

TRANSCRIPT – SECOND QUARTER 2022 RESULTS

CONFERENCE CALL

AUGUST 11, 2022

10:00 AM ET

CORPORATE PARTICIPANTS

Andrés Ocampo, *Chief Executive Officer*

Verónica Dávila, *Chief Financial Officer*

Martín Terrado, *Chief Operating Officer*

Augusto Zubillaga, *Chief Technical Officer*

Stacy Steimel, *Shareholder Value Director*

CONFERENCE CALL PARTICIPANTS

Alejandro Demichelis, *Nau Securities*

Phil Skolnick, *Eight Capital*

Stephane Foucaud, *Auctus Advisors*

Oriana Covault, *Balanx Capital*

Roman Rossi, *Canaccord Genuity*

PRESENTATION

Operator

Good morning and welcome to the GeoPark Limited Conference Call following the Results Announcement for the Second Quarter ended June 30, 2022.

After the speakers' remarks, there will be a question-and-answer session.

If you do not have a copy of the press release, it is available at the Investor Support section on the Company's corporate website at www.geo-park.com. A replay of today's call may be accessed through this webcast in the Investor Support section of the GeoPark corporate website.

Before we continue, please note that certain statements contained in the results press release and on this conference call are forward-looking statements rather than historical facts and are subject to risks and uncertainties that could cause actual results to differ materially described. With this respect to forward-looking statements, the Company seeks protections afforded by the Private Securities Litigation Reform

Act of 1995. risks include a variety of factors including competitive developments and risk factors listed from time to time in the Company's SEC reports. Those risks are intended to identify certain principal factors that could cause actual results to differ materially from those described in the forward-looking statements, but are not intended to represent a complete list of the Company's business.

All financial figures included herein were prepared in accordance with the IFRS and are stated in U.S. dollars unless otherwise noted. Reserves figures correspond to PRMS standards.

On the call today from GeoPark is Andrés Ocampo, Chief Executive Officer; Verónica Dávila, Chief Financial Officer; Augusto Zubillaga, Chief Technical Officer; Martín Terrado, Chief Operating Officer; and Stacy Steimel, Shareholder Value Director.

Now I'll turn the call over to Mr. Andrés Ocampo.

Mr. Ocampo, you may begin.

Andrés Ocampo

Good morning. Thank you everyone for joining the call.

We're connecting from Bogotá, Colombia with our team to report on our business performance and second quarter results.

This quarter can be characterized by a successful high momentum transition around the ground full cycle performance with record results and a lot of good work and drilling underway, opening even more opportunities for the rest of the year. We would like to thank the entire GeoPark team for their discipline and success in delivering another record quarter by increasing production and cash flow, reducing emissions, as well as paying down debt and accelerating shareholder cash returns.

In terms of operations and our base business performance, during the second quarter we drilled nine wells and increased production to an average of almost 39,000 barrels a day, a 14% increase over the second quarter last year. We remain on track to achieve our recently upwardly revised full year average production guidance of 38,500 barrels to 40,500 barrels a day.

With higher oil prices and production, we were able to maintain our costs in line and increase our cash flow generation significantly. Our Adjusted EBITDA jumped by 140% over the same quarter last year to \$145 million, which after spending \$32 million in Capex, allowed our cash flow generation to grow to \$113 million. This means that every dollar that we invested delivered 4.5-times in Adjusted EBITDA, another proof of the quality of our assets and team. Bottom line, our profits increased to \$68 million, more than \$1 per share.

We have been allocating our cash flows, following the same priorities as always. First, invest in our assets and fund our work program, and in the current oil price environment, prioritize and accelerate production. Second, always a combination of debt reduction and returning value to our shareholders. In the year-to-date, we invested more than \$70 million in our assets to drill more than 20 wells, we paid down \$103 million of debt, returned \$25 million in cash to our shareholders, and ended the quarter with \$122 million in cash.

