

**Gran Tierra Energy Inc. Announces First Quarter 2024 Results**

* ***First Quarter 2024 Total Average WI Production of 32,242 BOPD, Up 2% from One Year Ago and Up 3% from Prior Quarter, Highest Quarterly Average Since Second Quarter 2019***
* ***Total Current1 Company Average Production of Approximately 33,500 BOPD***
* ***First Quarter 2024 Net Income of Zero Million, Funds Flow from Operations of $74 Million and Free Cash Flow of $19 Million***
* ***First Quarter2024 Adjusted EBITDA of $95 Million and 12-Month Trailing Adjusted EBITDA of $404 Million***

**CALGARY, ALBERTA, May 1, 2024, Gran Tierra Energy Inc**. **(“Gran Tierra” or the “Company”) (NYSE American:GTE)(TSX:GTE)(LSE:GTE)** today announced the Company’s financial and operating results for the quarter ended March 31, 2024 (“**the Quarter**”). All dollar amounts are in United States dollars, and production amounts are on an average working interest (“**WI**”) before royalties basis unless otherwise indicated. Per barrel (“**bbl**”) and bbl per day (“**BOPD**”) amounts are based on WI sales before royalties. For per bbl amounts based on net after royalty (“**NAR**”) production, see Gran Tierra’s Quarterly Report on Form 10-Q filed May 1, 2024.

**Message to Shareholders**

Gary Guidry, President and Chief Executive Officer of Gran Tierra, commented: “During the Quarter we made significant progress in our development drilling programs. With the Acordionero campaign now wrapped up and Costayaco drilling ongoing, we're dedicated to maximizing shareholder value. The Quarter saw the drilling and completion of four wells in Costayaco and eight in Acordionero highlighting Gran Tierra’s commitment to production growth. Looking ahead, two remaining Costayaco wells targeting the southern region will be drilled in the second Quarter of 2024 utilizing the same concept of unswept oil being trapped against the fault which offers further potential production and reserve upside.

In addition, subsequent to the end of the quarter, we commenced drilling the Arawana exploration well in the Chanangue block. This marks an exciting milestone as we expand our operations into Ecuador, building upon the discoveries made in 2022. The initiation of drilling in Ecuador underscores our commitment to exploring and diversifying our portfolio. We are optimistic about the potential of the Arawana well and look forward to updating shareholders on our progress as we continue to pursue growth opportunities.”

**Key Highlights of the Quarter:**

* **Production:** Gran Tierra’s total average WI production was 32,242 BOPD, an increase of 3% compared to fourth quarter 2023 (**“the Prior Quarter”**) and up 2% from first quarter 2023 (**“one year ago”**).
* **Net Income:** Gran Tierra achieved net loss of $0 million, compared to net income of $8 million in the Prior Quarter and a net loss of $10 million one year ago. The Company’s net income over the last 12 months was $3million.
* **Basic and Diluted Earnings (Loss) Per Share:** Gran Tierra generated net earnings of nil per share basic and diluted, compared to net income of $0.23 per share basic and diluted in the Prior Quarter and a net loss of $0.28 per share basic and diluted one year ago.
* **Adjusted EBITDA(2)**: Adjusted EBITDA(2) was $95 million compared to $93 million in the Prior Quarter and $90 million one year ago. Twelve month trailing Net Debt(2) to Adjusted EBITDA(2) was 1.3 times.
* **Funds Flow from Operations(2):** Funds flow from operations(2) was $74 million ($2.34 basic per share), up 12% from the Prior Quarter and down 24% from one year ago.
* **Free Cash Flow(2):**During the Quarter, the Company generated free cash flow of approximately $19 million.
* **Cash and Debt:** As of March 31, 2024, the Company had a cash balance of $127 millionand net debt(2) of $510 million.
* **Credit Facility:** During the Quarter, Gran Tierra fully re-paid the outstanding balance on Company’s credit facility of $36 million and the facility was terminated.
* **Share Buybacks:** Gran Tierra purchased approximately 0.9 million shares during the Quarter.
* **Return on Average Capital Employed(2):** Achieved return on average capital employed(2) of 14% during the Quarter and 16% over the last trailing twelve months.

