

FRONTERA ENERGY CORPORATION

NEWS RELEASE

FRONTERA ANNOUNCES THE SIGNING OF AN AGREEMENT FOR THE STRATEGIC ACQUISITION OF PACIFIC MIDSTREAM LIMITED

First Step in a Series of Transactions Anticipated to Reduce Transportation Costs and Related Financial Commitments

Toronto, Canada, October 12, 2017 – Frontera Energy Corporation (TSX: FEC) (“**Frontera**” or the “**Company**”) announces that it has signed an agreement to acquire the outstanding 36.36% ownership of Pacific Midstream Limited (“**PML**”) from the International Finance Corporation and from funds related to the International Finance Corporation (jointly, the “**IFC Parties**”). Following the acquisition, Frontera will own 100% of PML which will enable the Company to pursue initiatives related to the reduction of, and unwinding of, various transportation commitments, including fixed rate take-or-pay arrangements.

Consideration for the acquisition will be \$225 million in cash, paid in instalments over a 36-month period, plus accrued interest over unpaid amounts.

The completion of the transaction is subject to obtaining modifications to Frontera’s take-or-pay contracts, which are expected to reduce tariffs, and other customary conditions of closing. In addition, the consent of the Company’s noteholders and secured lenders is required to complete the transaction.

Following the acquisition, PML will be a 100% consolidated entity of Frontera and will include the following entities and ownership percentages:

- Petroleoelctrica de los Llanos (100% ownership),
- Oleoducto Bicentenario de Colombia S.A.S (43% ownership), and
- Oleoducto de los Llanos Orientales S.A (35% ownership).

Gabriel de Alba, Chairman of Frontera, commented, “This is a very strategic acquisition for Frontera as we pursue a series of initiatives intended to reduce our corporate transportation costs, provide long term transportation flexibility, and reduce fixed cost transportation obligations.”

Barry Larson, Chief Executive Officer, commented, “This initiative is important for Frontera as we look to right size our transportation costs. I would like to thank those who contributed to the success of these negotiations and this transaction, especially our Corporate Development and Transportation and Marketing teams who continue to work diligently to help us increase our margins by reducing our costs.”

Jorge Fonseca, Vice President, Corporate Development, commented, “We would like to thank the IFC Parties for their partnership in PML over the past three years and look forward to continuing to work together as co-owners in other strategic assets such as Puerto Bahia, our strategic deep-water port outside Cartagena, Colombia.”

During the year ended December 31, 2016, the Company received \$120.4 million in cash dividends from associated companies and distributed \$41.8 million in cash dividends to minority interests of PML.

About Frontera:

Frontera is a Canadian public company and a leading explorer and producer of crude oil and natural gas, with operations focused in Latin America. The Company has a diversified portfolio of assets with interests in more than 25 exploration and production blocks in Colombia and Peru. The Company's strategy is focused on sustainable growth in production and reserves and cash generation. Frontera is committed to conducting business safely, in a socially and environmentally responsible manner.

The Company's common shares trade on the Toronto Stock Exchange under the ticker symbol "FEC".

If you would like to receive News Releases via e-mail as soon as they are published, please subscribe here: <http://fronteraenergy.mediaroom.com/subscribe>

Advisories:

The financial information contained herein is reported in United States dollars.

Cautionary Note Concerning Forward-Looking Statements

This news release contains forward-looking statements. All statements, other than statements of historical fact, that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future (including, without limitation, statements regarding estimates and/or assumptions in respect of production, revenue, cash flow and costs, reserve and resource estimates, potential resources and reserves, the Company's exploration and development plans and objectives and expected benefits of completing the acquisition of PML shares (including expected transportation cost reductions)) are forward-looking statements. These forward-looking statements reflect the current expectations or beliefs of the Company based on information currently available to the Company. Forward-looking statements are subject to a number of risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the forward-looking statements, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, the Company. Factors that could cause actual results or events to differ materially from current expectations include, among other things: uncertainty of estimates of capital and operating costs, production estimates and estimated economic return; uncertainties associated with estimating oil and natural gas reserves; failure to establish estimated resources or reserves; volatility in market prices for oil and natural gas; fluctuation in currency exchange rates; inflation; changes in equity markets; perceptions of the Company's prospects and the prospects of the oil and gas industry in Colombia and the other countries where the Company operates or has investments as the result of the completion of the Company's comprehensive restructuring transaction or otherwise; uncertainties relating to the availability and costs of financing needed in the future; the uncertainties involved in interpreting drilling results and other geological data; and the other risks disclosed under the heading "Risk Factors" and elsewhere in the Company's annual information form dated March 14, 2017 filed on SEDAR at www.sedar.com. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

FOR FURTHER INFORMATION:

Grayson Andersen
Corporate Vice President, Capital Markets
+57-314-250-1467
ir@fronteraenergy.ca
www.fronteraenergy.ca