In the second half of the year, we're looking to accelerate the investments in our assets by doubling our Capex relative to the first half of the year. We expect to also fully repay our 2024 bonds at current oil prices and our dividends were just increased by 50%. We also will continue executing our accelerated share buyback program.

We're also investing in our energy transition efforts as we just completed the full connection of our main producing fields to the national power grid in Colombia, which is largely hydroelectric power. We're also completing the construction of our solar park, which means that soon our main fields will be consuming electricity that is 70% to 100% generated from renewable sources. This is a big step forward towards our emission reduction targets and has the additional benefit of producing both cost savings and improved operational reliability.

On governance, we would like to welcome Brian Maxted and Carlos Macellari to our Board, two proven oil finders with extensive experience in our industry and our region, who represent a significant contribution to our majority independent Board and our Company. We also welcome to the Board and thank Marcela Vaca for her more than 10 years of incredible contributions to our Management team as well as to our Company. Marcela is one of the most experienced oil and gas professionals in Colombia today and is a great addition as well.

We had a great half of the year producing record results, and our team is excited about what is coming. Eleven rigs are currently working in our assets and three more rigs are on the way.

We're executing a multiple catalyst work program that includes in CPO-5 further accelerating production with one to two more development wells in the Indico field.

We're also testing the Cante Flamenco exploration well during the upcoming weeks, and then there's a second rig that is currently moving to initiate the exploration campaign in the southeast area of the block.

In the Llanos 34 block, a third rig is already in place to continue developing the main fields and continue adding production. In our Llanos exploration acreage, we will be spudding the first well in the Llanos 87 block, the first well since we added the block in the 2019 "land grab".

Finally, in Ecuador we will be drilling the first well on our operated Espejo block and are discussing more development drilling with our partner in the Perico block.

We look forward to reporting results on these activities in the upcoming quarters, and we thank you.

Also, now we'll be happy to answer any questions you may have. Thank you.

Operator

Our first question comes from Alejandro Demichelis with Nau Securities. Please go ahead.

Alejandro Demichelis

Yes. Good morning. Thank you very much for taking my questions. A couple of questions if I may, please.

The first one is how are you seeing the proposal for the tax reform that the government in Colombia has put forward? As a bit of a follow-up from there, in your remarks, Andrés, I think you mentioned that you are in the process of the budget for 2023, and you see that as the most powerful tool that Management has. So, should we expect some changes in the direction of that kind of budget for next year given the proposal of tax of the government? That's the first question.

The second question, on the exploration side, now that you have this new discovery in the block CPO-5, how are you seeing the rest of the target through the end of the year, both in the northern part of the field and also in the southeast field?

Verónica Dávila

Good morning. Thank you, Alejandro.

To address the first portion of your question, we have been, of course, looking in detail at the briefly announced tax reform proposal. It is still very early days in the process for this proposal. It needs to go to Congress to get commented and voted on, but what we are seeing is there's two main provisions that will be affecting our industry overall and our Company. The main of those are the inclusion of an export tax on crude, and also the removal of royalties and reductions of these calculations. Of course, we've been analyzing the impact on our business, as I mentioned, and we expect to get further clarity as time goes by to be able to report back to all of you.

To go into details from those as of now, in terms of royalties, what we would like to highlight is royalties in Colombia are calculated as a percentage of volume. For our Company, that's about 8%. So, what the current proposal appears to address is that 8% calculation—which was the full deductible from the income tax calculation—will not be able to be deducted going forward. Keep in mind that this affects income tax bill of 2023, so if the reform goes forward in the same fashion as the ones that happened in Colombia in the past, then the expectation would be that the non-deductibility is applied for the 2023 tax bill which is payable in 2024.

Andrés Ocampo

Sorry, and the royalty, the 8%, that's 100% of the royalty, and it affects the ones that are not in kind. So, it's probably 70% of our royalties. You should assume something like 6% or so, which is the average of what it's been so far in our Company.

Sorry, go ahead.

