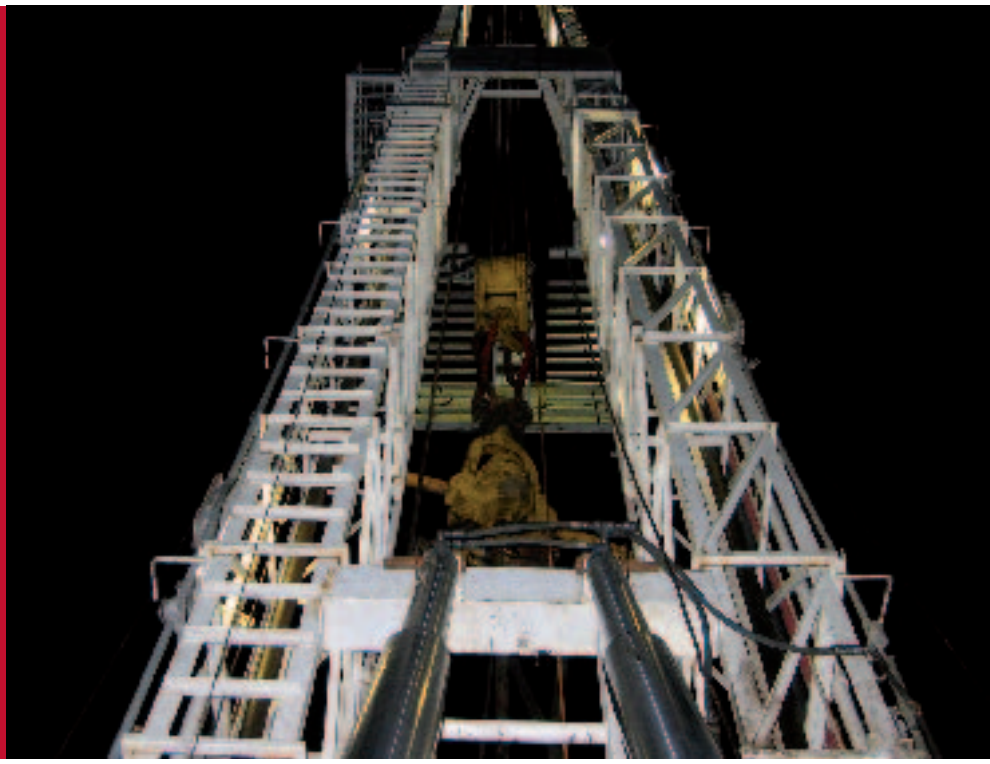
GEOPARK

GeoPark Holdings Limited
Placing & Admission to AIM



Nominated Adviser and Broker

CANACCORD

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take or the contents of this document, you should immediately consult a person authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities.

This document has been drawn up in accordance with the AIM Rules and it does not comprise a prospectus for the purposes of the PD Regulation. Accordingly, no copy of this document has been or will be approved by the Financial Services Authority. GeoPark Holdings Limited and its Directors, whose names appear on page 5 of this document, accept responsibility for the information contained in this document. To the best of the knowledge of GeoPark Holdings Limited and the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and contains no omission likely to affect its import.

Application will be made to the London Stock Exchange for the whole of the issued and to be issued common share capital of GeoPark Holdings Limited to be admitted to trading on AIM. No application has been or is being made for the Common Shares to be admitted to any other recognised investment exchange.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. It is emphasised that no application is being made for admission of the Common Shares to the Official List. London Stock Exchange plc has not itself examined or approved the contents of this document.

The AIM Rules are less demanding than those of the Official List. Prospective investors should read the whole text of this document and should be aware that an investment in GeoPark Holdings Limited is highly speculative and involves a high degree of risk. In particular, prospective investors should consider the section entitled "Risk Factors" set out in Part III of this document. All statements regarding the Company's business should be viewed in the light of those risk factors.

It is expected that the Common Shares will be admitted to trading on AIM and dealings will commence on 16 May 2006.

GeoPark Holdings Limited

(Incorporated in Bermuda under the Companies Act 1981 of Bermuda with registered no. 33273)

Placing by
Canaccord Adams Limited
Nominated Adviser and Broker
of 6,800,000 Subscription Shares and 2,793,016 Sale Shares of US$0.001 each
at 320p per Common Share and
Admission of the whole of the common share capital to trading
on the AIM market of the London Stock Exchange

Share Capital immediately following Placing

Authorised			***Issued and fully paid following the Placing and assuming the maximum 6,800,000 Common Shares are issued pursuant thereto***	
Amount	*Number*		*Amount*	*Number*
US$5,171,949	5,171,949,000	Common Shares of US$0.001 each	US$30,668.97	30,668,967

Up to 2,793,016 Common Shares are being offered by the Selling Shareholders in the Placing.

The Placing is conditional, *inter alia*, on Admission taking place on or before 16 May 2006 (or such later date as the Company and Canaccord may agree, being no later than 30 June 2006).

A copy of this document has been delivered to the Registrar of Companies of Bermuda as required by section 26 of the Act, 1981. In accepting this document for filing, the Registrar of Companies in Bermuda accepts no responsibility for the financial soundness of any proposal or the correctness of any of the statements made or opinions expressed with regard to them.

Common Shares may be offered or sold in Bermuda only in compliance with the provisions of the Investment Business Act 2003 of Bermuda, which regulates the sale of securities in Bermuda.

The issue and transfer of the Common Shares amongst non-residents for the purposes of the Exchange Control Act, 1973 and related regulations of Bermuda, is permitted by the Bermuda Monetary Authority without its prior consent for so long as they are listed on the AIM market of the London Stock Exchange or any other appointed stock exchange. Such general permission does not constitute a guarantee by the Bermuda Authority as to the performance of the Company or its creditworthiness.

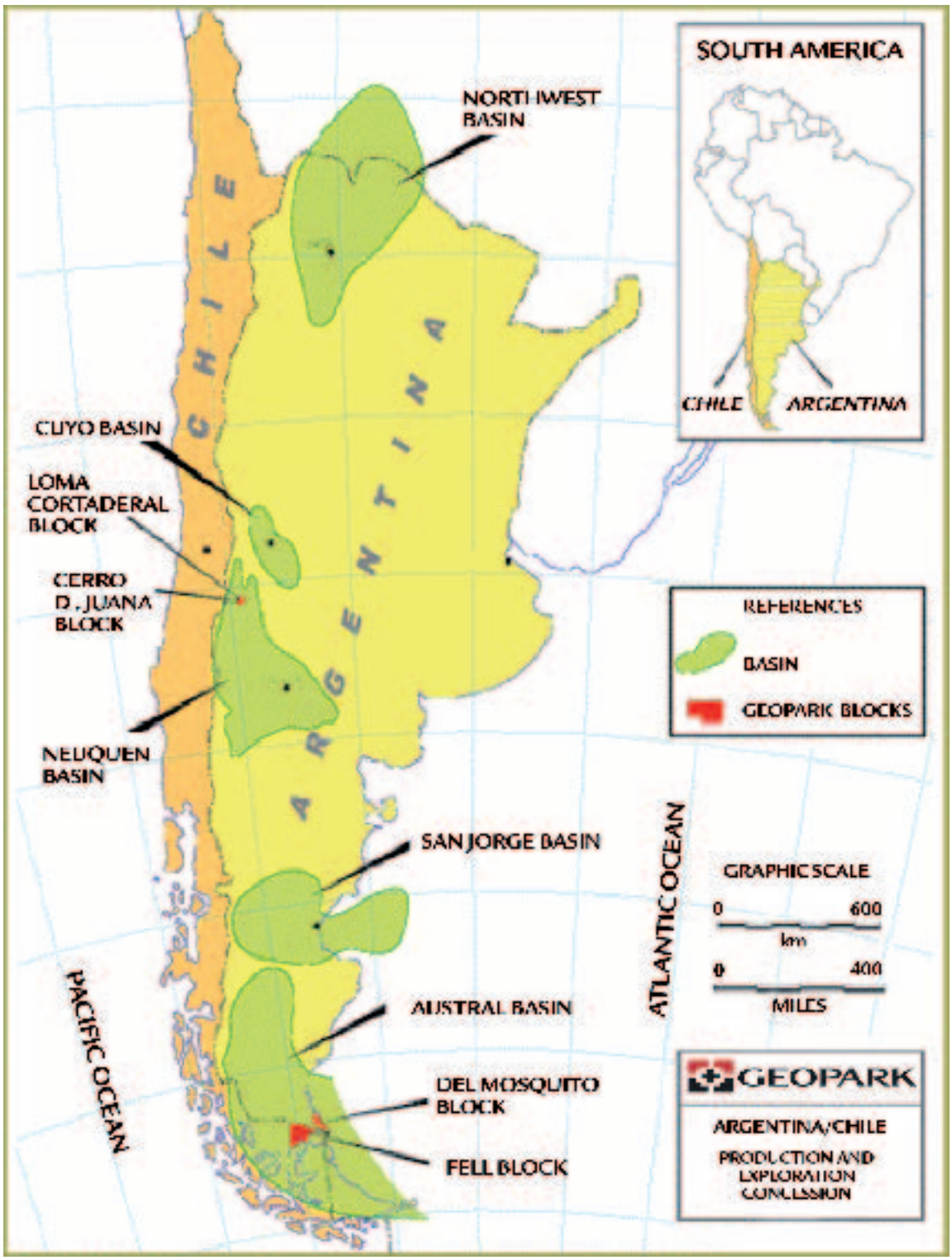
The Common Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended, or under the securities legislation of any state of the United States of America, South Africa, Australia, Japan, Canada or the Republic of Ireland. No securities commission or similar securities regulatory authority in Canada has in any way passed on the merits of the securities offered hereunder and any representation to the contrary is an offence. No document in relation to the Placing has been, or will be, lodged with, or registered by, the Australian Securities and Investments Commission, and no registration statement has been or will be filed with the Japanese Ministry of Finance in relation to the Placing of the Common Shares. Accordingly, subject to certain exceptions, the Common Shares may not, directly or indirectly, be offered or sold within the United States of America, South Africa, Australia, Japan, Canada or the Republic of Ireland or to or for the account or benefit of any national, resident or citizen of South Africa, Australia, Japan, Canada or the Republic of Ireland or any person located in the United States. This document does not constitute an offer for, or the solicitation of any offer to subscribe for or buy, any of the Common Shares to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction. This document does not constitute an offer for, or solicitation of any offer to subscribe or buy, any of the Common Shares to any person in any jurisdiction to whom it is unlawful to make such an offer or solicitation in such jurisdiction. The distribution of this document in certain jurisdictions may be restricted by law. No action has been taken or will be taken by the Company, by the Shareholders or by Canaccord that would permit an offer of Common Shares or possession or distribution of this document where action for that purpose is required. Persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

This document does not constitute an issue prospectus pursuant to article 652a of the Swiss Code of Obligations. The Common Shares will not be listed on the SWX Swiss Exchange and, therefore, this document does not comply with the disclosure standards of the Listing Rules of the SWX Swiss Exchange. Accordingly, the Common Shares may not be offered to the public in or from Switzerland, but only to a selected and limited group of investors, which do not subscribe the Common Shares with a view to distribution to the public. The investors will be individually approached by Canaccord from time to time. This document is personal to each recipient thereof and does not constitute an offer to any other person. This document may only be used by the persons to whom it has been handed out in connection with the Placing and may not be distributed (directly or indirectly) or made available to other persons without the express consent of the Company. It may not be used in connection with any other offer and shall in particular not be copied, distributed and/or otherwise made available to the public in Switzerland.

Canaccord, which is authorised and regulated in the United Kingdom by the Financial Services Authority, and is a member of the London Stock Exchange, is acting exclusively as the Company's nominated adviser and broker for the purposes of the AIM Rules and for no one else in connection with Admission and will not be responsible to any other person other than the Company for providing the protections afforded to customers of Canaccord or for advising any other person on the contents of this document. Its duties as the Company's nominated adviser and broker under the AIM Rules are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or Shareholders or to any other subsequent purchaser of Common Shares and accordingly no duty of care is accepted in relation to them. No representation or warranty, express or implied, is made by Canaccord as to, and no liability whatsoever is accepted by Canaccord in respect of, any of the contents of this document (without limiting the statutory rights of any person to whom this document is issued).

This document contains forward-looking statements, which are based on the Directors' current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. These forward-looking statements are subject to, *inter alia*, the risk factors described in Part III of this document. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a number of variables which could cause actual results or trends to differ materially. Each forward-looking statement speaks only as of the date of the particular statement. Except as required by the AIM Rules, the London Stock Exchange or by law, the Company disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Copies of this document will be available free of charge during normal business hours on any day (except Saturdays, Sundays and public holidays) at the offices of Canaccord, Brook House, 27 Upper Brook Street, London W1K 7QF, United Kingdom from the date of this document for a period of one month from Admission.


SOUTH AMERICA
CHILE
ARGENTINA
NORTHWEST BASIN
CUYO BASIN
LOMA CORTADERAL BLOCK
CERRO D. JUANA BLOCK
NEUQUEN BASIN
SAN JORGE BASIN
AUSTRAL BASIN
DEL MOSQUITO BLOCK
FELL BLOCK
PACIFIC OCEAN
ATLANTIC OCEAN
REFERENCES
BASIN
GEOPARK BLOCKS
GRAPHIC SCALE
0 600
km
0 400
MILES
GEOPARK
ARGENTINA/CHILE
PRODUCTION AND EXPLORATION CONCESSION

CONTENTS

KEY INFORMATION

Overview

GeoPark is an international oil and gas company founded in 2002 by its co-founders Gerald E. O'Shaughnessy and James F. Park to participate in the consolidation and rationalisation of the under-exploited oil and gas business environment in Latin America. The Company's objective is to become a leading oil and gas operator and acquirer in the region by leveraging its technical expertise, cost management and commercial skills and its long-term balanced opportunistic approach to value creation.

Assets

GeoPark's current assets consist of the following petroleum blocks in Chile and Argentina:

County	*Block*	*Working interest (per cent.)*
Chile	Fell	90
Argentina	Del Mosquito	100
	Cerro Doña Juana	100
	Loma Cortaderal	100

GeoPark's interest in the Fell Block will increase to 100 per cent. following approval of the Chilean Government.

Strengths

Key strengths of the Company are the:

- proven plus probable plus possible reserves of 19,415 Mbbl of oil and 198,981 MMcf of gas, as shown on page 64 of the Petroleum Consultant's Report in Part IV of this document;
- upside potential in the hydrocarbon assets of the Company with best estimate net contingent and prospective resources of 2,200 Mbbl of oil and 247,687 MMcf of gas and 19,284 Mbbl of oil and 103,591 MMcf of gas respectively, as shown on page 65 of the Petroleum Consultant's Report in Part IV of this document;
- proven and experienced team which has a successful track record in the region; and
- regional advantages of being in Chile and Argentina which provide opportunities for growth and expansion.

Strategy

The strategy of the Company is focused on:

- production and development of its existing reserve base, primarily through workovers and development well drilling;
- discovery of new oil and gas fields through reinterpreting existing information, obtaining new data and drilling of exploration wells;
- growth through acquisitions by leveraging its operating strengths and relationships to acquire new assets where suitable opportunities arise; and
- investment in the Company's technical and human resources particularly to continue to attract high quality personnel and to provide them with the tools and resources necessary to succeed.

Management

The management team of the Company is led by the two co-founders Gerald E. O'Shaughnessy (current Executive Chairman) and James F. Park (current Chief Executive), who together bring over 50 years of international oil and gas experience. The technical and operational team originates principally from Petrolera Argentina San Jorge S.A., the independent Argentine oil and gas company which went from start-up to eventual sale to Chevron Corporation for US$1.2 billion in 1999.

Net amount raised

The Company is seeking to raise proceeds (net of expenses) of £19.5 million.

DIRECTORS, SECRETARY AND ADVISERS

Directors	Gerald Eugene O'Shaughnessy *(Executive Chairman)* James Franklin Park *(Chief Executive Officer and deputy Chairman)* Sir Michael Romilly Heald Jenkins *(non-executive Director)* Peter Ryalls *(non-executive Director)* Christian Maurice Weyer *(non-executive Director)* The business address of each of the Directors is Florida 981, 4th Floor, 1005 Buenos Aires, Argentina
Registered Office	Milner House 18 Parliament Street Hamilton HM12 Bermuda
Head Office	Florida 981 Fourth Floor 1005 Buenos Aires Argentina
Secretary	Martín Perez de Solay
Nominated Adviser and Broker	Canaccord Adams Limited Brook House 27 Upper Brook Street London W1K 7QF United Kingdom
Solicitors to the Company as to English Law	Norton Rose Kempson House Camomile Street London EC3A 7AN United Kingdom
Solicitors to the Company as to Bermuda Law	Cox Hallett Wilkinson Milner House 18 Parliament Street PO Box HM 1561 Hamilton HMFX Bermuda
Attorneys to the Company as to Argentine Law	Maciel, Norman & Asociados San Martin 323 Piso 19º – C1004AAG Buenos Aires Argentina
Attorneys to the Company as to Chilean Law	Aylwin Abogados Avenida Isidora Goyenechea 3162 Of. 801 Las Condes Santiago Chile

Solicitors to the Nominated Adviser and Broker	McCarthy Tétrault Registered Foreign Lawyers and Solicitors 2nd Floor 5 Old Bailey London EC4M 7BA United Kingdom
Reporting Accountants and Auditors	Grant Thornton UK LLP Grant Thornton House Melton Street London NW1 2EP United Kingdom
Petroleum Consultant	DeGolyer and MacNaughton 5001 Spring Valley Road Suite 800 East Dallas Texas 75244 USA
Registrar	Computershare Investor Services (Channel Islands) Ltd Ordnance House 31 Pier Road St Helier Jersey JE4 8PW United Kingdom
Registrar to the Depositary	Computershare Investor Services plc PO Box 82 The Pavilions Bridgwater Road Bristol BS99 7NH United Kingdom

EXPECTED TIMETABLE

Publication of this document	10 May 2006
Admission and dealings in the Common Shares expected to commence on AIM	16 May 2006
CREST accounts expected to be credited	16 May 2006
Despatch of definitive share certificates (where applicable) for the Placing Shares	by 25 May 2006

PLACING STATISTICS

Placing Price	320p
Number of Existing Common Shares	23,818,029
Estimated net proceeds of the Placing receivable by the Company[1,2]	£15.9 million
Number of Subscription Shares being issued pursuant to the Placing[1]	6,800,000
Number of Sale Shares being sold pursuant to the Placing[3]	2,793,016
Number of Common Shares in issue immediately following the Placing[4]	30,668,967
Subscription Shares as a percentage of the Enlarged Issued Common Share Capital[4]	22.2%
Sale Shares as a percentage of the Enlarged Issued Common Share Capital[3,4]	9.1%
Market capitalisation of the Company following the Placing at the Placing Price[4]	£98.1 million

[1] Assuming full subscription of the Subscription Shares

[2] This is the gross proceeds of the Placing, less expenses, less approximately £3.6 million in repayment of outstanding Loan Notes

[3] Assuming sale of all the Sale Shares

[4] Assuming full subscription of the Subscription Shares and issue of 50,938 Common Shares on conversion of Loan Notes (see paragraph 11.4 of Part VI of this document)

DEFINITIONS

The following definitions apply throughout this document, unless the context otherwise requires:

"Act"	the Companies Act 1981 of Bermuda
"Admission"	admission of the entire issued and to be issued Common Share capital of the Company to trading on AIM becoming effective pursuant to Rule 6 of the AIM Rules
"AIM"	the AIM market of the London Stock Exchange
"AIM Rules"	the rules for AIM companies and their nominated advisers published by the London Stock Exchange governing admission to and the operation of AIM
"A Notes"	the US$4,432,225 aggregate unsecured convertible "A" loan notes issued pursuant to the instrument described in paragraph 11.4 of Part VI of this document
"Argentine Peso" or "A$"	the legal currency of Argentina
"Audit Committee"	the audit committee of the Company
"Board"	the board of directors of the Company for the time being including a duly constituted committee thereof
"B Notes"	the US$2,432,677 aggregate unsecured convertible "B" loan notes issued pursuant to the instrument described in paragraph 11.4 of Part VI of this document
"Bye-laws"	the bye-laws of the Company, further details of which are set out in paragraph 4.2 of Part VI of this document
"CA 1985"	the Companies Act 1985 of England and Wales, as amended
"Canaccord"	Canaccord Adams Limited, the Company's nominated adviser and broker, a member of the London Stock Exchange and authorised and regulated in the United Kingdom by the Financial Services Authority
"CEOP"	special operation contract for the exploration and exploitation of hydrocarbon fields in the Fell Block Magallanes Area executed between the State of Chile, ENAP and GeoPark Chile on 17 May 2005, before the Santiago Notary Public Mrs Antoneta Mendoza Escalas, as further described in paragraph 1 of Part II of this document
"Cerro Doña Juana Block"	the geographic area in the Neuquen Basin as described in paragraph 12.2.1 in Part I of this document
"Chilean Peso"	the legal currency of Chile
"Chilean VAT"	value added tax or any similar turnover or sales tax payable in Chile
"City Code"	the City Code on Takeovers and Mergers issued from time to time by or on behalf of the Panel
"Combined Code"	the code of best practice including the principles of good governance appended to, but not forming part of, the Listing Rules issued from time to time by the UK Listing Authority

"Common Shares"	the common shares of the Company of par value US$0.001 each having the rights and restrictions set out in paragraph 4.2 of Part VI of this document
"Company" or "GeoPark"	GeoPark Holdings Limited, incorporated in Bermuda with registered number 33273
"Countries of Operation"	Argentina and Chile and "Country of Operation" means either one of them
"CREST"	the electronic, paperless transfer and settlement mechanism to facilitate the transfer of title to shares in uncertificated form, operated by CRESTCo Limited
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (as amended) including (i) any enactment or subordinate legislation which amends or supersedes those regulations and (ii) any applicable rules made under those regulations or any such enactment or subordinate legislation for the time being in force
"Del Mosquito Block"	the geographical area in the Austral Basin as described in paragraph 12.1.2 in Part I of this document
"Depositary Interests" or "DIs"	dematerialised depositary interests representing Common Shares
"Directors"	the directors of the Company, whose names are set out on page 5 of this document and "Director" means any one of them
"DIs"	depositary interests
"ENAP"	Empresa Nacional del Petróleo, the state owned oil and gas company of Chile
"Enlarged Issued Common Share Capital"	the Common Shares in issue immediately following Admission as enlarged by the issue of the Subscription Shares and any new Common Shares issued on conversion of any loan instruments
"EU"	the European Union
"Executive Directors"	as the context requires the executive Directors of the Company from time to time, or as at the date of this document, Gerald Eugene O'Shaughnessy and James Franklin Park
"Executive Stock Option Plan"	the arrangements for the grant of options over new Common Shares referred to in paragraph 10 of Part VI of this document
"Existing Common Shares"	the 23,818,029 Common Shares in issue at the date of this document
"Fell Block"	geographical area in the Austral Basin as described in paragraph 12.1.1 in Part I of the document
"FSMA"	the Financial Services and Markets Act 2000
"GDP"	gross domestic product
"GeoPark Argentina"	GeoPark Argentina Limited, incorporated in Bermuda with registered number 14790
"GeoPark Chile"	GeoPark Chile Limited, incorporated in Bermuda with registered number 32226

"Group"	the Company and its current subsidiaries, being GeoPark Chile and GeoPark Argentina
"IFC"	International Finance Corporation, a member of the World Bank Group
"IFC Investment"	the investment of US$10 million by the IFC pursuant to an agreement between the Company, the IFC, James F Park and Gerald O'Shaughnessy dated 7 February 2006
"IPO Awards"	one-off individual conditional share awards in respect of new Common Shares referred to in paragraph 10 of Part VI of this document
"JOA"	the joint operating agreement between ENAP and GeoPark Chile governing the operation of the Fell Block, further details of which are set out in paragraph 11.8.2 of Part VI of this document.
"Latin America"	the countries of North, Central and South America, south of the United States, where the official language is Spanish or Portuguese
"Lock-in Agreements"	the conditional agreements dated various dates between (1) the Company, (2) Canaccord and (3) certain shareholders which prevents disposal by such shareholders of Common Shares in certain circumstances, further details of which are set out in paragraph 11.3 of Part VI of this document
"Loma Cortaderal Block"	the geographical area in the Neuquen Basin as described in paragraph 12.2.1 in Part I of this document
"London Stock Exchange"	London Stock Exchange plc
"NOMAD Agreement"	the conditional agreement between Canaccord, the Directors and the Company relating to Canaccord's appointment as nominated adviser and broker to the Company on Admission, details of which are set out in paragraph 11.1 of Part VI of this document
"Nomination Committee"	the nomination committee of the Company
"Non-executive Directors"	as the context requires the non-executive Directors of the Company from time to time, or as at the date of this document, Sir Michael Romilly Heald Jenkins, Peter Ryalls and Christian Maurice Weyer
"North America"	United States of America and Canada
"Official List"	the Official List of the UK Listing Authority
"Panel"	the Panel on Takeovers and Mergers
"PD Regulation"	Regulation 809/2004 of the European Commission
"Petrobras"	Petróleo Brasilerio SA, the Brazilian state oil company
"Petroleum Consultant's Report"	the report prepared by DeGolyer and McNaughton, a copy of which is reproduced in Part IV of this document
"Placing"	the placing and/or subscription of the Placing Shares at the Placing Price pursuant to the Placing Agreement

"Placing Agreement"	the conditional agreement between Canaccord, the Directors and the Company relating, *inter alia*, to the Placing of the Subscription Shares, details of which are set out in paragraph 11.2 of Part VI of this document
"Placing Price"	320p per Common Share, being the price at which each new Common Share is to be issued under the Placing
"Placing Shares"	the Subscription Shares and the Sale Shares
"Remuneration Committee"	the remuneration committee of the Company
"Sale Shares"	the 2,793,016 Common Shares in issue to be sold by the Selling Shareholders pursuant to the Placing
"Sale Shares Placing Agreements"	the conditional agreements between Canaccord and each of the Selling Shareholders relating, *inter alia*, to the Placing of the Sale Shares, details of which are set out in paragraph 7.2 of Part VI of this document
"SDRT"	stamp duty reserve tax
"Selling Shareholders"	those Shareholders of the Company proposing to sell Common Shares as part of the Placing, as set out in paragraph 7.1 of Part VI of this document
"Shareholders"	the persons who are registered as holders of the Common Shares from time to time
"South America"	a continent in the western hemisphere connected to North America by the Isthmus of Panama
"Subscription Shares"	the 6,800,000 new Common Shares to be issued by the Company pursuant to the Placing
"subsidiary"	has the meaning ascribed to it in section 258 of the CA 1985
"UK"	the United Kingdom of Great Britain and Northern Ireland
"UK Listing Authority"	the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000
"US", "USA" or "United States"	the United States of America, its territories and possessions, any state of the US and the District of Columbia and all other areas subject to its jurisdiction
"VAT"	United Kingdom value added tax and any other similar sales or turnover tax within the EU or elsewhere
"YPF"	Repsol – YPF SA

Note:

In this document, the symbols "£" and "p" refer to pounds and pence Sterling respectively, the symbols "US$", or "$" refer to United States dollars and the symbol "A$" refers to Argentine pesos.

