social control measures, have occurred in several departments, including Norte de Santander, Arauca, Chocó, Cauca and parts of the Amazon region. Certain of our operations, transportation routes and areas of interest are located in or proximate to regions where illegal armed groups operate, which exposes us to heightened operational, security and social risks.

The Colombian government has implemented various security and peace initiatives, including negotiations, ceasefire arrangements and military operations targeting illegal armed groups, such as *Ejército de Liberación Nacional*, *Disidencias de las FARC* (including factions such as *Estado Mayor Central* and *Segunda Marquetalia*), and *Autodefensas Gaitanistas de Colombia*, among others. These initiatives have produced inconsistent results and have, at times, been suspended or modified due to renewed hostilities or compliance challenges. Ceasefire arrangements are often time-limited, geographically partial and subject to verification and compliance challenges, and may be suspended or terminated with limited notice. Recent budgetary constraints may affect the government's capacity to maintain security in certain regions. Changes in government security policy, peace negotiation outcomes or military operations may lead to fluctuations in violence levels, mobility restrictions, or changes in state presence in certain regions, any of which could disrupt oil and natural gas exploration, development, production or transportation activities. The implementation of peace agreements entails risks that may affect our operations, including increased criminal activity in urban areas, land restitution claims, areas with antipersonnel mines, and the strengthening of social pressure groups in regions where we operate.

Illegal armed groups and criminal organizations have historically targeted, and may in the future target, energy sector participants and related infrastructure and logistics. Such groups may engage in activities including extortion, illegal taxation, sabotage of pipelines and facilities, interference with contractors or suppliers, theft of hydrocarbons or equipment, blockades (including road blockades and illegal checkpoints), or threats or violence directed at employees, contractors or local communities. These activities could result in operational interruptions, shut-ins, loss or damage to property, delays in drilling or development programs, increased insurance, security and community engagement costs, and potential harm to personnel.

We have experienced security concerns and social-related disruptions in certain areas of our operations. In January 2024, we shut-in operations at the Capachos Block and halted drilling and testing operations at the Arauca

block due to social protests. Operations resumed in February 2024. In November 2024, we again shut-in operations at the Capachos Block due to social factors, with operations resuming in December 2024. Between March and June 2023, the ANH suspended Phase 1 of E&P Contract LLA-121 due to ELN threats. As at the date of this offering memorandum, operations at the Capachos and Arauca blocks have resumed; however, there can be no assurance that similar or more severe disruptions, including those arising from armed group activity, community unrest, territorial disputes among illegal armed groups or government security operations, will not recur or impact other areas where we operate.

Security conditions in Colombia may improve or deteriorate over time and are difficult to predict. Continued or heightened security concerns could adversely affect our ability to safely conduct operations, protect personnel and assets, maintain supply chains and transportation routes, obtain or maintain permits or community support, and execute our business and development plans, including meeting production, cost and capital expenditure guidance. Such risks could result in material adverse effects on our operations, financial condition and results of operations.

United States' relations with Colombia could lead to political and economic risk in our Colombia operations.

Colombia is among several nations whose progress in stemming the production and transit of illegal drugs is subject to annual certification by the President of the United States of America. In September 2025, the United States decertified Colombia but issued a national interest waiver. There can be no assurance that, in the future, Colombia will receive certification or a national interest waiver. The failure to receive certification or a national interest waiver may result in any of the following:

- all bilateral aid, except anti-narcotics and humanitarian aid, would be suspended;
- the Export-Import Bank of the United States and the U.S. International Development Finance Corporation would not approve financing for new projects in Colombia;
- United States representatives at multilateral lending institutions would be required to vote against all loan requests from Colombia, although such votes would not constitute vetoes; and
- the President of the United States and Congress would retain the right to apply future trade sanctions.

Each of these consequences could result in adverse economic consequences in Colombia and could further heighten the political and economic risks associated with operations there. Recent U.S. actions, including imposing a global tariff on most imports, have already increased bilateral trade frictions. On February 20, 2026, the U.S. Supreme Court ("SCOTUS") held that the Trump administration lacked legal authority to impose certain tariffs under the International Emergency Economic Powers Act and U.S. Customs and Border Protection announced that it would cease collecting the affected tariffs. In response to the SCOTUS decision, the Trump administration has indicated that it intends to impose alternative tariffs or adopt other trade measures on its trading partners. SCOTUS' decision and the Trump administration's response add further uncertainty regarding whether crude oil, natural gas, and NGL exports to the U.S. could ultimately be subject to tariffs or other trade measures. The impact of continuing or new tariffs or other trade measures on us is uncertain.

Bilateral ties have also become strained amid policy differences on drug control and foreign policy, and U.S. officials have imposed visa restrictions and other measures on certain Colombian officials. Any changes in the holders of significant government offices could have adverse consequences on our relationship with the ANH and the Colombian government's ability to control guerrilla activities and could exacerbate the factors relating to our subsidiaries' foreign operations. U.S. foreign assistance to Colombia has faced recent pauses, reductions, and additional conditions, which may further affect security cooperation and development programming that underpin operating conditions in Colombia.

Any sanctions imposed on Colombia by the United States government could threaten our subsidiaries' ability to obtain any necessary financing to develop their Colombian properties and complicate access to U.S. dollar clearing, banking relationships, and insurance. In October 2025, the United States Office of Foreign Assets Control designated Colombia's President, his wife and son, and the Interior Minister on the list of Specially Designated Nationals and Blocked Persons (SDN) under E.O. 14059, highlighting elevated sanctions-compliance risks for market participants. The United States has recently signaled openness to further tariffs and targeted sanctions, any of

which could adversely affect trade, financing, and counterparties' risk appetites. There can be no assurance that the United States will not impose sanctions on Colombia in the future, nor can the effect in Colombia that these sanctions might cause be predicted.

The conflict between the United States, Israel and Iran and related geopolitical instability may adversely affect our business.

In February 2026, the United States and Israel launched coordinated military strikes against Iran, which retaliated with missile attacks across the region. Although we do not have material operations in the Middle East, the ongoing conflict and any further escalation, including additional military actions, retaliatory measures, sanctions, disruptions to trade or transportation routes, cyberattacks, or other governmental or market responses, has and could continue to lead to significant disruption of global energy supplies and increases in global energy prices, heighten inflationary pressures on our input costs and supply chain, adversely affect global supply chains, energy markets, commodity prices, currency exchange rates, interest rates, financial markets and overall macroeconomic conditions, increase the cost or reduce the availability of debt financing, and adversely impact customer spending patterns in markets in which we operate. While the impacts of conflict between the United States, Israel, and Iran may adversely affect our business, financial condition and results of operations, we are unable to predict the extent or nature of these impacts at this time.

Our operations are geographically concentrated, and we are therefore more vulnerable to regional risks.

The majority of our production comes from one block in the Llanos Basin in Colombia. For the year ended December 31, 2025, the Tigana, Jacana, Tigui and Tua Fields located in block LLA-34 collectively generated approximately 46% of our production and at December 31, 2025, block LLA-34 accounted for 48% of our proved oil and gas reserves. As a result of this concentration, we may be disproportionately exposed to the impact of, among other things, regional supply and demand factors including limitations on our ability to most profitably sell or market our oil and gas to a smaller pool of potential buyers, delays or interruptions of production from wells in these areas caused by governmental regulation, community protests, guerrilla activities, processing or transportation capacity constraints, continued authorization by the government to explore and drill in these areas, severe weather events and the availability of drilling rigs and related equipment, facilities, personnel or services. Due to the concentrated nature of our portfolio of properties, a number of our properties could experience any of the same conditions at the same time, resulting in a relatively greater impact on our results of operations than it might have on other companies that have a more diversified portfolio of properties.

We rely on local infrastructure and the availability of transportation for the storage and shipment of our products. This infrastructure, including storage and transportation facilities, is less developed than that in North America and may be insufficient for our needs at commercially acceptable terms in the localities in which we operate. Further, the Company operates in remote areas and may rely on helicopters, boats or other transportation methods. Some of these transport methods may result in increased levels of risk and could lead to operational delays, which could affect our ability to add to our reserve base or produce oil and could have a significant impact on our reputation or cash flow. Additionally, some of this equipment is specialized and may be difficult to obtain in our areas of operations, which could hamper or delay operations and could increase the cost of those operations.

Adoption of new royalty regimes may impact our projects.

The Colombian government may adopt new royalty regimes or modify existing royalty rates, calculation methodologies, collection mechanisms or the framework governing regional distribution of royalty revenues. Changes to royalty rates or base calculations could adversely affect project economics and our capital allocation. An increase in royalties reduces our earnings and could make future capital investments or our operations less economic.

High price participation royalties may materially reduce our revenue and limit our upside exposure to rising oil prices.

Certain of our exploration and production contracts in Colombia, including contracts governing a significant portion of our production base, are subject to high price participation ("HPP") royalty provisions that require additional payments to the ANH or Ecopetrol when cumulative production exceeds 5 MMbbls of oil and the average monthly

WTI reference price exceeds a base price established in the applicable contract. The base prices vary by crude quality, ranging from approximately $46.67/bbl to $71.83/bbl depending on API gravity. When triggered, the HPP imposes an incremental royalty of 30% to 50% of the portion of the average monthly WTI price that exceeds the applicable base price. At current Brent oil price levels, the HPP is active on a significant portion of our production, meaningfully reducing our effective price realization and limiting our upside leverage to rising oil prices. Any sustained increase in global oil prices would result in an increase in HPP payments, which could materially reduce our operating netbacks, funds flow provided by operations and free cash flow. In addition, the HPP calculation methodology and applicable thresholds may be subject to interpretation or adjustment by the ANH, and there can be no assurance that future disputes will not arise with respect to the application of HPP provisions to our production.

Our tax filings may be subject to reassessment. Changes in tax regulations may impact our financial results.

Tax returns filed by us and our subsidiaries may be subject to reassessment by the applicable taxation authority. In the event of a successful reassessment of the Company's tax filings, whether by re-characterization of exploration and development expenditures, or questioning the deductibility of expenses or otherwise, such reassessment may have an impact on current and future taxes payable.

Changes in legislation, regulation, jurisprudence, and tax authorities' interpretations through general rulings can affect tax burdens by increasing tax rates and fees, creating new taxes, limiting deductions and exemptions, and eliminating incentives and non-taxed income. Notably, the Colombian government has significant fiscal deficits that may result in future tax increases. Recent reforms have tightened the fiscal burden on oil and gas producers by restricting the deductibility of production royalties and eliminating certain sector-specific incentives, and the government has expressed intentions to make certain temporary taxes permanent through future congressional reforms, the outcome of which remains uncertain. Income tax laws relating to the oil and gas industry, such as the treatment of resource taxation or dividends, may in the future be changed or interpreted in a manner that adversely affects us. Furthermore, tax authorities having jurisdiction over us may disagree with how we calculate our income for tax purposes or could change administrative practices to our detriment.

We conduct all of our operations through foreign subsidiaries.

We currently conduct all of our operations through our subsidiaries and foreign branches. Therefore, we will be dependent on the funds flow provided by the operations of these subsidiaries to meet our obligations and/or pay any future dividends. The ability of our subsidiaries to make payments to us may be constrained by, among other things, the level of taxation, particularly corporate profits and withholding taxes, in the jurisdictions in which we operate; the introduction of exchange controls or repatriation restrictions or the availability of hard currency to be repatriated; and contractual restrictions with third parties.

Our Colombian subsidiaries and branches operate in a highly regulated foreign exchange environment. Foreign investments must be registered with the Colombian Central Bank, and remittances of funds abroad, including dividend payments and repatriation of capital, must be conducted through the formal foreign exchange market in compliance with applicable regulations. Currently, there are no restrictions on the repatriation from Colombia of earnings to foreign entities provided that the foreign investment is properly registered; however, there can be no assurance that restrictions on the repatriation of earnings from Colombia will not be imposed in the future.

Our operations are subject to the legal systems of Colombia and Canada.

Colombia is a civil law jurisdiction. Additionally, all of our material subsidiaries (which excludes their Colombian branches) are domiciled in countries where the legal system is based on civil code. The Colombian branches are domiciled in Colombia, which also has a legal system based upon civil code. Civil code jurisdictions differ in significant respects from the common law legal systems of Canada and the United States. Civil code jurisdictions rely primarily on codified statutes rather than judicial precedent, and the interpretation and application of laws may be less predictable than in common law jurisdictions. There can be no assurance that joint ventures, licenses, license or permit applications or other legal arrangements will not be adversely affected by changes in governments, the actions of government authorities or others, or the effectiveness and enforcement of such arrangements.

Government intervention and regulation on our oil and natural gas operations.

Various levels of government impose extensive controls and regulations on oil and natural gas operations, including exploration, development, production, pricing, marketing and transportation. In Colombia, the oil and gas industry is primarily regulated by the ANH, which acts both as regulator and as contractual counterparty in E&P Contracts and by the Ministry of Mines and Energy, which directs public policy in hydrocarbons matters and issues technical regulations for oil and gas activities in Colombia. Environmental permitting is administered by ANLA or, in some instances by regional environmental authorities. Governments may regulate or intervene with respect to exploration and production activities, prices, taxes, royalties and the exportation of oil and natural gas. Amendments to these controls and regulations may occur from time to time in response to economic or political conditions.

Recent and potential future changes in government policy, including those affecting the award of new exploration and production contracts and environmental permitting processes, may create uncertainty and could adversely affect our ability to expand our operations, develop existing assets or reduce demand for crude oil and natural gas, or may result in increased operational costs, any of which may have a material adverse effect on our business, financial condition, results of operations and prospects. Changes in Colombian hydrocarbon policy or licensing regimes could adversely affect our ability to explore and develop reserves. In order to conduct oil and natural gas operations, we require licenses and permits from various governmental authorities. There can be no assurance that we will be able to obtain all required licenses and permits for our intended operations, that such licenses and permits will be granted on terms and conditions acceptable to us, or that they will be obtained in a timely manner. Judicial decisions and regulatory actions in Colombia could result in the suspension or revocation of our permits and contracts. Delays or denials in environmental licensing, the imposition of conditions, obligations or restrictions in environmental instruments affecting project design, costs or timelines, challenges associated with prior consultation processes, environmental public hearings or other participatory procedures, as well as community opposition, may materially affect the execution of certain projects.

Corruption and bribery laws expose us to potential liabilities.

Our operations are governed by the laws of many jurisdictions, which generally prohibit bribery and other forms of corruption. We may face, directly or indirectly, corrupt demands by federal or local officials, tribal or insurgent organizations, international organizations, contractors looking for work with us, or other private entities. As a result, we face the risk of unauthorized payments or offers of payments by employees, contractors, agents, and partners of our subsidiaries or affiliates, given that these parties are not always subject to our control or direction. It is our policy to prohibit these practices. However, our existing safeguards and any future improvements to those measures may prove to be less than effective or may not be followed, and our employees, contractors, agents, and partners may engage in illegal conduct for which we might be held responsible. It is possible that we, some of our subsidiaries, or some of our or our subsidiaries' employees or contractors, could be charged with bribery or corruption as a result of the unauthorized actions of employees or contractors. We could be the subject of investigations, sanctions, settlements, prosecution, other enforcement actions, disgorgement of profits, significant fines, damages, other civil and criminal penalties or injunctions, adverse media coverage and other consequences as a result of not complying with these laws. If we are found guilty of such a violation, which could include a failure to take effective steps to prevent or address corruption by our employees or contractors, we could be subject to onerous penalties and reputational damage. A mere investigation itself could lead to significant corporate disruption, high legal costs and forced settlements (such as the imposition of an internal monitor). In addition, bribery allegations or bribery or corruption convictions could impair our ability to work with governments or non-governmental organizations. Such convictions or allegations could result in our formal exclusion from a country or area, national or international lawsuits, government sanctions or fines, project suspension or delays, reduced market capitalization and increased investor concern. Further, from time to time, we may acquire a company that subsequently is subject to a bribery or corruption charge, whereby we could assume onerous penalties and/or suffer reputational damage as a result of activities in which we had no part.

Environmental, Climate and ESG Risks

We are subject to obligations related to indigenous and ethnic communities' rights in Colombia.

We currently carry out and plan to continue carrying out activities in areas classified by the Colombian government as indigenous reserves and Afro-Colombian collective territories. To undertake these activities, we must

comply with prior consultation processes in accordance with ILO Convention 169, Colombian law and constitutional standards. These prior consultation processes are required to obtain environmental licenses to commence projects, works, or activities in areas inhabited by ethnic communities. In addition, consultations can be seen as a potential instrument to involve communities in the decision-making process regarding development, extractive industry and infrastructure projects in their territories. Generally, these consultation processes last between six months and one year, depending on community expectations, number of ethnic communities to be consulted, internal conflicts regarding the representation of such communities, among others, but may be significantly delayed if an agreement with the communities cannot be reached.

In recent years, indigenous communities have also been claiming their ancestral territories and requesting recognition of their right to be consulted about projects already in operation. This opposition results, among other factors, from the communities' views on the exploitation of natural resources, the environment, and the effects on their cultures, territories and spiritual beliefs. Accordingly, we may be exposed to operational restrictions, project delays or legal challenges, including administrative or judicial actions, as a result of opposition from these communities.

No certainty can be given that we will be able to reach an agreement with the different communities that object to planned or continued operations or that such communities will participate in consultation processes if available.

Failure to properly conduct prior consultation processes where required may expose us to administrative and judicial actions, including constitutional claims and other legal challenges, which could result in unfavorable judicial decisions, including the suspension of projects or other restrictions affecting our operations.

We are subject to oil and gas asset abandonment and reclamation liabilities.

Our operations in Colombia are subject to contractual and regulatory obligations requiring the plugging and abandonment of wells, dismantling of facilities and restoration of affected areas at the end of the productive life of our assets upon the termination of our operations. These obligations are set forth in our E&P Contracts as well as in applicable regulations such as environmental regulation.

Accordingly, we are required to prepare and implement abandonment plans approved by authorities and to maintain financial assurances, such as abandonment funds, to ensure the availability of sufficient resources to meet these obligations.

We maintain estimates of abandonment, remediation and reclamation liabilities; however, it is possible that these costs may change materially before decommissioning due to regulatory changes, technological changes, acceleration of decommissioning timelines, and inflation, among other variables, including changes in environmental licensing requirements or conditions imposed by competent authorities. The present value cost for decommissioning and abandonment of wells and facilities is estimated based on known regulations, procedures, and costs today for undertaking the decommissioning, the majority of which is projected to be incurred in the 2030s.

Our operations are subject to extensive environmental, health and safety regulations and related risks.

We are subject to environmental, health and safety laws and regulations that affect aspects of our past, present and future operations. All phases of the oil and gas business present environmental, health and safety risks and hazards and are subject to regulation pursuant to extensive national and local environmental, health and safety laws and regulations in Colombia that affect nearly all of our operations. These laws and regulations set various standards regulating certain aspects of health and environmental quality, including air emissions, water quality, wastewater discharges and the generation, transport, recycling and disposal of waste and hazardous substances; provide for penalties and other liabilities for the violation of such standards (including environmental fines, permit revocation and other administrative sanctions); and establish, in certain circumstances, obligations to remediate current and former facilities and locations where oil and gas operations are or were conducted. In addition, special provisions may be imposed by environmental authorities at the time of granting licenses, or may arise directly from applicable laws and regulations, particularly in environmentally sensitive areas of operation and unconventional blocks.

There is uncertainty around the impact of environmental, health and safety laws and regulations, including those currently in force and proposed laws and regulations, and we cannot predict what legislation or regulations will be

enacted in the future or how existing or future laws or regulations will be administered, interpreted from time to time, or enforced. It is not possible to predict the outcome and nature of these requirements on us and our business at the current time; however, failure to comply with current and proposed regulations can have a material adverse impact on our business and results of operations by substantially increasing our capital expenditures, reputational risk and compliance costs and our ability to meet our financial obligations, including debt payments. It may also lead to the modification or cancellation of operating licenses and permits, penalties and other corrective actions which may have an impact on production operations. Further, compliance with more stringent laws or regulations, or more vigorous enforcement policies of any regulatory authority, could in the future require material expenditures by us for the installation and operation of systems and equipment for remedial measures, any or all of which may have a material adverse effect on us.

Environmental, health and safety regulation in the jurisdiction in which we operate is becoming increasingly stringent, and the costs and expenses of regulatory compliance are increasing. For example, in 2024, Colombia enacted Law 2387, which introduces significant reforms to the country's environmental administrative investigations. This law establishes new mechanisms for early suspension or termination of administrative investigations if corrective or compensatory measures are effectively implemented, revises penalty structures including a maximum fine of up to COP 100,000 legal monthly minimum wages (approximately $49.1 million), streamlines procedural timelines, and introduces incentives for early admissions of non-compliance offering fine reductions. These changes may impact project development, operational risk and compliance strategies.

Our activities have the potential to impair natural habitat, damage plant and wildlife, or cause contamination to land or water that may require remediation under applicable laws and regulations. These laws and regulations require us to obtain and comply with a variety of environmental registrations, licenses, permits and other approvals. In Colombia, licensing and permitting processes relating to the exploration and drilling for and development of oil and natural gas take significant time. Although regulatory timelines are established, they are not always met and may be subject to delays due to participatory mechanisms or other factors beyond our control, which may cause operational delays and higher development costs. Environmental regulations place restrictions and prohibitions on emissions of various substances produced concurrently with oil and natural gas and can impact the selection of drilling sites and facility locations, potentially resulting in increased capital expenditures. Both public officials and private individuals may seek to enforce or change environmental laws and regulations against us.

Further, government policies in Colombia aimed at promoting energy transition and decarbonization may adversely affect our operations and the demand for our products. In recent years, Colombia has adopted a regulatory and policy framework designed to encourage the development and use of non-conventional renewable energy sources, including through tax incentives, regulatory support and long-term planning instruments, such as the current National Development Plan which establishes a policy roadmap focused on environmental sustainability, energy transition and the progressive integration of renewable energy and alternative fuels into the national energy matrix.

Significant liability could be imposed on us for costs resulting from potential unknown and unforeseeable environmental impacts arising from our operations, including damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of properties purchased by us or non-compliance with environmental laws or regulations.

Given the nature of our business, there are inherent risks of oil spills occurring at our drilling and operating sites. Large spills of oil and oil products can result in significant clean-up costs. Oil spills can occur from operational issues, such as operational failure, accidents, deterioration and malfunctioning of equipment. In Colombia, where we operate, oil spills can also occur as a result of sabotage and damage to pipelines. Further, we sell oil at various delivery stations, and the oil can be transported by truck. There is an inherent risk of oil spills caused by road accidents, for which we may be deemed responsible as the owner of the crude oil. All of these may lead to significant potential environmental liabilities, such as clean-up and litigation costs, as well as administrative sanctions, including fines and other penalties, which may materially adversely affect our financial condition, funds flow provided by operations and results of operations. Depending on the cause and severity of the oil spill, our reputation may also be adversely affected, which could limit our ability to obtain permits and affect our future operations.

Natural disasters in Colombia could disrupt our business and impact our financial condition and results of operations.

We are exposed to natural disasters in Colombia, including earthquakes, floods, mudslides, volcanic eruptions, tornadoes, tropical storms, hurricanes, wildfires, and prolonged droughts. Our operations may be particularly exposed to recurring flooding and mudslides as a result of heavy rains attributable to weather patterns such as La Niña and El Niño. Colombia's hydrology typically follows a dual season annual cycle, with one period of low levels of precipitation from December to March and high levels during the rest of the year; however, climatic phenomena such as El Niño and La Niña can cause droughts or above-average rainfall that may adversely affect our operations or the operations of third-party infrastructure on which we depend. Although we maintain emergency response protocols and business continuity plans, our disaster recovery plans may prove to be ineffective in the event of a major natural disaster. Such events could materially and adversely affect our ability to conduct our business, particularly if they impact transportation routes, third-party infrastructure, or result in damage to our facilities or equipment. Natural disasters or similar events could also result in substantial volatility in our results of operations.

Our business may be negatively impacted by reputational risks.

Our business, operations or financial condition may be negatively impacted as a result of any negative public opinion towards us or as a result of any negative sentiment toward, or in respect of, our reputation with stakeholders, special interest groups, political leadership, the media or other entities. Public opinion may be influenced by certain media and special interest groups' negative portrayal of the industry in which we operate, as well as their opposition to certain oil and natural gas projects. Potential impacts of negative public opinion or reputational issues may include delays or interruptions in operations, legal or regulatory actions or challenges, blockades, increased regulatory oversight, reduced support for, delays in, challenges to, or the revocation of regulatory approvals, permits and/or licenses and increased costs and/or cost overruns. Our reputation and public opinion could also be impacted by the actions and activities of other companies operating in the oil and natural gas industry, particularly other producers, over which we have no control. In particular, our reputation could be impacted by negative publicity related to environmental damage, loss of life, injury or damage to property caused by our operations, or due to opposition from special interest groups opposed to oil and natural gas development. In addition, if we develop a reputation of having an unsafe work site, it may impact our ability to attract and retain the necessary skilled employees and consultants to operate our business. Opposition from special interest groups opposed to oil and natural gas development and the possibility of climate-related litigation against governments and fossil fuel companies may impact our reputation.

Reputational risk cannot be managed in isolation from other forms of risk. Credit, market, operational, insurance, regulatory and legal risks, among others, must all be managed effectively to safeguard our reputation. Damage to our reputation could result in negative investor sentiment towards us, which may result in limiting our access to capital, increasing the cost of capital, and decreasing the price and liquidity of our securities.

We are subject to supply chain due diligence and reporting requirements related to forced labor and child labor that could increase our costs and regulatory burdens.

The *Fighting Against Forced Labour and Child Labour in Supply Chains Act* came into force on January 1, 2024 in Canada. Pursuant to the new legislation, any company that is subject to the reporting requirements, including us, is required to file an annual report detailing the steps it has taken to prevent and reduce the risk of forced labor and child labor in its supply chains, including information about its due diligence processes. While we are currently unaware of any forced or child labor within our supply chains, heightened scrutiny of Canadian companies could reveal risks or instances of such practices in a supply chain connected to us, potentially harming our reputation. Additionally, due to the fact that the reporting requirements are relatively new and thus there is no existing industry standard, we are at risk of inadvertently preparing a report that is insufficient. In addition, complying with any new legislative requirements related to increasing or revising our due diligence in respect of our supply chains may increase our costs and regulatory burdens.

Climate change may present risks to our results of operation.

Global climate change issues continue to attract public and scientific attention. Governments, financial institutions, insurance companies, environmental and governance organizations, institutional investors, social and

environmental activists, and individuals, are increasingly seeking to implement, among other things, regulatory and policy changes, changes in investment patterns, and modifications in energy consumption habits and trends which, individually and collectively are intended to or have the effect of accelerating the reduction in the global consumption of carbon based energy, the conversion of energy usage to less carbon-intensive forms and the general migration of energy usage away from carbon-based forms of energy.

Climate change and its associated impacts may increase our exposure to, and magnitude of, each of the risks identified in the Risk Factors section of this offering memorandum. Overall, we are not able to estimate at this time the degree to which climate change-related regulatory, climatic conditions, and climate-related transition and reputational risks could impact our financial and operating results. Our business, financial condition, results of operations, cash flows, reputation, access to capital, access to insurance, cost of borrowing, access to liquidity and ability to fund business plans may in particular, and without limitation, be adversely impacted as a result of climate change and its associated impacts.

Extreme climatic conditions may also have material adverse effects on our financial condition and results of operations. Weather and climate affect demand, and therefore, the predictability of the demand for energy is affected to a large degree by the predictability of weather and climate. In addition, our exploration, production and construction operations, and the operations of major customers and suppliers, can be affected by floods, droughts, forest fires, earthquakes, hurricanes, and other extreme weather events. This may result in cessation or diminishment of production, delay of exploration and development activities or delay of plant construction.

Climate change may increase the frequency of severe weather conditions in these locations, including winds, flooding and variable temperatures. Other crude oil and natural gas production activities are also subject to chronic physical risks such as a shorter timeframe for our dry season drilling program, changes in the water table and reduced access to water due to drought conditions. A systemic change in temperature or precipitation patterns could result in more challenging conditions for the construction and reclamation activities and could reduce the availability of water due to the increasing likelihood of drought conditions.

Regulation of GHG emissions could adversely affect our business.

Foreign and domestic governments continue to evaluate and implement legislation, policies, and regulations focused on restricting GHG emissions and promoting adaptation to climate change and the transition to a low-carbon economy. It is not possible to predict what measures foreign and domestic governments may implement in this regard, nor is it possible to predict the requirements that such measures may impose or when such measures may be implemented. However, international multilateral agreements, the obligations adopted thereunder and legal challenges concerning the adequacy of climate-related policy brought against foreign and domestic governments may accelerate the implementation of such measures.

GHG emissions legislation is emerging and subject to change. For example, on an international level, in December 2015, almost 200 nations, including Colombia, agreed to an international climate change agreement in Paris, France (the "Paris Agreement"), which calls for countries to set their own GHG emission targets and be transparent about the measures each country will use to achieve its GHG emission targets. Colombia has signed the Paris Agreement.

Given the evolving nature of climate change policy and the control of GHG emissions and resulting requirements, including carbon taxes and carbon pricing schemes implemented by varying levels of government, it is expected that current and future climate change regulations will have the effect of increasing our operating expenses, and, in the long-term, potentially reducing the demand for oil and natural gas and related products, resulting in a decrease in our profitability and a reduction in the value of our assets.

Claims have been made against certain energy companies alleging that GHG emissions from crude oil and natural gas operations constitute a public nuisance under certain laws or that such energy companies provided misleading disclosure to the public and investors of current or future risks associated with climate change. As a result, individuals, government authorities, or other organizations may make claims against crude oil and natural gas companies, including us, for alleged personal injury, property damage, greenwashing or other potential liabilities. While we are not a party to any such litigation or proceedings, we could be named in actions making similar

allegations. An unfavorable ruling in any such case could adversely affect our cost of capital, impact our operations and have an adverse impact on our financial condition.

Due to long-term risks from environmental policy changes, regulations, legal challenges, and market shifts related to climate change, recent efforts have targeted the financial sector. Investment advisors, banks, pension funds, universities, and other institutional investors are engaging companies on climate action, using voting rights, and reallocating capital toward low-carbon assets while divesting from high-emission businesses. Stakeholders are also pressuring insurers and banks to stop financing or insuring oil, gas, and related infrastructure. These efforts may negatively impact our operations, securities demand and pricing, and our cost and access to capital.

We are subject to comprehensive reporting of our sustainability performance. If we are not able to meet the sustainability reporting requirements of regulators or current and future expectations regarding our sustainability performance of investors, insurance providers, or other stakeholders, our business and ability to attract and retain skilled employees, obtain regulatory permits, licenses, registrations, approvals and authorizations from various government authorities, and raise capital may be adversely affected.

Anti-greenwashing rules could result in significant penalties or reputational harm.

Amendments to Canada's *Competition Act* introduced in June 2024 prohibit companies from making false or misleading environmental claims. The new rules are complex and uncertain, and initially led many companies to suspend voluntary sustainability reporting. While private rights of action for greenwashing came into effect in June 2025, *Budget 2025 Implementation Act, No. 1* subsequently removed this access in relation to representations to the public with respect to the benefits of a business or business activity for protecting or restoring the environment or mitigating the environmental and ecological causes or effects of climate change (e.g., net-zero commitments, carbon neutrality goals and statements about company-wide emissions reductions) and clarified substantiation requirements to address unintended consequences. The Competition Bureau (Canada) may still bring legal action against companies for false or misleading business or business activity environmental claims. Despite these improvements, the regulatory landscape continues to evolve and penalties for non-compliance remain significant, including up to the greater of C$10 million for a first order, C$15 million for subsequent orders, or three times the value of the benefit derived from the deceptive conduct, or, if that amount cannot be reasonably determined, 3% of a company's annual worldwide gross revenues. Companies making voluntary environmental disclosures face ongoing risk of liability and reputational harm.

Pandemics could affect economic activity internationally.

In the event of a global pandemic, countries around the world may close international borders and order the closure of institutions and businesses deemed non-essential. This could result in a significant reduction in economic activity in Canada, Colombia and internationally, along with a drop in demand for oil and natural gas. Any reduction in economic activity in certain countries resulting from outbreaks, government-imposed lockdowns and other restrictions could have a negative effect on demand for oil and natural gas and could aggravate the other risk factors identified herein.

Financial and Capital Structure Risks

Liquidity risks could adversely affect our business.

Our ability to fund current and future capital projects and carry out the business plan is dependent on our ability to generate cash flow, as well as raise capital in a timely manner under favorable terms and conditions and is impacted by our credit ratings and the condition of the capital and credit markets. In addition, changes in credit ratings may affect the ability to, and the associated costs of, entering into derivative or hedging transactions, as well as entering into and maintaining certain contracts with customers and suppliers on acceptable terms. For example, if we experience a downgrade in our credit ratings, we may be required to post collateral, letters of credit, cash or other forms of security as financial assurance for our performance under certain contractual arrangements with third parties. The occurrence of any of the foregoing could adversely impact our ability to execute portions of our business strategy, including hedging, and could have a material adverse effect on our liquidity and capital position. Management of liquidity risk requires us to maintain sufficient cash and cash equivalents, along with other sources

of capital consisting of cash flow from operating activities, available credit facilities, commercial paper, and access to debt capital markets, to meet our obligations as they become due.

Our credit facility is subject to maturity, redetermination and restrictive covenants.

We currently have Existing Parex Credit Facilities, and the amount authorized thereunder is dependent on the borrowing base determined by our lenders. We are required to comply with covenants under our Existing Parex Credit Facilities which may, in certain cases, include certain financial ratio tests, which from time to time either affect the availability, or price, of additional funding and in the event that we do not comply with these covenants, our access to capital could be restricted or, if drawn, repayment could be required. Events beyond our control may contribute to our failure to comply with such covenants. In addition, our Existing Parex Credit Facilities may impose operating and financial restrictions on us that could include restrictions on, the payment of dividends, repurchase or making of other distributions with respect to our securities, incurring of additional indebtedness, the provision of guarantees, the assumption of loans, making of capital expenditures, entering into of amalgamations, mergers, take-over bids or disposition of assets, among others. Our lenders use our reserves, commodity prices, applicable discount rate and other factors to periodically determine our borrowing base. Commodity prices remain volatile as a result of various factors, including political uncertainty, actions taken to limit OPEC and non-OPEC production, the Russia-Ukraine war, the Israel-Palestine war, recent conflicts involving the U.S., Israel, Iran and Lebanon, the U.S.-Venezuela conflict, pandemics, and production by U.S. shale producers.

The borrowing base under our revolving Existing Parex Credit Facilities is currently $240.0 million. Our borrowing base is re-determined by the lenders twice per year. Our borrowing base may decrease as a result of fluctuations in oil and natural gas prices, operating difficulties, declines in reserves, unforeseen increase cost, lack of sufficient lenders willing to participate in the facility and lending requirements or regulations. This could, if the Existing Parex Credit Facilities are drawn, result in the requirement to repay a portion, or all, of our indebtedness.

In addition, the maturity date of our Amended Parex Credit Facilities could be accelerated from May 21, 2028 to December 31, 2027 if the Frontera Notes have not been extended or refinanced by December 31, 2027, for a minimum additional four years.

We may require additional financing in the future.

Depending on future exploration, development, acquisition and divestiture plans, we may require additional financing. Our ability to arrange any such financing in the future will depend in part upon the prevailing capital market conditions, risks associated with international operations, as well as our business performance. Periodic fluctuations in commodity prices may affect lending policies for potential future lenders. This in turn could limit growth prospects in the short run or may even require us to dedicate existing cash balances or funds flow provided by operations, dispose of properties or raise new equity to continue operations under circumstances of declining energy prices, disappointing drilling results, or economic or political dislocation in foreign countries. There can be no assurance that we will be successful in our efforts to arrange additional financing on terms satisfactory to us. Due to the conditions in the oil and gas industry, global economic volatility, and that we operate in an emerging market country, we may from time to time have restricted access to capital and increased borrowing costs. If additional financing is raised by the issuance of shares from our treasury, our control may change and shareholders may suffer additional dilution.

As a result of global economic and political volatility, we may from time to time have restricted access to capital and increased borrowing costs. Failure to obtain such financing on a timely basis could cause us to forfeit our interest in certain properties, forgo certain acquisition opportunities and reduce or terminate our operations. If our revenues from our reserves decrease as a result of lower oil and natural gas prices or otherwise, it will affect our ability to expend the necessary capital to replace our reserves or to maintain our production. To the extent that external sources of capital become limited, unavailable or available on onerous terms, our ability to make capital investments and maintain existing assets may be impaired, and our assets, liabilities, business, financial condition and results of operations may be affected materially and adversely as a result. In addition, the future development of our petroleum properties may require additional financing, and there are no assurances that such financing will be available or, if available, will be available upon acceptable terms. Alternatively, any available financing may be highly dilutive to existing shareholders. Failure to obtain any financing necessary for our capital expenditure plans may result in a delay in development or production on our properties.

Shareholder activism could adversely impact our operations.

Shareholder activism has been increasing generally and in the energy industry. Investors may, from time to time, attempt to effect changes to our business or governance by means such as shareholder proposals, public campaigns, proxy solicitations or otherwise. Such actions could adversely impact us by distracting our board of directors and employees from core business operations, increasing advisory fees and related costs, interfering with our ability to successfully execute on strategic transactions and plans and provoking perceived uncertainty about the future direction of our business.

We may incur additional debt financing in connection with acquisitions.

From time to time, we may enter into transactions to acquire assets or shares of other entities. These transactions may be financed in whole or in part with debt, which may increase our debt levels above industry standards for oil and natural gas companies of similar size. Depending on future exploration and development plans, we may require additional debt financing that may not be available or, if available, may not be available on favorable terms. Neither our articles nor our bylaws limit the amount of indebtedness that we may incur. The level of our indebtedness from time to time could impair our ability to obtain additional financing on a timely basis to take advantage of business opportunities that may arise.

We may be exposed to third-party credit risk.

We may be exposed to third-party credit risk through our contractual arrangements with current or future customers of our crude oil and natural gas sales and counterparties to our derivative risk management contracts. In addition, we may be exposed to third-party credit risk from purchasers of assets from us for various liabilities, including well abandonment and reclamation obligations assumed by the purchasers. If such third parties fail to meet their contractual obligations to us, such failures may have a material adverse effect on our business, financial condition, results of operations, and prospects. The use of derivative risk management contracts involves the risk that the counterparties will be unable to meet the financial terms of such transactions. We are unable to predict changes in a counterparty's creditworthiness or ability to perform. Even if we accurately predict the sudden changes, our ability to negate this risk may be limited depending upon market conditions and the contractual terms of the agreements. During periods of declining commodity prices, our derivative receivable positions generally increase, which increases our counterparty credit exposure. Should any of such third parties be petitioned into bankruptcy, become insolvent or make a proposal or institute any proceedings relating to bankruptcy or insolvency, we may be unable to collect all or a portion of any money owing from such parties. Any of these factors could materially adversely affect our financial and operational results.

Variations in foreign exchange rates make it difficult to forecast results.

Our main exposure to foreign currency risk relates to the pricing of foreign currency denominated in the Canadian dollar and COP, as our functional currency is the U.S. Dollar. We have exposure in Colombia and Canada on costs, such as capital expenditures, local wages, royalties and income taxes, all of which may be denominated in local currencies.

The U.S. Dollar/COP exchange rate has fluctuated significantly during the last several years. Given the effects of inflation, the volatility in interest rates in the U.S. and Colombia, different global growth perspectives, pandemics, political tensions in the world's largest economies, current and expected crude oil prices in the next few years and political uncertainty in Colombia, there is no clear view of how the U.S. Dollar and the COP will behave in the medium to long-term. Continued market volatility is expected to continue to lead to U.S. Dollar fluctuations that will remain difficult to forecast.

Inflation, supply chain disruptions, and interest rate volatility could adversely affect our financial performance.

We may experience high levels of inflation, supply chain disruptions, inflationary cost pressures, equipment limitations, escalating supply costs and commodity prices, and additional government intervention through stimulus spending or additional regulations. These factors could increase our costs. Our inability to manage costs may impact

project returns and future development decisions, which could have a material adverse effect on our financial performance and cash flows.

The cost or availability of oil and gas field equipment may adversely affect our ability to undertake exploration, development and construction projects. The oil and gas industry is cyclical in nature and is prone to shortages of supply of equipment and services including drilling rigs, geological and geophysical services, engineering and construction services, major equipment items for infrastructure projects and construction materials generally. These materials and services may not be available when required at reasonable prices. A failure to secure the services and equipment necessary to our operations for the expected price, on the expected timeline, or at all, may have an adverse effect on our financial performance and cash flows.

In addition, many central banks including the Bank of Canada, the Bank of Colombia and U.S. Federal Reserve have taken steps to raise interest rates in an attempt to combat inflation, followed by modest lowering of interest rates as inflation concerns stabilize. The increase in borrowing costs, and the volatility of interest rates in the future, may impact project returns and future development decisions, which could have a material adverse effect on our financial performance and cash flows. Rising interest rates could also result in a recession in Canada, the United States, Colombia or other countries. A recession may have a negative impact on the demand for crude oil and natural gas, causing a decrease in commodity prices.

An increase in interest rates could result in our financing expenses increasing and the cost of capital could deteriorate, which could have an adverse effect on our ability to execute certain projects, results of operations and financial condition. Finally, if we incur new debt in the future to fund working capital, capital projects or acquisitions, the prevailing interest rates and spreads at any specific time could be less favorable in terms of cost, which could adversely affect our financial condition and results of operations.

Our insurance coverage may not be sufficient to cover all costs.

We maintain insurance coverage as part of our risk management program. However, such insurance may not provide comprehensive coverage in all circumstances, nor are all such risks insurable. We self-insure some risks, and our insurance coverage does not cover all the costs arising out of the allocation of liabilities and risk of loss arising from our operations.

Our insurance policies are generally renewed on an annual basis and, depending on factors such as market conditions, the premiums, policy limits and/or deductibles for certain insurance policies can vary substantially. In some instances, certain insurance may become unavailable or available only for reduced amounts of coverage. Significantly increased costs could lead us to decide to reduce or possibly eliminate coverage. In addition, insurance is purchased from a number of third-party insurers, often in layered insurance arrangements, some of whom may discontinue providing insurance coverage for their own policy or strategic reasons. Should any of these insurers refuse to continue to provide insurance coverage, our overall risk exposure could be increased and we could incur significant costs.

Colombia has a publicized history of security problems. We and our personnel are subject to these risks, but we try to manage them. We maintain insurance in an amount that we consider adequate and consistent with industry practice and our operations, however, it is difficult to obtain insurance coverage to protect against terrorist incidents and, as a result, our insurance program excludes this coverage. Consequently, incidents like this in the future could have a material adverse impact on our operations.

Our accounting policies may result in non-cash charges and write-downs.

Our accounting policies conform to IFRS Accounting Standards, which constitutes generally accepted accounting principles in Canada. The presentation of financial information in accordance with IFRS Accounting Standards requires that management apply certain accounting policies and make certain estimates and assumptions which affect reported amounts in our consolidated financial statements. Accounting under IFRS Accounting Standards may result in non-cash charges and/or write-downs of net assets in the financial statements on a quarterly basis. Similarly, non-cash gains and reversals of asset write-downs may also be recorded from time-to-time. Such non-cash charges and write-downs may be viewed unfavorably by the market and may result in an inability to borrow funds, and/or may result in a decline in the price of our common shares.

Lower oil and gas prices may increase the risk of write-downs of our oil and gas property investments. Under IFRS Accounting Standards, property, plant and equipment costs are aggregated into groups known as cash-generating units ("CGUs") for impairment testing. CGUs are reviewed for indicators that the carrying value of the CGU may exceed its recoverable amount. If an indication of impairment exists, the CGU's recoverable amount is then estimated. A CGU's recoverable amount is defined as the higher of the fair value less costs to sell and its value in use. If the carrying amount exceeds its recoverable amount, an impairment loss is recorded to comprehensive net income in the period to reduce the carrying value of the CGU to its recoverable amount. While these impairment losses would not affect funds flow provided by operations, the charge to comprehensive net income could be viewed unfavorably in the market.

We are dependent on our foreign subsidiaries for our operations in Colombia to meet our obligations.

We conduct all of our operations in Colombia through foreign subsidiaries and foreign branches. Therefore, to the extent of these holdings, we will be dependent on the funds flow provided by the operations of these subsidiaries to meet our obligations, excluding any additional equity or debt we may issue from time to time. The ability of our subsidiaries to make payments and transfer cash to us may be constrained by, among other things, the level of taxation, particularly corporate profits and withholding taxes, in the jurisdiction in which we operate, and the introduction of foreign exchange and/or currency controls or repatriation restrictions, or the availability of hard currency to be repatriated.

Failure to maintain effective internal controls could harm our results of operations.

Effective internal controls are necessary for us to provide reliable financial reports and to help prevent fraud. Although we will undertake a number of procedures in order to help ensure the reliability of our financial reports, including those imposed on us under Canadian securities laws, we cannot be certain that such measures will ensure that we will maintain adequate control over financial processes and reporting. Based on their inherent limitations, disclosure controls and procedures and internal controls over financial reporting may not prevent or detect misstatements, and even those controls determined to be effective can only provide reasonable assurance with respect to financial statement preparation and presentation. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm our results of operations or cause us to fail to meet our reporting obligations. If we or our independent auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in our financial statements and harm the trading price of our common shares.

Market and Commodity Risks

Commodity prices, markets and marketing could affect marketability and price of oil and natural gas.

Numerous factors beyond our control do and will continue to affect the marketability and price of oil and natural gas acquired, produced or discovered by us. Accordingly, commodity prices are our most significant financial risk. Our ability to market our oil and natural gas may depend upon our ability to acquire capacity on pipelines to deliver that oil and natural gas to commercial markets. Deliverability uncertainties related to the distance our reserves are to pipelines, processing and storage facilities, operational problems affecting pipelines and facilities and government regulation relating to prices, taxes, royalties, land tenure, allowable production, the export of oil, and natural gas. Many other aspects of the oil and natural gas business may also affect us. At present, crude oil sales are generally benchmarked against Brent reference prices and subject to price differentials for crude quality.

Prices for oil and natural gas are subject to large fluctuations in response to relatively minor changes in the supply of and demand for oil and natural gas, market uncertainty, and a variety of additional factors beyond our control. These factors include economic and political conditions, in the United States, Canada, Europe, China, the Middle East and emerging markets, the actions of OPEC and other oil and gas exporting nations, governmental regulation, political stability in the United States, Middle East, Ukraine, Venezuela, Northern Africa and elsewhere, the foreign supply and demand of oil and natural gas, risks of supply disruption, the price of foreign imports, and the availability of alternative fuel sources. Prices for oil and natural gas are also subject to the availability of foreign markets and our ability to access such markets. A material decline in prices could result in a reduction of our net production revenue. The economics of producing from some wells may change because of lower prices, which could

result in reduced production of oil or natural gas and a reduction in the volumes and the value of our reserves. We might also elect not to produce from certain wells at lower prices.

The impact on the oil and natural gas industry from commodity price volatility is significant. During periods of high prices, producers may generate sufficient funds flow provided by operations to conduct active exploration programs without external capital. Increased commodity prices frequently translate into very busy periods for service suppliers, triggering premium costs for their services. The cost of purchasing land or properties and work commitments associated with new exploration blocks can similarly increase in price during these periods. During low commodity price periods, acquisition costs drop, as do internally generated funds to spend on exploration and development activities. With decreased demand, the prices charged by the various service suppliers may also decline.

All these factors could result in a material decrease in our expected net production revenue and a reduction in our oil and natural gas production, development and exploration activities. Any substantial and extended decline in the price of oil and natural gas would have an adverse effect on the carrying value of our reserves, borrowing capacity, revenues, profitability and funds flow provided by operations, and may have a material adverse effect on our business, financial condition, results of operations, and prospects.

Oil and natural gas prices may be volatile for a variety of reasons including market uncertainties over the supply and the demand of these commodities due to the current state of the world economies, pandemics, OPEC and non-OPEC producers actions in respect of supply, political uncertainties, sanctions imposed on certain oil producing nations by other countries and ongoing conflicts in South America, the Middle East (including the Israel-Palestine war and the U.S./Israel-Iran war), the Russia-Ukraine war and elsewhere. Volatile oil and natural gas prices make it difficult to estimate the value of producing properties for acquisitions and often cause disruption in the market for oil and natural gas producing properties, as buyers and sellers have difficulty agreeing on such value. Price volatility also makes it difficult to budget for and project the return on acquisitions, development and exploitation projects. We monitor market conditions and may selectively utilize derivative instruments to reduce exposure to crude oil price movements. However, we are of the view that it is neither appropriate nor possible to eliminate 100% of our exposure to commodity price volatility.

A meaningful portion of our production consists of heavy crude oil that sells at a discount to lighter benchmark prices, and any widening of these differentials could materially adversely affect our business and results of operations. Following the completion of the Frontera Acquisition, the proportion of heavy crude oil in our production mix will be materially greater.

Our crude oil sales are generally benchmarked against Brent reference prices and are subject to price differentials for crude quality and transportation. Following the Frontera Acquisition, heavy crude oil will represent a materially greater portion of our production mix, and our realized prices for that production will typically be referenced to Colombian heavy crude blends (such as Vasconia) which trade at a discount to Brent and other lighter benchmarks. The size of that discount is influenced by numerous factors beyond our control, including global supply of and demand for heavy crude oil, available refining capacity for heavy and sour crudes, competing supplies of heavy crude from other producing regions, and the availability and cost of pipeline, storage and marine transportation capacity required to move our production from the Llanos and Magdalena basins to export terminals on the Caribbean coast. Our ability to realize prices comparable to lighter benchmarks may also be affected by deliverability constraints, operational issues affecting pipelines and facilities, and our ability to acquire capacity on pipelines to deliver crude to commercial markets. Our commodity price risk management contracts are typically referenced to Brent and may not be effective in mitigating exposure to a widening of heavy crude differentials. A sustained widening of heavy crude differentials, or a sustained period of low realized heavy crude prices, could reduce our funds flow provided by operations and netbacks, render certain wells or development projects uneconomic, reduce the value of our reserves and borrowing base under our credit facility, and have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

Conservation measures could reduce the demand for oil and liquid hydrocarbons.

Full conservation measures, alternative fuel requirements, increasing consumer demand for alternatives to oil and natural gas, and technological advances in fuel economy and renewable energy generation devices could reduce the demand for oil and liquid hydrocarbons. Recently, certain jurisdictions have implemented policies or incentives

to decrease the use of fossil fuels and encourage the use of renewable fuel alternatives, which may lessen the demand for petroleum products and put downward pressure on commodity prices. In addition, advancements in energy-efficient products have a similar effect on the demand for oil and gas products. We cannot predict the impact of changing demand for oil and natural gas products, and any major changes may have a material adverse effect on our business, financial condition, results of operations and funds flow provided by operations by decreasing our profitability, increasing our costs, limiting our access to capital and decreasing the value of our assets.

Our price risk management activities may limit our ability to benefit from favorable prices and expose us to financial loss.

From time to time, we may enter into agreements to receive fixed prices on our oil and natural gas production to offset the risk of revenue losses if commodity prices decline. However, to the extent that we engage in price risk management activities to protect ourselves from commodity price declines, we may also be prevented from realizing the full benefits of price increases above the levels of the derivative instruments used to manage price risk. In addition, our risk management arrangements may expose us to the risk of financial loss in certain circumstances, including instances where: production falls short of the hedged volumes or prices fall significantly lower than projected; a widening of price-basis differentials between delivery points for production and the delivery point assumed in the risk management arrangement; the counterparties to the risk management arrangements or other price risk management contracts fail to perform under those arrangements; or a sudden unexpected event materially impacts oil and natural gas prices. We may also enter into agreements to receive currencies at a fixed price or fix interest rates of floating-rate-based debt. Therefore, similar to commodity price risk management, there are risks associated with any currency or interest rate swap or commodity derivative agreement.

The trading price of our securities, including the Notes, may be subject to substantial volatility.

The trading price of our securities, including the Notes, is subject to substantial volatility based on factors related and unrelated to our financial performance or prospects. Factors unrelated to our performance could include macroeconomic developments nationally, within North America or globally, domestic and global commodity prices or current perceptions of the oil and gas market. In recent years, the volatility of commodities has increased, in part, due to the implementation of computerized trading and the decrease of discretionary commodity trading.

Contractual and Counterparty Risks

We may not realize the expected benefits of the Frontera Acquisition.

As described in "The Frontera Acquisition", we believe that the Frontera Acquisition will be beneficial for us. However, there is a risk that some or all of the expected benefits of the Frontera Acquisition may fail to materialize, or may not occur within the time periods that we anticipate. The realization of such benefits may be affected by a number of factors, many of which are beyond our control.

Moreover, a variety of factors, including those risk factors set forth in this offering memorandum and the documents incorporated by reference in this offering memorandum, including the annexes hereto, may adversely affect our ability to achieve some or all of the anticipated benefits of the Frontera Acquisition.

We consider acquisitions of businesses and assets in the ordinary course of business. Achieving the benefits of acquisitions depends on successfully consolidating functions and integrating operations and procedures in a timely and efficient manner, and our ability to realize the anticipated growth opportunities and synergies from combining the acquired businesses and our operations. The integration of acquired businesses and assets may require substantial management effort, time and resources, diverting management's focus from other strategic opportunities and operational matters.

We may become involved in litigation that could adversely impact our operations.

In the normal course of our operations, we may become involved in, named as a party to, or be the subject of, various legal proceedings, including regulatory proceedings, tax proceedings and legal actions. Potential litigation may develop in relation to contract disputes, property damage, property taxes, land and access rights, environmental issues (including claims relating to contamination or natural resource damages) and personal injuries (including

those resulting from exposure to hazardous substances). The outcome of outstanding, pending or future proceedings cannot be predicted with certainty and may be determined adversely to us and, as a result, could have a material adverse effect on our assets, liabilities, business, financial condition and results of operations. Even if we prevail in any such legal proceedings, the proceedings could be costly and time-consuming and may divert the attention of management and key personnel from business operations, which could have an adverse effect on our financial condition.

The Colombian branches of our subsidiaries are subject to asserted and unasserted claims arising in the normal course of business, including legal and regulatory proceedings. We have established provisions for matters where payments are probable and can be reasonably estimated. We carry liability insurance coverage in respect of certain of these matters; however, there can be no assurance that such coverage will be sufficient to protect against all potential liabilities.

In addition, rapid advances in oil and gas technology increase the risk of intellectual property disputes. We may face claims of infringement or initiate actions against others for infringing our rights. Such litigation can be costly, disrupt asset development, and divert technical and management resources, even if resolved in our favor. In the event of an adverse outcome as a defendant in any such litigation, we may, among other things, be required to:

- pay substantial damages and/or cease the development, use, sale or importation of processes that infringe upon other patented intellectual property;
- expend significant resources to develop or acquire non-infringing intellectual property;
- discontinue processes incorporating infringing technology; or
- obtain licenses to the infringing intellectual property.

However, we may not be successful in such development or acquisition, or such licenses may not be available on reasonable terms. Any such development, acquisition or license could require the expenditure of substantial time and other resources and could have a material adverse effect on our business and financial position.

A breach of confidentiality could put us at a competitive risk.

While discussing potential business relationships or other transactions with third parties, we may disclose confidential information relating to the business, operations or our affairs. Although confidentiality agreements are generally signed by third parties prior to the disclosure of any confidential information, a breach by a third party could put us at a competitive risk and may cause significant damage to our business. The harm to our business from a breach of confidentiality cannot presently be quantified, but may be material and may not be compensable in damages. There is no assurance that, in the event of a breach of confidentiality by a third party, we will be able to obtain equitable remedies, such as injunctive relief, from a court of competent jurisdiction in a timely manner, if at all, in order to prevent or mitigate any damage to our business that such a breach of confidentiality may cause.

Our contractual contingent obligations may have an impact on our business.

We are subject to certain contractual contingencies, which, if they were to occur, could have an impact on our business, financial condition or results of operations.

Certain of our commercial agreements (including joint operating agreements) include provisions that require us, upon the occurrence of certain specific events, to fund cash calls, contribute capital, suffer dilution of our participating interest or provide financial guarantees. If these contingencies were to occur, we may not have the ability to raise the funds necessary to finance such contingent obligations.

Our contracts are subject to expiration risks.

We may be unable to find alternative revenue sources to replace the revenue that may be lost upon the expiration of certain exploration and production E&P Contracts, Association Contracts, or *Convenios*. Although we may want to extend our exploration and production contracts beyond their original expiration date, there is no

assurance that such extension would be agreed to or, if so agreed, that the counterparties to such contracts would agree to terms that are acceptable to us. If any such contracts are terminated, any wells in production, buildings, facilities and other real estate and infrastructure possessions related to the fields subject to such contracts will revert without any additional compensation to us, which could have an adverse effect on our business.

We may not be able to establish or maintain strategic relationships.

To develop our business, we may use business relationships to enter into strategic relationships, which may take the form of BCAs, joint ventures with other private parties, with local government bodies or contractual arrangements with other oil and gas companies, including those that supply equipment and other resources that we use in our business. We may not be able to establish these strategic relationships or, if established, we may not be able to maintain them. If our strategic relationships are not established or maintained, our business prospects may be limited, which could diminish our ability to conduct our operations.

Our joint venture arrangements expose us to risks outside our control that may adversely affect our business and operations.

In the development of our business, we have entered into various joint venture activities to explore for or develop certain hydrocarbon assets. The success and timing of our activities that are developed through these joint venture arrangements depend on a number of factors that are outside our control, including the approval of other participants on major decisions concerning the direction and operation of the assets and the development of certain projects, the timing and amount of capital expenditures to meet minimum work commitments, and the objectives and interests of other participants. Failure to satisfactorily meet demands or expectations by all of the parties may affect our participation in the operation of a joint venture asset and may result in us losing the contractual right to the asset or project. As a result, we may assume significant additional costs that we would not otherwise be inclined to undertake to fulfill the obligations to meet certain work commitments to maintain our contractual rights for certain hydrocarbon assets that are considered material to our business and operations.

Risks Related to the Frontera Acquisition

The closing of this offering will occur before the closing of the Frontera Acquisition.

The closing of the offering will occur before the closing of the Frontera Acquisition. The closing of the Frontera Acquisition is subject to the satisfaction of certain closing conditions, some of which are outside of our control, including the absence of material adverse regulatory conditions of Governmental Authorities. See "Risks Related to the Frontera Acquisition—Governmental Authorities may impose material and adverse conditions on the completion of the Frontera Acquisition." There is no certainty, nor can we provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied. A substantial delay in obtaining any required regulatory clearances or the imposition of unfavorable terms or conditions in the approvals could have a material adverse effect on our ability to complete the Frontera Acquisition and, if completed, on our or Frontera E&P's business, financial condition, results of operations or cash flows. We intend to consummate the Frontera Acquisition as soon as practicable after the satisfaction or waiver of the closing conditions, including the approval of the Frontera Shareholders and the British Columbia Supreme Court.

Further, we may, in our sole discretion, amend or waive certain closing conditions in our favor in the Arrangement Agreement, agree to terms and conditions to obtain required regulatory clearances or agree with Frontera to amend the Arrangement Agreement and, as a consequence, consummate the Frontera Acquisition on terms that may be substantially different from those set forth in the Arrangement Agreement and described in this offering memorandum provided we comply with the terms of the Escrow Agreement. As a result, the closing of the Frontera Acquisition may not occur as contemplated in this offering memorandum, or at all, and, if the closing of the Frontera Acquisition does occur, the expected benefits of the Frontera Acquisition may not be fully realized. See "The Frontera Acquisition—Frontera Acquisition Rationale".

Each Party has the right to terminate the Arrangement Agreement in certain circumstances. Accordingly, there is no certainty, nor can we provide any assurance, that the Arrangement Agreement will not be terminated before the completion of the Frontera Acquisition. If the closing of the Frontera Acquisition does not occur, you will be entitled to receive a return of 100% or 101% of the initial issue price of your Notes, depending on the timing of the

Special Mandatory Redemption Event, plus accrued and unpaid interest to but not including the payment date of such mandatory redemption. See "Description of Notes" and "Risk Factors—Risks Relating to the Notes and the Related Guarantees—We may not complete the Frontera Acquisition on the terms negotiated or at all, in which case the Notes will be subject to a special mandatory redemption."

The amount of the Purchase Price is subject to adjustments and a $25 million contingent payment in the event the Quifa Condition is satisfied.

Pursuant to the Arrangement Agreement, the Purchase Price is subject to customary adjustments for (a) actual cash, debt and working capital balances as of December 31, 2025; (b) certain transaction expenses; and (c) non-permitted leakage and capital contributions between December 31, 2025 and the closing of the Frontera Acquisition.

In addition, the Purchaser Parties may be required to pay an additional $25 million to Frontera if the Quifa Condition is satisfied. The Quifa Association Contract, under which Frontera E&P holds a 60% working interest in its largest producing block, is scheduled to terminate in December 2031. Upon termination of the Quifa Association Contract, any wells in production, any buildings and any other real estate possessions in the Quifa block will revert to Ecopetrol free of charge. In 2025, the Quifa block produced greater than 40% of Frontera's production from its Colombian properties. While the parties intend to seek an extension of the Quifa contract, there can be no assurance that Ecopetrol will agree to an extension or that any extension, if agreed, will be on terms acceptable to us. Satisfaction of the Quifa Condition will depend on the Purchaser Parties being able to successfully negotiate the required extension on terms acceptable to the Purchaser Parties. Failure to satisfy the Quifa Condition can adversely affect the operational results of the combined company.

Governmental Authorities may impose material and adverse conditions on the completion of the Frontera Acquisition.

The Frontera Acquisition is conditional upon, among other things, no Governmental Authority having imposed material adverse conditions on the Frontera Acquisition, or having subjected it to prior approval or authorization requirements that are not obtained. There is no certainty, nor can we provide any assurance, that conditions, prior approval or authorization requirements will not be imposed or, if imposed, whether they can be fulfilled or obtained on conditions acceptable to us or the timing of any such fulfilment, approval or authorization. A substantial delay in obtaining any required approval or authorization or the conditioning of any such approval or authorization on unfavorable terms or conditions could have a material adverse effect on our ability to complete the Frontera Acquisition and, if completed, on our or Frontera's business, financial condition, results of operations or cash flows.

The Frontera Acquisition may not achieve the intended benefits, which could adversely affect and/or disrupt the business and operations of our Company

Although we expect to realize certain benefits as a result of the Frontera Acquisition, there is a possibility that, following the Frontera Acquisition, we are unable to successfully integrate Frontera into our operations in order to realize the anticipated benefits of the Frontera Acquisition or may be unable to do so within the anticipated timeframe.

We expect to implement certain operational improvements and cost-savings initiatives following the completion of the Frontera Acquisition. Any cost-savings that we realize from such efforts may differ materially from our estimates. In addition, any cost-savings that we realize may be offset, in whole or in part, by reductions in revenues or through increases in other expenses. Our operational improvements and cost-savings plans are subject to numerous risks and uncertainties that may change at any time.

To effectively integrate Frontera E&P into our current operations, we must establish appropriate operational, administrative, finance, management systems and controls and marketing functions relating to Frontera E&P. These efforts, together with the ongoing integration following the Frontera Acquisition, will require substantial attention from our management. This diversion of management attention, as well as any other difficulties which we may encounter in completing the Frontera Acquisition and integration process, could have an adverse effect on our business, financial condition, results of operations and cash flows. There can be no assurance that we will be successful in integrating Frontera's operations and, as a result, that the expected benefits of the Frontera Acquisition will be realized.

We may face unexpected liabilities and asset valuation risks related to the Frontera Acquisition.

Successful acquisitions require an evaluation of a number of factors, including estimates of recoverable reserves, exploration potential, future oil and natural gas prices, title suitability, operating and capital costs and potential environmental and other liabilities. Although we generally conduct a review of the properties we acquire, which we believe is consistent with industry practices, we cannot assure you that we have identified all existing or potential problems associated with Frontera E&P, or that we will be able to mitigate any problems we identify. Such assessments are inaccurate and their accuracy is inherently uncertain.

We have conducted due diligence in connection with the Frontera Acquisition; however, our review may not allow us to become sufficiently familiar with the properties to fully assess their deficiencies and capabilities. We have not inspected all of the existing wells on Frontera E&P's properties. Even when we inspect a well, we do not always discover structural, subsurface, title and environmental problems that may exist or arise. There may also be liabilities of Frontera E&P that we failed to discover or were unable to quantify in our due diligence, and we may not be indemnified for some or all of these liabilities.

In connection with the Frontera Acquisition, we are in the process of obtaining a buyer-side representations and warranties insurance policy in respect of the representations and warranties of Frontera made under the Arrangement Agreement (the "RWI Policy"), with coverage limits of up to $20 million. The RWI Policy is anticipated to provide cover for seven years for fundamental and tax-related representations and three years for general representations and will be subject to certain exclusions and limitations. In addition, there may be circumstances for which the insurer may elect to limit such coverage or refuse to indemnify us or situations for which the coverage provided under the RWI Policy may not be sufficient or applicable.

As a result of these factors, it is possible that the operating and financial performance of Frontera E&P's assets may be less than expected and may not recover the amounts invested in the acquisition. The discovery, existence or quantification of any liabilities and our inability to recover or claim from Frontera or the provider of the RWI Policy could have a material adverse effect on our business, financial condition or future prospects.

We expect to incur significant Frontera Acquisition related costs.

We expect to incur significant costs associated with completing the Frontera Acquisition and integrating our operations with Frontera E&P. The substantial majority of such costs will be non-recurring expenses resulting from the Frontera Acquisition and will consist of transaction costs related to the Frontera Acquisition, facilities and systems consolidation costs and certain employment-related costs. Additional unanticipated costs may be incurred in our integration with Frontera E&P's businesses and such costs, if incurred, may have a negative effect on our business, operations and financial performance and cash flows.

We could be subject to unexpected tax consequences as a result of the Pre-Acquisition Frontera Reorganization.

The Pre-Acquisition Frontera Reorganization could result in unexpected tax liabilities for Frontera E&P. The tax consequences of the Pre-Acquisition Frontera Reorganization will depend on the valuation of the assets of Frontera E&P being disposed of and the tax treatment of the Pre-Acquisition Frontera Reorganization under applicable tax laws. Any such valuation may not be binding on any relevant tax authorities. If any relevant tax authority takes a different view of such valuation, or audits, examines, investigates or assesses the Pre-Acquisition Frontera Reorganization and the tax treatment thereof, it could give rise to unexpected tax liabilities and other negative tax consequences for Frontera E&P in the future.

Significant demands will be placed on us as a result of the combination of the two companies.

The integration of Frontera E&P into our business will place significant demands on our managerial, operational, and financial personnel and systems. We cannot assure you that our systems, procedures and controls will be adequate to support the expansion of operations following and resulting from the integration of the Frontera E&P business. The future operating results of the combined company will be affected by the ability of our officers

and key employees to manage changing business conditions and to implement and expand our operational and financial controls and reporting systems in connection with the Frontera Acquisition.

The unaudited pro forma reserve and production data included in this offering memorandum is presented for illustrative purposes only and may not be indicative of the reserves or production of the combined company.

The pro forma reserve and production information in this offering memorandum is presented for illustrative purposes only, is based on certain assumptions, and addresses a hypothetical situation. Therefore, the pro forma reserve and production information is not necessarily indicative of what the combined company's actual reserve or production data would have been had the Frontera Acquisition been completed on the date indicated or of the future reserves or production of the combined company. Accordingly, the combined company's reserves and production may differ significantly from those indicated by the pro forma reserve and production information included in this offering memorandum.

Pro forma financial information may not be indicative of our financial condition or results following the Frontera Acquisition.

The unaudited pro forma condensed consolidated financial information contained in this offering memorandum is presented for illustrative purposes only as of its respective dates and may not be indicative of our financial condition, results of operations or cash flows of following completion of the Frontera Acquisition. The unaudited pro forma condensed consolidated financial information has been derived from the consolidated historical financial statements of us and the combined historical financial statements of Frontera E&P (which combined historical financial statements of Frontera E&P are presented on a "carve-out" basis), and certain adjustments and assumptions have been made to give effect to the Frontera Acquisition. The information upon which such adjustments and assumptions have been made is preliminary and adjustments and assumptions of this nature are difficult to make with complete accuracy. Moreover, the unaudited pro forma condensed consolidated financial information does not include, among other things, estimated synergies or adjustments related to restructuring or integration activities in connection with the Frontera Acquisition, or future acquisitions or disposals not yet known or probable. Actual amounts recorded upon the finalization of the Purchase Price adjustments pursuant to the Arrangement Agreement may differ from the amounts reflected in our Unaudited Pro Forma Condensed Consolidated Financial Statements. Additionally, the unaudited pro forma condensed consolidated financial information may not reflect all of the costs that are expected to be incurred by Frontera and us in connection with the Frontera Acquisition. Accordingly, the unaudited pro forma condensed consolidated financial information contained in this offering memorandum is presented for informational purposes only and our assets, results of operations and financial condition following the Frontera Acquisition may differ significantly from those indicated in the unaudited pro forma financial information.

Historical financial information relating to Frontera E&P may not be indicative of our future results.

The historical financial information relating to Frontera E&P included in this offering memorandum, including such information used to prepare our Unaudited Pro Forma Condensed Consolidated Financial Statements, has been derived on a historical basis from the historical accounting records of Frontera E&P. The historical financial information may not reflect what the combined company's financial position, results of operations or cash flows would have been had we owned all of the equity interests in Frontera E&P during the period presented or what our financial position, results of operations or cash flows will be in the future. The historical financial information does not contain any adjustments to reflect changes that may occur in our cost structure, financing and operations as a result of the Frontera Acquisition.

In preparing our Unaudited Pro Forma Condensed Consolidated Financial Statements, we have given effect to, among other items, this offering of Notes, the Frontera Notes Assumption and the completion of the Frontera Acquisition. The assumptions and estimates underlying our Unaudited Pro Forma Condensed Consolidated Financial Statements may be materially different from our actual experience going forward. See "Risk Factors—Risk Related to the Frontera Acquisition—Pro forma financial information may not be indicative of our financial condition or results following the Frontera Acquisition" and "Cautionary Statement Regarding Forward-Looking Information."

No assurance of future performance.

Historic and current performance of our business and the business of Frontera E&P may not be indicative of continued consistent performance or success in future periods. The future performance of our business after the Frontera Acquisition may be adversely affected by economic conditions and other factors beyond our control. As a result of these factors, our operations and financial performance, including Frontera E&P, may be negatively affected, which may adversely affect our financial results.

While the Frontera Acquisition is pending, Frontera E&P is subject to business uncertainties and contractual restrictions that could materially adversely affect the operating results, financial position and/or cash flows of the combined company or result in a loss of employees, suppliers, vendors or customers.

The Arrangement Agreement generally requires Frontera to comply with certain customary positive and negative covenants relating to the Frontera E&P Subsidiaries and the Frontera E&P Assets until the earlier of the Effective Time and the termination of the Arrangement Agreement. In particular, Frontera has agreed to, among other things, cause the business of the Frontera E&P Assets to be conducted in the ordinary course and to use reasonable commercial efforts to maintain and preserve the Frontera E&P Subsidiaries' business and the Frontera E&P Assets and goodwill in all material respects and to maintain satisfactory business relationships with suppliers, distributors, customers and others having business relationships with the Frontera E&P Subsidiaries and in respect of the Frontera E&P Assets. Such covenants are subject to certain exceptions as provided for in the Arrangement Agreement. The Arrangement Agreement includes a variety of specified restrictions relating to the conduct of Frontera E&P's business and the Frontera E&P Assets, which, in the event the Arrangement Agreement is not earlier terminated, will expire on the closing date of the Frontera Acquisition. Among other things and subject to the other terms of the Arrangement Agreement and certain other exceptions and limitations, Frontera E&P may not, outside of the ordinary course of business, incur additional indebtedness, issue additional shares outside of its equity incentive plans, repurchase common stock, pay dividends, acquire assets, securities or property, dispose of businesses or assets, enter into certain material contracts or make certain additional capital expenditures.

Frontera may find that these and other contractual restrictions in the Arrangement Agreement delay or prevent it from making certain changes, or limit its ability to make certain changes, relating to the Frontera E&P Subsidiaries and the Frontera E&P Assets during such period, even if their management believes that making certain changes may be advisable. The pendency of the Frontera Acquisition may also divert managements' attention and either party's resources from ongoing business and operations.

Our and Frontera E&P's employees, suppliers, vendors or customers may experience uncertainties about the effects of the Frontera Acquisition. It is possible that some employees, suppliers, vendors or customers and other parties with whom we and Frontera E&P have a business relationship may delay or defer certain business decisions or might decide to seek to terminate, change or renegotiate their relationship with us or Frontera E&P as a result of the Frontera Acquisition. Similarly, current and prospective employees may experience uncertainty about their future roles with us and Frontera E&P following completion of the Frontera Acquisition, which may materially and adversely affect our ability to attract and retain key employees. If any of these effects were to occur, it could materially and adversely impact the combined company's operating results, financial position and cash flows.

Failure by us to successfully execute our business strategy and objectives regarding the combined company's business may materially adversely affect the future results of the combined company.

The success of the combination of us and Frontera E&P will depend, in part, on our ability to successfully execute the combined company's business strategy. If we are not able to achieve our business strategy on a timely basis, the anticipated benefits of the combination of us and Frontera E&P may not be realized fully or at all, and the combination may materially adversely affect the results of operations, financial condition, and prospects of the combined company and the market value of our common shares.

Except in specified circumstances, if the Frontera Acquisition has not occurred by the Outside Date, either we or Frontera may choose not to proceed with the Frontera Acquisition.

Under the Arrangement Agreement, either we or Frontera may terminate the Arrangement Agreement if the Effective Time has not occurred prior to Outside Date, provided that if all of the conditions precedent set forth in the

Arrangement Agreement have been satisfied or waived as of such date, but for certain specified conditions and those conditions that by their terms are to be satisfied at the Effective Time, but which conditions would be capable of being satisfied if the Effective Time occurred on such date, then the Outside Date will be automatically extended, except that, the right to terminate the Arrangement Agreement shall not be available to us or Frontera if either party is in breach of any its covenants, representations or warranties under the Arrangement Agreement and such breach has been the principal cause of, or resulted in, the failure of the Effective Time to occur by the Outside Date.

We may be exposed to litigation in connection with the Frontera Acquisition

We may be exposed to increased litigation from customers, suppliers, shareholders, or other third parties in connection with the Frontera Acquisition. Such litigation may have an adverse impact on our business and results of operations or may cause disruptions to our operations. Even if any such claims are without merit, defending against these claims can result in substantial costs and divert the time and resources of management.

We and Frontera E&P may have difficulty attracting, motivating and retaining executives and other key employees in light of the Frontera Acquisition.

Our success after the closing of the Frontera Acquisition will depend in part on our ability to retain key executives and other employees with critical skills and knowledge which are crucial for the combined company to achieve key milestones and synergy realization. Uncertainty about the effect of the Frontera Acquisition on our and Frontera E&P employees may have an adverse effect on each of us and Frontera E&P. This uncertainty may impair our and/or Frontera E&P's ability to attract, retain and motivate key personnel. Employee retention may be particularly challenging during the pendency of the Frontera Acquisition, as employees of Frontera E&P may experience uncertainty about their future roles in the combined company.

Furthermore, if key employees of ours or Frontera E&P depart or are at risk of departing, including because of issues relating to the uncertainty and difficulty of integration, financial security or a desire not to become employees of the combined company, we may have to incur significant costs in retaining such individuals or in identifying, hiring and retaining replacements for departing employees and may lose significant expertise and talent, our ability to realize the anticipated benefits of the Frontera Acquisition may be materially and adversely affected. No assurance can be given we will be able to attract or retain key employees to the same extent that we and Frontera E&P have been able to attract or retain employees in the past.

Completion of the Frontera Acquisition may trigger change in control or other provisions in certain agreements to which Frontera E&P is a party.

The completion of the Frontera Acquisition may trigger change in control or other provisions in certain agreements to which Frontera E&P is a party. If Frontera E&P is unable to negotiate waivers of those provisions, the counterparties may exercise their rights and remedies under the agreements, including potential early termination of the agreements, seeking monetary damages, or granting additional guarantees. Even if Frontera E&P is able to negotiate waivers, the counterparties may require a fee for such waivers or seek to renegotiate the agreements on terms less favorable to Frontera E&P.

Risks Related to Our Substantial Indebtedness

The additional indebtedness that we expect to incur in connection with the Frontera Acquisition could adversely affect our cash flows and financial position, including by decreasing our business flexibility or adversely affecting our ability to satisfy our debt obligations, remain in compliance with the agreements governing our debt obligations or repay our debt.

Our consolidated borrowings were approximately $33 million as of December 31, 2025. We expect to incur approximately $500 million of debt in connection with the Frontera Acquisition, as a result of obtaining financing to complete the Frontera Acquisition and refinance debt assumed in the Frontera Acquisition. Our pro forma borrowings as of December 31, 2025, if the Frontera Acquisition had been completed on that same date, would have been approximately $840 million, of which $33 million would have been at variable rates of interest. As of December 31, 2025, we would have had $207 million of available borrowing capacity under the New Parex Credit

Facilities after giving pro forma effect to the Transactions. Our level of indebtedness could have important consequences to investors, including the following:

- it may make it difficult for us to satisfy our obligations under our indebtedness and contractual and commercial commitments;
- it may increase our vulnerability to adverse economic and industry conditions;
- it may require us to dedicate a substantial portion of our cash flow from operating activities to payments on our indebtedness, thereby reducing the availability of our cash flow from operating activities to fund working capital, capital expenditures and other general corporate purposes;
- it may limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- it may reduce funds available for investments, including capital and operating expenditures and other activities;
- it may restrict us from making strategic acquisitions or exploiting business opportunities;
- it may place us at a competitive disadvantage compared to our competitors that have less debt;
- we may be more vulnerable to increases in interest rates, as borrowings under the Amended Parex Credit Facilities will be at variable rates;
- it may limit our ability to borrow additional funds and increase our cost of borrowing; and
- it may decrease our ability to compete effectively or operate successfully under adverse economic and industry conditions.

Subject to the restrictions in the agreements governing our indebtedness, we may incur substantial additional indebtedness (including secured indebtedness) in the future, including secured debt that is effectively senior or *pari passu* to the Notes, which may exacerbate the risks described above.

Despite our level of indebtedness after the offering, we and our subsidiaries may still be able to incur substantially more debt, which could exacerbate the risks to our financial condition described above.

We and our subsidiaries may be able to incur significant additional indebtedness in the future. Although the indenture governing the Notes and the Amended Parex Credit Facilities will contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of qualifications and exceptions, and the additional indebtedness incurred in compliance with these restrictions could be substantial.

If we incur any additional indebtedness that ranks equally with the Notes, the holders of that debt will be entitled to share ratably with you in any proceeds distributed in connection with our bankruptcy, insolvency, liquidation, dissolution, receivership, arrangement, reorganization, winding up or other insolvency proceeding. This may have the effect of reducing the amount of proceeds paid to you. These restrictions also will not prevent us from incurring obligations that do not constitute indebtedness. If new debt is added to our current debt levels, the related risks that we now face could intensify.

Our debt agreements contain restrictive covenants that may limit our ability to respond to changes in market conditions or pursue business opportunities.

The agreements governing our indebtedness contain, or will contain, certain restrictive covenants that limit our ability to, among other things:

- incur or guarantee additional debt;

- make distributions;
- grant additional liens on our assets;
- enter into transactions with our affiliates;
- repurchase equity securities;
- make certain investments or acquisitions of substantially all or a portion of another entity's business assets; and
- merge with another entity or dispose of our assets.

The requirement that we comply with these provisions may materially adversely affect our ability to react to changes in market conditions, take advantage of business opportunities we believe to be desirable, obtain future financing, fund needed capital or operating expenditures or withstand a continuing or future downturn in our business.

In addition, if we are unable to comply with the restrictions and covenants in our debt agreements, there could be a default under the terms of these agreements. In the event of a default under these agreements, lenders could terminate their commitments to lend or accelerate the loans and declare all amounts borrowed due and payable. Borrowings under other debt instruments that contain cross-acceleration or cross-default provisions may also be accelerated and become due and payable. If any of these events occur, our assets might not be sufficient to repay in full all of our outstanding indebtedness and we may be unable to find alternative financing. Even if we could obtain alternative financing, it might not be on terms that are favorable or acceptable to us. Additionally, we may not be able to amend our debt agreements or obtain needed waivers on satisfactory terms.

Risks Relating to the Notes and the Related Guarantees

We may not complete the Frontera Acquisition on the terms negotiated or at all, in which case the Notes will be subject to a special mandatory redemption.

The Frontera Acquisition is subject to satisfaction of the conditions described herein and normal commercial risk that the Frontera Acquisition may not be completed on the terms negotiated or at all. This could result from events which are beyond our control. If the conditions to the Escrow Release are not satisfied prior to the SMR Outside Date, or upon the occurrence of certain other events, the Notes will be subject to a special mandatory redemption. The Special Mandatory Redemption Price will be equal to (i) 100% of the initial issue price of the Notes, in the case of a Special Mandatory Redemption Event occurring on or prior to January 29, 2027, and (ii)101% of the initial issue price of the Notes, in the case of a Special Mandatory Redemption Event occurring after January 29, 2027, in each case, plus accrued and unpaid interest from the issue date of the Notes to, but not including, the payment date of such mandatory redemption. See "Description of Notes—Escrow of Proceeds" and "Description of Notes—Special Mandatory Redemption." For additional information regarding the risk that the Frontera Acquisition may not be completed, please see "Risks Related to the Frontera Acquisition—Governmental Authorities may impose material and adverse conditions on the completion of the Frontera Acquisition."

The Notes and the related guarantees will be unsecured obligations and will be effectively subordinated to all of our and the Note Guarantors' existing and future secured indebtedness and structurally subordinated to the existing and future indebtedness of any of our non-guarantor subsidiaries.

The Notes and the related guarantees will be general unsecured senior obligations ranking effectively subordinate to all of our and the Note Guarantors' existing and future secured indebtedness, including any borrowings under the Amended Parex Credit Facilities, to the extent of the value of the collateral securing such indebtedness. If we or a Note Guarantor is declared bankrupt, becomes insolvent or is liquidated or reorganized, the holders of our secured indebtedness will be entitled to be paid in full from the proceeds of the assets, if any, securing such indebtedness before any payment may be made with respect to the Notes or the affected guarantees. The Notes will also be structurally subordinated to any indebtedness and other liabilities of our subsidiaries that do not guarantee the Notes.

Holders of the Notes will participate ratably in any remaining proceeds with all holders of our unsecured indebtedness, including unsecured indebtedness incurred after the Notes are issued that does not rank subordinate to the Notes, including trade payables and all of our other general indebtedness, based on the respective amounts owed to each holder or creditor. In any of the foregoing events, there may not be sufficient funds to pay amounts due on the Notes. As a result, holders of the Notes would likely receive less, ratably, than holders of secured indebtedness.

In addition, in the future, we may form unrestricted subsidiaries that will not be subject to any of the covenants of the indenture and will not guarantee the Notes. In the case of any subsidiaries that are not guarantors (including any unrestricted subsidiaries), the Notes would be structurally subordinated to all indebtedness and other liabilities of such subsidiaries.

We and the guarantors may be able to incur a substantial amount of secured indebtedness in the future that would effectively be senior to the Notes to the extent of the value of any assets securing such indebtedness.

The covenants in the indenture pursuant to which the Notes will be issued will permit us and the guarantors, subject to certain requirements, to incur at any time, and from time to time, indebtedness which may be secured by liens on any of our assets or the assets of the guarantors as described under "Description of Notes—Certain Covenants—Limitation on Indebtedness" and "—Certain Covenants—Limitation on Liens." The Notes will be effectively subordinated to any such future secured indebtedness to the extent of the value of any assets securing such indebtedness.

Many of the covenants in the indenture that will govern the Notes, will not apply if the Notes are rated investment grade by two of Moody's, Fitch and S&P.

Many of the covenants in the indenture that will govern the Notes will not apply to us if the Notes are rated investment grade by two of Moody's, Fitch and S&P, provided at such time no default or event of default has occurred and is continuing. These covenants restrict, among other things, our ability to pay distributions, to incur debt and to enter into certain other transactions. There can be no assurance that the Notes will ever be rated investment grade or that, if they are rated investment grade, the Notes will maintain these ratings. Suspension of these covenants would allow us to engage in certain transactions that would not be permitted while these covenants were in force. To the extent the covenants are subsequently reinstated, any such action taken while the covenants were suspended would not result in an event of default under the indenture. See "Description of Notes—Certain Covenants."

We may not be able to repurchase the Notes upon a change of control.

If we experience certain kinds of changes of control, we may be required to offer to repurchase all outstanding Notes at 101% of their principal amount plus accrued and unpaid interest, if any. The source of funds for any such purchase of the Notes will be our available cash or cash generated from the operations of our subsidiaries or other sources, including borrowings, sales of assets or sales of equity or debt securities. We may not be able to repurchase the Notes upon a change of control because we may not have sufficient financial resources to purchase all of the Notes that are tendered following a change of control. Our failure to repurchase the Notes upon a change of control could cause a default under the indenture governing the Notes and could lead to a cross default under the Amended Parex Credit Facilities.

Because your right to require repurchase of the Notes is limited, the trading price of the Notes may decline if we enter into a transaction that does not result in a Change of Control Triggering Event.

The term Change of Control Triggering Event (as defined in "Description of Notes") is limited and does not include every event that might cause the trading price of the Notes to decline. The right of the holders of the Notes to require us to repurchase the Notes upon a Change of Control Triggering Event may not preserve the value of the Notes in the event of a highly leveraged transaction, reorganization, merger or similar transaction. We could engage in many types of transactions, such as acquisitions, refinancings or recapitalizations, any of which could substantially affect our capital structure and the value of the Notes but may not constitute a Change of Control

Triggering Event that permits holders to require us to repurchase their Notes. See "Description of Notes—Repurchases at the Option of the Holders of the Notes Upon Change of Control Triggering Event."

Holders of the Notes may not be able to determine when a Change of Control Triggering Event giving rise to their right to have the Notes repurchased has occurred following a sale of "substantially all" of our assets.

One of the circumstances under which a change of control may occur is upon the sale or disposition of "all or substantially all" of our assets. There is no precise established definition of the phrase "substantially all" under applicable law, and the interpretation of that phrase will likely depend upon particular facts and circumstances. Accordingly, the ability of a holder of Notes to require us to repurchase its Notes as a result of a sale of less than all our assets to another person may be uncertain.

Guarantees of the Note Guarantors will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit their validity and enforceability.

Each Note Guarantor will guarantee the payment of the Notes on a senior unsecured basis and will provide the holders of the Notes and the Trustees with a direct claim against each relevant Note Guarantor. However, the indenture will provide that each guarantee will be limited to the maximum amount that can be guaranteed by the relevant Note Guarantor without rendering the relevant guarantee, as it relates to that Note Guarantor, avoidable or otherwise ineffective or limited under applicable law, and enforcement of each guarantee would be subject to certain generally available defenses. The indenture will also permit guarantees by foreign subsidiaries to be limited to the extent necessary to comply with applicable local law, and these limitations could limit the value of the guarantees.

Our creditors or the creditors of one or more Note Guarantors could challenge the guarantees as a fraudulent transfer, conveyance or preference or on other grounds under applicable Canadian federal or provincial law, United States federal or state law or Dutch law, as applicable (including on the basis of *ultra vires*-type arguments). While the relevant laws vary from one jurisdiction to another, the entering into of the guarantees by certain Note Guarantors could be found to be a fraudulent transfer, conveyance or preference or otherwise void if a court were to determine that:

- the Note Guarantor delivered its guarantee with the intent to defeat, hinder, delay or defraud its existing or further creditors;
- the Note Guarantor did not receive fair consideration for the delivery of the guarantee;
- the Note Guarantor was insolvent at the time it delivered the guarantee;
- under Canadian law and with respect only to us and Note Guarantors that are Canadian companies, the Note Guarantor acted in an oppressive manner, or a manner that was unfairly prejudicial to or unfairly disregarded the interests of any stakeholder or other interested party; or
- under Dutch law, and with respect to guarantors that are Dutch companies, the grant (and in certain cases the enforcement) of a guarantee by a Dutch guarantor may be challenged in or outside bankruptcy under the Dutch *actio pauliana* regime if, among other things, the guarantee was granted without a pre-existing obligation (*onverplicht*), creditors are prejudiced in their means of recovery, and the relevant knowledge requirements are met. The granting of a guarantee may also be challengeable in bankruptcy if granted after the filing of a bankruptcy petition known to the beneficiary or as a result of collusion aimed at preferring a creditor.

Under Swiss corporate law, the guarantee may constitute a violation of capital maintenance rules or otherwise be limited as follows:

- Under Swiss corporate law, payments by a Swiss Guarantor (being Parex Resources (Switzerland) AG, Parex Resources (Colombia) AG, Verano Energy (Switzerland) AG, Frontera Energy Colombia AG, Petroleos Sud Americanos S.A. and any future Note Guarantor incorporated or established in Switzerland) in respect of upstream obligations (obligations of a direct or indirect parent company) or cross-stream obligations (obligations of a sister company) may be limited under Swiss law. In

particular, where a payment under such guarantee would constitute a repayment of capital contributions (*Einlagerückgewähr/Kapitalrückzahlung*), a violation of the legally protected reserves (*gesetzlich geschützte Reserven*) or the payment of a (constructive) dividend (*verdeckte Gewinnausschüttung*) under Swiss corporate law, or would otherwise be restricted under applicable Swiss law and practice, the proceeds from enforcement that may be used by the Swiss Guarantor to discharge such obligations may be limited to the freely disposable equity of the relevant Swiss Guarantor at the time of enforcement (the "Maximum Amount"), as determined in accordance with Swiss law and applicable Swiss accounting principles.

- In addition to the general limitation to the Maximum Amount, certain actions must be taken at the time of enforcement in order to ensure maximum recoverability, including shareholders' resolutions, preparation of an interim audited balance sheet, confirmation by the licensed auditors of the relevant Swiss Guarantor of the Maximum Amount, and, to the extent permitted by applicable Swiss law, conversion of restricted reserves, revaluation of hidden reserves, and write-up or realisation of undervalued assets.

- Furthermore, upon enforcement of the relevant guarantee, any payment made by a Swiss Guarantor under an upstream or cross-stream guarantee may be subject to Swiss federal withholding tax (*Verrechnungssteuer*) at a rate of currently 35% if such payment is characterised as a constructive dividend (*verdeckte Gewinnausschüttung*) and may be subject to any applicable Swiss cantonal and federal corporate income taxes (*Gewinn- und Kapitalsteuern*). Such taxes would reduce the Maximum Amount net of taxes available to holders and, depending on the circumstances, may not be subject to treaty relief or the notification procedure (*Meldeverfahren*). The Swiss guarantee limitation language in the indenture limits the gross-up or indemnification obligation of the relevant Swiss Guarantor in respect of any such withholding to the Maximum Amount.

Under Swiss debt enforcement and bankruptcy law, a guarantee granted by a Swiss Guarantor may be challenged by other creditors of the Swiss Guarantor or by a bankruptcy administrator through avoidance proceedings (*paulianische Anfechtung*). In particular:

- a guarantee may be avoided as a gratuitous disposition or a transaction for inadequate consideration if entered into within one year before the commencement of bankruptcy or debt enforcement proceedings and the Swiss Guarantor did not receive adequate consideration. Whether a guarantee is “gratuitous” or for “inadequate consideration” is assessed objectively, and a Swiss court may consider a guarantee gratuitous where any recourse claim obtained by the Swiss Guarantor against the principal obligor has no or only negligible economic value;

- a guarantee may be avoided if provided for pre-existing obligations within one year before the commencement of bankruptcy proceedings, if the Swiss Guarantor was already over-indebted (*überschuldet*) at the time of granting the guarantee, unless the beneficiary demonstrates that it was unaware of, and had no reason to be aware of, the over-indebtedness; and

- a guarantee may be avoided if it was entered into within five years before bankruptcy or debt enforcement proceedings with the intent – recognisable to the counterparty – to disadvantage other creditors or to prefer certain creditors over others.

Such avoidance actions are subject to a limitation period of three years from the commencement of bankruptcy or the issuance of a certificate of loss. If a guarantee is avoided, holders may be required to return payments received thereunder.

Under Swiss composition moratorium law, if a Swiss Guarantor becomes subject to a composition moratorium (*Nachlassverfahren*), enforcement of the relevant guarantee may be stayed for the duration of the moratorium. During the moratorium, the creation of new security interests and the assumption of new guarantee obligations by the Swiss Guarantor are void absent authorisation by the composition court or the creditors' committee. Any composition agreement (*Nachlassvertrag*) reached at the conclusion of such proceedings may further impair the ability of holders to recover in full under the guarantee.

As a general matter, value is given for a transfer or an obligation if, in exchange for the transfer or obligation, property is transferred or a valid antecedent debt is satisfied. A court would likely find that a Note Guarantor did not receive reasonably equivalent value or fair consideration for its guarantee or security interest to the extent such Note Guarantor did not obtain a reasonably equivalent benefit from the issuance of the Notes. Thus, if the guarantees were legally challenged, any guarantee could be subject to the claim that, since the guarantee was incurred for the benefit of us, and only indirectly for the benefit of such Note Guarantor, the obligations of the applicable Note Guarantor were incurred for less than reasonably equivalent value or fair consideration. Therefore, a court could void the obligations under the guarantees (and any related security), subordinate them to the Note Guarantor's other debt or take other action detrimental to the holders of the Notes.

The measures of insolvency for purposes of the fraudulent transfer or conveyance laws vary depending upon the law being applied in any particular proceeding, such that we cannot assure you which standard a court would apply in determining whether a Note Guarantor was "insolvent" at the relevant time or that, regardless of method of valuation, a court would not determine that a Note Guarantor was insolvent on that date, or that a court would not determine, regardless of whether or not a Note Guarantor was insolvent on the date its guarantee was issued, that payments to holders of the Notes constituted avoidable preferences, fraudulent transfers or conveyances on other grounds under United States, Canadian, Dutch or other applicable law, or that the issuance of the Notes and the guarantees would not be subordinated to our or the Note Guarantor's other debt. Generally, a Note Guarantor would be considered insolvent if:

- the sum of its debts, including contingent liabilities, was greater than the fair value of all of its assets;
- the present fair saleable value of its assets or fair value of its property was less than the amount that would be required to pay its probable liability on its existing debts and liabilities, including contingent liabilities, as they become absolute and mature; or
- it could not pay its debts as they become due.

The liability of each Note Guarantor under its guarantee will be limited to the amount that will result in such guarantee not constituting a preference, fraudulent conveyance or improper corporate distribution or otherwise being set aside (although this provision may not be effective as a legal matter to protect the guarantees from being avoided under fraudulent transfer laws). However, there can be no assurance as to what standard a court will apply in making a determination of the maximum liability of each Note Guarantor. There is a possibility that the entire guarantee may be set aside, in which case the entire liability may be extinguished.

As a court of equity, a United States bankruptcy court may otherwise subordinate the claims in respect of the Notes to other claims against us under the principle of equitable subordination, if the court determines that: (i) the holders of the Notes engaged in some type of inequitable conduct; (ii) such inequitable conduct resulted in injury to our other creditors or conferred an unfair advantage upon the holders of the Notes; and (iii) equitable subordination is not inconsistent with the provisions of Title 11 of the United States Code, as amended (the "Bankruptcy Code").

To the extent a court voids a guarantee as a fraudulent transfer, preference or conveyance or holds it unenforceable for any other reason, holders of Notes would cease to have any direct claim against the applicable Note Guarantor. If a court were to take this action, the Note Guarantor's assets would be applied first to satisfy the Note Guarantor's liabilities, including trade payables and preferred share claims, if any, before any portion of its assets could be distributed to us to be applied to the payment of the Notes. If a court were to conclude that the guarantee should be subordinated for equitable reasons to claims of other creditors of a Note Guarantor, then those other creditors must be satisfied before any portion of the assets of that Note Guarantor would be available to satisfy the guarantee. We cannot assure you that a Note Guarantor's remaining assets would be sufficient to satisfy the claims of the holders of the Notes relating to any voided portions or subordinated portions of the guarantees.

In addition, the corporate statutes or other instruments governing the Note Guarantors may also have provisions that serve to protect each Note Guarantor's creditors from impairment of its capital from financial assistance given to its corporate insiders where there are reasonable grounds to believe that, as a consequence of this financial assistance, the Note Guarantor would be insolvent or the book value, or in some cases the realizable value, of its assets would be less than the sum of its liabilities and its issued and paid-up share capital. While the applicable corporate laws may not prohibit financial assistance transactions and a corporation is generally permitted flexibility

in its financial dealings, the applicable corporate laws or corporate statutes may place restrictions on each Note Guarantor's ability to give financial assistance in certain circumstances. A court may also, in certain circumstances, hold that a guarantee should be subordinated for equitable reasons to claims of other creditors of a Note Guarantor.

We may not be able to generate sufficient cash to service all of our indebtedness, including the Notes, and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.

Our ability to make scheduled payments on or refinance our debt obligations after the Frontera Acquisition, including the Notes, depends on our financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to certain financial, business, legislative, regulatory and other factors beyond our control. We may be unable to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness, including the Notes. If we complete the Frontera Acquisition but do not achieve the expected benefits and cost savings from the Frontera Acquisition, or if the financial performance of the combined company does not meet our current expectations, then our ability to service our indebtedness may be adversely impacted.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we could face substantial liquidity problems and could be forced to reduce or delay investments and capital expenditures or to dispose of material assets or operations, seek additional debt or equity capital or restructure or refinance our indebtedness, including the Notes. We may not be able to effect any such alternative measures, if necessary, on commercially reasonable terms or at all and, even if successful, those alternative actions may not allow us to meet our scheduled debt service obligations. The Amended Credit Agreement and the indenture that will govern the Notes will restrict our ability to dispose of assets and use the proceeds from those dispositions and may also restrict our ability to raise debt or equity capital to be used to repay other indebtedness when it becomes due. We may not be able to consummate those dispositions or to obtain proceeds in an amount sufficient to meet any debt service obligations then due. See "Description of Other Indebtedness" and "Description of Notes."

Further, a range of economic, competitive, business and industry factors will affect our future financial performance, and, as a result, our ability to generate cash flow from operating activities and to pay our debt. Many of these factors, such as oil, condensate, NGLs and natural gas prices, economic and financial conditions in our industry and the global economy or competitive initiatives of our competitors, are beyond our control and are described in "Risk Factors—Risks Related to our and Frontera E&P's Business."

In addition, we conduct all of our operations through our subsidiaries, certain of which will not be guarantors of the Notes or our other indebtedness. Accordingly, repayment of our indebtedness, including the Notes, is dependent on the generation of cash flow by our subsidiaries and their ability to make such cash available to us, by dividend, debt repayment or otherwise. Unless they are guarantors of the Notes or our other indebtedness, our subsidiaries do not have any obligation to pay amounts due on the Notes or our other indebtedness or to make funds available for that purpose. Our subsidiaries may not be able to, or may not be permitted to, make distributions to enable us to make payments in respect of our indebtedness, including the Notes. Each subsidiary is a distinct legal entity, and, under certain circumstances, legal and contractual restrictions may limit our ability to obtain cash from our subsidiaries. While the indenture that will govern the Notes and the Amended Credit Agreement each limit the ability of our subsidiaries to incur consensual restrictions on their ability to pay dividends or make other intercompany payments to us, these limitations are subject to qualifications and exceptions. In the event that we do not receive distributions from our subsidiaries, we may be unable to make required principal and interest payments on our indebtedness, including the Notes.

Our inability to generate sufficient cash flows to satisfy our debt obligations, or to refinance our indebtedness on commercially reasonable terms or at all, would materially and adversely affect our financial position and results of operations and our ability to satisfy our obligations under the Notes. If we cannot make scheduled payments on our debt, we will trigger a default under each of our debt facilities, which could result in the lenders under the Amended Credit Agreement and holders of the Notes to declare all outstanding principal and interest to be due and payable, and the lenders under our Existing Parex Credit Facilities and New Parex Credit Facilities could suspend or terminate their commitments to loan money and foreclose against the assets securing their borrowings, which could force us into bankruptcy or liquidation. All of these events could result in your losing your investment in the Notes.

Insolvency proceedings related to us will be governed by Canadian insolvency laws, which are different from the insolvency laws of certain other jurisdictions.

Canadian insolvency laws are different from the insolvency laws of the United States and certain other jurisdictions. If we become insolvent, the treatment and ranking of holders of the Notes, our other creditors and shareholders under Canadian law may be different than the treatment and ranking of holders of the Notes, our other creditors and shareholders if we were subject to the bankruptcy laws of the United States or certain other jurisdictions.

Enforcement of the guarantees across multiple jurisdictions may be difficult.

The Notes will be issued by us and will be guaranteed by the Note Guarantors, which are organized or incorporated under the laws of different jurisdictions. In the event of a bankruptcy, insolvency or similar event (including restructuring proceedings), proceedings could be initiated in any of these jurisdictions. The rights of holders of the Notes under the guarantees will thus be subject to the laws of different jurisdictions, and it may be difficult to enforce such rights in multiple bankruptcy, insolvency and other similar proceedings. Moreover, such multi-jurisdictional proceedings are typically complex and costly for creditors. In addition, the bankruptcy, insolvency, administration and other laws of our jurisdiction of organization and the jurisdiction of organization of the Note Guarantors may be materially different from, or in conflict with, one another, including creditor's rights, priority of creditors, the ability to obtain post-petition interest and the duration of the insolvency proceeding. The application of these various laws in multiple jurisdictions could trigger disputes over which jurisdictions' law should apply and could adversely affect the ability to realize any recovery under the Notes and the guarantees.

In addition, to the extent an obligor or guarantor is located in the European Union (including the Netherlands), the location of its "center of main interests" may affect where "main" insolvency proceedings are opened and which insolvency law applies, and parallel territorial proceedings may also be possible in certain circumstances. This may add complexity and delay for creditors seeking to enforce guarantees against assets located in multiple jurisdictions.

Under the Bankruptcy Code, U.S. bankruptcy courts are given jurisdiction over a debtor's property wherever it is located, including property situated in other countries. However, courts outside of the U.S. may not recognize the U.S. bankruptcy court's jurisdiction. Accordingly, you may have difficulty administering a U.S. bankruptcy case or a ruling of a U.S. bankruptcy court involving us or any Note Guarantors organized outside of the U.S., because their center of main interest and/or the substantial majority of their respective property are located outside of the U.S. Any orders or judgments of a bankruptcy court in the U.S. may not be enforceable against us or the Note Guarantors organized outside of the U.S. with respect to their respective property located outside the U.S. Similarly, under Canadian bankruptcy and insolvency laws, courts have jurisdiction over a debtor's property wherever it is located, including property situated in other countries. However, courts outside of Canada may not recognize the Canadian court's jurisdiction. Accordingly, you may have difficulty administering a Canadian bankruptcy or insolvency case involving us or the Note Guarantors because their center of main interest and/or the substantial majority of their respective property is located outside of Canada. Any orders or judgments of a Canadian court may not be enforceable against us or the Note Guarantors with respect to their property located outside Canada. Similar difficulties may arise in administering bankruptcy cases in other jurisdictions.

In the Netherlands, restructuring proceedings may also be commenced outside formal bankruptcy or suspension of payments proceedings, including through a court-confirmed private restructuring plan procedure (WHOA). Depending on the circumstances, such proceedings may affect (including compromise) claims under guarantees given by group companies, which could adversely affect recoveries under the Notes and guarantees.

The Swiss Guarantors are incorporated under Swiss law. The following specific risks apply in relation to the enforcement of their guarantees:

- Enforceability Judgments in Switzerland: Switzerland is not party to any bilateral treaty with the United States or Canada providing for the mutual recognition and enforcement of court judgments in civil and commercial matters. Accordingly, any final judgment obtained against a Swiss Guarantor before a U.S. federal or state court, or any competent court in Canada, will not be automatically enforceable in Switzerland. A holder wishing to enforce any such judgment against a Swiss Guarantor in Switzerland would be required to commence separate recognition and enforcement proceedings

before the competent Swiss cantonal court pursuant to the Swiss Federal Act on PILA. Recognition requires, among other things, that (i) the foreign court had jurisdiction (e.g., by virtue of a valid choice-of-court agreement or the defendant's unconditional appearance), (ii) the judgment is final and no longer subject to ordinary appeal, and (iii) none of the grounds for refusal under the PILA apply, including in particular that the judgment is not manifestly incompatible with Swiss public policy (*ordre public*) and that the defendant was duly served and had a fair opportunity to be heard. The Swiss court will not re-examine the merits of the underlying dispute. If recognition is refused, a holder would need to recommence proceedings on the merits before the competent Swiss court, which proceedings would be conducted in accordance with Swiss civil procedure and Swiss conflict of laws rules. There is no pre-trial discovery process under Swiss law comparable to that available in the United States or Canada.

- Swiss Insolvency Proceedings and Auxiliary Bankruptcy: In the event of insolvency of a Swiss Guarantor, Swiss debt enforcement and bankruptcy proceedings will be governed by the Swiss Federal DEBA and will be administered by Swiss cantonal authorities. A foreign bankruptcy will not automatically extend to the Swiss assets of a Swiss Guarantor. Recognition of a foreign bankruptcy decree in Switzerland requires a separate application, and recognition may be refused on public policy or other grounds. Upon recognition, Swiss auxiliary bankruptcy proceedings (*Hilfskonkurs*) will be opened over Swiss assets of the Swiss Guarantor. In such auxiliary proceedings, the claims admitted to the Swiss schedule are limited to (i) claims secured by assets in Switzerland, (ii) claims of Swiss-domiciled creditors that are unsecured, and (iii) claims relating to Swiss-branch liabilities. Any surplus remaining after satisfaction of admitted Swiss claims will be remitted to the foreign estate, subject to certain conditions. These mechanics may significantly limit the effective recovery by holders from the Swiss assets of a Swiss Guarantor in an insolvency scenario.

- Original Actions: It may not be possible to bring an original action in Switzerland based on Canadian federal or provincial laws or U.S. federal or state securities laws, as Swiss courts will apply their own conflict of laws rules and may not recognise Canadian federal or provincial laws or U.S. federal or state securities law claims. Claims based on Swiss law (including contract claims under the indenture, governed by New York law but enforceable in Switzerland subject to the above) would need to satisfy Swiss conflict of laws and procedural requirements.

Canadian bankruptcy, insolvency and other restructuring laws may impair the Trustee's ability to enforce remedies under the Notes, and courts outside of the United States may not recognize a U.S. bankruptcy court's jurisdiction.

The rights of the Trustee who will represent the holders of the Notes to enforce remedies could be delayed at common law or pursuant to the restructuring provisions of applicable Canadian federal bankruptcy, insolvency and other restructuring legislation if the benefit of such legislation is sought with respect to us. In particular, remedies that otherwise would be available to the Trustee pursuant to specified events of default relating to the insolvency, restructuring, or reorganization of us or any Note Guarantor may be delayed by virtue of a stay of proceedings, or may not be available at all if their exercise would have the effect of depriving the insolvent estate of us or any Note Guarantor of value. For example, the *Bankruptcy and Insolvency Act* (Canada) and the *Companies' Creditors Arrangement Act* (Canada) contain provisions that have been interpreted to allow a person to obtain a stay of proceedings against its creditors and to file a plan or proposal to be voted on by the various classes of its affected creditors. In addition, companies are able to reorganize or arrange their affairs under the provisions of the applicable corporate statutes (in Alberta, the *Business Corporations Act* (Alberta) (the "ABCA") or, where federally incorporated, the *Canada Business Corporations Act*); in such cases, courts have wide discretion to make any order they see fit to facilitate the goal of an orderly reorganization transaction, which could affect creditors' rights and the manner in which claims are addressed. A restructuring proposal, made pursuant to bankruptcy, insolvency and other restructuring legislation, if accepted by the required statutory threshold of each affected class of creditors, and if approved by the relevant Canadian court, would be binding on all creditors within each affected class, including those creditors that did not vote to accept the proposal. Moreover, this legislation, in certain instances, permits the insolvent debtor to retain possession and administration of its property, subject to court oversight, even though it may be in default under the applicable debt instrument, during the period that the stay against proceedings remains in place.

The powers of the court under the *Bankruptcy and Insolvency Act* (Canada) and particularly under the *Companies' Creditors Arrangement Act* (Canada) have been interpreted and exercised broadly so as to protect a restructuring entity from actions taken by creditors and other parties. Accordingly, we cannot predict whether payments under the Notes or the guarantees, as the case may be, would be made during any proceedings in bankruptcy, insolvency or other restructuring, whether or when the Trustee could exercise its rights under the indenture governing the Notes or guarantees or whether and to what extent holders of the Notes would be compensated for any delays in payment, if any, of principal, interest and costs, including the fees and disbursements of the Trustee.

In addition to the foregoing, in proceedings under the *Companies' Creditors Arrangement Act* (Canada) (and in certain proposal proceedings under the *Bankruptcy and Insolvency Act* (Canada)), the court may authorize interim financing and other court-ordered charges (including professional fee charges) that can rank in priority to existing secured claims, which could materially reduce the value available to satisfy obligations under the Notes and guarantees.

Under bankruptcy laws in the United States, courts typically have jurisdiction over a debtor's property, wherever located, including property situated in other countries. We cannot assure you, however, that courts outside of the United States would recognize a U.S. bankruptcy court's jurisdiction. Accordingly, difficulties may arise in administering a U.S. bankruptcy case involving a Canadian issuer like us with property located outside of the United States, and any orders or judgments of a bankruptcy court in the United States may not be enforceable outside the United States against us.

There are restrictions on your ability to transfer or resell the Notes without registration under applicable securities laws.

The Notes are being offered and sold pursuant to an exemption from registration under U.S. and applicable state securities laws. In addition, we are not required to commence an exchange offer for the Notes or to register sales of the Notes under the Securities Act. Therefore, you may transfer or resell the Notes in the United States only in a transaction registered under or exempt from the registration requirements of the U.S. and applicable state securities laws, and you may be required to bear the risk of your investment for an indefinite period of time. See "Transfer Restrictions."

Any distribution of the Notes in any of the provinces of Canada will be made only on a private placement basis exempt from the requirement that we prepare and file a prospectus with the securities regulatory authorities in each of the provinces where trades of the Notes are made. Any resale of the Notes in Canada must be made under applicable securities laws which will vary depending on the relevant jurisdiction, and which may require resales to be made under available statutory exemptions or under a discretionary exemption granted by the applicable Canadian Securities Regulator.

An active trading market for the notes may not develop or be maintained, and the Notes may not remain listed on the Singapore Stock Exchange.

The Notes are a new issue of securities with no established trading market. We intend to apply to list the Notes on the Singapore Stock Exchange. We cannot assure you, however, that this application will be accepted. Even if the Notes are listed on the Singapore Stock Exchange, we may not be able to maintain such listing, and the Notes may be delisted if we fail to comply with any applicable listing requirements. A listing on the Singapore Stock Exchange should not be regarded as an indication of the merits of the Notes or the Company. Furthermore, even if the Notes are listed, there can be no assurance that an active trading market for the Notes will develop or, if developed, will be maintained. Certain of the Initial Purchasers have advised us of their intention to make a market for the Notes, but have no obligation to do so and may discontinue market-making at any time without providing any notice. Further, there can be no assurance as to the liquidity of any market for the Notes, your ability to sell your Notes or the price at which you will be able to sell your Notes.

Future trading prices of the Notes will depend on many factors, including, but not limited to, prevailing interest rates, our financial condition and results of operations, the then-current ratings assigned to the Notes and the market for similar securities. Any trading market that develops would be affected by many factors independent of and in addition to the foregoing, including the: time remaining to the maturity of the Notes; outstanding amount of the

Notes; terms related to optional redemption of the Notes; and level, direction and volatility of market interest rates generally. If an active market is not developed or maintained, or if the Notes are not listed or are delisted from the Singapore Stock Exchange, the market price and liquidity of the Notes may be adversely affected.

An adverse rating of the Notes may cause the value of such Notes to fall.

If the rating agencies that rate the Notes reduce their ratings on the Notes in the future or indicate that they have their ratings on such Notes under surveillance or review with possible negative implications, the value of those Notes could decline. In addition, a ratings downgrade could adversely affect our ability to access capital. Our credit ratings are an assessment by rating agencies of our ability to pay our debts when due. Consequently, real or anticipated changes in our credit ratings will generally affect the market value of the Notes. These credit ratings may not reflect the potential impact of risks relating to structure or marketing of the Notes. Agency ratings are not a recommendation to purchase, hold or sell the Notes and may be revised or withdrawn at any time by the issuing organization. Each agency's rating should be evaluated independently of any other agency's rating.

Upon the occurrence of a Special Mandatory Redemption Event we will be required to redeem the outstanding Notes at the "special mandatory redemption price." As a result, holders of such redeemed Notes may not obtain their expected return on the redeemed Notes.

We may not consummate the Frontera Acquisition within the timeframe specified under "Description of Notes—Special Mandatory Redemption," or the Arrangement Agreement may be terminated. Our ability to consummate the Frontera Acquisition is subject to certain closing conditions for which we have limited or no control. We cannot assure you the Frontera Acquisition will close on the time frame currently expected or at all. The Notes will be subject to a special mandatory redemption in the event that (i) the conditions to the Escrow Release are not satisfied prior to the SMR Outside Date, (ii) the Company notifies the Escrow Agent and the Trustee at any time prior to the SMR Outside Date that the Arrangement Agreement is terminated (other than as a result of consummating the Frontera Acquisition) or (iii) the Company delivers a notice to the Escrow Agent and the Trustee at any time prior to the SMR Outside Date stating that it will no longer pursue the consummation of the Frontera Acquisition. We refer to each of such events as a Special Mandatory Redemption Event. If a Special Mandatory Redemption Event occurs, we will be required to redeem the outstanding notes of each series at the special mandatory redemption price equal to (i) 100% of the initial issue price of the Notes, in the case of a Special Mandatory Redemption Event occurring on or prior to January 29, 2027, and (ii) 101% of the initial issue price of the Notes, in the case of a Special Mandatory Redemption Event occurring after January 29, 2027, in each case, plus accrued and unpaid interest from the issue date of the Notes up to, but not including, the payment date of such mandatory redemption.

If we redeem the Notes pursuant to special mandatory redemption, you may not obtain your expected return on the redeemed Notes. Your decision to invest in the notes is made at the time of the offering of such Notes. You will have no rights under the special mandatory redemption provision in the event a Special Mandatory Redemption Event does not occur, nor will you have any right to require us to redeem your Notes if, between (x) the closing of this offering and (y) the consummation of the Frontera Acquisition, we experience any changes in our business or financial condition or if the terms of the Frontera Acquisition change. See "Description of Notes--Special Mandatory Redemption."

Certain Risks for United States and Other Non-Resident Investors

The ability of investors resident in the United States to enforce civil remedies is limited.

We are a corporation incorporated under the laws of the Province of Alberta, Canada, our principal office is located in Calgary, Alberta and a substantial portion of our assets are located outside the United States. Most of our directors and officers and the representatives of the experts who provide services to us (such as our auditors and our independent qualified reserves evaluators), and all or a substantial portion of their assets are located outside the United States. As a result, it may be difficult for investors in the United States to effect service of process within the United States upon such directors, officers and representatives of experts who are not residents of the United States or to enforce against them judgments of the United States courts based upon civil liability under the United States federal securities laws or the securities laws of any state within the United States. There is doubt as to the enforceability in Canada against us or any of our directors, officers or representatives of experts who are not

residents of the United States, in original actions or in actions for enforcement of judgments of United States courts of liabilities based solely upon the United States federal securities laws or securities laws of any state within the United States.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Please see our MD&A, included as Annex D to this offering memorandum.

DIRECTORS AND OFFICERS

The names, provinces and countries of residence, positions held with the Issuer, and principal occupation of the directors and officers of the Issuer during the past five years are set out below, and, in the case of directors, the period each has served as a director of the Issuer. The information below is provided for the Issuer's directors and officers as at March 3, 2026.

Name, Province and Country of Residence	Offices Held and Time as Director or Officer[4]	Principal Occupation (for last 5 years)
Lynn Azar[1][3][5] The Hague, Netherlands	Director since July 13, 2022	Ms. Azar is currently Senior Vice President, Finance, Corporate Development and Strategy at Sony Interactive Entertainment. Previously she held the role of SVP and Head of Finance at PlayStation Studios, a division of Sony Interactive Entertainment from February 2020 to April 2025.
Alberto Consuegra[1][3][5] Bogota, Colombia	Director since June 1, 2025	Mr. Consuegra is currently the CEO of Amazonica LNG. Before that Mr. Consuegra was the Chief Operating Officer of Ecopetrol, Colombia's national oil company, from March 2019 to May 2024.
Sigmund Cornelius[1][3][5] Texas, United States	Director since May 14, 2020	Prior to retirement in 2023, Mr. Cornelius was President of Freeport LNG Development L.P., a company based in Houston, Texas, from 2014 to 2023. He has served on the board of multiple public and private companies and currently serves on the board of Phillips 66.
Daniel Ferreiro Bogota, Colombia	President & Country Manager of Parex Colombia and Verano Energy since December 1, 2020	Mr. Ferreiro was appointed as the President & Country Manager of Parex Colombia and Verano Energy in 2020. Mr. Ferreiro has been with the Issuer and its predecessor, PARI, for over 15 years.
Wayne Foo[5][6] Alberta, Canada	Director since August 28, 2009 and Chair since May 11, 2017	Currently Chair of the Board of Directors of Parex. Mr. Foo was formerly Chief Executive Officer of Parex from September 29, 2009, to May 10, 2017, and President of Parex from September 29, 2009, to November 5, 2015.
Eric Furlan Alberta, Canada	Chief Operating Officer since February 5, 2018	Currently Chief Operating Officer of Parex, Senior Vice President of Engineering of Parex from 2017 to 2018 and Vice President of Engineering of the Company from 2012 to 2017.
Cameron Grainger Alberta, Canada	Chief Financial Officer (effective March 4, 2025) (Interim Chief Financial Officer from September 21, 2024 to effective date of March 4, 2025)	Currently Chief Financial Officer of Parex. Mr. Grainger has been a member of our team since 2011, holding senior leadership roles with increasing levels of responsibility, including Vice President, Finance & Controller, and Interim Chief Financial Officer and prior to that being the Company's Controller.
Mona Jasinski[2][5] Alberta, Canada	Director since May 8, 2025	Ms. Jasinski is currently the Senior Vice President, HR & Communications at NOVA Chemicals. Ms. Jasinski joined NOVA Chemicals in January 2021. Ms. Jasinski served as Executive Vice President, People and Culture at Vermilion Energy for 12 years before joining NOVA Chemicals. She is a current board member of the Alberta Children's Hospital Foundation.
Jeff Lawson[1][3][5] Alberta, Canada	Director since May 8, 2025	Mr. Lawson is currently Executive Vice-President, Corporate Development and Chief Sustainability Officer at Cenovus Energy. Prior thereto, Mr. Lawson was Senior Vice-President, Corporate Development and Chief Sustainability Officer from May 2024 to March 2025, and Senior Vice-President, Corporate Development from January 2023 to May 2024, at Cenovus Energy. Prior to Cenovus, Mr. Lawson spent 15 years at Peters & Co. Limited in a variety of senior finance roles.
G. R. (Bob) MacDougall[1][3][5] Alberta, Canada	Director since October 4, 2016	Mr. MacDougall was the Executive Vice President and Chief Operating Officer of Vermilion Energy Corporation from 2004 to 2012. He was a director at Transglobe Energy Corporation from 2014 to 2019.
Glenn McNamara[2][4][5] Alberta, Canada	Director since October 4, 2016	Prior to retirement in 2023, Mr. McNamara was the President and Chief Executive Officer of Heritage Resources LP, a private oil & gas royalty business. Mr. McNamara currently serves on the boards of Whitecap Resources Inc., PrairieSky Royalty Ltd. and Atlas Energy Corp.
Imad Mohsen[5] Alberta, Canada	President and Chief Executive Officer and Director since February 4, 2021.	Currently, President and Chief Executive Officer of Parex. Mr. Mohsen was Chief Executive Officer of Tulip Oil Holding B.V. from 2015 until joining our team in 2021.

Name, Province and Country of Residence	Offices Held and Time as Director or Officer[4]	Principal Occupation (for last 5 years)
Carmen Sylvain[2][4][5] Alberta, Canada	Director since July 6, 2017	Ms. Sylvain is a former Canadian Ambassador and Assistant Deputy Minister. She currently serves on the boards of Orient Investment Properties and the Arab Refining Company.

(1) Member of the Finance and Audit Committee.
(2) Member of the Corporate Governance and Nominating Committee.
(3) Member of the Health, Safety and Environment and Reserves Committee.
(4) Member of the Human Resources and Compensation Committee.
(5) The Issuer’s directors will hold office until the next annual general meeting of the Company's shareholders or until each director's successor is appointed or elected pursuant to the ABCA.
(6) As announced by the Company in its press release dated January 19, 2026, Mr. Wayne Foo will be retiring as a director and Board Chair of the Company effective May 12, 2026. It is expected that Mr. Glenn McNamara, current Vice Chair, will assume the role of Board Chair effective May 12, 2026.

INDUSTRY

The following is a brief summary of the economic and energy market conditions encountered in conducting oil and natural gas operations in Colombia. The industry-related information in this section has been taken from public sources. See “Industry and Market Data” in this offering memorandum.

Colombian Crude Oil and Natural Gas Industry

Colombia has encouraged crude oil and gas exploration since the beginnings of the twentieth century and first recorded a commercial discovery in 1918. Notwithstanding periods of political and social instability, the country has always remained open to private investment and the Colombian government has consistently encouraged domestic and foreign participation in new exploration and production projects through periodic updates of the country’s regulatory framework and the introduction of E&P contracts that meet international standards.

Entities Responsible for Hydrocarbon Resource Administration

Historically, the State was represented by Ecopetrol, a company created as a state-owned entity in 1951, later reorganized as Empresa Industrial y Comercial del Estado in 1959, subsequently as a public joint-stock company, and ultimately transformed into a Sociedad de Economía Mixta (Mixed-Economy Company) through the Law 1118 of 2006.

Following the Brazilian model (among others), in 2003, by means of Decree 1760 of 2003, the oil and gas regulatory regime in Colombia was reformed to make it more competitive. As a consequence of the reform, the ANH was formed. Since 2003 the ANH has been the State entity vested with broad authority over the administration of hydrocarbon resources in Colombia. Nevertheless, Ecopetrol reserved the rights of exploration and production over the areas that, by the time of the creation of the ANH, were under its direct operation (reverted concession areas) or were subject to existing Association Contracts or any other modality in force at that date.

Contracts executed by Ecopetrol and those executed by the ANH —although entered into by State entities—are governed by private law and the special legislation applicable to both.

Existing Contractual Models

Contracts executed by Ecopetrol and those executed by the ANH—although entered into by State entities— are governed by private law and the special legislation applicable to each contractual regime, without prejudice to their characterization as State contracts for certain purposes, such as judicial review.

Association Contracts

Decree 2310 of October 1974 established that the exploration and production of hydrocarbons would be conducted by Ecopetrol, except for the concession contracts that remained in force at the time of such Decree.

To carry out such activities, Ecopetrol was authorized to enter into any form of agreement other than concessions, including Association Contracts (akin to Production Sharing Contracts), Incremental Production Contracts, and Service Contracts for mature fields, (e.g. CNDI - CPR - CRC) applicable for minor blocks or mature fields.

The Association Contract—the most relevant modality—is a model under which the exploration risk is fully assumed by the Associate, and in the event of a discovery, Ecopetrol reimburses the Associate for the incurred costs (approximately 50%) with production, in kind, without interest. In more recent Association Contracts, that percentage increased to 70% in favor of Ecopetrol (but terms vary by contract and field).

If the commerciality of the discovery is accepted by Ecopetrol (successful), the costs are reimbursed and the contract moves into the Production Stage (with an average term of approximately 24 years), and Ecopetrol and the Associate share, in agreed proportions (50% - 50% or 70% -30%, depending on the contract), the costs, investments,

and production from the commercial field. If Ecopetrol decides not to participate in the development of the field, contractor could advance into the production stage on its own or decide to terminate the Contract.

In this model, the operator may be a company different from the Parties (Ecopetrol and the Associate) and operates regularly under a liability standard equivalent to gross negligence or willful misconduct (culpa grave o dolo).

Any assignment of rights under Association Contracts is subject to the prior approval of Ecopetrol. Upon termination, all rights of the Associate revert to Ecopetrol without consideration.

E&P and TEA Contracts

The ANH established a new oil and gas contracting framework, encouraging foreign participation in new exploration projects through the introduction of E&P Contracts that met international standards and offering industry participants the undeveloped and unlicensed exploration areas in the country. The ANH also introduced Technical Evaluation Agreements ("TEAs"), pursuant to which companies are awarded longer evaluation licenses and a right of first refusal to evaluate exploration acreage by proposing work commitments (including stratigraphic but no exploration wells), providing them low-cost access to larger areas for preliminary evaluation prior to committing to broader exploration programs. These two contractual improvements provided clear rules for industry participants and reduced the cost of doing business, resulting in a significant increase in Colombian exploration and production activity and competition among industry participants.

Through successive regulations (Accords) the ANH has defined the framework for awarding areas under E&P Contracts and TEAs. These instruments govern both exploration and production rights and the State's control mechanisms.

The E&P model is considered a "modern concession" through which the ANH grants to the contractor the right to explore and produce hydrocarbons while maintaining mechanisms to supervise the performance of activities and the minimum work obligations of the companies acting as concessionaires (contractors).

Exploration and production contracts set forth the ANH's economic rights in addition to the royalty set out in the law, which includes:

- a fee for the right to use the subsoil (canon superficiario), calculated based on the number of hectares comprising the contract area during the exploration and production period;
- a windfall profits or additional economic participation rights. The ANH is entitled to an additional economic participation right (or windfall profit take) in the event that the price of the benchmark crude "West Texas Intermediate" exceeds the base price set forth in the contract (or in Accord 002 of 2017, for future contracts), which varies depending on the quality of the oil (subject to specific exceptions) and production from the contract area exceeds an agreed threshold (5 million Barrels);
- for gas, the windfall profits take is paid when gas production reaches five years and is destined for export, and the benchmark price "U.S. Gulf Coast Henry Hub" exceeds the base price provided for in the exploration and production contract. As per Accord 002 of 2017, windfall profit take for gas production applies in cases in which the production of gas reaches five years as from the declaration of commerciality, and in the event that the average sales price for the relevant calendar month exceeds the base price set forth in Accord 002 of 2017;
- an additional percentage share in production after royalties, if offered by the contractor in the selection process under which the E&P Contract was awarded; and
- a transfer of technology and institutional strengthening payment, which varies depending on the stage of the contract.

Additionally, in both current and amended contracts, the ANH requires the payment of a 1% mandatory social investment (PBC), calculated over the total minimum exploratory investment committed by the contractor.

Assignments of interest under an E&P Contract are subject to the assignee's compliance with the qualification criteria of the bidding round to which the block belongs, and, if applicable, to prior authorization by the Superintendencia de Industria y Comercio (SIC) when the transaction meets the market-integration thresholds defined in Law 1340 of 2009.

As in some Association Contracts, upon termination of an E&P Contract, the contractor must fulfill all abandonment obligations, and all assets and rights revert to the ANH without compensation.

Since its creation in 2004 and until 2025, the ANH has carried out about 14 oil and gas licensing rounds covering different types of licenses (e.g., mature and prospective, large and small, onshore and offshore, conventional and unconventional) and covering nearly all basins across Colombia. As of December 31, 2024, a total of approximately 274 contracts have been signed under different regimes (E&P, TEA, E&E, O&A, and Special or Association Agreements), of which around 70% remain active or in execution, primarily under the E&P category.

As a result of these changes, Colombia today is one of the most attractive oil and gas markets in Latin America. Based on data from the Central Bank of Colombia, foreign investment in the oil and gas sector in Colombia grew from US$495 million in 2004 with a peak of US$4.7 billion in 2014 and an average of US2.5 billion in the last 3 years, the oil and gas industry accounted for approximately 18% of the total foreign direct investment in the country. Oil is currently Colombia's leading export, representing approximately 25% of the country's exports in 2025 and provides a critical source of US dollars to the country. Most of Colombia's oil exports are to the United States, making it one of the six largest suppliers of foreign crude oil to the United States in recent years.

According to the Asociación Colombiana de Petróleo, there were 40 oil and gas companies operating in Colombia as of December 31, 2025. In addition to Parex and Frontera, notable oil and gas companies with interests in Colombia include Ecopetrol, Petrobras, Anadarko, Shell, Sierracol, GeoPark, Gran Tierra, among others.

Geology and Infrastructure

Together with Venezuela and parts of Ecuador, Colombia shares the La Luna crude oil-source rock, a world-class Cretaceous marine source rock that has generated the majority of crude oil reserves across northern South America.

According to the Agencia Nacional de Hidrocarburos (ANH), Colombia comprises 23 sedimentary basins, distributed across both onshore and offshore areas. The country's main producing basins are the Llanos, Middle Magdalena, and Upper Magdalena, which are mature, have established infrastructure, and favorable reservoir characteristics.

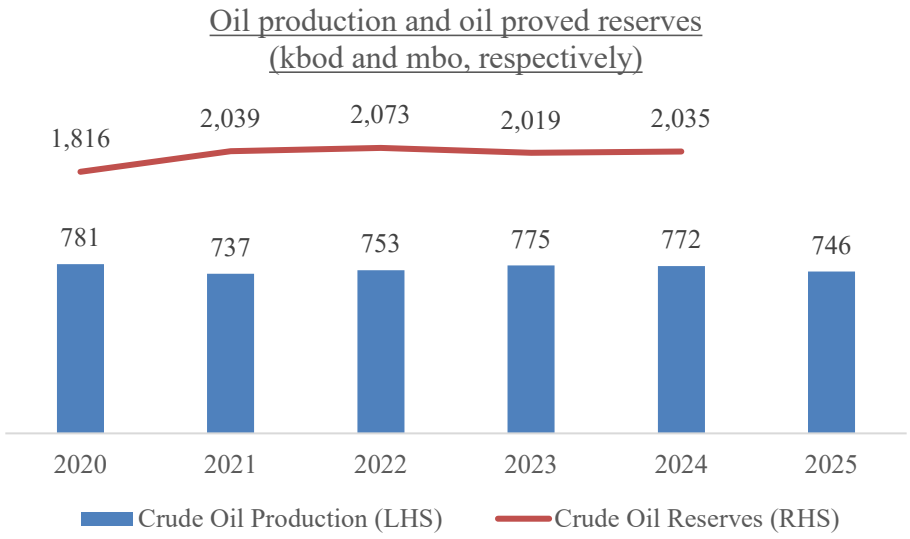
The Llanos Basin, an extensive foreland system in the east, hosts thick Cretaceous–Tertiary clastic sequences with simple structures, high-quality reservoirs, and predictable performance — making it the backbone of Colombia's production growth. The Middle Magdalena Basin, part of the Andean fold-and-thrust belt, combines proven source rocks such as La Luna and Simití with stacked, faulted reservoirs that continue to attract investment in both conventional and unconventional opportunities. The Upper Magdalena Basin offers mature production and established infrastructure alongside underexplored stratigraphic and structural plays that present attractive near-field potential.

Reserves and Production of Crude Oil and Gas

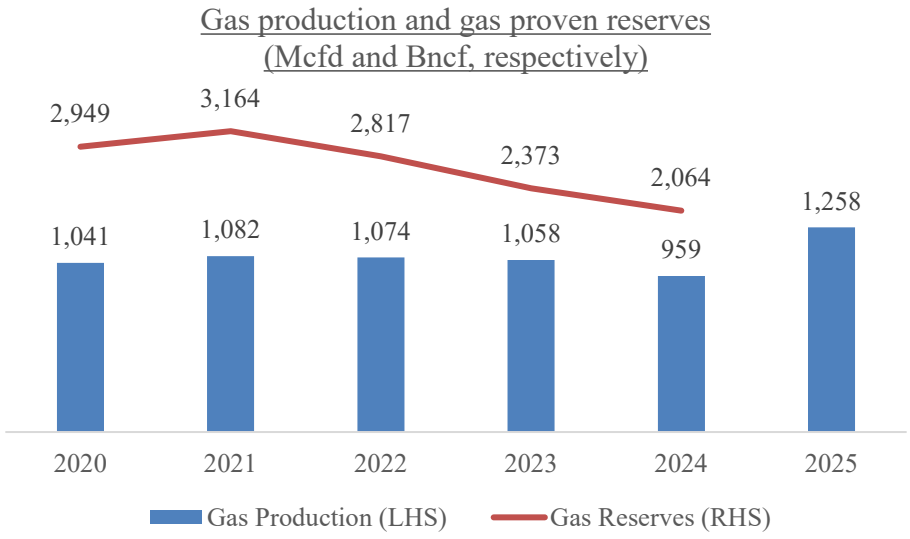
According to the U.S. Energy Information Administration, as of December 31, 2025, Colombia is the fourth largest crude oil producer and the sixth largest holder of proven crude oil reserves in South and Central America. According to the ANH, as of December 31, 2024, Colombia had 2,035 million barrels of proven crude oil reserves and its crude oil production reached 772.6 kbod in 2024. In 2025, oil production had slightly decreased to 746.5 kbod.

In 2025, Ecopetrol and its subsidiaries accounted for approximately 63% of total oil production in Colombia. The rest of the production comes from independent producers and the local subsidiaries of international oil companies.

The charts below present the evolution of Colombia's crude oil production and reserves for the periods indicated. According to the ANH, as of December 31, 2025 Colombia had 746.5 kbod crude oil production and 1,258 MMcf/d.



Source: ANH.



Source: ANH.

Regulatory Regime

The ANH regulates Colombia's oil and gas industry. The ANH's E&P Contract provides contractors with full risk and reward benefits. Under the E&P Contracts, contractors retain the rights to reserves, production and income from awarded blocks, subject to applicable royalties, income tax and a windfall surcharge for larger fields. The

Ministry of Mines and Energy is the authority responsible for setting and directing public policy in hydrocarbons matters and issues the technical regulation to perform operational hydrocarbons activities in Colombia.

For direct-operated areas from Ecopetrol, the ANH uses the "*Convenio*" contract, which mirrors E&P Contract terms but is structured as a joint arrangement, that excludes the ANH economic rights and allows production to continue until the field's economic limit.

The contractual and administrative framework applicable to E&P Contracts in Colombia has been updated over time through the issuance of ANH board "Agreements" (*Acuerdos*) governing, among other matters, the allocation of areas, model contracts, contractual administration and oversight. As a general matter, E&P Contracts are governed by the ANH regulatory framework in effect at the time the relevant contract is executed and, to the extent permitted, subsequent amendments to such contracts may be subject to later-issued rules.

The ANH allocates exploration acreage through competitive bidding processes, including scheduled bid rounds and invitations to selected companies. Once the ANH confirms the successful bidder's technical and financial capacity, the definitive work program is set and incorporated into the E&P Contract. This work program typically includes technical studies, reprocessing or shooting new seismic and/or drilling wells. The term of E&P Contracts consists of two periods (with recent E&P Contracts contemplating a preliminary contractual period (Phase 0) to complete prior consultation and related social and environmental processes). The first period is the exploration period, which lasts six years and comprises two phases: (i) an initial phase 1 lasting three years; and (ii) an optional phase 2, which is also three years. Upon a declared discovery, and at the contractor's request, the evaluation stage commences and may last between one and five years (depending on the fulfillment of certain contractual conditions), during which the contractor must declare commerciality or relinquish the block.

If a discovery is made, the contractor has the option to request an appraisal period of up to two years, with the possibility of extending such appraisal period in case of drilling exploration wells not included in the initial appraisal program. If the evaluation plan relates to a natural gas or heavy oil field, two additional years may be granted because of the complex planning and marketing required. At the end of this phase, the contractor must declare commerciality or return the block.

Once the evaluation phase is complete and the operator declares commerciality, the exploitation phase begins. The duration of the production period of each declared field is 24 years. The contractor may obtain an extension of the exploitation period beyond the 24 years, if the contractor complies with three basic requirements: (i) continuous production; (ii) an active enhanced oil recovery plan or infill project; and (iii) a payment of 5% for natural gas and 10% for oil of the remaining reserves value.

Relinquishment of part or all of the license area depends on which phase the operations are in. Except for E&P Contracts entered into by the Company in 2019, where the relinquishment of areas does not apply for the initial exploration and subsequent exploration periods, under normal circumstances the contractor may relinquish 50% of the license area at the end of the six-year exploration period if the contractor continues to explore, and there is an evaluation program or a discovery. If not, the operator must relinquish 100% of the license area. The operator and the ANH may also agree on the relinquishment of certain parts of a license area during the initial six-year exploration period as part of the contract and on a block-by-block basis, depending on the scope of the exploration work program and the size of the area. The contractor also has the option to relinquish all or part of the area after each exploration phase.

In 2019 there were two bid rounds completed by the ANH and five blocks were awarded to Parex Colombia. In 2020 there was one bid round completed by the ANH and two blocks awarded to Parex Colombia. In 2021 there was one bid round completed by the ANH and 18 blocks were awarded to Parex Colombia. There have been no ANH bid rounds since. Further, the Colombian government, under the current administration, has stated that they intend to halt further bid rounds.

The Ministry of Mines and Energy of Colombia is responsible for defining and implementing public policy regarding hydrocarbon production, including the issuance of general regulatory instruments and strategic guidelines. Detailed technical, operational, and contractual rules are primarily developed and applied by specialized agencies such as the ANH and other competent authorities.

The Natural Gas and Energy Regulatory Commission is responsible for issuing regulations governing the midstream and downstream natural gas activities in Colombia. This body establishes the rules for both primary and secondary gas markets, ensuring transparent operations and fair competition among market participants, as well as the applicable regulation for the natural gas transportation and distribution activities. Through its regulatory framework, the Commission promotes efficient trading practices and safeguards consumer interests across the sector.

Royalties

Royalty payments vary depending on the quality of oil and the rate of production and are applied on a production area or, in some cases, block basis. Since 2002, as a result of the enactment of Law 756 of 2002, the royalty rate was fixed as a sliding scale depending on the produced volume. For light/medium oil, the stated royalty rate is as presented in the following table:

Field Production (bbl/d)	Royalty Rate*
0-5,000	8%
5,001-125,000	8%-20%
125,001-400,000	20%
400,001-600,000	20%-25%

*For new discoveries of heavy oil, classified as those with an API equal to or less than 15º, the royalties will be 75% of the royalty rates for light and medium oils presented above. For natural gas production, the royalty will be 80% of the royalty rates for light and medium oils presented above.

All of the Company's and Frontera's E&P Contracts are subject to this sliding scale royalty. Certain legacy contract types—such as Association Contracts and Convenios (as described in this document) where Parex and/or Frontera hold an interest—, operate under different royalty terms and are not necessarily subject to this sliding scale royalty.

High Price Participation

A high price participation royalty applies to the Company's ANH E&P Contracts and to specific Frontera E&P Contracts, whereby the ANH has an additional economic right, which is triggered when cumulative production exceeds 5 MMbbls of oil (the "Production Trigger"), and the average monthly WTI reference price (P) exceeds the base price (Po) determined by the ANH. For natural gas, the high price participation is triggered starting from the fifth year after the declaration of commerciality of the gas field, when the applicable reference price (whether the U.S. Gulf Coast Henry Hub marker or the average monthly sales price of gas produced, as specified in each contract) exceeds the applicable base price (Po) for gas. The high price participation is calculated by applying an escalating percentage (S) to the amount by which the average monthly WTI reference price (P) (or applicable gas reference price for gas) exceeds a base price (Po), divided by P. The base price (Po) is determined by the ANH and adjusted periodically, based on crude quality (API gravity) for oil in USD/MMbtu for gas.

Quality	Base Price (Po) 2026 Threshold Prices
Less than 10º API	Nil
10º to 15º API	$71.83/bbl
15º to 22º API	$50.29/bbl
22º to 29º API	$48.48/bbl
Greater than 29º API	$46.67/bbl

Average Monthly WTI Reference Price (P)	Participation Percentage (S)
$Po \leq P < 2Po$	30%
$2Po \leq P < 3Po$	35%
$3Po \leq P < 4Po$	40%
$4Po \leq P < 5Po$	45%
$5Po \leq P$	50%

Crude oil production with a quality higher than 15º and lower than 22º API and a WTI oil price of $80/bbl results in a production share equivalent to an incremental 14% royalty, bringing the total government royalty to approximately 22% for a production area with production less than 5,000 bbl/d, excluding potential X-factor. Threshold prices are adjusted annually, and the high price share is calculated after base royalties and X-factor if applicable.

A number of Frontera's E&P Contracts and Association Contracts are subject to a different high price participation royalty triggered under the same production and price thresholds described above for liquid hydrocarbons. For natural gas, the trigger is five years after the start of exploitation of a commercial gas field, when the monthly average U.S. Gulf Coast Henry Hub price exceeds the applicable base price. Rather than applying the escalating participation percentages shown above, these contracts use a fixed 30% participation percentage and calculate the royalty using an "A Factor" methodology that takes into account the value of hydrocarbons at the delivery point. Generally, the value of hydrocarbons at the delivery point for liquid hydrocarbons is determined by reference to a basket of up to three crude oils of similar quality, proposed by the contractor in the exploitation plan and agreed with the ANH, adjusted to the delivery point by a pre-agreed margin. For natural gas, it corresponds to the actual monthly sales price (USD/MMBTU), net of transportation and processing costs. The A Factor is then derived from these values and applied to determine the high price participation royalty payable under the applicable contract.

X-Factor

The X-factor, an additional royalty percentage, is one of the bid criteria for new E&P Contracts, and the minimum X-factor is one percent.

Summary of Fiscal Terms of the Company's and Frontera's E&P Contracts and Convenios

Each E&P Contract/Convenio with the ANH has a sliding scale royalty of 8% to 25% based on the average monthly production level of a field, plus potentially two additional payments that vary by contract, a high price participation payment and an X-factor. The following table summarizes the base royalty, high price participation factors and X-factors applicable to the Issuer's and Frontera's E&P Contracts, Convenios and Association Contracts.

E&P Contracts, Convenios and Association Contracts[(1)]

Blocks	Base Royalty	X-Factor	High Price Participation Basis
CPE-2-2, CPO-4-1, CPO-10, CPO-11-2, Farallones, LLA-16-1, LLA-38, LLA-40, LLA-43-1, LLA-74, LLA-81, LLA-95, LLA-111, LLA-112, LLA-113, LLA-121, LLA-122, VIM-10-2, VIM-43, VMM-4-2, VMM-46, VSM-13-2, VSM-14-1, VSM-25, VSM-36, VSM-37, VIM-46, LLA-99	8%	1%	Production Trigger: Entire block Formula: Escalating factor
LLA-26, LLA-30, LLA-32, LLA-34	8%	1%	Production Trigger: Per exploitation area Formula: Escalating scale
Cabrestero, Los Occaros	8%	None	Production Trigger: Per exploitation area Formula: Escalating scale
VIM-1	8%	17% (conventional) & 1% (unconventional)	Oil: Production Trigger: Entire block Formula: Escalating scale Gas: Trigger: Entire block + 5 years after exploitation commences Formula: Escalating scale

Aguas Blancas[3], Boranda[3], Capachos[3], Fortuna[2]	8%	None	None
Area Sur, Nororiente, Occidente, Orito, Siriri[3]	20% base + 8% incremental	None	Production Trigger: New discoveries Formula: escalating scale
Arauca[3]	32% base + 8% incremental	None	None
Piedemonte[3]	32% base + 8% incremental	1% (Extended Area)	Production Trigger: Extended Area Formula: Escalating scale
CPE-6	8%	2%	Production Trigger: Entire block Formula: Escalating scale
Arrendajo, Cachicamo, Canaguaro, Casimena, Corcel, Cravo Viejo, Cubiro, Guatiquía, Sabanero, Quifa	8%	None	Production Trigger: Per exploitation area Formula: A factor
EL Dificil[3]	8%	None	None

(1) Excludes contracts which are being relinquished or terminated.

(2) Association Contract. R Factor (additional royalty) applicable under the Association Contract with Ecopetrol if cumulative gross production exceeds 60 MMbbls.

(3) Convenios.

Taxes

Colombia operates a centralized and relatively broad-based tax regime. The general corporate income tax rate is currently 35% and applies to local branches, such as the Company's Colombian branches. Companies engaged in oil extraction may be subject to income tax surcharges ranging roughly from 5% to 15%, depending on commodity prices, alongside royalties and, in certain cases.

In 2025, Colombia implemented a temporary 1% tax on the first sale or export of oil and coal, aimed at raising public revenue during fiscal stress, with subsequent proposals seeking to make the measure permanent. In parallel, the government temporarily reactivated the national stamp tax at a 1% rate on certain contracts and legal instruments, until December 31, 2025. As of January 1, 2026, the applicable stamp tax rate was 0%.

The Colombian government has expressed intentions to make some of these taxes permanent through future tax congressional reforms, but the outcome of this is uncertain at this time.

Environmental Regulation

The environmental regulatory framework in Colombia governing the oil and natural gas industry is based on two principal components: environmental planning and regulatory compliance.

Planning

The National Authority for Environmental Licenses ("ANLA") requires the submission of environmental impact assessments ("EIAs") and environmental management plans ("EMPs") as the principal planning tools for all new projects, ensuring that local, project-specific environmental and social variables are incorporated into the project planning. Following approval of the EIA, the ANLA awards an environmental license. The environmental license addresses and grants the use of natural resources, approves the road and site construction, flowlines, loading facilities and, in general, any activity related to exploration, including production testing, and may impose specific

conditions, obligations and restrictions on project design, execution, monitoring and closure. If exploration work results in a commercial discovery and the exploitation area matches with the area previously licensed for exploration, the environmental license must be amended through a supplement of the EIA for the purposes of including the development of a permanent oil and natural gas production field and for development drilling. The process is similar to that for the exploration phase.

The design and construction of an in-field pipeline (defined as greater than six inches in diameter) are subject to a two-part environmental licensing process. First, an environmental options assessment is conducted, in which the company and the environmental authority review alternatives to agree on an environmentally preferable pipeline design and layout. Once the ANLA selects the most environmental suitable alternative for the in-field pipeline the company may apply for the pipeline environmental license by submitting a comprehensive EIA and EMP.

Once a production field's environmental license is in place, and providing that the environmental license authorize the following activities, development drilling, flowlines, batteries and other production infrastructure can be added by preparing project-specific EMPs, including monitoring, reporting, compensation, restoration and closure obligations, the breach of which may result in administrative or judicial actions, including fines, operational restrictions, suspension of activities among others.

Compliance

In Colombia, regulations relating to compliance standards include specific standards for water and air quality, wastewater and solid waste treatment and disposal, air emission control, and industrial hygiene. In addition, the environmental license normally includes obligations which have to be complied with by the operator.

Midstream and Downstream Market Conditions

Colombia has a well-developed oil midstream system, with a combined crude and refined product pipeline network exceeding 9,000 kilometres (5,590 miles), largely controlled by Ecopetrol through its subsidiary, Cenit Transporte y Logística de Hidrocarburos S.A.S. The network is oriented to move crude from the Llanos (Eastern Plains) and Magdalena basins through a central hub at the Vasconia pumping station (Boyacá, interior) to the Caribbean export terminal at Coveñas (Sucre), with major storage along the coast. Key lines include: the 837-kilometre (520-mile) Ocensa line from Cusiana-Cupiagua (Casanare, Llanos) to Coveñas, with a capacity of approximately 745,000 bbl/d; the Caño Limón-Coveñas line of roughly 780 kilometres (484 miles) carrying up to 220,000 bbl/d from the Caño Limón field (Arauca, near the Venezuelan border) to Coveñas; and the Oleoducto Trans-Andino, of about 306 kilometres (190 miles), from Orito (Putumayo, near Ecuador) to the Pacific port of Tumaco (Nariño). The Bicentenario line runs from Araguaney (Casanare, Llanos) to Banadia (Arauca), where it connects with Caño Limón-Coveñas; its capacity is cited at roughly 120,000 bbls/d, and it has been used bi-directionally as a contingency route to reach Coveñas during outages on Caño Limón-Coveñas, albeit at a higher cost for shippers. Additional arteries in this system include the Oleoducto de Colombia, which runs from Vasconia to Coveñas, and the Alto Magdalena line linking the Upper Magdalena Valley to Vasconia, reinforcing the network's role in funnelling crude to the Caribbean.

