

***Transcript of***  
***GeoPark Limited***  
**Second Quarter 2017 Results Conference Call**  
**August 17, 2017**

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**Participants**

James Park – Chief Executive Officer  
Augusto Zubillaga – Chief Operating Officer  
Andres Ocampo – Chief Financial Officer  
Stacy Steimel – Shareholder Value Director  
Dolores Santamarina – Investor Manager

**Analysts**

Andre Saleme Hachem – Itaú Corretora de Valores S.A  
Gavin Wylie – Scotia Global Banking and Markets  
Felipe Dos Santos – J.P. Morgan  
Jenny Xenos – Canaccord  
Nathan Piper – RBC Capital Markets  
Joel P. Musante – Euro Pacific Capital  
Ian Macqueen – Eight Capital  
Xavier Olave – Deutsche Bank

**Presentation**

**Operator**

Good morning and welcome to the GeoPark Limited Conference Call following the results announcement for the second quarter ended June 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, Stacy Steimel, Shareholder Value Director; 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 New York City to report our second quarter results. Our team continues to deliver operational success on the ground that continues to generate financial success. Our large self-funding asset portfolio continues to produce results and drive growth. Colombia is leading us forward with a low-cost, proven, big scale, still-expanding oilfield. Argentina just had a new oilfield discovery, bringing us back to this promising region.

Brazil and Chile provide us stability and new opportunities, and Peru is positioning as our next big boost. We are excited about what is coming, with an active drilling program weighted on appraisal to build value and production. GeoPark has the team, the assets, the capital and the approach to grow and prosper for the long-term in the oil markets of today, all underpinned by a 15-year operating platform across Latin America giving us a unique competitive position in the most dynamic and promising hydrocarbon region today.

And now, to Zubi.

**Augusto Zubillaga – Chief Operating Officer**

Thank you, Jim. We proved again last quarter our ability to find oil and gas and our proficiency as operators as oil and gas finders. In Argentina, we discovered a new oilfield in the Neuquen

Basin. Rio Grande Oeste 1 exploration well provides new reserves, new production and a new cash flow base from Argentina and de-risks other oil prospects on the block.

In Colombia, we continue unlocking value from Llanos 34 block with the Jacamar oil field discovery and through the development and appraisal wells on the Jacana oil field. We drilled Curucucu 1 exploration well from the Jacamar pad which is our longest deviated well in the Llanos 34 block – more than 9,500 ft. This well has been cased, completed and will be tested in the next weeks.

Now as operators, in the second quarter our consolidated oil and gas production increased by 24% to a record of more than 26,000 bpd, with Colombian oil production representing almost 21,000 bpd. Last week we celebrated the milestone of 40 million gross barrels produced in Colombia in less than 5 years. Today our gross operated production exceeds 51,000 barrels per day.

So what's next? In the third quarter, we will have four rigs working to drill twelve to thirteen wells, including six exploration, five appraisal and two development wells. Our priority is to continue expanding, building and developing our bedrock Llanos 34 asset in Colombia. In Argentina, exploration will be focused on the Sierra del Nevado and Puelen blocks in the Neuquen basin, targeting unrisks net exploration resources of 20 to 35 million barrels. For production, we are on track to hit our target of 30,000 boepd by year-end.

So now, Andres.

**Andres Ocampo – Chief Financial Officer**

Thank you, Zubi.

During the second quarter this year -- and following our significant production growth, our EBITDA increased by 81% to \$37 million, or \$122 million during last-twelve-months. Our operating cash flow for the quarter of \$34 million, fully funded our CAPEX program, serviced our financial debt and increased our cash position - which means that for every dollar invested this quarter, we generated \$1.3 dollars of operating cash flow on a consolidated basis - and in Colombia only, we generated almost \$2 dollars for every dollar invested.