**Additional Key Financial Metrics:**

* **Capital Expenditures:** Capital expenditures of $56 million were higher than the Prior Quarter’s level of $39 million and down from $71 million compared to one year ago. During the Quarter Gran Tierra completed its development program in Acordionero and the majority of the program in Costayaco.
  + **Oil Sales:** Gran Tierra generated oil sales of $158 million, up 2% from the Prior Quarter and up 9% from one year ago. Compared to one year ago, oil sales increased due to lower Castilla, Vasconia and Oriente differentials during the current quarter compared to the corresponding period of 2023. Oil sales increased compared to the Prior Quarter primarily due to a 5% increase in sales volumes resulting from sale of inventory in Ecuador and a decrease in the Castilla differential, offset by higher Vasconia and Oriente differentials
  + **Quality and Transportation Discounts:** The Company’s quality and transportation was consistent at $15.37 per bbl, compared to $15.34 per bbl in the Prior Quarter and down from $18.45 per bbl one year ago. The Castilla oil differential narrowed to $8.82 per bbl, down from $9.68 per bbl in the Prior Quarter and down from $15.17 per bbl one year ago (Castilla is the benchmark for the Company’s Middle Magdalena Valley Basin oil production). The Vasconia differential narrowed to $5.05 per bbl, up from $4.58 per bbl in the Prior Quarter and down from $7.87 per bbl one year ago (Vasconia is the benchmark for the Company’s Putumayo Basin oil production). Finally, the Ecuadorian benchmark, Oriente, was $8.02 per bbl, up from $7.07 in the Prior Quarter, and down from $13.43 per bbl one year ago. The current(1) Castilla differential is approximately $7.20 per bbl and the Vasconia differential is approximately $3.40 per bbl.
  + **Operating Expenses:** Gran Tierra’s operating expenses remained consistent at $16.40 per bbl, compared to $16.61 per bbl in the Prior Quarter primarily due to higher workovers offset by lower lifting costs related to road maintenance, environmental and power generation expenses. During the current quarter, we optimized the utilization of gas-to-power facility as a result of higher production of gas in Costayaco, Acordionero and Cohembi fields. Compared to one year ago, operating expenses increased by 12% on a per bbl basis, due to higher workovers and higher lifting costs associated with preventative maintenance activities, which were partially offset by lower environmental and equipment rental expenses.
  + **Transportation Expenses:** The Company’s transportation expenses increased by 50% to $4.6 million compared to the same period in 2023 and increased by 16% from $3.9 million in the Prior Quarter. During the current quarter, Gran Tierra utilized longer distance delivery points due to low river levels in Colombia caused by El Niño, resulting in higher transportation costs per bbl.
  + **Operating Netback(2)(3):** The Company’s operating netback(2)(3) was $35.37 per bbl, an decrease of 2% from the Prior Quarter and up 1% from one year ago.
  + **General and Administrative (“G&A”) Expenses:** G&A expenses before stock-based compensation were $3.22 per bbl, down from $3.86 per bbl in the Prior Quarter and down from $3.95 when compared to one year ago due to higher sales volumes in the Quarter.
  + **Cash Netback(2)**: Cash netback per bbl was $25.13, compared to $29.53 in the Prior Quarter primarily as a result of current tax expense of 1.33 per bbl compared to a recovery of 2.80 per bbl in the Prior Quarter. Compared to one year ago, cash netback per bbl increased by $3.97 to $25.13 per bbl from $21.16 per bbl as a result of lower current taxes in the Quarter.

