

***Transcript of***  
***GeoPark Limited***  
**Third Quarter 2016 Results Conference Call**  
**November 15, 2016**

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**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 Hachem – Itau  
David Dudleyke – Dundee Capital Markets

**Presentation**

**Operator**

Good morning and welcome to the GeoPark Limited Conference Call following the results announcement for the third quarter ended September 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](http://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 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 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 Financial 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 to report on and answer any questions regarding our 2016 Third Quarter Results and 2017 Work Program and Investment Guidelines.

The 2015-16 volatility in our industry represents the real 'acid test' for any company – and GeoPark's successful performance and continuing track record of growth through this period proves the quality and durability of our assets, team and plan.

Our financial results in the Third Quarter align with our operating success through the year and include improvements in our key metrics of oil and gas production, reserves and cash flow.

Our drilling activity centered on the Tigana/Jacana oil field complex in the Llanos 34 Block discovered and operated by GeoPark. With its generous geology, cheap operating costs, and functioning infrastructure, Tigana/Jacana is shaping up to be a foundational asset that is powering GeoPark's value growth now and over the next years. Last year's certification showed our team had discovered 100 million barrels in these fields – and drilling this year has pushed out the field frontiers further. The Jacana 6 well, which was just drilled to explore the western limits, will be tested shortly.

In addition to expanding the field dimensions of Tigana and Jacana, our economics continue to excel. The cost to drill and complete a well are now averaging just \$3.4 million, operating costs are less than \$3.00 per barrel, per well recoveries are exceeding 2 million barrels, new wells have an internal rate of return of over 500% (at a \$40 oil price), and capital expenditure paybacks are within 6 months – meaning this oil play is paying for itself.

As we finish 2016 and head into 2017, GeoPark has created a powerful wind to our back – with a strengthened company, an ambitious work program and a transformational asset to underpin an increasing rate of growth.

We have built a strong 2017 work and investment program that provides production growth in almost any oil price scenario. The richness of our organic project portfolio allowed us to select the cream from over 150 different value-adding projects generated within GeoPark's five country business units.

Our program focus (over 70%) will be to further unlock the big potential of Tigana and Jacana; where we have just begun to scratch the surface. Additional exploration drilling will test a new fault trend parallel to the Tigana/Jacana and Tua fault trends in Llanos 34 and also explore new high potential prospects and plays in proven basins in Argentina, Chile and Brazil.

Our 2017 base case (at a \$45-50 oil price) is targeting a 20-25% production increase from a fully-funded \$80-90 million capital program – supported by an oil price hedge – that includes drilling 30-35 wells and a forecasted exit production of 30,000+ barrels of oil equivalent per day.

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

**Operator**

The floor is now open for questions. At this time if you have a question or comment, please press star one on your touch tone phone. Again, that's star one. If at any point your question has been answered you may remove yourself from the queue by pressing the pound key. Your first question comes from Andre Hachem of Itau.

**Andre Hachem – Itau**

Thank you for the question, and congratulations on the results. My first question is on the hedging strategy mentioned in this quarter. Is this a new strategy or has it always been ongoing? And can you also comment on your policy for doing hedges moving onto 2017?

My second question is on the CapEx program. Could you give us a breakdown on where you expect production to come from by country next year? And also, could you please comment on how deflation in the industry has impacted your CapEx plan for the next year? Thank you.

**Andres Ocampo – Chief Financial Officer**

Thank you, and good morning. Andres Ocampo here. So first going to your first question about hedging. So we designed a program that allows us to do hedging for a portion of our production, generally to secure minimum oil prices that are within or higher than the prices that we typically use for our budgeting purposes. So this year, we did a hedging transaction for a couple of months in the first half of the year that we fixed the \$45 per barrel for a period of time, and that expired already.

And now as part of this policy, we hedged roughly 30/35% of our estimated production from now, from November until June next year that covers basically 6,000 barrels a day and has a minimum Brent price of \$50 per barrel and includes a maximum price for those barrels of \$57 per barrel. This is a zero cost caller type of structure. So generally, on an ongoing basis, we would hedge at different moments, probably within a year ahead, volumes around 30 to 50% and for prices that are within the budget, the prices that we use for each of our budgets.