Verónica Dávila

Sure. Then to the export tax, it will be very dependent on of course the final letter of the reform, but also on how each and every company sells their volumes. If we look at our composition, we have a portion of direct export which is 5% of our overall sales, then roughly half of those are sold domestically. None of those of our overall sales are sold domestically, but then are exported by our clients. So technically, you should be able to consider those as exports. Then, the remaining 35% to 45% are sold domestically and refined domestically.

Again, also dependent on the sales, but it's still unclear how the market will take this overall regulation. In other markets with this type of tax, the overall market tends to go towards export parity pricing, whereby regardless of how the volumes are sold, overall pricing in the market gets affected, but as I mentioned at the beginning, it's very early stages. We expect to get more clarity, and as we do, we will be pleased to share with all of you.

Alejandro Demichelis

I'm sorry. Just to follow-up on that. Are these changes, Verónica, enough to change the way you're thinking about capital allocation for next year?

Verónica Dávila

Sure. As Andrés mentioned in his remarks, we are at the beginning of our capital allocation process. This is a thorough process that goes over all of the following weeks and culminates with the approval of our budget in November. As you would expect, of course, all of these items will be considered, but I would like to frame that within the overall frame, because as we define our projects, what projects will be going forward, this is going to affect one of the economic aspects, but we will continue to look at the technical,

the strategic, and of course the environmental and social aspects of each and every one of those projects.

We will make them compete, and the Colombian projects may get affected by the expected tax reform, but we will carry out the process as we have very thoroughly and in detail, and we'll come up with a program by November.

Alejandro Demichelis

Thank you.

Martín Terrado

Hi, Alejandro. This is Martín Terrado. I'll respond to the question on acceleration for CPO-5. We drilled year-to-date two exploration wells in the block and one development well. The two exploration wells—the second one is the Cante Flamenco that Andrés mentioned. We have multiple targets vertically on this exploration wells, mainly Ubaque, Guadalupe, and Mirador. Preliminary results from the Cante Flamenco show that we have oil pay in the Mirador formation. So, right now, we're doing the completion of that well.

The next step is to move that rig to the Indico field. We're taking advantage of the oil prices and moving that rig to drill two development wells so that we increase production of the block. We will come back to the north again. These wells, the first one Urraca was eight kilometers from the Jacana extension, so the Guadalupe formation is one that we haven't tested yet, and we need to get closer to the north. We're building the pads on that area.

Andrés also mentioned that we have a second rig that is finalizing the mobilization in the southeast of the block, so we're going to be spudding our first well targeting the Ubaque formation in the southeast. That well is called Apterix. So, September, October, we expect to have spudding of that well.

Overall, when we look at our exploration potential on the block, we keep being really encouraged. We have the seismic that we acquired that the teams are looking at additional prospects. We have some prospects that—jointly, we have already agreed with our partner to drill closer to the Indico Mariposa area. We got seismic in the northeast of the block that late in the year, early next year, we will be acquiring.

That's a little bit of a flavor of where we're on CPO-5, Alejandro.

Operator

Thank you for your questions, Alejandro.

Our next question comes from Phil Skolnick with Eight Capital. Please proceed.

Philip Skolnick

Yes. Thanks. Good morning.

Just want to go back on to that question around 2023. If things do start to slow down in Colombia, what does your permitting situation there look like today with respect to what you would need to carry out a program in the next year?

Martín Terrado

Hi, Phil. This is Martín again.

So, we have different buckets. The bucket of the things that were fully licensed, some of those include, basically, Llanos 34 and 32, which is maybe development but some appraisal. Then we move to the fully licensed that is mainly exploration, and that's where CPO-5 is, Llanos 87 that we will be drilling our first wells soon, in the next couple of months, and Llanos 94, all fully licensed.

The next bucket, if you want to call it, is the almost-complete license, and that's Llanos 124 and Llanos 123, and by almost complete, basically, we have turned all the documentation, and in some cases, we're close in the next months to get those approvals so that we can start drilling wells, again Llanos 124 and 123.