**Development Campaign:**

* Costayaco
  + Since December 2023, Gran Tierra has drilled 7 wells of which 6 are oil producers and 1 is a water injector.
  + Starting in April 2024, the recently drilled wells (CYC-56, 57, 58, 59, 61, and 62) will undergo stimulation and installation of final artificial lift systems. This will allow for higher total fluid rates and the wells to produce at full potential for the remainder of the year.
* Acordionero
  + An 11-well development drilling program was started in December 2023. All 11 wells have been drilled to date including 9 producers and 2 water injection wells. All wells are on production and injection.
  + Upon completion of the program the drilling rig was mobilized and transported to Ecuador to begin the exploration campaign

**Exploration Campaign:**

* Arawana-1: Placeholder

**Financial and Operational Highlights (all amounts in $000s, except per share and bbl amounts)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Three Months Ended March 31,** | |  | **Three Months Ended December 31,** |
|  | **2024** | **2023** |  | **2023** |
|  |  |  |  |  |
| **Net (Loss) Income** | **$(78)** | $(9,700) |  | $7,711 |
| **Per Share - Basic and Diluted(4)** | **$—** | $(0.28) |  | $0.23 |
|  |  |  |  |  |
| **Oil Sales** | **$157,577** | $144,190 |  | $154,944 |
| **Operating Expenses** | **(48,466)** | (41,369) |  | (47,637) |
| **Transportation Expenses** | **(4,584)** | (3,066) |  | (3,947) |
| **Operating Netback(2)(3)** | **$104,527** | $99,755 |  | $103,360 |
|  |  |  |  |  |
| **G&A Expenses Before Stock-Based Compensation** | **$9,516** | $11,196 |  | $11,072 |
| **G&A Stock-Based Compensation Expense (Recovery)** | **3,361** | 1,500 |  | 1,974 |
| **G&A Expenses, Including Stock Based Compensation** | **$12,877** | $12,696 |  | $13,046 |
|  |  |  |  |  |
| **Adjusted EBITDA(2)** | **$94,792** | $89,865 |  | $92,964 |
|  |  |  |  |  |
| **EBITDA(2)** | **$91,891** | $87,215 |  | $83,634 |
|  |  |  |  |  |
| **Net Cash Provided by Operating Activities** | **$61,194** | $49,253 |  | $70,481 |
|  |  |  |  |  |
| **Funds Flow from Operations(2)** | **$74,307** | $60,016 |  | $84,663 |
|  |  |  |  |  |
| **Capital Expenditures** | **$55,698** | $71,062 |  | $39,175 |
|  |  |  |  |  |
| **Free Cash Flow(2)** | **$18,609** | $(11,046) |  | $45,488 |
|  |  |  |  |  |
| **Average Daily Volumes (BOPD)** |  |  |  |  |
| **WI Production Before Royalties** | **32,242** | 31,611 |  | 31,309 |
| **Royalties** | **(6,397)** | (6,085) |  | (6,417) |
| **Production NAR** | **25,845** | 25,526 |  | 24,892 |
| **(Increase) Decrease in Inventory** | **235** | (355) |  | 57 |
| **Sales** | **26,080** | 25,171 |  | 24,949 |
| **Royalties, % of WI Production Before Royalties** | **20%** | 19% |  | 20% |
|  |  |  |  |  |
| **Per bbl** |  |  |  |  |
| **Brent** | **$81.76** | $82.10 |  | $82.85 |
| **Quality and Transportation Discount** | **(15.37)** | (18.45) |  | (15.34) |
| **Royalties** | **(13.07)** | (12.80) |  | (13.47) |
| **Average Realized Price** | **53.32** | 50.85 |  | 54.04 |
| **Transportation Expenses** | **(1.55)** | (1.08) |  | (1.38) |
| **Average Realized Price Net of Transportation Expenses** | **51.77** | 49.77 |  | 52.66 |
| **Operating Expenses** | **(16.40)** | (14.59) |  | (16.61) |
| **Operating Netback(2)(3)** | **35.37** | 35.18 |  | 36.05 |
| **G&A Expenses Before Stock-Based Compensation** | **(3.22)** | (3.95) |  | (3.86) |
| **Severance Expenses** | **(0.43)** | — |  | — |
| **Realized Foreign Exchange (Loss) / Gain** | **(0.49)** | (0.42) |  | (0.34) |
| **Interest Expense, Excluding Amortization of Debt Issuance Costs** | **(5.12)** | (3.90) |  | (5.35) |
| **Interest Income** | **0.23** | 0.27 |  | 0.10 |
| **Net Lease Payments** | **0.12** | 0.19 |  | 0.13 |
| **Current Income Tax Expense** | **(1.33)** | (6.21) |  | 2.80 |
| **Cash Netback(2)** | **$25.13** | $21.16 |  | $29.53 |
|  |  |  |  |  |
| **Share Information (000s)** |  |  |  |  |
| **Common Stock Outstanding, End of Period(4)** | **31,401** | 33,307 |  | 32,247 |
| **Weighted Average Number of Shares of Common Stock Outstanding - Basic(4)** | **31,813** | 34,451 |  | 32,861 |
| **Weighted Average Number of Shares of Common Stock Outstanding - Diluted(4)** | **31,813** | 34,451 |  | 32,921 |