Our increase in cash flow generation continues to push down our leverage ratios, with gross debt to EBITDA now going from 3.2 times to 2.8 times, and down to 2.2 times on a net debt basis. It has also increased our interest coverage ratio to 4.1 times, well above the 2020 Bond incurrence test covenant of 3.5 times.

During the second quarter 2017 we have recorded almost \$6 million of profits from our hedges in place, from which \$2 million represents realized cash gains. We currently have different

hedging contracts in place that cover approximately 40-50% of our oil production until the end of the year, giving us a secured minimum oil price floor range of \$50-54 per bbl.

Liquidity continues to improve with cash and credit facilities of approximately \$200 million, of which \$77 million are cash on hand -- \$7 million more compared to March 2017. We have also continued to broaden our audience in the markets, and our stock trading volume has increased to approximately \$1 million per day during the last 12 months, and over \$1.7 million per day during the last three months. We continue moving full speed ahead on our self-funded 2017 work program, targeting 20-25% production growth and look forward to initiating soon our 2018 capital allocation process, to define our high-impact work program and plan for next year.

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

**Operator**

Thank you. As a reminder ladies and gentlemen, if you wish to ask a question simply press star then the number one on your telephone keypad.

Our first question comes from the line of Andre Hachem of Itaú.

**Andre Saleme Hachem – Itaú Corretora de Valores S.A**

Hello guys, thank you for the questions. My first question is relating to future outlook in CapEx. First in regards with the 14<sup>th</sup> bidding round in Brazil, you guys plan to participate in the round and also the Petrobras divestment program. What is your outlook? Are you guys looking to add more assets to Brazil?

My second question is in regards to Argentina, the recent discovery. Could you guys please comment a little bit on what is the (agreement) with Wintershall? What would be the conditions for them to take over the operatorship of this field?

And also in regards to future CapEx in Argentina, should we start seeing a more significant investment in Argentina in the coming years? Or should it still be around the same level that we're seeing this year? Thank you.

**Andres Ocampo – Chief Financial Officer**

Hi good morning Andre, and thank you for your question. So first, with respect to incoming CapEx. We're continuing -- total CapEx for the year is going to be around \$80 million to \$90 million, and we've already invested around \$50 million so far so we are little bit around halfway through that process.

With respect to your question about Brazil, we are -- we have done -- we have drilled a well at the beginning of the year in Brazil. We may have one more well at the end of the year, still not confirmed yet, but we may add an additional well. It could be \$1 million investment, not more

than that and we continue working on trying to grab more acreage in Brazil, same as we are doing throughout the whole region, and we are going through, there are two processes effectively: one is obviously, divestments from Petrobras, which today are, I would say, standing by, or in a standby situation. They are not moving ahead with the onshore divestments at this point, and we are monitoring -- there's an incoming bidding round in Brazil for onshore exploration acreage, and we're going to be evaluating assets in that round, the same as we did in since round -- I think it was round 10, so since the last four bidding rounds conducted by E&P in Brazil, we expect to look at the information and evaluate if there any good assets we may be taking some more.

Your question about Argentina. We're very excited about this new discovery in the Neuquen Basin. We just tested the well, this was our first well, so it's good that we were able to confirm that this is a discovery. We own 50 percent and we are currently operating. Part of the agreement is that Winterhsall has the right to take the operatorship after the exploration phase, and we are talking with them on when and how and if this is going to happen in the near future.

And then with respect to future development CapEx, yes, we expect to invest some more development CapEx into this field, but that is something -- the development program is going to be defined once we conduct a long-term test on the well, which is actually starting right now. So once we see the performance of the well and we have more better information, we will define jointly with a partner with the development program is going to be. So that's something that we're going to know, I would say, hopefully, before the end of the year or something for next year plan.

**Andre Saleme Hachem – Itaú Corretora de Valores S.A**

OK. Thank you. Congratulations on the results and the discovery.

**Andres Ocampo – Chief Financial Officer**

Thanks very much Andre.