Colombia's pipeline corridors, particularly Caño Limón-Coveñas and, at times, Bicentenario, have been frequent targets of sabotage, which has periodically disrupted flows and necessitated rerouting via available contingencies. While pipelines are the backbone of exports, trucking and barging are used as supplementary evacuation options when constraints or outages occur on mainlines.

Colombia's natural gas midstream is organized under the open-access national transmission framework known as the Sistema Nacional de Transporte (SNT), regulated by Colombia's Energy and Gas Regulatory Commission (CREG) through its Unified Transportation Regulation (RUT). The system comprises roughly 5,000 kilometres (3,100 miles) of transmission pipelines. TGI (Grupo Energía de Bogotá) is the largest pipeline operator, with approximately 4,000 kilometres of transmission lines, while Promigas operates extensive pipeline systems primarily along the Caribbean coast. Key corridors move gas from the Guajira/Lower Magdalena and Llanos producing regions to demand centres in the interior: the Ballena–Barrancabermeja line (approximately 260 MMcf/d) brings offshore and onshore Caribbean gas inland; the Barrancabermeja–Neiva–Bogotá system (approximately 436

MMcf/d) serves central markets; and the Mariquita–Cali pipeline (approximately 168 MMcf/d) supplies the southwest.

Colombia currently operates four refineries, all owned by Ecopetrol: the large fuels refineries at Barrancabermeja (Santander) and Cartagena/Reficar (Bolivar), and small units at Apiay (Meta) and Orito (Putumayo); total crude processing capacity is approximately 380,000 to 420,000 bbl/d, with Barrancabermeja and Cartagena accounting for effectively all domestic fuels production and recent modernization at Cartagena enabling heavier, sour crude runs.

THE FRONTERA ACQUISITION

Summary of the Frontera Acquisition

On March 10, 2026, we entered into the Arrangement Agreement with Purchaser and Frontera to acquire, through Purchaser's acquisition of all of the issued and outstanding shares of common stock of Frontera E&P by way of a court-approved plan of arrangement under the *Business Corporations Act* (British Columbia), the Frontera E&P Assets for upfront cash consideration of $500 million, the assumption of $225 million of net debt, and a contingent payment of $25 million.

Prior to the closing of the Frontera Acquisition, Frontera, Frontera E&P and certain subsidiaries of Frontera E&P (the "Frontera E&P Subsidiaries") will complete a reorganization (the "Pre-Acquisition Frontera Reorganization") resulting in: (i) the divestment by Frontera E&P of its equity interests in certain of its subsidiaries (and, indirectly, the equity interests of their subsidiaries) to Frontera or one of its affiliates (other than a Frontera E&P Subsidiary) and the transfer by the Frontera E&P Subsidiaries to Frontera or an affiliate of Frontera (other than a Frontera E&P Subsidiary) of all of their right, title and interest in and to any and all other assets, properties and rights that are not Frontera E&P Subsidiary Assets (as defined below) but are owned or held by a Frontera E&P Subsidiary (such equity interests, assets, properties and rights to be sold or transferred, the "Non-E&P Transferred Assets"); and (ii) the consolidation of the assets, properties, rights, interests and operations of the Frontera Group that primarily relate to the upstream oil and natural gas exploration and production business in Colombia of the Frontera E&P Subsidiaries (collectively, the "Frontera E&P Subsidiary Assets") under Frontera E&P.

The Arrangement Agreement provides for cash consideration of $500 million payable to Frontera at the closing of the Frontera Acquisition, plus an additional contingent payment of $25 million if the term of Frontera's contract in respect of the Quifa area is extended prior to the first anniversary of the completion of the Frontera Acquisition (collectively, the "Purchase Price"). Under the Arrangement Agreement, Purchaser (or an affiliate thereof) will also assume all of Frontera's obligations with respect to the $310 million aggregate principal amount of outstanding Frontera Notes as well as the $80 million outstanding under Frontera's prepayment facility with Chevron Products Company (the "Chevron Prepay Obligation").

The Frontera Acquisition has been unanimously approved by the board of directors of the Issuer and the independent members of the board of directors of Frontera (the "Frontera Board"). We expect the Frontera Acquisition to close in the second quarter of 2026, subject to the satisfaction of customary closing conditions, including the absence or satisfaction of any material adverse conditions of Governmental Authorities, court approval and approval of the Frontera Acquisition by Frontera Shareholders (discussed below).

The audited combined financial statements of Frontera E&P as at and for the years ended December 31, 2025 and 2024, together with the Notes thereto, and the Unaudited Pro Forma Condensed Consolidated Financial Statements are included as Annex B to this offering memorandum. See "Presentation of Financial Information—Historical Financial Data and Unaudited Pro Forma Condensed Consolidated Financial Statements."

Frontera Acquisition Rationale

The addition of Frontera E&P's business to our portfolio will establish the Company as one of the largest independent Colombia-focused upstream companies, providing greater scale, enhanced capital efficiency, and a more resilient platform for long-term growth. The Frontera Acquisition aligns with our Colombia-focused strategy, and is expected to significantly increase our production on a pro forma basis and drive meaningful accretion across all key metrics. We continue to be committed to Colombia, focused on maximizing shareholder value while maintaining safe operations and supporting local communities.

Key highlights of the Frontera Acquisition are as follows:

Creates One of the Largest Independent, Colombia-Focused E&Ps

Size and scale will be significantly enhanced. Based on our current fiscal year 2026 production guidance of 45,000 to 49,000 boe/d and our 2026 estimate for Frontera E&P's production of approximately 39,000 boe/d, we expect pro forma 2026 production expected to be between approximately 80,000 to 88,000 boe/d. Alongside a larger production foundation, greater portfolio scale is expected to enhance operational efficiency and enable the broader deployment of proven technologies, including enhanced oil recovery (EOR), horizontal and multilateral drilling, and advanced seismic imaging, to improve overall capital efficiency.

Logical Combination with the Issuer as Operator

Combines two high-quality, Colombian oil-weighted portfolios in basins where we are experienced and can apply our substantial technical knowledge to further optimize the portfolio. Additionally, we will have 100% working interest in VIM-1, where our existing partnership gives direct insight into Frontera's assets and the quality of its people.

Attractive Per-Share Accretion

The Frontera Acquisition is expected to be immediately accretive to key per share metrics such as funds flow provided by operations per share and free funds flow per share.

Free Funds Flow Generation and Optimized Capital Allocation

The Frontera Acquisition is expected to increase free funds flow to the Issuer (before synergies), which we intend to allocate to our portfolio of growth opportunities, including the Llanos Foothills, as well as debt reduction.

Material Synergy Potential

The Frontera Acquisition is expected to generate annual cost synergies of $20 to $50 million, comprised of administrative efficiencies, cost optimizations, as well as improved marketing opportunities. We also expect to realize synergies related to tax, financing, and broader portfolio optimization.

Potential Development Upside

We have identified meaningful additional opportunities with positive economics not reflected in the estimates above, including:

- the potential extension of the Quifa field, where our long-standing partnership with Ecopetrol S.A. underpins our confidence in delivering a mutually beneficial outcome;
- optimizing development plans at the VIM-1 block and El Dificil block in the Lower Magdalena to further increase gas sales in an expanding gas market with strong pricing; and
- incremental opportunities to apply proven technology and achieve further optimization across a larger portfolio.

Strong Pro Forma Balance Sheet

Based on a constant $70/bbl Brent oil price with no synergies assumed, our pro forma leverage is expected to be approximately 0.9x net debt to EBITDA[(2)] (based on Adjusted EBITDA for the year ended December 31, 2025) at the closing of the Frontera Acquisition, with ample liquidity available under our Amended Parex Credit Facilities.

We anticipate that the acquisition of Frontera's high-quality assets that generate strong free funds flow will allow us to gradually reduce leverage, while continuing to invest in growth and maintain our quarterly dividend of C$0.385 per share.

Additionally, with an effective Frontera Acquisition date of January 1, 2026, we secure a full year of free funds flow and benefits from the current attractive commodity price environment.

Frontera E&P Business

On March 10, 2026, we entered into a definitive agreement to acquire 100% of Frontera E&P from Frontera. See "—The Transactions—The Frontera Acquisition." Frontera E&P is an upstream oil and gas business and one of the largest independent oil and gas operators in Colombia in terms of both assets and production. The business holds working interests in 17 blocks across approximately 1.1 million net acres in the Llanos and Lower Magdalena Valley basins, of which 12 blocks are in the production phase, four are in the exploration phase and one is in the exploration and production phase. For the year ended December 31, 2025, total production from the Frontera E&P business was approximately 39,011 boe/d, comprising 83.45% oil production (consisting of 67.46% heavy crude oil and 15.99% light and medium crude oil) and 16.55% gas production (10.36% conventional natural gas and 6.19% natural gas liquids). Significant producing blocks include CPE-6 (100% working interest, approximately 7,719 boe/d), Guatiquia (100% working interest, approximately 5,164 boe/d) and VIM-1 (50% working interest, approximately 2,070 boe/d). The Frontera E&P assets also include the SAARA reverse osmosis water treatment facility and a palm oil plantation. The asset base is capital-light, with predominantly low-decline (approximately 13% decline rate) crude production and over 15 years of natural decline production, generating meaningful free cash flow.

The largest producing block is Quifa, operated under an association contract with Ecopetrol. The Quifa Association Contract has two active commercial fields, Quifa SW and Cajua, with Quifa SW accounting for the majority of production. Under the Quifa Association Contract, Frontera is entitled to receive 60% and Ecopetrol 40% of production from each commercial field (after deduction of applicable government royalties and other economic rights of Ecopetrol). Capital costs and operating expenses under the contract are borne 70% by Frontera and 30% by Ecopetrol. The Quifa block includes three commercial fields: Quifa SW (275 producing wells), Cajua (39 producing wells) and Jaspe (eight wells drilled, of which three are inactive and five are abandoned). Commerciality was declared on the Quifa SW field in 2010, on the Cajua field in 2012 and on the Jaspe field in 2020.

The Quifa Association Contract is scheduled to terminate in December 2031. Upon termination of the Quifa Association Contract, any wells in production, any buildings and any other real estate possessions in the Quifa block will revert to Ecopetrol free of charge. Pursuant to the Quifa Condition under the Arrangement Agreement, we are required to use reasonable commercial efforts to extend the Quifa Association Contract within 12 months of the closing of the Frontera Acquisition. An additional $25 million contingent payment is payable to Frontera Shareholders upon satisfaction of the Quifa Condition.

The Frontera Acquisition is expected to establish the Issuer as one of the largest independent Colombia-focused upstream companies by average daily production; providing greater scale, enhanced capital efficiency, and a more resilient platform for long-term growth. Upon completion of the Frontera Acquisition, these assets are expected to effectively double our standalone production and 1P reserve base, and will consolidate our working interest in the VIM-1 block to 100% on a pro forma basis. On a pro forma basis after giving effect to the Frontera Acquisition, our 2025 production would have been approximately 83,712 boe/d (~98% liquids), our Adjusted EBITDA would have been approximately $814 million, and our 1P and 2P reserves would have been approximately 207 MMboe and 311 MMboe, respectively.

Arrangement Agreement

On March 10, 2026, we entered into the Arrangement Agreement with the Purchaser and Frontera to acquire, through Purchaser's acquisition of all of the issued and outstanding shares of common stock of Frontera E&P by way of a court-approved plan of arrangement under the *Business Corporations Act* (British Columbia), the Frontera E&P Assets.

The transaction has an effective date of January 1, 2026, and provides that the Purchase Price will be subject to customary adjustments for: (a) actual cash, debt and working capital balances as of December 31, 2025; (b) certain transaction expenses; and (c) non-permitted leakage and capital contributions between December 31, 2025 and closing of the Frontera Acquisition. Under the Arrangement Agreement, the Purchaser (or an affiliate thereof) will also assume all of Frontera's obligations with respect to the Frontera Notes as well as the Chevron Prepay Obligation.

Following the execution of the Arrangement Agreement, $75 million of the Purchase Price (the "Signing Payment Amount") was placed in an escrow account. In the event the Frontera Acquisition is completed, the Signing Payment Amount (together with applicable accrued interest) will be released to Frontera, together with the remainder of the Purchase Price. The Signing Payment Amount (together with applicable accrued interest) will also be released to Frontera in the event that the Arrangement Agreement is terminated as a result of certain specified breaches by the Purchaser Parties of the Arrangement Agreement. In the event that the Arrangement Agreement is terminated on any other grounds, the Signing Payment Amount (together with applicable accrued interest) will be returned to the Purchaser.

The Arrangement Agreement contains covenants, representations and warranties of and from each of the parties thereto and various conditions precedent. Completion of the Frontera Acquisition is subject to the satisfaction or waiver of customary conditions for transactions of this nature and magnitude, including, among other things, court approval, Frontera Shareholder approval and the absence or satisfaction of any material adverse conditions of Governmental Authorities. There can be no assurance that any such conditions will be satisfied or waived on a timely basis, or at all. See "Risk Factors— Governmental Authorities may impose material and adverse conditions on the completion of the Frontera Acquisition."

The following is a summary of the key terms of the Arrangement Agreement and the PCAA (as defined below), which summary does not purport to be complete and is subject to, or qualified in its entirety by reference to, the full text of such agreements.

Representations and Warranties

The Arrangement Agreement contains customary representations and warranties, some of which are qualified by certain materiality standards, including Material Adverse Effect (as defined in the Arrangement Agreement), made by each of Frontera, the Issuer and the Purchaser, as applicable. The statements embodied in those representations and warranties were made solely for purposes of the Arrangement Agreement and the transactions contemplated thereby and are subject to important qualifications and limitations agreed to by Frontera, the Issuer and the Purchaser.

The Arrangement Agreement contains certain representations and warranties of Frontera relating to the following: organization and qualification; authority relative to the Arrangement Agreement; capitalization; equity monetization plans; subsidiaries; outstanding indebtedness and guarantees; restrictive covenants; bankruptcy and insolvency matters; regulatory and third party approvals; no violations of certain agreements and Applicable Laws, defaults or conflicts; funds available to pay the Purchaser Break Fee; shareholder and similar agreements; compliance with laws; securities law matters; public filings; financial statements; estimated accounts; absence of undisclosed liabilities and certain changes; off-balance sheet arrangements; books, records and disclosure controls; litigation; tax matters; intellectual property and information technology matters; privacy matters; personal property; real property; sufficiency of assets; material contracts; title; permits; reserves reports; production penalties; operational matters; operation and condition of wells; take or pay obligations; operation and condition of tangibles; no expropriation; areas of mutual interest and exclusion; pre-emptive rights; unitisation obligations; restrictions on business activities; employee plans; insurance; related party transactions; environmental matters; employment matters; confidentiality agreements; brokers; swaps; Canadian competition law matters; corrupt practices and trade legislation; and solvency.

The Arrangement Agreement contains certain representations and warranties of the Purchaser Parties relating to the following: organization and qualification; authority relative to the Arrangement Agreement; regulatory and third party approvals; no violations of certain agreements and Applicable Laws, defaults or conflicts; litigation; brokers; funds available to pay the Purchase Price; and evidence of financing.

Covenants

Covenants Relating to the Frontera E&P Subsidiaries and the Frontera E&P Assets

Pursuant to the Arrangement Agreement, Frontera has agreed to comply with certain customary positive and negative covenants relating to the Frontera E&P Subsidiaries and the Frontera E&P Assets until the earlier of the Effective Time and the termination of the Arrangement Agreement. In particular, Frontera has agreed to, among other things, cause the business of the Frontera E&P Assets to be conducted in the ordinary course and to use reasonable commercial efforts to maintain and preserve the Frontera E&P Subsidiaries' business and the Frontera E&P Assets and goodwill in all material respects and to maintain satisfactory business relationships with suppliers, distributors, customers and others having business relationships with the Frontera E&P Subsidiaries and in respect of the Frontera E&P Assets. Such covenants are subject to certain exceptions as provided for in the Arrangement Agreement.

Covenants Regarding Non-Solicitation

Under the Arrangement Agreement, Frontera has agreed to customary deal protection provisions, including non-solicitation covenants which provide, among other things, that prior to obtaining Frontera Shareholder approval of the Frontera Acquisition, the Frontera Board may accept a Superior Proposal (as defined in the Arrangement Agreement) and terminate the Arrangement Agreement after observing a five-Business Day matching period during which the Purchaser Parties may offer to amend the Arrangement Agreement to match or exceed the Superior Proposal, and, if the Purchaser Parties do not so match or exceed the Superior Proposal, paying the Purchaser the Purchaser Break Fee. In such circumstances, the Frontera Acquisition will not be consummated and the Notes will be subject to a special mandatory redemption at the Special Mandatory Redemption Price.

Other Covenants and Agreements

The Arrangement Agreement contains certain other covenants and agreements, including, among other things, covenants relating to:

(a) the obligation of each Party to use reasonable commercial efforts to satisfy all conditions precedent in the Arrangement Agreement and comply promptly with all requirements imposed by Applicable Law on it with respect to the Arrangement Agreement and the Frontera Acquisition;

(b) the obligation of each Party to use reasonable commercial efforts to obtain all necessary consents, assignments, waivers and amendments to, or terminations of, any contracts to which it is a party, or by which it is bound, that may be necessary or desirable to permit the completion of the Frontera Acquisition and carry out the transactions contemplated by the Arrangement Agreement and to take such other steps and actions as may be necessary or appropriate to fulfill its obligations under the Arrangement Agreement;

(c) the obligation of each Party to use reasonable commercial efforts to obtain all necessary exemptions, consents, orders, approvals and authorizations from, and make all necessary notices and submissions to and filings with, Governmental Authorities as are required by it under all Applicable Laws to permit it to carry out the transactions contemplated by the Arrangement Agreement and/or necessary to complete the Frontera Acquisition;

(d) the obligation of each Party to use reasonable commercial efforts to, upon reasonable consultation with the other parties, oppose, lift or rescind any injunction, restraining or other order, decree or ruling seeking to stop, restrain, enjoin or otherwise prohibit or adversely affect the consummation of the Frontera Acquisition and defend, or cause to be defended, all lawsuits or other legal, regulatory or other proceedings challenging or affecting the Arrangement Agreement or the consummation of the transactions contemplated by the Arrangement Agreement;

(e) the obligation of Frontera to convene and conduct the Frontera Meeting in accordance with the Interim Order and otherwise in accordance with Applicable Laws and on the timeframes prescribed in the Arrangement Agreement;

(f) the obligation of Frontera to use reasonable commercial efforts to terminate or discharge all encumbrances (other than certain permitted encumbrances) on the Frontera E&P Assets or the Frontera E&P Subsidiary Shares and deliver evidence reasonably satisfactory to the Purchaser Parties that all such encumbrances have been so terminated or discharged prior to the Effective Time;

(g) the obligation of Frontera to take all actions reasonably necessary to complete the Pre-Acquisition Frontera Reorganization;

(h) the obligation of Frontera to prevent any "Leakage" (as defined in the Arrangement Agreement) under the Arrangement Agreement from occurring from (and including) December 31, 2025 to (and including) the Effective Time;

(i) the obligation of Frontera to settle and terminate all awards and related award agreements granted to the Frontera E&P Employees pursuant to the Frontera Incentive Plan prior to or effective as of the Effective Time, in each case, without any obligation or liability to the Purchaser Parties or any Frontera E&P Subsidiary;

(j) the obligation of Frontera to provide the Issuer with access to certain information about the Frontera E&P Assets during the period from the Agreement Date until the earlier of the Effective Time and the termination of the Arrangement Agreement; and

(k) the obligations of Frontera and the Purchaser relating to the assumption by the Purchaser of all of Frontera's obligations with respect to the Frontera Notes.

The foregoing covenants are subject to important exceptions and qualifications, as set forth in the Arrangement Agreement.

Post-Closing Indemnification Obligations & RWI Policy

Concurrently with the execution of the Arrangement Agreement, the Issuer and Frontera entered into a post-closing arrangements agreement (the "PCAA"). Pursuant to the Arrangement Agreement and the PCAA, except in the case of fraud: (a) each of the representations and warranties set forth in the Arrangement Agreement will survive for a period of six months following the Effective Date; and (b) each of the covenants, agreements and other obligations contained in the Arrangement Agreement will survive until the later of: (i) the date upon which the applicable covenant, agreement or obligation is or is required to be fully performed; and (ii) six months following the Effective Date.

The PCAA provides that, subject to the terms thereof, including certain limitations contained therein, Frontera will indemnify, defend and hold harmless the Issuer and its affiliates (including the Frontera E&P Subsidiaries) and their respective representatives, successors and permitted assigns from and against, and shall pay, advance and reimburse each of the foregoing persons for, any and all losses (other than consequential, indirect or punitive damages, unless such indemnified person is held liable to a third party for such damages) incurred or sustained by, or imposed upon, such persons based upon, resulting from, arising out of or relating to: (a) any inaccuracy in or breach of any representation or warranty of Frontera contained in the Arrangement Agreement, as of the date such representation or warranty was made or as of the Effective Date with the same force and effect as if made on and as of the Effective Date (except for any such representations and warranties that are specifically made as of a particular date, the inaccuracy in or breach of which will be determined with reference to such specified date); (b) any breach of any covenant, agreement or obligation to be performed by Frontera under the Arrangement Agreement or the PCAA; (c) Indemnified Taxes (as defined in the Arrangement Agreement); and (d) the Pre-Acquisition Frontera Reorganization to be undertaken by Frontera in connection with the Frontera Acquisition, including any taxes arising therefrom or relating thereto.

The PCAA further provides that, subject to the terms thereof, including certain limitations contained therein, the Issuer will indemnify and hold harmless Frontera and its affiliates and their respective representatives, successors and permitted assigns against, and shall pay and reimburse each of the foregoing persons for, any and all losses (other than consequential, indirect or punitive damages unless such indemnified person is held liable to a third party for such damages) incurred or sustained by, or imposed upon, such persons based upon, resulting from, arising out of or relating to: (a) any inaccuracy in or breach of any representation or warranty of the Purchaser Parties contained in the Arrangement Agreement, as of the date such representation or warranty was made or as of the Effective Date with the same force and effect as if made on and as of the Effective Date (except for any such representations and warranties that are specifically made as of a particular date, the inaccuracy in or breach of which will be determined with reference to such specified date); and (b) any breach of any covenant, agreement or obligation to be performed by the Purchaser Parties under the Arrangement Agreement or the PCAA.

The right of either the Issuer or Frontera to assert a claim for a breach of a representation or warranty by the other expires on the date that is six months after the Effective Date. The right to assert a claim relating to a breach of any covenant, agreement or obligation, Indemnified Taxes or the Pre-Acquisition Frontera Reorganization, as the case may be, expires on the later of: (a) 30 days after the date upon which the applicable covenant, agreement or obligation is or is required to be fully performed or the liability arises; and (b) the date that is six months after the Effective Date.

Except in the case of fraud, the maximum aggregate liability of each party under the PCAA is limited to $20 million.

Pursuant to the Arrangement Agreement, the Purchaser has agreed to use reasonable commercial efforts to obtain, as soon as practicable (and in any event within sixty days from the Agreement Date) and at the Purchaser Parties' sole cost and expense, the RWI Policy, subject to minimum coverage and maximum retention amounts. The Arrangement Agreement includes further covenants on the part of Frontera and the Issuer to facilitate obtaining such RWI Policy and eliminating or minimizing any deal specific exclusions thereunder.

The PCAA provides that, prior to bringing a claim for indemnification relating to any inaccuracy in, or breach of, any representation or warranty of Frontera, other than in the case of fraud, the Purchaser Parties are required to first seek recovery under the RWI Policy, and Frontera's liability for such inaccuracy or breach will be limited to any amounts not recovered thereunder (including any retention amounts).

Conditions Precedent to the Frontera Acquisition

Mutual Conditions Precedent

The respective obligations of the Parties to consummate the transactions contemplated by the Arrangement Agreement, and in particular the completion of the Frontera Acquisition, are subject to the satisfaction, on or before the Effective Time, or such other time specified, of the following conditions:

(a) the Interim Order shall have been granted in form and substance satisfactory to the Purchaser Parties and Frontera, each acting reasonably, and such order shall not have been set aside or modified in a manner unacceptable to the Purchaser Parties or Frontera, each acting reasonably, on appeal or otherwise;

(b) the Arrangement Resolution shall have been approved by the Frontera Shareholders at the Frontera Meeting, in accordance with the Interim Order;

(c) the Final Order shall have been granted in form and substance satisfactory to the Purchaser Parties and Frontera, each acting reasonably, and such order shall not have been set aside or modified in a manner unacceptable to the Purchaser Parties or Frontera, each acting reasonably, on appeal or otherwise;

(d) the Final Order shall have been deposited in the registered office of Frontera and the Effective Date shall have occurred no later than the Outside Date;

(e) the SIC Approval shall have been obtained;

(f) no Governmental Authority having jurisdiction in the circumstances shall have enacted, issued, promulgated, applied for (or advised any of the Parties in writing that it has determined to make such application), enforced or entered any Law (whether temporary, preliminary or permanent) that (i) prohibits the consummation of the Frontera Acquisition or the other transactions contemplated by the Arrangement Agreement; or (ii) imposes material and adverse conditions on, or subjects to, the prior approval, pronouncement or authorization of such Governmental Authority, the consummation of the Frontera Acquisition or the other transactions contemplated by the Arrangement Agreement, which prior approval, pronouncement or authorization has not been obtained; and

(g) all actions to be taken by the Frontera Notes Trustee to effect the assumption by the Purchaser of all of Frontera's obligations with respect to the Frontera Notes shall have been taken in accordance with the provisions of the Frontera Note Indenture.

The foregoing conditions are for the mutual benefit of the Purchaser Parties and Frontera and may be asserted by either the Purchaser Parties or Frontera, as applicable, regardless of the circumstances and may be waived by the Purchaser Parties or Frontera, as applicable, in their sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights that they may have.

Additional Conditions Precedent to the Obligations of the Purchaser Parties

The obligation of the Purchaser Parties to consummate the transactions contemplated by the Arrangement Agreement, and in particular to complete the Frontera Acquisition, is subject to the satisfaction, on or before the Effective Date or such other time specified, of the following conditions:

(a) all covenants of Frontera under the Arrangement Agreement to be performed on or before the Effective Time shall have been duly performed by Frontera in all material respects and the Purchaser Parties shall have received a certificate of Frontera, addressed to the Purchaser Parties and dated the Effective Time, signed on behalf of Frontera by two senior executive officers of Frontera (on behalf of Frontera and without personal liability), confirming the same as at the Effective Time;

(b) each of:

(i) the representations and warranties of Frontera with respect to organization and qualification, authority relative to the Arrangement Agreement, the ownership of the Frontera E&P Shares and payment of broker fees shall be true and correct in all respects as of the Agreement Date and as of the Effective Date as if made on and as of such date (except to the extent such representations and warranties speak of an earlier date, the accuracy of which shall be determined as of such earlier date);

(ii) the representations and warranties of Frontera with respect to the capitalization of Frontera E&P (except related to the ownership of the Frontera E&P Shares as noted above) and equity monetization rights and plans shall be true and correct in all respects (except for de minimis inaccuracies) as of the Agreement Date and shall be true and correct in all respects (except for de minimis inaccuracies) as of the Effective Date as if made on and as of such date;

(iii) the representations and warranties of Frontera with respect to each Frontera E&P Subsidiary holding good and marketable title to its applicable petroleum interests shall be true and correct in all material respects as of the Agreement Date and shall be true and correct in all material respects as of the Effective Date as if made on and as of such date; and

(iv) all other representations and warranties of Frontera set forth in the Arrangement Agreement shall be true and correct as of the Agreement Date and as of the Effective Date as if made on and as of such date (except to the extent such representations and warranties speak as of an earlier date, the

accuracy of which shall be determined as of that specified date), except where any failure or failures of any such representations and warranties to be so true and correct would not have, or would not reasonably be expected to have, a Material Adverse Effect or prevent the completion of the transactions contemplated in the Arrangement Agreement (and, for this purpose, any reference to "material," "Material Adverse Effect" or any other concept of materiality in such representations and warranties shall be ignored),

and the Purchaser Parties shall have received a certificate of Frontera, addressed to the Purchaser Parties and dated the Effective Time, signed on behalf of Frontera by two senior executive officers of Frontera (on behalf of Frontera and without personal liability), confirming the same as at the Effective Time;

(c) Frontera shall have furnished the Purchaser Parties with:

(i) certified copies of the resolutions duly passed by the Frontera Board approving the execution and delivery of the Arrangement Agreement and the PCAA and the performance by Frontera of its obligations thereunder and the consummation of the transactions contemplated by the Arrangement Agreement and the PCAA, as applicable;

(ii) certified copies of the Arrangement Resolution;

(iii) copies of the PCAA duly executed by Frontera; and

(iv) copies of such instruments of transfer required to transfer the Frontera E&P Shares pursuant to Applicable Law, in form and substance reasonably acceptable to Purchaser, duly executed and otherwise in proper form for transfer;

(d) the Pre-Acquisition Frontera Reorganization to be undertaken by Frontera prior to the completion of the Frontera Acquisition shall have been completed;

(e) Frontera shall have delivered a certificate of a senior officer of Frontera (without personal liability), or other evidence reasonably satisfactory to the Purchaser Parties, that all awards and related award agreements granted to the Frontera E&P Employees pursuant to the Frontera Incentive Plan have been terminated, in each case, without any obligation or liability to the Purchaser Parties or any Frontera E&P Subsidiary;

(f) Frontera shall have delivered evidence reasonably satisfactory to the Purchaser Parties that all Frontera Notes held by or on behalf of Frontera or any other member of the Frontera Group have been cancelled or terminated in accordance with the Frontera Note Indenture;

(g) between the Agreement Date and the Effective Time, there shall not have occurred a Material Adverse Change (as defined in the Arrangement Agreement); and

(h) all actions to be taken by Frontera and all conditions within its control to be complied with under the Frontera Note Indenture to effect the Frontera Notes Assumption shall have been taken and complied with in accordance with the provisions of the Frontera Note Indenture and no Default or Event of Default (as each term is defined under the Frontera Note Indenture) under the Frontera Note Indenture shall have occurred as a result of the actions taken by Frontera in connection with each of the Frontera Notes Assumption and the consummation of the Frontera Acquisition (for certainty, not including any matter relating to a potential Change of Control Triggering Event (within the meaning of the Frontera Note Indenture) that may occur as a result of the completion of the Frontera Acquisition).

The foregoing conditions are for the exclusive benefit of the Purchaser Parties and may be asserted by the Purchaser Parties regardless of the circumstances or may be waived by the Purchaser Parties in their sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which the Purchaser Parties may have.

Additional Conditions Precedent to the Obligations of Frontera

The obligation of Frontera to consummate the transactions contemplated by the Arrangement Agreement, and in particular to complete the Frontera Acquisition, is subject to the satisfaction, on or before the Effective Date or such other time specified, of the following conditions:

(a) all covenants of the Purchaser Parties under the Arrangement Agreement to be performed on or before the Effective Time shall have been duly performed by the Purchaser Parties in all material respects and Frontera shall have received a certificate of the Purchaser Parties addressed to Frontera and dated the Effective Time, signed on behalf of each Purchaser Party by two senior executive officers of such entity (on behalf of the applicable entity and without personal liability), confirming the same as at the Effective Time;

(b) each of:

(i) the representations and warranties in Sections (a) (*Organization and Qualification*) and (b) (*Authority Relative to the Arrangement Agreement*) of Schedule "B" of the Arrangement Agreement shall be true and correct in all respects as of the Agreement Date and as of the Effective Date as if made on and as of such date (except to the extent such representations and warranties speak of an earlier date, the accuracy of which shall be determined as of such earlier date);

(ii) all other representations and warranties of the Purchaser Parties set forth in the Arrangement Agreement shall be true and correct as of the Agreement Date and as of the Effective Date as if made on and as of such date (except to the extent such representations and warranties speak as of an earlier date, the accuracy of which shall be determined as of that specified date), and, for this purpose, any reference to "material", or any other concept of materiality in such representations and warranties shall be ignored; except where any failure or failures of any such representations and warranties to be so true and correct would not prevent, materially impede or significantly delay the ability of Purchaser Parties to consummate the Frontera Acquisition,

and Frontera shall have received a certificate of the Purchaser Parties, addressed to Frontera and dated the Effective Time, signed on behalf of each Purchaser Party by two senior executive officers of such entity (on behalf of the applicable entity and without personal liability), confirming the same as at the Effective Time;

(c) the Purchaser Parties shall have furnished Frontera with:

(i) certified copies of the resolutions duly passed by the board of directors of each of the Purchaser and the Issuer approving the execution and delivery of the Arrangement Agreement and the PCAA and the performance by the Issuer and Purchaser, as applicable, of its obligations under, and the consummation of the transactions contemplated by, the Arrangement Agreement and the PCAA; and

(ii) a copy of the PCAA duly executed by the Issuer; and

(d) holders of not greater than 5.0% of the outstanding Frontera Shares shall have validly exercised Dissent Rights in respect of the Frontera Acquisition that have not been withdrawn as of the Effective Date, exclusive of Frontera Shares held by the Frontera Supporting Securityholders and each of the directors and executive officers of Frontera for which Dissent Rights have been validly exercised in respect of the Frontera Acquisition and not withdrawn as of the Effective Date;

(e) all actions to be taken by the Purchaser Parties and all conditions within their control to be complied with under the Frontera Note Indenture to effect the Frontera Notes Assumption shall have been taken and complied with in accordance with the provisions of the Frontera Note Indenture and no Default or Event

of Default (as each term is defined under the Frontera Note Indenture) under the Frontera Note Indenture shall have occurred as a result of the actions taken by the Purchaser Parties in connection with each of the Frontera Notes Assumption and the consummation of the Frontera Acquisition; and

(f) the Purchaser Parties shall have furnished Frontera with evidence, satisfactory to Frontera, acting reasonably, that they have (i) obtained a complete and unconditional release of the Frontera Group (other than the Frontera E&P Subsidiaries) at or prior to the Effective Date with respect to each Closing Frontera Credit Support (as defined in the Arrangement Agreement); or (ii) caused the beneficiary or beneficiaries of each such Closing Frontera Credit Support to terminate such Closing Frontera Credit Support.

The foregoing conditions are for the exclusive benefit of Frontera and may be asserted by Frontera regardless of the circumstances or may be waived by Frontera in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which Frontera may have.

Termination

The Arrangement Agreement may be terminated at any time prior to the Effective Date by mutual consent, by either party if the Frontera Shareholders fail to approve the Arrangement Resolution or by either party if a governmental authority enacts a final and non-appealable law or order permanently prohibiting the consummation of the Frontera Acquisition (provided that a breach of the Arrangement Agreement by the terminating party was not the primary cause of such law or order).

Either party may also terminate if the Effective Time has not occurred by January 29, 2027 or such other date as may be extended pursuant to the Arrangement Agreement (the "Outside Date") provided that all other required closing conditions have been satisfied or waived or if the other party breaches its covenants, representations, or warranties in a manner that would cause the closing conditions not to be satisfied prior to the Outside Date (subject to customary notice and cure provisions), in each case so long as the terminating party is not itself in such breach.

Frontera may terminate the Arrangement Agreement to enter into a definitive agreement with respect to a Superior Proposal, provided it pays the Purchaser Break Fee, or if all mutual and closing conditions in favour of the Purchaser Parties have been satisfied or waived and the Purchaser fails to pay the closing consideration within three Business Days of when the Effective Date should have occurred.

The Purchaser Parties may terminate if Frontera willfully breaches its non-solicitation covenants in any material respect or if the Frontera Board withdraws, modifies, or fails to publicly reaffirm its recommendation of the transaction within the prescribed timeframes.

Upon termination, the Arrangement Agreement and the PCAA will become void and of no further force or effect, except with respect to certain surviving obligations specified in the Arrangement Agreement.

Purchaser Break Fee

If at any time after the execution and delivery of the Arrangement Agreement and prior to the termination of the Arrangement Agreement:

(a) (i) prior to the vote by Frontera Shareholders on the Arrangement Resolution, an Acquisition Proposal shall have been publicly made or publicly proposed to Frontera or otherwise publicly announced or disclosed, or a person shall have publicly announced an intention to do so; (ii) the vote by the Frontera Shareholders with respect to the Frontera Acquisition shall have been held prior to the Outside Date and the Arrangement Resolution shall not have been approved pursuant thereto; (iii) the Arrangement Agreement shall have been terminated; and (iv) within 365 days after the date of such vote (regardless of whether before or after the termination of the Arrangement Agreement), such Acquisition Proposal, or an amended version thereof, or any other Acquisition Proposal, is consummated or agreed or entered into

(provided that any such Acquisition Proposal agreed or entered into is subsequently consummated) by any member of the Frontera Group;

(b) the Arrangement Agreement is terminated by Frontera to enter into a definitive agreement with respect to a Superior Proposal, as described in further detail in section (f) under the heading "Termination"; or

(c) the Arrangement Agreement is terminated by the Purchaser Parties in the circumstances described in section (g) under the heading "Termination",

(each of the above, if not timely cured, if applicable, or waived by the Purchaser Parties, being (upon expiration of the applicable cure period) referred to as a "Purchaser Damages Event"), then Frontera shall pay to the Purchaser $25 million (the "Purchaser Break Fee") as liquidated damages, in immediately available funds, to an account designated by the Purchaser, within five Business Days after the occurrence of the Purchaser Damages Event. Frontera shall only be obligated to pay one Purchaser Break Fee; provided, however, in the case of a Purchaser Damages Event described under section (a)(i) above, the Purchaser Break Fee shall be paid on the earliest date on which an Acquisition Proposal is consummated by any member of the Frontera Group.

If Frontera fails to promptly pay the Purchaser Break Fee when due, Frontera will reimburse the Purchaser for all costs and expenses (including fees and disbursements of counsel) incurred in connection with the collection of such amount and the enforcement by the Purchaser of its rights under the Arrangement Agreement (the "Collection Costs") within three Business Days after the Purchaser provides Frontera with a notice of such Collection Costs.

Issuer Guarantee

Pursuant to the terms of the Arrangement Agreement, the Issuer has unconditionally and irrevocably guaranteed in favour of Frontera the due and punctual performance by the Purchaser, in accordance with the terms of the Arrangement Agreement, of each and every covenant and obligation of the Purchaser arising under the Arrangement Agreement and the Frontera Acquisition.

Fees and Expenses

Except as expressly set out in the Arrangement Agreement, each Party has covenanted and agreed to bear its own costs and expenses in connection with the transactions contemplated by the Arrangement Agreement.

Governing Law, Forum and Specific Performance

The Arrangement Agreement and the PCAA are governed by the Laws of the Province of British Columbia and the Laws of Canada applicable therein, and each Party has irrevocably attorned to the non-exclusive jurisdiction of the courts of the Province of British Columbia in respect of all matters arising under and in relation to the Arrangement Agreement and the PCAA.

Further, under the Arrangement Agreement the Parties have agreed that irreparable harm would occur for which money damages would not be an adequate remedy at Law in the event that any of the provisions of the Arrangement Agreement are not performed in accordance with their specific terms or are otherwise breached. Accordingly the Parties agreed that they shall be entitled to equitable remedies, including specific performance, a restraining order and interlocutory, preliminary and permanent injunctive relief and other equitable relief to prevent breaches or threatened breaches of the Arrangement Agreement, and any requirement for the securing or posting of any bond in connection with the obtaining of any such injunctive or other equitable relief has been waived by the Parties.

Amendments

The Arrangement Agreement and the Plan of Arrangement may, at any time and from time to time before or after the holding of the Frontera Meeting, be amended by written agreement of the Parties without further notice to, or authorization from, the Frontera Shareholders and any such amendment may, subject to the Interim Order, Final Order, the terms of the Plan of Arrangement and Applicable Laws, without limitation:

(a) change the time for performance of any of the obligations or acts of the Parties under the Arrangement Agreement;

(b) modify any representation or warranty contained in the Arrangement Agreement or in any document delivered pursuant thereto;

(c) modify any of the covenants contained in the Arrangement Agreement and waive or modify performance of any of the obligations of the Parties under the Arrangement Agreement; or

(d) modify any of the conditions precedent set out in the Arrangement Agreement.

Frontera Support Agreements

Following the execution of the Arrangement Agreement, The Catalyst Capital Group Inc., Gramercy Funds Management LLC (the "Supporting Securityholders") and each director and officer of Frontera entered into support agreements with Purchaser pursuant to which: (a) the Supporting Securityholders and each officer of Frontera has agreed, among other things, subject to the terms and conditions contained therein, to vote their Frontera Shares in favour of the Frontera Arrangement Resolution; and (b) each director of Frontera has agreed, among other things, subject to the terms and conditions contained therein, not to solicit or cooperate in any alternative Acquisition Proposal (except as permitted in the Arrangement Agreement) or take any action inconsistent with the completion of the Frontera Acquisition.

THE FRONTERA NOTES

In connection with the Frontera Acquisition, the Purchaser will assume the Frontera Notes. The Frontera Notes are governed by the Frontera Note Indenture and bear interest at 7.875% per annum, payable semi-annually in arrears on June 21 and December 21 of each year. The Frontera Notes will, upon assumption by the Purchaser, be ranked equally with all other senior unsecured indebtedness of the Purchaser. The Frontera Notes will mature on June 21, 2028. The Frontera Notes may be redeemed at the Purchaser's option as follows:

- prior to June 21, 2026, the Frontera Notes may be redeemed in whole or in part at a price equal to 100% of the principal amount of the Frontera Notes at a redemption price (expressed as a percentage of the principal amount of the Frontera Notes) at 101.969%; and

- on or after June 21, 2026, the Frontera Notes may be redeemed in whole or in part at a price equal to 100% of the principal amount of the Frontera Notes at a redemption price (expressed as a percentage of the principal amount of the Frontera Notes) at 100%.

The Purchaser will additionally be required to pay accrued and unpaid interest on the Frontera Notes, if any, to the redemption date upon the redemption of the Frontera Notes in each of the foregoing circumstances.

The Purchaser has agreed to assume the Frontera Notes and the obligations under the Frontera Note Indenture as part of the payment of the purchase price of the Frontera E&P Assets under the Arrangement Agreement. Under the Frontera Note Indenture, if a "Change of Control Triggering Event" occurs, then the Purchaser will be required to make an offer on the terms set forth in the Frontera Note Indenture and each holder of the Frontera Notes will have the right to require the Purchaser to repurchase pursuant to such offer all or any part of that holder's Frontera Notes at 101% of the aggregate principal amount of the Frontera Notes repurchased, plus accrued and unpaid interest on the Frontera Notes repurchased to the date of purchase. The term "Change of Control" is defined to include transactions such as the Frontera Acquisition, provided that any such transaction with a "Permitted Holder" does not constitute a "Change of Control." The term "Permitted Holder" is defined to include any person (and non-natural person that is an affiliate of any such person) operating in the oil and gas sector that has a rating from any of Moody's, Fitch or S&P that is at least similar or higher than the rating of Frontera. A "Change of Control Triggering Event" is defined to include a decrease in the rating of the Frontera Notes by Moody's, Fitch or S&P within 60 days following announcement (which may be extended so long as the rating of the Frontera Notes is under publicly announced consideration for possible downgrade by Moody's, Fitch or S&P). Within 30 days following any Change of Control Triggering Event, the Purchaser would be required to mail a notice to each holder of Frontera Notes offering to repurchase Frontera Notes properly tendered prior to the expiry date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is sent, pursuant to the procedures required by the Frontera Note Indenture and described in such notice.

Frontera has received the credit ratings set out in the table below. These ratings reflect Frontera as the current issuer of the Frontera Notes and S&P and/or Fitch may initiate a review of these ratings following completion of the Frontera Acquisition and the assumption by the Purchaser of the Frontera Notes.

Rating Agency	Issuer Rating
S&P	B
Fitch	B

INFORMATION CONCERNING FRONTERA E&P

Except as otherwise indicated all information regarding Frontera E&P contained in this offering memorandum, including all reserves and related information, financial information and all pro forma financial information reflecting the pro forma effects of the Frontera Acquisition, has been derived in part from information provided by Frontera and other third parties. The Issuer has relied exclusively upon Frontera, without independent verification by the Issuer for such information. Although the Issuer does not have any knowledge that would indicate that such information is untrue or incomplete, neither the Issuer nor any of its directors or officers assumes any responsibility for the accuracy or completeness of such information, including any of Frontera's financial statements, or for the failure by Frontera to disclose events or information that may affect or be necessary to ensure the completeness or accuracy of such information.

Overview

Frontera E&P is an upstream oil and gas business and one of the largest independent oil and gas operators in Colombia in terms of both assets and production.

Current Operations

The business holds working interests in 17 blocks across approximately 1.1 million net acres in the Llanos and Lower Magdalena Valley basins, of which 12 blocks are in the production phase, four are in the exploration phase and one is in the exploration and production phase. For the year ended December 31, 2025, total production from the Frontera E&P business was approximately 39,011 boe/d, comprising 83.45% oil production (consisting of 67.46% heavy crude oil and 15.99% light and medium crude oil) and 16.55% gas production (10.36% conventional natural gas and 6.19% natural gas liquids). The largest producing block is Quifa, operated under an association contract with Ecopetrol in which Frontera is entitled to receive 60% and Ecopetrol 40% of production from each commercial field (after deduction of applicable government royalties and other economic rights of Ecopetrol), which produced approximately 17,394 boe/d during 2025. Other significant producing blocks include CPE-6 (100% working interest, approximately 7,719 boe/d), Guatiquia (100% working interest, approximately 5,164 boe/d) and VIM-1 (50% working interest, approximately 2,070 boe/d). The Frontera E&P assets also include the SAARA reverse osmosis water treatment facility and a palm oil plantation. The asset base is capital-light, with predominantly low-decline (approximately 13% decline rate) crude production and over 15 years of natural decline production, generating meaningful free cash flow.

Oil and Natural Gas Contracts and Properties

The following is a description of Frontera's oil and gas properties in Colombia for the year ended December 31, 2025.

Property	Working Interest	Status	Gross Acres	Net Acres	Annual Production[1] (boe/d)[2]
Colombia – Operated Properties					
Arrendajo	97.5%	Production	5,711	5,568	353
Cachicamo	100%	Production	8,776	8,776	301
Canaguaro	87.5%	Production	6,276	5,492	67
CPE-6	100%	Production	100,908	100,908	7,719
Corcel	100%	Production	7,231	7,231	274
Casimena	100%	Production	6,832	6,832	973
Cravoviejo	100%	Production	23,773	23,773	1,255
Cubiro	100%	Production	13,675	13,675	1,035
El Dificil	100%	Production	33,921	33,921	402
Guatiquia	100%	Production	11,065	11,065	5,164
Llanos-99	100%	Exploration	84,305	84,305	—

Llanos-119[3]	100%	Exploration	26,884	26,884	—
Quifa	60%	Production	247,863	148,718	17,394
Sabanero	100%	Production	67,688	67,688	2,004
VIM-22[4]	100%	Exploration	412,330	412,330	—
VIM-46	100%	Exploration	74,743	74,743	—
Colombia – Non-Operated Properties					
VIM-1	50%	Exploration & Production	141,874	70,937	2,070
TOTAL			1,273,855	1,102,846	39,011

(1) Represents working interest production before royalties and total volumes produced from service contracts.

(2) Boe has been expressed using the 5.7 to 1 Colombian Mcf to bbl conversion standard required by the Colombian Ministry of Mines and Energy.

(3) In September 2024, Frontera acquired the seismic program in the Llanos-119 block, and the interpretation of the corresponding seismic survey downgraded the exploratory potential of this block without successful results. Consequently, the remaining commitment was transferred to the VIM-46 block in August 2025, therefore the Llanos-119 block is in the process of formalizing its termination.

(4) In May 2023, Frontera drilled the commitment wells in the VIM-22 block without successful results and on February 12, 2024, the remaining seismic commitment was transferred to the Llanos-99 block, therefore this block is in the process of formalizing its termination.

Exploration and Production Agreements

The following is a summary of Frontera E&P's material oil and gas producing properties.

Quifa Block

The Quifa block, located in the Llanos Basin in Colombia, is in the production phase. Frontera has an association contract with Ecopetrol pursuant to which Frontera holds a 60% working interest and is the operator of the block. Ecopetrol holds the remaining interest in the block. Frontera is entitled to 60% of production less (i) applicable legal royalties ranging from 6% to 25%; and (ii) any additional participation percentage attributable to Ecopetrol when accumulated gross production of a field exceeds 5 MMbbl and the price of WTI crude during any month exceeds the base price for crude oil in dollars set forth in the contract. The Quifa contract establishes that capital costs and operational expenses must be borne 70% by Frontera and 30% by Ecopetrol. Upon termination of the Quifa contract in December 2031, any wells in production, any buildings and any other real estate possessions in the Quifa block will revert to Ecopetrol free of charge.

Within the Quifa block, Frontera has developed three commercial fields, Quifa SW (with 275 producing wells), Cajua (with 39 producing wells) and Jaspe (with eight wells drilled, three of them are inactive and the other five are abandoned). Commerciality was declared on the Quifa SW field in 2010, on the Cajua field in 2012 and on the Jaspe field in 2020. Production is currently sent by flow lines to water management facilities for fluid processing and storage and subsequently to the ODL Pipeline, which connects to the national pipeline system. Frontera brought its new Battery 4 central processing facility on-line in October 2022, increasing water disposal capacity by 100,000 bwpd and in November 2022, increased pumping capacity at the Centro de Manejo de Agua water treatment facility by 50,000 bwpd. Combined, these two operational achievements increased Frontera's water handling capacity to approximately 1,550,000 bwpd.

CPE-6

The CPE-6 block, located in the Llanos Basin in Colombia, in which Frontera holds a 100% working interest, is in the production phase. The CPE-6 exploration and production contract provides for a 24-year exploitation period, which began upon declaration of commerciality. This declaration occurred on January 30, 2018 for the Hamaca field. Frontera is entitled to 100% of production less (i) applicable legal royalties ranging from 6.0% to 25%; (ii) any additional participation percentage attributable to ANH when accumulated gross production of a block exceeds 5 MMbbl and the price of WTI crude during any month exceeds the base price for crude oil in dollars set forth in the

contract; and (iii) 2.0% of the produced volume after the applicable legal royalties. In addition, Talisman Colombia Oil & Gas Ltd. is entitled to the following, up to a maximum amount of $48 million: (i) a variable monthly payment equal to four percent (4%), multiplied by the monthly net total production and multiplied by the applicable price per barrel; and (ii) $5 million payable once the total accumulated gross production reaches 5 million, 10 million and 20 million boe, respectively. As at December 31, 2025, Frontera had paid Talisman Colombia Oil & Gas Ltd. a total of $33.6 million as part of this agreement.

In 2019, Frontera submitted a request to the ANH to extend the Hamaca Field to the north of the current CPE-6 area. On June 3, 2021, an amendment to the contract was signed to formalize the approval to extend the area of the block by 115,869 acres to cover the complete area of the Hamaca discovery. As a condition to this extension, Frontera committed to drill one additional exploration well in the extended area within the 24-month period following the area extension. The Hamaca Norte-1 step out well was successfully drilled in November 2022, and confirmed the continuation of the Hamaca field to the north. Frontera drilled the Hamaca-117D (Hamaca Sur) well in November 2022, the drilling objective of which was to acquire information on the geology to the southwest of Frontera's existing HAM-65 producer well cluster for efficient future development of the area. On April 25, 2023, the Hamaca Norte evaluation program ended, and therefore the CPE-6 block initiated its production phase on April 26, 2023. In November 2024, Frontera increased the water handling capacity at the CPE-6 block to 360,000 bwpd, and as a result, in December 2024, Frontera achieved a new daily production record of close to 9,000 boe/d from the block.

Within the CPE-6 block, there are 84 heavy crude oil producing wells. Production is transported by truck and barge to the Puerto Bahia terminal in the Cartagena bay.

Guatiquia Block

Frontera holds a 100% working interest in the Guatiquia block, located in the Llanos Basin in Colombia. The Guatiquia exploration and production agreement provides for an initial five-year and nine-month exploration period, extendable for up to four years, and a 24-year exploitation period, which begins upon a declaration of commerciality of the relevant field.

In 2019, the ANH approved the unification of the Ceibo/Avispa/Ardilla/Alligator fields. The exploitation period for the unified fields, named Ceibo, commenced in 2014. The exploitation periods for Yatay and Coralillo began on declarations of commerciality in 2012 and 2018, respectively. On June 8, 2021, the ANH approved the unification of the Yatay and Coralillo fields.

Frontera is entitled to 100% of production less (i) applicable legal royalties ranging from 6% to 25%; and (ii) any additional participation percentage attributable to ANH when accumulated gross production of a field exceeds 5 MMbbl and the price of WTI crude during any month exceeds the base price for crude oil in dollars set forth in the contract.

Within the Guatiquia block, there are currently 31 medium crude oil producing wells. Production is primarily transported first to the facilities at the Corcel block through pipelines and then to off-loading stations to enter the national pipeline system.

Cubiro Block

The Cubiro block, located in the Llanos Basin in Colombia, in which Frontera holds a 100% working interest, is in the production phase. The Cubiro exploration and exploitation contract provides for a 24-year exploitation period, which begins upon a declaration of commerciality of the relevant field. This declaration occurred in 2008 for the Careto and Arauca fields, 2012 for the Barranquero field (which includes the Cernicalo and Tijereto Sur fields), 2013 for the Copa, Copa A, Copa B, Copa C, Copa D, Petirrojo and Petirrojo Sur fields and 2014 for the Yopo field. On December 30, 2021, the ANH issued a resolution unifying the Copa, Copa A, Copa B, and Copa C oilfields.

Frontera filed a reconsideration recourse against that decision on January 17, 2022. On April 12, 2022, the ANH issued a decision confirming the resolution. In October 2022, Frontera filed an annulment action against the

resolution, and on December 27, 2022, Frontera filed an arbitration claim against the effects that unification would have on the contract. On March 13, 2025, Frontera obtained a favorable arbitral award in the Cubiro E&P Contract litigation, confirming its contractual rights under the Cubiro E&P Contract. The arbitral tribunal ruled in Frontera's favor, rejecting the ANH's actions and recognizing the independence of the Copa and Petirrojo exploitation areas. While the award was favorable to Frontera, the arbitral tribunal refrained from ruling on the legality of the administrative acts issued by the ANH. Consequently, both parties have filed annulment appeals against the award, which decision remain pending.

Frontera is entitled to 100% of production less (i) applicable legal royalties ranging from 6% to 25%; and (ii) any additional participation percentage attributable to ANH when accumulated gross production of a field exceeds 5 MMbbl and the price of WTI crude during any month exceeds the base price for crude oil in dollars set forth in the contract. In addition, Frontera has granted a private royalty to Jache S.A.S. equivalent to 3% of the sale price of the produced volumes.

Within the Cubiro block, there are 23 light crude oil producing wells. Production is primarily transported by truck to off- loading stations to enter the national pipeline system.

VIM-1

The VIM-1 block, located in the Lower Magdalena Valley in Colombia, in which Frontera holds a 50% working interest, is in the exploration and production phase. The Company holds the remaining 50% working interest and is the operator of the block. The VIM-1 exploration and production contract provides for a six-year exploration period and a 24-year production period. On December 30, 2020, an amendment to the contract was signed to formalize the approval to extend the area of the block by 32,000 acres to include the complete area of the La Belleza-1 discovery. As a condition to this extension, Frontera and the Company, as joint venture partners, committed to drill one additional exploration well in the extended area, which was drilled during 2022 (La Belleza-2). The La Belleza-2 well was drilled as a horizontal well and encountered 2,000 feet of porous limestone in the CDO formation and then completed for natural flow production. The well is now in production. Based on the results of the La Belleza-1 and La Belleza-2 wells, the Company requested a 24-month extension of the evaluation area from the ANH, to perform evaluation activities and technical studies. The ANH granted such extension to December 31, 2024, and the Company had until March 31, 2025, to present the results of the technical studies to the ANH in relation to the La Belleza extended area. In addition, the Company committed, on behalf of the joint venture, to drilling one additional exploration well as part of an additional exploration program, which allows the joint venture to retain the exploration area until January 31, 2025. As the drilling of the additional exploration well was delayed due to social issues, the ANH extended the deadline of the additional exploration program until March 16, 2026. The Guapo-1 exploration well, committed as part of the additional exploration program, was spudded on October 16, 2025, reaching total depth on December 31, 2025, with negative results. Consequently, the joint venture agreed to plug and abandon the well, and is currently analyzing next steps.

Pipelines Operations

Frontera E&P has a dedicated transportation and trading team, responsible for transporting, blending, storing and exporting Frontera’s oil and gas production and associated sales. Frontera E&P’s transportation and trading strategy is to optimize the price and costs associated with selling oil and gas produced, including developing oil blends to meet market demand, and optimizing storage opportunities.

The following table provides a summary of the main pipelines in which Frontera E&P has an interest.

Pipeline	Product Transported	Km	Pipeline Capacity (bbl/d)	Origin	Destination	Interest
OAM Pipeline	Crude Oil	391.4	100,000[(1)]	Tenay	Vasconia	5.45% W.I. pursuant to a construction and operation contract
ODC Pipeline	Crude Oil	483	236,000[(2)]	Vasconia	Coveñas	1.00% W.I. through an equity interest in Oleoducto de Colombia S.A.
OGD Pipeline	Crude Oil	63.7	40,000	Guaduas	La Dorada	100% W.I.[(3)]

(1) Frontera has transportation rights up to 5,450 bbl/d and additional capacity of up to 30,000 bbl/d, subject to available capacity from the other owners.

(2) Frontera has transportation rights of up to 2,000 bbl/d and additional capacity subject to available capacity from the other owners.

(3) In December 2025, Frontera acquired the remaining working interest in the OGD pipeline from Cimarrona LLC.

DESCRIPTION OF OTHER INDEBTEDNESS

Credit Facilities

On December 13, 2024, we entered into a $240 million second amended and restated credit agreement with a syndicate of financial institutions and The Bank of Nova Scotia, as agent for such lenders (as amended prior to the date hereof) (the "Credit Agreement"), which is comprised of a $220 million syndicated credit facility and a $20 million operating facility (collectively, the "Existing Parex Credit Facilities"). The Existing Parex Credit Facilities are available on a revolving basis until May 21, 2027. As at April 28, 2026, we had $168 million principal outstanding under the Existing Parex Credit Facilities.

The Existing Parex Credit Facilities are guaranteed by the Company's material restricted subsidiaries. The Existing Parex Credit Facilities and the guarantees are secured by first-priority security interests (subject to certain liens that are permitted pursuant to the terms of the Credit Agreement) over all of the assets of the Company and the shares, bank accounts and certain contracts of the material restricted subsidiaries.

The Existing Parex Credit Facilities are subject to customary borrowing base provisions including an annual review and semi-annual review. In addition to the financial covenant described in "Liquidity and Capital Resources" in the MD&A, we are also subject to certain standard commercial negative covenants including, without limitation, restrictions on the Company's and its material restricted subsidiaries' ability to incur indebtedness, grant liens or security interests on assets, sell or otherwise transfer assets, make distributions, make capital contributions or provide financial assistance, merge and consolidate with other companies, change their respective lines of business, complete significant acquisitions or incur letters of credit with non-lenders, in each case subject to certain exceptions and positive covenants including, without limitation, delivery of financial and other information to the lenders, maintenance of existence, payment of taxes, operation of properties, maintenance of insurance, access to books and records by the lenders, compliance with applicable laws and regulations, including environmental laws, and further assurances and provision of additional collateral and guarantees.

Advances under the Existing Parex Credit Facilities can be drawn in U.S. dollars and, in the case of the operating facility only, Canadian dollars, and bear interest at the bank's prime lending rates, or secured overnight financing rates, plus applicable margins of between 1.65% and 4.25% depending on the type of borrowing and a percentage based on the average daily outstanding principal under the Existing Parex Credit Facilities to the borrowing base. Letters of credit are also available under the Existing Parex Credit Facilities provided they do not exceed two years and are subject to applicable fees.

On March 4, 2026, we entered into a debt commitment letter with The Bank of Nova Scotia (and certain other financial institutions who became party thereto by way of joinder agreement dated March 27, 2026) providing for certain debt financing in connection with the Transactions (the "Commitment Letter"). Pursuant to the terms of the Commitment Letter, The Bank of Nova Scotia and such financial institutions have committed to provide a $220 million syndicated credit facility, a $20 million operating facility (collectively, the "Amended Parex Credit Facilities"), and a $600 million bridge loan facility (the "Parex Bridge Facility" and together with the Amended Parex Credit Facilities, the "New Parex Credit Facilities"). The New Parex Credit Facilities will be documented by way of an amendment and restatement of the Credit Agreement to be entered into concurrently with the consummation of the Transactions (the "Amended Credit Agreement").

The Amended Parex Credit Facilities will be borrowing base facilities available on a revolving basis on substantially the same terms as the Existing Parex Credit Facilities. Under the terms of the Amended Credit Agreement, the maturity date of the Amended Parex Credit Facilities will be extended to May 21, 2028 unless the Frontera Notes have not been extended or refinanced by December 31, 2027, for a minimum additional four years, in which case the maturity date will automatically become December 31, 2027.

The New Parex Credit Facilities will continue to be guaranteed by the Company's material restricted subsidiaries, and the New Parex Credit Facilities and the guarantees will be secured by first-priority security interests (subject to certain liens that are permitted pursuant to the terms of the Amended Credit Agreement) over all of the assets of the Company and the shares, bank accounts and certain contracts of the material restricted subsidiaries.

The New Parex Credit Facilities will be subject to similar covenants as the Existing Parex Credit Facilities (with certain amendments thereto in order to directly or indirectly permit the Transactions). However, in addition to the current financial covenant described in "Liquidity and Capital Resources" in the MD&A under the New Parex Credit Facilities we will be required to ensure that senior secured debt to EBITDA does not exceed 3.00:1:00 as at the end of any fiscal quarter, where senior secured debt means, on any date of determination, total funded debt minus the principal amount of the Notes. In addition, for so long as any amount remains outstanding under the Parex Bridge Facility, an additional negative covenant will apply prohibiting (i) the prepayment of any unsecured debt (including the Notes) and (ii) any increase to the current amount of the per share cash amount of distributions by the Issuer.

There will be no scheduled amortization under the New Parex Credit Facilities.

The proceeds of borrowings under the Amended Parex Credit Facilities, together with the net proceeds from this offering, will be used to fund the cash portion of the consideration for the Frontera Acquisition and to pay fees and expenses in connection with the Transactions. Any net proceeds not used for such purposes will be used for general corporate purposes. We currently plan to repay the Frontera Notes at or prior to their maturity in 2028. Following the closing date of the Transactions, the proceeds of borrowings under the Amended Parex Credit Facilities, will be used for general corporate purposes.

In connection with the Frontera Acquisition, the Purchaser will assume the Frontera Notes. See "The Frontera Notes" in this offering memorandum.

DESCRIPTION OF NOTES

We will issue U.S.$500,000,000 of our 8.500% Senior Notes due 2031 (the "Notes") under an indenture dated as of the Closing Date (the "Indenture"), among us, the Note Guarantors and Odyssey Transfer and Trust Company or an affiliate, as trustee (the "Trustee"). The terms of the Notes include those set forth in the Indenture. The Indenture is not required to be nor will it be qualified under the Trust Indenture Act.

The following describes the material terms of the Indenture, the Notes, the Escrow Agreement (as defined below) and the Subsidiary Guarantees. It does not, however, restate the Indenture in its entirety, and where reference is made to particular provisions of the Indenture, such provisions are qualified in their entirety by reference to the provisions of the Indenture, the Notes and the Subsidiary Guarantees. You should read the Indenture and the Escrow Agreement because they, and not this description, contain additional information and because they, and not this Description of Notes, define your rights as a Holder of the Notes. The Holders will be entitled to the benefits of, be bound by and be deemed to have notice of all the provisions of the Indenture. A copy of the Indenture will be filed at www.sedarplus.ca under Issuer's profile.

*We will apply to the Singapore Exchange Securities Trading Limited (the "*Singapore Stock Exchange*") for the Notes to be admitted to the Official List of the Singapore Stock Exchange. See "—Listing" below. In the event that the Notes are listed on the Singapore Stock Exchange, for so long as the Notes are listed on such exchange and the rules of the exchange so require, the Issuer will also maintain a listing agent in Singapore. Upon any issuance of certificated Notes, the Issuer will appoint and maintain a paying agent in Singapore, for so long as the Notes are listed on the Singapore Stock Exchange and the rules of such exchange so require. In such event, an announcement shall be made through the Singapore Stock Exchange and will include all material information with respect to the delivery of the certificated Notes, including details of the paying agent in Singapore.*

Copies of the Indenture may be obtained by requesting them from the Issuer or, if and so as long the Notes are listed on the Singapore Stock Exchange, from the Singapore listing agent.

Certain terms used in this description are defined below under "—Certain Defined Terms." For purposes of this Description of Notes, we also refer to Parex Resources Inc. as the "Issuer."

The Notes, the Subsidiary Guarantees and the Indenture

The Notes will be issued in an initial aggregate principal amount of U.S.$500,000,000. The Notes will be issued in minimum denominations of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof. Each of the Notes offered hereby and issued pursuant to the Indenture will represent the right of the applicable Holder to receive:

(1) payments of interest on such Note. The Notes will bear interest at an annual rate of 8.500% on the outstanding principal amount, payable semi-annually in arrears on each May 11 and November 11 of each year (each a "*Payment Date*"), commencing on November 11, 2026. Interest on the Notes will accrue from and including the most recent date to which interest has been paid or, if no interest has been paid, from the original date of issuance,

(2) payment of the principal on the Notes on the Maturity Date, and

(3) any Additional Amounts (as defined in "*—Additional Amounts*") on any of the foregoing.

All amounts due in respect of principal, interest or Additional Amounts will be payable in U.S. dollars.

For purposes of all payments of interest, principal or Additional Amounts contemplated herein:

Interest on the Notes will be payable to the Persons who are registered Holders at the close of business on the fifteenth day immediately preceding the applicable interest Payment Date. Interest will be computed based on a 360 day year consisting of twelve 30 day months. The final payment of principal, interest and Additional Amounts (if any) is expected to be made on the Notes on the Maturity Date. The Notes will not be redeemable prior to the Maturity Date except as otherwise provided herein.

Solely for the purposes of disclosure pursuant to the *Interest Act* (Canada), whenever any interest is calculated using a rate based on a year of 360 days or the number of days in accordance with market practice, as the case may be, such rate determined pursuant to such calculation, when expressed as an annual rate, is equivalent to (i) the applicable rate based on a year of 360 days or the number of days in accordance with market practice, as the case may be, multiplied by (ii) the actual number of days in the calendar year in which the period for such interest is payable (or compounded) ends, divided by (iii) 360 or the number of days in accordance with market practice, as the case may be. The principle of deemed reinvestment of interest shall not apply to any interest calculation under the Indenture; all interest payments to be made under the Indenture shall be paid without allowance or deduction for deemed reinvestment or otherwise, before and after demand, default and judgment. The rates of interest specified in the Indenture are intended to be nominal rates and not effective rates, and any interest calculated thereunder shall be calculated using the nominal rate method and not the effective rate method of calculation.

Each of the Issuer and the Note Guarantors will confirm that it fully understands and is able to calculate the rate of interest applicable under the Indenture based on the methodology for calculating per annum rates provided for in the Indenture. The Issuer and the Note Guarantors will not plead or assert, whether by way of defense or otherwise, in any proceeding relating to the Notes, the Indenture or any other document entered into by the Issuer or the Note Guarantors in connection therewith, that the interest payable under the Notes, the Indenture or any other document entered into by the Issuer or the Note Guarantors in connection therewith and the calculation thereof has not been adequately disclosed to the Issuer or the Note Guarantors, whether pursuant to section 4 of the *Interest Act* (Canada) or any other applicable law or legal principle.

Prior to the Escrow Release Date (as defined below), the proceeds of the Notes will be held in the Escrow Account (as defined below) as Escrowed Property (as defined below). The Notes will:

- be general unsecured obligations of the Issuer;
- rank equal in right of payment with all other existing and future unsecured Senior Indebtedness of the Issuer;
- rank senior in right of payment to all existing and future subordinated Indebtedness of the Issuer;
- be effectively subordinated to all existing and future secured Indebtedness of the Issuer and the Note Guarantors to the extent of such security interest;
- be structurally subordinated to all existing and future Indebtedness of the Issuer's Subsidiaries (other than the Note Guarantors); and
- be unconditionally and irrevocably guaranteed on a general unsecured senior basis by each of the Note Guarantors.

Each Note Guarantor will unconditionally and irrevocably Guarantee the payment and performance of all obligations of the Issuer under the Indenture and the Notes on a senior basis. In the event of a bankruptcy, liquidation or reorganization of the Issuer's Subsidiaries that are not Note Guarantors, these non-guarantor Subsidiaries will pay the holders of their debt and their trade creditors before they will be able to distribute any of their assets to the Issuer. In addition, holders of minority equity interests in Subsidiaries may receive distributions prior to or *pro rata* with the Issuer or the Note Guarantors depending on the terms of the equity interests in such Subsidiaries.

As of December 31, 2025:

- the Issuer and its Restricted Subsidiaries had Consolidated Total Indebtedness (on a Combined basis) of U.S.$277 million, of which $62 million was secured,
- the Issuer and the Note Guarantors had U.S.$277 million of Indebtedness (on a Combined basis), of which $62 million was secured,
- the Issuer's Non-Guarantor Restricted Subsidiaries had $0 of Indebtedness (excluding intercompany loans),

- the Unrestricted Subsidiaries had U.S.$0 of Indebtedness (on a Combined basis),

- the Issuer and the Note Guarantors had U.S.$2,267 million of Consolidated Tangible Assets (on a Combined basis), which represented more than 99% of the Issuer's Consolidated Tangible Assets,

- the Issuer's Non-Guarantor Restricted Subsidiaries had U.S.$8 million of Consolidated Tangible Assets (on a Combined basis), which represented less than 1% of the Issuer's Consolidated Tangible Assets, and

- the Unrestricted Subsidiaries had U.S.$0 of consolidated assets (on a Combined basis), which represented 0% of the Issuer's consolidated total assets.

As of December 31, 2025, on a pro forma basis after giving effect to the Acquisition, the issuance and sale of the Notes and the application of the net proceeds therefrom as described under "—*Use of Proceeds*:"

- the Issuer and its Restricted Subsidiaries would have had Consolidated Total Indebtedness (on a Combined basis) of U.S.$1,285 million, of which U.S.$62 million would have been secured,

- the Issuer and the Note Guarantors would have had U.S.$1,285 million of Indebtedness (on a Combined basis), of which U.S$62 million would have been secured,

- the Issuer's Non-Guarantor Restricted Subsidiaries would have had U.S.$0 of Indebtedness (excluding intercompany loans), and

- the Unrestricted Subsidiaries would have had U.S.$0 of Indebtedness (on a Combined basis).

For the year ended December 31, 2025:

- the adjusted EBITDA of the Issuer and the Note Guarantors (on a Combined basis) represented 99% of the Issuer's Consolidated Adjusted EBITDA,

- the adjusted EBITDA of the Issuer's Non-Guarantor Restricted Subsidiaries (on a Combined basis) represented 1% of the Issuer's Consolidated Adjusted EBITDA, and

- the adjusted EBITDA of the Unrestricted Subsidiaries (on a Combined basis) represented 0% of the total adjusted EBITDA of the Issuer and its consolidated subsidiaries.

The obligations of Parex Resources (Switzerland) AG, Parex Resources (Colombia) AG, Verano Energy (Switzerland) AG, Frontera Energy Colombia AG, Petroleos Sud Americanos SA and any future Note Guarantor incorporated or established in Switzerland (a "*Swiss Guarantor*") under the Indenture and the Notes are subject to the following limitations:

(a) If and to the extent a guarantee granted or indemnity assumed by a Swiss Guarantor under the Indenture or the Notes guarantees obligations of or indemnifies for obligations breached or not satisfied by one of its (direct or indirect) parent companies (upstream obligation) or its sister companies (cross-stream obligations) (the "*Upstream or Cross-Stream Obligations*") and if and to the extent using payments under such guarantee or indemnity to discharge the Upstream or Cross-Stream Obligations would constitute a repayment of capital (*Einlagerückgewähr/Kapitalrückzahlung*), a violation of the legally protected reserves (*gesetzlich geschützte Reserven*) or the payment of a (constructive) dividend (*verdeckte Gewinnausschüttung*) under Swiss corporate law or would otherwise be restricted under mandatory Swiss corporate law then applicable, the proceeds from the enforcement of such guarantee or indemnity to be used to discharge the Upstream or Cross-Stream Obligations shall be limited to the maximum amount of the respective Swiss Guarantor's freely disposable shareholder or quotaholder equity, as the case may be, at the time of enforcement (the "*Maximum Amount*"); *provided that* such limitation is required under the applicable law at that time; *provided*, *further*, *that* such limitation shall not free the respective Swiss Guarantor from its obligations in excess of the Maximum Amount, but merely postpone the performance date of those obligations until such time or times as performance is again permitted under then applicable law. This Maximum

Amount of freely disposable shareholder or quotaholder equity, as the case may be, shall be determined in accordance with Swiss law and applicable Swiss accounting principles, and, if and to the extent required by applicable Swiss law, shall be confirmed by the auditors of the respective Swiss Guarantor on the basis of an interim audited balance sheet as of that time; provided, further, that the Maximum Amount shall be calculated net of any taxes payable by the respective Swiss Guarantor in connection with such payment, including, but not limited to, Swiss withholding tax (Verrechnungssteuer) at the rate of 35% applicable on any constructive dividend, which depending on the circumstances, may not be subject to treaty relief or the notification procedure (Meldeverfahren), and any applicable Swiss cantonal and federal corporate income taxes (Gewinn- und Kapitalsteuern).

(b) If and to the extent required under Swiss mandatory law applicable at the relevant time, in order to allow the Holders to obtain a maximum benefit under the Indenture and the Notes, such Swiss Guarantor and/or to the extent applicable, the Issuer or any other shareholder of such Swiss Guarantor to the Indenture will, promptly take and/or promptly cause to be taken any action, including the following:

(i) the passing of any shareholders' resolutions or quotaholders' resolutions, as the case may be, to approve the use of the enforcement proceeds, which may be required as a matter of Swiss mandatory law in force at the time of the enforcement of the Swiss Guarantors obligations under the Indenture and the Notes in order to allow a prompt use of the enforcement proceeds;

(ii) preparation of up-to-date audited balance sheet of the Swiss Guarantor;

(iii) confirmation of the licensed auditors of the Swiss Guarantor that the relevant amount represents the Maximum Amount;

(iv) conversion of restricted reserves into profits and reserves freely available for the distribution as dividends (to the extent permitted by mandatory Swiss law);

(v) revaluation of hidden reserves (to the extent permitted by mandatory Swiss law);

(vi) to the extent permitted by applicable law and Swiss accounting standards, write-up or realize any of its assets that are shown in its balance sheet with a book value that is significantly lower than the market value of the assets, in case of realization, however, only if such assets are not necessary for the Swiss Guarantor's business (*nicht betriebsnotwendig*);

(vii) reduce its share capital to the minimum allowed by Swiss corporate law; and

(viii) all such other measures necessary to allow the Swiss Guarantor to use enforcement proceeds as agreed hereunder with a minimum of limitations.

Future Note Guarantors

If, on or after the Escrow Release Date, (i) the Issuer or any Restricted Subsidiary acquires or creates a Significant Subsidiary, or (ii) the Issuer determines in good faith (after making an assessment on March 31 and September 30 of each fiscal year) that any Non-Guarantor Restricted Subsidiary has become a Significant Subsidiary based on the most recent Consolidated financial statements of the Issuer provided or required to be provided to the Trustee pursuant to "—*Certain Covenants—Financial Reporting*," then that newly acquired or created Significant Subsidiary, or the Non-Guarantor Restricted Subsidiary that the Issuer has determined in good faith that it has become a Significant Subsidiary, as applicable, must become a Note Guarantor and execute a supplemental indenture providing for its Subsidiary Guarantee and deliver an opinion of counsel and Officer's Certificate to the Trustee within thirty (30) days from such acquisition, creation or determination; *provided that* (i) such Significant Subsidiary's Subsidiary Guarantee will be limited to the maximum amount that would not result in a breach or violation by such Significant Subsidiary of any Applicable Law, or any provision of any agreement to which it is a party existing at the time of such acquisition or creation or becoming a Significant Subsidiary, as applicable; *provided, further*, *that* such provision was not adopted in connection with, or in contemplation of, such acquisition or creation or such Non-Guarantor Restricted Subsidiary becoming a Significant Subsidiary or to avoid

guaranteeing the Notes or the Indenture, and (ii) such Significant Subsidiary shall not be required to execute any such supplemental indenture if the execution or enforcement of such supplemental indenture and the resultant Subsidiary Guarantee thereunder is prohibited by, or in violation of, any Applicable Law to which such Significant Subsidiary is subject and the Issuer has delivered to the Trustee an opinion of counsel to that effect. Notwithstanding the foregoing, if at the time of such acquisition, creation or determination, as applicable, such Significant Subsidiary has Indebtedness in an amount not greater than U.S.$25.0 million, such Significant Subsidiary shall not be required to become a Note Guarantor or provide a Subsidiary Guarantee; *provided that* if at any time thereafter, such Significant Subsidiary Incurs Indebtedness in an amount greater than U.S.$25.0 million, at the time of such Incurrence such Significant Subsidiary must become a Note Guarantor and execute a supplemental indenture providing for its Subsidiary Guarantee and deliver an opinion of counsel and Officer's Certificate to the Trustee in accordance with the preceding sentence, subject to the provisos (i) and (ii) therein.

If after the Escrow Release Date, the Issuer determines in good faith (after making an assessment on March 31 and September 30 of each fiscal year) that, based on the most recent Consolidated financial statements of the Issuer provided or required to be provided to the Trustee pursuant to "*—Certain Covenants—Financial Reporting*," the Consolidated Adjusted EBITDA of the Issuer and the Note Guarantors (calculated only in respect of the Issuer and all Restricted Subsidiaries that are Note Guarantors by including and excluding the same line items as are included or excluded in the definition of Consolidated Adjusted EBITDA but measured and determined on a Combined basis from the unconsolidated accounts for the Issuer and the Note Guarantors for such line items) do not represent at least 85.0% of the Consolidated Adjusted EBITDA of the Issuer, then the Issuer will cause one or more of its Restricted Subsidiaries to become a Note Guarantor and execute a supplemental indenture providing for a Subsidiary Guarantee within thirty (30) days from such determination so that, on a pro forma basis after any such Restricted Subsidiary becoming a Note Guarantor, then the Consolidated Adjusted EBITDA of the Issuer and the Note Guarantors (calculated only in respect of the Issuer and all Restricted Subsidiaries that are Note Guarantors by including and excluding the same line items as are included or excluded in the definition of Consolidated Adjusted EBITDA but measured and determined on a Combined basis from the unconsolidated accounts for the Issuer and the Note Guarantors for such line items) would represent at least 85.0% of the Consolidated Adjusted EBITDA of the Issuer. In connection with the execution of such supplemental indenture, the Issuer shall provide the Trustee with an opinion of counsel and Officer's Certificate.

Limitation on Designation of Non-Guarantor Restricted Subsidiaries

The Issuer may designate at any time after the Escrow Release Date any Restricted Subsidiary that is a Note Guarantor as a "Non-Guarantor Restricted Subsidiary" under the Indenture (a "*Non-Guarantor Designation*") only if:

(1) no Default or Event of Default has occurred and is continuing at the time of or after giving effect to such Non-Guarantor Designation;

(2) the Issuer determines in good faith, at the time of such Non-Guarantor Designation, that such Restricted Subsidiary is not a Significant Subsidiary based on the most recent consolidated financial statements of the Issuer provided or required to be provided to the Trustee pursuant to "*—Certain Covenants—Financial Reporting*;" and

(3) after giving effect to the relevant Restricted Subsidiary's Non-Guarantor Designation, the Consolidated Adjusted EBITDA of the Issuer and the Note Guarantors (calculated only in respect of the Issuer and all Restricted Subsidiaries that are Note Guarantors by including and excluding the same line items as are included or excluded in the definition of Consolidated Adjusted EBITDA but measured and determined on a Combined basis from the unconsolidated accounts for the Issuer and the Note Guarantors for such line items) for the relevant fiscal quarter is 85.0% or more of the Issuer's Consolidated Adjusted EBITDA, on a pro forma basis to give effect to any acquisition or Disposition of companies, divisions, lines of businesses, assets or operations by the Issuer and its Restricted Subsidiaries subsequent to the last day of such fiscal quarter and on or prior to the date of such Non-Guarantor Designation.

When a Restricted Subsidiary that is a Note Guarantor becomes a Non-Guarantor Restricted Subsidiary, any Subsidiary Guarantee previously provided by such Note Guarantor will be automatically and unconditionally released (and thereupon shall terminate and be discharged and be of no further force and effect).

The designation of a Restricted Subsidiary that is a Note Guarantor as a Non-Guarantor Restricted Subsidiary will be deemed to include the designation of all of the Restricted Subsidiaries of such Note Guarantor as Non-Guarantor Restricted Subsidiaries. All designations of Note Guarantors as Non-Guarantor Restricted Subsidiaries must be evidenced by resolutions of the Issuer's Board of Directors and an Officer's Certificate, delivered to the Trustee certifying compliance with the preceding provisions; *provided*, *however that* all Subsidiaries of the Issuer that are not Note Guarantors as of the Escrow Release Date will automatically be designated as Non-Guarantor Restricted Subsidiaries on the Escrow Release Date. Any designation of a Note Guarantor as a Non-Guarantor Restricted Subsidiary will automatically be revoked if the relevant Subsidiary provides a Subsidiary Guarantee.

Release of the Subsidiary Guarantees

The Subsidiary Guarantee of a Note Guarantor will be automatically and unconditionally released (and thereupon shall terminate and be discharged and be of no further force and effect) upon:

- a sale or other disposition (including by way of merger, consolidation, amalgamation, combination or other similar transaction) of the Note Guarantor or the sale or disposition of all or substantially all the assets of the Note Guarantor (other than to the Issuer or a Restricted Subsidiary) permitted by the Indenture;

- the designation in accordance with the Indenture of the Note Guarantor as an Unrestricted Subsidiary or the Note Guarantor otherwise ceases to be a Restricted Subsidiary in accordance with the Indenture;

- the designation in accordance with the Indenture of the Note Guarantor as a Non-Guarantor Restricted Subsidiary;

- defeasance or discharge of the Notes, as provided in "*—Defeasance*" and "*—Satisfaction and Discharge*;"

- upon the final liquidation or dissolution of such Note Guarantor; *provided that* no Default or Event of Default occurs as a result thereof or has occurred or is continuing; or

- payment in full of the aggregate principal amount of all Notes then Outstanding and all other obligations under the Indenture and the Notes then due and owing.

Upon any occurrence giving rise to the release of a Subsidiary Guarantee as specified above, the Trustee, upon receipt of an Officer's Certificate from the Issuer and an opinion of counsel each stating that all conditions precedent to such release have been satisfied, will execute any documents reasonably required by the Issuer in order to evidence or effect such release, discharge and termination in respect of such Subsidiary Guarantee. None of the Issuer, any Note Guarantor or the Trustee will be required to make a notation on the Notes to reflect any Subsidiary Guarantee or any such release, termination or discharge.

Additional Notes

The Issuer may issue additional Notes ("*Additional Notes*") from time to time after this offering in an unlimited amount, without the consent of the Holders but subject to the provisions of the Indenture described below under the caption "*— Certain Covenants — Limitation on Indebtedness*". The Notes offered hereby, together with any Additional Notes of the same series subsequently issued under the Indenture, will be treated as a single class for all purposes under the Indenture, including waivers, amendments, redemptions and offers to purchase; provided that if any such Additional Notes are not fungible with the Notes for U.S. federal income tax or other purposes, such Additional Notes will have a separate CUSIP, ISIN or other identifying number.

Additional Amounts

Pursuant to the Indenture, all payments to be made in respect of the Notes and the Subsidiary Guarantees are to be made free and clear of, and without deduction or withholding for or on account of, any Taxes, except to the extent such Taxes are imposed by Applicable Law. In the event that any Taxes are required by Applicable Law to be deducted or withheld from any payment required to be made in respect of the Notes, the Subsidiary Guarantees or otherwise under the Indenture, then the amount of such payment shall be increased by such additional amounts ("*Additional Amounts*") as may be necessary in order that the amount actually received by the Holder or beneficial owner in respect of such payment, after withholding or deduction for or on account of such Taxes, is an amount equal to the amount that would have been received by the Holder or beneficial owner in respect of such payment had no such Taxes (including any Taxes payable in respect of such Additional Amounts) been required to be so deducted or withheld. Furthermore, the amount of any Taxes required to be withheld or deducted from any payment made in respect of the Notes, the Subsidiary Guarantees or otherwise under the Indenture shall be withheld or deducted from such payment and paid to the taxing authority imposing such Taxes in accordance with Applicable Law. Notwithstanding the preceding sentences, no such Additional Amounts will be payable in respect of:

(1) any Taxes assessed or imposed by reason of: (i) any present or former connection between the Holder or beneficial owner of such payment and Canada, Barbados, Switzerland, Bermuda, Colombia, the Netherlands, Panama, any other jurisdiction assessing or imposing such Taxes, or in each case any province or any political subdivision thereof (each such jurisdiction, province or political subdivision, a "*Relevant Taxing Jurisdiction*"), including the Holder or beneficial owner (x) having a permanent establishment in the Relevant Taxing Jurisdiction (y) being organized under the laws of the Relevant Taxing Jurisdiction, (z) being an actual or deemed resident of the Relevant Taxing Jurisdiction (other than solely as a result of the acquisition, ownership or disposition of a Note or a beneficial interest therein, the enforcement of rights under a Note or any Subsidiary Guarantee or the receipt of any payment in respect thereof under a Note or any Subsidiary Guarantee);

(2) any Canadian withholding Tax assessed or imposed by reason of the Holder or a Person who is beneficially entitled to a payment made under the Indenture not dealing at arm's length (for the purposes of the Income Tax Act (Canada)) with the payer of such payment;

(3) any estate, inheritance, gift, personal property, sales, use, excise, transfer or other similar Tax imposed with respect to such payment;

(4) any such Taxes that would not have been imposed but for the failure of the Holder or beneficial owner of such payment, to the extent such Holder or beneficial owner is legally eligible to do so, to timely comply with any certification, identification, information, documentation or other reporting requirement to the extent (a) such compliance is required by Applicable Law or an applicable treaty as a precondition to exemption from, or reduction in the rate of deduction or withholding of, such Taxes and (b) at least 30 days before the first Payment Date with respect to which the obligor with respect to a payment shall apply this clause (4), such obligor shall have notified the Holder or beneficial owner, as applicable, in writing that it will be required to comply with such requirement;

(5) any Taxes required to be withheld by any paying agent from any payment, if such Tax results from the presentation of such Note for payment (where presentation is required) and the payment can be made in a commercially reasonable manner without such withholding by the presentation of such Note to any other paying agent with respect to the Notes;

(6) any Note presented for payment (where presentation is required) more than 30 days after the relevant payment is first made available for payment to the Holder (except to the extent that the Holder would have been entitled to Additional Amounts had the Note been presented during such 30 day period);

(7) any Taxes that are not payable by withholding or deduction;

(8) any (a) U.S. federal backup withholding tax or (b) any Tax imposed by Sections 1471 through 1474 of the Internal Revenue Code of 1986, as amended ("*FATCA*"), any current or future Treasury Regulations or rulings promulgated thereunder, any law, regulation or other official guidance in any jurisdiction implementing FATCA, any

intergovernmental agreement between the United States and any other jurisdiction to implement FATCA, or any agreement with the Internal Revenue Service under FATCA;

(9) any Canadian withholding Taxes assessed or imposed by reason of the Holder or beneficial owner of a payment or deemed payment being (i) a "specified shareholder" as defined in subsection 18(5) of the Income Tax Act (Canada) of the payer of such payment or deemed payment or not dealing at arm's length (for purposes of the Income Tax Act (Canada)) with a "specified shareholder" of the payer of such payment or deemed payment, (ii) an entity in respect of which the payer of such payment or deemed payment is a "specified entity" (within the meaning of subsection 18.4(1) of the Income Tax Act (Canada)) at the time of payment or deemed payment, or (iii) a "reverse hybrid entity" (within the meaning of subsection 18.4(1) of the Income Tax Act (Canada), as proposed to be amended by legislative proposals released by the Department of Finance (Canada) on January 29, 2026, and as may be further proposed to be amended); or

(10) any combination of the circumstances described in clauses (1) through (9),

nor will any Additional Amounts be paid with respect to any payment to a Holder on behalf of a beneficial owner to the extent that the beneficial owner would not have been entitled to the Additional Amounts had such beneficial owner been in the place of such Holder.

In addition, the Issuer shall pay or indemnify each Holder and beneficial owner for the payment of any and all Other Taxes imposed by any relevant taxing authority imposing such Other Taxes in accordance with Applicable Law.

Upon written request from the Trustee, the Issuer or the relevant Note Guarantor will promptly use its reasonable efforts to obtain tax receipts evidencing the payment of taxes deducted or withheld from any payment with respect to the Notes or any Subsidiary Guarantee and promptly after receiving such receipts or determining that such receipts are not reasonably obtainable, provide to the Trustee such receipts or, as applicable, other evidence of payment of such taxes as is reasonably satisfactory to the Trustee.

Where Tax is payable pursuant to Section 803 of the regulations under the Income Tax Act (Canada) by a Holder or beneficial owner of the Notes in respect of any amount payable under the Notes or the Subsidiary Guarantees to the Holder (other than by reason of a transfer of the Notes to a Person resident in Canada with whom the transferor does not deal at arm's length for the purposes of the Income Tax Act (Canada)), but no Additional Amount is paid in respect of such Tax, the Issuer will pay to the Holder an amount equal to such Tax within 45 days after receiving from the Holder a notice containing reasonable particulars of the Tax so payable.

The obligations described under this heading "Additional Amounts" will survive the repayment of the Notes and the sale or transfer of the Notes (or beneficial interests therein) by any investor.

Escrow of Proceeds

Concurrently with the closing of this offering, the Issuer will enter into an escrow agreement (the "*Escrow Agreement*") with the Trustee and Odyssey Transfer and Trust Company or an affiliate, as escrow agent (in such capacity, the "*Escrow Agent*"). Pursuant to the Escrow Agreement, the Issuer will deposit, or cause to be deposited, the net proceeds of this offering, into an account (the "*Escrow Account*") under the control of Escrow Agent by wire transfer of immediately available funds on the Closing Date. The initial funds deposited in the Escrow Account, and all other funds, interest, and payments credited to the Escrow Account in connection with the Notes (less any funds paid out in accordance with the Escrow Agreement) are referred to, collectively, as the "*Escrowed Property*."

The Escrow Account will not include cash to fund any accrued and unpaid interest owing to Holders of the Notes that is included in the Special Mandatory Redemption Price (as defined below). In the event that the Special Mandatory Redemption Price payable upon such Special Mandatory Redemption (as defined below) for the Notes exceeds the amount of the applicable Escrowed Property, the Issuer will be required to fund the difference between the applicable Special Mandatory Redemption Price and the amount of the Escrowed Property, plus fees and expenses of the Trustee and the Escrow Agent.

The Escrowed Property will be held in the Escrow Account until the earlier of (i) the Escrow Release Date (as defined below) following the delivery by the Issuer to the Escrow Agent and the Trustee of the Officer's Certificate referred to in the next succeeding paragraph and (ii) the Special Mandatory Redemption Date (as defined below). The Issuer will grant the Trustee, for its benefit and the benefit of the Holders, a security interest in the Escrow Account.

Subject to the provisions described below under "— *Special Mandatory Redemption*", the Issuer will only be entitled to direct the Escrow Agent to release Escrowed Property (in which case the Escrowed Property will be paid to or as directed by the Issuer in accordance with the instructions provided in such Officer's Certificate) (the "*Escrow Release*") upon delivery to the Escrow Agent and the Trustee, on or prior to the SMR Outside Date (as defined below), of an Officer's Certificate, certifying that (i) the Acquisition has been or, substantially concurrently with the release of the Escrowed Property, will be consummated in all material respects in accordance with the terms of the Arrangement Agreement, and (ii) the Escrowed Property will be used by the Issuer in a manner consistent with the "Use of Proceeds" section of this offering memorandum (the "Escrow Release Conditions"). The Escrow Release shall occur immediately following receipt by the Escrow Agent of an Officer's Certificate certifying to the foregoing (the date of the Escrow Release is hereinafter referred to as the "*Escrow Release Date*"). Upon the occurrence of the Escrow Release, the Escrow Account shall be reduced to zero and the Escrowed Property shall be paid out in accordance with the Escrow Agreement.

By its acceptance of a Note, each Holder shall be deemed to have authorized and directed the Trustee and the Escrow Agent to enter into and perform its obligations, if any, under the Escrow Agreement.

The Escrow Agent shall have no duty to verify or confirm any of the representations contained in the Officer's Certificate and shall have no responsibility therefor other than to confirm that it is substantially in the form attached to the Escrow Agreement. The Issuer will have no rights to the Escrowed Property prior to satisfying the Escrow Release Conditions. The Trustee shall have no duties or responsibilities with respect to the Officer's Certificate or its contents.

Subject to the terms of the Escrow Agreement, the Escrowed Property, pending release for the uses set forth above, may be invested by the Escrow Agent at the written direction of the Issuer in one or more U.S. dollar denominated Cash Equivalents; provided that any such Cash Equivalents shall be held in the Escrow Account.

Special Mandatory Redemption

The closing of this offering is not conditioned upon the consummation of the Acquisition. This offering will be consummated prior to the consummation of the Acquisition.

A "Special Mandatory Redemption Event" shall be deemed to have occurred if (i) the Escrow Agent shall have not received the Officer's Certificate described above under "— *Escrow of Proceeds*" on or prior to January 29, 2027 (or, to the extent the Arrangement Agreement is amended to remain in effect until a later date, such later date (but in no event later than July 29, 2027)) (the "*SMR Outside Date*"), (ii) the Issuer notifies the Escrow Agent and the Trustee at any time prior to the SMR Outside Date that the Arrangement Agreement is terminated (other than as a result of consummating the Acquisition) or (iii) the Issuer delivers a notice to the Escrow Agent and the Trustee at any time prior to the SMR Outside Date stating that it will no longer pursue the consummation of the Acquisition.

Within three business days following the occurrence of a Special Mandatory Redemption Event, the Issuer will send electronically, or cause to be sent electronically, notice of the Special Mandatory Redemption to each Holder with a copy to the Trustee and to the Escrow Agent, stating that a Special Mandatory Redemption Event has occurred and that all of the Notes will be redeemed on the redemption date set forth in such notice (which will be no later than ten business days and no sooner than two business days from the date such notice is sent electronically), in each case in accordance with the applicable provisions of the Indenture (the *"Special Mandatory Redemption Date*"). The notice shall state that in accordance with the applicable provisions of the Indenture, all of the outstanding Notes shall be redeemed at a redemption price (the "*Special Mandatory Redemption Price*") equal to (i) 100% of the initial offering price of the Notes set forth on the cover page of this offering memorandum, in the case of a Special Mandatory Redemption Event occurring on or prior to January 29, 2027, and (ii) 101% of the initial offering price of the Notes set forth on the cover page of this offering memorandum, in the case of a Special Mandatory Redemption Event occurring after January 29, 2027, in each case, plus accrued and unpaid interest to,

but not including, the Special Mandatory Redemption Date, automatically and without any further action by the Holders.

Upon the occurrence of a Special Mandatory Redemption Event, the Escrow Agreement will provide that the Escrow Agent will release the Escrowed Property from the Escrow Account to the Trustee to fund the redemption of all of the Notes (the "*Special Mandatory Redemption*") at the Special Mandatory Redemption Price. On the Special Mandatory Redemption Date, the Escrow Agent will pay to the Issuer any Escrowed Property in excess of the amount necessary to consummate the Special Mandatory Redemption of the Notes on the Special Mandatory Redemption Date.

Upon the Escrow Release, the foregoing provisions regarding the Special Mandatory Redemption will cease to apply.

Optional Redemption

The Issuer may at any time prior to May 11, 2028, on any one or more occasions, redeem up to 40% of the aggregate principal amount of the Notes (including any Additional Notes) at a redemption price of 108.500% of the principal amount thereof, plus accrued and unpaid interest to, but not including, the redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on an interest payment date that is on or prior to the redemption date) in an aggregate amount not greater than the Net Cash Proceeds of one or more Equity Offerings; *provided* that, in each case (1) at least 60% in aggregate principal amount of the Notes (including any Additional Notes) originally issued under the Indenture remain outstanding immediately after the occurrence of such redemption (excluding Notes held by the Issuer and its Subsidiaries); and (2) each such redemption must occur within 180 days of the date of the closing of the related Equity Offering.

In addition, at any time prior to May 11, 2028, the Issuer may redeem all or part of the Notes, at a redemption price equal to the sum of: (i) the principal amount thereof, plus (ii) the Make Whole Premium at the redemption date, plus accrued and unpaid interest, if any, to, but not including, the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on an interest payment date that is on or prior to the redemption date).

On or after May 11, 2028, the Issuer may redeem all or a part of the Notes at any time or from time to time, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest thereon, if any, to, but not including, the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on an interest payment date that is on or prior to the redemption date), if redeemed during the twelve-month period beginning on May 11 of the years indicated below:

Year	Percentage
2028	104.250%
2029	102.125%
2030 and thereafter	100.000%

If the Issuer redeems the Notes in part, the Notes for redemption shall be selected by lot or otherwise, in accordance with the applicable procedures of DTC. No Note of U.S.$200,000 in principal amount or less shall be redeemed in part. If any Note is to be redeemed in part only, the notice of redemption will state the portion of the principal amount to be redeemed. A new Note in principal amount equal to the unredeemed portion of the original Note will be issued upon the cancellation of the original Note. On and after the Redemption Date, interest will cease to accrue on the Notes or portions thereof called for redemption.

Optional Tax Redemption

The Notes may be redeemed at the Issuer's election in whole but not in part on any date prior to the Maturity Date, by the giving of notice as provided herein under "—*Notices*," at a price equal to the outstanding principal amount thereof, together with any Additional Amounts and accrued and unpaid interest to, but not including, the Redemption Date, if, as a result of:

(a) any change in, or amendment to, laws or treaties (or any regulation or rulings promulgated thereunder) of any Relevant Taxing Jurisdiction; or

(b) any change in the official application, administration or interpretation (including by reason of a holding, judgment or order by a court of competent jurisdiction) of such laws, treaties, regulations or rulings affecting taxation in such jurisdictions,

which amendment, change, application, administration or interpretation is announced and becomes effective on or after the later of the date of this offering memorandum and with respect to jurisdictions other than Canada, the date on which the Relevant Taxing Jurisdiction first became a Relevant Taxing Jurisdiction, the Issuer or a Note Guarantor, as the case may be, has become or would become obligated to pay any Additional Amounts on the next date on which any amount would be payable in respect of such Notes and the Issuer or a Note Guarantor, as the case may be, determines in good faith that such obligation cannot be avoided by taking commercially reasonable measures available to the Issuer or such Note Guarantor (an "*Applicable Change in Law*"); *provided*, *however*, *that* no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or a Note Guarantor, as the case may be, would be obligated to pay such Additional Amounts.

Notice of any redemption will be sent at least 10 days but not more than 60 days before the Redemption Date to each Holder of the Notes to be redeemed. Prior to the giving of notice of redemption of such Notes pursuant to the Indenture, the Issuer or a Note Guarantor, as the case may be, will deliver to the Trustee an Officer's Certificate and a written opinion of such taxing jurisdiction counsel of recognized standing to the effect that the Issuer or a Note Guarantor, as the case may be, has or will become obligated to pay such Additional Amounts as a result of an Applicable Change in Law. This Notice, once delivered to the Holders, will be irrevocable. On the Redemption Date, interest will cease to accrue on the Notes that have been redeemed and such Notes will be cancelled.

If the Issuer requests that the Trustee send a notice of redemption to the Holders, the Issuer shall provide the Trustee with written notice of such redemption 45 days prior to the Redemption Date.

Optional redemption following an Offer to Purchase

In connection with any offer to purchase pursuant to the terms of the Indenture in connection with a Change of Control Triggering Event, Asset Disposition or other tender offer, if Holders of not less than 90% in the aggregate principal amount of the outstanding Notes validly tender and do not withdraw such Notes in such offer to purchase and the Issuer, or any other Person making such offer to purchase, purchases all of the Notes validly tendered and not withdrawn by such Holders (including, in respect of an offer to purchase in connection with an Asset Disposition, all notes validly tendered in excess of the Net Available Cash), the Issuer or third-party offeror, as applicable, will have the right, upon not less than 10 nor more than 60 days' prior notice, given not more than 30 days following the purchase pursuant to such offer described above, to redeem (in the case of the Issuer) or purchase (in the case of a third-party offeror) all of the notes that remain outstanding following such purchase at a redemption price or purchase price, as the case may be, equal to the price paid to each other Holder in such offer (which may be less than par) plus, to the extent not included in such price, accrued and unpaid interest on the notes that remain outstanding, to but not including the Redemption Date (subject to the right of Holders of record on the relevant Record Date to receive interest due on an interest Payment Date that is on or prior to the Redemption Date).

Repurchases at the Option of the Holders of the Notes Upon Change of Control Triggering Event

If a Change of Control Triggering Event occurs, each Holder will have the right to require the Issuer to repurchase all or any part (equal to an integral multiple of U.S.$1,000) of that Holder's Notes pursuant to a Change of Control Offer (as defined below) on the terms set forth in the Indenture. No such purchase in part shall reduce the outstanding principal amount at maturity of the Notes held by any Holder to below U.S.$200,000. In the Change of Control Offer, the Issuer will offer a "*Change of Control Payment*" in cash equal to 101% of the aggregate principal amount of Notes repurchased plus accrued and unpaid interest and Additional Amounts, if any, on the Notes repurchased, to, but not including, the date of purchase (subject to the right of the Holders of record on the relevant Record Date to receive interest and Additional Amounts, if any, on the relevant interest Payment Date).

Within 30 days following any Change of Control Triggering Event, the Issuer will make a "*Change of Control Offer*" by giving notice to the Trustee and each Holder of Notes by sending and publishing such notice in accordance with the provision set out under "*—Notices*" below, describing the transaction or transactions that constitute the Change of Control, the occurrence of a Change of Control Triggering Event and offering to repurchase Notes on the date specified in the notice (the "*Change of Control Payment Date*"), which date will be no earlier than 10 days and no later than 60 days from the date such notice is sent, pursuant to the procedure required by the Indenture and described in such notice.

The Issuer will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other applicable securities laws or regulations in connection with the repurchase of Notes pursuant to this covenant. To the extent that the provisions of any applicable securities laws or regulations conflict with provisions of this covenant, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this covenant by virtue of its compliance with such securities laws or regulations.

On the Change of Control Payment Date, the Issuer will, to the extent lawful:

(1) accept for payment all Notes or portions of Notes properly tendered pursuant to the Change of Control Offer;

(2) deposit with the paying agent an amount equal to the Change of Control Payment in respect of all Notes or portions of Notes properly tendered; and

(3) deliver or cause to be delivered to the Trustee the Notes properly accepted, together with an Officer's Certificate stating the aggregate principal amount of Notes or portions of Notes being purchased by the Issuer.

The paying agent under the Indenture will promptly notify each Holder of Notes properly tendered of the Change of Control Payment for such Notes, and, upon receipt of a written order, the Trustee will promptly authenticate and mail (or cause to be transferred by book entry or electronic transmission) to each Holder a new Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any; *provided, however that* each new Note will be in a principal amount of U.S.$200,000 or an integral multiple of U.S.$1,000 in excess thereof. The Issuer will publicly announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Payment Date.

The provisions described above that require the Issuer to make a Change of Control Offer following a Change of Control Triggering Event shall apply whether or not any other provisions of the Indenture are applicable. Except as described above with respect to a Change of Control Triggering Event, the Indenture does not contain provisions that permit the Holders to require that the Issuer repurchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction.

The Issuer will not be required to make a Change of Control Offer upon a Change of Control Triggering Event if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements, set forth in the Indenture, that are applicable to a Change of Control Offer made by the Issuer and such third party purchases all Notes properly tendered and not withdrawn under the Change of Control Offer.

Open Market Purchases

The Issuer or any of its Subsidiaries may at any time purchase any Note in the open market or otherwise at any price in compliance with applicable securities laws. Any Note so purchased by the Issuer or any of its Subsidiaries may be surrendered to the Trustee for cancellation.

Certain Covenants

Pursuant to the Indenture, the Issuer and the Restricted Subsidiaries will agree to certain restrictive covenants.

During any period of time that: (i) the Notes have an Investment Grade Rating from at least two Rating Agencies and (ii) no Default or Event of Default has occurred and is continuing under the Indenture (the occurrence

of the events described in the foregoing clauses (i) and (ii) being collectively referred to as a "*Covenant Suspension Event*"), the Issuer and its Restricted Subsidiaries will not be subject to the following provisions (collectively, the "*Suspended Covenants*") of the Indenture:

(1) "*—Limitation on Indebtedness;*"

(2) "*—Limitation on Restricted Payments;*"

(3) "*—Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries;*"

(4) "*—Limitation on Sale of Assets;*"

(5) "*—Limitation on Transactions with Affiliates;*"

(6) clauses (1)(d) and (2)(d) of *"—Merger, Consolidation, Amalgamation, Combination, Sale or Lease;"* and

(7) "*—Future Note Guarantors.*"

Upon the occurrence of a Covenant Suspension Event, the amount of Net Available Cash that has not been invested or applied as provided under "*—Limitation on Sale of Assets*" shall be set at zero as of such date (the "*Suspension Date*"). In the event that, on any date subsequent to any Suspension Date (the "*Reversion Date*"), the Rating Agencies withdraw their Investment Grade Rating or downgrade such rating to below an Investment Grade Rating, or a Default or Event of Default occurs and is continuing, then the Issuer and its Restricted Subsidiaries shall thereafter again be subject to the Suspended Covenants with respect to future events. The period of time between the Suspension Date and the Reversion Date is referred to in this description as the "*Suspension Period*." Notwithstanding the reinstatement of the Suspended Covenants, no Default or Event of Default will be deemed to have occurred as a result of a failure to comply with the Suspended Covenants during the Suspension Period (or upon termination of the Suspension Period or after that time based solely on events that occurred and were completed during the Suspension Period).

On the Reversion Date all Indebtedness incurred during the Suspension Period and outstanding on the Reversion Date will be classified as having been incurred or issued pursuant to "*—Limitation on Indebtedness*" below (to the extent such Indebtedness would be permitted to be incurred or issued thereunder as of the Reversion Date and after giving effect to Indebtedness incurred or issued prior to the Suspension Period and outstanding on the Reversion Date). To the extent such Indebtedness would not be so permitted to be incurred or issued pursuant to "*—Limitation on Indebtedness*," such Indebtedness will be deemed to have been outstanding on the Closing Date, so that it is classified as permitted under clause (2)(d) of "*—Limitation on Indebtedness*." Calculations made after the Reversion Date of the amount available to be made as Restricted Payments under "*—Limitation on Restricted Payments*" will be made as though the covenant described under "*—Limitation on Restricted Payments*" had been in effect since the Closing Date and throughout the Suspension Period. Accordingly, Restricted Payments made during the Suspension Period will reduce the amount available to be made as Restricted Payments under the first paragraph of "*—Limitation on Restricted Payments*."

The Issuer shall give the Trustee written notice of any Covenant Suspension Event and in any event not later than five (5) Business Days after the Suspension Date. In the absence of such notice, the Trustee shall assume the Suspended Covenants apply and are in full force and effect. The Issuer shall give the Trustee written notice of any occurrence of a Reversion Date not later than five (5) Business Days after such Reversion Date. Absent such notice, the Trustee shall assume that the Suspended Covenants are suspended and not in full force and effect. After any such notice of the occurrence of a Reversion Date, the Trustee shall assume the Suspended Covenants apply and are in full force and effect.

Limitation on Indebtedness

(1) The Issuer will not, and will not permit any Restricted Subsidiary to, Incur, directly or indirectly, any Indebtedness; *provided*, *however*, *that* the Issuer or any Restricted Subsidiary may Incur Indebtedness if (i) on the

date of such Incurrence and after giving effect thereto and the application of proceeds therefrom, the Consolidated Fixed Charge Ratio would be no less than 2.25 to 1.00 and the Consolidated Net Debt to Consolidated Adjusted EBITDA Ratio would be no greater than 3.50 to 1.00, and (ii) no Default or Event of Default shall have occurred and be continuing;

(2) Notwithstanding the foregoing clause (1), the Issuer and its Restricted Subsidiaries may Incur the following Indebtedness:

(a) Indebtedness under Credit Facilities (including the Parex Credit Agreement) in an aggregate principal amount which, when taken together with all other Indebtedness outstanding under this subclause (a), does not exceed the greater of (i) U.S.$350.0 million, (ii) 9.0% of Consolidated Tangible Assets (determined on a pro forma basis for any acquisition);

(b) Indebtedness of the Issuer or any of its Restricted Subsidiaries evidenced by the Notes or the Subsidiary Guarantees issued on the Closing Date;

(c) Indebtedness of the Issuer owed to and held by any Restricted Subsidiary of the Issuer or Indebtedness of a Restricted Subsidiary owed to and held by the Issuer or any other Restricted Subsidiary; *provided*, *however*, *that*

(i) any subsequent issuance or transfer of any Capital Stock or any other event that results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any subsequent transfer of any such Indebtedness (except to the Issuer or a Restricted Subsidiary) shall be deemed, in each case, to constitute the Incurrence of such Indebtedness by the issuer thereof; and

(ii) if the Issuer is the obligor on such Indebtedness, such Indebtedness is expressly subordinated to the prior payment in full in cash of all obligations with respect to the Notes, unless the Restricted Subsidiary is a Note Guarantor;

(d) Indebtedness:

(i) of the Issuer and any Restricted Subsidiary outstanding on the Closing Date; or

(ii) consisting of Guarantees of any Indebtedness otherwise permitted by and made in accordance with the provisions of this "*—Limitation on Indebtedness*" covenant;

(e) Indebtedness of a Restricted Subsidiary Incurred and outstanding on or prior to the date on which such Restricted Subsidiary was acquired by the Issuer or a Restricted Subsidiary or otherwise became a Restricted Subsidiary (other than Indebtedness Incurred as consideration of, or to provide all or any portion of the funds or credit support utilized to consummate, or otherwise in contemplation of, the transaction or series of related transactions pursuant to which such Restricted Subsidiary became a Subsidiary of, or was otherwise acquired by, the Issuer or a Restricted Subsidiary); *provided, however, that* on the date that such Restricted Subsidiary is acquired by the Issuer or a Restricted Subsidiary, either (x) the Issuer and the Restricted Subsidiaries would have been able to Incur U.S.$1.00 of additional Indebtedness pursuant to the foregoing clause (1), after giving *pro forma* effect to the Incurrence of such Indebtedness pursuant to this subclause (e) and the acquisition of such Restricted Subsidiary, or (y) the Consolidated Fixed Charge Ratio would be no less than the Consolidated Fixed Charge Ratio immediately prior to such transactions, and the Consolidated Net Debt to Consolidated Adjusted EBITDA Ratio would be no greater than the Consolidated Net Debt to Consolidated Adjusted EBITDA Ratio immediately prior to the transactions;

(f) Indebtedness of another Person Incurred and outstanding on or prior to the date on which such Person merges, consolidates, amalgamates or combines with or into the Issuer or a Restricted Subsidiary (other than Indebtedness Incurred as consideration of, or to provide all or any portion of the funds or credit support utilized to consummate, or otherwise in contemplation of, the transaction or series of related transactions pursuant to which such Person merges, consolidates, amalgamates or combines with or into the

Issuer or a Restricted Subsidiary); *provided*, *however*, *that* on the date that such transaction is consummated, either (x) the Issuer and the Restricted Subsidiaries would have been able to Incur U.S.$1.00 of additional Indebtedness pursuant to the foregoing clause (1) after giving *pro forma* effect to the Incurrence of such Indebtedness pursuant to this subclause (f) and such merger, consolidation, amalgamation, combination or other similar transaction or (y) the Consolidated Fixed Charge Ratio would be no less than the Consolidated Fixed Charge Ratio immediately prior to such transactions, and the Consolidated Net Debt to Consolidated Adjusted EBITDA Ratio would be no greater than the Consolidated Net Debt to Consolidated Adjusted EBITDA Ratio immediately prior to the transactions;

(g) Indebtedness in respect of bankers' acceptances, deposits, promissory notes, workers' compensation claims, self-insurance obligations and performance, surety, appeal or similar bonds and Guarantees provided by the Issuer or any Restricted Subsidiary in the ordinary course of business;

(h) Indebtedness arising under agreements providing for indemnification, adjustment of purchase price or similar obligations, in each case Incurred or assumed in connection with the acquisition or Disposition of a business, assets or Capital Stock of a Restricted Subsidiary; *provided*, *however*, *that*, in the case of a Disposition, the maximum aggregate liability in respect of such Indebtedness will at no time exceed the gross proceeds actually received by the Issuer or such Restricted Subsidiary in connection with such Disposition;

(i) Hedging Obligations Incurred in the ordinary course of business and not for speculative purposes;

(j) Refinancing Indebtedness, including Refinancing Indebtedness Incurred to defease the Notes as provided in "*—Defeasance*" or satisfy and discharge the Notes as provided in "*—Satisfaction and Discharge*" to the extent the proceeds therefrom are applied substantially concurrently to defease or satisfy and discharge, as applicable, the Notes, it being understood that to the extent the proceeds of such Refinancing Indebtedness are subject to customary escrow or special mandatory redemption provisions in advance of such application, such application will be deemed to have been incurred substantially concurrently;

(k) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; *provided*, *however*, *that* such Indebtedness is extinguished within five Business Days of its Incurrence;

(l) Indebtedness consisting of bonds, surety obligations, restricted accounts, letters of credit, trusts or similar obligations required by governmental and non-governmental entities in connection with the operation of the Issuer's and the Restricted Subsidiaries' oil and gas properties, including without limitation transportation, storage and abandonment and reclamation obligations, Incurred by the Issuer or any of its Restricted Subsidiaries in the ordinary course of business (in each case, other than for an obligation for borrowed money);

(m) In-kind obligations relating to net oil and natural gas balancing positions arising in the ordinary course of business;

(n) Indebtedness under any Cash Management Agreements;

(o) Indebtedness representing deferred compensation to employees of the Issuer or any Restricted Subsidiary;

(p) Capitalized Lease Obligations and Purchase Money Obligations of the Issuer or any Restricted Subsidiary in an aggregate principal amount which, when taken together with all other Indebtedness outstanding under this subclause (p), does not exceed the greater of (i) U.S.$150.0 million and (ii) 5.0% of Consolidated Tangible Assets;

(q) Indebtedness of Frontera or any of its subsidiaries (including the Existing Frontera Notes and any Guarantees thereof by Frontera Energy Colombia AG or any other Subsidiary of Frontera that is a guarantor of the Existing Frontera Notes) as of the date on which Frontera becomes a Restricted Subsidiary or a Note Guarantor in connection with the consummation of the Acquisition, plus any Refinancing Indebtedness Incurred to Refinance any such Indebtedness; provided that such Refinancing Indebtedness shall satisfy the requirements set forth in the definition of "Refinancing Indebtedness;" and

(r) Indebtedness of the Issuer or any of its Restricted Subsidiaries in an aggregate principal amount which, when taken together with all other Indebtedness of the Issuer and its Restricted Subsidiaries outstanding on the date of such Incurrence (other than Indebtedness permitted by subclauses (a) through (q) above or clause (1)) does not exceed the greater of (i) U.S.$300.0 million and (ii) 8.0% of Consolidated Tangible Assets.

For purposes of determining the compliance with this covenant:

(x) Indebtedness permitted by this covenant (including clause (1) above), need not be permitted solely by reference to one provision permitting such Indebtedness but may be permitted in part by one such provision and in part by one or more other provisions of this covenant permitting such Indebtedness, as determined by the Issuer in its sole discretion; and

(y) In the event that Indebtedness meets the criteria of more than one of the types of Indebtedness described in this covenant including clause (1) above, the Issuer, in its sole discretion, shall classify (and from time to time may reclassify) such item of Indebtedness, in any manner that complies with this covenant.

For purposes of determining compliance with any U.S. dollar denominated restriction on the Incurrence of Indebtedness, the U.S. dollar equivalent principal amount of Indebtedness denominated in a foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred; *provided, however, that* if such Indebtedness is Incurred to Refinance other Indebtedness denominated in a foreign currency, and such Refinancing would cause the applicable U.S. dollar denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such Refinancing, such U.S. dollar denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such Refinancing Indebtedness does not exceed the principal amount of such Indebtedness being Refinanced. Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Issuer or any Restricted Subsidiary may Incur pursuant to this covenant shall be deemed not to be exceeded solely as a result of fluctuations in the exchange rate of currencies. The principal amount of any Indebtedness, if Incurred in a different currency from the Indebtedness being Refinanced, shall be calculated based on currency exchange rate applicable to the currencies in which such Refinancing Indebtedness is denominated that is in effect on the date of such Refinancing.

Accrual of interest, accrual of dividends, payment of interest in the form of additional Indebtedness, payment of dividends in the form of shares of Preferred Stock, accretion or amortization of original issue discount will be deemed not to be an Incurrence of Indebtedness for purposes of the "*—Limitation on Indebtedness*" covenant.

Limitation on Liens

The Issuer will not, and will not permit any Restricted Subsidiary to, directly or indirectly, create, Incur or suffer to exist any Lien on any property, assets, income or profits of the Issuer or any Restricted Subsidiary without effectively providing that the Notes (together with, if the Issuer so determines, any other Indebtedness or obligation then existing or thereafter created ranking equally with the Notes) shall be secured equally and ratably with (or prior to) the Indebtedness secured by such Lien so long as such Indebtedness shall be so secured, except that the foregoing provisions shall not apply to:

(1) Liens securing any Credit Facility (including the Parex Credit Agreement) permitted to be Incurred under clause (2)(a) of the covenant "*—Limitation on Indebtedness*";

(2) Liens securing Indebtedness of the Issuer or any Restricted Subsidiary in existence on the Closing Date (other than pursuant to the Parex Credit Agreement);

(3) Liens that secure Indebtedness owing by a Restricted Subsidiary to the Issuer and/or one or more other Restricted Subsidiaries or by the Issuer to one or more Restricted Subsidiaries;

(4) Liens on any property or assets acquired from a Person that is merged with or into the Issuer or any Restricted Subsidiary, or any Liens on the property, Capital Stock, assets, income or profits of any Person, existing at the time such Person becomes a Restricted Subsidiary and, in either such case, is not created as a result of or in connection with or in anticipation of any such transaction (unless such Lien was created to secure or provide for the payment of any part of the purchase price of such Person); *provided*, *however*, *that* such Liens may not extend to any other property, assets, income or profits of the Issuer or any Restricted Subsidiary;

(5) any Lien on any property or assets existing at the time of acquisition thereof, including any acquisition by means of a merger or consolidation, and that is not created as a result of or in connection with or in anticipation of such acquisition (unless such Lien was created to secure or provide for the payment of any part of the purchase price of such property or assets); *provided*, *however*, *that* such Liens may not extend to any other property, assets, income or profits of the Issuer or any Restricted Subsidiary;

(6) any Lien on the Capital Stock of an Unrestricted Subsidiary;

(7) Liens (including extensions and renewals) with respect to Indebtedness Incurred to finance the acquisition of real or personal property including Capital Stock acquired after the Closing Date; *provided*, *however*, *that* (a) such Lien is created solely for the purpose of securing the payment of Indebtedness Incurred pursuant to the covenant described under "*—Limitation on Indebtedness*," to finance the cost (including the cost, other than internal costs of the Issuer or any of its Subsidiaries, of design, development, acquisition, construction, installation, improvement, transportation or integration) of acquiring the item of property subject thereto and such Lien is created prior to, at the time of or within 180 days after the later of the acquisition, the completion of construction or the commencement of the full operation of such property, (b) the principal amount of the Indebtedness secured by such Lien does not exceed 100% of the cost (including the cost, other than internal costs of the Issuer or any of its Restricted Subsidiaries, of design, development, acquisition, construction, installation, improvement, transportation or integration) of such property or assets; and (c) such Lien shall not extend to cover any property, assets, income or profits other than such items of property and any improvements on such items;

(8) Liens imposed by law, including carriers', warehousemen's and mechanics' Liens and other similar Liens, on the property or assets of the Issuer or any Restricted Subsidiary arising in the ordinary course of business and securing payment of obligations that are not more than 60 days past due or are being contested in good faith by appropriate proceedings;

(9) Liens on the property or assets of the Issuer or any Restricted Subsidiary Incurred in the ordinary course of business to secure the performance of tenders, bids, statutory obligations, abandonment obligations, surety and appeal bonds and deposits (including, without limitation, as security for contested taxes or import or customs duties or for the payment of rent), government concessions or licenses (including under contracts with governmental entities or agencies for technical evaluation or exploration, development rights and in connection with oil and gas transportation, energy generation and transmission and related activities), workers compensation, unemployment insurance and social security claims, performance and return-of-money bonds, or other obligation of a like nature and Incurred in a manner consistent with industry practice (including Liens required by issuers of letters of credit issued to secure the aforementioned obligations), and Oil and Gas Liens, in each case which are not Incurred in connection with the borrowing of money, the obtaining of advances or credit or the payment of the deferred purchase price of property or assets in the operation of the business of the Issuer and its Restricted Subsidiaries;

(10) any interest or title of a lessor under any Capitalized Lease Obligation; *provided*, *however*, *that* the Indebtedness is related to a Capitalized Lease Obligation that is permitted under "*—Limitation on Indebtedness*;"

(11) easements, rights of way, restrictions, or defects or irregularities in title and other similar charges or encumbrances which do not interfere in any material respect with the business of the Issuer or any Restricted Subsidiary;

(12) Liens on Indebtedness Incurred pursuant to clause (2)(j) of the covenant described under the caption "*—Limitation on Indebtedness*;"

(13) Liens arising solely by virtue of any statutory or common law provision relating to banker's liens, rights of set-off or similar rights or remedies as to deposit accounts or other funds maintained with a creditor depository institution; *provided*, *however*, *that* (A) such deposit account is not a dedicated cash collateral account and is not subject to restrictions against access by the Issuer or any Restricted Subsidiary in excess of those set forth by regulations promulgated by the Board of Governors of the Federal Reserve System of the United States or analogous governmental authorities in the jurisdiction of incorporation of any Restricted Subsidiary or any other country where the Issuer or any Subsidiary of the Issuer has oil and gas operations or investments and (B) such deposit account is not intended by the Issuer or any Subsidiary of the Issuer to provide collateral to such depository institution;

(14) Liens arising out of legal proceedings, judgments or awards against the Issuer or a Restricted Subsidiary which do not give rise to an Event of Default;

(15) Liens imposed by law for taxes, assessments or governmental charges that are not yet due and payable or, if due and payable and delinquent, that are being contested in good faith by appropriate proceedings, *provided that* any reserve or other appropriate provision as is required in conformity with IFRS has been made therefor;

(16) Liens to secure the Notes or the Subsidiary Guarantees;

(17) Liens securing Hedging Obligations permitted to be Incurred under clause 2(i) of "*—Limitation on Indebtedness*;"

(18) Leases and subleases of real property by the Issuer or any Restricted Subsidiary as lessor which do not materially interfere with the ordinary conduct of the business of the Issuer or any of its Restricted Subsidiaries;

(19) Liens arising from Uniform Commercial Code financing statement filings or similar Canadian federal or provincial requirements of law regarding operating leases entered into by the Issuer or any Restricted Subsidiary in the ordinary course of business;

(20) Liens securing Indebtedness under Cash Management Agreements;

(21) Liens in favor of any federal government or any province, state or territory thereof or any municipality therein or any political subdivision, department, agency or instrumentality of any of them to secure the performance of any covenant or obligation to or in favor of or entered into at the request of such authorities where such security is required pursuant to any contract, statute or regulation or with respect to any franchise, grant, license or permit (including related to periodic payments in connection therewith) or arises by operation of law and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the Issuer or any Restricted Subsidiary under government permits, leases or grants, provided that such Lien is not given in connection with Indebtedness;

(22) Liens on the property or assets of the Issuer or any Restricted Subsidiary arising under oil and gas transportation agreements (including with respect to delivery obligations), oil and gas leases or subleases, oil and gas purchase and sale agreements, gas balancing or deferred production agreements and similar agreements or arrangements on or development of, or production from, oil and gas properties entered into in the ordinary course of business;

(23) any extension, renewal or replacement (or successive extensions, renewals or replacements), in whole or in part, of any Lien referred to in the foregoing clauses (1) through (22) or of any Indebtedness of the Issuer

or any Restricted Subsidiary secured thereby; *provided that* the principal amount of Indebtedness so secured thereby shall not exceed the principal amount of Indebtedness so secured at the time of such extension, renewal or replacement (plus accrued and unpaid interest and reasonable fees and expenses Incurred in connection therewith), and that such extension, renewal or replacement Lien shall be limited to all or part of the property that secured the Lien extended, renewed or replaced (plus improvements on or additions to such property); and

(24) Liens securing Indebtedness of the Issuer or any of its Restricted Subsidiaries in an aggregate principal amount which, when taken together with all other Liens outstanding does not exceed the greater of (i) U.S.$300.0 million and (ii) 8.0% of Consolidated Tangible Assets.

For purposes of determining compliance with this covenant (a) a Lien need not be permitted solely by reference to one category (or portion thereof) described in clauses 2) through (24) above but may be permitted in part under any combination thereof and (b) in the event that a Lien (or any portion thereof) meets the criteria of one or more of the categories (or portions thereof) described in clauses (2) through (24) above, the Issuer may, in its sole discretion, divide, classify or reclassify, or later divide, classify, or reclassify, such Lien (or any portion thereof) in any manner that complies (based on circumstances existing at the time of such division, classification or reclassification) with this covenant.

For the avoidance of doubt, any obligations relating to earnouts, overriding royalties or similar payouts payable in connection with the acquisition of oil and gas properties, interests or assets shall not constitute Liens.

Limitation on Restricted Payments

(1) The Issuer will not, and will not permit any Restricted Subsidiary to, directly or indirectly, (the actions described in subclauses (a) through (d) below being herein referred to as "*Restricted Payments*"):

(a) declare or pay any dividend or make any distribution, return of capital or other payment on or in respect of their Capital Stock (including any such payment in connection with any merger, consolidation, amalgamation, combination or other similar transaction involving the Issuer or any Restricted Subsidiary) or similar payment to the direct or indirect holders of their Capital Stock, except for dividends, distributions, returns of capital or other payments payable solely in the form of issuance of additional Capital Stock (other than Disqualified Stock of the Issuer or a Restricted Subsidiary or Preferred Stock of a Restricted Subsidiary) and except dividends, distributions, returns of capital or other payments payable to the Issuer or a Restricted Subsidiary (and, if such Restricted Subsidiary has shareholders other than the Issuer or other Restricted Subsidiaries, to its other shareholders on a *pro rata* basis);

(b) purchase, redeem, retire or otherwise acquire for value any Capital Stock of the Issuer held by Persons other than the Issuer or a Restricted Subsidiary;

(c) purchase, repurchase, redeem, defease or otherwise acquire or retire for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment, any Subordinated Obligations (other than the purchase, repurchase, redemption, defeasance or other acquisition of Subordinated Obligations (x) purchased, repurchased, redeemed, defeased or otherwise acquired in anticipation of satisfying a sinking fund obligation, principal installment or a final maturity, in each case, due within one year of the date of such purchase, repurchase, redemption, defeasance or other acquisition or (y) owing to or held by the Issuer or a Restricted Subsidiary); or

(d) make any Investment (other than a Permitted Investment) in any other Person.

The restrictions above will apply if at the time the Issuer or such Restricted Subsidiary makes such Restricted Payment:

(i) a Default or an Event of Default has occurred and is continuing or would occur as a result thereof;

(ii) the Issuer could not Incur at least U.S.$1.00 of additional Indebtedness under clause (1) of the covenant described under "—*Limitation on Indebtedness*" after giving effect to the Restricted Payment; or

(iii) the aggregate amount of such Restricted Payment and all other Restricted Payments declared or made since the Closing Date ((excluding Restricted Payments permitted by subclauses 2(a), 2(b), 2(d), 2(e), 2(g), 2(h), 2(i), and 2(k)) would exceed the sum of, without duplication:

(A) (i) 50% of Consolidated Net Income accrued during the period (treated as one accounting period) from January 1, 2026 to the end of the most recent fiscal quarter for which financial statements have been delivered to the Trustee under the Indenture prior to the date of such Restricted Payment (or, in case such Consolidated Net Income will be a deficit for any such period, minus 100% of such deficit); plus

(B) the aggregate Net Cash Proceeds and Fair Market Value of any property received by the Issuer from the issue or sale of its Capital Stock (other than Disqualified Stock) or other capital contributions subsequent to the Closing Date (other than Net Cash Proceeds (i) received from an issuance or sale of such Capital Stock to a Restricted Subsidiary of the Issuer and (ii) used to make Permitted Investments); plus

(C) (1) the amount of a Guarantee of the Issuer or any Restricted Subsidiary upon the unconditional release in full of the Issuer or such Restricted Subsidiary from such Guarantee if such Guarantee was previously treated as a Restricted Payment; and (2) in the event that the Issuer or any Restricted Subsidiary makes an Investment in a Person that, as a result of or in connection with such Investment, becomes a Restricted Subsidiary, an amount equal to the Issuer's or such Restricted Subsidiary's existing Investment in such Person; *provided that* any amount added pursuant to clauses (1) and (2) of this clause (C) shall not exceed the amount of such Guarantee or Investment previously made and treated as a Restricted Payment and not previously added pursuant to this clause (iii); *provided*, *however, that* no amount will be included under this clause (C) to the extent it is already included under clause (A) above; plus

(D) the amount by which Indebtedness of the Issuer or any Restricted Subsidiary is reduced on the balance sheet of the Issuer or any Restricted Subsidiary upon the conversion or exchange subsequent to the Closing Date of any such Indebtedness for Capital Stock (other than Disqualified Stock) of the Issuer (less the amount of any cash or the Fair Market Value of other property distributed by the Issuer or any Restricted Subsidiary upon such conversion or exchange); plus

(E) the amount equal to the net reduction of Investments (other than Permitted Investments) made by the Issuer or any Restricted Subsidiary in any Person resulting from repurchases or redemptions of such Investment by such Person, proceeds realized upon the sale of such Investment, repayments of loans or advances or other transfers of assets (including by way of dividend or distribution) by such Person to the Issuer or any Restricted Subsidiary or the redesignation of an Unrestricted Subsidiary as a Restricted Subsidiary or the consolidation, merger, amalgamation or combination of an Unrestricted Subsidiary into any of the Issuer or a Restricted Subsidiary; *provided that* any amount added pursuant to this clause (E) shall not exceed the amount of such Investment previously made and treated as a Restricted Payment; *provided, however, that* no amount will be included under this clause (E) to the extent it is already included under clause (A) above.

(2) So long as no Default or Event of Default occurs as a result thereof or has occurred or is continuing, the provisions of the foregoing clause (1) shall not prohibit:

(a) any purchase, repurchase, retirement, defeasance or other acquisition or retirement for value of Capital Stock of the Issuer or Subordinated Obligations made by exchange for, or out of the proceeds of the substantially concurrent sale of, Capital Stock of the Issuer (other than Disqualified Stock or other than Capital Stock issued or sold to a Subsidiary of the Issuer) or from the substantially concurrent contribution of common equity capital to the Issuer;

(b) (1) any purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of Subordinated Obligations made by exchange for, or out of the proceeds of the substantially concurrent sale of Subordinated Obligations; and (2) any purchase, repurchase, redemption or other acquisition or retirement for value of Disqualified Stock made by exchange for, or out of the proceeds of the substantially concurrent sale of Disqualified Stock;

(c) dividends paid in accordance with Applicable Law after the date of declaration thereof if at such date of declaration such dividend would have complied with this covenant; (and such payment shall be deemed to be paid on the date of payment for purposes of any calculation required by this covenant);

(d) repurchases of Capital Stock deemed to occur upon the exercise of stock options, warrants or other convertible or exchangeable securities to the extent such Capital Stock represents a portion of the exercise price thereof;

(e) any cash discount with respect to the contractual exercise price made to holders of the Issuer's warrants in connection with the exercise of such warrants by the holders thereof;

(f) loans or advances to employees or directors of the Issuer or any Restricted Subsidiary consistent with the Issuer's policy and past practice, in an aggregate amount not to exceed U.S.$7.0 million at any one time outstanding; *provided, however, that* the amount of such outstanding loans and advances will be included in the calculation of the amount of Restricted Payments pursuant to clause (1)(iii) above;

(g) Capital Stock repurchased in the open market to equity-settle stock-based compensation awarded to employees or directors of the Issuer or any Restricted Subsidiary in the ordinary course of business;

(h) payments to dissenting shareholders (x) pursuant to applicable law or (y) in connection with the settlement or other satisfaction of legal claims made pursuant to or in connection with a consolidation, merger or transfer of assets in connection with a transaction that is not prohibited by the Indenture;

(i) the purchase by the Issuer of fractional shares arising out of stock dividends, splits or combinations or business combinations or conversion of convertible or exchangeable securities of debt or equity issued by the Issuer;

(j) the repurchase, redemption or other acquisition of any Capital Stock of the Issuer or any Restricted Subsidiary held by any current or former officer, director, employee or consultant (or their transferees, estates or beneficiaries) of the Issuer or any Restricted Subsidiary pursuant to any equity subscription agreement, shareholder agreement, employment agreement, stock option plan, equity incentive or other plan or similar agreement, in each case in effect as of the Issue Date, in an aggregate amount not to exceed U.S.$10.0 million in each calendar year of the Issuer (with unused amounts in any calendar year being carried over to succeeding calendar years, subject to a maximum roll-over amount of U.S.$10.0 million in any calendar year); provided, that such amount in any calendar year may be increased by an amount not to exceed:

(i) the cash proceeds received by the Issuer from the sale of Capital Stock (other than Disqualified Stock) of the Issuer to employees, directors, officers or consultants of the Issuer or any of its Restricted Subsidiaries that occurs after the Issue Date, plus

(ii) the cash proceeds of key person life insurance policies received by the Issuer or any Restricted Subsidiary after the Issue Date;

(k) the repayment, redemption, repurchase, defeasance or other acquisition or retirement for value of any Subordinated Obligations at a purchase price not greater than (x) 101% of the principal amount thereof, plus accrued and unpaid interest, in the event of a Change of Control Triggering Event pursuant to a provision no more favorable to the holders thereof than the provision described under "—Repurchases at the Option of the Holders of the Notes Upon Change of Control Triggering Event" or (y) 100% of the principal amount thereof, plus accrued and unpaid interest, in the event of an Asset Disposition pursuant to a provision no more favorable to the holders thereof than the provision described under "—Limitation on Sale of Assets," provided that, in each case, prior to the repurchase the Issuer (or another Person on behalf thereof) has made an offer to purchase and repurchased all Notes issued under the Indenture that were validly tendered for payment in connection with the offer to purchase; and

(l) other Restricted Payments in an amount which, when taken together with all Restricted Payments made pursuant to this clause (l), shall not exceed the greater of (x) U.S.$100.0 million and (y) 3.0% of the Consolidated Tangible Assets of the Issuer at the time when such determination is made in any fiscal year; *provided*, *however*, *that* the Issuer could Incur at least U.S.$1.00 of additional Indebtedness under clause (1) of the covenant described under "—*Limitation on Indebtedness*" (but assuming, to comply with this condition, the Consolidated Net Debt to Consolidated Adjusted EBITDA Ratio would be no greater than 2.50:1.00) after giving effect to any such Restricted Payment; provided, further, that the foregoing proviso shall not apply to the declaration and payment of regularly scheduled cash dividends on or publicly announced repurchases of Equity Interests of the Issuer.

The amount of all Restricted Payments (other than cash) shall be the Fair Market Value (provided, no Officer's Certificate shall be required) on the date of such Restricted Payment of the asset(s) or securities proposed to be paid, transferred, issued, purchased, repurchased, redeemed, retired, defeased or otherwise acquired by the Issuer or such Restricted Subsidiary, as the case may be, pursuant to such Restricted Payment. The Fair Market Value of any cash Restricted Payment shall be its face amount.

For purposes of determining compliance with this covenant, if a Restricted Payment (or portion thereof) meets the criteria of more than one of the types of Restricted Payments described in clauses (a)-(k) above or one or more clauses of the definition of Permitted Investments (or portions of any of the foregoing) or pursuant to the first paragraph of this covenant, the Issuer, in its sole discretion, may order and classify, and subsequently reorder and reclassify (based on circumstances existing at the time of such reorder or reclassification), such Restricted Payment (or portion thereof) in any manner in compliance with this covenant.

Limitation on Sale of Assets

(1) The Issuer will not, and will not permit any Restricted Subsidiary to, make any Asset Disposition unless:

(a) the Issuer or such Restricted Subsidiary receives consideration at the time of such Asset Disposition at least equal to the Fair Market Value of the shares and/or assets subject to such Asset Disposition (for purposes of this subclause (a), all determinations of Fair Market Value shall be made in good faith by the Board of Directors of the Issuer or the relevant Restricted Subsidiary as certified by an Officer's Certificate delivered to the Trustee);

(b) at least 75% of the consideration in respect of all Asset Dispositions since the Closing Date received by the Issuer or such Restricted Subsidiary is in the form of cash or Cash Equivalents; *provided*, *however*, *that* the following shall be deemed to be cash for the purposes of this subclause (b): (i) the amount (without duplication) of any Consolidated liabilities (as shown on the Issuer's, or such Restricted Subsidiary's, most recent consolidated balance sheet or in the notes thereto) of the Issuer or such Restricted Subsidiary (other than Subordinated Obligations) that is expressly assumed by a party other than the Issuer or a Restricted Subsidiary in connection with such Asset Disposition or that is retired, cancelled or otherwise terminated in connection with such Asset Disposition or any firm commitments under governmental

concessions or licenses (including under contracts with governmental entities or agencies for technical evaluation or exploration and development rights of oil and natural gas fields) of the Issuer or such Restricted Subsidiary that are expressly assumed by a party other than the Issuer or a Restricted Subsidiary in connection with such Asset Disposition; (ii) the amount of any securities received by the Issuer or such Restricted Subsidiary from such transferee that is converted by the Issuer or such Restricted Subsidiary into cash (to the extent of the cash received) within 180 days following the closing of such Asset Disposition; (iii) with respect to any Asset Disposition of properties used or useful in the Oil and Gas Business by the Issuer or any of its Restricted Subsidiaries where the Issuer or such Restricted Subsidiary retains an interest in such property, the amount of the costs and expenses of the Issuer or such Restricted Subsidiary related to the exploration, development, completion or production of such properties and activities related thereto which the transferee (or an Affiliate thereof) agrees to pay; (iv) any Additional Assets; (v) any Designated Non-cash Consideration received by the Issuer or any Restricted Subsidiary in such Asset Disposition having an aggregate Fair Market Value, taken together with all other Designated Non-cash Consideration received pursuant to this clause (v) that is at that time outstanding, not to exceed the greater of (x) U.S. $50.0 million and (y) 2.0% of the Consolidated Tangible Assets of the Issuer; and (vi) assets of comparable Fair Market Value received in exchange for any Disposed asset; *provided*, *however*, *that* any such assets are normally used or useful in the Oil and Gas Business; and

(c) Within 360 days of the later of the date of such Asset Disposition and the receipt of such Net Available Cash, the Issuer or a Restricted Subsidiary apply an amount equal to 100% of the Net Available Cash from such Asset Disposition:

(i) to repay and permanently reduce any Indebtedness which is secured by a Lien or any Senior Indebtedness;

(ii) to make capital expenditures;

(iii) to reinvest in Additional Assets; or

(iv) to make an Offer (as defined in clause (2) below) to purchase Notes pursuant to and subject to the conditions set forth in clause (2) below.

Pending the final application of any such Net Available Cash the Issuer may utilize or invest such Net Available Cash in any manner not prohibited by the Indenture. Following the application of such Net Available Cash pursuant to clauses (i), (ii), (iii) or (iv) above, the amount of Net Available Cash shall be reset at zero and the Issuer and/or the Restricted Subsidiary shall be entitled to use any remaining proceeds for any corporate purposes to the extent permitted under the Indenture.

Notwithstanding the foregoing, in the event the Issuer or any Restricted Subsidiary enters into a binding agreement committing to apply the Net Available Cash from an Asset Disposition in compliance with clauses (ii) or (iii) above within 360 days after the receipt of any Net Available Cash from such Asset Disposition (an "Acceptable Commitment"), such commitment will be treated as a permitted application of the Net Available Cash from the date of the execution of such agreement until the earlier of (i) the date on which such capital expenditure or investment is consummated or such expenditure or investment is made or such agreement is terminated, and (ii) the 180th day after the expiration of the aforementioned 360-day period; provided that if any Acceptable Commitment is later canceled or terminated for any reason before such Net Available Cash is applied, then such Net Available Cash shall be required to be applied in accordance with this covenant from and after the date of such cancelation or termination.

Notwithstanding the foregoing provisions of this covenant, the Issuer and the Restricted Subsidiaries will not be required to apply any Net Available Cash in accordance with this covenant unless the aggregate Net Available Cash from all Asset Dispositions that is not applied in accordance with this covenant exceeds U.S.$60.0 million (in which case the Issuer and/or the Restricted Subsidiary shall be required to apply in accordance with this covenant all Net Available Cash that has not previously been applied in accordance with this covenant).

(1) In the event of an Asset Disposition that requires an Offer to purchase the Notes pursuant to clause 1(c)(iv) above, the Issuer will be required to offer to purchase Notes tendered pursuant to an offer by the Issuer for the Notes (an "*Offer*") at a purchase price of 100% of their principal amount plus accrued and unpaid interest (including premium and Additional Amounts, if any) thereon, to the date of purchase.

The Issuer will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other applicable securities laws or regulations in connection with the repurchase of Notes pursuant to this covenant. To the extent that the provisions of any applicable securities laws or regulations conflict with provisions of this covenant, the Issuer will comply with the applicable securities laws and regulations and will be deemed not to have breached its obligations under this covenant by virtue thereof.

Limitation on Transactions with Affiliates

The Issuer will not, and will not permit any Restricted Subsidiary to, make any payment to, or sell, lease, transfer or otherwise Dispose of any of their properties, assets or undertaking to, or purchase any property, assets or undertaking from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or Guarantee, with, or for the benefit of, any Affiliate (each, an "*Affiliate Transaction*"), unless

(1) the Affiliate Transaction is on terms that are no less favorable to the Issuer or the relevant Restricted Subsidiary than those that would have been obtained in a comparable arm's length transaction by the Issuer or such Restricted Subsidiary with a Person that is not an Affiliate;

(2) the Issuer delivers to the Trustee with respect to any Affiliate Transaction or series of related Affiliate Transactions involving an aggregate consideration in excess of U.S.$10.0 million and up to U.S.$20.0 million, an Officer's Certificate stating that such Affiliate Transaction complies with this covenant; and

(3) the Issuer delivers to the Trustee with respect to any Affiliate Transaction or series of related Affiliate Transactions involving an aggregate consideration in excess of U.S.$20.0 million a resolution of the Board of Directors, set forth in an Officer's Certificate, stating that such Affiliate Transaction complies with this covenant and that such Affiliate Transaction has been approved by a majority of the disinterested members of the Board of Directors.

The foregoing provisions will not apply to the following:

(a) transactions between or among the Issuer and/or any of its Restricted Subsidiaries or between or among two or more Restricted Subsidiaries;

(b) Restricted Payments that, in each case, are permitted by the provisions of the Indenture described above under the caption "— *Limitation on Restricted Payments*" or Permitted Investments;

(c) the payment of compensation (including amounts paid pursuant to employee benefit plans), indemnification, reimbursement or advancement of out of pocket expenses and provisions of liability insurance to officers, directors and employees of the Issuer or any Restricted Subsidiary of the Issuer, so long as the Board of Directors of the Issuer or such Restricted Subsidiary, as the case may be, in good faith shall have approved the terms thereof;

(d) payments or other actions taken under any agreement or guarantee in effect as of the Closing Date or any amendment, supplement, restatement, replacement, renewal, extension, Refinancing thereof or thereto (so long as the renewed or replaced agreement, when taken as a whole, is not more disadvantageous to the Issuer or such Restricted Subsidiary than the original agreement in effect on the Closing Date) or any transaction contemplated thereby;

(e) the issuance or sale of Capital Stock (other than Disqualified Stock) of the Issuer or the receipt by the Issuer of a capital contribution;

(f) any transaction of the Issuer or any Restricted Subsidiary with a Person that is not an Affiliate and that is merged with or into the Issuer, any Restricted Subsidiary or any Affiliate of the Issuer or any Restricted Subsidiary, and, in any such case, such transaction is not entered into as a result of or in connection with or in anticipation of such merger or such Person becoming a Subsidiary of the Issuer, any Restricted Subsidiary or any Affiliate of the Issuer or any Restricted Subsidiary;

(g) any employment, consulting, service or termination agreement, or reasonable and customary indemnification arrangements, entered into by the Issuer or any of its Restricted Subsidiaries with officers and employees of the Issuer or any of its Restricted Subsidiaries and the payment of compensation to officers and employees of the Issuer or any of its Restricted Subsidiaries including amounts paid pursuant to employee benefit plans, employee stock option or similar plans, in each case in the ordinary course of business;

(h) transactions with customers, clients, suppliers, distributors, generators, transporters or purchasers or sellers of goods or services, in each case in the ordinary course of business, on an arm's length basis; provided that such transactions are on terms substantially similar to those obtained by the Issuer or any Restricted Subsidiary in similar transactions with third parties or, if neither the Issuer nor any Restricted Subsidiary has entered into a similar transaction with a third party, that are on the whole not materially less favorable than those that would be reasonably expected to be available from third parties on an arm's-length basis, as determined in good faith by the Issuer;

(i) in the case of (i) contracts for (A) drilling or other oil-field services or supplies, (B) the sale, storage, gathering or transport of hydrocarbons or (C) the lease or rental of office or storage space or (ii) other operation-type contracts, any such contracts that are entered into in the ordinary course of business on terms substantially similar to those contained in similar contracts entered into by the Issuer or any Restricted Subsidiary and third parties or, if neither the Issuer nor any Restricted Subsidiary has entered into a similar contract with a third party, that the terms are on the whole not materially less favorable than those that would be reasonably expected to be available from third parties on an arm's-length basis, as determined in good faith by the Issuer;

(j) transactions entered into in good faith that provide for shared services and/or facilities arrangements and that provide cost savings and/or other operational efficiencies to the Issuer or any Restricted Subsidiary as determined in good faith by the Issuer, and payments related thereto;

(k) transactions with a Person (other than an Unrestricted Subsidiary) that is an Affiliate of the Issuer solely because the Issuer owns, directly or through a Subsidiary, an Equity Interest in, or controls, such Person;

(l) any transaction between the Issuer or any Restricted Subsidiary on the one hand and any Person deemed to be an Affiliate solely because a director of such Person is also a director of the Issuer or a Restricted Subsidiary, on the other hand; provided that such director abstains from voting as a director of the Issuer or the Restricted Subsidiary, as applicable, in connection with the approval of the transaction;

(m) loans or advances to employees or directors of the Issuer or any Restricted Subsidiary consistent with the Issuer's policy and past practice; *provided*, *however*, *that* in any such case, the Issuer or any such Restricted Subsidiary shall comply with the provisions in (2) and (3) above delivering an Officer's Certificate; and

(n) any Affiliate Transaction or series of related Affiliate Transactions for which the Issuer delivers to the Trustee, an opinion or statement as to the fairness to the Issuer or relevant Restricted Subsidiary of such Affiliate Transaction from a financial point of view issued by an accounting, appraisal or investment banking firm of international standing.