(1) Gran Tierra’s second quarter-to-date 2024 total average differentials are for the time period from April 1 to April 18, 2024.

(2) Funds flow from operations, operating netback, net debt, cash netback, return on average capital employed, earnings before interest, taxes and depletion, depreciation and accretion (“**DD&A**”) **(**“**EBITDA**”**)** and EBITDA adjusted for non-cash lease expense, lease payments, foreign exchange gains or losses, stock-based compensation expense, unrealized derivative instruments gains or losses, and other financial instruments gains or losses (“**Adjusted EBITDA**”), cash flow, free cash flow and net debt are non-GAAP measures and do not have standardized meanings under generally accepted accounting principles in the United States of America (“**GAAP**”). Cash flow refers to funds flow from operations. Free cash flow refers to funds flow from operations less capital expenditures. Refer to “Non-GAAP Measures” in this press release for descriptions of these non-GAAP measures and, where applicable, reconciliations to the most directly comparable measures calculated and presented in accordance with GAAP.

(3) Operating netback as presented is defined as oil sales less operating and transportation expenses. See the table titled Financial and Operational Highlights above for the components of consolidated operating netback and corresponding reconciliation.

(4) Reflects our 1-for-10 reverse stock split that became effective May 5, 2023.

**Conference Call Information:**

Gran Tierra will host its first quarter 2024 results conference call on Wednesday, May 2, 2024, at 9:00 a.m. Mountain Time, 11:00 a.m. Eastern Time. Interested parties may access the conference call by registering at the following link: https://register.vevent.com/register/BI3642d81e05184759a47d21a0fddda043. The call will also be available via webcast at www.grantierra.com.

**Corporate Presentation:**

Gran Tierra’s Corporate Presentation has been updated and is available on the Company website at www.grantierra.com.

**Contact Information**

For investor and media inquiries please contact:

Gary Guidry

President & Chief Executive Officer

Ryan Ellson

Executive Vice President & Chief Financial Officer

+1-403-265-3221

info@grantierra.com

**About Gran Tierra Energy Inc.**

Gran Tierra Energy Inc. together with its subsidiaries is an independent international energy company currently focused on oil and natural gas exploration and production in Colombia and Ecuador. The Company is currently developing its existing portfolio of assets in Colombia and Ecuador and will continue to pursue additional new growth opportunities that would further strengthen the Company’s portfolio. The Company’s common stock trades on the NYSE American, the Toronto Stock Exchange and the London Stock Exchange under the ticker symbol GTE. Additional information concerning Gran Tierra is available at www.grantierra.com. Except to the extent expressly stated otherwise, information on the Company’s website or accessible from our website or any other website is not incorporated by reference into and should not be considered part of this press release. Investor inquiries may be directed to info@grantierra.com or (403) 265-3221.

Gran Tierra’s Securities and Exchange Commission (the “SEC”) filings are available on the SEC website at http://www.sec.gov. The Company’s Canadian securities regulatory filings are available on SEDAR+ at http://www.sedarplus.ca and UK regulatory filings are available on the National Storage Mechanism website at https://data.fca.org.uk/#/nsm/nationalstoragemechanism.