**Operator**

Our next question comes from the line of Gavin Wylie of Scotia Bank.

**Gavin Wylie – Scotia Global Banking and Markets**

Hey guys, just a couple of questions here. First one just on Jacana 9, I wanted to see -- there was a little bit more detail in your guys' press release just on the result there, and wondering what you see is causing the compartmentalization potentially, if that's the interpretation that seems to be the lead conclusion?

And second is what are you expecting from those upper two zones in terms of maybe flow rates or something like that, if you can provide a little bit of guidance?

The third aspect of that question is just the implications going forward on the 2P and 3P reserves, if this proves to be compartmentalized or whatever the case is, what could be the impact there?

And then the fourth question that I had for you is on Jacana 8, it's a great well, you guys tested in the Mirador that's previously unbooked from a reserve standpoint, and there wasn't a lot of discussion on that, and I'm just wondering if there's more that you could say on what that well is currently producing? And the second part of that, is there additional follow-up locations to that? Have you seen other wells in the Jacana structure Mirador potential that could be potentially re complete and go back to it and drill at some point?

**Augusto Zubillaga – Chief Operating Officer**

Hi Gavin, how are you?

**Gavin Wylie – Scotia Global Banking and Markets**

Good, thank you, sorry for all the questions.

**Augusto Zubillaga – Chief Operating Officer**

OK. Let's-- at the beginning, put it in context all the Llanos 34 Block. Our 2P reserves for Llanos 34 Block is a -- in a gross reserve basis, it is a 150 million barrels. The 2P Tigana/Jacana gross reserve is almost 130 million barrels. So we got our work around for 2017. Our objective was to define the limit and the boundaries of Tigana/Jacana fields. So far, we have drilled 8 wells in this year, and we have to drill eight wells between appraisal and development wells. So specifically going to the Jacana. So what we learned in the Tigana/Jacana, is that we have different compartments and also different ODTs.

So going to the Jacana 9 well, we've drilled the Jacana 9. We have like a transition zones, so we are -- we didn't define in that well the oil-water contact. We have different zones in Guadalupe formation. We perforated the lower zone, and we are producing 90 percent of water cut there. So now we cannot define that the oil-water contact is in this well, but we can say that this is very near the Jacana 9. So that's the main thing in the Jacana 9.

And in the same path, we also drilled the Jacana 10, which is producing 1,000 barrel of oil per day in the same formation, which is Guadalupe. We also have, coming back to the Jacana 9, we are -- we perforated the lower zone. We have to open also two zones in the upper part of the Guadalupe, so we'll understand more what's going on in the Jacana 9.

**Gavin Wylie – Scotia Global Banking and Markets**

Just to follow-up on that, just for clarity, the Jacana 9, was that drilled outside of your 2P or is that within 3P -- excuse me, within the 2P?

**Andres Ocampo – Chief Financial Officer**

That was a well that was... Hi, Gavin, Andres here. That was a well within the 3P. I mean, it's within the 3P area of Jacana.

**Gavin Wylie – Scotia Global Banking and Markets**

And just on Jacana 8, just wanted to get clarity on that one just in terms of what you're currently producing from Jacana 8 and if there's additional follow-up Mirador locations?

**Augusto Zubillaga – Chief Operating Officer**

OK. The Jacana 8 was targeted just for Mirador formation and we found Guadalupe and Mirador. We tested Guadalupe with oil. That thing is very near, so we have -- it was very near the Jacana 2, so we have the same reservoir there. And regarding Mirador, it is producing right now 1,600 barrels of oil per day from the Mirador formation, and no water.

**Andres Ocampo – Chief Financial Officer**

And there are other wells that have Mirador potential within the Jacana field. The number of wells that crossed Mirador with good log in formation. Jacana 8 is the only one that is producing from Mirador, but there are a couple more wells that are drilled through Mirador and have good logging information on Mirador potential. OK?

**Gavin Wylie – Scotia Global Banking and Markets**

Yes, perfect. Thanks.