Limitation on Dividends and Other Payment Restrictions Affecting Restricted Subsidiaries

The Issuer will not, and will not permit any Restricted Subsidiary to, create or otherwise cause or permit to exist or become effective any consensual encumbrance or restriction of any kind on the ability of any Restricted Subsidiary to:

(1) pay dividends or make any other distributions permitted by Applicable Law on any Capital Stock of such Restricted Subsidiary owned by the Issuer or any other Restricted Subsidiary;

(2) pay any Indebtedness owed to the Issuer or any other Restricted Subsidiary;

(3) make loans or advances to the Issuer or any other Restricted Subsidiary; or

(4) transfer any of its property or assets to the Issuer or any other Restricted Subsidiary,

provided, *however*, *that* this prohibition shall not apply to any encumbrances or restrictions:

(a) imposed by the Indenture and the Notes;

(b) existing under or by reason of Applicable Law or governmental rule, regulation or order applicable other than solely on account of the action or inaction of the Issuer or Restricted Subsidiary;

(c) with respect to any property or assets acquired from a Person which is merged, consolidated, amalgamated or combined with or into the Issuer or any Restricted Subsidiary, or by reason of any Liens on any property or assets, or relating to or arising under the Indebtedness, of any Person or other entity existing at the time such Person or other entity becomes a Restricted Subsidiary, or any restriction or encumbrance relating to Indebtedness of any such Person and, in any such case, that is not created as a result of or in connection with or in anticipation of any such transaction, and any extension, renewal or replacement (or successive extensions, renewals or replacements), in whole or in part, of any such encumbrance or restriction, so long as the terms are substantially identical to such encumbrance or restriction (other than with respect to the duration thereof); *provided*, *however that* any such Lien created to secure or provide for the payment of any part of the purchase price of such Person shall not be permitted by this covenant; *provided further*, *that* such Liens may not extend to any other property owned by the Issuer or any Restricted Subsidiary;

(d) with respect to any property or assets existing at the time of acquisition thereof and which are not created as a result of or in connection with or in anticipation of such acquisition and any extension, renewal or replacement (or successive extensions, renewals or replacements), in whole or in part, of any such encumbrance or restriction, so long as the terms are substantially identical to such encumbrance or restriction (other than with respect to the duration thereof); *provided*, *however that* any such encumbrance or restriction created to secure or provide for the payment of any part of the purchase price of such Person shall not be permitted by this covenant; *provided further*, *that* such encumbrance or restriction may not extend to any other property owned by the Issuer or any Restricted Subsidiary;

(e) in the case of encumbrances or restrictions addressed under clauses (3) or (4) above:

(i) that exist by virtue of any transfer of, agreement to transfer, option or right with respect to, or Lien on, any property or assets of the Issuer or any Restricted Subsidiary not otherwise prohibited by the Indenture;

(ii) that restricts in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease, license or similar contract, or the assignment or transfer of any such lease, license or other contract or contractual right;

(iii) contained in mortgages, pledges or other security agreements permitted under the Indenture securing Indebtedness of the Issuer or a Restricted Subsidiary to the extent such encumbrances or restrictions restrict the transfer of the property subject to such mortgages, pledges or other security agreements;

(iv) customary restrictions on the disposition or distribution of assets or property in agreements entered into in the ordinary course of the Oil and Gas Business of the types described in the definition of Permitted Business Investments.

(f) arising or agreed to in the ordinary course of business, not relating to Indebtedness, and that do not, individually or in the aggregate, detract from the value of the property or assets of the Issuer or any Restricted Subsidiary in any manner material to the Issuer and its Restricted Subsidiaries;

(g) imposed by Purchase Money Obligations for property acquired in the ordinary course of business or by Capitalized Lease Obligations permitted under the Indenture on the property so acquired, but only to the extent that such encumbrances or restrictions restrict the transfer of the property;

(h) by reason of Liens that secure Indebtedness otherwise permitted to be Incurred under the provisions of the covenant described under "*—Limitation on Liens*" above and that limit the right of the debtor to Dispose of the assets subject to such Liens;

(i) existing on the Closing Date and any extension, renewal or replacement (or successive extensions, renewals or replacements), in whole or in part, of any such encumbrance or restriction, so long as the terms and conditions of such encumbrance or restriction are not materially more restrictive, taken as a whole, to such encumbrance or restriction (other than with respect to the duration thereof);

(j) imposed pursuant to an agreement entered into for the sale or Disposition of all or substantially all the Capital Stock or assets of the Issuer or such Restricted Subsidiary pending the closing of such sale or Disposition; *provided that* the sale or Disposition is permitted under the Indenture;

(k) resulting from restrictions on cash or other deposits or other customary requirements imposed by customers or suppliers under contracts entered into in the ordinary course of business, including agreements entered into in the ordinary course of the Oil and Gas Business of the types described in the definition of Permitted Business Investments;

(l) provisions limiting the disposition or distribution of assets or property or transfer of Capital Stock in joint venture agreements, asset sale agreements, sale-leaseback agreements, stock sale agreements, limited liability company organizational documents, and other similar agreements entered into in the ordinary course of business, or with the approval of the Issuer's Board of Directors or any of its officers, which limitation is applicable only to the assets, property or Capital Stock that are the subject of such agreements; and

(m) customary provisions in joint venture agreements or other similar agreements entered into in the ordinary course of business.

Financial Reporting

The Issuer will provide the Trustee, and to all the Holders, the following information (collectively, the "*Financial Reports*"):

(a) within the later of (A) 90 days of the end of each fiscal year and (B) the date on which the Issuer is required to file (after giving effect to any available extension) such information pursuant to applicable securities legislation), annual audited financial statements for such fiscal year (along with customary comparative results); and

(b) within the later of (A) 45 days of the end of each of the first three fiscal quarters of each fiscal year and (B) the date on which the Issuer is required to file (after giving effect to any available extension) such information pursuant to applicable securities legislation), unaudited financial statements for the interim period as at, and for the period ending on, the end of such fiscal quarter (along with comparative results for the corresponding interim period in the prior year);

in the case of clause (a), including a "Management's Discussion and Analysis of Financial Condition and Results of Operations" and a report on the annual financial statements by the Issuer's certified independent accountants (all of the foregoing information to be prepared on a basis substantially consistent with the requirements for a "reporting issuer" under the securities laws of Canada); *provided*, *however*, *that* Financial Reports shall be deemed to have been provided to the Trustee and the Holders once filed on the SEDAR website at www.sedarplus.ca, *provided that* the Trustee shall have no responsibility to determine whether such filings have occurred.

Unless the Financial Reports are available on SEDAR or any successor system thereto, the Issuer will also maintain a website to which the Holders of the Notes or bona fide prospective purchasers of the Notes are given free access and on which, not later than the date by which the Financial Reports are required to be provided to the Trustee pursuant to the immediately preceding paragraph, such Financial Reports are made available, *provided*, *however*, *that* the Trustee shall have no responsibility to determine whether such filings have occurred. Making such Financial Reports so available shall be deemed to satisfy the requirements of the immediately preceding paragraph that such Financial Reports be provided to the Trustee and delivered to the Holders.

For so long as the Notes are listed on the Singapore Stock Exchange and the rules of such exchange so require, the Financial Reports will also be made available through the offices of the listing agent.

If the total assets of the Unrestricted Subsidiaries (aggregated together on a Combined basis) represent more than 15.0% of the Issuer's consolidated total assets, then the Issuer shall provide the Trustee, and to all holders, the additional following quarterly and annual financial information of the Issuer and its Restricted Subsidiaries on a Combined basis: (i) as of the end of the relevant period, Consolidated Total Indebtedness and Consolidated Tangible Assets, and (ii) for the relevant period, Consolidated Adjusted EBITDA; *provided*, *however, that* Financial Reports shall be deemed to have been provided to the Trustee and the Holders once filed on the SEDAR website at www.sedarplus.ca, *provided that* the Trustee shall have no responsibility to determine whether such filings have occurred.

Delivery of these reports, information and documents to the Trustee is for informational purposes only, and the Trustee's receipt of them will not constitute actual or constructive notice of any information contained therein or determinable from information contained therein, including the Issuer's compliance with any of its covenants under the Indenture (as to which the Trustee is entitled to rely exclusively on an Officer's Certificate).

To the extent any information is not provided as specified in this section "*—Financial Reporting*" and such information is subsequently provided, the Issuer will be deemed to have satisfied its obligations with respect thereto at such time and any Default with respect thereto shall be deemed to have been cured.

Rule 144A Information

For so long as any of the Notes remain Outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer shall furnish, upon the request of any Holder, such information as is specified in Rule 144A(d)(4) under the Securities Act: (i) to such Holder, (ii) to a prospective purchaser of such Note (or beneficial interests therein) who is a QIB designated by such Holder and (iii) to the Trustee for delivery, at the request of the Issuer, to any applicable Holders or such prospective purchaser so designated, in each case in order to permit compliance by such Holder with Rule 144A in connection with the resale of such Note (or beneficial interest therein) in reliance upon Rule 144A. All such information shall be in the English language.

Limitation on Line of Business

The Issuer will not, and will not permit any Restricted Subsidiary, to engage in any business other than an Oil and Gas Business.

Merger, Consolidation, Amalgamation, Combination, Sale or Lease

(1) The Issuer shall not merge, consolidate, amalgamate or combine with or into another Person or convey, transfer or lease all or substantially all of its properties and assets to any Person, unless:

(a) the resulting, surviving or transferee Person (if not the Issuer) shall be a Person organized and existing under the laws of Canada, or any province or territory thereof, the United States of America or any State thereof or the District of Columbia, Barbados, Switzerland, Bermuda, Colombia, or of any member country of the Organization for Economic Co-operation and Development (the "OECD"), or any state, province or territory thereof;

(b) the Issuer causes the Person formed by such merger, consolidation, amalgamation, combination or other similar transaction, or into which the Issuer is merged, consolidated, amalgamated or combined or the Person which acquires by conveyance or transfer, or which leases, all or substantially all of the Issuer's properties and assets to (determined on a consolidated basis, with its Restricted Subsidiaries) (the "*Successor*"), and the Successor expressly assumes, pursuant to a supplemental indenture and documentation, executed and delivered to the Trustee in form reasonably satisfactory to the Trustee, all of the obligations of the Issuer under the Notes and the Indenture;

(c) immediately after giving effect to such transaction on a *pro forma* basis (and treating any Indebtedness which becomes an obligation of the resulting, surviving or transferee Person as a result of such transaction as having been issued by such Person at the time of such transaction) no Default or Event of Default would occur;

(d) immediately after giving effect to such transaction, either (x) the Successor would be able to Incur U.S.$1.00 of Indebtedness pursuant to clause (1) of the covenant described under "*—Limitation on Indebtedness*" or (y) the Consolidated Fixed Charge Ratio would be no less than the Consolidated Fixed Charge Ratio immediately prior to such transaction, and the Consolidated Net Debt to Consolidated Adjusted EBITDA Ratio would be no greater than the Consolidated Net Debt to Consolidated Adjusted EBITDA Ratio immediately prior to the transaction;

(e) the Issuer has delivered to the Trustee an Officer's Certificate and an opinion of counsel, each stating that such merger, consolidation, amalgamation, combination or other similar transaction, conveyance, transfer or lease complies with the Indenture and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture complies with the Indenture and that all conditions precedent provided for in the Indenture relating to such transaction have been complied with; and

(f) each Note Guarantor (unless it is the other party to the transactions above, in which case clause (b) shall apply) has by supplemental indenture confirmed that its Guarantee shall apply to such Person's obligations in respect of the Indenture and the Notes.

Upon any merger, consolidation, amalgamation, combination or other similar transaction or any transfer of all or substantially all of the Issuer's properties and assets (determined on a Consolidated basis with its Restricted Subsidiaries) in accordance with this covenant, in which the Issuer is not the continuing corporation, the Successor formed by such merger, consolidation, amalgamation, combination or other similar transaction, or into which the Issuer is merged, consolidated, amalgamated or combined or to which such conveyance, lease or transfer is made shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under the Indenture and the Notes with the same effect as if such Successor had been named as such, except in the case of a lease, and the Issuer shall be discharged from all covenants and obligations under the Indenture and the Notes.

(2) No Note Guarantor shall merge, consolidate, amalgamate or combine with or into another Person (other than another Note Guarantor) or convey, transfer or lease all or substantially all of its properties and assets to any Person, unless:

(a) the resulting, surviving or transferee Person (if not the Note Guarantor) shall be a Person organized and existing under the laws of Canada, or any province or territory thereof, the United States of America or any State thereof or the District of Columbia, Barbados, Switzerland, Bermuda, Colombia, or of any member country of the OECD, or any state, province or territory thereof, or the jurisdiction of organization of the Note Guarantor that is being merged, consolidated, amalgamated or combined, or whose properties and assets are being conveyed, transferred or leased;

(b) the Note Guarantor causes the Person formed by such merger, consolidation, amalgamation, combination or other similar transaction, or into which the Note Guarantor is being merged, consolidated, amalgamated or combined or the Person which acquires by conveyance or transfer, or which leases, all or substantially all of the Note Guarantor's properties and assets (determined on a consolidated basis, with its Subsidiaries) (the "*Note Guarantor Successor*"), to expressly assume, pursuant to a supplemental indenture and documentation, executed and delivered to the Trustee in form reasonably satisfactory to the Trustee, all of the obligations of a Note Guarantor under the Notes and the Indenture;

(c) immediately after giving effect to such transaction on a *pro forma* basis (and treating any Indebtedness which becomes an obligation of the resulting, surviving or transferee Person as a result of such transaction as having been issued by such Person at the time of such transaction) no Default or Event of Default would occur;

(d) immediately after giving effect to such transaction, either (x) the Issuer would be able to Incur U.S.$1.00 of Indebtedness pursuant to clause (1) of the covenant described under "*—Limitation on Indebtedness*" or (y) the Consolidated Fixed Charge Ratio would be no less than the Consolidated Fixed Charge Ratio immediately prior to such transaction, and the Consolidated Net Debt to Consolidated Adjusted EBITDA Ratio would be no greater than the Consolidated Net Debt to Consolidated Adjusted EBITDA Ratio immediately prior to the transaction;

(e) the Issuer has delivered to the Trustee an Officer's Certificate and an opinion of counsel, each stating that such merger, consolidation, amalgamation, combination, conveyance, transfer or lease complies with the Indenture and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture complies with the Indenture and that all conditions precedent provided for in the Indenture relating to such transaction have been complied with; and

(f) each other Note Guarantor has by supplemental indenture confirmed that its Guarantee shall continue to apply to the Issuer's obligations in respect of the Indenture and the Notes.

Upon any merger, consolidation, amalgamation, combination or other similar transaction or any transfer of all or substantially all of the properties and assets of the Note Guarantor (determined on a consolidated basis with its Subsidiaries) in accordance with this covenant, in which the Note Guarantor is not the continuing corporation, the Note Guarantor Successor formed by such merger, consolidation, amalgamation, combination or other similar transaction, or into which the Note Guarantor is merged, consolidated, amalgamated or combined or to which such conveyance, lease or transfer is made shall succeed to, and be substituted for, and may exercise every right and power of, the Note Guarantor under the Indenture and the Notes with the same effect as if such Note Guarantor Successor had been named as such, except in the case of a lease, and the Note Guarantor shall be discharged from all covenants and obligations under the Indenture and the Notes.

Events of Default

Events of Default with respect to the Notes in the Indenture will include (each, an "*Event of Default*"):

(1) default in the payment of any interest (or Additional Amounts, if any) on any Note when it becomes due and payable and such default shall continue unremedied for a period of 30 days;

(2) default in the payment of any principal (or premium, if any) on any Note when it becomes due and payable, whether on the Maturity Date, upon optional redemption, required repurchase or otherwise;

(3) default in the performance, or breach, of any covenant, agreement or obligation of the Issuer, any Note Guarantor or any Restricted Subsidiary contained in the Indenture, the Notes, or the Subsidiary Guarantee, and continuance of such default or breach for a period of 60 consecutive days (or 90 consecutive days with respect to the covenant described under "—Certain Covenants – Financial Reporting") after there has been given, by first class mail or electronic transmission, to the Issuer by the Trustee or to the Issuer and the Trustee by the Holders of at least 25% in aggregate principal amount of the Outstanding Notes a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder;

(4) with respect to any of the Issuer, any Note Guarantor or any Restricted Subsidiary, any final and non-appealable judgment or order for the payment of money in excess of U.S.$60.0 million or its equivalent in other currencies (to the extent not covered by insurance as acknowledged in writing by the insurer) is rendered against the Issuer, any Note Guarantor or any Restricted Subsidiary and (i) such judgment or order remains undischarged as a result of a failure to make a payment required by such judgment or order under the terms of such judgment or order for a period of 60 days, or (ii) such judgment or order remains unstayed for a period of 60 days after such judgment becomes final and non-appealable;

(5) either:

(i) the Issuer, any Note Guarantor or any Restricted Subsidiary shall default (as principal or guarantor or other surety) in the payment of principal of any Indebtedness in the principal amount of at least U.S.$60.0 million in the aggregate (or its equivalent in any other currency) and such default shall have continued for more than any applicable period of grace and any time for payment of such amounts has not been expressly extended, or

(ii) Indebtedness of the Issuer, any Note Guarantor or any Restricted Subsidiary is accelerated by the holders thereof because of a default, and the total amount of such accelerated Indebtedness exceeds U.S.$60.0 million;

(6) the Subsidiary Guarantee of any of the Note Guarantors under the Indenture shall fail to be in full force and effect or is declared null and void or any of the obligors thereunder denies in writing that it has any further liability under the Indenture and the Subsidiary Guarantee, or gives written notice to such effect to the Issuer (with a copy to the Trustee) (other than by reason of the termination of the Indenture or the release of the Subsidiary Guarantee in accordance with the terms of the Indenture); or

(7) to the extent permitted by Applicable Law, certain events of bankruptcy, insolvency, winding up, arrangement or other similar laws relating to the Issuer or any Subsidiary Guarantor that is a Significant Subsidiary.

The Issuer will be required to provide to the Trustee with written notice, within ten Business Days of obtaining knowledge thereof, of any Event of Default. The Indenture provides that the Trustee may withhold notice to the Holders of any Event of Default (except on payment of principal of (or premium, if any on), or interest, if any, on the Notes) if a Responsible Officer or Officers of the Trustee in good faith determines that it is in the interest of the Holders to do so.

The Trustee shall be deemed not to have notice of any Default or Event of Default unless written notice of any event which is in fact such a default is received by a Responsible Officer at the Corporate Trust Office of the Trustee and such notice references the Notes and the Indenture.

The Indenture provides that:

(a) if any Event of Default (other than an Event of Default involving a bankruptcy, insolvency or other similar event in respect of the Issuer) with respect to the Notes specified therein shall have happened and be continuing, either the Trustee acting at the written direction of Holders holding at least 25% of the aggregate principal amount of Outstanding Notes or the Holders of at least 25% of the aggregate principal amount of the Outstanding Notes may declare the principal amount of all the Notes to be due and payable immediately; and

(b) if an Event of Default involving a bankruptcy, insolvency or other similar event in respect of the Issuer shall have happened, the principal amount of all the Notes will be immediately due and payable without notice or any other act on the part of the Trustee or any Holder.

However, if all Defaults are cured (except the nonpayment of principal of and accrued interest on Notes that has become due by acceleration) and certain other conditions are met, including the payment to the Trustee of all fees and expenses incurred by the Trustee, its agents and counsel in connection with such default, such declaration may be rescinded by the Required Holders. In addition, past Defaults with respect to the Notes may be waived by the Required Holders except a Default in the payment of principal of (or premium, if any) or interest, if any, on any Note.

A Holder shall not have any right to institute any suit, action or proceeding for the enforcement of the Indenture, or for the exercise of any other remedy hereunder unless:

(i) such Holder has previously given written notice to the Trustee of a continuing Event of Default with respect to the Notes,

(ii) Holders of more than 25% in aggregate principal amount of Outstanding Notes shall have made written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee thereunder,

(iii) such Holder or Holders have offered to the Trustee indemnity reasonably satisfactory to it against the costs, expenses and liabilities to be Incurred in compliance with such request,

(iv) the Trustee during the 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding, and

(v) no direction inconsistent with such written request has been given to the Trustee during such 60 day period by the Required Holders;

provided, *however*, *that* no one or more Holders shall have any right to affect, disturb or prejudice in any manner whatsoever the benefit of the Indenture afforded the Notes by its or their action, or to enforce, except in the manner provided therein, any remedy, right or power thereunder. Any suit, action or proceeding shall be instituted and maintained in the manner provided herein for the benefit of the Holders of all Outstanding Notes.

Defeasance

The Issuer may, at its option and at any time, elect to have the obligations of the Issuer discharged with respect to the Outstanding Notes ("*Legal Defeasance*"). Such Legal Defeasance means that the Issuer shall be deemed to have paid and discharged the entire Indebtedness represented by the Outstanding Notes, except for:

(1) the rights of the Holders to receive payments in respect of the principal of, premium, if any, interest and Additional Amounts, if any, on the Notes when such payments are due;

(2) the Issuer's obligations with respect to the Notes concerning issuing temporary Notes, registration of Notes, mutilated, destroyed, lost or stolen Notes and the maintenance of an office or agency for payments;

(3) the rights, powers, trust, duties and immunities of the Trustee, as set forth in the Indenture, and the Issuer's obligations in connection therewith; and

(4) the Legal Defeasance provisions of the Indenture.

In addition, the Issuer may, at its option and at any time, elect to have the obligations of the Issuer released with respect to certain covenants that are described in the Indenture ("*Covenant Defeasance*") and thereafter the failure by the Issuer or any Restricted Subsidiary to comply with such obligations shall not constitute an Event of Default with

respect to the Notes. In the event Covenant Defeasance occurs, certain events (not including non-payment, bankruptcy, receivership and insolvency events) described under "*—Events of Default*" will no longer constitute an Event of Default with respect to the Notes.

In order to exercise either Legal Defeasance or Covenant Defeasance:

(a) the Issuer must irrevocably deposit, or cause to be deposited, with the Trustee, in trust, for the benefit of the Holders cash in U.S. dollars, non-callable United States Government Obligations, or a combination thereof, in such amounts and at such times as will be sufficient, in the opinion of a nationally recognized firm of independent public accountants, to pay the principal of, premium, if any, interest and Additional Amounts, if any, on the Notes on the stated date for payment thereof or on the applicable Redemption Date, as the case may be;

(b) in the case of Legal Defeasance, the Issuer shall have delivered to the Trustee an opinion of counsel reasonably acceptable to the Trustee, confirming that:

(i) the Issuer has received from, or there has been published by, the Internal Revenue Service a ruling; or

(ii) since the date of the Indenture, there has been a change in the applicable United States federal income tax law;

in either case to the effect that, and based thereon such opinion of counsel shall confirm that, the Holders and the beneficial owners of Notes will not recognize income, gain or loss for United States federal income tax purposes as a result of such Legal Defeasance and will be subject to United States federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(c) in the case of Covenant Defeasance, the Issuer shall have delivered to the Trustee an opinion of counsel in the United States confirming that the Holders and the beneficial owners of Notes will not recognize income, gain or loss for United States federal income tax purposes as a result of such Covenant Defeasance and will be subject to United States federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(d) in the case of Legal Defeasance or Covenant Defeasance, the Issuer shall have delivered to the Trustee (i) an opinion of legal counsel qualified to practice in Canada (such counsel acceptable to the Trustee acting reasonably) to the effect that, based upon Canadian law then in effect, and having regard to any proposed amendments thereto, the Holders and beneficial owners of Notes should not recognize income, gain or loss for Canadian federal, provincial or territorial income tax purposes and the amounts to be payable shall not be subject to any deposit or temporary freezing of funds, as a result of Legal Defeasance or Covenant Defeasance, as the case may be, and will be subject to Canadian federal, provincial or territorial income taxes on the same amounts and in the same manner and at the same time as would have been the case if such Legal Defeasance or Covenant Defeasance, as the case may be, had not occurred or (ii) a ruling directed to the Trustee received from tax authorities of Canada to the same effect as the opinion of counsel described in clause (i) above;

(e) no Default or Event of Default shall have occurred and be continuing on the date of such deposit pursuant to clause (a) of this paragraph (except such Default or Event of Default resulting from the failure to comply with "*—Certain Covenants—Limitation on Indebtedness*" as a result of the borrowing of funds required to effect such deposit);

(f) such Legal Defeasance or Covenant Defeasance shall not result in a breach of, or constitute a default under, the Indenture or any other material agreement or instrument to which the Issuer or any of its Subsidiaries is a party or by which the Issuer or any of its Subsidiaries is bound;

(g) the Trustee shall have received an Officer's Certificate of the Issuer stating that the deposit was not made with the intent of preferring the Holders over any other creditors of the Issuer or with the intent of defeating, hindering, delaying or defrauding any other creditors of the Issuer or others;

(h) the Trustee shall have received an Officer's Certificate of the Issuer and an opinion of counsel, each stating that all conditions precedent provided for or relating to the Legal Defeasance or the Covenant Defeasance have been complied with; and

(i) the Trustee shall have received an opinion of counsel (subject to customary qualifications and exclusions) to the effect that the trust resulting from the deposit does not constitute a regulated investment company under the Investment Company Act of 1940.

Satisfaction and Discharge

The Indenture will be discharged and will cease to be of further effect (except as to surviving rights of registration of transfer or exchange of the Notes as expressly provided for in such Indenture) when:

(a) the Issuer has irrevocably deposited or caused to be deposited with the Trustee as funds in trust for such purpose an amount in U.S. dollars or U.S. Government Obligations sufficient to pay and discharge the entire Indebtedness on the Notes that have not, prior to such time, been delivered to the Trustee for cancellation, for principal of, premium, if any, and any Additional Amounts and accrued and unpaid interest on the Notes to the date of such deposit (in the case of Notes which have become due and payable) or to the Stated Maturity or Redemption Date, as the case may be, and the Issuer has delivered irrevocable instructions to the Trustee under the Indenture to apply the deposited money toward the payment of the Notes at the applicable installment date or on the Redemption Date, as the case may be, and either:

(i) all Notes that have been authenticated and delivered (other than destroyed, lost or stolen Notes that have been replaced or paid and Notes for whose payment money has been deposited in trust or segregated and held in trust by the Issuer and thereafter repaid to the Issuer or discharged from such trust as provided for in the Indenture) have been delivered to the Trustee for cancellation; or

(ii) all Notes that have not been delivered to the Trustee for cancellation (x) have become due and payable (by reason of the sending of a notice of redemption or otherwise), (y) will become due and payable at Stated Maturity within one year or (z) are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the Issuer's name, and at our expense;

(b) the Issuer has paid or caused to be paid all sums payable by the Issuer under the Indenture; and

(c) the Issuer has delivered to the Trustee an Officer's Certificate and an opinion of counsel, each stating that all conditions precedent provided in the Indenture relating to the satisfaction and discharge of the Indenture have been satisfied; and an Officer's Certificate stating that such satisfaction and discharge will not result in a breach or violation of, or constitute a Default under, the Indenture or any other agreement or instrument to which the Issuer or any Subsidiary is a party or by which the Issuer or any Subsidiary is bound.

Form, Denomination and Registration

Restricted notes initially will be represented by one or more notes in registered, global form without interest coupons (collectively, the "*Restricted Global Notes*"). Regulation S notes initially will be represented by one or more notes in registered, global form without interest coupons (collectively, the "*Regulation S Global Notes*" and, together with the Restricted Global Notes, the "*Global Notes*").

No service charge will be made for any registration of transfer or exchange of Notes, but the Trustee may require payment of a sum sufficient to cover any Tax or other government charge payable in connection therewith. The Notes (or beneficial interests therein) may not be transferred unless the principal amount so transferred is in an authorized denomination.

The Global Notes will be deposited on or about the Closing Date with the Trustee as custodian for (and registered in the name of a nominee of) DTC. Except as described in the limited circumstances described under "*Book Entry, Delivery and Form*," Holders holding beneficial interests in Global Notes through DTC will not be entitled to receive physical delivery of certificated Notes. The Notes are not (and will not be) issuable in bearer form.

Listing

The Issuer will apply to list the notes on the Singapore Stock Exchange. In the event that the notes are listed for trading on the Singapore Stock Exchange, the Issuer will use its best efforts to maintain such listing; provided that if the admission of the notes on the Singapore Stock Exchange would, in the future, require the Issuer to publish financial information either more regularly than it would otherwise be required to, or requires the Issuer or the Guarantors to publish separate financial information, or if the listing, in the judgment of the Issuer, is unduly burdensome, the Issuer may seek an alternative admission to listing, trading and/or quotation for the notes by another listing authority, stock exchange and/or quotation system. If such alternative admission to listing, trading and/or quotation of the notes is not available to the Issuer or is, in the Issuer's commercially reasonable judgment, unduly burdensome, an alternative admission to listing, trading and/or quotation of the notes may not be obtained. Listing Agent

In the event that the notes are listed on the Singapore Stock Exchange, for so long as the notes are listed on such exchange and the rules of the exchange so require, the Issuer will also maintain a listing agent in Singapore. Paying Agent and Registrar

Odyssey Transfer and Trust Company or an affiliate will initially act as principal paying agent and registrar for the Notes. The Issuer may appoint other paying agents instead of, or in addition to, Odyssey Transfer and Trust Company or an affiliate. Upon any issuance of certificated notes, the Issuer will appoint and maintain a paying agent in Singapore, for so long as the notes are listed on the Singapore Stock Exchange and the rules of such exchange so require. In such event, an announcement shall be made through the Singapore Stock Exchange and will include all material information with respect to the delivery of the certificated notes, including details of the paying agent in Singapore.

Notices

Any notice or communication to a Holder shall be deemed to have been duly given upon the delivery of such notice to the registered address as recorded on the registrar's books not later than the latest date, and not earlier than the earliest date, prescribed in the Indenture for the giving of such notice. In the case of Global Notes, notices shall be sent to DTC or its nominees (or any successors), as the Holders thereof, and DTC will communicate such notices to the DTC Participants in accordance with its standard procedures. Any requirement of notice hereunder may be waived by the Person entitled to such notice before or after such notice is required to be given, and such waivers shall be filed with the Trustee.

Amendments

The Indenture will contain provisions permitting the Issuer, the Note Guarantors and the Trustee, with the consent of the Holders of Notes affected representing at least a majority of the aggregate principal amount of Outstanding Notes, to modify the Indenture, any supplemental indenture or the rights of the Holders; *provided*, *however*, *that* no such modification shall,

(1) without the consent of the Holder of each Outstanding Note affected thereby:

(a) reduce in any manner the amount of, or alter the priority of, any payments that are required to be made herein on any Note;

(b) reduce any premium or Additional Amounts in respect of any Note;

(c) change any date of payment on any Note (except as permitted by clause (h) below);

(d) change the place of payment where, or the coin or currency in which, any Note is payable;

(e) amend any Holder's contractual right expressly set forth in the Indenture to institute suit for the enforcement of any payment on or after the due dates therefor;

(f) reduce the percentage of the Outstanding Notes the consent of which is required for any such amendment, or reduce such percentage required for any waiver or instruction provided for in the Indenture;

(g) make any change or modify the ranking of the Notes in a manner that would adversely affect the Holders;

(h) reduce the premium payable upon the redemption or repurchase of any Note or change the time at which any Note may or shall be redeemed or repurchased in accordance with the Indenture (other than provisions relating to the covenants described under "*—Repurchases at the Option of the Holders of the Notes Upon Change of Control Triggering Event*" and "*—Certain Covenants —Limitation on Sale of Assets*" or provisions relating to minimum notice periods required for redemption of Notes described under "*—Optional Redemption*");

(i) waive a Default or Event of Default in the payment of principal of or premium, if any, or interest on the Notes, except a Default in payments that have become due solely because of an acceleration of the Notes that has been rescinded; or

(j) waive a redemption or repurchase payment with respect to any Note (other than a payment required by one of the covenants described under "*—Repurchases at the Option of the Holders of the Notes Upon Change of Control Triggering Event*" and "*—Certain Covenants—Limitation on Sale of Assets*").

The Indenture provides that Notes (or beneficial interests therein) owned by the Issuer or any of its Affiliates shall be disregarded and deemed not to be Outstanding for, among other purposes, consenting to any such modification.

Notwithstanding the foregoing, without the consent of any Holder of the Notes, the Issuer and the Trustee may modify, amend or supplement the Indenture:

(a) to evidence the succession by another Person to the Issuer and the assumption by any such successor of the covenants in the Indenture and in the Notes in accordance with "*—Certain Covenants—Merger, Consolidation, Amalgamation, Combination, Sale or Lease*";

(b) to add to the Issuer's covenants and those of any other obligor of the Notes for the benefit of the Holders or to surrender any right or power conferred upon the Issuer or any other obligor of the Notes, as applicable, in the Indenture or in the Notes for the benefit of the Holders of the Notes;

(c) to cure any ambiguity, defect, inconsistency, omission or mistake;

(d) to make any other changes with respect to matters or questions arising under the Indenture or the Notes; provided that, such changes shall not materially adversely affect the interests of the Holders;

(e) to evidence and provide the acceptance of the appointment of a successor trustee under the relevant Indenture;

(f) to comply with the rules of the depository or with any requirement of the SEC or any Canadian securities regulator with respect to the Notes or the Indenture;

(g) to mortgage, pledge, hypothecate or grant a security interest in favor of the Trustee for the benefit of the Holders as additional security for the payment and performance of the Issuer's obligations under the Indenture, in any property, or assets, including any of which are required to be mortgaged, pledged or hypothecated, or in which a security interest is required to be granted to the Trustee pursuant to the Indenture or otherwise;

(h) to provide for the issuance of Additional Notes in accordance with and if permitted by the terms of and limitations set forth in the Indenture;

(i) to add or release Note Guarantors in compliance with the Indenture;

(j) to provide for uncertificated Notes in addition to or in place of certificated Notes; and

(k) to conform the text of the Indenture (and/or any supplemental indenture) or the Notes to any provision of this Description of Notes to the extent such text is intended to be a verbatim recitation thereof, such intention to be evidenced by an Officer's Certificate of the Issuer delivered to the Trustee.

The Issuer will provide the Trustee with an Officer's Certificate and opinion of counsel certifying that any modification, amendment or supplement is in compliance with the Indenture and all conditions precedent to such modification, amendment or supplement have been complied with.

For the avoidance of doubt, no amendment to, or deletion of any of the covenants described under "—*Optional Redemption*," "—*Repurchases at the Option of the Holders of the Notes Upon Change of Control Triggering Event*" or "—*Certain Covenants*," or action taken in compliance with the covenants in effect at the time of such action, shall be deemed to impair or affect any legal rights of any holders of the notes to receive payment of principal of or premium, if any, or interest on the notes or to institute suit for the enforcement of any payment on or with respect to such holder's notes.

The Trustee

Odyssey Transfer and Trust Company or an affiliate will be the Trustee under the Indenture. The Trustee's corporate trust office is presently located at 860 Blue Gentian Rd, Suite 320, Eagan, MN 55121 . The Issuer and its Affiliates may from time to time enter into normal banking and trustee relationships with the Trustee and its Affiliates. In addition, the Trustee may appoint co or separate trustees to the extent required to meet the legal requirements of a particular jurisdiction.

Subject to the provisions of the Indenture relating to the duties of the Trustee, the Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request or direction of any of the Holders, unless such Holders shall have offered to the Trustee security or indemnity acceptable to the Trustee. Subject to such provision for indemnification, the Required Holders will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee pursuant to the Indenture, or exercising any trust or power conferred on the Trustee pursuant to the Indenture with respect to the Notes, *provided that* the Trustee shall have the right to decline to follow any such direction if the Trustee shall determine that the action so directed conflicts with any law or the provisions of the Indenture or subjects the Trustee to personal liability.

Appointment to Fill Vacancy in Office of Trustee

If the Trustee resigns or is removed or if a vacancy exists in the office of the Trustee for any reason, the Issuer will promptly appoint a successor Trustee meeting certain eligibility requirements by notifying the Trustee in

writing. Within one year after the successor Trustee takes office, the Required Holders may appoint a successor Trustee reasonably acceptable to the Issuer to replace the successor Trustee appointed by the Issuer and the failure of the Holders to do so will constitute acceptance of the successor Trustee appointed by the Issuer.

Each successor Trustee shall execute, acknowledge and deliver to the Holders, the Issuer and to its predecessor Trustee an instrument accepting such appointment and, upon the resignation or removal of the predecessor Trustee, such appointment shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, duties and obligations of its predecessor, with like effect as if originally named as Trustee. Upon written request of any such successor Trustee, the Holders and the Issuer shall execute any and all instruments in writing for fully and certainly vesting in and confirming to such successor Trustee all such rights and powers. In the event of a change of Trustee, a notice regarding such a change will be published as provided under "*—Notices*."

No Personal Liability of Incorporators, Stockholders, Directors, Officers or Employees

The Indenture provides that there will be no recourse against any incorporator, stockholder, officer, director, employee or controlling Person of the Issuer for the payment of the principal of, premium, if any, or interest on the Notes or for any claim based thereon or otherwise in respect thereof, and no recourse under or upon any obligation, covenant or agreement of the Issuer in the Indenture or the Notes or because of the creation of any Indebtedness represented thereby. Each Holder, by accepting the Notes, waives and releases all such liability.

Governing Law; Consent to Jurisdiction and Service of Process; Waiver of Jury Trial

The Indenture and the Notes provide that they will be governed by, and construed in accordance with, the laws of the State of New York. Each of the Issuer and the Note Guarantors has consented to the non-exclusive jurisdiction of (i) the courts of the State of New York and the United States District Court for the Southern District of New York (in either case sitting in Manhattan, New York City), and (ii) the courts of its own corporate domicile, and will irrevocably appoint C T Corporation System as agent for service of process, with respect to any action that may be brought in connection with the Indenture and the Notes and will irrevocably appoint CT Corporation System as agent for service of process in respect of any such actions in the State of New York. The Issuer, the Trustee and the Holders of Notes agree to waive any right they may have to trial by a jury (to the extent permitted by law).

Sovereign Immunity Waiver

The Issuer and each of the Note Guarantors will waive any immunity (including sovereign immunity), to the fullest extent permitted by Applicable Law, from suit, action, proceeding or jurisdiction to which it might otherwise be entitled in any such suit, action or proceeding in any United States federal or New York State court in the Borough of Manhattan, the City of New York or in any competent court in Canada or any jurisdiction of any Note Guarantor.

Certain Defined Terms

The terms listed below have the following meanings when used herein:

"Acquisition" shall mean the acquisition by Purchaser of all of the issued and outstanding shares of common stock of Frontera Petroleum International Holdings B.V. ("Frontera E&P"), a wholly-owned subsidiary of Frontera Energy Corporation ("Frontera"), by way of a court-approved plan of arrangement under the Business Corporations Act (British Columbia), pursuant to the Arrangement Agreement, consisting of all of Frontera's Colombian upstream oil and gas exploration and production business, including Frontera's oil and gas exploration and production assets in Colombia, its reverse osmosis water treatment facility and its palm oil plantation.

"Additional Amounts" shall have the meaning given to it in "*—Additional Amounts."*

"Additional Assets" shall mean (1) any property or assets (other than Indebtedness and Capital Stock) used or useful in the Oil and Gas Business, (2) the Capital Stock of a Person that becomes a Restricted Subsidiary as a result of the acquisition of such Capital Stock by the Issuer or another Restricted Subsidiary or (3) Capital Stock of a

Restricted Subsidiary acquired from a Person other than the Issuer, the Restricted Subsidiary or another Restricted Subsidiary.

"Additional Notes" shall have the meaning given to it under "*—Additional Notes*."

"Affiliate" of any specified Person shall mean any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "*control*," when used with respect to any Person, shall mean the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "*controlling*" and "*controlled*" have meanings correlative to the foregoing.

"Affiliate Transaction" shall have the meaning given to it in *"—Certain Covenants—Limitation on Transactions with Affiliates.*"

"Applicable Law" means, as to any Person, any law (statutory or common), treaty, rule or regulation or determination of an arbitrator or of a governmental authority in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"*Arrangement Agreement*" shall mean the Arrangement Agreement, dated as of March 10, 2026, by and among the Issuer, Parex AcquisitionCo Inc., a wholly-owned subsidiary of the Issuer ("Purchaser" and, together with the Issuer, the "Purchaser Parties"), and Frontera Energy Corporation ("Frontera"), as the same may be amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof.

"*Asset Disposition*" shall mean any sale, lease, transfer or other Disposition (or series of related sales, leases, transfers or Dispositions), including any sale of hydrocarbons or other mineral products as a result of the creation of Production Payments and Reserve Sales and any Disposition by means of a merger, consolidation, amalgamation, combination or similar transaction (each referred to for the purposes of this definition as a "disposition"), *provided* that the sale, lease conveyance or other disposition of all or substantially all of the assets of the Issuer and its Restricted Subsidiaries taken as a whole will be governed by the provisions of the Indenture described above under the caption "*— Repurchases at the Option of the Holders of the Notes Upon Change of Control Triggering Event*", and/or the provisions described above under the caption "*— Certain Covenants— Merger, Consolidation, Amalgamation, Combination, Sale or Lease*" and not by the provisions described above under the caption "*— Certain Covenants—Limitation on Sale of Assets*," of:

(1) any shares of Capital Stock of a Restricted Subsidiary (other than directors' qualifying shares or shares required by Applicable Law to be held by a Person other than the Issuer or a Restricted Subsidiary);

(2) all or substantially all the assets of any division or line of business of the Issuer or any Restricted Subsidiary (for the avoidance of doubt, excluding all or substantially all of the assets of any Unrestricted Subsidiary whether or not comprising all or substantially all of the assets of any division or line of business of the Issuer or any Restricted Subsidiary); or

(3) any other assets of the Issuer or any Restricted Subsidiary outside of the ordinary course of business of the Issuer or such Restricted Subsidiary;

provided, *however*, *that* the following shall not constitute Asset Dispositions:

(a) a sale, lease, transfer or other disposition to the Issuer or a Restricted Subsidiary;

(b) a Permitted Investment or Restricted Payment not then prohibited by the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*;"

(c) a sale, lease, transfer or other disposition of assets (or series of related sales, leases, transfers or dispositions) with a Fair Market Value of less than U.S.$30.0 million;

(d) a sale, lease, transfer or other disposition of Cash Equivalents or goods held for sale in the ordinary course of business;

(e) transactions permitted under the covenant described under "*—Certain Covenants—Merger, Consolidation, Amalgamation, Combination, Sale or Lease*;"

(f) the lease, assignment or sublease of any real or personal property in the ordinary course of business or the early termination or unwinding of any Hedging Obligation;

(g) any Production Payment or Reserve Sale, *provided* that any such Production Payment or Reserve Sale shall have been created, incurred, issued, assumed or guaranteed in connection with the acquisition or financing of, and within 90 days after the acquisition of, the property that is subject thereto;

(h) the Incurrence of any Lien then permitted by the covenant described under "*—Certain Covenants—Limitation on Liens*" and the sale, lease, transfer or other disposition of the asset or property subject to such Lien;

(i) a sale, lease, transfer or other disposition of obsolete, surplus or worn out equipment or other obsolete assets or other property which is uneconomical and no longer useful for the Issuer or any Restricted Subsidiary in the ordinary course of business or the disposition of other property in the ordinary course of business (including in connection with any compromise, settlement or collection of accounts receivable, but excluding the disposition of oil and gas in place and other interests in real property unless made in connection with a Permitted Business Investment);

(j) a disposition of oil, natural gas or other hydrocarbons or other mineral products in the ordinary course of business;

(k) any abandonment, relinquishment, farm-in, farm-out, lease or sub-lease of developed and/or undeveloped properties made or entered into in the ordinary course of business, but excluding any disposition as a result of the creation of a Production Payment or Reserve Sale;

(l) any trade or exchange by the Issuer or any Restricted Subsidiary of properties or assets used or useful in the Oil and Gas Business for other properties or assets used or useful in the Oil and Gas Business owned or held by another Person (including Capital Stock of a Person engaged in the Oil and Gas Business that is or becomes a Restricted Subsidiary), including any cash or Cash Equivalents necessary in order to achieve an exchange of equivalent value, provided that the Fair Market Value of the properties or assets traded or exchanged by the Issuer or such Restricted Subsidiary (including any cash or Cash Equivalents to be delivered by the Issuer or such Restricted Subsidiary) is reasonably equivalent to the Fair Market Value of the properties or assets (together with any cash or Cash Equivalents) to be received by the Issuer or such Restricted Subsidiary, and provided, further, that any cash received in the transaction must be applied in accordance with the covenant described under "*—Certain Covenants—Limitation on Sale of Assets"* as if such transaction were an Asset Disposition;

(m) any assignment of an overriding royalty or net profits interest to an employee or consultant of the Issuer or any of its Restricted Subsidiaries in the ordinary course of business in connection with the generation of prospects or the development of oil and natural gas projects;

(n) the surrender or waiver of contract rights or the settlement, release or surrender of contract, tort or other claims of any kind;

(o) the licensing or sublicensing of intellectual property or other general intangibles to the extent that such license does not prohibit the licensor from using the intellectual property and licenses, leases or subleases of other property or otherwise does not materially interfere with the business of the Issuer and its Restricted Subsidiaries; and

(p) the sale or other disposition (whether or not in the ordinary course of business) of oil and gas properties, provided at the time of such sale or other disposition such properties do not have associated with them any proved reserves.

"Average Life" shall mean, as of the date of determination, with respect to any Indebtedness or Preferred Stock, the quotient obtained by dividing (1) the sum of the products of the numbers of years from the date of determination to the dates of each successive scheduled principal payment of such Indebtedness or redemption or similar payment with respect to such Preferred Stock multiplied by the amount of such payment by (2) the sum of all such payments.

"Board of Directors" shall mean, with respect to any Person, the board of directors of such Person or any committee thereof duly authorized to act on behalf of the board of directors of such Person or similar governing body in the case of a non-incorporated Person.

"Business Day" shall mean any day other than a Saturday, Sunday or other day on which banking institutions in New York City, New York, are permitted or required by Applicable Law, regulation or executive order, to remain closed.

"Capital Stock" of any Person shall mean any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into such equity.

"Capitalized Lease Obligation" shall mean an obligation that is required to be classified and accounted for as a capitalized lease for financial reporting purposes in accordance with IFRS, and the amount of Indebtedness represented by such obligation shall be the capitalized amount of such obligation determined in accordance with IFRS; and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be prepaid by the lessee without payment of a penalty.

"*Cash Equivalents*" means:

(1) United States or Canadian dollars;

(2) securities issued or directly and fully guaranteed or insured by the United States or Canadian government or any agency or instrumentality thereof (provided that the full faith and credit of the United States or Canada, as applicable is pledged in support thereof) having maturities of not more than one year from the date of acquisition;

(3) demand accounts, time deposit accounts, certificates of deposit, Eurodollar time deposits and money market deposit accounts with maturities of six months or less from the date of acquisition, bankers' acceptances with maturities not exceeding six months and overnight bank deposits, in each case, with any Canadian or U.S. commercial bank having capital and surplus in excess of U.S.$250.0 million (or the equivalent thereof in Canadian dollars) and a Thomson BankWatch Rating of "B" or better;

(4) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clauses (2) and (3) above entered into with any financial institution meeting the qualifications specified in clause (3) above;

(5) commercial paper having one of the two highest ratings obtainable from Moody's, S&P or Fitch and in each case maturing within 270 days after the date of acquisition;

(6) deposits and certificates of deposit with any commercial bank not meeting the qualifications specified in clause (3) above, provided all such deposits do not exceed U.S.$1.0 million in the aggregate at any one time;

(7) securities issued and fully guaranteed by any state, commonwealth or territory of the United States of America, or by any political subdivision or taxing authority thereof, or by any province of Canada or any political subdivision thereof rated at least "A2" by Moody's, "A" by S&P or "A" by Fitch, and having maturities of not more than 365 days from the date of acquisition;

(8) Indebtedness or preferred stock issued by Persons with a rating of "A" or higher from S&P, "A" or higher from Fitch, or "A2" or higher from Moody's with maturities of 365 days or less from the date or acquisition; and

(9) money market or other mutual funds substantially all of the assets of which constitute Cash Equivalents of the kinds described in clauses (1) through (8) of this definition.

"Cash Management Agreements" means any arrangement entered into or to be entered into by the Issuer or any Restricted Subsidiary for or in respect of cash management services for the Issuer and any Restricted Subsidiary in the ordinary course of business, including mirror accounting arrangements, account positioning arrangements, pooled accounts, netting arrangements across accounts, centralized operating accounts, automated clearing house transactions, controlled disbursement services, treasury, depository, overdraft and electronic funds transfer services, foreign exchange facilities, currency exchange transactions or agreements and options with respect thereto, credit card processing services, credit or debit cards, purchase cards and any indemnity given in connection with any of the foregoing.

"*Change of Control*" shall mean the occurrence of any of the following events:

(1) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger, amalgamation or consolidation), in one or a series of related transactions, of all or substantially all of the assets of the Issuer and its Subsidiaries taken as a whole to any "person"(as that term is used in Section 13(d)(3) of the Exchange Act) other than to the Issuer or one of its Subsidiaries;

(2) the consummation of any transaction (including without limitation, any merger or consolidation) the result of which is that any "person" (as that term is used in Section 13(d)(3) of the Exchange Act) becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the outstanding Voting Stock of the Issuer, measured by voting power rather than number of shares;

(3) the Issuer consolidates or amalgamates with, or merges with or into, any Person, or any Person consolidates or amalgamates with, or merges with or into, the Issuer, in any such event pursuant to a transaction in which any of the outstanding Voting Stock of the Issuer or such other Person is converted into or exchanged for cash, securities or other property, other than any such transaction where the shares of the Voting Stock of the Issuer outstanding immediately prior to such transaction constitute, or are converted into or exchanged for, a majority of the Voting Stock of the surviving Person immediately after giving effect to such transaction; or

(4) the adoption of a plan relating to the liquidation or dissolution of the Issuer.

Notwithstanding the foregoing, a transaction will not be deemed to involve a Change of Control if (i) the Issuer becomes a direct or indirect wholly-owned subsidiary of a holding company and (ii) the direct or indirect holders of the Voting Stock of such holding company immediately following that transaction are substantially the same as the holders of the Issuer's Voting Stock immediately prior to that transaction.

"Change of Control Offer" shall have the meaning given to it under "*—Repurchases at the Option of the Holders of the Notes Upon Change of Control Triggering Event.*"

"Change of Control Payment" shall have the meaning given to it under "*—Repurchases at the Option of the Holders of the Notes Upon Change of Control Triggering Event*."

"Change of Control Payment Date" shall have the meaning given to it under "*—Repurchases at the Option of the Holders of the Notes Upon Change of Control Triggering Event*."

"Change of Control Triggering Event" means the occurrence, on or within sixty (60) days (which period will be (i) extended for so long as any of the Rating Agencies has publicly announced that it is considering a possible ratings change as a result of a Change of Control or (ii) reduced in the event of a Rating Reaffirmation to the date on which the Rating Reaffirmation has been obtained) after the earlier to occur of public notice of (A) the occurrence of a Change of Control or (B) the intention by the Issuer or any other Person or Persons to effect a Change of Control, of any of the events listed below, in each case *provided* the relevant Rating Agencies identified such Change of Control as a primary reason for the relevant events listed below:

(a) in the event the Notes have an Investment Grade Rating by any two or more Rating Agencies on the Rating Date, the rating of the Notes by any such Rating Agency will be changed by at least two such Rating Agencies to below an Investment Grade Rating;

(b) in the event the Notes have an Investment Grade Rating by any, but not two or more, of the Rating Agencies on the Rating Date, the rating of the Notes by such Rating Agency will be changed to below an Investment Grade Rating; or

(c) in the event the Notes are not rated Investment Grade by any Rating Agencies on the Rating Date, the rating of the Notes by any Rating Agency will be decreased by one or more gradations (including gradations within rating categories as well as between rating categories).

Notwithstanding the foregoing, no Change of Control Triggering Event will be deemed to have occurred under sub-clauses (a), (b) or (c) in connection with any particular Change of Control unless and until such Change of Control has actually been consummated.

"Closing Date" shall mean the date of the issuance of the Notes.

"Combined" means the Consolidation of accounts of one or more Persons in accordance with IFRS, with any interest of the Issuer or any Restricted Subsidiary in any Unrestricted Subsidiary accounted for as an investment.

"Consolidated" when used in relation to the financial accounts or financial statements of a Person shall mean the consolidation of accounts of such Person and its Subsidiaries in accordance with IFRS consistently applied; *provided, however, that* "Consolidated" when specified as being in relation to the financial accounts or financial statements of the Issuer and its Restricted Subsidiaries will not include consolidation of the accounts of any Unrestricted Subsidiary, but the interest of the Issuer or any Restricted Subsidiary in any Unrestricted Subsidiary will be accounted for as an investment.

"*Consolidated Adjusted EBITDA*" shall mean, for any period, without duplication, the Consolidated Net Income for such period, plus the following, without duplication and to the extent deducted (and not added back) in calculating such Consolidated Net Income:

(1) Consolidated Interest Expense;

(2) consolidated income tax expense and equity tax expense of the Issuer and its Restricted Subsidiaries;

(3) consolidated depletion and depreciation expense of the Issuer and its Restricted Subsidiaries;

(4) consolidated amortization expense of the Issuer and its Restricted Subsidiaries; and

(5) consolidated impairment charge, exploration expense and abandonment costs of the Issuer and its Restricted Subsidiaries.

Notwithstanding the preceding sentence, clauses (1) through (5) relating to amounts of a Restricted Subsidiary of the referent Person will be added to Consolidated Net Income to compute Consolidated Adjusted EBITDA of such Person only in the same proportion that the net income of such Restricted Subsidiary was included in calculating the Consolidated Net Income of such Person.

"*Consolidated Net Debt to Consolidated Adjusted EBITDA Ratio*" shall mean at any date (1) Consolidated Total Net Indebtedness as of such date divided by (2) Consolidated Adjusted EBITDA for the most recently ended period of four consecutive fiscal quarters for which financial statements of the Issuer have been provided to the Trustee pursuant to the covenant described under "*—Certain Covenants—Financial Reporting*" (the "trailing four quarters"), *provided that*:

(1) if the Issuer or any Restricted Subsidiary has

(a) incurred any Indebtedness since the beginning of the trailing four quarters that remains outstanding on the date of the transaction giving rise to the need to calculate the Consolidated Net Debt to Consolidated Adjusted EBITDA Ratio or if the transaction giving rise to the need to calculate the Consolidated Net Debt to Consolidated Adjusted EBITDA Ratio is an Incurrence of Indebtedness, Indebtedness at the end of such period, Consolidated Adjusted EBITDA and Consolidated Total Net Indebtedness for such trailing four quarters shall be calculated on a *pro forma* basis as if such Indebtedness had been Incurred on the first day of such trailing four quarters (except that in making such computation, the amount of Indebtedness under any revolving credit facility outstanding on the day of such calculation will be deemed to be (i) the average daily balance of such Indebtedness during such four fiscal quarters or such shorter period for which such facility was outstanding or (ii) if such facility was created after the end of such four fiscal quarters, the average daily balance of such Indebtedness during the period from the date of creation of such facility to the date of such calculation),

(b) repaid, repurchased, defeased or otherwise discharged any Indebtedness since the beginning of such period or if any Indebtedness is to be repaid, repurchased, defeased or otherwise discharged (in each case, other than Indebtedness Incurred under any revolving credit facility unless such Indebtedness has been permanently repaid and has not been replaced) on the date of the transaction giving rise to the need to calculate the Consolidated Net Debt to Consolidated Adjusted EBITDA Ratio, Consolidated Adjusted EBITDA for such period shall be calculated on a *pro forma* basis as if such discharge had occurred on the first day of such period and as if the Issuer or such Restricted Subsidiary had not earned the interest income actually earned during such period in respect of cash or Cash Equivalents used to repay, repurchase, defease or otherwise discharge such Indebtedness;

(2) if since the beginning of such period the Issuer or any Restricted Subsidiary shall have made any Asset Disposition, then giving *pro forma* effect to such Asset Disposition during such period on the Consolidated Adjusted EBITDA;

(3) if since the beginning of such period, the Issuer or any Restricted Subsidiary (by merger or otherwise) shall have made an Investment in any Person that is merged with or into the Issuer or any Restricted Subsidiary (or any Person that becomes a Restricted Subsidiary) or an acquisition of assets, including any acquisition of assets occurring in connection with a transaction causing a calculation to be made hereunder, which constitutes all or substantially all of an operating unit of a business, then giving *pro forma* effect to such Investment or acquisition on the Consolidated Adjusted EBITDA for such period, any such *pro forma* calculation may include adjustments appropriate to reflect, without duplication, any such acquisition,

provided, *however*, *that* in each case such adjustments are set forth in an Officer's Certificate that states (i) the amount of such adjustment or adjustments, (ii) that such adjustment or adjustments are based on the reasonable good faith beliefs of the officers executing such Officer's Certificate at the time of such execution and (iii) that any related Incurrence of Indebtedness is permitted pursuant to the Indenture; and

(4) if since the beginning of such period, any Person (that subsequently became a Restricted Subsidiary or was merged with or into the Issuer or any Restricted Subsidiary since the beginning of such period) shall have made any Asset Disposition or any Investment or acquisition of assets that would have required an adjustment pursuant to clauses (2) or (3) above if made by the Issuer or a Restricted Subsidiary during such period, Consolidated Adjusted EBITDA for such period shall be calculated after giving *pro forma* effect thereto as if such Asset Disposition, Investment or acquisition of assets occurred on the first day of such period.

For purposes of this definition, whenever *pro forma* effect is to be given to an acquisition of assets and the amount of income or earnings relating thereto, the *pro forma* calculations shall be determined in good faith by a responsible financial or accounting officer of the Issuer. If any Indebtedness bears a floating rate of interest and is being given *pro forma* effect, the interest expense on such Indebtedness shall be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account any Interest Rate Agreement applicable to such Indebtedness if such Interest Rate Agreement has a remaining term as at the date of determination in excess of twelve months).

"*Consolidated Fixed Charge Ratio*" shall mean at any date, (i) the Consolidated Adjusted EBITDA for the trailing four quarters, divided by (ii) the Consolidated Interest Expense for such period; *provided that*:

(1) if the Issuer or any Restricted Subsidiary has

(a) Incurred any Indebtedness since the beginning of the trailing four quarters that remains outstanding on the date of the transaction giving rise to the need to calculate the Consolidated Fixed Charge Ratio or if the transaction giving rise to the need to calculate the Consolidated Fixed Charge Ratio is an Incurrence of Indebtedness, Consolidated Adjusted EBITDA and Consolidated Interest Expense for such trailing four quarters shall be calculated on a *pro forma* basis as if such Indebtedness had been Incurred on the first day of such trailing four quarters (except that in making such computation, the amount of Indebtedness under any revolving credit facility outstanding on the day of such calculation will be deemed to be (i) the average daily balance of such Indebtedness during such four fiscal quarters or such shorter period for which such facility was outstanding, or (ii) if such facility was created after the end of such four fiscal quarters, the average daily balance of such Indebtedness during the period from the date of creation of such facility to the date of such calculation); or

(b) repaid, repurchased, defeased or otherwise discharged any Indebtedness since the beginning of such period or if any Indebtedness is to be repaid, repurchased, defeased or otherwise discharged (in each case, other than Indebtedness Incurred under any revolving credit facility unless such Indebtedness has been permanently repaid and has not been replaced) on the date of the transaction giving rise to the need to calculate the Consolidated Fixed Charge Ratio, Consolidated Adjusted EBITDA and Consolidated Interest Expense for such period shall be calculated on a *pro forma* basis as if such discharge had occurred on the first day of such period and as if the Issuer or such Restricted Subsidiary has not earned the interest income, if any, actually earned during such period in respect of cash or Cash Equivalents used to repay, repurchase, defease or otherwise discharge such Indebtedness;

(2) if since the beginning of such period the Issuer or any Restricted Subsidiary shall have made any Asset Disposition, then giving *pro forma* effect to such Asset Disposition during such period on Consolidated Adjusted EBITDA and Consolidated Interest Expense for such period;

(3) if since the beginning of such period, the Issuer or any Restricted Subsidiary (by merger, consolidation, amalgamation, combination or other similar transaction or otherwise) shall have made an Investment in any Person that is merged, consolidated, amalgamated or combined with or into the Issuer or any Restricted Subsidiary (or any Person that becomes a Restricted Subsidiary) or an acquisition of assets, including any acquisition of assets occurring in connection with a transaction causing a calculation to be made hereunder, which constitutes all or substantially all of an operating unit of a business, then giving *pro forma* effect to such Investment or acquisition on the Consolidated Adjusted EBITDA and Consolidated Interest Expense for such period, any such *pro forma* calculation may include adjustments appropriate to reflect, without duplication, any such acquisition to the extent such adjustments may be reflected in the preparation of *pro forma* financial information in accordance with the requirements of National Instrument 52-107 – *Acceptable Accounting Principles and Auditing Standards*, *provided*, *that* such adjustments are set forth in an Officer's Certificate that states (i) the amount of such adjustment or adjustments, (ii) that such adjustment or adjustments are based on the reasonable good faith beliefs of the officers executing such Officer's Certificate at the time of such execution, and (iii) that any related Incurrence of Indebtedness is permitted pursuant to the Indenture; and

(4) if since the beginning of such period, any Person (that subsequently became a Restricted Subsidiary or was merged, consolidated, amalgamated or combined with or into the Issuer or any Restricted Subsidiary since the

beginning of such period) shall have made any Asset Disposition or any Investment or acquisition of assets that would have required an adjustment pursuant to clause (2) or (3) above if made by the Issuer or a Restricted Subsidiary during such period, Consolidated Adjusted EBITDA and Consolidated Interest Expense for such period shall be calculated after giving *pro forma* effect thereto as if such Asset Disposition, Investment or acquisition of assets occurred on the first day of such period.

For purposes of this definition, whenever *pro forma* effect is to be given to an acquisition of assets and the amount of income or earnings relating thereto, the *pro forma* calculations shall be determined in good faith by a responsible financial or accounting officer of the Issuer. If any Indebtedness bears a floating rate of interest and is being given *pro forma* effect, the interest expense on such Indebtedness shall be calculated as if the rate in effect on the date of determination had been the applicable rate for the entire period (taking into account any Interest Rate Agreement applicable to such Indebtedness if such Interest Rate Agreement has a remaining term as at the date of determination in excess of twelve months).

"*Consolidated Interest Expense*" shall mean, for any period, the total consolidated finance cost of the Issuer and its Restricted Subsidiaries, whether paid or accrued, plus, to the extent not included in such interest expense and without duplication:

(1) interest expense attributable to Capitalized Lease Obligations;

(2) amortization of debt discount and debt issuance cost (*provided that* any amortization of bond premium will be credited to reduce Consolidated Interest Expense unless, pursuant to IFRS, such amortization of bond premium has otherwise reduced Consolidated Interest Expense);

(3) non-cash interest expense (to the extent deducted in the calculation of Consolidated Net Income);

(4) commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing;

(5) the interest expense on Indebtedness of another Person that is guaranteed by the Issuer or one of its Restricted Subsidiaries or secured by a Lien on assets of the Issuer or one of its Restricted Subsidiaries, whether or not such Guarantee or Lien is called upon;

(6) cash costs associated with Hedging Obligations (including amortization of fees); *provided, however, that* if Hedging Obligations result in net cash benefits rather than costs, such benefits shall be credited to reduce Consolidated Interest Expense unless, pursuant to IFRS, such net benefits are otherwise reflected in Consolidated Net Income;

(7) the interest expense that was capitalized during such period; and

(8) all dividends paid or payable in cash, cash equivalents or Indebtedness or accrued during such period on any series of Disqualified Stock of the Issuer or on Preferred Stock of its Restricted Subsidiaries (including any applicable taxes) payable to a party other than the Issuer or a Wholly-Owned Subsidiary.

"*Consolidated Net Income*" means, for any period, the aggregate net income (loss) of the Issuer and its Restricted Subsidiaries determined in accordance with IFRS; *provided, however, that* there will not be included (to the extent otherwise included therein) in such Consolidated Net Income:

(1) any net income (loss) of any Person (other than the Issuer) that is not a Restricted Subsidiary or that is accounted for by the equity method of accounting, except that:

(a) subject to the limitations contained in clauses (3) and (4) below, the Issuer's equity in the net income of any such Person will be included only to the extent of the amount of cash dividends or distributions actually distributed by such Person during the relevant period to the Issuer or a Restricted Subsidiary; and

(b) the Issuer's equity in the net loss of any such Person for such period will be included to the extent such loss has been funded with cash from the Issuer or a Restricted Subsidiary during such period;

(2) any gain or loss realized upon the sale or other Disposition of any property, plant or equipment of the Issuer or its consolidated Subsidiaries which is not sold or otherwise Disposed of in the ordinary course of business and any gain or loss realized upon the sale or other Disposition of any Capital Stock of any Person;

(3) Extraordinary or Nonrecurring Gains or Losses;

(4) the cumulative effect of a change in accounting principles;

(5) any unrealized non-cash gains or losses or charges in respect of Hedging Obligations;

(6) income or loss attributable to discontinued operations (including, without limitation, operations Disposed of during such period whether or not such operations were classified as discontinued);

(7) any non-cash compensation charge arising from any grant of stock, stock options or other equity based awards;

(8) any foreign exchange gains or losses;

(9) any non-cash deferred tax gains or losses;

(10) any non-cash charges related to impairment expense in accordance with IFRS; and

(11) any fees, costs and expenses incurred or payable by the Purchaser or any Purchaser Parties in connection with the Acquisition or the consummation of the transactions contemplated by the Arrangement Agreement.

"*Consolidated Tangible Assets*" shall mean, as of any date of determination, the total assets shown on the consolidated balance sheet of the Issuer and its Restricted Subsidiaries as of the most recent date for which such a balance sheet is available, determined on a consolidated basis in accordance with IFRS (and, in the case of any determination relating to any Incurrence of Indebtedness or any Investment, on a *pro forma* basis including any property or assets being acquired in connection therewith) less all intangibles, in each case as shown on the Consolidated balance sheet.

"*Consolidated Total Indebtedness*" shall mean, as of any date and with respect to the Issuer, the Consolidated Indebtedness as of such date of the Issuer and its Restricted Subsidiaries, other than Subordinated Obligations.

"*Consolidated Total Net Indebtedness*" shall mean, as of any date and with respect to the Issuer, the Consolidated Indebtedness as of such date of the Issuer and its Restricted Subsidiaries, other than Subordinated Obligations, *minus* unrestricted cash.

"*Corporate Trust Office*" shall mean the office of the Trustee on the Closing Date located at 860 Blue Gentian Rd, Suite 320, Eagan, MN 55121 , or such other office as the Trustee may from time to time designate in writing to the Issuer.

"*Covenant Defeasance*" shall have the meaning given to it under "*—Defeasance*."

"*Covenant Suspension Event*" shall have the meaning given to it under "*—Certain Covenants*."

"*Credit Facility*" shall mean one or more debt facilities, including revolving credit facilities, or other financing arrangements (including commercial paper facilities or indentures) providing for revolving credit loans, term loans, letters of credit or other long-term indebtedness, including any notes, mortgages, guarantees, collateral

documents, instruments and agreements executed in connection therewith, and any amendments, supplements, modifications, extensions, renewals, restatements or refundings thereof in whole or in part.

"*Currency Agreement*" shall mean, with respect to any Person, any foreign exchange contract, currency swap agreement or other similar agreement or arrangement to which such Person is a party or of which it is a beneficiary.

"*Default*" shall mean any event that is, or after notice or passage of time or both would be, an Event of Default.

"*Designated Non-cash Consideration*" means the Fair Market Value (as determined in good faith by the Issuer) of non-cash consideration received by the Issuer or a Restricted Subsidiary in connection with an Asset Disposition that is so designated as Designated Non-cash Consideration pursuant to an Officer's Certificate, setting forth such valuation.

"*Disposition*" means, with respect to any property or asset, any sale, capital lease, assignment, conveyance, transfer or other disposition thereof. The terms "*Dispose*" and "*Disposed of*" shall have correlative meanings.

"*Disqualified Stock*" shall mean, with respect to any Person, any Capital Stock that by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable or exercisable) or upon the happening of any event: (1) matures or is mandatorily redeemable pursuant to a sinking fund obligation or otherwise; (2) is convertible or exchangeable for Indebtedness or Disqualified Stock; or (3) is redeemable at the option of the holder thereof, in whole or in part; in each case on or prior to the 91st day after the final Maturity Date of the Notes; *provided, however, that* any Capital Stock that would not constitute Disqualified Stock but for provisions thereof giving holders thereof the right to require such Person to repurchase or redeem such Capital Stock upon the occurrence of an "asset sale" or "change of control" occurring prior to the 91st day after the final Maturity Date of the Notes shall not constitute Disqualified Stock if the "asset sale" or "change of control" provisions applicable to such Capital Stock are not more favorable to the holders of such Capital Stock than the provisions of the covenants described under "*—Certain Covenants—Limitation on Sale of Assets*" or under *"—Repurchases at the Option of the Holders of the Notes Upon Change of Control Triggering Event*," as the case may be.

"Dollar-Denominated Production Payments" mean production payment obligations recorded as liabilities in accordance with IFRS, together with all undertakings and obligations in connection therewith.

"DTC" shall mean The Depository Trust Company, a New York corporation.

"Equity Offering" shall mean a public offering of Capital Stock (other than Disqualified Stock), or of a security or instrument exchangeable for or convertible into Capital Stock (other than Disqualified Stock) of the Issuer or its Restricted Subsidiaries, or any holding company of the Issuer or its Restricted Subsidiaries pursuant to a registration statement under the Securities Act or a prospectus under the securities laws of Canada or any other jurisdiction, a rights offering of Capital Stock (other than Disqualified Stock) of the Issuer or its Restricted Subsidiaries made generally to holders of such Capital Stock, and any private sale of Capital Stock (other than Disqualified Stock), or of a security or instrument exchangeable for or convertible into Capital Stock (other than Disqualified Stock) of the Issuer or its Restricted Subsidiaries, or any holding company of the Issuer or its Restricted Subsidiaries to any one or more Persons (other than issuances upon exercise of options by employees of the Issuer or its Restricted Subsidiaries or any holding company of the Issuer or its Restricted Subsidiaries).

"Event of Default" shall have the meaning given to it in "*—Events of Default*."

"Exchange Act" shall mean the United States Securities Exchange Act of 1934, as amended.

"Existing Frontera Notes" means Frontera Energy Corporation's ("Frontera") 7.875% Senior Notes due 2028 in an original aggregate principal amount of U.S.$400,000,000 issued pursuant to that certain indenture dated as of June 21, 2021, as amended by a supplemental indenture dated as of April 11, 2023 and a second supplemental indenture dated June 11, 2025, among Frontera, Frontera Energy Colombia AG, as note guarantors, and The Bank of New York Mellon, as trustee.

"Extraordinary or Nonrecurring Gains or Losses" shall mean asset retirement obligations settlements, one-time extraordinary or nonrecurring expenses not related to the ongoing operations, such as restructuring and severance costs and adjustments, and loss (gain) from dispositions of assets determined on a consolidated basis in accordance with IFRS.

"Fair Market Value" shall mean, with respect to any asset, the price which could be negotiated in an arm's length free market transaction, for cash, between a willing seller and a willing buyer, neither of which is under compulsion to complete the transaction, and, unless otherwise specified herein (except for assets consisting of publicly traded securities),

(1) if such asset has a price of at least U.S.$25.0 million and less than U.S.$35.0 million as such price is determined in good faith by the Board of Directors of the Issuer or a Restricted Subsidiary, as applicable, as evidenced by a resolution of such Board of Directors; or

(2) if such asset has a price of at least U.S.$35.0 million as such price is determined in good faith by the Board of Directors of the Issuer or a Restricted Subsidiary, as applicable, as evidenced by a resolution of such Board of Directors, set forth in an Officer's Certificate delivered to the Trustee.

"Financial Reports" shall have the meaning given to it under *"—Certain Covenants—Financial Reporting*."

"Fitch" shall mean Fitch Ratings, Inc.

"Global Note" shall have the meaning given to it under "*—Form, Denomination and Registration*."

"Guarantee" shall mean any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any other Person and any obligation, direct or indirect, contingent or otherwise, of any Person (1) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such other Person (whether arising by virtue of partnership arrangements, or by agreement to keep well, to purchase assets, goods, securities or services, to take or pay, or to maintain financial statement conditions or otherwise) or (2) entered into for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part); *provided, however, that* the term "Guarantee" shall not include endorsements for collection or deposit in the ordinary course of business. The term "*Guarantee*" used as a verb has a correlative meaning.

"Hedging Agreement" means (a) any and all Interest Rate Agreements, Currency Agreements, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross currency rate swap transactions, currency options, spot contracts or any other similar transactions or any combination or the foregoing (including any option to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, traded at the over the counter or standardized markets and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or are governed by any form of master agreement published by the International Swaps and Derivative Association, Inc., any International Foreign Exchange Master Agreement or any other master agreement (including such master agreement, together with any related schedules, a "*Master Agreement*") including any such obligations or liabilities under any Master Agreement.

"Hedging Obligations" of any Person shall mean the obligations of such Person pursuant to one or more Hedging Agreements.

"Holder" shall mean the Person in whose name a Note is registered on the registrar's books.

"IFRS" shall mean International Financial Reporting Standards as issued and interpreted by the International Accounting Standards Board.

"Incur" shall mean issue, assume, Guarantee, incur or otherwise become liable for; *provided, however, that* any Indebtedness of a Person existing at the time such Person is merged, consolidated, amalgamated or combined with or into the Issuer or becomes a Restricted Subsidiary of the Issuer (whether by merger, consolidation, amalgamation, combination or other similar transaction) shall be deemed to be Incurred by such Person at the effective time of such merger, consolidation, amalgamation, combination or other similar transaction or at the time it becomes a Restricted Subsidiary of the Issuer. The term "*Incurrence*" when used as a noun shall have a correlative meaning. Neither the accretion of principal of a non-interest bearing or other discount security nor the capitalization or accruing of interest on Indebtedness shall be deemed the Incurrence of Indebtedness.

"Indebtedness" shall mean, with respect to any Person on any date of determination (without duplication):

(1) the principal in respect of indebtedness of such Person for borrowed money;

(2) the principal in respect of obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;

(3) all reimbursement obligations of such Person in respect of the face amount of letters of credit or other similar instruments (except to the extent such reimbursement obligations relate to a trade payable and such obligations are satisfied within 30 days of Incurrence);

(4) all obligations of such Person to pay the deferred and unpaid purchase price of property or services (except trade payables and contingent obligations to pay earn-outs), which purchase price is due more than six months after the date of placing such property in service or taking delivery and title thereto or the completion of such services and all obligations to deliver hydrocarbons pursuant to prepaid forward sale arrangements that would be characterized as deferred revenue in the Issuer's financial statements;

(5) with respect to any Production Payment and Reserve Sale, any warranties or guaranties of production or payment by such Person with respect to such Production Payment and Reserve Sale but excluding other contractual obligations of such Person with respect to such Production Payment and Reserve Sale;

(6) all Capitalized Lease Obligations of such Person;

(7) the amount of all obligations of such Person with respect to the redemption, repayment or other repurchase of any Disqualified Stock;

(8) all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; *provided, however, that* the amount of Indebtedness of such Person shall be the lesser of: (a) the Fair Market Value of such asset at such date of determination and (b) the amount of such Indebtedness of such other Persons;

(9) to the extent not otherwise included in this definition, the aggregate net termination value of all Hedging Obligations of such Person; and

(10) all obligations of the type referred to in clauses (1) through (8) above of other Persons Guaranteed by such Person or for which such Person is otherwise liable as obligor, guarantor or otherwise.

The amount of Indebtedness of any Person at any date shall be the outstanding balance at such date of all unconditional obligations as described above and the maximum liability, upon the occurrence of the contingency giving rise to the obligation, of any contingent obligations at such date. The following obligations shall be deemed not to be Indebtedness for any purpose:

(a) any revolving credit facility to the extent any commitment under such revolving credit facility is undrawn (other than letters of credit, including if undrawn);

(b) customer deposits and advance payments received from customers in the ordinary course of business;

(c) accrued expenses, royalties and trade payables;

(d) contingent obligations incurred in the ordinary course of business;

(e) asset-retirement obligations or obligations in respect of reclamation and workers' compensation (including pensions and retiree medical care) that are not overdue by more than 90 days;

(f) except as provided in clause (5) above, Production Payments and Reserve Sales;

(g) in kind obligations relating to net oil or natural gas balancing positions arising in the ordinary course of business;

(h) any obligation of a Person in respect of a farm-in agreement or similar arrangement whereby such Person agrees to pay all or a share of the drilling, completion or other expenses of an exploratory or development well (which agreement may be subject to a maximum payment obligation, after which expenses are shared in accordance with the working or participation interest therein or in accordance with the agreement of the parties) or perform the drilling, completion or other operation on such well in exchange for an ownership interest in an oil or natural gas property;

(i) obligations under contracts, agreements, instruments, or arrangements described in clause (3) of the definition of Oil and Gas Liens to the extent not constituting Indebtedness for borrowed money; and

(j) Indebtedness, the proceeds of which are funded into an escrow account or trust or similar arrangement pending the satisfaction of one or more conditions, unless and until such proceeds are released to the Issuer or any Restricted Subsidiary.

"*Interest Rate Agreement"* shall mean, with respect to any Person, any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement or other similar agreement or arrangement to which such Person is a party or a beneficiary.

"*Internal Revenue Service*" shall mean the Internal Revenue Service of the United States federal government.

"*Investment*" in any Person shall mean any direct or indirect advance, loan (other than advances to customers or suppliers in the ordinary course of business that are recorded as accounts receivable, pre-paid expenses or deposits on the balance sheet) or other extension of credit (including by way of Guarantee or similar arrangement) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or any purchase or acquisition of Capital Stock, Indebtedness or other similar instruments issued by such Person, together with all items that are or would be classified as investments on a balance sheet prepared in accordance with IFRS. For purposes of the definition of "Unrestricted Subsidiary" and the covenant described under "*—Certain Covenants—Limitation on Restricted Payments*," Investment shall include the portion (proportionate to the Issuer's equity interest in such Subsidiary) of the Fair Market Value of the net assets of any Subsidiary of the Issuer at the time that such Subsidiary is designated an Unrestricted Subsidiary; *provided, however, that*, upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Issuer shall be deemed to continue to have a permanent "Investment" in an Unrestricted Subsidiary in an amount (if positive) equal to: (1) the Issuer's Investment in such Subsidiary at the time of such redesignation less (2) the portion (proportionate to the Issuer's equity interest in such Subsidiary) of the Fair Market Value of the net assets of such Subsidiary at the time of such redesignation. Any property transferred to or from an Unrestricted Subsidiary shall be valued at its Fair Market Value at the time of such transfer, in each case, as determined in good faith by the Board of Directors of the Issuer.

"*Investment Grade Rating*" shall mean a rating equal to or higher than BBB− (or the equivalent) by Fitch, BBB− (or the equivalent) by S&P, or Baa3 (or the equivalent) by Moody's, or an equivalent rating by any other Rating Agency.

"*Issuer*" shall mean Parex Resources Inc.

"*Joint Marketing Arrangement*" means any joint venture, partnership, lease, joint marketing agreement, operating agreement or other arrangement (which may or may not include joint ownership of any Person) pursuant to which the Issuer or one of its Restricted Subsidiaries arrange for the marketing, lease or sale of products and services and share in the profits therefrom.

"*Legal Defeasance*" shall have the meaning given to it under "*—Defeasance.*"

"*Lien*" shall mean any mortgage, deed of trust, lien, security interest, pledge, hypothecation, assignment, deposit arrangement or other charge or encumbrance of any kind, including, without limitation, the lien or retained security title of a conditional vendor and any easement, right of way or other encumbrance on title to real property, any right of set off or any similar arrangement under or with respect to any insurance policy, or anything analogous to any of the foregoing under the laws of any jurisdiction. For the avoidance of doubt any preference of one creditor in the ordinary course over another arising by operation of law shall not be considered as a Lien.

"*Make Whole Premium*" means, with respect to a Note at any time, as determined by the Issuer, the excess, if any, of (a) the present value at such time of (i) the redemption price of such note at May 11, 2028 (as set forth in the table under "*— Optional Redemption*"), plus (ii) any required interest payments due on such Note through such date (except for currently accrued and unpaid interest), discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months), using a discount rate equal to the Treasury Rate plus 50 basis points, in each case, over (b) the principal amount of such Note.

"*Maturity Date*" shall mean, with respect to the Notes, May 11, 2031.

"*Moody's*" shall mean Moody's Investors Service, Inc., a subsidiary of Moody's Corporation, and its successors.

"*Net Available Cash*" from an Asset Disposition shall mean cash payments received (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise and proceeds from the sale or other disposition of any securities received as consideration, but only as and when received, but excluding any other consideration received in the form of assumption by the acquiring Person of Indebtedness or other obligations relating to the properties or assets that are the subject of such Asset Disposition or received in any other non-cash form) therefrom, in each case net of:

(1) all legal fees and expenses, title and recording tax expenses, commissions and other fees and expenses Incurred, and all federal, state, provincial, foreign and local taxes required to be paid or accrued as a liability under IFRS, as a consequence of such Asset Disposition;

(2) all payments, including any prepayment premiums or penalties, made on any Indebtedness that is secured by any assets subject to such Asset Disposition, in accordance with the terms of any Lien upon or other security agreement of any kind with respect to such assets, or that must by its terms, or in order to obtain a necessary consent to such Asset Disposition, or by Applicable Law be repaid out of the proceeds from such Asset Disposition;

(3) all distributions and other payments required to be made to minority interest holders in Subsidiaries or joint ventures as a result of such Asset Disposition; and

(4) appropriate amounts to be provided by the seller as a reserve, in accordance with IFRS, against any liabilities associated with the property or other assets Disposed of in such Asset Disposition and retained by the Issuer or any Restricted Subsidiary after such Asset Disposition.

"*Net Cash Proceeds*" with respect to any issuance or sale of Capital Stock of the Issuer shall mean the cash proceeds of such issuance or sale net of attorneys' fees, accountants' fees, underwriters' or placement agents' fees, discounts or commissions and brokerage, consultant and other fees and expenses actually Incurred in connection with such issuance or sale and net of taxes paid or payable as a result thereof.

"*Non-Guarantor Designation*" has the meaning set forth under "*—Certain Covenants—Limitation on Designation of Non-Guarantor Restricted Subsidiaries*."

"*Non-Guarantor Restricted Subsidiary*" has the meaning set forth under "*—Certain Covenants—Limitation on Designation of Non-Guarantor Restricted Subsidiaries*."

"*Note Guarantors*" shall mean, collectively, (a) Parex Resources (Switzerland) AG, Parex Resources (Colombia) AG and Verano Energy (Switzerland) AG, (b) upon the Escrow Release Date, Purchaser, Frontera E&P, Frontera Energy Colombia AG or Frontera Energy Colombia Corp. and Petroleos Sud Americanos S.A., and (c) any existing or future Subsidiary of the Issuer that becomes a Note Guarantor after the Escrow Release Date pursuant to the terms of the Indenture.

"*Note Guarantor Successor*" shall have the meaning given to it in "*—Certain Covenants—Merger, Consolidation, Amalgamation, Combination, Sale or Lease*."

"*Notes*" shall have the meaning specified in the first paragraph hereof and shall also include any Additional Notes.

"*Offer*" shall have the meaning given to it in "*—Certain Covenants—Limitation on Sale of Assets*".

"*Officer's Certificate*" shall mean a certificate signed by an officer (as defined in the Indenture) of the Issuer, any of the Note Guarantors or any Restricted Subsidiary, as the case may be, and delivered to the Trustee.

"*Oil and Gas Business*" means:

(1) the business of acquiring, exploring, exploiting, mining, developing, producing, operating and disposing of interests in oil, natural gas, liquefied natural gas and other hydrocarbons, mineral or renewable energy properties or products produced in association with any of the foregoing;

(2) the business of gathering, marketing, distributing, treating, processing, storing, refining, selling and transporting of any production from such interests or properties and products produced in association therewith and the marketing of oil, natural gas, other hydrocarbons, minerals and renewable energy;

(3) any other related energy business, directly or indirectly, from oil, natural gas and other hydrocarbons, minerals and renewable energy produced substantially from properties in which the Issuer or its Restricted Subsidiaries, directly or indirectly, participate;

(4) any business relating to oil field sales and service or drilling rigs; and

(5) any business or activity relating to, arising from, or necessary, appropriate or incidental to the activities described in the foregoing clauses (1) through (4) of this definition.

"*Oil and Gas Liens*" means:

(1) Liens on any specific property or any interest therein, construction thereon or improvement thereto to secure all or any part of the costs incurred for surveying, exploration, drilling, extraction, development, operation, production, construction, alteration, repair or improvement of, in, under or on such property and the plugging and abandonment of wells located thereon (it being understood that, in the case of oil and gas producing properties, or any interest therein, costs incurred for "development" will include costs incurred for all facilities relating to such properties

or to projects, ventures or other arrangements of which such properties form a part or that relate to such properties or interests);

(2) Liens on an oil or gas producing property or products derived therefrom to secure obligations incurred or Guarantees of obligations incurred in connection with or necessarily incidental to commitments for the purchase or sale of, or the transportation or distribution of, the products derived from such property;

(3) Liens arising under joint venture agreements, partnership agreements, oil and gas leases, purchase and sale agreements, overriding royalty agreements, net profits agreements, carried working interest agreements, production payment agreements, royalty trust agreements, incentive compensation programs on terms that are reasonably customary, in the Oil and Gas Business, for geologists, geophysicists and other providers of technical services to the Issuer or a Restricted Subsidiary, farm-out agreements, farm-in agreements, division orders, contracts for the sale, purchase, exchange, transportation, gathering or processing of oil, gas or other hydrocarbons, unitizations and pooling designations, declarations, orders and agreements, development agreements, operating agreements, production sales contracts, area of mutual interest agreements, gas balancing or deferred production agreements, injection, repressuring and recycling agreements, salt water or other disposal agreements, seismic or geophysical permits or agreements, and other agreements that are customary in the Oil and Gas Business; *provided, however,* that in all instances such Liens are limited to the assets that are the subject of the relevant agreement, program, order or contract;

(4) Liens securing Production Payments and Reserve Sales; *provided* that such Liens are limited to the property that is subject to such Production Payments and Reserve Sales;

(5) Liens on pipelines or pipeline facilities that arise by operation of law; and

(6) Liens reserved in oil and gas mineral leases for bonus, royalty or rental payments and/or compliance with the terms of such leases.

"*ordinary course of business*" shall mean, in relation to any Person, a transaction or activity ordinarily undertaken by Persons engaged in the business of that Person, determined from an industry wide perspective in which the business of such Person is compared to other like businesses, whether or not such Person has previously engaged in such transactions or activities and regardless of the frequency of such transactions within the industry.

"*Other Taxes*" shall mean any and all present or future stamp, documentary or similar taxes, or any other excise or similar levies, including any interest, additions to Tax or penalties applicable thereto, that arise on account of the execution, delivery, registration, recording or enforcement of the Notes, the Subsidiary Guarantees or the Indenture (other than (i) any Taxes paid in accordance with the first paragraph of "—*Additional Amounts*" or (ii) any such Taxes resulting from the disposition or transfer of a Note after initial issuance).

"*Outstanding*" when used with respect to the Notes, shall mean, as of the date of determination, all Notes theretofore authenticated and delivered under the Indenture, except:

(1) Notes theretofore canceled by the Trustee or delivered to the Trustee for cancellation;

(2) Notes, or portions thereof, for whose payment or redemption money in the necessary amount has been theretofore deposited with the Trustee or any paying agent (other than the Issuer) in trust or set aside and segregated in trust by the Issuer (if the Issuer shall act as their own paying agent) for the Holders of such Notes; *provided, however, that*, if such Notes are to be redeemed, notice of such redemption has been duly given pursuant to the Indenture or provision therefor satisfactory to the Trustee has been made;

(3) Notes which have been defeased or as to which the Issuer has effected Covenant Defeasance pursuant to "—Defeasance" hereof; and

(4) Notes which have been paid pursuant to the provisions for "Mutilated, Destroyed, Lost or Stolen Notes" under the Indenture or in exchange for or in lieu of which other Notes have been authenticated and delivered

pursuant to the Indenture, other than any such Notes in respect of which there shall have been presented to the Trustee proof satisfactory to it that such Notes are held by a bona fide purchaser in whose hands such Notes are valid obligations of the Issuer;

provided, *however*, *that* in determining whether the Holders of the requisite principal amount of the Outstanding Notes have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Notes owned by the Issuer or its Affiliates shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Notes which a Responsible Officer of the Trustee actually knows to be so owned shall be so disregarded. Notes so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the reasonable satisfaction of the Trustee the pledgee's right so to act with respect to such Notes and that the pledgee is not any of the Issuer or its Affiliates.

"*Parex Credit Agreement*" means the second amended and restated credit agreement dated as of December 13, 2024, by and among the Issuer, as borrower, the financial institutions and other persons named from time to time therein as lenders and The Bank of Nova Scotia, as agent of the lenders, including any related notes, guarantees, collateral documents, instruments and agreements executed in connection therewith, and in each case as amended, restated, modified, renewed, refunded, replaced (whether upon or after termination or otherwise and whether with the original lenders or otherwise) or refinanced (including by means of sales of debt securities to institutional investors) in whole or in part from time to time.

"*Payment Date*" shall mean, each of May 11 and November 11 of each year and the applicable Maturity Date.

"*Permitted Business Investments*" means Investments made in the ordinary course of, and of a nature that is or shall have become customary in, the Oil and Gas Business, including through agreements, transactions, interests or arrangements that permit one to share risk or costs, comply with regulatory requirements regarding local ownership or satisfy other objectives customarily achieved through the conduct of the Oil and Gas Business jointly with third parties, including:

(1) ownership of oil, natural gas, other related hydrocarbon and mineral properties or any interest therein or gathering, liquefied natural gas, transportation, processing, storage or related facilities or systems or ancillary real property interests and ancillary property, plant and equipment; and

(2) the entry into operating agreements, joint ventures, processing agreements, working interests, royalty interests, mineral leases, farm-in agreements, farm-out agreements, development agreements, production sharing agreements, area of mutual interest agreements, contracts for the sale, transportation or exchange of oil and natural gas and related hydrocarbons and minerals, unitization agreements, pooling arrangements, joint bidding agreements, service contracts, partnership agreements (whether general or limited), subscription agreements, stock purchase agreements, stockholder agreements, or other similar or customary agreements (including for limited liability companies), transactions, properties, interests or arrangements, and Investments and expenditures in connection therewith or pursuant thereto, in each case made or entered into in the ordinary course of the Oil and Gas Business and with third parties (which, for certainty, may include Unrestricted Subsidiaries of the Issuer, whether wholly-owned or otherwise).

"*Permitted Investment*" shall mean:

(1) an Investment by the Issuer or any Restricted Subsidiary in the Issuer, a Restricted Subsidiary or a Person that will, upon the making of such Investment, become a Restricted Subsidiary (and any Investment held by such Person at the time of such transaction provided such Investment was not made in contemplation of such transaction); *provided, however, that* the primary business of such Person is the Oil and Gas Business;

(2) an Investment by the Issuer or any Restricted Subsidiary in another Person if as a result of such Investment such other Person is merged, consolidated, amalgamated or combined with or into, or transfers or conveys all or substantially all its assets to, the Issuer or a Restricted Subsidiary (and any Investment held by such Person at

the time of such transaction provided such Investment was not made in contemplation of such transaction); *provided, however, that* such Person's primary business is the Oil and Gas Business;

(3) Permitted Business Investments by the Issuer or any Restricted Subsidiary;

(4) Cash Equivalents;

(5) Receivables owing to the Issuer or any Restricted Subsidiary if created or acquired in the ordinary course of business;

(6) payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business;

(7) stock, obligations or securities received in settlement or resolution of (or foreclosure with respect to) debts created in the ordinary course of business and owing to the Issuer or any Restricted Subsidiary or in satisfaction of judgments including as a result of the bankruptcy or reorganization of any Person;

(8) an Investment by the Issuer or any Restricted Subsidiary in any Person to the extent such Investment represents the non-cash or deemed cash portion of the consideration received for an Asset Disposition that was made pursuant to and in compliance with the covenant described under *"—Certain Covenants—Limitation on Sale of Assets*;"

(9) any Investment existing on the Closing Date and any extension, modification or renewal of any such Investments (but not any such extension, modification or renewal to the extent it involves additional advances, contributions or other investments of cash or property, other than reasonable expenses incidental to the structuring, negotiation and consummation of such extension, modification or renewal);

(10) Hedging Obligations permitted under clause (2)(i) of the covenant described under *"—Certain Covenants—Limitation on Indebtedness;*"

(11) Guarantees of Indebtedness permitted under the covenant described under "*—Certain Covenants—Limitation on Indebtedness*;"

(12) Investments that are made exclusively with (i) Capital Stock of the Issuer (other than Disqualified Stock) or (ii) net cash proceeds of an issuance of Capital Stock of the Issuer (other than Disqualified Stock) occurring not earlier than 270 days before the date of the related Investments;

(13) Investments in the Notes or the Existing Frontera Notes;

(14) guarantees by the Issuer or any of its Restricted Subsidiaries of operating leases (other than Capitalized Lease Obligations) or of other obligations that do not constitute Indebtedness, in each case entered into by the Issuer or any such Restricted Subsidiary in the ordinary course of business and including obligations under oil and natural gas exploration, development, joint operating and related agreements and leases, licenses or concessions related to the Oil and Gas Business;

(15) Investments arising from agreements of the Issuer or any Restricted Subsidiary providing for indemnification, adjustment of purchase price, earn-outs or similar obligations, in each case incurred or assumed in connection with the disposition or acquisition of any business, assets or a Restricted Subsidiary in accordance with the Indenture; and

(16) additional Investments having an aggregate Fair Market Value, taken together with all other Investments made pursuant to this clause (16) that are at the time outstanding, not to exceed the greater of (x) U.S.$150.0 million and (y) 5.0% of Consolidated Tangible Assets at the time of such Investment (with the Fair Market Value of each Investment being measured at the time made and without giving effect to subsequent changes in value).

For the avoidance of doubt, an Investment that has been written off or otherwise impaired will be deemed to continue to be outstanding to the extent of the impaired or written off portion of such Investment.

"*Person*" shall mean an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, other entity or governmental authority.

"*Preferred Stock*" shall mean, with respect to the Capital Stock of any Person, any class or classes (however designated) that is preferred as to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

"*Production Payments*" means, collectively, Dollar-Denominated Production Payments and Volumetric Production Payments.

"*Production Payments and Reserve Sales*" means the grant or transfer by the Issuer or a Restricted Subsidiary to any Person of a royalty, overriding royalty, net profits interest or Production Payment in oil and natural gas properties, reserves or the right to receive all or a portion of the production or the proceeds from the sale of production attributable to such properties where, in the case of each of the foregoing, the holder of such interest has recourse solely to such production or proceeds of production for the recovery of its investment in such interest, subject to the obligation of the grantor or transferor to operate and maintain, or cause the subject interests to be operated and maintained, in a reasonably prudent manner or other customary standard and subject to the obligation of the grantor or transferor to indemnify for environmental, title or other matters customary with respect to the foregoing interests.

"*Purchase Money Obligation*" shall mean:

(1) mortgage financings, purchase money obligations or other Indebtedness (including Guarantees provided by the Issuer or any Restricted Subsidiary to governmental authorities) incurred or assumed for the purpose of financing or Refinancing all or any part of the purchase price, lease, expense or cost of any property or asset (including capital assets), tangible or intangible used in the Oil and Gas Business (including the documented cost of exploration, design, development, acquisition, construction (including capitalized interests), installation, improvement, transportation, integration and prepaid maintenance and all reasonable and documented related fees or expenses), or

(2) a Capitalized Lease Obligation.

"*QIB*" shall mean a "qualified institutional buyer" as such term is defined from time to time for purposes of Rule 144A.

"*Rating Agencies*" shall mean Fitch, Moody's and S&P or, if any of Fitch, Moody's or S&P shall not make a rating on the Notes publicly available, such other "nationally recognized statistical rating organization" (within the meaning of Rule 15c3 1(c)(2)(vi)(F) under the Exchange Act) as the Issuer may select (as certified by a resolution of the Board of Directors of the Issuer) as a replacement agency for Fitch, Moody's or S&P or each of them, as the case may be.

"*Rating Date*" means in connection with a Change of Control Triggering Event, that date which is sixty (60) days prior to the earlier of (i) the occurrence of a Change of Control or (ii) public notice of the occurrence of a Change of Control or of the intention by the Issuer or any other Person or Persons to effect a Change of Control.

"*Rating Reaffirmation*" means, in connection with a Change of Control, a written reaffirmation from each Rating Agency then rating the Notes stating that the credit rating on the Notes, which was in effect immediately prior to a public notice of such Change of Control or of the intention of the Issuer or any Person to effect such Change of Control, will not be decreased as a result of such Change of Control.

"*Receivables*" shall mean all rights of the Issuer or any Restricted Subsidiaries to payments (whether constituting accounts, chattel paper, instruments, general intangibles or otherwise, and including the right to payment

of any interest or finance charges), which rights are identified in the accounting records of the Issuer or such Restricted Subsidiary as accounts receivable.

"*Record Date*" shall mean, with respect to any payment of principal or interest on any Note, the fifteenth day prior to the due date for such payment (whether or not a Business Day).

"*Redemption Date*" shall mean, when used with respect to any Note to be redeemed, the date fixed for such redemption by or pursuant to the Indenture.

"*Refinance*" shall mean, in respect of any Indebtedness, to refinance, extend, renew, refund, repay, replace, prepay, redeem, defease or retire, in whole or in part, or to issue other Indebtedness in exchange or replacement for, in whole or in part, such Indebtedness. "*Refinanced*" and "*Refinancing*" shall have correlative meanings.

"*Refinancing Indebtedness*" shall mean Indebtedness that is Incurred to Refinance any Indebtedness of the Issuer or any Restricted Subsidiary existing on the Closing Date or Incurred in compliance with the Indenture (including Indebtedness that Refinances Refinancing Indebtedness); *provided, however, that*:

(1) the Refinancing Indebtedness has a Stated Maturity no earlier than the Stated Maturity of the Indebtedness being Refinanced;

(2) the Refinancing Indebtedness has an Average Life at the time such Refinancing Indebtedness is Incurred that is equal to or greater than the then Average Life of the Indebtedness being Refinanced;

(3) such Refinancing Indebtedness is Incurred in an aggregate principal amount (or if issued with original issue discount, an aggregate issue price) that is equal to or less than the aggregate principal amount (or if issued with original issue discount, the aggregate accreted value) then outstanding of the Indebtedness being Refinanced plus the amount of accrued and unpaid interest thereon, any premium paid to the holders of the Indebtedness being Refinanced and reasonable expenses Incurred in connection therewith;

(4) if the Indebtedness being Refinanced is subordinated in right of payment to the Notes, such Refinancing Indebtedness is subordinated in right of payment to the Notes at least to the same extent as the Indebtedness being Refinanced; *provided further that* Refinancing Indebtedness shall not include Indebtedness of the Issuer or a Restricted Subsidiary that Refinances Indebtedness of an Unrestricted Subsidiary; and

(5) to the extent the Indebtedness being Refinanced is secured or guaranteed, the Refinancing Indebtedness should not have any security or Guarantee beyond the security or Guarantee of the Indebtedness being Refinanced.

"*Regulation S*" shall mean Regulation S under the Securities Act.

"*Regulation S Global Note*" shall have the meaning given to it under "*—Form, Denomination and Registration*."

"*Required Holders*" shall mean Holders of not less than a majority of the aggregate principal amount of the Outstanding Notes.

"*Responsible Officer*" shall mean, with respect to the Trustee, except as otherwise provided in the Indenture, any officer of the Trustee located at the Corporate Trust Office of the Trustee who shall have direct responsibility for the administration of the Indenture and, for certain purposes of the Indenture, also means, with respect to a particular matter, any other officer to whom such matter is referred because of such officer's knowledge of and familiarity with the particular subject.

"*Restricted Global Note*" shall have the meaning given to it under "*—Form, Denomination and Registration*." "*Restricted Payments*" shall have the meaning given to it under "*Limitation on Restricted Payments*." "*Restricted Subsidiary(ies)*" shall mean all Subsidiaries of the Issuer other than Unrestricted Subsidiaries.

"*Reversion Date*" shall have the meaning given to it under "*—Certain Covenants*."

"*Rule 144A*" shall mean Rule 144A under the Securities Act.

"*S&P*" shall mean S&P Global Ratings.

"*SEC*" shall mean the United States Securities and Exchange Commission.

"*Securities Act*" shall mean the United States Securities Act of 1933, as amended.

"*Senior Indebtedness*" shall mean all unsubordinated Indebtedness of the Issuer, the Note Guarantors or of any Restricted Subsidiary, whether outstanding on the Closing Date or Incurred thereafter.

"*Significant Subsidiary*" shall mean a Restricted Subsidiary of the Issuer (A) which represents 15.0% or more of the Consolidated Adjusted EBITDA, and (B) solely for purposes of clause (6) under "*—Events of Default*," whose assets as shown on the Consolidated balance sheet of the Issuer account for 15.0% or more of the Consolidated Tangible Assets.

"*Stated Maturity*" shall mean, with respect to any Indebtedness, the date specified in such Indebtedness as the fixed date on which the final payment of principal of such Indebtedness is due and payable, including, with respect to any principal amount that is then due and payable pursuant to any mandatory redemption or prepayment provision, the date specified for the payment thereof (but excluding any provision providing for the repurchase or prepayment of such Indebtedness at the option of the holder thereof upon the happening of any contingency beyond the control of the obligor thereunder unless such contingency has occurred).

"*Subordinated Obligation*" shall mean Indebtedness of the Issuer or any Restricted Subsidiary (whether outstanding on the Closing Date or thereafter Incurred) (i) the terms of which provide that, (a) no principal amount in respect of such obligation will become due and payable until after all principal, interest, Additional Amounts and any other amounts owing with respect to the Notes have been paid in full, and (b) in the event that (A) an installment of interest with respect to such obligation is not paid on the applicable interest Payment Date or (B) the principal of (or premium, if any, on) any such obligations is not paid on the maturity date or other date set for redemption, then the failure to make such payment on such interest Payment Date, maturity date or other Redemption Date shall not be a default under such obligation until after all principal, interest, Additional Amounts and any other amounts owing with respect to the Notes have been paid in full and (ii) which the law of the jurisdiction of the debtor recognizes (whether in any reorganization or administrative takeover proceeding or otherwise) as being subordinated or junior in right of payment to the Notes.

"*Subsidiary*" shall mean, with respect to any Person (the "*parent*") at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent's consolidated financial statements if such financial statements were prepared in accordance with IFRS as of such date, as well as any other corporation, limited liability company, partnership, association or other entity (1) of which securities or other ownership interests representing more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held, or (2) that is, as of such date, otherwise controlled, by the parent or one or more Subsidiaries of the parent.

"*Subsidiary Guarantee*" shall mean the unconditional guarantee, on a joint and several basis, of the full and prompt payment of all obligations of the Issuer under the Indenture and the Notes, in accordance with the terms of the Indenture.

"*Successor*" shall have the meaning given to it in "*—Certain Covenants—Merger, Consolidation, Amalgamation, Combination, Sale or Lease*."

"*Suspended Covenants*" shall have the meaning given to it under "—*Certain Covenants*." "*Suspension Date*" shall have the meaning given to it under "—*Certain Covenants.*" "*Suspension Period*" shall have the meaning given to it under "—*Certain Covenants*."

"*Taxes*" shall mean any and all present or future taxes, duties, levies, imposts, charges, fees, deductions or withholdings, including any interest, additions to tax or penalties applicable thereto, now or hereafter imposed, levied, collected, withheld or assessed by any governmental authority of Canada, Switzerland and the Netherlands, the jurisdiction in which the relevant obligor is resident, organized, or carrying on business for tax purposes, or any jurisdiction from or through which payments are made in respect of the Notes, the Subsidiary Guarantees or otherwise under the Indenture or, in each case, any political subdivision thereof.

"*Treasury Rate*" means the yield to maturity at the time of computation of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15(519) which has become publicly available at least two Business Days prior to the date fixed for redemption (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to May 11, 2028; *provided, however,* that if such period is not equal to the constant maturity of a United States Treasury security for which a weekly average yield is given, the Issuer shall obtain the Treasury Rate by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of United States Treasury securities for which such yields are given, except that if the period from the redemption date to May 11, 2028 is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year shall be used. The Issuer will (a) calculate the Treasury Rate on the second Business Day preceding the applicable redemption date and (b) prior to such redemption date file with the Trustee an Officer's Certificate setting forth the Make Whole Premium and the Treasury Rate and showing the calculation of each in reasonable detail.

"*Trust Indenture Act*" shall mean the United States Trust Indenture Act of 1939, as amended.

"*Trustee*" shall have the meaning specified in the first paragraph hereof.

"*U.S. Government Obligations*" shall mean direct obligations (or certificates representing an ownership interest in such obligations) of the United States (including any agency or instrumentality thereof) for the payment of which the full faith and credit of the United States is pledged and that are not callable or redeemable at the issuer's option.

"*Unrestricted Subsidiary*" shall mean (1) Verano Energy Holdings (Barbados) Limited, (2) any Subsidiary of the Issuer that at the time of determination shall be designated an Unrestricted Subsidiary by the Board of Directors of the Issuer, and (3) any Subsidiary of an Unrestricted Subsidiary.

Notwithstanding the foregoing, the Board of Directors of the Issuer may designate any Subsidiary of the Issuer (including any newly acquired or newly formed Subsidiary) as an Unrestricted Subsidiary under the Indenture (a "*Designation*") only if:

(a) no creditor of any such Unrestricted Subsidiary shall have recourse to the Issuer or any Restricted Subsidiary thereof;

(b) no Default or Event of Default shall have occurred and be continuing at the time of or immediately after giving effect to such Designation;

(c) such Subsidiary and its Subsidiaries own no Capital Stock or Indebtedness of, and hold no Lien on any property of, the Issuer or any other Restricted Subsidiary of the Issuer that is not a Subsidiary of the Subsidiary so Designated; and

(d) the Subsidiary to be so Designated (i) has total consolidated assets of U.S.$1,000 or less or (ii) the Issuer would be permitted under the Indenture to make an Investment under all applicable provisions described under "—*Certain Covenants—Limitation on Restricted Payments*" at the time of Designation

(assuming the effectiveness of such Designation); provided, however, that this clause (d) shall not apply to the Designation at any time of Major International Oil S.A. or any of its Subsidiaries from time to time (including Agrocascada S.A.S. and Promotora Agrícola de los Llanos S.A.).

In addition, the Issuer may revoke any Designation of a Subsidiary as an Unrestricted Subsidiary (a "*Revocation*") if:

(a) no Default or Event of Default shall have occurred and be continuing at the time of and after giving effect to such Revocation; and

(b) all Liens and Indebtedness of such Unrestricted Subsidiary outstanding immediately following such Revocation would, if Incurred at such time, have been permitted to be Incurred for all purposes of the Indenture.

Any such Designation or Revocation shall be evidenced by prompt delivery to the Trustee of a copy of the resolution of the Board of Directors of the Issuer giving effect thereto accompanied by an Officer's Certificate as to compliance with the foregoing provisions.

"*Volumetric Production Payments*" mean production payment obligations recorded as deferred revenue in accordance with IFRS, together with all undertakings and obligations in connection therewith.

"*Voting Stock*" of a Person shall mean all classes of Capital Stock or other interests (including partnership interests) of such Person then outstanding and normally entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof.

"*Wholly-Owned Subsidiary*" means any entity of which 100% of the outstanding Capital Stock or other ownership interests (other than directors' qualifying shares) of such entity shall at the time be owned, directly or indirectly, by another Person.

BOOK ENTRY, DELIVERY AND FORM

The Notes are being offered to QIBs (as defined below) in reliance on Rule 144A under the Securities Act, or the "Restricted notes." Notes may also be offered and sold to persons who are not U.S. persons in offshore transactions in reliance on Regulation S, or the "Regulation S notes."

Restricted notes initially will be represented by one or more notes in registered, global form without interest coupons, or collectively, the "Restricted global notes." Regulation S notes initially will be represented by one or more notes in registered, global form without interest coupons, or collectively, the "Regulation S global notes" and, together with the Restricted global notes, the "global notes."

The global notes will be deposited upon issuance with the trustee as custodian for DTC, in New York, New York, and registered in the name of DTC or its nominee, in each case, for credit to an account of a participant in DTC as described below. Through and including the 40th day after the issuance of the Notes (such period through and including such 40th day, the "restricted period"), beneficial interests in the Regulation S global notes may only be transferred to a person that takes delivery in accordance with the requirements described in "Book Entry, Delivery and Form." Beneficial interests in the Restricted global notes may not be exchanged for beneficial interests in the Regulation S global notes at any time except in the limited circumstances described below. See *"—Exchanges Between Regulation S Notes and Restricted Notes.*"

Except as set forth below, the global notes may be transferred, in whole and not in part, only to another nominee of DTC or to a successor of DTC or its nominee. Beneficial interests in the global notes may not be exchanged for new notes in certificated form except in the limited circumstances described below. See "*—Exchange of Global Notes for Certificated Notes*." Except in the limited circumstances described below, owners of beneficial interests in the global notes will not be entitled to receive physical delivery of notes in certificated form.

Restricted notes (including beneficial interests in the Restricted global notes) will be subject to certain restrictions on transfer and will bear a restrictive legend as described under "Book Entry, Delivery and Form." In addition, transfers of beneficial interests in the global notes will be subject to the applicable rules and procedures of DTC and its direct or indirect participants (including, if applicable, those of the Euroclear System ("*Euroclear*") and Clearstream Banking S.A. ("*Clearstream*")), which may change from time to time.

Depository Procedures

The following description of the operations and procedures of DTC, Euroclear and Clearstream is provided solely as a matter of convenience. These operations and procedures are solely within the control of the respective settlement systems and are subject to changes by them. We take no responsibility for these operations and procedures and urge you to contact the system or their participants directly to discuss these matters.

DTC is a limited purpose trust company created to hold securities for its participating organizations (collectively, the "*participants*") and to facilitate the clearance and settlement of transactions in those securities between participants through electronic book entry changes in accounts of its participants. The participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. Access to DTC's system is also available to other entities such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly (collectively, the "*indirect participants*"). Persons who are not participants may beneficially own securities held by or on behalf of DTC only through the participants or the indirect participants. The ownership interests in, and transfers of ownership interests in, each security held by or on behalf of DTC are recorded on the records of the participants and indirect participants.

DTC has also advised us that, pursuant to procedures established by it:

(1) upon deposit of the global notes, DTC will credit the accounts of participants designated by the exchange agent with portions of the principal amount of the global notes; and

(2) ownership of these interests in the global notes will be shown on, and the transfer of ownership of these interests will be effected only through, records maintained by DTC (with respect to the participants) or by the participants and the indirect participants (with respect to other owners of beneficial interests in the global notes).

Investors in the global notes who are participants in DTC's system may hold their interests therein directly through DTC. Investors in the global notes who are not participants may hold their interests therein indirectly through organizations (including Euroclear and Clearstream) which are participants in such system. Euroclear and Clearstream will hold interests in the global notes on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositories. All interests in a global note, including those held through Euroclear or Clearstream, are subject to the procedures and requirements of DTC. Those interests held through Euroclear or Clearstream are also subject to the procedures and requirements of such systems. The laws of some states require that certain persons take physical delivery in definitive form of securities that they own. Consequently, the ability to transfer beneficial interests in a global note to such persons will be limited to that extent. Because DTC can act only on behalf of participants, which in turn act on behalf of indirect participants, the ability of a person having beneficial interests in a global note to pledge such interests to persons that do not participate in the DTC system, or otherwise take actions in respect of such interests, may be affected by the lack of a physical certificate evidencing such interests.

Except as described below, owners of interests in the global notes will not have notes registered in their names, will not receive physical delivery of notes in certificated form and will not be considered the registered owners or "holders" thereof under the Indenture for any purpose.

Payments in respect of the principal of, and interest and premium and additional amounts, if any, on a global note registered in the name of DTC or its nominee will be payable to DTC in its capacity as the registered holder under the Indenture. Under the terms of the Indenture, the Issuer and the trustee will treat the persons in whose names the notes are registered as the owners of the notes for the purpose of receiving payments and for all other purposes. Consequently, neither the Issuer, the trustee, the transfer agent, registrar, the paying agent nor any agent of the Issuer, nor the trustee has or will have any responsibility or liability for:

(1) any aspect of DTC's records or any participant's or indirect participant's records relating to or payments made on account of beneficial ownership interest in the global notes or for maintaining, supervising or reviewing any of DTC's records or any participant's or indirect participant's records relating to the beneficial ownership interests in the global notes; or

(2) any other matter relating to the actions and practices of DTC or any of its participants or indirect participants.

DTC has advised us that its current practice, upon receipt of any payment in respect of securities such as the notes (including principal and interest), is to credit the accounts of the relevant participants with the payment on the payment date unless DTC has reason to believe it will not receive payment on such payment date. Each relevant participant is credited with an amount proportionate to its beneficial ownership of an interest in the principal amount of the relevant security as shown on the records of DTC. Payments by the participants and the indirect participants to the beneficial owners of notes will be governed by standing instructions and customary practices and will be the responsibility of the participants or the indirect participants and will not be our responsibility or that of DTC or the trustee. Neither the Issuer nor the trustee will be liable for any delay by DTC or any of its participants in identifying the beneficial owners of the notes, and the Issuer and the trustee may conclusively rely on and will be protected in relying on instructions from DTC or its nominee for all purposes.

Subject to the transfer restrictions set forth under "Book Entry, Delivery and Form," transfers between participants in DTC will be effected in accordance with DTC's procedures, and will be settled in same day funds, and transfers between participants in Euroclear and Clearstream will be effected in accordance with their respective rules and operating procedures.

Subject to compliance with the transfer restrictions applicable to the notes set forth under "Book Entry, Delivery and Form," cross market transfers between the participants in DTC, on the one hand, and Euroclear or Clearstream participants, on the other hand, will be effected through DTC in accordance with DTC's rules on behalf

of Euroclear or Clearstream, as the case may be, by its respective depository; however, such cross market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in such system in accordance with the rules and procedures and within the established deadlines (Brussels time) of such system. Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depository to take action to effect final settlement on its behalf of delivering or receiving interests in the relevant global note in DTC, and making or receiving payment in accordance with normal procedures for same day funds settlement applicable to DTC. Euroclear participants and Clearstream participants may not deliver instructions directly to the depositories for Euroclear or Clearstream.

DTC has advised us that it will take any action permitted to be taken by an investor only at the direction of one or more participants to whose account DTC has credited the interests in the global notes and only in respect of such portion of the aggregate principal amount of the notes as to which such participant or participants has or have given such direction. However, if there is an event of default under the Indenture, DTC reserves the right to exchange the global notes for legended notes in certificated form, and to distribute such notes to its participants.

Although DTC, Euroclear and Clearstream have agreed to the foregoing procedures to facilitate transfers of interests in the Restricted global notes and the Regulation S global notes among participants in DTC, Euroclear and Clearstream, they are under no obligation to perform or to continue to perform such procedures, and may discontinue such procedures at any time. Neither the Issuer nor the trustee nor any of their respective agents will have any responsibility for the performance by DTC, Euroclear or Clearstream or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Exchange of Global Notes for Certificated Notes

A global note is exchangeable for definitive notes in registered certificated form ("certificated notes") only if:

(1) DTC (a) notifies the Trustee that it is unwilling or unable to continue as depository for the global notes or (b) has ceased to be a clearing agency registered under the U.S. Securities Exchange Act of 1934, as amended, or the Exchange Act, and, in each case, the Issuer fails to appoint a successor depository within 90 days;

(2) the issuer, at its option, notifies the trustee in writing that it has elected to cause the issuance of the certificated notes; or

(3) there has occurred and is continuing a default or event of default with respect to the notes.

In addition, beneficial interests in a global note may be exchanged for certificated notes upon prior written notice given to the trustee by or on behalf of DTC in accordance with the Indenture. In all cases, certificated notes delivered in exchange for any global note or beneficial interests in global notes will be registered in the names, and issued in any approved denominations, requested by or on behalf of the depository (in accordance with its customary procedures) and will bear the applicable restrictive legend referred to in "Book Entry, Delivery and Form," unless that legend is not required by applicable law.

Exchanges Between Regulation S Notes and Restricted Notes

Beneficial interests in the Regulation S global notes may be exchanged for beneficial interests in the Restricted global notes only if the transferor first delivers to the trustee a written certificate (in the form provided in the Indenture) to the effect that the notes are being transferred to a person:

(1) who the transferor reasonably believes to be a QIB; and

(2) in accordance with all applicable securities laws of the states of the United States and other jurisdictions.

A beneficial interest in a Restricted global note may be transferred to a person who takes delivery in the form of an interest in the Regulation S global note, whether before or after the expiration of the restricted period, only if the

transferor first delivers to the trustee a written certificate (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Rule 903 or 904 of Regulation S under the Securities Act.

Transfers involving exchanges of beneficial interests between the Regulation S global notes and the Restricted global notes will be effected in DTC by means of an instruction originated by the DTC participant and approved by the trustee through the DTC Deposit/Withdraw at Custodian system. Accordingly, in connection with any such transfer, appropriate adjustments will be made to reflect a decrease in the principal amount of the Regulation S global note and a corresponding increase in the principal amount of the applicable Restricted global note or vice versa, as applicable. Any beneficial interest in one of the global notes that is transferred to a person who takes delivery in the form of an interest in the other global note will, upon transfer, cease to be an interest in such global note and will become an interest in the other global note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interest in such other global note for so long as it remains such an interest. Transfers between Regulation S and Restricted notes will need to be done on a delivery free of payment basis and separate arrangements will need to be made outside of DTC for payment.

United States

The Notes have not been registered under the Securities Act or any securities laws of any jurisdiction, and may not be offered or sold, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of, the Securities Act and such other securities laws.

Accordingly, the Notes are being offered and sold hereby only (1) to "qualified institutional buyers" as such term is defined from time to time for purposes of Rule 144A ("*QIBs*") in the United States in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A under the Securities Act and (2) outside the United States in reliance upon Regulation S under the Securities Act, to non-U.S. persons who will be required to make certain representations to us and others prior to the investment in the Notes.

Each purchaser of Notes (other than the initial purchasers in connection with the initial issuance and sale of notes) and each owner of any beneficial interest therein will be deemed, by its acceptance or purchase thereof, to have represented and agreed as follows:

(1) it has received a copy of the offering memorandum and acknowledges that such purchaser has had access to such financial and other information and has been afforded an opportunity to ask such questions of our representatives and receive answers thereto as it has deemed necessary in connection with its decision to purchase the Notes;

(2) it is, either (a) a QIB and is acquiring the notes for its own account or for a discretionary account or accounts on behalf of one or more QIBs as to which it has been instructed and has the authority to make the representations, warranties and covenants set forth herein or (b) not acquiring for the account or benefit of one or more U.S. persons (other than as a distributor) and is acquiring the Notes in an offshore transaction in accordance with Regulation S under the Securities Act;

(3) in evaluating this offering and in making its decision whether to purchase the Notes, it has made its own independent appraisal of the matters referred to in this offering memorandum and in any related communications and it is not relying on any statement, representation or warranty, express or implied, made to it by us, the trustee or the initial purchasers, other than those contained in this offering memorandum, as amended or supplemented through the expiration date;

(4) either (i) no portion of the assets used by it to acquire or hold the Notes (or any interest therein) constitutes assets of any employee benefit plan that is subject to Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA"), a plan, individual retirement account or other arrangement that is subject to Section 4975 of the Internal Revenue Code of 1986, as amended (the "Code"), or any governmental plan, church plan, non-U.S. plan, or other plan subject to Similar Laws (as defined below under "Certain ERISA Considerations"), or an entity whose underlying assets are considered to include "plan assets" of such plan, account or arrangement or (ii) the acquisition, holding, and subsequent disposition of the notes (or any interest therein) by such purchaser will

not constitute a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a similar violation under any applicable Similar Laws;

(5) the Notes are being offered and sold in transactions not involving any public offering in the United States within the meaning of the Securities Act, that the Notes have not been registered under the Securities Act or any securities laws of any jurisdiction and that for so long as the Notes are "restricted securities" for purposes of the Securities Act:

(a) the Notes may be offered, resold, pledged or otherwise transferred only (i) to Parex Resources Inc. or any of its subsidiaries, (ii) in an offshore transaction in accordance with Rule 903 or 904 of Regulation S under the Securities Act, (iii) pursuant to an exemption from registration under the Securities Act, (if applicable), and (iv) pursuant to an effective registration statement under the Securities Act and in each of such cases in accordance with any applicable securities laws of any state of the United States or any other applicable jurisdiction, and

(b) the purchaser will, and each subsequent holder is required to, notify any subsequent purchaser from it of the resale restrictions set forth in (a) above;

(6) it has such knowledge and experience in financial and business matters, that it is capable of evaluating the merits and risks of purchasing the notes and that such purchaser and any accounts for which it is acting are each able to bear the economic risks of its or their investment;

(7) it is not acquiring the Notes with a view towards any distribution thereof in a transaction that would violate the Securities Act or the securities laws of any state of the United States or any other applicable jurisdiction; *provided that* the disposition of its property and the property of any accounts for which such holder is acting as fiduciary will remain at all times within its control;

(8) it understands that the certificates evidencing the Restricted notes will, unless otherwise agreed by us, bear a legend substantially to the following effect:

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING THIS SECURITY, AGREES FOR THE BENEFIT OF THE ISSUER THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE ISSUER, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, (C) INSIDE THE UNITED STATES TO A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN, AND IN ACCORDANCE WITH, RULE 144A UNDER THE U.S. SECURITIES ACT, (D) PURSUANT TO THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER OR (E) PURSUANT TO ANOTHER EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AFTER PROVIDING A LEGAL OPINION SATISFACTORY TO THE ISSUER.

THIS LEGEND WILL BE REMOVED ONLY AT THE OPTION OF THE ISSUER."

(1) it understands that the certificates evidencing the Regulation S note will, unless otherwise agreed by us, bear a legend substantially to the following effect:

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. THE HOLDER HEREOF BY PURCHASING THE SECURITY AGREES THAT PRIOR TO THE EXPIRATION OF THE 40-DAY DISTRIBUTION

COMPLIANCE PERIOD (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("REGULATION S")), THIS SECURITY MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON, EXCEPT TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT IN A TRANSACTION MEETING THE REQUIREMENTS OF THE INDENTURE. THE TERMS "UNITED STATES" AND "U.S. PERSON" HAVE THE RESPECTIVE MEANINGS GIVEN TO THEM BY REGULATION S. BY ITS ACQUISITION HEREOF, THE HOLDER HEREOF REPRESENTS THAT IT IS NOT A U.S. PERSON NOR IS IT PURCHASING FOR THE ACCOUNT OF A U.S. PERSON AND IS ACQUIRING THIS SECURITY IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH REGULATION S."

(2) it acknowledges that the issuer, the trustee, the initial purchasers and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of the foregoing acknowledgements, representations and agreements deemed to have been made by it are no longer accurate it will promptly notify us and the initial purchasers. If such purchaser is acquiring the Notes as a fiduciary or agent for one or more investor accounts, such purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account; and

(3) it understands that no representation is made as to the availability of the exemption from registration provided by Rule 144 under the Securities Act for the resale of the Notes.

CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

The following summary is a discussion of certain U.S. federal income tax considerations relevant to the acquisition, ownership and disposition of Notes by a U.S. Holder (as defined below), that acquires the Notes in this initial offering at the price set out on the cover page. This discussion is not a complete analysis or description of all of the possible U.S. federal income tax considerations relevant to the ownership and disposition of Notes and does not address all U.S. federal income tax consequences that might be relevant to particular holders in light of their particular circumstances or to persons that are subject to special tax rules. In particular, the information set out below deals only with holders that purchase the Notes for cash at original issue and at their "issue price" (i.e., the first price at which a substantial amount of Notes is sold to investors for cash, excluding sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers) and hold the Notes as capital assets for U.S. federal income tax purposes (generally, property held for investment). In addition, this description does not address the tax treatment of special classes of holders, such as brokers, qualified retirement plans, tax deferred accounts, banks or other financial institutions, regulated investment companies, real estate investment trusts, S corporations, partnerships or other pass-through entities (or investors in such entities), tax-exempt entities or governmental organizations, insurance companies, persons holding the Notes as part of a hedging, integrated or conversion transaction, constructive sale, wash sale or "straddle," former citizens or long-term residents of the U.S., persons holding Notes that are attributable to an office or fixed place of business maintained outside of the U.S., persons subject to alternative minimum tax, persons with a functional currency other than the U.S. dollar, persons carrying on a trade or business in Canada through a permanent establishment, persons required for U.S. federal income tax purposes to conform the timing of income accruals with respect to their Notes to their financial statements under Section 451 of the United States Internal Revenue Code of 1986, as amended to the date hereof (the "Code"), dealers or traders in securities or currencies, traders in securities that elect to use the mark-to-market method of accounting for their securities, "controlled foreign corporations," "foreign controlled foreign corporations," "passive foreign investment companies," persons participating in any redemption or tender of the Frontera Notes, and corporations that accumulate earnings to avoid U.S. federal income tax.

This summary does not address U.S. federal estate and gift tax consequences or other non-income tax consequences, or any state, local or non-U.S. tax consequences of the acquisition, ownership and disposition of Notes.

The following discussion is based upon the Code, the Treasury regulations promulgated under the Code, U.S. judicial decisions and administrative pronouncements. All of the preceding authorities are subject to change or differing interpretation, possibly with retroactive effect, which may result in U.S. federal income tax consequences different from those discussed below. We have not requested, and will not request, a ruling from the U.S. Internal Revenue Service (the "IRS") with respect to any of the U.S. federal income tax consequences described below. As a result, there can be no assurance that the IRS or a court considering these issues will not disagree with or challenge any of the conclusions we have reached and described in this offering memorandum. This discussion assumes that the Notes will be treated as debt for U.S. federal income tax purposes.

For purposes of this discussion, a "U.S. Holder" is a beneficial owner of Notes that is, for U.S. federal income tax purposes, (1) an individual who is a citizen or a resident of the United States, (2) a corporation created or organized under the laws of the United States, any state thereof, or the District of Columbia, (3) an estate the income of which is subject to U.S. federal income taxation regardless of its source, or (4) a trust (A) if a court within the United States is able to exercise primary supervision over its administration and one or more U.S. persons (within the meaning of Section 7701(a) of the Code) have authority to control all substantial decisions of the trust, or (B) that has a valid election in effect under applicable Treasury regulations to be treated as a U.S. person for U.S. federal income tax purposes.

If a partnership or other pass-through entity holds the Notes, the tax treatment of a partner in or owner of the partnership or pass-through entity will generally depend upon the status of the partner or owner and the activities of the entity. A partner in or owner of a partnership or other pass-through entity that is considering holding Notes and such pass-through entity are urged to consult their own tax advisor regarding the tax consequences of acquiring, owning and disposing of Notes.

The following discussion is for general information only and is not intended to be, nor should it be construed to be, legal or tax advice to any holder or prospective holder of Notes, and no opinion or representation with respect to the U.S. federal income tax consequences to any such holder or prospective holder is given. We urge holders to consult their own tax advisors regarding the application of U.S. federal, state and local tax laws, as well as any applicable foreign tax laws, to their particular situation.

Notes Subject to Contingencies

In certain circumstances, for example as described under "Description of Notes—Optional Redemption," "Description of Notes—Repurchases at the Option of the Holders of the Notes Upon Change of Control Triggering Event," "Description of Notes—Additional Amounts" and "Description of Notes—Special Mandatory Redemption," we may be obligated to pay amounts in excess of stated interest or principal on the Notes or make payments in advance of the scheduled time. It is possible that such contingencies could implicate the provisions of Treasury Regulations relating to "contingent payment debt instruments." If the Notes were characterized as contingent payment debt instruments, you might, among other things, be required to accrue interest income at a higher rate than the stated interest rate on the Notes and to treat any gain recognized on the sale or other disposition of a note as ordinary income rather than as capital gain.

However, according to the applicable Treasury Regulations, certain contingencies (e.g., contingencies that are in the aggregate, as of the date of issuance, remote or incidental) will not cause a debt instrument to be treated as a contingent payment debt instrument. We intend to take the position that the foregoing contingencies, in the aggregate, are remote or incidental (or that certain other exceptions apply), and thus, that the Notes should not be treated as contingent payment debt instruments. Our determination is binding on you unless you disclose your contrary position in the manner required by applicable Treasury Regulations. Our determination, however, is not binding on the IRS, and if the IRS were to challenge this determination, you might be required to accrue additional interest income on your Notes and to treat as ordinary income rather than as capital gain any income realized on the sale or other disposition of a note before the resolution of the contingency. In the event the Notes are contingent payment debt instruments and a contingency occurs, such contingency would affect the amount and timing of income recognized by you.

The remainder of this discussion assumes that the Notes will not be treated as contingent payment debt instruments. The Treasury regulations applicable to contingent payment debt instruments have not been the subject of authoritative interpretation, however, and the scope of the regulations is not certain. You are urged to consult your tax advisor regarding the possible application of the contingent payment debt instrument rules to the Notes.

Interest

Interest on a note will be taxable as ordinary interest income at the time it accrues or is received, in accordance with your method of accounting for U.S. federal income tax purposes. In addition to interest on the Notes, you will be required to include in income any foreign taxes withheld therefrom and any additional amounts paid in respect thereof. You may be entitled to deduct or credit these taxes subject to certain limitations (including that the election to deduct or credit foreign taxes applies to all of your foreign taxes for a particular tax year). Interest paid on the Notes generally will be income from sources outside the United States for purposes of computing the foreign tax credit allowable to a U.S. Holder. Interest income on a note generally will be considered "passive category income" for United States foreign tax credit purposes. The rules governing the foreign tax credit are complex, and you are urged to consult your tax advisor regarding the availability of the credit under your particular circumstances.

The rules governing the calculation of foreign tax credits are complex and depend on a U.S. Holder's particular circumstances and Treasury Regulations have imposed additional requirements that must be met for a foreign tax to be creditable (including requirements that a "covered withholding tax" be imposed on non-residents in lieu of a generally applicable tax that satisfies the regulatory definition of an "income tax," which may be unclear or difficult to determine). Notices from the IRS indicated that the Treasury and the IRS are considering proposing amendments to the applicable Treasury Regulations and allow taxpayers, subject to certain conditions, to defer the application of many aspects of such regulations until the date when a notice or other guidance withdrawing or modifying this temporary relief is issued (or any later date specified in such notice or other guidance). Prospective U.S. Holders are urged to consult their tax advisors regarding the creditability or deductibility of any non-U.S. withholding taxes.

Sale, Exchange or Other Taxable Disposition of a Note

Upon the sale, exchange, retirement, redemption or other taxable disposition of a note, you will generally recognize capital gain or loss in an amount equal to the difference, if any, between (i) the amount of cash plus the fair market value of any property received (other than any amount received that is attributable to accrued but unpaid interest, which will be taxable as ordinary interest income to the extent not previously included in income) and (ii) your adjusted tax basis in the note at the time of the disposition. Your adjusted tax basis in a note generally will be the amount that you paid for the note.

Any capital gain or loss will be long-term capital gain or loss if at the time of the disposition of the note, you held the note for more than one year. Long-term capital gain of non-corporate U.S. Holders, including individual U.S. Holders, is generally taxed at reduced rates. The deductibility of capital losses is subject to limitations. The gain or loss will generally be treated as U.S. source gain or loss for foreign tax credit purposes.

Additional Tax on Passive Income

Certain U.S. Holders who are individuals, estates or trusts and whose income exceeds certain thresholds generally will be required to pay an additional 3.8 percent tax on all or a portion of their "net investment income" (or in the case of an estate or trust, "undistributed net investment income"), which includes, among other things, interest income and capital gains from the sale or other disposition (including a retirement or redemption) of a note, subject to certain limitations and exceptions. Prospective U.S. Holders are urged to consult their own tax advisors regarding the application of this additional tax to their investments in the Notes.

Information Reporting and Backup Withholding

In general, information reporting requirements may apply to payments of interest on the Notes to U.S. Holders and to the proceeds of the sale or other disposition (including a retirement or redemption) of a note paid to a U.S. Holder unless such U.S. Holder is an exempt recipient, and, when required, provides evidence of such exemption. Additionally, backup withholding, currently at a rate of 24%, may apply if a U.S. Holder fails (i) to furnish its taxpayer identification number, (ii) to certify that such number is correct, (iii) to certify that such U.S. Holder is not subject to backup withholding, or (iv) to otherwise comply with the applicable requirements of the U.S. federal backup withholding rules.

Certain U.S. Holders, including corporations, are generally not subject to backup withholding and information reporting provided their exemptions from backup withholding and information reporting are properly established. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment to you will be allowed as a credit against your U.S. federal income tax liability and may entitle you to a refund, provided the required information is furnished to the IRS in a timely manner. Prospective U.S. Holders are urged to consult their tax advisors regarding the application of the backup withholding rules, the availability of exemptions from backup withholding and the procedures for obtaining such exemptions, if available.

Tax Return Disclosure Requirement

Certain U.S. Holders are required to report, on their U.S. federal income tax returns, information relating to an interest in Notes, subject to certain exceptions (including an exception for Notes held in accounts maintained by domestic financial institutions). Prospective U.S. Holders are urged to consult their tax advisors regarding their reporting requirements and the significant penalties for noncompliance.

Foreign Account Tax Compliance

We intend to comply with certain due diligence and reporting obligations under an intergovernmental agreement between Canada and the United States relating to FATCA, as reflected in the requirements of Part XVIII of the *Income Tax Act (Canada)*. As a result, you may be required to provide certain identifying information to us or an intermediary, and this information may be reported to the Canada Revenue Agency and, ultimately, the IRS. You are urged to consult with your own tax advisor regarding the implications under FATCA for an investment in the Notes.

THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE OF IMPORTANCE TO A PARTICULAR INVESTOR. EACH PROSPECTIVE INVESTOR IS URGED TO CONSULT ITS OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES TO IT OF AN INVESTMENT IN NOTES.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is, as of the date hereof, a general summary of the principal Canadian federal income tax considerations generally applicable to a holder who acquires, as beneficial owner, Notes issued hereunder (including entitlement to receive all payments, including interest and principal, made in respect thereof) for cash at their original issue price pursuant to this offering memorandum (a "Holder").

This summary is based on the facts described herein, the current provisions of Tax Act, relevant jurisprudence and our understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency (the "CRA"), all as in effect and publicly available as of the date hereof. On January 29, 2026, the Department of Finance (Canada) released for consultation proposed amendments to the Tax Act (the "January 29 Tax Proposals") that, if enacted in the form proposed, would amend certain "hybrid mismatch" rules in the Tax Act and introduce other consequential amendments. This summary does not take into account the January 29 Tax Proposals, but otherwise takes into account all other specifically proposed amendments to the Tax Act that have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "Tax Proposals"). This summary does not otherwise take into account or anticipate proposed or possible changes in law, whether by governmental, judicial or legislative action, or changes in the administrative policies and assessing practices of the CRA nor does it consider the income tax legislation of any province, territory or foreign jurisdiction which may differ from those discussed herein. While this summary assumes that the Tax Proposals will be enacted in the form proposed, no assurances can be given that the Tax Proposals will be enacted in the form proposed, if at all. This summary is not exhaustive of all possible Canadian federal income tax considerations and is of a general nature only and is not intended to be, and should not be construed to be, legal or tax advice to any prospective purchaser of Notes. The tax considerations applicable to a purchaser will depend on such purchaser's personal circumstances. Accordingly, prospective purchasers are urged to consult their own tax advisors regarding the income tax consequences associated with purchasing, holding and disposing of the Notes, having regard to their own particular circumstances, including the application and effect of the income and other tax laws of any other country, province, state or local tax authority.

This summary is only applicable to a Holder who, at all relevant times, for the purposes of the Tax Act and any applicable tax treaty: (i) is not resident in Canada and is not deemed to be resident in Canada; (ii) does not use or hold, and is not deemed to use or hold, the Notes in, or in the course of, carrying on a business in Canada; (iii) is not an insurer who carries on an insurance business, or is deemed to carry on an insurance business, in Canada or elsewhere; (iv) deals at arm's length with and is not affiliated with us and with any transferee who is resident in Canada (or deemed to be resident in Canada) for the purposes of the Tax Act and to whom the purchaser assigns or otherwise transfers a Note; (v) is not a "specified shareholder" of us or a guarantor within the meaning of subsection 18(5) of the Tax Act or a person that does not deal at arm's length with any such specified shareholder; (vi) is entitled to receive all payments (including principal, interest and premium, if any) in respect of a Note; (vii) is not an entity in respect of which the Issuer is a "specified entity" (as defined in the Tax Act) and is not a "specified entity" in respect of any transferee resident (or deemed to be resident) in Canada to whom the purchaser disposes of the Notes (each such purchaser is referred to herein as a "Non-Canadian Holder"). No representation or warranty is made as to the tax consequences to any particular Non-Canadian Holder of an investment in the Notes. Non-Canadian Holders are advised that an investment in the Notes may give rise to particular tax consequences affecting them and are strongly encouraged to consult with their tax advisors prior to making an investment in the Notes.

No Canadian withholding tax will apply to interest, principal, or premium paid or credited, or deemed to be paid or credited to a Non-Canadian Holder on the Notes, or the proceeds received by a Non-Canadian Holder on the disposition of a note, including on a redemption, payment on maturity or repurchase. No other tax on income or gains will be payable under the Tax Act by a Non-Canadian Holder on interest, principal or premium or on the proceeds received on the disposition of a note, including on a redemption, payment on maturity or repurchase.

CERTAIN ERISA CONSIDERATIONS

The following is a summary of certain considerations associated with the acquisition and holding of the Notes by employee benefit plans that are subject to Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA"), plans, individual retirement accounts and other arrangements that are subject to Section 4975 of the Code, or employee benefit plans that are governmental plans (as described in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA), non-U.S. plans (as defined in Section 4(b)(4) of ERISA) or other plans that are not subject to the foregoing but may be subject to provisions under any other federal, state, local, non-U.S. or other laws or regulations that are similar to such provisions of ERISA or the Code (collectively, "Similar Laws"), and entities whose underlying assets are considered to include "plan assets" of any such plan, account or arrangement (each, a "Plan").

This summary is based on the provisions of ERISA and the Code (and related regulations and administrative and judicial interpretations) as of the date of this offering memorandum. This summary does not purport to be complete, and no assurance can be given that future legislation, court decisions, regulations, rulings or pronouncements will not significantly modify the requirements summarized below. Any of these changes may be retroactive and may thereby apply to transactions entered into prior to the date of their enactment or release. This discussion is general in nature and is not intended to be all-inclusive, nor should it be construed as investment or legal advice.

General Fiduciary Matters

ERISA and the Code impose certain duties on persons who are fiduciaries of a Plan subject to Title I of ERISA or Section 4975 of the Code (an "ERISA Plan") and prohibit certain transactions involving the assets of an ERISA Plan and its fiduciaries or other interested parties. Under ERISA and the Code, any person who exercises any discretionary authority or control over the administration of an ERISA Plan or the management or disposition of the assets of an ERISA Plan, or who renders investment advice for a fee or other compensation to an ERISA Plan, is generally considered to be a fiduciary of the ERISA Plan.

In considering an investment in the Notes with a portion of the assets of any Plan, a fiduciary should consider the Plan's particular circumstances and all of the facts and circumstances of the investment and determine whether the acquisition and holding of a note is in accordance with the documents and instruments governing the Plan and the applicable provisions of ERISA, the Code, or any Similar Law relating to the fiduciary's duties to the Plan, including, without limitation:

- whether the investment is prudent under Section 404(a)(1)(B) of ERISA and any other applicable Similar Laws;
- whether, in making the investment, the ERISA Plan will satisfy the diversification requirements of Section 404(a)(1)(C) of ERISA and any other applicable Similar Laws;
- whether the investment is permitted under the terms of the applicable documents governing the Plan;
- whether in the future there may be no market in which to sell or otherwise dispose of the Notes; and
- whether the acquisition or holding of Notes will constitute a "prohibited transaction" under Section 406 of ERISA or Section 4975 of the Code (please see discussion under "Certain ERISA Considerations—Prohibited Transaction Issues" below).

Prohibited Transaction Issues

Section 406 of ERISA and Section 4975 of the Code prohibit ERISA Plans from engaging in specified transactions involving plan assets with persons or entities who are "parties in interest," within the meaning of ERISA, or "disqualified persons," within the meaning of Section 4975 of the Code, unless an exemption is available. A party in interest or disqualified person who engages in a non-exempt prohibited transaction may be subject to

excise taxes and other penalties and liabilities under ERISA and the Code. In addition, the fiduciary of the ERISA Plan that engages in such a non-exempt prohibited transaction may be subject to penalties and liabilities under ERISA and the Code. The acquisition and/or holding of the Notes by an ERISA Plan with respect to which the Issuer, an Initial Purchaser, or a Note Guarantor is considered a party in interest or a disqualified person may constitute or result in a direct or indirect prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code unless the investment is acquired and is held in accordance with an applicable statutory, class or individual prohibited transaction exemption.

In this regard, the U.S. Department of Labor has issued prohibited transaction class exemptions, or "PTCEs," that may provide exemptive relief for direct or indirect prohibited transactions resulting from the sale, acquisition or holding of the Notes. These class exemptions include, without limitation, PTCE 75-1, respecting certain transactions involving ERISA Plans and broker-dealers, reporting dealers and banks; PTCE 84-14, as amended, respecting certain transactions determined by independent qualified professional asset managers; PTCE 90-1, respecting certain investments by insurance company pooled separate accounts; PTCE 91-38, respecting certain investments by bank collective investment funds; PTCE 95-60, respecting certain life insurance company general accounts; and PTCE 96-23, respecting certain transactions determined by in-house asset managers. In addition, Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code each provide relief from the prohibited transaction provisions of ERISA and Section 4975 of the Code for certain transactions, provided that (i) neither the issuer of the Notes nor any of its affiliates (directly or indirectly) has or exercises any discretionary authority or control or render any investment advice with respect to the assets of any ERISA Plan involved in the transaction and (ii) the ERISA Plan pays no more than adequate consideration in connection with the transaction. Each of these statutory exemptions and PTCEs contain conditions and limitations on their application and do not provide relief from the self-dealing prohibitions under ERISA and the Code. It should also be noted that even if the conditions specified in one or more of these exemptions are met, the scope of relief provided by these exemptions may not necessarily cover all acts that might be construed as prohibited transactions. Accordingly, the fiduciary of a Plan that is considering acquiring and/or holding the Notes in reliance on any of these (or any other) exemptions should carefully review the exemption and consult with its counsel to confirm that it is applicable. There can be no, and we do not provide any, assurance that any of these exemptions or any other exemption will be available with respect to the acquisition or holding of the Notes, or that all of the conditions of any such exemptions will be satisfied.

Because of the foregoing, the Notes should not be acquired or held by any person investing "plan assets" of any Plan, unless such acquisition and holding will not constitute a non-exempt prohibited transaction under ERISA and the Code or a similar violation of any applicable Similar Laws.

Due to the complexity of these rules and the excise taxes, penalties and liabilities that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries, or other persons considering acquiring and/or holding the Notes on behalf of, or with the assets of, any Plan, consult with their counsel regarding the potential applicability of ERISA, Section 4975 of the Code and any Similar Laws to such investment and whether an exemption would be applicable to the acquisition and holding of the Notes. Purchasers of the Notes have the exclusive responsibility for ensuring that their acquisition and holding of the Notes complies with the fiduciary responsibility rules of ERISA and does not violate the prohibited transaction rules of ERISA, the Code or applicable Similar Laws. The sale of the Notes to a Plan is in no respect a representation by us or any of our affiliates or representatives that such an investment meets all relevant legal requirements with respect to investments by any such Plan or that such investment is appropriate for any such Plan.

Representation

Accordingly, by its acquisition and acceptance of a note (or any interest therein), each purchaser and subsequent transferee of a note will be deemed to have represented and warranted by its acquisition and holding thereof that either: (i) no portion of the assets used by such purchaser or transferee to acquire or hold the Notes (or any interest therein) constitutes assets of any Plan; or (ii) the acquisition, holding, and subsequent disposition of the Notes (or any interest therein) by such purchaser or subsequent transferee will not constitute a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a similar violation under any applicable Similar Laws.

PLAN OF DISTRIBUTION

We and the guarantors have entered into a purchase agreement, dated May 6, 2026, with Deutsche Bank Securities Inc., Itau BBA USA Securities, Inc., Santander US Capital Markets LLC and Scotia Capital (USA) Inc., as representatives of the Initial Purchasers pursuant to which, and subject to the conditions therein, we have agreed to sell to the Initial Purchasers, and the Initial Purchasers have agreed to purchase from us, severally and not jointly, the principal amount of Notes set forth opposite their names below:

Initial Purchasers	Principal Amount of Notes
Deutsche Bank Securities Inc.	$81,250,000
Itau BBA USA Securities, Inc.	$81,250,000
Santander US Capital Markets LLC	$100,000,000
Scotia Capital (USA) Inc.	$160,000,000
BMO Capital Markets Corp.	$62,500,000
BBVA Securities Inc.	$7,500,000
Banco Latinoamericano de Comercio Exterior S.A.	$7,500,000
Total	$500,000,000

The purchase agreement provides that the obligations of the Initial Purchasers to purchase the Notes are subject to approval of legal matters by counsel and to other conditions set forth therein. Subject to the terms of the purchase agreement, the Initial Purchasers have agreed to purchase all of the principal amount of the Notes if any are purchased. If an Initial Purchaser defaults, the purchase agreement also provides that the purchase commitments of the non-defaulting Initial Purchasers may be increased or the purchase agreement may be terminated. We and the Note Guarantors shall not be obligated to deliver any of the Notes offered hereunder except upon payment for all of the Notes offered hereunder. The Initial Purchasers reserve the right to withdraw, cancel or modify offers to investors and to reject orders in whole or in part.

The Initial Purchasers propose initially to offer and sell the Notes at the issue price set forth on the front of this offering memorandum. After the initial offering of the Notes, the issue price at which the Notes are being offered may be changed at any time without notice. The Initial Purchasers may offer and sell the Notes through certain of their affiliates.