Finally, we got the bucket of the things that are later in time, and on those, there could be some delays, we'll see. That's where we have Putumayo and some of the Llanos blocks that are on the west 104 and 86. That's kind of where we are on licensing of Llanos.

Andrés Ocampo

Technically, the really core central areas are 100% fully licensed, and the next ones in line are almost fully licensed. So, we're in very, very good shape.

Philip Skolnick

Okay. Perfect. Thank you.

Andrés Ocampo

Thank you, Phil.

Operator

Thank you for your questions.

We now have a text question from Stephane Foucaud from Auctus Advisors: "How much net pay was encountered in the Cante Flamenco well?"

Martín Terrado

Hi, Stephane.

Preliminary logging results show that we have around 40 foot of pay in the Mirador formation for Cante Flamenco.

Operator

Thank you. Stephane's second question: "Since the official appointment of the new President of Colombia, have you seen any important announcements that would impact the business?"

Andrés Ocampo

Yes, I think that was answered by Veró, and the biggest one is the tax reform that was announced yesterday. That is, in our view, the main measure that was taken that will definitely impact our business.

Operator

Thank you. Last question from Stephane: "What is the current overall production?"

Martín Terrado

Right now, our current production, net GeoPark, is between 39,000 and 40,000 barrels of oil equivalent per day.

Operator

Thank you.

Our next question comes from Oriana Covault with Balanz. Please go ahead.

Oriana Covault

Hi. Good morning. Thanks for taking my questions. I had three. If we could go one by one, that would be great.

The first one with regards to lifting costs. We observed a rise during the quarter compared with the previous one. I'm just curious on how much of that increase should be attributed to increased activities? What are you seeing from inflationary dynamics, mitigating factors, or alternatives that GeoPark could take to prevent margin erosion?

Martín Terrado

Hi, Oriana. This is Martín, again.

Overall, we're seeing about 5% to 10% increase on materials and services. Where we see the highest increase is on artificial lifts, so basically, our pumps, between 15% to 20%. Overall, we're seeing about 10%. That was included in our budget, so we're within budget. When you look at the details, you might have seen in the report some increases, for example, in Chile where our OpEx went up for the quarter because we had pooling activities to increase oil production. That is going to be gone by the next quarter. We had a successful campaign, and the pooling is not there anymore.

In Ecuador, again a brand-new block where the OpEx was not the main objective initiative, and now that we have three wells in production, we're close to 3,000 barrels of oil equivalent per day. We're working really close with our partner to bring down those OpEx. We have things that we have identified, and I'll give you a couple of examples. As we are contracting for our blocks, we're seeing that we were able to adjust better the contracts and get better prices, for example, on transporting of liquids in and out of the platforms. We're also looking into opportunities, such as connecting to existing pipelines. This was Intracampes, so there's a lot of infrastructure around. In Llanos, we are on track on our production OpEx.

Oriana Covault

Perfect. That's very clear.

Perhaps my second one, more directly to the excess cash uses, and given the recent dividend increase that you announced maybe where should we expect to see dividends head in more broader terms or possible changes or perhaps a defined dividend policy? How should we think of this?

Verónica Dávila

Thank you, Oriana. Good morning.

We will continue to allocate our cash flows within our well-established set of priorities. Andrés alluded to this, first and foremost, fund our assets and then this combination of de-leverage and shareholder returns. To your specific point on dividends, as you may recall, we doubled our dividend last quarter, and we have now increased it by an additional 50% to be paying out \$7.5 million per quarter. That accounts to on or about a 4% dividend yield. We see this as the base dividend, something that is sustainable, even in low oil price scenarios, but also that is scalable as our Company continues to grow.

We will be looking at our dividend payments within our full shareholder return strategy and continue to keep improving our shareholder returns that we have had over the last few quarters.

Oriana Covault

Got it.

Just one final one from me. Just picking up on the possibility of the flexibility on capital allocation due to perhaps a potential slowdown in the regulatory environment in Colombia. Just curious what other avenues you might be considering given your presence in Ecuador or maybe looking at new jurisdictions to start exploring?