**Forward Looking Statements and Legal Advisories:**

This press release contains opinions, forecasts, projections, and other statements about future events or results that constitute forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and financial outlook and forward looking information within the meaning of applicable Canadian securities laws (collectively, “forward-looking statements”). The use of the words “expect,” “plan,” “can,” “will,” “should,” “guidance,” “forecast,” “signal,” “progress” and “believes,” derivations thereof and similar terms identify forward-looking statements. In particular, but without limiting the foregoing, this press release contains forward-looking statements regarding: the Company’s expected future production, capital expenditures and free cash flow, the Company’s targeted cash balance and uses of excess free cash flow, including the repayment of borrowings under its credit facility, the Company’s plans regarding strategic investments, acquisitions and growth, the Company’s drilling program and the Company’s expectations of commodity prices and its positioning for 2024. The forward-looking statements contained in this press release reflect several material factors and expectations and assumptions of Gran Tierra including, without limitation, that Gran Tierra will continue to conduct its operations in a manner consistent with its current expectations, pricing and cost estimates (including with respect to commodity pricing and exchange rates), and the general continuance of assumed operational, regulatory and industry conditions in Colombia and Ecuador, and the ability of Gran Tierra to execute its business and operational plans in the manner currently planned.

Among the important factors that could cause actual results to differ materially from those indicated by the forward-looking statements in this press release are: our operations are located in South America and unexpected problems can arise due to guerilla activity, strikes, local blockades or protests; technical difficulties and operational difficulties may arise which impact the production, transport or sale of our products; other disruptions to local operations; global health events; global and regional changes in the demand, supply, prices, differentials or other market conditions affecting oil and gas, including inflation and changes resulting from a global health crisis, geopolitical events, including the ongoing conflicts in Ukraine and the Gaza region, or from the imposition or lifting of crude oil production quotas or other actions that might be imposed by OPEC, such as its recent decision to cut production and other producing countries and resulting company or third-party actions in response to such changes; changes in commodity prices, including volatility or a prolonged decline in these prices relative to historical or future expected levels; the risk that current global economic and credit conditions may impact oil prices and oil consumption more than we currently predict. which could cause further modification of our strategy and capital spending program; prices and markets for oil and natural gas are unpredictable and volatile; the effect of hedges; the accuracy of productive capacity of any particular field; geographic, political and weather conditions can impact the production, transport or sale of our products; our ability to execute its business plan and realize expected benefits from current initiatives; the risk that unexpected delays and difficulties in developing currently owned properties may occur; the ability to replace reserves and production and develop and manage reserves on an economically viable basis; the accuracy of testing and production results and seismic data, pricing and cost estimates (including with respect to commodity pricing and exchange rates); the risk profile of planned exploration activities; the effects of drilling down-dip; the effects of waterflood and multi-stage fracture stimulation operations; the extent and effect of delivery disruptions, equipment performance and costs; actions by third parties; the timely receipt of regulatory or other required approvals for our operating activities; the failure of exploratory drilling to result in commercial wells; unexpected delays due to the limited availability of drilling equipment and personnel; volatility or declines in the trading price of our common stock or bonds; the risk that we do not receive the anticipated benefits of government programs, including government tax refunds; our ability to comply with financial covenants in its credit agreement and indentures and make borrowings under any credit agreement; and the risk factors detailed from time to time in Gran Tierra’s periodic reports filed with the Securities and Exchange Commission, including, without limitation, under the caption “Risk Factors” in Gran Tierra’s Annual Report on Form 10-K for the year ended December 31, 2023 filed February 20, 2024 and its other filings with the SEC. These filings are available on the SEC website at http://www.sec.gov and on SEDAR+ at www.sedarplus.ca.

The forward-looking statements contained in this press release are based on certain assumptions made by Gran Tierra based on management’s experience and other factors believed to be appropriate. Gran Tierra believes these assumptions to be reasonable at this time, but the forward-looking statements are subject to risk and uncertainties, many of which are beyond Gran Tierra’s control, which may cause actual results to differ materially from those implied or expressed by the forward looking statements. The risk that the assumptions on which the 2024 outlook are based prove incorrect may increase the later the period to which the outlook relates. In particular, the unprecedented nature of industry volatility may make it particularly difficult to identify risks or predict the degree to which identified risks will impact Gran Tierra’s business and financial condition. All forward-looking statements are made as of the date of this press release and the fact that this press release remains available does not constitute a representation by Gran Tierra that Gran Tierra believes these forward-looking statements continue to be true as of any subsequent date. Actual results may vary materially from the expected results expressed in forward-looking statements. Gran Tierra disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by applicable law. In addition, historical, current and forward-looking sustainability-related statements may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve, and assumptions that are subject to change in the future.