Lock-Up

We and the guarantors have agreed not to, directly or indirectly,

- offer for sale, sell, pledge, or otherwise dispose of (or enter into any transaction or device that is designed to, or could be expected to, result in the disposition by any person at any time in the future of) any of our debt securities substantially similar to the Notes or securities convertible into or exchangeable for such debt securities, or sell or grant options, rights or warrants with respect to such debt securities or securities convertible into or exchangeable for such debt securities,

- enter into any swap or other derivatives transaction that transfers to another, in whole or in part, any of the economic benefits or risks of ownership of our debt securities,

- file or cause to be filed a registration statement, including any amendments thereto, with respect to the registration of our debt securities substantially similar to the Notes or securities convertible, exercisable or exchangeable into our debt securities, or

- publicly announce an offering of any of our debt securities substantially similar to the Notes or securities convertible or exchangeable into our debt securities,

for a period of 60 days after the date of this offering memorandum, in each case without the prior written consent of the representatives.

Indemnification

We have agreed to indemnify the Initial Purchasers against certain liabilities, including liabilities under the Securities Act, or to contribute to payments that the Initial Purchasers may be required to make in respect of those liabilities.

Stabilization and Short Positions

In connection with this offering, the Initial Purchasers may engage in certain transactions that stabilize, maintain or otherwise affect the price of the Notes. Specifically, the Initial Purchasers may overallot in connection with the offering of the Notes, creating a syndicate short position. In addition, the Initial Purchasers may bid for and purchase Notes in the open market to cover syndicate short positions or to stabilize the price of the Notes. Any of these activities may stabilize or maintain the market price of the Notes above what it would be in the absence of such activities. The Initial Purchasers are not required to engage in any of these activities, and they may end any of them at any time. We and the Initial Purchasers make no representation as to the direction or magnitude of any effect that the transactions described above may have on the price of the Notes. In addition, neither we nor any of the Initial Purchasers make any representation that anyone will engage in such transactions or that such transactions, once commenced, will not be discontinued without notice.

Settlement

We expect to deliver the Notes on or about May 11, 2026, which would be the third business day after the date of this offering memorandum ("T+3"), as agreed to by the Company and the Initial Purchasers. Pursuant to Rule 15c6-1 under the Exchange Act, trades in the secondary market generally are required to settle in one business day, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the Notes prior to the business day before delivery will be required, by virtue of the fact that the Notes will initially settle T+3 to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Investors who wish to trade the Notes prior to the delivery date should consult their own advisors.

Relationships (Conflicts of Interest)

Scotia Capital (USA) Inc., one of the Initial Purchasers and the Global Coordinator of this offering, is an affiliate of The Bank of Nova Scotia, which serves as agent for the lenders under the Existing Parex Credit Facilities and has committed, pursuant to the Commitment Letter, to provide the New Parex Credit Facilities, including the Amended Parex Credit Facilities and the Parex Bridge Facility. We intend to use the net proceeds from this offering to fund a portion of the consideration for the Frontera Acquisition and to pay fees and expenses in connection with the Transactions. Any net proceeds not used for such purposes will be used for general corporate purposes. The Bank of Nova Scotia and its affiliates, including Scotia Capital (USA) Inc., may receive a portion of the net proceeds of this offering, whether directly or indirectly, through repayment of amounts outstanding under the Existing Parex Credit Facilities or fees and expenses in connection with the New Parex Credit Facilities and the Transactions.

Additionally, an affiliate of BMO Capital Markets Corp. is a lender under the Existing Parex Credit Facilities, and affiliates of Deutsche Bank Securities Inc., Itau BBA USA Securities, Inc., Santander US Capital Markets LLC, BMO Capital Markets Corp., BBVA Securities Inc. and Banco Latinoamericano de Comercio Exterior S.A. are or may be lenders under the New Parex Credit Facilities and may receive a portion of the net proceeds of this offering through the repayment of amounts outstanding thereunder.

Any sales to purchasers of Notes introduced by Banco Latinoamericano de Comercio Exterior S.A. and BBVA Securities Inc. will be effected through one of the other Initial Purchasers or another broker-dealer identified for such purpose by an Initial Purchaser. We will pay a fee to Banco Latinoamericano de Comercio Exterior S.A. and BBVA Securities Inc. for their services, respectively which will not, however, be deducted from or otherwise reduce the discounts and commissions to be paid to the other Initial Purchasers pursuant to the purchase agreement.

Certain of the Initial Purchasers and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with us or our affiliates, for which they have received, or may in the future receive, customary fees and commissions. In the ordinary course of their various business activities, the Initial Purchasers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve securities and instruments of ours or our affiliates. If any of the Initial Purchasers or their affiliates have a lending relationship with us, certain of those Initial Purchasers or their affiliates routinely hedge, and certain other of those Initial Purchasers or their affiliates may hedge, their credit exposure to us consistent with their customary risk management policies, including by entering into transactions that consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the Notes offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the Notes offered hereby. The Initial Purchasers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

SELLING RESTRICTIONS

Rule 144A and Regulation S

The Notes have not been registered under the Securities Act or any state securities laws, and unless so registered, may not be offered or sold within the U.S., or to or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Notes have no established trading market and will not be listed on any national securities exchange. The Initial Purchasers have advised us of their intention to make a market for the Notes, but have no obligation to do so and may discontinue market-making at any time without providing any notice. We cannot assure you as to the liquidity of any trading market for the Notes.

We have been advised by the Initial Purchasers that the Initial Purchasers propose to resell these Notes to (a) persons they reasonably believe to be qualified institutional buyers in reliance on Rule 144A under the Securities Act and (b) outside the U.S. to certain non-U.S. persons in reliance on Regulation S under the Securities Act. Any offer or sale of the Notes in reliance on Rule 144A will be made by broker-dealers who are registered as such under the Exchange Act.

Each of the Initial Purchasers have acknowledged and agreed that, except as permitted by the purchase agreement, in connection with sales outside the United States, they will not offer, sell or deliver the Notes to, or for the account or benefit of U.S. persons (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering or the date the Notes were originally issued. The Initial Purchasers will send to each dealer to whom they sell the Notes in reliance on Regulation S during the 40-day distribution compliance period, a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings assigned to them in Regulation S under the Securities Act.

In addition, until the expiration of the 40-day distribution compliance period referred to above, an offer or sale of the Notes within the United States by a dealer (whether or not participating in this offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A under the Securities Act or pursuant to another exemption from registration under the Securities Act.

Prohibition of Sales to European Economic Area Investors

This offering memorandum has been prepared on the basis that any offer of the Notes in any member state of the European Economic Area ("EEA") will be made pursuant to an exemption under the Prospectus Regulation (as defined below) from the requirement to produce a prospectus for offers of the Notes. This offering memorandum is not a prospectus for the purpose of the Prospectus Regulation.

Accordingly, any person making or intending to make any offer within the EEA of the Notes should only do so in circumstances in which no obligation arises for the Issuer or the Initial Purchasers to produce a prospectus for such offer. Neither the Issuer nor the Initial Purchasers has authorized, nor do they authorize, the making of any offer of Notes through any financial intermediary, other than offers made by the Initial Purchasers, which constitute the final placement of the Notes contemplated in this offering memorandum.

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended or superseded, "MiFID II"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014, (as amended, the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation

The above selling restriction is in addition to any other selling restrictions set out below.

Prohibition of Sales to UK Retail Investors

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold, distributed, or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the United Kingdom ("UK"). For these purposes, a retail investor means a person who is not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"). Consequently no disclosure document required by the FCA Product Disclosure Sourcebook ("DISC") for offering, selling, or distributing the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Notes or otherwise making them available to any retail investor in the UK may be unlawful under DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.

Each of the Initial Purchasers has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (as amended, the "FSMA")) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

This offering memorandum has not been approved by an authorised person in the U.K. This offering memorandum is for distribution only to persons who: (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Financial Promotion Order"); (ii) are persons falling within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the Financial Promotion Order; (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This offering memorandum is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this offering memorandum relates is available only to relevant persons and will be engaged in only with relevant persons.

Notice to Prospective Investors in the UK

Each of the Initial Purchasers has represented and agreed that it has not offered, sold, distributed, or otherwise made available and will not offer, sell, distribute, or otherwise make available any Notes to any retail investor in the United Kingdom. For the purposes of this provision:

the expression "retail investor" means a person who is not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA").

Notice to Prospective Investors in Ireland

The information in this offering memorandum does not constitute a prospectus under any Irish laws or regulations and this offering memorandum has not been filed with or approved by any Irish regulatory authority as the information has not been prepared in the context of a public offering of securities in Ireland within the meaning of the Irish Prospectus (Directive 2003/71/EC) Regulations 2005, or the Prospectus Regulations. The securities have not been offered or sold, and will not be offered, sold or delivered directly or indirectly in Ireland by way of a public offering, except to (i) qualified investors as defined in Regulation 2(l) of the Prospectus Regulations and (ii) fewer than 100 natural or legal persons who are not qualified investors.

Notice to Prospective Investors in Canada

The Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 – *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this offering memorandum (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor. No securities commission or similar authority in Canada has reviewed or in any way passed upon this offering memorandum or the merits of the Notes, and any representation to the contrary is an offence.

Any resale of the Notes in Canada must be made in accordance with the transfer restrictions contained below and under applicable securities laws which will vary depending on the relevant jurisdiction, and which may require resales to be made under available statutory exemptions or under a discretionary exemption granted by the applicable Canadian securities regulatory authority. Distribution of this offering memorandum in Canada without a Canadian wrapper is not authorized. See "Transfer Restrictions."

Notice to Prospective Investors in Hong Kong

Each Initial Purchaser (i) has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong) (the "SFO") and any rules made thereunder; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) (the "CO") or which do not constitute an offer to the public within the meaning of the CO; and (ii) has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong

Kong) other than with respect to the Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made thereunder.

This offering memorandum has not been registered with the Registrar of Companies in Hong Kong. Accordingly, this offering memorandum may not be issued, circulated or distributed in Hong Kong, and the Notes may not be offered for subscription to members of the public in Hong Kong. Each person acquiring the Notes will be required, and is deemed by the acquisition of the Notes, to confirm that he, she or it is aware of the restriction on offers of the Notes described in this offering memorandum and the relevant offering documents and that he, she or it is not acquiring, and has not been offered, any Notes in circumstances that contravene any such restrictions.

Notice to Prospective Investors in Japan

The Notes have not been and will not be registered pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Act. Accordingly, none of the Notes nor any interest therein may be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any "resident" of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to or for the benefit of a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and ministerial guidelines of Japan in effect at the relevant time.

Notice to Prospective Investors in Singapore

This offering memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Initial Purchaser has represented, warranted and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this offering memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "SFA")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is (i) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor, or (ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an accredited investor, securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interests (howsoever described) in that trust shall not be transferred within six months after the corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except: (1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA, (2) where no consideration is or will be given for the transfer, (3) where the transfer is by operation of law, (4) as specified in Section 276(7) of the SFA, or (5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Singapore SFA Product Classification — Solely for the purposes of our obligations pursuant to sections 309B(1)(a) and 309B(1) of the SFA, we have determined, and hereby notify all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are "prescribed capital markets products" (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Notice to Prospective Investors in Luxembourg

This offering memorandum has not been approved by, and will not be submitted for approval to, the Luxembourg Financial Sector Supervisory Authority (Commission de Surveillance du Secteur Financier) for purposes of a public offering or sale in Luxembourg and/or admission to listing on the Official List of the Luxembourg Stock Exchange and admission to trading on the Regulated Market operated by the Luxembourg Stock Exchange. Accordingly, the Notes may not be offered or sold to the public in Luxembourg, directly or indirectly, and neither this offering memorandum nor any other offering memorandum, prospectus, form of application, advertisement or other material may be distributed, or otherwise made available in or from, or published in, Luxembourg, except (i) for the sole purpose of the admission to listing of the Notes on the Official List of the Luxembourg Stock Exchange and the admission to trading of the Notes on the Luxembourg Stock Exchange's Euro MTF market, and (ii) in circumstances where the offer benefits from an exemption to or constitutes a transaction otherwise not subject to the requirements to publish a prospectus, in accordance with Prospectus Regulation and the law of July 16, 2019, on prospectuses for securities.

Notice to Prospective Investors in Mexico

The Notes have not been and will not be registered with the Mexican National Securities Registry (Registro Nacional de Valores) maintained by the Mexican National Banking and Securities Commission (Comisión Nacional Bancaria y de Valores, or the "CNBV"), and therefore, may not be offered or sold publicly in Mexico or otherwise be subject to intermediation activities in Mexico, however, the Notes may only be offered and sold in Mexico on a private placement basis to investors that qualify as institutional or qualified investors pursuant to the private placement exemption set forth in Article 8 of the Mexican Securities Market Law (Ley del Mercado de Valores) and regulations thereunder. The information contained in this offering memorandum is solely our responsibility and has not been reviewed or authorized by the CNBV and may not be publicly distributed in Mexico. In making an investment decision, all investors, including any Mexican investor, who may acquire Notes from time to time, must rely on their own examination of the Issuer and the terms of this offering and the Notes, including the merits and risks involved.

Notice to Prospective Investors in Chile

The offering of the notes is subject to General Rule (*Norma de Carácter General*) No. 336, dated June 27, 2012 ("CMF Rule 336"), as amended by Rule (*Norma de Carácter General*) No. 452, dated February 22, 2021 ("CMF Rule 452"), both issued by the Financial Market Commission of Chile ("CMF"). The notes may not be offered or sold in Chile, directly or indirectly, by means of a "public offering" (as defined under Law No. 18,045, the "Chilean Securities Market Law," and regulations from the CMF) unless they are offered in reliance on an available exemption under CMF Rule 452. Pursuant to Chilean law, a public offering of securities is an offering that is addressed to the general public or to certain specific categories or groups thereof. Considering that the definition of public offering is quite broad, even an offering addressed to a small group of investors may be considered to be addressed to a certain specific category or group of the public and therefore be considered public under applicable law. The notes cannot and will not be publicly offered to persons in Chile unless they are registered in the corresponding securities registry or they are offered in reliance of an available exemption from such registration requirement. The notes being offered are not and will not be registered under the Chilean Securities Market Law in the Securities Registry (*Registro de Valores*) or in the Foreign Securities Registry (*Registro de Valores Extranjeros*) both kept by the CMF and, therefore, the notes are not and will not be subject to the supervision of the CMF. As unregistered securities, we are not required to disclose public information about the notes in Chile. Pursuant to CMF Rule 336, the notes may be privately offered in Chile, among others, to certain "qualified investors" identified as such therein (which in turn are further described in CMF Rule 216 of 2008).

CMF Rule 336 requires the following information to be provided to prospective investors in Chile:

1. Date of commencement of the offer: May 6, 2026. The offer of the notes is subject to General Rule (*Norma de Carácter General*) No. 336, dated June 27, 2012, issued by the CMF, as amended;

2. The subject matter of this offer are securities not registered with the Securities Registry (*Registro de Valores*) of the CMF, nor with the Foreign Securities Registry (*Registro de Valores Extranjeros*) of the CMF, due to the notes not being subject to the oversight of the CMF;

3. Since the notes are not registered in Chile, the Issuer is not obliged to make publicly available information about the notes in Chile; and

4. The notes shall not be subject to public offering in Chile unless registered with the relevant Securities Registry kept by the CMF.

Notice to Prospective Investors in Colombia

The Notes have not been, and will not be, registered in the National Securities and Issuers Registry (*Registro Nacional de Valores y Emisores*) of Colombia or traded on the Colombia Stock Exchange (*Bolsa de Valores de Colombia*). Therefore, the Notes may not be publicly offered or sold in Colombia except in compliance with the applicable Colombian securities regulations.

The Notes may not be offered or sold publicly or otherwise be subject to brokerage activities in Colombia, except under circumstances which do not constitute a public offering of securities under applicable Colombian securities laws and regulations and in compliance with regulation concerning marketing and promotion of foreign financial and securities products set forth in Part 4 of Decree 2555 of 2010.

The recipient of the Notes acknowledges that certain Colombian laws and regulations (specifically foreign exchange and tax regulations) are applicable to any transaction or investment made in connection with the Notes being offered and represents that it is the sole party liable for full compliance with any such laws and regulations.

Notice to Prospective Investors in Peru

The Notes and the information contained in this offering memorandum are not being publicly marketed or offered in Peru and will not be distributed or caused to be distributed to the general public in Peru. Peruvian securities laws and regulations on public offerings will not be applicable to the offering of the Notes and therefore, the disclosure obligations set forth therein will not be applicable to the Issuer or the sellers of the Notes before or after their acquisition by prospective investors. The Notes and the information contained in this offering memorandum have not been and will not be reviewed, confirmed, approved or in any way submitted to the Superintendencia del Mercado de Valores (Peruvian capital market regulator) (the "SMV") nor have they been registered with the SMV's Securities Market Public Registry (Registro Público del Mercado de Valores). Accordingly, the Notes cannot be offered or sold within Peruvian territory except to the extent any such offering or sale qualifies as a private offering under Peruvian law and regulations and complies with the provisions on private offerings set forth therein.

Notice to Prospective Investors in Taiwan

The Notes have not been and will not be registered with the Financial Supervisory Commission of Taiwan, pursuant to relevant securities laws and regulations and may not be offered or sold directly or indirectly in Taiwan, or to, or for the account or benefit of, any person in Taiwan unless otherwise in compliance with the applicable laws and regulations of Taiwan. No person or entity in Taiwan has been authorized to offer, sell, give advice regarding or otherwise intermediate the offering and sale of the Notes in Taiwan.

Notice to Prospective Investors in Brazil

The offer and sale of the Notes have not been and will not be registered with the Brazilian Securities Commission (Comissão de Valores Mobiliários, or "CVM") and, therefore, will not be carried out by any means that would constitute a public offering in Brazil under CVM Resolution No. 160, dated 13 July 2022, as amended, or unauthorized distribution under Brazilian laws and regulations. The Notes will be authorized for trading on organized non-Brazilian securities markets and may only be offered to Brazilian Professional Investors (as defined by applicable CVM regulation), who may only acquire the Notes through a non-Brazilian account, with settlement outside Brazil in non-Brazilian currency. The trading of these Notes on regulated securities markets in Brazil is prohibited.

Other Relationships

Some of the Initial Purchasers and their affiliates have engaged in, and may in the future engage in, investment banking and/or commercial banking transactions with, and may perform services for, us and our affiliates in the ordinary course of business. They have received, or may in the future receive, customary fees and commissions for these transactions.

In addition, in the ordinary course of their business activities, the Initial Purchasers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. If any of the Initial Purchasers or their affiliates have a lending relationship with us, certain of those Initial Purchasers and their affiliates routinely hedge, and certain other of those Initial Purchasers or their affiliates may hedge, their credit exposure to us consistent with their customary risk management policies. Typically, such Initial Purchasers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the Notes offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the Notes offered hereby. The Initial Purchasers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

TRANSFER RESTRICTIONS

The Notes have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold or delivered in the United States or to, or for the account or benefit of, any U.S. person, except pursuant to an effective registration statement or in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Notes are being offered and sold hereunder only:

- to persons reasonably believed to be qualified institutional buyers in accordance with Rule 144A under the Securities Act; and
- outside the United States to non-U.S. persons in offshore transactions in accordance with Regulation S under the Securities Act.

Each purchaser of the Notes offered hereunder will be deemed, in making its purchase, to have represented and agreed as follows (terms used in this section that are defined in Rule 144A or in Regulation S are used in this section as defined in those rules or regulations):

1. The purchaser and any account on behalf of which it is purchasing Notes either (a)(1) is a qualified institutional buyer, (2) is aware that the sale of the Notes to it is being made in reliance on Rule 144A and (3) is acquiring such Notes for its own account or the account of a qualified institutional buyer or (b)(1) is not in the United States or a U.S. person, as that term is defined in Regulation S and (2) is aware that the sale of the Notes to it is being made in reliance on Regulation S.

2. The purchaser understands that the Notes have not been and will not be registered under the Securities Act and may not be offered, sold or delivered in the United States or to, or for the account or benefit of, any U.S. person except as set forth below.

3. If the purchaser is a U.S. person, it agrees that it will not resell or otherwise transfer the Notes except (a)(1) to the Issuer, (2) to a person whom such purchaser reasonably believes is a qualified institutional buyer acquiring for its own account or the account of a qualified institutional buyer in a transaction meeting the requirements of Rule 144A, (3) outside of the United States in an offshore transaction meeting the requirements of Rule 903 or Rule 904 of Regulation S, (4) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available) or (5) pursuant to an effective registration statement under the Securities Act and (b) in accordance with all applicable securities laws of the states of the United States and other jurisdictions, and that the purchaser, and each subsequent holder, will notify any subsequent purchaser of such Notes from it of these resale restrictions. The Notes issued to purchasers that are U.S. persons (including Restricted Global Notes) will bear a legend to the following effect, unless we determine otherwise in compliance with applicable law:

   THE NOTES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR OTHER SECURITIES LAWS. NEITHER THIS NOTE NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS THE TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. EACH PURCHASER OF THE SECURITY EVIDENCED HEREBY IS NOTIFIED THAT THE SELLER MAY BE RELYING ON THE EXEMPTION FROM SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER. THE HOLDER OF THIS SECURITY BY ITS ACCEPTANCE HEREOF (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) OR (B) IT IS NOT A U.S. PERSON AND IS ACQUIRING ITS NOTE IN AN "OFFSHORE TRANSACTION" PURSUANT TO REGULATION S UNDER THE SECURITIES ACT, (2) AGREES THAT IT WILL NOT PRIOR TO (X) THE DATE WHICH IS ONE YEAR (OR SUCH SHORTER PERIOD OF TIME AS PERMITTED BY RULE 144 UNDER THE SECURITIES ACT OR ANY SUCCESSOR PROVISION THEREUNDER)

AFTER THE LATEST OF THE ORIGINAL ISSUE DATE HEREOF (OR OF ANY PREDECESSOR OF THIS NOTE), THE ISSUE DATE OF ANY ADDITIONAL NOTES UNDER THE INDENTURE GOVERNING THE NOTES OR THE LAST DAY ON WHICH WE OR ANY AFFILIATE OF OURS WAS THE OWNER OF THIS NOTE (OR ANY PREDECESSOR OF THIS NOTE) AND (Y) SUCH LATER DATE, IF ANY, AS MAY BE REQUIRED BY APPLICABLE LAW (THE "RESALE RESTRICTION TERMINATION DATE"), OFFER, SELL OR OTHERWISE TRANSFER THIS NOTE EXCEPT (A) TO US, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE NOTES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A, TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A INSIDE THE UNITED STATES, (D) PURSUANT TO OFFERS AND SALES TO NON U.S. PERSONS THAT OCCUR OUTSIDE THE UNITED STATES WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT OR (E) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND (3) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS NOTE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND; PROVIDED THAT WE, THE TRUSTEE AND THE REGISTRAR SHALL HAVE THE RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER (I) PURSUANT TO CLAUSE (D) OR (E) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/ OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM, AND (II) IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATION OF TRANSFER IN THE FORM APPEARING ON THE OTHER SIDE OF THIS NOTE IS COMPLETED AND DELIVERED BY THIS TRANSFEROR TO THE TRUSTEE. THIS LEGEND WILL BE REMOVED UPON THE REQUEST OF THE HOLDER AFTER THE RESALE RESTRICTION TERMINATION DATE. AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION," "UNITED STATES" AND "U.S. PERSON" HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT.

4. If the purchaser is a qualified institutional buyer, it understands that the Notes offered in reliance on Rule 144A initially will be represented by the Restricted Global Note and that, before interests therein may be transferred to any person who takes delivery in the form of the Regulation S Global Note, the transferor will be required to provide the Trustee with a written certification (the form of which can be obtained from the Issuer) to the effect that the transfer complies with Rule 903 or Rule 904 of Regulation S, as described in the section of this offering memorandum titled "Description of Notes— Book Entry, Delivery and Form."

5. If the purchaser is not a U.S. person, it understands that the Notes offered in reliance on Regulation S initially will be represented by the Regulation S Global Note and that interests therein may be held only through Euroclear or Clearstream through and including the 40th day after the later of the commencement of the offering of the Notes and the closing date of the offering of the Notes, as described in the section of this offering memorandum titled "Description of Notes—Book Entry, Delivery and Form." The purchaser further understands that the Regulation S Global Notes will bear a legend to the following effect, unless we determine otherwise in accordance with applicable law:

   "THIS NOTE HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND MAY NOT BE OFFERED, SOLD OR DELIVERED IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON, UNLESS SUCH NOTES ARE REGISTERED UNDER THE SECURITIES ACT OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS THEREOF IS AVAILABLE. THE FOREGOING SHALL NOT APPLY FOLLOWING THE EXPIRATION OF FORTY DAYS FROM THE LATER OF (I) THE DATE ON WHICH THESE NOTES WERE FIRST OFFERED AND (II) THE DATE OF ISSUANCE OF THESE NOTES."

6. The purchaser agrees that it will deliver to each person to whom it transfers Notes notice of any restrictions on transfer of such Notes.

7. Each purchaser of the Notes will be deemed to have represented and agreed as follows:

(a) Either: (i) no portion of the assets used by such purchaser to acquire or hold the Notes (or any interest therein) constitutes assets of any employee benefit plan that is subject to Title I of the ERISA, a plan, individual retirement account or other arrangement that is subject to Section 4975 of the Code, or any governmental plan, church plan, non-U.S. plan, or other plan subject to federal, state, local, non-U.S. or Similar Laws, or an entity whose underlying assets are considered to include "plan assets" of such plan, account or arrangement or (ii) the acquisition, holding, and subsequent disposition of the Notes (or any interest therein) by such purchaser will not constitute a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a similar violation under any applicable Similar Laws.

(b) The purchaser will not transfer the Notes to any person or entity, unless such person or entity could itself truthfully make the foregoing representations and covenants.

(c) The purchaser: (i) is not an "insider" of the Issuer (within the meaning of Canadian securities laws) and is not a "registrant" (within the meaning of Canadian securities laws), unless in either case it has specifically provided written advice to the contrary to the Issuer and to the Initial Purchasers or their respective affiliates participating in the sale of the Notes to the purchaser and has identified itself as an "insider" or "registrant"; (ii) consents to the filing with the securities commissions or other securities regulatory authorities in the provinces of Canada any information required to be disclosed by applicable Canadian securities laws, including the purchaser's name, address, telephone number or email address (or such information relating to a contact person for you, if applicable), the number of Notes it has acquired, the value of the Notes it has purchased, and whether it is an "insider" of the Issuer (within the meaning of Canadian securities laws) or a "registrant" (within the meaning of Canadian securities laws) and the date of distribution; and (iii) upon request, agrees to provide the Issuer or the Initial Purchasers with all information about the purchaser necessary to permit the Issuer or the Initial Purchasers to properly complete such filings.

(d) The purchaser acknowledges that no person has made any oral or written representation to it that any person will re-sell or re-purchase the Notes, or refund any part or all of the purchase price of the Notes, or that the Notes will be listed on any exchange or quoted on any quotation and trade reporting system in Canada, or that an application has been or will be made to list the Notes on any exchange or quote the Notes on any quotation and trade reporting system in Canada, and no person has given any undertaking to such purchaser relating to the future value or price of the Notes.

(e) The purchaser agrees that any certificates representing the Notes (or the relevant ownership statement under a direct registration system or other book entry system or other form of written notice including the Canadian wrapper) may bear a legend indicating that the resale of such Notes is restricted as follows:

UNLESS PERMITTED UNDER CANADIAN SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS FOUR MONTHS AND A DAY AFTER THE DISTRIBUTION DATE.

(f) The purchaser acknowledges and understands that the Notes have not been and will not be qualified for distribution to the public under applicable Canadian securities laws and will therefore be subject to "restricted period" resale restrictions under applicable Canadian securities laws and the purchaser agrees to comply with such restrictions. During such statutory restricted period, the Notes may not be resold in any jurisdiction in Canada except pursuant to a statutory exemption from the prospectus requirements of applicable Canadian securities laws or a discretionary ruling therefrom issued by applicable securities regulatory authorities and in accordance with the dealer registration requirements under applicable Canadian securities laws.

(g) The purchaser acknowledges that it has been advised to consult its own legal advisors with respect to applicable Canadian resale restrictions and that it is solely responsible for complying with such restrictions. Neither the Company nor the Trustee are in any manner responsible for compliance by it with such restrictions.

(h) The purchaser understands and acknowledges that as a result of the Notes not being qualified for distribution to the public under applicable Canadian securities laws, no securities commission or regulatory authority in any jurisdiction of Canada has reviewed or passed on the merits of the Notes, there is no government or other insurance covering the Notes, and certain protections, rights and remedies provided by Canadian securities laws in certain jurisdictions of Canada, including statutory rights of rescission or damages, will not be available to it.

(i) The purchaser acknowledges and understands that each purchaser of the Notes resident or located in any province or territory of Canada will be deemed to have received this offering memorandum and Canadian wrapper delivered herewith and made and agreed to the representations and warranties contained herein and therein.

8. The purchaser acknowledges that the Issuer, the Initial Purchasers and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations, warranties and agreements, and agrees that if any of the acknowledgments, representations or warranties deemed to have been made by it by its purchase of the Notes are no longer accurate, it shall promptly notify us and the Initial Purchasers. If it is acquiring any Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and it has full power to make the foregoing representations, warranties and agreements on behalf of each such account.

9. The Purchaser covenants to indemnify the Issuer, the Initial Purchasers, any dealer from whom such purchase confirmation was received and their respective officers, directors, employees, agents and advisors against all losses, claims, costs, expenses and damages or liability which any of them may suffer or incur, caused or arising from reliance upon the representations, warranties, acknowledgements and covenants of the purchaser contained herein and the purchaser further agrees that, by accepting the Notes, the purchaser represents and warrants that such representations, warranties, acknowledgements and covenants are true as at the closing date of the offering of the Notes with the same force and effect as if they had been made by the purchaser on the closing date of the offering of the Notes and that they shall survive the purchase by the purchaser of the Notes and shall continue in full force and effect notwithstanding any subsequent disposition by the purchaser of any of the Notes.

LEGAL MATTERS

Certain legal matters relating to Canadian law in connection with the Notes offered hereby will be passed upon on our behalf by Norton Rose Fulbright Canada LLP and Burnet, Duckworth & Palmer LLP. Certain legal matters relating to U.S. law in connection with the Notes offered hereby will be passed upon on our behalf by Paul, Weiss, Rifkind, Wharton & Garrison LLP. The Initial Purchasers are represented by Latham & Watkins LLP, as to certain matters of U.S. law, and by Torys LLP, as to certain matters of Canadian law.

INDEPENDENT AUDITORS

The consolidated financial statements of the Issuer as of December 31, 2025 and 2024, and for the years then ended, incorporated by reference in this offering memorandum have been audited by PricewaterhouseCoopers LLP, independent registered public accounting firm, as stated in their reports incorporated by reference herein. PricewaterhouseCoopers LLP is independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada, including the Rules of Professional Conduct with Guidance Chartered Professional Accountants of Alberta, and any applicable legislation or regulation in Canada.

Frontera E&P's financial statements as of and for the year ended December 31, 2025, included in this offering memorandum have been audited by Ernst & Young LLP, independent registered public accountants. Ernst & Young LLP is independent with respect to Frontera E&P within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation in Canada.

EXPERTS

Estimates of proved and probable reserves attributable to certain interests of the Issuer as of December 31, 2025 and related information included or incorporated by reference herein, including in the annexes hereto, have been prepared based on reports by GLJ, the Issuer's independent reserves evaluators, excerpts of which are appended to this offering memorandum as Annex C, and all such information has been so incorporated in reliance or included in the annexes hereto on the authority of such experts in such matters. The excerpt is qualified by, and should be read in conjunction with, such report.

Estimates of proved and probable reserves attributable to certain interests of Frontera E&P as of December 31, 2025 and related information included in this offering memorandum have been prepared based on reports by DeGolyer and MacNaughton Corp., excerpts of which are appended to this offering memorandum as Annex C, and all such information has been so incorporated or included in reliance on the authority of such experts in such matters. The excerpt is qualified by, and should be read in conjunction with, such report.

ANNEX A—GLOSSARY AND CONVERSIONS

Glossary

"*ABCA*" has the meaning assigned to it in the "Risk Factors" section of this offering memorandum;

"*Acquisition Proposal*" has the meaning ascribed to it in the Arrangement Agreement;

"*Adjusted EBITDA*" has the meaning assigned to it in the "Summary Historical Consolidated Financial Data of the Issuer" section of this offering memorandum;

"*Agreement Date*" means March 10, 2026;

"*AI*" has the meaning assigned to it in the "Risk Factors" section of this offering memorandum;

"*AIF*" has the meaning assigned to it in the "Available Information and Incorporation by Reference" section of this offering memorandum;

"*Amended Credit Agreement*" has the meaning assigned to it in the "Description of Other Indebtedness" section of this offering memorandum;

"*Amended Parex Credit Facilities*" has the meaning assigned to it in the "Description of Other Indebtedness" section of this offering memorandum;

"*ANH*" means Colombia's National Hydrocarbons Agency (*Agencia Nacional de Hidrocarburos*), the governmental authority responsible for the administration, promotion and management of the nation's hydrocarbon resources, including the awarding and administration of E&P Contracts, the conduct of bid rounds, and the oversight of contractor compliance under applicable Colombian law;

"*ANLA*" has the meaning assigned to in the "Industry Conditions—Colombia—Environmental Regulation" section of this offering memorandum;

"*Applicable Laws*" means, in any context that refers to one or more persons, the Laws that apply to such person or persons or his, her, its or their business, undertaking, property or securities and emanate from a person having jurisdiction over the person or persons or his, her, its or their business, undertaking, property or securities;

"*Arrangement Agreement*" has the meaning assigned to it on the cover page of this offering memorandum;

"*Arrangement Resolution*" means the special resolution to approve the Frontera Acquisition to be considered by the Frontera Shareholders at the Frontera Meeting in substantially the form set out in Schedule "D" of the Arrangement Agreement;

"*Association Contract*" means legacy hydrocarbon contracts entered into by Ecopetrol with companies under Colombia's prior contracting regime (before the creation of the ANH) pursuant to which the parties jointly undertake exploration, appraisal, development and/or production activities within a defined contract area or block in Colombia, and allocate participation interests, cost recovery/production sharing, operatorship and other responsibilities in accordance with that prior regime and applicable regulations;

"*Bankruptcy Code*" has the meaning assigned to it in the "Risk Factors" section of this offering memorandum;

"*BCA*" means joint venture agreements entered into with Ecopetrol where parties combine resources and experience to carry out commercial activities related to the exploration, evaluation, production and development of hydrocarbons;

"*Business Day*" means any day, other than a Saturday, Sunday or a day on which banks located in Vancouver, British Columbia; Calgary, Alberta; or Bogota, Colombia are authorized or obligated by Law to close;

"*Canadian Securities Regulators*" has the meaning assigned to it in the "Available Information and Incorporation by Reference" section of this offering memorandum;

"*CGU*" has the meaning assigned to it in the "Risk Factors" section of this offering memorandum;

"*Chevron Prepay Obligation*" has the meaning assigned to it in "The Frontera Acquisition—Summary of the Frontera Acquisition" section of this offering memorandum;

"*Clearstream*" means Clearstream Banking, S.A.;

"*Closing Frontera Credit Support*" has the meaning ascribed to it in the Arrangement Agreement;

"*CO*" has the meaning assigned to it in the "Selling Restrictions—Notice to Prospective Investors in Hong Kong" section of this offering memorandum;

"*Code*" has the meaning assigned to it in the "Certain United States Federal Income Tax Consequences" section of this offering memorandum;

"*COGE Handbook*" has the meaning assigned to it in the "Presentation of Oil and Natural Gas Information and Reserves—Disclosure of Reserves and Production Information" section of this offering memorandum;

"*Collection Costs*" has the meaning assigned to it in "The Frontera Acquisition—Arrangement Agreement" section of this offering memorandum;

"*Commitment Letter*" has the meaning assigned to it in the "Description of Other Indebtedness" section of this offering memorandum;

"*Convenio*" has the meaning assigned to it under the "Industry Conditions—Colombia—Regulatory Regime" section of this offering memorandum;

"*COP*" has the meaning assigned to it in the "Risk Factors" section of this offering memorandum;

"*Credit Agreement*" has the meaning assigned to it in the "Description of Other Indebtedness" section of this offering memorandum;

"*DEBA*" means the Swiss Federal Debt Enforcement and Bankruptcy Act;

"*Default*" has the meaning ascribed to it in the Frontera Note Indenture;

"*Dissent Rights*" means the rights of dissent of the registered Frontera Shareholders as of the close of business on the record date in respect of the Frontera Acquisition, as provided for in the Plan of Arrangement, the Interim Order and any other order of the Supreme Court of British Columbia;

"*DTC*" has the meaning assigned to it under the "About this Offering" section of this offering memorandum;

"*E&P Contract*" means the exploration and production contracts entered into with the ANH which grant companies the rights to explore for, appraise, develop and produce hydrocarbons within a defined contract area, together with all related work commitments, guarantees and fiscal terms relating thereto;

"*EBITDA*" has the meaning assigned to it in the "Summary Historical Consolidated Financial Data of the Issuer" section of this offering memorandum;

"*Effective Date*" means the date the Frontera Acquisition takes effect, as determined in accordance with the Arrangement Agreement;

"*Effective Time*" means 12:01 a.m. (Pacific Standard Time) on the Effective Date;

"*EIA*" has the meaning assigned to it under the "Industry Conditions—Colombia—Environmental Regulation" section of this offering memorandum;

"EMP" has the meaning assigned to it under the "Industry Conditions—Colombia—Environmental Regulation" section of this offering memorandum;

"*ERISA*" has the meaning assigned to it under the "Certain ERISA Considerations" section of this offering memorandum;

"*ERISA Plan"* has the meaning assigned to it under the "Certain ERISA Considerations—General Fiduciary Matters" section in this offering memorandum;

"*Escrow Agent*" means Odyssey Transfer and Trust Company or an affiliate or such other escrow agent as mutually agreed by the Parties, each acting reasonably;

"*Escrow Agreement*" means the escrow agreement to be entered into between Frontera, the Purchaser Parties and the Escrow Agent, in form and substance acceptable to Frontera, the Purchaser Parties, and the Escrow Agent, each acting reasonably;

"*Escrow Release*" has the meaning assigned to it in the "Description of Notes—Escrow of Proceeds" section of this offering memorandum;

"*Event of Default*" has the meaning ascribed to it in the Frontera Note Indenture;

"*Exchange Act*" means the United States Securities Exchange Act of 1934, as amended;

"*Existing Parex Credit Facilities*" has the meaning assigned to it in the "Description of Other Indebtedness" section of this offering memorandum;

"*FATCA*" has the meaning assigned to it in the "Description of Notes—Additional Amounts" section of this offering memorandum;

"*FFO*" has the meaning assigned to it in the "Summary—Recent Developments" section of this offering memorandum;

"*Final Order*" means the order of the British Columbia Supreme Court approving the Frontera Acquisition pursuant to Section 291 of the *Business Corporations Act* (British Columbia), in a form and substance acceptable to Frontera and the Purchaser Parties, each acting reasonably, as such order may be affirmed, amended or modified by the British Columbia Supreme Court (with the consent of the Purchaser Parties and Frontera, each acting reasonably), at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (on the condition that any such amendment is acceptable to both Frontera and the Purchaser Parties, each acting reasonably) on appeal;

"*Fitch*" has the meaning assigned to it in the "Ratings" section of this offering memorandum;

"*forecast prices and costs*" means in relation to an issuer, future prices and costs that are: (a) generally accepted as being a reasonable outlook of the future; and (b) if and only to the extent that there are fixed or presently determinable future prices or costs to which an issuer is legally bound by a contractual or other obligation to supply a physical product, including those for an extension period of a contract that is likely to be extended, those prices or costs rather than the prices and costs referred to in paragraph (a);

"*forward-looking statements*" has the meaning assigned to it in the "Cautionary Statement Regarding Forward-Looking Statements" section of this offering memorandum;

"*Frontera*" has the meaning assigned to it in the cover page of this offering memorandum;

"*Frontera Acquisition*" has the meaning assigned to it on the cover page of this offering memorandum;

"*Frontera Board*" has the meaning assigned to it in the "The Frontera Acquisition—Summary of the Frontera Acquisition" section of this offering memorandum;

"*Frontera E&P*" has the meaning assigned to it on the cover page of this offering memorandum;

"*Frontera E&P Assets*" has the meaning assigned to it on the cover page of this offering memorandum;

"Frontera E&P Employees" means the employees and independent contractors employed or engaged by the Frontera E&P Subsidiaries;

"*Frontera E&P Reserves Report*" means the reserves report of Frontera E&P prepared by DeGolyer and MacNaughton Corp. as of December 31, 2025 and dated February 6, 2026;

"*Frontera E&P Shares*" means all of the issued and outstanding shares of common stock, par value $1.00 per share, of Frontera E&P;

"*Frontera E&P Subsidiaries"* has the meaning assigned to it in "The Frontera Acquisition—Summary of the Frontera Acquisition" section of this offering memorandum;

"*Frontera E&P Subsidiary Assets*" has the meaning assigned to it in "The Frontera Acquisition—Summary of the Frontera Acquisition" section of this offering memorandum;

"*Frontera E&P Subsidiary Shares*" means the Frontera E&P Shares and Frontera Subsidiary Shares;

"*Frontera Group*" means, collectively, Frontera, its subsidiaries and affiliates;

"*Frontera Incentive Plan*" means the security-based compensation plan of Frontera dated November 2, 2016 and amended on March 14, 2017, April 24, 2020, March 29, 2022, January 24, 2025, March 7, 2025 and July 10, 2025;

"*Frontera Meeting"* means the special meeting of Frontera Shareholders, to be called and held in accordance with the Arrangement Agreement and the Interim Order to permit the Frontera Shareholders to consider and, if thought advisable, approve the Arrangement Resolution and, if Frontera determines desirable, the Capital Reduction Resolution (as defined in the Arrangement Agreement), and related matters, and any adjournment(s) thereof;

"*Frontera Note Indenture*" means the indenture dated June 21, 2021 and amended by supplemental indenture on April 11, 2023, and on June 11, 2025, in respect of the Frontera Notes between Frontera (as issuer), Frontera Energy Colombia AG (as guarantor) and The Bank of New York Mellon, as trustee, security registrar and paying agent;

"*Frontera Notes*" means the $310 million principal amount of unsecured notes issued by Frontera and due 2028 at a coupon rate of 7.87% issued pursuant to the Frontera Note Indenture that remain outstanding;

"*Frontera Notes Assumption*" means the assumption by the Purchaser or any subsidiary of the Purchaser on the Effective Date of the Frontera Notes in accordance with the provisions of the Frontera Note Indenture at the Effective Time;

"*Frontera Notes Trustee"* has the meaning ascribed to the term "Trustee" in the Frontera Note Indenture;

"*Frontera Shareholders*" means the holders from time to time of Frontera Shares;

"*Frontera Shares*" means the common shares of Frontera;

"*Frontera Subsidiaries*" means: (a) Frontera Energy Colombia AG (also known as Frontera Energy Colombia Corp) (Switzerland); (b) Frontera Energy Colombia Corp., Sucursal Colombia (Colombian Branch); (c) Frontera Energy Colombia Corp., Sucursal Ecuador (Ecuadorian Branch); (d) Frontera Comercialización S.A.S. (Colombia); (e) Petroleos Sud Americanos S.A. (Switzerland); (f) Petroleos Sud Americanos, Sucursal Colombia (Colombian Branch); (g) Major International Oil S.A. (Panama); (h) Major International Oil S.A. En Liquidación (Colombian Branch); (i) Agro Cascada S.A.S. (Colombia); (j) Promotora Agricola de los Llanos S.A. (Panama); and (k) Promotora Agricola de los Llanos Sucursal Colombia (Colombian Branch);

"*Frontera Subsidiary Shares*" means the issued and outstanding securities of each of the Frontera Subsidiaries set forth on Section (e)(i) of the Frontera Disclosure Letter (as defined in the Arrangement Agreement);

"*Frontera Supporting Securityholders*" means Catalyst Capital Group Inc. and Gramercy Funds Management LLC;

"*GLJ*" means GLJ Ltd., independent petroleum consultants;

"*Governmental Authority*" means any: (a) multinational, federal, provincial, territorial, state, regional, municipal, local or other government or any governmental or public department, ministry, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign; (b) subdivision, agency, commission, board, agent or authority of any of the foregoing; (c) stock exchange; or (d) quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;

"*IFRS Accounting Standards*" has the meaning assigned to it in the "Presentation of Financial Information—Historical Financial Data and Unaudited Pro Forma Condensed Consolidated Financial Statements" section of this offering memorandum;

"*Initial Purchasers*" has the meaning assigned to it on the cover page of this offering memorandum, and "*Initial Purchaser*" means any one of them;

"*Interim Order*" means the interim order of the British Columbia Supreme Court in form and substance acceptable to Frontera and the Purchaser Parties, each acting reasonably, concerning the Frontera Acquisition under Section 291 of the *Business Corporation Act* (British Columbia), containing declarations and directions with respect to the Frontera Acquisition and the holding of the Frontera Meeting, as such order may be affirmed, amended or modified by the British Columbia Supreme Court (with the consent of the Purchaser Parties and Frontera, each acting reasonably);

"*IRS*" has the meaning assigned to it in the "Certain United States Federal Income Tax Consequences" section of this offering memorandum;

"*Laws*" means all laws (including common law), statutes, regulations, principles of law and equity, by-laws, rules, orders, ordinances, protocols, codes, guidelines (to the extent that they have force of law), rulings, judgments, injunctions, determinations, awards, decrees, decisions, notices, directions, policies or other requirements whether domestic or foreign, enacted by a Governmental Authority and the terms and conditions of any grant of approval, permission, authority or license of any Governmental Authority;

"*Leakage*" has the meaning ascribed to it in the Arrangement Agreement;

"*Material Adverse Change*" has the meaning ascribed to it in the Arrangement Agreement;

"*Material Adverse Effect*" has the meaning ascribed to it in the Arrangement Agreement;

"*MD&A*" has the meaning assigned to it in the "Presentation of Financial Information—Non-GAAP and Specified Financial Measures" section of this offering memorandum;

"*New Parex Credit Facilities*" has the meaning assigned to it in the "Description of Other Indebtedness" section of this offering memorandum;

"*NGL*" means natural gas liquid;

"*NI 51-101*" has the meaning assigned to it in the "Presentation of Oil and Natural Gas Information and Reserves" section of this offering memorandum;

"*Non-Canadian Holder*" has the meaning assigned to it in the "Certain Canadian Federal Income Tax Considerations" section of this offering memorandum;

"*Non-E&P Transferred Assets*" has the meaning assigned to it in the "The Frontera Acquisition—Summary of the Frontera Acquisition" section of this offering memorandum;

"*Non-IFRS*" has the meaning assigned to it in the "Presentation of Financial Information—Non-GAAP and Specified Financial Measures" section of this offering memorandum;

"*Note Guarantors*" or "*guarantors*" has the meaning assigned to it in the "Description of Notes—Certain Defined Terms" section of this offering memorandum;

"*Notes*" has the meaning assigned to it on the cover page of this offering memorandum;

"*OOIP"* has the meaning assigned to it in the "Presentation of Oil and Natural Gas Information and Reserves — Original Oil in Place" section of this offering memorandum;

"*OPEC*" means the Organization of the Petroleum Exporting Countries;

"*Outside Date*" has the meaning assigned to it in the "The Frontera Acquisition—Arrangement Agreement" section of this offering memorandum;

"*Parex Annual Financial Statements*" has the meaning assigned to it in the "Summary Historical Consolidated Financial Data of the Issuer" section of this offering memorandum;

"*Parex Bridge Facility*" has the meaning assigned to it in the "Description of Other Indebtedness" section of this offering memorandum;

"*Parex Colombia*" means Parex Resources (Colombia) AG, a subsidiary of the Issuer existing under the laws of Switzerland;

"*Parex Reserves Report*" means the reserves report of the Issuer prepared by GLJ as of December 31, 2025 and dated March 3, 2026;

"*Paris Agreement*" has the meaning assigned to it in the "Risk Factors" section of this offering memorandum;

"*Parties*" means the Purchaser Parties and Frontera and "Party" means any one of them;

"*PCAA*" has the meaning assigned to it in the "The Frontera Acquisition—Arrangement Agreement" section of this offering memorandum;

"*PILA*" has the meaning assigned to it under the "Enforcement of Civil Liabilities Against Foreign Persons" section of this offering memorandum;

"*Plan*" has the meaning assigned to it in the "Certain ERISA Considerations" section of this offering memorandum;

"*Plan of Arrangement*" means the plan of arrangement in the form set out in Schedule "A" to the Arrangement Agreement, as the same may be amended or supplemented from time to time in accordance with the terms thereof or at the direction of the British Columbia Supreme Court in the Final Order with the consent of Frontera and the Purchaser Parties, each acting reasonably;

"*Pre-Acquisition Frontera Reorganization*" has the meaning assigned to it in the "The Frontera Acquisition—Summary of the Frontera Acquisition" section of this offering memorandum;

"*PTCEs"* has the meaning assigned to it in the "Certain ERISA Considerations—Prohibited Transaction Issues" section of this offering memorandum;

"*Purchase Price*" has the meaning assigned to it in the "The Frontera Acquisition—Summary of the Frontera Acquisition" section of this offering memorandum;

"*Purchaser*" and "*Purchaser Parties*" have the meaning assigned to them in the "The Frontera Acquisition" section of this offering memorandum;

"*Purchaser Break Fee*" has the meaning assigned to it in the "The Frontera Acquisition—Arrangement Agreement—Purchaser Break Fee" section of this offering memorandum;

"*Purchaser Damages Event*" has the meaning assigned to it in the "The Frontera Acquisition—Arrangement Agreement" section of this offering memorandum;

"*Quifa Association Contract*" means the E&P Contract for the Quifa area, entered into between Ecopetrol S.A. and Frontera Energy Colombia Corp. on December 22, 2003, as amended or restated from time to time;

"*Quifa Condition*" means the execution of the contractual amendment, or other binding agreement, extending the term of the Quifa Association Contract, on terms acceptable to the Purchaser;

"*Regulation S Global Note*" has the meaning assigned to it in the "Description of Notes—Form, Denomination and Registration" section of this offering memorandum;

"*relevant persons*" has the meaning ascribed to it in the "Selling Restrictions—Prohibition of Sales to UK Retail Investors" section of this offering memorandum;

"*reserves*" are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, from a given date forward, based on: (a) analysis of drilling, geological, geophysical, and engineering data; (b) the use of established technology; and (c) specified economic conditions, which are generally accepted as being reasonable and shall be disclosed. Reserves are classified according to the degree of certainty associated with the estimates;

"*Restricted Global Note*" has the meaning assigned to it in the "Description of Notes—Form, Denomination and Registrations" section of this offering memorandum;

"*RWI Policy*" has the meaning assigned to it in the "Risk Factors" section of this offering memorandum;

"*S&P*" has the meaning assigned to it in the "Ratings" section of this offering memorandum;

"*SEC*" has the meaning assigned to it on the cover page of this offering memorandum;

"*Securities Act*" has the meaning assigned to it in the "Transfer Restrictions" section of this offering memorandum;

"*SEDAR+*" has the meaning assigned to it in the "Available Information and Incorporation by Reference" section of this offering memorandum;

"*SIC*" means the Superintendence of Industry and Commerce of the Republic of Colombia or any successor Governmental Authority;

"*SIC Approval*" means the earlier of: (a) the acknowledgement by the SIC of receipt of the SIC Notice and confirmation that no additional information is required; and (b) the date that is 10 Business Days from the date of filing the SIC Notice;

"*SIC Notice*" means the submission of such notice or notices to the SIC that may be required in connection with the transactions contemplated under the Arrangement Agreement under Applicable Laws;

"*Signing Payment Amount*" has the meaning assigned to it in the "The Frontera Acquisition—Arrangement Agreement" section of this offering memorandum;

"*Similar Laws*" has the meaning assigned to it in the "Certain ERISA Considerations" section in this offering memorandum;

"*Singapore Stock Exchange*" has the meaning assigned to it on the cover page of this offering memorandum;

"*SMR Outside Date*" has the meaning assigned to it in the "The Offering" section of this offering memorandum;

"*Special Mandatory Redemption Event*" has the meaning assigned to it in the "Description of Notes—Special Mandatory Redemption" section of this offering memorandum;

"*Special Mandatory Redemption Price*" has the meaning assigned to it in the "The Offering" section of this offering memorandum;

"*Subsidiary Guarantee*" has the meaning assigned to it in the "Description of Notes—Certain Defined Terms" section of this offering memorandum;

"*Superior Proposal*" has the meaning ascribed to it in the Arrangement Agreement;

"*Tax Act*" means the Income Tax Act (Canada), as amended, including the regulations promulgated thereunder;

"*Transactions*" means, collectively, the Frontera Acquisition, the offering of the Notes detailed in this offering memorandum, the entering into of the Amended Parex Credit Facilities and the Frontera Notes Assumption;

"*Treasury*" means the United States Department of the Treasury;

"*Trustee*" has the meaning assigned to it in "The Offering—Trustee" section of this offering memorandum;

"*TSX*" means the Toronto Stock Exchange;

"*Unaudited Pro Forma Condensed Consolidated Financial Statements*" has the meaning assigned to in the "Presentation of Financial Information—Historical Financial Data and Unaudited Pro Forma Condensed Consolidated Financial Statements" section in this offering memorandum;

"*United States*" or "*U.S.*" means the United States, as defined in Rule 902(l) under Regulation S under the United States Securities Act of 1933, as amended;

"*U.S. GAAP*" means United States generally accepted accounting principles;

"*U.S. Holder*" has the meaning assigned to it in the "Certain United States Federal Income Tax Consequences" section of this offering memorandum; and

"*U.S. Standards*" means, with respect to methodology and other requirements applicable to oil and gas reserves, production and related reporting in the United States, the SEC rules and regulations (and corresponding Financial Accounting Standards Board requirements, as applicable) and generally accepted industry practices in the United States.

Certain other terms used herein but not defined herein are defined in NI 51-101 and, unless the context otherwise requires, shall have the same meanings herein as in NI 51-101.

Abbreviations

Oil and Natural Gas Liquids	
bbl	barrel
bbls	barrels
bbls/d	barrels per day
Mbbls	thousand barrels
MMbbls	million barrels
NGLs	natural gas liquids

Natural Gas	
Mcf	thousand cubic feet
MMcf	million cubic feet
Bcf	billion cubic feet
Mcf/d	thousand cubic feet per day
MMcf/d	million cubic feet per day

Other

API	the American Petroleum Institute gravity, which is a measure of how heavy or light a petroleum liquid is compared to water
BOE or boe	barrel or barrels of oil equivalent, using the conversion factor of six Mcf of natural gas being equivalent to one barrel of oil
boe/d	barrels of oil equivalent per day
bwpd	barrels of water per day
mmboe	million barrels of oil equivalent
WTI	West Texas Intermediate, the reference price paid in U.S. dollars at Cushing, Oklahoma for the crude oil standard grade
000s	thousands
$000s	thousands of dollars
$MM	millions of dollars

Conversions

The following table sets forth certain conversions between Standard Imperial Units and the International System of Units (or metric units).

To Convert From	To	Multiply By
Mcf	cubic metres	28.174
cubic metres	cubic feet	35.494
bbls	cubic metres	0.159
cubic metres	bbls	6.289
Feet	Metres	0.305
Metres	Feet	3.281
Miles	kilometres	1.609
kilometres	Miles	0.621
gigajoules	MMbtu	0.950
MMbtu	gigajoules	1.0526

ANNEX B—FINANCIAL STATEMENTS

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Audited Combined Carve-Out Financial Statements for

Frontera Petroleum International Holdings B.V.

For the years ended December 31, 2025 and 2024

Management's Responsibility for the Audited Combined Carve-out Financial Statements

Management is responsible for preparing the combined carve-out financial statements and the notes hereto. These combined carve-out financial statements have been prepared in accordance with International Financial Reporting Standards using the best estimates and judgments of management, where appropriate.

Management is also responsible for maintaining a system of internal controls designed to provide reasonable assurance that assets are safeguarded and that accounting systems provide timely, accurate and reliable information.

The Board of Directors of Frontera Energy Corporation (the "**Board**") is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Board is assisted by the Audit Committee of the Board in exercising its responsibilities. At a minimum, the Audit Committee meets quarterly with management and the internal and external auditors to ensure that management's responsibilities are properly carried out and to discuss accounting and auditing matters. The Audit Committee reviews the combined carve-out financial statements and recommends the combined carve-out consolidated financial statements be presented to the Board for approval.

The internal and external auditors have full and unrestricted access to the Audit Committee to discuss their audits and related findings as to the integrity of the financial reporting process.

"Orlando Cabrales Segovia" (signed)	*"René Burgos" (signed)*
Chief Executive Officer	Chief Financial Officer

Calgary, Canada

April 20, 2026

Independent Auditor's Report

To the Shareholders of

Frontera Energy Corporation

Opinion

We have audited the combined carve-out financial statements of Frontera Petroleum International Holdings B.V. and its combined subsidiaries (the "**Group**"), which comprise the combined carve-out statements of financial position as at December 31, 2025 and 2024, and the combined carve-out statements of loss, combined carve-out statements of comprehensive loss, combined carve-out statements of changes in parent's net investment and combined carve-out statements of cash flows for the years then ended, and notes to the combined carve-out financial statements, including material accounting policy information.

In our opinion, the accompanying combined carve-out financial statements present fairly, in all material respects, the combined carve-out financial position of the Group as at December 31, 2025 and 2024, and its combined carve-out financial performance and its combined carve-out cash flows for the years then ended in accordance with International Financial Reporting Standards ("**IFRS**").

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the combined carve-out financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the combined carve-out financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Our opinion on the combined carve-out financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the combined carve-out financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the combined carve-out financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained management's discussion and analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the combined carve-out financial statements

Management is responsible for the preparation and fair presentation of the combined carve-out financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of combined carve-out financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined carve-out financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the combined carve-out financial statements

Our objectives are to obtain reasonable assurance about whether the combined carve-out financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these combined carve-out financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the combined carve-out financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the combined carve-out d financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the combined carve-out financial statements, including the disclosures, and whether the combined carve-out financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the combined carve-out financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the combined carve-out financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The partner in charge of the audit resulting in this independent auditor's report is Ryan MacDonald.

Ernst & Young LLP

Chartered Professional Accountants

Calgary, Canada
April 20, 2026

Combined Carve-Out Statements of Loss

(In thousands of U.S.$)	Notes	Year Ended December 31 2025	2024
Continuing operations			
Oil and gas produced, purchased sales and other revenue	5	$ 967,207	$ 1,064,169
Royalties		(9,448)	(14,704)
Revenue		957,759	1,049,465
Operating costs	6	388,364	374,503
Cost of diluent and oil purchased	6	231,326	240,896
General and administrative	7	47,033	39,051
Depletion, depreciation and amortization	15	263,320	247,716
Impairment expense, exploration expenses and other	9	584,302	22,793
Restructuring, severance and other costs	11	6,793	2,403
(Loss) income from continuing operations		(563,379)	122,103
Foreign exchange (loss) income		(21)	1,030
Finance income		3,854	6,044
Finance expense	18	(49,347)	(54,529)
Gain (loss) on risk management contracts	24	4,885	(14,681)
Other income	12	16,970	9,830
Gain on repurchase of senior unsecured notes, net of consent solicitation	18	13,288	1,001
Net (loss) income before income tax from continuing operations		(573,750)	70,798
Current income tax expense	13	(26,960)	(7,001)
Deferred income tax recovery (expense)	13	23,501	(124,835)
Income tax expense from continuing operations	13	(3,459)	(131,836)
Net loss for the year from continuing operations		$ (577,209)	$ (61,038)
Discontinued operations			
Loss after tax for the year from discontinued operations	8	(42,359)	(5,534)
Net loss for the year		$ (619,568)	$ (66,572)

The accompanying notes are an integral part of these combined carve-out financial statements.

On behalf of the Board of Directors:

"Gabriel de Alba" (signed)
Chairman of the Board of Directors

"W. Ellis Armstrong" (signed)
Director

Combined Carve-Out Statements of Comprehensive Loss

(In thousands of U.S.$)	Year Ended December 31 2025	2024
Net loss for the year	$ (619,568)	$ (66,572)
Other comprehensive income (loss) that may be reclassified to net loss in subsequent periods (nil tax effect)		
Foreign currency translation	2,075	(1,213)
Total comprehensive loss for the year	$ (617,493)	$ (67,785)

The accompanying notes are an integral part of these combined carve-out financial statements.

Combined Carve-Out Statements of Financial Position

(In thousands of U.S.$)	Notes	As at December 31 2025	2024
ASSETS			
Current			
Cash and cash equivalents		$ 185,416	$ 98,764
Restricted cash	24	84	697
Accounts receivable from related parties	23	1,219	9,900
Trade receivables	24	11,784	4,525
Other receivables	24	54,565	56,420
Inventories	14	37,486	53,377
Income taxes receivable		33,469	60,680
Prepaid expenses and deposits		2,124	10,183
Risk management assets	24	2,715	—
Total current assets		328,862	294,546
Non-current			
Properties, plant and equipment	15	1,024,448	1,659,151
Exploration and evaluation assets	16	10,970	25,530
Deferred tax assets	13	—	1,822
Restricted cash	24	11,234	13,617
Other assets	17	13,713	3,413
Total non-current assets		1,060,365	1,703,533
Total assets		$ 1,389,227	$ 1,998,079
LIABILITIES			
Current			
Accounts payable and accrued liabilities	24	$ 319,299	$ 323,340
Customer prepayments	21	48,843	30,277
Other short-term debt	18	—	9,509
Risk management liabilities	24	—	4,349
Income taxes payable		1,150	3,175
Lease liabilities	19	5,980	4,144
Asset retirement obligations	20	46,903	35,169
Accounts payable to related parties	23	140,003	179,259
Total current liabilities		562,178	589,222
Non-current			
Unsecured notes	18	306,821	389,803
Customer prepayments	21	57,778	—
Other payables	24	8,223	11,669
Lease liabilities	19	12,370	6,655
Deferred tax liabilities	13	—	28,848
Asset retirement obligations	20	173,274	147,065
Total non-current liabilities		558,466	584,040
Total liabilities		$ 1,120,644	$ 1,173,262
Commitments and contingencies	26		
PARENT'S NET INVESTMENT			
Cumulative translation adjustment		$ (28,601)	$ (30,676)
Parent's net investment	22	297,184	855,493
Total Parent's net investment		$ 268,583	$ 824,817
Total liabilities and Parent's net investment		$ 1,389,227	$ 1,998,079

The accompanying notes are an integral part of these combined carve-out financial statements.

Combined Carve-Out Statements of Changes in Parent's Net Investment

(In thousands of U.S.$)	Year Ended December 31 2025	2024
Parent's Net Investment		
Balance at beginning of year	$ 855,493	$ 1,010,277
Net loss for the year	(619,568)	(66,572)
Contributions (distributions), net	61,259	(88,212)
Balance at end of year	$ 297,184	$ 855,493
Accumulated Other Comprehensive Loss		
Balance at beginning of year	$ (30,676)	$ (29,463)
Foreign currency translation adjustment	2,075	(1,213)
Balance at end of year	$ (28,601)	$ (30,676)
Total Parent's Net Investment	$ 268,583	$ 824,817

The accompanying notes are an integral part of these combined carve-out financial statements.

Combined Carve-Out Statements of Cash Flows

(In thousands of U.S.$)	Notes	Year Ended December 31 2025	2024
OPERATING ACTIVITIES			
Net loss for the year from continuing operations		$ (577,209)	$ (61,038)
Net loss for the year from discontinued operations		(42,359)	(5,534)
Net loss for the year		(619,568)	(66,572)
Items not affecting cash:			
Depletion, depreciation and amortization		263,320	247,716
Impairment expense	9	576,954	18,845
Expense of asset retirement obligations	9	5,500	2,335
Unrealized (gain) loss on risk management contracts	24	(7,064)	13,186
Deferred income tax (recovery) expense	13	(23,501)	124,835
Unrealized foreign exchange (gain) loss		(8,806)	12,288
Loss from discontinued operations	8	42,359	5,534
Finance expense	18	49,347	54,529
Finance income		(3,854)	(6,045)
Gain on repurchase of senior unsecured notes, net of consent solicitation	18	(13,288)	(1,001)
Income tax paid, withheld, compensated or collected, net		30,119	40,041
Interest received, net		4,574	6,392
Settlement of asset retirement obligations	20	(14,737)	(17,838)
Other		1,888	1,539
Customer prepayment - Chevron Products Company (“**Chevron**”)	21	78,950	—
Changes in working capital (excluding cash)	25	(22,191)	(21,535)
Cash provided by operating activities from discontinued operations	8	3,393	19,466
Cash provided by operating activities		$ 343,395	$ 433,715
INVESTING ACTIVITIES			
Additions to properties, plant and equipment		$ (191,891)	$ (271,797)
Additions to exploration and evaluation assets		(4,709)	(9,143)
Decrease in restricted cash and other		5,203	4,612
Sale of Ecuador interest		4,114	—
Changes in working capital (excluding cash)	25	(29,364)	6,843
Cash used in investing activities from discontinued operations	8	(1,252)	(29,785)
Cash used in investing activities		$ (217,899)	$ (299,270)
FINANCING ACTIVITIES			
Repurchase of 2028 Unsecured Notes and consent solicitation	18	(69,192)	(4,045)
Interest paid and other charges		(28,976)	(34,668)
Repayment of short-term debt		(10,729)	(26,900)
Lease payments	19	(6,841)	(6,273)
Short-term debt - working capital loan		—	9,509
Parent's net investment contributions (distributions), net		61,222	(88,266)
Net cash used in financing activities from discontinued operations	8	(153)	(846)
Cash used in financing activities		$ (54,669)	$ (151,489)
Effect of exchange rate changes		15,825	(6,983)
Increase (decrease) in cash and cash equivalents during the year		86,652	(24,027)
Cash and cash equivalents, beginning of the year		98,764	122,791
Cash and cash equivalents, end of the year		$ 185,416	$ 98,764
Cash		166,873	73,968
Cash equivalents		18,543	24,796
Total cash and cash equivalents		$ 185,416	$ 98,764

The accompanying notes are an integral part of these combined carve-out financial statements.

1. Description of Business

Frontera Petroleum International Holdings B.V., after giving effect to the Pre-Acquisition Reorganization (as defined below) (the "**Company**") is an oil and gas company formed and existing under the laws of the Netherlands, that is engaged in the exploration, development, production, transportation, storage and sale of crude oil and natural gas in South America and is a wholly owned subsidiary of Frontera Energy Corporation ("**Frontera**" or "**Parent**"). The Company's registered office is Kranenburgweg 135A, 2583 ER, 's-Gravenhage (The Hague), The Netherlands.

On March 10, 2026, Frontera, Parex Resources Inc. ("**Parex**") and Parex AcquisitionCo Inc., a wholly-owned subsidiary of Parex ("**Parex Purchaser**"), entered into an arrangement agreement (the "**Parex Arrangement Agreement**") pursuant to which Parex agreed to acquire, through Parex Purchaser's acquisition all of the outstanding shares of common stock of the Company, all of Frontera's Colombian upstream business, which consists of all of Frontera's oil and gas exploration and production assets in Colombia, its reverse osmosis water treatment facility and its palm oil plantation (collectively, the "**Frontera E&P Assets**"), pursuant to a court-approved plan of arrangement under the Business Corporations Act (British Columbia) (the "**Parex Arrangement**"). Concurrent with entering into the Parex Arrangement Agreement, Frontera terminated the arrangement agreement dated January 29, 2026 between Frontera, GeoPark Limited ("**GeoPark**") and Geopark Colombia SLU ("**GeoPark Arrangement Agreement**") and paid a break fee of $25,000,000 to GeoPark pursuant to the terms of such agreement (the "**GeoPark Break Fee**").

Pursuant to the Parex Arrangement Agreement, Parex Purchaser will, subject to the satisfaction of certain closing conditions, acquire the Frontera E&P Assets for a purchase price of: (i) $500,000,000; plus (ii) an additional $25,000,000 if the term of Frontera's contract in respect of the Quifa area is extended prior to the first anniversary of the completion of the Parex Arrangement (collectively, the "**Purchase Price**"). The Purchase Price is subject to customary closing adjustments.

Pursuant to the Parex Arrangement Agreement, Frontera shall, and shall cause its affiliates to, take all actions reasonably necessary to complete the Pre-Acquisition Reorganization (as defined in the Parex Arrangement Agreement) prior to the effective date of the Parex Arrangement Agreement, which includes, but is not limited to: (i) the divestment of all of the Company's right, title and interest in and to the equity interests of (a) CGX Energy Inc., (b) Frontera Energy Guyana Holding Ltd., (c) Centro Multinacional Pacific S.R.L., and (d) Pacific Brasil Exploração e Produção de Oleo e Gas Ltda. (Brazil); and (ii) the acquisition by the Company all of the equity interests of Major International Oil S.A. (Panama).

The Parex Arrangement Agreement also provides that Parex Purchaser, or an affiliate thereof, will assume all of the obligations under the 2028 Unsecured Notes (as defined below), as well as the $80,000,000 outstanding under a prepayment facility with Chevron.

The Parex Arrangement Agreement has an effective date of January 1, 2026, and completion of the Parex Arrangement is subject to customary closing conditions including, without limitation, receipt of approval of Frontera's shareholders in accordance with applicable corporate and securities laws, approval of the plan of arrangement by the British Columbia Supreme Court and receipt of all required regulatory approvals.

2. Basis of Preparation

Statement of Compliance

These combined carve-out financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**"). The combined carve-out financial statements have been prepared on a historical cost basis, except for derivative financial instruments (risk management assets and liabilities) that have been measured at fair value. These combined carve-out financial statements were approved and authorized for issuance by the Board of Directors and are dated as of April 20, 2026.

Functional and Presentation Currency

The accompanying combined carve-out financial statements are presented in United States (U.S.) dollars, which is the Company's functional currency, and all values are rounded to the nearest thousand, except where otherwise indicated.

Basis of Combination

The Company has historically operated as part of Frontera and not as a standalone business. These combined carve-out financial statements present the historical financial position, results of operations, comprehensive loss, cash flows and changes in Parent's net investment of the Company for the years ended December 31, 2024 and 2025 as if the Company had been operated on a standalone basis for the periods presented. These combined carve-out financial statements have been derived from the historical cost accounting records of Frontera.

All intercompany transactions and balances within the Company have been eliminated. Transactions and balances between the Company and Frontera and its subsidiaries are reflected as related party transactions within these combined carve-out financial statements.

The Combined Carve-Out Statements of Financial Position reflect all of the assets and liabilities that are specifically identifiable as being directly attributable to the Company, including Parent's net investment. Parent's net investment refers to Frontera's historical investment in the Company and includes accumulated net loss attributable to the Company.

The Combined Carve-Out Statements of Loss include revenues, expenses and costs that are specifically identifiable and attributable to the Company.

The following table provides a list and description of the principal subsidiaries of the Company:

	Registered Office	Country of Principal Business Activity	Recognition Method	Functional Currency	Percentage Interest as at December 31 2025	Percentage Interest as at December 31 2024
Principal Subsidiary						
Frontera Energy Colombia AG (Switzerland)	Switzerland	Colombia	Consolidated	USD	100.0 %	100.0 %
Petroleos Sud Americanos S.A. (Switzerland)	Switzerland	Colombia	Consolidated	USD	100.0 %	100.0 %
Major International Oil S.A. (Panama) [(1)]	Panama	Colombia	Consolidated	USD	100.0 %	100.0 %
Promotora Agricola de los Llanos S.A. (Panama) [(1)]	Panama	Colombia	Consolidated	USD	100.0 %	100.0 %

[(1)] Pursuant to the Pre-Acquisition Reorganization, the Company will acquire a 100% ownership interest in these subsidiaries.

3. Material Accounting Policies, Judgments, Estimates and Assumptions

a. Summary of Material Accounting Policy Information

Revenue Recognition

Oil and gas revenues from contracts with customers are determined by reference to consideration specified in the contracts and recognized when control of the product is transferred to the customer.

For crude oil and natural gas sales, control of the product transfers when the customer obtains legal title to the product, which is when the Company satisfies its performance obligations. This transfer of control typically occurs at a point in time when the product is physically discharged at the point of unloading, which can be a shipping port or customer storage facility, unless an alternative transportation method is agreed upon. Revenue represents the Company's share of oil and gas sales after deducting royalties, sales taxes, excise duties and similar levies. The Company does not have contracts where the period between the transfer of the product to the customer and payment by the customer exceeds one year; therefore, the Company does not adjust its revenue transactions for the time value of money.

Overlift, or settlement, corresponds to a short-term imbalance between the Company's production and sales volumes. In these instances, the Company lifts barrels from the pipeline system, resulting in more volumes sold than produced, which is considered "**overlift**". During overlift, the Company recognizes the sales and an equivalent cost with no margin; when the overlift is settled, this expense is reversed to recognize the gross margin earned on the related sale in the period of production.

The proceeds from selling items produced by an exploration and evaluation ("**E&E**") asset are recognized in profit or loss as revenue.

Contract assets and contract liabilities

The Company recognizes each contract in the Combined Carve-Out Statements of Financial Position as either a contract asset or a contract liability, based on the relationship between the Company's performance under the contract and the consideration received from the customer. Additionally, when a customer pays consideration, or when the Company has an unconditional right to consideration (i.e., a receivable) before transferring goods or services, the entity shall present the amount as a contract liability or customer prepayment in the Combined Carve-Out Statements of Financial Position. This classification applies at the earlier of the payment date or the date the payment becomes due.

Foreign Currency Translation

Transactions denominated in a foreign currency are initially recorded at the rate of exchange on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at period-end closing exchange rates with translation gains and losses recorded in profit or loss. Non-monetary items are translated using the historical exchange rates as at the date of the initial transaction.

For a foreign operation whose functional currency is not the U.S. dollar, assets and liabilities are translated at period-end closing exchange rates, while revenue and expenses are translated using the rate as at the date of the transaction. All exchange differences resulting from the translation are recognized in the Combined Carve-Out Statements of Comprehensive Loss. When a foreign operation is disposed, the cumulative currency translation adjustment is reclassified from other equity reserves to the Combined Carve-Out Statements of Loss.

Interest in Joint Arrangements

Joint arrangements occur when two or more parties have joint control, which is the contractually agreed sharing of an arrangement. This exists when decisions about the relevant activities (being those that significantly affect the returns of the arrangements) require the unanimous consent of the parties sharing control. Joint arrangements can be classified as either a joint operation or a joint venture.

A joint operation is an arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement. The Company recognizes its proportionate share of assets, liabilities, revenues and expenses of the joint operation.

Cash and Cash Equivalents

Cash and cash equivalents include cash, short-term investments and deposits with a maturity of three months or less.

Restricted Cash

Restricted cash includes mainly term deposits that have been escrowed to cover future commitments and future abandonment obligations that are not available for immediate disbursement.

Inventories

Oil and gas inventory is valued at the lower of cost and net realizable value, and materials and supplies are valued at cost. Cost is determined on a weighted-average basis and includes all costs incurred to bring the inventory to its current condition and including materials, labour, direct overhead, depletion, depreciation and amortization.

Properties, Plant and Equipment, and Exploration and Evaluation Assets

Properties, plant and equipment

Oil and gas properties, plant and equipment, including land, are measured at cost less accumulated depletion, depreciation and impairment. The initial cost of an asset comprises its purchase price or construction cost, any cost directly attributable to bringing the asset into operation, the ongoing estimate of asset retirement obligations, and borrowing costs for qualifying assets. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. Development costs are capitalized within oil and gas properties and include expenditures on the construction, installation or completion of infrastructure facilities such as pipelines and the drilling of development wells, including unsuccessful development or delineation wells. The value of a right-of-use ("**ROU**") asset is also included within properties, plant and equipment. Expenditures on major maintenance or repairs that improve the productive capacity, replace a component or extend the life of an asset are capitalized. All other maintenance costs are expensed as incurred.

Depletion, depreciation and amortization

Oil and gas properties are depleted using the unit-of-production method based on estimated proved and probable reserves using forward prices and costs. Costs subject to depletion include estimated future costs to be incurred in developing proved reserves.

Plant and equipment are generally depreciated on a straight-line basis over their estimated useful lives, which range from 1 to 10 years. Major inspection costs are depreciated over three to five years, which represent the estimated period before the next planned major inspection. Plant and equipment held as ROU assets are depreciated over the shorter of the lease term and the estimated useful life of the leased asset. Land is not amortized.

Exploration and evaluation costs

E&E costs include expenditures to acquire licenses to explore, farming into or acquiring rights to working interest on exploration properties, appraisal costs of technical services and studies, seismic acquisition, exploratory drilling and testing. These costs are initially capitalized by well, field, unit of account or specific exploration unit, as appropriate, and are not subject to depreciation or depletion. Costs incurred prior to obtaining the legal rights to explore an area, geological and geophysical costs, including payroll, and payments made to fulfill the remaining balance of minimum exploration work commitment for certain blocks, are recognized in profit or loss as exploration expenses. E&E assets are reclassified to oil and gas properties, after an impairment review, when commercial reserves have been discovered and technical feasibility and commercial viability are demonstrable. If technical feasibility and commercial viability cannot be demonstrated upon completion of the exploration phase, the carrying value of the E&E costs is expensed in the period this determination is made. The proceeds from selling items produced by an E&E asset are not deducted from the cost. The proceeds from selling such items, and the costs of producing those items, are recognized in profit or loss.

Impairment of Non-Financial Assets

At each reporting date, the Company assesses whether there are indicators that non-financial assets may be impaired. If an indication of impairment exists, the Company estimates the recoverable amount as the higher of value-in-use ("**VIU**") and FVLCD. Individual assets are grouped for impairment assessment purposes at the level of the cash generation units ("**CGU**"), which is the lowest level for which identifiable cash inflows exist that are largely independent of the cash flows of other groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is written down to its recoverable amount. VIU is estimated as the present value of future cash flows expected to arise from the continuing use of the CGU and discounted at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the asset. FVLCD is based on available market information, where applicable. In the absence of such information, FVLCD is determined using discounted future after-tax net cash flows of proved and probable reserves using forecasted prices and costs consistent with reserves reports produced by independent certified reserves evaluators.

An assessment is also made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount or the carrying amount that would have been determined, net of depreciation, had no impairment been recognized in prior years.

Impairment losses and any reversals of impairment are recognized in profit or loss in the period in which they occur.

Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument and are initially measured at fair value. Transaction costs directly attributable to the acquisition or issue of financial instruments classified as amortized cost are included in the carrying value of such instruments. Transaction costs directly attributable to the acquisition of financial instruments classified as fair value through profit or loss ("**FVTPL**") are expensed as incurred.

Financial assets

Financial assets are subsequently measured at either amortized cost using the effective interest method or fair value based on their classification. Financial assets are subsequently measured at amortized cost less impairment if they meet the following conditions:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- The asset was not acquired principally for the purpose of selling in the near term or management for short-term profit taking (i.e., held for trading).

All other financial assets, except equity investments as described below, are classified as FVTPL and subsequently measured at fair value with gains or losses arising from changes in fair value recorded in profit or loss.

On the day of acquisition of an equity instrument, the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments at fair value through other comprehensive income ("**FVTOCI"**). Designation at FVTOCI is not permitted if the equity investment is held for trading. Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive loss. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the investments. The Company has designated all investments in equity instruments as FVTPL (Note 24).

Impairment of financial assets carried at amortized cost - Expected credit loss allowances

At each reporting date, the Company assesses whether a financial asset or group of financial assets is impaired under the expected credit loss ("**ECL**") model. For short-term trade receivables, the Company applies the simplified approach and has calculated ECLs based on lifetime ECLs. The Company has established a provision matrix that is based on historical normalized credit loss experience. The loss rate under the provision matrix is based on the payment profiles and aging of trade receivables and is adjusted to reflect current and forward-looking information on macroeconomic factors.

For long-term receivables, joint arrangement receivables and short-term loan assets, the ECL is based on the 12-month ECL and lifetime ECL approach. The 12-month ECL is the portion of lifetime ECLs that result from default events that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL, and if risk decreases, lifetime can move back to 12 months.

The Company evaluates for credit risk increases based on a variety of indicators, including credit risk rating agency assessments, available counterparty internal and external information, letter of credits, deposits and macroeconomic factors. The Company considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past the contractual due date. The Company considers a financial asset in default when contractual payments are more than 90 days past the due date.

Impairments on financial assets carried at amortized cost can be reversed in subsequent periods if the asset is no longer credit-impaired and the improvement can be objectively related to an event occurring after the impairment was recognized.

Financial liabilities

Financial liabilities are classified as FVTPL if they are held for trading or designated as FVTPL on initial recognition. Financial liabilities at FVTPL are measured at fair value with gains and losses arising from changes in fair value recognized in profit or loss. Other financial liabilities are measured at amortized cost using the effective interest method.

Fair value hierarchy

The Company uses a three-level hierarchy to categorize the significance of the inputs used in measuring or disclosing the fair value of financial instruments. The three levels of the fair value hierarchy are as follows:

- Level 1 - Quoted prices in active markets for identical assets or liabilities. Active markets are those in which transactions occur in a frequency and volume sufficient to provide pricing information on an ongoing basis.
- Level 2 - Inputs other than quoted prices that are observable either directly or indirectly. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value, volatility factors and broker quotations that can be substantially observed or corroborated in the marketplace.
- Level 3 - Inputs that are based on unavailable or observable data. Level 3 instruments may include items based on pricing services or broker quotes where the Company is unable to verify the observability of inputs into their prices. Level 3 instruments include longer-term transactions, transactions in less active markets or transactions at locations for which pricing information is not available. In these instances, fair value is determined through internally developed methodologies, which primarily include the extrapolation of observable future prices to similar locations, similar instruments or later time periods.

If different levels of inputs are used to measure a financial instrument's fair value, the classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement.

Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks and commodity price risks. Derivative financial instruments are classified at FVTPL and are measured at fair value. The resulting gain or loss is recognized immediately in profit or loss unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. The Company has not formally designated any derivatives as hedging instruments.

Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases, leases of low-value assets and variable lease payments. The Company recognizes lease liabilities to make lease payments and ROU assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognizes ROU assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROU assets are measured at cost, less any accumulated depreciation and impairment losses, and are adjusted for any remeasurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities recognized, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized ROU assets are depreciated on a straight-line basis over the shorter of estimated useful life and the lease term. ROU assets are subject to impairment testing. Refer to Impairment of Non-Financial Assets described above.

Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate.

The variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities increases to reflect the accretion of interest and decreases for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases, leases of low-value assets and variable lease payments

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment, mainly those considered low value. These exemptions also apply to lease arrangements that include variable lease payments. Lease payments on short-term leases, leases of low-value assets and leases with variable payments that qualify for the exemption are recognized as expenses on a straight-line basis over the lease term.

Asset Retirement Obligations ("ARO")

An ARO is recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the obligation can be made. A corresponding amount equivalent to the ARO is also recognized as part of the cost of the related oil and gas properties or E&E assets. The amount recognized is the estimated cost of decommissioning, discounted to its present value. Changes in the estimated timing or costs of decommissioning or in the discount rate are recognized prospectively by recording an adjustment to the ARO and a corresponding adjustment to the related properties. When a decrease in the ARO exceeds the carrying amount of the related asset, or there is an increase in the ARO related to fully impaired or relinquished assets, the change is recognized in profit or loss as a recovery or expense of ARO. The unwinding of the discount on the decommissioning cost is included as a finance expense.

This accounting policy also applies to the costs the Company deems to be environmental liabilities, which include, but are not limited to, the provision of 1% in Colombia of the investment for use of water sources, costs of reforestation, and any compensation or other costs incurred by environmental licenses.

Taxes

Current income tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable regarding previous periods. Current income tax is recognized in the Combined Carve-Out Statements of Loss, except when it relates to items recognized in other comprehensive loss or directly in equity, in which case it is also recognized in other comprehensive loss or equity.

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits, and unused tax losses to the extent that it is probable that taxable profits will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred income tax is not recognized on the initial recognition of goodwill, or assets and liabilities in a transaction that is not a business combination.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each date of the Combined Carve-Out Statements of Financial Position and are recognized to the extent that it becomes probable that future taxable earnings will allow the deferred tax asset to be recovered.

Deferred income tax is recognized in the Combined Carve-Out Statements of Loss, except when it relates to items recognized in other comprehensive loss or directly in equity.

Deferred income tax assets and liabilities are offset if a legally enforceable right exists to offset current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Current income tax includes Pillar Two taxes, and the Company has applied the mandatory temporary exception to recognizing and disclosing Pillar Two deferred taxes.

b. Changes in Accounting Policies and Disclosures, and Standards Issued but not yet Effective

Changes in Accounting Policies and Disclosures Effective January 1, 2025

The Company has adopted the following new amendments that could have an impact on the Combined Carve-Out Financial Statements. Other than the adoption of these items, the accounting policies applied are consistent with those applied in the previous year.

*Lack of exchangeability – Amendments to International Accounting Standard ("**IAS**") 21*

In August 2023, the IASB issued amendments to IAS 21, *The Effects of Changes in Foreign Exchange Rates,* to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after January 1, 2025. The application of such amendments had no impact on the Company or the Combined Carve-Out Financial Statements.

Standards Issued but not yet Effective

Amendments to standards that have been issued but are not yet effective up to the date of issuance of these consolidated financial statements, which are likely to have an impact on the Company, are listed below. The Company intends to adopt these amended standards and interpretations, if applicable, when they become effective.

*IFRS 18, Presentation and Disclosure in Financial Statements ("**IFRS 18**")*

In April 2024, the IASB issued IFRS 18, which replaces IAS 1, *Presentation of Financial Statements*. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures and subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified "roles" of the primary financial statements and the notes.

In addition, narrow-scope amendments have been made to IAS 7, *Statement of Cash Flows*, which include changing the starting point for determining cash flows from operations under the indirect method, from "profit or loss" to "operating profit or loss" and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18 and the amendments to the other standards are effective for reporting periods beginning on or after January 1, 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively. The Company is currently assessing the impact of the new standard.

*IFRS 19, Subsidiaries without Public Accountability: Disclosures ("**IFRS 19**")*

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS.

IFRS 19 will become effective for reporting periods beginning on or after January 1, 2027, with early application permitted. The Company is currently assessing the impact of the new standard.

*Classification and Measurement of Financial Instruments – Amendments to IFRS 7, Financial Instruments: Disclosures ("**IFRS 7**") and IFRS 9. Financial Instruments ("**IFRS 9**")*

In May 2024, the IASB issued amendments to IFRS 9 and IFRS 7, to clarify that a financial liability is derecognized on the "settlement date". It also introduced an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met, clarified how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance ("**ESG**")-linked features and other similar contingent features and clarified the treatment of non-recourse assets and contractually linked instruments. The amendments also require additional disclosures for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked) and equity instruments classified at FVTOCI.

The amendments will be effective for annual reporting periods beginning on or after January 1, 2026. The Company is currently assessing the impact of these amendments.

Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 7 and IFRS 9

In December 2024, the IASB issued amendments to IFRS 9 and IFRS 7, to update the "own-use" requirements for contracts that expose an entity to variability in an underlying amount of electricity because the source of electricity generation depends on uncontrollable natural conditions, typically associated with renewable electricity sources such as sun and wind. The amendments refine the eligibility and designation criteria for hedged items in cash flow hedge relationships, specifically for contracts that meet the scope conditions set out in IFRS 9. The amendments also require disclosure of information that enables investors to understand the effect of these contracts on a company's financial performance and cash flows.

The amendments will be effective for annual reporting periods beginning on or after January 1, 2026. The Company is currently assessing the impact of these amendments.

c. Key Accounting Estimates and Judgments

Global Economy

International conflicts

Geopolitical instability, international conflicts and related sanctions have contributed to and may continue to contribute to increased volatility in the global oil and gas markets. Following the February 2022 invasion by Russia of Ukraine, certain countries, including Canada, the United States and many European nations, have imposed numerous and varying levels of financial and trade sanctions against Russia, a major oil and gas producing state. In addition, other international disputes, including the recent conflict and ongoing instability in the Middle East, which is home to many of the world's biggest oil producers, have had and may continue to have wide-ranging consequences on the world economy and in particular the oil and gas industry. Most recently, Israel, together with the United States, conducted a major joint military operation in Iran, which triggered a military response from Iran against Israel and other countries in the region, including the United Arab Emirates, Bahrain and Qatar, as well as against U.S. targets in the Middle East. These matters have caused and may continue to cause increased volatility in the global supply of oil and natural gas, energy prices, and the market value of the securities of those companies that operate in the oil and gas industry, including the Company. To date, these events have not negatively impacted the Company's operations, and there have been no significant delays or direct security issues affecting the Company's operations, offices or personnel. The long-term impacts of these conflicts and sanctions remain uncertain, and the Company continues to monitor these types of situations as they evolve.

U.S. – Trade tensions and tariffs

Recent developments indicate heightened trade tensions between the United States and Colombia and elsewhere. During the year, the U.S. government enacted trade tariffs on numerous countries including Colombia and has more recently introduced a 10% global tariff rate. The Company may be adversely affected by the imposition of new tariffs, higher tariffs, or adverse developments in the diplomatic and commercial relations between the United States and Colombia or the United States and other countries, which may disrupt the Company's financial performance and operational stability. Additionally, given the unpredictable nature of international trade policies, there can be no assurance that future disputes will not arise or that they will be resolved favorably. The long-term implications of these trade tensions remain uncertain, and the Company continues to monitor these matters as they evolve.

Critical Judgments in Applying Accounting Policies

CGU

The determination of a CGU requires the Company to apply judgments, and the CGUs may change over time to reflect changes in the Company's oil and gas assets. CGUs are identified as major areas within which there are groups of producing blocks that share similar characteristics, infrastructure and cash inflows that are largely independent of cash inflows of other groups of assets. Impairment assessment is generally carried out separately for each CGU based on cash flow forecasts calculated using oil and gas reserves and resources for each CGU.

The Company has identified its CGUs in Colombia, which are categorized as follows: North and Central. The North CGU mainly includes the El Dificil and VIM-1 blocks, while the Central CGU includes the CPE-6, Quifa, Guatiquia, Cubiro, Corcel and other remaining blocks located in Colombia.

E&E assets are allocated to CGUs based on several factors, including, but not limited to, proximity to existing CGUs, ability to share infrastructure and workforce, and management's grouping of these assets for decision-making and budget allocations. If the E&E property is not part of an existing operational CGU, it is assessed based on a geographically similar pool of E&E assets.

Impairment indicators

The Company monitors internal and external indicators of impairment relating to its properties, plant and equipment, investments in associates and E&E assets. External sources of information include changes in the economic and legal environment in which the CGUs operate. Internal sources include the economic performance of the CGUs and other asset-specific indicators. In assessing impairment for E&E assets, the Company applies judgment in considering various factors that determine technical feasibility and commercial viability.

Estimation Uncertainty and Assumptions

Oil and gas reserves

Oil and gas reserves are estimates of the amount of hydrocarbons that can be economically and legally extracted from the Company's oil and gas properties. Commercial reserves are determined using estimates of oil and gas in place, recovery factors and future commodity prices. Future development costs are estimated using assumptions as to the number of wells required to produce the commercial reserves, the cost of such wells and associated production facilities, and other capital costs.

As the economic assumptions used may change and as additional geological information is obtained during the operation of a field, estimates of recoverable reserves may change. Such changes may impact the Company's reported Combined Carve-Out Statements of Financial Position and results, which include the following:

- The carrying value of E&E assets and properties, plant and equipment may be affected due to changes in estimated future cash flows.
- Depletion, depreciation and amortization charges in the Combined Carve-Out Statements of Loss may change where such charges are determined using the unit-of-production method or where the useful life of the related assets change.
- Provisions for decommissioning may require revision where changes to reserves estimates affect expectations about when such activities will occur and the associated cost of these activities.
- The recognition and carrying value of deferred tax assets may change due to changes in the judgments regarding the existence of such assets and in estimates of the likely recovery of such assets.

Depletion of oil and gas properties

Oil and gas properties are depleted using the unit-of-production method. In applying the unit-of-production method, oil and gas properties are depleted over proved and probable reserves. The calculation of the unit-of-production rate of amortization could be impacted to the extent that actual production in the future is different from current forecasted production based on proved and probable reserves. This would generally result from significant changes in any of the following:

- Changes in reserves.
- The effect on reserves due to differences between actual commodity prices and commodity price assumptions.
- Unforeseen operational issues.

Recoverable amounts - Oil and gas properties and E&E assets

The determination of the recoverable amount of the Frontera E&P assets required significant management judgment.

As at December 31, 2025, management identified an indicator of impairment arising from market conditions and a change in the intended use of the assets due to the decision to potentially sell the Company.

In estimating the recoverable amount in accordance with IAS 36, *Impairment of Assets,* management assessed the most appropriate basis to estimate FVLCD.

Management determined the FVLCD using market-based evidence of the price that market participants would be willing to pay for the Company in an orderly transaction. Accordingly, management concluded that the recoverable amount of the Frontera E&P Assets as at December 31, 2025 was best estimated based on the cash consideration contemplated to be paid to Frontera pursuant to the Parex Arrangement Agreement, adjusted for estimated transaction costs and payment of the GeoPark Break Fee.

Asset retirement obligations - Environmental and decommissioning costs

The Company will incur environmental and decommissioning costs at the end of the operating life of certain facilities and properties. The ultimate environmental and decommissioning costs are uncertain, and estimates can vary in response to many factors, including changes to relevant legal requirements, the emergence of new restoration techniques or experience at other production sites, or environmental legislation. The expected timing and amount of expenditure can also change, for example, in response to changes in reserves or changes in laws and regulations or their interpretation. As a result, there could be significant adjustments to the decommissioning ARO and environmental liabilities that would affect future financial results (Note 20).

Deferred tax assets

Deferred tax assets are recognized only to the extent that it is probable that taxable profit will be available against which the unused temporary differences can be utilized. Future projected income could be affected by oil prices and quantities of proved and probable reserves. If these factors or other circumstances change, the Company would reassess its ability to record any increase or decrease in its deferred income tax assets. To the extent that actual outcomes differ from management's estimates, taxation charges or credits may arise in future periods (Note 13). As at December 31, 2025, no deferred tax assets were recognized in respect of the Company, as recoverability was not considered probable following the announcements made on January 30, 2026 and March 10, 2026 and the execution of the Parex Arrangement Agreement (refer to Note 1, "Description of Business" for further details).

4. Segmented Information

The Company has one reportable operating segment, consistent with the basis on which management assesses performance and allocates resources across its business units, as follows:

- Exploration and Production Onshore Colombia: Includes all upstream business activities of exploration and production in Colombia and the reverse osmosis water treatment facility ("**SAARA**"), the palm oil plantation, other facilities in Colombia.

Holding and Others: Includes the Company and non-operating entities that have been aggregated as they do not generate revenue from third parties.

For the year ended December 31, 2025, operating segmented information for the Combined Carve-out Statements of Loss is as follows:

Year Ended December 31	Exploration and Production Onshore Colombia		Holding and Others		Total Continuing Operations	
	2025	2024	2025	2024	2025	2024
Oil and gas sales	$ 958,680	$ 1,059,169	$ —	$ —	$ 958,680	$ 1,059,169
Other revenue	8,527	5,000	—	—	8,527	5,000
Royalties	(9,448)	(14,704)	—	—	(9,448)	(14,704)
Revenue	957,759	1,049,465	—	—	957,759	1,049,465
Operating costs	388,364	374,503	—	—	388,364	374,503
Cost of diluent and oil purchased	231,326	240,896	—	—	231,326	240,896
General and administrative	46,443	38,347	590	704	47,033	39,051
Depletion, depreciation and amortization	263,320	247,716	—	—	263,320	247,716
Impairment expense, exploration expenses and other	584,302	22,793	—	—	584,302	22,793
Restructuring, severance and other costs	6,793	2,228	—	175	6,793	2,403
(Loss) income from operations	(562,789)	122,982	(590)	(879)	(563,379)	122,103
Segment (loss) income	$ (562,789)	$ 122,982	$ (590)	$ (879)	$ (563,379)	$ 122,103
Other non-operating expense items					(10,371)	(51,305)
Income tax expense					(3,459)	(131,836)
Net loss for the year					$ (577,209)	$ (61,038)

The following table provides geographic information of the Company's non-current assets:

	As at December	
	2025	2024
Colombia	$ 1,060,365	$ 1,646,026
Ecuador	—	57,507
Total non-current assets	$ 1,060,365	$ 1,703,533

The Company's oil and gas sales and other revenue based on the geographic location of the port of delivery are as follows:

	Year Ended December 31	
	2025	2024
United States	$ 437,059	$ 377,357
Panama (Petroterminal de Panama)	257,310	426,365
Colombia	168,503	152,654
Africa	45,329	33,644
Europe	35,953	—
Caribbean	23,053	74,149
Total oil and gas sales and other revenue	$ 967,207	$ 1,064,169

For the year ended December 31, 2025, the Company had three customers (2024: three customers) that individually accounted for more than 10% of revenue. Sales to these customers were $422.8 million, $140.9 million and $114.9 million (2024: $446.4 million, $151.4 million and $115.5 million). These customers are associated to the sales that come from the productive assets in Colombia.

5. Revenue from Contracts with Customers

The following table provides the disaggregation of the Company's revenue from contracts with customers, including a reconciliation with the amounts disclosed in the segmented information (Note 4):

	Year Ended December 31	
	2025	2024
Colombia		
Produced crude oil sales	$ 753,575	$ 846,574
Purchased crude oil and products sales	194,015	202,752
Gas sales	11,280	7,537
Oil and gas sales	958,870	1,056,863
Palm oil plantation and water treatment services sales	8,337	7,306
Oil and gas produced, purchased sales and other revenue	$ 967,207	$ 1,064,169

6. Operating Costs

	Year Ended December 31	
	2025	2024
Transportation costs	$ 154,426	$ 146,741
Production costs (excludes energy costs)	131,286	136,714
Energy costs	79,546	75,622
Trunkline costs and other [1]	2,162	5,314
Inventory valuation	917	236
Post-termination costs	2,996	6
Total oil and gas operating costs	371,333	364,633
Palm oil plantation and water treatment production costs [2]	17,031	9,870
Total operating costs	$ 388,364	$ 374,503

[1] Mainly corresponds to repairs and other activities resulting from unexpected failures in a trunkline in the Quifa block.

[2] Mainly includes costs related to Promotora Agricola de los Llanos S.A. and SAARA.

Cost of Diluent and Oil Purchased

Cost of diluent and oil purchased represents the cost of third-party hydrocarbon volumes purchased primarily for dilution and refining purposes as part of the Company's oil operations, as well as its marketing and transportation strategy. For the year ended December 31, 2025, the cost of diluent and oil purchased was $231.3 million (2024: $240.9 million).

7. General and Administrative

	Year Ended December 31	
	2025	2024
Salaries and benefits	$ 27,860	$ 25,953
Professional fees	9,588	10,955
Taxes and other	2,352	2,143
Colombian temporary taxes [(1)]	7,233	—
Total	$ 47,033	$ 39,051

[(1)] These temporary taxes include a 1% contribution on the export of hydrocarbons in Colombia (Catatumbo Tax) resulting from the state of internal commotion declared by the Government of Colombia.

8. Discontinued Operations

On July 31, 2025, Frontera Energy Colombia Corp., Sucursal Ecuador entered into an agreement for the disposal of its 50% working interest in the Perico and Espejo blocks in Ecuador to Gran Tierra Energy Inc., for total cash consideration of $7.8 million. The consideration was subject to working capital and other customary adjustments as of the effective date of January 1, 2025. The agreement also included a contingent consideration arrangement for an additional $0.8 million, which was payable to Frontera Energy Colombia Corp., Sucursal Ecuador upon the Perico block having reached cumulative gross production of two million barrels from January 1, 2025 onward. After receiving government approval on November 25, 2025, and ultimately upon execution of a public deed on December 9, 2025, the transaction was fully completed.

As a result, the Company recognized a loss related to remeasurement to fair value less costs to sell of $5.4 million.

The results of the discontinued operations during the years ended December 31, 2025 and 2024 are presented below:

	Year Ended December 31	
	2025	2024
Oil and gas produced, purchased sales and other revenue	$ 18,463	$ 30,532
Royalties	(875)	(1,400)
Revenue from discontinued operations	17,588	29,132
Operating costs	7,231	7,937
General and administrative	804	2,081
Share-based compensation	(8)	41
Depletion, depreciation and amortization	4,081	7,727
Impairment, exploration expenses and other	45,553	11,942
Loss from discontinued operations	(40,073)	(596)
Finance income	32	23
Finance expense	(333)	(953)
Other income (loss)	405	(228)
Net loss before income tax from discontinued operations	(39,969)	(1,754)
Current income tax expense	(477)	(2,949)
Deferred income tax recovery (expense)	3,525	(831)
Income tax recovery (expense)	3,048	(3,780)
Related to remeasurement to fair value less costs to sell	(5,438)	—
Net loss for the year from discontinued operations	$ (42,359)	$ (5,534)

The cash flows from the discontinued operations are as follows:

	Year Ended December 31	
	2025	2024
Operating	$ 3,393	$ 19,466
Investing	(1,252)	(29,785)
Financing	(153)	(846)
Net cash inflow (outflow)	$ 1,988	$ (11,165)

9. Impairment, Exploration Expenses and Other

	Year Ended December 31	
	2025	2024
Impairment expense of:		
Properties, plant and equipment		
North Colombia CGU	$ 41,496	$ 980
Central Colombia CGU	516,166	8,429
Water treatment facility and palm oil plantation	8,629	—
Properties, plant and equipment (Note 15)	$ 566,291	$ 9,409
Exploration and evaluation assets		
Colombia	6,523	7,996
Exploration and evaluation assets (Note 16)	$ 6,523	$ 7,996
Other	4,140	1,440
Total impairment expense	$ 576,954	$ 18,845

Impairment Test

The Company assesses at the end of each reporting period whether there are indicators, from both external and internal sources, that an asset or CGU may be impaired, or if there is any indication that previously recognized impairment losses may no longer exist or may have decreased. In performing the assessment, the Company considers changes in the market, economic and legal environments in which the Company operates that are beyond its control and that may affect the recoverable amount of its oil and gas and E&E assets.

As a result of the announcement of the GeoPark Arrangement Agreement and the Parex Arrangement Agreement, the Company identified a change in the intended use of the assets related to the Colombian upstream business. Consequently, the recoverable amount was measured based on FVLCD, consistent with the value expected to be recovered pursuant to the Parex Arrangement Agreement. For further details, refer to the “Critical Judgments in Applying Accounting Policies” section on page 18.

As a result, the carrying amounts as at December 31, 2025 of the assets related to the Colombian upstream business exceeded their recoverable amount. Accordingly, the Company determined that impairment charges of $564.7 million before tax should be recognized. This amount has been allocated between properties, plant and equipment and E&E assets, as presented below.

The impairment generated by the change in the intended use of the assets related to the Colombian upstream business creates a temporary difference for deferred tax purposes. However, deferred tax assets are not recognized because, in accordance with paragraph 24 of IAS 12, *Income Taxes,* they are not expected to be recovered in the future, considering the sale of the assets.

Properties, plant and equipment

During the year ended December 31, 2025, the Company recognized an impairment charge of $566.3 million (2024: $9.4 million). The impairment was mainly attributable to the change in the intended use of the assets related to the Colombian upstream business, totalling $558.7 million (for further information, refer to the “Critical Judgments in Applying Accounting Policies” section on page 18).

In addition, impairment charges were recognized in relation to the water treatment facility and palm oil plantation assets and the relinquishment of certain fields or areas within the Cubiro and Corcel blocks.

Exploration and evaluation assets

During the year ended December 31, 2025, the Company recorded an impairment charge of $6.5 million (2024: $8.0 million), mainly related to the change in the intended use of the assets related to the Colombian upstream business (for further information, refer to the "Critical Judgments in Applying Accounting Policies" section on page 18).

Other

During the year ended December 31, 2025, the Company recognized an impairment expense of $4.1 million, primarily related to impairment attributable to obsolete inventory materials and certain accounts receivable (2024: $1.4 million).

Exploration Expenses

During the year ended December 31, 2025, the Company recognized exploration expenses of $1.8 million (2024: $1.6 million), primarily related to geological and geophysical activities.

Expense of Asset Retirement Obligations

During the year ended December 31, 2025, the Company recognized an ARO expense of $5.5 million (2024: $2.3 million).

Total Impairment Expense, Exploration Expenses and Other

	Year Ended December 31	
	2025	2024
Impairment expense	$ 576,954	$ 18,845
Exploration expenses	1,848	1,613
Expense of asset retirement obligations (Note 20)	5,500	2,335
Total impairment expense, exploration expenses and other	$ 584,302	$ 22,793

10. Employee Salaries and Benefit Expenses

	Year Ended December 31	
	2025	2024
Salaries, bonuses and other short-term benefits	$ 46,175	$ 45,718
Share-based compensation [(1)]	2,598	1,722
Total	$ 48,773	$ 47,440

[(1)] Includes cash settlement of $0.8 million (2024: $0.8 million).

11. Restructuring, Severance and Other Costs

During the year ended December 31, 2025, the Company incurred the following:

- $5.8 million (2024: $1.8 million) in severance costs related to targeted reorganization initiatives simplifying the corporate structure.
- $0.9 million (2024: $0.6 million) in costs regarding activities to deliver process improvements, operational efficiencies and other projects. For the year ended December 31, 2025, these included employee incentive payments.

12. Other income

During the year ended December 31, 2025, the Company recognized net other income of $17.0 million. This amount primarily reflects the recognition of insurance recoveries associated with the Sabanero block totaling $14.7 million and other income of $7.2 million, which were partially offset by other expenses of $4.9 million (2024: $9.8 million).

13. Income Taxes

The following is a reconciliation of income tax expense calculated at the Colombian corporate tax rate with the reported income tax expense:

	Year Ended December 31	
	2025	2024
Net (loss) income before income tax from continuing operations	$ (573,750)	$ 70,798
Colombian statutory income tax rate [1]	35%	45%
Income tax expense at statutory rate	(200,813)	31,859
Increase (decrease) in income tax provision resulting from:		
Non-deductible/taxable expense/income and other differences	12,034	(6,059)
Foreign exchange impact on deferred income tax	(63,122)	69,128
Share-based compensation	—	777
Differences in tax rates	(3,913)	8,496
Change in deferred income tax	259,273	27,635
Income tax expense from continuing operations	3,459	131,836
Current income tax expense	26,960	7,001
Deferred income tax (recovery) expense:		
Relating to origination and reversal of temporary differences	(23,501)	124,835
Income tax expense from continuing operations	$ 3,459	$ 131,836
Effective tax rate	(0.60)%	186.21%

[1] According to the forecasted average Brent prices, the statutory income tax rate included an additional estimated surcharge of 10% as at December 31, 2024.

During the year ended December 31, 2025, the Company recognized a current income tax expense of $27.0 million, compared to $7.0 million in the same period 2024, and a deferred income tax recovery of $23.5 million, compared to a deferred income tax expense of $124.8 million in the same period 2024.

The deferred tax recovery for the year ended December 31, 2025, is mainly due to the reversal of deferred tax liabilities recorded in 2024. As of December 31, 2025, no deferred tax assets were recognized in respect of the Company's Colombian oil and gas exploration and production assets, as recoverability was not considered probable following the announcements made on January 30, 2026 and March 10, 2026 and the execution of the Parex Arrangement Agreement (for further information, refer to the "Critical Judgments in Applying Accounting Policies" section on page 18).

As at December 31, 2025, the deferred tax asset was $Nil (2024: $1.8 million), and the deferred tax liability was $Nil million (2024: $28.8 million).

	As at December 31	
Deferred tax (liability) asset balances	**2025**	**2024**
Tax losses	$ —	22,794
Accruals	—	68,473
Oil and gas properties	—	(118,293)
Total net deferred tax, as at December 31	—	(27,026)

Below movements in deferred tax assets and deferred tax liabilities:

	As at December 31	
Movement in deferred tax assets	**2025**	**2024**
As at January 1	$ 1,822	$ 101,589
Recognized as deferred income tax (expense) recovery	(1,822)	(99,767)
As at December 31	—	1,822

	As at December 31	
Movement in deferred tax liability	**2025**	**2024**
As at January 1	$ 28,848	$ 2,682
Recognized as deferred income tax expense	(28,848)	26,166
As at December 31	—	28,848

As at December 31, 2025, deferred tax asset of $53.1 million (2024: $7.0 million) relating to non-capital losses were not recognized as it is probable that the Company will not be able to use these balances in the future.

The following table summarizes the Company's tax attributes and expiry dates as at December 31, 2025:

Tax attributes and expiry years	2028 and Beyond	Indefinitely	Total
Depreciable capital costs			
Colombia	$ —	$ 1,354,250	$ 1,354,250
Non-capital losses			
Colombia	9,335	142,503	151,838
Total	**$ 9,335**	**$ 1,496,753**	**$ 1,506,088**

On April 9, 2026, the Colombian Constitutional Court declared the state of economic emergency unconstitutional, thereby invalidating Decree 1390 of 2025 and the exceptional fiscal powers derived therefrom. The ruling eliminated the legal framework that supported the adoption of extraordinary tax measures, including those related to export activities. The Court determined that the conditions required under the Constitution for the declaration of an economic emergency were not met. As a result, there was an increase in current income tax expenditure as at 31 December 2025.

14. Inventories

	As at December 31	
	2025	2024
Crude oil and diluents	$ 20,211	$ 34,200
Materials and supplies	17,275	19,177
Total	$ 37,486	$ 53,377

As at December 31, 2025, crude oil and diluents inventory includes $20.2 million in Colombia (2024: $32.8 million in Colombia and $1.4 million in Ecuador).

As at December 31, 2025, materials and supplies inventories were net of impairment of $14.7 million (2024: $12.3 million).

15. Properties, Plant and Equipment

Cost	Oil & Gas Properties	Infrastructure Colombia	Plant & Equipment	Total
As at January 1, 2024	$ 6,940,650	$ 92,745	$ 50,729	$ 7,084,124
Additions	269,192	10,090	10,190	289,472
Change in ARO (Note 20)	13,649	(244)	—	13,405
Disposal	(82,413)	—	(14,309)	(96,722)
Currency translation adjustment	(879)	(9,325)	(97)	(10,301)
As at January 1, 2025	$ 7,140,199	$ 93,266	$ 46,513	$ 7,279,978
Additions	190,712	4,114	11,245	206,071
Change in ARO (Note 20)	29,845	1,395	—	31,240
Disposal [(1)]	(53,533)	(3,541)	(6)	(57,080)
Currency translation adjustment	1,005	14,863	146	16,014
Disposition of Ecuador interest (Note 8)	(53,417)	—	(188)	(53,605)
As at December 31, 2025	$ 7,254,811	$ 110,097	$ 57,710	$ 7,422,618

[(1)] *Corresponds mainly to write-off due to the relinquishment of the Entrerrios and Rio Meta blocks.*

Accumulated Depletion, Depreciation and Impairment	Oil & Gas Properties	Infrastructure Colombia	Plant & Equipment	Total
As at January 1, 2024	$ 5,343,900	$ 82,103	$ 36,388	$ 5,462,391
Charge for the year [1]	250,920	748	1,895	253,563
Impairment (Note 9)	9,409	—	—	9,409
Disposal	(81,832)	—	(14,275)	(96,107)
Currency translation adjustment	(179)	(8,232)	(18)	(8,429)
As at January 1, 2025	$ 5,522,218	$ 74,619	$ 23,990	$ 5,620,827
Charge for the year [1]	262,048	2,902	1,766	266,716
Disposition of Ecuador interest (Note 8)	(42,600)	—	(153)	(42,753)
Impairment (Note 9)	547,685	9,041	9,565	566,291
Impairment reclassified to discontinued operations (Note 8)	31,268	—	—	31,268
Disposal [2]	(53,533)	(3,541)	(6)	(57,080)
Currency translation adjustment	1,235	11,640	26	12,901
As at December 31, 2025	$ 6,268,321	$ 94,661	$ 35,188	$ 6,398,170

[1] *Does not include depletion, depreciation and amortization inventory fluctuation of $0.5 million (2024: $2.0 million).*

[2] *Corresponds mainly to write-off due to the relinquishment of the Entrerrios and Rio Meta blocks.*

Net Book Value	Oil & Gas Properties	Infrastructure Colombia	Plant & Equipment	Total
As at December 31, 2024	$ 1,617,981	$ 18,647	$ 22,523	$ 1,659,151
As at December 31, 2025	$ 986,490	$ 15,436	$ 22,522	$ 1,024,448

Properties, plant and equipment consist of owned and leased assets as follows:

	Oil & Gas Properties	Infrastructure Colombia	Plant & Equipment	Total
Properties, plant and equipment - owned	$ 1,607,710	$ 18,647	$ 20,949	$ 1,647,306
ROU assets - leased	10,271	—	1,574	11,845
As at December 31, 2024	$ 1,617,981	$ 18,647	$ 22,523	$ 1,659,151
Properties, plant and equipment - owned	$ 971,010	$ 15,436	$ 19,028	$ 1,005,474
ROU assets - leased	15,480	—	3,494	18,974
As at December 31, 2025	$ 986,490	$ 15,436	$ 22,522	$ 1,024,448

Details of ROU assets are as follows:

	Power Generation	Plant & Equipment	Total
As at January 1, 2024	$ 14,938	$ 1,543	$ 16,481
Additions	—	1,864	1,864
Termination of lease contracts	(1,699)	(55)	(1,754)
Depreciation	(2,968)	(1,778)	(4,746)
As at December 31, 2024	10,271	1,574	11,845
Additions	6,374	3,648	10,022
Termination or modifications of lease contracts	1,914	—	1,914
Depreciation	(3,079)	(1,728)	(4,807)
As at December 31, 2025	$ 15,480	$ 3,494	$ 18,974

16. Exploration and Evaluation Assets

	2025	2024
As at January 1	$ 25,530	$ 25,469
Additions [1]	5,713	19,865
Impairment expense (Note 9)	(6,523)	(7,996)
Impairment reclassified to discontinued operations (Note 8)	(13,799)	(11,942)
Change in asset retirement obligations	49	134
As at December 31	$ 10,970	$ 25,530

[1] Includes additions of $4.7 million in Colombia mainly from Llanos 99, Llanos 119, VIM-46, VIM-1 and Administrative, $1.0 million in Ecuador related to the Espejo block.

17. Other Assets

	As at December 31	
	2025	2024
Investments and others	$ 1,749	$ 1,813
Long-term withholding tax	11,691	1,367
Long-term recoverable Value-Added Tax ("**VAT**")	273	233
Total	$ 13,713	$ 3,413

18. Short-Term and Long-Term Debt

	Maturity	Principal	Currency	Interest Rate	As at December 31 2025	2024
2028 Unsecured Notes	June 2028	310,001	U.S. dollars	7.875%	$ 306,821	$ 389,803
Unsecured Notes					$ 306,821	$ 389,803
Agro Cascada Working Capital Loan	October 2025	41,927,400,000	COP	IBR[1] + 2.5%	—	9,509
Loans					$ —	$ 9,509
Total					$ 306,821	$ 399,312

*[1] Reference Banking Indicator from the central bank of Colombia ("**IBR**" for its acronym in Spanish).*

	As at December 31 2025	2024
Current portion	$ —	$ 9,509
Non-current portion	306,821	389,803
Total	$ 306,821	$ 399,312

2028 Unsecured Notes

On June 21, 2021, Frontera completed the offering of $400.0 million 7.875% senior unsecured notes due 2028 ("**2028 Unsecured Notes**"). The interest is payable semi-annually in arrears on June 21 and December 21 of each year, beginning on December 21, 2021. The 2028 Unsecured Notes will mature in June 2028, unless earlier redeemed or repurchased.

On May 9, 2025, Frontera announced that it had commenced a cash tender offer (the "**Offer**") for up to $65.0 million in aggregate principal amount of its outstanding 2028 Unsecured Notes and a concurrent consent solicitation (the "**Solicitation**") with respect to certain proposed amendments (the "**Proposed Amendments**") to the indenture governing the 2028 Unsecured Notes (the "**Indenture**"). The Offer and Solicitation were amended on May 26, 2025 to extend the Early Tender Date and Consent Deadline (as defined in the Offer to Purchase and Consent Solicitation Statement dated as of May 9, 2025) to 5:00 p.m., New York City time, on June 9, 2025 (the "**Extended Early Tender Date and Consent Deadline**"). The Offer and Solicitation were further amended on June 2, 2025 to, among other things: (i) increase the maximum tender amount from $65.0 million to $80.0 million; (ii) increase the payment for those consents validly delivered at or prior to the Extended Early Tender Date and Consent Deadline from $15.00 for each $1,000 principal amount of 2028 Unsecured Notes to an aggregate amount of $8 million, to be divided pro rata among all tendering and consenting holders of 2028 Unsecured Notes ("**Holders**") in the Offer and Solicitation in aggregate (the "**Amended Consent Payment**"); and (iii) increase the consideration payment for each $1,000 principal amount of 2028 Unsecured Notes validly tendered at or prior to the Extended Early Tender Date and

Consent Deadline, and accepted for purchase pursuant to the Offer, from $700.00 to $720.00. As of the Extended Early Tender Date and Consent Deadline, which was also the expiry time of the Offer, Frontera received without duplication: (i) validly delivered tenders from Holders representing $134,169,000 in aggregate principal amount 2028 Unsecured Notes; and (ii) validly delivered consents from Holders (including consents delivered without tenders) representing $194,448,000 (i.e., 50.38%) in aggregate principal amount of 2028 Unsecured Notes outstanding. Therefore, Frontera obtained the requisite consents to the Proposed Amendments under the Indenture and proceeded to execute a supplemental indenture incorporating the Proposed Amendments, paid to consenting Holders the Amended Consent Payment, and repurchased and proceeded to cancel $80.0 million in face value of its 2028 Unsecured Notes. As of the completion of the Offer and Solicitation, Frontera has $320.0 million in principal amount of 2028 Unsecured Notes outstanding, including $10.0 million held by Frontera.

During the year ended December 31, 2025, Frontera repurchased $85.0 million (2024: $5.0 million) in aggregate amount of its 2028 Unsecured Notes pursuant to the Offer and Solicitation and in the open market for a cash consideration of $61.2 million (2024: $4.0 million). As a result, during the year ended December 31, 2025, Frontera recognized a gain of $13.3 million (2024: $1.0 million). This gain is after deducting the Amended Consent Payment of $8.0 million, the proportional deferred financing fees write-offs of $1.0 million, and legal and advisory fees totalling $1.6 million.

The carrying value for the 2028 Unsecured Notes as at December 31, 2025 was $306.8 million (2024: $389.8 million).

The purpose of the Offer and the Solicitation was to gain greater financial and operational flexibility while simultaneously reducing the Frontera's overall debt. Additionally, the Proposed Amendments permitted Frontera to take certain actions that were previously restricted under the Indenture. These include, but were not limited to, allowing additional restricted payments (particularly from proceeds of unrestricted subsidiaries); providing greater flexibility in managing working capital to support operational efficiency and financial resilience; increasing the amount of permitted indebtedness and liens; and reducing conditions and requirements that previously limited Frontera's ability to pursue strategic transactions aimed at enhancing growth and value.

Pursuant to the Parex Arrangement Agreement and in accordance and compliance with the terms of the Indenture, the Frontera Supplemental Indenture (as defined in the Parex Arrangement Agreement) shall become effective on the Effective Date (as defined in the Parex Arrangement Agreement) and, as a result thereof: (i) Parex Purchaser shall become the Successor to the Issuer (each as defined in the Indenture) of the 2028 Unsecured Notes; (ii) the Note Guarantors (as defined in the Indenture) of the 2028 Unsecured Notes shall have reaffirmed their respective obligations under the Indenture; and (iii) Frontera shall be discharged from all covenants and obligations under the Indenture.

Agro Cascada Working Capital Loan

On October 10, 2024, Agro Cascada S.A.S. ("**Agro Cascada**") entered into a one-year working capital loan agreement with Citibank Colombia S.A., denominated in COP, with a principal amount of COP$41,927 million (equivalent to $9.5 million), maturing on October 10, 2025, with an interest rate of IBR plus 2.5%, payable monthly (the "**Agro Cascada Working Capital Loan**"). On October 10, 2024 and November 21, 2024, the lender disbursed COP$29,337 million and COP$12,590 million, respectively. The proceeds of the Agro Cascada Working Capital Loan were intended to support the development of the Agro Cascada's water treatment facilities, and the loan is guaranteed by Frontera Energy Colombia Corp. Sucursal Colombia.

Agro Cascada fully repaid the loan on October 10, 2025. As at December 31, 2025, the carrying value of the Agro Cascada Working Capital Loan was $Nil (2024: $9.5 million).

Letters of Credit

The Company has various uncommitted bilateral letters of credit. As at December 31, 2025, the Company had issued letters of credit and guarantees for exploration and abandonment funds totaling $117.9 million (against total credit lines of $166.7 million), without cash collateral.

Finance Expense

The following table summarizes the main components of finance expense:

	Year Ended December 31	
	2025	2024
Interest on Senior Unsecured Notes [1]	$ 28,037	$ 31,623
Interest on borrowings	731	4,350
Accretion expenses	10,302	10,434
Letters of credit fees and other bank charges	4,296	3,087
Other interest	3,581	2,544
Deferred financing fees ("**DFF**") amortization on Senior Unsecured Notes [1]	1,064	1,144
Lease financing costs (Note 19)	1,336	1,347
Total	$ 49,347	$ 54,529

[1] In accordance with the Parex Arrangement Agreement, Parex will assume all of the obligations under the outstanding 2028 Unsecured Notes. These finance expenses correspond to the interest expense and DFF associated with the 2028 Unsecured Notes, which are recognized in the Combined Carve-Out Statements of Loss.

19. Leases Obligations

Frontera Energy Colombia Corp., Sucursal Colombia leases various properties, vehicles, power generation supply, including the arrangements associated to the CPE-6 Solar Plant and CPE-6 Battery Energy Storage System, and other assets.

CPE-6 Solar Plant Project Leasing Agreement

During the fourth quarter of 2022, Frontera Energy Colombia Corp., Sucursal Colombia executed a leasing agreement with Bancolombia to finance the construction and commissioning of a solar power plant project in the CPE-6 block (the "**Solar Plant Debt**"). The financing is denominated in COP, amounting approximately to $6.8 million as at December 31, 2025, expiring on July 20, 2030 from April 3, 2024 (the maturity was extended during 2025; initially, it was 72 months). The Solar Plant Debt bears interest equivalent to IBR + 3.00% (the rate was modified during 2025; initially it was IBR + 5.75%), payable monthly over the outstanding amount. As at December 31, 2025, the outstanding balance was $5.6 million. Frontera Energy Colombia Corp., Sucursal Colombia recognized this obligation as a lease liability.

CPE-6 Battery Energy Storage System Leasing Agreement

During the fourth quarter of 2023, Frontera Energy Colombia Corp., Sucursal Colombia entered into a leasing agreement with Bancolombia to finance the Battery Energy Storage System at the CPE-6 block (the "**BESS Project**"). The financing is denominated in COP, amounting approximately to $1.0 million as at December 31, 2025, and its maturity is on April 9, 2029. The BESS Project lease bears interest equivalent to IBR + 5.10%, payable monthly. As at December 31, 2025, the outstanding balance was $0.6 million. Frontera Energy Colombia Corp., Sucursal Colombia recognized this obligation as a lease liability.

Frontera Energy Colombia Corp., Sucursal Colombia's lease liabilities have an average discount rate of 10.98% (2024: 10.35%), and the maturity analysis by contractual undiscounted cash flows is as follows:

	As at December 31	
	2025	2024
Within 1 year	$ 7,810	$ 5,199
Year 2	3,488	3,123
Year 3	3,488	1,670
Year 4	3,337	1,670
Year 5	2,107	1,542
Thereafter	6,447	492
Total undiscounted lease liabilities	$ 26,677	$ 13,696
Less amounts representing finance costs	(8,327)	(2,897)
Present value of lease liabilities	$ 18,350	$ 10,799
Current	$ 5,980	$ 4,144
Non-current	12,370	6,655
Total	$ 18,350	$ 10,799

Amounts Recognized in the Combined Carve-Out Statements of Loss

	Year Ended December 31	
	2025	2024
Interest on lease liabilities	$ (1,336)	$ (1,347)
Variable lease payments not included in the measurement of lease liabilities	(21,473)	(22,941)
Expenses relating to short-term leases	(1,198)	(874)
Expenses relating to leases of low-value assets	(1,164)	(1,390)

Amounts Recognized in the Combined Carve-Out Statements of Cash Flows

	Year Ended December 31	
	2025	2024
Total cash outflow for leases [1]	$ (30,628)	$ (31,484)

[1] Includes principal payments of lease liabilities and interest of $6.8 million (2024: $6.3 million), which are recognized in the Combined Carve-Out Statements of Cash Flows as financing activities.

20. Asset Retirement Obligations

	2025	2024
As at January 1	$ 182,234	$ 178,266
Accretion expense	9,481	10,137
Additions	4,142	4,323
Changes in estimates	34,676	5,011
Liabilities settled	(14,737)	(17,838)
Disposition of Ecuador interest (Note 8)	(1,119)	—
Expense of asset retirement obligations (Note 9)	5,500	2,335
As at December 31	$ 220,177	$ 182,234

	As at December 31	
	2025	2024
Current portion	$ 46,903	$ 35,169
Non-current portion	173,274	147,065
Total	$ 220,177	$ 182,234

The ARO represents the present value of decommissioning and environmental liability costs relating to oil and gas properties and E&E assets. As at December 31, 2025, the total undiscounted ARO relates to Colombia is $321.1 million (2024: $285.2 million), which is expected to be executed between 2026 and 2048.

During the year ended December 31, 2025, the Company recognized an increase in ARO, mainly due to changes in estimates of $34.7 million (2024: increase in ARO due to changes in estimates of $5.0 million), which includes an increase of $1.5 million related to updating the risk-free and inflation rates (2024: increase of $6.0 million), $19.7 million related to updated cost estimates (2024: increase of $11.2 million) and $13.5 million due to the impact of foreign exchange rates (2024: decrease of $12.2 million). A total of $31.2 million relating to changes in estimates was recognized within properties, plant and equipment (Note 15).

The risk-free and inflation rates used for discounting to present value are as follows:

- A risk-free rate between 10.55% and 13.13% and an inflation rate between 2.80% and 3.44% for cash flows expected to be settled in COP for Colombia (2024: risk-free rate between 9.88% and 14.03% with an inflation rate between 2.90% and 3.20%); and
- A risk-free rate between 6.13% and 7.51% and an inflation rate between 2.13% and 2.21% for cash flows expected to be settled in U.S. dollars for Colombia (2024: risk-free rate between 6.79% and 7.47% with an inflation rate between 1.65% and 2.55%).

21. Customer Prepayments

In December 2025, Frontera Energy Colombia Corp., Sucursal Colombia entered into a 24-month agreement to supply 500,000 barrels of crude oil per month with Chevron. An advance payment of $80 million was received and recorded as a customer prepayment, to be recognized as revenue upon monthly deliveries. The sales price will be based on the Brent reference price, adjusted for applicable differentials and discounts, and repayment of the prepayment will begin after a six-month grace period. Frontera Energy Colombia Corp., Sucursal Colombia may request an additional $40 million advance for up to six months on a fully committed basis. Under the agreement, the prepayment amounts will be subject to a financial discount calculated at Secured Overnight Financing Rate (SOFR) plus 4.25% per annum. The cash consideration related to the advance amounted to $79.0 million; the remaining balance corresponds to contract-obtaining costs discounted upfront.

As at December 31, 2025, customer prepayments are principally attributable to the advance payment received under the crude oil supply agreement described above. As at December 31, 2025, the carrying value for customer prepayments was $106.6 million (2024: $30.3 million), which includes short-term prepayments of $48.8 million. The short-term carrying amount includes an existing prepayment agreement with Chevron, which expired at the end of January 2026 of $26.6 million.

22. Parent's Net Investment

Parent's net investment represents the residual interest in the combined carve-out financial statements. Parent's net investment represents the Company's accumulated net loss from operations as well the allocations of assets, liabilities, revenues and expenses attributable to the Company according to the Parex Arrangement Agreement. The accumulated other comprehensive loss includes accumulated foreign currency translation adjustments.

23. Related-Party Transactions

The following table provides the total balances outstanding, commitments, and transactional amounts with related parties (excluding balances between the Company and Frontera's subsidiaries) as at December 31, 2025 and 2024, and for the year ended December 31, 2025 and 2024, respectively:

		As at December 31		Year Ended December 31
		Accounts Payable	Commitments	Purchases/Services
Oleoducto de los Llanos Orientales S.A.	2025	$ 3,262	$ 925	$ 31,131
	2024	2,901	356	29,608

As at December 31, 2025, The Catalyst Capital Group Inc. exercises control or direction over $8.0 million (2024: $8.0 million) aggregate principal amount of 2028 Unsecured Notes.

The following table details the balances outstanding between the Company and Frontera, including its subsidiaries as at December 31, 2025 and 2024:

		Accounts Receivable	Accounts Payable
Frontera Energy Corporation [1]	2025	121	134,407
	2024	121	140,544
Frontera BIC Holding Ltd. (Bermuda)	2025	—	—
	2024	—	33,114
Pipeline Investment Ltd.	2025	—	5,425
	2024	—	5,425
Pacific Belize Energy Corp. (Panama)	2025	73	—
	2024	73	—
Petrominerales Bermuda Ltd. (Bermuda)	2025	17	98
	2024	17	84
Petro International Ltd.	2025	—	15
	2024	—	15
Frontera Bahía Holding Ltd.	2025	8	58
	2024	8,689	5
Centro Multinacional Pacific S.R.L. (Spain)	2025	1,000	—
	2024	1,000	—
PRE Corporate Services Corp. (Panama)	2025	—	—
	2024	—	72
Total	2025	$ 1,219	$ 140,003
	2024	$ 9,900	$ 179,259

[1] Pursuant to the Parex Arrangement Agreement, in order to complete the Pre-Acquisition Reorganization, Frontera and its subsidiaries are required to release, cancel, terminate, or otherwise settle all intercompany balances, indebtedness, and accounts between any Company subsidiary, on the one hand, and Frontera and its subsidiaries, on the other hand.

Accordingly, on March 13, 2026, Frontera approved the capitalization of accounts payable owed by Major Oil International S.A. (Panama), arising from a loan with an outstanding balance of $133.6 million, which was recognized as contributed surplus. As a result of this capitalization, Major Oil International S.A. (Panama) no longer has any outstanding indebtedness or payable amounts owing to Frontera.

24. Financial Instruments and Risk Management

a. Risks Associated with Financial Assets and Liabilities

The Company's activities expose it to various risks, including credit risk, liquidity risk and market risk (from changes in commodity prices and foreign exchange) that could have a significant impact on profitability, operating cash flows and the value of financial instruments.

i) Credit Risk

Credit risk relates to the potential that the Company may incur a loss if a counterparty to a financial instrument fails to meet its obligations and arises primarily from trade customers, loans and advances to associates, receivables from joint arrangements and other financial counterparties. The Company actively limits the total exposure to individual client counterparties by maintaining a credit policy, which sets forth prepayment or letters of credit requirements for trade customers in order to mitigate losses from non-collection of trade receivables. The Company monitors the credit quality of associates and, where appropriate, structures its loans and advances to include collateral or security. Credit risk arising on receivables from joint arrangements and risk management assets is not significant given the counterparties are large institutions with strong credit ratings.

The following table shows the maximum credit risk exposure of financial assets, presented at the gross carrying amounts, prior to the ECL model allowances:

	As at December 31	
	2025	2024
Trade receivables before ECL	$ 27,935	$ 20,407
Allowance for ECLs - trade receivables	(16,151)	(15,882)
Trade receivables	11,784	4,525
Other receivables:		
Receivables from joint arrangements	24,913	26,944
VAT receivable and others [1]	27,341	28,700
Other receivables	6,054	4,087
Allowance for ECLs - other receivables	(3,743)	(3,311)
Other receivables	$ 54,565	$ 56,420
Withholding tax and others - not considered for credit risk	(27,341)	(28,700)
Total financial assets carried at amortized cost	$ 39,008	$ 32,245

[1] Does not include long-term VAT.

Reconciliation of ECLs

The following table shows a continuity of ECLs:

	2025	2024
As at January 1	$ 19,193	$ 19,291
Provision for ECLs	637	—
Effect of exchange rate changes	64	(98)
As at December 31	$ 19,894	$ 19,193

ii) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company mitigates its liquidity risk by managing its capital expenditures and operational cash flows, and by maintaining adequate lines of credit and cash and cash equivalents.

The following table summarizes the undiscounted cash outflows relating to contractual maturities of the Company's non-derivative financial liabilities as at December 31, 2025:

Financial Liability Due In	2026	2027	2028	2029	2030	Subsequent to 2031	Total
Accounts payable, accrued liabilities and other payables [1]	$ 319,334	$ 5,225	$ 2,963	$ —	$ —	$ —	$ 327,522
Unsecured notes	—	—	310,001	—	—	—	310,001
Interest on unsecured notes	25,200	25,200	12,600	—	—	—	63,000
Lease liabilities	7,810	3,488	3,488	3,337	2,107	6,447	26,677
Total	$ 352,344	$ 33,913	$ 329,052	$ 3,337	$ 2,107	$ 6,447	$ 727,200

[1] Includes provisions of $73.5 million, which do not have a definitive amortization term and are therefore classified as current liabilities.

The following table shows the breakdown of accounts payable and accrued liabilities and other payables:

	As at December 31	
	2025	2024
Trade and other payables	$ 107,108	$ 112,156
Accrued liabilities	98,864	102,537
Supplier holdbacks	34,840	37,658
Withholding tax and tax provisions	10,951	11,966
Share-based payment liability	2,252	—
	254,015	264,317
Provision for contingencies and others	73,507	70,692
Total accounts payable and accrued liabilities and other payables	$ 327,522	$ 335,009

The Company has various uncommitted bilateral letters of credit. As at December 31, 2025, the Company has issued letters of credit and guarantees for exploration and abandonment funds totalling $117.9 million (2024: $108.9 million).

Restricted cash

As at December 31, 2025, the Company has short-term and long-term restricted cash of $11.3 million (2024: $14.3 million) in trust accounts primarily to cover future abandonment obligations.

iii) Market and Interest Risk

Market and interest risk are the risks associated with fluctuations in oil prices, foreign exchange rates and interest rates. To manage this risk, the Company uses derivative commodity instruments to manage exposure to price volatility by hedging a portion of its oil production and foreign exchange hedging instruments to manage foreign currency fluctuations.

Risk Management Contracts

The terms of the outstanding instruments and settlement periods are as follows:

Risk management contracts - Crude oil

As part of its risk management strategy, the Frontera Energy Colombia AG (Switzerland) uses derivative commodity instruments to manage exposure to price volatility by hedging a portion of its oil production. Frontera Energy Colombia AG (Switzerland)'s strategy is designed to protect a minimum of 40% of estimated production with a tactical approach, using derivative commodity instruments to protect the Company's revenue generation and cash position, while maximizing the upside.

				Avg. Strike Prices	Carrying Amount	
Type of Instrument	Term	Benchmark	Volume (bbl)	Put $/bbl	Assets	Liabilities
Put Spread	March 2026 - June 2026	Brent	1,529,200	62.7x55	$ 767	$ —
Put Spread	January 2026 - March 2026	Brent	1,107,000	65x55	1,948	—
Total as at December 31, 2025					$ 2,715	$ —
Put	January to April 2025	Brent	1,502,000	70.00	$ —	$ 2,669
Total as at December 31, 2024					$ —	$ 2,669

Risk management contracts - Foreign exchange

Frontera Energy Colombia Corp., Sucursal Colombia is exposed to foreign currency fluctuations. This exposure arises primarily due to expenditures incurred in COP and the fluctuation of this currency against the USD. As of December 31, 2025, Frontera Energy Colombia Corp., Sucursal Colombia had not entered into new hedging arrangements. The foreign exchange hedging portfolio expired in December 2025.

Type of Instrument	Term	Benchmark	Notional Amount/ Volume in USD	Avg. Put/Call Par forward (COP$)	Carrying Amount Assets	Carrying Amount Liabilities
Total as at December 31, 2025					$ —	$ —
Zero-cost collars	April to June 2025	USD/COP	60,000,000	4,200/4,626	$ —	$ 810
Zero-cost collars	July to September 2025	USD/COP	60,000,000	4,200/4,795	—	593
Zero-cost collars	January to March 2025	USD/COP	60,000,000	4,150/4,618	—	277
Total as at December 31, 2024					$ —	$ 1,680

	Assets	Liabilities
Total risk management contracts as at December 31, 2025	$ 2,715	$ —
Total risk management contracts as at December 31, 2024	$ —	$ 4,349

The following table provides the disaggregation of the Company's total gain (loss) on risk management contracts:

	As at December 31 2025	2024
Loss on oil price risk management contracts	$ (8,680)	$ (7,813)
Realized gain on foreign exchange risk hedge	6,501	6,318
Realized loss on risk management contracts [1]	(2,179)	(1,495)
Unrealized gain (loss) on risk management contracts	7,064	(13,186)
Total gain (loss) on risk management contracts	$ 4,885	$ (14,681)

[1] For the year ended December 31, 2025, the realized loss of $2.2 million (2024: $1.5 million) on risk management contracts was mainly due to a loss of $8.7 million (2024: $7.8 million) from oil price risk management contracts, resulting from a net amount of the put premiums paid for expired positions of $18.4 million (2024: $13.9 million), partially offset by the positive cash settlement of $9.7 million (2024: $6.1 million).

b. Fair Value of Financial Instruments

The carrying values of the Company's cash and cash equivalents, restricted cash, accounts receivable, accounts payable and accrued liabilities approximate their fair value.

The following table summarizes the Company's remaining financial instruments that are carried or disclosed at fair value in accordance with the classification under the fair value hierarchy as at December 31, 2025 and December 31, 2024:

	Period	Carrying Value	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3
Financial Assets Measured at Fair Value Through Profit and Loss					
Risk management assets	2025	$ 2,715	$ —	$ 2,715	$ —
	2024	—	—	—	—
Investments in equity instruments	2025	$ 1,749	$ —	$ —	$ 1,749
	2024	1,813	—	—	1,813
Financial Liabilities Measured at Fair Value Through Profit and Loss					
Risk management liabilities	2025	$ —	$ —	$ —	$ —
	2024	(4,349)	—	(4,349)	—
Financial Liabilities Measured at Amortized Cost					
2028 Unsecured Notes (Note 18)	2025	$ (306,821)	$ —	$ (207,174)	$ —
	2024	(389,803)	—	(302,207)	—
Other short-term and long-term debt (Note 18)	2025	$ —	$ —	$ —	$ —
	2024	(9,509)	—	(9,509)	—

The Company uses Level 3 information to measure the fair value of certain investments that do not belong to active markets.

c. Capital Management

When managing capital, the Company's objectives are to maintain a capital structure that optimizes the cost of capital to support operating activities and sustain the development of its business while maintaining compliance with the terms and conditions of financial obligations. The Company manages its capital structure and adjusts as necessary in light of changes in economic conditions, operating risks and working capital requirements.

Specifically, the Company's capital management objectives are to maintain compliance with the debt covenant ratios associated with the Company's outstanding 2028 Unsecured Notes, which are currently met, and to maintain sufficient liquidity to meet all contractual obligations and execute its business plan. To facilitate the management of these objectives, the Company utilizes a planning, budgeting and forecasting process to help determine and monitor the funds needed to maintain appropriate liquidity for operational, capital and financial needs.

The Company's capital consists of debt and total equity net of working capital. The following table summarizes the Company's capital structure balances:

	As at December 31	
	2025	2024
Total Parent's net investment	$ 268,583	$ 824,817
Long-term debt	306,821	389,803
Working capital deficit [1]	233,316	294,676
Total	$ 808,720	$ 1,509,296

[1] Working capital deficit is a capital management measure, according to NI 52-112 - Non-GAAP and Other Financial Measures Disclosure, and is defined as the net of total current assets after deducting total current liabilities, including the current portion of long-term debt.

25. Supplemental Disclosure on Cash Flows

Changes in non-cash working capital are as follows:

	Year Ended December 31	
	2025	2024
Decrease in accounts payable and accrued liabilities	$ (68,946)	$ (46,899)
(Increase) decrease accounts receivable and other assets	(9,469)	12,406
Increase (decrease) in income taxes payable	429	(12,393)
(Decrease) increase in customer prepayments	(2,606)	30,277
Decrease (increase) in inventories	15,275	(1,010)
Decrease (increase) in prepaid expenses and deposits	7,867	(4,171)
Decrease in income taxes receivable	5,895	7,098
Changes in working capital (excluding cash)	$ (51,555)	$ (14,692)
Attributable to:		
Operating activities	$ (22,191)	$ (21,535)
Investing activities	(29,364)	6,843
Changes in working capital (excluding cash)	$ (51,555)	$ (14,692)

26. Commitments and Contingencies

Commitments

The Company's commitments as at December 31, 2025, undiscounted and by calendar year, are presented below:

As at December 31, 2025	2026	2027	2028	2029	2030	Subsequent to 2031	Total
Transportation							
Ocensa P-135 ship-or-pay contract	$ 12,690	$ —	$ —	$ —	$ —	$ —	$ 12,690
ODL agreements	925	—	—	—	—	—	925
Other transportation and processing commitments	13,985	1,420	—	—	—	—	15,405
Exploration and evaluation							
Minimum work commitments [1]	—	15,687	6,880	5,066	—	—	27,633
Other commitments							
Operating purchases, community obligations and others	116,416	—	—	—	—	—	116,416
Energy supply commitments [2]	23,622	11,478	11,908	8,249	8,496	8,741	72,494
Total	$ 167,638	$ 28,585	$ 18,788	$ 13,315	$ 8,496	$ 8,741	$ 245,563

*[1] On August 28, 2025, Frontera Energy Colombia Corp., Sucursal Colombia received a communication from the Agencia Nacional de Hidrocarburos (the "**ANH**") confirming the acceptance of the transfer of the investment commitment from Llanos 119 to Vim-46, amounting to $6.8 million. This does not imply any decrease or increase in the minimum exploration commitments.*

[2] Includes executed contracts for grid-connected, on-site generation, and solar power sources, ensuring the electricity supply across operational blocks, particularly Quifa and CPE-6.

Oleoducto Central S.A. ("Ocensa") and Cenit Transporte y Logistica de Hidrocarburos S.A.S. ("**Cenit**") **Pledge**

In May 2022, a new ship-or-pay contract with Bicentenario and Cenit became effective; as a result, the pledged inventory crude oil is stored in Cenit's terminal of Coveñas (TLU-3) instead of Ocensa's terminal. On March 31, 2022, Frontera Energy Colombia Corp., Sucursal Colombia signed a new pledge agreement with Ocensa and Cenit, which guarantees the payment obligations of both contracts, up to $30.0 million and $6.0 million, respectively. On July 16, 2025, the overall guaranteed amount was reduced to $21.0 million (up to $15.0 million with Ocensa and $6.0 million with Cenit) and the term of the pledge agreement was extended to December 31, 2026, with Ocensa, and to January 31, 2027, with Cenit.

Overriding Royalty Interest CPE-6

As part of the Company's acquisition of Repsol Colombia Oil & Gas Ltd.'s ("**RCOG**") 50% working interest in the CPE-6 block, the Company granted a pledge to RCOG over the production from the CPE-6 block to guarantee the payments, of up to a maximum of $48.0 million. Under the farm-out agreement, two kinds of payments are set, each contingent on production from this block and each applicable until the maximum payment of $48.0 million is paid: (i) a variable monthly payment; and (ii) three potential production milestone payments of $5.0 million each when 5 million, 10 million and 20 million total barrels of production, respectively, are achieved. As at December 31, 2025, the Company has an outstanding payment of $14.4 million.

Contingencies

The Company is involved in various claims and litigation arising from the normal course of business. Since the outcomes of these matters are uncertain, there can be no assurance that such matters will be resolved in the Company's favour. The outcome of adverse decisions in any pending or threatened proceedings related to these and other matters could have a material impact on the Company's financial position, results of operations or cash flows.

High-Price Clause

Frontera Energy Colombia Corp., Sucursal Colombia has certain exploration and production contracts acquired through business combinations where outstanding disagreements with the ANH existed relating to the interpretation of high-price clause participation ("**PAP**") clauses. These contracts require high-price participation payments to be made to ANH for each designated exploitation area within a block under contract, which has cumulatively produced five million or more barrels of oil. The disagreement involves whether the cumulative production amounts in an exploitation area should be calculated individually (as each exploitation area represents independent reservoirs) or combined with other exploration areas within the same block for the purpose of determining the five million barrel threshold. ANH has interpreted that PAP should be calculated on a combined basis as opposed to Frontera Energy Colombia Corp., Sucursal Colombia's interpretation that the calculation should be provided on an individual basis. Upon acquisition of these contracts and in accordance with IFRS 3, Business Combinations, provisions for contingent liabilities were recognized regarding these disagreements with ANH.

On March 13, 2025, Frontera Energy Colombia Corp., Sucursal Colombia obtained a favorable arbitral award in the Cubiro Exploration & Production Contract litigation, confirming its contractual rights under the Cubiro E&P Contract. The arbitral tribunal ruled in the Frontera Energy Colombia Corp., Sucursal Colombia's favor, rejecting ANH's actions and recognizing the independence of the Copa and Petirrojo exploitation areas. While the award was favorable to the Company, the arbitral tribunal refrained from ruling on the legality of the administrative acts issued by ANH. Consequently, both parties have filed annulment appeals against the award, which remain pending adjudication.

Ecopetrol S.A. ("Ecopetrol") - Rubiales Field Disagreement

Since 2018, Frontera Energy Colombia Corp., Sucursal Colombia and Ecopetrol have initiated claims against each other before local courts due to disagreements related to the expiration of the Rubiales and Piriri exploration and production contracts.

To settle certain differences under dispute, on December 13, 2023, Frontera Energy Colombia Corp., Sucursal Colombia and Ecopetrol entered into an agreement, which closed 21 (out of 57) disagreements between the parties. As a result, the Company recorded a reversal of a liability provision of $5.9 million recognized during 2016, 2017, 2020, 2021, 2022 and 2023, a reversal of net liabilities with Ecopetrol of $0.5 million and paid to Ecopetrol $4.2 million pursuant to the settlement agreement. Also, as a result of the settlement, Ecopetrol amended the amount of its first lawsuit from $45.0 million to $32.0 million, and Frontera withdrew one of the lawsuits filed against Ecopetrol and amended the amount of another one from $9.0 million to $2.6 million.

In addition, Ecopetrol has filed a new lawsuit claiming approximately $4.3 million against Frontera Energy Colombia Corp., Sucursal Colombia for post-termination activities in Rubiales. In January 2026, Ecopetrol's lawsuit was not admitted and is pending to be remedied by Ecopetrol.

Tax Reviews

Frontera Energy Colombia Corp., Sucursal Colombia operates in various jurisdictions and is subject to assessments by tax authorities in each of those jurisdictions, which can be complex and based on interpretations. Frontera Energy Colombia Corp., Sucursal Colombia is currently in discussions with tax authorities for various assessments with respect to certain income tax deductions relating to exportation expenditures, transportation costs, VAT credits, municipal taxes and other expenses. As at December 31, 2025, Frontera Energy Colombia Corp., Sucursal Colombia has assessed a possible tax exposure of $96.2 million (2024: $90.9 million) relating to these assessments for taxes, interest and penalties (the increase is mainly due to exchange rate effects resulting from the depreciation of the Colombian peso against the U.S. dollar). As at December 31, 2025, the carrying value of the tax liability provisions is $1.1 million (2024: $0.7 million). The increase is mainly due to the Frontera Energy Colombia Corp., Sucursal Colombia's decision to pay the 2020 self-withholding contingency corresponding to the months of January to November.