Then to your second question about CapEx program for next year. As we described in our release, we're accelerating our CapEx next year. We're very excited about this program. We are targeting production growth in any of the scenarios that we're targeting for next year, so that's very exciting. On a base case that will run at \$45 to \$50 Brent. We're estimating we'll grow 20 to 25% our production. Most of that growth is going to come from our Colombian assets.

We estimate Brazil production to remain relatively flat throughout next year, Chile production to be within flat to maybe a 5% production growth. So most of the production that we're associating to next year program is probably going to come from the investment in our Colombian asset. We're also doing some exploration, as Jim mentioned in the introduction. We're doing some exploration in Argentina and Brazil. But in our targeted numbers, we're not assigning any production to those investments.

**Andre Hachem – Itau**

Great, thank you.

**Andres Ocampo – Chief Financial Officer**

Thank you.

**Operator**

Again, to ask a questions, please press star and the number one on your telephone keypad. Your next question comes from David Dudleyke of Dundee Capital Markets.

**David Dudleyke – Dundee Capital Markets**

Yes. Good morning, everyone. I have a question regarding Block 34. I have a problem resolving the notable production adds that you had in the second half from Jacana 3, 4, 5 and most recently Tigana 4. By your own press releases, you talk to IP rates of some, if you add them all up, some 10,400 barrels growth; it's about 4,700 barrels net. And if we just, for simplicity, just focus on Q4 when all four wells were up and running, I have a difficulty essentially tying such growth with your own stated exit rate of, I guess, midpoint 24,500. So I make an assumption that Chile and Brazil to stay more or less flat and the growth implied by your year-end exit rates lies well short of the growth that prospectively Block 34 would appear to add. I've looked at the various fields, albeit, we only have data field-by-field up to June. There don't seem to be any conspicuous natural

declines taking place. So I'm just trying to square the circle and just essentially determine how conservative that year end exit rate might indeed be?

**Andres Ocampo – Chief Financial Officer**

Okay. Well, thank you, David and good morning. Great to have you on the call. Yes, you're right. I mean, your numbers are fairly right; by the new investments and the new wells that we've brought on production, we added roughly slightly above 10,000 barrels a day of gross production in 34. We gave our exit rates, there are some wells in our two oil fields that were off temporarily. Some of them are back on, so that may affect a portion of the production. Also in Chile and Brazil, we are estimating maybe probably the same numbers towards the end of the year. And of course, we are factoring some decline in our fields that may or may not happen. So we feel fairly confident with that – with our guidance on our exit production. We wouldn't change it at this point.

**David Dudleyke – Dundee Capital Markets**

Okay. And moving to further growth in Colombia. I mean, it's not often that one trips up over an asset such as Block 34. So where do your ambitions take you? And where – how can you best exploit the subsurface knowledge that you've gained and indeed employed on Block 34 wells. Where else within Colombia do you think offers such ample opportunities?

**Andres Ocampo – Chief Financial Officer**

Well, I agree with you. I mean, it's not often that you come across assets like 34, but we are finding this incredible oil play. So first and foremost, and as our program is showing for next year, we're putting all our energy and effort and capital or most of our capital into unlocking the value of this play, fully operating what the size of it is. So we are going to be basically concentrating most of our energy in unfolding this great asset.

And of course, our team is actively looking to areas where this can be actually replicated. We're pretty confident that this is not the only particular place in Colombia where this type of process could be found. So hopefully, we can find other places; but still, even within Llanos 34, we are testing during next year this Northwest fault-trend that is parallel to Tigana/Jacana trend. That has a couple of prospects that our team has not there. So we are going to be trying that play as well. And hopefully, with encouraging results we expect.

**David Dudleyke – Dundee Capital Markets**

Okay. Helpful. Thank you very much for your responses. That's it from me at the moment.

**Andres Ocampo – Chief Financial Officer**

Thank you, David.

**Operator**

At this time, there are no further questions. I will now turn the floor back over to Mr. James Park for any additional or closing remarks.

**James Park – Chief Executive Officer**

Well, I'd like to take this opportunity to thank everyone on this call for your interest in GeoPark, and your continued support of our company. We encourage you to please visit any of our offices or operations and invite you to please call us for any information. Thank you, and good day.

**Operator**

Thank you for your participation in today's conference. This does conclude today's call. You may now disconnect.

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