**Non-GAAP Measures**

This press release includes non-GAAP financial measures as further described herein. These non-GAAP measures do not have a standardized meaning under GAAP. Investors are cautioned that these measures should not be construed as alternatives to net income or loss, cash flow from operating activities or other measures of financial performance as determined in accordance with GAAP. Gran Tierra’s method of calculating these measures may differ from other companies and, accordingly, they may not be comparable to similar measures used by other companies. Each non-GAAP financial measure is presented along with the corresponding GAAP measure so as to not imply that more emphasis should be placed on the non-GAAP measure.

Operating netback as presented is defined as oil sales less operating and transportation expenses. See the table entitled Financial and Operational Highlights above for the components of consolidated operating netback and corresponding reconciliation.

Return on average capital employed as presented is defined as earnings before interest and taxes (**"EBIT"**; annualized, if the period is other than one year) divided by average capital employed (total assets minus cash and current liabilities; average of the opening and closing balances for the period).

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | **Three Months Ended March 31,** |  | **Twelve Month Trailing March 31,** |  | **As at March 31,** |
| **Return on Average Capital Employed - (Non-GAAP) Measure ($000s)** |  | **2024** |  | **2024** |  | **2024** |
| **Net (Loss) Income** |  | $ (78) |  | $ 3,335 |  |  |
| **Adjustments to reconcile net (loss) income to EBIT:** |  |  |  |  |  |  |
| **Interest Expense** |  | 18,424 |  | 62,394 |  |  |
| **Income Tax Expense** |  | 17,395 |  | 96,959 |  |  |
| **Earnings before interest and income tax** |  | **$ 35,741** |  | **$ 162,688** |  |  |
|  |  |  |  |  |  |  |
| **Total Assets** |  |  |  |  |  | $ 1,399,828 |
| **Less Current Liabilities** |  |  |  |  |  | 255,139 |
| **Less Cash and Cash Equivalents** |  |  |  |  |  | 126,618 |
| **Capital Employed** |  |  |  |  |  | **$ 1,018,071** |
|  |  |  |  |  |  |  |
| **Annualized EBIT\*** |  | **$ 142,964** |  |  |  |  |
| **Divided by Average Capital Employed** |  | **1,018,071** |  | **1,018,071** |  |  |
| **Return on Average Capital Employed** |  | **14 %** |  | **16 %** |  |  |

\*Annualized EBIT was calculated for the three months ended March 31, 2024, by multiplying the quarter-to-date EBIT by 4.

Cash netback as presented is defined as net income or loss adjusted for depletion, depreciation and accretion (“DD&A”) expenses, inventory impairment, deferred tax expense or recovery, stock-based compensation expense or recovery, amortization of debt issuance costs, non-cash lease expense, lease payments, unrealized foreign exchange gain or loss, unrealized derivative instruments gain or loss and other gain or loss. Management believes that operating netback and cash netback are useful supplemental measures for investors to analyze financial performance and provide an indication of the results generated by Gran Tierra’s principal business activities prior to the consideration of other income and expenses. A reconciliation from net income or loss to cash netback is as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Three Months Ended March 31,** | |  | **Three Months Ended December 31,** |
| **Cash Netback - (Non-GAAP) Measure ($000s)** | **2024** | **2023** |  | **2023** |
| **Net (loss) income** | **$ (78)** | $ (9,700) |  | $ 7,711 |
| **Adjustments to reconcile net (loss) income to cash netback** |  |  |  |  |
| **DD&A expenses** | **56,150** | 52,196 |  | 52,635 |
| **Deferred tax expense** | **13,479** | 15,277 |  | 13,517 |
| **Stock-based compensation expense** | **3,361** | 1,500 |  | 1,974 |
| **Amortization of debt issuance costs** | **3,306** | 781 |  | 2,437 |
| **Non-cash lease expense** | **1,413** | 1,144 |  | 1,479 |
| **Lease payments** | **(1,058)** | (606) |  | (1,100) |
| **Unrealized foreign exchange (gain) loss** | **(2,266)** | 514 |  | 2,729 |
| **Other (gain) loss** | **—** | (1,090) |  | 3,266 |
| **Financial instruments loss** | **—** | — |  | 15 |
| **Cash netback** | **$ 74,307** | $ 60,016 |  | $ 84,663 |

