

Transcript of
GeoPark Limited
Second Quarter 2016 Results Conference Call
August 12, 2016

Participants

James Park – Chief Executive Officer
Augusto Zubillaga – Chief Operating Officer
Andres Ocampo – Chief Financial Officer
Pablo Ducci – Capital Markets Director
Dolores Santamarina – Investor Manager

Analysts

Andre Hahem – Itau

Presentation

Operator

Good morning and welcome to the GeoPark Limited Conference Call following the results announcement for the second quarter ended June 30, 2016. After the speaker's remarks there will be a question and answer session. If you would like to ask a question at this time press star one on your telephone keypad. If you would like to withdraw your question press the pound key.

If you do not have a copy of the press release, please call Sard Verbinen & Co. in New York at +1-212-687-8080 and we will have one sent to you. Alternatively, you may obtain a copy of the release at the Investor Support section on the company's corporate website at www.geopark.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 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 from those described. With respect to such forward-looking statements, the company seeks protections afforded by the Private Securities Litigation Reform Act of 1995.

These risks include a variety of factors, including competitive developments and risk factors listed from time-to-time in the company's SEC reports and public releases. Those lists are intended to identify certain principle 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 James F. Park, Chief Executive Officer; Augusto Zubillaga, Chief Operating Officer; Andres Ocampo, Chief Executive Officer, Pablo Ducci, Director of Capital Markets and Dolores Santamarina, Investor Manager.

And now, I'll turn the call over to Mr. James Park. Mr. Park you may begin.

James Park – Chief Executive Officer

Thank you and welcome everyone.

We are joining this morning from Buenos Aires, Argentina with our executive team to report on and answer any questions regarding our 2nd Quarter 2016 results.

Supported by our continuously-improving low cost operational foundation – we headed into the second quarter of 2016 with the drill-bit – and we have seen immediate and impactful results.

Our first target was the Jacana oil field – where we drilled three new wells. The Jacana field was discovered by GeoPark in 2015 and is southwest and on trend with the large Tigana oil field in the GeoPark-operated Llanos 34 Block in Colombia. The new Jacana 3 and 4 wells already have been tested and put on production in July at a combined rate of 3,600 bopd gross. Logs from the new Jacana 5 well indicate hydrocarbons in the Guadalupe formation and the well is now being completed for testing. The Jacana 3 well proved-up a deeper oil leg and pushed out the north-western limits of the field. Our team is encouraged by the possibility of extending this field further.

As part of our modular and fully-funded 2016 work program - we are planning to drill another 5 wells before the end of the year – principally focused on increasing production in the Llanos 34 Block from the still-undeveloped sizeable Tigana field and, if feasible, further testing of the Jacana field.

And, these fields have great economics in almost any scenario. The Jacana 3 well cost \$2.9 million to drill and complete; meaning – even with a \$40 oil price – it can generate an IRR of 200% with a payback before the end of the year (that is, within 6 months). GeoPark's operating costs to produce the oil in these fields are only \$3.40 per barrel.

We also have just brought on another 1,000 bopd of production by reopening some marginal fields which had been shut-in during most of the second quarter.

Accompanying these positive technical developments, our financial position continues to improve - with our Adjusted EBITDA/boe up 90% from the previous quarter. Our cash and available facilities remain over \$200 million – with cash on hand of approximately \$80 million – stable compared to the beginning of the year.

In addition to our continuing success in Colombia, GeoPark is active across our extensive project platform in Argentina, Brazil, Chile and Peru – with ongoing production, workover and seismic operations – and working to prepare for some important exploration drilling in Brazil and Argentina in 2017.

GeoPark has been built with the capabilities to manage and exploit its attractive opportunity set. We have a proven ten-year track record of consistently growing our reserves and production – with the GeoPark team discovering approximately 200 million barrels of oil and gas to date. We operate over 38,000 boepd of production, we are ranked as the sixth largest operator in Colombia and we have operatorship over 80% of our own production – giving us the muscle, position and flexibility to most effectively manage our assets.

Thank you, and we now please invite any questions for our team and some additional insight.

Operator

At this time if you wish to ask a question press star one on your telephone keypad. If you would like to withdraw your question press the pound key. Our first question comes from (inaudible) of Itau.

Andre Hahem – Itau

Good morning and thank you for the call. I have two questions actually, the first one is related to cost. Your unitary cost in Chile and Colombia have remained stable. While we have knowledge of it that it will increase at the start of the marginal field, how would you expect them to behave on a comparable basis going forward?

Second question is relating to CapEx, out of the \$40 million to \$50 million investments you've for 2016 so you've invested \$14 million where would that be allocated going forward and where do you expect to drill new wells? Thank you.

Andres Ocampo – Chief Financial Officer

Thank you for your question. Your first question regarding cost, given the reopening of marginal fields, we do expect those -- since those have higher cost to borrow. We do expect those to impact our overall operating cost per barrel basis, they should impact by \$1 to \$2 over the total operating cost per barrel as a result of the marginal fields being brought back on stream. With respect to the

other fields we have been successful in maintaining those costs at stable levels for the first two quarters. We hope we can sustain that throughout the rest of the year and it will actually also depend on FX rates behavior as well as total production given that we're expecting to increase production from now until the end of the year.

With respect to your CapEx question, the total plan for the year is roughly \$40 million to \$50 million and as you said we already invested \$15 million so we expect around similar amounts over the next two quarters. We're drilling right now and we expect to continue drilling until the end of the year.

Operator

As a reminder if you would like to ask a question press star one on your telephone keypad. I'm showing no further questions at this time. I would like to turn it back over to Mr. Park for any additional or closing remarks.

James Park – Chief Executive Officer

Thank you all again for joining us today, and we encourage you to please contact or visit us if you have any questions. Have a good day.

Operator

Thank you ladies and gentlemen. This does conclude today's conference call. You may now disconnect and have a wonderful day.

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