Any reference to any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof.

Words importing the singular shall include the plural and *vice versa* and words importing the masculine gender shall include the feminine or neutral gender.

GLOSSARY

2D	two dimensions
3D	three dimensions
Basin	an area which in a past geological era has been depressed, acquiring deposits of sedimentary rocks such as sands, silts or limestones
Austral Basin	a basin located in southern Argentina and Chile which holds a significant portion of the Group's hydrocarbon reserves and resources
bcf	billions of cubic feet
Blocks	the Fell Block, the Del Mosquito Block and the Cerro Doña Juana and Loma Cortaderal Blocks
BOE	barrels of oil equivalent
bpd	barrels of oil per day
Contingent Resources	has the meaning ascribed to it in the Petroleum Consultant's Report in Part IV of this document
Formation	a rock deposit or structure of homogeneous origin and appearance
GOC	gas/oil contact
Mbbl(s)	thousand barrels of oil
MD	millidarcy
Migration	the movement of hydrocarbons from their source rock into reservoirs
MMcf	million cubic feet
MMcfd	million cubic feet per day
Neuquen Basin	a Basin located in the central western part of Argentina
OWC	oil/water contact
Permeability	the degree to which a body of rock will permit a fluid to flow through it
Porosity	the percentage of pore volume or void space, or that volume within rock that can contain fluids
Possible reserves	has the definition ascribed to it in the Petroleum Consultant's Report in Part IV of this document
Prospective Resources	has the definition ascribed to it in the Petroleum Consultant's Report in Part IV of this document
Proved or Proven reserves	has the definition ascribed to it in the Petroleum Consultant's Report in Part IV of this document

Probable reserves	has the definition ascribed to it in the Petroleum Consultant's Report in Part IV of this document
Reservoir	a subsurface body of rock having sufficient porosity and permeability to store and transmit fluids
Seismic Survey	a survey conducted to map the depths and contours of various prospective rock strata by timing the reflections from strata-tops of sound waves released on the surface or down a borehole
Stimulation	methods such as acidising or fracturing or explosions designed to break up low permeability reservoir rock in the vicinity of a well so that oil can flow freely into the bore
tcf	trillion cubic feet (1000 billion)
Workover	a maintenance operation on a well usually to replace equipment or to stimulate production

PART I

INFORMATION ON THE COMPANY

1. Overview

GeoPark is an international oil and gas company founded in 2002 by its co-founders Gerald E. O'Shaughnessy and James F. Park to participate in the consolidation and rationalisation of the under-exploited oil and gas business environment in Latin America. The Company's objective is to become a leading oil and gas operator and acquirer in the region by leveraging its technical expertise, cost management and commercial skills and its long term balanced and opportunistic approach to value creation.

GeoPark's current assets consist of four petroleum blocks (three blocks in Argentina and one block in Chile) totalling over 700,000 acres – and associated infrastructure, production facilities, operating licences and a valuable technical data base. GeoPark has achieved a track record of performance in its three and a half year history by acquiring a stalled project and converting it into an expanding operation with a supportive cash flow and a balanced portfolio of attractive opportunities capable of achieving an enterprise of meaningful scale. In this start-up period, GeoPark's achievements include: construction of field facilities; receiving authority to operate in two countries; commercialisation of crude oil production; contracting the necessary equipment; attraction and retention of highly-qualified personnel; achievement of regulatory, tax and environmental compliance; discovery of a new oil field; successful drilling and production of new wells; acquisition of a new 3D seismic survey; undertaking successful negotiations with host government; attraction of financial investment; and the identification of new acquisition opportunities. The Directors believe GeoPark has expeditiously created a scalable international oil and gas company operating capability at a cost substantially lower than the international standard for an equivalent capacity.

The Directors believe the Company is presently poised for growth, underpinned by its:

Platform:	Attractive petroleum blocks with existing proven and probable hydrocarbon reserves and an opportunity to find new oil and gas fields
Management:	A proven technical team with depth, scope and experience for a company of its size
Approach:	A coherent long term risk-managed business plan with growth opportunities
Fundamentals:	Industry and regional advantages provide support for growth
Capital:	Revenue support and a strong shareholder base allow the Company to develop its assets and acquire new projects.

2. Summary of the Petroleum Consultant's Report

The Company's interests in the Blocks are shown below:

Country	*Blocks*	*Working Interest (per cent.)*	*Area (acres)*
Chile	Fell	90	440,000
Argentina	Cerro Doña Juana	100	35,954
	Del Mosquito	100	190,000
	Loma Cortaderal	100	39,710

Note: GeoPark's interest in the Fell Block will increase to 100 per cent. following approval of the Chilean Government.

A summary of the Company's oil and gas reserves and oil and gas resources, as appraised by DeGolyer and MacNaughton, is set out below.

The Petroleum Consultant's Report, as prepared by DeGolyer and MacNaughton, is set out in Part IV of this document. The following tables are extracted from pages 64 and 65 and are subject to the definitions contained in the Petroleum Consultant's Report.

Reserves

Country	*Oil and Condensate (Mbbl)*	*Separator Gas (MMcf)*
Chile		
Proven	2,405	42,614
Probable	2,239	57,272
Possible	3,681	94,999
Argentina		
Proven	1,075	1,688
Probable	3,929	2,044
Possible	6,086	364
Total		
Proven	**3,480**	**44,302**
Probable	**6,168**	**59,316**
Possible	**9,767**	**95,363**

Note: Probable and possible reserves have not been adjusted for risk.

Resources

	Low Estimate	*Median Estimate*	*Best Estimate*	*High Estimate*
Net Contingent Oil Resources, Mbbl	1,202.0	2,017.8	2,200.2	3,409.5
Net Contingent Gas Resources, MMcf	127,887.9	216,608.1	247,687.0	413,802.4

	Low Estimate	*Median Estimate*	*Best Estimate*	*High Estimate*
Net Prospective Oil Resources, Mbbl	13,288.9	18,625.5	19,283.8	25,902.1
Net Prospective Gas Resources, MMcf	71,794.9	99,216.3	103,590.7	140,585.9

DeGolyer and MacNaugton also provided estimates of the net present value ("NPV") of the proven, proven plus probable, and proven plus probable plus possible reserves of the Company. Please refer to pages 97 to 99 of the Petroleum Consultant's Report for a detailed explanation of the assumptions used in the NPV analysis.

Reserves

Country	*Base Case Future Net Revenue (US$'000)*	*Base Case Net Present Value at 10 per cent. (US$'000)*
Chile		
Proven	77,029	54,150
Proven plus Probable	174,633	114,179
Proven plus Probable plus Possible	344,148	200,574
Argentina		
Proven	4,521	2,824
Proven plus Probable	53,500	37,489
Proven plus Probable plus Possible	116,120	72,977
Total		
Proven	**81,550**	**56,974**
Proven plus Probable	**228,133**	**151,668**
Proven plus Probable plus Possible	**460,268**	**273,551**

Note: Probable and possible reserves have not been adjusted for risk.

The table above is extracted from page 64 of the Petroleum Consultants Report as set out in Part IV of this document.

3. History of the Group

The Group was founded in 2002 as a long term strategic venture targeting the under-exploited dynamic Latin American oil and gas business environment and to take advantage of depressed asset values. The Company's co-founders, Gerald O'Shaughnessy and James Park, who together have over 50 years of international oil and gas experience, provided all funds for the Company's start-up, initial acquisition and first period of operations. Together they hold an aggregate of approximately 57 per cent. ownership in the Company at the date of this document.

In 2002 GeoPark acquired, through a predecessor company, AES Corporation's upstream oil and gas assets in Chile and Argentina. These assets comprised interests in four petroleum blocks (the Fell Block in Chile and the Del Mosquito, Cerro Doña Juana and Loma Cortaderal Blocks in Argentina) and their associated infrastructure, production facilities, operating licences and a substantial technical database (including five 3D seismic surveys).

In its three and a half year history, GeoPark has evaluated, restructured, managed, invested in and added to the acquired assets substantially increasing their value. Key accomplishments of the Company since 2002 include:

- rehabilitation of an abandoned oilfield (containing four producing wells) in Argentina resulting in production revenue to help support operating and overhead costs;
- discovery of a new oil field in Argentina and its initial development (to date it has three producing wells) in an area not drilled since the 1980s;
- assembly of an experienced, committed and regionally-proven technical and financial team to manage the Company, with field operations teams based in southern Argentina and southern Chile;
- re-interpretation of geological, geophysical and engineering information to create a risk-balanced portfolio of exploration prospects and development opportunities on existing blocks covering an area of over 705,000 acres;
- design, construction and rehabilitation of field production facilities increasing the capacity to process and store crude oil;
- carrying out a new 3D seismic survey (covering 400 km^2) in Argentina and installation of leading interpretative geophysical and engineering software to support the technical team;
- renegotiation of the Fell Block contract in Chile, which resulted in the addition of new areas containing 10 shut-in oil and gas fields and the improvement of the economic terms of the contract (including reduced royalties and minimum work obligations and extended time periods);

- becoming the only upstream oil and gas company operating in Chile other than ENAP (the Chilean state owned oil company) and the first company to take over operations from ENAP;
- increase in oil and gas reserves in both Argentina and Chile and the establishment of a production base of approximately 200 bpd in Argentina;
- marketing of produced crude oil in Argentina through an established relationship and the initiation of a strategic alliance with a major gas consumer in the region for development and sales of gas in Chile;
- review and screening of oil and gas blocks, companies and opportunities throughout the region to create a portfolio of potential acquisition candidates; and
- establishment of a strong shareholder base of international investors including the IFC through a US$10 million equity investment and a mandate to arrange a US$20 million loan facility, the terms of which are to be agreed after Admission.

4. Current Trading and Prospects

GeoPark has continued to produce oil from the Del Mosquito Block in Argentina for the first quarter of 2006, with average crude oil production at approximately 200 bpd. This production is sold to Petrobras under a petroleum sales agreement (see paragraph 11.13 of Part VI of this document) and first quarter sales for 2006 are approximately US$1.3 million. In Chile, the Company has commenced the construction of a 20km gas pipeline and gas plant expansion project which will permit the commercialisation of production from three recently tested gas wells.

Exploration has continued in the first quarter of 2006 with the initiation and completion of a 400km^2 3D seismic campaign in the Del Mosquito Block costing approximately US$3.8 million.

Agreement was reached in March 2006 with ENAP for the Company to acquire ENAP's 10 per cent. interest in the Fell Block, and the approval of the Chilean Ministry of Mining was received on 20 April 2006 and completion of the acquisition is expected shortly. The Company has also reached a preliminary agreement on a strategic alliance and sales contract with Methanex Corporation in Chile to purchase the Fell Block gas production, starting in the second quarter of 2006, under a pricing formula to be linked to Methanol prices and to jointly pursue opportunities to develop gas reserves. Methanex Corporation is a leading producer and marketer of methanol and is a major consumer of gas.

In February 2006, the IFC invested US$10 million in the Company by way of fulfilment of the IFC Investment, as further described in paragraph 11.7 of Part VI of this document. Also at this time, a shareholder loan of approximately US$5.0 million was converted into Common Shares and US$6.8 million of preferred shares in the Company were redeemed by the issue of unsecured convertible notes, as described further in paragraph 11.4 of Part VI of this document.

5. Strategy

GeoPark's strategy is to become a leading oil and gas operator and acquirer of assets through an emphasis on superior technical expertise, hands-on cost control, opportunistic commercial skills and a long term, balanced approach. The Company's business plan is focused on the following:

5.1 ***Production and Development of Existing Reserves***

According to DeGolyer and MacNaughton, the Company has proven, probable and possible reserves in the Blocks. The Company is focused on bringing these reserves into production through a series of activities including:

- performing geological, engineering and petrophysical studies;
- carrying out workovers to repair or open new productive zones in existing wells;
- reservoir stimulation;
- applying new production technology;
- installing artificial lift;

- drilling new in-fill or development wells in existing fields; and/or
- building new facilities and pipelines to connect proven wells or fields to a market.

5.2 ***Discovery of New Oil and Gas Fields***

The Board believes the Blocks have not been effectively explored to date and therefore have the potential for the discovery of new oil and gas fields. The opportunity exists to re-interpret existing information, obtain new data and drill new wells to confirm the existence of additional hydrocarbon reserves.

GeoPark will undertake further exploration activity on its Blocks by:

- completing the technical re-evaluation and re-interpretation of existing information and previous results;
- expanding the 3D seismic coverage in Chile;
- testing of new geological formations e.g. the Tertiary formation;
- delineating and ranking oil and gas prospects by geological potential, risk and economics; and
- drilling new exploration wells.

5.3 ***Growth Through Acquisitions***

The Board believes that Latin America is both under-explored and under-evaluated, and intends to leverage its strategic operating and management base in the region and its technical and commercial capabilities to acquire new assets where suitable opportunities arise. The Company intends to target assets which bring a mix of development and/or production potential and attractive exploration acreage, utilising, where applicable, various forms of participation including block acquisitions, farm-ins, corporate transactions, work and investment commitments and/or operator earned-interests. GeoPark has reviewed over 100 opportunities throughout Argentina and Chile and has ranked several potential candidates, including non-core assets owned by major and state-owned oil companies. The Directors believe that governments may increasingly encourage companies to divest their non-core assets.

5.4 ***Investment in the Company's Capacities***

GeoPark believes that its success lies in attracting and retaining highly qualified personnel and supporting those personnel with the required tools and resources. This will enable the Company to approach the capacities of larger companies and achieve success with a lower cost structure than its larger competitors. As technology costs continue to commoditise, the same interpretive processes and tools which are utilised by the major oil companies are economically accessible to smaller companies such as GeoPark. The Board also intends to seek out long term solutions and alliances to ensure the availability of required drilling equipment and other field equipment necessary to implement work programs. For example, GeoPark has obtained the right to use a workover rig for at least two years. GeoPark is also in discussions with a number of parties to obtain the right to use a drilling rig. The global oil and gas business is facing manpower and equipment shortages and the Board believes a successful company must now invest in and develop creative and long term solutions to ensure its growth plans are achieved.

6. Work Program

The Company intends to implement the following work program subject to finalisation of technical analysis, actual field results, availability of equipment and cost and timing of operations:

6.1 ***Projected Chile Work Program 2006-2007***

The Company expects to conduct the following activities in Chile

Production and Development Activity

- Produce / initiate production from nine fields
- Field test 14 gas wells

- Workover 18 oil and gas wells
- Construct gas production and compression facilities (Phase I and Phase II) and oil production facilities and tank batteries
- Conduct 3D seismic survey to define development wells
- Drill eight development wells

Exploration Activity

- Conduct 3D seismic surveys to define new plays, leads and prospects, based on which the Company will formulate an appropriate exploration drilling program

6.2 ***Projected Argentina Work Program 2006-2007***

The Company expects to conduct the following activities in Argentina

Production and Development Activity

- Produce / initiate production from three fields
- Workover three oil wells
- Construct oil production facilities and tank batteries and gas production and compression facilities as needed
- Drill six development wells

Exploration Activity

- Conduct 3D seismic survey over 400 sq km to define new leads and prospects (completed Q1 2006), based on which the Company will formulate an appropriate exploration drilling program

Alongside the activities set out above the Company plans to conduct in-depth geological and engineering analyses to develop oil and gas reserves, discover new oil and gas fields and reduce investment risks. It also plans to implement a continuous cost control program, and environmental and safety monitoring and improvements.

7. Key Strengths

The Board believes the Company's strengths enable it to pursue a long term risk-balanced business plan. These strengths include:

7.1 ***Reserve Backing Platform***

The Company currently owns interests in the Blocks which contain proven, probable and possible oil and gas reserves and an existing base of oil and gas production. As shown on page 64 of the Petroleum Consultant's Report in Part IV of this document, the Company's total proven, probable and possible reserves are 19,415 Mbbl of oil and 198,981 MMcf of gas. These reserves, which must be developed and produced to provide revenue, provide the Company with a value foundation from which to further build and grow.

7.2 ***Upside Potential***

The Blocks also have an attractive potential for discovering new oil and gas reserves and fields. As shown on page 65 of the Petroleum Consultant's Report in Part IV of this document, the Company's net contingent and net prospective resources (best estimates as defined in the Petroleum Consultant's Report in Part IV of this document) are 2,200.2 Mbbl and 19,283.8 Mbbl of oil respectively and 247,687 MMcf and 103,590.7 MMcf of gas respectively. The Blocks have proven to be hydrocarbon-bearing and are adjacent to other blocks with large proven oil and gas fields. GeoPark has already initiated the steps necessary (in terms of both geological and geophysical evaluation) to begin to delineate prospects and explore these blocks. The full extent of this exploration potential is unknown at this time.

7.3 ***Proven and Experienced Team***

The Company has an experienced team of oil and gas technical professionals with a successful track record in the region. The majority of the senior management team worked together at Petrolera Argentina San Jorge S.A. and Chevron San Jorge S.A. for many years. This team history

also enables GeoPark to function as a more seasoned company and with a recognised stature throughout the region. Petrolera Argentina San Jorge S.A. was acquired by Chevron Corporation in 1999 for approximately US$1.2 billion.

7.4 ***Regional Advantages***

Latin America represents a rich and under-explored hydrocarbon area, and its future economic development is contingent on the development of secure energy supplies. Specific advantages of GeoPark's base in Argentina and Chile include: opportunities for expansion; availability of qualified and experienced personnel; attractive regulatory framework; existing infrastructure; negligible security issues; large unexplored territories and a low operating cost environment. GeoPark is also the only private oil and gas upstream company operating in Chile which the Directors believe will give the Company opportunities to acquire further assets in Chile. GeoPark is also one of approximately 40 approved operators in Argentina.

8. Management

8.1 ***Directors***

Gerald Eugene O'Shaughnessy – Executive Chairman (Age 57)

Mr. O'Shaughnessy graduated from the University of Notre Dame with degrees in government (1970) and law (1973). Thereafter he practised law until he joined Lario Oil and Gas (his family company and one of the oldest independent oil and gas companies in the USA which was founded by his grandfather) as Senior Vice President. From 1986 until the present, Mr. O'Shaughnessy has focused on private venture capital investment activities, including oil and gas exploration and development. In 1990, he formed the Globe Resources Group to invest in and develop start-up projects around the world, with an emphasis on upstream oil and gas development. In 1992, Mr. O'Shaughnessy acquired MD Seis USA (a geophysical service company which co-founded the first energy sector joint venture in Russia during perestroika) and from 1992 to 1995 he initiated and managed the largest and most successful well servicing and rehabilitation project in Western Siberia, involving sophisticated logistical operations and the rehabilitation of 700 wells, increasing production from 0 to 100,000 bpd. Mr. O'Shaughnessy's participation in this project made him the first western partner of OAO Lukoil, and he subsequently entered into other partnerships with OAO Lukoil including building and managing one of the world's largest oilfield pump repair facilities. Mr. O'Shaughnessy co-founded the Group in 2002.

James Franklin Park – Chief Executive Officer and deputy Chairman (Age 50)

Mr. Park has an extensive and varied background in all phases of the upstream oil and gas business, and has a strong background in the acquisition, implementation and management of international joint ventures, having successfully managed assignments in North America, Latin America, Asia, Europe and the Middle East. He graduated from the University of California at Berkeley with a degree in geophysics, following which he worked as a research scientist focused on plate tectonics and earthquake prediction. In 1978, Mr. Park joined an oil and gas exploration project in Guatemala (Basic Resources International Limited) which pioneered the development of commercial oil and gas production in Central America and, as a senior executive, was closely involved in the development of the company (including grass-roots exploration activities, technically-complex drilling and production operations, surface and pipeline construction, extensive legal and regulatory issues, crude oil marketing and transportation, and raising substantial investment funds). He remained as a member of the board of directors until the company was sold in 1997. Mr. Park also participated in projects in California, Louisiana, Argentina, Yemen, and China. Mr. Park has lived in Argentina and Chile since co-founding the Group in 2002.

Sir Michael Romilly Heald Jenkins – Non-executive Director (Age 70)

After graduating from Cambridge University in 1959, Sir Michael joined the Diplomatic Service, serving in several European capitals. He worked for ten years in the European Commission in Brussels, from 1973 to 1983, including terms as Chef de Cabinet to the Commissioner for Regional Policy, as Principal Adviser to the EC President Roy Jenkins and as Deputy Secretary-General of the Commission. He was Assistant Under-Secretary of State at the Foreign & Commonwealth Office responsible for European affairs and East/West relations before becoming Minister and deputy head of mission at the British Embassy in Washington D.C from 1986 to

1988. He was British Ambassador to The Netherlands from 1988 to 1992. He joined the board of Kleinwort Benson in 1993 as an executive director and he became Vice-Chairman of Dresdner Kleinwort Wasserstein in 1996 with particular focus on the investment bank's continental European activities. During this time he worked on privatisation and corporate transactions in different European countries and led a number of public offerings in the oil and gas sector. From 1995 to 2001 Sir Michael was a non-executive director of the Dutch insurance group Aegon and from 1996 to 1998 he was Chairman of the British Group of the Trilateral Commission. Sir Michael was appointed President of Boeing UK in April 2003. He was responsible for co-ordinating all the business activities of the Boeing Company in Britain, enterprise-wide from the Boeing offices in central London. He retired from his position as President in October 2005 but remains an adviser to Boeing UK. Sir Michael joined GeoPark in April 2006.

Peter Ryalls – Non-executive Director (Age 55)

Mr. Ryalls, who joined GeoPark in April 2006, obtained a Master's Degree in Petroleum Engineering from Imperial College in London and began working in the oil industry in 1972 with oil service company Schlumberger in Angola, Gabon and Nigeria. Mr. Ryalls then joined Mobil North Sea and later Unocal where he worked in increasingly senior positions, including Managing Director in Aberdeen, and where he developed extensive experience in offshore production and drilling operations in the North Sea and internationally. In 1994, Mr. Ryalls represented Unocal in the Azerbaijan International Operating Company (AIOC) as Vice President of Operations based in Baku and was responsible for production, drilling, reservoir engineering and logistics. In 1998, Mr. Ryalls moved to Buenos Aires, Argentina as General Manager for Unocal in Argentina. He subsequently moved to Louisiana as Vice President of Unocal's Gulf of Mexico oil and gas business. In June 2000, he became Vice President Global Engineering & Construction of Unocal based in Sugarland, Texas. The Global E&C group worked with business units across Unocal in the implementation of all major capital projects ranging from deepwater developments in Indonesia and the Gulf of Mexico to conventional oil and gas projects in Thailand. Mr. Ryalls strengths are in risk management across the project development cycle with a strong focus on health, safety and environment.

Christian Maurice Weyer – Non-executive Director (Age 81)

Christian Weyer has been in the international banking business for over 30 years and, since 1992 to present, has been President of Enerfin in Geneva, Switzerland, an advisory firm providing investment banking services to junior oil and gas companies. From May 1988 to 1992, Mr. Weyer was special adviser to Banque Indosuez for energy matters and from 1971 to 1986 held executive positions at Banque Paribas, including President of Banque Paribas (Suisse) in 1984/85. Prior to 1971, Mr. Weyer was senior credit officer at Chase Manhattan Bank in Paris and in Geneva. Mr. Weyer joined GeoPark in 2002 as an advisory board member and as a Director in 2003 and was appointed as a Non-executive Director in April 2006.