DISCLAIMER:

Ernst & Young LLP (EY) prepared the attached Deliverable only for Parex Resources Inc. (Client) pursuant to an agreement solely between EY and Client. EY did not perform its services on behalf of or to serve the needs of any other person or entity. Accordingly, EY expressly disclaims any duties or obligations to any other person or entity based on its use of the attached Deliverable. Any other person or entity, beyond the Client for whom this Deliverable is prepared, must perform its own due diligence inquiries and procedures for all purposes, including, but not limited to, satisfying itself as to the financial condition and control environment of Client, as well as the appropriateness of the accounting for any situation addressed by the Deliverable.

The procedures that EY performed were advisory in nature and does not constitute an audit conducted in accordance with generally accepted auditing standards or other assurance, review or related services in accordance with the standards established by CPA Canada or AICPA. Accordingly, EY did not express any form of assurance on Client's accounting matters, financial statements, any financial or other information or internal controls. EY did not conclude on the appropriate accounting treatment based on specific facts or recommend which accounting policy/treatment Client should select or adopt.

The observations relating to accounting matters that EY provided to Client were designed to assist our client in reaching its own conclusions and do not constitute our concurrence with or support of Client's accounting or reporting. Client alone is responsible for any decisions to implement actions identified in our Deliverables or other actions from the provision of our services. The Client is responsible for the determination of its accounting policies and the preparation of its financial statements, including all the judgments inherent in preparing them.

This information is not intended or written to be used, and it may not be used, for the purpose of avoiding penalties that may be imposed on a taxpayer.

PURPOSE:

The attached document was prepared for Parex Resources Inc. (the "Company" or "Parex") in connection with the proposed acquisition of Frontera Petroleum International Holdings B.V., an upstream Colombian exploration and production business (the "Target" or the "Frontera E&P"). All estimates, conclusions and assumptions are the responsibility of Parex Resources Inc. management.

Parex Resources Inc.

Pro Forma Condensed Consolidated Financial Statements

For the year ended December 31, 2025
(in United States Dollars)
(Unaudited)

Unaudited Pro Forma Condensed Consolidated Statement of Financial Position
As at December 31, 2025
(in thousands of United States dollars)

ASSETS	Parex	Frontera E&P	Reclass adjustments	Pro forma adjustments	Other Transaction Accounting Adjustments	Notes	Pro forma combined
Current assets:							
Cash and cash equivalents	58,328	185,416	-	(518,245)	488,000	3,4.b,5	213,499
Restricted cash and cash equivalents	5,424	84	-	-	-		5,508
Accounts receivable	78,329	66,349	1,219	-	-	6.a	145,897
Prepaids and other current assets	13,357	2,124	-	-	-		15,481
Marketable securities	45,090	-	-	-	-		45,090
Derivative financial instruments	776	2,715	-	-	-		3,491
Current income taxes receivable	68,363	33,469	(1,150)	-	-		100,682
Crude oil inventory	4,327	-	20,211	-	-	6.b	24,538
Inventories	-	37,486	(20,211)	-	-	6.b	17,275
Accounts receivable to related parties	-	1,219	(1,219)	-	-	6.a	-
Total current assets	**273,994**	**328,862**	**(1,150)**	**(518,245)**	**488,000**		**571,461**
Non-current assets:							
Exploration and evaluation	161,125	10,970	-	-	-		172,095
Property, plant and equipment	1,500,213	1,024,448	-	308,557	-	4.a	2,833,218
Long-term inventory	175,426	-	-	-	-		175,426
Other long-term assets	14,629	13,713	(191)	-	-	6.c	28,151
Deferred tax asset	142,253	-	-	-	-		142,253
Goodwill	73,452	-	-	-	-		73,452
Restricted cash	-	11,234	191	-	-	6.c	11,425
Total non-current assets	**2,067,098**	**1,060,365**	-	**308,557**	-		**3,436,020**
Total assets	**2,341,092**	**1,389,227**	**(1,150)**	**(209,688)**	**488,000**		**4,007,481**
LIABILITIES							
Current liabilities:							
Accounts payable and accrued liabilities	235,809	325,279	140,003	-	-	6.a	701,091
Contingent consideration	-	-	-	25,000	-	3	25,000
Current portion of decommissioning and environmental liabilities	10,158	46,903	-	-	-		57,061
Income taxes payable	-	1,150	(1,150)	-	-		-
Customer prepayments	-	48,843	-	-	-		48,843
Accounts payable to related parties	-	140,003	(140,003)	-	-	6.a	-
Total current liabilities	**245,967**	**562,178**	**(1,150)**	**25,000**	-		**831,995**
Bank debt	33,000	-	-	-	-		33,000
Long-term Debt - Senior Notes	-	-	-	-	488,000	5	488,000
Lease obligations	7,814	12,370	-	-	-		20,184
Cash settled share-based compensation liabilities	15,228	-	-	-	-		15,228
Decommissioning and environmental liabilities	79,007	173,274	-	-	-		252,281
Other long term liabilities	7,143	8,223	-	-	-		15,366
Unsecured notes	-	306,821	-	-	-		306,821
Customer prepayments	-	57,778	-	-	-		57,778
Deferred Tax Liability	-	-	-	54,895	-	4.f	54,895
Total liabilities	**388,159**	**1,120,644**	**(1,150)**	**79,895**	**488,000**		**2,075,548**
EQUITY							
Share capital	621,062	-	-	-	-		621,062
Contributed surplus	20,738	-	-	-	-		20,738
Retained earnings	1,311,133	-	-	(21,000)	-	4.b	1,290,133
Cumulative translation adjustment	-	(28,601)	-	28,601	-	4.c	-
Parent's net investment	-	297,184	-	(297,184)	-	4.g	-
Total equity	**1,952,933**	**268,583**	-	**(289,583)**	**-**		**1,931,933**
Total liabilities and equity	**2,341,092**	**1,389,227**	**(1,150)**	**(209,688)**	**488,000**		**4,007,481**

Unaudited Annual Pro Forma Condensed Consolidated Statement of Income (Loss) and Comprehensive Income (Loss)
For the Year Ended December 31, 2025
(in thousands of United States dollars)

	Parex	Frontera E&P	Reclass adjustments	Pro forma adjustments	Other Transaction Accounting Adjustments	Notes	Pro forma combined
Oil and natural gas sales	1,005,842	967,207	-	-	-		1,973,049
Royalties	(126,752)	(9,448)	-	-	-		(136,200)
Net revenue	879,090	957,759	-	-	-		1,836,849
Other revenue	9,826	-	21,900	-	-	6.d	31,726
Commodity risk management contracts (loss)	(1,419)	4,885	-	-	-		3,466
Revenue	**887,497**	**962,644**	**21,900**	-	-		**1,872,041**
Expenses					-		
Production	225,543	-	233,938	-	-	6.e	459,481
Transportation	76,444	-	154,426	-	-	6.e	230,870
Purchased oil	162	231,326	-	-	-		231,488
General and administrative	71,326	53,826	(9,585)	21,000	-	4.b,6.d	136,567
Impairment of exploration and evaluation assets	11,140	-	6,523	-	-	6.f	17,663
Impairment of property, plant and equipment assets	-	-	566,291	(566,291)	-	4.e,6.g	-
Impairment of long-term inventory	6,470	-	-	-	-		6,470
Impairment expense, exploration expenses and other	-	584,302	(572,814)	-	-		11,488
Equity settled share-based compensation expense	714	-	-	-	-		714
Cash settled share-based compensation expense	29,802	-	-	-	-		29,802
Depletion, depreciation and amortization	200,405	263,320	-	(42,664)	-	4.d	421,061
Other expense	29,200	-	14,515	-	-	6.d	43,715
Foreign exchange (gain) loss	(10,932)	21	-	-	-		(10,911)
Unrealized gain on marketable securities	(4,616)	-	-	-	-		(4,616)
Operating costs	-	388,364	(388,364)	-	-	6.e	-
	635,658	**1,521,159**	**4,930**	**(587,955)**	-		**1,573,792**
Finance (income)	(4,369)	(3,854)	-	-	-		(8,223)
Finance expense	21,402	49,347	-	-	46,150	5	116,899
Other income/ (loss)	-	(16,970)	16,970	-	-	6.d	-
Gain on repurchase of senior unsecured notes, net of consent solicitation	-	(13,288)	-	13,288	-		-
Income (loss) before income taxes	**234,806**	**(573,750)**	**-**	**574,667**	**(46,150)**		**189,573**
Current tax expense	33,502	26,960	-	12,001	16,153		88,615
Deferred tax (recovery) expense	(53,779)	(23,501)	-	(213,134)	-		(290,414)
Net Income (loss) for the year from continuing operations	**255,083**	**(577,209)**	-	**775,800**	**(62,303)**		**391,371**
Discontinued operations	-	(42,359)	-	-	-		(42,359)
Income (loss) after tax for the year from discontinued operations	**255,083**	**(619,568)**	-	**775,800**	**(62,303)**		**349,012**
Foreign currency translation	-	2,075	-	-	-		2,075
Income (loss) and comprehensive income (loss) for the year	**255,083**	**(617,493)**	-	**775,800**	**(62,303)**		**351,087**
Income (loss) per share – basic and diluted	2.62	-	-	-	-		3.61
Weighted average number of common shares outstanding – basic	97,176,254	-	-	-	-		97,176,254
Weighted average number of common shares outstanding – diluted	97,223,062	-	-	-	-		97,223,062

1. Description of the Transaction

On March 10, 2026, Parex Resources Inc. ("Parex") and Frontera Energy Corporation ("Frontera", and collectively with Parex, the "Companies") announced that Parex and Frontera had entered into a definitive arrangement agreement (the "Arrangement Agreement"), pursuant to which Parex has agreed to acquire 100% of the issued and outstanding shares of Frontera Petroleum International Holdings B.V., the entity that holds Frontera's Colombian oil and gas exploration and production business ("Frontera E&P") (the "Transaction"), by way of a plan of arrangement to be carried out under the Business Corporations Act (British Columbia), subject to customary closing conditions, regulatory approvals, and court approval (the "Arrangement").

Under the terms of the Arrangement Agreement, the cash consideration payable at closing will be $500.0 million, subject to customary closing adjustments. In addition, Parex (or an affiliate thereof) will assume all of Frontera's obligations under its $310.0 million aggregate principal amount of 7.875% senior unsecured notes due 2028, as well as approximately $80.0 million outstanding under Frontera's prepayment facility with Chevron Products Company.

The Arrangement Agreement also provides for a contingent payment of $25.0 million, payable to Frontera upon the execution of a contractual amendment, or other binding agreement, extending the term of the Quifa Association Contract within 12 months following the closing of the Transaction.

2. Basis of Presentation

These unaudited pro forma condensed consolidated financial statements have been prepared by management to give effect to the Transaction described in Note 1.

The unaudited pro forma condensed consolidated financial statements comprise:

- An unaudited pro forma condensed consolidated statement of financial position as at December 31, 2025, prepared from the audited consolidated statement of financial position of Parex as at December 31, 2025 and the audited carve-out statement of financial position of Frontera E&P as at December 31, 2025, giving effect to the Transaction as if it had occurred on December 31, 2025; and

- An unaudited pro forma condensed consolidated statement of income (loss) and comprehensive income (loss) for the year ended December 31, 2025, prepared from the audited consolidated statement of income and comprehensive income of Parex and the audited carve-out statement of loss and comprehensive loss of Frontera E&P for the year ended December 31, 2025, giving effect to the Transaction as if it had occurred on January 1, 2025.

- These accompanying notes to the unaudited pro forma condensed consolidated financial statements.

The unaudited pro forma condensed consolidated financial statements are presented in U.S. dollars, which is the presentation currency of Parex.

The Transaction is considered to be a business combination in accordance with IFRS 3, Business Combinations ("IFRS 3"), with Parex identified as the acquirer. The acquisition method of accounting has been used in preparing the unaudited pro forma condensed consolidated financial statements. This method requires the identifiable assets acquired and liabilities assumed to be recognized at their estimated fair values at the acquisition date, with any excess of the consideration transferred over the fair value of identifiable net assets acquired recognized as goodwill, or alternatively as a bargain purchase gain if the fair value of identifiable net assets exceeds the consideration transferred.

The pro forma adjustments reflect management's preliminary estimates of the fair values of the assets acquired and liabilities assumed, including adjustments to property, plant and equipment and deferred income taxes. These estimates are preliminary and subject to change as additional information becomes available and as valuations and other analyses are finalized. Actual amounts recorded at the acquisition date may differ materially from the pro forma amounts presented herein.

When the Transaction closes, Parex will issue approximately $500 million of senior unsecured notes, which will be used to fund the acquisition. The unaudited pro forma condensed consolidated statement of financial position as at

December 31, 2025, gives effect to the issuance of these senior unsecured notes as if the issuance had occurred on December 31, 2025. The unaudited pro forma condensed consolidated statement of income (loss) and comprehensive income (loss) for the year ended December 31, 2025, gives effect to the issuance as if it had occurred on January 1, 2025.

The accounting policies used in the preparation of the unaudited pro forma condensed consolidated financial statements are those of Parex as disclosed in its audited consolidated financial statements for the year ended December 31, 2025. In preparing the unaudited pro forma condensed consolidated financial statements, management reviewed the accounting policies of Frontera E&P to identify any material differences compared to Parex's accounting policies that could impact the pro forma condensed consolidated financial statements. Management has determined that no material differences in accounting policies exist that would require adjustment, other than reclassifications made to conform the presentation of Frontera E&P financial statements to that of Parex.

Certain reclassifications have been made to the historical financial statements of Frontera E&P in order to conform to Parex's financial statement presentation. These reclassifications have no impact on previously reported net income or equity.

The pro forma adjustments are based on information currently available and assumptions that management believes are reasonable under the circumstances. The assumptions underlying the unaudited pro forma condensed consolidated financial statements and the pro forma adjustments are described in the accompanying notes. The unaudited pro forma condensed consolidated financial statements do not include all of the disclosures required for annual consolidated financial statements prepared in accordance with IFRS and should be read in conjunction with the audited consolidated financial statements and related notes of Parex and the audited carve-out financial statements of Frontera E&P.

The unaudited pro forma condensed consolidated financial statements have been prepared for illustrative purposes only and do not represent the actual financial position or results of operations that would have occurred had the Transaction been completed on the dates assumed, nor are they necessarily indicative of the future financial position or results of operations of Parex following completion of the Transaction. Actual results may differ materially from those presented.

The unaudited pro forma condensed consolidated financial statements do not reflect any cost savings, operating synergies, integration costs, or other efficiencies that may result from the Transaction. Such amounts could be material. Additionally, the accounting for the Transaction is dependent upon certain valuations and other analyses that have not yet been finalized. Accordingly, the pro forma adjustments are preliminary and subject to revision. Any changes to these estimates upon completion of the purchase price allocation could have a material impact on the unaudited pro forma condensed consolidated financial statements.

3. Preliminary Purchase Price and Fair Values of Assets Acquired and Liabilities Assumed

Preliminary Purchase Price

Under the terms of the Arrangement Agreement, Parex acquired Frontera E&P for cash consideration of $500 million, payable at closing. The Transaction does not involve the issuance of any equity instruments by Parex. The Arrangement Agreement also provides for a contingent payment of $25.0 million, payable upon the satisfaction of certain conditions. For the purposes of the pro forma statement of financial position, the fair value of the contingent consideration was estimated to be $25.0 million. The final consideration is also adjusted for differences between the balances of certain financial statement line items between targeted amounts as specified in the Arrangement Agreement, and the balances as per the audited Frontera E&P financial statements which resulted in reduction to preliminary purchase price by $2.75 million. Additional adjustments may be required at closing, and the purchase consideration will ultimately be determined as of the closing date of the Transaction.

Preliminary Fair Values of Assets Acquired and Liabilities Assumed (In 000's)

The following table summarizes the preliminary allocation of the purchase consideration to the identifiable assets acquired and liabilities assumed, based on management's current estimates of fair value:

Total Consideration			**$522,245**
Assets			
	Cash and cash equivalents	$	185,416
	Restricted cash		11,318
	Accounts receivable to related parties		1,219
	Trade receivables		66,349
	Inventories		37,486
	Income taxes receivable		32,319
	Derivative financial instruments		2,715
	Prepaid expenses and deposits		2,124
	Properties, plant and equipment		1,333,005
	Exploration and evaluation assets		10,970
	Other assets		13,713
Liabilities			
	Accounts payable and accrued liabilities	$	(465,282)
	Current portion of customer prepayments		(48,843)
	Current portion of decommissioning and environmental liabilities		(46,903)
	Unsecured notes		(306,821)
	Customer prepayments		(57,778)
	Other payables		(8,223)
	Lease liabilities		(12,370)
	Asset retirement obligations		(173,274)
	Deferred income tax liability		(54,895)
Net assets acquired		**$**	**522,245**

As of the date of these unaudited condensed consolidated pro forma financial statements, management has not yet completed a detailed purchase price allocation for the acquisition of Frontera E&P. Accordingly, the determination of the fair values of the identifiable assets acquired and liabilities assumed remain preliminary. Consequently, for the purposes of these unaudited condensed consolidated pro forma financial statements, the carrying values of assets and liabilities as at December 31, 2025 have been used, other than for properties, plant and equipment assets. The fair values of each of the net assets acquired could be materially different from those presented here. In addition, the calculation of the tax cost bases of assets acquired and liabilities assumed is incomplete, including any recognition of the associated deferred tax assets and liabilities.

The final fair values of the identifiable assets acquired and liabilities assumed will ultimately be determined as of the closing date of the Transaction. The asset retirement obligation has not been remeasured using a credit adjusted risk free discount rate as required by IFRS 3. Parex's policy is to apply the risk free rate, which would create a Day 2 adjustment to align from the credit adjusted rate back to the risk free rate, resulting in no net impact. Given this, the pro forma information excludes this complexity. In accordance with IFRS 3, Parex will have a measurement period of up to one year from the acquisition date to finalize the purchase price allocation. During this period, adjustments may be made as additional information becomes available about facts and circumstances that existed at the acquisition date.

As a result, actual amounts recorded in Parex's consolidated financial statements following completion of the Transaction may differ materially from the preliminary amounts presented in these unaudited condensed consolidated pro forma financial statements and may result in the recognition of goodwill or a bargain purchase gain.

4. Pro forma Adjustments and Assumptions

The unaudited condensed consolidated pro forma statement of financial position and the unaudited condensed consolidated pro forma statement of income (loss) and comprehensive income (loss) give effect to the following adjustments:

a. Fair value adjustments to properties, plant and equipment assets

Based on the preliminary purchase price and the preliminary fair value of assets acquired and liabilities assumed in Note 3, a proforma adjustment is made to recognize and measure Frontera E&P's properties, plant and equipment assets acquired at their preliminary fair values in the unaudited condensed consolidated pro forma statement of financial position as at December 31, 2025 as if the Transaction had occurred on December 31, 2025.

b. Transaction Expenses

Management expects Parex will incur an estimated $21.0 million of transaction costs related to the acquisition. As such, a proforma adjustment is made to reflect the payment of such costs with cash in the unaudited condensed consolidated pro forma statement of financial position as at December 31, 2025 as if the Transaction had occurred on December 31, 2025 and the recognition of these costs in the unaudited condensed consolidated pro forma statements of income (loss) and comprehensive income (loss) for the year ended December 31, 2025 as if the Transaction had occurred on January 1, 2025.

c. Cumulative Translation Adjustment
To eliminate Frontera E&P's cumulative translation adjustments accounts on acquisition as at December 31, 2025.

d. Depletion

Depletion expenses have been adjusted to reflect the application of the appropriate unit-of-production method based on proved plus probable reserves following the adjustment of the Frontera E&P carrying value of properties, plant and equipment to its fair value upon acquisition as determined in the purchase price allocation in Note 3.

e. Impairment

Impairment charges of $566.3 million previously recognized by Frontera E&P during the period presented have been eliminated to reflect the preliminary fair value adjustments to the properties, plant and equipment assets.

f. Current and Deferred Income Taxes

A deferred tax liability relating to the acquisition Frontera E&P, as shown in the preliminary fair values of assets acquired and liabilities assumed table in Note 3 is included within the pro formas. In addition, the adjustments on the unaudited condensed consolidated pro forma statements of income (loss) and comprehensive income (loss) for the year ended December 31, 2025 represents the estimated income tax effect of the pro-forma adjustments. For the purpose of presenting the unaudited pro form condensed consolidated financial statements, any additional income tax and deferred tax effects including any tax benefits that may arise in connection with the pro forma adjustments have been excluded. The tax rate used to calculate that deferred tax liability relating to the acquisition Frontera E&P and the tax effect of the pro forma adjustments is assumed to be 35% based on Frontera E&P's combined effective tax rate in the jurisdiction it operates in.

g. Parent's net investment

The parent's net investment in Frontera E&P has been adjusted to reflect the elimination of the historical share capital.

h. Gain on repurchase of senior unsecured notes

The gain on repurchase of senior unsecured notes, net of consent solicitation in Frontera E&P has been eliminated

5. Other Transaction Accounting Adjustments

Debt Financing Adjustment

The unaudited condensed consolidated pro forma financial information reflects the issuance by Parex Resources Inc. of approximately $500 million of senior unsecured notes, guaranteed by Parex AcquisitionCo Inc., Frontera Petroleum International Holding B.V., Frontera Energy Colombia AG., Petróleos Sud Americanos S.A., Parex Resources (Switzerland) AG, Parex Resources (Colombia) AG, and Verano Energy (Switzerland) AG, in connection with the acquisition. The notes are assumed to bear a fixed interest rate of approximately 8.75%, payable semi-annually, and to have a five-year tenor with a two-year non-call period.

Total debt issuance costs are estimated at approximately $12.0 million and are amortized over the assumed term of the notes. The proceeds from the issuance are assumed to be used to finance a portion of the acquisition consideration and for general corporate purposes. The net increase to debt reflects the new debt of $500.0 million incurred to finance the Transaction, less $12.0 million of debt issuance costs.

The pro forma interest expense includes the contractual cash interest on the new notes, $43.75 million, and the amortization of related financing fees, $2.4 million, net of the related income tax effect. The actual interest rate, fees, and final terms of the financing may differ from those assumed.

Parex has obtained short-term bridge loan financing in the aggregate principal amount of $600.0 million (the “Bridge Facility”). In lieu of drawing on the Bridge Facility, Parex intends use to the net proceeds from the debt financing arrangement described above to fund the Transaction.

6. Pro Forma Presentation Reclassifications

The unaudited condensed consolidated pro forma statement of financial position and the unaudited condensed consolidated pro forma statement of income give effect to the following reclassification adjustments, which have been made to conform the financial statement presentation of Frontera E&P to the financial statement presentation of Parex:

a. Reclassify Frontera E&P’s accounts receivable to related parties to accounts receivable and accounts payable to related parties to accounts payable and accrued liabilities.

b. Reclassify Frontera E&P’s crude oil inventory from inventories to align with Parex.

c. Reclassify Frontera E&P’s restricted cash to other long-term assets to align with Parex.

d. Reclassify Frontera E&P’s insurance recoveries and other expenses.

e. Reclassify Frontera E&P’s operating costs expense to Parex’s production, transportation and general and administrative line items.

f. Reclassify Frontera E&P’s impairment charges for exploration and evaluation assets included in impairment expense, exploration expenses and other to Parex’s impairment of exploration and evaluation assets

g. Reclassify Frontera E&P’s impairment charges for property, plant and equipment included in impairment expense, exploration expenses and other to Parex’s impairment of property, plant and equipment assets.

7. Pro Forma Earnings Per Share

Pro forma basic and diluted earnings per share for the year ended December 31, 2025 have been calculated based on the actual weighted average number of common shares of Parex Resources Inc. outstanding during the period. As the Transaction was completed entirely for cash consideration and did not involve the issuance of equity instruments, no adjustment has been made to the weighted average number of common shares outstanding for purposes of the pro forma earnings per share calculation.

8. Pro Forma Share Capital

The authorized share capital of Parex Resources Inc. consists of an unlimited number of common shares. As at December 31, 2025, Parex had 95,974,136 common shares issued and outstanding.

The unaudited pro forma condensed consolidated financial statements assume that the Transaction was completed on January 1, 2025 for purposes of the pro forma statement of income (loss) and on December 31, 2025 for purposes of the pro forma statement of financial position. The Transaction was completed entirely for cash consideration and did not involve the issuance of any common shares or other equity instruments of Parex.

Accordingly, no adjustment has been made to Parex's share capital in the unaudited pro forma condensed consolidated statement of financial position, and the pro forma share capital reflects the historical issued and outstanding common shares of Parex as at December 31, 2025.

ANNEX C—RESERVE REPORTS EXCERPTS

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Excerpts from the Degolyer and Macnaughton Corp. report dated February 6, 2026 evaluating the oil and natural gas reserves of Frontera Energy Corporation, effective as of December 31, 2025	C-76



Parex Resources Inc.

Reserves Assessment and Evaluation of Colombian Oil and Gas Properties Corporate Summary

Effective December 31, 2025
Project Number 25038

GLJ Ltd
1920, 401 - 9 Avenue SW
Calgary Alberta T2P 3C5

CORPORATE SUMMARY

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March 3, 2026

Project 25038

Mr. Eric Furlan
Parex Resources Inc.
Eighth Avenue Place, West Tower
2700, 585 - 8th Avenue SW
Calgary, Alberta T2P 1G1

Dear Sir:

Re: Parex Resources Inc.
Corporate Evaluation
Effective December 31, 2025

GLJ Ltd. has completed an independent reserves assessment and evaluation of the oil and gas properties of Parex Resources Inc. (the "Company"). The effective date of this evaluation is December 31, 2025.

This report has been prepared for the Company for the purpose of annual disclosure and other financial requirements. This evaluation has been prepared in accordance with reserves definitions, standards and procedures contained in the Canadian Oil and Gas Evaluation Handbook.

It was GLJ's primary mandate in this evaluation to provide an independent evaluation of the oil and gas reserves of the Company in aggregate. Accordingly, it may not be appropriate to extract individual property or entity estimates for other purposes. Our engagement letter notes these limitations on the use of this report.

All values reported herein are in U.S. Dollars.

It is trusted that this evaluation meets your current requirements. Should you have any questions regarding this analysis, please contact the undersigned.

Yours very truly,

GLJ LTD.

Patrick A. Olenick, P. Eng.
Senior Vice President

PAO/ljn
Attachments

1920, 401 – 9th Ave SW Calgary, AB, Canada T2P 3C5 | tel 403-266-9500 | gljpc.com

INTRODUCTION

GLJ Ltd. (GLJ) was commissioned by Parex Resources Inc. (the "Company") to prepare an independent evaluation of its oil and gas reserves effective December 31, 2025. The locations of the reserves properties are indicated on the attached index map.

The evaluation was initiated in November 2025 and completed by March 2026. Estimates of reserves and projections of production were generally prepared using well information and production data available from public sources to approximately December 31, 2025. The Company provided land data, accounting data and other technical information not available in the public domain to approximately December 31, 2025. In certain instances, the Company also provided recent engineering, geological and other information up to December 31, 2025. The Company has confirmed that, to the best of its knowledge, all information provided to GLJ is correct and complete as of the effective date.

This evaluation has been prepared in accordance with procedures and standards contained in the Canadian Oil and Gas Evaluation (COGE) Handbook. The reserves definitions used in preparing this report (included herein under "Reserves Definitions") are those contained in the COGE Handbook and the Canadian Securities Administrators National Instrument 51-101 (NI 51-101).

The evaluation was conducted on the basis of the GLJ January 1, 2026 Price Forecast which is summarized in the Product Price and Market Forecasts section of this report.

Tables summarizing production, royalties, costs, revenue projections, reserves and present value estimates for various reserves categories for individual properties and the Company total are provided in the Summary section of this report.

The Evaluation Procedure section outlines general procedures used in preparing this evaluation. The individual property reports, provided under separate cover, provide additional evaluation details. The following summarizes evaluation matters that have been included/excluded in cash flow projections:

- in accordance with NI 51-101, the effect on projected revenues of the Company's financial hedging activity has not been included, however, the projected revenues related to physical sales contracts are included,
- provisions for the abandonment and reclamation of all of the Company's existing wells, both active and inactive, as well as the future wells included within this evaluation, to a standard imposed by applicable government or regulatory authorities have been included; all other abandonment and reclamation costs have not been included,
- general and administrative (G&A) costs and overhead recovery have not been included,
- undeveloped land values have not been included,
- per existing regulation as of the effective date, carbon taxes associated with greenhouse gas emissions do not apply to the assets included herein.

The "Securities Reporting" section of this report provides reserves data in a format that is consistent with the disclosure requirements set out in NI 51-101.

Economic forecasts are provided on an after tax basis in the “Summary” section including tax pools provided by the Company that are presented in the “Evaluation Procedure” section.

The preparation of an evaluation requires the use of judgment in applying the standards and definitions contained in the COGE Handbook and NI 51-101. GLJ has applied those standards and definitions based on its experience and knowledge of industry practice. While GLJ believes that the reserves data set forth in this evaluation have, in all material respects, been determined and are in accordance with the COGE Handbook, because the application of the standards and definitions contained in the COGE Handbook and NI 51-101 require the use of judgment, there is no assurance that the applicable securities regulator(s) will not take a different view as to some of the determinations in the evaluation.

Map 1

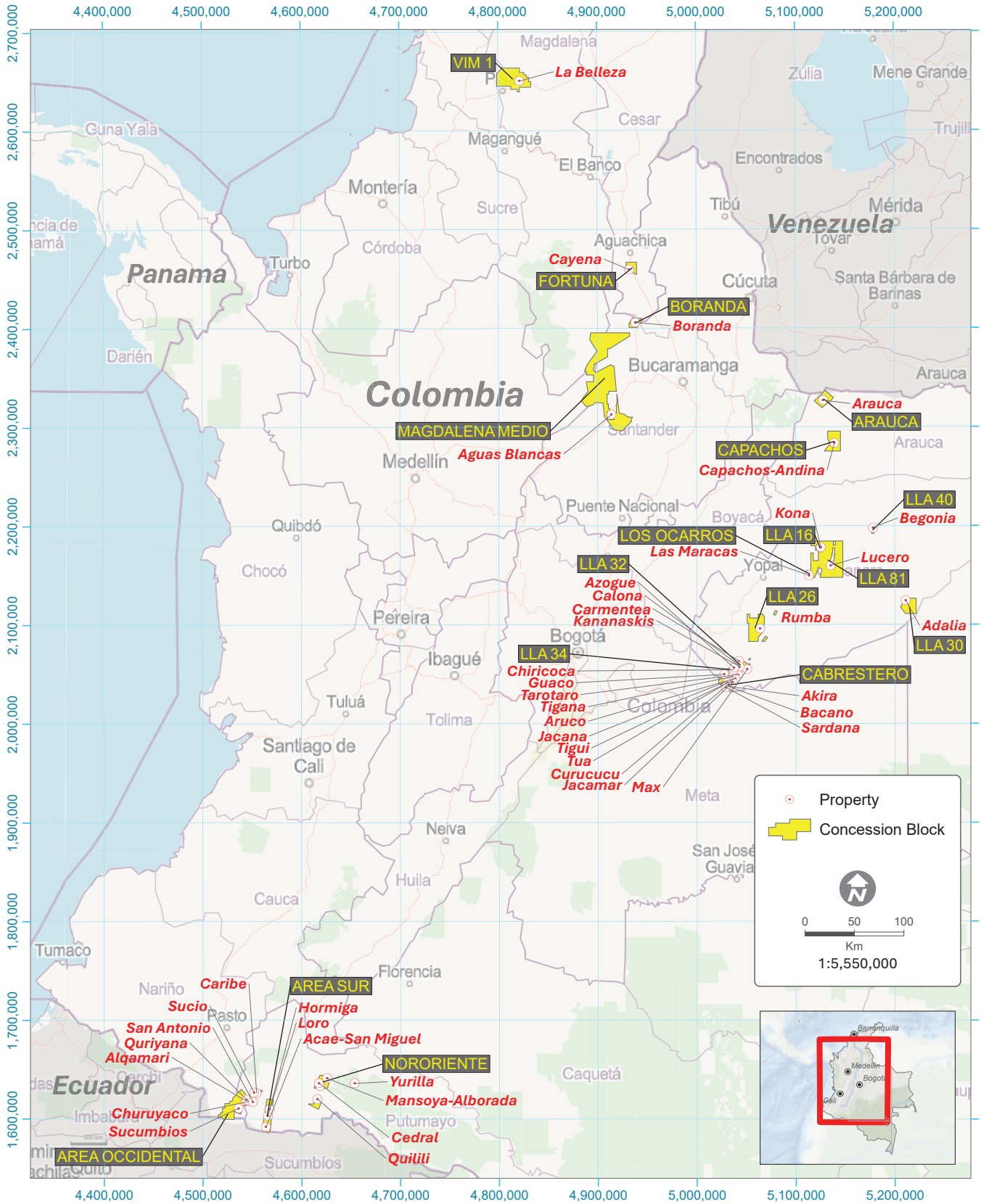
Index Map
Parex Evaluated Blocks

Company: Parex Resources Inc.

Property: (Corporate)

Effective Date: December 31, 2025

Project: s25038/indm01



MAGNA Colombia Bogota

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 Created by: rsamonte | Created on: December 18, 2025

OpenStreetMap: Map data © OpenStreetMap contributors, Microsoft, Facebook, Google, Esri Community Maps contributors, Map layer by Esri
World Ocean Base: Esri, GEBCO, Garmin, NaturalVue; Agencia Nacional de Hidrocarburos ANH

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ECONOMIC FORECASTS
Proved Developed Producing **16**
Proved Developed Non-Producing **18**
Proved Undeveloped **20**
Total Proved **22**
Total Probable **24**
Total Proved Plus Probable **26**
Total Possible **28**
Total Proved Plus Probable Plus Possible **30**

AFTER TAX SUMMARY 32

Parex Resources Inc.

Prices in GLJ (2026-01) as of January 1, 2026

Parex Resources Inc.

(Reserves)

	Remaining Reserves WI	RI	Net	Net Revenue NPV (MM$US) 0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %
Proved Developed Producing									
Light and Medium Oil (Mbbl)	16,094.4	-	14,380.1	844.0	756.2	712.5	686.5	630.1	583.7
Heavy Oil (Mbbl)	53,296.1	-	46,896.9	3,006.4	2,424.1	2,165.4	2,020.2	1,728.9	1,511.6
Gas (MMcf)	6,636.0	-	6,210.5	58.3	52.6	49.7	48.0	44.1	40.8
Solution Gas (MMcf)	11,696.3	-	11,097.4	126.5	108.9	100.2	95.0	83.9	74.9
Butane (Mbbl)	232.6	-	232.6	7.0	6.0	5.5	5.3	4.7	4.2
Pentane Plus (Mbbl)	128.3	-	120.1	7.5	6.5	6.0	5.7	5.2	4.7
Total				4,049.6	3,354.3	3,039.4	2,860.8	2,496.9	2,219.9
				Before Tax Cash Flow NPV (1) (MM$US)					
				2,402.2	2,046.2	1,878.0	1,780.7	1,577.8	1,419.1
				Net Revenue NPV (MM$US)					
Proved Developed Non-Producing									
Light and Medium Oil (Mbbl)	2,242.0	-	1,952.0	123.4	102.2	92.3	86.7	75.1	66.1
Heavy Oil (Mbbl)	832.8	-	776.7	53.7	38.2	31.7	28.2	21.6	17.0
Gas (MMcf)	2,105.4	-	1,997.7	10.7	8.8	7.9	7.4	6.3	5.5
Butane (Mbbl)	43.8	-	43.8	1.3	1.0	0.9	0.8	0.7	0.6
Pentane Plus (Mbbl)	51.1	-	47.8	3.3	2.7	2.5	2.4	2.1	1.8
Total				192.3	152.9	135.4	125.5	105.7	90.9
				Before Tax Cash Flow NPV (1) (MM$US)					
				114.9	91.9	81.4	75.4	63.3	54.1
				Net Revenue NPV (MM$US)					
Proved Undeveloped									
Light and Medium Oil (Mbbl)	21,481.7	-	18,328.5	1,067.4	828.7	727.0	670.9	559.7	477.5
Heavy Oil (Mbbl)	13,894.6	-	12,208.9	815.9	628.2	546.8	501.7	412.6	347.6
Gas (MMcf)	5,264.7	-	4,919.3	31.7	25.4	22.4	20.7	17.3	14.6
Butane (Mbbl)	321.0	-	321.0	9.6	7.8	6.9	6.5	5.4	4.7
Pentane Plus (Mbbl)	274.7	-	256.8	18.2	14.8	13.2	12.2	10.2	8.7
Total				1,942.9	1,504.9	1,316.3	1,211.9	1,005.2	853.1
				Before Tax Cash Flow NPV (1) (MM$US)					
				1,139.6	840.9	710.9	638.9	496.4	392.2
				Net Revenue NPV (MM$US)					
Total Proved									
Light and Medium Oil (Mbbl)	39,818.1	-	34,660.5	2,034.8	1,687.0	1,531.9	1,444.1	1,264.9	1,127.3
Heavy Oil (Mbbl)	68,023.5	-	59,882.6	3,876.0	3,090.6	2,743.9	2,550.1	2,163.1	1,876.1
Gas (MMcf)	14,006.0	-	13,127.5	100.7	86.8	80.0	76.1	67.6	60.8
Solution Gas (MMcf)	11,696.3	-	11,097.4	126.5	108.9	100.2	95.0	83.9	74.9
Butane (Mbbl)	597.5	-	597.5	17.9	14.8	13.4	12.6	10.8	9.5
Pentane Plus (Mbbl)	454.1	-	424.7	29.0	24.0	21.7	20.3	17.4	15.2
Total				6,184.9	5,012.1	4,491.1	4,198.2	3,607.8	3,163.9
				Before Tax Cash Flow NPV (1) (MM$US)					
				3,656.8	2,978.9	2,670.3	2,495.0	2,137.4	1,865.4
				Net Revenue NPV (MM$US)					
Total Probable									
Light and Medium Oil (Mbbl)	24,894.1	-	21,669.0	1,363.4	1,021.1	880.4	804.5	658.1	553.8
Heavy Oil (Mbbl)	34,368.7	-	30,645.3	2,250.2	1,442.0	1,153.7	1,009.9	757.5	598.6
Gas (MMcf)	5,935.6	-	5,542.1	42.5	33.8	30.0	27.8	23.4	20.0
Solution Gas (MMcf)	25,769.7	-	24,450.3	378.9	289.1	249.0	226.5	181.7	148.7
Butane (Mbbl)	286.8	-	286.8	8.6	6.2	5.2	4.7	3.7	3.1
Pentane Plus (Mbbl)	171.1	-	159.5	11.2	8.4	7.2	6.5	5.3	4.3
Total				4,054.7	2,800.5	2,325.6	2,079.9	1,629.7	1,328.5
				Before Tax Cash Flow NPV (1) (MM$US)					
				2,792.2	1,955.2	1,629.4	1,458.6	1,140.7	924.3
				Net Revenue NPV (MM$US)					
Total Proved + Probable									
Light and Medium Oil (Mbbl)	64,712.3	-	56,329.5	3,398.2	2,708.1	2,412.4	2,248.6	1,923.0	1,681.2
Heavy Oil (MMbbl)	102.4	-	90.5	6,126.2	4,532.6	3,897.6	3,560.0	2,920.6	2,474.7
Gas (MMcf)	19,941.6	-	18,669.6	143.2	120.6	110.0	103.8	91.0	80.8
Solution Gas (MMcf)	37,466.0	-	35,547.7	505.3	398.0	349.2	321.6	265.6	223.6
Butane (Mbbl)	884.2	-	884.2	26.5	21.0	18.6	17.3	14.6	12.6
Pentane Plus (Mbbl)	625.2	-	584.2	40.1	32.4	28.8	26.8	22.7	19.5
Total				10,239.6	7,812.7	6,816.7	6,278.1	5,237.5	4,492.4
				Before Tax Cash Flow NPV (1) (MM$US)					
				6,449.0	4,934.1	4,299.8	3,953.6	3,278.1	2,789.6
				Net Revenue NPV (MM$US)					
Total Possible									
Light and Medium Oil (Mbbl)	38,403.1	-	32,921.6	2,107.0	1,501.5	1,265.1	1,140.6	906.8	745.3
Heavy Oil (Mbbl)	38,616.3	-	34,235.1	2,553.9	1,609.5	1,281.2	1,119.3	838.8	664.6
Gas (MMcf)	8,068.7	-	7,515.9	54.3	41.4	35.9	32.9	26.9	22.4
Solution Gas (MMcf)	40,378.4	-	38,201.7	548.2	345.6	268.8	229.5	159.6	115.6
Butane (Mbbl)	405.2	-	405.2	12.2	8.5	7.1	6.4	5.0	4.1
Pentane Plus (Mbbl)	356.1	-	331.3	24.5	18.4	15.8	14.4	11.6	9.6
Total				5,300.1	3,524.9	2,873.9	2,543.0	1,948.7	1,561.5
				Before Tax Cash Flow NPV (1) (MM$US)					
				3,964.8	2,693.5	2,213.6	1,966.1	1,514.6	1,215.1
				Net Revenue NPV (MM$US)					

Parex Resources Inc.

Prices in GLJ (2026-01) as of January 1, 2026

Parex Resources Inc.

(Reserves)

Total Proved + Prob. + Poss.									
Light and Medium Oil (MMbbl)	103.1	-	89.3	5,505.2	4,209.6	3,677.5	3,389.2	2,829.8	2,426.4
Heavy Oil (MMbbl)	141.0	-	124.8	8,680.2	6,142.1	5,178.8	4,679.3	3,759.4	3,139.3
Gas (MMcf)	28,010.3	-	26,185.5	197.5	162.0	145.9	136.7	117.8	103.2
Solution Gas (MMcf)	77,844.3	-	73,749.4	1,053.5	743.6	618.0	551.1	425.3	339.2
Butane (Mbbl)	1,289.4	-	1,289.4	38.7	29.5	25.7	23.6	19.6	16.7
Pentane Plus (Mbbl)	981.2	-	915.5	64.7	50.8	44.6	41.2	34.3	29.1
Total				15,539.8	11,337.6	9,690.5	8,821.1	7,186.2	6,053.9

	Before Tax Cash Flow NPV (1) (MM$US)					
	10,413.8	7,627.6	6,513.3	5,919.7	4,792.8	4,004.7

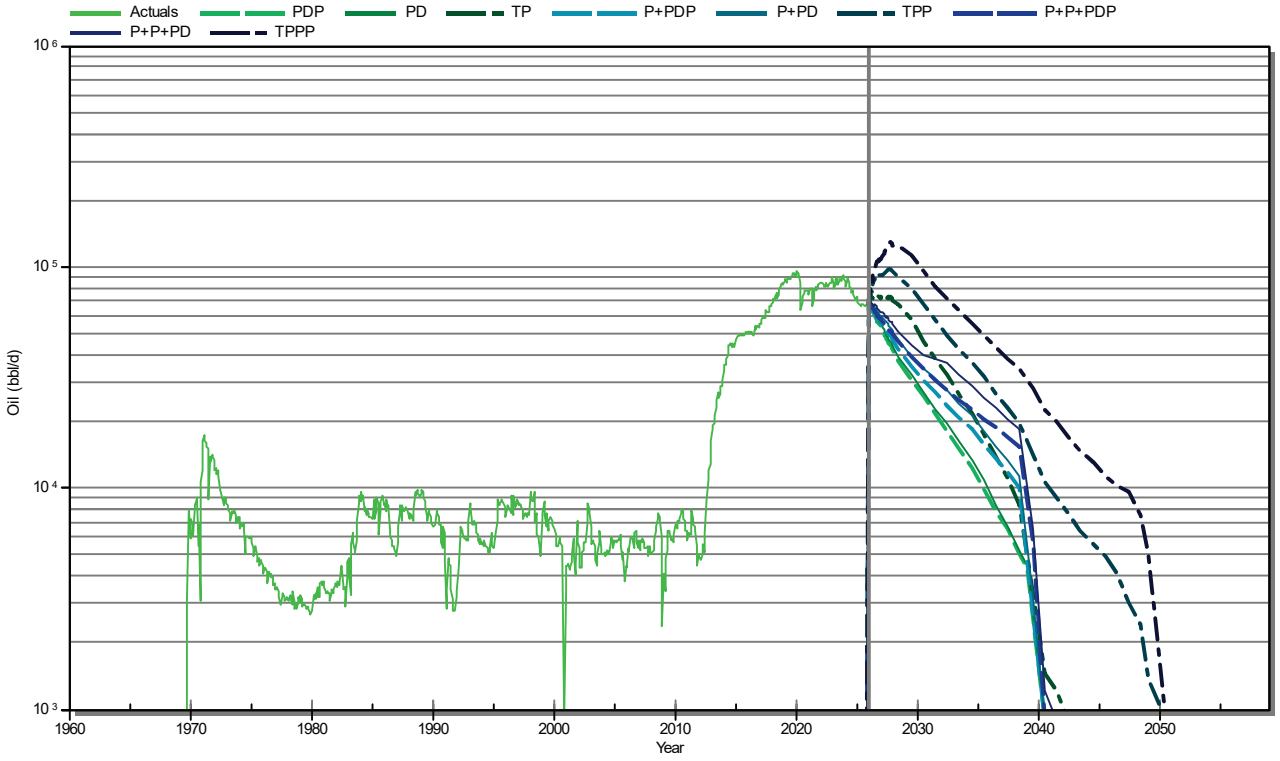
	Remaining Equivalent Reserves (2) (MBOE)			Before Tax Cash Flow NPV/WI BOE ($US/BOE)					
	WI	RI	Net	0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %
Proved									
Proved Developed Producing	72,806.8	-	64,514.3	33.0	28.1	25.8	24.5	21.7	19.5
Proved Developed Non-Producing	3,520.6	-	3,153.2	32.6	26.1	23.1	21.4	18.0	15.4
Proved Undeveloped	36,849.5	-	31,935.1	30.9	22.8	19.3	17.3	13.5	10.6
Total Proved	113,176.9	-	99,602.7	32.3	26.3	23.6	22.0	18.9	16.5
Total Probable	65,004.9	-	57,759.2	43.0	30.1	25.1	22.4	17.5	14.2
Total Proved + Probable	178,181.8	-	157,361.9	36.2	27.7	24.1	22.2	18.4	15.7
Total Possible	85,855.1	-	75,512.7	46.2	31.4	25.8	22.9	17.6	14.2
Total Proved + Prob. + Poss.	264,036.9	-	232,874.6	39.4	28.9	24.7	22.4	18.2	15.2

(1) Before Tax Cash Flow NPV is not available per product.
(2) Oil Equivalent based on 6:1 Mcf/bbl Gas, 1:1 bbl/bbl Liquids.

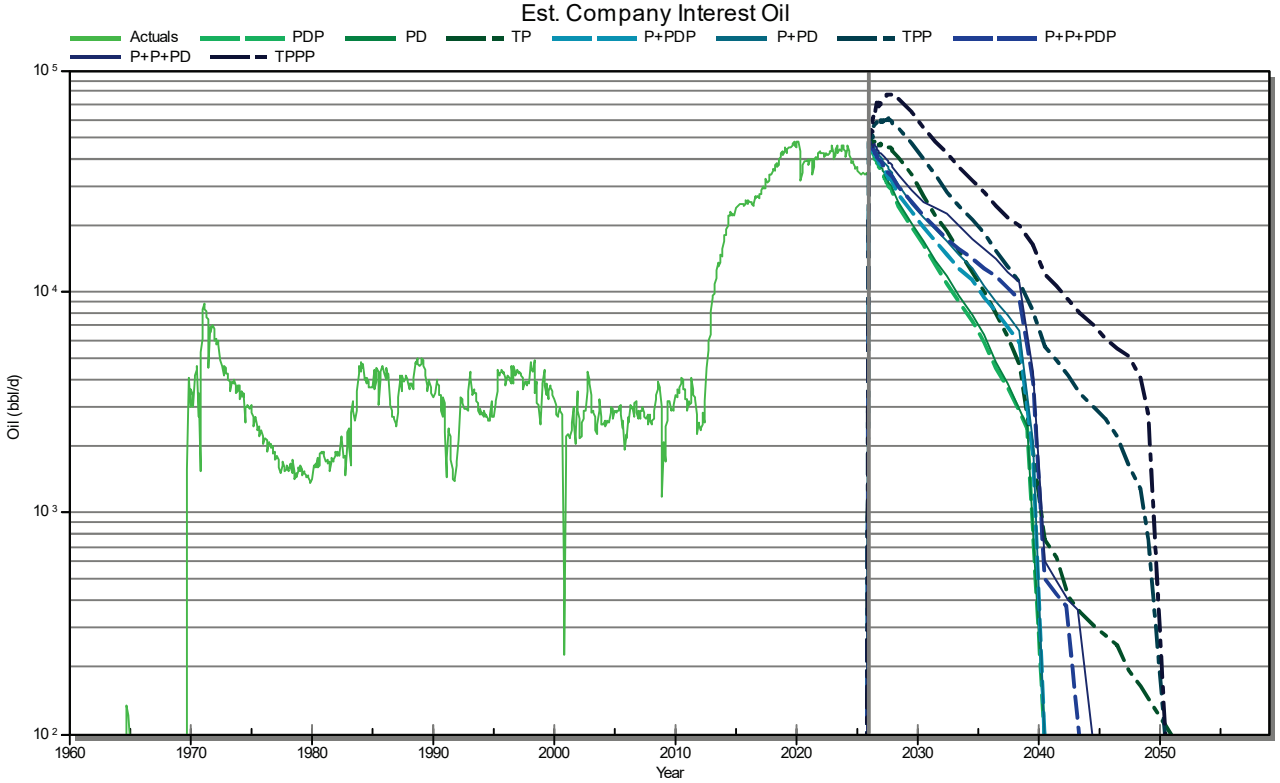
Parex Resources Inc.

Results as of January 1, 2026
Parex Resources Inc.
(Reserves)

Gross Lease Oil



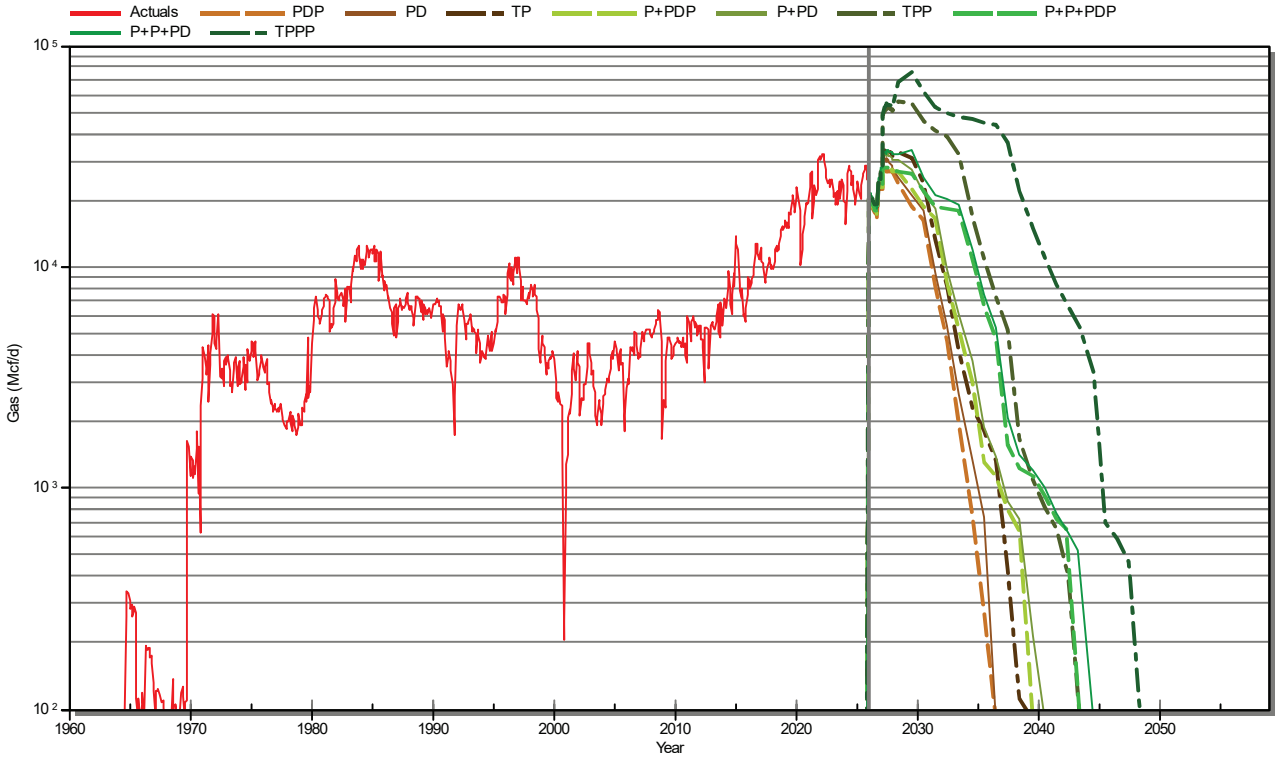
Est. Company Interest Oil



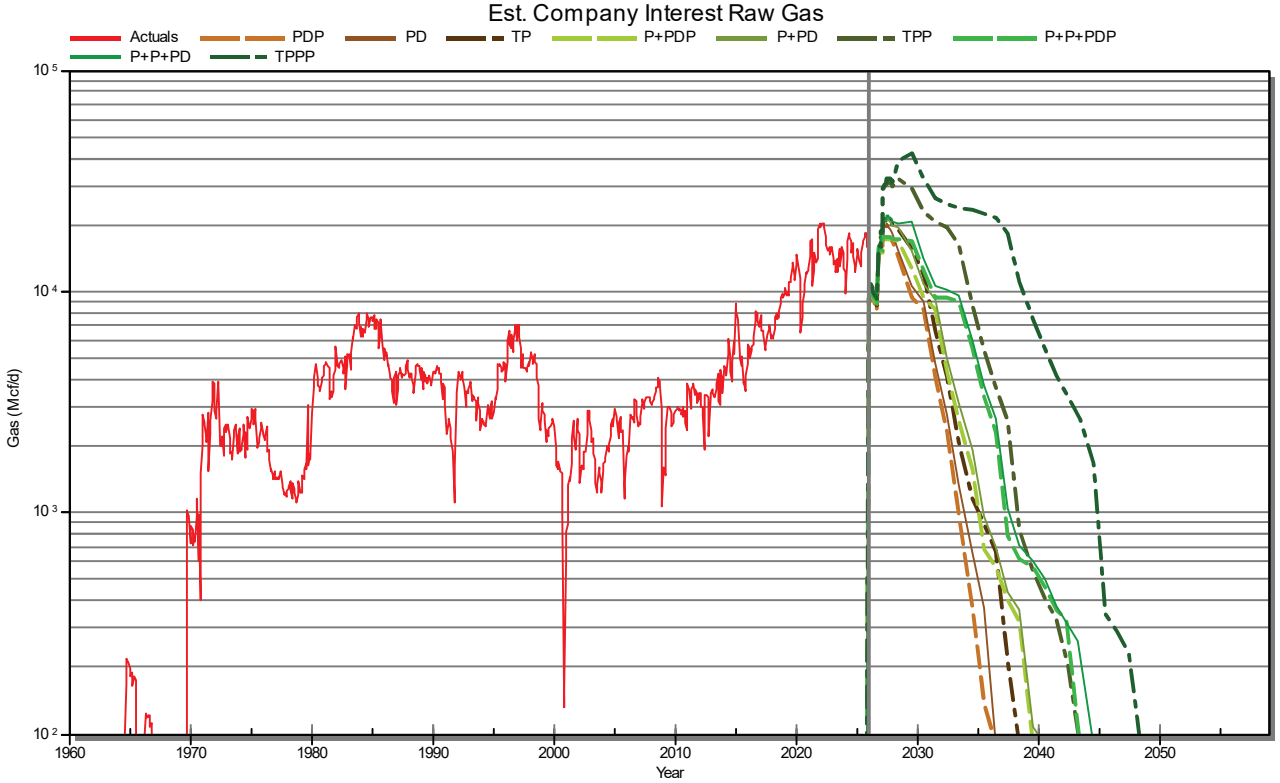
Parex Resources Inc.

Results as of January 1, 2026
Parex Resources Inc.
(Reserves)

Gross Lease Raw Gas



Est. Company Interest Raw Gas



Company: Parex Resources Inc.

Effective Date: December 31, 2025
Pricing: GLJ (2026-01) - Reserves Scenario

Table 2

Company Interest Reserves and Present Value Summary
Parex Resources Inc.

	2025 Company Interest Production					Company Interest Reserves					Reserves Life Indicators		Before Income Tax Discounted Present Value				
	Oil (bbl/d)	Gas (Mcf/d)	NGL (bbl/d)	Sulphur (LT/d)	BOE (BOE/d)	Oil (Mbbl)	Gas (MMcf)	NGL (Mbbl)	Sulphur (MLT)	BOE (MBOE)	Total (yr)	RLI (yr)	0% (M$US)	5% (M$US)	8% (M$US)	10% (M$US)	15% (M$US)
Proved Developed Producing																	
Lower Magdalena																	
VIM-1	1,650	4,015	0	0	2,319	2,178	11,696	0	0	4,127	8	4.9	148,362	131,486	122,942	117,794	106,541
Lower Magdalena Total	1,650	4,015	0	0	2,319	2,178	11,696	0	0	4,127	8	4.9	148,362	131,486	122,942	117,794	106,541
Middle Magdalena																	
Aguas Blancas	24	121	0	0	44	9	44	0	0	16	2	1.0	-857	-641	-540	-483	-365
Boranda	299	0	0	0	299	360	0	0	0	360	5	3.3	5,132	5,073	4,991	4,926	4,742
Middle Magdalena Total	322	121	0	0	343	369	44	0	0	376	5	3.0	4,275	4,432	4,451	4,443	4,377
Northern Llanos																	
Arauca	220	437	54	0	347	370	332	41	0	466	7	3.7	5,134	4,954	4,823	4,732	4,507
Capachos-Andina	2,718	2,042	205	0	3,263	3,884	2,974	320	0	4,700	10	3.9	148,875	132,041	123,654	118,649	107,838
Northern Llanos Total	2,938	2,480	258	0	3,610	4,254	3,306	361	0	5,166	10	3.9	154,009	136,994	128,477	123,381	112,345
Southern Llanos																	
Cabrestero	6,639	0	0	0	6,639	12,576	0	0	0	12,576	13	5.2	333,921	295,381	275,366	263,243	236,745
LLA-26	634	0	0	0	634	473	0	0	0	473	3	2.0	3,309	3,393	3,411	3,413	3,394
LLA-30	196	0	0	0	196	111	0	0	0	111	3	1.5	-141	50	134	179	268
LLA-32	6,835	1,175	0	0	7,031	5,430	3,286	0	0	5,977	7	2.3	205,002	193,270	186,787	182,696	173,242
LLA-34	18,471	0	0	0	18,471	41,699	0	0	0	41,699	14	6.2	1,468,346	1,201,329	1,079,492	1,010,310	869,735
LLA-40	261	0	0	0	261	116	0	0	0	116	2	1.2	-168	-67	-23	2	50
LLA-74	2,869	0	0	0	2,869	2,187	0	0	0	2,187	6	2.1	85,301	79,905	77,008	75,206	71,106
Southern Llanos Total	35,905	1,175	0	0	36,100	62,590	3,286	0	0	63,138	14	4.8	2,095,569	1,773,261	1,622,175	1,535,049	1,354,540
Proved Developed Producing Total	40,816	7,791	258	0	42,372	69,390	18,332	361	0	72,807			2,402,215	2,046,174	1,878,044	1,780,668	1,577,804
Proved Undeveloped																	
Middle Magdalena																	
Aguas Blancas	0	0	0	0	0	1,268	723	0	0	1,388	15	0.0	36,031	27,987	23,861	21,433	16,393
Middle Magdalena Total	0	0	0	0	0	1,268	723	0	0	1,388	15	0.0	36,031	27,987	23,861	21,433	16,393
Northern Llanos																	
Arauca	0	0	0	0	0	1,512	1,271	156	0	1,880	10	0.0	36,109	26,609	22,135	19,563	14,299
Capachos-Andina	0	0	0	0	0	2,938	3,271	440	0	3,923	12	0.0	144,556	115,079	101,230	93,238	76,694
Northern Llanos Total	0	0	0	0	0	4,450	4,541	596	0	5,803	12	0.0	180,665	141,688	123,364	112,800	90,993
Putumayo																	
Area Sur	630	0	0	0	630	2,844	0	0	0	2,844	8	12.4	7,996	4,451	2,528	1,342	-1,296
NorOriente	214	0	0	0	214	765	0	0	0	765	10	9.8	8,463	6,796	5,945	5,434	4,332
Occidente	1,631	0	0	0	1,631	11,012	0	0	0	11,012	23	18.5	315,444	215,823	175,867	154,576	114,198
zCapital Commitment Shortfall	0	0	0	0	0	0	0	0	0	0	0	0.0	-8,650	-8,390	-8,244	-8,150	-7,926
Putumayo Total	2,475	0	0	0	2,475	14,621	0	0	0	14,621	23	16.2	323,253	218,680	176,097	153,202	109,308
Southern Llanos																	
CPO-10	600	0	0	0	600	384	0	0	0	384	4	1.8	4,664	4,225	3,969	3,803	3,406
Cabrestero	97	0	0	0	97	1,940	0	0	0	1,940	14	54.6	79,089	60,065	51,686	47,028	37,822
LLA-32	570	0	0	0	570	431	0	0	0	431	5	2.1	9,424	8,722	8,312	8,048	7,420
LLA-34	1,642	0	0	0	1,642	12,283	0	0	0	12,283	17	20.5	506,501	379,491	323,656	292,593	231,045
Southern Llanos Total	2,908	0	0	0	2,908	15,038	0	0	0	15,038	17	14.2	599,677	452,503	387,624	351,472	279,693

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Company: Parex Resources Inc.

	2025 Company Interest Production					Company Interest Reserves					Reserves Life Indicators		Before Income Tax Discounted Present Value				
	Oil (bbl/d)	Gas (Mcf/d)	NGL (bbl/d)	Sulphur (LT/d)	BOE (BOE/d)	Oil (Mbbl)	Gas (MMcf)	NGL (Mbbl)	Sulphur (MLT)	BOE (MBOE)	Total (yr)	RLI (yr)	0% (M$US)	5% (M$US)	8% (M$US)	10% (M$US)	15% (M$US)
Proved Undeveloped Total	5,383	0	0	0	5,383	35,376	5,265	596	0	36,850			1,139,626	840,858	710,947	638,907	496,386
Total Proved																	
Lower Magdalena																	
VIM-1	1,650	4,015	0	0	2,319	2,178	11,696	0	0	4,127	8	4.9	148,362	131,486	122,942	117,794	106,541
Lower Magdalena Total	1,650	4,015	0	0	2,319	2,178	11,696	0	0	4,127	8	4.9	148,362	131,486	122,942	117,794	106,541
Middle Magdalena																	
Aguas Blancas	46	175	0	0	75	1,291	807	0	0	1,425	15	52.1	34,878	27,208	23,249	20,915	16,058
Boranda	299	0	0	0	299	360	0	0	0	360	5	3.3	5,132	5,073	4,991	4,926	4,742
Middle Magdalena Total	344	175	0	0	374	1,651	807	0	0	1,785	15	13.1	40,010	32,281	28,240	25,840	20,800
Northern Llanos																	
Arauca	220	438	54	0	347	2,061	1,815	222	0	2,586	10	20.4	50,138	39,455	34,320	31,331	25,112
Capachos-Andina	3,013	2,125	214	0	3,581	7,332	7,506	829	0	9,412	12	7.2	324,945	273,516	248,839	234,421	204,084
Northern Llanos Total	3,233	2,562	268	0	3,928	9,393	9,321	1,052	0	11,998	12	8.4	375,082	312,971	283,159	265,752	229,196
Putumayo																	
Area Sur	630	0	0	0	630	2,844	0	0	0	2,844	8	12.4	7,996	4,451	2,528	1,342	-1,296
NorOriente	214	0	0	0	214	765	0	0	0	765	10	9.8	8,463	6,796	5,945	5,434	4,332
Occidente	1,631	0	0	0	1,631	11,012	0	0	0	11,012	23	18.5	315,444	215,823	175,867	154,576	114,198
zCapital Commitment Shortfall	0	0	0	0	0	0	0	0	0	0	0	0.0	-8,650	-8,390	-8,244	-8,150	-7,926
Putumayo Total	2,475	0	0	0	2,475	14,621	0	0	0	14,621	23	16.2	323,253	218,680	176,097	153,202	109,308
Southern Llanos																	
CPO-10	600	0	0	0	600	384	0	0	0	384	4	1.8	4,664	4,225	3,969	3,803	3,406
Cabrestero	6,872	0	0	0	6,872	14,567	0	0	0	14,567	14	5.8	413,535	356,044	327,678	310,912	275,231
LLA-26	634	0	0	0	634	473	0	0	0	473	3	2.0	3,309	3,393	3,411	3,413	3,394
LLA-30	196	0	0	0	196	111	0	0	0	111	3	1.5	-141	50	134	179	268
LLA-32	7,857	1,175	0	0	8,053	6,428	3,878	0	0	7,074	7	2.4	223,307	210,605	203,484	198,961	188,431
LLA-34	20,229	0	0	0	20,229	55,734	0	0	0	55,734	17	7.5	2,040,251	1,629,327	1,444,242	1,339,891	1,129,710
LLA-40	261	0	0	0	261	116	0	0	0	116	2	1.2	-168	-67	-23	2	50
LLA-74	2,869	0	0	0	2,869	2,187	0	0	0	2,187	6	2.1	85,301	79,905	77,008	75,206	71,106
Southern Llanos Total	39,517	1,175	0	0	39,713	79,999	3,878	0	0	80,646	17	5.6	2,770,057	2,283,482	2,059,904	1,932,367	1,671,597
Total Proved Total	47,220	7,927	268	0	48,809	107,842	25,702	1,052	0	113,177			3,656,765	2,978,900	2,670,342	2,494,956	2,137,442
Total Probable																	
Lower Magdalena																	
VIM-1	967	0	0	0	967	1,807	25,770	0	0	6,102	13	17.3	312,020	242,258	210,436	192,388	155,848
Lower Magdalena Total	967	0	0	0	967	1,807	25,770	0	0	6,102	13	17.3	312,020	242,258	210,436	192,388	155,848
Middle Magdalena																	
Aguas Blancas	1	6	0	0	2	228	160	0	0	255	15	339.2	14,057	10,056	8,366	7,451	5,705
Boranda	94	0	0	0	94	1,677	0	0	0	1,677	11	48.8	35,184	25,283	20,647	17,997	12,616
Middle Magdalena Total	95	6	0	0	96	1,905	160	0	0	1,932	15	55.0	49,242	35,339	29,013	25,447	18,321
Northern Llanos																	
Arauca	18	51	6	0	32	560	499	61	0	705	10	59.6	32,490	25,692	22,560	20,774	17,138
Capachos-Andina	658	220	21	0	716	4,880	3,658	397	0	5,887	17	22.5	253,785	194,133	168,328	154,075	126,023
Northern Llanos Total	676	271	27	0	749	5,441	4,158	458	0	6,591	17	24.1	286,275	219,825	190,888	174,850	143,161
Putumayo																	
Area Sur	256	0	0	0	256	2,182	0	0	0	2,182	11	23.3	48,930	40,728	36,704	34,336	29,326
NorOriente	338	0	0	0	338	2,203	0	0	0	2,203	21	17.8	63,961	44,824	36,878	32,594	24,405
Occidente	251	0	0	0	251	4,836	0	0	0	4,836	23	52.6	170,642	111,596	89,805	78,692	58,635
zCapital Commitment Shortfall	0	0	0	0	0	0	0	0	0	0	0	0.0	8,650	8,390	8,244	8,150	7,926
Putumayo Total	846	0	0	0	846	9,221	0	0	0	9,221	23	29.8	292,183	205,539	171,632	153,771	120,292

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Company: Parex Resources Inc.

	2025 Company Interest Production					Company Interest Reserves					Reserves Life Indicators		Before Income Tax Discounted Present Value				
	Oil (bbl/d)	Gas (Mcf/d)	NGL (bbl/d)	Sulphur (LT/d)	BOE (BOE/d)	Oil (Mbbl)	Gas (MMcf)	NGL (Mbbl)	Sulphur (MLT)	BOE (MBOE)	Total (yr)	RLI (yr)	0% (M$US)	5% (M$US)	8% (M$US)	10% (M$US)	15% (M$US)
Southern Llanos																	
CPO-10	2,702	0	0	0	2,702	2,895	0	0	0	2,895	7	2.9	110,182	100,138	94,844	91,583	84,252
Cabrestero	244	0	0	0	244	5,175	0	0	0	5,175	14	58.2	196,343	143,473	120,618	108,081	83,768
LLA-26	9	0	0	0	9	83	0	0	0	83	3	25.2	1,028	943	897	869	804
LLA-30	4	0	0	0	4	27	0	0	0	27	3	20.0	210	225	227	226	219
LLA-32	1,183	0	0	0	1,183	2,716	1,619	0	0	2,986	9	6.9	109,064	95,557	88,607	84,396	75,150
LLA-34	1,031	0	0	0	1,031	29,113	0	0	0	29,113	24	77.3	1,397,155	878,886	691,983	598,346	433,756
LLA-40	7	0	0	0	7	32	0	0	0	32	2	11.9	228	219	213	210	202
LLA-74	99	0	0	0	99	849	0	0	0	849	8	23.5	38,258	32,803	30,077	28,449	24,930
Southern Llanos Total	5,279	0	0	0	5,279	40,889	1,619	0	0	41,159	24	21.3	1,852,467	1,252,243	1,027,466	912,158	703,079
Total Probable Total	7,864	276	27	0	7,937	59,263	31,705	458	0	65,005			2,792,187	1,955,205	1,629,434	1,458,614	1,140,702
Total Proved + Probable																	
Lower Magdalena																	
VIM-1	2,617	4,015	0	0	3,287	3,985	37,466	0	0	10,230	13	8.5	460,382	373,745	333,378	310,182	262,390
Lower Magdalena Total	2,617	4,015	0	0	3,287	3,985	37,466	0	0	10,230	13	8.5	460,382	373,745	333,378	310,182	262,390
Middle Magdalena																	
Aguas Blancas	47	181	0	0	77	1,519	967	0	0	1,680	15	59.8	48,936	37,264	31,615	28,365	21,763
Boranda	393	0	0	0	393	2,037	0	0	0	2,037	11	14.2	40,316	30,356	25,638	22,922	17,358
Middle Magdalena Total	440	181	0	0	470	3,556	967	0	0	3,717	15	21.7	89,252	67,620	57,253	51,288	39,121
Northern Llanos																	
Arauca	238	488	60	0	379	2,621	2,314	284	0	3,290	10	23.8	82,627	65,147	56,879	52,106	42,250
Capachos-Andina	3,671	2,345	235	0	4,297	12,212	11,165	1,226	0	15,299	17	9.7	578,730	467,649	417,167	388,496	330,107
Northern Llanos Total	3,909	2,833	295	0	4,677	14,833	13,479	1,509	0	18,589	17	10.9	661,357	532,796	474,047	440,602	372,358
Putumayo																	
Area Sur	886	0	0	0	886	5,026	0	0	0	5,026	11	15.5	56,926	45,179	39,233	35,678	28,029
NorOriente	552	0	0	0	552	2,968	0	0	0	2,968	21	14.7	72,424	51,621	42,823	38,028	28,738
Occidente	1,883	0	0	0	1,883	15,848	0	0	0	15,848	23	23.0	486,086	327,419	265,673	233,268	172,833
Putumayo Total	3,321	0	0	0	3,321	23,842	0	0	0	23,842	23	19.7	615,436	424,219	347,729	306,973	229,600
Southern Llanos																	
CPO-10	3,302	0	0	0	3,302	3,278	0	0	0	3,278	7	2.7	114,846	104,363	98,813	95,386	87,657
Cabrestero	7,115	0	0	0	7,115	19,742	0	0	0	19,742	14	7.6	609,877	499,516	448,296	418,993	359,000
LLA-26	643	0	0	0	643	556	0	0	0	556	3	2.4	4,337	4,336	4,308	4,282	4,198
LLA-30	199	0	0	0	199	137	0	0	0	137	3	1.9	68	275	360	405	486
LLA-32	9,040	1,175	0	0	9,236	9,144	5,496	0	0	10,060	9	3.0	332,371	306,162	292,091	283,356	263,581
LLA-34	21,260	0	0	0	21,260	84,847	0	0	0	84,847	24	10.9	3,437,406	2,508,213	2,136,225	1,938,237	1,563,466
LLA-40	269	0	0	0	269	147	0	0	0	147	2	1.5	61	151	191	212	252
LLA-74	2,968	0	0	0	2,968	3,036	0	0	0	3,036	8	2.8	123,558	112,708	107,085	103,655	96,037
Southern Llanos Total	44,796	1,175	0	0	44,992	120,889	5,496	0	0	121,805	24	7.4	4,622,524	3,535,725	3,087,370	2,844,525	2,374,676
Total Proved + Probable Total	55,083	8,203	295	0	56,746	167,104	57,408	1,509	0	178,182			6,448,951	4,934,104	4,299,776	3,953,570	3,278,145
Total Possible																	
Lower Magdalena																	
VIM-1	0	0	0	0	0	2,878	40,378	0	0	9,608	19	0.0	515,913	351,204	285,649	251,190	187,524
Lower Magdalena Total	0	0	0	0	0	2,878	40,378	0	0	9,608	19	0.0	515,913	351,204	285,649	251,190	187,524
Middle Magdalena																	
Aguas Blancas	1	3	0	0	1	292	190	0	0	324	15	763.8	20,048	14,745	12,498	11,272	8,901
Boranda	16	0	0	0	16	2,606	0	0	0	2,606	15	446.9	103,550	72,108	58,885	51,739	38,135
Middle Magdalena Total	17	3	0	0	17	2,899	190	0	0	2,930	15	468.4	123,598	86,853	71,383	63,012	47,037
Northern Llanos																	
Arauca	22	58	7	0	39	2,999	1,729	212	0	3,499	10	247.2	166,021	130,353	113,791	104,304	84,865

Company: Parex Resources Inc.

	2025 Company Interest Production					Company Interest Reserves					Reserves Life Indicators		Before Income Tax Discounted Present Value				
	Oil (bbl/d)	Gas (Mcf/d)	NGL (bbl/d)	Sulphur (LT/d)	BOE (BOE/d)	Oil (Mbbl)	Gas (MMcf)	NGL (Mbbl)	Sulphur (MLT)	BOE (MBOE)	Total (yr)	RLI (yr)	0% (M$US)	5% (M$US)	8% (M$US)	10% (M$US)	15% (M$US)
Capachos-Andina	260	96	9	0	286	5,471	4,207	549	0	6,721	22	64.4	292,978	208,056	174,364	156,541	123,057
Northern Llanos Total	282	154	16	0	324	8,470	5,936	761	0	10,220	22	86.3	458,999	338,410	288,155	260,844	207,922
Putumayo																	
Area Sur	179	0	0	0	179	4,028	0	0	0	4,028	16	61.6	88,714	68,050	58,933	53,866	43,854
NorOriente	341	0	0	0	341	2,489	0	0	0	2,489	23	20.0	91,478	63,560	52,938	47,420	37,215
Occidente	256	0	0	0	256	11,332	0	0	0	11,332	23	121.4	419,419	273,828	220,349	193,122	144,054
Putumayo Total	776	0	0	0	776	17,850	0	0	0	17,850	23	63.0	599,611	405,438	332,220	294,408	225,123
Southern Llanos																	
CPO-10	4,397	0	0	0	4,397	6,338	0	0	0	6,338	11	3.9	323,172	284,866	266,094	254,974	231,119
Cabrestero	68	0	0	0	68	4,246	0	0	0	4,246	14	171.3	171,515	115,356	92,466	80,321	57,716
LLA-26	12	0	0	0	12	108	0	0	0	108	4	25.3	1,136	1,060	1,012	981	906
LLA-30	3	0	0	0	3	22	0	0	0	22	3	23.2	252	232	221	215	199
LLA-32	866	0	0	0	866	3,166	1,942	0	0	3,490	12	11.0	140,917	118,052	106,922	100,384	86,570
LLA-34	952	0	0	0	952	30,361	0	0	0	30,361	24	87.4	1,600,223	967,972	747,992	639,831	453,665
LLA-40	5	0	0	0	5	71	0	0	0	71	3	42.3	254	253	249	245	234
LLA-74	63	0	0	0	63	610	0	0	0	610	9	26.7	29,223	23,767	21,193	19,706	16,627
Southern Llanos Total	6,364	0	0	0	6,364	44,923	1,942	0	0	45,247	24	19.5	2,266,691	1,511,556	1,236,150	1,096,658	847,037
Total Possible Total	7,439	157	16	0	7,481	77,019	48,447	761	0	85,855			3,964,811	2,693,461	2,213,556	1,966,112	1,514,642
Total Proved + Prob. + Poss.																	
Lower Magdalena																	
VIM-1	2,617	4,015	0	0	3,287	6,863	77,844	0	0	19,838	19	16.5	976,295	724,949	619,027	561,372	449,913
Lower Magdalena Total	2,617	4,015	0	0	3,287	6,863	77,844	0	0	19,838	19	16.5	976,295	724,949	619,027	561,372	449,913
Middle Magdalena																	
Aguas Blancas	47	184	0	0	78	1,811	1,157	0	0	2,004	15	70.3	68,984	52,009	44,113	39,638	30,664
Boranda	409	0	0	0	409	4,643	0	0	0	4,643	15	31.1	143,867	102,463	84,523	74,662	55,493
Middle Magdalena Total	456	184	0	0	487	6,454	1,157	0	0	6,647	15	37.4	212,850	154,473	128,636	114,300	86,158
Northern Llanos																	
Arauca	260	546	67	0	418	5,620	4,043	496	0	6,789	10	44.5	248,648	195,500	170,670	156,409	127,115
Capachos-Andina	3,932	2,441	244	0	4,583	17,683	15,372	1,775	0	22,020	22	13.2	871,708	675,706	591,531	545,037	453,164
Northern Llanos Total	4,192	2,987	311	0	5,001	23,303	19,415	2,271	0	28,809	22	15.8	1,120,356	871,206	762,201	701,446	580,280
Putumayo																	
Area Sur	1,065	0	0	0	1,065	9,054	0	0	0	9,054	16	23.3	145,640	113,229	98,166	89,544	71,883
NorOriente	893	0	0	0	893	5,457	0	0	0	5,457	23	16.7	163,902	115,180	95,761	85,448	65,952
Occidente	2,139	0	0	0	2,139	27,180	0	0	0	27,180	23	34.8	905,505	601,248	486,021	426,390	316,887
Putumayo Total	4,097	0	0	0	4,097	41,692	0	0	0	41,692	23	27.9	1,215,047	829,657	679,948	601,381	454,723
Southern Llanos																	
CPO-10	7,699	0	0	0	7,699	9,617	0	0	0	9,617	11	3.4	438,018	389,229	364,908	350,360	318,777
Cabrestero	7,183	0	0	0	7,183	23,988	0	0	0	23,988	14	9.1	781,392	614,872	540,763	499,314	416,716
LLA-26	654	0	0	0	654	664	0	0	0	664	4	2.8	5,473	5,396	5,320	5,263	5,104
LLA-30	202	0	0	0	202	159	0	0	0	159	3	2.2	320	507	581	620	685
LLA-32	9,906	1,175	0	0	10,102	12,310	7,438	0	0	13,550	12	3.7	473,287	424,213	399,013	383,741	350,151
LLA-34	22,212	0	0	0	22,212	115,208	0	0	0	115,208	24	14.2	5,037,629	3,476,185	2,884,217	2,578,068	2,017,131
LLA-40	273	0	0	0	273	218	0	0	0	218	3	2.2	315	404	439	457	486
LLA-74	3,030	0	0	0	3,030	3,646	0	0	0	3,646	9	3.3	152,782	136,475	128,278	123,361	112,664
Southern Llanos Total	51,160	1,175	0	0	51,356	165,812	7,438	0	0	167,051	24	8.9	6,889,215	5,047,281	4,323,520	3,941,183	3,221,713
Total Proved + Prob. + Poss. Total	62,522	8,361	311	0	64,227	244,124	105,855	2,271	0	264,037			10,413,763	7,627,565	6,513,332	5,919,682	4,792,786

(1) - NGL Including Field Condensate.

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Parex Resources Inc.

Results as of January 1, 2026

Parex Resources Inc.

Proved Developed Producing (Reserves)

			WI Share L&M Oil				WI Share Heavy Oil				WI Share Total Oil				WI Share Sales Gas			
Year	Gross Well Count	WI Wells	Cal Day Rate bbl/d	Volume Mbbl	Avg. Price $US/bbl	Sales Revenue MM$US	Cal Day Rate bbl/d	Volume Mbbl	Avg. Price $US/bbl	Sales Revenue MM$US	Cal Day Rate bbl/d	Volume Mbbl	Avg. Price $US/bbl	Sales Revenue MM$US	Cal Day Rate Mcf/d	Volume MMcf	Avg. Price $US/Mcf	Sales Revenue MM$US
2026	235.0	162.2	16,127.5	5,886.5	51.70	304.4	24,688.0	9,011.1	52.37	471.9	40,815.5	14,897.7	52.10	776.2	7,790.5	2,843.5	9.78	27.8
2027	232.0	161.7	9,750.9	3,559.1	58.81	209.3	21,656.0	7,904.5	59.10	467.1	31,406.9	11,463.5	59.01	676.4	11,838.9	4,321.2	11.29	48.8
2028	224.0	154.6	6,315.4	2,311.4	62.66	144.8	18,032.8	6,600.0	62.97	415.6	24,348.2	8,911.4	62.89	560.4	10,290.4	3,766.3	11.23	42.3
2029	212.0	144.4	4,286.6	1,564.6	64.64	101.1	15,121.4	5,519.3	64.99	358.7	19,408.0	7,083.9	64.91	459.8	6,887.9	2,514.1	10.61	26.7
2030	205.0	138.8	3,103.1	1,132.6	65.87	74.6	13,009.3	4,748.4	66.28	314.7	16,112.3	5,881.0	66.20	389.3	6,596.1	2,407.6	10.72	25.8
2031	189.0	125.6	2,058.4	751.3	66.95	50.3	11,254.0	4,107.7	67.62	277.8	13,312.4	4,859.0	67.52	328.1	3,599.5	1,313.8	10.36	13.6
2032	173.0	113.2	1,156.9	423.4	68.10	28.8	9,672.8	3,540.2	68.97	244.2	10,829.7	3,963.7	68.88	273.0	2,004.3	733.6	9.84	7.2
2033	153.0	95.5	658.1	240.2	68.20	16.4	8,271.9	3,019.2	70.34	212.4	8,930.0	3,259.4	70.19	228.8	805.4	294.0	8.69	2.6
2034	138.0	85.5	442.7	161.6	68.77	11.1	6,848.9	2,499.9	71.75	179.4	7,291.6	2,661.4	71.57	190.5	276.7	101.0	5.97	0.6
2035	116.0	71.6	174.3	63.6	70.39	4.5	5,656.4	2,064.6	73.19	151.1	5,830.6	2,128.2	73.11	155.6	102.0	37.2	5.96	0.2
2036	93.0	56.1	-	-	-	-	4,550.7	1,665.6	74.66	124.3	4,550.7	1,665.6	74.66	124.3	-	-	-	-
2037	77.0	44.2	-	-	-	-	3,714.5	1,355.8	76.15	103.2	3,714.5	1,355.8	76.15	103.2	-	-	-	-
2038	64.0	37.0	-	-	-	-	2,864.4	1,045.5	77.68	81.2	2,864.4	1,045.5	77.68	81.2	-	-	-	-
2039 (3)	49.0	27.0	-	-	-	-	2,381.2	214.3	79.33	17.0	2,381.2	214.3	79.33	17.0	-	-	-	-
2040	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2041	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2042	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2043	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2044	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13.25 yr				**16,094.4**	**58.74**	**945.3**		**53,296.1**	**64.14**	**3,418.6**		**69,390.5**	**62.89**	**4,364.0**		**18,332.2**	**10.67**	**195.6**

	WI Share Condensate				WI Share Liquids				WI Share Oil Equivalent			
Year	Cal Day Rate bbl/d	Volume Mbbl	Avg. Price $US/bbl	Sales Revenue MM$US	Cal Day Rate bbl/d	Volume Mbbl	Avg. Price $US/bbl	Sales Revenue MM$US	Cal Day Rate BOE/d	Volume MBOE	Avg. Price $US/BOE	Sales Revenue MM$US
2026	-	-	-	-	258.4	94.3	40.92	3.9	42,372.4	15,465.9	52.24	807.9
2027	-	-	-	-	167.6	61.2	39.54	2.4	33,547.6	12,244.9	59.42	727.6
2028	-	-	-	-	133.0	48.7	41.16	2.0	26,196.2	9,587.8	63.07	604.7
2029	-	-	-	-	108.0	39.4	42.21	1.7	20,664.0	7,542.4	64.72	488.2
2030	-	-	-	-	89.5	32.6	43.03	1.4	17,301.1	6,314.9	65.96	416.6
2031	-	-	-	-	75.2	27.4	43.88	1.2	13,987.5	5,105.4	67.16	342.9
2032	-	-	-	-	64.0	23.4	44.73	1.0	11,227.7	4,109.3	68.45	281.3
2033	-	-	-	-	47.8	17.4	40.00	0.7	9,112.0	3,325.9	69.76	232.0
2034	-	-	-	-	32.7	12.0	39.90	0.5	7,370.5	2,690.2	71.20	191.6
2035	-	-	-	-	12.2	4.4	40.20	0.2	5,859.8	2,138.8	72.93	156.0
2036	-	-	-	-	-	-	-	-	4,550.7	1,665.6	74.66	124.3
2037	-	-	-	-	-	-	-	-	3,714.5	1,355.8	76.15	103.2
2038	-	-	-	-	-	-	-	-	2,864.4	1,045.5	77.68	81.2
2039 (3)	-	-	-	-	-	-	-	-	2,381.2	214.3	79.33	17.0
2040	-	-	-	-	-	-	-	-	-	-	-	-
2041	-	-	-	-	-	-	-	-	-	-	-	-
2042	-	-	-	-	-	-	-	-	-	-	-	-
2043	-	-	-	-	-	-	-	-	-	-	-	-
2044	-	-	-	-	-	-	-	-	-	-	-	-
13.25 yr		**-**	**-**	**-**		**361.0**	**41.44**	**15.0**		**72,806.8**	**962.73**	**4,574.5**

	Royalties & Burdens														
Year	Heavy Oil S/S M$US	Light Oil S/S M$US	Gas S/S M$US	C5+ S/S M$US	ANH Rights M$US	HPS M$US	X Factor M$US	Overriding Royalty M$US	Total Roy. & Burdens M$US	Total Roy. & Burdens %	WI Sales Revenue MM$US	RI Revenue MM$US	Co. Share Revenue MM$US	Total Roy. & Burdens MM$US	Net Revenue MM$US
2026	12,195.9	47,988.3	1,571.4	144.5	2,583.4	18,363.2	13,125.1	-	95,971.8	11.9	807.9	-	807.9	96.0	711.9
2027	11,786.4	39,480.7	2,823.2	75.7	1,988.9	26,409.1	13,348.0	-	95,912.0	13.2	727.6	-	727.6	95.9	631.7
2028	10,544.5	31,459.2	2,390.8	65.9	1,546.1	24,474.1	11,256.6	-	81,737.1	13.5	604.7	-	604.7	81.7	523.0
2029	9,176.8	25,001.8	1,392.2	56.6	1,229.1	20,806.2	9,455.0	-	67,117.7	13.7	488.2	-	488.2	67.1	421.0
2030	8,032.3	20,713.0	1,343.2	49.0	1,020.4	17,554.3	8,320.8	-	57,033.0	13.7	416.6	-	416.6	57.0	359.5
2031	7,069.6	16,964.0	714.8	43.0	843.0	15,170.4	5,612.0	-	46,417.0	13.5	342.9	-	342.9	46.4	296.5
2032	6,310.9	13,531.9	384.4	38.2	687.7	12,226.1	3,986.2	-	37,165.5	13.2	281.3	-	281.3	37.2	244.1
2033	5,381.3	11,154.6	142.4	20.2	565.5	10,240.8	2,310.0	-	29,814.7	12.9	232.0	-	232.0	29.8	202.2
2034	4,440.8	9,316.7	38.6	13.5	461.8	8,497.5	1,397.0	-	24,165.9	12.6	191.6	-	191.6	24.2	167.4
2035	3,659.5	7,567.5	14.2	5.1	369.2	7,208.4	1,188.4	-	20,012.3	12.8	156.0	-	156.0	20.0	136.0
2036	2,739.2	6,295.4	-	-	289.0	5,863.1	1,038.6	-	16,225.2	13.0	124.3	-	124.3	16.2	108.1
2037	2,311.3	5,177.7	-	-	235.2	4,703.3	881.0	-	13,308.6	12.9	103.2	-	103.2	13.3	89.9
2038	1,753.9	4,158.4	-	-	181.4	3,762.0	705.7	-	10,561.4	13.0	81.2	-	81.2	10.6	70.7
2039 (3)	379.0	854.7	-	-	37.2	769.2	157.7	-	2,197.7	12.9	17.0	-	17.0	2.2	14.8
2040	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2041	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2042	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2043	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2044	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13.25 yr	**85,781.4**	**239,664.0**	**10,815.3**	**511.6**	**12,037.9**	**176,047.6**	**72,781.9**	**-**	**597,639.8**	**13.1**	**4,574.5**	**-**	**4,574.5**	**597.6**	**3,976.8**

	Net Oil			Net Sales Gas			Net Condensate			Net Liquids			Net Oil Equivalent			Net Other
Year	Cal Day Rate bbl/d	Volume Mbbl	Net Revenue MM$US	Cal Day Rate Mcf/d	Volume MMcf	Net Revenue MM$US	Cal Day Rate bbl/d	Volume Mbbl	Net Revenue MM$US	Cal Day Rate bbl/d	Volume Mbbl	Net Revenue MM$US	Cal Day Rate BOE/d	Volume MBOE	Net Revenue MM$US	Net Revenue MM$US
2026	36,565.9	13,346.6	695.1	7,341.2	2,679.5	26.3	-	-	-	251.3	91.7	3.7	38,040.7	13,884.9	711.9	-13.1
2027	27,708.6	10,113.7	596.8	11,152.9	4,070.8	46.0	-	-	-	164.1	59.9	2.3	29,731.5	10,852.0	631.7	-13.3
2028	21,393.2	7,829.9	492.4	9,707.5	3,552.9	39.9	-	-	-	130.2	47.6	1.9	23,141.3	8,469.7	523.0	-11.3
2029	17,035.8	6,218.1	403.6	6,522.8	2,380.8	25.3	-	-	-	105.7	38.6	1.6	18,228.6	6,653.4	421.0	-9.5
2030	14,154.7	5,166.5	342.0	6,248.1	2,280.6	24.5	-	-	-	87.5	31.9	1.4	15,283.6	5,578.5	359.5	-8.3
2031	11,688.6	4,266.3	288.0	3,406.7	1,243.4	12.9	-	-	-	73.5	26.8	1.2	12,329.8	4,500.4	296.5	-5.6
2032	9,531.4	3,488.5	240.3	1,894.5	693.4	6.8	-	-	-	62.5	22.9	1.0	9,909.7	3,626.9	244.1	-4.0
2033	7,863.6	2,870.2	201.4	758.9	277.0	2.4	-	-	-	47.0	17.1	0.7	8,037.1	2,933.5	202.2	-2.3
2034	6,422.6	2,344.3	167.8	259.0	94.5	0.6	-	-	-	32.2	11.8	0.5	6,498.0	2,371.8	167.4	-1.4
2035	5,126.2	1,871.0	136.8	95.5	34.9	0.2	-	-	-	12.0	4.4	0.2	5,154.1	1,881.2	136.0	-1.2
2036	3,994.9	1,462.1	109.2	-	-	-	-	-	-	-	-	-	3,994.9	1,462.1	108.1	-1.0
2037	3,267.4	1,192.6	90.8	-	-	-	-	-	-	-	-	-	3,267.4	1,192.6	89.9	-0.9
2038	2,516.8	918.6	71.4	-	-	-	-	-	-	-	-	-	2,516.8	918.6	70.7	-0.7
2039 (3)	2,095.4	188.6	15.0	-	-	-	-	-	-	-	-	-	2,095.4	188.6	14.8	-0.2
2040	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2041	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2042	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2043	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2044	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13.25 yr		**61,277.0**	**3,850.4**		**17,307.9**	**184.8**		**-**	**-**		**352.7**	**14.4**		**64,514.3**	**3,976.8**	**-72.8**

Parex Resources Inc.

Results as of January 1, 2026

Parex Resources Inc.

Proved Developed Producing (Reserves)

	Operating Costs							Capital Costs					Before Tax Cash Flow		
Year	Fixed M$US	Variable M$US	Total M$US	Abandon. M$US	Salvage M$US	Other Income M$US	Net Op. Income M$US	G&G M$US	Property & Leasehold M$US	Tangible M$US	Intangible M$US	Total M$US	BTCF M$US	Cum. M$US	NPV @ 10.00 % M$US
2026	90,571.9	122,017.5	212,589.4	-	-	-	499,360.4	-	-	-	1,980.0	1,980.0	497,380.4	497,380.4	474,982.4
2027	88,920.3	104,739.8	193,660.1	-	-	-	438,059.9	-	-	-	552.7	552.7	437,507.2	934,887.6	380,173.1
2028	85,929.5	90,450.4	176,379.9	-	-	-	346,586.2	-	-	-	-	-	346,586.2	1,281,473.8	273,105.0
2029	82,331.3	79,035.7	161,367.1	-	-	-	259,678.2	-	-	-	-	-	259,678.2	1,541,152.0	186,020.6
2030	63,878.8	71,525.5	135,404.3	-	-	-	224,118.3	-	-	-	-	-	224,118.3	1,765,270.3	145,952.0
2031	59,367.2	63,330.9	122,698.2	1,194.9	-	-	172,564.5	-	-	-	-	-	172,564.5	1,937,834.8	102,162.6
2032	52,496.7	54,578.8	107,075.5	2,573.2	-	-	134,465.6	-	-	-	-	-	134,465.6	2,072,300.4	72,370.0
2033	44,422.1	47,691.4	92,113.5	4,061.9	-	-	106,026.4	-	-	-	-	-	106,026.4	2,178,326.8	51,876.3
2034	39,807.1	41,279.2	81,086.3	2,298.1	-	-	84,002.3	-	-	-	-	-	84,002.3	2,262,329.1	37,364.0
2035	33,451.6	33,861.9	67,313.5	5,445.3	-	-	63,214.7	-	-	-	-	-	63,214.7	2,325,543.8	25,561.6
2036	25,076.7	27,891.6	52,968.3	5,467.8	-	-	49,684.1	-	-	-	-	-	49,684.1	2,375,228.0	18,263.9
2037	22,728.3	24,047.6	46,775.9	7,581.2	-	-	35,577.8	-	-	-	-	-	35,577.8	2,410,805.7	11,889.5
2038	19,846.3	19,454.2	39,300.5	4,614.9	-	-	26,735.4	-	-	-	-	-	26,735.4	2,437,541.1	8,122.3
2039 (3)	4,045.0	4,148.3	8,193.3	6,680.5	-	-	-71.2	-	-	-	-	-	-71.2	2,437,469.9	-19.7
2040	-	-	-	6,944.3	-	-	-6,944.3	-	-	-	-	-	-6,944.3	2,430,525.6	-1,743.6
2041	-	-	-	6,028.5	-	-	-6,028.5	-	-	-	-	-	-6,028.5	2,424,497.1	-1,376.0
2042	-	-	-	3,404.2	-	-	-3,404.2	-	-	-	-	-	-3,404.2	2,421,092.9	-706.4
2043	-	-	-	5,357.8	-	-	-5,357.8	-	-	-	-	-	-5,357.8	2,415,735.2	-1,010.7
2044	-	-	-	13,520.1	-	-	-13,520.1	-	-	-	-	-	-13,520.1	2,402,215.1	-2,318.5
13.25 yr	**712,872.7**	**784,053.0**	**1,496,925.7**	**75,172.8**	**-**	**-**	**2,404,747.8**	**-**	**-**	**-**	**2,532.7**	**2,532.7**	**2,402,215.1**	**2,402,215.1**	**1,780,668.4**

Country/State	Colombia
Econ. Calc. Date	Jan 2025
Avg. WI Share	62.78 %
Econ. Life/To Aban.	13.25 yr / 18.25 yr
Econ. RLI	4.42 yr
Price Deck	GLJ (2026-01)
Price Set	N/A
Economic Limit	N/A
COS / COO	100.0 % / 100.0 %
Oil Reserves Type	<multiple>
Gas Reserves Type	<multiple>

	Remaining Reserves					Net Revenue NPV (MM$US)					
Product	Gross	WI	RI	Co. Share	Net	0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %
Oil (MMbbl)	109.8	69.4	-	69.4	61.3	3,850.4	3,180.3	2,877.9	2,706.8	2,359.1	2,095.3
Sales Gas (MMcf)	33,168.8	18,332.2	-	18,332.2	17,307.9	184.8	161.5	149.9	143.0	128.0	115.7
Condensate (MMbbl)	-	-	-	-	-	-	-	-	-	-	-
Liquids (MMbbl)	0.7	0.4	-	0.4	0.4	14.4	12.5	11.5	11.0	9.9	8.9
Other Equiv. (MMBOE)	-	-	-	-	-	-	-	-	-	-	-
Other						-	-	-	-	-	-
Total (MMBOE)	**116.0**	**72.8**	**-**	**72.8**	**64.5**	**4,049.6**	**3,354.3**	**3,039.4**	**2,860.8**	**2,496.9**	**2,219.9**
Total BTCF						**2,402.2**	**2,046.2**	**1,878.0**	**1,780.7**	**1,577.8**	**1,419.1**

Parex Resources Inc.

Results as of January 1, 2026

Parex Resources Inc.

Proved Developed Non-Producing (Reserves)

Year	Gross Well Count	WI Wells	WI Share L&M Oil Cal Day Rate bbl/d	WI Share L&M Oil Volume Mbbl	WI Share L&M Oil Avg. Price $US/bbl	WI Share L&M Oil Sales Revenue MM$US	WI Share Heavy Oil Cal Day Rate bbl/d	WI Share Heavy Oil Volume Mbbl	WI Share Heavy Oil Avg. Price $US/bbl	WI Share Heavy Oil Sales Revenue MM$US	WI Share Total Oil Cal Day Rate bbl/d	WI Share Total Oil Volume Mbbl	WI Share Total Oil Avg. Price $US/bbl	WI Share Total Oil Sales Revenue MM$US	WI Share Sales Gas Cal Day Rate Mcf/d	WI Share Sales Gas Volume MMcf	WI Share Sales Gas Avg. Price $US/Mcf	WI Share Sales Gas Sales Revenue MM$US
2026 (11)	16.0	10.7	936.8	312.9	52.25	16.3	178.6	59.6	52.95	3.2	1,115.4	372.5	52.36	19.5	149.1	49.8	8.53	0.4
2027	18.0	12.2	1,281.0	467.5	59.15	27.7	77.1	28.2	59.57	1.7	1,358.1	495.7	59.17	29.3	1,901.9	694.2	3.32	2.3
2028	14.0	9.8	861.0	315.1	62.72	19.8	59.0	21.6	63.48	1.4	920.0	336.7	62.77	21.1	577.6	211.4	6.89	1.5
2029	14.0	8.9	743.0	271.2	64.27	17.4	131.4	47.9	65.48	3.1	874.4	319.2	64.45	20.6	975.4	356.0	6.16	2.2
2030	11.0	5.9	486.7	177.6	65.88	11.7	141.2	51.6	66.82	3.4	627.9	229.2	66.09	15.1	662.9	242.0	6.21	1.5
2031	9.0	4.9	448.7	163.8	67.61	11.1	102.5	37.4	68.16	2.6	551.3	201.2	67.71	13.6	463.2	169.1	6.33	1.1
2032	11.0	6.0	442.6	162.0	69.10	11.2	399.9	146.4	69.06	10.1	842.5	308.4	69.08	21.3	350.8	128.4	6.40	0.8
2033	10.0	5.4	355.0	129.6	70.51	9.1	367.4	134.1	70.43	9.4	722.3	263.7	70.47	18.6	282.0	102.9	6.40	0.7
2034	9.0	4.9	276.4	100.9	71.92	7.3	276.6	101.0	71.84	7.3	553.0	201.8	71.88	14.5	232.5	84.9	6.40	0.5
2035	9.0	4.9	307.7	112.3	72.56	8.1	181.5	66.2	73.20	4.8	489.2	178.6	72.80	13.0	182.9	66.8	6.26	0.4
2036	7.0	3.8	79.3	29.0	75.32	2.2	142.5	52.2	74.65	3.9	221.9	81.2	74.89	6.1	-	-	-	-
2037	1.0	0.5	-	-	-	-	117.2	42.8	76.14	3.3	117.2	42.8	76.14	3.3	-	-	-	-
2038	1.0	0.5	-	-	-	-	98.4	35.9	77.66	2.8	98.4	35.9	77.66	2.8	-	-	-	-
2039 (3)	1.0	0.6	-	-	-	-	88.9	8.0	79.32	0.6	88.9	8.0	79.32	0.6	-	-	-	-
2040	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2041	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2044	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13.25 yr				**2,242.0**	**63.29**	**141.9**		**832.8**	**69.13**	**57.6**		**3,074.8**	**64.87**	**199.5**		**2,105.4**	**5.41**	**11.4**

Year	WI Share Condensate Cal Day Rate bbl/d	WI Share Condensate Volume Mbbl	WI Share Condensate Avg. Price $US/bbl	WI Share Condensate Sales Revenue MM$US	WI Share Liquids Cal Day Rate bbl/d	WI Share Liquids Volume Mbbl	WI Share Liquids Avg. Price $US/bbl	WI Share Liquids Sales Revenue MM$US	WI Share Oil Equivalent Cal Day Rate BOE/d	WI Share Oil Equivalent Volume MBOE	WI Share Oil Equivalent Avg. Price $US/BOE	WI Share Oil Equivalent Sales Revenue MM$US
2026 (11)	-	-	-	-	10.3	3.4	36.10	0.1	1,150.6	384.3	52.19	20.1
2027	-	-	-	-	40.7	14.8	65.60	1.0	1,715.7	626.2	52.07	32.6
2028	-	-	-	-	36.6	13.4	58.05	0.8	1,052.9	385.4	60.65	23.4
2029	-	-	-	-	56.2	20.5	48.19	1.0	1,093.1	399.0	59.53	23.8
2030	-	-	-	-	37.1	13.5	47.70	0.6	775.5	283.1	61.10	17.3
2031	-	-	-	-	24.0	8.8	45.19	0.4	652.5	238.2	63.36	15.1
2032	-	-	-	-	17.5	6.4	43.44	0.3	918.5	336.2	66.64	22.4
2033	-	-	-	-	14.1	5.1	43.93	0.2	783.4	286.0	68.07	19.5
2034	-	-	-	-	11.6	4.2	44.44	0.2	603.4	220.2	69.20	15.2
2035	-	-	-	-	12.5	4.6	42.55	0.2	532.2	194.3	70.06	13.6
2036	-	-	-	-	-	-	-	-	221.9	81.2	74.89	6.1
2037	-	-	-	-	-	-	-	-	117.2	42.8	76.14	3.3
2038	-	-	-	-	-	-	-	-	98.4	35.9	77.66	2.8
2039 (3)	-	-	-	-	-	-	-	-	88.9	8.0	79.32	0.6
2040	-	-	-	-	-	-	-	-	-	-	-	-
2041	-	-	-	-	-	-	-	-	-	-	-	-
2044	-	-	-	-	-	-	-	-	-	-	-	-
13.25 yr		**-**	**-**	**-**		**94.9**	**50.53**	**4.8**		**3,520.6**	**930.89**	**215.7**

Year	Royalties & Burdens Heavy Oil S/S M$US	Light Oil S/S M$US	Gas S/S M$US	C5+ S/S M$US	ANH Rights M$US	HPS M$US	X Factor M$US	Overriding Royalty M$US	Total Roy. & Burdens M$US	Total Roy. & Burdens %	WI Sales Revenue MM$US	RI Revenue MM$US	Co. Share Revenue MM$US	Total Roy. & Burdens MM$US	Net Revenue MM$US
2026 (11)	154.4	1,443.7	29.7	4.0	64.6	676.8	102.0	-	2,475.2	12.3	20.1	-	20.1	2.5	17.6
2027	50.8	2,284.1	147.6	59.7	85.6	1,010.4	199.0	-	3,837.2	11.8	32.6	-	32.6	3.8	28.8
2028	82.3	1,581.2	93.2	41.9	58.1	833.1	131.6	-	2,821.4	12.1	23.4	-	23.4	2.8	20.5
2029	188.4	1,394.4	140.4	43.0	55.2	704.0	112.9	-	2,638.2	11.1	23.8	-	23.8	2.6	21.1
2030	206.7	936.2	96.1	27.5	39.6	518.1	96.9	-	1,921.2	11.1	17.3	-	17.3	1.9	15.4
2031	153.1	885.9	68.5	15.5	34.9	665.4	106.8	-	1,930.1	12.8	15.1	-	15.1	1.9	13.2
2032	655.2	895.4	52.6	10.1	53.5	734.8	186.0	-	2,587.6	11.6	22.4	-	22.4	2.6	19.8
2033	603.3	730.9	42.2	8.3	45.7	606.4	163.9	-	2,200.7	11.3	19.5	-	19.5	2.2	17.3
2034	437.2	580.5	34.8	7.0	35.0	482.7	128.3	-	1,705.5	11.2	15.2	-	15.2	1.7	13.5
2035	290.9	652.0	26.7	6.4	31.0	421.4	98.0	-	1,526.5	11.2	13.6	-	13.6	1.5	12.1
2036	233.6	175.0	-	-	14.1	161.7	56.7	-	641.1	10.5	6.1	-	6.1	0.6	5.4
2037	195.4	-	-	-	7.4	-	30.6	-	233.5	7.2	3.3	-	3.3	0.2	3.0
2038	167.4	-	-	-	6.2	-	26.2	-	199.8	7.2	2.8	-	2.8	0.2	2.6
2039 (3)	38.1	-	-	-	1.4	-	6.0	-	45.4	7.2	0.6	-	0.6	0.0	0.6
2040	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2041	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2044	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13.25 yr	**3,456.7**	**11,559.3**	**731.7**	**223.4**	**532.4**	**6,814.7**	**1,445.1**	**-**	**24,763.4**	**11.5**	**215.7**	**-**	**215.7**	**24.8**	**190.9**

Year	Net Oil Cal Day Rate bbl/d	Net Oil Volume Mbbl	Net Oil Net Revenue MM$US	Net Sales Gas Cal Day Rate Mcf/d	Net Sales Gas Volume MMcf	Net Sales Gas Net Revenue MM$US	Net Condensate Cal Day Rate bbl/d	Net Condensate Volume Mbbl	Net Condensate Net Revenue MM$US	Net Liquids Cal Day Rate bbl/d	Net Liquids Volume Mbbl	Net Liquids Net Revenue MM$US	Net Oil Equivalent Cal Day Rate BOE/d	Net Oil Equivalent Volume MBOE	Net Oil Equivalent Net Revenue MM$US	Net Other Net Revenue MM$US
2026 (11)	982.4	328.1	17.2	138.3	46.2	0.4	-	-	-	10.1	3.4	0.1	1,015.5	339.2	17.6	-0.1
2027	1,199.0	437.7	25.9	1,855.6	677.3	2.2	-	-	-	38.3	14.0	0.9	1,546.6	564.5	28.8	-0.2
2028	808.9	296.1	18.6	540.6	197.9	1.4	-	-	-	35.0	12.8	0.7	934.0	341.8	20.5	-0.1
2029	775.1	282.9	18.2	913.0	333.2	2.1	-	-	-	54.4	19.9	0.9	981.7	358.3	21.1	-0.1
2030	557.6	203.5	13.4	620.5	226.5	1.4	-	-	-	36.0	13.1	0.6	697.0	254.4	15.4	-0.1
2031	481.1	175.6	11.9	433.6	158.2	1.0	-	-	-	23.4	8.5	0.4	576.7	210.5	13.2	-0.1
2032	750.2	274.6	19.0	328.4	120.2	0.8	-	-	-	17.1	6.3	0.3	822.0	300.9	19.8	-0.2
2033	645.3	235.5	16.6	263.9	96.3	0.6	-	-	-	13.8	5.0	0.2	703.0	256.6	17.3	-0.2
2034	494.6	180.5	13.0	217.6	79.4	0.5	-	-	-	11.3	4.1	0.2	542.2	197.9	13.5	-0.1
2035	436.9	159.5	11.6	171.2	62.5	0.4	-	-	-	12.3	4.5	0.2	477.7	174.4	12.1	-0.1
2036	200.6	73.4	5.5	-	-	-	-	-	-	-	-	-	200.6	73.4	5.4	-0.1
2037	109.9	40.1	3.1	-	-	-	-	-	-	-	-	-	109.9	40.1	3.0	0.0
2038	92.3	33.7	2.6	-	-	-	-	-	-	-	-	-	92.3	33.7	2.6	0.0
2039 (3)	83.4	7.5	0.6	-	-	-	-	-	-	-	-	-	83.4	7.5	0.6	0.0
2040	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2041	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2044	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13.25 yr		**2,728.6**	**177.1**		**1,997.7**	**10.7**		**-**	**-**		**91.6**	**4.6**		**3,153.2**	**190.9**	**-1.4**

Year	Operating Costs Fixed M$US	Operating Costs Variable M$US	Operating Costs Total M$US	Abandon. M$US	Salvage M$US	Other Income M$US	Net Op. Income M$US	Capital Costs G&G M$US	Capital Costs Property & Leasehold M$US	Capital Costs Tangible M$US	Capital Costs Intangible M$US	Capital Costs Total M$US	Before Tax Cash Flow BTCF M$US	Before Tax Cash Flow Cum. M$US	Before Tax Cash Flow NPV @ 10.00 % M$US
2026 (11)	2,075.0	1,978.7	4,053.7	-	-	-	13,527.9	-	-	4,227.5	2,025.0	6,252.5	7,275.4	7,275.4	6,745.4
2027	4,217.8	3,459.5	7,677.3	-	-	-	21,092.1	-	-	1,159.1	3,320.4	4,479.5	16,612.6	23,888.0	14,320.0
2028	2,227.2	2,535.2	4,762.4	-	-	-	15,786.7	-	-	1,131.3	1,035.3	2,166.6	13,620.1	37,508.1	10,732.5
2029	1,553.9	2,378.5	3,932.4	-	-	-	17,180.1	-	-	1,153.9	722.2	1,876.1	15,304.1	52,812.2	10,963.1
2030	1,167.2	1,776.4	2,943.6	-	-	-	12,431.3	-	-	-	-	-	12,431.3	65,243.5	8,095.6
2031	1,827.1	1,534.7	3,361.8	-1,194.9	-	-	10,994.3	-	-	-	-	-	10,994.3	76,237.8	6,508.9

Parex Resources Inc.

Results as of January 1, 2026

Parex Resources Inc.

Proved Developed Non-Producing (Reserves)

Year	Operating Costs							Capital Costs					Before Tax Cash Flow		
	Fixed M$US	Variable M$US	Total M$US	Abandon. M$US	Salvage M$US	Other Income M$US	Net Op. Income M$US	G&G M$US	Property & Leasehold M$US	Tangible M$US	Intangible M$US	Total M$US	BTCF M$US	Cum. M$US	NPV @ 10.00 % M$US
2032	3,606.3	2,519.7	6,126.0	2,608.2	-	-	11,080.1	-	-	-	610.3	610.3	10,469.9	86,707.7	5,634.9
2033	3,657.0	2,326.4	5,983.4	792.9	-	-	10,487.1	-	-	-	-	-	10,487.1	97,194.7	5,131.1
2034	3,679.2	2,047.6	5,726.8	1,220.1	-	-	6,588.9	-	-	-	-	-	6,588.9	103,783.6	2,930.7
2035	5,064.1	1,729.3	6,793.4	454.1	-	-	4,837.1	-	-	-	-	-	4,837.1	108,620.7	1,955.9
2036	1,376.8	722.1	2,098.9	-167.8	-	-	3,508.6	-	-	-	-	-	3,508.6	112,129.3	1,289.8
2037	121.8	289.3	411.1	237.8	-	-	2,374.8	-	-	-	-	-	2,374.8	114,504.1	793.6
2038	124.2	247.8	372.1	242.9	-	-	1,975.0	-	-	-	-	-	1,975.0	116,479.1	600.0
2039 (3)	31.4	55.9	87.3	-	-	-	501.8	-	-	-	-	-	501.8	116,980.9	138.6
2040	-	-	-	253.1	-	-	-253.1	-	-	-	-	-	-253.1	116,727.8	-63.6
2041	-	-	-	1,534.1	-	-	-1,534.1	-	-	-	-	-	-1,534.1	115,193.7	-350.2
2044	-	-	-	270.4	-	-	-270.4	-	-	-	-	-	-270.4	114,923.2	-46.4
13.25 yr	**30,729.1**	**23,601.2**	**54,330.3**	**6,251.0**	**-**	**-**	**130,308.1**	**-**	**-**	**7,671.8**	**7,713.1**	**15,384.9**	**114,923.2**	**114,923.2**	**75,380.0**

Country/State	Colombia
Econ. Calc. Date	Jan 2025
Avg. WI Share	58.63 %
Econ. Life/To Aban.	13.25 yr / 18.25 yr
Econ. RLI	0.00 yr
Price Deck	GLJ (2026-01)
Price Set	N/A
Economic Limit	N/A
COS / COO	100.0 % / 100.0 %
Oil Reserves Type	<multiple>
Gas Reserves Type	Gas

Product	Remaining Reserves Gross	WI	RI	Co. Share	Net	Net Revenue NPV (MM$US) 0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %
Oil (Mbbl)	5,212.2	3,074.8	-	3,074.8	2,728.6	177.1	140.4	124.1	114.9	96.6	83.1
Sales Gas (MMcf)	3,619.0	2,105.4	-	2,105.4	1,997.7	10.7	8.8	7.9	7.4	6.3	5.5
Condensate (Mbbl)	-	-	-	-	-	-	-	-	-	-	-
Liquids (Mbbl)	189.8	94.9	-	94.9	91.6	4.6	3.8	3.4	3.2	2.8	2.4
Other Equiv. (MBOE)	-	-	-	-	-	-	-	-	-	-	-
Other						-	-	-	-	-	-
Total (MBOE)	**6,005.1**	**3,520.6**	**-**	**3,520.6**	**3,153.2**	**192.3**	**152.9**	**135.4**	**125.5**	**105.7**	**90.9**
Total BTCF						**114.9**	**91.9**	**81.4**	**75.4**	**63.3**	**54.1**

Parex Resources Inc.

Results as of January 1, 2026

Parex Resources Inc.

Proved Undeveloped (Reserves)

Year	Gross Well Count	WI Wells	WI Share L&M Oil Cal Day Rate bbl/d	Volume Mbbl	Avg. Price $US/bbl	Sales Revenue MM$US	WI Share Heavy Oil Cal Day Rate bbl/d	Volume Mbbl	Avg. Price $US/bbl	Sales Revenue MM$US	WI Share Total Oil Cal Day Rate bbl/d	Volume Mbbl	Avg. Price $US/bbl	Sales Revenue MM$US	WI Share Sales Gas Cal Day Rate Mcf/d	Volume MMcf	Avg. Price $US/Mcf	Sales Revenue MM$US
2026	47.0	22.3	3,094.2	1,129.4	44.26	50.0	2,289.1	835.5	55.44	46.3	5,383.3	1,964.9	49.01	96.3	-	-	-	-
2027	84.0	45.4	7,841.8	2,862.2	49.74	142.4	4,346.6	1,586.5	59.58	94.5	12,188.4	4,448.8	53.25	236.9	833.9	304.4	7.32	2.2
2028	105.0	56.8	9,871.1	3,612.8	55.82	201.7	4,970.9	1,819.4	63.20	115.0	14,842.0	5,432.2	58.29	316.6	2,937.2	1,075.0	6.33	6.8
2029	103.0	55.8	8,511.5	3,106.7	58.37	181.3	4,794.4	1,750.0	65.03	113.8	13,305.9	4,856.6	60.77	295.1	3,824.1	1,395.8	5.91	8.2
2030	100.0	53.3	6,313.3	2,304.4	58.97	135.9	3,997.9	1,459.2	66.28	96.7	10,311.3	3,763.6	61.80	232.6	2,256.5	823.6	6.19	5.1
2031	94.0	49.6	4,879.1	1,780.9	59.70	106.3	3,419.0	1,247.9	67.61	84.4	8,298.1	3,028.8	62.96	190.7	1,460.3	533.0	6.38	3.4
2032	94.0	49.6	3,925.3	1,436.7	60.58	87.0	3,029.1	1,108.7	68.97	76.5	6,954.5	2,545.3	64.24	163.5	1,020.0	373.3	6.53	2.4
2033	93.0	49.6	2,911.2	1,062.6	62.04	65.9	2,720.6	993.0	70.34	69.8	5,631.9	2,055.6	66.05	135.8	551.4	201.3	7.15	1.4
2034	78.0	41.6	2,155.6	786.8	63.24	49.8	2,292.9	836.9	71.74	60.0	4,448.4	1,623.7	67.62	109.8	365.1	133.3	7.83	1.0
2035	70.0	37.4	1,781.1	650.1	64.10	41.7	1,765.4	644.4	73.19	47.2	3,546.5	1,294.5	68.62	88.8	392.4	143.2	7.48	1.1
2036	59.0	31.3	1,715.5	627.9	66.53	41.8	1,436.7	525.8	74.64	39.3	3,152.2	1,153.7	70.23	81.0	506.3	185.3	6.98	1.3
2037	64.0	35.0	1,231.7	449.6	66.79	30.0	1,174.8	428.8	76.15	32.7	2,406.5	878.4	71.36	62.7	166.8	60.9	8.13	0.5
2038	44.0	23.1	825.2	301.2	65.82	19.8	940.3	343.2	77.66	26.7	1,765.5	644.4	72.13	46.5	50.8	18.5	11.79	0.2
2039	44.0	24.5	723.4	264.0	67.08	17.7	546.7	199.6	79.24	15.8	1,270.1	463.6	72.31	33.5	43.4	15.9	11.79	0.2
2040	33.0	16.7	569.5	208.4	66.11	13.8	178.2	65.2	80.80	5.3	747.7	273.7	69.61	19.0	3.4	1.2	11.79	0.0
2041	18.0	9.2	494.3	180.4	67.18	12.1	128.5	46.9	82.43	3.9	622.8	227.3	70.32	16.0	-	-	-	-
2042	13.0	6.6	410.2	149.7	68.52	10.3	9.9	3.6	84.18	0.3	420.1	153.3	68.88	10.6	-	-	-	-
2043	11.0	5.5	356.4	130.1	69.89	9.1	-	-	-	-	356.4	130.1	69.89	9.1	-	-	-	-
2044	10.0	5.0	309.2	113.2	71.28	8.1	-	-	-	-	309.2	113.2	71.28	8.1	-	-	-	-
2045	10.0	5.0	279.4	102.0	72.71	7.4	-	-	-	-	279.4	102.0	72.71	7.4	-	-	-	-
2046	10.0	5.0	250.9	91.6	74.17	6.8	-	-	-	-	250.9	91.6	74.17	6.8	-	-	-	-
2047	9.0	4.5	193.8	70.7	75.66	5.4	-	-	-	-	193.8	70.7	75.66	5.4	-	-	-	-
2048	6.0	3.0	165.1	60.4	77.16	4.7	-	-	-	-	165.1	60.4	77.16	4.7	-	-	-	-
2051	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2052	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2053	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23.00 yr				**21,481.7**	**58.13**	**1,248.8**		**13,894.6**	**66.79**	**928.0**		**35,376.4**	**61.53**	**2,176.9**		**5,264.7**	**6.45**	**34.0**

Year	WI Share Condensate Cal Day Rate bbl/d	Volume Mbbl	Avg. Price $US/bbl	Sales Revenue MM$US	WI Share Liquids Cal Day Rate bbl/d	Volume Mbbl	Avg. Price $US/bbl	Sales Revenue MM$US	WI Share Oil Equivalent Cal Day Rate BOE/d	Volume MBOE	Avg. Price $US/BOE	Sales Revenue MM$US
2026	-	-	-	-	-	-	-	-	5,383.3	1,964.9	49.01	96.3
2027	-	-	-	-	155.2	56.6	36.31	2.1	12,482.6	4,556.1	52.93	241.2
2028	-	-	-	-	339.8	124.4	46.68	5.8	15,671.4	5,735.7	57.40	329.3
2029	-	-	-	-	410.4	149.8	53.73	8.0	14,353.7	5,239.1	59.44	311.4
2030	-	-	-	-	242.6	88.6	52.50	4.6	10,930.0	3,989.4	60.74	242.3
2031	-	-	-	-	156.3	57.1	52.47	3.0	8,697.8	3,174.7	62.08	197.1
2032	-	-	-	-	109.3	40.0	52.61	2.1	7,233.8	2,647.6	63.47	168.0
2033	-	-	-	-	65.0	23.7	49.03	1.2	5,788.8	2,112.9	65.49	138.4
2034	-	-	-	-	43.0	15.7	42.95	0.7	4,552.3	1,661.6	67.11	111.5
2035	-	-	-	-	42.7	15.6	40.67	0.6	3,654.6	1,333.9	67.87	90.5
2036	-	-	-	-	50.6	18.5	40.98	0.8	3,287.2	1,203.1	69.05	83.1
2037	-	-	-	-	15.6	5.7	40.61	0.2	2,449.9	894.2	70.91	63.4
2038	-	-	-	-	-	-	-	-	1,774.0	647.5	72.12	46.7
2039	-	-	-	-	-	-	-	-	1,277.4	466.2	72.30	33.7
2040	-	-	-	-	-	-	-	-	748.3	273.9	69.61	19.1
2041	-	-	-	-	-	-	-	-	622.8	227.3	70.32	16.0
2042	-	-	-	-	-	-	-	-	420.1	153.3	68.88	10.6
2043	-	-	-	-	-	-	-	-	356.4	130.1	69.89	9.1
2044	-	-	-	-	-	-	-	-	309.2	113.2	71.28	8.1
2045	-	-	-	-	-	-	-	-	279.4	102.0	72.71	7.4
2046	-	-	-	-	-	-	-	-	250.9	91.6	74.17	6.8
2047	-	-	-	-	-	-	-	-	193.8	70.7	75.66	5.4
2048	-	-	-	-	-	-	-	-	165.1	60.4	77.16	4.7
2051	-	-	-	-	-	-	-	-	-	-	-	-
2052	-	-	-	-	-	-	-	-	-	-	-	-
2053	-	-	-	-	-	-	-	-	-	-	-	-
23.00 yr		**-**	**-**	**-**		**595.7**	**48.89**	**29.1**		**36,849.5**	**1,539.64**	**2,240.0**

Year	Royalties & Burdens Heavy Oil S/S M$US	Light Oil S/S M$US	Gas S/S M$US	C5+ S/S M$US	ANH Rights M$US	HPS M$US	X Factor M$US	Overriding Royalty M$US	Total Roy. & Burdens M$US	Total Roy. & Burdens %	WI Sales Revenue MM$US	RI Revenue MM$US	Co. Share Revenue MM$US	Total Roy. & Burdens MM$US	Net Revenue MM$US
2026	2,004.5	5,544.4	-	-	330.1	1,343.0	841.5	886.7	10,950.1	11.4	96.3	-	96.3	11.0	85.4
2027	2,930.4	14,683.8	150.4	51.5	683.7	4,133.2	1,619.0	7,739.1	31,991.1	13.3	241.2	-	241.2	32.0	209.2
2028	3,453.7	20,892.3	458.4	245.7	869.4	8,541.8	1,907.9	6,930.8	43,299.9	13.2	329.3	-	329.3	43.3	286.0
2029	3,737.4	18,598.5	547.7	396.1	780.7	10,529.9	1,668.2	6,034.7	42,293.2	13.6	311.4	-	311.4	42.3	269.1
2030	2,961.3	14,289.3	328.4	217.8	601.3	8,764.2	1,377.7	5,138.1	33,678.2	13.9	242.3	-	242.3	33.7	208.7
2031	2,428.3	11,549.3	217.7	138.1	481.5	7,487.2	1,169.8	4,463.0	27,934.8	14.2	197.1	-	197.1	27.9	169.2
2032	2,159.5	9,730.7	156.1	96.3	403.4	6,576.8	1,032.9	3,946.4	24,102.1	14.3	168.0	-	168.0	24.1	143.9
2033	1,914.8	7,955.3	92.2	48.1	329.8	5,825.2	878.0	2,842.0	19,885.1	14.4	138.4	-	138.4	19.9	118.5
2034	1,706.5	6,177.9	66.7	22.3	263.0	4,894.8	725.1	2,015.7	15,872.1	14.2	111.5	-	111.5	15.9	95.6
2035	1,513.3	4,693.4	68.5	18.6	209.1	3,774.6	576.6	1,704.0	12,558.1	13.9	90.5	-	90.5	12.6	78.0
2036	1,646.7	3,925.0	82.8	22.5	187.3	3,241.0	457.3	1,445.5	11,008.1	13.3	83.1	-	83.1	11.0	72.1
2037	1,343.1	2,902.5	31.7	6.6	141.2	2,566.7	405.8	1,284.0	8,681.7	13.7	63.4	-	63.4	8.7	54.7
2038	1,088.7	1,987.8	14.0	-	102.2	1,799.5	319.3	1,116.0	6,427.5	13.8	46.7	-	46.7	6.4	40.3
2039	509.1	1,747.3	12.0	-	71.8	1,587.8	186.2	1,023.0	5,137.3	15.2	33.7	-	33.7	5.1	28.6
2040	316.2	866.5	0.9	-	39.7	935.7	147.2	943.5	3,249.8	17.0	19.1	-	19.1	3.2	15.8
2041	232.0	756.6	-	-	32.6	833.7	123.4	851.8	2,830.0	17.7	16.0	-	16.0	2.8	13.2
2042	18.2	643.1	-	-	21.0	708.6	76.8	710.7	2,178.3	20.6	10.6	-	10.6	2.2	8.4
2043	-	562.1	-	-	17.4	619.4	64.6	661.2	1,924.7	21.2	9.1	-	9.1	1.9	7.2
2044	-	490.7	-	-	14.9	540.8	56.4	618.2	1,721.1	21.3	8.1	-	8.1	1.7	6.3
2045	-	449.3	-	-	13.4	495.1	51.7	576.0	1,585.5	21.4	7.4	-	7.4	1.6	5.8
2046	-	414.0	-	-	12.1	456.3	47.6	517.8	1,447.7	21.3	6.8	-	6.8	1.4	5.3
2047	-	337.7	-	-	9.7	372.2	38.8	361.3	1,119.8	20.9	5.4	-	5.4	1.1	4.2
2048	-	305.3	-	-	8.6	336.6	35.1	270.8	956.4	20.5	4.7	-	4.7	1.0	3.7
2051	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2052	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2053	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23.00 yr	**29,963.5**	**129,502.7**	**2,227.6**	**1,263.5**	**5,623.9**	**76,364.2**	**13,806.9**	**52,080.2**	**310,832.6**	**13.9**	**2,240.0**	**-**	**2,240.0**	**310.8**	**1,929.1**

Year	Net Oil Cal Day Rate bbl/d	Volume Mbbl	Net Revenue MM$US	Net Sales Gas Cal Day Rate Mcf/d	Volume MMcf	Net Revenue MM$US	Net Condensate Cal Day Rate bbl/d	Volume Mbbl	Net Revenue MM$US	Net Liquids Cal Day Rate bbl/d	Volume Mbbl	Net Revenue MM$US	Net Oil Equivalent Cal Day Rate BOE/d	Volume MBOE	Net Revenue MM$US	Net Other Net Revenue MM$US
2026	4,820.0	1,759.3	86.2	-	-	-	-	-	-	-	-	-	4,820.0	1,759.3	85.4	-0.8
2027	10,622.2	3,877.1	206.7	777.1	283.6	2.1	-	-	-	152.7	55.7	2.0	10,904.4	3,980.1	209.2	-1.6
2028	12,904.8	4,723.2	276.0	2,739.3	1,002.6	6.3	-	-	-	329.9	120.7	5.6	13,691.3	5,011.0	286.0	-1.9

Parex Resources Inc.

Results as of January 1, 2026

Parex Resources Inc.

Proved Undeveloped (Reserves)

Year	Net Oil			Net Sales Gas			Net Condensate			Net Liquids			Net Oil Equivalent			Net Other
	Cal Day Rate bbl/d	Volume Mbbl	Net Revenue MM$US	Cal Day Rate Mcf/d	Volume MMcf	Net Revenue MM$US	Cal Day Rate bbl/d	Volume Mbbl	Net Revenue MM$US	Cal Day Rate bbl/d	Volume Mbbl	Net Revenue MM$US	Cal Day Rate BOE/d	Volume MBOE	Net Revenue MM$US	Net Revenue MM$US
2029	11,473.3	4,187.8	255.5	3,570.6	1,303.3	7.7	-	-	-	395.3	144.3	7.7	12,463.7	4,549.3	269.1	-1.7
2030	8,869.3	3,237.3	200.8	2,111.1	770.5	4.8	-	-	-	234.4	85.6	4.4	9,455.5	3,451.3	208.7	-1.4
2031	7,121.0	2,599.2	164.3	1,366.8	498.9	3.2	-	-	-	151.2	55.2	2.9	7,500.0	2,737.5	169.2	-1.2
2032	5,960.5	2,181.6	140.7	954.7	349.4	2.3	-	-	-	105.8	38.7	2.0	6,225.5	2,278.5	143.9	-1.0
2033	4,829.8	1,762.9	116.9	516.1	188.4	1.3	-	-	-	63.2	23.1	1.1	4,979.0	1,817.3	118.5	-0.9
2034	3,822.3	1,395.1	94.7	341.7	124.7	1.0	-	-	-	42.2	15.4	0.7	3,921.4	1,431.3	95.6	-0.7
2035	3,057.7	1,116.1	76.9	367.3	134.0	1.0	-	-	-	42.0	15.3	0.6	3,160.9	1,153.7	78.0	-0.6
2036	2,733.2	1,000.3	70.6	473.9	173.4	1.2	-	-	-	49.8	18.2	0.7	2,861.9	1,047.5	72.1	-0.5
2037	2,079.1	758.9	54.4	156.1	57.0	0.5	-	-	-	15.4	5.6	0.2	2,120.5	774.0	54.7	-0.4
2038	1,524.1	556.3	40.4	47.5	17.3	0.2	-	-	-	-	-	-	1,532.1	559.2	40.3	-0.3
2039	1,076.0	392.7	28.6	40.7	14.8	0.2	-	-	-	-	-	-	1,082.8	395.2	28.6	-0.2
2040	621.7	227.5	15.9	3.2	1.2	0.0	-	-	-	-	-	-	622.2	227.7	15.8	-0.1
2041	514.2	187.7	13.3	-	-	-	-	-	-	-	-	-	514.2	187.7	13.2	-0.1
2042	336.2	122.7	8.5	-	-	-	-	-	-	-	-	-	336.2	122.7	8.4	-0.1
2043	283.5	103.5	7.2	-	-	-	-	-	-	-	-	-	283.5	103.5	7.2	-0.1
2044	245.4	89.8	6.4	-	-	-	-	-	-	-	-	-	245.4	89.8	6.3	-0.1
2045	221.6	80.9	5.9	-	-	-	-	-	-	-	-	-	221.6	80.9	5.8	-0.1
2046	199.2	72.7	5.4	-	-	-	-	-	-	-	-	-	199.2	72.7	5.3	0.0
2047	154.6	56.4	4.3	-	-	-	-	-	-	-	-	-	154.6	56.4	4.2	0.0
2048	132.5	48.5	3.7	-	-	-	-	-	-	-	-	-	132.5	48.5	3.7	0.0
2051	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2052	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2053	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23.00 yr		**30,537.4**	**1,883.3**		**4,919.3**	**31.7**		**-**	**-**		**577.9**	**27.9**		**31,935.1**	**1,929.1**	**-13.8**

Year	Operating Costs							Capital Costs					Before Tax Cash Flow		
	Fixed M$US	Variable M$US	Total M$US	Abandon. M$US	Salvage M$US	Other Income M$US	Net Op. Income M$US	G&G M$US	Property & Leasehold M$US	Tangible M$US	Intangible M$US	Total M$US	BTCF M$US	Cum. M$US	NPV @ 10.00 % M$US
2026	6,995.6	8,535.3	15,531.0	-	-	-	69,825.8	-	-	140,200.0	31,900.0	172,100.0	-102,274.2	-102,274.2	-99,937.2
2027	16,364.0	20,694.9	37,058.9	-	-	-	172,120.3	-	-	52,466.7	62,014.4	114,481.2	57,639.2	-44,635.1	49,738.9
2028	19,363.5	28,040.5	47,404.0	-	-	-	238,555.2	-	-	517.6	74,409.1	74,926.7	163,628.5	118,993.5	128,936.9
2029	18,711.8	26,241.0	44,952.8	-	-	-	224,184.2	-	-	-	-	-	224,184.2	343,177.6	160,594.5
2030	18,093.7	20,548.2	38,641.9	189.1	-	-	169,827.3	-	-	-	-	-	169,827.3	513,005.0	110,596.3
2031	18,120.9	16,817.7	34,938.6	-	-	-	134,224.8	-	-	-	-	-	134,224.8	647,229.8	79,464.5
2032	18,449.7	14,453.9	32,903.6	-1,205.5	-	-	112,246.8	-	-	-	-	-	112,246.8	759,476.6	60,411.7
2033	15,855.4	11,633.3	27,488.7	438.4	-	-	90,557.8	-	-	-	-	-	90,557.8	850,034.4	44,307.9
2034	11,881.6	9,084.8	20,966.4	1,012.4	-	-	73,665.3	-	-	-	-	-	73,665.3	923,699.7	32,766.1
2035	10,867.4	7,398.4	18,265.8	1,511.6	-	-	58,201.1	-	-	-	-	-	58,201.1	981,900.8	23,534.3
2036	18,720.5	7,833.3	26,553.7	240.6	-	-	45,275.0	-	-	-	-	-	45,275.0	1,027,175.8	16,643.1
2037	12,827.7	5,630.3	18,458.0	-144.9	-	-	36,410.6	-	-	-	-	-	36,410.6	1,063,586.5	12,167.8
2038	6,857.0	3,766.1	10,623.0	3,349.1	-	-	26,298.1	-	-	-	-	-	26,298.1	1,089,884.6	7,989.4
2039	8,447.5	2,795.2	11,242.7	1,964.2	-	-	15,366.6	-	-	-	-	-	15,366.6	1,105,251.2	4,244.0
2040	1,989.5	1,290.7	3,280.1	3,390.3	-	-	9,144.1	-	-	-	-	-	9,144.1	1,114,395.3	2,295.9
2041	1,716.0	1,063.5	2,779.6	-2,406.3	-	-	12,782.5	-	-	-	-	-	12,782.5	1,127,177.7	2,917.6
2042	1,198.6	636.6	1,835.2	5,803.0	-	-	745.5	-	-	-	-	-	745.5	1,127,923.2	154.7
2043	1,097.2	540.6	1,637.8	-1,139.6	-	-	6,668.9	-	-	-	-	-	6,668.9	1,134,592.1	1,258.0
2044	1,017.4	479.6	1,497.0	4,376.9	-	-	471.1	-	-	-	-	-	471.1	1,135,063.2	80.8
2045	1,037.7	441.0	1,478.7	4,499.0	-	-	-147.3	-	-	-	-	-	-147.3	1,134,915.9	-23.0
2046	1,040.7	403.8	1,444.5	1,344.6	-	-	2,555.7	-	-	-	-	-	2,555.7	1,137,471.6	362.2
2047	764.2	318.0	1,082.2	551.4	-	-	2,597.3	-	-	-	-	-	2,597.3	1,140,068.9	334.6
2048	660.7	277.3	938.0	270.1	-	-	2,498.4	-	-	-	-	-	2,498.4	1,142,567.4	292.6
2051	-	-	-	285.7	-	-	-285.7	-	-	-	-	-	-285.7	1,142,281.7	-25.1
2052	-	-	-	866.1	-	-	-866.1	-	-	-	-	-	-866.1	1,141,415.6	-69.3
2053	-	-	-	1,789.3	-	-	-1,789.3	-	-	-	-	-	-1,789.3	1,139,626.3	-130.1
23.00 yr	**212,078.4**	**188,923.9**	**401,002.3**	**26,985.4**	**-**	**-**	**1,501,134.2**	**-**	**-**	**193,184.4**	**168,323.5**	**361,507.9**	**1,139,626.3**	**1,139,626.3**	**638,907.3**

Country/State	Colombia
Econ. Calc. Date	Jan 2025
Avg. WI Share	52.84 %
Econ. Life/To Aban.	23.00 yr / 28.00 yr
Econ. RLI	58.76 yr
Price Deck	GLJ (2026-01)
Price Set	N/A
Economic Limit	N/A
COS / COO	100.0 % / 100.0 %
Oil Reserves Type	<multiple>
Gas Reserves Type	Gas

Product	Remaining Reserves Gross	WI	RI	Co. Share	Net	Net Revenue NPV (MM$US) 0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %
Oil (Mbbl)	66,794.0	35,376.4	-	35,376.4	30,537.4	1,883.3	1,457.0	1,273.8	1,172.6	972.3	825.1
Sales Gas (MMcf)	10,521.1	5,264.7	-	5,264.7	4,919.3	31.7	25.4	22.4	20.7	17.3	14.6
Condensate (Mbbl)	-	-	-	-	-	-	-	-	-	-	-
Liquids (Mbbl)	1,190.4	595.7	-	595.7	577.9	27.9	22.6	20.1	18.7	15.7	13.3
Other Equiv. (MBOE)	-	-	-	-	-	-	-	-	-	-	-
Other						-	-	-	-	-	-
Total (MBOE)	**69,737.9**	**36,849.5**	**-**	**36,849.5**	**31,935.1**	**1,942.9**	**1,504.9**	**1,316.3**	**1,211.9**	**1,005.2**	**853.1**
Total BTCF						**1,139.6**	**840.9**	**710.9**	**638.9**	**496.4**	**392.2**

Parex Resources Inc.

Results as of January 1, 2026

Parex Resources Inc.

Total Proved (Reserves)

Year	Gross Well Count	WI Wells	WI Share L&M Oil Cal Day Rate bbl/d	WI Share L&M Oil Volume MMbbl	WI Share L&M Oil Avg. Price $US/bbl	WI Share L&M Oil Sales Revenue MM$US	WI Share Heavy Oil Cal Day Rate bbl/d	WI Share Heavy Oil Volume MMbbl	WI Share Heavy Oil Avg. Price $US/bbl	WI Share Heavy Oil Sales Revenue MM$US	WI Share Total Oil Cal Day Rate bbl/d	WI Share Total Oil Volume MMbbl	WI Share Total Oil Avg. Price $US/bbl	WI Share Total Oil Sales Revenue MM$US	WI Share Sales Gas Cal Day Rate Mcf/d	WI Share Sales Gas Volume MMcf	WI Share Sales Gas Avg. Price $US/Mcf	WI Share Sales Gas Sales Revenue MM$US
2026	295.0	194.7	20,078.9	7.3	50.58	370.7	27,140.6	9.9	52.63	521.4	47,219.5	17.2	51.76	892.1	7,927.0	2,893.4	9.76	28.2
2027	321.0	209.8	18,873.6	6.9	55.06	379.3	26,079.8	9.5	59.18	563.3	44,953.4	16.4	57.45	942.7	14,574.7	5,319.8	10.02	53.3
2028	343.0	221.2	17,047.5	6.2	58.70	366.3	23,062.7	8.4	63.02	531.9	40,110.2	14.7	61.18	898.2	13,805.2	5,052.7	10.00	50.6
2029	329.0	209.1	13,541.1	4.9	60.68	299.9	20,047.1	7.3	65.00	475.6	33,588.3	12.3	63.26	775.5	11,687.4	4,265.9	8.70	37.1
2030	316.0	197.9	9,903.1	3.6	61.47	222.2	17,148.4	6.3	66.29	414.9	27,051.5	9.9	64.52	637.1	9,515.4	3,473.1	9.33	32.4
2031	292.0	180.1	7,386.2	2.7	62.20	167.7	14,775.5	5.4	67.62	364.7	22,161.8	8.1	65.82	532.4	5,522.9	2,015.9	8.97	18.1
2032	278.0	168.8	5,524.8	2.0	62.84	127.1	13,101.9	4.8	68.97	330.8	18,626.6	6.8	67.16	457.8	3,375.1	1,235.3	8.48	10.5
2033	256.0	150.6	3,924.3	1.4	63.84	91.4	11,359.9	4.1	70.34	291.7	15,284.2	5.6	68.67	383.1	1,638.8	598.2	7.78	4.7
2034	225.0	132.0	2,874.7	1.0	64.93	68.1	9,418.4	3.4	71.75	246.7	12,293.1	4.5	70.15	314.8	874.3	319.1	6.86	2.2
2035	195.0	114.0	2,263.0	0.8	65.73	54.3	7,603.3	2.8	73.19	203.1	9,866.3	3.6	71.48	257.4	677.4	247.2	6.92	1.7
2036	159.0	91.3	1,794.9	0.7	66.92	44.0	6,129.9	2.2	74.65	167.5	7,924.8	2.9	72.90	211.5	506.3	185.3	6.98	1.3
2037	142.0	79.7	1,231.7	0.4	66.79	30.0	5,006.5	1.8	76.15	139.2	6,238.2	2.3	74.30	169.2	166.8	60.9	8.13	0.5
2038	109.0	60.7	825.2	0.3	65.82	19.8	3,903.2	1.4	77.67	110.7	4,728.3	1.7	75.60	130.5	50.8	18.5	11.79	0.2
2039	94.0	52.0	723.4	0.3	67.08	17.7	1,155.8	0.4	79.29	33.4	1,879.2	0.7	74.59	51.2	43.4	15.9	11.79	0.2
2040	33.0	16.7	569.5	0.2	66.11	13.8	178.2	0.1	80.80	5.3	747.7	0.3	69.61	19.0	3.4	1.2	11.79	0.0
2041	18.0	9.2	494.3	0.2	67.18	12.1	128.5	0.0	82.43	3.9	622.8	0.2	70.32	16.0	-	-	-	-
2042	13.0	6.6	410.2	0.1	68.52	10.3	9.9	0.0	84.18	0.3	420.1	0.2	68.88	10.6	-	-	-	-
2043	11.0	5.5	356.4	0.1	69.89	9.1	-	-	-	-	356.4	0.1	69.89	9.1	-	-	-	-
2044	10.0	5.0	309.2	0.1	71.28	8.1	-	-	-	-	309.2	0.1	71.28	8.1	-	-	-	-
2045	10.0	5.0	279.4	0.1	72.71	7.4	-	-	-	-	279.4	0.1	72.71	7.4	-	-	-	-
2046	10.0	5.0	250.9	0.1	74.17	6.8	-	-	-	-	250.9	0.1	74.17	6.8	-	-	-	-
2047	9.0	4.5	193.8	0.1	75.66	5.4	-	-	-	-	193.8	0.1	75.66	5.4	-	-	-	-
2048	6.0	3.0	165.1	0.1	77.16	4.7	-	-	-	-	165.1	0.1	77.16	4.7	-	-	-	-
2051	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2052	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2053	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23.00 yr				**39.8**	**58.67**	**2,336.0**		**68.0**	**64.75**	**4,404.2**		**107.8**	**62.50**	**6,740.3**		**25,702.3**	**9.37**	**240.9**

Year	WI Share Condensate Cal Day Rate bbl/d	WI Share Condensate Volume Mbbl	WI Share Condensate Avg. Price $US/bbl	WI Share Condensate Sales Revenue MM$US	WI Share Liquids Cal Day Rate bbl/d	WI Share Liquids Volume Mbbl	WI Share Liquids Avg. Price $US/bbl	WI Share Liquids Sales Revenue MM$US	WI Share Oil Equivalent Cal Day Rate BOE/d	WI Share Oil Equivalent Volume MMBOE	WI Share Oil Equivalent Avg. Price $US/BOE	WI Share Oil Equivalent Sales Revenue MM$US
2026	-	-	-	-	267.8	97.8	40.75	4.0	48,808.5	17.8	51.88	924.3
2027	-	-	-	-	363.4	132.6	41.08	5.4	47,745.9	17.4	57.46	1,001.4
2028	-	-	-	-	509.5	186.5	46.06	8.6	42,920.5	15.7	60.94	957.3
2029	-	-	-	-	574.6	209.7	51.02	10.7	36,110.8	13.2	62.47	823.3
2030	-	-	-	-	369.2	134.8	49.72	6.7	29,006.6	10.6	63.87	676.2
2031	-	-	-	-	255.5	93.3	49.26	4.6	23,337.8	8.5	65.16	555.1
2032	-	-	-	-	190.9	69.9	49.12	3.4	19,380.0	7.1	66.51	471.7
2033	-	-	-	-	126.9	46.3	45.06	2.1	15,684.2	5.7	68.10	389.9
2034	-	-	-	-	87.4	31.9	42.00	1.3	12,526.2	4.6	69.62	318.3
2035	-	-	-	-	67.4	24.6	40.94	1.0	10,046.6	3.7	70.94	260.1
2036	-	-	-	-	50.6	18.5	40.98	0.8	8,059.8	2.9	72.38	213.5
2037	-	-	-	-	15.6	5.7	40.61	0.2	6,281.6	2.3	74.10	169.9
2038	-	-	-	-	-	-	-	-	4,736.8	1.7	75.60	130.7
2039	-	-	-	-	-	-	-	-	1,886.4	0.7	74.57	51.3
2040	-	-	-	-	-	-	-	-	748.3	0.3	69.61	19.1
2041	-	-	-	-	-	-	-	-	622.8	0.2	70.32	16.0
2042	-	-	-	-	-	-	-	-	420.1	0.2	68.88	10.6
2043	-	-	-	-	-	-	-	-	356.4	0.1	69.89	9.1
2044	-	-	-	-	-	-	-	-	309.2	0.1	71.28	8.1
2045	-	-	-	-	-	-	-	-	279.4	0.1	72.71	7.4
2046	-	-	-	-	-	-	-	-	250.9	0.1	74.17	6.8
2047	-	-	-	-	-	-	-	-	193.8	0.1	75.66	5.4
2048	-	-	-	-	-	-	-	-	165.1	0.1	77.16	4.7
2051	-	-	-	-	-	-	-	-	-	-	-	-
2052	-	-	-	-	-	-	-	-	-	-	-	-
2053	-	-	-	-	-	-	-	-	-	-	-	-
23.00 yr		**-**	**-**	**-**		**1,051.6**	**46.48**	**48.9**		**113.2**	**1,583.28**	**7,030.1**

Year	Royalties & Burdens Heavy Oil S/S M$US	Light Oil S/S M$US	Gas S/S M$US	C5+ S/S M$US	ANH Rights M$US	HPS M$US	X Factor M$US	Overriding Royalty M$US	Total Roy. & Burdens M$US	Total Roy. & Burdens %	WI Sales Revenue MM$US	RI Revenue MM$US	Co. Share Revenue MM$US	Total Roy. & Burdens MM$US	Net Revenue MM$US
2026	14,354.8	54,976.3	1,601.2	148.5	2,978.2	20,382.9	14,068.6	886.7	109,397.1	11.8	924.3	-	924.3	109.4	814.9
2027	14,767.5	56,448.6	3,121.3	186.9	2,758.3	31,552.6	15,166.0	7,739.1	131,740.3	13.2	1,001.4	-	1,001.4	131.7	869.7
2028	14,080.4	53,932.8	2,942.3	353.5	2,473.7	33,849.0	13,296.0	6,930.8	127,858.4	13.4	957.3	-	957.3	127.9	829.5
2029	13,102.5	44,994.7	2,080.3	495.7	2,064.9	32,040.1	11,236.1	6,034.7	112,049.2	13.6	823.3	-	823.3	112.0	711.3
2030	11,200.4	35,938.6	1,767.8	294.3	1,661.3	26,836.6	9,795.4	5,138.1	92,632.4	13.7	676.2	-	676.2	92.6	583.6
2031	9,650.9	29,399.2	1,001.0	196.6	1,359.4	23,323.0	6,888.7	4,463.0	76,281.8	13.7	555.1	-	555.1	76.3	478.8
2032	9,125.6	24,158.0	593.1	144.7	1,144.6	19,537.7	5,205.1	3,946.4	63,855.2	13.5	471.7	-	471.7	63.9	407.9
2033	7,899.4	19,840.8	276.7	76.5	941.0	16,672.4	3,351.8	2,842.0	51,900.5	13.3	389.9	-	389.9	51.9	338.0
2034	6,584.6	16,075.1	140.1	42.8	759.8	13,875.0	2,250.3	2,015.7	41,743.4	13.1	318.3	-	318.3	41.7	276.6
2035	5,463.7	12,912.8	109.5	30.1	609.3	11,404.4	1,863.0	1,704.0	34,096.9	13.1	260.1	-	260.1	34.1	226.0
2036	4,619.5	10,395.4	82.8	22.5	490.4	9,265.7	1,552.6	1,445.5	27,874.4	13.1	213.5	-	213.5	27.9	185.6
2037	3,849.9	8,080.2	31.7	6.6	383.8	7,270.1	1,317.4	1,284.0	22,223.7	13.1	169.9	-	169.9	22.2	147.7
2038	3,010.0	6,146.2	14.0	-	289.9	5,561.5	1,051.2	1,116.0	17,188.8	13.2	130.7	-	130.7	17.2	113.5
2039	926.2	2,602.0	12.0	-	110.4	2,357.0	349.8	1,023.0	7,380.5	14.4	51.3	-	51.3	7.4	44.0
2040	316.2	866.5	0.9	-	39.7	935.7	147.2	943.5	3,249.8	17.0	19.1	-	19.1	3.2	15.8
2041	232.0	756.6	-	-	32.6	833.7	123.4	851.8	2,830.0	17.7	16.0	-	16.0	2.8	13.2
2042	18.2	643.1	-	-	21.0	708.6	76.8	710.7	2,178.3	20.6	10.6	-	10.6	2.2	8.4
2043	-	562.1	-	-	17.4	619.4	64.6	661.2	1,924.7	21.2	9.1	-	9.1	1.9	7.2
2044	-	490.7	-	-	14.9	540.8	56.4	618.2	1,721.1	21.3	8.1	-	8.1	1.7	6.3
2045	-	449.3	-	-	13.4	495.1	51.7	576.0	1,585.5	21.4	7.4	-	7.4	1.6	5.8
2046	-	414.0	-	-	12.1	456.3	47.6	517.8	1,447.7	21.3	6.8	-	6.8	1.4	5.3
2047	-	337.7	-	-	9.7	372.2	38.8	361.3	1,119.8	20.9	5.4	-	5.4	1.1	4.2
2048	-	305.3	-	-	8.6	336.6	35.1	270.8	956.4	20.5	4.7	-	4.7	1.0	3.7
2051	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2052	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2053	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23.00 yr	**119,201.6**	**380,726.0**	**13,774.6**	**1,998.6**	**18,194.3**	**259,226.6**	**88,033.9**	**52,080.2**	**933,235.8**	**13.3**	**7,030.1**	**-**	**7,030.1**	**933.2**	**6,096.9**

Year	Net Oil Cal Day Rate bbl/d	Net Oil Volume Mbbl	Net Oil Net Revenue MM$US	Net Sales Gas Cal Day Rate Mcf/d	Net Sales Gas Volume MMcf	Net Sales Gas Net Revenue MM$US	Net Condensate Cal Day Rate bbl/d	Net Condensate Volume Mbbl	Net Condensate Net Revenue MM$US	Net Liquids Cal Day Rate bbl/d	Net Liquids Volume Mbbl	Net Liquids Net Revenue MM$US	Net Oil Equivalent Cal Day Rate BOE/d	Net Oil Equivalent Volume MBOE	Net Oil Equivalent Net Revenue MM$US	Net Other Net Revenue MM$US
2026	42,284.8	15,434.0	798.5	7,467.8	2,725.7	26.6	-	-	-	260.5	95.1	3.8	43,789.9	15,983.3	814.9	-14.1
2027	39,529.8	14,428.4	829.4	13,785.5	5,031.7	50.2	-	-	-	355.1	129.6	5.3	42,182.5	15,396.6	869.7	-15.2
2028	35,107.0	12,849.1	786.9	12,987.4	4,753.4	47.6	-	-	-	495.0	181.2	8.2	37,766.6	13,822.6	829.5	-13.3

Parex Resources Inc.