**Operator**

Our next question comes from the line of Felipe Santos from J.P. Morgan.

**Felipe Dos Santos – J.P. Morgan**

Hi team, good morning everyone. Just some few questions. First, the producing cost of last quarter, if you just go over to break even that you have in Colombia, right now, and how you see this evolving going forward?

Second, I noticed that, now the company has much more, it has increased the hedges around the -- dollar Brent. This would guarantee the company's campaign and how -- which level of oil or what would be needed for the company so you moved to drill the wells around the Guaco 1 well or the area contingent there?

Second, is any time that you considered that you should review or releasing a reserves update on the company, and sorry for the many questions, and finally, what's is the company's targets in terms of cash flow for this year and the next? And any talks to be --around now to the debt and the negotiation on reducing the debt of the company of the payment, et cetera? Thank you.

**Andres Ocampo – Chief Financial Officer**

Thank you Felipe and good morning. Let me see if we can cover all your questions. So the first one is about the breakeven -- our breakevens in Colombia. We've been pushing down our cost significantly over the last two years. We've been driving our costs down significantly and today, this quarter, our OpEx was slightly higher because of some temporary or one-time issues that we explained in our release, but generally we're seeing Colombian OpEx at around \$5 per barrel, we have \$14 to \$15 transportation. So that's effectively it. It's just around -- this block's cash flow..., generates a lot of cash in a \$25 to \$30 oil price. So breakevens remain low, particularly in Colombia.

In terms of your question about the hedges, we continue to put hedges in place, looking forward between 6 to 12 months, our strategy is to have around 40 percent to 60 percent of our oil volumes covered, with minimum prices that are about the numbers that the prices that we used for our budgets, so we typically put floors above \$50 Brent, even though we use \$45 to \$50 for our budget. And so we just put -- we just closed the hedge recently that covered 12,000 barrels until the end of the year, which is around half of our production -- oil production -- for the remainder of the year. And then you mentioned Guaco. Guaco is going to be -- likely going to be drilled, or we hope is going to be a prospect for next year, but that is something that is going to be defined in our capital allocation discussions are actually starting in the next few weeks. So -- and then, your question about reserves. Can you repeat that question? I wasn't clear on what your question was?

**Felipe Dos Santos – J.P. Morgan**

Yes. If you intend to have a formal process on announcing reserves in every -- beginning of each year, right? Because in -- considering the results of the drilling campaign so far this year, the wells -- the Jacana wells, the Tigana wells -- are you considering to anticipate or to give the market an update in terms of reserves or contingent resources discovered so far?

**Andres Ocampo – Chief Financial Officer**

Yes. OK. No. So far, we keep the same plan of certifying reserves every December and announcing that probably in very early February. That's how we typically do it. No, we don't have any plans to anticipate a reserves certification before year end. And then your last question was about our cash flow and debt. So as we mentioned, we are -- last 12 months' EBITDA, we generated over 120 million barrels. So that means -- sorry, dollars. We are on track to continue growing, hopefully, our operating cash flow generation and with respect to our debt, we have a bond that matures in 2020. It's a bullet in early 2020. We're seeing that the market right now, the bond market is very -- in a positive momentum. We're seeing companies issuing debt at a fairly low cost. So we are opportunistically looking at the market and see if there's a good opportunity for us to term out our existing debt at an attractive price, but it's not -- this is something that we're going to be working on in 2018.



**Felipe Dos Santos – J.P. Morgan**

OK. Just one -- I'm sorry for the many questions, but the one point -- you said that any oil level or anything that's would be needed to trigger the drilling of Guaco, or anticipating of drilling Guaco for this year instead of the next?

**Andres Ocampo – Chief Financial Officer**

It's not related to -- I wouldn't say it's related to oil prices. Guaco is a prospect that is an attractive prospect in current oil prices and even lower oil prices. We-- it was part of the campaign this year, and after the results of Sinsonte, we have decided to postpone the drilling of Guaco until we understand better the play of that area in the block. So it's a more technical decision to postpone to the next year rather than an economical decision.