8.2 ***Other Senior Management***

Many members of the GeoPark team have worked together previously in successful ventures. Other senior management and key technical employees include:

Gerardo Hinterwimmer – Director of Geosciences (Age 49)

Mr. Hinterwimmer, who joined the Company in 2003, is one of the premier development geologists in Argentina and an acknowledged expert in the Austral Basin with over 25 years of international and major oil company experience including with YPF, Schlumberger Limited, Petrolera Argentina San Jorge S.A. and Chevron San Jorge S.A.. He has pioneered efforts to study and evaluate the unconventional volcanic clastic reservoirs (Tobifera) in the Austral Basin, has been credited with commercial oil and gas discoveries in the Austral and Neuquen Basins and is the author of numerous technical papers and an editor of the reference manual on productive reservoirs throughout Argentina. He has also been a contributor to new geological-oriented technology introduced by Schlumberger Limited in Latin America.

Gustavo Henderson – Director of Operations (Age 49)

Mr. Henderson, who joined the Company in 2004, is a chemical engineer with 26 years of international experience in oil and gas operations, including with BJ Services, Petrolera Argentina San Jorge S.A. and Chevron San Jorge S.A., and is an experienced oil and gas operations manager

in the southern cone region of Latin America. He managed the 50,000 bpd Trapial Field (Chevron San Jorge S.A.'s largest field in Argentina) with a crew of 500 people (including contractors) and capital budgets of US$70 – 100 million per year and has expertise in highly-technical completion, workover, secondary recovery, stimulation and production operations and regional knowledge and experience in the Austral Basin both in Argentina and Chile. He has published technical papers for international congresses, including a study on methods to reduce costs in electrical submergible pumping operations, and has academic experience teaching technology for oil and gas companies such as Petrobras and Petroperu SA (the Peruvian state oil company).

Martín Perez de Solay – Director of Support and Chief Financial Officer (Age 36)

Mr. Perez de Solay, who joined the Company in 2005, is an industrial engineer with 14 years of financial and administrative experience. He began his career in the engineering department of Siderca SAIC, one of the leading industrial companies in Argentina. In 1994, Mr. Perez de Solay began working with Citibank and held several positions during his eleven-year tenure, until becoming Director of Corporate Banking in 2003. At Citibank, his focus was on mergers and acquisitions, structured finance, privatisations, project finance and capital markets (bonds and IPOs) in several sectors of the Argentine economy, including the energy sector. He was appointed to the Board and executive committee of Citibank Argentina in 2000. After the Argentine devaluation crisis, he was given responsibility for the restructuring sector at the bank where he succeeded in recovering substantial returns for the bank in a difficult period.

Carlos A. Gulisano PhD – Exploration and Development Leader (Age 55)

Dr. Gulisano, who has been an adviser to the Company since 2002, is a respected leader in the fields of geology and geophysics in Argentina with over 26 years of exploration, development and management experience in the oil and gas industry. He has worked with YPF, Petrolera Argentina San Jorge S.A. International and Chevron San Jorge S.A. and has been an instrumental part of teams which have been credited with significant discoveries and reserve additions in Argentina (including the Trapial Field). He has worked in Bolivia, Peru, Ecuador, Colombia, Venezuela, Brazil, Chile, and the USA. Dr. Gulisano holds a B.Sc in Geology, a postgraduate degree in Petroleum Engineering and a PhD in Geology from the University of Buenos Aires, Argentina and has authored and co-authored over 40 technical papers. He is a former adjunct professor and thesis director at the Universidad del Sur (in Argentina), a former thesis director at the University of La Plata (in Argentina), and a former scholarship director at the CONICET (the national technology research council) in Argentina. Dr. Gulisano is on a permanent retainer with the Company and provides direction and quality control over the exploration and development of the Company's properties.

Salvador Harambour – Senior Adviser (Age 68)

Mr. Harambour, who has been an adviser to the Company since 2003, is a distinguished internationally-known oil and gas manager with more than 45 years' experience in the industry in Chile and around the world. Mr. Harambour spent his entire career with ENAP beginning in 1960 as a geologist and retiring in 2002 as the senior executive of Exploration and Production. He graduated as a geologist (with degrees from Chile and France) and worked for 30 years in the E&P operations in the Magellan (Austral) Basin as Chief Geologist, Exploration Manager, and General Manager. In 1990, he became exploration and production General Manager in Santiago where he helped create Sipetrol (ENAP's international exploration and production branch) and became its CEO and Executive Vice President until his retirement in 2002. As Sipetrol's CEO, he opened operations in Argentina, Ecuador, Colombia, Venezuela, Egypt, Yemen and Iran. Mr. Harambour also had responsibility for geothermal projects in Chile. Mr. Harambour has an intimate knowledge of all aspects of the Chilean oil and gas industry and has been invaluable in guiding GeoPark to understand the variety of opportunities that exist in Chile and the norms and standards required to be a good corporate citizen of Chile.

Maria Ester Lara PhD – Geophysicist (Age 49)

Dr. Lara, who joined the Company in 2003, is a highly-trained and successful geophysicist with 20 years of international and major oil company experience – including with Repsol/YPF, ARCO, Lagoven, and Chevron San Jorge S.A.. She has carried out exploration on basins in Argentina, the USA, Venezuela and Brazil. She earned her PhD at the University of Miami and has proven expertise in exploration and reservoir seismic interpretation – including structural and sequence

stratigraphic analyses of extensional, compressional and pull-apart basins. Her ability to apply new geological models to existing fields has resulted in the discovery of new and by-passed commercial reserves. She is proficient in the use of seismic interpretation software in workstations and PCs and has experience in seismic processing. Since joining GeoPark, she has developed an expertise in the management of seismic field operations. Dr. Lara has received multiple professional awards and was a Fulbright Scholarship recipient. She has authored over 20 professional papers, was a teaching assistant at the University of Miami, and a research assistant professor at the University of South Carolina.

Carlos A. Murut – Geologist (Age 50)

Mr. Murut, who joined the Company in 2006, is an industry-respected oil finder with 28 years of geological experience in the major producing basins of Argentina and internationally. He previously worked for YPF, Tecpetrol S.A., Petrolera Argentina San Jorge S.A. and Chevron San Jorge S.A.. With Tecpetrol, Mr. Murut was responsible for worldwide exploration evaluations (including in Venezuela, Ecuador, Colombia, Peru, Chile, Bolivia, Trinidad, Cameroon, Libya, and China). With Chevron San Jorge S.A., he became Chief of Development Geology for the two major oil producing basins in Argentina and was responsible for the reservoir evaluation of all exploration prospects and acquisition property candidates ranging in value from US$10 million to over US$300 million. He was also responsible for data quality control and control and supervision of log and core evaluations. He has experience in developing 3D geocellular models of oil and gas fields (integrating geophysics, engineering, geology and petrophysics) to increase the recovery of proven and by-passed reserves. Mr. Murut has a Masters degree in Geological Science and has authored numerous technical papers.

Ricardo Saldaño – Reservoir Engineering (Age 55)

Mr. Saldaño, who joined the Company in 2004, is a well-known petroleum engineer in Argentina with over 29 years of experience in reservoir management including with YPF and Pluspetrol S.A.. He is a former President of the Production Commission of the Argentine Petroleum Institute (IAPG) and is the only person to have been elected to this position twice. He joined Pluspetrol S.A. in 1990 and helped to develop it into one of the most successful Argentine exploration and production companies and is credited with creating its reservoir engineering department. He has initiated multiple water flooding projects resulting in increased oil reserve recovery and has a specialty in operations monitoring and the training of young engineers. Mr. Saldaño is also responsible for communication and relations with the Secretary of Energy in Argentina.

Juan Carlos Ferrero – Petrophysical Engineer (Age 45)

Mr. Ferrero, who joined the Company in 2005, is an industry-respected reservoir engineer with 25 years' oil industry experience including with YPF, Petrolera Argentina San Jorge S.A. and Chevron San Jorge S.A.. Mr. Ferrero's work has provided the underlying technical foundation for many successful projects. His expertise is in electrical log and petrophysical interpretation to which he can apply extensive geological knowledge. He also has over 15 years' specific experience in the Austral Basin. Mr. Ferrero was responsible for designing the field development of the Trapial field for Chevron San Jorge S.A. (including recommending approximately 85 wells per year). Mr. Ferrero is currently reviewing all wells on the Fell Block in Chile and ranking candidates for rehabilitation and the recovery of by-passed oil and gas reserves.

Mario A. Vila PhD – Geophysicist (Age 47)

Dr. Vila, who joined the Company in 2006, is a geophysicist with 19 years' professional experience, including with Total, Pan American and Wintershall. He obtained a PhD in Physics from the Universidad Nacional de La Plata and began his career with Total where he spent eleven years (including a year working in France). He has worked in all major Argentine basins (including San Jorge, Neuquén Cañadón Asfalto) with substantial experience in the Austral Basin (both onshore and offshore). Dr Vila's strengths are 2D and 3D seismic interpretation acquisition and processing; structural and stratigraphic exploration and development; reservoir characterisation by seismic attributes, trace inversion and amplitude variation with offset analysis; hydrocarbon resource evaluations; geostatistics; time/depth conversion and tomography; seismic modeling; gravimetry, magnetometry and magneto tellurics.

Augusto Zubillaga – Production Engineer (Age 36)

Mr. Zubillaga, who joined the Company in 2006, is a petroleum engineer with 10 years of experience in production, engineering, well completions, corrosion control, reservoir management and field development. He previously worked with Petrolera Argentina San Jorge S.A. and Chevron San Jorge S.A.. While with Chevron San Jorge S.A., he led multi-disciplinary groups focused on improving production, costs and safety. He was the Asset Development Team Leader of Chevron San Jorge S.A. Trapial field and was responsible for creating the field development plan – as well as the estimation and auditing of the oil and gas reserves of the field. He also formed part of Chevron San Jorge S.A. inner team to identify business opportunities and work with the head office regarding the establishment of best business practices. He has authored several industry papers including papers on electrical submersible pump optimisation, corrosion control, water handling and intelligent production systems.

Federico Resio – Operations Engineer (Age 30)

Mr. Resio, who joined the company in 2004, is a petroleum engineer with six years of oil and gas operating experience. He began his career with Chevron San Jorge S.A. where he was assigned to, and succeeded in, an independent project. His areas of expertise include field operations and modern petroleum engineering and evaluation techniques. Mr. Resio is assisting in the selection of the field rehabilitation candidates on the Fell Block and is building and managing the Company's field operation team in southern Chile.

Guillermo Rossi PhD – Geophysicist/Geologist (Age 46)

Dr. Rossi, who has consulted for the Company since 2004, is a geologist and geophysicist with 19 years' of professional experience, including with YPF, Petrolera Argentina San Jorge S.A. and Chevron San Jorge S.A.. He has worked on projects in Argentina, Brazil, Bolivia, Peru, Ecuador and Venezuela and has participated in more than 80 exploration and development well proposals and been credited with several oil and gas discoveries in the Austral Basin. Dr. Rossi holds a PhD in Geology and Geophysics and his area of expertise is the application of geological concepts to aid geophysical interpretation. He has worked at all levels of investigation from core descriptions to basin-scale correlation and petroleum system analysis and is familiar with related sub-disciplines such as sequence stratigraphy, structural geology, geochemistry, remote sensing, geostatistical methods, seismic attribute analysis, amplitude variation with offset and spectral decomposition. Dr. Rossi works for the Company approximately 26 weeks per year.

Juan Pretel – Cost Control Accountant (Age 47)

Mr. Pretel, who joined the Company in 2004, is a professional accountant (CPA and MBA) with 16 years of experience, including in the oil and gas industry. He has formerly worked with the Argentine Navy, Occidental Petroleum Corporation, Coastal Petroleum Argentina S.A., Quintana Minerals Corporation, Canadian Hunter Exploration Ltd., and Burlington Resources Inc. and has experience of organising finance departments for several independent oil and gas companies. Mr. Pretel was the former Finance Director and member of the Board of Directors for Argentina and Uruguay of Equant (a subsidiary of France Telecom). Mr. Pretel is also a former Professor of Economic Management and Accounting at the Catholic University in Buenos Aires.

9. IFC Investment

In February 2006 the IFC made an equity investment in the Company of US$10 million. The IFC is a member of the World Bank Group and has 178 member countries which collectively determine its policies and approve investments. It invests in projects that meet its investment criteria and promotes sustainable private sector investment in developing countries as a way to reduce poverty and improve people's lives. The IFC has extensive hands-on knowledge of how to operate in developing countries and has excellent relationships with the governments of developing countries.

The purpose of the equity investment was to provide early-stage financing to the Company to strengthen its capital base and to help finance a portion of the Company's projected capital expenditure program, which aims to increase the Company's oil and gas production. Following due diligence, including a site visit, the IFC concluded that, following the implementation of certain additional social and environmental measures, the Company's projects meet the applicable World

Bank/IFC environmental and social policies and environmental, health and safety guidelines and on this basis, the IFC agreed to make the investment. As part of the terms of the investment the IFC has the right (which it has not currently exercised) to appoint a director to the Board. The IFC will evaluate the compliance of the Company's projects with their environmental and social requirements during the lifetime of the project, and periodic site supervision visits will also be conducted. This investment gives the IFC a 10.5 per cent. interest in the Company as at the date of this document. Assuming all the Subscription Shares are subscribed for, this interest will be diluted to 8.2 per cent. on Admission.

The IFC has also been mandated by the Company to arrange a loan of up to US$20 million for the Company. The terms and conditions of this loan have not yet been determined and are to be agreed following Admission.

10. Reasons for Admission and use of Proceeds

The Directors believe that Admission will be beneficial to the Group as it will:

- provide investment for the development of the Group's assets;
- provide access to the capital markets;
- enable the Group to be better placed to attract, recruit and retain key employees; and
- provide the Group with an acquisition currency.

The proceeds of the Placing (net of expenses) are estimated to be approximately £19.5 million and together with the IFC Investment will be used to fund the work program set out in paragraph 6 of this Part I, and to redeem the unsecured convertible notes, as described in paragraph 11.4 of Part VI of this document.

11. Countries of Operation

11.1 *Chile*

11.1.1 *Introduction*

Chile has one of South America's strongest economies and is one of the few countries in the region to have an investment grade rating. About 85 per cent. of Chile's population lives in urban areas, with 40 per cent. living in greater Santiago. The northern Chilean desert contains considerable mineral wealth, principally copper, while the relatively small central region dominates the country in terms of population and agricultural resources. Southern Chile is rich in forests and grazing lands and features a string of volcanoes and lakes.

In 1973, a military government led by General Augusto Pinochet took over control of the country. A new Chilean constitution was approved by a plebiscite in 1980, and General Pinochet became President of the Republic of Chile for an initial eight-year term. During his 16 years in power, Chile moved away from economic statism toward a largely free market economy that fostered an increase in domestic and foreign private investment. In 1988 Chileans voted for elections to choose a new president and in 1989 Patricio Aylwin was elected president and the country has remained democratic since. In January 2006 Michele Bachelet became Chile's first woman president and the fourth consecutive president from the centre-left coalition known as the "Concertacion", which has governed Chile since the end of military rule in 1989.

During the 1990s Chile's economic growth rates were among the world's highest. The 1973-1989 government under Pinochet sold many state owned companies, and the three democratic governments have since continued this trend. Chile has several free trade agreements with, amongst others, the European Union, the USA and Canada. It is a welcoming country for foreign direct investment as the country's Foreign Investment Law gives foreign investors the same treatment as Chileans. Registration of a company in Chile is simple and transparent and foreign investors are guaranteed access to the official foreign exchange market to repatriate their funds.

11.1.2 *Oil and Gas Industry*

Chile's oil and gas industry commenced in the 1940s with the first oil discovery in the Austral Basin (where GeoPark has two blocks, one in Chile and one in Argentina). The exploration for, and development of, oil fields in Chile has been controlled mainly by ENAP, with few outside companies working in this sector. The Board believes the region remains largely undeveloped and under-exploited.

The hydrocarbon reserves of the country, which comprise 0.15 billion barrels of identified oil reserves and 3.5 tcf of natural gas reserves, are concentrated in the Austral Basin at the southern tip of the country. Due to these limited reserves, Chile now imports almost all of its crude oil requirements (principally from Argentina) and much of its natural gas requirements.

In 2002, the Argentine government capped the price of gas resulting in increased demand for natural gas in Argentina. This resulted in the Argentine government (in 2004) restricting natural gas exports to Chile in order to reserve them for domestic use. It is not clear whether in the coming years Argentina will be able to meet its supply obligations to Chile.

11.1.3 *Oil and Gas Regulation in Chile*

Oil and gas exploration and development is governed by the Political Constitution of the Republic of Chile and Decree Law 1089, on Special Contracts for Exploration and Exploitation of Hydrocarbons, of 1975, and subsequent amendments. However, the right to explore and develop fields is granted for each area under a special operation contract, between the State of Chile and the relevant contractors (in the case of the CEOP relating to the Fell Block, this is between GeoPark Chile and ENAP). Therefore all the provisions governing the exploitation and development of the Fell Block are contained in the CEOP and the CEOP constitutes all the licences that GeoPark Chile needs in order to own, operate, import and export any of the equipment used in its business and to conduct its gas and petroleum operations in Chile.

A summary of the CEOP is contained in Part II of this document.

11.2 ***Argentina***

11.2.1 *Introduction*

Argentina is South America's second largest country and one of the region's largest and most important economies. The Republic of Argentina consists of 23 provinces and the federal capital district of Buenos Aires, where more than one third of the country's population lives. The most densely inhabited areas and the traditional wealth are on the belt spreading from east to west across central Argentina.

After World War II, the country suffered authoritarian rule and government interference under Peronist governments and right wing military dictatorships until the return of democracy in 1983. The current President, Nestor Kirchner, was elected in May 2003 and won a major victory in the October 2005 legislative elections, giving him a strengthened mandate and a stronger position in the Argentine senate and chamber of deputies.

The country suffered a severe financial crisis in 2001 to 2002 following a deep recession in 2000 caused by both domestic issues and mounting economic global pressures. This crisis caused the interim President, Eduardo Duhalde, to abolish (in January 2002) the country's convertibility system, which had pegged the Argentine Peso to the US dollar as part of the efforts to combat the financial crises of the 1980s and early 1990s. The result was a severe devaluation of the Argentine Peso against the US dollar, accompanied by a large increase in inflation. However, the depreciation in the Argentine Peso initiated growth in the export sector and together with an increase in world commodity prices has helped to stabilise the Argentine economy.

The country's economy has now almost fully recovered to pre-2002 crisis levels with GDP growth of 8.7 per cent. in 2003 and 8.0 per cent. in 2004 and annual inflation averaging

less than 5 per cent. for the same period. However, for 2005 consumer prices rose 12.3 per cent.

11.2.2 *Oil and Gas Industry*

As at the end of 2004 Argentina had 2.3 billion barrels of oil reserves and 18.9 tcf of natural gas reserves. Two onshore basins produce 82 per cent. of Argentina's oil: the Neuquen Basin located in western central Argentina (where the Company has two blocks) and the Golfo San Jorge Basin located in the south east. YPF dominates oil exploration and production in Argentina, and other significant companies in the market include Pan American Energy, Chevron Corporation and Petrobras.

Argentina has become one of Latin America's largest natural gas producers, and natural gas is now the country's dominant fuel source, accounting for 45 per cent. of primary energy consumption in 2002. The Neuquen Basin, the Austral Basin and the Noroeste basins contain the bulk of Argentina's proven natural gas reserves. Argentina exports natural gas to Chile and has extensive gas pipeline links with its neighbours, including three connections in the south which supply a methanol plant in Chile run by Methanex Corporation. However due to the Argentine energy crisis in 2004, caused by increased domestic consumption resulting from the Argentine government's freezing of natural gas prices in 2002, Argentina has reduced its exports to Chile to supplement domestic shortages.

11.2.3 *Oil and Gas Regulation in Argentina*

The key points of the statutory and regulatory regime in respect of oil and gas operations in Argentina are as follows:

(a) Royalties

Statutory royalties on hydrocarbon production are payable to the Provinces of Santa Cruz (Del Mosquito Block) and Mendoza (Cerro Doña Juana and Loma Cortaderal Blocks). These royalties are monthly levies collected by the provincial governments, based on hydrocarbon production lifted within their territories under an exploration permit or exploitation concession. The applicable royalty rate is 15 per cent. for exploration permits and 12 per cent. for exploitation concessions. The royalty is calculated from the well head value of the hydrocarbon production, less certain allowable deductions. Royalties are, in principle, paid in cash, although in certain cases royalties may be paid, or may be required to be paid, in kind.

Concession holders responsible for the payment of royalties are required to report to the Secretary of Energy in a royalty return, the volumes of natural gas and oil actually produced for the purpose of determining the computable production. For the terms of statutory royalty payments due from GeoPark Argentina please see Part II of this document.

(b) Surface Canon Payments

The surface canon is a statutory, yearly fee payable in advance to the federal government on each anniversary of the grant of the relevant concession and is calculated using the acreage of the relevant concession. Surface canon payments are required in order to maintain a concession in good-standing.

The actual surface canon payable under a particular block depends on the nature of the title over the relevant block. In marginal blocks (such as the Del Mosquito, Cerro Doña Juana and Loma Cortaderal Blocks), the relevant exploitation concessions encompass both "exploitation lots" (actual exploitation fields) and "remnant surface" (additional exploration acreage that is not subject to minimum expenditure obligations). In 1998 new statutory provisions were passed whereby:

– the surface within all exploitation concessions was sub-classified into "Exploitation Lots" and "Remnant Surface"; and

- four periods were established for all exploitation concessions. At the end of each period, the holder of the block is obliged to opt between relinquishing at least 25 per cent. of the Remnant Surface of the block, or retaining such Remnant Surface in consideration of higher canon payments or investment commitments. At the end of each option period elapsed so far, GeoPark Argentina has opted to retain 100 per cent. of its Remnant Surface acreage. In consideration for these retentions, GeoPark Argentina pays to the Secretary of Energy the highest retention option canon for the current period.

(c) Payments to surface owners

The holder of an exploration permit or exploitation concession must compensate surface owners for any damage caused by hydrocarbon activities to their properties. Such compensation may be established by: (i) a court in a lawsuit for damages filed by the surface owner; (ii) mutual agreement of the parties; or (iii) the surface owner's acceptance of the tariffed compensation amounts established by the government from time to time.

Tariffed compensation charts for each of the main oil and gas basins are issued from time to time, taking into account the agricultural activities generally carried out in each such zone. In practice, these tariffed compensation amounts are generally accepted by both parties.

GeoPark Argentina has executed written agreements with the owners of the surface corresponding to its three exploitation concessions in Argentina under which GeoPark Argentina has agreed to compensate them following the applicable tariffed compensation charts.

(d) Minimum work commitments

There are no minimum work commitments nor minimum investment commitments under statute in the concession documents.

However, the Federal Hydrocarbons Law 17,319 provides that the "holder of an exploitation concession shall make such investments as may be necessary, within reasonable periods of time, for the execution of the works required for the development of the entire acreage comprised in the area of his concession ... in such a manner as to ensure the maximum production of hydrocarbons".

To such end, the holders of exploration permits and exploitation concessions must file each year with the Secretary of Energy a "Form of Investments", reporting the investments made during the preceding year and the projected investments for the then current year. GeoPark Argentina has complied with the filings of the required information throughout 2004 and 2005.

(e) Exchange control and repatriation of funds:

- All imports and exports of foreign currency into the domestic exchange market must be registered with the Central Bank of Argentina;
- Loans taken by local residents with foreign lenders (except for foreign trade financing) must be agreed for terms and shall be paid out after 365 days;
- Imports of foreign currency (except foreign direct investment, foreign trade financing and initial public offerings) may not be repaid or remitted abroad earlier than 365 days, from the date the Central Bank recorded their entrance;
- Importers of foreign currency (except for foreign direct investment, foreign trade financing and initial public offerings) must deposit 30 per cent. of their foreign currency imports into Argentina with a local financial institution for a minimum 365 day term. Said deposit shall be non transferable and "non remunerative" (without interest).

The remittance abroad of interests on financial obligations payable by local residents to foreign creditors is allowed, subject to the minimum 365 day stay described above. Furthermore, the relevant financial obligations must be registered with the Central Bank. Remittance of dividends approved in closed and audited financial statements is allowed, and therefore dividends can be remitted abroad.

