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Colombia: Gran Tierra Energy announces contract agreement for the Suroriente Block



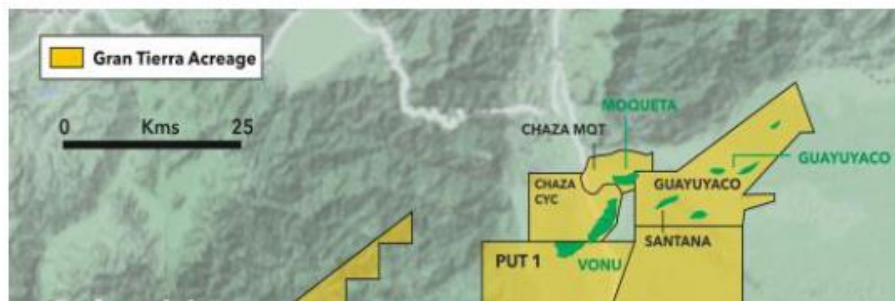
12 Apr 2023



Gran Tierra Energy has entered into an agreement with **Ecopetrol**, the national oil company of Colombia, by which the parties renegotiated the terms and the duration of the contract for the **Suroriente Block** in the **Department of Putumayo**, which was scheduled to end in mid-2024. All dollar amounts are in United States dollars unless otherwise indicated.

The Agreement provides an opportunity to add significant value, as well as economic life, to Suroriente by continuing its duration for 20 years from the Agreement's effective date. The additional term of the contract allows long-term investment in infrastructure and work programs to enhance oil recovery efficiency in existing fields, and appraisal drilling to potentially prolong the life of the fields. Gran Tierra will continue to be the operator of Suroriente and is committing to a capital investment program of \$123 million over a three-year period from the Agreement's effective date, expected to be funded by Gran Tierra's internal cash flow.

The Agreement is subject to certain conditions precedent including regulatory approval by the Superintendence of Industry and Commerce of Colombia ('SIC'). The satisfaction of such conditions precedent will determine the Agreement's effective date.



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Location of Suroriente Block (Source: Gran Tierra)

Gran Tierra became the operator of Suroriente in March 2019 with a 52% working interest ('WI'), with [Ecopetro](#) holding the remaining 48% WI. Since becoming the operator, Gran Tierra has been able to increase 100% gross oil production from an average of 6,203 barrels of oil per day ('bopd') in February 2019 to an average of 8,167 bopd during first quarter 2023, an increase of 32%. The Company has also expanded the **Cohembi enhanced oil recovery ('EOR') project**, which is designed to increase the ultimate oil recovery and value of the block. Suroriente's first quarter 2023 average production of 8,167 bopd gross (4,247 bopd WI) was its second highest quarterly average production average since second quarter 2015, despite no development wells being drilled since first quarter 2018.

The Agreement further strengthens and consolidates Gran Tierra's position as a premier operator and the top contracted area holder in the Putumayo Basin and provides continuity to the Company's long-term business relationship with [Ecopetro](#). Gran Tierra is the operator of 100% of its Putumayo blocks. The Agreement is also consistent with Gran Tierra's focused strategy to grow the Company's reserves and its portfolio of development and exploration opportunities in the proven, underexplored Putumayo Basin, with access to established infrastructure.

By continuing the tenure of its operatorship of Suroriente, Gran Tierra expects to expand the EOR project in the block through long-term investments, which the Company forecasts

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to further increase value for all stakeholders. The capital commitment associated with the Agreement also aligns with the Company's preexisting long-term plans to develop Suroriente.

Gary Guidry, President and Chief Executive Officer of Gran Tierra, commented: *'The Agreement represents a unique and significant opportunity in Colombia in terms of scale and upside potential while maintaining our long-term partnership with [Ecopetrol](#) in the prolific Putumayo Basin. We are excited by the opportunity to continue to develop and expand Suroriente's already successful EOR project in the N Sand zone of the Cohembi oil field. By securing the Agreement, Gran Tierra can now commit to long-term capital projects and development programs with plans of optimizing the oil recovery and value for the Suroriente Block. We believe the combination of Gran Tierra's robust operational expertise in the Putumayo Basin and [Ecopetrol](#)'s technical knowledge will continue our joint success in the Suroriente Block.'*

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