**Felipe Dos Santos – J.P. Morgan**

OK. Got it. Perfect, thanks so much.

**Operator**

Our next question comes from the line of Jenny Xenos of Canaccord.

**Jenny Xenos – Canaccord**

Good morning gentlemen. I have three questions, please. The first one is regarding operating cost. They went up quite substantially this quarter. You mentioned that there were some one-time items and there was some discussion in the press release.

I'm wondering, outside of those onetime items, what are you seeing in terms of trends? Are you seeing pressures on your costs in different regions? And what should we expect in terms of operating cost in the second half of the year by region? You mentioned \$5 in Colombia, I'm wondering about Brazil and Argentina and other areas that you operate in, Chile as well.

The second question is regarding Argentina. You mentioned that the new discovery derisked other oil prospects on the block. How many prospects have you identified and what is the size of these prospects?

And the final question is regarding Peru, what is the status of your partner search process there?

**Andres Ocampo – Chief Financial Officer**

Great. Thank you very much, Jenny and good morning. In terms of operating cost and trends, as we explained on the release, the second quarter was affected by onetime items, namely we had some road maintenance and more-than-usual pullings in Colombia. We had -- in Chile, we sold -- we didn't sell the oil during the first quarter so we had that as an inventory and it was sold in the second quarter and the oil has bigger OpEx than the gas. So that affected the mix.

So it temporarily increased the OpEx in Chile, and we've had some well maintenance in Brazil. So we don't expect this to continue throughout the year. We expect OpEx to normalize closer to the first quarter levels. You know, \$5 in Colombia sounds reasonable for the full year and that's what we are targeting. In terms of trends, as you know, we continue focusing a lot on reducing our cost in every possible way that we can.

And in terms of -- as I said before, we've been doing this for the last two years.

In terms of Argentina, Zubi?

**Augusto Zubillaga – Chief Operating Officer**

Jenny, in terms of Argentina, we identified three prospects at the beginning, in the CN-V block. We drilled Rio Grande Oeste, and we still have two more prospects to be drilled. Before that, we will be testing Rio Grande Oeste, there are preparing the early production facilities in the location. So during October, we will start with the long-term test that will going to take at least 4 to 5 months. So we're going to understand more the size and the behavior of that kind of reservoirs.

**Andres Ocampo – Chief Financial Officer**

And then with respect to Peru, we are -- we continue with our farm-out process that we received a couple of offers. We are working with potential partners and analyzing them and hopefully, we will have something to announce before the end of the year or we hopefully close on a partner before the end of the year. For obvious reasons, I don't have a lot more to comment on that, but it's going on the right trend.

**Jenny Xenos – Canaccord**

Right. I understand. But just to confirm once again, you mentioned that you actually received offers?

**Andres Ocampo – Chief Financial Officer**

That's correct.

**Jenny Xenos – Canaccord**

Fantastic. That's great news. Thank you.

**Andres Ocampo – Chief Financial Officer**

Thank you.

**Operator**

Our next question comes from the line of Nathan Piper of RBC.

**Nathan Piper – RBC Capital Markets**

Good morning guys, I wanted to ask some broader questions about Block 34. And in particular, what progress and what plans are in place to establish a pipeline connection from the Block 34 to the infrastructure in the Llanos basin.

Secondly, what kind of collateral production rate could you expect from that?

And then I guess, lastly, just thinking about the 2P locations -- drilling locations you might have across the block, I mean, I realized that your Jacana 9 hasn't -- results so far hasn't set the header alight. But I assume, given the appraisal success more broadly across Jacana/Tigana, that the locations, the 2P locations have gone up significantly from the 157 that were outlined at the end of 2016?