EBITDA, as presented, is defined as net income or loss adjusted for DD&A expenses, interest expense and income tax expense or recovery. Adjusted EBITDA, as presented, is defined as EBITDA adjusted for non-cash lease expense, lease payments, foreign exchange gain or loss, stock-based compensation expense or recovery, other gain or loss and financial instruments loss. Management uses this supplemental measure to analyze performance and income generated by our principal business activities prior to the consideration of how non-cash items affect that income, and believes that this financial measure is useful supplemental information for investors to analyze our performance and our financial results. A reconciliation from net income or loss to EBITDA and adjusted EBITDA is as follows:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Three Months Ended March 31,** | |  | **Three Months Ended December 31,** |  | **Twelve Month Trailing March 31,** |
| **EBITDA - (Non-GAAP) Measure ($000s)** | **2024** | **2023** |  | **2023** |  | **2024** |
| **Net (loss) income** | **$ (78)** | $ (9,700) |  | $ 7,711 |  | $ 3,335 |
| **Adjustments to reconcile net (loss) income to EBITDA and Adjusted EBITDA** |  |  |  |  |  |  |
| **DD&A expenses** | **56,150** | 52,196 |  | 52,635 |  | 219,538 |
| **Interest expense** | **18,424** | 11,836 |  | 17,789 |  | 62,394 |
| **Income tax expense** | **17,395** | 32,883 |  | 5,499 |  | 96,959 |
| **EBITDA** | **$ 91,891** | $ 87,215 |  | $ 83,634 |  | $ 382,226 |
| **Non-cash lease expense** | **1,413** | 1,144 |  | 1,479 |  | 5,236 |
| **Lease payments** | **(1,058)** | (606) |  | (1,100) |  | (3,470) |
| **Foreign exchange (gain) loss** | **(815)** | 1,702 |  | 3,696 |  | 9,305 |
| **Stock-based compensation expense** | **3,361** | 1,500 |  | 1,974 |  | 7,583 |
| **Other (gain) loss** | **—** | (1,090) |  | 3,266 |  | 3,387 |
| **Financial instruments loss** | **—** | — |  | 15 |  | 15 |
| **Adjusted EBITDA** | **$ 94,792** | $ 89,865 |  | $ 92,964 |  | $ 404,282 |