12. Blocks

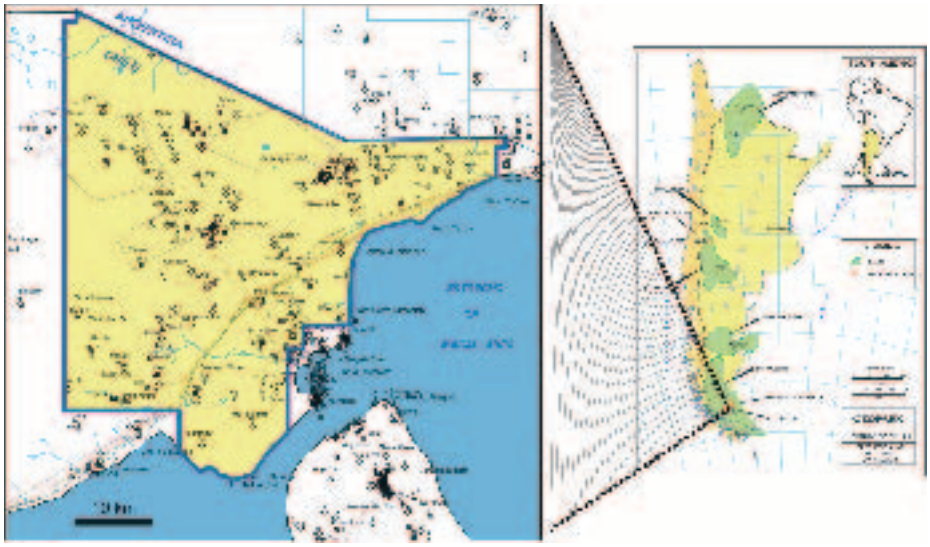
12.1 *Austral Basin*

12.1.1 *Fell Block, Chile*

The Fell Block is located in the Magallanes region of Chile (also known as the Austral basin in Argentina). This region produces substantially all of Chile's oil production. Although it has been producing for over 30 years, the Magallanes basin remains relatively underdeveloped and recent oil and gas discoveries in additional reservoirs are opening new exploration frontiers.

The Fell Block is a large prospective exploration, development and production block in a proven oil and gas producing basin and on trend with recent discoveries to the north in Argentina and to the south in Tierra del Fuego. GeoPark Chile is the operator of the Fell Block and currently has a 90 per cent. working interest. ENAP, which holds the remaining 10 per cent., has agreed to assign its remaining interest to GeoPark, and this has been approved by the Chilean Ministry of Mines. Completion is expected to occur shortly.

The Fell Block has proven, probable and possible reserves and contingent and prospective resources as detailed in the Petroleum Consultant's Report set out in Part IV of this document. The Fell Block contract was modified in 2005 to include the addition of 10 shut-in oil and gas fields, to improve the economic and contractual terms for GeoPark Chile and to appoint GeoPark Chile as operator. Substantial technical data exists for the Fell Block (seismic, drilling and production information) which provides a good base for technical re-evaluation of the block. There are 41 potential oil and gas well candidates for production rehabilitation operations. Log interpretations by engineers experienced in the region indicate by-passed oil and gas production zones in certain existing wells. There is an existing market for any gas production and good infrastructure throughout the block including oil and gas pipelines, facilities and terminals and roads.



Block Summary

Area:	1,780 km^2 (440,000 acres)
Wells Drilled:	147 (Since 1950);
Seismic Coverage:	2D – 4,000 km (2,200 km reprocessed) 3D – 260 km^2 (3 surveys)

Oil And Gas Objectives:	Upper Cretaceous/Tertiary (Salto, Arenicas, Glauconitica) Cretaceous (Springhill, Estratos De Favrella) Lower Cretaceous/Jurassic (Tobifera)
Target Depth Ranges:	2,000 – 12,000 feet
Produced Hydrocarbons:	Oil (Cumulative): 1,853.2 Mbbl Gas (Cumulative): 81.2 bcf
Fields/Wells currently in production:	1 field/1 well
GeoPark Working Interest:	90 per cent./ENAP owns 10 per cent.
Operator:	GeoPark Chile

The Fell Block area contains 20 oil and gas fields with 41 wells which have been tested to have, or have produced, oil and gas previously:

Field	*No of Wells*	*Field*	*No of Wells*	*Field*	*No of Wells*
Monte Aymond	11	Nika	1	Nika Oeste	1
Pampa Larga	3	Dicky Oeste	1	Nika Sur	1
Dicky	5	Faro	1	Ovejero	1
Kimiri Aike Norte	3	Kimiri Aike	1	P. Delgada	1
Santiago Norte	2	Municion Oeste	1	Sauce	1
Mata Negra	2	Mogote	1	Tandy	1
Molino	2	M. Aymond Oeste	1		

Target Formations

The Fell Block contains multiple hydrocarbon objectives. Most efforts to date have been concentrated in the Springhill Formation, however new results in both Argentina and Chile suggest that the Tobifera Formation, as well as formations in the Cretaceous and Tertiary have substantial oil and gas potential.

Formation	*Age*	*Description*
Springhill	Lower Cretaceous	Quartz and glauconitic sandstones Gross thickness: up to 100 m Net thickness: up to 40 m Net porosity: 8 to 28 per cent. Permeability: 10 to 1700 mD
Tobifera	Jurassic	Tuff and tuffaceous clastics Gross thickness: unknown Net thickness: up to 20 m Net porosity: up to 25 per cent. Permeability: 1 to 100 mD
Estratos Con Favrella	Cretaceous	Oil production in several wells Requires engineering/operational solution
Glauconitica	Upper Cretaceous – Tertiary	Oil production in some wells Gas shows and tests in some wells Net porosity: 20 to 26 per cent. Permeability: up to 400 mD

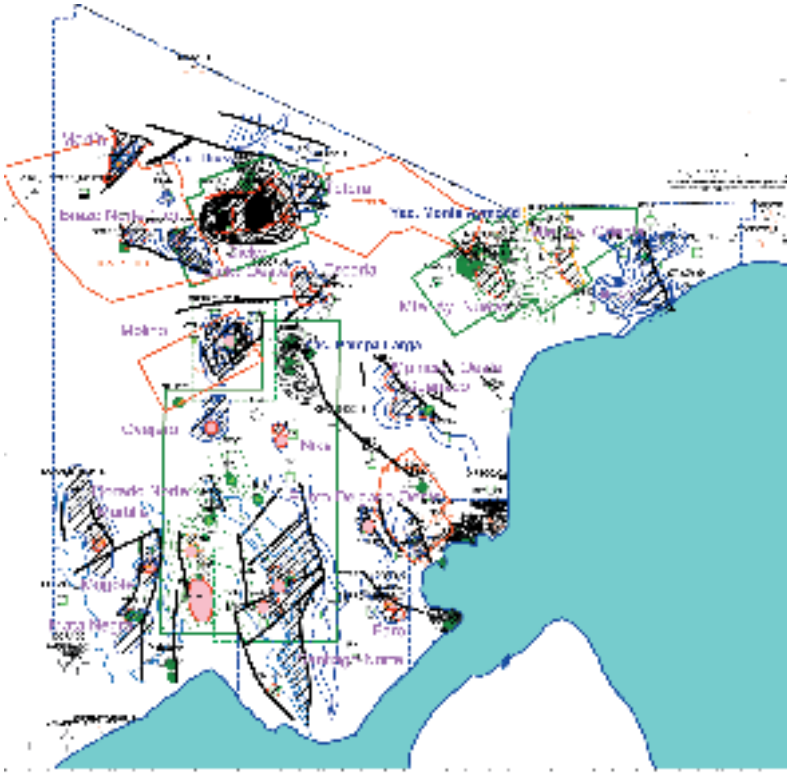
The Springhill Formation has high porosity and permeability ranges. The oil and gas recovered from existing wells appears to be less than would be expected with these high

ranges, thereby suggesting wells may have been inadequately tested or produced and may still contain additional hydrocarbons.

Hydrocarbon Reserves and Potential

The Fell Block has substantial oil and gas exploration and development potential with a variety of associated risk levels. The Directors believe that the key opportunities for the Company in the Fell Block will come from:

- production from existing oil and gas wells by low cost workover repair operations, installing artificial lift, or by opening up new zones which have not been previously produced;
- development and re-testing of existing oil and gas fields by the drilling of new wells; and
- exploration of newly-defined (seismic) prospects by the drilling of new wells.



Oil and gas reserves for the Fell Block, net to GeoPark's working interest of 90 per cent., as calculated by DeGolyer and MacNaughton and as shown in the table on page 64 of the Petroleum Consultant's Report set out in Part IV of this document, are as follows:

Reserves

Classification	*Oil and Condensate (Mbbl)*	*Separator Gas (MMcf)*
Proven Reserves	2,405	42,614
Probable Reserves	2,239	57,272
Possible Reserves	3,681	94,999

As shown on pages 143 and 145 of the Petroleum Consultant's Report, net contingent oil and gas resources (best estimate) for the Fell Block are 2,200.2 Mbbl of oil and 247,687 MMcf of gas respectively.

As shown on pages 147 and 150 of the Petroleum Consultant's Report, net prospective oil and gas resources (best estimate) for the Fell Block are 6,468.8 Mbbl of oil and 103,590.7 MMcf of gas respectively.

See Part IV of this document for further details of the Fell Block and the reserves and resources.

Infrastructure and Transportation

The Fell Block has a good base of field infrastructure and facilities which permit easy access for field operations and low transportation costs for the hydrocarbons produced. One gas well is currently in production (with 100 per cent. of the production from this well pertaining to ENAP) through a gas treatment plant and gas pipeline located on the block. GeoPark is currently constructing 20 kilometres of new gas lines and an expansion of the gas treatment plant to tie in three new gas wells for production (target completion date is mid-2006). When oil is initially produced from the Fell Block it will be trucked to its sales point. An agreement is currently being negotiated with ENAP for gas transportation as ENAP is the owner of the pipelines in the area.

Environmental

GeoPark is obligated to obtain an environmental permit to operate in the area. An adviser was hired to prepare and file four "Environmental Impact Declarations" (Declaracion de Impacto Ambiental) before the regional environmental agency. These Environmental Impact Declarations were submitted by GeoPark in February of 2006. Following this, GeoPark was granted the required environmental licences.

GeoPark and ENAP have signed an agreement under which GeoPark assumed all environmental liabilities which occur after the CEOP was signed in 1997 and ENAP is liable for incidents prior to this date. To this end GEOPARK has taken out insurance to indemnify against environmental pollution and damage caused to third parties.

Joint Operating Agreement

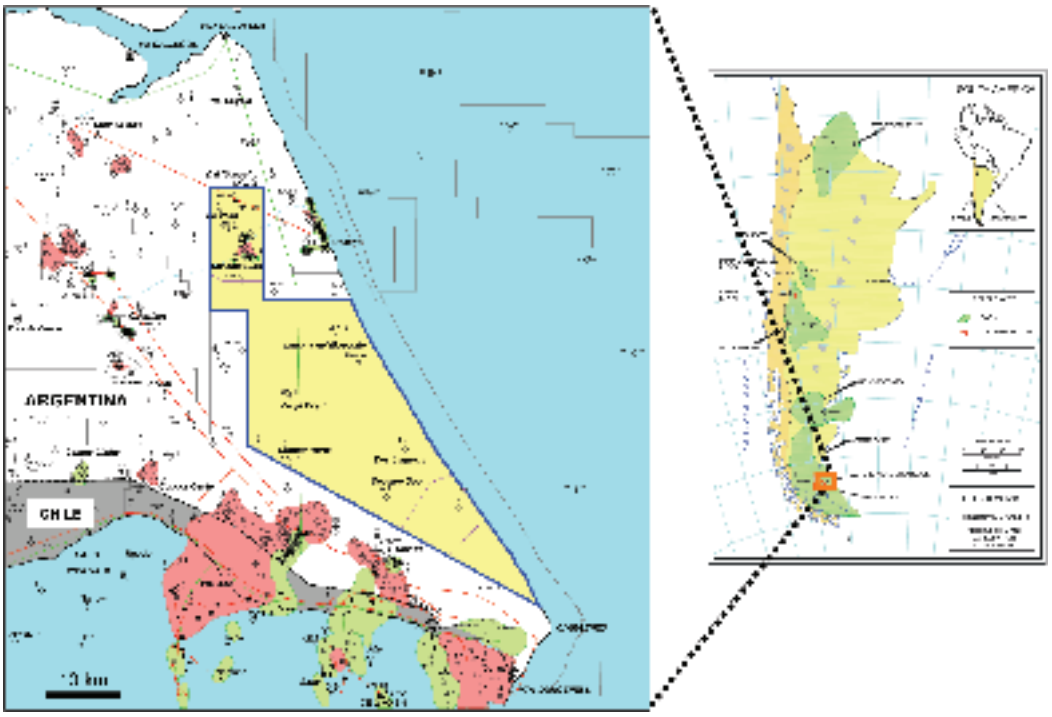
The block is currently operated by GeoPark pursuant to a joint operating agreement executed in 1997 before the Company acquired the blocks and amended in 2005 to reflect the appointment of GeoPark as the operator of the block. Further details of this contract are contained in paragraph 11.8.2 of Part VI of this document. GeoPark is in the process of acquiring ENAP's ten per cent. interest in the Fell Block, which has been approved by the Chilean Ministry of Mines. Completion is expected to occur shortly.

12.1.2 *Del Mosquito, Argentina*

The Del Mosquito Block is located in the Austral basin in Argentina. In Argentina, the Austral Basin produces approximately eight per cent. of its total oil production (approximately 44,000 bpd) and approximately 19 per cent. of its total gas production (approximately 885 MMcfd).

The Del Mosquito Block is a highly prospective block surrounded by producing oil and gas fields in adjacent blocks. There is oil production currently from two fields and the block has proven, probable and possible reserves and prospective resources. Eighty per cent. of the block is at an early stage of exploration with only eight wells covering more than 600 km^2. Three 3D seismic surveys cover a total area of 562 km^2 over the block, the most recent of which was completed in the first quarter of 2006 covering 400 km^2. The geological setting of the southern portion of the block is equivalent to the big adjacent oil and gas fields including the Condor field with 1.6 tcf of gas and 54 million barrels of oil. The potential of the Lower Magallanes and Tobifera formations has also been under-explored. GeoPark is the operator of the Del Mosquito Block and has a 100 per cent. working interest.

Production was established in 2002 by rehabilitating shut-in wells and discovering a new oil field – Del Mosquito Norte – which now has three productive wells. The discovery well on Del Mosquito Norte was the first well drilled on the block since the 1980s. There is a good infrastructure, nearby gas plants and pipelines and an easily-accessible crude oil market (40 kilometres by truck).

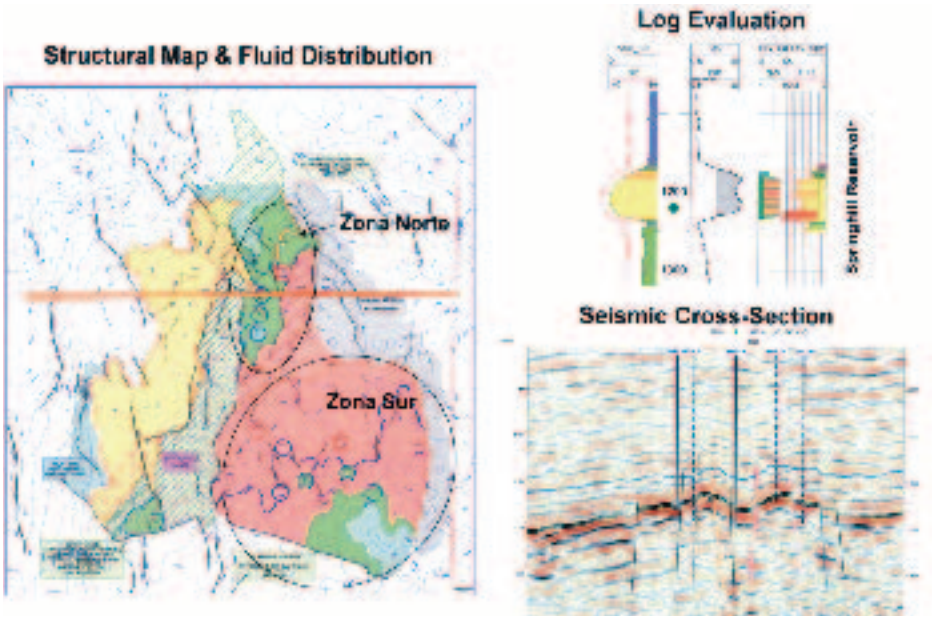


Block Summary

Area:	763 km^2 (190,000 acres)
Wells Drilled:	41
Seismic Coverage:	2D – 620 km (530 km reprocessed) 3D – 562 km^2 (3 surveys)
Oil And Gas Objectives:	Tertiary (Magallanes) Cretaceous (Springhill) Jurassic (Tobifera)
Target Depth Ranges:	2,000 – 6,000 feet
Produced Hydrocarbons:	Cumulative Oil: 2,500 Mbbl Cumulative Gas: 12.5 bcf
Fields/Wells Currently In Production:	2 fields/7 wells
Operator:	GeoPark Argentina
GeoPark Working Interest:	100 per cent.

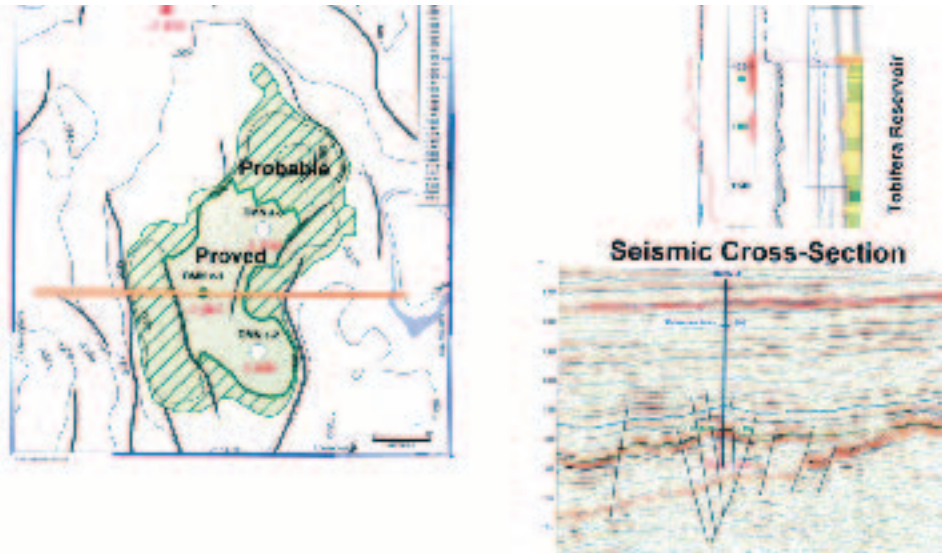
Del Mosquito Field

The field was discovered by YPF in 1971 and began production in 1974. Cumulative production to date is 2.4 million barrels of oil and 12.5 bcf of gas from eight producing wells with production from both the Springhill and Tobifera Formations. Current field production is approximately 75 bpd and further development potential remains in the Zona Norte. A project to begin gas sales from available gas production in the Zona Sur is under evaluation. Gas production is currently used to generate electricity to power camps, facilities and pumping units.



Del Mosquito Norte Field

GeoPark discovered this new field in 2004. It currently has three wells in production from the Tobifera Formation. To date, this field has accumulated 106,000 barrels of oil since August 2004. Del Mosquito Norte is now averaging production of 150 bpd with an average water cut of 73 per cent.. The Tobifera Formation has varying reservoir characteristics which make prediction of production performance complex and inconsistent.

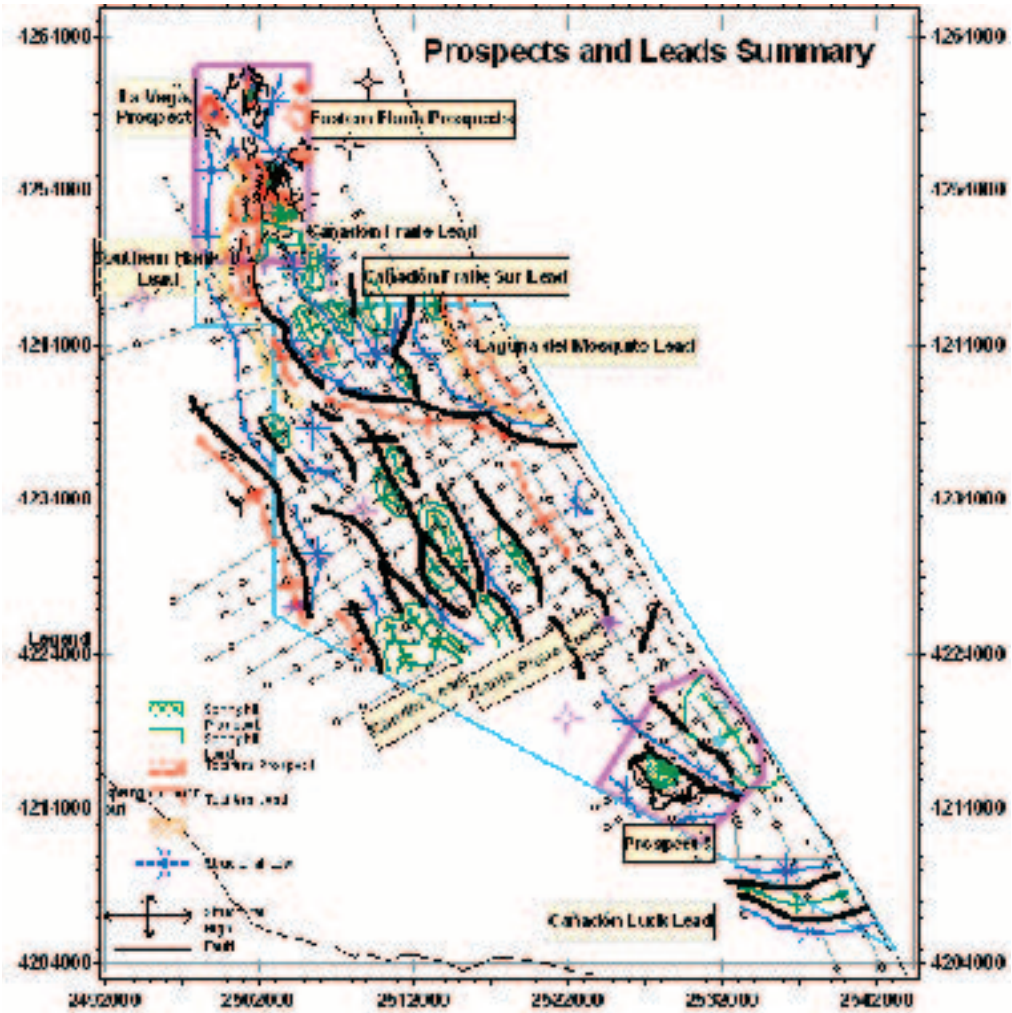


Target Formations

Principal hydrocarbon objectives on the block (at depths ranging from 2,000 to 6,000 feet) include the following formations:

Formation	*Age*	*Description*
Springhill	Lower Cretaceous	Quartz and glauconitic and calcareous sandstones Gross thickness: up to 40 m Net thickness: 5-16 m, up to 35 m Net porosity: 14 to 25 per cent. Permeability: 1 to 130 mD Del Mosquito Field reservoir
Tobifera	Jurassic	Tuff and tuffaceous clastics Gross thickness: more than 500 m Net thickness: up to 30 m Net porosity: 18 to 24 per cent. Permeability: 1 to 100 mD Del Mosquito Norte Field and DM-33 reservoir
Lower Magallanes	Upper Cretaceous – Tertiary	Glauconitic Sandstones Net thickness: 10 to 15 m Net porosity: 20 to 28 per cent. Permeability: up to 400 mD Gas test in DM-5

Hydrocarbon Reserves and Potential



Oil and gas reserves for the Del Mosquito Block, as calculated by DeGolyer and MacNaughton and as shown on page 109 of the Petroleum Consultant's Report set out in Part IV of this document, are as follows:

Reserves

Classification	*Oil and Condensate (Mbbl)*	*Separator Gas (MMcf)*
Proven Reserves	1,030	1,688
Probable Reserves	3,678	2,044
Possible Reserves	4,983	364

Note: Probable and Possible reserves have not been adjusted for risk.

As shown on page 147 of the Petroleum Consultant's Report, net prospective oil resources (best estimate) for the Del Mosquito Block are 12,815 Mbbl.

DeGolyer and MacNaughton also recognises seven immature prospects on the Del Mosquito Block which were not sufficiently delineated to allow them to estimate prospective resources. See the Petroleum Consultant's Report in Part IV of this document for further details of the Del Mosquito Block and the reserves and resources.

Infrastructure and Transportation

Principal facilities of the Del Mosquito Block are located at the Del Mosquito field and include: a field base camp (offices, generator, mechanic shop, laboratory, dining hall, warehouse and satellite communications); a processing plant and two tanker batteries; water injection facilities (two wells); and truck loading facilities. Storage and loading facilities have also been established at the Del Mosquito Norte field. A good dirt road system provides access through the block. A gas compression facility and connection to the main gas pipeline system is located in the adjacent block, 11km from the Del Mosquito field. Crude oil from the producing fields is trucked 40km to the delivery and sales terminal at Punta Loyala.

Environmental

Holders of exploitation concessions in the Austral Basin are required to file on or before 28 February each year an "Annual Survey of Works and Tasks Study" prepared by an environmental consulting firm registered with the Secretary of Energy. The 2005 Annual Survey of Works and Tasks Study for the Del Mosquito Block reports that all material mitigation and remediation measures recommended in the immediately preceding year are either in progress or have already been implemented by GeoPark Argentina.