**Andres Ocampo – Chief Financial Officer**

Thank you Nathan. With respect to potential connection of 34 with the central pipelines, we continue working on environmental approvals and working with our partner on deciding which would be the best way to approach these potential connection. So we haven't made the final decision on it yet, and we haven't obtained all the approvals yet. But we're working on that and hopeful to have something soon. And once -- if we decide on that then the execution is something for next year.

Then your second question about...

**Nathan Piper – RBC Capital Markets**

Have you had any idea on cost on the pipeline? I mean, it won't be a big figure, but just to get a sense of scale?

**Andres Ocampo – Chief Financial Officer**

Yes. If we decide to build it, that could be something around \$30 million to \$40 million on a gross basis.

**Nathan Piper – RBC Capital Markets**

Thanks. And then, sorry, plateau production rates from the block?

**Andres Ocampo – Chief Financial Officer**

Second question was about production rates and potential plateau on the block?

**Augusto Zubillaga – Chief Operating Officer**

OK, we are doing our own models, dynamic models, and we can reach between 70,000 barrels per day to 100,000 barrels per day. That's the range between that we are having in our models in a 2P and 3P reserve basis.

**Andres Ocampo – Chief Financial Officer**

That's according to our D&M certification of 2016. And then can you repeat your last question -  
- that was about a number...

**Nathan Piper – RBC Capital Markets**

It was kind of the same thing really, I was trying to understand the sustainability of some of those production rates. So there's something like 160 2P locations at the end of 2016. Is it safe to assume, despite the Jacana 9 results, that, that number has been up significantly already and has a potential to grow further through the course of 2017?

**Andres Ocampo – Chief Financial Officer**

Sorry, 157 2P locations, that seems high. But I don't know where that number is coming from, Nathan.

**Nathan Piper – RBC Capital Markets**

A company called Parex, you might have heard of them?

**Andres Ocampo – Chief Financial Officer**

OK. So I think we can say -- I mean, this year, we're targeting a lot of our investments to continue operating and hopefully expanding our drilling locations but I think this is something that we will need to confirm once we have our next certification. I don't think this is something that we should throw in our conference call like this.

**Nathan Piper – RBC Capital Markets**

Fair enough, it's from that GLG report to the end of 2016.

**Andres Ocampo – Chief Financial Officer**

Right.

**Nathan Piper – RBC Capital Markets**

Thank you.

**Operator**

Our next question comes from the line of Joel Musante of Euro Pacific Capital.

**Joel P. Musante – Euro Pacific Capital**

Good morning everyone. Most of my questions were answered but I still -- I just had 1 on Jacana 9. You know it looks like that formation might have been displaced and you've identified the transition zone where I think across a lot of the fields in the past, you said you didn't really -  
- you hadn't identified where that transition zone was. So I was just wondering if this helps you define the -- where the transition zone is in the larger field?

**Andres Ocampo – Chief Financial Officer**

Right, thank you Joel. No, I think what we said is this a very large oil pool, and we're seeing different compartments in that pool. And with that, we are expecting to see different oil-water contacts or different ODTs in the different compartments. So Jacana 9 may have helped to define -- it hasn't defined it yet, but it may, give information to where the potential contact is for that specific compartment, but it doesn't change anything with respect to the rest of the field.

**Joel P. Musante – Euro Pacific Capital**

OK. All right, well that's all I had. Congratulations on the impressive result.

**Andres Ocampo – Chief Financial Officer**

Thanks very much Joel.

**Operator**

Our next question comes from the line of Ian Macqueen of Eight Capital.

**Ian Macqueen – Eight Capital**

Hi guys. Again, a number of my questions have been answered, but obviously, the water production in 9 is an issue that investors are focusing on. It's very difficult on this front to predict the future, but what I want to understand is whether or not you're seeing in Jacana 5, which is 70 feet up deep, are you seeing a response which you expect on that well based on what you've seen in Jacana 9?