Results as of January 1, 2026

Parex Resources Inc.

Total Proved (Reserves)

Year	Net Oil			Net Sales Gas			Net Condensate			Net Liquids			Net Oil Equivalent			Net Other
	Cal Day Rate bbl/d	Volume Mbbl	Net Revenue MM$US	Cal Day Rate Mcf/d	Volume MMcf	Net Revenue MM$US	Cal Day Rate bbl/d	Volume Mbbl	Net Revenue MM$US	Cal Day Rate bbl/d	Volume Mbbl	Net Revenue MM$US	Cal Day Rate BOE/d	Volume MBOE	Net Revenue MM$US	Net Revenue MM$US
2029	29,284.2	10,688.7	677.3	11,006.4	4,017.3	35.0	-	-	-	555.4	202.7	10.2	31,674.0	11,561.0	711.3	-11.2
2030	23,581.6	8,607.3	556.3	8,979.7	3,277.6	30.6	-	-	-	357.9	130.6	6.4	25,436.1	9,284.2	583.6	-9.8
2031	19,290.7	7,041.1	464.2	5,207.0	1,900.6	17.1	-	-	-	248.1	90.6	4.4	20,406.6	7,448.4	478.8	-6.9
2032	16,242.1	5,944.6	399.9	3,177.6	1,163.0	9.9	-	-	-	185.5	67.9	3.3	16,957.2	6,206.3	407.9	-5.2
2033	13,338.6	4,868.6	334.9	1,539.0	561.7	4.4	-	-	-	124.0	45.2	2.0	13,719.1	5,007.5	338.0	-3.4
2034	10,739.5	3,919.9	275.5	818.4	298.7	2.0	-	-	-	85.7	31.3	1.3	10,961.6	4,001.0	276.6	-2.3
2035	8,620.8	3,146.6	225.3	634.0	231.4	1.6	-	-	-	66.3	24.2	1.0	8,792.7	3,209.3	226.0	-1.9
2036	6,928.7	2,535.9	185.2	473.9	173.4	1.2	-	-	-	49.8	18.2	0.7	7,057.4	2,583.0	185.6	-1.6
2037	5,456.4	1,991.6	148.3	156.1	57.0	0.5	-	-	-	15.4	5.6	0.2	5,497.8	2,006.7	147.7	-1.3
2038	4,133.2	1,508.6	114.4	47.5	17.3	0.2	-	-	-	-	-	-	4,141.1	1,511.5	113.5	-1.1
2039	1,613.2	588.8	44.1	40.7	14.8	0.2	-	-	-	-	-	-	1,620.0	591.3	44.0	-0.3
2040	621.7	227.5	15.9	3.2	1.2	0.0	-	-	-	-	-	-	622.2	227.7	15.8	-0.1
2041	514.2	187.7	13.3	-	-	-	-	-	-	-	-	-	514.2	187.7	13.2	-0.1
2042	336.2	122.7	8.5	-	-	-	-	-	-	-	-	-	336.2	122.7	8.4	-0.1
2043	283.5	103.5	7.2	-	-	-	-	-	-	-	-	-	283.5	103.5	7.2	-0.1
2044	245.4	89.8	6.4	-	-	-	-	-	-	-	-	-	245.4	89.8	6.3	-0.1
2045	221.6	80.9	5.9	-	-	-	-	-	-	-	-	-	221.6	80.9	5.8	-0.1
2046	199.2	72.7	5.4	-	-	-	-	-	-	-	-	-	199.2	72.7	5.3	0.0
2047	154.6	56.4	4.3	-	-	-	-	-	-	-	-	-	154.6	56.4	4.2	0.0
2048	132.5	48.5	3.7	-	-	-	-	-	-	-	-	-	132.5	48.5	3.7	0.0
2051	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2052	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2053	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23.00 yr		**94,543.0**	**5,910.8**		**24,224.9**	**227.2**		**-**	**-**		**1,022.2**	**46.9**		**99,602.7**	**6,096.9**	**-88.0**

Year	Operating Costs							Capital Costs					Before Tax Cash Flow		
	Fixed M$US	Variable M$US	Total M$US	Abandon. M$US	Salvage M$US	Other Income M$US	Net Op. Income M$US	G&G M$US	Property & Leasehold M$US	Tangible M$US	Intangible M$US	Total M$US	BTCF M$US	Cum. M$US	NPV @ 10.00 % M$US
2026	99,642.5	132,531.6	232,174.1	-	-	-	582,714.0	-	-	144,427.5	35,905.0	180,332.5	402,381.5	402,381.5	381,790.6
2027	109,502.1	128,894.2	238,396.3	-	-	-	631,272.4	-	-	53,625.8	65,887.6	119,513.4	511,759.0	914,140.5	444,232.0
2028	107,520.2	121,026.2	228,546.4	-	-	-	600,928.2	-	-	1,648.9	75,444.3	77,093.3	523,834.9	1,437,975.4	412,774.4
2029	102,597.0	107,655.3	210,252.3	-	-	-	501,042.5	-	-	1,153.9	722.2	1,876.1	499,166.4	1,937,141.9	357,578.2
2030	83,139.7	93,850.1	176,989.8	189.1	-	-	406,376.9	-	-	-	-	-	406,376.9	2,343,518.7	264,643.9
2031	79,315.2	81,683.3	160,998.6	-	-	-	317,783.7	-	-	-	-	-	317,783.7	2,661,302.4	188,136.0
2032	74,552.8	71,552.4	146,105.1	3,975.9	-	-	257,792.5	-	-	-	610.3	610.3	257,182.2	2,918,484.7	138,416.7
2033	63,934.5	61,651.1	125,585.6	5,293.2	-	-	207,071.3	-	-	-	-	-	207,071.3	3,125,556.0	101,315.2
2034	55,368.0	52,411.6	107,779.5	4,530.7	-	-	164,256.5	-	-	-	-	-	164,256.5	3,289,812.4	73,060.8
2035	49,383.1	42,989.6	92,372.7	7,411.0	-	-	126,252.9	-	-	-	-	-	126,252.9	3,416,065.3	51,051.8
2036	45,174.0	36,447.0	81,621.0	5,540.6	-	-	98,467.8	-	-	-	-	-	98,467.8	3,514,533.1	36,196.9
2037	35,677.8	29,967.3	65,645.0	7,674.1	-	-	74,363.2	-	-	-	-	-	74,363.2	3,588,896.3	24,850.9
2038	26,827.5	23,468.1	50,295.6	8,206.9	-	-	55,008.5	-	-	-	-	-	55,008.5	3,643,904.8	16,711.7
2039	12,524.0	6,999.3	19,523.3	8,644.7	-	-	15,797.1	-	-	-	-	-	15,797.1	3,659,702.0	4,362.9
2040	1,989.5	1,290.7	3,280.1	10,587.7	-	-	1,946.7	-	-	-	-	-	1,946.7	3,661,648.6	488.8
2041	1,716.0	1,063.5	2,779.6	5,156.2	-	-	5,219.9	-	-	-	-	-	5,219.9	3,666,868.5	1,191.4
2042	1,198.6	636.6	1,835.2	9,207.2	-	-	-2,658.7	-	-	-	-	-	-2,658.7	3,664,209.8	-551.7
2043	1,097.2	540.6	1,637.8	4,218.2	-	-	1,311.2	-	-	-	-	-	1,311.2	3,665,521.0	247.3
2044	1,017.4	479.6	1,497.0	18,167.4	-	-	-13,319.5	-	-	-	-	-	-13,319.5	3,652,201.5	-2,284.1
2045	1,037.7	441.0	1,478.7	4,499.0	-	-	-147.3	-	-	-	-	-	-147.3	3,652,054.2	-23.0
2046	1,040.7	403.8	1,444.5	1,344.6	-	-	2,555.7	-	-	-	-	-	2,555.7	3,654,610.0	362.2
2047	764.2	318.0	1,082.2	551.4	-	-	2,597.3	-	-	-	-	-	2,597.3	3,657,207.3	334.6
2048	660.7	277.3	938.0	270.1	-	-	2,498.4	-	-	-	-	-	2,498.4	3,659,705.7	292.6
2051	-	-	-	285.7	-	-	-285.7	-	-	-	-	-	-285.7	3,659,420.0	-25.1
2052	-	-	-	866.1	-	-	-866.1	-	-	-	-	-	-866.1	3,658,553.9	-69.3
2053	-	-	-	1,789.3	-	-	-1,789.3	-	-	-	-	-	-1,789.3	3,656,764.6	-130.1
23.00 yr	**955,680.2**	**996,578.1**	**1,952,258.3**	**108,409.1**	**-**	**-**	**4,036,190.2**	**-**	**-**	**200,856.2**	**178,569.3**	**379,425.5**	**3,656,764.6**	**3,656,764.6**	**2,494,955.7**

Country/State	Colombia
Econ. Calc. Date	Jan 2025
Avg. WI Share	59.03 %
Econ. Life/To Aban.	23.00 yr / 28.00 yr
Econ. RLI	7.00 yr
Price Deck	GLJ (2026-01)
Price Set	N/A
Economic Limit	N/A
COS / COO	100.0 % / 100.0 %
Oil Reserves Type	<multiple>
Gas Reserves Type	<multiple>

Product	Remaining Reserves Gross	WI	RI	Co. Share	Net	Net Revenue NPV (MM$US) 0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %
Oil (MMbbl)	181.8	107.8	-	107.8	94.5	5,910.8	4,777.6	4,275.8	3,994.2	3,428.0	3,003.5
Sales Gas (MMcf)	47,308.8	25,702.3	-	25,702.3	24,224.9	227.2	195.6	180.2	171.1	151.5	135.7
Condensate (MMbbl)	-	-	-	-	-	-	-	-	-	-	-
Liquids (MMbbl)	2.1	1.1	-	1.1	1.0	46.9	38.9	35.1	32.9	28.3	24.7
Other Equiv. (MMBOE)	-	-	-	-	-	-	-	-	-	-	-
Other						-	-	-	-	-	-
Total (MMBOE)	**191.7**	**113.2**	**-**	**113.2**	**99.6**	**6,184.9**	**5,012.1**	**4,491.1**	**4,198.2**	**3,607.8**	**3,163.9**
Total BTCF						**3,656.8**	**2,978.9**	**2,670.3**	**2,495.0**	**2,137.4**	**1,865.4**

Parex Resources Inc.

Results as of January 1, 2026

Parex Resources Inc.

Total Probable (Reserves)

Year	Gross Well Count	WI Wells	WI Share L&M Oil Cal Day Rate bbl/d	WI Share L&M Oil Volume Mbbl	WI Share L&M Oil Avg. Price $US/bbl	WI Share L&M Oil Sales Revenue MM$US	WI Share Heavy Oil Cal Day Rate bbl/d	WI Share Heavy Oil Volume Mbbl	WI Share Heavy Oil Avg. Price $US/bbl	WI Share Heavy Oil Sales Revenue MM$US	WI Share Total Oil Cal Day Rate bbl/d	WI Share Total Oil Volume Mbbl	WI Share Total Oil Avg. Price $US/bbl	WI Share Total Oil Sales Revenue MM$US	WI Share Sales Gas Cal Day Rate Mcf/d	WI Share Sales Gas Volume MMcf	WI Share Sales Gas Avg. Price $US/Mcf	WI Share Sales Gas Sales Revenue MM$US
2026	11.0	8.0	3,908.2	1,426.5	51.17	73.0	3,955.7	1,443.8	58.72	84.8	7,863.9	2,870.3	54.97	157.8	276.4	100.9	5.76	0.6
2027	28.0	19.8	8,573.4	3,129.3	55.22	172.8	5,697.9	2,079.7	62.34	129.7	14,271.2	5,209.0	58.06	302.4	6,586.0	2,403.9	14.87	35.7
2028	34.0	23.4	8,562.2	3,133.7	59.10	185.2	5,716.4	2,092.2	64.56	135.1	14,278.6	5,226.0	61.29	320.3	10,146.1	3,713.5	14.47	53.7
2029	42.0	28.2	7,219.3	2,635.0	61.12	161.0	5,753.3	2,100.0	66.05	138.7	12,972.6	4,735.0	63.30	299.7	10,579.7	3,861.6	14.21	54.9
2030	49.0	33.4	6,622.5	2,417.2	62.57	151.2	6,178.5	2,255.2	67.00	151.1	12,801.0	4,672.4	64.71	302.3	8,133.2	2,968.6	14.99	44.5
2031	67.0	46.6	5,453.3	1,990.4	63.83	127.0	5,829.4	2,127.7	68.13	145.0	11,282.7	4,118.2	66.05	272.0	10,515.4	3,838.1	14.41	55.3
2032	62.0	42.2	4,625.4	1,692.9	65.03	110.1	5,096.2	1,865.2	69.02	128.7	9,721.6	3,558.1	67.12	238.8	11,758.7	4,303.7	14.20	61.1
2033	68.0	47.2	4,190.9	1,529.7	65.55	100.3	4,977.7	1,816.9	70.34	127.8	9,168.7	3,346.6	68.15	228.1	11,944.7	4,359.8	13.87	60.5
2034	89.0	58.1	3,801.6	1,387.6	66.27	91.9	5,231.9	1,909.6	71.75	137.0	9,033.5	3,297.2	69.44	229.0	6,614.2	2,414.2	13.67	33.0
2035	97.0	59.8	3,155.2	1,151.7	66.93	77.1	5,294.3	1,932.4	73.18	141.4	8,449.6	3,084.1	70.85	218.5	3,965.5	1,447.4	13.36	19.3
2036	111.0	66.9	2,079.7	761.2	68.63	52.2	5,122.9	1,875.0	74.65	140.0	7,202.6	2,636.2	72.91	192.2	2,612.0	956.0	13.29	12.7
2037	96.0	59.6	1,996.9	728.9	70.33	51.3	4,847.2	1,769.2	76.14	134.7	6,844.1	2,498.1	74.45	186.0	2,031.7	741.6	12.60	9.3
2038	103.0	62.7	1,905.6	695.5	71.77	49.9	4,489.4	1,638.6	77.66	127.3	6,394.9	2,334.2	75.91	177.2	580.3	211.8	7.87	1.7
2039	94.0	56.6	1,302.8	475.5	71.28	33.9	4,952.8	1,807.8	79.21	143.2	6,255.5	2,283.3	77.56	177.1	362.2	132.2	6.30	0.8
2040	88.0	47.6	1,072.2	392.4	72.24	28.3	3,823.8	1,399.5	80.80	113.1	4,896.0	1,791.9	78.93	141.4	304.6	111.5	6.73	0.8
2041	76.0	41.2	902.3	329.4	72.33	23.8	3,324.3	1,213.4	82.42	100.0	4,226.6	1,542.7	80.26	123.8	237.8	86.8	5.99	0.5
2042	73.0	39.4	731.7	267.1	72.56	19.4	3,011.1	1,099.0	84.07	92.4	3,742.8	1,366.1	81.82	111.8	147.2	53.7	5.99	0.3
2043	61.0	33.1	454.3	165.8	69.88	11.6	2,653.8	968.6	85.75	83.1	3,108.1	1,134.5	83.43	94.6	-	-	-	-
2044	55.0	29.7	432.4	158.3	71.28	11.3	2,242.1	820.6	87.46	71.8	2,674.5	978.9	84.85	83.1	-	-	-	-
2045	46.0	24.8	388.8	141.9	72.71	10.3	1,970.8	719.3	89.21	64.2	2,359.6	861.3	86.49	74.5	-	-	-	-
2046	39.0	21.0	310.7	113.4	74.19	8.4	1,661.7	606.5	91.00	55.2	1,972.4	719.9	88.35	63.6	-	-	-	-
2047	31.0	16.8	239.9	87.6	75.64	6.6	1,184.5	432.3	92.82	40.1	1,424.4	519.9	89.93	46.8	-	-	-	-
2048	25.0	13.4	227.2	83.2	77.16	6.4	895.1	327.6	94.68	31.0	1,122.4	410.8	91.13	37.4	-	-	-	-
2049 (3)	12.0	6.6	-	-	-	-	759.6	68.4	96.69	6.6	759.6	68.4	96.69	6.6	-	-	-	-
2050	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2051	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2052	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2053	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2054	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23.25 yr				**24,894.1**	**62.79**	**1,563.2**		**34,368.7**	**73.37**	**2,521.8**		**59,262.8**	**68.93**	**4,085.0**		**31,705.3**	**14.03**	**444.8**

Year	WI Share Condensate Cal Day Rate bbl/d	WI Share Condensate Volume Mbbl	WI Share Condensate Avg. Price $US/bbl	WI Share Condensate Sales Revenue MM$US	WI Share Liquids Cal Day Rate bbl/d	WI Share Liquids Volume Mbbl	WI Share Liquids Avg. Price $US/bbl	WI Share Liquids Sales Revenue MM$US	WI Share Oil Equivalent Cal Day Rate BOE/d	WI Share Oil Equivalent Volume MBOE	WI Share Oil Equivalent Avg. Price $US/BOE	WI Share Oil Equivalent Sales Revenue MM$US
2026	-	-	-	-	27.2	9.9	42.03	0.4	7,937.1	2,897.0	54.81	158.8
2027	-	-	-	-	85.4	31.2	43.30	1.4	15,454.3	5,640.8	60.19	339.5
2028	-	-	-	-	151.8	55.6	44.49	2.5	16,121.4	5,900.4	63.81	376.5
2029	-	-	-	-	166.8	60.9	46.02	2.8	14,902.7	5,439.5	65.71	357.4
2030	-	-	-	-	143.3	52.3	44.69	2.3	14,299.8	5,219.4	66.90	349.2
2031	-	-	-	-	99.6	36.4	46.18	1.7	13,134.8	4,794.2	68.62	329.0
2032	-	-	-	-	75.4	27.6	47.24	1.3	11,756.8	4,303.0	70.01	301.2
2033	-	-	-	-	81.5	29.7	54.82	1.6	11,240.9	4,102.9	70.73	290.2
2034	-	-	-	-	59.9	21.9	47.85	1.0	10,195.8	3,721.5	70.67	263.0
2035	-	-	-	-	53.5	19.5	46.14	0.9	9,164.0	3,344.9	71.38	238.7
2036	-	-	-	-	44.3	16.2	41.13	0.7	7,682.3	2,811.7	73.11	205.6
2037	-	-	-	-	57.2	20.9	41.12	0.9	7,239.9	2,642.6	74.24	196.2
2038	-	-	-	-	62.2	22.7	41.26	0.9	6,553.9	2,392.2	75.16	179.8
2039	-	-	-	-	49.3	18.0	41.27	0.7	6,365.2	2,323.3	76.90	178.7
2040	-	-	-	-	39.2	14.3	41.19	0.6	4,986.0	1,824.9	78.24	142.8
2041	-	-	-	-	35.2	12.8	41.49	0.5	4,301.5	1,570.0	79.54	124.9
2042	-	-	-	-	21.8	7.9	41.88	0.3	3,789.0	1,383.0	81.29	112.4
2043	-	-	-	-	-	-	-	-	3,108.1	1,134.5	83.43	94.6
2044	-	-	-	-	-	-	-	-	2,674.5	978.9	84.85	83.1
2045	-	-	-	-	-	-	-	-	2,359.6	861.3	86.49	74.5
2046	-	-	-	-	-	-	-	-	1,972.4	719.9	88.35	63.6
2047	-	-	-	-	-	-	-	-	1,424.4	519.9	89.93	46.8
2048	-	-	-	-	-	-	-	-	1,122.4	410.8	91.13	37.4
2049 (3)	-	-	-	-	-	-	-	-	759.6	68.4	96.69	6.6
2050	-	-	-	-	-	-	-	-	-	-	-	-
2051	-	-	-	-	-	-	-	-	-	-	-	-
2052	-	-	-	-	-	-	-	-	-	-	-	-
2053	-	-	-	-	-	-	-	-	-	-	-	-
2054	-	-	-	-	-	-	-	-	-	-	-	-
23.25 yr		**-**	**-**	**-**		**457.8**	**44.99**	**20.6**		**65,004.9**	**1,822.15**	**4,550.4**

Year	Royalties & Burdens Heavy Oil S/S M$US	Light Oil S/S M$US	Gas S/S M$US	C5+ S/S M$US	ANH Rights M$US	HPS M$US	X Factor M$US	Overriding Royalty M$US	Total Roy. & Burdens M$US	Total Roy. & Burdens %	WI Sales Revenue MM$US	RI Revenue MM$US	Co. Share Revenue MM$US	Total Roy. & Burdens MM$US	Net Revenue MM$US
2026	4,585.5	7,446.8	43.6	18.0	497.6	2,565.8	4,181.2	27.0	19,365.4	12.2	158.8	-	158.8	19.4	139.4
2027	5,824.5	17,486.1	1,866.3	55.9	898.3	5,773.9	13,181.5	479.7	45,566.0	13.4	339.5	-	339.5	45.6	294.0
2028	4,618.2	20,605.5	2,958.4	107.5	899.6	14,681.8	11,664.1	670.1	56,205.0	14.9	376.5	-	376.5	56.2	320.3
2029	5,362.0	18,029.8	3,035.3	124.1	813.5	10,569.4	9,923.1	777.5	48,634.8	13.6	357.4	-	357.4	48.6	308.8
2030	6,583.1	16,642.0	2,343.0	94.8	801.1	10,728.0	9,346.4	952.4	47,490.9	13.6	349.2	-	349.2	47.5	301.7
2031	6,075.3	14,545.8	2,865.1	67.3	704.9	9,627.5	10,764.1	975.7	45,625.7	13.9	329.0	-	329.0	45.6	283.4
2032	4,772.8	13,324.3	3,149.6	52.1	608.8	9,073.0	11,385.1	876.7	43,242.4	14.4	301.2	-	301.2	43.2	258.0
2033	4,497.1	12,516.8	3,117.4	77.3	565.8	8,826.3	11,583.7	1,553.6	42,738.0	14.7	290.2	-	290.2	42.7	247.4
2034	4,562.1	12,332.0	1,705.1	41.6	554.0	9,346.5	7,440.6	1,971.5	37,953.4	14.4	263.0	-	263.0	38.0	225.0
2035	4,470.3	11,487.3	1,004.4	33.6	517.1	8,898.9	5,107.3	1,990.5	33,509.3	14.0	238.7	-	238.7	33.5	205.2
2036	3,972.6	10,081.4	661.7	20.0	448.8	8,101.9	3,867.2	959.1	28,112.7	13.7	205.6	-	205.6	28.1	177.5
2037	3,763.0	9,733.2	492.0	25.3	426.7	8,056.2	3,134.9	767.4	26,398.6	13.5	196.2	-	196.2	26.4	169.8
2038	3,762.7	8,970.4	99.2	27.5	398.9	7,483.4	1,345.3	709.0	22,796.3	12.7	179.8	-	179.8	22.8	157.0
2039	4,799.6	7,589.9	53.3	21.5	390.4	6,195.5	5,976.7	688.8	25,715.6	14.4	178.7	-	178.7	25.7	152.9
2040	4,223.2	5,516.1	48.0	16.8	305.4	3,556.3	6,673.7	670.9	21,010.5	14.7	142.8	-	142.8	21.0	121.8
2041	3,850.4	4,605.5	33.3	15.3	262.3	3,043.7	5,872.1	666.2	18,348.7	14.7	124.9	-	124.9	18.3	106.5
2042	3,638.7	3,929.2	20.6	9.6	231.9	2,770.7	5,279.2	642.3	16,522.4	14.7	112.4	-	112.4	16.5	95.9
2043	3,287.4	3,037.7	-	-	192.1	2,596.9	4,739.8	603.7	14,457.6	15.3	94.6	-	94.6	14.5	80.2
2044	2,926.6	2,596.1	-	-	165.4	2,447.8	4,107.4	584.5	12,827.9	15.4	83.1	-	83.1	12.8	70.2
2045	2,640.6	2,297.7	-	-	145.2	2,170.0	3,673.9	563.7	11,491.2	15.4	74.5	-	74.5	11.5	63.0
2046	2,336.7	1,841.5	-	-	121.1	1,737.6	3,155.6	525.4	9,717.9	15.3	63.6	-	63.6	9.7	53.9
2047	1,544.4	1,543.4	-	-	86.3	1,442.5	2,291.1	550.3	7,458.1	16.0	46.8	-	46.8	7.5	39.3
2048	1,045.5	1,450.4	-	-	67.0	1,354.4	1,774.8	601.6	6,293.7	16.8	37.4	-	37.4	6.3	31.1
2049 (3)	207.5	252.1	-	-	11.9	221.3	369.0	-	1,061.8	16.1	6.6	-	6.6	1.1	5.5
2050	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2051	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2052	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2053	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2054	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Parex Resources Inc.

Results as of January 1, 2026

Parex Resources Inc.

Total Probable (Reserves)

Year	Royalties & Burdens: Heavy Oil S/S M$US	Light Oil S/S M$US	Gas S/S M$US	C5+ S/S M$US	ANH Rights M$US	HPS M$US	X Factor M$US	Overriding Royalty M$US	Total Roy. & Burdens M$US	Total Roy. & Burdens %	WI Sales Revenue MM$US	RI Revenue MM$US	Co. Share Revenue MM$US	Total Roy. & Burdens MM$US	Net Revenue MM$US
23.25 yr	93,349.7	207,860.9	23,496.3	808.1	10,114.1	141,269.5	146,837.9	18,807.5	642,544.0	14.1	4,550.4	-	4,550.4	642.5	3,907.9

Year	Net Oil: Cal Day Rate bbl/d	Volume Mbbl	Net Revenue MM$US	Net Sales Gas: Cal Day Rate Mcf/d	Volume MMcf	Net Revenue MM$US	Net Condensate: Cal Day Rate bbl/d	Volume Mbbl	Net Revenue MM$US	Net Liquids: Cal Day Rate bbl/d	Volume Mbbl	Net Revenue MM$US	Net Oil Equivalent: Cal Day Rate BOE/d	Volume MBOE	Net Revenue MM$US	Net Other: Net Revenue MM$US
2026	7,097.5	2,590.6	142.7	255.8	93.4	0.5	-	-	-	26.3	9.6	0.4	7,166.4	2,615.8	139.4	-4.2
2027	12,825.4	4,681.3	272.0	6,248.5	2,280.7	33.9	-	-	-	83.0	30.3	1.3	13,949.8	5,091.7	294.0	-13.2
2028	12,384.8	4,532.8	278.8	9,565.2	3,500.9	50.8	-	-	-	147.3	53.9	2.4	14,126.3	5,170.2	320.3	-11.7
2029	11,417.3	4,167.3	264.2	9,967.1	3,638.0	51.8	-	-	-	161.7	59.0	2.7	13,240.2	4,832.7	308.8	-9.9
2030	11,263.9	4,111.3	266.6	7,688.2	2,806.2	42.2	-	-	-	139.4	50.9	2.2	12,684.7	4,629.9	301.7	-9.3
2031	9,930.0	3,624.4	240.1	9,962.2	3,636.2	52.4	-	-	-	97.0	35.4	1.6	11,687.3	4,265.9	283.4	-10.8
2032	8,533.6	3,123.3	210.2	11,147.3	4,079.9	58.0	-	-	-	73.4	26.9	1.3	10,465.0	3,830.2	258.0	-11.4
2033	8,024.3	2,928.9	200.1	11,323.0	4,132.9	57.4	-	-	-	78.7	28.7	1.6	9,990.2	3,646.4	247.4	-11.6
2034	7,880.3	2,876.3	200.2	6,268.6	2,288.0	31.3	-	-	-	58.4	21.3	1.0	8,983.5	3,279.0	225.0	-7.4
2035	7,374.7	2,691.8	191.1	3,756.3	1,371.0	18.3	-	-	-	52.3	19.1	0.9	8,053.1	2,939.4	205.2	-5.1
2036	6,313.3	2,310.7	168.6	2,473.7	905.4	12.0	-	-	-	43.6	15.9	0.6	6,769.1	2,477.5	177.5	-3.9
2037	6,002.7	2,191.0	163.2	1,921.9	701.5	8.8	-	-	-	56.2	20.5	0.8	6,379.3	2,328.4	169.8	-3.1
2038	5,621.4	2,051.8	155.9	544.6	198.8	1.6	-	-	-	61.2	22.3	0.9	5,773.3	2,107.3	157.0	-1.3
2039	5,555.9	2,027.9	157.4	339.0	123.7	0.8	-	-	-	48.5	17.7	0.7	5,660.9	2,066.2	152.9	-6.0
2040	4,396.0	1,608.9	127.2	285.1	104.3	0.7	-	-	-	38.6	14.1	0.6	4,482.0	1,640.4	121.8	-6.7
2041	3,796.7	1,385.8	111.4	222.6	81.2	0.5	-	-	-	34.7	12.6	0.5	3,868.4	1,412.0	106.5	-5.9
2042	3,361.5	1,227.0	100.6	137.8	50.3	0.3	-	-	-	21.4	7.8	0.3	3,405.9	1,243.2	95.9	-5.3
2043	2,783.0	1,015.8	84.9	-	-	-	-	-	-	-	-	-	2,783.0	1,015.8	80.2	-4.7
2044	2,386.5	873.5	74.3	-	-	-	-	-	-	-	-	-	2,386.5	873.5	70.2	-4.1
2045	2,105.5	768.5	66.7	-	-	-	-	-	-	-	-	-	2,105.5	768.5	63.0	-3.7
2046	1,763.4	643.6	57.0	-	-	-	-	-	-	-	-	-	1,763.4	643.6	53.9	-3.2
2047	1,262.6	460.8	41.6	-	-	-	-	-	-	-	-	-	1,262.6	460.8	39.3	-2.3
2048	982.9	359.8	32.9	-	-	-	-	-	-	-	-	-	982.9	359.8	31.1	-1.8
2049 (3)	680.0	61.2	5.9	-	-	-	-	-	-	-	-	-	680.0	61.2	5.5	-0.4
2050	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2051	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2052	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2053	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2054	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23.25 yr		52,314.3	3,613.6		29,992.4	421.3		-	-		446.2	19.8		57,759.2	3,907.9	-146.8

Year	Operating Costs: Fixed M$US	Variable M$US	Total M$US	Abandon. M$US	Salvage M$US	Other Income M$US	Net Op. Income M$US	Capital Costs: G&G M$US	Property & Leasehold M$US	Tangible M$US	Intangible M$US	Total M$US	Before Tax Cash Flow: BTCF M$US	Cum. M$US	NPV @ 10.00 % M$US
2026	3,730.8	9,123.9	12,854.8	-	-	-	126,558.7	-	-	63,091.5	15,500.0	78,591.5	47,967.2	47,967.2	44,619.7
2027	5,529.1	23,194.9	28,724.0	-	-	-	265,246.9	-	-	57,579.0	10,082.4	78,283.6	186,963.4	234,930.6	161,239.4
2028	9,166.8	28,885.9	38,052.6	-	-	-	282,241.7	-	-	7,634.5	3,940.0	22,355.4	259,886.3	494,816.9	204,786.6
2029	10,757.5	27,580.8	38,338.3	4,894.7	-	-	265,546.0	-	-	58.3	8,457.7	8,516.0	257,030.0	751,846.8	184,123.6
2030	11,989.3	29,412.8	41,402.2	10,533.6	-	-	249,742.2	-	-	-	4,106.9	4,106.9	245,635.3	997,482.1	159,964.5
2031	15,625.9	29,237.4	44,863.2	-	-	-	238,503.4	-	-	-	-	-	238,503.4	1,235,985.5	141,200.0
2032	14,476.1	28,327.3	42,803.4	-2,763.1	-	-	217,953.5	-	-	-	-	-	217,953.5	1,453,939.0	117,303.6
2033	23,163.1	30,120.2	53,283.3	-1,082.2	-	-	195,247.8	-	-	-	157.2	157.2	195,090.6	1,649,029.6	95,453.4
2034	30,246.9	31,584.4	61,831.3	-532.9	-	-	163,751.2	-	-	-	-	-	163,751.2	1,812,780.8	72,836.1
2035	31,845.5	30,457.8	62,303.3	-5,028.6	-	-	147,961.9	-	-	4,555.8	-	4,555.8	143,406.1	1,956,186.9	57,987.9
2036	22,893.7	26,449.7	49,343.5	1,093.3	-	-	127,028.5	-	-	4,646.9	-	4,646.9	122,381.6	2,078,568.5	44,987.6
2037	29,381.0	25,733.0	55,114.0	-1,987.0	-	-	116,648.9	-	-	4,739.8	-	4,739.8	111,909.0	2,190,477.5	37,398.1
2038	29,541.7	25,366.9	54,908.6	-5,093.3	-	-	107,173.7	-	-	4,834.6	-	4,834.6	102,339.1	2,292,816.6	31,090.9
2039	28,432.7	30,715.8	59,148.5	-1,276.5	-	-	95,072.4	-	-	-	-	-	95,072.4	2,387,889.0	26,257.5
2040	21,571.2	25,665.3	47,236.6	-3,098.1	-	-	77,626.7	-	-	-	-	-	77,626.7	2,465,515.7	19,490.2
2041	19,125.2	23,155.2	42,280.4	3,374.7	-	-	60,872.9	-	-	-	-	-	60,872.9	2,526,388.6	13,894.3
2042	16,005.0	20,022.7	36,027.8	-559.8	-	-	60,432.1	-	-	-	-	-	60,432.1	2,586,820.7	12,539.7
2043	9,645.1	16,382.3	26,027.4	2,958.8	-	-	51,203.4	-	-	-	-	-	51,203.4	2,638,024.1	9,658.9
2044	8,679.7	13,124.2	21,803.9	4,876.2	-	-	43,546.8	-	-	-	-	-	43,546.8	2,681,570.9	7,467.8
2045	7,998.2	11,072.5	19,070.7	3,147.9	-	-	40,783.4	-	-	-	-	-	40,783.4	2,722,354.3	6,358.1
2046	6,448.4	9,567.9	16,016.3	917.1	-	-	36,953.8	-	-	-	-	-	36,953.8	2,759,308.1	5,237.3
2047	3,798.6	7,090.7	10,889.4	2,853.6	-	-	25,551.7	-	-	-	-	-	25,551.7	2,784,859.9	3,292.1
2048	3,088.1	5,451.7	8,539.8	1,791.2	-	-	20,809.9	-	-	-	-	-	20,809.9	2,805,669.8	2,437.4
2049 (3)	459.9	1,098.7	1,558.7	2,696.7	-	-	1,292.8	-	-	-	-	-	1,292.8	2,806,962.6	137.7
2050	-	-	-	2,093.4	-	-	-2,093.4	-	-	-	-	-	-2,093.4	2,804,869.2	-202.6
2051	-	-	-	2,420.5	-	-	-2,420.5	-	-	-	-	-	-2,420.5	2,802,448.8	-213.0
2052	-	-	-	1,966.1	-	-	-1,966.1	-	-	-	-	-	-1,966.1	2,800,482.7	-157.3
2053	-	-	-	4,010.3	-	-	-4,010.3	-	-	-	-	-	-4,010.3	2,796,472.4	-291.7
2054	-	-	-	4,285.6	-	-	-4,285.6	-	-	-	-	-	-4,285.6	2,792,186.8	-283.3
23.25 yr	363,599.6	508,822.2	872,421.8	32,492.0	-	-	3,002,974.5	-	-	147,140.4	42,244.2	210,787.7	2,792,186.8	2,792,186.8	1,458,614.4

Country/State	Colombia
Econ. Calc. Date	Jan 2025
Avg. WI Share	57.83 %
Econ. Life/To Aban.	23.25 yr / 28.25 yr
Econ. RLI	1,524.37 yr
Price Deck	GLJ (2026-01)
Price Set	N/A
Economic Limit	N/A
COS / COO	100.0 % / 100.0 %
Oil Reserves Type	<multiple>
Gas Reserves Type	<multiple>

Product	Remaining Reserves: Gross	WI	RI	Co. Share	Net	Net Revenue NPV (MM$US): 0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %
Oil (MMbbl)	101.2	59.3	-	59.3	52.3	3,613.6	2,463.0	2,034.2	1,814.4	1,415.6	1,152.4
Sales Gas (MMcf)	61,720.9	31,705.3	-	31,705.3	29,992.4	421.3	322.9	279.0	254.3	205.1	168.7
Condensate (MMbbl)	-	-	-	-	-	-	-	-	-	-	-
Liquids (MMbbl)	0.9	0.5	-	0.5	0.4	19.8	14.6	12.4	11.2	9.0	7.4
Other Equiv. (MMBOE)	-	-	-	-	-	-	-	-	-	-	-
Other						-	-	-	-	-	-
Total (MMBOE)	**112.4**	**65.0**	**-**	**65.0**	**57.8**	**4,054.7**	**2,800.5**	**2,325.6**	**2,079.9**	**1,629.7**	**1,328.5**
Total BTCF						**2,792.2**	**1,955.2**	**1,629.4**	**1,458.6**	**1,140.7**	**924.3**

Parex Resources Inc.

Results as of January 1, 2026

Parex Resources Inc.

Total Proved + Probable (Reserves)

Year	Gross Well Count	WI Wells	WI Share L&M Oil Cal Day Rate bbl/d	WI Share L&M Oil Volume MMbbl	WI Share L&M Oil Avg. Price $US/bbl	WI Share L&M Oil Sales Revenue MM$US	WI Share Heavy Oil Cal Day Rate bbl/d	WI Share Heavy Oil Volume MMbbl	WI Share Heavy Oil Avg. Price $US/bbl	WI Share Heavy Oil Sales Revenue MM$US	WI Share Total Oil Cal Day Rate bbl/d	WI Share Total Oil Volume MMbbl	WI Share Total Oil Avg. Price $US/bbl	WI Share Total Oil Sales Revenue MM$US	WI Share Sales Gas Cal Day Rate Mcf/d	WI Share Sales Gas Volume MMcf	WI Share Sales Gas Avg. Price $US/Mcf	WI Share Sales Gas Sales Revenue MM$US
2026	306.0	202.7	23,987.1	8.8	50.68	443.7	31,096.3	11.4	53.41	606.2	55,083.4	20.1	52.22	1,049.8	8,203.4	2,994.2	9.63	28.8
2027	349.0	229.1	27,447.0	10.0	55.11	552.1	31,777.7	11.6	59.75	693.0	59,224.6	21.6	57.60	1,245.1	21,160.7	7,723.7	11.53	89.1
2028	377.0	244.5	25,609.7	9.4	58.84	551.5	28,779.1	10.5	63.32	667.0	54,388.8	19.9	61.21	1,218.5	23,951.2	8,766.2	11.90	104.3
2029	371.0	237.2	20,760.4	7.6	60.83	460.9	25,800.4	9.4	65.23	614.3	46,560.9	17.0	63.27	1,075.3	22,267.1	8,127.5	11.32	92.0
2030	365.0	231.3	16,525.6	6.0	61.91	373.4	23,326.9	8.5	66.48	566.0	39,852.5	14.5	64.58	939.4	17,648.6	6,441.7	11.94	76.9
2031	359.0	226.7	12,839.5	4.7	62.89	294.7	20,604.9	7.5	67.77	509.7	33,444.4	12.2	65.89	804.4	16,038.4	5,854.0	12.54	73.4
2032	340.0	211.0	10,150.2	3.7	63.84	237.2	18,198.0	6.7	68.99	459.5	28,348.2	10.4	67.14	696.6	15,133.8	5,539.0	12.92	71.6
2033	324.0	197.7	8,115.2	3.0	64.72	191.7	16,337.6	6.0	70.34	419.5	24,452.8	8.9	68.48	611.2	13,583.5	4,958.0	13.14	65.1
2034	314.0	190.1	6,676.3	2.4	65.69	160.1	14,650.3	5.3	71.75	383.7	21,326.5	7.8	69.85	543.7	7,488.5	2,733.3	12.87	35.2
2035	292.0	173.7	5,418.3	2.0	66.43	131.4	12,897.6	4.7	73.19	344.5	18,315.9	6.7	71.19	475.9	4,642.9	1,694.7	12.42	21.0
2036	270.0	158.2	3,874.5	1.4	67.84	96.2	11,252.9	4.1	74.65	307.5	15,127.4	5.5	72.91	403.7	3,118.3	1,141.3	12.27	14.0
2037	238.0	139.3	3,228.6	1.2	68.98	81.3	9,853.7	3.6	76.15	273.9	13,082.3	4.8	74.38	355.2	2,198.6	802.5	12.26	9.8
2038	212.0	123.4	2,730.8	1.0	69.97	69.7	8,392.5	3.1	77.67	237.9	11,123.3	4.1	75.78	307.7	631.1	230.3	8.19	1.9
2039	188.0	108.6	2,026.2	0.7	69.78	51.6	6,108.5	2.2	79.22	176.6	8,134.7	3.0	76.87	228.2	405.6	148.0	6.89	1.0
2040	121.0	64.2	1,641.7	0.6	70.11	42.1	4,002.0	1.5	80.80	118.4	5,643.7	2.1	77.69	160.5	308.0	112.7	6.78	0.8
2041	94.0	50.3	1,396.6	0.5	70.50	35.9	3,452.8	1.3	82.42	103.9	4,849.4	1.8	78.99	139.8	237.8	86.8	5.99	0.5
2042	86.0	45.9	1,141.9	0.4	71.11	29.6	3,020.9	1.1	84.07	92.7	4,162.8	1.5	80.51	122.3	147.2	53.7	5.99	0.3
2043	72.0	38.6	810.8	0.3	69.89	20.7	2,653.8	1.0	85.75	83.1	3,464.6	1.3	82.04	103.7	-	-	-	-
2044	65.0	34.7	741.5	0.3	71.28	19.3	2,242.1	0.8	87.46	71.8	2,983.7	1.1	83.44	91.1	-	-	-	-
2045	56.0	29.8	668.3	0.2	72.71	17.7	1,970.8	0.7	89.21	64.2	2,639.1	1.0	85.03	81.9	-	-	-	-
2046	49.0	26.0	561.6	0.2	74.18	15.2	1,661.7	0.6	91.00	55.2	2,223.3	0.8	86.75	70.4	-	-	-	-
2047	40.0	21.3	433.7	0.2	75.65	12.0	1,184.5	0.4	92.82	40.1	1,618.1	0.6	88.22	52.1	-	-	-	-
2048	31.0	16.4	392.4	0.1	77.16	11.1	895.1	0.3	94.68	31.0	1,287.5	0.5	89.34	42.1	-	-	-	-
2049 (3)	12.0	6.6	-	-	-	-	759.6	0.1	96.69	6.6	759.6	0.1	96.69	6.6	-	-	-	-
2050	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2051	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2052	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2053	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2054	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23.25 yr				**64.7**	**60.26**	**3,899.3**		**102.4**	**67.64**	**6,926.0**		**167.1**	**64.78**	**10,825.3**		**57,407.6**	**11.95**	**685.8**

Year	WI Share Condensate Cal Day Rate bbl/d	WI Share Condensate Volume Mbbl	WI Share Condensate Avg. Price $US/bbl	WI Share Condensate Sales Revenue MM$US	WI Share Liquids Cal Day Rate bbl/d	WI Share Liquids Volume Mbbl	WI Share Liquids Avg. Price $US/bbl	WI Share Liquids Sales Revenue MM$US	WI Share Oil Equivalent Cal Day Rate BOE/d	WI Share Oil Equivalent Volume MMBOE	WI Share Oil Equivalent Avg. Price $US/BOE	WI Share Oil Equivalent Sales Revenue MM$US
2026	-	-	-	-	295.0	107.7	40.87	4.4	56,745.6	20.7	52.29	1,083.1
2027	-	-	-	-	448.9	163.8	41.50	6.8	63,200.3	23.1	58.13	1,340.9
2028	-	-	-	-	661.3	242.0	45.70	11.1	59,041.9	21.6	61.72	1,333.8
2029	-	-	-	-	741.4	270.6	49.90	13.5	51,013.5	18.6	63.41	1,180.8
2030	-	-	-	-	512.5	187.1	48.31	9.0	43,306.4	15.8	64.87	1,025.4
2031	-	-	-	-	355.1	129.6	48.39	6.3	36,472.6	13.3	66.41	884.1
2032	-	-	-	-	266.3	97.5	48.59	4.7	31,136.8	11.4	67.83	773.0
2033	-	-	-	-	208.3	76.0	48.88	3.7	26,925.1	9.8	69.20	680.0
2034	-	-	-	-	147.3	53.8	44.38	2.4	22,721.9	8.3	70.09	581.3
2035	-	-	-	-	120.9	44.1	43.24	1.9	19,210.6	7.0	71.15	498.9
2036	-	-	-	-	95.0	34.8	41.05	1.4	15,742.1	5.8	72.74	419.1
2037	-	-	-	-	72.8	26.6	41.01	1.1	13,521.5	4.9	74.18	366.1
2038	-	-	-	-	62.2	22.7	41.26	0.9	11,290.7	4.1	75.34	310.5
2039	-	-	-	-	49.3	18.0	41.27	0.7	8,251.6	3.0	76.37	230.0
2040	-	-	-	-	39.2	14.3	41.19	0.6	5,734.2	2.1	77.11	161.8
2041	-	-	-	-	35.2	12.8	41.49	0.5	4,924.2	1.8	78.37	140.9
2042	-	-	-	-	21.8	7.9	41.88	0.3	4,209.1	1.5	80.05	123.0
2043	-	-	-	-	-	-	-	-	3,464.6	1.3	82.04	103.7
2044	-	-	-	-	-	-	-	-	2,983.7	1.1	83.44	91.1
2045	-	-	-	-	-	-	-	-	2,639.1	1.0	85.03	81.9
2046	-	-	-	-	-	-	-	-	2,223.3	0.8	86.75	70.4
2047	-	-	-	-	-	-	-	-	1,618.1	0.6	88.22	52.1
2048	-	-	-	-	-	-	-	-	1,287.5	0.5	89.34	42.1
2049 (3)	-	-	-	-	-	-	-	-	759.6	0.1	96.69	6.6
2050	-	-	-	-	-	-	-	-	-	-	-	-
2051	-	-	-	-	-	-	-	-	-	-	-	-
2052	-	-	-	-	-	-	-	-	-	-	-	-
2053	-	-	-	-	-	-	-	-	-	-	-	-
2054	-	-	-	-	-	-	-	-	-	-	-	-
23.25 yr		**-**	**-**	**-**		**1,509.4**	**46.03**	**69.5**		**178.2**	**1,790.76**	**11,580.5**

Year	Royalties & Burdens Heavy Oil S/S M$US	Light Oil S/S M$US	Gas S/S M$US	C5+ S/S M$US	ANH Rights M$US	HPS M$US	X Factor M$US	Overriding Royalty M$US	Total Roy. & Burdens M$US	Total Roy. & Burdens %	WI Sales Revenue MM$US	RI Revenue MM$US	Co. Share Revenue MM$US	Total Roy. & Burdens MM$US	Net Revenue MM$US
2026	18,940.3	62,423.1	1,644.8	166.4	3,475.8	22,948.7	18,249.7	913.7	128,762.5	11.9	1,083.1	-	1,083.1	128.8	954.3
2027	20,592.1	73,934.7	4,987.6	242.7	3,656.5	37,326.5	28,347.5	8,218.7	177,306.3	13.2	1,340.9	-	1,340.9	177.3	1,163.6
2028	18,698.6	74,538.2	5,900.7	460.9	3,373.2	48,530.8	24,960.1	7,600.8	184,063.4	13.8	1,333.8	-	1,333.8	184.1	1,149.8
2029	18,464.5	63,024.6	5,115.7	619.8	2,878.4	42,609.5	21,159.2	6,812.2	160,683.9	13.6	1,180.8	-	1,180.8	160.7	1,020.1
2030	17,783.5	52,580.6	4,110.8	389.1	2,462.4	37,564.6	19,141.8	6,090.5	140,123.3	13.7	1,025.4	-	1,025.4	140.1	885.2
2031	15,726.2	43,945.0	3,866.0	263.9	2,064.3	32,950.6	17,652.8	5,438.7	121,907.5	13.8	884.1	-	884.1	121.9	762.1
2032	13,898.4	37,482.3	3,742.7	196.7	1,753.5	28,610.7	16,590.2	4,823.1	107,097.6	13.9	773.0	-	773.0	107.1	665.9
2033	12,396.5	32,357.5	3,394.1	153.8	1,506.8	25,498.7	14,935.6	4,395.5	94,638.5	13.9	680.0	-	680.0	94.6	585.4
2034	11,146.7	28,407.1	1,845.2	84.4	1,313.8	23,221.5	9,691.0	3,987.1	79,696.8	13.7	581.3	-	581.3	79.7	501.6
2035	9,933.9	24,400.1	1,113.8	63.8	1,126.4	20,303.3	6,970.3	3,694.5	67,606.3	13.6	498.9	-	498.9	67.6	431.3
2036	8,592.1	20,476.7	744.5	42.4	939.2	17,367.7	5,419.8	2,404.7	55,987.1	13.4	419.1	-	419.1	56.0	363.1
2037	7,612.8	17,813.4	523.6	31.9	810.5	15,326.3	4,452.3	2,051.4	48,622.3	13.3	366.1	-	366.1	48.6	317.5
2038	6,772.7	15,116.6	113.2	27.5	688.8	13,044.9	2,396.5	1,825.0	39,985.1	12.9	310.5	-	310.5	40.0	270.5
2039	5,725.8	10,191.9	65.2	21.5	500.8	8,552.5	6,326.5	1,711.8	33,096.0	14.4	230.0	-	230.0	33.1	196.9
2040	4,539.4	6,382.6	48.9	16.8	345.1	4,492.0	6,820.9	1,614.4	24,260.2	15.0	161.8	-	161.8	24.3	137.6
2041	4,082.4	5,362.1	33.3	15.3	294.8	3,877.4	5,995.5	1,518.0	21,178.8	15.0	140.9	-	140.9	21.2	119.7
2042	3,656.9	4,572.3	20.6	9.6	252.9	3,479.4	5,356.0	1,353.0	18,700.7	15.2	123.0	-	123.0	18.7	104.3
2043	3,287.4	3,599.8	-	-	209.6	3,216.3	4,804.5	1,264.8	16,382.3	15.8	103.7	-	103.7	16.4	87.4
2044	2,926.6	3,086.8	-	-	180.3	2,988.6	4,163.9	1,202.7	14,549.0	16.0	91.1	-	91.1	14.5	76.6
2045	2,640.6	2,747.0	-	-	158.6	2,665.1	3,725.6	1,139.7	13,076.6	16.0	81.9	-	81.9	13.1	68.8
2046	2,336.7	2,255.4	-	-	133.2	2,193.9	3,203.2	1,043.2	11,165.6	15.9	70.4	-	70.4	11.2	59.2
2047	1,544.4	1,881.1	-	-	95.9	1,814.8	2,330.0	911.6	8,577.9	16.5	52.1	-	52.1	8.6	43.5
2048	1,045.5	1,755.7	-	-	75.6	1,690.9	1,809.9	872.4	7,250.1	17.2	42.1	-	42.1	7.3	34.8
2049 (3)	207.5	252.1	-	-	11.9	221.3	369.0	-	1,061.8	16.1	6.6	-	6.6	1.1	5.5
2050	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2051	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2052	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2053	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2054	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Parex Resources Inc.

Results as of January 1, 2026

Parex Resources Inc.

Total Proved + Probable (Reserves)

Year	Royalties & Burdens: Heavy Oil S/S M$US	Light Oil S/S M$US	Gas S/S M$US	C5+ S/S M$US	ANH Rights M$US	HPS M$US	X Factor M$US	Overriding Royalty M$US	Total Roy. & Burdens M$US	Total Roy. & Burdens %	WI Sales Revenue MM$US	RI Revenue MM$US	Co. Share Revenue MM$US	Total Roy. & Burdens MM$US	Net Revenue MM$US
23.25 yr	212,551.3	588,587.0	37,270.9	2,806.6	28,308.4	400,496.1	234,871.8	70,887.7	1,575,779.8	13.6	11,580.5	-	11,580.5	1,575.8	10,004.7

Year	Net Oil: Cal Day Rate bbl/d	Volume MMbbl	Net Revenue MM$US	Net Sales Gas: Cal Day Rate Mcf/d	Volume MMcf	Net Revenue MM$US	Net Condensate: Cal Day Rate bbl/d	Volume MMbbl	Net Revenue MM$US	Net Liquids: Cal Day Rate bbl/d	Volume MMbbl	Net Revenue MM$US	Net Oil Equivalent: Cal Day Rate BOE/d	Volume MMBOE	Net Revenue MM$US	Net Other: Net Revenue MM$US
2026	49,382.3	18.0	941.1	7,723.6	2,819.1	27.2	-	-	-	286.8	0.1	4.2	50,956.4	18.6	954.3	-18.2
2027	52,355.3	19.1	1,101.4	20,034.0	7,312.4	84.1	-	-	-	438.0	0.2	6.6	56,132.3	20.5	1,163.6	-28.3
2028	47,491.8	17.4	1,065.7	22,552.6	8,254.3	98.4	-	-	-	642.3	0.2	10.6	51,892.9	19.0	1,149.8	-25.0
2029	40,701.5	14.9	941.5	20,973.4	7,655.3	86.9	-	-	-	717.1	0.3	12.9	44,914.2	16.4	1,020.1	-21.2
2030	34,845.5	12.7	822.9	16,667.8	6,083.7	72.8	-	-	-	497.3	0.2	8.6	38,120.8	13.9	885.2	-19.1
2031	29,220.6	10.7	704.3	15,169.2	5,536.7	69.5	-	-	-	345.1	0.1	6.0	32,093.9	11.7	762.1	-17.7
2032	24,775.8	9.1	610.1	14,324.9	5,242.9	67.8	-	-	-	258.9	0.1	4.5	27,422.2	10.0	665.9	-16.6
2033	21,362.9	7.8	535.0	12,862.0	4,694.6	61.7	-	-	-	202.7	0.1	3.6	23,709.2	8.7	585.4	-14.9
2034	18,619.8	6.8	475.7	7,087.0	2,586.7	33.3	-	-	-	144.1	0.1	2.3	19,945.1	7.3	501.6	-9.7
2035	15,995.5	5.8	416.5	4,390.3	1,602.5	19.9	-	-	-	118.5	0.0	1.8	16,845.7	6.1	431.3	-7.0
2036	13,242.0	4.8	353.9	2,947.6	1,078.8	13.3	-	-	-	93.3	0.0	1.4	13,826.6	5.1	363.1	-5.4
2037	11,459.1	4.2	311.5	2,078.1	758.5	9.3	-	-	-	71.6	0.0	1.1	11,877.1	4.3	317.5	-4.5
2038	9,754.6	3.6	270.2	592.1	216.1	1.8	-	-	-	61.2	0.0	0.9	9,914.5	3.6	270.5	-2.4
2039	7,169.1	2.6	201.6	379.7	138.6	1.0	-	-	-	48.5	0.0	0.7	7,280.9	2.7	196.9	-6.3
2040	5,017.7	1.8	143.1	288.2	105.5	0.7	-	-	-	38.6	0.0	0.6	5,104.3	1.9	137.6	-6.8
2041	4,310.9	1.6	124.7	222.6	81.2	0.5	-	-	-	34.7	0.0	0.5	4,382.6	1.6	119.7	-6.0
2042	3,697.7	1.3	109.0	137.8	50.3	0.3	-	-	-	21.4	0.0	0.3	3,742.1	1.4	104.3	-5.4
2043	3,066.5	1.1	92.2	-	-	-	-	-	-	-	-	-	3,066.5	1.1	87.4	-4.8
2044	2,631.9	1.0	80.7	-	-	-	-	-	-	-	-	-	2,631.9	1.0	76.6	-4.2
2045	2,327.1	0.8	72.6	-	-	-	-	-	-	-	-	-	2,327.1	0.8	68.8	-3.7
2046	1,962.6	0.7	62.4	-	-	-	-	-	-	-	-	-	1,962.6	0.7	59.2	-3.2
2047	1,417.2	0.5	45.9	-	-	-	-	-	-	-	-	-	1,417.2	0.5	43.5	-2.3
2048	1,115.4	0.4	36.7	-	-	-	-	-	-	-	-	-	1,115.4	0.4	34.8	-1.8
2049 (3)	680.0	0.1	5.9	-	-	-	-	-	-	-	-	-	680.0	0.1	5.5	-0.4
2050	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2051	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2052	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2053	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2054	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23.25 yr		146.9	9,524.4		54,217.4	648.5		-	-		1.5	66.7		157.4	10,004.7	-234.9

Year	Operating Costs: Fixed M$US	Variable M$US	Total M$US	Abandon. M$US	Salvage M$US	Other Income M$US	Net Op. Income M$US	Capital Costs: G&G M$US	Property & Leasehold M$US	Tangible M$US	Intangible M$US	Total M$US	Before Tax Cash Flow: BTCF M$US	Cum. M$US	NPV @ 10.00 % M$US
2026	103,373.4	141,655.5	245,028.9	-	-	-	709,272.8	-	-	207,519.0	51,405.0	258,924.0	450,348.8	450,348.8	426,410.3
2027	115,031.2	152,089.1	267,120.3	-	-	-	896,519.3	-	-	111,204.9	75,970.0	197,797.0	698,722.4	1,149,071.1	605,471.4
2028	116,687.0	149,912.0	266,599.0	-	-	-	883,169.8	-	-	9,283.4	79,384.3	99,448.7	783,721.2	1,932,792.3	617,561.0
2029	113,354.5	135,236.1	248,590.6	4,894.7	-	-	766,588.5	-	-	1,212.2	9,179.9	10,392.1	756,196.4	2,688,988.7	541,701.7
2030	95,129.1	123,262.9	218,392.0	10,722.7	-	-	656,119.1	-	-	-	4,106.9	4,106.9	652,012.1	3,341,000.8	424,608.4
2031	94,941.1	110,920.7	205,861.8	-	-	-	556,287.1	-	-	-	-	-	556,287.1	3,897,287.9	329,336.0
2032	89,028.9	99,879.6	188,908.5	1,212.9	-	-	475,746.0	-	-	-	610.3	610.3	475,135.7	4,372,423.6	255,720.3
2033	87,097.5	91,771.3	178,868.8	4,211.1	-	-	402,319.1	-	-	-	157.2	157.2	402,161.9	4,774,585.6	196,768.6
2034	85,614.8	83,996.0	169,610.8	3,997.8	-	-	328,007.6	-	-	-	-	-	328,007.6	5,102,593.2	145,896.9
2035	81,228.6	73,447.4	154,676.1	2,382.4	-	-	274,214.8	-	-	4,555.8	-	4,555.8	269,659.0	5,372,252.2	109,039.6
2036	68,067.7	62,896.7	130,964.5	6,633.9	-	-	225,496.3	-	-	4,646.9	-	4,646.9	220,849.4	5,593,101.6	81,184.5
2037	65,058.8	55,700.3	120,759.1	5,687.1	-	-	191,012.1	-	-	4,739.8	-	4,739.8	186,272.2	5,779,373.8	62,249.0
2038	56,369.2	48,835.0	105,204.2	3,113.6	-	-	162,182.2	-	-	4,834.6	-	4,834.6	157,347.6	5,936,721.4	47,802.6
2039	40,956.7	37,715.1	78,671.8	7,368.2	-	-	110,869.6	-	-	-	-	-	110,869.6	6,047,591.0	30,620.4
2040	23,560.7	26,956.0	50,516.7	7,489.7	-	-	79,573.4	-	-	-	-	-	79,573.4	6,127,164.4	19,979.0
2041	20,841.2	24,218.8	45,060.0	8,530.9	-	-	66,092.8	-	-	-	-	-	66,092.8	6,193,257.1	15,085.8
2042	17,203.6	20,659.3	37,863.0	8,647.4	-	-	57,773.4	-	-	-	-	-	57,773.4	6,251,030.6	11,988.1
2043	10,742.3	16,922.9	27,665.1	7,177.0	-	-	52,514.5	-	-	-	-	-	52,514.5	6,303,545.1	9,906.2
2044	9,697.1	13,603.8	23,300.9	23,043.6	-	-	30,227.3	-	-	-	-	-	30,227.3	6,333,772.4	5,183.6
2045	9,035.9	11,513.5	20,549.4	7,646.9	-	-	40,636.2	-	-	-	-	-	40,636.2	6,374,408.6	6,335.1
2046	7,489.1	9,971.8	17,460.8	2,261.6	-	-	39,509.5	-	-	-	-	-	39,509.5	6,413,918.1	5,599.5
2047	4,562.8	7,408.7	11,971.5	3,404.9	-	-	28,149.0	-	-	-	-	-	28,149.0	6,442,067.1	3,626.8
2048	3,748.8	5,729.0	9,477.8	2,061.3	-	-	23,308.3	-	-	-	-	-	23,308.3	6,465,375.5	2,730.1
2049 (3)	459.9	1,098.7	1,558.7	2,696.7	-	-	1,292.8	-	-	-	-	-	1,292.8	6,466,668.3	137.7
2050	-	-	-	2,093.4	-	-	-2,093.4	-	-	-	-	-	-2,093.4	6,464,574.9	-202.6
2051	-	-	-	2,706.2	-	-	-2,706.2	-	-	-	-	-	-2,706.2	6,461,868.7	-238.1
2052	-	-	-	2,832.2	-	-	-2,832.2	-	-	-	-	-	-2,832.2	6,459,036.6	-226.6
2053	-	-	-	5,799.6	-	-	-5,799.6	-	-	-	-	-	-5,799.6	6,453,237.0	-421.8
2054	-	-	-	4,285.6	-	-	-4,285.6	-	-	-	-	-	-4,285.6	6,448,951.4	-283.3
23.25 yr	1,319,279.8	1,505,400.3	2,824,680.2	140,901.1	-	-	7,039,164.6	-	-	347,996.6	220,813.5	590,213.2	6,448,951.4	6,448,951.4	3,953,570.1

Country/State	Colombia
Econ. Calc. Date	Jan 2025
Avg. WI Share	58.59 %
Econ. Life/To Aban.	23.25 yr / 28.25 yr
Econ. RLI	11.07 yr
Price Deck	GLJ (2026-01)
Price Set	N/A
Economic Limit	N/A
COS / COO	100.0 % / 100.0 %
Oil Reserves Type	<multiple>
Gas Reserves Type	<multiple>

Product	Remaining Reserves: Gross	WI	RI	Co. Share	Net	Net Revenue NPV (MM$US): 0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %
Oil (MMbbl)	283.0	167.1	-	167.1	146.9	9,524.4	7,240.7	6,310.0	5,808.6	4,843.6	4,155.9
Sales Gas (Bcf)	109.0	57.4	-	57.4	54.2	648.5	518.6	459.2	425.4	356.6	304.4
Condensate (MMbbl)	-	-	-	-	-	-	-	-	-	-	-
Liquids (MMbbl)	3.0	1.5	-	1.5	1.5	66.7	53.4	47.5	44.1	37.3	32.1
Other Equiv. (MMBOE)	-	-	-	-	-	-	-	-	-	-	-
Other						-	-	-	-	-	-
Total (MMBOE)	304.1	178.2	-	178.2	157.4	10,239.6	7,812.7	6,816.7	6,278.1	5,237.5	4,492.4
Total BTCF						6,449.0	4,934.1	4,299.8	3,953.6	3,278.1	2,789.6

Parex Resources Inc.

Results as of January 1, 2026

Parex Resources Inc.

Total Possible (Reserves)

Year	Gross Well Count	WI Wells	WI Share L&M Oil Cal Day Rate bbl/d	WI Share L&M Oil Volume Mbbl	WI Share L&M Oil Avg. Price $US/bbl	WI Share L&M Oil Sales Revenue MM$US	WI Share Heavy Oil Cal Day Rate bbl/d	WI Share Heavy Oil Volume Mbbl	WI Share Heavy Oil Avg. Price $US/bbl	WI Share Heavy Oil Sales Revenue MM$US	WI Share Total Oil Cal Day Rate bbl/d	WI Share Total Oil Volume Mbbl	WI Share Total Oil Avg. Price $US/bbl	WI Share Total Oil Sales Revenue MM$US	WI Share Sales Gas Cal Day Rate Mcf/d	WI Share Sales Gas Volume MMcf	WI Share Sales Gas Avg. Price $US/Mcf	WI Share Sales Gas Revenue MM$US
2026	3.0	1.6	2,057.6	751.0	48.89	36.7	5,381.0	1,964.1	60.04	117.9	7,438.6	2,715.1	56.96	154.6	157.1	57.3	5.29	0.3
2027	20.0	12.2	9,453.3	3,450.5	52.44	180.9	6,865.6	2,506.0	63.92	160.2	16,319.0	5,956.4	57.27	341.1	1,715.5	626.2	10.71	6.7
2028	30.0	17.3	13,601.3	4,978.1	58.69	292.1	5,887.1	2,154.7	65.94	142.1	19,488.4	7,132.8	60.88	434.2	6,608.0	2,418.5	11.02	26.7
2029	34.0	20.8	13,167.6	4,806.2	61.55	295.8	5,525.6	2,016.8	67.09	135.3	18,693.2	6,823.0	63.19	431.1	10,880.4	3,971.3	11.39	45.2
2030	40.0	24.5	9,852.6	3,596.2	62.24	223.8	5,459.4	1,992.7	67.85	135.2	15,312.0	5,588.9	64.24	359.0	8,597.5	3,138.1	11.96	37.5
2031	38.0	21.2	8,171.7	2,982.7	63.27	188.7	5,920.9	2,161.1	68.83	148.8	14,092.5	5,143.8	65.61	337.5	6,117.7	2,232.9	12.30	27.5
2032	57.0	36.9	6,892.5	2,522.6	64.31	162.2	6,676.6	2,443.6	70.18	171.5	13,569.0	4,966.3	67.20	333.7	5,796.3	2,121.4	12.69	26.9
2033	59.0	39.4	5,786.0	2,111.9	65.33	138.0	6,169.0	2,251.7	71.46	160.9	11,955.0	4,363.6	68.49	298.9	6,589.0	2,405.0	13.09	31.5
2034	54.0	35.2	4,976.1	1,816.3	66.43	120.7	5,503.4	2,008.7	72.82	146.3	10,479.5	3,825.0	69.79	266.9	12,136.2	4,429.7	13.61	60.3
2035	65.0	43.0	4,225.0	1,542.1	67.34	103.8	5,439.2	1,985.3	74.08	147.1	9,664.2	3,527.4	71.13	250.9	14,255.2	5,203.2	14.03	73.0
2036	73.0	49.9	4,179.7	1,529.8	67.30	102.9	5,242.1	1,918.6	74.91	143.7	9,421.8	3,448.4	71.53	246.7	15,383.9	5,630.5	14.13	79.5
2037	89.0	56.0	3,645.7	1,330.7	68.13	90.7	5,037.0	1,838.5	76.14	140.0	8,682.6	3,169.2	72.78	230.6	13,853.1	5,056.4	14.05	71.0
2038	101.0	61.1	3,414.1	1,246.1	69.65	86.8	5,149.2	1,879.5	77.66	146.0	8,563.3	3,125.6	74.47	232.8	9,139.6	3,336.0	14.02	46.8
2039	110.0	66.3	3,008.4	1,098.1	70.51	77.4	4,932.5	1,800.3	79.22	142.6	7,940.9	2,898.4	75.92	220.0	6,222.4	2,271.2	13.88	31.5
2040	91.0	47.7	2,569.8	940.5	70.96	66.7	3,872.5	1,417.3	80.80	114.5	6,442.2	2,357.9	76.87	181.3	4,541.7	1,662.3	13.75	22.9
2041	80.0	42.4	2,100.0	766.5	70.73	54.2	3,717.8	1,357.0	82.42	111.8	5,817.8	2,123.5	78.20	166.1	3,427.0	1,250.8	13.76	17.2
2042	68.0	36.5	1,407.7	513.8	73.60	37.8	3,552.5	1,296.7	84.07	109.0	4,960.2	1,810.5	81.10	146.8	2,778.8	1,014.3	13.55	13.7
2043	71.0	37.8	1,455.1	531.1	75.83	40.3	2,991.3	1,091.8	85.75	93.6	4,446.4	1,622.9	82.50	133.9	2,350.7	858.0	13.24	11.4
2044	62.0	33.0	1,310.5	479.7	77.03	36.9	2,752.0	1,007.2	87.46	88.1	4,062.5	1,486.9	84.10	125.0	1,448.5	530.2	12.70	6.7
2045	58.0	31.0	1,161.8	424.1	77.70	33.0	2,304.9	841.3	89.21	75.1	3,466.7	1,265.3	85.36	108.0	254.2	92.8	6.00	0.6
2046	53.0	28.2	1,102.3	402.3	78.74	31.7	2,175.0	793.9	90.99	72.2	3,277.3	1,196.2	86.87	103.9	215.7	78.7	5.95	0.5
2047	55.0	29.2	1,048.5	382.7	79.50	30.4	2,439.0	890.3	92.81	82.6	3,487.5	1,272.9	88.81	113.0	170.8	62.3	5.96	0.4
2048	54.0	28.9	547.0	200.2	77.18	15.5	2,231.4	816.7	94.67	77.3	2,778.3	1,016.9	91.23	92.8	-	-	-	-
2049 (3)	32.0	17.6	-	-	-	-	2,028.5	182.6	96.69	17.7	2,028.5	182.6	96.69	17.7	-	-	-	-
2050	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2051	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2052	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2053	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2054	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23.25 yr				**38,403.1**	**63.72**	**2,447.2**		**38,616.3**	**74.57**	**2,879.4**		**77,019.4**	**69.16**	**5,326.6**		**48,447.1**	**13.16**	**637.8**

Year	WI Share Condensate Cal Day Rate bbl/d	WI Share Condensate Volume Mbbl	WI Share Condensate Avg. Price $US/bbl	WI Share Condensate Sales Revenue MM$US	WI Share Liquids Cal Day Rate bbl/d	WI Share Liquids Volume Mbbl	WI Share Liquids Avg. Price $US/bbl	WI Share Liquids Sales Revenue MM$US	WI Share Oil Equivalent Cal Day Rate BOE/d	WI Share Oil Equivalent Volume MBOE	WI Share Oil Equivalent Avg. Price $US/BOE	WI Share Oil Equivalent Sales Revenue MM$US
2026	-	-	-	-	16.3	6.0	47.17	0.3	7,481.1	2,730.6	56.85	155.2
2027	-	-	-	-	74.4	27.2	44.58	1.2	16,679.3	6,088.0	57.33	349.0
2028	-	-	-	-	276.9	101.3	47.35	4.8	20,866.6	7,637.2	60.98	465.7
2029	-	-	-	-	396.7	144.8	53.23	7.7	20,903.3	7,629.7	63.44	484.1
2030	-	-	-	-	250.8	91.5	54.35	5.0	16,995.7	6,203.4	64.73	401.5
2031	-	-	-	-	171.4	62.6	55.74	3.5	15,283.6	5,578.5	66.04	368.4
2032	-	-	-	-	129.9	47.5	56.31	2.7	14,665.0	5,367.4	67.69	363.3
2033	-	-	-	-	107.7	39.3	56.11	2.2	13,160.8	4,803.7	69.23	332.6
2034	-	-	-	-	110.4	40.3	60.01	2.4	12,612.6	4,603.6	71.60	329.6
2035	-	-	-	-	62.9	22.9	51.36	1.2	12,102.9	4,417.6	73.59	325.1
2036	-	-	-	-	46.1	16.9	41.26	0.7	12,031.8	4,403.6	74.24	326.9
2037	-	-	-	-	52.4	19.1	42.13	0.8	11,043.9	4,031.0	75.04	302.5
2038	-	-	-	-	44.3	16.2	42.05	0.7	10,130.9	3,697.8	75.78	280.2
2039	-	-	-	-	45.6	16.6	42.54	0.7	9,023.5	3,293.6	76.59	252.3
2040	-	-	-	-	43.6	16.0	43.01	0.7	7,242.8	2,650.9	77.26	204.8
2041	-	-	-	-	34.1	12.5	43.08	0.5	6,423.1	2,344.4	78.40	183.8
2042	-	-	-	-	38.6	14.1	42.83	0.6	5,462.0	1,993.6	80.84	161.2
2043	-	-	-	-	47.4	17.3	42.27	0.7	4,885.6	1,783.2	81.87	146.0
2044	-	-	-	-	43.5	15.9	42.59	0.7	4,347.5	1,591.2	83.24	132.5
2045	-	-	-	-	37.5	13.7	43.00	0.6	3,546.5	1,294.5	84.32	109.1
2046	-	-	-	-	29.9	10.9	43.42	0.5	3,343.1	1,220.2	85.93	104.9
2047	-	-	-	-	23.7	8.7	43.84	0.4	3,539.7	1,292.0	88.08	113.8
2048	-	-	-	-	-	-	-	-	2,778.3	1,016.9	91.23	92.8
2049 (3)	-	-	-	-	-	-	-	-	2,028.5	182.6	96.69	17.7
2050	-	-	-	-	-	-	-	-	-	-	-	-
2051	-	-	-	-	-	-	-	-	-	-	-	-
2052	-	-	-	-	-	-	-	-	-	-	-	-
2053	-	-	-	-	-	-	-	-	-	-	-	-
2054	-	-	-	-	-	-	-	-	-	-	-	-
23.25 yr		**-**	**-**	**-**		**761.2**	**50.58**	**38.5**		**85,855.1**	**1,800.99**	**6,002.9**

Year	Royalties & Burdens Heavy Oil S/S M$US	Light Oil S/S M$US	Gas S/S M$US	C5+ S/S M$US	ANH Rights M$US	HPS M$US	X Factor M$US	Overriding Royalty M$US	Total Roy. & Burdens M$US	Total Roy. & Burdens %	WI Sales Revenue MM$US	RI Revenue MM$US	Co. Share Revenue MM$US	Total Roy. & Burdens MM$US	Net Revenue MM$US
2026	7,465.8	4,067.4	22.4	14.2	471.1	1,281.7	1,371.8	0.9	14,695.1	9.5	155.2	-	155.2	14.7	140.5
2027	8,699.7	18,983.7	368.2	51.5	1,030.2	13,744.9	7,233.3	284.3	50,395.9	14.4	349.0	-	349.0	50.4	298.6
2028	6,251.2	30,779.3	1,960.8	246.6	1,232.8	24,560.2	15,522.2	456.3	81,009.4	17.4	465.7	-	465.7	81.0	384.7
2029	5,704.6	30,161.2	2,983.5	428.2	1,178.4	22,322.9	11,145.7	546.6	74,471.1	15.4	484.1	-	484.1	74.5	409.6
2030	5,632.7	22,571.9	2,318.5	256.9	963.4	16,884.4	8,690.8	641.0	57,959.5	14.4	401.5	-	401.5	58.0	343.6
2031	7,257.0	18,763.1	1,600.2	176.4	885.2	15,665.3	7,766.6	752.7	52,866.5	14.3	368.4	-	368.4	52.9	315.5
2032	8,876.5	16,543.4	1,528.1	133.8	853.3	15,090.8	7,397.7	878.6	51,302.2	14.1	363.3	-	363.3	51.3	312.0
2033	7,970.7	14,585.1	1,735.4	107.3	749.7	12,866.7	7,675.1	796.3	46,486.4	14.0	332.6	-	332.6	46.5	286.1
2034	6,609.1	13,294.9	3,197.6	123.7	656.0	11,341.3	11,891.0	809.6	47,923.1	14.5	329.6	-	329.6	47.9	281.7
2035	5,932.4	12,663.0	3,831.5	50.8	605.6	11,341.5	13,851.1	700.1	48,976.0	15.1	325.1	-	325.1	49.0	276.1
2036	5,326.3	12,758.3	4,158.5	21.0	582.8	10,969.3	14,787.7	1,739.0	50,343.0	15.4	326.9	-	326.9	50.3	276.6
2037	4,711.2	12,146.1	3,683.2	25.3	533.6	9,727.6	13,177.4	1,859.7	45,864.1	15.2	302.5	-	302.5	45.9	256.6
2038	4,446.7	12,480.5	2,406.7	20.9	526.1	10,455.6	9,729.9	1,888.2	41,954.7	15.0	280.2	-	280.2	42.0	238.3
2039	4,373.8	11,649.7	1,625.7	22.1	487.6	9,723.0	10,957.2	1,823.0	40,662.1	16.1	252.3	-	252.3	40.7	211.6
2040	3,656.2	9,467.0	1,181.3	21.8	395.2	7,390.6	10,957.4	1,684.1	34,753.5	17.0	204.8	-	204.8	34.8	170.0
2041	3,409.8	8,470.4	888.4	16.9	356.7	7,230.6	9,862.0	1,451.6	31,686.4	17.2	183.8	-	183.8	31.7	152.1
2042	3,386.4	7,097.9	711.4	18.5	310.3	5,843.7	8,956.6	478.3	26,803.0	16.6	161.2	-	161.2	26.8	134.4
2043	2,937.4	6,548.4	590.5	21.4	277.8	4,994.0	7,649.2	489.2	23,507.9	16.1	146.0	-	146.0	23.5	122.5
2044	2,865.9	5,886.5	352.9	20.0	254.3	4,282.6	6,404.1	485.0	20,551.2	15.5	132.5	-	132.5	20.6	111.9
2045	2,854.4	4,512.7	35.6	17.6	216.0	3,249.0	4,368.4	477.9	15,731.5	14.4	109.1	-	109.1	15.7	93.4
2046	2,602.5	4,499.7	30.0	14.3	203.9	3,379.9	4,214.1	493.4	15,437.9	14.7	104.9	-	104.9	15.4	89.4
2047	3,146.6	4,512.6	23.8	11.6	217.4	3,593.4	4,810.3	482.4	16,798.1	14.8	113.8	-	113.8	16.8	97.0
2048	3,104.9	2,983.3	-	-	174.0	2,876.3	4,474.9	347.8	13,961.2	15.0	92.8	-	92.8	14.0	78.8
2049 (3)	715.9	405.7	-	-	31.7	356.1	991.8	-	2,501.2	14.2	17.7	-	17.7	2.5	15.2
2050	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2051	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2052	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2053	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2054	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Parex Resources Inc.

Results as of January 1, 2026

Parex Resources Inc.

Total Possible (Reserves)

Year	Royalties & Burdens: Heavy Oil S/S M$US	Light Oil S/S M$US	Gas S/S M$US	C5+ S/S M$US	ANH Rights M$US	HPS M$US	X Factor M$US	Overriding Royalty M$US	Total Roy. & Burdens M$US	Total Roy. & Burdens %	WI Sales Revenue MM$US	RI Revenue MM$US	Co. Share Revenue MM$US	Total Roy. & Burdens MM$US	Net Revenue MM$US
23.25 yr	**117,937.7**	**285,832.0**	**35,234.2**	**1,820.6**	**13,192.9**	**229,171.3**	**203,886.4**	**19,565.9**	**906,640.9**	**15.1**	**6,002.9**	**-**	**6,002.9**	**906.6**	**5,096.3**

Year	Net Oil: Cal Day Rate bbl/d	Volume Mbbl	Net Revenue MM$US	Net Sales Gas: Cal Day Rate Mcf/d	Volume MMcf	Net Revenue MM$US	Net Condensate: Cal Day Rate bbl/d	Volume Mbbl	Net Revenue MM$US	Net Liquids: Cal Day Rate bbl/d	Volume Mbbl	Net Revenue MM$US	Net Oil Equivalent: Cal Day Rate BOE/d	Volume MBOE	Net Revenue MM$US	Net Other: Net Revenue MM$US
2026	6,789.0	2,478.0	141.4	145.7	53.2	0.3	-	-	-	15.7	5.7	0.3	6,828.9	2,492.6	140.5	-1.4
2027	14,220.9	5,190.6	298.4	1,622.5	592.2	6.3	-	-	-	72.2	26.3	1.2	14,563.5	5,315.7	298.6	-7.2
2028	16,644.4	6,091.9	370.9	6,127.8	2,242.8	24.7	-	-	-	266.9	97.7	4.6	17,932.7	6,563.4	384.7	-15.5
2029	16,050.5	5,858.4	371.2	10,138.5	3,700.6	42.2	-	-	-	380.4	138.8	7.3	18,120.7	6,614.0	409.6	-11.1
2030	13,289.9	4,850.8	312.4	8,052.9	2,939.3	35.2	-	-	-	241.2	88.0	4.7	14,873.3	5,428.7	343.6	-8.7
2031	12,255.1	4,473.1	294.1	5,752.2	2,099.6	25.9	-	-	-	165.0	60.2	3.3	13,378.8	4,883.2	315.5	-7.8
2032	11,817.0	4,325.0	291.5	5,460.7	1,998.6	25.4	-	-	-	125.1	45.8	2.5	12,852.2	4,703.9	312.0	-7.4
2033	10,445.5	3,812.6	261.9	6,220.4	2,270.4	29.8	-	-	-	103.9	37.9	2.1	11,586.1	4,228.9	286.1	-7.7
2034	9,166.9	3,345.9	234.2	11,485.6	4,192.2	57.1	-	-	-	106.2	38.8	2.3	11,187.4	4,083.4	281.7	-11.9
2035	8,436.2	3,079.2	219.7	13,503.7	4,928.8	69.2	-	-	-	61.1	22.3	1.1	10,747.9	3,923.0	276.1	-13.9
2036	8,192.0	2,998.3	215.3	14,576.9	5,335.1	75.4	-	-	-	45.3	16.6	0.7	10,666.7	3,904.0	276.6	-14.8
2037	7,560.9	2,759.7	201.7	13,131.3	4,792.9	67.4	-	-	-	51.5	18.8	0.8	9,800.9	3,577.3	256.6	-13.2
2038	7,439.6	2,715.5	203.0	8,666.7	3,163.3	44.4	-	-	-	43.5	15.9	0.7	8,927.6	3,258.6	238.3	-9.7
2039	6,903.2	2,519.7	192.0	5,898.9	2,153.1	29.9	-	-	-	44.8	16.3	0.7	7,931.1	2,894.8	211.6	-11.0
2040	5,615.8	2,055.4	158.7	4,304.7	1,575.5	21.7	-	-	-	42.9	15.7	0.7	6,376.1	2,333.7	170.0	-11.0
2041	5,064.8	1,848.7	145.1	3,248.3	1,185.6	16.3	-	-	-	33.5	12.2	0.5	5,639.7	2,058.5	152.1	-9.9
2042	4,369.7	1,595.0	129.7	2,633.0	961.1	13.0	-	-	-	38.0	13.9	0.6	4,846.6	1,769.0	134.4	-9.0
2043	3,929.2	1,434.1	118.6	2,226.4	812.6	10.8	-	-	-	46.7	17.0	0.7	4,346.9	1,586.6	122.5	-7.6
2044	3,605.9	1,319.8	111.3	1,370.7	501.7	6.4	-	-	-	42.9	15.7	0.7	3,877.2	1,419.1	111.9	-6.4
2045	3,094.1	1,129.4	96.7	237.9	86.8	0.5	-	-	-	36.9	13.5	0.6	3,170.7	1,157.3	93.4	-4.4
2046	2,915.4	1,064.1	92.7	201.9	73.7	0.4	-	-	-	29.4	10.7	0.5	2,978.4	1,087.1	89.4	-4.2
2047	3,108.8	1,134.7	101.1	159.8	58.3	0.3	-	-	-	23.3	8.5	0.4	3,158.8	1,153.0	97.0	-4.8
2048	2,486.3	910.0	83.3	-	-	-	-	-	-	-	-	-	2,486.3	910.0	78.8	-4.5
2049 (3)	1,855.0	166.9	16.1	-	-	-	-	-	-	-	-	-	1,855.0	166.9	15.2	-1.0
2050	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2051	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2052	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2053	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2054	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23.25 yr		**67,156.7**	**4,660.9**		**45,717.6**	**602.5**		**-**	**-**		**736.4**	**36.7**		**75,512.7**	**5,096.3**	**-203.9**

Year	Operating Costs: Fixed M$US	Variable M$US	Total M$US	Abandon. M$US	Salvage M$US	Other Income M$US	Net Op. Income M$US	Capital Costs: G&G M$US	Property & Leasehold M$US	Tangible M$US	Intangible M$US	Total M$US	Before Tax Cash Flow: BTCF M$US	Cum. M$US	NPV @ 10.00 % M$US
2026	24.5	6,703.1	6,727.6	-	-	-	133,801.1	-	-	32,757.5	-752.5	32,005.0	101,796.1	101,796.1	95,663.2
2027	1,308.1	22,934.6	24,242.7	-	-	-	274,394.0	-	-	55,411.1	10,697.6	66,108.7	208,285.3	310,081.4	179,176.2
2028	3,742.0	35,257.3	38,999.3	-	-	-	345,676.6	-	-	8,840.2	18,838.3	42,136.4	303,540.2	613,621.6	239,185.3
2029	6,984.5	40,172.3	47,156.7	-	-	-	362,430.0	-	-	1,307.0	-	4,966.4	357,463.6	971,085.1	256,069.2
2030	4,812.2	33,413.0	38,225.2	-	-	-	305,358.3	-	-	-	-	-	305,358.3	1,276,443.4	198,857.8
2031	4,913.8	33,289.5	38,203.3	-	-	-	277,346.6	-	-	-	1,800.8	1,800.8	275,545.8	1,551,989.2	163,130.1
2032	12,168.3	35,179.6	47,347.9	-997.1	-	-	265,658.9	-	-	-	1,224.6	1,224.6	264,434.3	1,816,423.6	142,319.8
2033	13,770.0	32,255.0	46,024.9	-1,586.6	-	-	241,646.5	-	-	-	-157.2	-157.2	241,803.7	2,058,227.3	118,309.0
2034	14,275.1	30,275.3	44,550.4	-1,525.1	-	-	238,685.2	-	-	-	-	-	238,685.2	2,296,912.5	106,166.5
2035	17,072.8	33,348.7	50,421.5	2,080.3	-	-	223,632.5	-	-	-	163.8	163.8	223,468.7	2,520,381.2	90,362.1
2036	24,633.6	35,839.3	60,472.9	-5,957.3	-	-	222,055.2	-	-	-	-	-	222,055.2	2,742,436.4	81,627.7
2037	21,706.5	32,573.6	54,280.0	-1,466.2	-	-	203,804.3	-	-	-	-	-	203,804.3	2,946,240.7	68,107.9
2038	29,745.9	33,044.3	62,790.2	2,041.2	-	-	173,419.6	-	-	-	-	-	173,419.6	3,119,660.3	52,685.3
2039	31,525.9	31,162.6	62,688.5	-3,496.5	-	-	152,414.4	-	-	-	-	-	152,414.4	3,272,074.7	42,094.4
2040	28,221.4	24,416.0	52,637.3	-3,004.0	-	-	120,414.1	-	-	-	-	-	120,414.1	3,392,488.8	30,233.2
2041	25,970.8	21,511.7	47,482.5	-2,768.3	-	-	107,400.3	-	-	-	-	-	107,400.3	3,499,889.1	24,514.3
2042	19,402.1	19,761.2	39,163.3	-3,502.9	-	-	98,704.6	-	-	-	-	-	98,704.6	3,598,593.7	20,481.3
2043	24,439.5	18,037.7	42,477.2	-2,523.3	-	-	82,525.8	-	-	-	-	-	82,525.8	3,681,119.5	15,567.5
2044	21,934.3	18,931.4	40,865.7	9,664.2	-	-	61,373.3	-	-	-	-	-	61,373.3	3,742,492.8	10,524.8
2045	15,675.2	17,867.8	33,543.0	3,105.1	-	-	56,768.6	-	-	-	-	-	56,768.6	3,799,261.4	8,850.2
2046	16,309.2	15,712.7	32,021.9	2,803.7	-	-	54,593.9	-	-	-	-	-	54,593.9	3,853,855.3	7,737.4
2047	17,607.3	16,941.0	34,548.2	44.5	-	-	62,408.1	-	-	-	-	-	62,408.1	3,916,263.3	8,040.8
2048	7,021.6	13,313.1	20,334.7	2,590.5	-	-	55,882.1	-	-	-	-	-	55,882.1	3,972,145.4	6,545.4
2049 (3)	1,149.7	2,535.9	3,685.6	1,130.5	-	-	10,334.2	-	-	-	-	-	10,334.2	3,982,479.6	1,100.4
2050	-	-	-	1,553.1	-	-	-1,553.1	-	-	-	-	-	-1,553.1	3,980,926.5	-150.3
2051	-	-	-	-862.6	-	-	862.6	-	-	-	-	-	862.6	3,981,789.1	75.9
2052	-	-	-	-257.9	-	-	257.9	-	-	-	-	-	257.9	3,982,047.0	20.6
2053	-	-	-	6,689.6	-	-	-6,689.6	-	-	-	-	-	-6,689.6	3,975,357.4	-486.5
2054	-	-	-	10,545.9	-	-	-10,545.9	-	-	-	-	-	-10,545.9	3,964,811.5	-697.3
23.25 yr	**364,414.0**	**604,476.6**	**968,890.5**	**14,300.8**	**-**	**-**	**4,113,060.1**	**-**	**-**	**98,315.8**	**31,815.5**	**148,248.6**	**3,964,811.5**	**3,964,811.5**	**1,966,112.3**

Country/State	Colombia
Econ. Calc. Date	Jan 2025
Avg. WI Share	56.78 %
Econ. Life/To Aban.	23.25 yr / 28.25 yr
Econ. RLI	3,135.17 yr
Price Deck	GLJ (2026-01)
Price Set	N/A
Economic Limit	N/A
COS / COO	100.0 % / 100.0 %
Oil Reserves Type	<multiple>
Gas Reserves Type	<multiple>

Product	Remaining Reserves: Gross	WI	RI	Co. Share	Net	Net Revenue NPV (MM$US): 0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %
Oil (MMbbl)	133.9	77.0	-	77.0	67.2	4,660.9	3,111.1	2,546.3	2,259.9	1,745.6	1,409.9
Sales Gas (MMcf)	94,935.2	48,447.1	-	48,447.1	45,717.6	602.5	387.0	304.7	262.4	186.5	138.0
Condensate (MMbbl)	-	-	-	-	-	-	-	-	-	-	-
Liquids (MMbbl)	1.5	0.8	-	0.8	0.7	36.7	26.8	22.9	20.7	16.6	13.7
Other Equiv. (MMBOE)	-	-	-	-	-	-	-	-	-	-	-
Other						-	-	-	-	-	-
Total (MMBOE)	**151.2**	**85.9**	**-**	**85.9**	**75.5**	**5,300.1**	**3,524.9**	**2,873.9**	**2,543.0**	**1,948.7**	**1,561.5**
Total BTCF						**3,964.8**	**2,693.5**	**2,213.6**	**1,966.1**	**1,514.6**	**1,215.1**

Parex Resources Inc.

Results as of January 1, 2026

Parex Resources Inc.

Total Proved + Prob. + Poss. (Reserves)

			WI Share L&M Oil				WI Share Heavy Oil				WI Share Total Oil				WI Share Sales Gas			
Year	Gross Well Count	WI Wells	Cal Day Rate bbl/d	Volume MMbbl	Avg. Price $US/bbl	Sales Revenue MM$US	Cal Day Rate bbl/d	Volume MMbbl	Avg. Price $US/bbl	Sales Revenue MM$US	Cal Day Rate bbl/d	Volume MMbbl	Avg. Price $US/bbl	Sales Revenue MM$US	Cal Day Rate Mcf/d	Volume Bcf	Avg. Price $US/Mcf	Sales Revenue MM$US
2026	309.0	204.2	26,044.7	9.5	50.53	480.4	36,477.2	13.3	54.38	724.1	62,521.9	22.8	52.78	1,204.5	8,360.5	3.1	9.55	29.1
2027	369.0	241.3	36,900.3	13.5	54.43	733.0	38,643.3	14.1	60.49	853.2	75,543.6	27.6	57.53	1,586.2	22,876.3	8.3	11.47	95.8
2028	407.0	261.8	39,211.0	14.4	58.78	843.6	34,666.2	12.7	63.77	809.1	73,877.2	27.0	61.12	1,652.7	30,559.2	11.2	11.71	131.0
2029	405.0	258.0	33,928.1	12.4	61.11	756.8	31,326.0	11.4	65.56	749.6	65,254.1	23.8	63.25	1,506.4	33,147.5	12.1	11.34	137.2
2030	405.0	255.8	26,378.1	9.6	62.03	597.3	28,786.4	10.5	66.74	701.2	55,164.5	20.1	64.49	1,298.5	26,246.1	9.6	11.95	114.4
2031	397.0	247.8	21,011.2	7.7	63.04	483.4	26,525.8	9.7	68.00	658.4	47,537.0	17.4	65.81	1,141.9	22,156.0	8.1	12.47	100.9
2032	397.0	247.9	17,042.6	6.2	64.03	399.4	24,874.6	9.1	69.31	631.0	41,917.2	15.3	67.16	1,030.4	20,930.1	7.7	12.86	98.5
2033	383.0	237.1	13,901.2	5.1	64.97	329.7	22,506.6	8.2	70.65	580.4	36,407.8	13.3	68.48	910.1	20,172.4	7.4	13.12	96.6
2034	368.0	225.3	11,652.4	4.3	66.01	280.7	20,153.7	7.4	72.04	529.9	31,806.0	11.6	69.83	810.7	19,624.8	7.2	13.33	95.5
2035	357.0	216.7	9,643.3	3.5	66.83	235.2	18,336.8	6.7	73.45	491.6	27,980.1	10.2	71.17	726.8	18,898.2	6.9	13.64	94.1
2036	343.0	208.1	8,054.2	2.9	67.56	199.1	16,495.0	6.0	74.73	451.2	24,549.2	9.0	72.38	650.3	18,502.2	6.8	13.81	93.6
2037	327.0	195.3	6,874.3	2.5	68.53	171.9	14,890.7	5.4	76.14	413.8	21,764.9	7.9	73.74	585.8	16,051.6	5.9	13.80	80.9
2038	313.0	184.5	6,144.8	2.2	69.79	156.5	13,541.8	4.9	77.67	383.9	19,686.6	7.2	75.21	540.4	9,770.7	3.6	13.64	48.7
2039	298.0	174.9	5,034.6	1.8	70.21	129.0	11,041.0	4.0	79.22	319.3	16,075.6	5.9	76.40	448.3	6,628.0	2.4	13.45	32.5
2040	212.0	112.0	4,211.5	1.5	70.63	108.9	7,874.5	2.9	80.80	232.9	12,086.0	4.4	77.26	341.7	4,849.7	1.8	13.31	23.6
2041	174.0	92.7	3,496.6	1.3	70.64	90.2	7,170.6	2.6	82.42	215.7	10,667.2	3.9	78.56	305.9	3,664.8	1.3	13.25	17.7
2042	154.0	82.4	2,549.6	0.9	72.49	67.5	6,573.4	2.4	84.07	201.7	9,123.0	3.3	80.83	269.2	2,926.0	1.1	13.17	14.1
2043	143.0	76.4	2,265.9	0.8	73.70	61.0	5,645.1	2.1	85.75	176.7	7,911.0	2.9	82.30	237.6	2,350.7	0.9	13.24	11.4
2044	127.0	67.7	2,052.1	0.8	74.95	56.3	4,994.1	1.8	87.46	159.9	7,046.2	2.6	83.82	216.2	1,448.5	0.5	12.70	6.7
2045	114.0	60.7	1,830.1	0.7	75.88	50.7	4,275.7	1.6	89.21	139.2	6,105.8	2.2	85.22	189.9	254.2	0.1	6.00	0.6
2046	102.0	54.2	1,663.9	0.6	77.20	46.9	3,836.7	1.4	90.99	127.4	5,500.6	2.0	86.82	174.3	215.7	0.1	5.95	0.5
2047	95.0	50.5	1,482.1	0.5	78.37	42.4	3,623.5	1.3	92.81	122.8	5,105.7	1.9	88.62	165.2	170.8	0.1	5.96	0.4
2048	85.0	45.3	939.3	0.3	77.17	26.5	3,126.5	1.1	94.67	108.3	4,065.8	1.5	90.63	134.9	-	-	-	-
2049 (3)	44.0	24.2	-	-	-	-	2,788.0	0.3	96.69	24.3	2,788.0	0.3	96.69	24.3	-	-	-	-
2050	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2051	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2052	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2053	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2054	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23.25 yr			**103.1**	**61.55**	**6,346.4**		**141.0**	**69.54**	**9,805.5**		**244.1**	**66.16**	**16,151.9**			**105.9**	**12.50**	**1,323.5**

	WI Share Condensate				WI Share Liquids				WI Share Oil Equivalent			
Year	Cal Day Rate bbl/d	Volume Mbbl	Avg. Price $US/bbl	Sales Revenue MM$US	Cal Day Rate bbl/d	Volume Mbbl	Avg. Price $US/bbl	Sales Revenue MM$US	Cal Day Rate BOE/d	Volume MMBOE	Avg. Price $US/BOE	Sales Revenue MM$US
2026	-	-	-	-	311.4	113.6	41.20	4.7	64,226.7	23.4	52.82	1,238.3
2027	-	-	-	-	523.3	191.0	41.94	8.0	79,879.6	29.2	57.96	1,690.0
2028	-	-	-	-	938.1	343.4	46.19	15.9	79,908.5	29.2	61.53	1,799.5
2029	-	-	-	-	1,138.1	415.4	51.06	21.2	71,916.8	26.2	63.42	1,664.8
2030	-	-	-	-	763.3	278.6	50.30	14.0	60,302.1	22.0	64.83	1,426.9
2031	-	-	-	-	526.6	192.2	50.78	9.8	51,756.2	18.9	66.30	1,252.5
2032	-	-	-	-	396.2	145.0	51.12	7.4	45,801.8	16.8	67.78	1,136.3
2033	-	-	-	-	316.0	115.3	51.34	5.9	40,085.9	14.6	69.21	1,012.6
2034	-	-	-	-	257.7	94.1	51.08	4.8	35,334.6	12.9	70.63	910.9
2035	-	-	-	-	183.8	67.1	46.02	3.1	31,313.6	11.4	72.09	824.0
2036	-	-	-	-	141.0	51.6	41.12	2.1	27,773.9	10.2	73.39	746.0
2037	-	-	-	-	125.2	45.7	41.48	1.9	24,565.4	9.0	74.56	668.6
2038	-	-	-	-	106.5	38.9	41.59	1.6	21,421.5	7.8	75.55	590.7
2039	-	-	-	-	94.9	34.6	41.88	1.4	17,275.1	6.3	76.49	482.3
2040	-	-	-	-	82.8	30.3	42.15	1.3	12,977.1	4.7	77.19	366.6
2041	-	-	-	-	69.3	25.3	42.28	1.1	11,347.3	4.1	78.39	324.7
2042	-	-	-	-	60.4	22.0	42.48	0.9	9,671.1	3.5	80.50	284.2
2043	-	-	-	-	47.4	17.3	42.27	0.7	8,350.1	3.0	81.94	249.7
2044	-	-	-	-	43.5	15.9	42.59	0.7	7,331.1	2.7	83.32	223.6
2045	-	-	-	-	37.5	13.7	43.00	0.6	6,185.6	2.3	84.62	191.1
2046	-	-	-	-	29.9	10.9	43.42	0.5	5,566.4	2.0	86.26	175.3
2047	-	-	-	-	23.7	8.7	43.84	0.4	5,157.8	1.9	88.12	165.9
2048	-	-	-	-	-	-	-	-	4,065.8	1.5	90.63	134.9
2049 (3)	-	-	-	-	-	-	-	-	2,788.0	0.3	96.69	24.3
2050	-	-	-	-	-	-	-	-	-	-	-	-
2051	-	-	-	-	-	-	-	-	-	-	-	-
2052	-	-	-	-	-	-	-	-	-	-	-	-
2053	-	-	-	-	-	-	-	-	-	-	-	-
2054	-	-	-	-	-	-	-	-	-	-	-	-
23.25 yr		**-**	**-**	**-**		**2,270.6**	**47.55**	**108.0**		**264.0**	**1,794.23**	**17,583.4**

	Royalties & Burdens														
Year	Heavy Oil S/S M$US	Light Oil S/S M$US	Gas S/S M$US	C5+ S/S M$US	ANH Rights M$US	HPS M$US	X Factor M$US	Overriding Royalty M$US	Total Roy. & Burdens M$US	Total Roy. & Burdens %	WI Sales Revenue MM$US	RI Revenue MM$US	Co. Share Revenue MM$US	Total Roy. & Burdens MM$US	Net Revenue MM$US
2026	26,406.1	66,490.5	1,667.2	180.6	3,946.8	24,230.4	19,621.5	914.6	143,457.6	11.6	1,238.3	-	1,238.3	143.5	1,094.8
2027	29,291.8	92,918.5	5,355.8	294.2	4,686.7	51,071.3	35,580.8	8,503.1	227,702.2	13.5	1,690.0	-	1,690.0	227.7	1,462.3
2028	24,949.8	105,317.5	7,861.6	707.5	4,606.0	73,090.9	40,482.3	8,057.2	265,072.8	14.7	1,799.5	-	1,799.5	265.1	1,534.4
2029	24,169.2	93,185.7	8,099.2	1,048.1	4,056.9	64,932.3	32,304.9	7,358.8	235,155.0	14.1	1,664.8	-	1,664.8	235.2	1,429.7
2030	23,416.2	75,152.6	6,429.3	645.9	3,425.8	54,449.0	27,832.6	6,731.5	198,082.9	13.9	1,426.9	-	1,426.9	198.1	1,228.8
2031	22,983.2	62,708.1	5,466.3	440.3	2,949.4	48,615.8	25,419.4	6,191.4	174,774.0	14.0	1,252.5	-	1,252.5	174.8	1,077.7
2032	22,774.9	54,025.7	5,270.8	330.5	2,606.8	43,701.5	23,987.9	5,701.8	158,399.8	13.9	1,136.3	-	1,136.3	158.4	977.9
2033	20,367.2	46,942.7	5,129.5	261.1	2,256.5	38,365.4	22,610.7	5,191.8	141,124.9	13.9	1,012.6	-	1,012.6	141.1	871.5
2034	17,755.8	41,702.0	5,042.8	208.0	1,969.7	34,562.8	21,582.0	4,796.7	127,619.9	14.0	910.9	-	910.9	127.6	783.3
2035	15,866.3	37,063.1	4,945.4	114.5	1,732.0	31,644.8	20,821.4	4,394.6	116,582.3	14.1	824.0	-	824.0	116.6	707.4
2036	13,918.4	33,235.1	4,903.1	63.4	1,522.0	28,336.9	20,207.5	4,143.7	106,330.1	14.3	746.0	-	746.0	106.3	639.7
2037	12,324.0	29,959.5	4,206.8	57.2	1,344.1	25,053.9	17,629.7	3,911.1	94,486.4	14.1	668.6	-	668.6	94.5	574.1
2038	11,219.4	27,597.1	2,519.8	48.4	1,214.9	23,500.5	12,126.4	3,713.2	81,939.8	13.9	590.7	-	590.7	81.9	508.8
2039	10,099.5	21,841.6	1,691.0	43.6	988.3	18,275.6	17,283.7	3,534.8	73,758.2	15.3	482.3	-	482.3	73.8	408.5
2040	8,195.6	15,849.6	1,230.3	38.6	740.3	11,882.6	17,778.3	3,298.5	59,013.8	16.1	366.6	-	366.6	59.0	307.6
2041	7,492.1	13,832.5	921.7	32.1	651.6	11,108.0	15,857.5	2,969.6	52,865.1	16.3	324.7	-	324.7	52.9	271.8
2042	7,043.3	11,670.2	732.0	28.1	563.2	9,323.0	14,312.6	1,831.2	45,503.7	16.0	284.2	-	284.2	45.5	238.6
2043	6,224.8	10,148.1	590.5	21.4	487.4	8,210.3	12,453.7	1,754.1	39,890.2	16.0	249.7	-	249.7	39.9	209.8
2044	5,792.5	8,973.4	352.9	20.0	434.6	7,271.2	10,568.0	1,687.6	35,100.2	15.7	223.6	-	223.6	35.1	188.5
2045	5,495.0	7,259.7	35.6	17.6	374.6	5,914.2	8,094.0	1,617.5	28,808.1	15.1	191.1	-	191.1	28.8	162.2
2046	4,939.2	6,755.2	30.0	14.3	337.1	5,573.8	7,417.4	1,536.6	26,603.5	15.2	175.3	-	175.3	26.6	148.7
2047	4,691.0	6,393.7	23.8	11.6	313.3	5,408.2	7,140.3	1,394.1	25,376.0	15.3	165.9	-	165.9	25.4	140.5
2048	4,150.4	4,739.0	-	-	249.6	4,567.3	6,284.8	1,220.2	21,211.2	15.7	134.9	-	134.9	21.2	113.7
2049 (3)	923.4	657.9	-	-	43.5	577.4	1,360.8	-	3,563.0	14.7	24.3	-	24.3	3.6	20.7
2050	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2051	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2052	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2053	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2054	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Parex Resources Inc.

Results as of January 1, 2026

Parex Resources Inc.

Total Proved + Prob. + Poss. (Reserves)

Year	Royalties & Burdens: Heavy Oil S/S M$US	Light Oil S/S M$US	Gas S/S M$US	C5+ S/S M$US	ANH Rights M$US	HPS M$US	X Factor M$US	Overriding Royalty M$US	Total Roy. & Burdens M$US	Total Roy. & Burdens %	WI Sales Revenue MM$US	RI Revenue MM$US	Co. Share Revenue MM$US	Total Roy. & Burdens MM$US	Net Revenue MM$US
23.25 yr	330,489.0	874,419.0	72,505.1	4,627.2	41,501.3	629,667.3	438,758.2	90,453.6	2,482,420.7	14.1	17,583.4	-	17,583.4	2,482.4	15,101.0

Year	Net Oil: Cal Day Rate bbl/d	Volume MMbbl	Net Revenue MM$US	Net Sales Gas: Cal Day Rate Mcf/d	Volume MMcf	Net Revenue MM$US	Net Condensate: Cal Day Rate bbl/d	Volume MMbbl	Net Revenue MM$US	Net Liquids: Cal Day Rate bbl/d	Volume MMbbl	Net Revenue MM$US	Net Oil Equivalent: Cal Day Rate BOE/d	Volume MMBOE	Net Revenue MM$US	Net Other: Net Revenue MM$US
2026	56,171.3	20.5	1,082.5	7,869.3	2,872.3	27.5	-	-	-	302.4	0.1	4.5	57,785.3	21.1	1,094.8	-19.6
2027	66,576.2	24.3	1,399.7	21,656.5	7,904.6	90.4	-	-	-	510.2	0.2	7.7	70,695.8	25.8	1,462.3	-35.6
2028	64,136.2	23.5	1,436.7	28,680.4	10,497.0	123.1	-	-	-	909.3	0.3	15.2	69,825.6	25.6	1,534.4	-40.5
2029	56,752.1	20.7	1,312.7	31,111.9	11,355.9	129.1	-	-	-	1,097.5	0.4	20.2	63,034.9	23.0	1,429.7	-32.3
2030	48,135.4	17.6	1,135.3	24,720.7	9,023.1	108.0	-	-	-	738.5	0.3	13.4	52,994.1	19.3	1,228.8	-27.8
2031	41,475.7	15.1	998.4	20,921.4	7,636.3	95.4	-	-	-	510.0	0.2	9.3	45,472.7	16.6	1,077.7	-25.4
2032	36,592.8	13.4	901.5	19,785.6	7,241.5	93.2	-	-	-	384.0	0.1	7.1	40,274.4	14.7	977.9	-24.0
2033	31,808.4	11.6	796.9	19,082.3	6,965.0	91.5	-	-	-	306.6	0.1	5.7	35,295.3	12.9	871.5	-22.6
2034	27,786.7	10.1	709.9	18,572.5	6,779.0	90.4	-	-	-	250.3	0.1	4.6	31,132.5	11.4	783.3	-21.6
2035	24,431.7	8.9	636.1	17,894.0	6,531.3	89.1	-	-	-	179.6	0.1	3.0	27,593.6	10.1	707.4	-20.8
2036	21,433.9	7.8	569.2	17,524.5	6,414.0	88.6	-	-	-	138.6	0.1	2.1	24,493.3	9.0	639.7	-20.2
2037	19,020.0	6.9	513.2	15,209.4	5,551.4	76.7	-	-	-	123.1	0.0	1.8	21,678.0	7.9	574.1	-17.6
2038	17,194.2	6.3	473.2	9,258.8	3,379.5	46.1	-	-	-	104.7	0.0	1.6	18,842.0	6.9	508.8	-12.1
2039	14,072.3	5.1	393.5	6,278.6	2,291.7	30.9	-	-	-	93.3	0.0	1.4	15,212.0	5.6	408.5	-17.3
2040	10,633.4	3.9	301.8	4,592.9	1,681.0	22.4	-	-	-	81.4	0.0	1.2	11,480.4	4.2	307.6	-17.8
2041	9,375.7	3.4	269.8	3,470.9	1,266.9	16.8	-	-	-	68.2	0.0	1.0	10,022.4	3.7	271.8	-15.9
2042	8,067.4	2.9	238.7	2,770.8	1,011.3	13.3	-	-	-	59.4	0.0	0.9	8,588.7	3.1	238.6	-14.3
2043	6,995.7	2.6	210.8	2,226.4	812.6	10.8	-	-	-	46.7	0.0	0.7	7,413.4	2.7	209.8	-12.5
2044	6,237.7	2.3	192.0	1,370.7	501.7	6.4	-	-	-	42.9	0.0	0.7	6,509.1	2.4	188.5	-10.6
2045	5,421.2	2.0	169.3	237.9	86.8	0.5	-	-	-	36.9	0.0	0.6	5,497.8	2.0	162.2	-8.1
2046	4,878.0	1.8	155.2	201.9	73.7	0.4	-	-	-	29.4	0.0	0.5	4,941.0	1.8	148.7	-7.4
2047	4,526.0	1.7	147.0	159.8	58.3	0.3	-	-	-	23.3	0.0	0.4	4,575.9	1.7	140.5	-7.1
2048	3,601.7	1.3	119.9	-	-	-	-	-	-	-	-	-	3,601.7	1.3	113.7	-6.3
2049 (3)	2,535.0	0.2	22.1	-	-	-	-	-	-	-	-	-	2,535.0	0.2	20.7	-1.4
2050	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2051	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2052	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2053	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2054	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23.25 yr		214.0	14,185.4		99,934.9	1,251.0		-	-		2.2	103.4		232.9	15,101.0	-438.8

Year	Operating Costs: Fixed M$US	Variable M$US	Total M$US	Abandon. M$US	Salvage M$US	Other Income M$US	Net Op. Income M$US	Capital Costs: G&G M$US	Property & Leasehold M$US	Tangible M$US	Intangible M$US	Total M$US	Before Tax Cash Flow: BTCF M$US	Cum. M$US	NPV @ 10.00 % M$US
2026	103,397.8	148,358.6	251,756.4	-	-	-	843,073.9	-	-	240,276.5	50,652.5	290,929.0	552,144.9	552,144.9	522,073.5
2027	116,339.2	175,023.8	291,363.0	-	-	-	1,170,913.3	-	-	166,615.9	86,667.6	263,905.7	907,007.6	1,459,152.5	784,647.6
2028	120,429.0	185,169.3	305,598.3	-	-	-	1,228,846.4	-	-	18,123.6	98,222.7	141,585.1	1,087,261.3	2,546,413.8	856,746.3
2029	120,339.0	175,408.3	295,747.3	4,894.7	-	-	1,129,018.5	-	-	2,519.1	9,179.9	15,358.5	1,113,660.0	3,660,073.8	797,770.9
2030	99,941.3	156,675.9	256,617.2	10,722.7	-	-	961,477.4	-	-	-	4,106.9	4,106.9	957,370.5	4,617,444.3	623,466.2
2031	99,854.8	144,210.3	244,065.1	-	-	-	833,633.7	-	-	-	1,800.8	1,800.8	831,832.9	5,449,277.1	492,466.1
2032	101,197.2	135,059.2	236,256.4	215.7	-	-	741,404.9	-	-	-	1,834.8	1,834.8	739,570.1	6,188,847.2	398,040.1
2033	100,867.5	124,026.3	224,893.8	2,624.4	-	-	643,965.6	-	-	-	-	-	643,965.6	6,832,812.8	315,077.6
2034	99,889.9	114,271.3	214,161.2	2,472.8	-	-	566,692.8	-	-	-	-	-	566,692.8	7,399,505.7	252,063.5
2035	98,301.4	106,796.1	205,097.6	4,462.7	-	-	497,847.3	-	-	4,555.8	163.8	4,719.6	493,127.7	7,892,633.4	199,401.7
2036	92,701.3	98,736.0	191,437.3	676.6	-	-	447,551.5	-	-	4,646.9	-	4,646.9	442,904.6	8,335,538.0	162,812.2
2037	86,765.3	88,273.8	175,039.1	4,220.9	-	-	394,816.4	-	-	4,739.8	-	4,739.8	390,076.6	8,725,614.5	130,356.9
2038	86,115.1	81,879.3	167,994.3	5,154.8	-	-	335,601.8	-	-	4,834.6	-	4,834.6	330,767.2	9,056,381.7	100,487.9
2039	72,482.6	68,877.8	141,360.3	3,871.7	-	-	263,284.0	-	-	-	-	-	263,284.0	9,319,665.7	72,714.9
2040	51,782.0	51,372.0	103,154.0	4,485.7	-	-	199,987.5	-	-	-	-	-	199,987.5	9,519,653.2	50,212.2
2041	46,812.0	45,730.5	92,542.5	5,762.6	-	-	173,493.1	-	-	-	-	-	173,493.1	9,693,146.2	39,600.0
2042	36,605.8	40,420.5	77,026.3	5,144.5	-	-	156,478.0	-	-	-	-	-	156,478.0	9,849,624.3	32,469.4
2043	35,181.8	34,960.6	70,142.3	4,653.7	-	-	135,040.3	-	-	-	-	-	135,040.3	9,984,664.6	25,473.7
2044	31,631.4	32,535.2	64,166.6	32,707.8	-	-	91,600.6	-	-	-	-	-	91,600.6	10,076,265.2	15,708.5
2045	24,711.2	29,381.2	54,092.4	10,752.0	-	-	97,404.8	-	-	-	-	-	97,404.8	10,173,670.0	15,185.3
2046	23,798.3	25,684.4	49,482.7	5,065.4	-	-	94,103.4	-	-	-	-	-	94,103.4	10,267,773.4	13,336.9
2047	22,170.0	24,349.7	46,519.8	3,449.4	-	-	90,557.1	-	-	-	-	-	90,557.1	10,358,330.5	11,667.6
2048	10,770.4	19,042.1	29,812.5	4,651.8	-	-	79,190.4	-	-	-	-	-	79,190.4	10,437,520.9	9,275.5
2049 (3)	1,609.6	3,634.6	5,244.2	3,827.2	-	-	11,627.0	-	-	-	-	-	11,627.0	10,449,147.8	1,238.1
2050	-	-	-	3,646.5	-	-	-3,646.5	-	-	-	-	-	-3,646.5	10,445,501.4	-353.0
2051	-	-	-	1,843.6	-	-	-1,843.6	-	-	-	-	-	-1,843.6	10,443,657.8	-162.2
2052	-	-	-	2,574.3	-	-	-2,574.3	-	-	-	-	-	-2,574.3	10,441,083.6	-205.9
2053	-	-	-	12,489.1	-	-	-12,489.1	-	-	-	-	-	-12,489.1	10,428,594.4	-908.3
2054	-	-	-	14,831.5	-	-	-14,831.5	-	-	-	-	-	-14,831.5	10,413,762.9	-980.6
23.25 yr	1,683,693.8	2,109,876.9	3,793,570.7	155,202.0	-	-	11,152,224.7	-	-	446,312.3	252,629.0	738,461.8	10,413,762.9	10,413,762.9	5,919,682.4

Country/State	Colombia
Econ. Calc. Date	Jan 2025
Avg. WI Share	57.99 %
Econ. Life/To Aban.	23.25 yr / 28.25 yr
Econ. RLI	16.54 yr
Price Deck	GLJ (2026-01)
Price Set	N/A
Economic Limit	N/A
COS / COO	100.0 % / 100.0 %
Oil Reserves Type	<multiple>
Gas Reserves Type	<multiple>

Product	Remaining Reserves: Gross	WI	RI	Co. Share	Net	Net Revenue NPV (MM$US): 0.00 %	5.00 %	8.00 %	10.00 %	15.00 %	20.00 %
Oil (MMbbl)	416.8	244.1	-	244.1	214.0	14,185.4	10,351.7	8,856.3	8,068.5	6,589.2	5,565.8
Sales Gas (Bcf)	204.0	105.9	-	105.9	99.9	1,251.0	905.6	763.9	687.8	543.1	442.4
Condensate (MMbbl)	-	-	-	-	-	-	-	-	-	-	-
Liquids (MMbbl)	4.5	2.3	-	2.3	2.2	103.4	80.3	70.3	64.8	53.9	45.7
Other Equiv. (MMBOE)	-	-	-	-	-	-	-	-	-	-	-
Other						-	-	-	-	-	-
Total (MMBOE)	455.3	264.0	-	264.0	232.9	15,539.8	11,337.6	9,690.5	8,821.1	7,186.2	6,053.9
Total BTCF						10,413.8	7,627.6	6,513.3	5,919.7	4,792.8	4,004.7

AFTER TAX SUMMARY

SUMMARY OF RESERVES AND VALUES **33**

ECONOMIC FORECASTS
Proved Developed Producing **34**
Proved Developed Non-Producing **36**
Proved Undeveloped **38**
Total Proved **40**
Total Probable **42**
Total Proved Plus Probable **44**
Total Possible **46**
Total Proved Plus Probable Plus Possible **48**

Company: Parex Resources Inc.
Property: Corporate
Description: After Tax Analysis (Reserves)

Reserve Class: Various
Pricing: GLJ (2026-01)
Effective Date: December 31, 2025

	After Tax Cash Flow NPV (0)					
	0.00%	5.00%	9.00%	10.00%	15.00%	20.00%
Proved						
Proved Developed Producing	2,242,809	1,907,608	1,702,517	1,658,027	1,467,573	1,318,700
Proved Developed Non-Producing	68,017	54,118	45,948	44,213	36,960	31,510
Proved Undeveloped	661,825	471,913	366,481	344,684	255,789	191,475
Total Proved	2,972,651	2,433,639	2,114,946	2,046,925	1,760,323	1,541,684
Total Probable	1,564,896	1,101,272	869,447	823,748	644,892	522,443
Total Proved + Probable	4,537,548	3,534,911	2,984,393	2,870,673	2,405,215	2,064,127
Total Possible	2,192,299	1,505,358	1,173,111	1,108,702	1,256,969	1,201,677
Total Proved + Probable + Possible	6,729,847	5,040,269	4,157,504	3,979,375	3,662,184	3,265,804

	Remaining Equivalent Reserves (1) (MBOE)			After Tax Cash Flow NPV/WI BOE ($US/BOE)					
	WI	RI	Net	0.00%	5.00%	9.00%	10.00%	15.00%	20.00%
Proved									
Proved Developed Producing	72,807	-	64,514	30.8	26.2	23.4	22.8	20.2	18.1
Proved Developed Non-Producing	3,521	-	3,153	19.3	15.4	13.1	12.6	10.5	9.0
Proved Undeveloped	36,850	-	31,935	18.0	12.8	9.9	9.4	6.9	5.2
Total Proved	113,177	-	99,603	26.3	21.5	18.7	18.1	15.6	13.6
Total Probable	65,005	-	57,759	24.1	16.9	13.4	12.7	9.9	8.0
Total Proved + Probable	178,182	-	157,362	25.5	19.8	16.7	16.1	13.5	11.6
Total Possible	85,855	-	75,513	25.5	17.5	13.7	12.9	14.6	14.0
Total Proved + Probable + Possible	264,037	-	232,875	25.5	19.1	15.7	15.1	13.9	12.4

(1) Oil Equivalent based on 6:1 Mcf/bbl Gas, 1:1 bbl/bbl Liquids

Company: Parex Resources Inc.
Property: Corporate
Description: After Tax Analysis (Reserves)

Reserve Class: Proved Developed Producing
Pricing: GLJ (2026-01)
Effective Date: December 31, 2025

REVENUE AND EXPENSE FORECAST

	Revenue			Royalties & Expenses							Opearting Expenses				
Year	Sales Revenue M$	Other Revenue M$	Total Revenue M$	Sliding Scale Royalties M$	ANH Rights M$	HPS M$	X Factor M$	Overriding Royalty M$	Total Royalties & Burdens M$	Total Royalties & Burdens %	Fixed M$	Variable M$	Total M$	Aband. & Recl. Costs M$	Net Operating Income M$
2026	807,922	0	807,922	61,900	2,583	18,363	13,125	0	95,972	11.9%	90,572	122,018	212,589	0	499,360
2027	727,632	0	727,632	54,166	1,989	26,409	13,348	0	95,912	13.2%	88,920	104,740	193,660	0	438,060
2028	604,703	0	604,703	44,460	1,546	24,474	11,257	0	81,737	13.5%	85,930	90,450	176,380	0	346,586
2029	488,163	0	488,163	35,627	1,229	20,806	9,455	0	67,118	13.7%	82,331	79,036	161,367	0	259,678
2030	416,556	0	416,556	30,138	1,020	17,554	8,321	0	57,033	13.7%	63,879	71,526	135,404	0	224,118
2031	342,875	0	342,875	24,791	843	15,170	5,612	0	46,417	13.5%	59,367	63,331	122,698	1,195	172,565
2032	281,280	0	281,280	20,265	688	12,226	3,986	0	37,166	13.2%	52,497	54,579	107,075	2,573	134,466
2033	232,017	0	232,017	16,698	566	10,241	2,310	0	29,815	12.9%	44,422	47,691	92,113	4,062	106,026
2034	191,553	0	191,553	13,810	462	8,498	1,397	0	24,166	12.6%	39,807	41,279	81,086	2,298	84,002
2035	155,986	0	155,986	11,246	369	7,208	1,188	0	20,012	12.8%	33,452	33,862	67,314	5,445	63,215
2036	124,346	0	124,346	9,035	289	5,863	1,039	0	16,225	13.0%	25,077	27,892	52,968	5,468	49,684
2037	103,243	0	103,243	7,489	235	4,703	881	0	13,309	12.9%	22,728	24,048	46,776	7,581	35,578
2038	81,212	0	81,212	5,912	181	3,762	706	0	10,561	13.0%	19,846	19,454	39,300	4,615	26,735
2039	17,000	0	17,000	1,234	37	769	158	0	2,198	12.9%	4,045	4,148	8,193	6,681	-71
2040	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	6,944	-6,944
2041	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	6,028	-6,028
2042	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	3,404	-3,404
2043	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	5,358	-5,358
2044	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	13,520	-13,520
2045	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2046	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2047	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2048	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2049	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2050	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2051	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2052	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2053	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2054	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2055	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2056	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2057	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2058	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2059	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2060	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2061	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2062	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2063	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2064	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2065	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2066	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2067	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2068	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2069	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2070	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2071	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2072	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2073	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2074	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2075	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
Total	**4,574,486**	**0**	**4,574,486**	**336,772**	**12,038**	**176,048**	**72,782**	**0**	**597,640**		**712,873**	**784,053**	**1,496,926**	**75,173**	**2,404,748**

AFTER TAX ANALYSIS

		Tax Pool					Federal			Before Income Tax			After Income Tax		
Year	Net Operating Income M$	Initital Balance M$	Additions M$	Balance After Additions M$	Depn. Rate %	Expense Claim M$	Taxable Income M$	Tax Rate %	Income Tax Payable M$	Annual M$	Cum. M$	10.0% Dcf M$	Annual M$	Cum. M$	10.0% Dcf M$
2026	499,360	2,043,204	1,980	2,045,184	20.8%	424,704	74,656	35.0%	26,130	497,380	497,380	474,982	471,251	471,251	449,320
2027	438,060	1,620,480	553	1,621,032	21.3%	344,998	93,062	35.0%	32,572	437,507	934,888	380,173	404,936	876,186	350,992
2028	346,586	1,276,034	0	1,276,034	20.9%	267,321	79,265	40.0%	31,706	346,586	1,281,474	273,105	314,880	1,191,066	248,121
2029	259,678	1,008,713	0	1,008,713	21.1%	212,860	46,818	40.0%	18,727	259,678	1,541,152	186,021	240,951	1,432,017	172,605
2030	224,118	795,853	0	795,853	22.2%	176,852	47,266	45.0%	21,270	224,118	1,765,270	145,952	202,849	1,634,866	132,101
2031	172,565	619,001	0	619,001	23.1%	143,230	29,335	45.0%	13,201	172,565	1,937,835	102,163	159,364	1,794,230	94,347
2032	134,466	475,771	0	475,771	25.0%	119,158	15,308	45.0%	6,889	134,466	2,072,300	72,370	127,577	1,921,807	68,663
2033	106,026	356,614	0	356,614	27.1%	96,812	9,215	45.0%	4,147	106,026	2,178,327	51,876	101,880	2,023,687	49,847
2034	84,002	259,802	0	259,802	30.0%	78,012	5,990	50.0%	2,995	84,002	2,262,329	37,364	81,007	2,104,694	36,032
2035	63,215	181,790	0	181,790	34.4%	62,537	678	50.0%	339	63,215	2,325,544	25,562	62,876	2,167,569	25,424
2036	49,684	119,253	0	119,253	39.3%	46,820	2,864	50.0%	1,432	49,684	2,375,228	18,264	48,252	2,215,822	17,738
2037	35,578	72,433	0	72,433	51.8%	37,487	0	50.0%	0	35,578	2,410,806	11,889	35,578	2,251,399	11,889
2038	26,735	34,945	0	34,945	82.9%	28,987	0	50.0%	0	26,735	2,437,541	8,122	26,735	2,278,135	8,122
2039	-71	5,959	0	5,959	100.0%	5,959	0	45.0%	0	-71	2,437,470	-20	-71	2,278,064	-20
2040	-6,944	0	0	0	0.0%	0	0	45.0%	0	-6,944	2,430,526	-1,744	-6,944	2,271,119	-1,744
2041	-6,028	0	0	0	0.0%	0	0	45.0%	0	-6,028	2,424,497	-1,376	-6,028	2,265,091	-1,376
2042	-3,404	0	0	0	0.0%	0	0	45.0%	0	-3,404	2,421,093	-706	-3,404	2,261,687	-706
2043	-5,358	0	0	0	0.0%	0	0	45.0%	0	-5,358	2,415,735	-1,011	-5,358	2,256,329	-1,011
2044	-13,520	0	0	0	0.0%	0	0	45.0%	0	-13,520	2,402,215	-2,319	-13,520	2,242,809	-2,319
2045	0	0	0	0	0.0%	0	0	45.0%	0	0	2,402,215	0	0	2,242,809	0
2046	0	0	0	0	0.0%	0	0	45.0%	0	0	2,402,215	0	0	2,242,809	0
2047	0	0	0	0	0.0%	0	0	45.0%	0	0	2,402,215	0	0	2,242,809	0
2048	0	0	0	0	0.0%	0	0	45.0%	0	0	2,402,215	0	0	2,242,809	0
2049	0	0	0	0	0.0%	0	0	45.0%	0	0	2,402,215	0	0	2,242,809	0
2050	0	0	0	0	0.0%	0	0	45.0%	0	0	2,402,215	0	0	2,242,809	0
2051	0	0	0	0	0.0%	0	0	45.0%	0	0	2,402,215	0	0	2,242,809	0
2052	0	0	0	0	0.0%	0	0	45.0%	0	0	2,402,215	0	0	2,242,809	0
2053	0	0	0	0	0.0%	0	0	45.0%	0	0	2,402,215	0	0	2,242,809	0
2054	0	0	0	0	0.0%	0	0	45.0%	0	0	2,402,215	0	0	2,242,809	0
2055	0	0	0	0	0.0%	0	0	45.0%	0	0	2,402,215	0	0	2,242,809	0
2056	0	0	0	0	0.0%	0	0	45.0%	0	0	2,402,215	0	0	2,242,809	0
2057	0	0	0	0	0.0%	0	0	45.0%	0	0	2,402,215	0	0	2,242,809	0
2058	0	0	0	0	0.0%	0	0	45.0%	0	0	2,402,215	0	0	2,242,809	0
2059	0	0	0	0	0.0%	0	0	45.0%	0	0	2,402,215	0	0	2,242,809	0
2060	0	0	0	0	0.0%	0	0	45.0%	0	0	2,402,215	0	0	2,242,809	0
2061	0	0	0	0	0.0%	0	0	45.0%	0	0	2,402,215	0	0	2,242,809	0
2062	0	0	0	0	0.0%	0	0	45.0%	0	0	2,402,215	0	0	2,242,809	0
2063	0	0	0	0	0.0%	0	0	45.0%	0	0	2,402,215	0	0	2,242,809	0
2064	0	0	0	0	0.0%	0	0	45.0%	0	0	2,402,215	0	0	2,242,809	0
2065	0	0	0	0	0.0%	0	0	45.0%	0	0	2,402,215	0	0	2,242,809	0
2066	0	0	0	0	0.0%	0	0	45.0%	0	0	2,402,215	0	0	2,242,809	0
2067	0	0	0	0	0.0%	0	0	45.0%	0	0	2,402,215	0	0	2,242,809	0
2068	0	0	0	0	0.0%	0	0	45.0%	0	0	2,402,215	0	0	2,242,809	0
2069	0	0	0	0	0.0%	0	0	45.0%	0	0	2,402,215	0	0	2,242,809	0
2070	0	0	0	0	0.0%	0	0	45.0%	0	0	2,402,215	0	0	2,242,809	0
2071	0	0	0	0	0.0%	0	0	45.0%	0	0	2,402,215	0	0	2,242,809	0
2072	0	0	0	0	0.0%	0	0	45.0%	0	0	2,402,215	0	0	2,242,809	0
2073	0	0	0	0	0.0%	0	0	45.0%	0	0	2,402,215	0	0	2,242,809	0
2074	0	0	0	0	0.0%	0	0	45.0%	0	0	2,402,215	0	0	2,242,809	0
2075	0	0	0	0	0.0%	0	0	45.0%	0	0	2,402,215	0	0	2,242,809	0
Total	**2,404,748**	**8,869,852**	**2,533**	**8,872,385**		**2,045,736**	**404,457**		**159,406**	**2,402,215**	**2,402,215**	**1,780,668**	**2,242,809**	**2,242,809**	**1,658,027**

Company: Parex Resources Inc.
Property: Corporate
Description: After Tax Analysis (Reserves)

Reserve Class: Proved Developed Non-producing
Pricing: GLJ (2026-01)
Effective Date: December 31, 2025

REVENUE AND EXPENSE FORECAST

	Revenue			Royalties & Expenses							Opearting Expenses				
Year	Sales Revenue M$	Other Revenue M$	Total Revenue M$	Sliding Scale Royalties M$	ANH Rights M$	HPS M$	X Factor M$	Overriding Royalty M$	Total Royalties & Burdens M$	Total Royalties & Burdens %	Fixed M$	Variable M$	Total M$	Aband. & Recl. Costs M$	Net Operating Income M$
2026	20,057	0	20,057	1,632	65	677	102	0	2,475	12.3%	2,075	1,979	4,054	0	13,528
2027	32,607	0	32,607	2,542	86	1,010	199	0	3,837	11.8%	4,218	3,460	7,677	0	21,092
2028	23,371	0	23,371	1,799	58	833	132	0	2,821	12.1%	2,227	2,535	4,762	0	15,787
2029	23,751	0	23,751	1,766	55	704	113	0	2,638	11.1%	1,554	2,379	3,932	0	17,180
2030	17,296	0	17,296	1,267	40	518	97	0	1,921	11.1%	1,167	1,776	2,944	0	12,431
2031	15,091	0	15,091	1,123	35	665	107	0	1,930	12.8%	1,827	1,535	3,362	-1,195	10,994
2032	22,402	0	22,402	1,613	53	735	186	0	2,588	11.6%	3,606	2,520	6,126	2,608	11,080
2033	19,464	0	19,464	1,385	46	606	164	0	2,201	11.3%	3,657	2,326	5,983	793	10,487
2034	15,241	0	15,241	1,059	35	483	128	0	1,705	11.2%	3,679	2,048	5,727	1,220	6,589
2035	13,611	0	13,611	976	31	421	98	0	1,527	11.2%	5,064	1,729	6,793	454	4,837
2036	6,081	0	6,081	409	14	162	57	0	641	10.5%	1,377	722	2,099	-168	3,509
2037	3,257	0	3,257	195	7	0	31	0	233	7.2%	122	289	411	238	2,375
2038	2,790	0	2,790	167	6	0	26	0	200	7.2%	124	248	372	243	1,975
2039	635	0	635	38	1	0	6	0	45	7.2%	31	56	87	0	502
2040	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	253	-253
2041	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	1,534	-1,534
2042	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2043	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2044	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	270	-270
2045	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2046	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2047	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2048	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2049	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2050	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2051	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2052	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2053	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2054	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2055	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2056	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2057	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2058	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2059	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2060	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2061	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2062	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2063	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2064	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2065	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2066	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2067	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2068	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2069	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2070	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2071	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2072	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2073	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2074	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2075	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
Total	**215,653**	**0**	**215,653**	**15,971**	**532**	**6,815**	**1,445**	**0**	**24,763**		**30,729**	**23,601**	**54,330**	**6,251**	**130,308**

AFTER TAX ANALYSIS

		Tax Pool					Federal			Before Income Tax			After Income Tax		
Year	Net Operating Income M$	Initital Balance M$	Additions M$	Balance After Additions M$	Depn. Rate %	Expense Claim M$	Taxable Income M$	Tax Rate %	Income Tax Payable M$	Annual M$	Cum. M$	10.0% Dcf M$	Annual M$	Cum. M$	10.0% Dcf M$
2026	13,528	2,043,204	6,253	6,253	20.8%	1,298	12,230	35.0%	4,280	7,275	7,275	6,745	2,995	2,995	2,856
2027	21,092	4,954	4,480	9,434	21.3%	2,008	19,084	35.0%	6,680	16,613	23,888	14,320	9,933	12,928	8,610
2028	15,787	7,426	2,167	9,592	20.9%	2,010	13,777	40.0%	5,511	13,620	37,508	10,732	8,109	21,037	6,390
2029	17,180	7,583	1,876	9,459	21.1%	1,996	15,184	40.0%	6,074	15,304	52,812	10,963	9,230	30,268	6,612
2030	12,431	7,463	0	7,463	22.2%	1,658	10,773	45.0%	4,848	12,431	65,243	8,096	7,583	37,851	4,939
2031	10,994	5,805	0	5,805	23.1%	1,343	9,651	45.0%	4,343	10,994	76,238	6,509	6,651	44,503	3,938
2032	11,080	4,461	610	5,072	25.0%	1,270	9,810	45.0%	4,414	10,470	86,708	5,635	6,055	50,558	3,259
2033	10,487	3,801	0	3,801	27.1%	1,032	9,455	45.0%	4,255	10,487	97,195	5,131	6,232	56,790	3,049
2034	6,589	2,769	0	2,769	30.0%	832	5,757	50.0%	2,879	6,589	103,784	2,931	3,710	60,501	1,650
2035	4,837	1,938	0	1,938	34.4%	667	4,170	50.0%	2,085	4,837	108,621	1,956	2,752	63,252	1,113
2036	3,509	1,271	0	1,271	39.3%	499	3,010	50.0%	1,505	3,509	112,129	1,290	2,004	65,256	737
2037	2,375	772	0	772	51.8%	400	1,975	50.0%	988	2,375	114,504	794	2,342	67,598	783
2038	1,975	373	0	373	82.9%	309	1,666	50.0%	833	1,975	116,479	600	1,975	69,573	600
2039	502	64	0	64	100.0%	64	438	45.0%	197	502	116,981	139	502	70,075	139
2040	-253	0	0	0	0.0%	0	0	45.0%	0	-253	116,728	-64	-253	69,822	-64
2041	-1,534	0	0	0	0.0%	0	0	45.0%	0	-1,534	115,194	-350	-1,534	68,288	-350
2042	0	0	0	0	0.0%	0	0	45.0%	0	0	115,194	0	0	68,288	0
2043	0	0	0	0	0.0%	0	0	45.0%	0	0	115,194	0	0	68,288	0
2044	-270	0	0	0	0.0%	0	0	45.0%	0	-270	114,923	-46	-270	68,017	-46
2045	0	0	0	0	0.0%	0	0	45.0%	0	0	114,923	0	0	68,017	0
2046	0	0	0	0	0.0%	0	0	45.0%	0	0	114,923	0	0	68,017	0
2047	0	0	0	0	0.0%	0	0	45.0%	0	0	114,923	0	0	68,017	0
2048	0	0	0	0	0.0%	0	0	45.0%	0	0	114,923	0	0	68,017	0
2049	0	0	0	0	0.0%	0	0	45.0%	0	0	114,923	0	0	68,017	0
2050	0	0	0	0	0.0%	0	0	45.0%	0	0	114,923	0	0	68,017	0
2051	0	0	0	0	0.0%	0	0	45.0%	0	0	114,923	0	0	68,017	0
2052	0	0	0	0	0.0%	0	0	45.0%	0	0	114,923	0	0	68,017	0
2053	0	0	0	0	0.0%	0	0	45.0%	0	0	114,923	0	0	68,017	0
2054	0	0	0	0	0.0%	0	0	45.0%	0	0	114,923	0	0	68,017	0
2055	0	0	0	0	0.0%	0	0	45.0%	0	0	114,923	0	0	68,017	0
2056	0	0	0	0	0.0%	0	0	45.0%	0	0	114,923	0	0	68,017	0
2057	0	0	0	0	0.0%	0	0	45.0%	0	0	114,923	0	0	68,017	0
2058	0	0	0	0	0.0%	0	0	45.0%	0	0	114,923	0	0	68,017	0
2059	0	0	0	0	0.0%	0	0	45.0%	0	0	114,923	0	0	68,017	0
2060	0	0	0	0	0.0%	0	0	45.0%	0	0	114,923	0	0	68,017	0
2061	0	0	0	0	0.0%	0	0	45.0%	0	0	114,923	0	0	68,017	0
2062	0	0	0	0	0.0%	0	0	45.0%	0	0	114,923	0	0	68,017	0
2063	0	0	0	0	0.0%	0	0	45.0%	0	0	114,923	0	0	68,017	0
2064	0	0	0	0	0.0%	0	0	45.0%	0	0	114,923	0	0	68,017	0
2065	0	0	0	0	0.0%	0	0	45.0%	0	0	114,923	0	0	68,017	0
2066	0	0	0	0	0.0%	0	0	45.0%	0	0	114,923	0	0	68,017	0
2067	0	0	0	0	0.0%	0	0	45.0%	0	0	114,923	0	0	68,017	0
2068	0	0	0	0	0.0%	0	0	45.0%	0	0	114,923	0	0	68,017	0
2069	0	0	0	0	0.0%	0	0	45.0%	0	0	114,923	0	0	68,017	0
2070	0	0	0	0	0.0%	0	0	45.0%	0	0	114,923	0	0	68,017	0
2071	0	0	0	0	0.0%	0	0	45.0%	0	0	114,923	0	0	68,017	0
2072	0	0	0	0	0.0%	0	0	45.0%	0	0	114,923	0	0	68,017	0
2073	0	0	0	0	0.0%	0	0	45.0%	0	0	114,923	0	0	68,017	0
2074	0	0	0	0	0.0%	0	0	45.0%	0	0	114,923	0	0	68,017	0
2075	0	0	0	0	0.0%	0	0	45.0%	0	0	114,923	0	0	68,017	0
Total	**130,308**	**2,091,884**	**15,385**	**64,065**		**15,385**	**116,981**		**48,891**	**114,923**	**114,923**	**75,380**	**68,017**	**68,017**	**44,213**

Company: Parex Resources Inc.
Property: Corporate
Description: After Tax Analysis (Reserves)

Reserve Class: Proved Undeveloped
Pricing: GLJ (2026-01)
Effective Date: December 31, 2025

REVENUE AND EXPENSE FORECAST

	Revenue			Royalties & Expenses							Opearting Expenses				
Year	Sales Revenue M$	Other Revenue M$	Total Revenue M$	Sliding Scale Royalties M$	ANH Rights M$	HPS M$	X Factor M$	Overriding Royalty M$	Total Royalties & Burdens M$	Total Royalties & Burdens %	Fixed M$	Variable M$	Total M$	Aband. & Recl. Costs M$	Net Operating Income M$
2026	96,307	0	96,307	7,549	330	1,343	841	887	10,950	11.4%	6,996	8,535	15,531	0	69,826
2027	241,170	0	241,170	17,816	684	4,133	1,619	7,739	31,991	13.3%	16,364	20,695	37,059	0	172,120
2028	329,259	0	329,259	25,050	869	8,542	1,908	6,931	43,300	13.2%	19,363	28,041	47,404	0	238,555
2029	311,430	0	311,430	23,280	781	10,530	1,668	6,035	42,293	13.6%	18,712	26,241	44,953	0	224,184
2030	242,337	0	242,337	17,797	601	8,764	1,378	5,138	33,678	13.9%	18,094	20,548	38,642	189	169,827
2031	197,098	0	197,098	14,333	481	7,487	1,170	4,463	27,935	14.2%	18,121	16,818	34,939	0	134,225
2032	168,047	0	168,047	12,143	403	6,577	1,033	3,946	24,102	14.3%	18,450	14,454	32,904	-1,206	112,247
2033	138,370	0	138,370	10,010	330	5,825	878	2,842	19,885	14.4%	15,855	11,633	27,489	438	90,558
2034	111,516	0	111,516	7,974	263	4,895	725	2,016	15,872	14.2%	11,882	9,085	20,966	1,012	73,665
2035	90,537	0	90,537	6,294	209	3,775	577	1,704	12,558	13.9%	10,867	7,398	18,266	1,512	58,201
2036	83,077	0	83,077	5,677	187	3,241	457	1,446	11,008	13.3%	18,720	7,833	26,554	241	45,275
2037	63,405	0	63,405	4,284	141	2,567	406	1,284	8,682	13.7%	12,828	5,630	18,458	-145	36,411
2038	46,698	0	46,698	3,090	102	1,800	319	1,116	6,428	13.8%	6,857	3,766	10,623	3,349	26,298
2039	33,711	0	33,711	2,268	72	1,588	186	1,023	5,137	15.2%	8,448	2,795	11,243	1,964	15,367
2040	19,064	0	19,064	1,184	40	936	147	943	3,250	17.0%	1,989	1,291	3,280	3,390	9,144
2041	15,986	0	15,986	989	33	834	123	852	2,830	17.7%	1,716	1,064	2,780	-2,406	12,782
2042	10,562	0	10,562	661	21	709	77	711	2,178	20.6%	1,199	637	1,835	5,803	745
2043	9,092	0	9,092	562	17	619	65	661	1,925	21.2%	1,097	541	1,638	-1,140	6,669
2044	8,066	0	8,066	491	15	541	56	618	1,721	21.3%	1,017	480	1,497	4,377	471
2045	7,416	0	7,416	449	13	495	52	576	1,585	21.4%	1,038	441	1,479	4,499	-147
2046	6,793	0	6,793	414	12	456	48	518	1,448	21.3%	1,041	404	1,445	1,345	2,556
2047	5,351	0	5,351	338	10	372	39	361	1,120	20.9%	764	318	1,082	551	2,597
2048	4,663	0	4,663	305	9	337	35	271	956	20.5%	661	277	938	270	2,498
2049	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2050	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2051	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	286	-286
2052	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	866	-866
2053	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	1,789	-1,789
2054	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2055	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2056	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2057	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2058	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2059	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2060	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2061	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2062	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2063	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2064	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2065	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2066	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2067	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2068	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2069	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2070	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2071	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2072	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2073	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2074	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2075	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
Total	**2,239,954**	**0**	**2,239,954**	**162,957**	**5,624**	**76,364**	**13,807**	**52,080**	**310,833**		**212,078**	**188,924**	**401,002**	**26,985**	**1,501,134**