Also, holders of exploitation concessions are required to file Environmental Impact Assessment Studies prior to conducting certain operations, such as exploration well drillings, seismic programs, construction of major facilities and decommissioning.

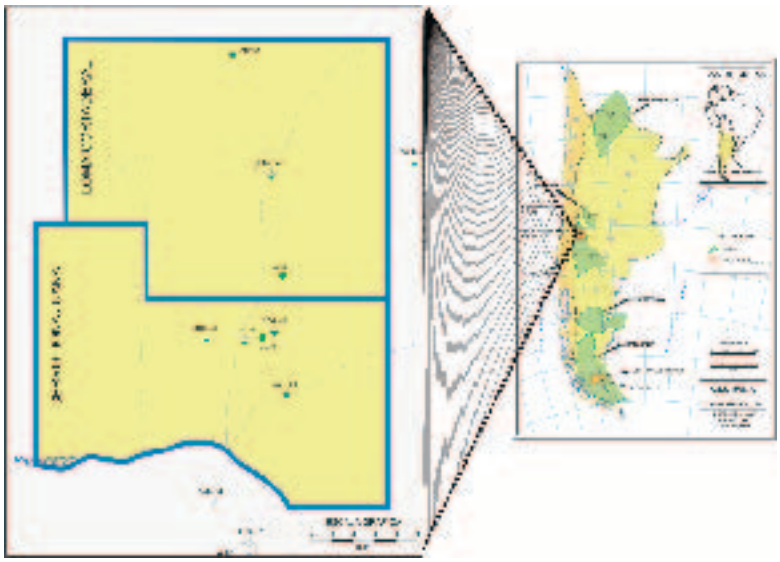
12.2 ***Neuquen Basin, Argentina***

12.2.1 *Cerro Doña Juana and Loma Cortaderal Blocks*

GeoPark has two blocks in the Neuquén Basin: Cerro Doña Juana and Loma Cortaderal. The Neuquén Basin, located in west-central Argentina, is the most prolific hydrocarbon producing basin in Argentina, accounting for approximately 43 per cent. of the total oil production and approximately 61 per cent. of the total gas production in the country.

The Cerro Doña Juana and Loma Cortaderal Blocks are located in the Andean fold and thrust belt, along a proven producing fairway, where large hydrocarbon accumulations exist. There are excellent source rocks, multiple reservoir objectives and large structural traps. The oil potential on the blocks can be characterised as high risk with potentially high associated costs. GeoPark has a 100 per cent. working interest in, and is operator of, both blocks.

The Cerro Doña Juana 1 well (CDJ-1) was drilled in 1988 and was tested at a rate of 604 bpd and 440 MMcfd until an apparent mechanical failure resulted in loss of the productive formation. Well CDJ-1 is currently producing small quantities of oil intermittently and represents a candidate for either a workover, or for a twin well. The Loma Cortaderal 2 well (LC-2) also intermittently produces small amounts of oil and represents another workover candidate. The expected program of the Company is to re-evaluate seismic and geological information and to perform workovers to test these two wells.

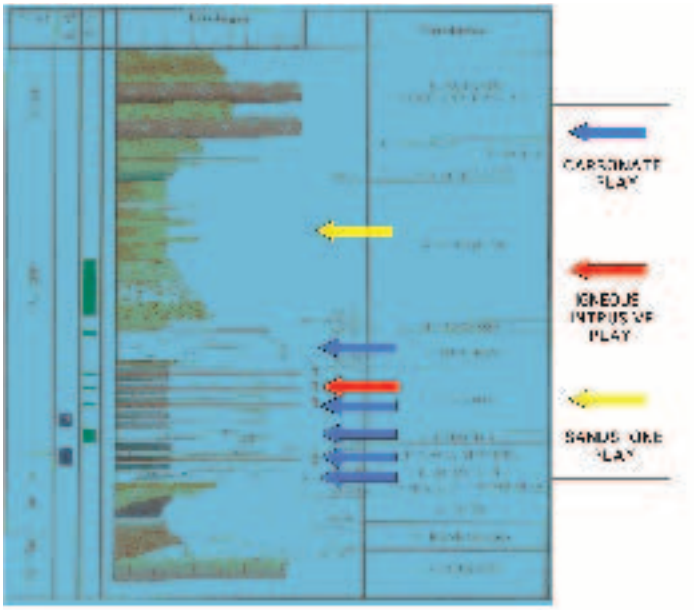


Block Summary

Area:	105,500 Acres (2 Blocks Combined)
Wells Drilled:	8
Seismic Coverage:	2D – 341km
Oil And Gas Objectives:	Tertiary (Neuquén Group) Cretaceous (Agrio, Vaca Muerta) Jurassic (La Manga)
Target Depth Ranges:	9,000 – 10,000 feet
Hydrocarbons Produced:	Cumulative Oil: 100.6 Mbbl
Wells With Production Potential:	2
Operator:	GeoPark Argentina
GeoPark Working Interest:	100 per cent.

Target Formations

The Cerro Doña Juana – Loma Cortaderal structure is a north-south trending triangular zone, bounded to the west by a basal thrust that corresponds to the front of the Andean belt, and to the east, by a back-thrust. The structural uplift is related to a series of detached reverse faults that produce a succession of imbricated thrust sheets. The development of the back-thrust that involves the post-Cretaceous sequences occurs along an upper detachment surface composed of Rayoso evaporites.



Oil and gas reserves and resources for the Cerro Doña Juana and Loma Cortaderal Block, as calculated by DeGolyer and MacNaughton and as set out on page 109 of the Petroleum Consultant's Report as set out in Part IV of this document are as follows:

Cerro Doña Juana

Classification	*Oil and Condensate (Mbbl)*
Proven Reserves	27
Probable Reserves	105
Possible Reserves	830

Note: Probable and Possible reserves have not been adjusted for risk.

Loma Cortaderal

Classification	*Oil and Condensate (Mbbl)*
Proven Reserves	18
Probable Reserves	146
Possible Reserves	273

See the DeGolyer & MacNaughton report in Part IV of this document for further details of the Cerro Doña Juana and Loma Cortaderal Blocks and the reserves.

Environmental

An inspection of all wells is carried out every three months at the Loma Cortaderal Block. The 2005 Annual Survey of Works and Tasks Study has recommended certain high priority measures, including: to signal both the area and the wells in it, to waterproof the LC X-1 well, to keep the roads in good general condition, and to prevent water accumulation in the pools of the ABM X-1 well.

13. Employees

As at 9 May 2006 (being the latest practicable date prior to the date of this document), the Company employed 35 full time employees, whose roles can be broken down into the following areas:

Geosciences:	7
Operations:	18
Support:	9
Business Development:	1

14. Dividend Policy

The Directors intend to devote the Company's cash resources to its exploration activities. Unless and until income and distributable reserves are generated, the Company will not be in a position to pay any dividends. The Directors will consider the Company's dividend policy further once the Company is in a position to pay dividends.

15. Details of the Placing

The Company, the Directors and Canaccord have entered into the Placing Agreement pursuant to which Canaccord has agreed, as agent for the Company, to use its reasonable endeavours to procure subscribers for the Subscription Shares. The Placing has not been underwritten by Canaccord. The Placing Agreement is conditional, *inter alia*, on Admission occurring by no later than 8.00 a.m. on 16 May 2006 or such later time as the Company and Canaccord may agree, being in any event no later than 8.00 a.m. on 30 June 2006.

The Placing will raise approximately £19.5 million (net of expenses) for the Company. On Admission the Company will have 30,668,967 Common Shares in issue and a market capitalisation of £98.1 million at the Placing Price. The Subscription Shares will be issued credited as fully paid and will, when issued, rank *pari passu* in all respects with the existing Common Shares, including the right to receive all dividends and other distributions declared, paid or made after the date of issue.

The Subscription Shares represent approximately 22.2 per cent. of the Enlarged Issued Common Share Capital.

Please note that the above figures are based on the assumption that all the Subscription Shares are subscribed for and issued. Further details of the Placing Agreement are set out in paragraph 11.2 of Part VI of this Document.

Concurrently, it is intended that the Sale Shares will be placed by the Selling Shareholders. For further details see paragraph 7.2 of Part VI of this document.

16. Admission, settlement and dealings

Application will be made to the London Stock Exchange for the Common Shares in issue and to be issued pursuant to the Placing to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings will commence on 16 May 2006.

No temporary documents of title will be issued. All documents sent by or to a placee, or at his direction, will be sent through the post at the placee's risk. Pending the despatch of definitive share certificates, instruments of transfer will be certified against the register of members of the Company.

Securities issued by non-UK registered companies, such as the Company, cannot be held or transferred in the CREST system. However, to enable investors to settle such securities through CREST, a depositary or custodian can hold the relevant securities and issue dematerialised depositary interests representing the underlying securities which are held on trust for the holders of the DIs.

With effect from Admission, it will be possible for CREST members to hold and transfer interests in Common Shares within CREST pursuant to a depositary interest arrangement established by the Company. The Common Shares will not themselves be admitted to CREST, instead the Registrar (or a custodian nominated by it), acting as depositary, will issue DIs in respect of the Common Shares. The DIs will be independent securities constituted under English law which may be held and transferred through the CREST system.

The DIs will be created and issued pursuant to a deed poll entered into by the Registrar, which will govern the relationship between the Registrar (or its nominee) as depositary, and the holders of the DIs. Further details of the terms of the deed poll are set out in paragraph 14.2 of Part VI of this document.

Further details of the depositary arrangements are set out in paragraph 14 of Part VI of this document.

Further information regarding the depositary arrangement and the holding of Common Shares in the form of DIs is available from the Registrars. The Registrars may be contacted at Computershare Investor Services plc, PO Box 82, The Pavilions, Bridgwater Road, Bristol BS99 7NH, United Kingdom.

17. Lock-in and orderly trading arrangements

Upon Admission the Directors and certain Shareholders (including the IFC) will own (in aggregate) 21,075,951 Common Shares representing 68.7 per cent. of the Enlarged Issued Common Share Capital. Please note that the above figures are based on the assumption that all the Subscription Shares are subscribed for and issued.

The Directors and certain Shareholders (including the IFC) have undertaken to the Company and Canaccord not (save in certain limited circumstances) to sell, transfer or otherwise dispose of any interest in Common Shares until 1 January 2007 ("Lock-in Period").

For a further period of six months from the end of the Lock-in Period in order to maintain an orderly market in the securities of the Company, the Directors and certain Shareholders (including the IFC) have agreed (save in certain limited circumstances) to dispose of any interest in Common Shares in such manner as Canaccord may reasonably require so as to maintain an orderly market.

18. Takeover Code

It is currently understood that the City Code will not apply to the Company and, therefore, a takeover of the Group would be unregulated by the UK takeover authorities. While the Bye-laws contain certain takeover protections, these will not provide the full protections afforded by the City Code. The relevant provisions of the Bye-laws are summarised in paragraph 4.2.23 of Part VI of this document.

19. Corporate Governance

GeoPark is committed to maintaining high standards of corporate governance. The Directors intend, so far as is practical, given the Company's size and the constitution of the Board, to comply with the Combined Code as modified by the recommendations of the Quoted Companies Alliance from time to time.

The Board

The Board will meet regularly throughout the year. To enable the Board to perform its duties, each Director will have full access to all relevant information and to the services of the company secretary. If necessary, the Non-executive Directors may take independent professional advice at the Company's expense within a budget approved by the Chairman.

The Board includes three Non-executive Directors. The Board has established and delegated specific responsibilities to the committees set out below.

The Remuneration Committee

The Remuneration Committee is comprised of two independent Non-executive Directors (currently being Mr. Ryalls and Mr. Weyer), is chaired by Mr. Ryalls and will meet as required during the year. It is responsible for reviewing the performance of the Executive Directors and for setting the scale and

structure of their remuneration, paying due regard to the interests of Shareholders as a whole and the performance of the Group.

The Audit Committee

The Audit Committee is comprised of two independent Non-executive Directors (currently being Mr. Weyer and Sir Michael Jenkins), is chaired by Mr. Weyer and will meet at least twice a year. The Audit Committee will review the Company's interim and annual financial statements before submission to the Board for approval. The Audit Committee will also review regular reports from management and the external auditors on accounting and internal control matters. Where appropriate, the Audit Committee will monitor the progress of action taken in relation to such matters.

The Audit Committee will also recommend the appointment of, and will review the fees of, the external auditors.

The Nomination Committee

The Nomination Committee, is comprised of three Directors, a majority of whom are independent Non-executive Directors (currently Sir Michael Jenkins, Mr. Ryalls and Mr. O'Shaughnessy) is chaired by Sir Michael Jenkins and will meet as required. The Committee will consider the size, structure and composition of the Board, retirements and appointments of additional and replacement Directors and make appropriate recommendations to the Board.

20. Employee Incentives

It is intended that there will be two elements to the Company's employee share incentive arrangements. Firstly, the Company intends to make one off, conditional, free share awards (the "IPO Awards") to employees on Admission. Vesting of the IPO Awards will be conditional on continuing service. Secondly, the Company intends to grant options to selected executive directors and senior management under the Executive Stock Option Plan, which will be operated on an ongoing basis.

The principal terms of the IPO Awards and the Executive Stock Option Plan are set out in paragraph 10 of Part VI of this document and the number of such awards and options granted are set out in paragraph 6 of Part VI of this document. It is the current intention of the Remuneration Committee that Mr Park and Mr O'Shaughnessy will be granted options over three per cent. (in aggregate) of the Enlarged Issued Common Share Capital and that approximately two per cent. of the Enlarged Issued Common Share Capital will be granted to certain officers, employees and consultants. In addition, it is intended that selected employees and consultants will be granted IPO Awards over, in aggregate, Common Shares equating to approximately 2 per cent. of the issued Common Share capital of the Company at the date of this document.

21. Taxation

The attention of investors is drawn to paragraph 13 of Part VI of this document.

22. Additional information

Your attention is drawn to Part II of this document, which contains summaries of the concession agreements in respect of each of the Blocks, Part III of this document, which contains risk factors relating to any investment in the Company, Part IV of this document which contains the Petroleum Consultant's Report in respect of the Company's oil and gas assets and to Part V of this document which contains financial information on the Group, as well as further additional information on the Group in Part VI of this document.

23. Overseas Shareholders

If you are in any doubt as to your taxation position, or if you are resident in any jurisdiction other than the United Kingdom, you are advised to consult a professional adviser immediately.

PART II

CONCESSION AGREEMENTS

1. Chile

The exploration of the Fell Block is governed by the CEOP. Below is a summary of its key terms.

Amendment and Final Text of Special Operation Contract for the Exploration and Exploitation of Hydrocarbon Fields, Fell Block Magallanes Area, State of Chile with ENAP and GeoPark Chile

Parties	State of Chile ("State") Empresa Nacional del Petróleo ("ENAP" or "the Contractor") GeoPark Chile ("GeoPark Chile" or "the Contractor") All are referred in the CEOP as "Parties".
Date of agreement	25 August 1997, as amended on 17 May 2005. GeoPark Chile assumed the rights of AES Gener S.A., the previous party to the CEOP, under an assignment agreement dated 12 June 2002, on 5 November 2002. On 1 September 2005 the CEOP was further amended whereby ENAP assigned a 35 per cent. interest in the CEOP to GeoPark Chile.
Contract Term	6 years and 9 months for the exploration phase, beginning August 2004.
Conversion to Exploitation Concession	Once oil is discovered, that area of the block which is to be exploited may be converted into an exploitation block. To do this the Contractors must declare the commerciality of the field, by means of a written letter to the Ministry of Mining. Each commercial exploitation field, as freely declared by the Contractors, shall have an area called "Area of the Exploitation of the Field", which will be determined by the Coordination Committee at Contractor's request. These blocks last for 35 years from 25 August, 1997.

Obligations of the Contractors

Minimum work commitments	The Contractors must comply with minimum work commitments, based on the work program presented to the Chilean Minister of Mining. In summary, this comprises: ● reorganising and reinterpreting geological and geophysical data; ● defining and ranking leads and prospects; ● drilling a well, updating and interpreting geological and geophysics data; and ● re-ranking prospects.
Minimum investment commitments and letter of credit	The CEOP divides the work program in four exploration periods. The current period (Period I) is 2 years and 3 months and Periods II to IV are one and a half years each. Periods I and II have a minimum investment commitment of US$500,000 each;

and Periods III and IV have a minimum investment commitment of US$1,000,000 each.

A letter of credit in favour of the Chilean Minister of Mining, representing 30 per cent. of the minimum investment, must be issued by the Contractors prior to the start of each exploration period.

Relinquishments

The CEOP provides for mandatory and voluntary relinquishments of the area. The Contractors must either relinquish: i) at least 50 per cent. of the area following Period III; and ii) the remaining 50 per cent. at the end of Period IV; or relinquish 100 per cent. of the area at the end of Period IV. The second option can only be done if the Contractors present, and the Chilean Ministry of Mining approves, a new exploration program for the area within 6 months of the end of Period III. At the end of the exploration stages, the Contractors are entitled to retain that part of their exploitation field areas opted for under (i) or (ii) above, plus an additional area of up to 100 km^2 around the area retained.

Transportation and delivery of hydrocarbons

The Contractors are responsible for the supply of equipment for construction, maintenance and operation of, the gathering system, the pipelines and the terminal facilities. The Contractors are responsible for the transportation of the hydrocarbons.

Area of the CEOP and rights of way

Indemnities and expenses arising from acquiring the use of rights of way are borne by and freely negotiated by the Contractors. However, the CEOP's area is considered "an area of public utility for purposes of expropriation", therefore the Contractors can request that the State declares that the Contractors have the right to use specific areas or rights of way.

Parent company guarantee

Within 60 days after declaration of its first commercially exploitable field, GeoPark Chile shall submit to the State of Chile a declaration of its parent company, GeoPark, guaranteeing proper financial backing for its affiliate regarding due fulfilment thereby of the obligations related to exploitation.

Rights of the Contractors

Rights contained in the CEOP cannot be modified by a subsequent law

The rights contained in the CEOP are regarded under Chilean law as "Contract Law", therefore a subsequent law cannot modify or affect the rights contained in it, unless due indemnification is paid.

Right to explore and exploit an exclusive area

The right to explore and to exploit hydrocarbons in an exclusive area known as the Fell Block. According to an amendment to the CEOP, the exploration phases will be divided in four Exploration Periods, which will last for six years in total, beginning on 25 August 2004. For exploitation, the CEOP grants the Contractors a period of 35 years, beginning on 25 August 1997.

Right to receive a remuneration

The right to receive from the State of Chile monthly remuneration payable in petroleum, equivalent to a part of the petroleum production per field, measured at the Point of Delivery, Control and Measurement as agreed between GeoPark Chile, ENAP and the government (currently for oil production Terminal Gregorio adjacent to the Fell Block). GeoPark Chile is entitled to receive this retribution in kind,

that is, to retain it in oil, unless the State of Chile exercises its right to reacquire it in US dollars, paying the average price of an international basket of crude oil. The retribution is as follows:

Oil (average bpd per field)	*Retribution (per cent.)*
0 < 5,000	95 per cent.
5,000 < = 15,000	90 per cent. (+ 250 bpd)
15,000 < = 30,000	65 per cent. (+ 4,000 bpd)
30,000 +	50 per cent. (+ 8,500 bpd)

Right to receive from the State of Chile a monthly retribution payable in US dollars, equivalent to a part of the actual sale price of the commercial gas production. GeoPark Chile is entitled to receive this retribution in US dollars. The State of Chile, ENAP and GeoPark Chile are currently negotiating a marketing contract to sell the gas on behalf of the State of Chile, where ENAP and GeoPark will receive its retribution from the revenue of the sales. The retribution is as follows:

Gas (average US$ per day per field)	*Retribution (per cent.)*
< 25,000	97 per cent.
25,001 < = 50,000	95 per cent. (+ US$500)
50,001 < = 100,000	75 per cent. (+ US$10,500)
100,000 +	60 per cent. (+ US$25,500)

Tax invariability

The CEOP grants to the holders of it, a tax invariability for the duration of the contract. Therefore, GeoPark Chile will be subject to the tax regimen established in the CEOP and will not be subject to any new taxes introduced after the date of the CEOP.

Recovery of Chilean VAT

The Contractors have the right to recover all of the Chilean VAT paid for the acquisition or import of goods or utilisation of services, where such activities are for the purposes of the contract. The Contractors will have this right regardless of whether or not they engage in other activities which may be subject to Chilean VAT.

Exemption of export taxes

All exports of hydrocarbons by the Contractors will be exempt from any and all taxes or charges. Such exemption cannot be varied for the duration of the CEOP.

Temporary admissions regime

All machines, apparatus, instruments, equipment, tools and any pieces or parts thereof, necessary for performance of the CEOP will enter the country under the temporary admissions regime stipulated in the Customs Ordinance as of the date of the CEOP. Such items which are to be used for hydrocarbon exploration will enter without the imposition of any duty, tax, fee or charge for a period of five (5) years, which period may be extended by the National Director of Customs as necessary. This temporary admissions regime will be equally applicable for subcontractors and the Contractors.

Free access to foreign currency and retention of payments received abroad

The State of Chile guarantees to the Contractors the right to access the exchange market to buy foreign currency at any time as well as the right to retain abroad the foreign currency generated by their exports.

Rights of way	The State of Chile agrees to facilitate the Contractor's rights of way in all property that it owns.
Rights of other parties	
Right of the State of Chile to reacquire the petroleum	The State of Chile, either directly or through its enterprises, has the right to reacquire, at the Petroleum Point of Delivery and Measurement, the petroleum received by the Contractors as remuneration, by paying for it in US dollars. Petroleum shall be valued at the average price of a basket of at least three crude oil benchmarks coming from different countries, free on board from the original port of shipment, during the last fifteen (15) days of the month prior to delivery of the production, published in Platt's Oilgram Price Report, in the column entitled "Short Term Contract/Spot" of the table entitled "World Crude Oil Prices". If the Platt's Oilgram Price Report ceases to be published, the Co-ordination Committee shall select a comparable report.
Right of the State of Chile to use the data	The State of Chile has the right to use the data of the area; to appoint supervisors to check the compliance of the operations; to exploit a discovery which the Contractors deem not to be commercial.
Tax Regime of CEOP	
	The Contractors have a special tax regime, which is governed by Article Twelve of the CEOP and by IRS Resolution Nº 714, of 8 April 1997, incorporated in the original CEOP as Annex III and by the general tax regime in force at the time the CEOP was signed.
Corporate Income Tax (First Category Tax)	The annual liquid disposable income of each Contractor will be subject to the First Category Tax at a rate of fifteen per cent. (15 per cent.). Transfers of hydrocarbons to the Contractor, or any Participant, as remuneration, are exempt from taxation pursuant to Article 12.5 of the CEOP. However, when such petroleum is sold by the Contractor, it is valued in accordance with the CEOP and such amount applied to the income of the Contractor for purposes of calculating taxable income, thus becoming subject to the First Category Tax.
Tax on distribution of profits to the foreign investor (Additional Tax)	All payments made to, or income received by, natural persons or legal entities neither resident nor domiciled in Chile are subject to an additional tax at the rate of thirty-five per cent. (35 per cent.). However, those subject to this tax are entitled to a credit in the amount of fifteen per cent. (15 per cent.), where the aforementioned sums are also subject to the First Category Tax. This tax will accrue and be payable in the year in which the payments are made.
Treatment of costs, depreciation, losses for the purposes of determining liquid disposable income	The proportion of each Contractor in the costs of exploration and exploitation, and depreciation, will be considered costs of operation which may be deducted from the income of the party for the purposes of determining liquid disposable income subject to the First Category Tax. Intangible costs of drilling will be considered costs of exploration, exploitation, operation or start-up, depending on the nature of the drilling. Those losses incurred in a given calendar year and not completely absorbed by the income of the concerned party may be imputed to the following year(s) until fully absorbed by income. Business

expenses, and depreciation of stationary assets incurred prior to the first fiscal year in which remuneration is earned as a result of production of hydrocarbons will constitute costs of organisation and start-up. Such costs may be amortised over a period of six consecutive fiscal years from the first fiscal year in which remuneration is earned in virtue of production of hydrocarbons.

Tax on remuneration of foreign subcontractors

The remuneration of foreign subcontractors is subject to a tax in the amount of twenty per cent. (20 per cent.). Payments to foreign parties for engineering services or technical advice, whether such services are rendered in Chile or abroad, will also be subject to a tax of twenty per cent. (20 per cent.). If such subcontractors have formed an entity or registered a branch in Chile the normal tax regime for Chilean entities will apply. Nevertheless, payments made abroad for services related to shipping, analysis of products, insurance, communications and refining may be exempt from this tax, pursuant to Article 12.6.2 of the CEOP. In any case, amounts paid for such services may be deducted from the Contractor's gross income for the purposes of determining its income tax on income from Chilean sources.