Verónica Dávila

Thank you, Oriana.

As Martín described, the core of our assets, especially within Llanos basin, is either full licensed or about to be licensed to be able for us to keep up with our activities in the remainder of the year, in the following year, but irrespective of how the different measures take place, the final forms, and how ups and downs in Colombia, but we're used to this, right? In every Latin American country, conditions are very fluid and they change. We have always had a pan-regional approach as we look at our portfolio. It is a key aspect of our business strategy and it will continue to be.

Oriana Covault

Perfect. Thanks.

Andrés Ocampo

We're always looking at diversification. As I think we've said many times, we've probably become less regional than intended, so one of the challenges that we have is also to continue expanding that footprint outside Colombia. We have assets in our portfolio that we can accelerate, like three fields in Ecuador and fields in Chile, but obviously, that diversification now obviously becomes more relevant.

Oriana Covault

Perfect. Thanks again for taking the questions and congratulations for the quarter.

Andrés Ocampo

Thank you, Oriana.

Verónica Dávila

Thank you.

Operator

Thank you for your questions.

Our next question comes from Roman Rossi with Canaccord Genuity. Please proceed.

Roman Rossi

Good morning and thanks for taking the questions. I will ask them sequentially, if I may.

The first one is following one of Oriana's questions. You said some amended the indentures of the 2024s, right? So, for the restricted payment baskets, I want to understand what is the maximum buyback we could expect from GeoPark given these changes to indentures?

Verónica Dávila

Thank you, Roman. Good morning.

Complementing the question that Oriana asked as well, we spoke about dividends and moving on to the buyback. We have had, for some time, a program to repurchase up to 10% of our outstanding shares. We have been executing on that buyback. We paid out roughly \$15 million this year and \$5 million of those in July alone. So, we expect to be able to sustain this pace at current market conditions, and of course, keep working, as I mentioned, on our overall shareholder return strategy as we do always.

Andrés Ocampo

We've accelerated this trend and you should expect us to continue our acceleration, no?

Verónica Dávila

Correct.

Roman Rossi

Perfect. Thank you very much.

This one is probably for Martín. As you are thinking the transition in electricity generation in Llanos 34, I wanted to ask you how much OpEx is related to electricity generation, and if we should expect a significant reduction in operating expenses there?

Martín Terrado

Yes, Roman. No problem.

About 40% of our OpEx in Llanos comes from generation of electricity. So, this is something that is big for us and it's good. We expect around 10% of OpEx reduction due to the connection to PEL. It could fluctuate, depending on the price of electricity going forward, but it's about 10% what we expect.

Roman Rossi

Perfect. Thank you very much for that.

The last one has something to do with royalties. I wanted to understand—I know that high price costs were really dependent on oil prices, but I wanted to understand how should we think about the X factor part of these royalties going forward?

Andrés Ocampo

Sorry, Roman, did you ask about the export tax? It became a little noisy. Can you repeat?

Roman Rossi

The X factor, royalties. Sorry.

Verónica Dávila

Sure. Thank you, Roman.

In terms of royalties, and I think you're linking right back to tax reform, the cash royalty is 38%. There are other components of government take, such as the X factor that you mentioned, and those are different from block to block. Each E&P contract will have a different X factor. That's the way it has been in Colombia always, and those contracts are fully executed, and they're ongoing. We don't expect any changes on the X factors on those contracts.

Roman Rossi

Okay. Thank you very much. Thank you and congratulations on the quarter.

Verónica Dávila

Thank you.

Operator

Thank you for your questions.

There are no questions waiting at this time, so I'll pass the conference back over to Mr. Ocampo for any further remarks.

Andrés Ocampo

Thank you everybody for your interest and support of GeoPark. We're always available to answer any questions that you may have. Please, we encourage you to visit us and our operations or call us any time for more information you may need. Thank you and have a good day.

Operator

That concludes the call. Thank you for your participation. You may now disconnect your line.