So really, are those two wells in communication? And are they basically doing the same thing? You've got 90 percent water in Jacana 9? Is the water cut increasing at Jacana 5?

**Augusto Zubillaga – Chief Operating Officer**

Yes, we did some several buildup tests in order to understand if they will have connectivity within Jacana 9 and the other Jacanas. And we are seeing yes response between Jacana 5 and Jacana 9. So they are connected.

**Ian Macqueen – Eight Capital**

Are you seeing increasing water cuts at Jacana 5?

**Augusto Zubillaga – Chief Operating Officer**

Also we're seeing some water at Jacana 5 as well, but not too much.

**Ian Macqueen – Eight Capital**

OK. And is it still producing around 3,500 barrels a day?

**Augusto Zubillaga – Chief Operating Officer**

I don't have in mind that number, but yes, it's around that number.

**Ian Macqueen – Eight Capital**

All right. It sounds like we just have to wait understand what's going on. Is there anything really that you can see -- I guess, the resolution on the seismic is not good enough, it's really a question of testing the additional zones and trying to see how that well might perform in the future? It's very difficult to guess, I'm thinking?

**Augusto Zubillaga – Chief Operating Officer**

Yes.

**Ian Macqueen – Eight Capital**

And just for clarification, what Nathan was referring to in the 157 locations, it is actually in the Analyst Day presentation for Parex, but that number includes Aguas Blancas which you guys have no interest in. So Block 34, the numbers on a 1P basis are 46 development locations, on the 2P are 71 development locations, and on 3P are 88 development locations.

I realized that you guys use different reserves evaluator, they used GLJ, so again, we'll have to wait and see how things happen. But in general, I would say you guys have increased your 2P areas, so your 2P locations should go up.

**Andres Ocampo – Chief Financial Officer**

Great, thanks very much for that clarification, Ian. We did feel that, that number was little bit off the charts. So thanks for clarifying that, that's very useful. And with those numbers, we're not really that far with GLJ. We obviously, are using different research certifiers, but they don't -- I mean, they're not that different. So yes, and we agree with your comments.

**Ian Macqueen – Eight Capital**

Sounds good. Thanks guys.

**Andres Ocampo – Chief Financial Officer**

I'm sorry, just to confirm, Jacana 5 is producing 3,400 barrels per day, with less than 10 percent water.

**Ian Macqueen – Eight Capital**

OK, perfect. Thanks guys.

**Operator**

Our next question comes from the line of Xavier Olave of Deutsche Bank.

**Xavier Olave – Deutsche Bank**

Hi, thanks for taking the question. Just had a couple of very quick questions. First of all, given you're fully funded for the year and there's potential for higher CapEx next year, and the fact that you should exit the year under your incurrence covenants limits, I was wondering what would the overall plan continue to be? Would you continue to fund any incremental CapEx program via the company's cash flow generation? Or I guess, it depends on the growth prospects that you are forecasting?

The second question is can you remind me again with the amortization the schedule is going to be for the \$40 million Brazil loan? Thank you.

**Andres Ocampo – Chief Financial Officer**

Sure thank you, and good morning Xavier. The amortization on the Itau loan is \$10 million in March and September. So \$10 million next September, then March and September until March 2019. And then we -- one of the things -- I mean, we expect to continue being self-funding. Our asset base is generating sufficient cash to fund this year what is a 20 percent to 25 percent production growth target, which is a pretty good target and we expect that to continue being the case for next year. Obviously if we hit discoveries that require more development capital, we may need some more or we may change it. But we don't see that really happening. I think we're going to be self-funded for next year as well.

**Xavier Olave – Deutsche Bank**

Great, thank you so much.

**Operator**

Again ladies and gentlemen, if you wish to ask a question simply press star then the number one on your telephone keypad.

At this time, I'm showing no further questions. I would now like to turn the call over to James Park for any additional or closing remarks.

**James Park – Chief Executive Officer**

Well thank you to everyone 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 please 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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