AFTER TAX ANALYSIS

		Tax Pool					Federal			Before Income Tax			After Income Tax		
Year	Net Operating Income M$	Initital Balance M$	Additions M$	Balance After Additions M$	Depn. Rate %	Expense Claim M$	Taxable Income M$	Tax Rate %	Income Tax Payable M$	Annual M$	Cum. M$	10.0% Dcf M$	Annual M$	Cum. M$	10.0% Dcf M$
2026	69,826	2,043,204	172,100	172,100	20.8%	35,738	34,087	35.0%	11,931	-102,274	-102,274	-99,937	-114,205	-114,205	-108,890
2027	172,120	136,362	114,481	250,843	21.3%	53,386	118,734	35.0%	41,557	57,639	-44,635	49,739	16,082	-98,123	13,940
2028	238,555	197,457	74,927	272,384	20.9%	57,063	181,493	40.0%	72,597	163,629	118,993	128,937	91,031	-7,091	71,732
2029	224,184	215,321	0	215,321	21.1%	45,437	178,747	40.0%	71,499	224,184	343,178	160,594	152,685	145,594	109,376
2030	169,827	169,884	0	169,884	22.2%	37,751	132,076	45.0%	59,434	169,827	513,005	110,596	110,393	255,987	71,891
2031	134,225	132,133	0	132,133	23.1%	30,574	103,651	45.0%	46,643	134,225	647,230	79,464	87,582	343,569	51,851
2032	112,247	101,559	0	101,559	25.0%	25,436	86,811	45.0%	39,065	112,247	759,477	60,412	73,182	416,751	39,387
2033	90,558	76,123	0	76,123	27.1%	20,666	69,892	45.0%	31,452	90,558	850,034	44,308	59,106	475,857	28,919
2034	73,665	55,458	0	55,458	30.0%	16,653	57,013	50.0%	28,506	73,665	923,700	32,766	45,159	521,016	20,087
2035	58,201	38,805	0	38,805	34.4%	13,349	44,852	50.0%	22,426	58,201	981,901	23,534	35,775	556,791	14,466
2036	45,275	25,456	0	25,456	39.3%	9,994	35,281	50.0%	17,640	45,275	1,027,176	16,643	27,635	584,426	10,159
2037	36,411	15,462	0	15,462	51.8%	8,002	28,409	50.0%	14,204	36,411	1,063,586	12,168	22,206	606,632	7,421
2038	26,298	7,459	0	7,459	82.9%	6,188	20,111	50.0%	10,055	26,298	1,089,885	7,989	16,535	623,168	5,024
2039	15,367	1,272	0	1,272	100.0%	1,272	14,095	45.0%	6,343	15,367	1,105,251	4,244	11,540	634,708	3,187
2040	9,144	0	0	0	0.0%	0	9,144	45.0%	4,115	9,144	1,114,395	2,296	8,268	642,976	2,076
2041	12,782	0	0	0	0.0%	0	12,782	45.0%	5,752	12,782	1,127,178	2,918	10,434	653,410	2,381
2042	745	0	0	0	0.0%	0	745	45.0%	335	745	1,127,923	155	745	654,155	155
2043	6,669	0	0	0	0.0%	0	6,669	45.0%	3,001	6,669	1,134,592	1,258	6,079	660,234	1,147
2044	471	0	0	0	0.0%	0	471	45.0%	212	471	1,135,063	81	471	660,705	81
2045	-147	0	0	0	0.0%	0	0	45.0%	0	-147	1,134,916	-23	-147	660,558	-23
2046	2,556	0	0	0	0.0%	0	2,556	45.0%	1,150	2,556	1,137,472	362	1,406	661,963	199
2047	2,597	0	0	0	0.0%	0	2,597	45.0%	1,169	2,597	1,140,069	335	1,429	663,392	184
2048	2,498	0	0	0	0.0%	0	2,498	45.0%	1,124	2,498	1,142,567	293	1,374	664,766	161
2049	0	0	0	0	0.0%	0	0	45.0%	0	0	1,142,567	0	0	664,766	0
2050	0	0	0	0	0.0%	0	0	45.0%	0	0	1,142,567	0	0	664,766	0
2051	-286	0	0	0	0.0%	0	0	45.0%	0	-286	1,142,282	-25	-286	664,480	-25
2052	-866	0	0	0	0.0%	0	0	45.0%	0	-866	1,141,416	-69	-866	663,614	-69
2053	-1,789	0	0	0	0.0%	0	0	45.0%	0	-1,789	1,139,626	-130	-1,789	661,825	-130
2054	0	0	0	0	0.0%	0	0	45.0%	0	0	1,139,626	0	0	661,825	0
2055	0	0	0	0	0.0%	0	0	45.0%	0	0	1,139,626	0	0	661,825	0
2056	0	0	0	0	0.0%	0	0	45.0%	0	0	1,139,626	0	0	661,825	0
2057	0	0	0	0	0.0%	0	0	45.0%	0	0	1,139,626	0	0	661,825	0
2058	0	0	0	0	0.0%	0	0	45.0%	0	0	1,139,626	0	0	661,825	0
2059	0	0	0	0	0.0%	0	0	45.0%	0	0	1,139,626	0	0	661,825	0
2060	0	0	0	0	0.0%	0	0	45.0%	0	0	1,139,626	0	0	661,825	0
2061	0	0	0	0	0.0%	0	0	45.0%	0	0	1,139,626	0	0	661,825	0
2062	0	0	0	0	0.0%	0	0	45.0%	0	0	1,139,626	0	0	661,825	0
2063	0	0	0	0	0.0%	0	0	45.0%	0	0	1,139,626	0	0	661,825	0
2064	0	0	0	0	0.0%	0	0	45.0%	0	0	1,139,626	0	0	661,825	0
2065	0	0	0	0	0.0%	0	0	45.0%	0	0	1,139,626	0	0	661,825	0
2066	0	0	0	0	0.0%	0	0	45.0%	0	0	1,139,626	0	0	661,825	0
2067	0	0	0	0	0.0%	0	0	45.0%	0	0	1,139,626	0	0	661,825	0
2068	0	0	0	0	0.0%	0	0	45.0%	0	0	1,139,626	0	0	661,825	0
2069	0	0	0	0	0.0%	0	0	45.0%	0	0	1,139,626	0	0	661,825	0
2070	0	0	0	0	0.0%	0	0	45.0%	0	0	1,139,626	0	0	661,825	0
2071	0	0	0	0	0.0%	0	0	45.0%	0	0	1,139,626	0	0	661,825	0
2072	0	0	0	0	0.0%	0	0	45.0%	0	0	1,139,626	0	0	661,825	0
2073	0	0	0	0	0.0%	0	0	45.0%	0	0	1,139,626	0	0	661,825	0
2074	0	0	0	0	0.0%	0	0	45.0%	0	0	1,139,626	0	0	661,825	0
2075	0	0	0	0	0.0%	0	0	45.0%	0	0	1,139,626	0	0	661,825	0
Total	**1,501,134**	**3,215,953**	**361,508**	**1,534,257**		**361,508**	**1,142,715**		**490,211**	**1,139,626**	**1,139,626**	**638,907**	**661,825**	**661,825**	**344,684**

Company: Parex Resources Inc.
Property: Corporate
Description: After Tax Analysis (Reserves)

Reserve Class: Total Proved
Pricing: GLJ (2026-01)
Effective Date: December 31, 2025

REVENUE AND EXPENSE FORECAST

	Revenue			Royalties & Expenses							Opearting Expenses				
Year	Sales Revenue M$	Other Revenue M$	Total Revenue M$	Sliding Scale Royalties M$	ANH Rights M$	HPS M$	X Factor M$	Overriding Royalty M$	Total Royalties & Burdens M$	Total Royalties & Burdens %	Fixed M$	Variable M$	Total M$	Aband. & Recl. Costs M$	Net Operating Income M$
2026	924,285	0	924,285	71,081	2,978	20,383	14,069	887	109,397	11.8%	99,643	132,532	232,174	0	582,714
2027	1,001,409	0	1,001,409	74,524	2,758	31,553	15,166	7,739	131,740	13.2%	109,502	128,894	238,396	0	631,272
2028	957,333	0	957,333	71,309	2,474	33,849	13,296	6,931	127,858	13.4%	107,520	121,026	228,546	0	600,928
2029	823,344	0	823,344	60,673	2,065	32,040	11,236	6,035	112,049	13.6%	102,597	107,655	210,252	0	501,043
2030	676,188	0	676,188	49,201	1,661	26,837	9,795	5,138	92,632	13.7%	83,140	93,850	176,990	189	406,377
2031	555,064	0	555,064	40,248	1,359	23,323	6,889	4,463	76,282	13.7%	79,315	81,683	160,999	0	317,784
2032	471,729	0	471,729	34,021	1,145	19,538	5,205	3,946	63,855	13.5%	74,553	71,552	146,105	3,976	257,793
2033	389,851	0	389,851	28,093	941	16,672	3,352	2,842	51,901	13.3%	63,934	61,651	125,586	5,293	207,071
2034	318,310	0	318,310	22,843	760	13,875	2,250	2,016	41,743	13.1%	55,368	52,412	107,780	4,531	164,256
2035	260,134	0	260,134	18,516	609	11,404	1,863	1,704	34,097	13.1%	49,383	42,990	92,373	7,411	126,253
2036	213,504	0	213,504	15,120	490	9,266	1,553	1,446	27,874	13.1%	45,174	36,447	81,621	5,541	98,468
2037	169,906	0	169,906	11,968	384	7,270	1,317	1,284	22,224	13.1%	35,678	29,967	65,645	7,674	74,363
2038	130,700	0	130,700	9,170	290	5,562	1,051	1,116	17,189	13.2%	26,827	23,468	50,296	8,207	55,009
2039	51,346	0	51,346	3,540	110	2,357	350	1,023	7,380	14.4%	12,524	6,999	19,523	8,645	15,797
2040	19,064	0	19,064	1,184	40	936	147	943	3,250	17.0%	1,989	1,291	3,280	10,588	1,947
2041	15,986	0	15,986	989	33	834	123	852	2,830	17.7%	1,716	1,064	2,780	5,156	5,220
2042	10,562	0	10,562	661	21	709	77	711	2,178	20.6%	1,199	637	1,835	9,207	-2,659
2043	9,092	0	9,092	562	17	619	65	661	1,925	21.2%	1,097	541	1,638	4,218	1,311
2044	8,066	0	8,066	491	15	541	56	618	1,721	21.3%	1,017	480	1,497	18,167	-13,319
2045	7,416	0	7,416	449	13	495	52	576	1,585	21.4%	1,038	441	1,479	4,499	-147
2046	6,793	0	6,793	414	12	456	48	518	1,448	21.3%	1,041	404	1,445	1,345	2,556
2047	5,351	0	5,351	338	10	372	39	361	1,120	20.9%	764	318	1,082	551	2,597
2048	4,663	0	4,663	305	9	337	35	271	956	20.5%	661	277	938	270	2,498
2049	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2050	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2051	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	286	-286
2052	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	866	-866
2053	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	1,789	-1,789
2054	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2055	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2056	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2057	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2058	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2059	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2060	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2061	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2062	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2063	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2064	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2065	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2066	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2067	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2068	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2069	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2070	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2071	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2072	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2073	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2074	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2075	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
Total	**7,030,093**	**0**	**7,030,093**	**515,701**	**18,194**	**259,227**	**88,034**	**52,080**	**933,236**		**955,680**	**996,578**	**1,952,258**	**108,409**	**4,036,190**

AFTER TAX ANALYSIS

		Tax Pool					Federal			Before Income Tax			After Income Tax		
Year	Net Operating Income M$	Initital Balance M$	Additions M$	Balance After Additions M$	Depn. Rate %	Expense Claim M$	Taxable Income M$	Tax Rate %	Income Tax Payable M$	Annual M$	Cum. M$	10.0% Dcf M$	Annual M$	Cum. M$	10.0% Dcf M$
2026	582,714	2,043,204	180,333	2,223,536	20.8%	461,741	120,973	35.0%	42,341	402,382	402,382	381,791	360,041	360,041	343,286
2027	631,272	1,761,795	119,513	1,881,309	21.3%	400,392	230,881	35.0%	80,808	511,759	914,141	444,232	430,951	790,992	373,541
2028	600,928	1,480,917	77,093	1,558,010	20.9%	326,393	274,535	40.0%	109,814	523,835	1,437,975	412,774	414,021	1,205,013	326,243
2029	501,043	1,231,617	1,876	1,233,493	21.1%	260,294	240,749	40.0%	96,300	499,166	1,937,142	357,578	402,867	1,607,879	288,594
2030	406,377	973,200	0	973,200	22.2%	216,262	190,115	45.0%	85,552	406,377	2,343,519	264,644	320,825	1,928,704	208,930
2031	317,784	756,938	0	756,938	23.1%	175,147	142,637	45.0%	64,187	317,784	2,661,302	188,136	253,597	2,182,302	150,136
2032	257,793	581,791	610	582,402	25.0%	145,863	111,929	45.0%	50,368	257,182	2,918,485	138,417	206,814	2,389,116	111,308
2033	207,071	436,538	0	436,538	27.1%	118,509	88,562	45.0%	39,853	207,071	3,125,556	101,315	167,218	2,556,334	81,816
2034	164,256	318,029	0	318,029	30.0%	95,496	68,760	50.0%	34,380	164,256	3,289,812	73,061	129,876	2,686,210	57,769
2035	126,253	222,533	0	222,533	34.4%	76,552	49,701	50.0%	24,850	126,253	3,416,065	51,052	101,403	2,787,613	41,003
2036	98,468	145,981	0	145,981	39.3%	57,314	41,154	50.0%	20,577	98,468	3,514,533	36,197	77,891	2,865,504	28,633
2037	74,363	88,667	0	88,667	51.8%	45,889	28,474	50.0%	14,237	74,363	3,588,896	24,851	60,126	2,925,630	20,093
2038	55,009	42,777	0	42,777	82.9%	35,483	19,525	50.0%	9,763	55,009	3,643,905	16,712	45,246	2,970,876	13,746
2039	15,797	7,294	0	7,294	100.0%	7,294	8,503	45.0%	3,826	15,797	3,659,702	4,363	11,971	2,982,847	3,306
2040	1,947	0	0	0	0.0%	0	1,947	45.0%	876	1,947	3,661,649	489	1,071	2,983,917	269
2041	5,220	0	0	0	0.0%	0	5,220	45.0%	2,349	5,220	3,666,869	1,191	2,871	2,986,788	655
2042	-2,659	0	0	0	0.0%	0	0	45.0%	0	-2,659	3,664,210	-552	-2,659	2,984,130	-552
2043	1,311	0	0	0	0.0%	0	1,311	45.0%	590	1,311	3,665,521	247	721	2,984,851	136
2044	-13,319	0	0	0	0.0%	0	0	45.0%	0	-13,319	3,652,202	-2,284	-13,319	2,971,531	-2,284
2045	-147	0	0	0	0.0%	0	0	45.0%	0	-147	3,652,054	-23	-147	2,971,384	-23
2046	2,556	0	0	0	0.0%	0	2,556	45.0%	1,150	2,556	3,654,610	362	1,406	2,972,790	199
2047	2,597	0	0	0	0.0%	0	2,597	45.0%	1,169	2,597	3,657,207	335	1,429	2,974,218	184
2048	2,498	0	0	0	0.0%	0	2,498	45.0%	1,124	2,498	3,659,706	293	1,374	2,975,592	161
2049	0	0	0	0	0.0%	0	0	45.0%	0	0	3,659,706	0	0	2,975,592	0
2050	0	0	0	0	0.0%	0	0	45.0%	0	0	3,659,706	0	0	2,975,592	0
2051	-286	0	0	0	0.0%	0	0	45.0%	0	-286	3,659,420	-25	-286	2,975,307	-25
2052	-866	0	0	0	0.0%	0	0	45.0%	0	-866	3,658,554	-69	-866	2,974,440	-69
2053	-1,789	0	0	0	0.0%	0	0	45.0%	0	-1,789	3,656,765	-130	-1,789	2,972,651	-130
2054	0	0	0	0	0.0%	0	0	45.0%	0	0	3,656,765	0	0	2,972,651	0
2055	0	0	0	0	0.0%	0	0	45.0%	0	0	3,656,765	0	0	2,972,651	0
2056	0	0	0	0	0.0%	0	0	45.0%	0	0	3,656,765	0	0	2,972,651	0
2057	0	0	0	0	0.0%	0	0	45.0%	0	0	3,656,765	0	0	2,972,651	0
2058	0	0	0	0	0.0%	0	0	45.0%	0	0	3,656,765	0	0	2,972,651	0
2059	0	0	0	0	0.0%	0	0	45.0%	0	0	3,656,765	0	0	2,972,651	0
2060	0	0	0	0	0.0%	0	0	45.0%	0	0	3,656,765	0	0	2,972,651	0
2061	0	0	0	0	0.0%	0	0	45.0%	0	0	3,656,765	0	0	2,972,651	0
2062	0	0	0	0	0.0%	0	0	45.0%	0	0	3,656,765	0	0	2,972,651	0
2063	0	0	0	0	0.0%	0	0	45.0%	0	0	3,656,765	0	0	2,972,651	0
2064	0	0	0	0	0.0%	0	0	45.0%	0	0	3,656,765	0	0	2,972,651	0
2065	0	0	0	0	0.0%	0	0	45.0%	0	0	3,656,765	0	0	2,972,651	0
2066	0	0	0	0	0.0%	0	0	45.0%	0	0	3,656,765	0	0	2,972,651	0
2067	0	0	0	0	0.0%	0	0	45.0%	0	0	3,656,765	0	0	2,972,651	0
2068	0	0	0	0	0.0%	0	0	45.0%	0	0	3,656,765	0	0	2,972,651	0
2069	0	0	0	0	0.0%	0	0	45.0%	0	0	3,656,765	0	0	2,972,651	0
2070	0	0	0	0	0.0%	0	0	45.0%	0	0	3,656,765	0	0	2,972,651	0
2071	0	0	0	0	0.0%	0	0	45.0%	0	0	3,656,765	0	0	2,972,651	0
2072	0	0	0	0	0.0%	0	0	45.0%	0	0	3,656,765	0	0	2,972,651	0
2073	0	0	0	0	0.0%	0	0	45.0%	0	0	3,656,765	0	0	2,972,651	0
2074	0	0	0	0	0.0%	0	0	45.0%	0	0	3,656,765	0	0	2,972,651	0
2075	0	0	0	0	0.0%	0	0	45.0%	0	0	3,656,765	0	0	2,972,651	0
Total	**4,036,190**	**10,091,281**	**379,426**	**10,470,707**		**2,422,629**	**1,632,627**		**684,113**	**3,656,765**	**3,656,765**	**2,494,956**	**2,972,651**	**2,972,651**	**2,046,925**

Company: Parex Resources Inc.
Property: Corporate
Description: After Tax Analysis (Reserves)

Reserve Class: Total Probable
Pricing: GLJ (2026-01)
Effective Date: December 31, 2025

REVENUE AND EXPENSE FORECAST

	Revenue			Royalties & Expenses							Opearting Expenses				
Year	Sales Revenue M$	Other Revenue M$	Total Revenue M$	Sliding Scale Royalties M$	ANH Rights M$	HPS M$	X Factor M$	Overriding Royalty M$	Total Royalties & Burdens M$	Total Royalties & Burdens %	Fixed M$	Variable M$	Total M$	Aband. & Recl. Costs M$	Net Operating Income M$
2026	158,779	0	158,779	12,094	498	2,566	4,181	27	19,365	12.2%	3,731	9,124	12,855	0	126,559
2027	339,537	0	339,537	25,233	898	5,774	13,181	480	45,566	13.4%	5,529	23,195	28,724	0	265,247
2028	376,499	0	376,499	28,290	900	14,682	11,664	670	56,205	14.9%	9,167	28,886	38,053	0	282,242
2029	357,414	0	357,414	26,551	814	10,569	9,923	777	48,635	13.6%	10,758	27,581	38,338	4,895	265,546
2030	349,169	0	349,169	25,663	801	10,728	9,346	952	47,491	13.6%	11,989	29,413	41,402	10,534	249,742
2031	328,992	0	328,992	23,553	705	9,628	10,764	976	45,626	13.9%	15,626	29,237	44,863	0	238,503
2032	301,236	0	301,236	21,299	609	9,073	11,385	877	43,242	14.4%	14,476	28,327	42,803	-2,763	217,953
2033	290,187	0	290,187	20,209	566	8,826	11,584	1,554	42,738	14.7%	23,163	30,120	53,283	-1,082	195,248
2034	263,003	0	263,003	18,641	554	9,347	7,441	1,971	37,953	14.4%	30,247	31,584	61,831	-533	163,751
2035	238,746	0	238,746	16,996	517	8,899	5,107	1,990	33,509	14.0%	31,846	30,458	62,303	-5,029	147,962
2036	205,578	0	205,578	14,736	449	8,102	3,867	959	28,113	13.7%	22,894	26,450	49,343	1,093	127,029
2037	196,175	0	196,175	14,013	427	8,056	3,135	767	26,399	13.5%	29,381	25,733	55,114	-1,987	116,649
2038	179,785	0	179,785	12,860	399	7,483	1,345	709	22,796	12.7%	29,542	25,367	54,909	-5,093	107,174
2039	178,660	0	178,660	12,464	390	6,196	5,977	689	25,716	14.4%	28,433	30,716	59,148	-1,277	95,072
2040	142,776	0	142,776	9,804	305	3,556	6,674	671	21,010	14.7%	21,571	25,665	47,237	-3,098	77,627
2041	124,877	0	124,877	8,504	262	3,044	5,872	666	18,349	14.7%	19,125	23,155	42,280	3,375	60,873
2042	112,422	0	112,422	7,598	232	2,771	5,279	642	16,522	14.7%	16,005	20,023	36,028	-560	60,432
2043	94,647	0	94,647	6,325	192	2,597	4,740	604	14,458	15.3%	9,645	16,382	26,027	2,959	51,203
2044	83,055	0	83,055	5,523	165	2,448	4,107	585	12,828	15.4%	8,680	13,124	21,804	4,876	43,547
2045	74,493	0	74,493	4,938	145	2,170	3,674	564	11,491	15.4%	7,998	11,073	19,071	3,148	40,783
2046	63,605	0	63,605	4,178	121	1,738	3,156	525	9,718	15.3%	6,448	9,568	16,016	917	36,954
2047	46,753	0	46,753	3,088	86	1,443	2,291	550	7,458	16.0%	3,799	7,091	10,889	2,854	25,552
2048	37,435	0	37,435	2,496	67	1,354	1,775	602	6,294	16.8%	3,088	5,452	8,540	1,791	20,810
2049	6,610	0	6,610	460	12	221	369	0	1,062	16.1%	460	1,099	1,559	2,697	1,293
2050	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	2,093	-2,093
2051	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	2,420	-2,420
2052	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	1,966	-1,966
2053	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	4,010	-4,010
2054	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	4,286	-4,286
2055	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2056	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2057	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2058	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2059	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2060	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2061	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2062	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2063	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2064	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2065	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2066	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2067	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2068	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2069	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2070	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2071	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2072	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2073	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2074	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2075	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
Total	**4,550,432**	**0**	**4,550,432**	**325,515**	**10,114**	**141,269**	**146,838**	**18,808**	**642,544**		**363,600**	**508,822**	**872,422**	**32,492**	**3,002,974**

AFTER TAX ANALYSIS

		Tax Pool					Federal			Before Income Tax			After Income Tax		
Year	Net Operating Income M$	Initital Balance M$	Additions M$	Balance After Additions M$	Depn. Rate %	Expense Claim M$	Taxable Income M$	Tax Rate %	Income Tax Payable M$	Annual M$	Cum. M$	10.0% Dcf M$	Annual M$	Cum. M$	10.0% Dcf M$
2026	126,559	2,043,204	78,592	78,592	20.8%	16,320	110,238	35.0%	38,583	47,967	47,967	44,620	9,384	9,384	8,947
2027	265,247	62,271	78,284	140,555	21.3%	29,914	235,333	35.0%	82,367	186,963	234,931	161,239	104,597	113,981	90,663
2028	282,242	110,641	22,355	132,996	20.9%	27,862	254,380	40.0%	101,752	259,886	494,817	204,787	158,134	272,115	124,608
2029	265,546	105,135	8,516	113,651	21.1%	23,983	241,563	40.0%	96,625	257,030	751,847	184,124	160,405	432,520	114,906
2030	249,742	89,668	4,107	93,775	22.2%	20,838	228,904	45.0%	103,007	245,635	997,482	159,965	142,629	575,148	92,884
2031	238,503	72,936	0	72,936	23.1%	16,877	221,627	45.0%	99,732	238,503	1,235,985	141,200	138,771	713,919	82,156
2032	217,953	56,060	0	56,060	25.0%	14,040	203,913	45.0%	91,761	217,953	1,453,939	117,304	126,193	840,112	67,917
2033	195,248	42,019	157	42,177	27.1%	11,450	183,798	45.0%	82,709	195,091	1,649,030	95,453	112,382	952,494	54,986
2034	163,751	30,727	0	30,727	30.0%	9,226	154,525	50.0%	77,262	163,751	1,812,781	72,836	86,489	1,038,982	38,470
2035	147,962	21,500	4,556	26,056	34.4%	8,963	138,998	50.0%	69,499	143,406	1,956,187	57,988	73,907	1,112,889	29,885
2036	127,029	17,093	4,647	21,740	39.3%	8,535	118,493	50.0%	59,247	122,382	2,078,568	44,988	63,135	1,176,024	23,208
2037	116,649	13,204	4,740	17,944	51.8%	9,287	107,362	50.0%	53,681	111,909	2,190,478	37,398	58,228	1,234,252	19,459
2038	107,174	8,657	4,835	13,492	82.9%	11,191	95,982	50.0%	47,991	102,339	2,292,817	31,091	54,348	1,288,600	16,511
2039	95,072	2,301	0	2,301	100.0%	2,301	92,772	45.0%	41,747	95,072	2,387,889	26,257	53,325	1,341,925	14,728
2040	77,627	0	0	0	0.0%	0	77,627	45.0%	34,932	77,627	2,465,516	19,490	42,695	1,384,620	10,720
2041	60,873	0	0	0	0.0%	0	60,873	45.0%	27,393	60,873	2,526,389	13,894	33,480	1,418,100	7,642
2042	60,432	0	0	0	0.0%	0	60,432	45.0%	27,194	60,432	2,586,821	12,540	34,434	1,452,534	7,145
2043	51,203	0	0	0	0.0%	0	51,203	45.0%	23,042	51,203	2,638,024	9,659	28,162	1,480,696	5,312
2044	43,547	0	0	0	0.0%	0	43,547	45.0%	19,596	43,547	2,681,571	7,468	29,945	1,510,640	5,135
2045	40,783	0	0	0	0.0%	0	40,783	45.0%	18,353	40,783	2,722,354	6,358	22,497	1,533,138	3,507
2046	36,954	0	0	0	0.0%	0	36,954	45.0%	16,629	36,954	2,759,308	5,237	20,325	1,553,462	2,881
2047	25,552	0	0	0	0.0%	0	25,552	45.0%	11,498	25,552	2,784,860	3,292	14,053	1,567,516	1,811
2048	20,810	0	0	0	0.0%	0	20,810	45.0%	9,364	20,810	2,805,670	2,437	11,445	1,578,961	1,341
2049	1,293	0	0	0	0.0%	0	1,293	45.0%	582	1,293	2,806,963	138	711	1,579,672	76
2050	-2,093	0	0	0	0.0%	0	0	45.0%	0	-2,093	2,804,869	-203	-2,093	1,577,579	-203
2051	-2,420	0	0	0	0.0%	0	0	45.0%	0	-2,420	2,802,449	-213	-2,420	1,575,158	-213
2052	-1,966	0	0	0	0.0%	0	0	45.0%	0	-1,966	2,800,483	-157	-1,966	1,573,192	-157
2053	-4,010	0	0	0	0.0%	0	0	45.0%	0	-4,010	2,796,472	-292	-4,010	1,569,182	-292
2054	-4,286	0	0	0	0.0%	0	0	45.0%	0	-4,286	2,792,187	-283	-4,286	1,564,896	-283
2055	0	0	0	0	0.0%	0	0	45.0%	0	0	2,792,187	0	0	1,564,896	0
2056	0	0	0	0	0.0%	0	0	45.0%	0	0	2,792,187	0	0	1,564,896	0
2057	0	0	0	0	0.0%	0	0	45.0%	0	0	2,792,187	0	0	1,564,896	0
2058	0	0	0	0	0.0%	0	0	45.0%	0	0	2,792,187	0	0	1,564,896	0
2059	0	0	0	0	0.0%	0	0	45.0%	0	0	2,792,187	0	0	1,564,896	0
2060	0	0	0	0	0.0%	0	0	45.0%	0	0	2,792,187	0	0	1,564,896	0
2061	0	0	0	0	0.0%	0	0	45.0%	0	0	2,792,187	0	0	1,564,896	0
2062	0	0	0	0	0.0%	0	0	45.0%	0	0	2,792,187	0	0	1,564,896	0
2063	0	0	0	0	0.0%	0	0	45.0%	0	0	2,792,187	0	0	1,564,896	0
2064	0	0	0	0	0.0%	0	0	45.0%	0	0	2,792,187	0	0	1,564,896	0
2065	0	0	0	0	0.0%	0	0	45.0%	0	0	2,792,187	0	0	1,564,896	0
2066	0	0	0	0	0.0%	0	0	45.0%	0	0	2,792,187	0	0	1,564,896	0
2067	0	0	0	0	0.0%	0	0	45.0%	0	0	2,792,187	0	0	1,564,896	0
2068	0	0	0	0	0.0%	0	0	45.0%	0	0	2,792,187	0	0	1,564,896	0
2069	0	0	0	0	0.0%	0	0	45.0%	0	0	2,792,187	0	0	1,564,896	0
2070	0	0	0	0	0.0%	0	0	45.0%	0	0	2,792,187	0	0	1,564,896	0
2071	0	0	0	0	0.0%	0	0	45.0%	0	0	2,792,187	0	0	1,564,896	0
2072	0	0	0	0	0.0%	0	0	45.0%	0	0	2,792,187	0	0	1,564,896	0
2073	0	0	0	0	0.0%	0	0	45.0%	0	0	2,792,187	0	0	1,564,896	0
2074	0	0	0	0	0.0%	0	0	45.0%	0	0	2,792,187	0	0	1,564,896	0
2075	0	0	0	0	0.0%	0	0	45.0%	0	0	2,792,187	0	0	1,564,896	0
Total	**3,002,974**	**2,675,415**	**210,788**	**842,999**		**210,788**	**2,806,963**		**1,234,547**	**2,792,187**	**2,792,187**	**1,458,614**	**1,564,896**	**1,564,896**	**823,748**

Company: Parex Resources Inc.
Property: Corporate
Description: After Tax Analysis (Reserves)

Reserve Class: Total Proved Plus Probable
Pricing: GLJ (2026-01)
Effective Date: December 31, 2025

REVENUE AND EXPENSE FORECAST

	Revenue			Royalties & Expenses							Opearting Expenses				
Year	Sales Revenue M$	Other Revenue M$	Total Revenue M$	Sliding Scale Royalties M$	ANH Rights M$	HPS M$	X Factor M$	Overriding Royalty M$	Total Royalties & Burdens M$	Total Royalties & Burdens %	Fixed M$	Variable M$	Total M$	Aband. & Recl. Costs M$	Net Operating Income M$
2026	1,083,064	0	1,083,064	83,175	3,476	22,949	18,250	914	128,763	11.9%	103,373	141,656	245,029	0	709,273
2027	1,340,946	0	1,340,946	99,757	3,657	37,326	28,347	8,219	177,306	13.2%	115,031	152,089	267,120	0	896,519
2028	1,333,832	0	1,333,832	99,598	3,373	48,531	24,960	7,601	184,063	13.8%	116,687	149,912	266,599	0	883,170
2029	1,180,758	0	1,180,758	87,225	2,878	42,609	21,159	6,812	160,684	13.6%	113,355	135,236	248,591	4,895	766,588
2030	1,025,357	0	1,025,357	74,864	2,462	37,565	19,142	6,091	140,123	13.7%	95,129	123,263	218,392	10,723	656,119
2031	884,056	0	884,056	63,801	2,064	32,951	17,653	5,439	121,907	13.8%	94,941	110,921	205,862	0	556,287
2032	772,965	0	772,965	55,320	1,753	28,611	16,590	4,823	107,098	13.9%	89,029	99,880	188,908	1,213	475,746
2033	680,037	0	680,037	48,302	1,507	25,499	14,936	4,396	94,639	13.9%	87,098	91,771	178,869	4,211	402,319
2034	581,313	0	581,313	41,483	1,314	23,222	9,691	3,987	79,697	13.7%	85,615	83,996	169,611	3,998	328,008
2035	498,880	0	498,880	35,512	1,126	20,303	6,970	3,695	67,606	13.6%	81,229	73,447	154,676	2,382	274,215
2036	419,082	0	419,082	29,856	939	17,368	5,420	2,405	55,987	13.4%	68,068	62,897	130,964	6,634	225,496
2037	366,081	0	366,081	25,982	811	15,326	4,452	2,051	48,622	13.3%	65,059	55,700	120,759	5,687	191,012
2038	310,485	0	310,485	22,030	689	13,045	2,397	1,825	39,985	12.9%	56,369	48,835	105,204	3,114	162,182
2039	230,006	0	230,006	16,004	501	8,553	6,327	1,712	33,096	14.4%	40,957	37,715	78,672	7,368	110,870
2040	161,840	0	161,840	10,988	345	4,492	6,821	1,614	24,260	15.0%	23,561	26,956	50,517	7,490	79,573
2041	140,862	0	140,862	9,493	295	3,877	5,995	1,518	21,179	15.0%	20,841	24,219	45,060	8,531	66,093
2042	122,985	0	122,985	8,259	253	3,479	5,356	1,353	18,701	15.2%	17,204	20,659	37,863	8,647	57,773
2043	103,739	0	103,739	6,887	210	3,216	4,804	1,265	16,382	15.8%	10,742	16,923	27,665	7,177	52,515
2044	91,121	0	91,121	6,013	180	2,989	4,164	1,203	14,549	16.0%	9,697	13,604	23,301	23,044	30,227
2045	81,909	0	81,909	5,388	159	2,665	3,726	1,140	13,077	16.0%	9,036	11,513	20,549	7,647	40,636
2046	70,398	0	70,398	4,592	133	2,194	3,203	1,043	11,166	15.9%	7,489	9,972	17,461	2,262	39,510
2047	52,103	0	52,103	3,426	96	1,815	2,330	912	8,578	16.5%	4,563	7,409	11,972	3,405	28,149
2048	42,098	0	42,098	2,801	76	1,691	1,810	872	7,250	17.2%	3,749	5,729	9,478	2,061	23,308
2049	6,610	0	6,610	460	12	221	369	0	1,062	16.1%	460	1,099	1,559	2,697	1,293
2050	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	2,093	-2,093
2051	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	2,706	-2,706
2052	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	2,832	-2,832
2053	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	5,800	-5,800
2054	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	4,286	-4,286
2055	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2056	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2057	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2058	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2059	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2060	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2061	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2062	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2063	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2064	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2065	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2066	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2067	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2068	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2069	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2070	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2071	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2072	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2073	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2074	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2075	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
Total	**#########**	**0**	**11,580,526**	**841,216**	**28,308**	**400,496**	**234,872**	**70,888**	**1,575,780**		**1,319,280**	**1,505,400**	**2,824,680**	**140,901**	**7,039,165**

AFTER TAX ANALYSIS

		Tax Pool					Federal			Before Income Tax			After Income Tax		
Year	Net Operating Income M$	Initital Balance M$	Additions M$	Balance After Additions M$	Depn. Rate %	Expense Claim M$	Taxable Income M$	Tax Rate %	Income Tax Payable M$	Annual M$	Cum. M$	10.0% Dcf M$	Annual M$	Cum. M$	10.0% Dcf M$
2026	709,273	2,043,204	258,924	2,302,128	20.8%	478,061	231,212	35.0%	80,924	450,349	450,349	426,410	369,425	369,425	352,233
2027	896,519	1,824,066	197,797	2,021,863	21.3%	430,305	466,214	35.0%	163,175	698,722	1,149,071	605,471	535,547	904,972	464,204
2028	883,170	1,591,558	99,449	1,691,007	20.9%	354,255	528,915	40.0%	211,566	783,721	1,932,792	617,561	572,155	1,477,127	450,850
2029	766,588	1,336,752	10,392	1,347,144	21.1%	284,276	482,312	40.0%	192,925	756,196	2,688,989	541,702	563,272	2,040,399	403,500
2030	656,119	1,062,868	4,107	1,066,974	22.2%	237,100	419,019	45.0%	188,559	652,012	3,341,001	424,608	463,454	2,503,853	301,814
2031	556,287	829,874	0	829,874	23.1%	192,023	364,264	45.0%	163,919	556,287	3,897,288	329,336	392,368	2,896,221	232,292
2032	475,746	637,851	610	638,461	25.0%	159,904	315,842	45.0%	142,129	475,136	4,372,424	255,720	333,007	3,229,228	179,226
2033	402,319	478,558	157	478,715	27.1%	129,959	272,360	45.0%	122,562	402,162	4,774,586	196,769	279,600	3,508,828	136,802
2034	328,008	348,756	0	348,756	30.0%	104,723	223,285	50.0%	111,643	328,008	5,102,593	145,897	216,365	3,725,193	96,239
2035	274,215	244,033	4,556	248,589	34.4%	85,516	188,699	50.0%	94,350	269,659	5,372,252	109,040	175,309	3,900,502	70,888
2036	225,496	163,073	4,647	167,720	39.3%	65,849	159,647	50.0%	79,824	220,849	5,593,102	81,184	141,026	4,041,528	51,841
2037	191,012	101,871	4,740	106,611	51.8%	55,176	135,836	50.0%	67,918	186,272	5,779,374	62,249	118,354	4,159,882	39,552
2038	162,182	51,435	4,835	56,269	82.9%	46,675	115,508	50.0%	57,754	157,348	5,936,721	47,803	99,594	4,259,476	30,257
2039	110,870	9,595	0	9,595	100.0%	9,595	101,275	45.0%	45,574	110,870	6,047,591	30,620	65,296	4,324,772	18,034
2040	79,573	0	0	0	0.0%	0	79,573	45.0%	35,808	79,573	6,127,164	19,979	43,765	4,368,537	10,988
2041	66,093	0	0	0	0.0%	0	66,093	45.0%	29,742	66,093	6,193,257	15,086	36,351	4,404,888	8,297
2042	57,773	0	0	0	0.0%	0	57,773	45.0%	25,998	57,773	6,251,031	11,988	31,775	4,436,664	6,593
2043	52,515	0	0	0	0.0%	0	52,515	45.0%	23,632	52,515	6,303,545	9,906	28,883	4,465,547	5,448
2044	30,227	0	0	0	0.0%	0	30,227	45.0%	13,602	30,227	6,333,772	5,184	16,625	4,482,172	2,851
2045	40,636	0	0	0	0.0%	0	40,636	45.0%	18,286	40,636	6,374,409	6,335	22,350	4,504,522	3,484
2046	39,510	0	0	0	0.0%	0	39,510	45.0%	17,779	39,510	6,413,918	5,600	21,730	4,526,252	3,080
2047	28,149	0	0	0	0.0%	0	28,149	45.0%	12,667	28,149	6,442,067	3,627	15,482	4,541,734	1,995
2048	23,308	0	0	0	0.0%	0	23,308	45.0%	10,489	23,308	6,465,375	2,730	12,820	4,554,553	1,502
2049	1,293	0	0	0	0.0%	0	1,293	45.0%	582	1,293	6,466,668	138	711	4,555,264	76
2050	-2,093	0	0	0	0.0%	0	0	45.0%	0	-2,093	6,464,575	-203	-2,093	4,553,171	-203
2051	-2,706	0	0	0	0.0%	0	0	45.0%	0	-2,706	6,461,869	-238	-2,706	4,550,465	-238
2052	-2,832	0	0	0	0.0%	0	0	45.0%	0	-2,832	6,459,037	-227	-2,832	4,547,633	-227
2053	-5,800	0	0	0	0.0%	0	0	45.0%	0	-5,800	6,453,237	-422	-5,800	4,541,833	-422
2054	-4,286	0	0	0	0.0%	0	0	45.0%	0	-4,286	6,448,951	-283	-4,286	4,537,548	-283
2055	0	0	0	0	0.0%	0	0	45.0%	0	0	6,448,951	0	0	4,537,548	0
2056	0	0	0	0	0.0%	0	0	45.0%	0	0	6,448,951	0	0	4,537,548	0
2057	0	0	0	0	0.0%	0	0	45.0%	0	0	6,448,951	0	0	4,537,548	0
2058	0	0	0	0	0.0%	0	0	45.0%	0	0	6,448,951	0	0	4,537,548	0
2059	0	0	0	0	0.0%	0	0	45.0%	0	0	6,448,951	0	0	4,537,548	0
2060	0	0	0	0	0.0%	0	0	45.0%	0	0	6,448,951	0	0	4,537,548	0
2061	0	0	0	0	0.0%	0	0	45.0%	0	0	6,448,951	0	0	4,537,548	0
2062	0	0	0	0	0.0%	0	0	45.0%	0	0	6,448,951	0	0	4,537,548	0
2063	0	0	0	0	0.0%	0	0	45.0%	0	0	6,448,951	0	0	4,537,548	0
2064	0	0	0	0	0.0%	0	0	45.0%	0	0	6,448,951	0	0	4,537,548	0
2065	0	0	0	0	0.0%	0	0	45.0%	0	0	6,448,951	0	0	4,537,548	0
2066	0	0	0	0	0.0%	0	0	45.0%	0	0	6,448,951	0	0	4,537,548	0
2067	0	0	0	0	0.0%	0	0	45.0%	0	0	6,448,951	0	0	4,537,548	0
2068	0	0	0	0	0.0%	0	0	45.0%	0	0	6,448,951	0	0	4,537,548	0
2069	0	0	0	0	0.0%	0	0	45.0%	0	0	6,448,951	0	0	4,537,548	0
2070	0	0	0	0	0.0%	0	0	45.0%	0	0	6,448,951	0	0	4,537,548	0
2071	0	0	0	0	0.0%	0	0	45.0%	0	0	6,448,951	0	0	4,537,548	0
2072	0	0	0	0	0.0%	0	0	45.0%	0	0	6,448,951	0	0	4,537,548	0
2073	0	0	0	0	0.0%	0	0	45.0%	0	0	6,448,951	0	0	4,537,548	0
2074	0	0	0	0	0.0%	0	0	45.0%	0	0	6,448,951	0	0	4,537,548	0
2075	0	0	0	0	0.0%	0	0	45.0%	0	0	6,448,951	0	0	4,537,548	0
Total	**7,039,165**	**10,723,493**	**590,213**	**11,313,706**		**2,633,417**	**4,423,465**		**1,911,404**	**6,448,951**	**6,448,951**	**3,953,570**	**4,537,548**	**4,537,548**	**2,870,673**

Company: Parex Resources Inc.
Property: Corporate
Description: After Tax Analysis (Reserves)

Reserve Class: Total Possible
Pricing: GLJ (2026-01)
Effective Date: December 31, 2025

REVENUE AND EXPENSE FORECAST

	Revenue			Royalties & Expenses							Opearting Expenses				
Year	Sales Revenue M$	Other Revenue M$	Total Revenue M$	Sliding Scale Royalties M$	ANH Rights M$	HPS M$	X Factor M$	Overriding Royalty M$	Total Royalties & Burdens M$	Total Royalties & Burdens %	Fixed M$	Variable M$	Total M$	Aband. & Recl. Costs M$	Net Operating Income M$
2026	155,224	0	155,224	11,570	471	1,282	1,372	1	14,695	9.5%	24	6,703	6,728	0	133,801
2027	349,033	0	349,033	28,103	1,030	13,745	7,233	284	50,396	14.4%	1,308	22,935	24,243	0	274,394
2028	465,685	0	465,685	39,238	1,233	24,560	15,522	456	81,009	17.4%	3,742	35,257	38,999	0	345,677
2029	484,058	0	484,058	39,278	1,178	22,323	11,146	547	74,471	15.4%	6,984	40,172	47,157	0	362,430
2030	401,543	0	401,543	30,780	963	16,884	8,691	641	57,960	14.4%	4,812	33,413	38,225	0	305,358
2031	368,416	0	368,416	27,797	885	15,665	7,767	753	52,866	14.3%	4,914	33,290	38,203	0	277,347
2032	363,312	0	363,312	27,082	853	15,091	7,398	879	51,302	14.1%	12,168	35,180	47,348	-997	265,659
2033	332,571	0	332,571	24,399	750	12,867	7,675	796	46,486	14.0%	13,770	32,255	46,025	-1,587	241,647
2034	329,634	0	329,634	23,225	656	11,341	11,891	810	47,923	14.5%	14,275	30,275	44,550	-1,525	238,685
2035	325,110	0	325,110	22,478	606	11,342	13,851	700	48,976	15.1%	17,073	33,349	50,421	2,080	223,633
2036	326,914	0	326,914	22,264	583	10,969	14,788	1,739	50,343	15.4%	24,634	35,839	60,473	-5,957	222,055
2037	302,482	0	302,482	20,566	534	9,728	13,177	1,860	45,864	15.2%	21,706	32,574	54,280	-1,466	203,804
2038	280,206	0	280,206	19,355	526	10,456	9,730	1,888	41,955	15.0%	29,746	33,044	62,790	2,041	173,420
2039	252,269	0	252,269	17,671	488	9,723	10,957	1,823	40,662	16.1%	31,526	31,163	62,689	-3,496	152,414
2040	204,801	0	204,801	14,326	395	7,391	10,957	1,684	34,754	17.0%	28,221	24,416	52,637	-3,004	120,414
2041	183,801	0	183,801	12,785	357	7,231	9,862	1,452	31,686	17.2%	25,971	21,512	47,483	-2,768	107,400
2042	161,168	0	161,168	11,214	310	5,844	8,957	478	26,803	16.6%	19,402	19,761	39,163	-3,503	98,705
2043	145,988	0	145,988	10,098	278	4,994	7,649	489	23,508	16.1%	24,440	18,038	42,477	-2,523	82,526
2044	132,454	0	132,454	9,125	254	4,283	6,404	485	20,551	15.5%	21,934	18,931	40,866	9,664	61,373
2045	109,148	0	109,148	7,420	216	3,249	4,368	478	15,731	14.4%	15,675	17,868	33,543	3,105	56,769
2046	104,857	0	104,857	7,147	204	3,380	4,214	493	15,438	14.7%	16,309	15,713	32,022	2,804	54,594
2047	113,799	0	113,799	7,695	217	3,593	4,810	482	16,798	14.8%	17,607	16,941	34,548	45	62,408
2048	92,768	0	92,768	6,088	174	2,876	4,475	348	13,961	15.0%	7,022	13,313	20,335	2,591	55,882
2049	17,652	0	17,652	1,122	32	356	992	0	2,501	14.2%	1,150	2,536	3,686	1,131	10,334
2050	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	1,553	-1,553
2051	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	-863	863
2052	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	-258	258
2053	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	6,690	-6,690
2054	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	10,546	-10,546
2055	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2056	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2057	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2058	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2059	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2060	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2061	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2062	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2063	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2064	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2065	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2066	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2067	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2068	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2069	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2070	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2071	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2072	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2073	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2074	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2075	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
Total	**6,002,892**	**0**	**6,002,892**	**440,825**	**13,193**	**229,171**	**203,886**	**19,566**	**906,641**		**364,414**	**604,477**	**968,891**	**14,301**	**4,113,060**

AFTER TAX ANALYSIS

		Tax Pool					Federal			Before Income Tax			After Income Tax		
Year	Net Operating Income M$	Initital Balance M$	Additions M$	Balance After Additions M$	Depn. Rate %	Expense Claim M$	Taxable Income M$	Tax Rate %	Income Tax Payable M$	Annual M$	Cum. M$	10.0% Dcf M$	Annual M$	Cum. M$	10.0% Dcf M$
2026	133,801	2,043,204	32,005	32,005	20.8%	6,646	127,155	35.0%	44,504	101,796	101,796	95,663	57,292	57,292	54,626
2027	274,394	25,359	66,109	91,468	21.3%	19,467	254,927	35.0%	89,225	208,285	310,081	179,176	119,061	176,353	103,200
2028	345,677	72,001	42,136	114,137	20.9%	23,911	321,766	40.0%	128,706	303,540	613,622	239,185	174,834	351,187	137,767
2029	362,430	90,226	4,966	95,193	21.1%	20,088	342,342	40.0%	136,937	357,464	971,085	256,069	220,527	571,713	157,974
2030	305,358	75,105	0	75,105	22.2%	16,690	288,669	45.0%	129,901	305,358	1,276,443	198,858	175,457	747,171	114,263
2031	277,347	58,415	1,801	60,216	23.1%	13,933	263,413	45.0%	118,536	275,546	1,551,989	163,130	157,010	904,180	92,954
2032	265,659	46,283	1,225	47,507	25.0%	11,898	253,761	45.0%	114,192	264,434	1,816,424	142,320	150,242	1,054,422	80,861
2033	241,647	35,609	-157	35,452	27.1%	9,624	232,022	45.0%	104,410	241,804	2,058,227	118,309	137,394	1,191,816	67,224
2034	238,685	25,828	0	25,828	30.0%	7,755	230,930	50.0%	115,465	238,685	2,296,912	106,167	123,220	1,315,036	54,808
2035	223,633	18,072	164	18,236	34.4%	6,273	217,359	50.0%	108,680	223,469	2,520,381	90,362	114,789	1,429,826	46,416
2036	222,055	11,963	0	11,963	39.3%	4,697	217,358	50.0%	108,679	222,055	2,742,436	81,628	113,376	1,543,202	41,677
2037	203,804	7,266	0	7,266	51.8%	3,761	200,044	50.0%	100,022	203,804	2,946,241	68,108	103,782	1,646,984	34,682
2038	173,420	3,506	0	3,506	82.9%	2,908	170,512	50.0%	85,256	173,420	3,119,660	52,685	88,164	1,735,148	26,784
2039	152,414	598	0	598	100.0%	598	151,817	45.0%	68,318	152,414	3,272,075	42,094	84,097	1,819,245	23,226
2040	120,414	0	0	0	0.0%	0	120,414	45.0%	54,186	120,414	3,392,489	30,233	66,228	1,885,472	16,628
2041	107,400	0	0	0	0.0%	0	107,400	45.0%	48,330	107,400	3,499,889	24,514	59,070	1,944,542	13,483
2042	98,705	0	0	0	0.0%	0	98,705	45.0%	44,417	98,705	3,598,594	20,481	54,288	1,998,830	11,265
2043	82,526	0	0	0	0.0%	0	82,526	45.0%	37,137	82,526	3,681,120	15,567	45,389	2,044,219	8,562
2044	61,373	0	0	0	0.0%	0	61,373	45.0%	27,618	61,373	3,742,493	10,525	33,755	2,077,974	5,789
2045	56,769	0	0	0	0.0%	0	56,769	45.0%	25,546	56,769	3,799,261	8,850	31,223	2,109,197	4,868
2046	54,594	0	0	0	0.0%	0	54,594	45.0%	24,567	54,594	3,853,855	7,737	30,027	2,139,224	4,256
2047	62,408	0	0	0	0.0%	0	62,408	45.0%	28,084	62,408	3,916,263	8,041	34,324	2,173,548	4,422
2048	55,882	0	0	0	0.0%	0	55,882	45.0%	25,147	55,882	3,972,145	6,545	30,735	2,204,283	3,600
2049	10,334	0	0	0	0.0%	0	10,334	45.0%	4,650	10,334	3,982,480	1,100	5,684	2,209,967	605
2050	-1,553	0	0	0	0.0%	0	0	45.0%	0	-1,553	3,980,926	-150	-1,553	2,208,414	-150
2051	863	0	0	0	0.0%	0	863	45.0%	388	863	3,981,789	76	863	2,209,277	76
2052	258	0	0	0	0.0%	0	258	45.0%	116	258	3,982,047	21	258	2,209,535	21
2053	-6,690	0	0	0	0.0%	0	0	45.0%	0	-6,690	3,975,357	-487	-6,690	2,202,845	-487
2054	-10,546	0	0	0	0.0%	0	0	45.0%	0	-10,546	3,964,811	-697	-10,546	2,192,299	-697
2055	0	0	0	0	0.0%	0	0	45.0%	0	0	3,964,811	0	0	2,192,299	0
2056	0	0	0	0	0.0%	0	0	45.0%	0	0	3,964,811	0	0	2,192,299	0
2057	0	0	0	0	0.0%	0	0	45.0%	0	0	3,964,811	0	0	2,192,299	0
2058	0	0	0	0	0.0%	0	0	45.0%	0	0	3,964,811	0	0	2,192,299	0
2059	0	0	0	0	0.0%	0	0	45.0%	0	0	3,964,811	0	0	2,192,299	0
2060	0	0	0	0	0.0%	0	0	45.0%	0	0	3,964,811	0	0	2,192,299	0
2061	0	0	0	0	0.0%	0	0	45.0%	0	0	3,964,811	0	0	2,192,299	0
2062	0	0	0	0	0.0%	0	0	45.0%	0	0	3,964,811	0	0	2,192,299	0
2063	0	0	0	0	0.0%	0	0	45.0%	0	0	3,964,811	0	0	2,192,299	0
2064	0	0	0	0	0.0%	0	0	45.0%	0	0	3,964,811	0	0	2,192,299	0
2065	0	0	0	0	0.0%	0	0	45.0%	0	0	3,964,811	0	0	2,192,299	0
2066	0	0	0	0	0.0%	0	0	45.0%	0	0	3,964,811	0	0	2,192,299	0
2067	0	0	0	0	0.0%	0	0	45.0%	0	0	3,964,811	0	0	2,192,299	0
2068	0	0	0	0	0.0%	0	0	45.0%	0	0	3,964,811	0	0	2,192,299	0
2069	0	0	0	0	0.0%	0	0	45.0%	0	0	3,964,811	0	0	2,192,299	0
2070	0	0	0	0	0.0%	0	0	45.0%	0	0	3,964,811	0	0	2,192,299	0
2071	0	0	0	0	0.0%	0	0	45.0%	0	0	3,964,811	0	0	2,192,299	0
2072	0	0	0	0	0.0%	0	0	45.0%	0	0	3,964,811	0	0	2,192,299	0
2073	0	0	0	0	0.0%	0	0	45.0%	0	0	3,964,811	0	0	2,192,299	0
2074	0	0	0	0	0.0%	0	0	45.0%	0	0	3,964,811	0	0	2,192,299	0
2075	0	0	0	0	0.0%	0	0	45.0%	0	0	3,964,811	0	0	2,192,299	0
Total	**4,113,060**	**2,513,434**	**148,249**	**618,479**		**148,249**	**3,983,600**		**1,773,017**	**3,964,811**	**3,964,811**	**1,966,112**	**2,192,299**	**2,192,299**	**1,108,702**

Company: Parex Resources Inc.
Property: Corporate
Description: After Tax Analysis (Reserves)

Reserve Class: Total Proved Plus Probable Plus Possible
Pricing: GLJ (2026-01)
Effective Date: December 31, 2025

REVENUE AND EXPENSE FORECAST

	Revenue			Royalties & Expenses							Opearting Expenses				
Year	Sales Revenue M$	Other Revenue M$	Total Revenue M$	Sliding Scale Royalties M$	ANH Rights M$	HPS M$	X Factor M$	Overriding Royalty M$	Total Royalties & Burdens M$	Total Royalties & Burdens %	Fixed M$	Variable M$	Total M$	Aband. & Recl. Costs M$	Net Operating Income M$
2026	1,238,288	0	1,238,288	94,744	3,947	24,230	19,621	915	143,458	11.6%	103,398	148,359	251,756	0	843,074
2027	1,689,979	0	1,689,979	127,860	4,687	51,071	35,581	8,503	227,702	13.5%	116,339	175,024	291,363	0	1,170,913
2028	1,799,518	0	1,799,518	138,836	4,606	73,091	40,482	8,057	265,073	14.7%	120,429	185,169	305,598	0	1,228,846
2029	1,664,816	0	1,664,816	126,502	4,057	64,932	32,305	7,359	235,155	14.1%	120,339	175,408	295,747	4,895	1,129,018
2030	1,426,900	0	1,426,900	105,644	3,426	54,449	27,833	6,731	198,083	13.9%	99,941	156,676	256,617	10,723	961,477
2031	1,252,473	0	1,252,473	91,598	2,949	48,616	25,419	6,191	174,774	14.0%	99,855	144,210	244,065	0	833,634
2032	1,136,277	0	1,136,277	82,402	2,607	43,702	23,988	5,702	158,400	13.9%	101,197	135,059	236,256	216	741,405
2033	1,012,609	0	1,012,609	72,700	2,256	38,365	22,611	5,192	141,125	13.9%	100,867	124,026	224,894	2,624	643,966
2034	910,947	0	910,947	64,709	1,970	34,563	21,582	4,797	127,620	14.0%	99,890	114,271	214,161	2,473	566,693
2035	823,990	0	823,990	57,989	1,732	31,645	20,821	4,395	116,582	14.1%	98,301	106,796	205,098	4,463	497,847
2036	745,996	0	745,996	52,120	1,522	28,337	20,208	4,144	106,330	14.3%	92,701	98,736	191,437	677	447,551
2037	668,563	0	668,563	46,548	1,344	25,054	17,630	3,911	94,486	14.1%	86,765	88,274	175,039	4,221	394,816
2038	590,691	0	590,691	41,385	1,215	23,500	12,126	3,713	81,940	13.9%	86,115	81,879	167,994	5,155	335,602
2039	482,274	0	482,274	33,676	988	18,276	17,284	3,535	73,758	15.3%	72,483	68,878	141,360	3,872	263,284
2040	366,641	0	366,641	25,314	740	11,883	17,778	3,298	59,014	16.1%	51,782	51,372	103,154	4,486	199,988
2041	324,663	0	324,663	22,278	652	11,108	15,858	2,970	52,865	16.3%	46,812	45,731	92,542	5,763	173,493
2042	284,153	0	284,153	19,474	563	9,323	14,313	1,831	45,504	16.0%	36,606	40,421	77,026	5,144	156,478
2043	249,727	0	249,727	16,985	487	8,210	12,454	1,754	39,890	16.0%	35,182	34,961	70,142	4,654	135,040
2044	223,575	0	223,575	15,139	435	7,271	10,568	1,688	35,100	15.7%	31,631	32,535	64,167	32,708	91,601
2045	191,057	0	191,057	12,808	375	5,914	8,094	1,618	28,808	15.1%	24,711	29,381	54,092	10,752	97,405
2046	175,255	0	175,255	11,739	337	5,574	7,417	1,537	26,603	15.2%	23,798	25,684	49,483	5,065	94,103
2047	165,902	0	165,902	11,120	313	5,408	7,140	1,394	25,376	15.3%	22,170	24,350	46,520	3,449	90,557
2048	134,866	0	134,866	8,889	250	4,567	6,285	1,220	21,211	15.7%	10,770	19,042	29,813	4,652	79,190
2049	24,261	0	24,261	1,581	44	577	1,361	0	3,563	14.7%	1,610	3,635	5,244	3,827	11,627
2050	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	3,646	-3,646
2051	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	1,844	-1,844
2052	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	2,574	-2,574
2053	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	12,489	-12,489
2054	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	14,832	-14,832
2055	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2056	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2057	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2058	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2059	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2060	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2061	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2062	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2063	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2064	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2065	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2066	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2067	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2068	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2069	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2070	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2071	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2072	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2073	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2074	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
2075	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
Total	**17,583,418**	**0**	**17,583,418**	**1,282,040**	**41,501**	**629,667**	**438,758**	**90,454**	**2,482,421**		**1,683,694**	**2,109,877**	**3,793,571**	**155,202**	**11,152,225**

AFTER TAX ANALYSIS

		Tax Pool					Federal			Before Income Tax			After Income Tax		
Year	Net Operating Income M$	Initital Balance M$	Additions M$	Balance After Additions M$	Depn. Rate %	Expense Claim M$	Taxable Income M$	Tax Rate %	Income Tax Payable M$	Annual M$	Cum. M$	10.0% Dcf M$	Annual M$	Cum. M$	10.0% Dcf M$
2026	843,074	2,043,204	290,929	2,334,133	20.8%	484,707	358,366	35.0%	125,428	552,145	552,145	522,073	426,717	426,717	406,858
2027	1,170,913	1,849,425	263,906	2,113,331	21.3%	449,772	721,141	35.0%	252,399	907,008	1,459,152	784,648	654,608	1,081,325	567,404
2028	1,228,846	1,663,559	141,585	1,805,144	20.9%	378,166	850,680	40.0%	340,272	1,087,261	2,546,414	856,746	746,989	1,828,314	588,617
2029	1,129,018	1,426,978	15,359	1,442,336	21.1%	304,364	824,654	40.0%	329,862	1,113,660	3,660,074	797,771	783,798	2,612,112	561,474
2030	961,477	1,137,972	4,107	1,142,079	22.2%	253,790	707,688	45.0%	318,459	957,370	4,617,444	623,466	638,911	3,251,023	416,077
2031	833,634	888,290	1,801	890,091	23.1%	205,957	627,677	45.0%	282,455	831,833	5,449,277	492,466	549,378	3,800,401	325,246
2032	741,405	684,134	1,835	685,969	25.0%	171,802	569,603	45.0%	256,321	739,570	6,188,847	398,040	483,249	4,283,650	260,087
2033	643,966	514,167	0	514,167	27.1%	139,583	504,382	45.0%	226,972	643,966	6,832,813	315,078	416,994	4,700,644	204,025
2034	566,693	374,583	0	374,583	30.0%	112,478	454,215	50.0%	227,107	566,693	7,399,506	252,063	339,585	5,040,229	151,047
2035	497,847	262,105	4,720	266,825	34.4%	91,789	406,058	50.0%	203,029	493,128	7,892,633	199,402	290,099	5,330,328	117,305
2036	447,551	175,036	4,647	179,683	39.3%	70,546	377,006	50.0%	188,503	442,905	8,335,538	162,812	254,402	5,584,730	93,518
2037	394,816	109,137	4,740	113,877	51.8%	58,937	335,880	50.0%	167,940	390,077	8,725,615	130,357	222,137	5,806,866	74,234
2038	335,602	54,940	4,835	59,775	82.9%	49,582	286,019	50.0%	143,010	330,767	9,056,382	100,488	187,757	5,994,624	57,041
2039	263,284	10,192	0	10,192	100.0%	10,192	253,092	45.0%	113,891	263,284	9,319,666	72,715	149,393	6,144,016	41,260
2040	199,988	0	0	0	0.0%	0	199,988	45.0%	89,994	199,988	9,519,653	50,212	109,993	6,254,010	27,617
2041	173,493	0	0	0	0.0%	0	173,493	45.0%	78,072	173,493	9,693,146	39,600	95,421	6,349,431	21,780
2042	156,478	0	0	0	0.0%	0	156,478	45.0%	70,415	156,478	9,849,624	32,469	86,063	6,435,494	17,858
2043	135,040	0	0	0	0.0%	0	135,040	45.0%	60,768	135,040	9,984,665	25,474	74,272	6,509,766	14,011
2044	91,601	0	0	0	0.0%	0	91,601	45.0%	41,220	91,601	10,076,265	15,708	50,380	6,560,146	8,640
2045	97,405	0	0	0	0.0%	0	97,405	45.0%	43,832	97,405	10,173,670	15,185	53,573	6,613,719	8,352
2046	94,103	0	0	0	0.0%	0	94,103	45.0%	42,347	94,103	10,267,773	13,337	51,757	6,665,476	7,335
2047	90,557	0	0	0	0.0%	0	90,557	45.0%	40,751	90,557	10,358,330	11,668	49,806	6,715,282	6,417
2048	79,190	0	0	0	0.0%	0	79,190	45.0%	35,636	79,190	10,437,521	9,275	43,555	6,758,837	5,102
2049	11,627	0	0	0	0.0%	0	11,627	45.0%	5,232	11,627	10,449,148	1,238	6,395	6,765,232	681
2050	-3,646	0	0	0	0.0%	0	0	45.0%	0	-3,646	10,445,501	-353	-3,646	6,761,585	-353
2051	-1,844	0	0	0	0.0%	0	0	45.0%	0	-1,844	10,443,658	-162	-1,844	6,759,742	-162
2052	-2,574	0	0	0	0.0%	0	0	45.0%	0	-2,574	10,441,084	-206	-2,574	6,757,167	-206
2053	-12,489	0	0	0	0.0%	0	0	45.0%	0	-12,489	10,428,594	-908	-12,489	6,744,678	-908
2054	-14,832	0	0	0	0.0%	0	0	45.0%	0	-14,832	10,413,763	-981	-14,832	6,729,847	-981
2055	0	0	0	0	0.0%	0	0	45.0%	0	0	10,413,763	0	0	6,729,847	0
2056	0	0	0	0	0.0%	0	0	45.0%	0	0	10,413,763	0	0	6,729,847	0
2057	0	0	0	0	0.0%	0	0	45.0%	0	0	10,413,763	0	0	6,729,847	0
2058	0	0	0	0	0.0%	0	0	45.0%	0	0	10,413,763	0	0	6,729,847	0
2059	0	0	0	0	0.0%	0	0	45.0%	0	0	10,413,763	0	0	6,729,847	0
2060	0	0	0	0	0.0%	0	0	45.0%	0	0	10,413,763	0	0	6,729,847	0
2061	0	0	0	0	0.0%	0	0	45.0%	0	0	10,413,763	0	0	6,729,847	0
2062	0	0	0	0	0.0%	0	0	45.0%	0	0	10,413,763	0	0	6,729,847	0
2063	0	0	0	0	0.0%	0	0	45.0%	0	0	10,413,763	0	0	6,729,847	0
2064	0	0	0	0	0.0%	0	0	45.0%	0	0	10,413,763	0	0	6,729,847	0
2065	0	0	0	0	0.0%	0	0	45.0%	0	0	10,413,763	0	0	6,729,847	0
2066	0	0	0	0	0.0%	0	0	45.0%	0	0	10,413,763	0	0	6,729,847	0
2067	0	0	0	0	0.0%	0	0	45.0%	0	0	10,413,763	0	0	6,729,847	0
2068	0	0	0	0	0.0%	0	0	45.0%	0	0	10,413,763	0	0	6,729,847	0
2069	0	0	0	0	0.0%	0	0	45.0%	0	0	10,413,763	0	0	6,729,847	0
2070	0	0	0	0	0.0%	0	0	45.0%	0	0	10,413,763	0	0	6,729,847	0
2071	0	0	0	0	0.0%	0	0	45.0%	0	0	10,413,763	0	0	6,729,847	0
2072	0	0	0	0	0.0%	0	0	45.0%	0	0	10,413,763	0	0	6,729,847	0
2073	0	0	0	0	0.0%	0	0	45.0%	0	0	10,413,763	0	0	6,729,847	0
2074	0	0	0	0	0.0%	0	0	45.0%	0	0	10,413,763	0	0	6,729,847	0
2075	0	0	0	0	0.0%	0	0	45.0%	0	0	10,413,763	0	0	6,729,847	0
Total	**11,152,225**	**11,193,723**	**738,462**	**11,932,185**		**2,781,665**	**8,405,944**		**3,683,916**	**10,413,763**	**10,413,763**	**5,919,682**	**6,729,847**	**6,729,847**	**3,979,375**

RESERVES DEFINITIONS

Reserves estimates have been prepared by GLJ in accordance with standards contained in the Canadian Oil and Gas Evaluation (COGE) Handbook. The following reserves definitions are set out by the Canadian Securities Administrators in National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities (NI 51-101; in Part 2 of the Glossary to NI 51-101) with reference to the COGE Handbook [modified to reference the new COGE Handbook].

Reserves Categories

Reserves are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, as of a given date, based on:

- analysis of drilling, geological, geophysical, and engineering data;
- the use of established technology;
- specified economic conditions[1], which are generally accepted as being reasonable, and shall be disclosed.

Reserves are categorized according to the degree of certainty associated with the estimates.

Proved Reserves
Proved reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.

Probable Reserves
Probable reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

Possible Reserves
Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated proved plus probable plus possible reserves.

Other criteria that must also be met for the categorization of reserves are provided in Sections 1.3 and 1.4 of the COGE Handbook.

[1] *For securities reporting, the key economic assumptions will be the prices and costs used in the estimate. The required assumptions may vary by jurisdiction, for example:*
(a) ***forecast prices and costs, in Canada under NI 51-101***
(b) ***constant prices and costs****, based on the average of the first day posted prices in each of the 12 months of the reporting issuer's financial year, under* ***US SEC rules*** *(this is optional disclosure under NI 51-101).*

Development and Production Status

Each of the reserves categories (proved, probable, and possible) may be divided into developed and undeveloped categories.

Developed Reserves
Developed reserves are those reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (e.g., when compared to the cost of drilling a well) to put the reserves on production. The developed category may be subdivided into producing and non-producing.

Developed Producing Reserves
Developed producing reserves are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.

Developed Non-Producing Reserves
Developed non-producing reserves are those reserves that either have not been on production, or have previously been on production, but are shut in, and the date of resumption of production is unknown.

Undeveloped Reserves
Undeveloped reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (for example, when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves category (proved, probable, possible) to which they are assigned.

In multi-well pools, it may be appropriate to allocate total pool reserves between the developed and undeveloped categories or to subdivide the developed reserves for the pool between developed producing and developed non-producing. This allocation should be based on the estimator's assessment as to the reserves that will be recovered from specific wells, facilities, and completion intervals in the pool and their respective development and production status.

Levels of Certainty for Reported Reserves

The qualitative certainty levels referred to in the definitions above are applicable to individual reserves entities (which refers to the lowest level at which reserves calculations are performed) and to Reported Reserves (which refers to the highest level sum of individual entity estimates for which reserves estimates are presented). Reported Reserves should target the following levels of certainty under a specific set of economic conditions:

- at least a 90 percent probability that the quantities actually recovered will equal or exceed the estimated proved reserves;
- at least a 50 percent probability that the quantities actually recovered will equal or exceed the sum of the estimated proved plus probable reserves;

- at least a 10 percent probability that the quantities actually recovered will equal or exceed the sum of the estimated proved plus probable plus possible reserves.

A quantitative measure of the certainty levels pertaining to estimates prepared for the various reserves categories is desirable to provide a clearer understanding of the associated risks and uncertainties. However, the majority of reserves estimates are prepared using deterministic methods that do not provide a mathematically derived quantitative measure of probability. In principle, there should be no difference between estimates prepared using probabilistic or deterministic methods.

Additional clarification of certainty levels associated with *reserves* estimates and the effect of aggregation is provided in Section 5.7 of the COGE Handbook.

DOCUMENTED RESERVES CATEGORIES

Production and revenue projections are prepared for each of the following main reserves categories:

Reserves Category
Proved
Proved Plus Probable
Proved Plus Probable Plus Possible

Production and Development Status
Developed Producing*
Developed Non-Producing
Undeveloped
Total (sum of developed producing, developed non-producing and undeveloped)

** as producing reserves are inherently developed, GLJ simply refers to "developed producing" reserves as "producing"*

Reserves and revenue projections are available in GLJ's evaluation database for any reserves and development subcategory including those determined by difference (e.g., probable producing).

Individual property evaluation reports contain detailed documentation of reserves estimation methodology and evaluation procedures.

When evaluating reserves, GLJ evaluators generally first identify the producing situation and assign proved, proved plus probable and proved plus probable plus possible reserves in recognition of the existing level of development and the existing depletion strategy. Incremental non-producing (developed non-producing or undeveloped) reserves are subsequently assigned recognizing future development opportunities and enhancements to the depletion mechanism. It should be recognized that future developments may result in accelerated recovery of producing reserves.

EVALUATION PROCEDURE

INTEREST DESCRIPTIONS

WELL DATA

ACCOUNTING SUMMARY

PRODUCTION FORECASTS

AFTER TAX ANALYSIS

EVALUATION SOFTWARE

ECONOMIC PARAMETERS

OIL EQUIVALENT OR GAS EQUIVALENT

LIST OF ABBREVIATIONS

EVALUATION PROCEDURE

The following outlines the methodology employed by GLJ in conducting the evaluation of the Company's oil and gas properties. GLJ evaluation procedures are in compliance with standards contained in the Canadian Oil and Gas Evaluation (COGE) Handbook.

INTEREST DESCRIPTIONS

The Company provided GLJ with current land interest information. The Company provided a representation letter confirming accuracy of land information. Certain cross-checks of land and accounting information were undertaken by GLJ as recommended in the COGE Handbook. In this process, nothing came to GLJ's attention that indicated that information provided by the Company was incomplete or unreliable.

In GLJ's reports, "Company Interest" reserves and values refer to the sum of royalty interest* and working interest reserves before deduction of royalty burdens payable. "Working Interest" reserves equate to those reserves that are referred to as "Company Gross" reserves by the Canadian Securities Administrators (CSA) in NI 51-101.

In the Securities Reporting section, working interest (or Company Gross) volumes are presented in tables to correspond to NI 51-101 disclosure requirements.

**Royalty interest reserves include royalty volumes derived only from other working interest owners.*

WELL DATA

Pertinent interest and offset well data such as drill stem tests, workovers, pressure surveys, production tests, etc., were provided by the Company or were obtained from other operators, public records or GLJ nonconfidential files.

ACCOUNTING SUMMARY

The Company provided GLJ with available accounting data on a property basis and for the corporate total for the period January 1, 2025, to October 31, 2025. In some circumstances this information was also provided on a cost centre basis to address major reserves entities that are a subset of a Company property.

PRODUCTION FORECASTS

In establishing all production forecasts, consideration was given to existing gas contracts and the possibility of contract revisions, to the operator's plans for development drilling and to reserves and well capability. Generally, development drilling in an area was not considered unless there was some indication from the operator that drilling could be expected.

The on-stream date for currently shut-in reserves was estimated with consideration given to the following:

- proximity to existing facilities
- plans of the operator
- economics

AFTER TAX ANALYSIS

Colombian income taxes were calculated based on currently legislated tax rates, tax regulations and tax pool information provided by the Company. After tax values for reserves development status or production status subcategories (i.e. developed, undeveloped, producing, non-producing) are calculated by difference.

Tax Pools

The following tax pools as of the effective date, were included in the income tax calculations:

Tax Pool Classification	Write-Off Rate (%)	Tax Pool (MM$)
Parex Resources Colombia		
Drilling and Facility Capital	UOP*	971.0
Non-Capital Losses	100	0.0
Verano Energy (acquisition)		
Drilling and Facility Capital	UOP*	1,072.2
Non-Capital Losses	100	0.0

**Unit of production basis*

Tax Rates

The corporate income tax rates in Colombia are summarized as follows:

Year	Tax Rate
2026-2027	35%
2028-2029	40%
2030-2033	45%
2034-2038	50%
2039+	45%

Company total after tax economic forecasts for all reserves categories are included in the Summary section of this report.

EVALUATION SOFTWARE

GLJ utilized the third-party software Value Navigator (Version 2024.2) to perform this evaluation. The final database has been provided to the Company, and the results presented herein are accurate as of February 25, 2026. GLJ acknowledges that any modifications made after this specified date have not been reviewed by GLJ.

ECONOMIC PARAMETERS

Pertinent economic parameters are listed as follows:

a) The effective date is December 31,2025.

b) Operating and capital costs, including maintenance capital, were estimated in 2026 dollars and then escalated as summarized in the Product Price and Market Forecasts section of this report.

c) Operating costs have been included for active and inactive wells located within active properties; operating costs for inactive properties are excluded.

d) Economic forecasts were prepared for each property on a before income tax basis. Detailed discounting of future cash flow was performed using a discount factor of 10.0 percent with all values discounted monthly to December 31, 2025, until December 31, 2027, and then discounted annually on a mid-calendar-year basis thereafter.

e) Oil production from the properties is subject to a sliding scale royalty based on the production level in accordance with the following:

Production Rate	Royalty Rate
0 to 5,000 bopd	8.0%
5,001 to 125,000 bopd	8.0 – 20.0% sliding scale
125,001 to 400,000 bopd	20.0%
400,001 to 600,000 bopd	20.0 – 25.0% sliding scale
Over 600,000 bopd	25.0%

The Akira, Max, Tarotaro, Tigana and Tilo properties are classified as heavy oil with a gravity <15°API and receive a 25 percent discount from the preceding royalty rate schedule.

f) Participation Tax was applied as 1.0 percent of the oil production net of royalties for the following blocks:

CPO-10, LLA 26, LLA 30, LLA 32, LLA 34, LLA 40, LLA-74, LLA 81, Los Ocarros.

Participation Tax was applied as 1.0 percent of the oil production net of royalties for incremental production from future development wells in the following blocks:

Area Sur, NorOriente, Occidente.

g) A high price royalty applies when wellhead oil prices exceed a base reference price, as specified in each contract, after cumulative oil production exceeds 5 million barrels.

The high price royalty rate is calculated as follows:

High Price Royalty = [WTI – Reference Price] / WTI × Participation Percent

The reference price is determined from the following:

API Gravity	Reference Price $/bbl
>29° API	45.10
≥22° and <29° API	46.85
≥15° and <22° API	48.59
≥10° and <15° API	69.42

The participation percent is determined from the following scale:

WTI	Participation Percent
RP ≤ WTI < 2 × RP	30%
2 × RP ≤ WTI < 3 × RP	35%
3 × RP ≤ WTI < 4 × RP	40%
4 × RP ≤ WTI < 5 × RP	45%
5 × RP ≤ WTI	50%

In certain contracts, the participation percent is fixed at 30 percent. The high price royalty is applied to production net of the base royalty.

h) Gas sales are subject to an 8 percent royalty with a 20 percent discount for onshore properties. Therefore, the effective royalty rate is 6.4 percent.

i) Field level overhead charges have been included; recovery of overhead expenses has not been included.

j) The Company's office G&A costs have not been included.

k) Provisions for the abandonment and reclamation of all of the Company's existing wells, both active and inactive, as well as the future wells included within this evaluation, to a standard imposed by applicable government or regulatory authorities have been included. All other abandonment and reclamation costs have not been included.

l) Per existing regulation as of the effective date, Carbon taxes associated with greenhouse gas emissions do not apply to the assets included herein.

OIL EQUIVALENT OR GAS EQUIVALENT

In this report, quantities of hydrocarbons have been converted to barrels of oil equivalent (boe); or to sales gas equivalent (sge) using factors of 6 Mcf/boe for gas, 1 bbl/boe for all liquids, and 0 boe for sulphur. Users of oil equivalent values are cautioned that while boe based metrics are useful for comparative purposes, they may be misleading when used in isolation.

LIST OF ABBREVIATIONS

AOF	absolute open flow
bbl	barrels
Bcf	billion cubic feet of gas at standard conditions
BIIP	bitumen initially-in-place
boe	barrel of oil equivalent, in this evaluation determined using 6 Mcf/boe for gas, 1 bbl/boe for all liquids, and 0 boe for sulphur
bopd	barrels of oil per day
Btu	British thermal units
bwpd	barrels of water per day
DSU	drilling spacing unit
GCA	gas cost allowance
GIIP	gas initially-in-place
GOC	gas-oil contact
GOR	gas-oil ratio
GORR	gross overriding royalty
GWC	gas-water contact
Mbbl	thousand barrels
Mboe	thousand boe
Mcf	thousand cubic feet of gas at standard conditions
Mcfe	thousand cubic feet of gas equivalent
Mlt	thousand long tons
M$	thousand dollars
MM$	million dollars
MMbbl	million barrels
MMboe	million boe
MMBtu	million British thermal units
MMcf	million cubic feet of gas at standard conditions
MRL	maximum rate limitation
Mstb	thousand stock tank barrels
MMstb	million stock tank barrels
NGL	natural gas liquids (ethane, propane, butane and condensate)
NPI	net profits interest
OIIP	oil initially-in-place
ORRI	overriding royalty interest

OWC	oil-water contact
P&NG	petroleum and natural gas
PIIP	petroleum initially-in-place
psia	pounds per square inch absolute
psig	pounds per square inch gauge
PVT	pressure-volume-temperature
RLI	reserves life index, calculated by dividing reserves by the forecast of first year production
scf	standard cubic feet
sge	sales gas equivalent – if presented in this evaluation, determined using 1 barrel of oil or natural gas liquid = 6 Mcfe; 0 for sulphur
stb	stock tank barrel
WI	working interest
WTI	West Texas Intermediate

PRODUCT PRICE AND MARKET FORECASTS

January 1, 2026

GLJ has prepared its January 1, 2026 price and market forecasts as summarized in the attached Tables 1, 2 and 3 after a comprehensive review of information. Information sources include numerous government agencies, industry publications, Canadian oil refiners and natural gas marketers. The forecasts presented herein are based on an informed interpretation of currently available data. While these forecasts are considered reasonable at this time, users of these forecasts should understand the inherent high uncertainty in forecasting any commodity or market. These forecasts will be revised periodically as market, economic and political conditions change. These future revisions may be significant.

Produced gas from the Calona, Carmentea and Kananaskis Fields in Block 32 is sold to other blocks for use as fuel gas, the contract price is $10.60 per MMBtu.

Solution gas produced in the Aguas Blancas Field is to be sold at the contract price of $11.11 per Mmbtu.

Solution gas produced from the Arauca Field is to be sold at the contract price of $3.00 per MMBtu. For the Capachos-Andina Field, produced gas is to be sold at a contract price of $5.00 per MMBtu, while butane volumes are sold at a contract price of $30.00 per bbl.

For the La Belleza Field, produced gas is sold at a contract price of $11.12 per MMBtu. For the Total Proved Plus Probable and Total Proved Plus Probable Plus Possible cases, the La Belleza field has been scheduled for blowdown commencing in March 2027, where the contract price has been increased to $14.00 per MMbtu as per guidance by the Company.

Table 1
GLJ Ltd.
Crude Oil and Natural Gas Liquids
Price Forecast
Effective January 1, 2026

			United States		Europe	Canada										
			WTI Crude Oil (39.6 API, 0.24%S) Cushing, OK		Brent Crude Oil (38.3 API, 0.37%S) UK	MSW, Light Crude Oil (40 API, 0.3%S) at Edmonton	WCS Crude Oil (20.9 API, 3.5%S) at Hardisty	Heavy Crude Oil Proxy (12 API) at Hardisty	AWB* Crude Oil (22 API, 3.93% S) at Edmonton	Cold Lake Crude Oil (21.3 API, 3.61%S) at Hardisty	Light Sour Crude Oil (38 API, 1.1%S) at Cromer	Medium Crude Oil (29 API, 2.0%S) at Cromer	Alberta Natural Gas Liquids (Then Current Dollars) at Edmonton			
Year	Inflation %	CADUSD Exchange Rate CAD/USD	Constant 2026 $ USD/bbl	Then Current USD/bbl	Then Current USD/bbl	Then Current CAD/bbl	Then Current CAD/bbl	Then Current CAD/bbl	Then Current CAD/bbl	Then Current CAD/bbl	Then Current CAD/bbl	Then Current CAD/bbl	Ethane CAD/bbl	Propane CAD/bbl	Butane CAD/bbl	Condensate CAD/bbl
2016	1.40	0.755	56.27	43.38	45.05	53.08	38.96	32.78	35.74	38.23	51.46	48.84	N/A	13.40	34.49	56.25
2017	1.60	0.771	65.15	50.94	54.80	62.84	50.53	44.74	46.75	48.69	62.09	59.96	N/A	28.57	44.46	66.86
2018	2.30	0.772	81.48	64.73	71.55	69.22	49.52	39.42	44.98	48.02	72.94	69.60	N/A	26.79	32.96	78.60
2019	1.90	0.754	70.18	57.02	64.24	69.16	58.75	54.11	54.66	57.09	69.65	67.97	N/A	16.98	24.29	70.19
2020	0.70	0.746	47.64	39.44	43.28	45.28	35.56	30.45	34.47	36.59	45.45	44.01	N/A	16.25	22.02	49.52
2021	3.40	0.798	81.45	67.92	70.78	79.71	68.74	62.14	65.87	67.84	80.10	77.58	N/A	43.25	51.66	85.47
2022	6.80	0.769	109.31	94.23	98.89	119.60	97.07	89.65	93.83	96.86	118.45	114.83	N/A	50.08	61.62	121.60
2023	3.90	0.741	84.27	77.63	82.22	99.56	80.44	72.14	77.90	80.22	97.29	94.53	N/A	29.58	45.61	103.21
2024	2.40	0.730	79.14	75.72	79.84	98.10	84.65	78.89	83.13	84.50	96.29	93.35	N/A	30.38	48.43	100.53
2025 (est)	2.10	0.715	66.26	64.93	68.35	85.89	75.03	64.91	73.88	75.00	84.35	82.96	N/A	29.53	40.70	89.05
2026 Q1	0.00	0.730	57.00	57.00	61.00	72.60	60.90	55.52	59.69	60.90	71.51	70.79	8.96	21.78	34.49	75.51
2026 Q2	0.00	0.730	57.00	57.00	61.00	72.60	60.90	55.52	59.69	60.90	71.51	70.79	8.58	21.78	34.49	75.51
2026 Q3	0.00	0.735	60.00	60.00	64.00	76.19	63.67	58.00	62.40	63.67	75.05	74.29	9.14	22.86	36.19	79.24
2026 Q4	0.00	0.735	63.00	63.00	67.00	80.27	66.86	60.87	65.52	66.86	79.07	78.27	9.77	24.08	38.13	83.48
2026 Full Year	0.00	0.733	59.25	59.25	63.25	75.42	63.08	57.48	61.82	63.08	74.29	73.53	9.11	22.63	35.82	78.43
2027	2.00	0.740	64.71	66.00	70.00	83.78	69.57	63.30	68.18	69.57	82.53	81.69	10.19	25.14	39.80	87.14
2028	2.00	0.740	67.28	70.00	74.08	89.08	75.68	69.59	74.16	75.68	87.74	86.85	11.21	26.72	42.31	92.64
2029	2.00	0.740	68.00	72.16	76.32	91.89	78.01	71.74	76.45	78.01	90.51	89.59	11.71	27.57	43.65	95.57
2030	2.00	0.740	68.00	73.60	77.84	93.73	79.57	73.19	77.98	79.57	92.32	91.39	11.94	28.12	44.52	97.48
2031	2.00	0.740	68.00	75.08	79.41	95.62	81.17	74.69	79.54	81.17	94.18	93.22	12.20	28.68	45.42	99.44
2032	2.00	0.740	68.00	76.58	81.00	97.53	82.79	76.20	81.13	82.79	96.06	95.09	12.46	29.26	46.33	101.43
2033	2.00	0.740	68.00	78.11	82.61	99.47	84.44	77.74	82.75	84.44	97.98	96.99	12.73	29.84	47.25	103.45
2034	2.00	0.740	68.00	79.67	84.26	101.46	86.13	79.31	84.41	86.13	99.94	98.92	13.01	30.44	48.19	105.52
2035	2.00	0.740	68.00	81.27	85.95	103.50	87.86	80.93	86.10	87.86	101.95	100.91	13.28	31.05	49.16	107.64
2036+	2.00	0.740	68.00	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr

*AWB - Access Western Blend
Historical futures contract price is an average of the daily settlement price of the near month contract over the calendar month.

Table 2
GLJ Ltd.
Natural Gas and Sulphur
Price Forecast
Effective January 1, 2026

	Nymex Henry Hub		Alberta				Saskatchewan		British Columbia					Sulphur @
	Constant	Then		Plant Gate			Plant Gate		Westcoast	Spot	Huntingdon/	Dawn	Sulphur FOB	Alberta
	2026 $	Current	AECO/NIT	Spot	ARP	Empress	SaskEnergy	Spot	Station 2	Plant Gate	Sumas Spot	@ Ontario	Vancouver	Plant Gate
Year	USD/MMBtu	USD/MMBtu	CAD/MMBtu	CAD/MMBtu	CAD/MMBtu	CAD/MMBtu	CAD/MMBtu	CAD/MMBtu	CAD/MMBtu	CAD/MMBtu	USD/MMBtu	USD/MMBtu	USD/lt	CAD/lt
2016	3.31	2.55	2.18	1.94	1.93	2.36	2.18	2.09	1.77	1.60	2.18	2.56	82.96	59.11
2017	3.86	3.02	2.19	1.93	2.22	2.60	2.41	2.29	1.56	1.34	2.62	3.05	105.62	60.15
2018	3.86	3.07	1.54	1.33	1.36	3.06	1.68	2.71	1.24	1.03	3.60	3.09	133.80	87.84
2019	3.11	2.53	1.81	1.59	1.48	2.53	1.73	2.20	1.02	0.75	4.70	2.44	84.79	36.94
2020	2.57	2.13	2.26	2.03	2.00	2.24	2.45	2.05	2.21	1.94	2.16	1.88	57.90	2.56
2021	4.46	3.71	3.65	3.37	3.27	3.93	3.94	3.70	3.35	3.05	3.94	3.63	176.47	68.63
2022	7.55	6.51	5.38	5.05	5.05	6.45	5.85	6.25	4.57	4.17	8.10	6.06	262.87	118.15
2023	2.89	2.67	2.57	2.26	2.59	2.69	3.20	2.45	2.32	2.02	4.30	2.34	92.92	14.67
2024	2.52	2.41	1.45	1.13	1.24	1.61	1.79	1.27	1.09	0.72	1.96	1.95	91.06	3.69
2025 (est)	3.75	3.67	1.97	1.62	1.69	2.28	2.16	1.61	1.13	0.82	1.82	3.31	275.35	171.36
2026 Q1	3.90	3.90	2.88	2.57	2.57	3.18	2.82	2.69	2.38	2.02	1.90	3.60	400.00	180.00
2026 Q2	3.75	3.75	2.77	2.47	2.47	3.07	2.72	2.58	2.27	1.91	1.75	3.45	350.00	150.00
2026 Q3	4.00	4.00	2.94	2.63	2.63	3.24	2.88	2.75	2.44	2.07	2.00	3.70	300.00	120.00
2026 Q4	4.25	4.25	3.12	2.81	2.81	3.42	3.06	2.93	2.62	2.26	2.25	3.95	300.00	120.00
2026 Full Year	3.98	3.98	2.93	2.62	2.62	3.23	2.87	2.74	2.43	2.06	1.98	3.68	337.50	142.50
2027	3.92	4.00	3.24	2.93	2.93	3.34	3.18	3.05	3.04	2.68	3.50	3.70	250.00	100.00
2028	4.00	4.16	3.54	3.22	3.22	3.64	3.47	3.35	3.34	2.97	3.66	3.86	180.00	80.00
2029	4.00	4.25	3.69	3.36	3.36	3.79	3.61	3.50	3.49	3.12	3.75	3.95	130.00	75.68
2030	4.00	4.33	3.76	3.43	3.43	3.86	3.68	3.57	3.56	3.19	3.83	4.03	132.60	79.19
2031	4.00	4.42	3.83	3.51	3.51	3.93	3.76	3.64	3.63	3.26	3.92	4.12	135.25	82.77
2032	4.00	4.50	3.91	3.58	3.58	4.01	3.83	3.72	3.71	3.34	4.00	4.20	137.96	86.43
2033	4.00	4.60	3.99	3.66	3.66	4.09	3.91	3.80	3.79	3.41	4.10	4.30	140.72	90.16
2034	4.00	4.69	4.07	3.74	3.74	4.17	3.99	3.88	3.87	3.49	4.19	4.39	143.53	93.96
2035	4.00	4.78	4.15	3.82	3.82	4.25	4.07	3.96	3.95	3.57	4.28	4.48	146.40	97.84
2036+	4.00	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr

Unless otherwise stated, the gas price reference point is the receipt point on the applicable provincial gas transmission system known as the plant gate.
The plant gate price represents the price before raw gathering and processing charges are deducted.

Table 3
GLJ Ltd.
International Crude Oil Price Forecast
Effective January 1, 2026

	United States		Europe	Latin America		Mideast Gulf and Mediterranean							Africa	Asia-Pacific	
Year	Cushing, OK WTI 39.6 API 0.24% S USD/bbl	Louisiana LLS* 35.6 API 0.37% S USD/bbl	UK Brent 38.3 API 0.37% S USD/bbl	Mexico Maya 21.8 API 3.33% S USD/bbl	Ecuador Napo 19.0 API 2.0% S USD/bbl	Oman DME 34 API 2.00% S USD/bbl	OPEC Basket 32.7 API 1.77% S USD/bbl	Abu Dhabi Murban 40.2 API 0.79% S USD/bbl	Iran Iran Light 33.6 API 1.46% S USD/bbl	Algeria Saharan 45.3 API 0.09% S USD/bbl	Iraq Basrah Mediur 27.9 API 3% S USD/bbl	Kuwait Export Blend 31.4 API 2.52% S USD/bbl	Nigeria Bonny Light 33.4 API 0.16% S USD/bbl	Indonesia Minas 35.3 API 0.09% S USD/bbl	Malaysia Tapis 45.2 API 0.03% S USD/bbl
2026	59.25	61.99	63.25	53.76	51.86	63.25	64.01	64.39	61.35	63.88	63.25	65.15	64.51	62.62	65.15
2027	66.00	68.60	70.00	59.50	57.40	70.00	70.84	71.26	67.90	70.70	70.00	72.10	71.40	69.30	72.10
2028	70.00	72.60	74.08	62.97	60.75	74.08	74.97	75.41	71.86	74.82	74.08	76.30	75.56	73.34	76.30
2029	72.16	74.79	76.32	64.87	62.58	76.32	77.24	77.69	74.03	77.08	76.32	78.61	77.85	75.56	78.61
2030	73.60	76.28	77.84	66.16	63.83	77.84	78.77	79.24	75.50	78.62	77.84	80.18	79.40	77.06	80.18
2031	75.08	77.82	79.41	67.50	65.12	79.41	80.36	80.84	77.03	80.20	79.41	81.79	81.00	78.62	81.79
2032	76.58	79.38	81.00	68.85	66.42	81.00	81.97	82.46	78.57	81.81	81.00	83.43	82.62	80.19	83.43
2033	78.11	80.96	82.61	70.22	67.74	82.61	83.60	84.10	80.13	83.44	82.61	85.09	84.26	81.78	85.09
2034	79.67	82.57	84.26	71.62	69.09	84.26	85.27	85.78	81.73	85.10	84.26	86.79	85.95	83.42	86.79
2035	81.27	84.23	85.95	73.06	70.48	85.95	86.98	87.50	83.37	86.81	85.95	88.53	87.67	85.09	88.53
2036+	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr

* LLS - Light Louisiana Sweet
** ESPO - Eastern Siberian Pacific Ocean Blend
Historical futures contract price is an average of the daily settlement price of the near month contract over the calendar month.
GLJ Forecasts a variety of other benchmarks that may not be presented and can be obtained upon request.

INDEPENDENT PETROLEUM CONSULTANTS' CONSENT

The undersigned firm of Independent Petroleum Consultants of Calgary, Alberta, Canada has prepared an independent evaluation of the **Parex Resources Inc.** (the "Company") Colombian oil and gas properties and hereby gives consent to the use of its name and to the said estimates. The effective date of the evaluation is **December 31, 2025.**

In the course of the evaluation, the Company provided GLJ Ltd. personnel with basic information which included land data, well information, geological information, reservoir studies, estimates of on-stream dates, contract information, current hydrocarbon product prices, operating cost data, capital budget forecasts, financial data and future operating plans. Other engineering, geological or economic data required to conduct the evaluation and upon which this report is based, were obtained from public records, other operators and from GLJ Ltd. nonconfidential files. The Company has provided a representation letter confirming that all information provided to GLJ Ltd. is correct and complete to the best of its knowledge. Procedures recommended in the Canadian Oil and Gas Evaluation (COGE) Handbook to verify certain interests and financial information were applied in this evaluation. In applying these procedures and tests, nothing came to GLJ Ltd.'s attention that would suggest that information provided by the Company was not complete and accurate. GLJ Ltd. reserves the right to review all calculations referred to or included in this report and to revise the estimates in light of erroneous data supplied or information existing but not made available which becomes known subsequent to the preparation of this report.

The accuracy of any reserves and production estimate is a function of the quality and quantity of available data and of engineering interpretation and judgment. While reserves and production estimates presented herein are considered reasonable, the estimates should be accepted with the understanding that reservoir performance subsequent to the date of the estimate may justify revision, either upward or downward.

Revenue projections presented in this report are based in part on forecasts of market prices, currency exchange rates, inflation, market demand and government policy which are subject to many uncertainties and may, in future, differ materially from the forecasts utilized herein. Present values of revenues documented in this report do not necessarily represent the fair market value of the reserves evaluated herein.

PERMIT TO PRACTICE
GLJ LTD.

RM Signature:

RM APEGA ID#: 73297

Date: March 3, 2026

PERMIT NUMBER: P 2066
The Association of Professional Engineers and Geoscientists of Alberta (APEGA)

PROFESSIONAL GEOLOGIST ALBERTA
MIRANDA LEAH STOFFMAN
ID 77180

Miranda L. Stoffman, P.Geo.
Manager, Geosciences
March 3, 2026

PROFESSIONAL ENGINEER ALBERTA
PATRICK ANDREW OLENICK
ID 67686

Patrick A Olenick, P. Eng.
Senior Vice President
March 3, 2026

GLJ LTD.
Corporate Seal

CERTIFICATES OF QUALIFICATION

Patrick A. Olenick

Sarah C. Taylor

Jordan J. K.Hughes

Shaw Liu

John Martinez

Julisa Rocabado

Abigail MacLean

Tatiana Carrillo

Keyner Nunez Mendez

CERTIFICATION OF QUALIFICATION

I, Patrick A. Olenick, Professional Engineer, 1920, 401 – 9th Avenue S.W., Calgary, Alberta, Canada hereby certify:

1. That I am an employee of GLJ Ltd., which company did prepare a detailed analysis of Colombian oil and gas properties of Parex Resources Inc. (the "Company"). The effective date of this evaluation is December 31, 2025.

2. That I do not have, nor do I expect to receive any direct or indirect interest in the securities of the Company or its affiliated companies.

3. That I attended the University of Calgary where I graduated with a Bachelor of Science Degree in Mechanical Engineering in 2003; that I am a Registered Professional Engineer in the Province of Alberta; and, that I have in excess of twenty-four years' experience in engineering studies relating to oil and gas fields.

4. That a personal field inspection of the properties was not made; however, such an inspection was not considered necessary in view of the information available from public information and records, the files of the Company, and the appropriate provincial regulatory authorities.



March 3, 2026

CERTIFICATION OF QUALIFICATION

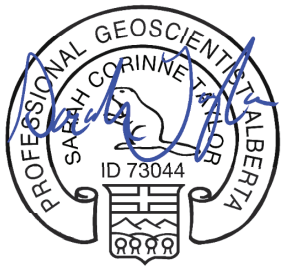
I, Sarah C. Taylor, Professional Geologist, 1920, 401 – 9th Avenue S.W., Calgary, Alberta, Canada hereby certify:

1. That I am an employee of GLJ Ltd., which company did prepare a detailed analysis of Colombian oil and gas properties of Parex Resources Inc. (the "Company"). The effective date of this evaluation is December 31, 2025.

2. That I do not have, nor do I expect to receive any direct or indirect interest in the securities of the Company or its affiliated companies.

3. That I attended the University of Calgary where I graduated with a Bachelor of Science Degree in Geology in 2003; that I am a Registered Professional Geologist in the Province of Alberta; and, that I have in excess of twenty-two years of experience in geological studies relating to oil and gas fields.

4. That a personal field inspection of the properties was not made; however, such an inspection was not considered necessary in view of the information available from public information and records, the files of the Company, and the appropriate provincial regulatory authorities.



March 3, 2026

CERTIFICATION OF QUALIFICATION

I, Jordan James Keith Hughes, Professional Geoscientist, 1920, 401 – 9th Avenue S.W., Calgary, Alberta, Canada hereby certify:

1. That I am an employee of GLJ Ltd., which company did prepare a detailed analysis of Colombian oil and gas properties of Parex Resources Inc. (the "Company"). The effective date of this evaluation is December 31, 2025.

2. That I do not have, nor do I expect to receive any direct or indirect interest in the securities of the Company or its affiliated companies.

3. That I attended the University of Calgary where I graduated with a Bachelor of Science Degree in Geophysics, 2013; that I am a Registered Professional Geoscientist in the Province of Alberta; and, that I have in excess of twelve years' experience in geoscience studies relating to oil and gas fields.

4. That a personal field inspection of the properties was not made; however, such an inspection was not considered necessary in view of the information available from public information and records, the files of the Company, and the appropriate provincial regulatory authorities.



March 3, 2026

CERTIFICATION OF QUALIFICATION

I, Shaw Liu, Professional Geologist, 1920, 401 – 9th Avenue S.W., Calgary, Alberta, Canada hereby certify:

1. That I am an employee of GLJ Ltd., which company did prepare a detailed analysis of Colombian oil and gas properties of Parex Resources Inc. (the "Company"). The effective date of this evaluation is December 31, 2025.

2. That I do not have, nor do I expect to receive any direct or indirect interest in the securities of the Company or its affiliated companies.

3. That I attended the China University of Geoscience where I graduated with a PhD. Degree in 2006; that I am a Registered Professional Geologist in the Province of Alberta; and, that I have in excess of thirty-one years' experience in geological studies relating to oil and gas fields.

4. That a personal field inspection of the properties was not made; however, such an inspection was not considered necessary in view of the information available from public information and records, the files of the Company, and the appropriate provincial regulatory authorities.



March 3, 2026

CERTIFICATION OF QUALIFICATION

I, John Martinez Mona, Professional Engineer, 1920, 401 – 9th Avenue S.W., Calgary, Alberta, Canada hereby certify:

1. That I am an employee of GLJ Ltd., which company did prepare a detailed analysis of Colombian oil and gas properties of Parex Resources Inc. (the "Company"). The effective date of this evaluation is December 31, 2025.

2. That I do not have, nor do I expect to receive any direct or indirect interest in the securities of the Company or its affiliated companies.

3. That I attended the University of Calgary where I graduated with a master's degree in Chemical Engineering in 2020; and, that I am a Registered Professional Engineer in the Province of Alberta, and, that I have in excess of seven years of experience in engineering studies relating to oil and gas fields.

4. That a personal field inspection of the properties was not made; however, such an inspection was not considered necessary in view of the information available from public information and records, the files of the Company, and the appropriate provincial regulatory authorities.



March 3, 2026

CERTIFICATION OF QUALIFICATION

I, Julisa Rocabado, Professional Engineer, 1920, 401 – 9th Avenue S.W., Calgary, Alberta, Canada hereby certify:

1. That I am an employee of GLJ Ltd., which company did prepare a detailed analysis of Colombian oil and gas properties of Parex Resources Inc. (the "Company"). The effective date of this evaluation is December 31, 2025.

2. That I do not have, nor do I expect to receive any direct or indirect interest in the securities of the Company or its affiliated companies.

3. That I attended the Universidad Autonoma Gabriel Rene Moreno where I graduated with a Bachelor Degree in Petroleum Engineering in 2012; and that I have in excess of eleven years' experience in engineering studies relating to oil and gas fields.

4. That a personal field inspection of the properties was not made; however, such an inspection was not considered necessary in view of the information available from public information and records, the files of the Company, and the appropriate provincial regulatory authorities.



March 3, 2026

CERTIFICATION OF QUALIFICATION

I, Abigail MacLean, Professional Engineer, 1920, 401 – 9th Avenue S.W., Calgary, Alberta, Canada hereby certify:

1. That I am an employee of GLJ Ltd., which company did prepare a detailed analysis of Colombian oil and gas properties of Parex Resources Inc. (the "Company"). The effective date of this evaluation is December 31, 2025.

2. That I do not have, nor do I expect to receive any direct or indirect interest in the securities of the Company or its affiliated companies.

3. That I attended the University of Calgary where I graduated with a Bachelor degree that I am a Registered Professional Engineer in the Province of Alberta; and, that I have in excess of four years' experience in engineering studies relating to oil and gas fields.

4. That a personal field inspection of the properties was not made; however, such an inspection was not considered necessary in view of the information available from public information and records, the files of the Company, and the appropriate provincial regulatory authorities.



March 3, 2026

CERTIFICATION OF QUALIFICATION

I, Leidy Tatiana Montoya Carrillo, Engineer In Training, 1920, 401 – 9th Avenue S.W., Calgary, Alberta, Canada hereby certify:

1. That I am an employee of GLJ Ltd., which company did prepare a detailed analysis of Colombian oil and gas properties of Parex Resources Inc. (the "Company"). The effective date of this evaluation is December 31, 2025.

2. That I do not have, nor do I expect to receive any direct or indirect interest in the securities of the Company or its affiliated companies.

3. That I attended the University of Calgary where I graduated with a PhD in 2021; and, that I am an Engineer In Training.

4. That a personal field inspection of the properties was not made; however, such an inspection was not considered necessary in view of the information available from public information and records, the files of the Company, and the appropriate provincial regulatory authorities.



March 3, 2026
ID# 295698

CERTIFICATION OF QUALIFICATION

I, Keyner Steven Nunez Mendez, Engineer In Training, 1920, 401 – 9th Avenue S.W., Calgary, Alberta, Canada hereby certify:

1. That I am an employee of GLJ Ltd., which company did prepare a detailed analysis of Colombian oil and gas properties of Parex Resources Inc. (the "Company"). The effective date of this evaluation is December 31, 2025.

2. That I do not have, nor do I expect to receive any direct or indirect interest in the securities of the Company or its affiliated companies.

3. That I attended the University of Calgary where I graduated with a Master of Science in Chemical Engineering Degree in 2025; and, that I am an Engineer In Training.

4. That a personal field inspection of the properties was not made; however, such an inspection was not considered necessary in view of the information available from public information and records, the files of the Company, and the appropriate provincial regulatory authorities.



March 3, 2026
ID# 332271

DeGolyer and MacNaughton
5001 Spring Valley Road
Suite 800 East
Dallas, Texas 75244

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DeGolyer and MacNaughton
5001 Spring Valley Road
Suite 800 East
Dallas, Texas 75244

REPORT
as of
DECEMBER 31, 2025
on
RESERVES and REVENUE
of
CERTAIN PROPERTIES
in
COLOMBIA
for
FRONTERA ENERGY CORPORATION

EXECUTIVE SUMMARY
NI 51–101

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REPORT
as of
DECEMBER 31, 2025
on
RESERVES and REVENUE
of
CERTAIN PROPERTIES
in
COLOMBIA
for
FRONTERA ENERGY CORPORATION

EXECUTIVE SUMMARY
NI 51–101

FOREWORD

Scope of Investigation

This report presents estimates, as of December 31, 2025, of the extent of the proved, probable, and possible oil, condensate, sales gas, and natural gas liquids (NGL) reserves and estimates of the value of the proved, proved-plus-probable, and proved-plus-probable-plus-possible reserves of certain properties located in Colombia. Frontera Energy Corporation (Frontera) has represented that it holds working interests in the properties evaluated herein as presented in Table 1.

Estimates of reserves presented in this report have been prepared using reserves definitions established by Canadian National Instrument 51–101. These reserves definitions are discussed in detail in the Definition of Reserves section of this report.

Reserves estimated in this report are expressed as gross reserves, company gross reserves, and company net reserves. Gross reserves are defined as the total estimated petroleum remaining to be produced from these properties after December 31, 2025. Company gross reserves are defined as Frontera's working interest share of the gross reserves before deduction

of royalties. Company net reserves are defined as company gross reserves after deduction of royalty obligations paid in kind.

This report presents values for proved, proved-plus-probable, and proved-plus-probable-plus-possible reserves that were estimated using initial prices, expenses, and costs provided by Frontera and the forecast prices, expenses, and costs presented herein. Prices, expenses, and costs were provided in United States dollars (U.S.$), and all monetary values in this report are expressed in U.S.$. A detailed explanation of the forecast price, expense, and cost assumptions is included in the Valuation of Reserves section of this report.

Values for proved, proved-plus-probable, and proved-plus-probable-plus-possible reserves in this report are expressed in terms of future gross revenue, future net revenue, and present value. Future gross revenue is defined as that revenue which will accrue to the evaluated interests from the production and sale of the estimated company net reserves. Future net revenue is calculated by deducting royalties paid in cash, operating expenses, capital costs, abandonment costs, production taxes, and, where specified, host country income taxes from future gross revenue. Operating expenses include field operating expenses, transportation and processing expenses, and an allocation of overhead that directly relates to production activities. Capital costs include drilling and completion costs, facilities costs, and field maintenance costs. Abandonment and reclamation costs are represented by Frontera to be inclusive of those costs associated with the removal of equipment, plugging of wells, and reclamation and restoration associated with the abandonment. Host country income taxes were calculated by Frontera and deducted from future net revenue. At the request of Frontera, future Canadian income taxes have not been accounted for in this evaluation. Present value is defined as future net revenue discounted at a specified arbitrary discount rate compounded monthly over the expected period of realization. The future net revenue estimated herein, discounted or undiscounted, should not be construed to represent fair market value. In this report, present value is estimated using discount rates of zero, 5, 10, 15, and 20 percent.

Estimates of reserves and revenue should be regarded only as estimates that may change as further production history and additional information become available. Not only are such estimates based on that information which is currently available, but such estimates are also subject to the uncertainties inherent in the application of judgmental factors in interpreting such information.

Authority — This report was authorized by Mr. Victor Vega Montañez, Vice President Exploration, Development & Reservoir Management, Frontera Energy Corporation.

Source of Information — Information used in the preparation of this report was obtained from Frontera. In the preparation of this report we have relied, without independent verification, upon information furnished by Frontera with respect to the property interests being evaluated, production from such properties, current costs of operation and development, current prices for production, agreements relating to current and future operations and sale of production, and various other information and data that were accepted as represented. The completeness and accuracy of this information was confirmed in the Representation Letter provided by Frontera dated February 4, 2026. A field examination was not considered necessary for the purposes of this report, since all pertinent data were available for review and there are no special circumstances regarding the location of the fields evaluated that would require a field examination.

DEFINITION of RESERVES

Petroleum reserves included in this report are categorized by degree of proof as proved, probable, or possible. For purposes of this report, reserves are those quantities of oil or gas anticipated to be economically recoverable from known accumulations. The definitions of reserves shown below serve as the basis for the estimates contained herein. These definitions are in accordance with the Canadian National Instrument 51–101 as presented in the *Canadian Oil and Gas Evaluation Handbook Consolidated Third Edition August 2018 Reserves Definitions and Evaluation Practices and Procedures*, Section 1. The petroleum reserves are categorized in accordance with Sections 1.3.5, 1.3.6, 1.3.7, and 1.3.8 of the Canadian Oil and Gas Evaluation Handbook, which contains the complete and official explanation of the reserves definitions utilized herein.

Reserves Categories – Reserves are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, from a given date forward, based on

- analysis of drilling, geological, geophysical, and engineering data;
- the use of established technology;
- specified economic conditions, which are generally accepted as being reasonable, and shall be disclosed.

Reserves are categorized according to the degree of certainty associated with the estimates.

> *Proved Reserves* – Proved reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.
>
> *Probable Reserves* – Probable reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved + probable reserves.
>
> *Possible Reserves* – Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. It is unlikely

that the actual remaining quantities recovered will exceed the sum of the estimated proved + probable + possible reserves.

Development and Production Status – Each of the reserves categories (proved, probable, and possible) may be divided into developed and undeveloped categories.

Developed Reserves – Developed reserves are those reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (e.g., when compared to the cost of drilling and completing a well) to put the reserves on production. The developed category may be subdivided into producing and non-producing.

Developed Producing Reserves – Developed producing reserves are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.

Developed Non-Producing Reserves – Developed non-producing reserves are those reserves that either have not been on production, or have previously been on production, but are shut in, and the date of resumption of production is unknown.

Undeveloped Reserves – Undeveloped reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (e.g., when compared to the cost of drilling and completing a well) is required to render them capable of production. They must fully meet the requirements of the reserves categorization (proved, probable, possible) to which they are assigned.

In multi-well pools, it may be appropriate to allocate total pool reserves between the developed and undeveloped categories or to subdivide the developed reserves for the pool between developed producing and developed non-producing. This allocation should be based on the estimator's assessment as to the reserves that will be recovered from specific wells, facilities, and completion intervals in the pool and their respective development and production status.

Levels of Certainty for Reported Reserves – The qualitative certainty levels contained in the definitions in Section 1.3.8 [*Reserves Categories above*] are applicable to individual Reserves Entities, which refers to the lowest level at which reserves calculations are performed, and to Reported Reserves, which refers to the highest level sum of individual entity estimates for which reserves estimates are presented. Reported Reserves should target the following levels of certainty under a specific set of economic conditions:

- at least a 90 percent probability that the quantities actually recovered will equal or exceed the estimated proved reserves;

- at least a 50 percent probability that the quantities actually recovered will equal or exceed the sum of the estimated proved + probable reserves;

- at least a 10 percent probability that the quantities actually recovered will equal or exceed the sum of the estimated proved + probable + possible reserves.

A quantitative measure of the certainty levels pertaining to estimates prepared for the various reserves categories is desirable to provide a clearer understanding of the associated risks and uncertainties. However, the majority of reserves estimates will be prepared using deterministic methods that do not provide a mathematically derived quantitative measure of probability. In principle, there should be no difference between estimates prepared using probabilistic or deterministic methods.

ESTIMATION of RESERVES

Estimates of reserves were prepared by the use of standard geological and engineering methods generally accepted by the petroleum industry. The method or combination of methods used in the analysis of each reservoir was tempered by experience with similar reservoirs, stage of development, quality and completeness of basic data, and production history.

Based on the current stage of field development, production performance, the development plan provided by Frontera, and analyses of areas offsetting existing wells with test or production data, reserves were categorized as proved, probable, or possible.

The proved undeveloped reserves estimates were based on opportunities identified in the plan of development provided by Frontera. Proved developed non-producing reserves include those quantities associated with behind-pipe zones and include minor remaining capital expenditure as compared to the cost of a new well.

Frontera has represented that its senior management is committed to the development plan provided by Frontera and that Frontera has the financial capability to execute the development plan, including the drilling and completion of wells and the installation of equipment and facilities.

When applicable, the volumetric method was used to estimate the original oil in place (OOIP) and original gas in place (OGIP). Structure maps were prepared to delineate each reservoir, and isopach maps were constructed to estimate reservoir volume. Electrical logs, radioactivity logs, core analyses, and other available data were used to prepare these maps as well as to estimate representative values for porosity and water saturation. When adequate data were available and when circumstances justified, material-balance methods were used to estimate OOIP and OGIP.

Estimates of ultimate recovery were obtained after applying recovery factors to OOIP and OGIP. These recovery factors were based on consideration of the type of energy inherent in the reservoirs, analyses of the petroleum, the structural positions of the properties, and the production histories. When applicable, material balance and other engineering methods were used to estimate recovery factors based on an analysis of reservoir

performance, including production rate, reservoir pressure, and reservoir fluid properties.

For depletion-type reservoirs or those whose performance disclosed a reliable decline in producing-rate trends or other diagnostic characteristics, reserves were estimated by the application of appropriate decline curves or other performance relationships. In the analyses of production-decline curves, reserves were estimated only to the limits of economic production as defined in the Definition of Reserves section of this report or the expiration of the fiscal agreement, as appropriate.

In the evaluation of developed non-producing and undeveloped reserves, type-well analysis was performed using well data from analogous reservoirs for which more complete historical performance data were available.

Data provided by Frontera from wells drilled through December 31, 2025, and made available for this evaluation were used to prepare the reserves estimates herein. These reserves estimates were based on consideration of monthly production data available only through July, August, September, October, November, or December 2025. Estimated cumulative production, as of December 31, 2025, was deducted from the estimated gross ultimate recovery to estimate gross reserves. This required that production be estimated for up to 5 months.

Oil and condensate reserves estimated herein are to be recovered by normal field separation. NGL reserves estimated herein include pentanes and heavier fractions (C_{5+}) and are the result of low-temperature plant processing. Frontera has represented that it is no longer conducting low-temperature plant processing in the facilities in the evaluated fields; consequently, the NGL reserves were estimated to be zero herein. Oil, condensate, and NGL reserves included in this report are expressed in thousands of barrels (10^3bbl). In these estimates, 1 barrel equals 42 United States gallons. For reporting purposes, oil and condensate reserves have been estimated separately and are presented herein as a summed quantity.

Gas quantities estimated herein are expressed as sales gas. Sales gas is defined as the total gas to be produced from the reservoirs, measured at the point of delivery, after reduction for fuel usage, flare, and shrinkage resulting from field separation and processing. Gas reserves estimated

herein are reported as sales gas. Gas quantities are expressed at a temperature base of 60 degrees Fahrenheit (°F) and at a pressure base of 14.696 pounds per square inch absolute (psia). Gas quantities included in this report are expressed in millions of cubic feet ($10^6 ft^3$).

Gas quantities are identified by the type of reservoir from which the gas will be produced. Nonassociated gas is gas at initial reservoir conditions with no oil present in the reservoir. Associated gas is both gas-cap gas and solution gas. Gas-cap gas is gas at initial reservoir conditions and is in communication with an underlying oil zone. Solution gas is gas dissolved in oil at initial reservoir conditions. Gas quantities estimated herein include both associated and nonassociated gas.

The El Difícil field and the Arrendajo, Cachicamo, Canaguaro, Casimena, Corcel, CPE-6, Cravoviejo, Cubiro, Guatiquía, Quifa, Sabanero, and VIM-1 Blocks are held under the terms of the new Agencia Nacional de Hidrocarburos (ANH) contract. The terms of these contracts are discussed in the Valuation of Reserves section of this report.

Production forecasts of the proved developed producing, proved developed, total proved, proved-plus-probable, and proved-plus-probable-plus-possible reserves were prepared by well, and corresponding revenue projections were prepared at the field level. These forecasts were prepared using the approved development plan for each field, including, as appropriate, the drilling of additional wells and the installation of new production facilities and pipelines. Reserves were estimated to the economic limit as defined in the Definition of Reserves section of this report or the expiration date of a concession or contract, whichever occurs first.

The estimated gross, company gross, and company net proved, probable, and possible reserves, as of December 31, 2025, of the properties evaluated herein are summarized as follows, expressed in thousands of barrels (10^3bbl) and millions of cubic feet (10^6ft^3):

	Gross Reserves		
Category	**Oil and Condensate (10^3bbl)**	**Sales Gas (10^6ft^3)**	**NGL (10^3bbl)**
Proved Developed Producing	35,932.25	26,536.89	0.00
Proved Developed Non-Producing	10,979.60	18,313.40	0.00
Proved Developed	**46,911.85**	**44,850.29**	**0.00**
Proved Undeveloped	65,849.48	39,488.79	0.00
Total Proved	**112,761.33**	**84,339.09**	**0.00**
Probable	40,633.94	40,725.21	0.00
Proved plus Probable	**153,395.27**	**125,064.30**	**0.00**
Possible	23,358.02	40,164.08	0.00
Proved plus Probable plus Possible	**176,753.30**	**165,228.38**	**0.00**

Notes:
1. Probable and possible reserves are presented as required by Canadian National Instrument 51–101 and are not equivalent to proved reserves.
2. Totals may vary due to rounding.

	Company Gross Reserves		
Category	**Oil and Condensate (10^3bbl)**	**Sales Gas (10^6ft^3)**	**NGL (10^3bbl)**
Proved Developed Producing	26,828.81	13,882.65	0.00
Proved Developed Non-Producing	7,727.59	9,956.12	0.00
Proved Developed	**34,556.39**	**23,838.77**	**0.00**
Proved Undeveloped	50,396.66	29,760.60	0.00
Total Proved	**84,953.05**	**53,599.37**	**0.00**
Probable	35,066.25	25,234.52	0.00
Proved plus Probable	**120,019.31**	**78,833.89**	**0.00**
Possible	21,587.93	24,363.49	0.00
Proved plus Probable plus Possible	**141,607.23**	**103,197.38**	**0.00**

Notes:
1. Probable and possible reserves are presented as required by Canadian National Instrument 51–101 and are not equivalent to proved reserves.
2. Totals may vary due to rounding.

Category	Company Net Reserves		
	Oil and Condensate (10^3bbl)	Sales Gas (10^6ft^3)	NGL (10^3bbl)
Proved Developed Producing	24,755.43	13,882.65	0.00
Proved Developed Non-Producing	7,097.65	9,956.12	0.00
Proved Developed	**31,853.08**	**23,838.77**	**0.00**
Proved Undeveloped	46,745.77	29,760.60	0.00
Total Proved	**78,598.85**	**53,599.37**	**0.00**
Probable	32,081.06	25,234.52	0.00
Proved plus Probable	**110,679.91**	**78,833.89**	**0.00**
Possible	19,609.77	24,363.49	0.00
Proved plus Probable plus Possible	**130,289.67**	**103,197.38**	**0.00**

Notes:
1. Probable and possible reserves are presented as required by Canadian National Instrument 51–101 and are not equivalent to proved reserves.
2. Totals may vary due to rounding.

Proved, probable, and possible reserves were estimated only for known accumulations and do not include any exploration potential.

Table 2 presents a summary of the gross, company gross, and company net reserves for the properties evaluated herein. Table 3 presents a summary of the gross reserves by field for the properties evaluated herein.

VALUATION of RESERVES

Revenue values in this report were estimated using initial prices, expenses, and costs provided by Frontera that are compliant with Canadian National Instrument 51–101. A forecast prices and costs case was evaluated with future prices and costs that vary from current prices and costs as described herein. The future net revenue estimated herein, discounted or undiscounted, should not be construed to represent fair market value.

Values for proved, proved-plus-probable, and proved-plus-probable-plus-possible reserves were based on projections of estimated future production and revenue prepared for these properties. Probable and possible reserves involve substantially higher risk than proved reserves. Production of probable or possible reserves is less likely to be realized than proved reserves, and any projection including probable or possible reserves should be considered in that context. Revenue values associated with proved-plus-probable and proved-plus-probable-plus-possible reserves are presented as required by the Canadian National Instrument 51–101 and are not equivalent to revenue values associated with proved reserves. Values associated with possible reserves are those additional values that are less certain to be realized than those associated with probable reserves. It is unlikely that the quantities actually recovered and associated values will equal or exceed the sum of the proved, probable, and possible reserves and values thereof.

Frontera has represented that it holds rights to production from the fields in Colombia listed in Table 1 under the terms of certain fiscal agreements. These agreements afford Frontera the right to develop and receive oil production for a primary term of 24 years. Frontera has represented that the agreements can be extended to the economic limits of the fields as long as the operator submits an extension request prior to 1 year before the expiration but not sooner than 4 years prior to expiration. The operator must also be actively exploiting the blocks.

Frontera has represented that it holds an 87.5-percent working interest in the Canaguay field.

The fields in the Cubiro Block are subject to a 3-percent overriding royalty interest, paid in cash to a private party.

For the La Belleza field in the VIM-1 Block, Frontera has represented that it holds a 50-percent working interest and that all royalties are paid in cash. In addition to the sliding-scale government royalties discussed below, Frontera has indicated that there is an additional 17-percent royalty paid in kind for the La Belleza field.

For the fields in the Quifa Block, Frontera has represented that it holds a 60-percent working interest in the produced quantities and operating expenses and a 70-percent working interest in the capital expenditures.

In the Hamaca, Sabanero, Seje, and Chamán fields, Frontera has represented that it holds a 100-percent working interest. The royalties for the Hamaca field are paid in kind, and all royalties for the Sabanero, Seje, and Chamán fields are paid in cash rather than in kind.

Frontera has represented that it holds a 100-percent interest in the remaining fields not discussed previously.

The government royalties for these fields are payable on a sliding-scale basis (between 8 and 25 percent) tied to daily production rates of oil and condensate. Resolución n° 877, enacted in September 2013 by the government of Colombia, requires that gas and NGL royalties be paid in cash. Based on this legislation, royalties associated with gas and NGL are paid in cash and are included in company net reserves.

The following table shows the fields for which the government royalty is paid in cash rather than in kind. Oil royalties for all other fields are paid in kind. Gas and NGL royalties for all fields are paid in cash.

Royalties Paid in Cash

Block	Field
Casimena	Yenac
Cravoviejo	Matemarrano
El Difícil	El Dificil
Sabanero	Chamán
Sabanero	Sabanero
Sabanero	Seje
VIM-1	La Belleza

The following economic assumptions were used for estimating the revenue values reported herein:

Prices

An oil and NGL price case compliant with provisions of Canadian National Instrument 51–101 was used in this evaluation. Prices used in this report were based on Brent and West Texas Intermediate (WTI) reference price forecasts as well as a Vasconia blend price forecast provided by Frontera. The Vasconia blend oil price was adjusted to the respective field price to account for a quality differential and for transportation costs. These quality differentials and transportation costs were also provided by Frontera. These prices were escalated 2.0 percent per year beginning in January 2027.

The gas price for each property was based on gas sales agreements (GSA) between Frontera and specific buyers or gas price forecasts provided by Frontera. Proved, probable, and possible reserves were estimated to the end of the GSA.

The weighted average price forecasts are shown in Tables 52 through 56.

Operating Expenses

Operating expenses were provided by Frontera and adjusted as necessary to conform to each respective reserves case. Future operating expenses were based on these data and 2024 historical operating expenses provided by Frontera. Future operating expenses were escalated 2.0 percent per year beginning in January 2027.

Capital Costs

Future capital costs were estimated using current capital cost forecasts provided by Frontera. Where necessary, these costs were scaled and adjusted to fit the scenario being evaluated. Frontera has advised that value-added tax charges were included in the provided estimates of capital costs. Capital costs were escalated 2.0 percent per year beginning in January 2027.

Abandonment Costs

Abandonment costs, which are those costs associated with the removal of equipment, plugging of wells, and reclamation and restoration associated with the abandonment, were provided by Frontera. In certain assets, Frontera has represented that it is not liable for abandonment costs. These costs were escalated 2.0 percent per year beginning in January 2027.

Operating expenses, capital costs, and abandonment costs were considered, as appropriate, in determining the economic viability of the developed non-producing and undeveloped reserves estimated herein.

Exchange Rate

This evaluation was performed in U.S.$ and no conversion to or from other currencies was performed.

Production Taxes

The Arrendajo, Cachicamo, Casimena, Cravoviejo, Corcel, Cubiro, CPE-6, Guatiquía, Sabanero, and Quifa Blocks are subject to a production tax payable at 30 percent for production volumes in excess of 5 million barrels per field structure. This tax is assessable for revenues in excess of a base price that varies with oil gravity. This base price adjusts each year for inflation. For this evaluation, the base price was escalated at 2.0 percent per year beginning in 2027 to account for this indexing.

Income Taxes

The estimates of future net revenue and present value included herein are after host country income taxes. Host country income taxes were calculated by Frontera and provided for inclusion in this report. Future Canadian income taxes were not taken into consideration in the preparation of the estimates evaluated herein.

Future production rates estimated for this report were based on information provided by Frontera, or on actual rates considering the most recent production figures available. Production forecasts and revenue values were estimated for proved developed, total proved, proved-plus-probable, and proved-plus-probable-plus-possible reserves.

The estimated future net revenue and present value of future cash flows at various discount rates attributable to Frontera's interest in the proved developed, total proved, proved-plus-probable, and proved-plus-probable-plus-possible reserves, as of December 31, 2025, of the properties evaluated under the economic assumptions described herein are summarized as follows, expressed in thousands of cubic feet ($10^3 ft^3$):

Categories	Proved Developed Producing (10^3U.S.$)	Proved Developed (10^3U.S.$)	Total Proved (10^3U.S.$)	Proved plus Probable (10^3U.S.$)	Proved plus Probable plus Possible (10^3U.S.$)
Future Gross Revenue	1,543,508.71	2,093,851.22	5,284,817.11	7,697,788.80	9,265,515.01
Royalties Paid in Cash	30,623.87	51,345.06	96,700.23	159,510.49	215,404.57
Operating Expenses	644,379.62	816,246.30	1,872,256.76	2,417,171.89	2,705,217.34
Capital Costs	55,163.29	93,606.08	812,843.69	1,196,952.67	1,331,962.06
Abandonment Costs	129,900.05	151,047.25	238,704.44	306,219.54	322,184.02
Production Taxes	9,678.10	13,530.82	17,200.30	51,321.02	76,823.15
Future Net Revenue Before Income Taxes	673,763.78	968,075.72	2,247,111.69	3,566,613.19	4,613,923.88
Host Country Income Taxes	0.00	1,249.17	122,958.08	773,703.09	1,159,505.93
Future Net Revenue After Income Taxes					
Present Value at 0 Percent	673,763.78	966,826.55	2,124,153.60	2,792,910.10	3,454,417.95
Present Value at 5 Percent	627,072.11	878,542.25	1,722,217.94	2,151,767.54	2,578,670.67
Present Value at 10 Percent	584,355.20	801,603.25	1,428,642.75	1,708,906.70	1,993,666.87
Present Value at 15 Percent	545,719.34	734,751.38	1,208,500.12	1,392,249.07	1,587,062.38
Present Value at 20 Percent	510,933.28	676,591.61	1,039,301.60	1,158,754.00	1,294,473.86

Notes:
1. Values associated with probable and possible reserves are presented as required by Canadian National Instrument 51–101 and are not equivalent to values associated with proved reserves.
2. Host country income taxes were calculated by Frontera and provided for inclusion in this report.
3. Values associated with possible reserves are those additional to values that are less certain to be realized than those associated with probable reserves. It is unlikely that the values for the quantities actually recovered will equal or exceed the sum of values for the proved, probable, and possible reserves.
3. Future Canadian income taxes were not taken into account in the preparation of these estimates.

The estimated net present value is summarized in Table 4. The estimated net present value is summarized by field in Tables 5 through 51. The economic evaluations are shown in Tables 52 through 246. The company gross reserves reconciliation, beginning with the opening balance as of December 31, 2024, and ending with the closing balance as of December 31, 2025, is presented in Tables 247 and 248. This reconciliation accounts for reserves extensions, improved recovery, technical revisions, discoveries, acquisitions, dispositions, economic factors, and production during this period.

Frontera has represented that during 2025 the Caruto, Corcel E, Cernícalo, Petirrojo, Petirrojo Sur, Tijereto Sur, and Entrerríos fields in Colombia were decomissioned. The Espejo, Perico Centro, Perico Norte, and Perico Sur fields in Ecuador were also decommissioned in 2025. These fields were not considered as a part of the reserves evaluation. However, these fields are included as part of the NI 51-101 reserves reconciliation between December 31, 2024, and December 31, 2025.

SUMMARY and CONCLUSIONS

Frontera has represented that it holds an interest in certain properties located in Colombia evaluated herein. The estimated gross, company gross, and company net proved, probable, and possible reserves, as of December 31, 2025, of the properties evaluated herein are summarized as follows, expressed in thousands of barrels (10^3bbl) and millions of cubic feet (10^6ft^3):

	Gross Reserves		
Category	Oil and Condensate (10^3bbl)	Sales Gas (10^6ft^3)	NGL (10^3bbl)
Proved Developed Producing	35,932.25	26,536.89	0.00
Proved Developed Non-Producing	10,979.60	18,313.40	0.00
Proved Developed	**46,911.85**	**44,850.29**	**0.00**
Proved Undeveloped	65,849.48	39,488.79	0.00
Total Proved	**112,761.33**	**84,339.09**	**0.00**
Probable	40,633.94	40,725.21	0.00
Proved plus Probable	**153,395.27**	**125,064.30**	**0.00**
Possible	23,358.02	40,164.08	0.00
Proved plus Probable plus Possible	**176,753.30**	**165,228.38**	**0.00**

Notes:
1. Probable and possible reserves are presented as required by Canadian National Instrument 51–101 and are not equivalent to proved reserves.
2. Totals may vary due to rounding.

	Company Gross Reserves		
Category	Oil and Condensate (10^3bbl)	Sales Gas (10^6ft^3)	NGL (10^3bbl)
Proved Developed Producing	26,828.81	13,882.65	0.00
Proved Developed Non-Producing	7,727.59	9,956.12	0.00
Proved Developed	**34,556.39**	**23,838.77**	**0.00**
Proved Undeveloped	50,396.66	29,760.60	0.00
Total Proved	**84,953.05**	**53,599.37**	**0.00**
Probable	35,066.25	25,234.52	0.00
Proved plus Probable	**120,019.31**	**78,833.89**	**0.00**
Possible	21,587.93	24,363.49	0.00
Proved plus Probable plus Possible	**141,607.23**	**103,197.38**	**0.00**

Notes:
1. Probable and possible reserves are presented as required by Canadian National Instrument 51–101 and are not equivalent to proved reserves.
2. Totals may vary due to rounding.

Category	Company Net Reserves Oil and Condensate (10^3bbl)	Sales Gas (10^6ft^3)	NGL (10^3bbl)
Proved Developed Producing	24,755.43	13,882.65	0.00
Proved Developed Non-Producing	7,097.65	9,956.12	0.00
Proved Developed	**31,853.08**	**23,838.77**	**0.00**
Proved Undeveloped	46,745.77	29,760.60	0.00
Total Proved	**78,598.85**	**53,599.37**	**0.00**
Probable	32,081.06	25,234.52	0.00
Proved plus Probable	**110,679.91**	**78,833.89**	**0.00**
Possible	19,609.77	24,363.49	0.00
Proved plus Probable plus Possible	**130,289.67**	**103,197.38**	**0.00**

Notes:
1. Probable and possible reserves are presented as required by Canadian National Instrument 51–101 and are not equivalent to proved reserves.
2. Totals may vary due to rounding.

The estimated future revenue and present value attributable to Frontera's net interest in the proved developed, total proved, proved-plus-probable, and proved-plus-probable-plus-possible reserves, as of December 31, 2025, of the properties evaluated under the economic assumptions described herein are summarized as follows, expressed in thousands of United States dollars (10^3U.S.$):

Categories	Proved Developed Producing (10^3U.S.$)	Proved Developed (10^3U.S.$)	Total Proved (10^3U.S.$)	Proved plus Probable (10^3U.S.$)	Proved plus Probable plus Possible (10^3U.S.$)
Future Gross Revenue	1,543,508.71	2,093,851.22	5,284,817.11	7,697,788.80	9,265,515.01
Royalties Paid in Cash	30,623.87	51,345.06	96,700.23	159,510.49	215,404.57
Operating Expenses	644,379.62	816,246.30	1,872,256.76	2,417,171.89	2,705,217.34
Capital Costs	55,163.29	93,606.08	812,843.69	1,196,952.67	1,331,962.06
Abandonment Costs	129,900.05	151,047.25	238,704.44	306,219.54	322,184.02
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Future Net Revenue Before Income Taxes	673,763.78	968,075.72	2,247,111.69	3,566,613.19	4,613,923.88
Host Country Income Taxes	0.00	1,249.17	122,958.08	773,703.09	1,159,505.93
Future Net Revenue After Income Taxes					
Present Value at 0 Percent	673,763.78	966,826.55	2,124,153.60	2,792,910.10	3,454,417.95
Present Value at 5 Percent	627,072.11	878,542.25	1,722,217.94	2,151,767.54	2,578,670.67
Present Value at 10 Percent	584,355.20	801,603.25	1,428,642.75	1,708,906.70	1,993,666.87
Present Value at 15 Percent	545,719.34	734,751.38	1,208,500.12	1,392,249.07	1,587,062.38
Present Value at 20 Percent	510,933.28	676,591.61	1,039,301.60	1,158,754.00	1,294,473.86

Notes:
1. Values associated with probable and possible reserves are presented as required by Canadian National Instrument 51–101 and are not equivalent to values associated with proved reserves.
2. Host country income taxes were calculated by Frontera and provided for inclusion in this report.
3. Values associated with possible reserves are those additional to values that are less certain to be realized than those associated with probable reserves. It is unlikely that the values for the quantities actually recovered will equal or exceed the sum of values for the proved, probable, and possible reserves.
3. Future Canadian income taxes were not taken into account in the preparation of these estimates.

Professional Qualifications

DeGolyer and MacNaughton is a Delaware Corporation with offices at 5001 Spring Valley Road, Suite 800 East, Dallas, Texas 75244, U.S.A. The firm has been providing petroleum consulting services throughout the world since 1936. The firm's professional engineers, geologists, geophysicists, petrophysicists, and economists are engaged in the independent evaluation of oil and gas properties, evaluation of hydrocarbon and other mineral prospects, basin evaluations, comprehensive field studies, equity studies, and studies of supply and economics related to the energy industry. Except for the provision of professional services on a fee basis, DeGolyer and MacNaughton has no commercial arrangement with any other person or company involved in the interests which are the subject of this report.

The evaluation has been supervised by Mr. Federico Dordoni. Mr. Dordoni is an Executive Vice President and Division Manager with DeGolyer and MacNaughton, a Registered Professional Engineer in the State of Texas, and a member of the Society of Petroleum Engineers and the Society of Petroleum Evaluation Engineers. He has over 19 years of oil and gas industry experience.

Submitted,

DeGolyer and MacNaughton

DeGOLYER and MacNAUGHTON
Texas Registered Engineering Firm F-716

SIGNED: February 6, 2026



Federico Dordoni

Federico Dordoni, P.E.
Executive Vice President
DeGolyer and MacNaughton

CERTIFICATE of QUALIFICATION

I, Federico Dordoni, Petroleum Engineer with DeGolyer and MacNaughton, 5001 Spring Valley Road, Suite 800 East, Dallas, Texas, 75244 U.S.A., hereby certify:

1. That I am a Executive Vice President with DeGolyer and MacNaughton, which firm did prepare the report entitled "Report as of December 31, 2025 on Reserves and Revenue of Certain Properties in Colombia for Frontera Energy Corporation Executive Summary NI 51–101," dated February 6, 2026, and that I, as Executive Vice President, was responsible for the preparation of this report.

2. That I attended Buenos Aires Institute of Technology (ITBA), and that I graduated with a degree in Petroleum Engineering in the year 2004; that I am a Registered Professional Engineer in the State of Texas; that I am a member of the Society of Petroleum Engineers and the Society of Petroleum Evaluation Engineers; and that I have in excess of 19 years of experience in oil and gas reservoir studies and reserves evaluations.



Federico Dordoni

Federico Dordoni, P.E.
Executive Vice President
DeGolyer and MacNaughton

TABLE 1
LIST of FIELDS EVALUATED
as of
DECEMBER 31, 2025
in
COLOMBIA and ECUADOR
for
FRONTERA ENERGY CORPORATION

FORECAST PRICES AND COSTS CASE

Country Field	Working Interest (%)	Expiration Date
Colombia		
Azor	100.0	February 11, 2038
Bastidas	100.0	December 13, 2033
Cajúa	60.0	August 18, 2031
Canaguay	87.5	September 18, 2038
Candelilla	100.0	April 19, 2035
Careto	100.0	January 7, 2032
Carrizales	100.0	March 11, 2034
Caruto	100.0	March 1, 2036
Ceibo	100.0	June 24, 2038
Cernícalo	100.0	May 9, 2036
Chamán	100.0	January 6, 2045
Cirigüelo	100.0	January 10, 2035
Cobra	100.0	April 9, 2036
Copa	100.0	September 15, 2037
Copa A	100.0	September 15, 2037
Copa B	100.0	September 15, 2037
Copa C	100.0	September 15, 2037
Copa D	100.0	September 15, 2037
Corcel A	100.0	December 16, 2032
Corcel C	100.0	October 8, 2033
Corcel D	100.0	February 4, 2034
Corcel E	100.0	January 31, 2035
El Dificil	65.0	Economic Limit
Entererríos	100.0	Economic Limit
Greta Oto	100.0	April 4, 2037
Guacharaca	100.0	September 19, 2036
Hamaca	100.0	January 29, 2042
Hoatzín	100.0	December 2, 2034
Hoatzín Norte	100.0	June 28, 2035
Jaspe	60.0	August 18, 2031
La Belleza	50.0	September 21, 2044
Mantis	100.0	April 9, 2036
Matemarrano	100.0	February 17, 2034
Petirrojo	100.0	November 19, 2037
Petirrojo Sur	100.0	November 19, 2037

Country Field	Working Interest (%)	Expiration Dates
Pisingo	100.0	January 31, 2037
Quifa	60.0	August 18, 2031
Sabanero	100.0	June 17, 2038
Saimirí	100.0	January 30, 2037
Seje	100.0	January 6, 2045
Tijereto Sur	100.0	May 9, 2036
Yaguazo	100.0	February 11, 2038
Yatay	100.0	April 19, 2036
Yenac	100.0	July 14, 2035
Zopilote	100.0	August 14, 2037
Ecuador		
Espejo	50.0	Economic Limit
Perico Centro	50.0	Economic Limit
Perico Norte	50.0	Economic Limit
Perico Sur	50.0	Economic Limit

Note: Frontera has represented that during 2025 the Caruto, Corcel E, Cernícalo, Petirrojo, Petirrojo Sur, Tijereto Sur, and Entrerríos fields in Colombia were decomissioned. The Espejo, Perico Centro, Perico Norte, and Perico Sur fields in Ecuador were also decommissioned in 2025.

TABLE 2
SUMMARY of GROSS, COMPANY GROSS, and COMPANY NET RESERVES
as of
DECEMBER 31, 2025
of
CERTAIN FIELDS
in
COLOMBIA
with interests attributable to
FRONTERA ENERGY CORPORATION

FORECAST PRICES and COSTS CASE

DeGolyer and MacNaughton
F-716
TEXAS REGISTERED ENGINEERING FIRM

	Proved Developed Producing			Proved Developed			Proved Undeveloped			Total Proved			Probable			Possible		
	Oil and Condensate (10^3bbl)	Sales Gas (10^6ft^3)	NGL (10^3bbl)	Oil and Condensate (10^3bbl)	Sales Gas (10^6ft^3)	NGL (10^3bbl)	Oil and Condensate (10^3bbl)	Sales Gas (10^6ft^3)	NGL (10^3bbl)	Oil and Condensate (10^3bbl)	Sales Gas (10^6ft^3)	NGL (10^3bbl)	Oil and Condensate (10^3bbl)	Sales Gas (10^6ft^3)	NGL (10^3bbl)	Oil and Condensate (10^3bbl)	Sales Gas (10^6ft^3)	NGL (10^3bbl)
Gross	35,932.25	26,536.89	0.00	46,911.85	44,850.29	0.00	65,849.48	39,488.79	0.00	112,761.33	84,339.09	0.00	40,633.94	40,725.21	0.00	23,358.02	40,164.08	0.00
Company Gross	26,828.81	13,882.65	0.00	34,556.39	23,838.77	0.00	50,396.66	29,760.60	0.00	84,953.05	53,599.37	0.00	35,066.25	25,234.52	0.00	21,587.93	24,363.49	0.00
Company Net	24,755.43	13,882.65	0.00	31,853.08	23,838.77	0.00	46,745.77	29,760.60	0.00	78,598.85	53,599.37	0.00	32,081.06	25,234.52	0.00	19,609.77	24,363.49	0.00

Notes:
1. Probable and possible reserves are presented as required by Canadian National Instrument 51-101 and are not equivalent to proved reserves.
2. Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. It is unlikely that the quantities actually recovered will equal or exceed the sum of the proved-plus-probable-plus-possible reserves.

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.

TABLE 3
SUMMARY of GROSS OIL, CONDENSATE, GAS, and NGL GROSS RESERVES
as of
DECEMBER 31, 2025
of
CERTAIN FIELDS
in
COLOMBIA
with interests attributable to
FRONTERA ENERGY CORPORATION

FORECAST PRICES and COSTS CASE

DeGolyer and MacNaughton
F-716
TEXAS REGISTERED ENGINEERING FIRM

Country / Block/Area / Field	Proved: Developed Producing Oil, Condensate, and NGL (10^3bbl)	Proved: Developed Producing Sales Gas (10^6ft^3)	Proved: Developed Non-Producing Oil, Condensate, and NGL (10^3bbl)	Proved: Developed Non-Producing Sales Gas (10^6ft^3)	Proved: Total Developed Oil, Condensate, and NGL (10^3bbl)	Proved: Total Developed Sales Gas (10^6ft^3)	Proved: Undeveloped Oil, Condensate, and NGL (10^3bbl)	Proved: Undeveloped Sales Gas (10^6ft^3)	Proved: Total Oil, Condensate, and NGL (10^3bbl)	Proved: Total Sales Gas (10^6ft^3)	Probable Oil, Condensate, and NGL (10^3bbl)	Probable Sales Gas (10^6ft^3)	Possible Oil, Condensate, and NGL (10^3bbl)	Possible Sales Gas (10^6ft^3)
Colombia														
Arrendajo														
Azor	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	62.47	0.00	23.20	0.00
Yaguazo	320.87	0.00	484.30	0.00	805.17	0.00	0.00	0.00	805.17	0.00	166.08	0.00	171.70	0.00
Arrendajo Total	**320.87**	**0.00**	**484.30**	**0.00**	**805.17**	**0.00**	**0.00**	**0.00**	**805.17**	**0.00**	**228.55**	**0.00**	**194.90**	**0.00**
Cachicamo														
Cirigüelo	8.77	0.00	0.00	0.00	8.77	0.00	0.00	0.00	8.77	0.00	95.25	0.00	11.54	0.00
Greta Oto	257.90	0.00	0.00	0.00	257.90	0.00	0.00	0.00	257.90	0.00	30.40	0.00	32.76	0.00
Guacharaca	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Hoatzín	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Hoatzín Norte	38.22	0.00	0.00	0.00	38.22	0.00	0.00	0.00	38.22	0.00	12.27	0.00	14.61	0.00
Cachicamo Total	**304.89**	**0.00**	**0.00**	**0.00**	**304.89**	**0.00**	**0.00**	**0.00**	**304.89**	**0.00**	**137.93**	**0.00**	**58.91**	**0.00**
Canaguaro														
Canaguay	0.00	0.00	150.20	0.00	150.20	0.00	0.00	0.00	150.20	0.00	1,332.90	0.00	0.00	0.00
Casimena														
Mantis	887.18	0.00	0.00	0.00	887.18	0.00	0.00	0.00	887.18	0.00	717.39	0.00	274.85	0.00
Pisingo	321.27	0.00	0.00	0.00	321.27	0.00	0.00	0.00	321.27	0.00	67.84	0.00	66.16	0.00
Yenac	234.24	0.00	209.94	0.00	444.18	0.00	0.00	0.00	444.18	0.00	83.17	0.00	148.73	0.00
Casimena Total	**1,442.68**	**0.00**	**209.94**	**0.00**	**1,652.62**	**0.00**	**0.00**	**0.00**	**1,652.62**	**0.00**	**868.40**	**0.00**	**489.74**	**0.00**
Corcel														
Cobra	127.31	0.00	0.00	0.00	127.31	0.00	0.00	0.00	127.31	0.00	16.98	0.00	26.51	0.00
Corcel A	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Corcel C	14.72	0.00	0.00	0.00	14.72	0.00	0.00	0.00	14.72	0.00	13.68	0.00	2.66	0.00
Corcel D	133.42	0.00	0.00	0.00	133.42	0.00	0.00	0.00	133.42	0.00	53.41	0.00	43.95	0.00
Corcel Total	**275.45**	**0.00**	**0.00**	**0.00**	**275.45**	**0.00**	**0.00**	**0.00**	**275.45**	**0.00**	**84.06**	**0.00**	**73.12**	**0.00**
CPE-6														
Hamaca	5,209.94	0.00	570.70	0.00	5,780.64	0.00	22,802.64	0.00	28,583.28	0.00	9,413.59	0.00	5,788.79	0.00
Cravoviejo														
Bastidas	103.43	0.00	0.00	0.00	103.43	0.00	0.00	0.00	103.43	0.00	91.02	0.00	42.01	0.00
Carrizales	222.82	0.00	60.19	0.00	283.02	0.00	0.00	0.00	283.02	0.00	34.55	0.00	71.27	0.00
Matemarrano	0.00	0.00	10.35	0.00	10.35	0.00	0.00	0.00	10.35	0.00	5.73	0.00	5.04	0.00
Saimirí	52.46	0.00	0.00	0.00	52.46	0.00	0.00	0.00	52.46	0.00	47.08	0.00	20.91	0.00
Zopilote	1,004.95	0.00	0.92	0.00	1,005.87	0.00	93.78	0.00	1,099.65	0.00	1,376.64	0.00	2,064.16	0.00
Cravoviejo Total	**1,383.67**	**0.00**	**71.46**	**0.00**	**1,455.13**	**0.00**	**93.78**	**0.00**	**1,548.91**	**0.00**	**1,555.01**	**0.00**	**2,203.38**	**0.00**

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.

