

***Transcript of***  
***GeoPark Limited***  
**Third Quarter 2017 Results Conference Call**  
**November 16, 2017**

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**Participants**

James Park – Chief Executive Officer  
Augusto Zubillaga – Chief Operating Officer  
Andres Ocampo – Chief Financial Officer  
Diego Gully – Capital Markets Manager

**Analysts**

Felipe Dos Santos – J.P. Morgan  
Shahin Amini – Pareto Securities

**Presentation**

**Operator**

Good morning and welcome to the GeoPark Limited Conference Call following the results announcement for the third quarter ended September 30, 2017. 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; and Diego Gully, Capital Markets 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're joining you this morning with our executive team from Bogotá, Colombia to report on our progress this year with our third quarter 2017 results and to answer any questions.

It was another powerful quarter – with important operational, financial and strategic wins – that continue building momentum for a successful completion of 2017 and an exciting outlook for 2018. Our team did its job by growing every component of our business plan. Production continues to increase with over 30,000 barrels per day today, as our drilling keeps finding oil and pushing out the boundaries of our key oilfields in Colombia.

With our successful drilling results -- GeoPark became the third-largest operator in Colombia -- a milestone accomplished in just 5 years beginning from scratch. We also added Argentina to our list of producing countries following our new oilfield discovery in the Neuquen Basin.

Our cost reduction efforts and innovations continue to decrease operating and capital cost and increase netbacks, making our production more profitable at lower oil prices. Our key financial metrics showed improvement and our cash flow more than doubled.

We strengthened our balance sheet by a successful refinancing of our debt with a new long-term bond that provides more funds, extends our maturities, increases flexibility and lowers our borrowing costs. We also invested in new highly prospective acreage through our expanding multi-country project portfolio by successful acquisitions in Brazil and Colombia, including an attractive block adjacent to our prized Llanos 34 Block.

Looking towards 2018, we have a “full-speed-ahead” and capital-efficient \$100 million investment plan, which provides for us to produce, develop, and explore our assets and meaningfully grow our business in 2018, all funded by our own generated cashflow; and with enough power set aside for new attractive acquisition opportunities.

We believe this structure differentiates GeoPark from many oil and gas companies and is the right formula for an E&P company to achieve enduring success in today's world.

Our team is ready and excited about our upcoming 2018 work program (which includes drilling over 30 new wells), targeted to extend our 15-year track record of production in reserve growth and adaptable to succeed in any oil price scenario. Now let's please go to Zubi.

**Augusto Zubillaga – Chief Operating Officer**

Thank you, Jim. So in this quarter, we once again demonstrated our ability to find oil and gas and our proficiency as operators.

As oil and gas finders:

In Colombia, we continue unlocking value from our Llanos 34 Block with both development and exploration drilling. With the new Curucucu 1 exploration well, we discovered new Curucucu oil field, further opening up the Southeast region of the block.

We drilled 5 wells to further test and pushed out the northern, western and southern boundaries of the Tigana/Jacana oil fields. 3 of these wells (Jacana 10, Jacana 12, Tigana Norte 2) have been tested and put on production for over 6,000 barrels of oil per day. And two wells (Jacana 17, Jacana 13) will be completed this quarter. Also, Tigana Sur Oeste 7 is being tested now.

The recent successful drilling of Tigana Norte 2 and 3 wells were encouraging and appear to be extending the field in this area with 'lower known oil' depths. We are currently drilling Tigana Norte 4 further downdip of Tigana Norte 3, and expect to have news in the following weeks.

As operators:

In the third quarter our consolidated oil and gas production increased by 28 percent to a record of more than 28,000 boepd with Colombian oil production jumping by 43 percent to more than 22,000 bopd.

Today, our gross operated production is over 55,000 boepd and has already exceeded our exit net production guidance for the year of 30,000 boepd.

And to complete this great year, we still have the opportunity to drill another 6 wells in Colombia during the fourth quarter.

We started up production in Argentina from our new Rio Grande Oeste oilfield and will be drilling more in Argentina next quarter in the Sierra del Nevado block. We also will be drilling a new prospect in the Potiguar basin in Brazil during December 2017.