Expenditures which are not authorised deductions

All expenditures which are not authorised deductions made by any Contractor which is a corporation, a limited partnership with share capital, or a branch of a corporation neither resident nor domiciled in Chile, will be subject to an annual tax in the amount of thirty-five per cent. (35 per cent.). For the purposes of this tax, the tax base will not include: taxes paid under the Income Tax Law; paid land taxes; adjustments and penalties paid to the State, Municipalities, or public organisations created by law; payment of mining licences to the extent that they are not deductible as expenses; and anticipated expenses.

Chilean VAT

The Contractors will have the right to recover completely the amount of the Chilean VAT paid for acquisition or import of goods or utilisation of services, where such are for purposes of contract activities. The Contractors will enjoy this right regardless of whether or not they engage in other activities subject to the Chilean VAT. Recovery must be solicited within two months following that in which the tax was paid. The Contractors are required to maintain copies of the relevant invoices, import reports ("informes de importaciones") and receipts for the utilisation of services, and enter the same in the corresponding accounting records. The entry in the accounting records must have separate indications of the net value, and the amount of Chilean VAT paid. Each Contractor will have the right to credit to its Chilean VAT debit the amount of Chilean VAT credit corresponding to the party concerned, as indicated in the monthly liquidation of expenses effected by the Operator.

Other provisions

Transport

In assisting the Contractors in their obligation to transport petroleum and gas, the State agrees to use its best efforts to obtain for Contractor access to available capacity in pipelines, storage terminals and gathering or dehydration facilities, owned by third parties or the State, at a cost which is reasonable and fair to all parties involved.

Change of control

Future change of control of the holder of the CEOP will not affect the validity or constitute a violation of the terms of the CEOP.

Protection to the environment	The Contractors have to comply with Law 19,300 on General Bases of Environmental Law and its regulations. The Contractors have to take out insurance to guarantee the indemnifications for environmental pollution and damages to third parties. According to a Legal Minute signed by the lawyers of ENAP and GeoPark Chile, on 9 September 2005, the core principle is that ENAP is liable for all passive environmental incidents which occurred in the area prior to the signing of the CEOP in 1997 and GeoPark is liable for environmental incidents post-1997.
Governing Law	Chile

2. Argentina

Exploration for and exploitation of hydrocarbons in Argentina is governed to a greater extent by statute in Argentina, the principal provisions of which are set out in Part I of this document. The right for GeoPark Argentina to carry out exploration and exploitation of the Del Mosquito, Cerro Doña Juana and Loma Cortaderal Blocks are governed by individual concession agreements granted to GeoPark Argentina in respect of the blocks in Argentina which are therefore less prescriptive than the CEOP. Below is a summary of the key points of each concession.

2.1 ***CA-5 del Mosquito Exploitation Concession***

Contract Name:	CA-5 Del Mosquito
Contract Type:	Exploitation Concession
Grantor:	Federal Government of Argentina
Leaseholder:	GeoPark Argentina
GeoPark Argentina Working Interest:	100 per cent.
Award of Lease:	Through presidential decree # 643/1991, as amended by administrative decision # 696/1997
Effective Date:	19 April 1991
Purpose of Lease:	Exclusive right to produce, explore for and develop hydrocarbons and the right to receive a transportation concession
Lease Term:	25 years with an extension of up to 10 years
Minimum Work Commitments:	None
Minimum Investment Commitments:	None
Work and Investment Program:	To be presented annually to the Secretary of Energy
Production Commitment:	For the first three years of the concession (April 1991 to April 1994) the concession holder had to produce annually at least 80 per cent. of the volume of hydrocarbon produced by YPF in the year immediately preceeding the takeover of the block by the concession holder

Title to Production:	Concession holder entitled to 100 per cent. of production
Government Participation:	None
Royalties:	12 per cent. on both oil and gas sales
Override:	2.5 per cent. on both oil and gas sales to EPP Petroleo S.A.
Surface Rentals:	A$419.50/km^2 per year on exploitation lot surface, plus a sliding scale due on remnant surface contained within the block
Landowner Fees:	Depending on operational facilities
Transportation of Hydrocarbon:	To the extent they have available transportation capacity, pipeline owners are obliged to transport 3rd party production without discrimination and at competitive rates.
Hydrocarbon Export Restrictions:	Domestic oil and gas market has supply privileges
Free Disposal of Sales Proceeds:	Hydrocarbon producers are entitled to freely dispose of 70 per cent. of foreign currency resulting from sales of hydrocarbons
Foreign Currency Retention Restrictions:	Central bank registration requirements, minimum 1 year stay in Argentina, 30 per cent. reserve with domestic banks
Export Duties:	20 per cent. on gas exports and up to 45 per cent. on oil exports depending on oil price
Assignment:	Subject to prior authorisation by the Executive Branch of the Argentine government
Change of Control Provisions:	None
Abandonment and Clean Up:	Four years prior to expiration of the concession, the concession holder must provide technical and commercial justification for leaving any inactive and non producing wells unplugged.
Termination:	In the event of a default in canon payment or royalty payment obligations and/or a breach of material statutory or regulatory obligations of the concession holder
Governing Law:	Argentine Law
Dispute Resolution:	Federal Courts of Buenos Aires

2.2 ***CNQ-29 Cerro Doña Juana Exploitation Concession Summary***

Contract Name:	CNQ-29 CERRO DOÑA JUANA
Contract Type:	Exploitation concession
Grantor:	Federal Government of Argentina
Leaseholder:	GeoPark Argentina
GeoPark Argentina Working Interest:	100 per cent.
Award of Lease:	Through presidential decree #1278/1992, as amended by administrative decision #704/1997

Effective Date:	29 July 1992
Purpose of Lease:	Exclusive right to produce, explore for and develop hydrocarbons and the right to receive a transportation concession
Lease Term:	25 years with an extension of up to 10 years
Minimum Work Commitments:	None
Minimum Investment Commitments:	None
Work and Investment Program:	To be presented annually to the Secretary of Energy
Production Commitment:	For the first three years of the concession (July 1992 to July 1995) the concession holder had to produce annually at least 80 per cent. of the volume of hydrocarbon produced by YPF in the year immediately preceeding the takeover of the block by the concession holder
Title to Production:	Concession holder is entitled to 100 per cent. of production
Government Participation:	None
Royalties:	12 per cent. on both oil and gas sales
Override:	8 per cent. on value of sales of both oil and gas paid to Vintage Petroleum, Inc.
Surface Rentals:	A$419.50/km^2 per year on exploitation lot surface, plus a sliding scale due on remnant surface contained within the block
Landowner Fees:	Depending on operational facilities
Transportation of Hydrocarbons:	To the extent they have available transportation capacity, pipeline owners are obliged to transport 3rd party production without discrimination and at competitive rates
Hydrocarbon Export Restrictions:	Domestic oil and gas market has supply privileges
Free Disposal of Sales Proceeds:	Hydrocarbon producers are entitled to freely dispose of 70 per cent. of foreign currency resulting from sales of hydrocarbons
Foreign Currency Retention Restrictions:	Central bank registration requirements, minimum 1 year stay in Argentina, 30 per cent. reserve with domestic banks
Export Duties:	20 per cent. on gas exports and up to 45 per cent. on oil exports depending on oil price
Assignment:	Subject to prior authorisation by the Executive Branch of the Argentine government
Change of Control Provisions:	None
Abandonment and Clean Up:	Four years prior to expiration of the concession, the concession holder must provide technical and commercial justification for leaving any inactive and non-producing wells unplugged

Termination:	In the event of a default in canon payment or royalty payment obligations and/or a breach of material statutory or regulatory obligations of the concession holder
Governing Law:	Argentine Law
Dispute Resolution:	Federal Courts of Buenos Aires

2.3 ***CNQ-31 Loma Cortaderal Exploitation Concession Summary***

Contract Name:	CNQ-31 LOMA CORTADERAL
Contract Type:	Exploitation Concession
Grantor:	Federal Government of Argentina
Leaseholder:	GeoPark Argentina
GeoPark Argentina Working Interest:	100 per cent.
Award of Lease:	Through presidential decree #1279/1992, as amended by administrative decision #704/1997
Effective Date:	29 July 1992
Purpose of Lease:	Exclusive right to produce, explore for and develop hydrocarbons and the right to receive a transportation concession
Lease Term:	25 years with an extension of up to 10 years
Minimum Work Commitments:	None
Minimum Investment Commitments:	None
Work and Investment Program:	To be presented annually to the Secretary of Energy
Production Commitment:	For the first three years of the concession (April 1991 to April 1994) the concession holder had to produce annually at least 80 per cent. of the volume of hydrocarbon produced by YPF in the year immediately preceeding the takeover of the block by the concession holder
Title to Production:	Concession holder is entitled to 100 per cent. of production
Government Participation:	None
Royalties:	12 per cent. on both oil and gas sales
Override:	8 per cent. on value of sale of both oil and gas paid to Vintage Petroleum Inc.
Surface Rentals:	A$419.50/km^2 per year on exploitation lot surface, plus a sliding scale due on remnant surface contained within the block
Landowner Fees:	Depending on operational facilities

Transportation of Hydrocarbons:	To the extent they have available transportation capacity, pipeline owners are obliged to transport 3rd party production without discrimination and at competitive rates
Hydrocarbon Export Restrictions:	Domestic oil and gas market has supply privileges
Free Disposal of Sales Proceeds:	Hydrocarbon producers are entitled to freely dispose of 70 per cent. of foreign currency resulting from sales of hydrocarbons
Foreign Currency Retention Restrictions:	Central Bank registration requirements, minimum 1 year stay in Argentina, 30 per cent. reserve with domestic banks
Export Duties:	20 per cent. on gas exports and up to 45 per cent. on oil exports depending on oil price
Assignment:	Subject to prior authorisation by the Executive Branch of the Argentine government
Change of Control Provisions:	None
Abandonment and Clean Up:	Four years prior to expiration of the concession, the concession holder must provide technical and commercial justification for leaving any inactive and non producing wells unplugged
Termination:	In the event of a default in canon payment or royalty payment obligations and/or a breach of material statutory or regulatory obligations of the concession holder
Governing Law:	Argentine Law
Dispute Resolution:	Federal Courts of Buenos Aires

2.4 ***Retention of revenue outside Argentina***

Under the terms of the exploitation concessions over the Cerro Doña Juana, Loma Cortaderal, and Del Mosquito Blocks, GeoPark Argentina has the right to freely dispose of up to 70 per cent. of the hydrocarbons produced from these blocks, and of the same percentage of currency proceeds derived from these disposals. Furthermore, Section 2 of Decree 1638/01 established that the Central Bank of Argentina shall exempt from the obligation to return export proceeds to Argentina when such proceeds apply to the cancellation of obligations committed abroad for:

1. the financing of investment projects
2. the pre-financing of exports
3. structured loans
4. the granting of collateral or security backing financial operations
5. honouring financial commitments of the exporters

The remaining 30 per cent. should, in principle, be returned to Argentina and deposited in an exporter's account.

PART III

RISK FACTORS

AN INVESTMENT IN THE COMPANY IS HIGHLY SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK. An investment in the Common Shares is suitable only for individuals who are financially able to withstand a complete loss of their investment. The exploration and development of hydrocarbon resources is a highly speculative activity. Therefore, in addition to the other relevant information set out in this document, the following specific factors should be considered carefully in evaluating whether to make an investment in the Company. Any one or more of the risks described below could have a material effect on the value of the Company. Prospective investors should consider carefully whether investment in the Common Shares is suitable for them in light of the risks associated with such investment, including the risks specified in this document, and their personal circumstances. Investors are advised to consult an independent financial adviser authorised under FSMA and who specialises in advising on the acquisition of shares and other securities before making a decision to invest.

The risks described below do not necessarily comprise all those faced by the Group and are not presented in any assumed order of priority.

Risks related to the Business of the Group

Current operations are dependent on the success of the fields and prospects identified by the Group

The Group's interests in the Countries of Operation are at an early stage of development. The availability of additional data and the results of GeoPark's exploration activities may not lead to the Company developing a sustainable business. The wells which the Company has drilled and plans to drill within the Countries of Operation may not discover or produce any further oil or gas or may not discover or produce commercially viable quantities of oil or gas to enable GeoPark to operate profitably or to enable investors to recover their investments.

The Group may need additional access to capital in the future

The Group's capital requirements depend on numerous factors including whether viable oil and gas finds are located which could lead to further commercially viable production. If its capital requirements vary materially from its current plans, the Group may require further financing. Any additional equity financing may be dilutive to Shareholders, and debt financing, if available may involve restrictions on financing and operating activities. In addition, there can be no assurance that the Group will be able to raise additional funds when needed or that such funds will be available to the Group on terms favourable to the Group. If the Group is unable to obtain additional financing as needed the Group may be required to reduce the scope of its operations or anticipated expansion or to cease trading.

Risk of payment obligations

Under the licences and certain other contractual agreements to which companies in the Group are or may in the future become parties, such companies are or may become subject to payment and other obligations. If such obligations are not complied with when due, in addition to any other remedies that may be available to other parties, this could result in dilution or forfeiture of interests held by such companies. The Company may not have, or be able to obtain, financing for all such obligations as they arise.

Title matters

The acquisition of title to oil and gas concessions in certain jurisdictions, including Argentina and Chile, is a detailed and time consuming process. Title to, and the area of, oil and gas concessions, may be disputed. While the Group has diligently investigated title to all of its mineral concessions and, to the best of its knowledge, title to all of its properties is in good standing, this should not be construed as a guarantee of title. Title to the properties may be affected by undisclosed and undetected defects.

The original awards of the three Argentine concessions have not been notarised by the Government's General Notary on the National State Register, as required under statute. However this is simply a

formality and the Company has been advised that the concessions are valid and in full force and effect and that this defect does not jeopardise their title to the concessions.

Financing risks

The Directors are of the opinion, having made due and careful enquiry, that taking account of the estimated net proceeds of the Placing of the Subscription Shares, the working capital available to the Company and the Group will be sufficient for its present requirements, which is for at least until 31 May 2007. Thereafter, further exploration and development of one or more of the Group's properties will be dependent upon the Group's ability to obtain financing through joint ventures, equity or debt financing or other means, and although the Group has been successful in the past in obtaining equity financing there can be no assurance that the Group will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of its projects, with the possible loss of such properties.

Any additional financing may be dilutive to Shareholders and debt financing, if available, may involve restrictions on other financing and operating activities.

In addition, the Group may incur significant financial indebtedness in the future. This may affect the operations of the Group and have significant consequences for prospective investors in a number of ways. For example, the Group may be forced to dedicate a substantial portion of its cash flow to repayments of its indebtedness, thereby reducing the cash available to fund working capital, capital expenditure and for other general corporate purposes. It may also limit the ability of the Group to borrow additional funds, which in turn may restrict its ability to pursue its business strategy. In addition, it might limit the flexibility of the Group in planning for or reacting to market forces, making it more vulnerable to a downturn in the industry or the economy generally.

The Company depends on maintaining good relations with the respective host governments and national oil companies in the Countries of Operation

GeoPark has maintained good relations with the host governments and national oil companies in the Countries of Operation, and GeoPark and each host government and national oil company in the Countries of Operation share in the benefit of co-operative relations. The success of the business of the Group and the effective operation of the fields in each Country of Operation is dependent upon such continued good relations and co-operation. If GeoPark, the respective host governments and national oil companies are not able to co-operate with one another it could have an adverse impact on the business, the operations and prospects of the Company and the value of its shares.

The Group depends on key personnel, the loss of any of whom could have an adverse impact on its business

The Group's success depends in large part on the ability of its executive management team to deal effectively with complex risks and relationships and execute the Group's oil and gas exploration development plan. The members of the management team contribute to the Group's ability to obtain, generate and manage opportunities. The prospects of the Group also depend upon the continued service of its technical employees and consultants. In the Countries of Operation, the identity and efforts of the local representatives, in particular their relationships with governmental agencies, can be critical factors in its local success. There can be no assurance that the Group's present Directors, advisers, officers, employees, representatives, or consultants will remain with the Group, and the departure of any such Director, adviser, officer, employee, representative or consultant may affect the Company's business and operations and the value of its shares.

The Group's licences may be suspended, amended or terminated prior to the end of their terms or may not be renewed and this could have an adverse affect on its operations and the value of its assets

The operations of the Group require licences, permits and, in some cases, renewals of existing licences and permits from various governmental authorities. The Board believes that the Group currently has the benefit of all material licences and permits necessary to carry on the activities required under applicable laws and regulations. Whilst the Group may not have the benefit of certain minor licences,

this is principally due to the developing nature of the regulatory agencies within the Countries of Operation.

The Board believes that the Group is complying in all material respects with the terms of the licences and permits granted to it in order to undertake its activities in the Countries of Operation. The Group's ability to obtain, sustain or renew such licences and permits on acceptable terms are subject to change in regulations and policies and the discretion of the applicable regulatory authorities and governments. Such suspension, amendment, termination or inability to renew a licence could adversely affect the business, results of operations and prospects of the Company, and the value of its shares.

There may be tax implications under Argentine law in respect of the Company being incorporated in Bermuda

Section 18.1 of Argentine tax proceedings law 11,683 sets forth that remittances of any nature whatsoever received from jurisdictions of low or null taxation (such as Bermuda) shall be deemed unjustified patrimonial increases of the domestic recipient, unless the domestic recipient provides conclusive evidence that the relevant funds originated in activities effectively carried out by the tax payer or by third parties in such jurisdictions or that originated from remittances into such jurisdictions that have been timely declared.

Thus, unless the Argentine branch of GeoPark Argentina provides conclusive evidence that the relevant funds (as described above) originated in activities effectively carried out by the Argentine branch of GeoPark Argentina or by third parties in Bermuda or that originated from remittances into Bermuda that have been timely declared, any remittances (whether loans, capital assignments or others) received by the Argentine branch of GeoPark Argentina from GeoPark Argentina or the Company could be challenged by the Argentine tax authorities. Should the Argentine branch of GeoPark Argentina not be able to demonstrate the above the applicable tax rate could be as high as 35 per cent. (for Income tax purposes) plus 21 per cent. (for VAT purposes) plus a penalty which is to the discretion of the tax authorities but could be as high as twice the amount of the unpaid taxes.

Although it is up to the tax authority to accept the evidence provided to demonstrate a company meets the requisites that would not make it liable of the above mentioned tax, the Company's directors and management are confident they will accept the evidence in the case of the Argentine branch of GeoPark Argentina.

Risks related to Countries of Operation

Foreign country and political risk

Since the end of 2001, companies that operate in Argentina have continued to encounter difficulties as a result of the serious economic and political crisis affecting Argentina. Monetary and currency exchange control measures, including restrictions on bank deposit withdrawals and tight restrictions on transferring funds abroad, suspension of payments by Argentina on its external debt and abrogation of the peso convertibility law (and the consequent depreciation of the Argentine Peso against the US dollar) had a significant negative impact on the Argentine economic system, resulting in a reduction of economic activity, increasing inflation and exchange rate volatility. These conditions may adversely affect the financial condition of the Company, its results of operations and may impair its ability to make distributions.

With the improvement in the political and economic condition of the country in 2003 and 2004, the regulatory environment applicable to the energy sector, which was deeply affected by the emergency measures adopted during the crisis, began to stabilise. However, since March 2004 and, as a consequence of a shortage in the domestic supply of natural gas and continued high international oil prices, the Argentine government has adopted additional measures that modify the regulatory environment. On the one hand, the government has approved an increase in well head gas prices for industries and electricity generators; on the other hand, it has imposed limits on the export of gas to Chile and has taken additional measures, including imposing limits on the supply of gas to industrial consumers. The government has increased the export tax for crude oil and liquid petroleum gas and has reintroduced the export tax for gasoline. Additionally, since 28 May 2004 exports of natural gas are subject to customs duties of 20 per cent. In the domestic oil product market, translation of relatively

high international prices into higher domestic prices has been delayed. These measures could have a negative impact on the Company's business, financial condition and results of operation in Argentina.

As at the date of this document, Argentina had completed the restructuring of a substantial portion of its bond indebtedness, but such restructuring continues to be subject to litigation. In addition, an agreement with the International Monetary Fund (IMF) had been reached and in December 2005 Argentina paid in full its entire outstanding obligations to the IMF amounting to US$9.6 billion.

The Company's business and results of operations may be materially and adversely affected by economic, political and regulatory risks and developments in Argentina. In particular, during the past years, the energy sector has been affected by lower sales volumes, difficulties in passing through the impact of prices of crude oil and derived products quoted in US dollars to domestic prices fixed in Argentine and Chilean pesos, difficulties in increasing domestic natural gas sale prices and the creation of a tax specifically targeted at the export of hydrocarbons.

The main economic risks the Company faces because of its operations in Argentina are the following:

- difficulties in passing through the movements in international prices of crude oil and exchange rates to domestic prices;
- higher taxes on exports of hydrocarbons;
- quantitative restrictions on hydrocarbons exports;
- the possibility that a deterioration in Argentina's relations with multilateral credit institutions, such as the IMF, will impact negatively on local capital controls, and result in a deterioration of the business climate; and
- the possibility of a reversal of the current appreciation of the Argentine Peso. Additional depreciation of the Argentine Peso in relation to foreign currencies may adversely affect the financial condition or results of operations of Argentine companies and the ability of Argentine companies to meet their foreign currency obligations.

The Group's operations are subject to extensive regulation

The oil industry is subject to extensive regulation and intervention by governments throughout the world in such matters as the award of exploration and production interests, the imposition of specific drilling and exploration obligations, restrictions on production, price controls, required divestments of assets and foreign currency controls over the development and nationalisation, expropriation or cancellation of contract rights.

In addition, the terms and conditions of the agreements under which the Company's oil and gas interests are held generally reflect negotiations with governmental authorities and can vary significantly. These agreements take the form of licences and, in the case of Chile, joint operating agreements. Under licence agreements, the licence holder provides financing and bears the risk of the exploration and production activities in exchange for resulting production, if any. In Chile, the production has to be sold to the state or the state owned oil company.

The Group is subject to extensive environmental regulations and risks

The Company is subject to extensive environmental laws and regulations in both the countries in which it operates, which regulate, among other matters affecting the Company's operations, environmental quality standards for products, air emissions and climate change, water discharges, remediation of soil pollution and the generation, handling, storage, transportation, treatment and disposal of waste materials. These laws and regulations will have a substantial impact on the Company's operations. The Company's operations are subject to certain environmental risks that are inherent in the oil and gas industry and which may arise unexpectedly and result in material adverse effects on the Company's business, financial condition and results of operations.

The Group faces foreign exchange risks that could adversely affect its operating results

Although costs, cash flows and equity are subject to changes in the exchange rates of the Argentine Peso and Chilean Peso, production is settled in US dollars. The Group does not therefore anticipate

significant foreign exchange risk. The Group seeks to minimise local currency exposure by matching local and foreign currency assets and liabilities. VAT receivable is stated in local currency, and is therefore unavoidably exposed both to inflation and currency fluctuations.

Most of the Group's assets are related to oil and gas production, and oil and gas are settled in the local markets in local currency US dollar equivalents.

Exchange adjustments for investments in subsidiary enterprises are recognised directly in the holding company's equity. Related exchange risks are not generally hedged since, in the opinion of the Group, the costs incurred would not be justified by the risk.

Whilst the Company has not historically held or been required to hold a substantial amount of funds in the denominated currency of the Country of Operation, this might not always be the case in the future. To the extent that the Company or any of its subsidiaries or affiliates is required to hold currency positions in the denominated currency of a Country of Operation, there is a risk from foreign exchange fluctuations. A substantial proportion of the Group's costs are incurred in local currencies, in particular the Argentine Peso and the Chilean Peso and, consistent with practice in the oil and gas industry, the financial statements of the Group are reported in US dollars. If the exchange rate of a denominated currency in a Country of Operation fluctuates substantially, or the rate of inflation in a Country of Operation materially increases, historic financial statements of the Group may not accurately reflect the US dollars value of its assets or operations.

The Company cannot assure prospective investors that the denominated currencies in the Countries of Operation will not depreciate against the US dollar. Further, to the extent denominated currencies in the Countries of Operation are freely exchangeable into US dollars, the Company cannot assure investors that such currencies will continue to be freely exchangeable into US dollars or that the Group will be able to exchange sufficient amounts of such currencies into US dollars to meet any foreign currency obligations. Such foreign exchange risk could adversely affect the business, results of operations and prospects of the Company, and the value of its shares.

Risks related to the Oil and Gas Industry

The exploration operations of the Group contain a high degree of risk

Oil and gas exploration and production is speculative and involves a high degree of risk. In particular, the operations of the Group may be disrupted by risks and hazards that are beyond the control of the Group, including environmental hazards, industrial accidents, occupational and health hazards, technical failures, labour disputes, unusual or unexpected geological formations, flooding, earthquakes and extended interruptions due to weather conditions, explosions and other accidents. These risks and hazards could also result in damage to, or destruction of, wells or production facilities, personal injury, environmental damage, business interruption, financial losses and legal liability.

The Group may not identify any more commercially exploitable deposits or successfully drill, complete or produce oil or gas reserves. Completed wells may never produce hydrocarbons, or may not produce sufficient quantities to be profitable or commercially viable. Estimates of oil and gas reserves and resources (including those set out in Part IV of this document) are based on certain material assumptions which may turn out to be incorrect. Furthermore, although the Company's internal resource estimates have been calculated according to the accepted industry practices and corroborated by DeGolyer and MacNaughton, they are based, in some cases, on limited technical data and may not reflect actual reserves, which could be significantly less than such estimates.