TABLE 3 - SUMMARY of GROSS OIL, CONDENSATE, GAS, and NGL GROSS RESERVES - FORECAST PRICES and COSTS CASE - *Continued*



Country / Block/Area / Field	Proved: Developed Producing Oil, Condensate, and NGL (10^3bbl)	Proved: Developed Producing Sales Gas (10^6ft^3)	Proved: Developed Non-Producing Oil, Condensate, and NGL (10^3bbl)	Proved: Developed Non-Producing Sales Gas (10^6ft^3)	Proved: Total Developed Oil, Condensate, and NGL (10^3bbl)	Proved: Total Developed Sales Gas (10^6ft^3)	Proved: Undeveloped Oil, Condensate, and NGL (10^3bbl)	Proved: Undeveloped Sales Gas (10^6ft^3)	Proved: Total Oil, Condensate, and NGL (10^3bbl)	Proved: Total Sales Gas (10^6ft^3)	Probable Oil, Condensate, and NGL (10^3bbl)	Probable Sales Gas (10^6ft^3)	Possible Oil, Condensate, and NGL (10^3bbl)	Possible Sales Gas (10^6ft^3)
(Colombia - Continued)														
Cubiro														
Careto	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Copa	447.47	0.00	530.63	0.00	978.10	0.00	0.00	0.00	978.10	0.00	586.85	0.00	357.25	0.00
Copa A	237.43	0.00	0.00	0.00	237.43	0.00	522.13	0.00	759.56	0.00	1,959.43	0.00	715.91	0.00
Copa B	0.00	0.00	183.30	0.00	183.30	0.00	204.32	0.00	387.62	0.00	1,283.16	0.00	820.59	0.00
Copa C	166.18	0.00	63.06	0.00	229.24	0.00	0.00	0.00	229.24	0.00	1,622.41	0.00	600.94	0.00
Copa D	77.07	0.00	368.18	0.00	445.25	0.00	0.00	0.00	445.25	0.00	1,658.31	0.00	765.86	0.00
Cubiro Total	**928.15**	**0.00**	**1,145.17**	**0.00**	**2,073.31**	**0.00**	**726.45**	**0.00**	**2,799.77**	**0.00**	**7,110.16**	**0.00**	**3,260.55**	**0.00**
El Dificil														
El Dificil	18.15	1,228.39	6.44	1,598.85	24.59	2,827.24	276.57	20,032.42	301.16	22,859.65	119.58	9,743.82	96.88	8,562.91
Guatiquía														
Candelilla	370.63	0.00	84.05	0.00	454.69	0.00	0.00	0.00	454.69	0.00	92.42	0.00	145.27	0.00
Ceibo	1,130.78	0.00	0.00	0.00	1,130.78	0.00	0.00	0.00	1,130.78	0.00	1,113.04	0.00	751.52	0.00
Yatay	1,033.49	0.00	0.00	0.00	1,033.49	0.00	0.00	0.00	1,033.49	0.00	2,578.84	0.00	3,270.26	0.00
Guatiquía Total	**2,534.91**	**0.00**	**84.05**	**0.00**	**2,618.96**	**0.00**	**0.00**	**0.00**	**2,618.96**	**0.00**	**3,784.30**	**0.00**	**4,167.06**	**0.00**
Quifa														
Cajua	3,926.43	0.00	827.58	0.00	4,754.01	0.00	12,393.95	0.00	17,147.96	0.00	2,151.43	0.00	0.00	0.00
Jaspe	0.00	0.00	105.06	0.00	105.06	0.00	0.00	0.00	105.06	0.00	0.00	0.00	0.00	0.00
Quifa SW	16,804.12	0.00	6,402.13	0.00	23,206.25	0.00	25,010.34	0.00	48,216.59	0.00	8,225.14	0.00	244.14	0.00
Quifa Total	**20,730.55**	**0.00**	**7,334.77**	**0.00**	**28,065.32**	**0.00**	**37,404.29**	**0.00**	**65,469.61**	**0.00**	**10,376.57**	**0.00**	**244.14**	**0.00**
Sabanero														
Chamán	0.00	0.00	119.35	0.00	119.35	0.00	431.71	0.00	551.06	0.00	738.22	0.00	1,024.99	0.00
Sabanero	1,164.93	0.00	179.07	0.00	1,344.00	0.00	2,949.47	0.00	4,293.47	0.00	1,796.31	0.00	1,483.42	0.00
Seje	0.00	0.00	27.20	0.00	27.20	0.00	239.33	0.00	266.52	0.00	599.39	0.00	932.03	0.00
Sabanero Total	**1,164.93**	**0.00**	**325.61**	**0.00**	**1,490.55**	**0.00**	**3,620.51**	**0.00**	**5,111.05**	**0.00**	**3,133.92**	**0.00**	**3,440.44**	**0.00**
VIM-1														
La Belleza	1,618.06	25,308.50	596.98	16,714.56	2,215.04	42,023.06	925.25	19,456.38	3,140.28	61,479.43	2,488.98	30,981.39	3,340.11	31,601.17
Colombia Total	**35,932.25**	**26,536.89**	**10,979.60**	**18,313.40**	**46,911.85**	**44,850.29**	**65,849.48**	**39,488.79**	**112,761.33**	**84,339.09**	**40,633.94**	**40,725.21**	**23,358.02**	**40,164.08**
Grand Total	**35,932.25**	**26,536.89**	**10,979.60**	**18,313.40**	**46,911.85**	**44,850.29**	**65,849.48**	**39,488.79**	**112,761.33**	**84,339.09**	**40,633.94**	**40,725.21**	**23,358.02**	**40,164.08**

Notes:
1. Probable and possible reserves are presented as required by Canadian National Instrument 51-101 and are not equivalent to proved reserves.
2. Totals may vary due to rounding.

These data accompany the report of DeGolyer and MacNaughton and are subject to its specific conditions.

ANNEX D—MD&A

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Management's discussion and analysis for Parex Resources Inc. dated March 3, 2026 for three months and years ended December 31, 2025 and 2024	D-2

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations of Parex Resources Inc. ("Parex" or the "Company") for the three months and years ended December 31, 2025 and 2024 is dated March 3, 2026 and should be read in conjunction with the audited consolidated financial statements as at and for the years ended December 31, 2025 and 2024 (the "audited consolidated financial statements"). The audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"), representing generally accepted accounting principles ("GAAP") for publicly accountable enterprises in Canada.

Additional information related to Parex is included in reports on file with Canadian securities regulatory authorities, including the Company's Annual Information Form dated March 3, 2026 (the "AIF"), and may be accessed through the SEDAR+ website at www.sedarplus.ca.

All financial amounts are in United States (US) dollars unless otherwise stated.

Company Profile

Parex is one of the largest independent oil and gas companies in Colombia, focusing on sustainable conventional production. The Company's corporate headquarters are in Calgary, Canada, with an operating office in Bogotá, Colombia. Parex shares trade on the Toronto Stock Exchange under the symbol PXT.

Abbreviations

Refer to the final page of the MD&A for commonly used abbreviations in the document. Refer to the Advisory on Forward-Looking Statements and Non-GAAP and Other Financial Measures Advisory.

References to crude oil or natural gas production in this MD&A refer to the light and medium crude oil and heavy crude oil and conventional natural gas, respectively, product types as defined in National Instrument 51-101 - *Standards of Disclosure for Oil and Gas Activities ("NI 51-101").*

2025 Highlights

- Crude oil and natural gas production for the year averaged 44,701 boe/d, achieving annual guidance range of 43,000 to 47,000 boe/d, compared to 2024 average production of 49,924 boe/d. Refer to "Consolidated Results of Operations" for production split by product type.
- Realized net income of $255.1 million ($2.62 per share basic), compared to net income of $60.7 million ($0.60 per share basic) in 2024. The increase from the prior year is largely related to a decrease in tax expense and impairment expense, partially offset by a decrease in oil revenues from lower oil volumes sold and a decrease in realized sales price.
- Generated annual funds flow provided by operations ("FFO")[(1)] of $455.0 million ($4.68 per share basic[(2)]), compared to $622.2 million ($6.14 per share basic[(2)]) in 2024.
- Produced an operating netback of $35.52boe[(2)] (2024 - $41.30/boe[(2)]) and an FFO netback of $28.00/boe[(2)] (2024 - $33.95/boe[(2)]) from an average Brent crude oil price of $68.19/bbl (2024 - $79.86/bbl).
- Incurred capital expenditures[(3)] of $310.3 million (2024 - $347.7 million).
- Generated $144.7 million of free funds flow[(3)] that was used for return of capital initiatives and $27.0 million of bank debt repayment; at December 31, 2025, bank debt was $33.0 million; working capital surplus[(1)] was $28.0 million and cash was $58.3 million.
- Paid a C$1.54 per share[(4)] regular dividend and repurchased 2,364,900 shares pursuant to the Company's normal course issuer bid ("NCIB"). A total of $134.2 million was returned to shareholders through dividends of $107.7 million and share repurchases of $26.5 million.

Three Months Ended December 31, 2025 ("fourth quarter" or "Q4") Highlights

- Crude oil and natural gas production in Q4 2025 averaged 48,606 boe/d. Average production in 2025 increased 7% compared to 2024 average production of 45,297 boe/d. Refer to "Consolidated Results of Operations" for production split by product type.
- Recognized net income of $74.9 million ($0.78 per share basic) compared to a net loss of $69.1 million ($0.70 per share basic) in 2024. The increase from the prior year is largely related to a decrease in tax expense and impairment expense.
- Generated quarterly FFO(1) of $122.9 million ($1.28 per share basic(2)), compared to $141.2 million ($1.43 per share basic(2)) in the fourth quarter of 2024.
- Produced an operating netback(2) of $32.10/boe (Q4 2024 - $34.90/boe) and an FFO netback(2) of $28.19/boe (Q4 2024 - $32.39/boe) from an average Brent crude oil price of $63.08/bbl (2024 - $74.01/bbl).
- Generated $38.3 million of free funds flow(3) that was used for return of capital initiatives.
- Paid a C$0.385 per share(4) regular quarterly dividend and repurchased 580,000 shares pursuant to the Company's NCIB.

(1) Capital management measure. See "Non-GAAP and Other Financial Measures Advisory".
(2) Non-GAAP ratio. See "Non-GAAP and Other Financial Measures Advisory".
(3) Non-GAAP financial measure. See "Non-GAAP and Other Financial Measures Advisory".
(4) Supplementary financial measure. See "Non-GAAP and Other Financial Measures Advisory".

Financial Summary

	For the three months ended December 31,		For the year ended December 31,		
(Financial figures in $000s except per share amounts)	**2025**	2024	**2025**	2024	2023
Light Crude Oil and Medium Crude Oil (bbl/d)	**14,835**	9,550	**11,635**	8,850	8,417
Heavy Crude Oil (bbl/d)	**32,267**	34,882	**31,887**	40,336	45,163
Average oil production (bbl/d)(1)	**47,102**	44,432	**43,522**	49,186	53,580
Average conventional natural gas production (mcf/d)(1)	**9,024**	5,190	**7,071**	4,428	4,656
Average oil and natural gas production (boe/d)	**48,606**	45,297	**44,701**	49,924	54,356
Production split (% crude oil)	**97**	98	**97**	99	99
Oil and natural gas sales price ($/boe)(6)	**57.05**	63.73	**61.90**	69.80	70.71
Operating netback ($/boe)(1)	**32.10**	34.90	**35.52**	41.30	44.55
Oil and natural gas sales	**248,713**	277,824	**1,005,842**	1,280,029	1,408,703
Funds flow provided by operations(7)	**122,922**	141,201	**454,985**	622,233	667,782
Per share – basic(1)(3)	**1.28**	1.43	**4.68**	6.14	6.29
Per share – diluted(1)(3)	**1.28**	1.43	**4.68**	6.14	6.28
Net income (loss)	**74,865**	(69,051)	**255,083**	60,680	459,309
Per share – basic(3)	**0.78**	(0.70)	**2.62**	0.60	4.32
Per share – diluted(3)	**0.78**	(0.70)	**2.62**	0.60	4.32
Dividends paid	**26,853**	26,658	**107,671**	112,184	118,676
Per share – Cdn$(3)(6)	**0.385**	0.385	**1.54**	1.53	1.50
Shares repurchased	**7,644**	16,408	**26,514**	73,789	105,068
Number of shares repurchased (000s)	**580**	1,692	**2,365**	5,495	5,628
Capital expenditures(2)	**84,620**	82,110	**310,325**	347,695	483,343
Long-term inventory expenditures, net of transfers and sales	**(7,678)**	(2,569)	**(17,578)**	4,773	39,430
Free funds flow (2)	**38,302**	59,091	**144,660**	274,538	184,439
EBITDA(2)	**104,764**	(10,419)	**481,444**	545,362	650,829
Adjusted EBITDA(2)	**128,653**	137,312	**512,937**	720,089	817,280
Total assets (end of period)	**2,341,092**	2,155,062	**2,341,092**	2,155,062	2,415,327
Working capital surplus (end of period)(4)(7)	**28,027**	59,397	**28,027**	59,397	79,027
Bank debt (end of period)(5)	**33,000**	60,000	**33,000**	60,000	90,000
Weighted average shares outstanding (000s)					
Basic	**96,239**	99,063	**97,176**	101,414	106,247
Diluted	**96,374**	99,063	**97,223**	101,414	106,295
Outstanding shares (end of period) (000s)	**95,974**	98,339	**95,974**	98,339	103,812

(1) Non-GAAP ratio. See "Non-GAAP and Other Financial Measures Advisory".
(2) Non-GAAP financial measure. See "Non-GAAP and Other Financial Measures Advisory".
(3) Per share amounts (with the exception of dividends) are based on weighted average common shares. Dividends paid per share are based on the number of common shares outstanding at each dividend record date.
(4) Working capital calculation does not take into consideration the undrawn amount available under the syndicated bank credit facility.
(5) Syndicated bank credit facility borrowing base of $240.0 million as at December 31, 2025 (December 31, 2024 - $240.0 million).
(6) Supplementary financial measure. See "Non-GAAP and Other Financial Measures Advisory".
(7) Capital management measure. See "Non-GAAP and Other Financial Measures Advisory".

2025 Guidance vs Actuals

The table below is a summary of Parex's annual guidance for 2025 and a review of actual results:

Category	2025 Guidance (January 14, 2025)	2025 Actuals	% variance from 2025 Guidance - midpoint
Brent Crude Oil Average Price ($/bbl)	70	**68**	(3)
Average Production (boe/d)[1]	43,000-47,000	**44,701**	(1)
Funds Flow Provided by Operations Netback ($/boe)[3]	26-28	**28**	4
Funds Flow Provided by Operations ($ millions)[4]	425-465	**455**	2
Capital Expenditures ($ millions)[2]	285-315	**310**	3
Free funds Flow (mid-points) ($ millions)[2]	145	**145**	—
Current tax effective rate on FFO midpoint (%)[5]	3-6%	**7%**	40

(1) Refer to "Consolidated Results of Operations" for annual production split by product type.
(2) Non-GAAP financial measure. See "Non-GAAP and Other Financial Measures Advisory".
(3) Non-GAAP ratio. See "Non-GAAP and Other Financial Measures Advisory".
(4) Capital management measure. See "Non-GAAP and Other Financial Measures Advisory".
(5) Supplementary financial measure. See "Non-GAAP and Other Financial Measures Advisory".

In 2025, Brent crude prices were slightly below Parex's guidance. Average production volumes were within the guidance range, slightly below the midpoint, and capital expenditures were also within the budgeted range, consistent with midpoint production levels. Funds flow provided by operations and FFO netback were near the upper end of the 2025 guidance range, primarily due to favourable Vasconia differentials and lower than expected operated production expense. Lower operated production expense was driven by increased production from development activities, the LLA-32 tuck-in acquisition and new production from LLA-74, which improved fixed cost absorption, in addition to corporate efficiency initiatives implemented to reduce fixed and variable production costs.

Return of Capital to Shareholders

Parex looks to provide competitive return of capital to shareholders through dividends and share repurchases, while investing in the Company's assets to provide a total shareholder return. In 2025 Parex bought back 2% of its outstanding shares under the Company's NCIB and paid an annual dividend of C$1.54, which delivered a total return of capital of $134.2 million to shareholders during the year.

2026 Guidance

The following table summarizes the Company's 2026 annual guidance:

Category	2026 Guidance (January 19, 2026)
Brent Crude Oil Average Price ($/bbl)	60
Average Production (boe/d)[1]	45,000-49,000
Funds Flow provided by operations netback ($/boe)[1][3]	23-24
Funds flow provided by operations ($ millions)[4]	385-420
Capital Expenditures ($ millions)[1][2]	280-320
Free funds flow (mid-point) ($ millions)[1][2]	105
Current tax effective rate on FFO midpoint (%)[1][5]	1-3%

(1) See the Company's January 19, 2026 news release for additional details on 2026 corporate guidance and netback sensitivity estimates.
(2) Non-GAAP financial measure. See "Non-GAAP and Other Financial Measures Advisory".
(3) Non-GAAP ratio. See "Non-GAAP and Other Financial Measures Advisory".
(4) Capital management measure. See "Non-GAAP and Other Financial Measures Advisory".
(5) Supplementary financial measure. See "Non-GAAP and Other Financial Measures Advisory".

Financial and Operational Results

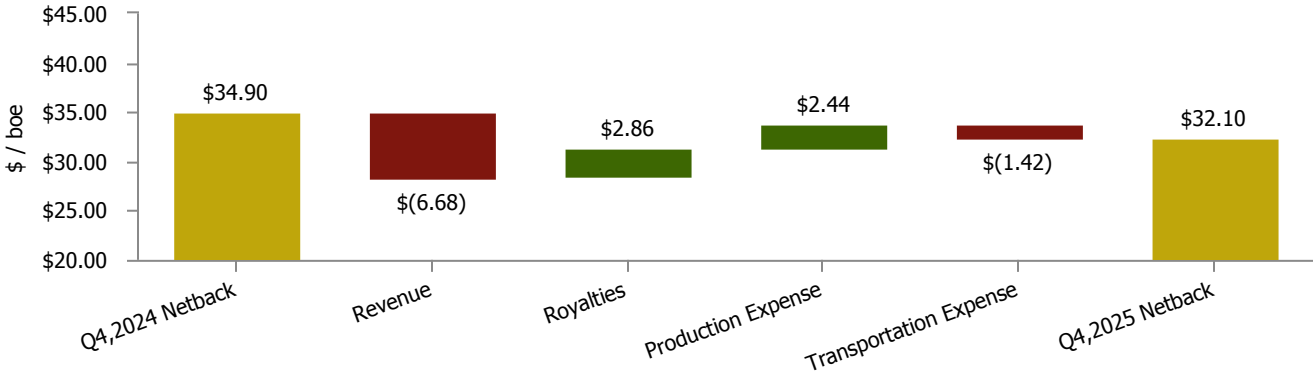
Consolidated Results of Operations

Parex's oil and gas operations are conducted in Colombia with head office functions conducted in Canada.

	For the three months ended December 31,		For the year ended December 31,	
	2025	2024	**2025**	2024
Average daily production				
Light Crude and Medium Crude Oil (bbl/d)	**14,835**	9,550	**11,635**	8,850
Heavy Crude Oil (bbl/d)	**32,267**	34,882	**31,887**	40,336
Crude oil (bbl/d)	**47,102**	44,432	**43,522**	49,186
Conventional Natural Gas (mcf/d)	**9,024**	5,190	**7,071**	4,428
Total (boe/d)	**48,606**	45,297	**44,701**	49,924
Production split (% crude oil production)	**97**	98	**97**	99
Average daily sales of oil and natural gas				
Produced crude oil (bbl/d)	**45,885**	46,520	**43,335**	49,342
Purchased crude oil (bbl/d)	**—**	—	**3**	28
Produced natural gas (mcf/d)	**9,024**	5,190	**7,071**	4,428
Total (boe/d)	**47,389**	47,385	**44,517**	50,108
Operating netback (000s)				
Oil and natural gas sales	**$ 248,713**	$ 277,824	**$ 1,005,842**	$ 1,280,029
Royalties	**(28,649)**	(41,094)	**(126,752)**	(201,418)
Net revenue[4]	**220,064**	236,730	**879,090**	1,078,611
Production expense	**(57,073)**	(67,708)	**(225,543)**	(255,278)
Transportation expense	**(23,081)**	(16,877)	**(76,444)**	(65,745)
Purchased oil expense	**—**	(59)	**(162)**	(904)
Operating netback[1]	**$ 139,910**	$ 152,086	**$ 576,941**	$ 756,684
Operating netback (per boe)				
Brent ($/bbl)	**$ 63.08**	$ 74.01	**$ 68.19**	$ 79.86
Parex price differential	**(6.03)**	(10.28)	**(6.29)**	(10.06)
Oil and natural gas sales[2]	**$ 57.05**	$ 63.73	**$ 61.90**	$ 69.80
Royalties[2]	**(6.57)**	(9.43)	**(7.80)**	(10.99)
Net revenue[2]	**50.48**	54.30	**54.10**	58.81
Production expense[2]	**(13.09)**	(15.53)	**(13.88)**	(13.93)
Transportation expense[2]	**(5.29)**	(3.87)	**(4.70)**	(3.58)
Operating netback[3]	**$ 32.10**	$ 34.90	**$ 35.52**	$ 41.30

(1) Non-GAAP financial measure. See "Non-GAAP and Other Financial Measures Advisory".
(2) Supplementary financial measure. See "Non-GAAP and Other Financial Measures Advisory".
(3) Non-GAAP ratio. See "Non-GAAP and Other Financial Measures Advisory".
(4) Net revenue for the year ended December 31, 2023 was $1,164.0 million.

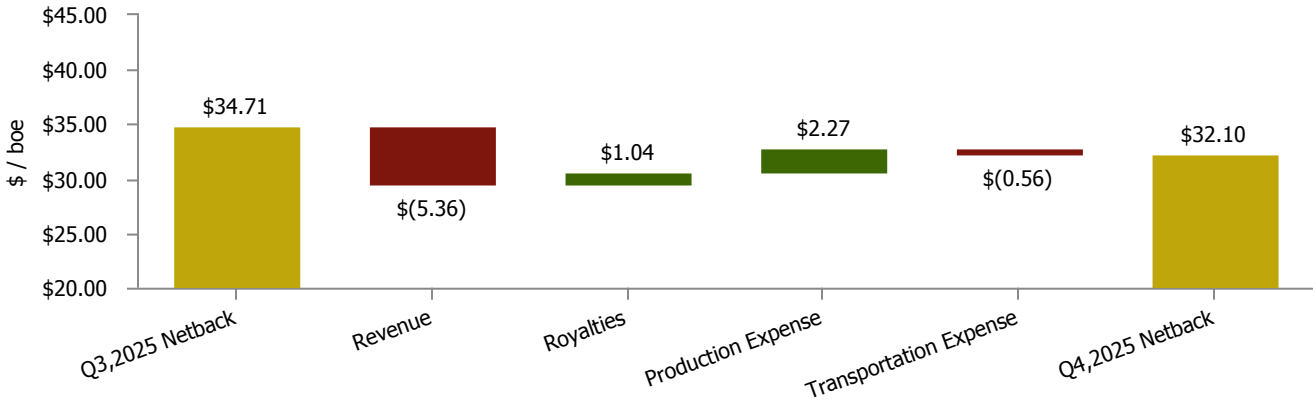
Change in Operating Netback by Component
Q4/24 vs. Q4/25



In the fourth quarter of 2025, the Company's benchmark Brent oil price decreased by $10.93/bbl, while revenue decreased by $6.68/boe as compared to the fourth quarter of 2024. The increase in revenue relative to the Brent crude oil benchmark decrease was attributed to improved location and quality differentials. Royalties decreased by $2.86/boe compared to the fourth quarter of 2024 as a result of lower production in areas where high price share royalties are applicable and a decrease in world oil prices. Production expense decreased by $2.44/boe compared to the fourth quarter of 2024 due to lower electrical power costs, reduced well workover and facility maintenance costs, and improved fixed cost absorption, partially offset by the appreciation of the Colombian peso. Transportation expense in the quarter increased by $1.42/boe compared to the fourth quarter of 2024 due to an increase in oil volumes transported by truck, higher gas volumes transported, and the appreciation of the Colombian peso.

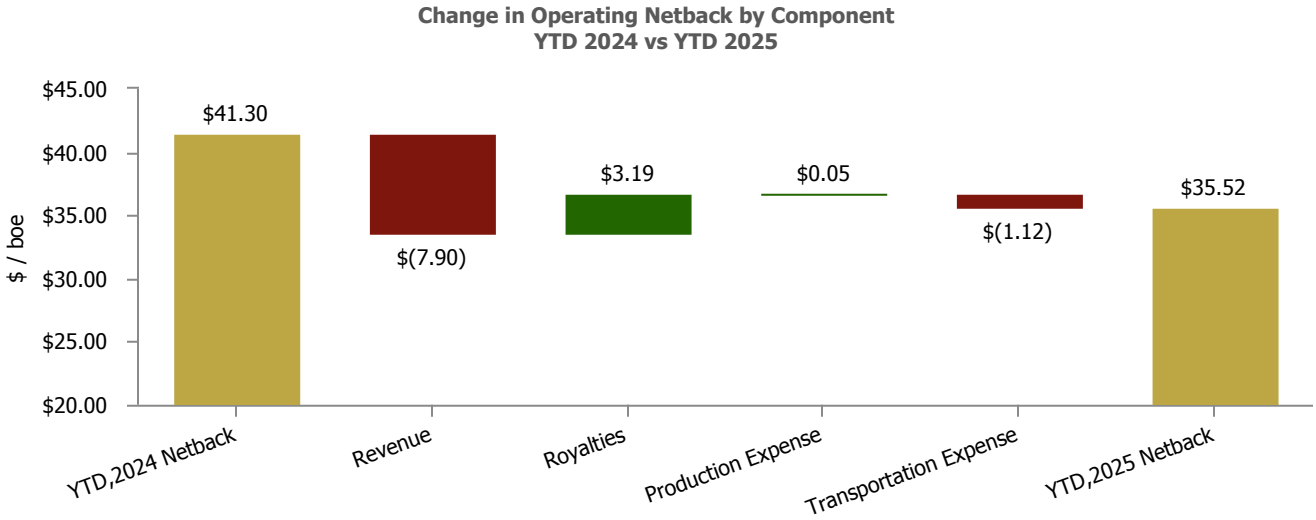
Overall, the operating netback decreased by $2.80/boe compared to a Brent benchmark crude price decrease of $10.93/bbl.

Change in Operating Netback by Component
Q3/25 vs. Q4/25



In the fourth quarter of 2025, the Company's benchmark Brent oil price decreased by $5.09/bbl, while revenue decreased by $5.36/boe compared to the third quarter of 2025. The decrease in revenue relative to the Brent crude oil benchmark decrease was mainly a result of increased location and quality differentials. Royalties decreased by $1.04/boe as a result of lower production in areas where high price share royalties are applicable and a decrease in world oil prices. Production expense decreased by $2.27/boe due to lower electrical power costs, reduced well workover and facility maintenance costs, and improved fixed cost absorption, partially offset by the appreciation of the Colombian peso. Transportation expense in the quarter increased by $0.56/boe compared to the third quarter of 2025 due to an increase in oil volumes transported by truck, higher gas volumes transported, and the appreciation of the Colombian peso.

Overall, the operating netback decreased by $2.61/boe compared to a Brent benchmark crude price decrease of $5.09/bbl.



In 2025, the Company's benchmark Brent price decreased by $11.67/bbl, while revenue decreased by $7.90/boe compared to 2024. The increase in revenue relative to the Brent crude benchmark decrease was mainly the result of improved location and quality differentials. Royalties decreased by $3.19/boe as a result of lower production in areas where high price share royalties are applicable and a decrease in world oil prices. Production expense in 2025 decreased by $0.05/boe due to lower well workover and facility maintenance costs and improved fixed cost absorption, partially offset by higher electrical power costs, increased non-operated production expenses, and the appreciation of the Colombian peso. Transportation expense in 2025 increased by $1.12/boe compared to 2024 due to an increased in oil volumes transported by truck, higher gas volumes transported, and the appreciation of the Colombian peso.

Overall, the operating netback decreased by $5.78/boe compared to a Brent benchmark crude price decrease of $11.67/bbl.

Oil and Natural Gas Sales

a) Average Daily Production and Sales Volumes (boe/d)

	For the three months ended December 31,		For the year ended December 31,	
	2025	2024	**2025**	2024
Block LLA-34	**19,719**	23,633	**21,033**	26,466
Southern Llanos Basin	**22,470**	15,227	**16,767**	16,550
Northern Llanos Basin	**2,848**	3,260	**3,556**	4,022
Magdalena Basin	**2,065**	2,312	**2,166**	2,148
Total Crude Oil Production	**47,102**	44,432	**43,522**	49,186
Natural gas production	**1,504**	865	**1,179**	738
Total crude oil and natural gas production	**48,606**	45,297	**44,701**	49,924
Crude oil inventory draw (build)	**(1,217)**	2,088	**(187)**	156
Average daily sales of produced oil and natural gas	**47,389**	47,385	**44,514**	50,080
Purchased oil	**—**	—	**3**	28
Sales Volumes	**47,389**	47,385	**44,517**	50,108
Average daily sales of produced oil and natural gas - operated	**28,038**	23,014	**23,817**	23,699
Average daily sales of produced oil and natural gas - non-operated	**19,351**	24,371	**20,697**	26,381
Average daily sales of produced oil and natural gas	**47,389**	47,385	**44,514**	50,080

Crude oil and natural gas production for the fourth quarter of 2025 averaged 48,606 boe/d. Q1 2026 production, through February 28, 2026, has averaged approximately 46,150 boe/d[(1)].

(1) Estimated average production for January 1, 2026 to February 28, 2026; light & medium crude oil: ~14,805 bbl/d, heavy crude oil: ~30,637 bbl/d, conventional natural gas: ~8.568 mcf/d; rounded for presentation purposes.

Fourth quarter of 2025 crude oil and natural gas production averaged 48,606 boe/d, an increase of approximately 7% from the fourth quarter of 2024 production of 45,297 boe/d and an increase of approximately 11% from the third quarter of 2025 production of 43,953 boe/d. Refer to "Summary of Quarterly Results" for production split by product type for third quarter 2025 production.

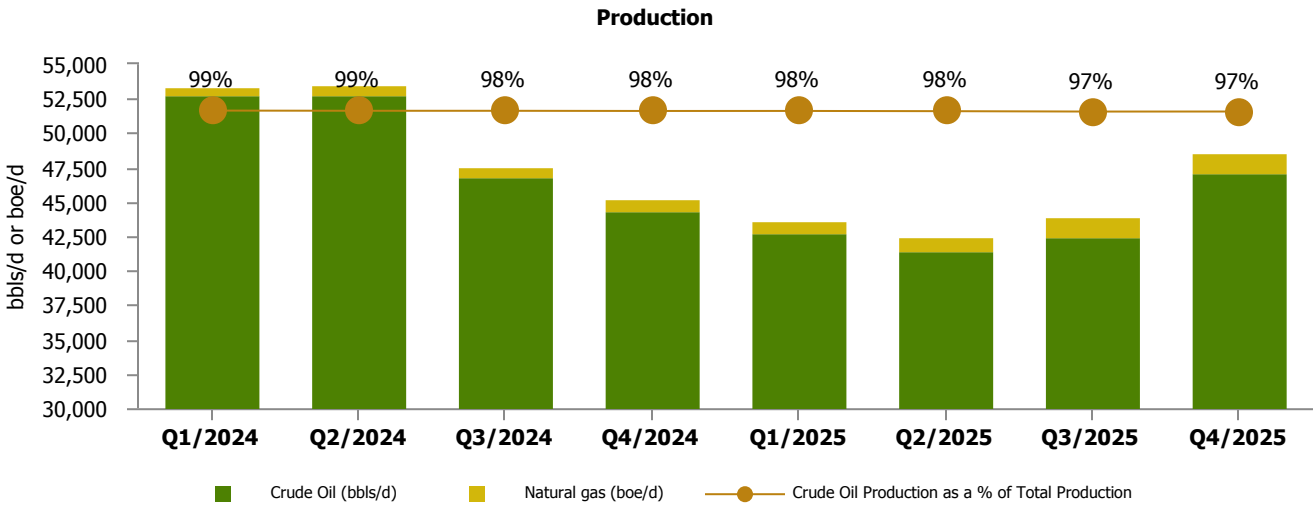
The increase in oil and natural gas production in the fourth quarter of 2025 compared to the fourth quarter of 2024 is mainly the result of new added production from Block LLA-74 and LLA-32 in the Southern Llanos Basin and an increase in gas production at VIM-1 in the Magdalena Basin. This was partially offset by decreased oil production from Block LLA-34 and the Cabrestero Block in the Southern Llanos Basin, mainly as a result of natural declines and a reduced level of development activity, consistent with lower capital spending. Production in the Northern Llanos Basin in the fourth quarter of 2025 was impacted by operational downtime on the Capachos Block, partially offset by increased production in Arauca.

The decrease in oil and natural gas production for full year 2025 compared to full year 2024 is mainly the result of natural declines and a reduced level of development activity at Block LLA-34 and the Cabrestero Block in the Southern Llanos Basin, consistent with lower capital spending. Production in the Northern Llanos Basin in 2025 decreased in the Arauca Block. These production declines were partially offset by newly added production from Block LLA-74 and LLA-32 in the Southern Llanos Basin and an increase in gas production at VIM-1 in the Magdalena Basin.

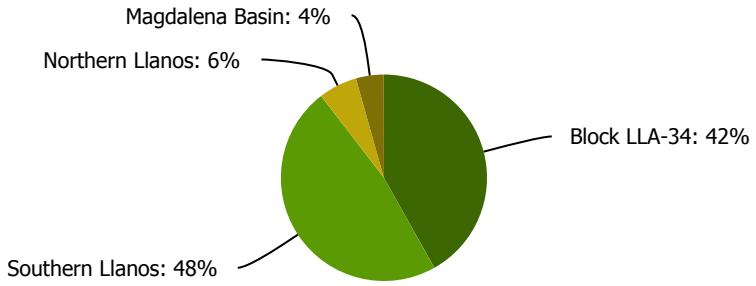
The increase in oil and natural gas production in the fourth quarter of 2025 compared to the third quarter of 2025 is mainly the result of new added production from Block LLA-74 and LLA-32 in the Southern Llanos Basin.

Oil and natural gas sales in the fourth quarter of 2025 were 47,389 boe/d compared to 47,385 boe/d for the fourth quarter of 2024.

Refer to "Consolidated Results of Operations" for annual production split by product type.



Production By Area
(Three Months ended December 31, 2025)



b) Crude Oil Reference and Realized Prices

Average price for the period	**Q4 2025**	Q3 2025	Q2 2025	Q1 2025	Q4 2024
Brent ($/bbl)	**63.08**	68.17	66.71	74.98	74.01
Parex location (Vasconia) and quality differential ($/bbl)	**(3.03)**	(1.94)	(1.87)	(2.26)	(5.16)
Parex wellhead sales discount ($/bbl)	**(3.35)**	(3.91)	(3.77)	(5.67)	(4.84)
Parex realized oil sales price ($/bbl)[(2)]	**56.70**	62.32	61.07	67.05	64.01
Parex realized price (differential) to Brent crude ($/bbl)	**(6.38)**	(5.85)	(5.64)	(7.93)	(10.00)
Parex transportation expense ($/bbl)[(1)(2)]	**(5.47)**	(4.88)	(4.58)	(4.34)	(3.96)
Parex price differential and transportation expense ($/bbl)[(2)]	**(11.85)**	(10.73)	(10.22)	(12.27)	(13.96)

(1) Applies only to direct export cargo sales where Parex incurs the pipeline fees directly. See "Transportation Expense".
(2) Supplementary financial measure. See "Non-GAAP and Other Financial Measures Advisory".

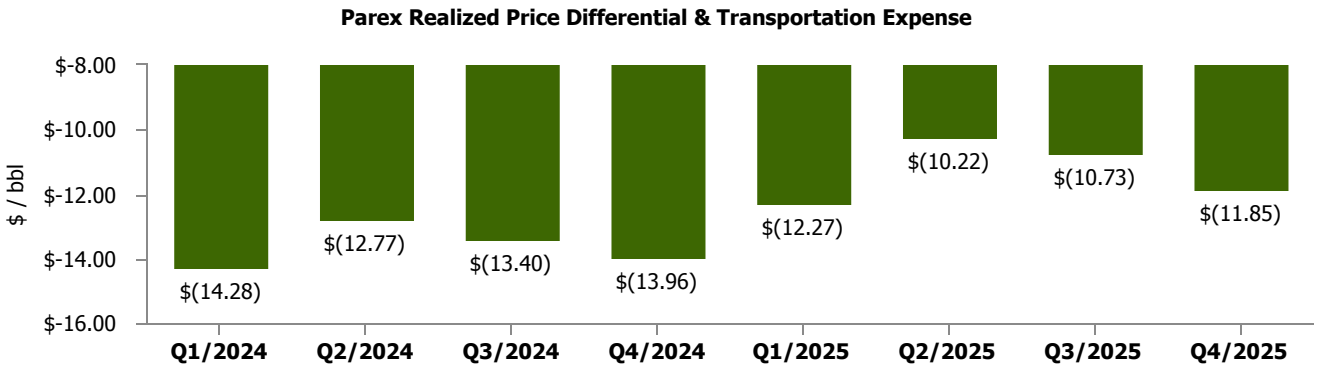
During the fourth quarter of 2025, the differential between Brent reference pricing and the Company's realized oil sale price was $6.38/bbl. The differential to Brent crude during the fourth quarter of 2025 increased by $0.53/bbl compared to the third quarter of 2025 where the differential was $5.85/bbl. Compared to the fourth quarter of 2024 Parex's realized price improved from a differential of $10.00/bbl to $6.38/bbl, which was mainly driven by improved location and quality differentials, due to narrower heavy oil differentials and reduced wellhead sales in favour of direct export sales.

Differences between Parex's realized price and Brent crude price is mainly related to location and quality adjustments, wellhead sale marketing contracts, and the timing of oil sales compared to quarter averages. The location and quality differential between Brent crude pricing also affects Parex's realized sales price and is set in liquid global markets and therefore attributed to factors that are beyond the Company's control making it inherently difficult to forecast.

Parex's realized price differential to Brent crude can fluctuate period over period due to, among other factors, the type of sales contract and the accounting treatment for oil sold at the wellhead versus direct export sales contracts.

The fourth quarter 2025 differential of $3.03/bbl was an improvement from the fourth quarter 2024 differential of $5.16/bbl and was likely the result of market uncertainty regarding availability of medium/heavy crude oil specifically from Mexico and Venezuela, and tariff tensions impacting world crude pricing.

The Vasconia differential to Brent can fluctuate with oil market conditions and for the month of February 2026 was approximately $7.50/bbl, having widened significantly following ongoing macroeconomic volatility and expectations around incremental heavy oil supply.



c) Natural Gas Sales and Realized Prices

	For the three months ended December 31,		For the year ended December 31,	
	2025	2024	**2025**	2024
Natural gas sales ($000s)	**$ 9,371**	$ 3,876	**$30,155**	$ 12,851
Realized sales price ($/Mcf)[1]	**11.29**	8.12	**11.68**	7.93

(1) Supplementary financial measure. See "Non-GAAP and Other Financial Measures Advisory".

Parex natural gas sales were $9.4 million and $30.2 million for the three months and year ended December 31, 2025 compared to $3.9 million and $12.9 million in the same periods of 2024. The increase in natural gas sales from the prior periods is primarily related to increased volumes sold from the Capachos and VIM-1 Blocks and increase in realized gas sales price.

d) Oil and Natural Gas Sales

In 2025 oil and natural gas sales decreased by $274.2 million or 21% as reconciled in the table below to 2024:

($000s)		
Oil and natural gas sales, year ended December 31, 2024	**$**	**1,280,029**
Sales volume of produced oil, a decrease of 12% (6,007 bbl/d)		**(157,214)**
Sales volume of purchased oil, a decrease of 89% (25 bbl/d)		**(642)**
Sales price decrease of 12%		**(133,635)**
Sales volume and price change of produced natural gas		**17,304**
Oil and natural gas sales, year ended December 31, 2025	**$**	**1,005,842**

Oil and natural gas sales decreased year over year mainly due to lower oil volumes sold and a decrease in world oil prices.

e) Crude Oil Inventory in Transit

As at December 31, ($000s)	**2025**	2024
Crude oil in transit	**$ 4,327**	$ 2,017

As at December 31, 2025, the Company had 116.9 mbbls (December 31, 2024 - 48.5 mbbls) of crude oil inventory in transit, which was injected into Colombian pipelines. The inventory was valued based on direct and indirect expenditures (including production costs, transportation costs, depletion expense and royalty expense) at approximately $37/bbl ($42/bbl - 2024) incurred in bringing the crude oil to its existing condition and location.

A reconciliation of quarter-to-quarter crude oil inventory movements is provided below:

For the periods ended (mbbls)	**Dec. 31, 2025**	Sep. 30, 2025	Jun. 30, 2025	Mar. 31, 2025
Crude oil inventory in transit - beginning of the period	**4.9**	5.5	31.3	48.5
Oil production	**4,333.4**	3,914.7	3,780.6	3,857.1
Oil sales	**(4,221.4)**	(3,915.3)	(3,806.4)	(3,875.6)
Purchased oil	**—**	—	—	1.3
Crude oil inventory in transit (overlift) - end of the period	**116.9**	4.9	5.5	31.3
% of period production	**2.7**	0.1	0.1	0.8

Crude oil inventory build (and draw) from period to period are subject to factors that the Company does not control such as timing of the number of shipments from storage to export. The Company expects crude oil inventory in future periods to be in line with normal historic levels of below 5% of period production.

f) Purchased Oil

	For the three months ended December 31,		For the year ended December 31,	
	2025	2024	**2025**	2024
Purchased oil expense ($000s)	**$ —**	$ 59	**$ 162**	$ 904

Purchased oil expense has decreased compared to the same periods of 2024 as a result of a decrease in oil blending operations and purchases of partner crude oil. Transportation costs are incurred by the Company to transport purchased oil to sale delivery points.

g) Other Revenue

The Company's other revenue includes pipeline transportation revenue and revenue related to energy generation and use of infrastructure.

	For the three months ended December 31,		For the year ended December 31,	
	2025	2024	**2025**	2024
Other revenue	**$ 2,827**	$ 2,739	**$ 9,826**	$ 8,157

Royalties

	For the three months ended December 31,		For the year ended December 31,	
	2025	2024	**2025**	2024
Base royalties[(1)]	**$ 19,952**	$ 22,883	**$ 80,863**	$ 106,980
Economic rights[(2)]	**8,697**	18,211	**45,889**	94,438
Royalties ($000s)	**$ 28,649**	$ 41,094	**$ 126,752**	$ 201,418
Per unit ($/boe)[(3)]	**6.57**	9.43	**7.80**	10.99
Percentage of sales[(3)]	**12**	15	**13**	16

(1) Base royalties are sliding scale royalties based on field production and payable to the Colombian National Hydrocarbon Agency ("ANH"). Refer to the Company's AIF, which may be accessed through the SEDAR+ website at www.sedarplus.ca.

(2) Economic rights include high price share royalties applicable to production in excess of 5 million barrels of oil and X-Factor royalties are an additional royalty applicable to heavy oil production, both payable to ANH. Refer to the Company's AIF, which may be accessed through the SEDAR+ website at www.sedarplus.ca.

(3) Supplementary financial measure. See "Non-GAAP and Other Financial Measures Advisory".

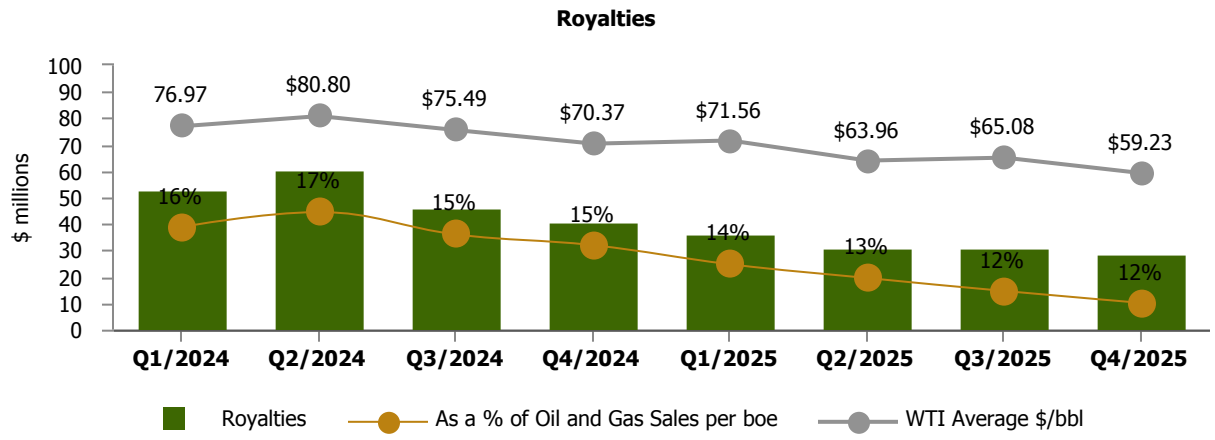
Royalty expense was $28.6 million and $126.8 million in the three months and year ended December 31, 2025, respectively, compared to $41.1 million and $201.4 million for the 2024 comparative periods.

Royalties as a percentage of sales were 12% and 13% in the three months and year ended December 31, 2025, respectively, compared to 15% and 16% for the 2024 comparative periods.

The decrease in royalty expense and royalties as a percentage of sales compared to 2024 was primarily attributable to lower production and a decrease in world oil prices in 2025. Royalties decreased in areas where high price share royalties are applicable as a result of lower production and Benchmark WTI prices.

Benchmark WTI prices are used in the high price share royalty ("HPR") calculation. Effectively higher realized WTI oil prices result in a higher royalty percentage realized. Benchmark WTI prices for the three months and year ended December 31, 2025 were $59.23 and $63.05 compared to $70.37 and $75.90 for the 2024 comparative periods and $65.08 in the third quarter of 2025.

For further information concerning the HPR please refer to the Company's AIF which may be accessed through the SEDAR+ website at www.sedarplus.ca where the calculation is described as a "High Price Share Royalty" in the "Industry Conditions - Colombia - High Price Participation" section.



Production Expense

	For the three months ended December 31,		For the year ended December 31,	
	2025	2024	**2025**	2024
Production expense ($000s)	**$ 57,073**	$ 67,708	**$ 225,543**	$ 255,278
Per unit ($/boe)[1]	**13.09**	15.53	**13.88**	13.93

(1) Supplementary financial measure. See "Non-GAAP and Other Financial Measures Advisory".

A breakdown of the production expense on a per boe basis between operated and non-operated fields is provided below:

	For the three months ended December 31,		For the year ended December 31,	
	2025	2024	**2025**	2024
Operated production expense per unit ($/boe)[1]	**10.79**	18.93	**13.07**	16.51
Non-operated production expense per unit ($/boe[1]	**16.42**	12.32	**14.82**	11.64

(1) Supplementary financial measure. See "Non-GAAP and Other Financial Measures Advisory".

Production expense for the three months and year ended December 31, 2025 was $13.09/boe and $13.88/boe compared to $15.53/boe and $13.93/boe for the three months and year ended December 31, 2024. Production expense for the third quarter of 2025 was $15.36/boe.

Operated properties production expense for the three months and year ended December 31, 2025 was $10.79/boe and $13.07/boe compared to $18.93/boe and $16.51/boe for the three months and year ended December 31, 2024. Operated properties production expense per boe decreased for the year ended December 31, 2025, compared to 2024, primarily due to increased production from development activities, the LLA-32 tuck-in acquisition and new production from LLA-74, which improved fixed cost absorption. Also during 2025 corporate efficiency initiatives were implemented to reduce fixed and variable production costs.

Non-operated properties production expense for the three months and year ended December 31, 2025 was $16.42/boe and $14.82/boe compared to $12.32/boe and $11.64/boe for the three months and year ended December 31, 2024. Non-operated properties production expense per boe has increased for the year ended December 31, 2025 compared to 2024 mainly as a result of decreased production resulting in reduced fixed cost absorption and the one-time non-recurring production cost adjustment that reflects a true-up to actual costs incurred to date for non-operated activities.

The table below provides a reconciliation of the increase in production expense per boe by main components:

	Q4 2025 vs Q3 2025	Q4 2025 vs Q4 2024	YTD 2025 vs YTD 2024
Comparative period production expense per boe[(1)]	**$ 15.36**	**$ 15.53**	**$ 13.93**
Power generation	**(1.26)**	**(2.39)**	**0.15**
Well workovers and facility maintenance	**(0.41)**	**(1.16)**	**(0.09)**
Colombian pesos ("COP") appreciation	**0.57**	**1.86**	**0.07**
Non-recurring non-operated production cost adjustment	**(0.89)**	**—**	**0.22**
Fixed cost absorption	**(0.45)**	**(1.05)**	**(0.31)**
Other variable costs	**0.17**	**0.30**	**(0.09)**
Current year production expense per boe[(1)]	**$ 13.09**	**$ 13.09**	**$ 13.88**

(1) Supplementary financial measure. See "Non-GAAP and Other Financial Measures Advisory".

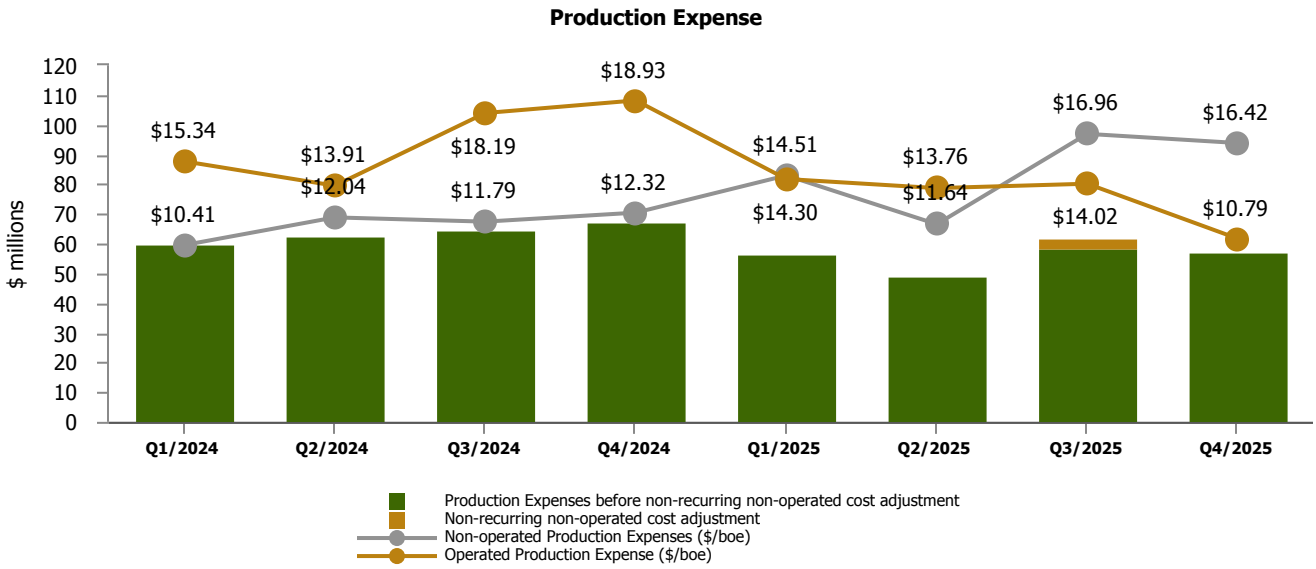
The decrease in production expense for the three months ended December 31, 2025 over the 2024 comparative period is mainly the result of lower electrical power costs used to power field operations, reduced well workovers and facility maintenance costs, and improved fixed costs absorption due to corporate efficiency initiatives that were implemented. In addition, higher production levels allowed fixed and variable costs to be spread over more production, reducing the per-boe cost. These decreases were partially offset by the appreciation of the COP.

The decrease in production expense for the year ended December 31, 2025 over the 2024 comparative period is mainly the result of improved fixed costs absorption due to corporate efficiency initiatives that were implemented and lower well workovers and facility maintenance costs. This was partially offset by higher electrical power costs used to power field operations, the one-time nonrecurring non-operated production cost adjustment and the appreciation of the COP.

Compared to the third quarter of 2025, fourth quarter 2025 production expense per boe has decreased due to lower electrical power costs, reduced well workovers and facility maintenance costs, a reduction in non-operated production costs and improved fixed cost absorption, partially offset by the appreciation of the COP.

Colombia’s electricity grid is heavily reliant on hydroelectric power which exposes the Company to fluctuations in power prices due to changes in rainfall and water reservoir levels, as well as electricity supply and demand. During 2024, Colombia experienced an El Niño-induced drought that led to an escalation in power costs across the country. During the first quarter of 2025 power costs began to decrease due to more rainfall in the country, which replenished reservoirs used for hydroelectric power generation, causing power costs to decrease substantially for the remainder of the year. Currently, power costs have declined from the elevated levels seen in late 2024 and are more in line with historical norms.

Production expense per boe is estimated to be approximately $13-16/boe during 2026 per the guidance provided on January 19, 2026.



Transportation Expense

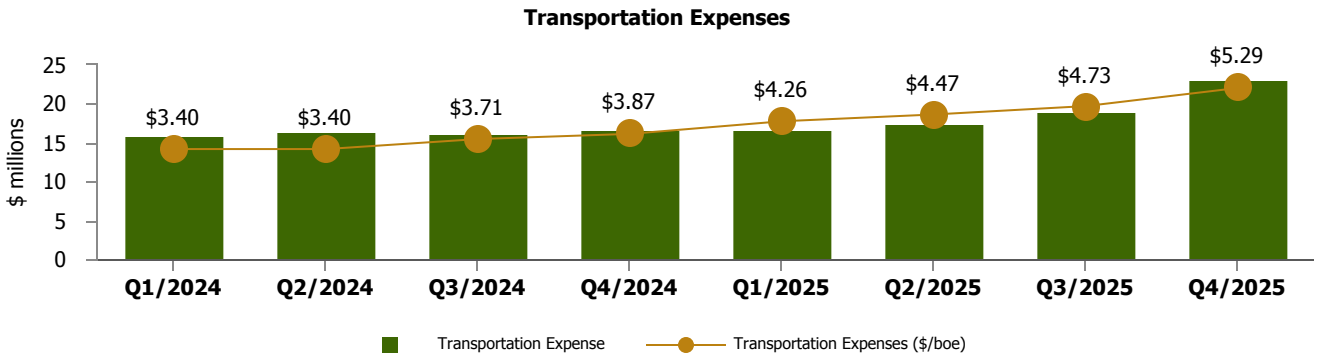
	For the three months ended December 31,		For the year ended December 31,	
	2025	2024	**2025**	2024
Transportation expense ($000s)	**$ 23,081**	$ 16,877	**$ 76,444**	$ 65,745
Per unit ($/boe)[(1)]	**5.29**	3.87	**4.70**	3.58

(1) Supplementary financial measure. See "Non-GAAP and Other Financial Measures Advisory".

Transportation expense includes trucking costs incurred to transport production to several offloading stations for sale and in some instances an oil transportation tariff from delivery point to the buyer's facility and pipeline tariffs.

For the three months ended December 31, 2025, transportation expense of $5.29/boe increased from $4.73/boe for the third quarter of 2025 and $3.87/boe for the comparative period in 2024. On a year-to-date basis transportation expense was $4.70/boe compared to $3.58/boe in the comparative period in 2024. Transportation expense increased due to an increase in oil volumes transported by truck, higher gas volumes transported from increased gas production at the Capachos and VIM-1 Blocks, and the appreciation of the Colombian peso. The higher trucked oil volumes are associated with additional production from Azogue on Block LLA-32 and new production from Block LLA-74. Transportation expense will fluctuate period over period due the mix of sales contracts types in force during the period.

The combined transportation expense and price differential from Brent for the fourth quarter of 2025, on a per boe basis, has decreased from the fourth quarter of 2024 and increased from the third quarter of 2025. See "Crude Oil Reference and Realized Prices".



General and Administrative Expense ("G&A")

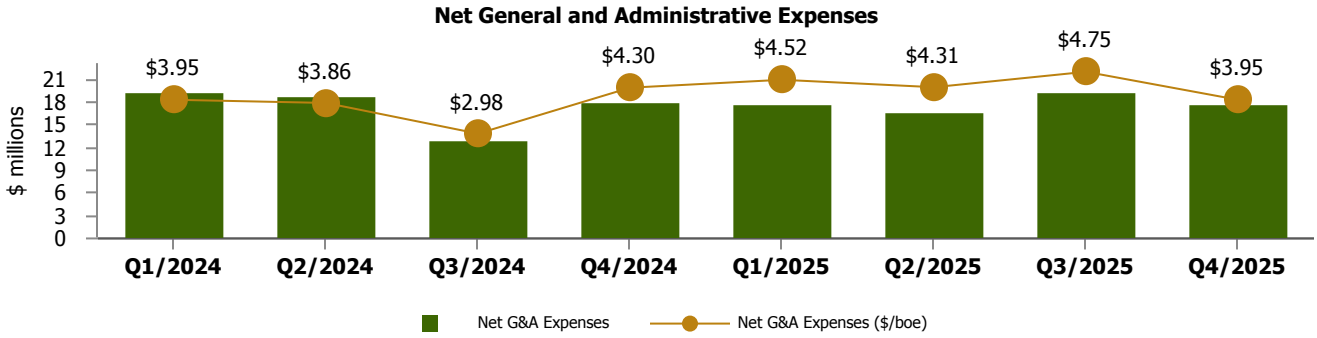
($000s)	For the three months ended December 31, 2025	2024	For the year ended December 31, 2025	2024
Gross G&A	**$ 23,648**	$ 21,650	**$ 87,779**	$ 81,288
G&A recoveries	**(1,985)**	(879)	**(5,642)**	(3,796)
Capitalized G&A	**(4,006)**	(2,871)	**(10,811)**	(8,584)
Net G&A expense	**$ 17,657**	$ 17,900	**$ 71,326**	$ 68,908
Per unit ($/boe) [(1)]	**3.95**	4.30	**4.37**	3.77

(1) Supplementary financial measure. See "Non-GAAP and Other Financial Measures Advisory".

Net G&A was $17.7 million and $71.3 million for the three months and year ended December 31, 2025 compared to $17.9 million and $68.9 million for the same periods in 2024. Gross G&A was $23.6 million and $87.8 million for the three months and year ended December 31, 2025 (three months and year ended December 31, 2024 - $21.7 million and $81.3 million).

On a per boe basis net G&A in 2025 increased by 16% to $4.37 from $3.77 in 2024 mainly as a result of lower production resulting in increased per boe costs.

The Company's G&A expense is mainly denominated in local currencies of COP and Canadian dollars ("Cdn") which as they appreciate/ depreciate have an impact on G&A expense. Refer to the "Foreign Exchange Sensitivity Analysis" for further information.



Share-Based Compensation

($000s)	For the three months ended December 31, 2025	2024	For the year ended December 31, 2025	2024
Equity settled share-based compensation expense	**$ 183**	$ 223	**$ 714**	$ 878
Cash settled share-based compensation expense	**9,863**	5,926	**29,802**	584
Total share-based compensation expense	**$ 10,046**	$ 6,149	**$ 30,516**	$ 1,462

Share-based compensation expense was $10.0 million and $30.5 million for the three months and year ended December 31, 2025 compared to $6.1 million and $1.5 million for the same periods in 2024.

Equity settled share-based compensation expense was $0.2 million and $0.7 million for the three months and year ended December 31, 2025 compared to $0.2 million and $0.9 million for the same periods in 2024. Equity settled share-based compensation includes the Company's stock option plan.

Cash settled share-based compensation relates to the Company's cash settled incentive plans and includes cash settled restricted share units ("CRSUs"), cash or share settled restricted share units and performance share units ("CosRSUs" and "CosPSUs"), long duration restricted share units and performance share units ("LDRSUs and "LDPSUs"), and deferred share units ("DSUs"). Cash settled share-based compensation expense for the three months and year ended December 31, 2025 was $9.9 million and $29.8 million compared to $5.9 million and $0.6 million for the same periods in 2024. This increase in expense is mainly attributable to the increase in Parex's share price from period end dates. Parex share price increased to Cdn$18.45 at December 31, 2025 from Cdn$14.58 at December 31, 2024.

Obligations for payments of cash under the Company's cash settled incentive plans are accrued as expense over the vesting period based on the fair value of the units as described in note 21 - Cash Settled Incentive Plans of the audited consolidated financial statements. As at December 31, 2025, the total cash settled incentive plans liability accrued was $37.6 million (December 31, 2024 - $19.9 million) of which $15.2 million (December 31, 2024 - $9.6 million) is classified as long-term in accordance with the vesting periods.

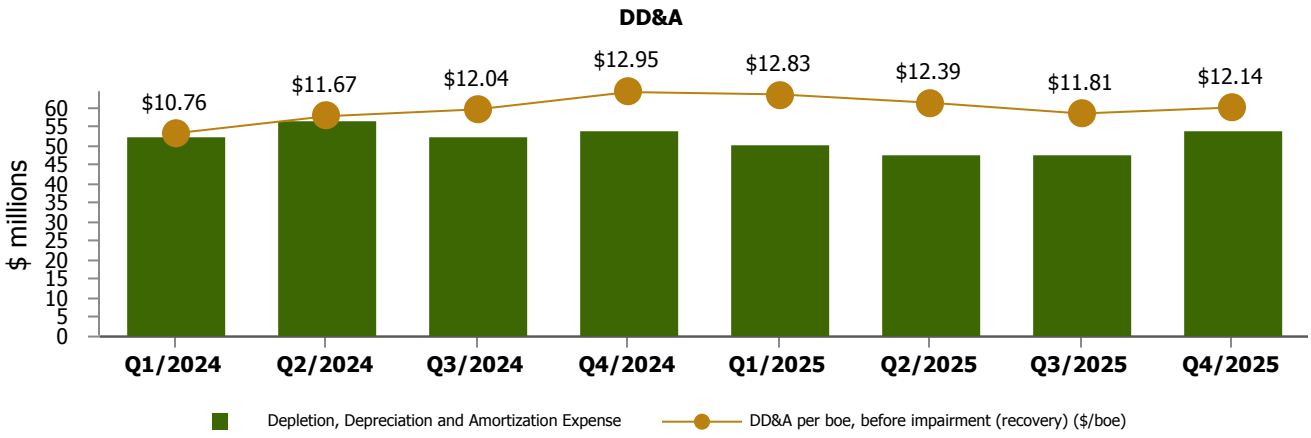
Cash payments to settle cash settled share-based compensation in the three months and year ended December 31, 2025 were $0.5 million and $12.8 million compared to $0.3 million and $20.6 million for the same periods in 2024.

Depletion, Depreciation and Amortization Expense ("DD&A")

	For the three months ended December 31, 2025	2024	For the year ended December 31, 2025	2024
DD&A ($000s) total	**$ 54,270**	$ 53,984	**$ 200,405**	$ 215,770
Per unit ($/boe)[(1)]	**12.14**	12.95	**12.28**	11.81

(1) Supplementary financial measure. See "Non-GAAP and Other Financial Measures Advisory".

For the year ended December 31, 2025, DD&A was $200.4 million ($12.28/boe) as compared to $215.8 million ($11.81/boe) for the prior year. The increase per boe from the prior year period is due to adding to the depletable base through capital expenditures made during 2025 and the transfer of Block LLA-74 partially offset by lower production.



Foreign Exchange

	For the three months ended December 31,		For the year ended December 31,	
($000s)	**2025**	2024	**2025**	2024
Foreign exchange (gain) loss	**$ (961)**	$ 2,194	**$ (1,934)**	$ 5,447
Foreign currency risk management contracts gain	**(1,128)**	—	**(8,998)**	—
Total foreign exchange (gain) loss	**$ (2,089)**	$ 2,194	**$ (10,932)**	$ 5,447
Average foreign exchange rates				
USD$/Cdn$	**1.39**	1.40	**1.40**	1.37
USD$/COP	**3,819**	4,347	**4,053**	4,071

The Company's main exposure to foreign currency risk relates to the pricing of foreign currency denominated in Cdn and COP, as the Company's functional currency is the U.S. dollar ("USD"). The Company has exposure in Colombia and Canada on costs, such as capital expenditures, local wages, royalties and income taxes, all of which may be denominated in local currencies. The main drivers of foreign exchange gains and losses recorded on the consolidated statements of comprehensive income is the COP denominated income tax payable and tax withholdings receivable, accounts payable and accounts receivable. The timing of payment settlements, accruals and their adjustments have impacts on foreign exchange gains/losses.

For the three months and year ended December 31, 2025, a total foreign exchange gain of $2.1 million and $10.9 million was recorded compared to a loss of $2.2 million and $5.4 million in the respective prior year periods.

For the three months and year ended December 31, 2025, the Company also recorded a $4.6 million and $9.0 million realized gain on a COP/USD collar which settled in the money and is included in the total foreign exchange (gain) loss in the consolidated statement of comprehensive income for the year ended December 31, 2025.

Unrealized foreign exchange gains and losses may be reversed in the future as a result of fluctuations in exchange rates and are recorded in the Company's consolidated statements of comprehensive income.

The Company reviews its exposure to foreign currency variations on an ongoing basis and maintains cash deposits primarily denominated in USD and COP in Canada, Switzerland and Colombia.

Foreign Exchange Sensitivity Analysis

Cost component	Estimated percent of cost denominated in local currency	$/boe Impact of change in local currency/ $USD exchange rate: 10% appreciation of local currency	10% depreciation of local currency
Production expense	90%	$ 1.18	$ (1.18)
Transportation expense	50%	$ 0.26	$ (0.26)
G&A expense	100%	$ 0.40	$ (0.40)

The table above displays the estimated per boe impact of a change in Parex's local currencies and the effect on Parex's key cost components. The component impact in $/boe terms uses Q4 2025 per boe costs. This analysis ignores all other factors impacting cost structure including, but not limited to, efficiencies, cost reduction strategies, and cost inflation.

As at December 31, 2025, with other variables unchanged, the impact on the Company's financial instruments of a 10% strengthening (weakening) of the Cdn and COP against the USD would have decreased (increased) net income by approximately $8.7 million.

Other Expense

	For the three months ended December 31,		For the year ended December 31,	
	2025	2024	**2025**	2024
Other Colombian taxes	**$ 2,752**	$ 355	**$ 8,850**	$ 1,611
Colombian tax credit purchased	**—**	—	**8,097**	—
Legal provisions	**8,625**	—	**8,625**	—
Loss on settlement of decommissioning liabilities	**(392)**	1,127	**147**	1,593
Loss on disposition of tangible assets	**419**	649	**500**	1,987
Other	**381**	77	**2,981**	1,036
Total other expense	**$ 11,785**	$ 2,208	**$ 29,200**	$ 6,227

	For the three months ended December 31,		For the year ended December 31,	
	2025	2024	**2025**	2024
Non-cash other expense	**$ 8,652**	$ 1,776	**$ 9,272**	$ 3,580
Cash other expense	**3,133**	432	**19,928**	2,647
Total other expense	**$ 11,785**	$ 2,208	**$ 29,200**	$ 6,227

Other expense is comprised mainly of other Colombian taxes including the 1% surcharge on the sale or export of crude oil effective for 2025, legal provisions, Colombian tax credit purchased to reduce income tax expense, loss (gain) on settlement of decommissioning liabilities and loss (gain) on settlement of tangible assets. The non-cash components of other expense include the legal provisions, loss (gain) on settlement of decommissioning liabilities and loss (gain) on settlement of tangible assets.

Legal provisions have been recognized in respect of estimated fines and penalties mainly arising from environmental regulatory disputes. Management has assessed the likelihood of settlement and determined the best estimate based on relevant legislation and the probability of enforcement outcomes. The timing of the outflows is expected within 10 years. Significant judgement was applied in estimating the range of possible outcomes given the uncertainty involved.

Net Finance Expense

	For the three months ended December 31,		For the year ended December 31,	
	2025	2024	**2025**	2024
Bank charges and credit facility fees	**$ 911**	$ 1,124	**$ 4,748**	$ 3,673
Interest on bank debt	**1,100**	700	**2,765**	4,174
Accretion on decommissioning and environmental liabilities	**2,473**	1,848	**9,122**	9,206
Interest and other income	**(1,154)**	(998)	**(4,369)**	(4,315)
Bad debt expense	**—**	**—**	**3,442**	—
Expected credit loss (recovery) provision	**87**	163	**(53)**	67
Lease obligation interest expense	**224**	46	**365**	189
Other	**281**	437	**1,013**	1,099
Net finance expense	**$ 3,922**	$ 3,320	**$ 17,033**	$ 14,093

	For the three months ended December 31,		For the year ended December 31,	
	2025	2024	**2025**	2024
Non-cash finance expense	**$ 2,560**	$ 2,012	**$ 12,511**	$ 9,273
Cash finance expense	**1,362**	1,308	**4,522**	4,820
Net finance expense	**$ 3,922**	$ 3,320	**$ 17,033**	$ 14,093

Bank charges and credit facility fees relate to bank taxes paid in Colombia and the standby fees related to the Company's credit facility. The non-cash components of net finance expense include the accretion on decommissioning and environmental liabilities, bad debt expense and the expected credit loss (recovery) provision.

Risk Management

Management of cash flow variability is an integral component of Parex's business strategy. Changing business conditions are monitored regularly and, where material, reviewed with the board of directors ("the Board" or "Board of Directors") to establish risk management guidelines to be used by management. The risk exposure inherent in movements in the price of crude oil, fluctuations in the USD/COP exchange rate and interest rate movements are all proactively reviewed by Parex and as considered appropriate may be managed through the use of derivatives primarily with financial institutions that are members of Parex's syndicated bank credit facility. The Company considers these derivative contracts to be an effective means to manage and forecast cash flow.

Parex has elected not to apply IFRS prescribed "hedge accounting" rules and, accordingly, pursuant to IFRS the fair value of the financial contracts is recorded at each period-end. The fair value may change substantially from period to period depending on commodity and foreign exchange forward strip prices for the financial contracts outstanding at the balance sheet date. The change in fair value from period-end to period-end is reflected in the earnings for that period. As a result, earnings may fluctuate considerably based on the period-ending commodity and foreign exchange forward strip prices, in respect of any outstanding commodity or foreign exchange derivative contracts.

a) Risk Management Contracts – Brent Crude

As at December 31, 2025, the Company had no commodity price risk management contracts in place.

The following is a summary of the commodity price risk management contracts entered into subsequent to December 31, 2025:

Period Hedged	Reference	Volume bbls/d	Call strike price	Put Strike	Low Put Strike	Premium
January 1, 2026 to January 31, 2026	ICE Brent	12,000	$70.00	$60.00	$55.00	$0.65
April 1, 2026 to April 30, 2026	ICE Brent	12,000	$70.00	$60.00	$53.00	$—
May 1, 2026 to May 31, 2026	ICE Brent	12,000	$70.00	$60.00	$53.00	$—
June 1, 2026 to June 30, 2026	ICE Brent	12,000	$70.00	$60.00	$53.00	$—

The table below summarizes the loss (gain) on the commodity risk management contracts that were in place during the three months and years ended December 31, 2025 and 2024:

	For the three months ended December 31,		For the year ended December 31,	
($000s)	**2025**	2024	**2025**	2024
Realized gain on commodity risk management contracts	**$ (2,019)**	$ —	**$ (5,356)**	$ —
Premiums paid on commodity risk management contracts	**1,212**	—	**7,935**	—
Unrealized (gain) loss on commodity risk management contracts	**172**	1,160	**(1,160)**	1,160
Total	**$ (635)**	$ 1,160	**$ 1,419**	$ 1,160

b) Risk Management Contracts – Foreign Exchange

The Company is exposed to foreign currency risk as various portions of its cash balances are held in COP and Cdn while its committed capital expenditures are expected to be primarily denominated in USD.

As at December 31, 2025, the Company had no foreign currency risk management contracts in place.
The following is a summary of the foreign currency risk management contracts entered into subsequent to December 31, 2025:

Period Hedged	Reference	Currency Option Type	Amount USD	Strike Price COP	Max compensation
January 16, 2026 to December 15, 2026	COP	Collar with limited compensation	$99,000,000	3,700-4,200	800

The table below summarizes the gain on the foreign currency risk management contracts that were in place during the three months and years ended December 31, 2025 and 2024:

	For the three months ended December 31,		For the year ended December 31,	
($000s)	**2025**	2024	**2025**	2024
Unrealized loss on foreign currency risk management contracts	**$ 3,452**	$ —	**$ —**	$ —
Realized gain on foreign currency risk management contracts	**(4,580)**	—	**(8,998)**	—
Total	**$ (1,128)**	$ —	**$ (8,998)**	$ —

Marketable securities

	December 31, 2025	December 31, 2024
Marketable securities	**$ 45,090**	$ —

In 2025, the Company acquired 6,084,986 common shares (the "GeoPark Shares") of GeoPark Ltd (NYSE: GPRK), representing approximately 11.8% ownership, for aggregate consideration of $40.5 million ($6.65 per share). The fair value of the GeoPark Shares at December 31, 2025 was $45.1 million, resulting in an unrealized gain of $4.6 million, which is recorded in the consolidated statement of comprehensive income.

Parex is exposed to market risk associated with its marketable securities, including the GeoPark Shares, primarily driven by changes in the market price and liquidity of the securities. The market price of the GeoPark Shares may be volatile and could be adversely affected by general market conditions, the investee's performance and disclosures, oil and gas commodity prices, interest and foreign exchange rates, geopolitical developments in the investee's areas of operation, and other factors beyond the Company's control.

Total Non-Current Financial Liabilities

The following table summarizes the total non-current financial liabilities for the three most recently completed financial years:

	2025	2024	2023
Bank debt	**$ 33,000**	$ 60,000	$ 90,000
Lease obligation	**7,814**	4,622	5,736
Cash settled share-based compensation liabilities	**15,228**	9,553	16,284
Other long-term liabilities	**7,143**	—	—
Total	**$ 63,185**	$ 74,175	$ 112,020

Income Tax

The components of tax (recovery) expense for the three months and year ended December 31, 2025 and 2024 were as follows:

	For the three months ended December 31,		For the year ended December 31,	
($000s)	**2025**	2024	**2025**	2024
Current tax expense (recovery)	**$ 1,235**	$ (5,629)	**$ 33,502**	$ 90,389
Deferred tax (recovery) expense	**(41,313)**	4,749	**(53,779)**	158,203
Total tax (recovery) expense	**$ (40,078)**	$ (880)	**$ (20,277)**	$ 248,592
Effective current tax rate on funds flow provided by operations before tax[(1)]	**1%**	(4)%	**7%**	13%

(1) Supplementary financial measure. See "Non-GAAP and Other Financial Measures Advisory".

Current tax in the fourth quarter of 2025 was an expense of $1.2 million as compared to a $5.6 million recovery in the comparative three-month period. For the full year 2025 the Company recorded $33.5 million of current tax expense as compared to $90.4 million in 2024.

The significant decrease in current tax expense from the 2024 comparative periods is the result of lower operating cash flows before tax, along with certain tax strategies that have been deployed over recent years.

For the three months and year ended December 31, 2025, deferred tax was a recovery of $41.3 million and $53.8 million compared to an expense of $4.7 million and $158.2 million for the three months and year ended December 31, 2024. The increase in deferred tax recovery from the 2024 comparative periods is mainly a result of the appreciation of the Colombian peso and the reversal of the temporary differences created between the accounting and tax basis in Colombia.

2026 Current Tax Guidance

The table below reflects the expected effective current tax rate on funds flow provided by operations before tax in 2026:

Brent price assumption	**$60/bbl**	**$65/bbl**	**$70/bbl**	**$75/bbl**
Effect current tax rate on before tax funds flow provided by operations[(1)]	1-3%	4%	5-7%	8-11%

(1) Supplementary financial measure. See "Non-GAAP and Other Financial Measures Advisory".

The calculation of current and deferred income tax in Colombia is based on a number of variables which can cause swings in current and deferred income tax. These variables include but are not limited to the year-end producing reserves used in calculating depletion for tax purposes, the timing and number of dry hole write-offs permissible for Colombian tax purposes and currency fluctuations.

Capital Expenditures

For the year ended December 31,	Colombia		Canada		Total	
($000s)	**2025**	2024	**2025**	2024	**2025**	2024
Acquisition of unproved properties	**$ 9,937**	$ 2,619	**$ —**	$ —	**$ 9,937**	$ 2,619
Geological and geophysical	**10,101**	9,950	**—**	—	**10,101**	9,950
Drilling and completion	**248,507**	263,629	**—**	—	**248,507**	263,629
Well equipment and facilities	**38,618**	67,239	**—**	—	**38,618**	67,239
Other	**1,822**	438	**1,340**	3,820	**3,162**	4,258
Total capital expenditures[(1)]	**$ 308,985**	$ 343,875	**$ 1,340**	$ 3,820	**$ 310,325**	$ 347,695

(1) Non-GAAP financial measure. See "Non-GAAP and Other Financial Measures Advisory".

For the three months ended December 31,	Colombia		Canada		Total	
($000s)	**2025**	2024	**2025**	2024	**2025**	2024
Acquisition of unproved properties	**$ 4,791**	$ 941	**$ —**	$ —	**$ 4,791**	$ 941
Geological and geophysical	**1,100**	6,819	**—**	—	**1,100**	6,819
Drilling and completion	**62,581**	53,056	**—**	—	**62,581**	53,056
Well equipment and facilities	**14,212**	17,502	**—**	—	**14,212**	17,502
Other	**1,135**	438	**801**	3,354	**1,936**	3,792
Total capital expenditures[(1)]	**$ 83,819**	$ 78,756	**$ 801**	$ 3,354	**$ 84,620**	$ 82,110

(1) Non-GAAP financial measure. See "Non-GAAP and Other Financial Measures Advisory".

Below is additional information related to capital expenditures in the period by key operating area:

	For the three months ended December 31,		For the year ended December 31,	
($000s)	**2025**	2024	**2025**	2024
Block LLA-34	**$ 10,598**	$ 15,447	**$ 48,201**	$ 87,821
Southern Llanos	**33,176**	37,990	**190,241**	120,434
Northern Llanos	**11,148**	22,863	**32,297**	119,685
Putumayo Basin	**14,842**	—	**18,075**	—
Magdalena Basin	**12,919**	2,456	**18,348**	15,935
Canada and Colombia - Corporate	**1,937**	3,354	**3,163**	3,820
Total capital expenditures[(1)]	**$ 84,620**	$ 82,110	**$ 310,325**	$ 347,695

(1) Non-GAAP financial measure. See "Non-GAAP and Other Financial Measures Advisory".

During the year ended December 31, 2025, the Company incurred $310.3 million of capital expenditures with 92% spent on drilling, completion, well equipment and facilities in Colombia. During the year ended December 31, 2024, the Company incurred $347.7 million of capital expenditures with 95% spent on drilling, completion, well equipment and facilities in Colombia.

During the fourth quarter of 2025 the Company incurred capital expenditures of $84.6 million with 91% spent on drilling, completion, well equipment and facilities in Colombia. During the fourth quarter of 2024 the Company incurred capital expenditures of $82.1 million with 86% spent on drilling, completion and well equipment and facilities in Colombia.

During the year ended December 31, 2025, the Company's capital expenditures of $310.3 million were self-funded from funds flow provided by operations of $455.0 million.

Property Acquisition

On March 14, 2025, Parex, through a foreign subsidiary, acquired an additional 25% working interest in the Azogue field in the LLA-32 Block and 12.5% working interest in the remainder of the LLA-32 Block (the "LLA-32 Acquisition") resulting in 100% working interest in the Block for the Company. The Company paid total net consideration of $16.0 million.

The consolidated statement of comprehensive income includes results of operation of the LLA-32 Acquisition since the closing date of March 14, 2025. There were no transaction costs associated with the LLA-32 Acquisition.

This transaction has been accounted for using the acquisition method whereby the assets acquired and the liabilities assumed are recorded at fair values. As the fair value of the identifiable assets was determined to equal the purchase price, no goodwill arose on the transaction. The following table summarizes the recognizable assets acquired and consideration paid pursuant to the acquisition:

Assets acquired and liabilities assumed		
PP&E	$	16,788
Decommissioning liabilities		(820)
	$	15,968

Consideration for the acquisition		
Purchase price	$	19,000
Purchase price adjustments		(3,032)
Net consideration	$	15,968
Cash paid	$	14,970
Working capital adjustments		998
Total consideration paid	**$**	**15,968**

No working capital was included in the assets acquired.

The pro forma results for the year ended December 31, 2025 are shown below, as if the LLA-32 Acquisition had occurred on January 1, 2025. Pro forma results are not indicative of actual results or future performance.

Oil and natural gas sales	$	1,009,605
Net revenue less direct costs	$	580,120

The pro forma net income and pro forma net income per share, basic and diluted, are considered impracticable to calculate and therefore not included. The consolidated statement of comprehensive income for the year ended December 31, 2025 includes $32.6 million of oil sales attributable to the assets acquired since the LLA-32 Acquisition. Revenue less direct costs for the year ended December 31, 2025 attributable to the assets acquired since the LLA-32 Acquisition is $22.0 million. Net income for the year ended December 31, 2025 attributable to the assets acquired since the LLA-32 Acquisition is considered impracticable to calculate.

Long-Term Inventory

The Company has long-lead material and equipment inventory such as drill casing, natural gas compressors, and other major equipment. With, at times, strong demand for material and equipment used in oil and gas operations, periodically the Company secures material and equipment ahead of its upcoming capital programs. The Company plans on deploying this long-lead inventory over the coming years.

During 2025, the Company completed an impairment review of its long-term inventory. It was determined that the carrying amount of certain long-term inventory assets was lower than the recoverable amount and an impairment of $6.5 million (three months ended December 31, 2024 - $10.0 million) was recorded in the consolidated statements of comprehensive income for the three-month period ended December 31, 2025 .

Cost		
Balance at December 31, 2023	**$**	**204,701**
Additions		55,990
Transfers to E&E and PP&E assets		(40,028)
Transfer to production costs		(5,269)
Sale of inventory		(5,920)
Impairment		(10,000)
Balance at December 31, 2024	**$**	**199,474**
Additions		10,441
Transfers to E&E and PP&E assets		(25,045)
Transfer to production costs		(1,787)
Sale of inventory		(1,187)
Impairment		(6,470)
Balance at December 31, 2025	**$**	**175,426**

The below table represents the long-term inventory expenditures for the three months and years ended December 31, 2025 and 2024:

	For the three months ended December 31,		For the year ended December 31,	
($000s)	**2025**	2024	**2025**	2024
Additions	**$ 863**	8,189	**$ 10,441**	$ 55,990
Transfers to D&P and E&E assets	**(8,263)**	(6,941)	**(25,045)**	(40,028)
Transfer to production costs	**211**	(1,642)	**(1,787)**	(5,269)
Sale of inventory	**(489)**	(2,175)	**(1,187)**	(5,920)
Total long-term inventory expenditures, net of transfers and sales	**$ (7,678)**	$ (2,569)	**$ (17,578)**	$ 4,773

Non-Cash Impairment Charges

	For the three months ended December 31,		For the year ended December 31,	
($000s)	**2025**	2024	**2025**	2024
Impairment of E&E assets	**$ 11,140**	$ 49,424	**$ 11,140**	$ 54,085
Impairment of PP&E assets	**—**	78,417	**—**	78,417
Impairment of long-term inventory	**6,470**	10,000	**6,470**	10,000
Total non-cash impairment charges before deferred income tax recoveries	**$ 17,610**	$ 137,841	**$ 17,610**	$ 142,502

2025 Impairments

During 2025, the Company completed impairment reviews of its E&E assets. It was determined that the carrying amount of certain E&E assets wouldn't be recovered, primarily associated with the LLA-94 Block, for costs related to exploration wells which indicated non-economic results and has relinquished the block. It was determined that the impairment was $11.1 million which is recorded in the consolidated statements of comprehensive income for the year ended December 31, 2025.

The carrying amounts of the Company's PP&E assets are reviewed at each reporting date to determine whether there is any indication of impairment. At December 31, 2025, there were no indicators of PP&E impairment noted or indicators requiring a reversal of previously recorded impairments.

During 2025, the Company completed impairment reviews of its long-term inventory. It was determined that the carrying amount of certain long-term inventory assets was lower than the recoverable amount and an impairment of $6.5 million was recorded in the consolidated statements of comprehensive income for the three-month period ended December 31, 2025.

2024 Impairments

During 2024, the Company completed impairment reviews of its E&E assets. It was determined that the carrying amount of certain E&E assets wouldn't be recovered, primarily associated with the LLA-122 Block, for costs related to an exploration well which indicated technically unfeasible results at an acceptable risk tolerance. The impairment review compared the carrying value of the assets to the fair value less cost of disposal to determine the recoverable amount which was determined to be $nil for LLA-122 Block assets. It was determined that the impairment was $49.4 million and $54.1 million for the three months and year ended December 31, 2024, which is recorded in the consolidated statements of comprehensive income for the year ended December 31, 2024.

The carrying amounts of the Company's PP&E assets are reviewed at each reporting date to determine whether there is any indication of impairment. A revision of the estimation of the total proved and probable reserves in the Aguas Blancas CGU and the Boranda/Fortuna CGU, both in the Magdalena Basin, for the year ended December 31, 2024, evidenced a decline as compared to the prior year estimation. Management considered this to be an indicator of impairment and carried out an impairment review of these CGUs.

The Company determined that the carrying amount of Aguas Blancas CGU and the Boranda/Fortuna CGU exceeded their recoverable amounts and an impairment of $78.4 million was recorded in the consolidated statements of comprehensive income for the three months and year ended December 31, 2024. There are no E&E assets associated with these CGUs.

At December 31, 2024, the recoverable amount of the Aguas Blancas CGU was estimated to be $20.9 million, and the recoverable amount of the Boranda/Fortuna CGU was estimated to be $3.5 million. A 1% change to the assumed discount rate or a 5% change in forward price estimates over the life of the reserves would have an immaterial impact on the impairment. The fair value as determined was consistent with the Company's independent qualified reserve evaluators reserve estimate at December 31, 2024. The recoverable amount was determined using estimated fair value less costs of disposal.

Future cash flows were discounted using an after tax-rate of 14% with the following prices being used by Parex's independent reserve evaluator as at December 31, 2024:

	2025	2026	2027	2028	2029	Thereafter
Brent ($US/bbl)	75.25	77.50	80.08	82.69	84.34	2% increase per year
WTI ($US/bbl)	71.25	73.50	76.00	78.53	80.10	2% increase per year

For all other CGUs, at December 31, 2024, there were no indicators of PP&E impairment noted or indicators requiring a reversal of previously recorded impairments.

During 2024, the Company completed impairment reviews of its long-term inventory. It was determined that the carrying amount of certain long-term inventory assets was lower than the recoverable amount and an impairment of $10.0 million was recorded in the consolidated statements of comprehensive income for the three-month period ended December 31, 2024.

For further information regarding the impairment charges for the years ended December 31, 2025 and 2024, refer to note 8 - Exploration and Evaluation Assets, note 9 - Property, Plant and Equipment and note 10 - Long-Term Inventory in the audited consolidated financial statements.

Impairment Test of Goodwill

The Company performed its annual test for goodwill impairment at the balance sheet date in accordance with its policy described in note 3 - Summary of Material Accounting Policies of the audited consolidated financial statements. The Company has allocated goodwill to the Colombia operating segment. The estimated fair value less costs of disposal of the Colombia operating segment exceeded the carrying value. As a result, no goodwill impairment was recorded. For additional information refer to note 14 - Goodwill in the audited consolidated financial statements.

Summary of Quarterly Results (unaudited)

Three months ended ($000s) (except per share amounts)	**Dec. 31, 2025**	Sep. 30, 2025	Jun. 30, 2025	Mar. 31, 2025
Average daily production				
Light Crude Oil and Medium Crude Oil (bbl/d)	**14,835**	10,525	10,498	10,650
Heavy Crude Oil (bbl/d)	**32,267**	32,026	31,047	32,207
Crude Oil (bbl/d)	**47,102**	42,551	41,545	42,857
Conventional Natural Gas (mcf/d)	**9,024**	8,412	5,982	4,806
Total (boe/d)	**48,606**	43,953	42,542	43,658
Realized sales price - oil ($/bbl)[6]	**56.70**	62.32	61.07	67.05
Financial (000s except per share amounts)				
Oil and natural gas sales	**$ 248,713**	$ 252,424	$ 239,070	$ 265,635
Funds flow provided by operations[5]	**$ 122,922**	$ 105,298	$ 104,821	$ 121,944
Per share – basic[2][4]	**1.28**	1.09	1.08	1.24
Per share – diluted[2][4]	**1.28**	1.09	1.08	1.24
Net income	**$ 74,865**	$ 50,476	$ 49,113	$ 80,629
Per share – basic[4]	**0.78**	0.52	0.50	0.82
Per share – diluted[4]	**0.78**	0.52	0.50	0.82
Dividends paid	**26,853**	26,892	27,561	26,365
Per share – Cdn$[4][6]	**0.385**	0.385	0.385	0.385
Capital Expenditures[1]	**$ 84,620**	$ 79,961	$ 88,690	$ 57,054
Long-term inventory expenditures, net of transfers and sales	**$ (7,678)**	$ (1,585)	$ (3,667)	$ (4,648)
Total assets (end of period)	**$ 2,341,092**	$ 2,260,531	$ 2,223,178	$ 2,197,955
Outstanding shares (end of period) (000s)	**95,974**	96,564	97,184	97,814
Working capital (deficit) surplus (end of period)[3][5]	**$ 28,027**	$ (3,167)	$ 20,048	$ 69,040

Three months ended ($000s) (except per share amounts)	Dec. 31, 2024	Sep. 30, 2024	Jun. 30, 2024	Mar. 31, 2024
Average daily production				
Light Crude Oil and Medium Crude Oil (bbl/d)	9,550	9,064	9,541	7,237
Heavy Crude Oil (bbl/d)	34,882	37,777	43,229	45,543
Crude Oil (bbl/d)	44,432	46,841	52,770	52,780
Conventional Natural Gas (mcf/d)	5,190	4,368	4,788	3,348
Total (boe/d)	45,297	47,569	53,568	53,338
Realized sales price - oil ($/bbl)[6]	64.01	69.07	75.69	71.02
Financial (000s except per share amounts)				
Oil and natural gas sales	$ 277,824	$ 302,033	$ 364,874	$ 335,298
Funds flow provided by operations[5]	$ 141,201	$ 151,773	$ 180,952	$ 148,307
Per share – basic[2][4]	1.43	1.50	1.77	1.43
Per share – diluted[2][4]	1.43	1.50	1.77	1.43
Net income (loss)	$ (69,051)	$ 65,793	$ 3,845	$ 60,093
Per share – basic[4]	(0.70)	0.65	0.04	0.58
Per share – diluted[4]	(0.70)	0.65	0.04	0.58
Dividends paid	26,658	28,467	28,528	28,531
Per share – Cdn$[4][6]	0.385	0.385	0.385	0.375
Capital Expenditures[1]	$ 82,110	$ 82,367	$ 97,797	$ 85,421
Long-term inventory expenditures, net of transfers and sales	$ (2,569)	$ (6,318)	$ 9,817	$ 3,843
Total assets (end of period)	$ 2,155,062	$ 2,290,683	$ 2,324,483	$ 2,355,512
Outstanding shares (end of period) (000s)	98,339	100,031	101,616	102,914
Working capital surplus (end of period)[3][5]	$ 59,397	$ 37,509	$ 34,156	$ 55,901

(1) Non-GAAP financial measure. See "Non-GAAP and Other Financial Measures Advisory".
(2) Non-GAAP ratio. See "Non-GAAP and Other Financial Measures Advisory".
(3) Working capital does not include the undrawn amount available on the credit facility.
(4) Per share amounts (with the exception of dividends) are based on weighted average common shares. Dividends paid per share are based on the number of common shares outstanding at each dividend record date.
(5) Capital management measure. See "Non-GAAP and Other Financial Measures Advisory".
(6) Supplementary financial measure. See "Non-GAAP and Other Financial Measures Advisory".

Factors that Caused Variations Quarter Over Quarter

Trends in net income, oil and natural gas sales and funds flow provided by operations are primarily associated with fluctuations in commodity sales from production which reflect changes in production levels and commodity prices, in addition to fluctuations in foreign currency (see "Foreign Exchange" section). Net income is also impacted by changes in non-cash impairment of property, plant and equipment, exploration and evaluation and long term-inventory assets. Changes in income taxes, as discussed in the section "Income Tax", also impact net income for current and deferred taxes, while funds flow provided by operations is impacted by current income taxes. Working capital trends are primarily associated with fluctuations in funds flow provided by operations, capital and long-term inventory expenditures in accordance with the Company's activities, bank debt borrowing or repayment, timing of settlement of receivables and payables and income taxes and the cost associated with share repurchases and dividend payments.

Refer to "Financial and Operating Results" for detailed discussions on variations during the comparative quarters and to Parex's previously issued annual and interim MD&As for further information regarding changes in prior quarters.

Fourth Quarter Results

Consolidated Statements of Comprehensive Income for the three months ended December 31, 2025 and 2024:

($000s) For the three month period ended December 31,		**2025**		2024
Oil and natural gas sales	**$**	**248,713**	$	277,824
Royalties		**(28,649)**		(41,094)
Net revenue		**220,064**		236,730
Other revenue		**2,827**		2,739
Commodity risk management contracts gain (loss)		**635**		(1,160)
Revenue		**223,526**		238,309
Expenses				
Production		**57,073**		67,708
Transportation		**23,081**		16,877
Purchased oil		**—**		59
General and administrative		**17,657**		17,900
Impairment of property, plant and equipment assets		**—**		78,417
Impairment of exploration and evaluation assets		**11,140**		49,424
Impairment of long-term inventory		**6,470**		10,000
Equity settled share-based compensation expense		**183**		223
Cash settled share-based compensation expense		**9,863**		5,926
Depletion, depreciation and amortization		**54,270**		53,984
Other expenses		**11,785**		2,208
Foreign exchange (gain) loss		**(2,089)**		2,194
Unrealized gain on marketable securities		**(4,616)**		—
		184,817		304,920
Finance (income)		**(1,154)**		(998)
Finance expense		**5,076**		4,318
Net finance expense		**3,922**		3,320
Income (loss) before income taxes		**34,787**		(69,931)
Income tax (recovery)				
Current tax expense (recovery)		**1,235**		(5,629)
Deferred tax (recovery) expense		**(41,313)**		4,749
		(40,078)		(880)
Net income (loss) and comprehensive income (loss) for the period	**$**	**74,865**	$	(69,051)

Liquidity and Capital Resources

The Company remains committed to delivering returns to shareholders, while also investing in its assets to provide a total shareholder return. Typically, the Company relies on funds flow provided by operations and its credit facility to meet capital requirements, dividend payments, share repurchases and maintain liquidity. After evaluating its current liquidity, working capital position, projected working capital needs, operational results, and financial forecasts, the Company anticipates that its available cash and cash equivalents, credit facilities, and expected funds flow provided by operations will be sufficient to support the growth of the Company and fund development activities. While the Company deems this outlook reasonable, available cash and cash equivalents are subject to variations and risk associated with ordinary operations, and it cannot guarantee that all or part of its liquidity objective will be met, that sufficient internal funds will be generated, or that external financing will be available if needed.

The Company can adjust its capital structure by issuing new equity or debt and making adjustments to its capital expenditure, share buy-back and dividend programs to the extent the capital expenditures are not committed. The Company considers its capital structure currently to include shareholders' equity, the credit facility and its working capital. As at December 31, 2025, shareholders' equity was $1,952.9 million (December 31, 2024 - $1,831.3 million).

As at December 31, 2025, the Company had a working capital surplus(1) of $28.0 million as compared to a working capital surplus(1) of $59.4 million at December 31, 2024.

As at December 31, 2025, Parex held $58.3 million of unrestricted cash compared to $98.0 million at December 31, 2024 and $69.8 million at September 30, 2025. The Company's cash balances reside primarily in current accounts with chartered financial institutions, the majority of which are held on account in Canada, Switzerland and Colombia in USD.

Parex's senior secured credit facility is with a syndicate of three Canadian banks has a current borrowing base of $240.0 million (December 31, 2024 - $240.0 million). The credit facility is intended to serve as means to increase liquidity and fund cash or letter of credit needs as they arise. As at December 31, 2025, $33.0 million (December 31, 2024 - $60.0 million) was drawn on the credit facility. The credit facility is secured by the Company's Colombian assets and has final maturity date of May 21, 2027. The next annual review is scheduled to occur in May 2026. The next re-determination of the credit facility is not expected to impact the Company's current or future operations, reduce the 2026 outlook or change the Company's guidance. Parex expects to draw on the credit facility at various times to manage timing differences associated with timing of vendor payments and oil sales collections. Key covenants include a rolling four quarters total funded debt to adjusted EBITDA test of 3:50:1, and other standard business operating covenants. The Company is in compliance with all covenants.

Refer to note 29 - Commitments and Contingencies of the audited consolidated financial statements for a description of the performance guarantees as well as the unsecured letters of credit.

(1) Capital Management Measure. See "Non-GAAP and Other Financial Measures Advisory".

Outstanding Share Data

Parex is authorized to issue an unlimited number of voting common shares without nominal or par value. As at December 31, 2025, the Company had 95,974,136 common shares outstanding compared to 98,339,036 at December 31, 2024, a decrease of 2%. At March 3, 2026, the common shares outstanding remains as 95,974,136.

The Company has a stock option plan that provides for the issuance of stock options to acquire common shares to the Company's officers, executives and certain employees resulting in common shares issued from treasury.

As at March 3, 2026, Parex had the following securities outstanding:

	Number	%
Common shares	95,974,136	99
Stock options	1,085,025	1
	97,059,161	100

As of the date of this MD&A, total stock options outstanding represent approximately 1% of the total issued and outstanding common shares.

Contractual Obligations, Commitments and Guarantees

In the normal course of business, Parex has entered into arrangements and incurred obligations that will affect the Company's future operations and liquidity. These commitments primarily relate to joint venture farm-in arrangements, business collaboration agreements and exploration work commitments including seismic and drilling activities. The Company has discretion regarding the timing of capital spending for exploration work commitments, provided that the work is completed by the end of the exploration periods specified in the contracts or the Company can negotiate extensions of the exploration periods. The Company's exploration commitments are described in the Company's AIF under "Principal Properties". These obligations and commitments are considered in assessing cash requirements in the discussion of future liquidity.

In Colombia, the Company has provided guarantees to the ANH and Empresa Colombiana de Petróleos S.A., ("Ecopetrol") joint venture blocks related to the exploration work commitments on its Colombian concessions in the amount of $235.1 million as at December 31, 2025 (December 31, 2024 - $160.7 million). The guarantees have been provided in the form of letters of credit for varying terms that are mainly provided by select Latin American banks on an unsecured basis. The letters of credit issued to the ANH and Ecopetrol are reduced from time to time to reflect the work performed on the various blocks.

At December 31, 2025, the total lease obligation was $9.1 million (December 31, 2024 - $5.2 million) of which $7.8 million (December 31, 2024 - $4.6 million) is classified as long-term in accordance with the lease terms.

The following table summarizes the Company's estimated undiscounted commitments as at December 31, 2025:

($000s)	**Total**	**<1 year**	**1 – 3 years**	**4 – 5 years**	**>5 years**
Exploration	$ 753,488	$ 42,434	$ 242,619	$ 468,435	$ —
Office and accommodations[(1)]	6,966	2,984	2,815	1,167	—
Decommissioning and Environmental Obligations	274,188	10,158	—	—	264,030
Total	**$ 1,034,642**	**$ 55,576**	**$ 245,434**	**$ 469,602**	**$ 264,030**

(1) Includes minimum lease payment obligations associated with leases for office space and accommodations.

Decommissioning and Environmental Liabilities

	Decommissioning	Environmental	Total
Balance, December 31, 2023	**$ 71,523**	**$ 24,209**	**$ 95,732**
Additions	5,398	332	5,730
Settlements of obligations during the year	(7,038)	(3,235)	(10,273)
Loss on settlement of obligations	1,593	—	1,593
Accretion expense	6,853	2,353	9,206
Change in estimate - inflation and discount rates	(9,400)	(3,205)	(12,605)
Change in estimate - costs	1,725	(8,342)	(6,617)
Foreign exchange gain	(2,185)	(2,906)	(5,091)
Balance, December 31, 2024	**$ 68,469**	**$ 9,206**	**$ 77,675**
Additions	6,407	3,275	9,682
Property acquisitions - Note 11	702	118	820
Settlements of obligations during the year	(5,877)	(3,635)	(9,512)
Loss (gain) on settlement of obligations	596	(449)	147
Accretion expense	8,160	962	9,122
Change in estimate - inflation and discount rates	(6,197)	(1,192)	(7,389)
Change in estimate - costs	2,216	1,490	3,706
Foreign exchange loss	3,087	1,827	4,914
Balance, December 31, 2025	**77,563**	**11,602**	**89,165**
Current obligation	(7,318)	(2,840)	(10,158)
Long-term obligation	**$ 70,245**	**$ 8,762**	**$ 79,007**

The total environmental, decommissioning and restoration obligations were determined by management based on the estimated costs to settle environmental impact obligations incurred and to reclaim and abandon the wells and well sites based on contractual requirements. The obligations are expected to be funded from the Company's internal resources available at the time of settlement.

The total decommissioning and environmental liability is estimated based on the Company's net ownership in wells drilled as at December 31, 2025, with the estimated costs to abandon and reclaim the wells and well sites and the estimated timing of the costs to be paid in future periods. The total undiscounted amount of cash flows required to settle the Company's decommissioning liability is approximately $244.5 million as at December 31, 2025 (December 31, 2024 - $216.8 million) with the majority of these costs anticipated to occur in 2033 or later. A risk-free discount rate of 12.5% and an inflation rate of 4.0% were used in the valuation of the liabilities (December 31, 2024 - 11.2% risk-free discount rate and a 4.0% inflation rate). The risk-free discount rate and the inflation rate used in 2025 and 2024 are based on forecast Colombia rates.

Included in the decommissioning liability is $7.3 million (December 31, 2024 - $11.7 million) that is classified as a current obligation.

The total undiscounted amount of cash flows required to settle the Company's environmental liability is approximately $29.7 million as at December 31, 2025 (December 31, 2024 - $24.6 million) with the majority of these costs anticipated to occur in 2033 or later in Colombia. A risk-free discount rate of 12.5% and an inflation rate of 4.0% were used in the valuation of the liabilities (December 31, 2024 - 11.2% risk-free discount rate and a 4.0% inflation rate). The risk-free discount rate and the inflation rate used in 2025 and 2024 are based on forecast Colombia rates.

Included in the environmental liability is $2.8 million (December 31, 2024 - $2.9 million) that is classified as a current obligation.

A change to the assumed discount rate or inflation rate would have an the following impact on the decommissioning and environmental liabilities:

		2025		2024	
As at December 31,	**Sensitivity Range**	**Increase**	**Decrease**	Increase	Decrease
Risk-free discount rate	+/- one percent	**$ (5,551)**	**$ 6,157**	$ (5,349)	$ 6,022
Inflation rate	+/- one percent	**$ 6,600**	**$ (6,013)**	$ 6,406	$ (5,702)

Decommissioning and environmental liabilities are considered critical accounting estimates. There are significant uncertainties related to decommissioning and environmental expenditures and the impact on the financial statements could be material. The eventual timing of and costs for these expenditures could differ from current estimates. The main factors that can cause expected estimated cash flows in respect of decommissioning and environmental liabilities to change are:

- changes in laws, legislation and regulations;
- construction of new facilities;
- change in commodity price;
- change in the estimate of oil reserves and the resulting amendment to the life of reserves;
- changes in technology; and
- execution of decommissioning and environmental liabilities.

Subsequent Events

NCIB

On January 22, 2026, the Company commenced an NCIB to purchase for cancellation, from time to time, as it considers advisable up to a maximum of 9,407,490 Common Shares on the open market through the facilities of the TSX and/or alternative trading systems. The NCIB will terminate on January 21, 2027.

Proposal

On February 23, 2026, the Company announced that it has submitted an acquisition proposal (the "Proposal") to the Board of Directors of Frontera Energy Corporation (TSX: FEC) ("Frontera") to acquire all of Frontera's Colombian upstream business in an all-cash offer for consideration of $500 million, plus the assumption of debt, in addition to a contingent payment of $25 million.

Binding Proposal

On March 2, 2026, the Company submitted a binding acquisition proposal (the "Binding Proposal") to the Board of Frontera Energy Corporation (TSX: FEC) ("Frontera") to acquire all of Frontera's Colombian upstream business in an all-cash offer for consideration of $500 million, plus the assumption of debt, in addition to a contingent payment of $25 million. On the same day, Frontera provided an update on the previously-announced non-binding proposal by Parex, acknowledging receipt of a binding offer of $525 million and awaiting confirmation of certain terms.

Advisory on Forward-Looking Statements

Certain information regarding Parex set forth in this MD&A, including assessments by the Company's management of the Company's plans and future operations, contains forward-looking statements that involve substantial known and unknown risks and uncertainties. The use of any of the words "plan", "expect", "forecast", "project", "intend", "believe", "anticipate", "estimate" or other similar words, or statements that certain events or conditions "may" or "will" occur are intended to identify forward-looking statements. Such statements represent the Company's internal projections, estimates or beliefs concerning, among other things, future growth, results of operations, production, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, plans for and results of drilling activity, environmental matters, business prospects and opportunities. These statements are only predictions and actual events or results may differ materially. Although the Company's management believes that the expectations reflected in the forward-looking statements are reasonable, it cannot guarantee future results, levels of activity, performance or achievement since such expectations are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, Parex. In particular, forward-looking statements contained in this MD&A include, but are not limited to, statements with respect to:

- the Company's operational strategy, plans, priorities and focus;
- Parex's expectation to provide a competitive return of capital through dividends and share repurchases, while investing in the Company's assets to provide a total shareholder return;
- Parex's expectations as to debt levels, commodity risk management and other hedging activities;
- Parex's 2026 guidance, including its anticipated funds flow provided by operations netback, capital expenditures; funds flow provided by operations, free funds flow and annual average production;
- Parex's expectation that crude oil inventory in future periods will be in line with normal historic levels;
- Parex's anticipated 2026 production expense per boe;
- Parex's expectations that its transportation expense will fluctuate period over period due to the mix of sales contracts types in force during the period;
- that Parex will review its exposure to foreign currency variations on an ongoing basis and maintains cash deposits primarily denominated in USD and COP in Canada, Switzerland and Colombia;
- Parex's foreign exchange sensitivity analysis;
- Parex's expectations regarding legal provisions, including the anticipated outcomes, estimated amounts and timing of potential outflows in connection therewith;
- Parex's approach to risk management and cash flow variability;
- Parex's plans to relinquish certain blocks;
- Parex's intentions to deploy long-lead inventory over the coming years and that Parex secures material and equipment ahead of its upcoming capital programs;
- the terms of the Company's credit facility including the timing of the next annual review and borrowing base redetermination;
- the Company's plan to draw on the credit facility to manage timing differences associated with timing of vendor payments and oil sales collections;
- the Company's expectation that its available cash and cash equivalents, credit facilities, and expected funds flow provided by operations will be sufficient to support the growth of the Company and fund development activities;
- Parex's ability to adjust its capital structure and the mechanics thereof;
- Parex's estimated undiscounted commitments, including exploration, office and accommodations and, decommissioning and environmental obligations, and the anticipated timing thereof;
- the anticipated total undiscounted cash flows required to settle the Company's decommissioning and environmental liability cost, the anticipated timing thereof, and the internal resources available to the Company at the time of settlement;
- foreign currency risk and the ability to reverse unrealized foreign exchange gains and losses in the future;
- the Company's risk management strategy and the fluctuation of earnings based on strip prices;
- the Company's estimated effective tax rate for 2026;
- anticipated Brent and WTI prices;
- terms of certain of Parex's contractual obligations;
- Parex's plan to monitor and disclose key metrics surrounding the environmental impacts of its operations;
- Parex's expectations regarding the Binding Proposal including the value and benefits thereof; and
- the statements set forth under "Accounting Policies and Estimates" in this MD&A.

These forward-looking statements are subject to numerous risks and uncertainties, including but not limited to: the impact of general economic conditions in Canada and Colombia; determination by Organization of Petroleum Exporting Countries ("OPEC") and other country as to production levels; industry conditions including changes in laws and regulations including adoption of new environmental laws and regulations, and changes in how they are interpreted and enforced in Canada and Colombia; continued volatility and fluctuations in market prices for oil; the impact of significant declines in market prices for oil; competition; lack of availability of qualified personnel; the results of exploration and development drilling and related activities; partner approval of capital work programs and other matters requiring approval; imprecision in reserve, resource and revenue estimates; incorrect forecasts of the production and growth potential of Parex's assets; obtaining required approvals of regulatory authorities in Canada and Colombia; risks associated with negotiating with foreign governments as well as country risk associated with conducting international activities; fluctuations in foreign exchange or interest rates; environmental risks; changes in income tax laws or changes in tax laws and incentive programs relating to the oil and natural gas industry; the risk that tariffs, taxes, restrictions or prohibitions on import or export of certain goods including oil and gas may have on the Company, the oil and gas industry or the global economy; ability to access sufficient capital from internal and external sources; risk that the fines and penalties recognized as legal provisions may be more than anticipated or outflows in respect thereof may occur sooner than anticipated; risk that the Company will not be able to obtain contract extensions or fulfill the contractual obligations required to retain its rights to explore, develop and exploit any of its undeveloped properties; the risk that Parex is unable to realize the anticipated benefits of acquisitions and dispositions, including of the GeoPark Shares or the Binding Proposal; the risk that Parex may not consummate a transaction with GeoPark or that Parex may incur a loss on the GeoPark Shares; the risk that Parex may incur significant costs related to the Binding Proposal, regardless of whether the Binding Proposal is successful or that Parex may not be able to complete a transaction with Frontera on the terms or timeline anticipated, or at all; risk of failure to achieve the anticipated benefits associated with acquisitions; failure of counterparties to perform under the terms of their contracts; changes to pipeline capacity; the risk that Parex's evaluation of its existing portfolio of development and exploration opportunities may not be consistent with its expectations; failure to meet expected production targets; the risk that Parex may not have sufficient financial resources in the future to pay a divided or repurchase shares under its NCIB; the risk that the Board may not declare dividends in the future and that there may not be base dividend growth or that Parex's dividend policy changes; the risk that Parex's risk management strategy may not be an effective means of managing and forecasting cash flow; the risk that Parex's capital expenditures, growth in production and production per share may be different than anticipated; the risk that the Company's capital and operating expenditures relating to the protection of the environment may be greater than anticipated; the risk that the Company's financial and operating results including, its 2026 guidance, may not be consistent with its expectations; the risk that the Company's environmental strategies may not be successful and that the Company may not remain in material compliance with environmental protection legislation; the risk that Parex may not deploy its long-lead inventory when anticipated; the risk that Parex may not be successful in attracting and retaining qualified successors to its Chief Executive Officer and other senior officers in the event of departure; the risk that the Company's inventory deployment in 2026 may be more or less than anticipated; the risks discussed under "Decommissioning and Environmental Liabilities" in this MD&A; the risks discussed under "Risk Factors" in the Company's AIF; and other factors, many of which are beyond the control of the Company. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect the Company's operations and financial results are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR+ website (www.sedarplus.ca).

Although the forward-looking statements contained in this MD&A are based upon assumptions which management believes to be reasonable, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. With respect to forward-looking statements contained in this MD&A, Parex has made assumptions regarding, among other things: current and future commodity prices and royalty regimes; availability of skilled labour; timing and amount of capital expenditures; access to areas of the Company's operations and infrastructure in light of the impact of community unrest on the Company's operations; future exchange rates; the price of oil; the impact of increasing competition; conditions in general economic and financial markets; availability of drilling and related equipment; effects of regulation by governmental agencies and environmental legislation on the Company's operations; recoverability of reserves and future production rates; timing and number of dry hole write-offs permitted for Colombian tax purposes; the anticipated benefits from the voluntary corporate restructuring; royalty rates; future operating costs; foreign exchange rates; the duration and impact of tariffs, taxes, restrictions or prohibition of importing goods including oil and natural gas; the status of litigation; timing of drilling and completion of wells; that the Company will have sufficient cash flow, debt or equity sources or other financial resources required to fund its capital and operating expenditures and requirements as needed; that the Company's conduct and results of operations will be consistent with its expectations; that the Company will have the ability to develop the Company's oil and gas properties in the manner currently contemplated; current or, where applicable, proposed industry conditions, laws and regulations will continue in effect or as anticipated as described herein; that the estimates of the Company's reserves volumes and the assumptions related thereto (including commodity prices and development costs) are accurate in all material respects; that the Company will be able to obtain contract extensions or fulfill the contractual obligations required to retain its rights to explore, develop and exploit any of its undeveloped properties; on-stream timing of production from successful exploration wells; operational performance of non-operated producing fields; pipeline capacity; that Parex will have sufficient financial resources in the future to pay a dividend; that the Board will declare dividends in the future; that Parex will have sufficient financial resources to repurchase shares under its NCIB; that strip prices will remain unchanged; and other matters. The ability of the Company to carry out its business plan is primarily dependent upon the continued support of its shareholders, the discovery of economically recoverable reserves and the ability of the Company to obtain financing or generate sufficient cash flow to develop such reserves.

Forward-looking statements and other information contained in this MD&A concerning the oil and natural gas industry in the countries in which it operates and the Company's general expectations concerning this industry are based on estimates prepared by Management using data from publicly available industry sources as well as from resource reports, market research and industry analysis and on assumptions based on data and knowledge of this industry which the Company believes to be reasonable. However, this data is inherently imprecise, although generally indicative of relative market positions, market shares and performance characteristics. While the Company is not aware of any material misstatements regarding any industry data presented herein, the oil and natural gas industry involves numerous risks and uncertainties and is subject to change based on various factors.

Management has included forward looking information, and the above summary of assumptions and risks related to forward-looking information in this MD&A in order to provide shareholders with a more complete perspective on the Company's current and future operations and such information may not be appropriate for other purposes. The Company's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do, what benefits Parex will derive there from. These forward-looking statements are made as of the date of this MD&A and Parex disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

This MD&A contains information that may be considered a financial outlook under applicable securities laws about the Company's potential financial position, including, but not limited to: Parex's 2026 guidance, including its anticipated funds flow provided by operations netback, capital expenditures, funds flow provided by operations, and free funds flow; Parex's anticipated 2026 production expense per boe; Parex's expectations that its transportation expense will fluctuate period over period due to the mix of sales contracts types in force during the period; Parex's foreign exchange sensitivity analysis; Parex's estimated undiscounted commitments, including exploration, office and accommodations and decommissioning and environmental obligations; and the anticipated timing thereof; the anticipated total undiscounted cash flows required to settle the Company's decommissioning and environmental liability cost, the anticipated timing thereof, and the internal resources available to the Company at the time of settlement; Parex's estimated fines and penalties recognized under legal provisions, including the anticipated timing thereof; and the Company's estimated effective tax rate for 2026; all of which are subject to numerous assumptions, risk factors, limitations and qualifications, including those set forth in the above paragraphs. The actual results of operations of the Company and the resulting financial results will vary from the amounts set forth in this MD&A and such variations may be material. This information has been provided for illustration only and with respect to future periods are based on budgets and forecasts that are speculative and are subject to a variety of contingencies and may not be appropriate for other purposes. Accordingly, these estimates are not to be relied upon as indicative of future results. Except as required by applicable securities laws, the Company undertakes no obligation to update such financial outlook. The financial outlook contained in this MD&A was made as of the date of this MD&A and was provided for the purpose of providing further information about the Company's potential future business operations. Readers are cautioned that the financial outlook contained in this MD&A is not conclusive and is subject to change.

Distribution Advisory

The Company's future shareholder distributions, including but not limited to the payment of dividends and the acquisition by the Company of its shares pursuant to its NCIB, if any, and the level thereof is uncertain. Any decision to pay further dividends on the common shares (including the actual amount, the declaration date, the record date and the payment date in connection therewith and any special dividends) or acquire shares of the Company will be subject to the discretion of the Board of Directors of Parex and may depend on a variety of factors, including, without limitation the Company's business performance, financial condition, financial requirements, growth plans, expected capital requirements and other conditions existing at such future time including, without limitation, contractual restrictions and satisfaction of the solvency tests imposed on the Company under applicable corporate law. Further, the actual amount, the declaration date, the record date and the payment date of any dividend are subject to the discretion of the Board. There can be no assurance that the Company will pay dividends or repurchase any shares of the Company in the future.

Oil & Gas Matters Advisory

This MD&A contains a number of oil and gas metrics, including operating netbacks and FFO netbacks. These oil and gas metrics have been prepared by management and do not have standardized meanings or standard methods of calculation and therefore such measures may not be comparable to similar measures used by other companies and should not be used to make comparisons. Such metrics have been included herein to provide readers with additional measures to evaluate the Company's performance; however, such measures are not reliable indicators of the future performance of the Company and future performance may not compare to the performance in previous periods and therefore such metrics should not be unduly relied upon. Management uses these oil and gas metrics for its own performance measurements and to

provide security holders with measures to compare the Company's operations over time. Readers are cautioned that the information provided by these metrics, or that can be derived from the metrics presented in this MD&A, should not be relied upon for investment or other purposes.

The term "Boe" means a barrel of oil equivalent on the basis of 6 thousand cubic feet ("Mcf") of natural gas to 1 bbl. Boe may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf:1 Bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6 Mcf:1Bbl, utilizing a conversion ratio at 6 Mcf:1 Bbl may be misleading as an indication of value.

Non-GAAP and Other Financial Measures Advisory

This MD&A uses various "non-GAAP financial measures", "non-GAAP ratios", "supplementary financial measures" and "capital management measures" (as such terms are defined in NI 52-112), which are described in further detail below. Such measures are not standardized financial measures under IFRS and might not be comparable to similar financial measures disclosed by other issuers. Investors are cautioned that non-GAAP financial measures should not be construed as alternatives to or more meaningful than the most directly comparable GAAP measures as indicators of Parex's performance.

These measures facilitate management's comparisons to the Company's historical operating results in assessing its results and strategic and operational decision-making and may be used by financial analysts and others in the oil and natural gas industry to evaluate the Company's performance. Further, management believes that such financial measures are useful supplemental information to analyze operating performance and provide an indication of the results generated by the Company's principal business activities.

Set forth below is a description of the non-GAAP financial measures, non-GAAP ratios, supplementary financial measures and capital management measures used in this MD&A.

Non-GAAP Financial Measures

Capital expenditures, *is a non-GAAP financial measure which the Company uses to describe its capital costs associated with oil and gas expenditures. The measure considers both property, plant and equipment expenditures and exploration and evaluation asset expenditures which are items in the Company's statement of cash flows for the period and is calculated as follows:*

	For the three months ended December 31,		For the year ended December 31,		
($000s)	**2025**	2024	**2025**	2024	2023
Property, plant and equipment expenditures	**$ 47,575**	$ 62,799	**$ 200,595**	$ 221,250	$ 310,933
Exploration and evaluation expenditures	**37,045**	19,311	**109,730**	126,445	172,410
Capital expenditures	**$ 84,620**	$ 82,110	**$ 310,325**	$ 347,695	$ 483,343

	For the three months ended					
($000s)	September 2025	June 2025	March 2025	September 2024	June 2024	March 2024
Property, plant and equipment expenditures	$ 59,002	$ 49,067	$ 44,951	$ 68,406	$ 49,214	$ 40,831
Exploration and evaluation expenditures	20,959	39,623	12,103	13,961	48,583	44,590
Capital expenditures	$ 79,961	$ 88,690	$ 57,054	$ 82,367	$ 97,797	$ 85,421

Free funds flow, *is a non-GAAP financial measure that is determined by funds flow provided by operations less capital expenditures. The Company considers free funds flow to be a key measure as it demonstrates Parex's ability to fund returns of capital, such as the NCIB or dividends, without accessing outside funds and is calculated as follows:*

	For the three months ended December 31,		For the year ended December 31,		
($000s)	**2025**	2024	**2025**	2024	2023
Cash provided by operating activities	**$ 107,744**	$ 67,847	**$ 424,756**	$ 569,915	$ 376,471
Net change in non-cash assets and liabilities	**15,178**	73,354	**30,229**	52,318	291,311
Funds flow provided by operations	**122,922**	141,201	**454,985**	622,233	667,782
Capital expenditures	**84,620**	82,110	**310,325**	347,695	483,343
Free funds flow	**$ 38,302**	$ 59,091	**$ 144,660**	$ 274,538	$ 184,439

EBITDA, *is a non-GAAP financial measure that is defined as net income (loss) adjusted for finance income and expense, other expense, income tax expense (recovery) and depletion, depreciation and amortization.*

Adjusted EBITDA, *is a non-GAAP financial measure defined as EBITDA adjusted for non-cash impairment charges, share-based compensation expense (recovery), unrealized foreign exchange gains (losses) and unrealized gains (losses) on risk management contracts and marketable securities.*

The Company considers EBITDA and Adjusted EBITDA to be key measures as they demonstrate Parex's profitability before finance income and expenses, taxes, depletion, depreciation and amortization and other non-cash items. A reconciliation from net income to EBITDA and Adjusted EBITDA is as follows:

	For the three months ended December 31,		For the year ended December 31,		
($000s)	**2025**	2024	**2025**	2024	2023
Net income (loss)	**$ 74,865**	$ (69,051)	**$ 255,083**	$ 60,680	$ 459,309
Adjustments to reconcile net income (loss) to EBITDA:					
Finance income	**(1,154)**	(998)	**(4,369)**	(4,315)	(14,055)
Finance expense	**5,076**	4,318	**21,402**	18,408	13,834
Other expense	**11,785**	2,208	**29,200**	6,227	2,582
Income tax (recovery) expense	**(40,078)**	(880)	**(20,277)**	248,592	(5,070)
Depletion, depreciation and amortization	**54,270**	53,984	**200,405**	215,770	194,229
EBITDA	**$ 104,764**	$ (10,419)	**$ 481,444**	$ 545,362	$ 650,829
Non-cash impairment charges	**17,610**	137,841	**17,610**	142,502	142,540
Share-based compensation expense	**10,046**	6,149	**30,516**	1,462	30,364
Unrealized foreign exchange (gain) loss	**677**	2,581	**(10,857)**	29,603	(6,453)
Unrealized (gain) loss on risk management contracts	**172**	1,160	**(1,160)**	1,160	—
Unrealized gain on marketable securities	**(4,616)**	—	**(4,616)**	—	—
Adjusted EBITDA	**$ 128,653**	$ 137,312	**$ 512,937**	$ 720,089	$ 817,280

Operating netback, *is a non-GAAP financial measure that the Company considers to be a key measure as it demonstrates Parex's profitability relative to current commodity prices. Parex calculates operating netback as oil and natural gas sales from production less royalties, operating, and transportation expense. Refer to "Financial and Operational Results – Consolidated Results of Operations" for the calculation of operating netback.*

Non-GAAP Ratios

Operating netback per boe, *is a non-GAAP ratio that the Company considers to be a key measure as it demonstrates Parex's profitability relative to current commodity prices. Parex calculates operating netback per boe as operating netback divided by the total equivalent sales volume including purchased oil volumes for oil and natural gas sales price and transportation expense per boe and by the total equivalent sales volume excluding purchased oil volumes for royalties and operating expense per boe.*

Funds flow provided by operations netback per boe*, is a non-GAAP ratio that includes all cash generated from operating activities and is calculated before changes in non-cash assets and liabilities, divided by produced oil and natural gas sales volumes. The Company considers funds flow provided by operations netback per boe to be a key measure as it demonstrates Parex's profitability after all cash costs relative to current commodity prices.*

Basic and diluted funds flow provided by operations per share or FFO per share, *is a non-GAAP ratio that is calculated by dividing funds flow provided by operations by the weighted average number of basic and diluted shares outstanding. Parex presents basic and diluted funds flow provided by operations per share whereby per share amounts are calculated using weighted-average shares outstanding, consistent with the calculation of earnings per share. The Company considers basic and diluted funds flow provided by operations per share or FFO per share to be a key measure as it demonstrates Parex's profitability after all cash costs relative to the weighted average number of basic and diluted shares outstanding.*

Capital Management Measures

Funds flow provided by operations, *is a capital management measure that includes all cash generated from operating activities and is calculated before changes in non-cash assets and liabilities. The Company considers funds flow provided by operations to be a key measure as it demonstrates Parex's profitability after all cash costs. A reconciliation from cash provided by operating activities to funds flow provided by operations is as follows:*

	For the three months ended December 31,		For the year ended December 31,		
($000s)	**2025**	2024	**2025**	2024	2023
Cash provided by operating activities	**$107,744**	$ 67,847	**$ 424,756**	$ 569,915	$ 376,471
Net change in non-cash assets and liabilities	**15,178**	73,354	**30,229**	52,318	291,311
Funds flow provided by operations	**$122,922**	$ 141,201	**$ 454,985**	$ 622,233	$ 667,782

	For the three months ended					
($000s)	September 2025	June 2025	March 2025	September 2024	June 2024	March 2024
Cash provided by operating activities	$ 86,992	$ 142,642	$ 87,378	$ 181,874	$ 222,782	$ 97,412
Net change in non-cash assets and liabilities	18,306	(37,821)	34,566	(30,101)	(41,830)	50,895
Funds flow provided by operations	$ 105,298	$ 104,821	$ 121,944	$ 151,773	$ 180,952	$ 148,307

Working capital surplus (deficit), *is a capital management measure which the Company uses to describe its liquidity position and its ability to meet its short-term liabilities. Working capital surplus (deficit) is defined as current assets less current liabilities:*

	For the three months ended December 31,		For the year ended December 31,		
($000s)	**2025**	2024	**2025**	2024	2023
Current assets	**$273,994**	$245,943	**$ 273,994**	$ 245,943	$ 337,175
Current liabilities	**245,967**	186,546	**245,967**	186,546	258,148
Working capital surplus	**$ 28,027**	$ 59,397	**$ 28,027**	$ 59,397	$ 79,027

	For the three months ended					
($000s)	September 2025	June 2025	March 2025	September 2024	June 2024	March 2024
Current assets	$ 224,109	$ 239,485	$ 259,256	$ 248,208	$ 281,846	$ 276,113
Current liabilities	227,276	219,437	190,216	210,699	247,690	220,212
Working capital surplus (deficit)	$ (3,167)	$ 20,048	$ 69,040	$ 37,509	$ 34,156	$ 55,901

Supplementary Financial Measures

"DD&A expense per boe" is comprised of DD&A expense, as determined in accordance with IFRS, divided by the Company's total production.

"Dividends paid per share" is comprised of dividends declared, as determined in accordance with IFRS, divided by the number of shares outstanding at the dividend record date.

"Effective current tax rate as a per cent of funds flow provided by operations before tax" is comprised of current income tax expense, as determined in accordance with IFRS, divided by funds flow provided by operations before tax.

"G&A expense per boe" is comprised of net G&A expense after recoveries and capitalization, as determined in accordance with IFRS, divided by the Company's total production.

"Net revenue per boe" is comprised of net revenue, as determined in accordance with IFRS, divided by the total equivalent sales volume and includes purchased oil volumes.

"Non-operated production expense per boe" is comprised of operated production expense, as determined in accordance with IFRS, divided by the total equivalent non-operated sales volume and excludes purchased oil volumes.

"Oil and natural gas sales price per boe" is comprised of total commodity sales from oil and natural gas production, as determined in accordance with IFRS, divided by the Company's total oil and natural gas sales volumes including purchased oil volumes.

"Operated production expense per boe" is comprised of operated production expense, as determined in accordance with IFRS, divided by the total equivalent operated sales volume and excludes purchased oil volumes.

"Price differential and transportation expense per bbl" is comprised of realized oil sales price per bbl, as defined herein, less Brent crude price to calculate the price differential, plus transportation expense per bbl as defined herein.

"Production expense per boe" is comprised of production expense, as determined in accordance with IFRS, divided by the total equivalent sales volume and excludes purchased oil volumes.

"Realized oil sales price per bbl" is comprised of total oil sales, as determined in accordance with IFRS, divided by the Company's total oil sales volumes equivalent sales volume including purchased oil volumes.

"Realized natural gas price per Mcf" is comprised of natural gas commodity sales from production, as determined in accordance with IFRS, divided by the Company's natural gas sales volumes.

"Royalties per boe" is comprised of royalties, as determined in accordance with IFRS, divided by the total equivalent sales volume and excludes purchased oil volumes.

"Royalties as a percentage of sales" is comprised of royalties, as determined in accordance with IFRS, divided by the total equivalent sales from production, excluding purchased oil volumes, as determined in accordance with IFRS.

"Transportation expense per bbl" is comprised of transportation expense, as determined in accordance with IFRS, divided by the Company's total oil sales volumes equivalent sales volume including purchased oil volumes.

"Transportation expense per boe" is comprised of transportation expense, as determined in accordance with IFRS, divided by the total equivalent sales volumes including purchased oil volumes.

Environmental Initiatives Impacting Parex

In Colombia there is currently a nascent regulation that obliges companies to specifically monitor and report greenhouse gas ("GHG") emissions. Although at the present time there is no enforceable regulation related to climate change or GHG emissions in Colombia, Parex has a plan in place to monitor and disclose key metrics surrounding the environmental impacts of Parex's operations. Climate change regulation has the potential to significantly affect the regulatory environment of the crude oil and natural gas industry in Colombia. Such regulations impose certain costs and risks on the industry, and there remains some uncertainty with regard to the impact of climate change and environmental laws and regulations on Parex, as Parex is unable to predict additional legislation or amendments that the Colombian government may enact in the future. Any new laws and regulations, or additional requirements to existing laws and regulations, could have a material impact on the Company's operations and cash flow.

As of December 31, 2022, Colombia has ratified the Regional Agreement on Access to Information, Public Participation and Justice in Environmental Matters in Latin America and the Caribbean (the "Escazu Agreement"). The Company cannot predict with any certainty at this time the impacts to the Company that implementation of the Escazu Agreement may entail, as no details are yet available regarding the ways in which implementation will be carried out for the countries that have ratified it. However, it is anticipated that the Escazu Agreement will increase the participation of communities and the demand for access to information, which could affect the processes for obtaining environmental licenses, permits and authorizations applicable to the Company, may result in the incurrence of additional unanticipated costs, and could create friction with the communities, among other risks.

Business Environment and Risks

Parex is exposed to a number of risks through the pursuit of its strategic objectives including but not limited to operational, financial, competitive, political and environmental risks. Some of these risks impact the oil and gas industry as a whole and others are unique to the Company's operations. As a participant in the oil and natural gas industry, Parex is exposed to risks such as unsuccessful exploration and exploitation activities, the inability to find new reserves that are commercially and economically feasible, estimating amounts of recoverable reserves, production of oil and gas in commercial quantities, marketability of oil and gas produced, fluctuations in commodity prices, stock market volatility, debt service which may limit timing or amount of dividends as well as market price of shares, financial and liquidity risks and environmental and safety risks.

Parex's indirect Colombian entities have various working interests in numerous exploration and production blocks in the Llanos basin, as well as the Upper Magdalena, Middle Magdalena and Lower Magdalena basins. Further, all of Parex's oil and gas reserves and production are in Colombia. A number of the Company's contracts authorizing the exploration, development and production of hydrocarbons have exploration commitments, and in some cases, a portion of the commitments is guaranteed by issued letters of credit. Therefore, Parex will be subject to additional risks associated with international operations in Colombia.

The Company works to mitigate these risks by hiring or contracting highly skilled professionals who have demonstrated the ability to generate high quality proprietary geological and geophysical prospects. Parex has retained independent petroleum consultants that assist the Company in evaluating recoverable amounts of oil and gas reserves. Values of recoverable reserves are based on a number of variable factors and assumptions such as commodity prices, production forecasts and future development costs. Such estimates will vary from actual results and such variations may be material.

The Company mitigates its risk related to producing hydrocarbons through the utilization of current technology and information systems. In addition, Parex operates the majority of its properties and, therefore, has significant control over the timing, direction and costs related to exploration commitments and development opportunities. When the Company does not operate, it relies on its joint venture partners to maintain operational control.

Parex is exposed to market risk to the extent that the demand for oil and gas produced by the Company exists. External factors beyond the Company's control may affect the marketability of oil and gas produced. These factors include commodity prices and variations in foreign currency exchange rates which, in turn, respond to economic and political circumstances throughout the world. Oil and natural gas prices are affected by worldwide supply and demand fundamentals. Parex uses derivative contracts to mitigate its exposure to the potential adverse impacts of commodity price and foreign exchange volatility.

Exploration and production for oil and gas is capital intensive. In addition to funds flow, Parex utilizes bank financing to support ongoing capital investments which exposes the Company to fluctuations in interest rates on its bank debt. Funds flow also fluctuates with changing commodity prices. Equity and debt capital are subject to market conditions, and availability and cost may increase or decrease from time to time.

The impact of any risk or a combination of risks may adversely affect, among other things, Parex's business, reputation, financial condition, results of operations and cash flows, which may reduce or restrict its ability to pursue its strategic priorities, respond to changes in the operating environment, and fulfill commitments and obligations, and may materially affect the market price of the Company's securities.

Additional information regarding risk factors, assumptions and uncertainties can be found under the heading "Forward Looking Statements" of this MD&A and in the "Risk Factors" section in the AIF of the Company, which is available on the Company's SEDAR+ profile at www.sedarplus.ca.

Internal Controls over Financial Reporting

Disclosure controls and procedures ("DC&P"), as defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, are designed to provide reasonable assurance that information required to be disclosed in annual filings, interim filings or other reports filed, or submitted by the Company under securities legislation authorities is recorded, processed, summarized and reported within the time periods specified in the securities legislation and include controls and procedures designed to ensure that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is accumulated and communicated to the Company's management, including the Chief Executive Officer and the Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. The Chief Executive Officer and the Chief Financial Officer of Parex evaluated the effectiveness of the design and operation of the Company's DC&P. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded Parex DC&P were effective as at December 31, 2025.

Internal control over financial reporting ("ICFR"), as defined in National Instrument 52-109, includes those policies and procedures that:

1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of assets of Parex;
2) Are designed to provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of Parex are being made in accordance with authorizations of management and Directors of Parex; and
3) Are designed to provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the annual financial statements or interim financial reports.

The Chief Executive Officer and the Chief Financial Officer are responsible for establishing and maintaining ICFR for Parex. They have, as at the financial year ended December 31, 2025, designed ICFR, or caused it to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The control framework Parex officers used to design the Company's ICFR is the 2013 Internal Control - Integrated Framework ("COSO Framework") published by The Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Under the supervision of the Chief Executive Officer and the Chief Financial Officer, Parex conducted an evaluation of the effectiveness of the Company's ICFR as at December 31, 2025 based on the COSO Framework. Based on this evaluation, the officers concluded that as of December 31, 2025, Parex maintained effective ICFR. It should be noted that while Parex officers believe that the Company's controls provide a reasonable level of assurance with regard to their effectiveness, they do not expect that the DC&P and ICFR will prevent all errors and fraud. A control system, no matter how well conceived or operated, can provide only reasonable, but not absolute, assurance that the objectives of the control system are met.

There were no changes in Parex's ICFR during the year ended December 31, 2025 that materially affected, or are reasonably likely to materially affect, the Company's ICFR.

Off-Balance-Sheet Arrangements

The Company did not enter into any off-balance-sheet arrangements during the twelve months ended December 31, 2025 other than normal course guarantees entered into in the form of letters of credit to support the exploration work commitments on its blocks. For further information refer to "Contractual Obligations, Commitments and Guarantees" section above and note 29 - Commitments and Contingencies in the audited consolidated financial statements.

Financial Instruments and Other Instruments

The Company's non-derivative financial instruments recognized in the consolidated balance sheet consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities. Non-derivative financial instruments are recognized initially at fair value. The fair values of the current financial instruments approximate their carrying value due to their short-term maturity.

Related Party Transactions

Compensation of Key Management Personnel

Key management personnel compensation, including directors, is as follows:

		2025		2024
Salaries, directors' fees and other benefits	**$**	**4,306**	$	4,356
Equity settled share-based compensation		**439**		478
Cash settled share-based compensation		**4,568**		5,846
	$	**9,313**	$	10,680

Other Related Party Transactions

The Company did not have any related party transactions with entities outside the consolidated group for the years ended December 31, 2025 and 2024.

Material Accounting Policies

Refer to note 3 - Summary of Material Accounting Policies of the audited consolidated financial statements for a summary of significant accounting policies applied by the Company.

Significant Accounting Estimates

The preparation of consolidated financial statements in accordance with IFRS requires management to make significant judgments, assumptions and estimates that affect the financial results of the Company. The following discussion outlines the accounting policies and practices involving the use of estimates that the Company believes are critical in determining Parex's financial results.

Oil and natural gas reserves

The Company retains qualified independent reserves evaluators to evaluate the Company's proved and probable oil and natural gas reserves. As at December 31, 2025, and in prior periods, Parex's reserves were evaluated by GLJ Ltd., who are a firm of qualified independent reserves evaluators. The evaluation was conducted in accordance with the COGE handbook and NI 51-101. The Operations and Reserves Committee of the Company's Board of Directors is comprised of independent directors whose mandate is to steward the reserves evaluation process.

The estimation of reserves involves the exercise of judgment. Forecasts are based on engineering data, expected rates of production and the timing of future capital expenditures, all of which are subject to major uncertainties and interpretations. The Company expects that over time its reserve estimates will be revised upward or downward based on updated information such as the results of future drilling, testing and production levels. Reserve estimates can have a significant impact on net income, as they are a key component in the calculation of DD&A and for determining potential asset impairment. A downward revision in reserves estimates or an increase in estimated future development costs could result in the recognition of a higher DD&A charge to net income.

Oil and natural gas assets (development and producing costs) are aggregated into CGUs based on their ability to generate largely independent cash flows. If the carrying value of the CGU exceeds the recoverable amount, the CGU is written down with an impairment recognized in net income. The recoverable amount of an asset or CGU is the greater of its fair value less costs to sell and its value in use. Fair value less costs to sell may be determined using discounted future net cash flows of proved plus probable reserves using forecast prices and costs. A downward revision in reserves estimates could result in the recognition of impairments charged to net income.

Reversals of impairments are recognized when there has been a subsequent increase in the recoverable amount. In this event, the carrying amount of the asset or CGU is increased to its revised recoverable amount with an impairment reversal recognized in net income.

Decommissioning and Environmental Liabilities

The Company is required to recognize a liability for future dismantling, decommissioning, environmental, abandoning and site disturbance remediation costs associated with the Company's oil and natural gas properties in accordance with existing laws, contracts or other policies. The fair value of the estimated decommissioning and environmental liability is recorded as a long-term liability, with a corresponding increase in the carrying amount of the related long-lived asset, which is depleted on a unit-of-production basis over the life of the reserves. The liability is adjusted each reporting period to reflect the passage of time, with the accretion charged to net income, and for revisions to the estimated future cash flows. Actual costs incurred upon settlement of the obligations are charged against the liability.

Decommissioning and environmental liabilities are determined by using management's best estimate of costs, taking into account the anticipated method and extent of restoration consistent with legal requirements, technological advances, industry practices and the possible use of the site. Since these estimates are specific to the sites involved, there are many individual assumptions underlying the Company's total decommissioning and environmental liability. These individual assumptions can be subject to change based on experience. Restoration technologies and costs are constantly changing, as are regulatory, political, environmental, safety and public relations considerations. The Company estimates future decommissioning and environmental costs based on current estimates adjusted for inflation. This estimate for inflation is also subject to management uncertainty.

Current and Deferred Tax

The Company follows the liability method of accounting for income taxes. Under this method, future tax assets and liabilities are determined based on differences between the financial reporting and tax basis of assets and liabilities and are measured using substantially enacted tax rates and laws that will be in effect when the differences are expected to reverse. The effect of a change in income tax rates on deferred tax liabilities and assets is recognized in net income in the period that the change occurs. Deferred tax assets are only recognized to the extent that it is probable that sufficient future taxable income will be available in the applicable jurisdiction to allow the deferred tax assets to be realized.

The determination of the Company's income and other tax liabilities requires interpretation of complex laws and regulations from multiple jurisdictions. Rates are also affected by legislative changes. All tax filings are subject to audit and potential reassessment after the lapse of considerable time. Accordingly, the actual income tax liability may differ significantly from that estimated and recorded in the financial statements. Estimates of current income tax for interim periods are also subject to additional uncertainty. A variety of factors cannot be known until year-end and, therefore, estimates are used for interim period current tax provisions.

Share-Based Compensation

The Company records share-based compensation expense using the fair value method. The fair value of an option is calculated at the grant date and expensed equally over the vesting term of the option. The Company records the cumulative stock option based compensation as contributed surplus. When options are exercised, contributed surplus is reduced and share capital is increased by the amount of accumulated share-based compensation for the exercised option. Any consideration received on the exercise of stock options is credited to share capital. The determination of share-based compensation expense is based on assumptions regarding stock volatility, risk-free interest rates and the expected life of the options. These assumptions, by their nature, are subject to measurement uncertainty.

The fair value of CosRSUs, CosPSUs, LDRSUs and LDPSUs is calculated using the Black-Scholes pricing model based on the market price of the Company's common shares on the date of issuance, and expensed over the vesting period of the CosRSUs, CosPSUs, LDRSUs and LDPSUs. In accordance with the fair value method, increases or decreases in the fair value of the CosRSUs, CosPSUs, LDRSUs and LDPSUs result in a corresponding change in the recorded liability. The accrued compensation for a right that is forfeited is adjusted by decreasing compensation cost in the period of forfeiture.

CosPSUs and LDPSUs may be granted with certain performance measures, specified at the grant date as determined by the Company's Board of Directors. Based upon the achievement of the performance measures, a pre-determined adjustment factor of between 0-2x is applied to CosPSUs and LDPSUs eligible to vest at the end of the performance period. The expense recognized over the vesting period of the CosPSUs and LDPSUs is the fair value of the CosPSUs and LDPSUs with an estimated adjustment factor.

The fair value of CRSUs is calculated using the Black-Scholes pricing model based on the market price of the Company's common shares on the date of issuance and expensed over the vesting period of the CRSUs. In accordance with the fair value method, increases or decreases in the fair value of the CRSUs result in a corresponding change in the recorded liability. The accrued compensation for a right that is forfeited is adjusted by decreasing compensation cost in the period of forfeiture.

The fair value of a DSU is calculated using the Black-Scholes pricing model based on the five-day weighted average share price at which the common shares of the Company traded for immediately preceding the date of issuance and expensed immediately. In accordance with the fair value method, increases or decreases in the fair value of the DSUs result in a corresponding change in the recorded liability. The accrued compensation for a right that is forfeited is adjusted by decreasing compensation cost in the period of forfeiture.

Goodwill

Goodwill represents the excess of purchase price over fair value of net assets acquired and is assessed for impairment at December 31 of each year. To test for impairment, goodwill is allocated to each of the Company's CGUs, or groups of CGUs, that are expected to benefit from the acquisition and is tested as described in the Company's impairment policy. The recoverable amount of an asset or a CGU is the greater of its value in use and its fair value less costs of disposal ("FVLCD").

Value in use is determined by estimating the present value of the future net cash flows expected to be derived from the continued use of the asset or CGU. FVLCD is based on available market information, where applicable. In the absence of such information, FVLCD is determined using discounted future net cash flows of proved plus probable reserves using forecast prices and costs. A downward revision in reserves estimates could result in the recognition of a goodwill impairment charge to net earnings.

These calculations require the use of estimates and assumptions and are subject to changes as new information becomes available including information on future commodity prices, expected production volumes, quantity of reserves and discount rates as well as future development and operating costs. Changes in assumptions used in determining the recoverable amount could affect the carrying value of the related assets and CGUs.

Derivative liabilities

Risk management contracts are initially recognized at fair value on the date a derivative contract is entered into and are remeasured at their fair value at each subsequent reporting date. The fair value of the risk management contract on initial recognition is normally the transaction price. Subsequent to initial recognition, the fair value is based on quoted market price where available from active markets, otherwise fair values are estimated based on market prices at the reporting date for similar assets or liabilities with similar terms and conditions.

Legal, Environmental Remediation and other Contingent Matters

In respect of these matters, the Company is required to determine both whether a loss is probable based on judgment and interpretation of laws and regulations and if such a loss can reasonably be estimated. When any such loss is determined, it is charged to net income. Management continually monitors known and potential contingent matters and makes appropriate provisions by charges to net income when warranted by circumstances.

DIRECTORS

Wayne Foo
Chairman of the Board

Glenn McNamara
Vice Chair

Lynn Azar

Alberto Consuegra

Sigmund Cornelius

Mona Jasinski

Jeff Lawson

G.R. (Bob) MacDougall

Imad Mohsen

Carmen Sylvain

OFFICERS & SENIOR EXECUTIVES

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President & Chief Executive Officer

Daniel Ferreiro
President & Country Manager, Parex Resources (Colombia) AG Sucursal

Cameron Grainger
Chief Financial Officer

Eric Furlan
Chief Operating Officer

Mike Kruchten
Sr. Vice President, Capital Markets & Corporate Planning

Joshua Share
Sr. Vice President, Corporate Services

Katie Bernard
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ABBREVIATIONS

Oil and Natural Gas Liquids	
bbl(s)	barrel(s)
mbbls	thousand barrels
bbl(s)/d	barrels of oil per day
BOE or boe	barrel of oil equivalent, using the conversion factor of 6 Mcf: 1 bbl
boe/d	barrels of oil equivalent per day
mcf	thousand cubic feet
mcf/d	thousand cubic feet per day

Other	
WTI	West Texas Intermediate
Brent	Brent Ice
kms	Kilometers
FFO	Funds flow provided by operations

"BOEs" may be misleading, particularly if used in isolation. A BOE conversion ratio of six thousand cubic feet of natural gas to one barrel of oil equivalent (6 mcf: 1 bbl) is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.



PAREX RESOURCES INC.

$500,000,000 8.500% Senior Notes due 2031

Offering Memorandum

May 6, 2026

Global Coordinators and Joint Bookrunners

Deutsche Bank Securities* | **Itau BBA*** | **Santander*** | **Scotiabank***

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BMO Capital Markets

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