For 2018, Our work program will be focused on further developing and appraising the Tigana/Jacana oil play in Llanos 34 block, with a plan to drill approximately 23-24 wells - including 5-6 exploration wells. We also plan to construct a 30 km flow line connecting our Tigana/Jacana complex to the Colombian pipeline system to further reduce operating and transportation costs.

On our new Tiple acreage, adjacent to the Llanos 34 block, we look forward to drilling an attractive exploration prospect during next year.

We will also carry out operations in the rest of our asset portfolio, advancing our projects in each country – including production operations in Chile, Argentina and Brazil – and new exploration drilling in Argentina and Brazil.

So now over to Andres.

**Andres Ocampo – Chief Financial Officer**

Thank you Zubi.

During the third quarter this year -- and following our significant production growth, our EBITDA more than doubled and reached \$45 million, representing an EBITDA for the last-nine -months of \$120 million. Our operating cash flow for the quarter of \$38 million, fully funded our CAPEX program and allowed us to continue growing within cash flow again.

Our cost reduction efforts continue generating good results, with operating expenses down 14% to just \$7.3 per barrel - allowing us to generate operating netbacks of approximately \$23 dollars per each barrel that we produced.

We successfully completed a new bond transaction in September - and placed our new \$425 million dollar 7-year Notes, with a coupon of 6.5%. Proceeds were used to fully repay our previous 2020 Notes and the Itau Loan, and the remaining cash will be used for capex and general corporate purposes. With this new transaction we were able to extend our debt maturities, reduce our financial costs, achieve more flexible covenants and increase our cash position to \$135 million as of the end of the quarter. This - combined with our increased ADJ EBITDA generation - allowed us to reduce our Net Leverage ratio down from 4.7x to 1.9x. The transaction was oversubscribed by 6x times - and attracted demand from top-tier high-quality investors.

Our self-funded 2017 work program is again hitting the mark with another year of growth - expecting production to be in the upper range of our 20-25% growth guidance, and look forward to an exciting high-impact 2018 program.

We just completed our capital allocation process - through which following the review of over 100 projects in our five-county platform - we have selected approximately 50 projects for a total investment of \$100 -110 million fully funded within cash flow - to target a production growth of 15-20%, with the main focus remaining in our core assets in Colombia where we expect to allocate over 85% of our investment program.

We have also continued to broaden our audience in the markets, and our increased stock trading volume have remained between \$1-1.5 million per day.

Thank you and now we invite any questions for our team

**Operator**

Thank you ladies and gentlemen. At this time if you wish to ask a question please press star then the number one on your telephone keypad. If at any point your question has been answered and you wish to remove yourself from the queue, you may press the pound key.

Our first question comes from the line of Felipe Dos Santos of JPMorgan.

**Felipe Dos Santos – J.P. Morgan**

So just some quick questions here at my side. First one, could you be a little bit more specific or can you give a little bit more detail at the exploration campaign that you're targeting for Colombia?

How many of those wells -- I was thinking about what 20-30 wells, should be to delineate the size of Llanos-- the discovery of Llanos 34, and how much of those would be to put or increase the production or to deliver the growth. I mean, that's just on and what would be targeting the increasing the reserves site? That's it for me.

**Andres Ocampo – Chief Financial Officer**

Felipe, so you're asking about the exploration campaign for next year, and how much of that is targeting to continue delineating the Llanos 34 play?

**Felipe Dos Santos – J.P. Morgan**

Exactly.

**Andres Ocampo – Chief Financial Officer**

If you breakdown all of the wells we're drilling all of over our platform, how many of those are exploration. So total wells are over 30 wells on a gross basis across the whole company. In

Llanos 34, around 20 to 21 wells are going to be drilled there, so total wells for Llanos 34, roughly 20 to 21 wells, for which 3 are exploration wells, which are new prospects outside the Tigana/Jacana play.

So these are new exploration prospects and other fault trends different from Jacana/Tigana. The rest are mostly development and appraisal wells to continue developing and delineating the Tigana/Jacana complex. There may be 1 more well developing Curucucu recent discovery, but most of it is right to assume that everything else is going to development and appraisal in the Tigana/Jacana complex.