Funds flow from operations, as presented, is defined as net income or loss adjusted for DD&A expenses, deferred tax expense or recovery, stock-based compensation expense or recovery, amortization of debt issuance costs, non-cash lease expense, lease payments, unrealized foreign exchange gain or loss, other gain or loss and financial instruments loss. Management uses this financial measure to analyze performance and income or loss generated by our principal business activities prior to the consideration of how non-cash items affect that income or loss, and believes that this financial measure is also useful supplemental information for investors to analyze performance and our financial results. Free cash flow, as presented, is defined as funds flow from operations adjusted for capital expenditures. Management uses this financial measure to analyze cash flow generated by our principal business activities after capital requirements and believes that this financial measure is also useful supplemental information for investors to analyze performance and our financial results. A reconciliation from net income or loss to both funds flow from operations and free cash flow is as follows:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Three Months Ended March 31,** | |  | **Three Months Ended December 31,** |  | **Twelve Month Trailing March 31,** |
| **Funds Flow From Operations -**  **(Non-GAAP) Measure ($000s)** | **2024** | **2023** |  | **2023** |  | **2024** |
| **Net (loss) income** | **$ (78)** | $ (9,700) |  | $ 7,711 |  | $ 3,335 |
| **Adjustments to reconcile net (loss) income to funds flow from operations** |  |  |  |  |  |  |
| **DD&A expenses** | **56,150** | 52,196 |  | 52,635 |  | 219,538 |
| **Deferred tax expense** | **13,479** | 15,277 |  | 13,517 |  | 54,961 |
| **Stock-based compensation expense** | **3,361** | 1,500 |  | 1,974 |  | 7,583 |
| **Amortization of debt issuance costs** | **3,306** | 781 |  | 2,437 |  | 8,356 |
| **Non-cash lease expense** | **1,413** | 1,144 |  | 1,479 |  | 5,236 |
| **Lease payments** | **(1,058)** | (606) |  | (1,100) |  | (3,470) |
| **Unrealized foreign exchange (gain) loss** | **(2,266)** | 514 |  | 2,729 |  | (7,865) |
| **Other (gain) loss** | **—** | (1,090) |  | 3,266 |  | 3,387 |
| **Financial instruments loss** | **—** | — |  | 15 |  | 15 |
| **Funds flow from operations** | **$ 74,307** | $ 60,016 |  | $ 84,663 |  | $ 291,076 |
| **Capital expenditures** | **$ 55,698** | $ 71,062 |  | $ 39,175 |  | $ 203,518 |
| **Free cash flow** | **$ 18,609** | $ (11,046) |  | $ 45,488 |  | $ 87,558 |

Net debt as of March 31, 2024, was $510 million, calculated using the sum of 6.25% Senior Notes, 7.75% Senior Notes, and 9.50% Senior Notes excluding deferred financing fees totaling $637 million, less cash and cash equivalents of $127 million.

**Presentation of Oil and Gas Information**

All reserves values and ancillary information contained in this press release have been prepared by the Company’s independent qualified reserves evaluator McDaniel & Associates Consultants Ltd. (“McDaniel”) in a report with an effective date of December 31, 2023 (the “GTE McDaniel Reserves Report”) and calculated in compliance with Canadian National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities (“NI 51-101”) and the Canadian Oil and Gas Evaluation Handbook (“COGEH”), unless otherwise expressly stated.

Estimates of net present value and future net revenue contained herein do not necessarily represent fair market value. Estimates of reserves and future net revenue for individual properties may not reflect the same level of confidence as estimates of reserves and future net revenue for all properties, due to the effect of aggregation. There is no assurance that the forecast price and cost assumptions applied by McDaniel in evaluating Gran Tierra’s reserves will be attained and variances could be material. All reserves assigned in the GTE McDaniel Reserves Report are located in Colombia and Ecuador and presented on a consolidated basis by foreign geographic area. There are numerous uncertainties inherent in estimating quantities of crude oil reserves. The reserve information set forth in the GTE McDaniel Reserves Report are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual reserves may be greater than or less than the estimates provided therein.

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 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 are those additional reserves that are less certain to be recovered than Probable reserves. There is a 10% probability that the quantities actually recovered will equal or exceed the sum of Proved plus Probable plus Possible reserves.

References to a formation where evidence of hydrocarbons has been encountered is not necessarily an indicator that hydrocarbons will be recoverable in commercial quantities or in any estimated volume. Gran Tierra’s reported production is a mix of light crude oil and medium and heavy crude oil for which there is not a precise breakdown since the Company’s oil sales volumes typically represent blends of more than one type of crude oil. Well test results should be considered as preliminary and not necessarily indicative of long-term performance or of ultimate recovery. Well log interpretations indicating oil and gas accumulations are not necessarily indicative of future production or ultimate recovery. If it is indicated that a pressure transient analysis or well-test interpretation has not been carried out, any data disclosed in that respect should be considered preliminary until such analysis has been completed. References to thickness of “oil pay” or of a formation where evidence of hydrocarbons has been encountered is not necessarily an indicator that hydrocarbons will be recoverable in commercial quantities or in any estimated volume.

This press release contains certain oil and gas metrics, including operating netback and cash netback, which 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. These metrics are calculated as described in this press release and management believes that they are useful supplemental measures for the reasons described in this press release.

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.