The nature of reserve and resource quantification studies means that there can be no certainty that estimates of the quantities and quality of oil and gas discovered will be available for extraction. There are numerous uncertainties inherent in estimating quantities of oil and gas reserves and resources. Reserve engineering is a subjective process of estimating underground accumulations of oil and gas that cannot be measured in an exact manner, and the accuracy of any reserve or resource estimate is a function of the quality of available data and of engineering and geologic interpretation and judgment. In evaluating oil and gas properties, and in estimating reserves and resources, the Company has used historic seismic data, production data and geological and geophysical data that may not meet the customary technical quality of data used in the international oil and gas industry. Estimates by different engineers often vary,

sometimes significantly. Physical factors, such as the results of drilling, testing and production subsequent to the date of an estimate, as well as economic factors, such as an increase or decrease in product prices that renders production of reserves more or less economic, may justify a revision of reserve or resource estimates.

Delays in the construction and commissioning of projects or other technical difficulties may result in any future projected target dates for production being delayed or further capital expenditure being required.

The Group's development projects involve many uncertainties and operating risks that can prevent it from realising profits and can cause substantial loss

The Group's development projects may be delayed or unsuccessful for many reasons, including cost overruns, lower oil and natural gas prices, equipment shortages, labour unrest and mechanical difficulties. These projects may often require the use of new and advanced technologies, which can be expensive to develop, purchase and implement and may not function as expected. Such uncertainty and operating risk associated with development projects could adversely affect the business, results of operations and prospects of the Company, and the value of its shares.

The price of and demand for oil and gas is unpredictable, depends on a number of factors, and greatly affects the Group's profitability and financial condition

The price of and demand for oil and gas is dependent on a number of factors, including worldwide supply and demand levels, actions of the Organisation of Petroleum Exporting Countries, energy policies, weather, competitiveness of alternative energy sources, global economic and political developments and the volatile trading patterns of the commodity futures markets. Changes in oil and gas prices can impact the Company's valuation of reserves. International oil prices have fluctuated widely in recent years and may continue to do so in the future. Lower oil and gas prices will adversely affect the Company's revenues, business or financial condition and the valuation of its reserves. In periods of sharply lower commodity prices, the Company may curtail production and capital spending projects and may defer or delay drilling wells because of lower cash flows.

Increase in drilling costs and a decline in the availability of drilling equipment may adversely affect the Group's operations and profitability

The oil and gas industry historically has experienced periods of rapid cost increases. Increases in the costs of exploration and development would affect the Company's ability to invest in prospects and to purchase or hire equipment, supplies and services. Additionally, the availability of drilling rigs and other equipment and services is affected by the level and location of drilling activity around the world. An increase in drilling operations outside of the Countries of Operation or in other areas within the vicinity of the Countries of Operation may reduce the availability of equipment and services to the Group. The reduced availability of equipment and services may delay its ability to exploit reserves and adversely affect the Group's operations and profitability and the value of the Company's shares.

The Group is not fully insured against all risks in its business

There are significant exploration and operating risks associated with drilling oil and gas wells, including blowouts, cratering, sour gas releases, uncontrolled flows of oil, natural gas or well fluids, adverse weather conditions, environmental risks and fire, all of which can result in injury to persons as well as damage to or destruction of oil and gas wells, equipment, formations and reserves, production facilities and other property. In addition, the Group will be subject to liability for environmental risks such as pollution and abuse of the environment. Although the Group will exercise due care in the conduct of its business and will maintain customary insurance coverage for companies engaged in similar operations, the Group is not fully insured against all risks in its business. The occurrence of a significant event against which the Group is not fully insured could have a material adverse effect on its operations and financial performance. In addition, in the future some or all of the Group's insurance coverage may not be available at all or on satisfactory terms, including pricing, or the amount of coverage may be insufficient to cover all of the losses, damages, costs or liabilities relating to the Group's business and operations.

Under Argentine domestic laws, all insurances of persons, property or any other insurable interests existing in Argentina have to be taken out with an Argentine insurer. Under a recently enacted Federal General Environmental Law, all persons who carry out activities that are potentially hazardous to the environment must either obtain insurance in a form sufficient to recompose any damages that they may cause or create an environmental remediation fund. Argentine insurance companies, however, do not yet offer environmental pollution insurance and regulations both in the environmental and insurance field need to be issued to allow Argentine companies to take out environmental insurance to fulfil this obligation. Therefore GeoPark Argentina does not have this type of insurance for its Argentine operations. Until local insurance companies make environmental pollution insurance available to companies operating in Argentina, GeoPark Argentina would have a good argument to support their failure to abide by the insurance requirements of the Federal General Environmental Law.

The Group encounters competition from other oil and gas companies in all areas of its operations, including the acquisition of licences and exploratory prospects

The oil and gas industry is extremely competitive. GeoPark competes with other major oil and gas companies for access to markets and equipment and for labour and capital that is required to acquire, develop and operate its properties. GeoPark also competes for the acquisition of licences and properties in Argentina and Chile. Such competition could adversely affect the business, results of operations and prospects of the Company, and the value of its shares.

Risks associated with the Shares

There is a risk of share price volatility and limited liquidity associated with the Common Shares

The share price of publicly traded emerging companies can be highly volatile. The price at which the Common Shares will be quoted and the price investors may realise for their Common Shares will be influenced by a large number of factors, some specific to the Company and its operations and some which may affect the Company's quoted sector, or quoted companies generally. These factors could include the performance of the Company's development and production programmes, large purchases or sales of the Common Shares, currency fluctuations, oil prices and general economic conditions.

The Company's Admission to AIM should not be taken to imply that there will be a liquid market for the Common Shares. It is likely to be more difficult for an investor to realise its investment on AIM than to realise an investment in a company whose shares are quoted on the Official List of the UKLA.

The market price of the Common Shares may not reflect the underlying value of the Company's net assets. The price at which investors may dispose of their shares in the Company may be influenced by a number of factors, some of which may pertain to the Company, and others of which are extraneous. Investors may realise less than the original amount invested.

Bermuda company law

As a company incorporated in Bermuda, the Company is subject to Bermuda company law. A summary of certain provisions of the Act is set out in paragraph 4.3 of Part VI of this document.

Takeover Code

It is currently understood that the City Code will not apply to the Company and, therefore, a takeover of the Group would be unregulated by the UK Panel on Takeovers and Mergers. While the Bye-laws contain certain takeover protections, these will not provide the full protections afforded by the Takeover Code. The relevant provisions of the Bye-laws are summarised in paragraph 4.2.23 of Part VI of this document.

Transferability of Common Shares

As a Bermuda incorporated company, the Company is subject to the consent of the Bermuda Monetary Authority over the free transferability of its Common Shares. General permission has been given by the Bermuda Monetary Authority for the issue and subsequent transfer of the Common Shares from and/or to a non-resident of Bermuda for exchange control purposes for so long as the Common Shares are listed on AIM. If, at any time following Admission, the Bermuda Monetary

Authority withdraws its consent to the free transferability of the Company's Common Shares, then the trading of the Company's Common Shares on AIM will be suspended with immediate effect.

Substantial Shareholders

Upon completion of the Placing certain Shareholders will own a significant proportion of the Enlarged Issued Common Share Capital, which proportion may be increased as a result of the exercise of loan notes or options. As a result these Shareholders will be able to exercise significant control over all matters requiring Shareholders' approval, which could delay or prevent an outside party from acquiring or merging with the Company. The ability of such Shareholders to prevent or delay such transactions could cause the price of Common Shares to decline.

The above risk factors do not necessarily comprise all those associated with an investment in the Company.

Reference should also be made to the risks in the Petroleum Consultants' Report in Part IV of this document and to Part V of this document which contains financial information on the Group.

PART IV

PETROLEUM CONSULTANT'S REPORT

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10 May 2006

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Pursuant to the request of GeoPark Holdings Limited (GeoPark), we have prepared estimates, as of 31 December, 2005, of the extent of the proven, probable, and possible crude oil, condensate, and separator gas reserves and prospective and contingent resources of certain properties operated by GeoPark. Also presented are estimates of the value of the proven, proven-plus-probable, and proven-plus-probable-plus-possible oil, condensate, and gas reserves of the Fell Block in Chile and the Del Mosquito, Cerro Doña Juana, and Loma Cortaderal Blocks in Argentina. A total of 20 fields were evaluated in the Fell Block, 2 fields in the Del Mosquito Block, and 1 field each in the Cerro Doña Juana, and Loma Cortaderal Blocks. Figure 1 shows the location of the fields in the Fell and Del Mosquito Blocks, respectively. Figure 2 shows the location of the fields in the Cerro Doña Juana and Loma Cortaderal Blocks. The contingent resources are located in the Fell Block. The prospective resources are located in the Fell and Del Mosquito Blocks in the Austral Basin that straddles Chile and Argentina.

Reserves estimated in this report are expressed as gross and net reserves. Gross reserves are defined as the total estimated petroleum to be produced from these properties after 31 December, 2005. Net reserves are defined as that portion of the gross reserves attributable to the interests that GeoPark has represented that it owns after deducting all interests held by others. GeoPark has represented that it holds a 90 per cent. interest in the Fell Block located in Chile and a 100 per cent. interest in the Del Mosquito, Cerro Doña Juana, and Loma Cortaderal Blocks in Argentina. Gross reserves and forecasts estimated for the Fell, Del Mosquito, Cerro Doña Juana, and Loma Cortaderal Blocks are shown in Tables 1 through 7. Future net revenue for GeoPark's interests in the blocks is shown in Tables 8 through 34.

The proven and probable reserves presented in this report have been prepared in accordance with reserves definitions presented in Appendix 1 of *The Listing Rules* of the United Kingdom Listing Authority (UKLA). The possible reserves presented in this report have been prepared in accordance with the reserves definitions adopted by the Society of Petroleum Engineers (SPE) and the World Petroleum Congresses (WPC). Such reserves definitions are included in the Classification of Reserves section of this report.

This report presents values for proven, proven-plus-probable (non-risk-adjusted), and proven-plus-probable-plus-possible (non-risk-adjusted) reserves for the fields in the Fell, Del Mosquito, Cerro Doña Juana, and Loma Cortaderal Blocks. These values were estimated using initial prices and costs and future price and cost assumptions specified by GeoPark with no escalation for inflation. A detailed explanation of the future price and cost assumptions is included in the Valuation of Reserves section of this report.

Values of the proven, proven-plus-probable, and proven-plus-probable-plus-possible reserves in this report are expressed in terms of estimated future gross revenue, future net revenue, and net present value. All values shown in this report are based on reserves estimates prior to plant processing. Future gross revenue is that revenue which will accrue to the appraised interests from the production and sale of the estimated net reserves. Future net revenue is calculated by deducting cash royalties, operating

expenses, capital costs, production taxes, and host country income tax from the future gross revenue. Operating expenses include field operating expenses, workover costs, compression costs, and all other direct costs specified by GeoPark. Net present value is defined as the future net revenue discounted at a specified arbitrary discount rate compounded monthly over the expected period of realization. In our opinion, net present value should not be construed to represent what a willing buyer and a willing seller would agree is the value of the property. In this report, net present values using a nominal discount rate of 10 per cent. are reported in detail and values using nominal discount rates of 5, 15, and 20 per cent. are reported as totals.

The contingent and prospective resources estimated in this report are expressed as gross and net resources. Gross resources are defined as the total estimated petroleum that is potentially recoverable after 31 December, 2005. Net resources are defined as that portion of the gross resources attributable to the interests that GeoPark has represented it owns after deducting all interests held by others.

The contingent resources estimated herein are those volumes of oil or gas that are potentially recoverable from known accumulations but which are not currently considered to be commercially recoverable because of either the lack of a market or proper delineation necessary to establish the size of the accumulation for commercial purposes. The prospective resources estimated herein are those volumes of petroleum and gas that are potentially recoverable from accumulations yet to be discovered. The definitions of resources applied are in agreement with the petroleum resources definitions approved in February 2000 by the Society of Petroleum Engineers (SPE), the World Petroleum Congresses (WPC), and the American Association of Petroleum Geologists (AAPG) and are discussed in detail in the Classification of Resources section of this report. Because of the uncertainty of commerciality and the lack of sufficient exploration drilling, the resources estimated herein cannot be classified as reserves. The resources estimates in this report are provided as a means of comparison to other resources and do not provide a means of direct comparison to reserves. Tables 35 through 42 summarize the estimated contingent and prospective resources in the Fell Block and in the Del Mosquito Block, as of 31 December, 2005. Specifically, net resources are shown in Tables 35, 37, 39, and 41. The prospects have been adjusted for geologic risk.

At the request of GeoPark, a probabilistic model was prepared to estimate petroleum quantities that might be realized from the contingent and prospective resources estimated herein should these resources be successfully developed (in the case of contingent resources) and successfully discovered and developed (in the case of prospective resources).

Estimates of petroleum reserves and contingent and prospective resources should be regarded only as estimates that may change as additional information becomes available. Not only are such reserves and resources estimates based on that information which is currently available, but such estimates are also subject to the uncertainties inherent in the application of judgmental factors in interpreting such information. Contingent and prospective resources quantities should not be confused with those quantities that are associated with reserves due to the additional risks involved. The quantities that might actually be recovered may differ significantly from the estimates presented herein. Estimates of contingent and prospective resources should be regarded only as estimates that may change as additional information becomes available. A possibility exists that the accumulations and prospects will not result in successful discovery and development, in which case there could be no positive potential net present value.

Information used in the preparation of this report was obtained from GeoPark. In the preparation of this report we have relied, without independent verification, upon information furnished by GeoPark with respect to the properties to be evaluated, the production from such properties, current costs of operation and development, current prices for production, agreements relating to current and future operations and sale of production, and various other information and data that were accepted as represented. Although we have not had independent verification, the information used in this report appears reasonable. The technical staff of GeoPark involved with the assessment and implementation of development of GeoPark's petroleum assets have demonstrated that they adhere to the generally accepted practices of the petroleum industry. The staff members appear to be experienced and technically competent in their field of expertise. A field examination of the properties was not considered necessary for the purposes of this report.

GeoPark has represented that it has reached an agreement to acquire an additional 10 per cent. interest in the Fell Block in Chile, which would bring its total interest to 100 per cent. This agreement is subject to the approval of the Ministry of Mining in Chile, which has not been granted as of the date of this report. Therefore, net estimates contained herein represent only GeoPark's 90 per cent. interest in the Fell Block. GeoPark has requested that we provide a summary of estimated reserves and resources that will pertain to GeoPark based on its 100 per cent. interest ownership following the approval from the Chilean Government, and which we have provided in Tables 43 through 45 of this report.

Executive Summary

GeoPark has represented that it owns interests in oil, condensate, and gas reserves of the Fell Block in Chile and the Del Mosquito, Cerro Doña Juana, and Loma Cortaderal Blocks in Argentina. The fields located in the Fell Block are as follows: Dicky, Dicky Oeste, Faro, Kimiri Aike, Kimiri Aike Norte, Mogote, Molino, Monte Aymond, Monte Aymond Oeste, Munición Oeste, Murtilla, Nika, Nika Oeste, Nika Sur, Ovejero, Pampa Larga, Punta Delgada Oeste, Santiago Norte, Sauce, and Tetera. The fields located in the Del Mosquito Block are the Del Mosquito and Del Mosquito Norte fields. The Cerro Doña Juana field is located in the Cerro Doña Juana Block and the Loma Cortaderal field is located in the Loma Cortaderal Block. The fields evaluated herein are shown in their respective blocks as follows.

The following table presents GeoPark's working interest in the various blocks and the area of each respective block.

Property Interests Evaluated

Country	*Block*	*Working Interest (per cent.)*	*Area (acres)*
Chile	Fell	90	440,000
Argentina	Cerro Doña Juana	100	35,954
	Del Mosquito	100	190,000
	Loma Cortaderal	100	39,710

Note: Geopark's interest in the Fell Block will increase to 100 per cent. following approval of the Chilean Government.

Reserves

The estimated net proven, probable, and possible oil, condensate, and gas reserves, as of 31 December, 2005, of the properties evaluated herein are summarized as follows, expressed in thousands of barrels (Mbbl) or millions of cubic feet (MMcf):

Net Reserves Summary

Country Classification	*Oil and Condensate (Mbbl)*	*Separator Gas (MMcf)*
Chile		
Proven	2,405	42,614
Probable	2,239	57,272
Possible	3,681	94,999
Argentina		
Proven	1,075	1,688
Probable	3,929	2,044
Possible	6,086	364
Total Proven	3,480	44,302
Total Probable	6,168	59,316
Total Possible	9,767	95,363

Note: Probable and possible reserves have not been adjusted for risk.

The estimated future net revenue and net present value at a 10 per cent. discount rate under the price and cost assumptions of the Base Case evaluated herein of the proven, proven-plus-probable, and proven-plus-probable-plus possible reserves, as of 31 December, 2005, of GeoPark's interest in the properties in Chile and Argentina, classified by country, are summarized as follows, expressed in thousands of U.S. dollars (M U.S.$):

Valuation of Reserves Summary

Country Classification	*Future Net Revenue (M U.S.$)*	*Net Present Value at 10 Per cent. (M U.S.$)*
Chile		
Proven	77,029	54,150
Proven plus Probable	174,633	114,179
Proven plus Probable plus Possible	344,148	200,574
Argentina		
Proven	4,521	2,824
Proven plus Probable	53,500	37,489
Proven plus Probable plus Possible	116,120	72,977
Total		
Proven	81,550	56,974
Proven plus Probable	228,133	151,668
Proven plus Probable plus Possible	460,268	273,551

Note: Values estimated from probable and possible reserves have not been adjusted for risk.

Resources

Contingent Resources

GeoPark has represented that it owns interests in contingent resources located in the Fell Block in Chile. The five evaluated accumulations for the contingent resources properties are as follows: the Mogote, Monte Aymond, Murtilla-Dorado Norte, Pampa Larga, and Santiago Norte accumulations.

Should these accumulations result in commercial development, estimates of the Fell Block net contingent resources, as of 31 December, 2005, are summarized as follows, expressed in thousands of barrels of oil (Mbbl) and millions of cubic feet of gas (MMcf):

	Contingent Resources Summary			
	Low Estimate	*Median Estimate*	*Best Estimate*	*High Estimate*
Net Contingent Oil Resources, Mbbl	1,202.0	2,017.8	2,200.2	3,409.5
Net Contingent Gas Resources, MMcf	127,887.9	216,608.1	247,687.0	413,802.4

Notes:

1. Low, median, best, and high estimates follow the SPE/WPC/AAPG guidelines for contingent resources.
2. Low, median, best, and high estimates in this table are P_{90}, P_{50}, EV, and P_{10}, respectively.
3. Only EVs can be arithmetically summed; P_{90}, P_{50}, and P_{10} can not be arithmetically summed.
4. Recovery factor is applied to contingent resources in this table.

Prospective Resources

GeoPark has represented that it owns interests in mature and immature prospective resources in certain prospects located in the Fell Block in Chile and the Del Mosquito Block in Argentina. In this report, prospects are referred to as mature and immature as described in the Classification of Resources section.

There are 12 evaluated mature prospects. The seven mature prospects located in the Fell Block are as follows: Brazo Norte, Escorial, Martin, Mata Negra, Monte Aymond Nuevo, Monte Aymond Oriental, and Tandy. The five mature prospects located in the Del Mosquito Block are as follows: Flanco Oriental 1, Flanco Oriental 2, Flanco Oriental 3, Flanco Sur, and Prospecto 5.

The seven identified immature prospects are located in the Del Mosquito Block and are as follows: Cañadon Fraile, Cañadon Fraile Sur, Laguna Del Mosquito, Cóndor Norte 1, Cóndor Norte 2, Zanja Pique 1, and Zanja Pique 2.

Should the mature prospects result in successful discoveries and development, estimates of the net prospective oil and gas resources of the Fell and Del Mosquito Blocks, as of 31 December, 2005, are summarized as follows, expressed in thousands of barrels (Mbbl) of oil and millions of cubic feet (MMcf) of gas:

Prospective Resources Summary

	Low Estimate	*Median Estimate*	*Best Estimate*	*High Estimate*
Net Prospective Oil Resources, Mbbl	13,288.9	18,625.5	19,283.8	25,902.1
Net Prospective Gas Resources, MMcf	71,794.9	99,216.3	103,590.7	140,585.9

Notes:

1. Low, median, best, and high estimates follow the SPE/WPC/AAPG guidelines for prospective resources.
2. Low, median, best, and high estimates in this table are P_{90}, P_{50}, EV, and P_{10}, respectively.
3. Only EVs can be arithmetically summed; P_{90}, P_{50}, and P_{10} cannot be arithmetically summed.
4. P_g is defined as the probability of discovering reservoirs that flow petroleum at a measurable rate.
5. P_g has not been applied to the quantities in this table.
6. Application of P_g does not equate prospective resources to contingent resources or reserves.
7. Recovery efficiency is applied to prospective resources in this table.

Should the mature prospects result in successful discoveries and development, estimates of the net P_g-adjusted best estimate prospective oil and gas resources (Tables 39 and 41), as of 31 December, 2005, are summarized as follows, expressed in thousands of barrels (Mbbl) and millions of cubic feet (MMcf):

Prospective Resources Net P_g-Adjusted Best Estimate

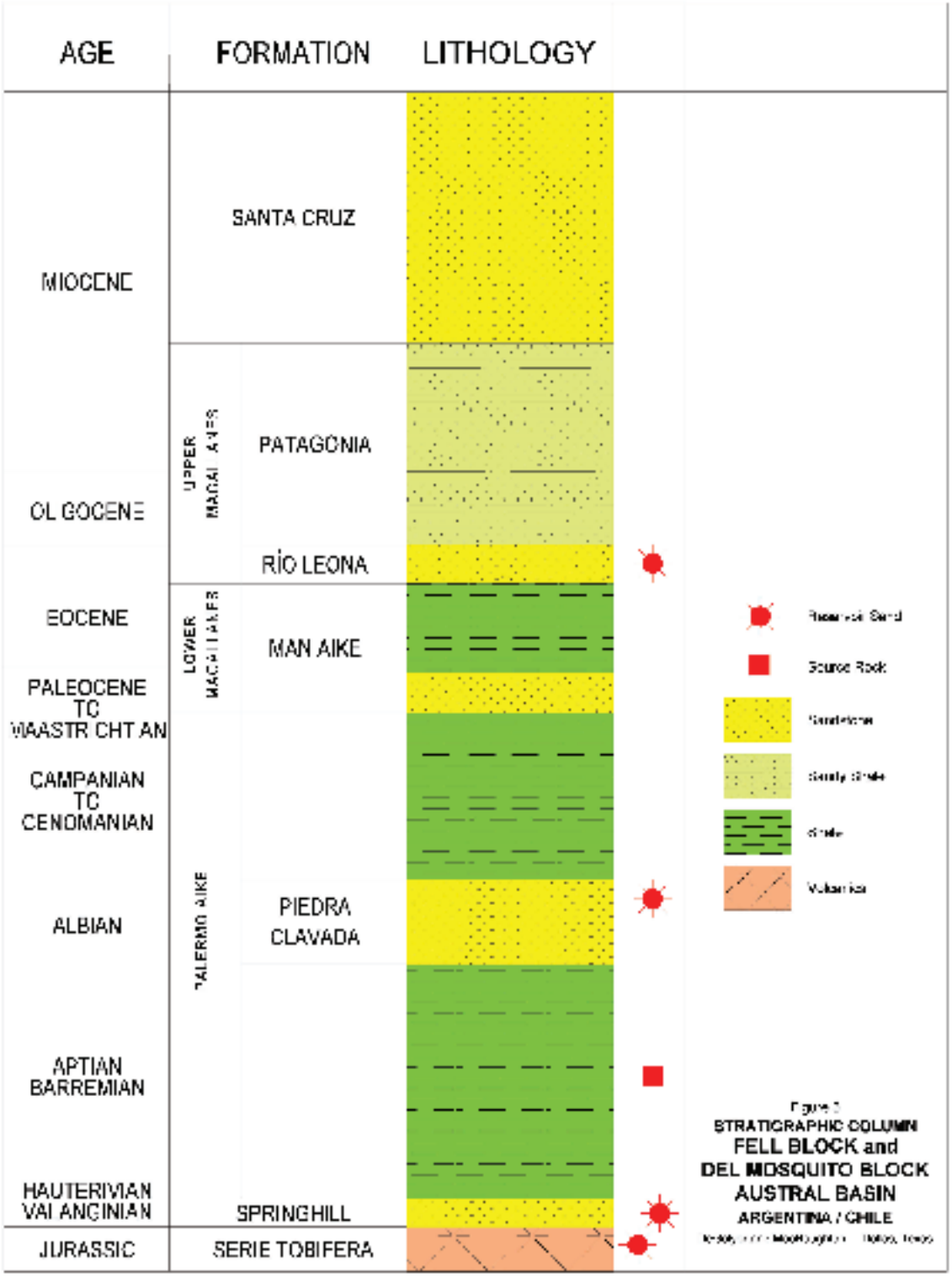
Prospective Oil Resources, Mbbl	2,927.0
Prospective Gas Resources, MMcf	51,795.5

Geology

Austral Basin

The Austral basin is located in the southern tip of South America in southern Argentina and Chile, and is known as Austral in Argentina and Magallanes in Chile. In this report, this basin is referred to as the Austral basin. The basin is approximately 700 kilometers long and 370 kilometers wide at its widest point. Studies have indicated that the total sedimentary sequence reaches a maximum thickness of 7,000 to 8,000 meters. The Rio Chico-Dungeness Arch, which has long been a structurally positive feature, bounds the northern and eastern portions of the basin. The western flank of the basin is limited by the Patagonian batholith and the Andes Mountains. To the south, the basin is limited by a complex series of strike-slip faults created by the collision of the South American and Scotian plates. The southeastern part of the basin probably connects with the Malvinas basin. It is possible that the northern part of the basin was connected to the San Jorge basin in the past. Figure 1 represents the location map of the Austral basin.