Then we have 1 exploration well in Tiple, which is the adjacent block operated by GeoPark 85 percent working interest is expected, that's expected first half next year, that's 1 exploration well. Then we have 2 exploration wells in Llanos 32, where we only have 12.5 percent that's operated -- is not operated by GeoPark.

We have 2 exploration wells in Brazil and 7 exploration wells in Argentina, one of them operated by GeoPark in the CN-V block, in partnership with Wintershall, 50 percent ownership, and the other 6 are again in the Sierra del Nevado and Puelen blocks where we have an 18 percent working interest.

That gives you a total program, approximately, from the \$100 to \$110 million that we're investing next year, around 20 to 25 percent is what we just mentioned as exploration. Everything else is development, appraisal and facilities.

#### **Operator**

Our next question comes from the line of Shahin Amini of Pareto Securities.

#### **Shahin Amini – Pareto Securities**

First of all, congratulations on a solid quarter and also your highly successful refinancing. I will put as a sad news, my condolences on the passing of Michael Dingman, your board member, very sad news. 2 questions for me.

First of all, on your planned expenditure on building the new flowline in order to support production growth and reduced operating cost. And you just give more detail on that and what you expect to see in terms of cost-savings?

And second question is in relation to the Tiple block, which is adjacent to Llanos 34. Could you provide more detail? I do understand that you have pretty seismic over the block, and given your success, I actually presume the good feel for the subsurface drivers there. Could you provide more on this -- the prospect that you will be targeting in the first half of next year?

**Andres Ocampo – Chief Financial Officer**

First question about program between Llanos 34. So effectively, that's approximately a 30-kilometer flowline that will connect the Jacana area with the Oleocucto de los Llanos pipeline. We're starting work with completed environment all approvals recently, we're going to update the engineering of the projects, so we're going to start constructing in the next few months. We expect that to be completed by the fourth quarter of 2018.

The total cost net to GeoPark is around \$16 million to \$20 million -- or \$15 million to \$20 million. And we expect that to -- first simplify the operation in the whole block and it would also come with a reduction in operating expense. And then also we obviously expect the reduction in transportation costs that could be around \$1 to \$2 per barrel.

Then we think it also have strategic advantages because of the place where it is located, near the middle of the Llanos basin where the rest of the development production is coming. So we think this is a great project that's going to improve and give a lot of efficiencies to our operation and obviously, reduce our transportation costs.

Then your second question about Tiple, this was a good acquisition for us. The former operator of the block is the Spanish company CEPSA, we did a farm-in with them, through which we acquired 85 percent of the operatorship of the block through drilling 1 exploration well, and we think this are very attractive terms.

The block is covered with 3D seismic and our team mapped and accessed to a very thorough study, we identified a couple of prospects and one that we like very much. We think some of the ideas that we're doing in the Llanos 34 can be replicated in some of the areas around it, we think Tiple is one of them. So the size is still to be seen, but we're very excited about it.

We expect to drill this at the beginning of next year. We have high expectations -- sorry, the first half of next year, and have high expectations around this prospect. We think this is a very exciting news.

**Shahin Amini – Pareto Securities**

And I know this is a very difficult question, and you may want to avoid it, but are you able to provide some numbers on the prospective resources you're targeting? Or is it something we'll need to wait for next year?

**Andres Ocampo – Chief Financial Officer**

We'll probably include some of those when we announce our reserves certification and our resources audit by Gaffney & Cline. We're probably giving some guidance according to what we are seeing.

**Operator**

Again ladies and gentlemen if you wish to ask a question simply press star one. At this time, I'm showing no further questions. I'd like to turn the floor back over to James Park for an additional closing remarks.

**James Park – Chief Executive Officer**

Well thank you to everybody for your interest in GeoPark and your continued support of our company. We encourage you to please visit us at our operations and invite you to please to call us at any time for any information. Thank you and good day.

**Operator**

Thank you, ladies and gentlemen. This does conclude today's conference call. You may now disconnect.

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