As a consequence of extensional tectonics, a sequence of thick, silicic, volcanic rocks of quartz, latite, and rhyolite composition known as the Tobífera Formation was formed. In some parts of the basin, the Tobífera Formation is absent and the sedimentary rocks lie directly on granodiorite or metamorphic basement. Figure 3 shows the stratigraphic column for the Austral basin.


AGE
FORMATION
LITHOLOGY
MIOCENE
SANTA CRUZ
OLIGOCENE
UPPER MAGALLANES
PATAGONIA
RÍO LEONA
EOCENE
LOWER MAGALLANES
MAN AIKE
PALEOCENE
TC
MAASTRICHTIAN
CAMPANIAN
TC
CENOMANIAN
PALERMO AIKE
ALBIAN
PIEDRA CLAVADA
APTIAN
BARREMIAN
HAUTERIVIAN
VALANGINIAN
SPRINGHILL
JURASSIC
SERIE TOBIFERA
Source Rock
STRATIGRAPHIC COLUMN
FELL BLOCK and
DEL MOSQUITO BLOCK
AUSTRAL BASIN
ARGENTINA / CHILE

During the early part of the Late Jurassic, the Springhill Platform, located in the eastern part of the Austral basin, was subaerially exposed and the Tobífera Formation was weathered and reworked. The result was the development of the Springhill Formation, the primary reservoir in the basin. The Lower Springhill sandstones probably were deposited in a fluvial environment consisting of intercalated sandstones and shales whose thicknesses vary from nearly zero across some Tobífera highs to more than 150 meters in some topographically low areas adjacent to the structural highs. The upper member of the Springhill Formation is primarily a transitional, nonmarine-to-marine sequence of well-defined sands and shales. These sands are usually glauconitic and fossil bearing. The Tobífera Formation can also be an oil and gas reservoir as porosity and permeability may be created as the volcanic deposit releases gas as it cools. Oil and gas production is observed in both the Fell and Del Mosquito Blocks from the Tobífera Formation.

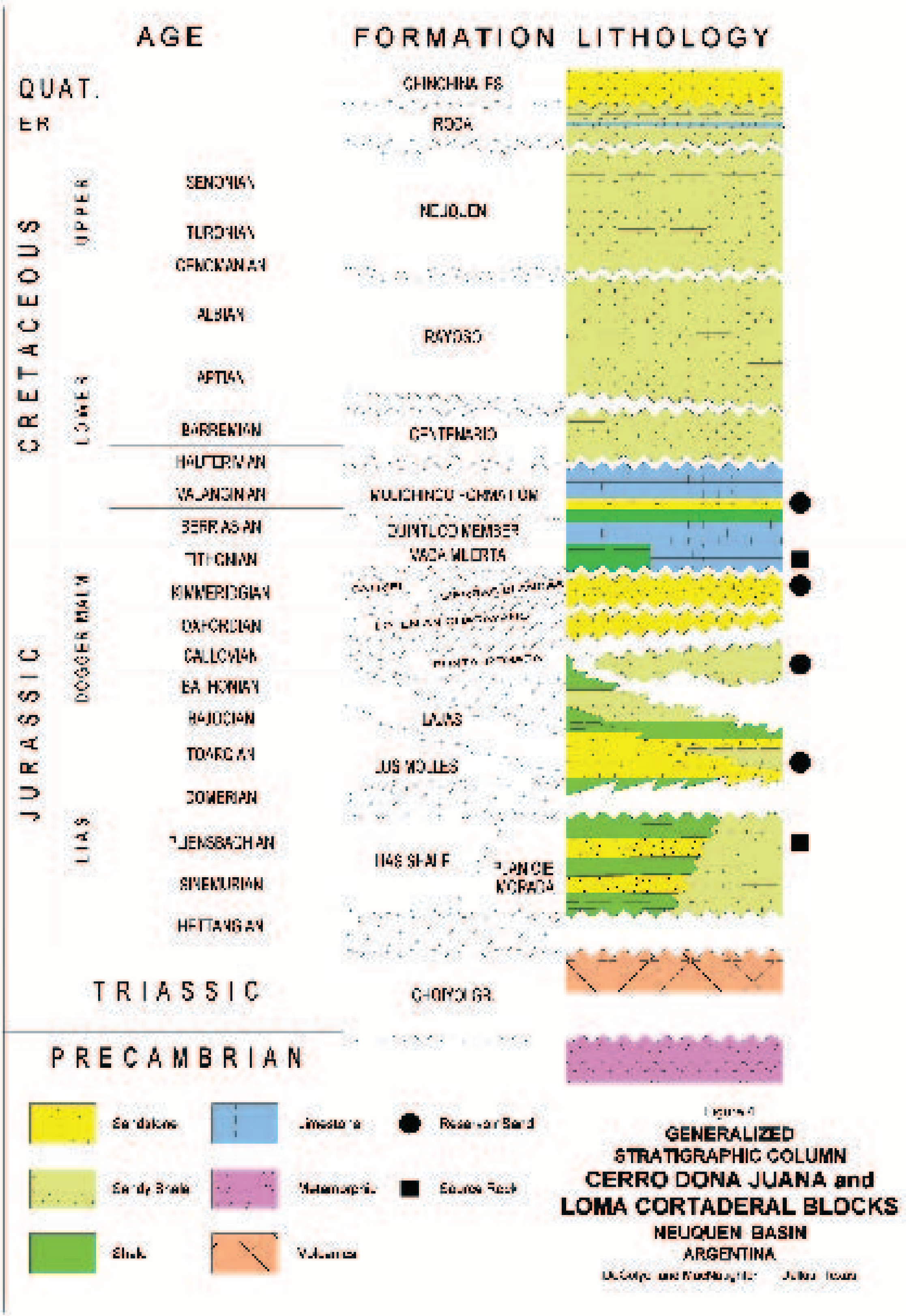
As the basin cooled in Late Jurassic and Early Cretaceous, the depocenter in the western part of the basin subsided, forming a gentle westerly dip. The equivalent offshore facies of the Springhill sandstones are marine shales and may be a hydrocarbon source. The overlying shales and claystones of the Palermo Aike Formation thicken to the west and onlap the Dungeness Arch to the east. The Palermo Aike Formation is considered to be the primary hydrocarbon source rock in the basin. Based on the paraffin composition of the oil, the organic matter is most likely terrestrially derived.

The Springhill Formation has traditionally been divided into upper and lower members coinciding with the type of depositional environment. In general the lower part of the Springhill Formation was deposited in a continental to fluvial environment while the upper part was deposited in a transitional nonmarine to marine environment. The sequences were deposited in an overall environment featuring low sedimentation rates, a moderate subsidence rate, and moderate to high sea-level changes.

Neuquen Basin

The Cerro Doña Juana and Loma Cortaderal Blocks lie in the Neuquen basin. The Neuquen basin is in the central western part of Argentina and covers an area of approximately 125,000 square kilometers. The Neuquen basin can be classified as a rifted basin with movement occurring in the Late Triassic or Early Jurassic and continued into the Cretaceous. The basin is roughly triangular in shape, with the western boundary being the Andes Mountains. The Cerro Doña Juana and Loma Cortaderal Blocks lie in the Andean foothills in the northwest part of the basin (Figure 2).

The organically rich Vaca Muerta shale is the main source rock for the fields. The Agrio is a secondary source rock. Tectonic overpressuring expelled hydrocarbons from these shales, and the thrust faults and fracture system of the Agrio acted as conduits for the migration of the hydrocarbons. The Huitrin evaporite acts as the vertical seal for the hydrocarbon system. Figure 4 shows the stratigraphic column for the Neuquen basin.



GENERALIZED
STRATIGRAPHIC COLUMN
CERRO DONA JUANA and
LOMA CORTADERAL BLOCKS
NEUQUEN BASIN
ARGENTINA

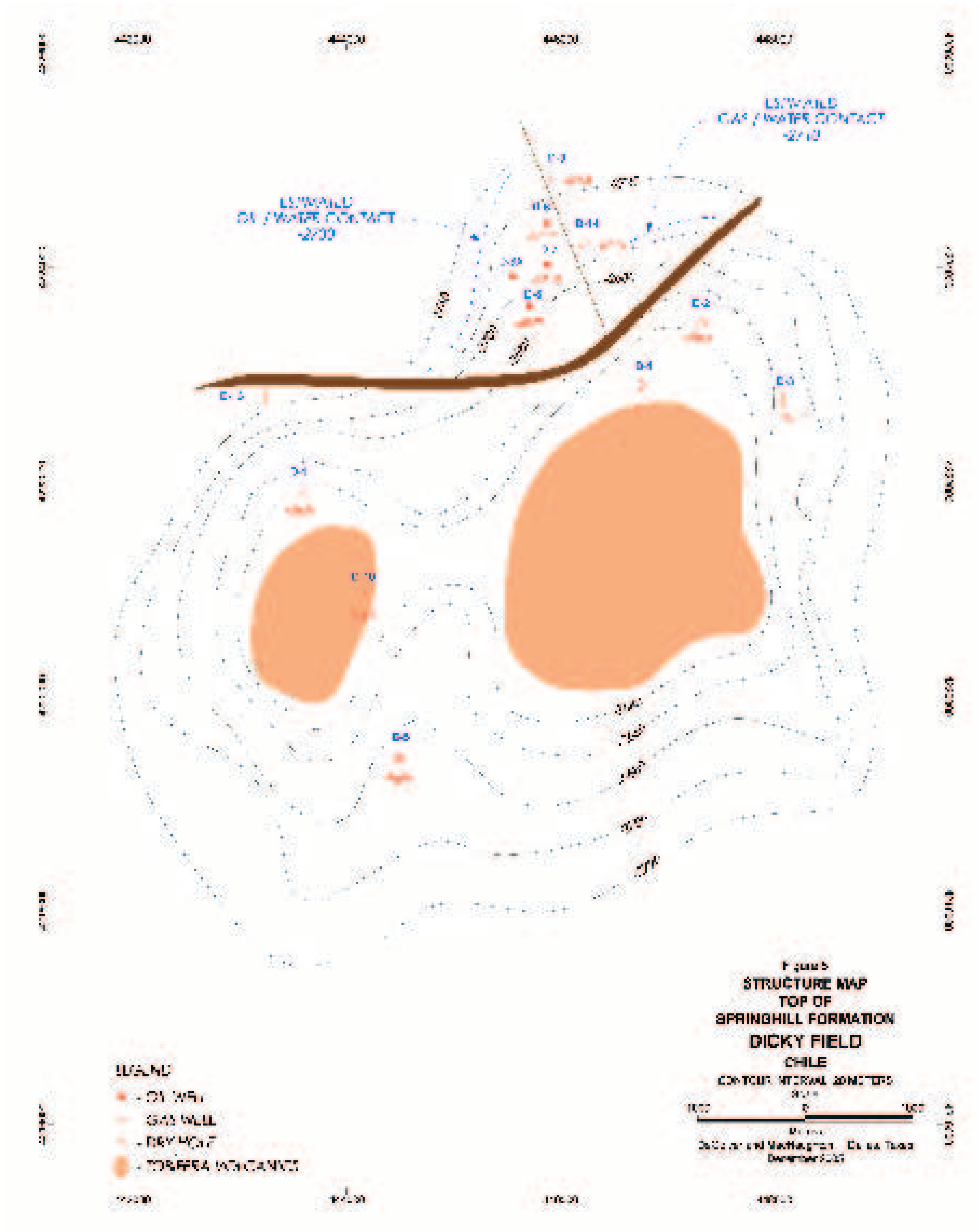
The following descriptions of fields, accumulations, and prospects are presented for the Fell, Del Mosquito, Cerro Doña Juana, and Loma Cortaderal Blocks as follows.

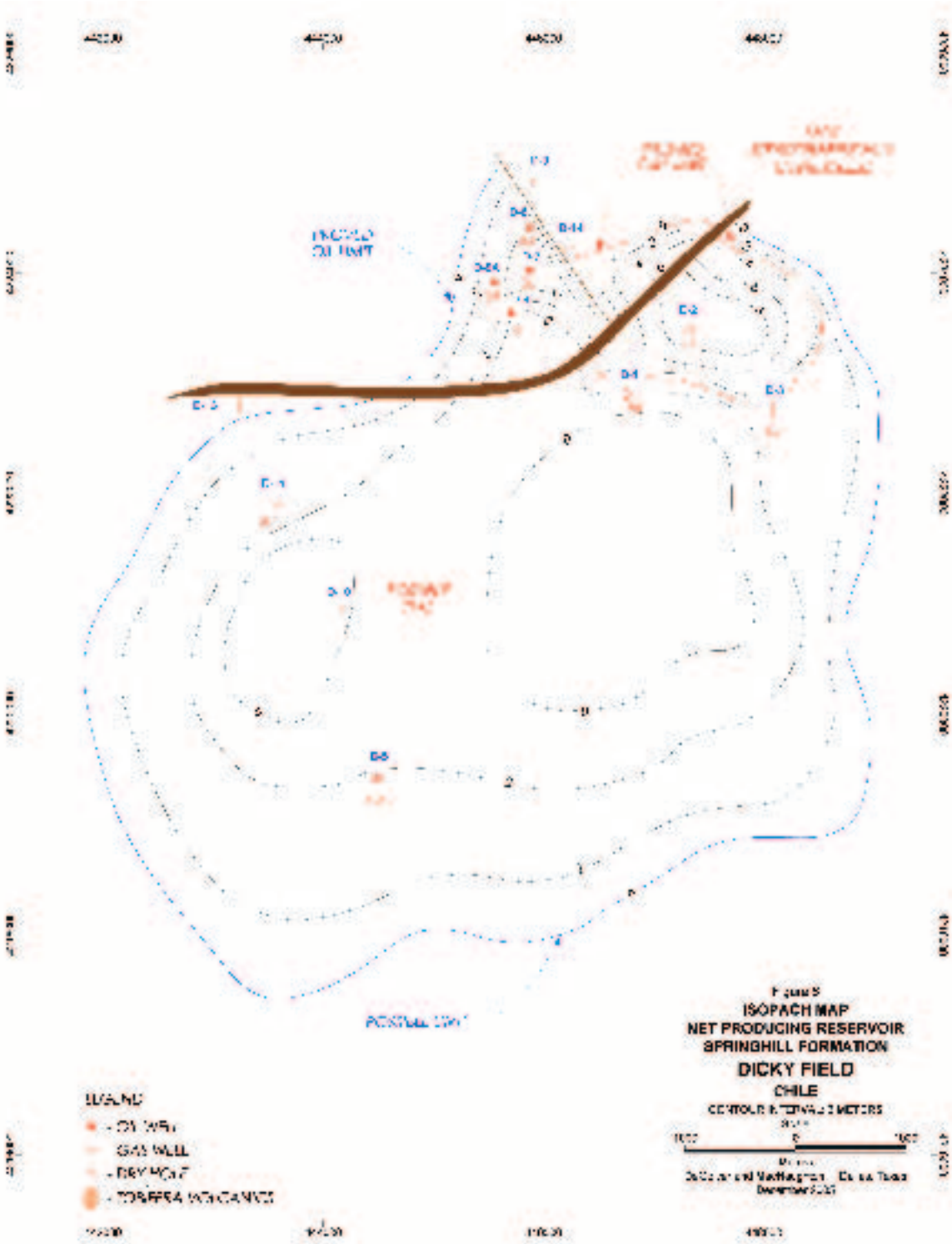
Fell Block Fields – Chile

Dicky Field

The Dicky field is located in the north-central portion of the Fell Block (Figure 1). The Dicky field is one of the more prolific fields in the block and the proven reserves are contained on the north flank of the structure. The Dicky field produced oil and gas from the Springhill Formation which is the primary producing formation in the Austral basin. The Dicky field is a fairly simple anticline with dip closure on the south, east, and west flanks and a combination of fault and dip closure on the north flank. Proven oil and gas reserves are contained north of an east/west-trending normal fault. Immediately south of the east-west fault is the D-2 well containing thick gas pay. A stratigraphically controlled drainage area around the D-2 well describes the volumes associated with the proven gas reserves. In the crestal part of the field, the Springhill reservoir is very thin or nonexistent, as evidenced by the D-1 and D-10 wells. There are wells distributed across the field that have thin gas pay sections, and as a result the bulk of the remaining area contains volumes associated with possible gas reserves.

The structure map at the top of the Springhill Formation and the isopach map of the net producing reservoir are shown on Figures 5 and 6, respectively.


STRUCTURE MAP
TOP OF
SPRINGHILL FORMATION
DICKY FIELD
CHILE
GAS WELL


ISOPACH MAP
NET PRODUCING RESERVOIR
SPRINGHILL FORMATION
DICKY FIELD
CHILE

Dicky Oeste Field

The Dicky Oeste field lies approximately 1 kilometer west of the Dicky field. There are three wells on the structure, with the Dicky Oeste-1 and -2 wells being gas bearing and the Dicky Oeste-3 well being sub-commercial. The structure is a northwest/southeast-striking elongate anticline with four-way dip closure. The field contains proven, probable, and possible oil and gas reserves.

Faro Field

The Faro field is located in the southeast part of the block. The field has one well, the Faro-1 that produced commercial quantities of gas and oil for less than a month before being shut in. The Faro structure is a faulted anticline with three-way dip closure on the south, east, and west flanks. Fault closure provides the trap to the north. The gas and oil reserves have been classified as proven, probable, and possible.

Kimiri Aike and Kimiri Aike Norte Fields

The Kimiri Aike and Kimiri Aike Norte fields are discussed together, as they are basically a single north/south-trending structural feature. The Kimiri Aike field is a simple anticline with four-way dip closure. The Kimiri Aike-1 well was drilled near the crest of the structure and was a gas producer. Subsequently the Kimiri Aike-2, -2A, and -3 wells were drilled, with the Kimiri Aike-2A well being a productive gas well. The Kimiri Aike field contains proven, probable, and possible gas and condensate reserves. The Kimiri Aike Norte field lies north of Kimiri Aike and appears to be part of the same structural trend. The Kimiri Aike Norte-1 well was drilled on the southern crest of the field and produced gas and oil. To the north and drilled on a separate crest is the Kimiri Aike-2 well, which produced oil and gas. The Kimiri Aike Norte field contains proven and probable gas and oil reserves.

Mogote Field

The Mogote field lies approximately 3 kilometers to the west of the Kimiri Aike field. The Mogote field is a simple domal, four-way dip closed structure. There is one well in the field, the Mogote-1, drilled in 1986. The well produced commercial quantities of gas and oil. The structure is relatively small and it may be possible to drain it with a single well. The Mogote field contains possible gas and condensate reserves.

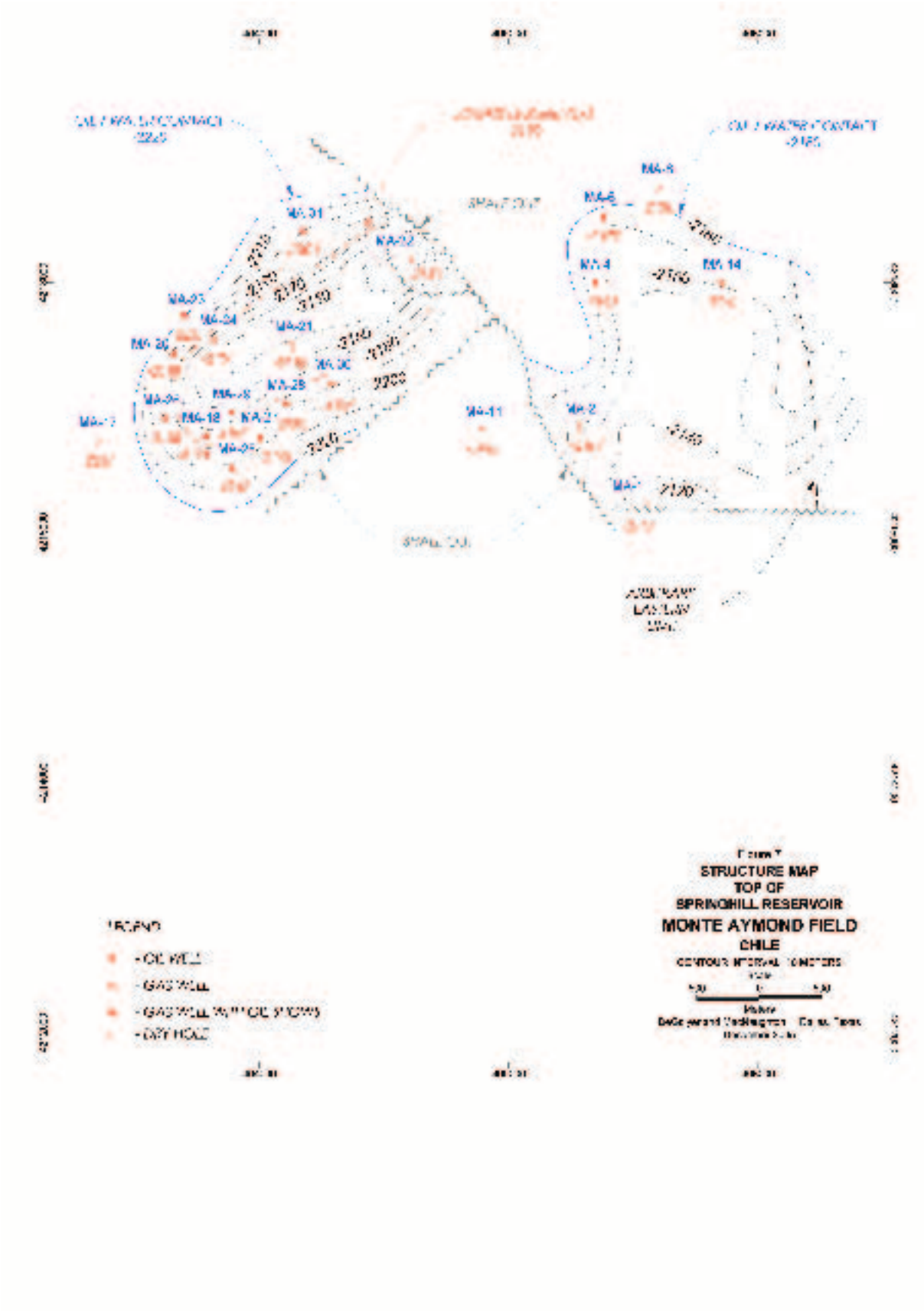
Molino Field

The Molino field lies in the central western part of the Fell Block. There are two wells in the field that have produced commercial quantities of hydrocarbons. The field is an anticline with structural dip closure on the north, east, and west flanks. The southern flank is sealed by a series of northeast/southwest-trending normal faults. There are a number of small interior faults that are likely not to be sealing. The Molino field has proven, probable, and possible gas and condensate reserves.

Monte Aymond Field

The Monte Aymond field is located in the northern part of the block. The field is an east/west-trending structural nose with a combination of fault and stratigraphic traps. A separate structure to the east of the main accumulation also contains oil and gas and has a definite stratigraphic component. The main accumulation to the west has a gas cap and an oil leg. The Monte Aymond-21 (MA-21) well produced gas at very high rates. The lowest known gas (LKG) was found to be at 2,179 meters subsea. To the east is the MA-22 well, which encountered no Springhill reservoir structure and appears to be a stratigraphic trap. To the south of the field is the MA-11 well, which was dry, and it appears that a stratigraphic trap also controls the south flank of the field. There is a thick oil rim around the gas cap and the oil/water contact (OWC) has been estimated at a depth of 2,220 meters subsea. Figure 8 shows the net pay isopach map for the total hydrocarbon in the Springhill Formation. The MA-21 well is in the gas cap of the main accumulation, while the remainder of the wells are in the oil rim. To the east, the MA-2 is a gas well and the MA-4 and -6 are oil wells. The north flank is stratigraphically controlled and contains proven oil reserves with two offset oil wells to which possible oil reserves have been attributed. The remainder of the field contains proven gas reserves associated with the MA-2 well and possible gas reserves associated with the MA-14 well. The Monte Aymond field area contains proven, probable, and possible reserves.

The structure map at the top of the Springhill reservoir and the isopach map for the total hydrocarbons of the Springhill reservoir are shown on Figures 7 and 8, respectively.



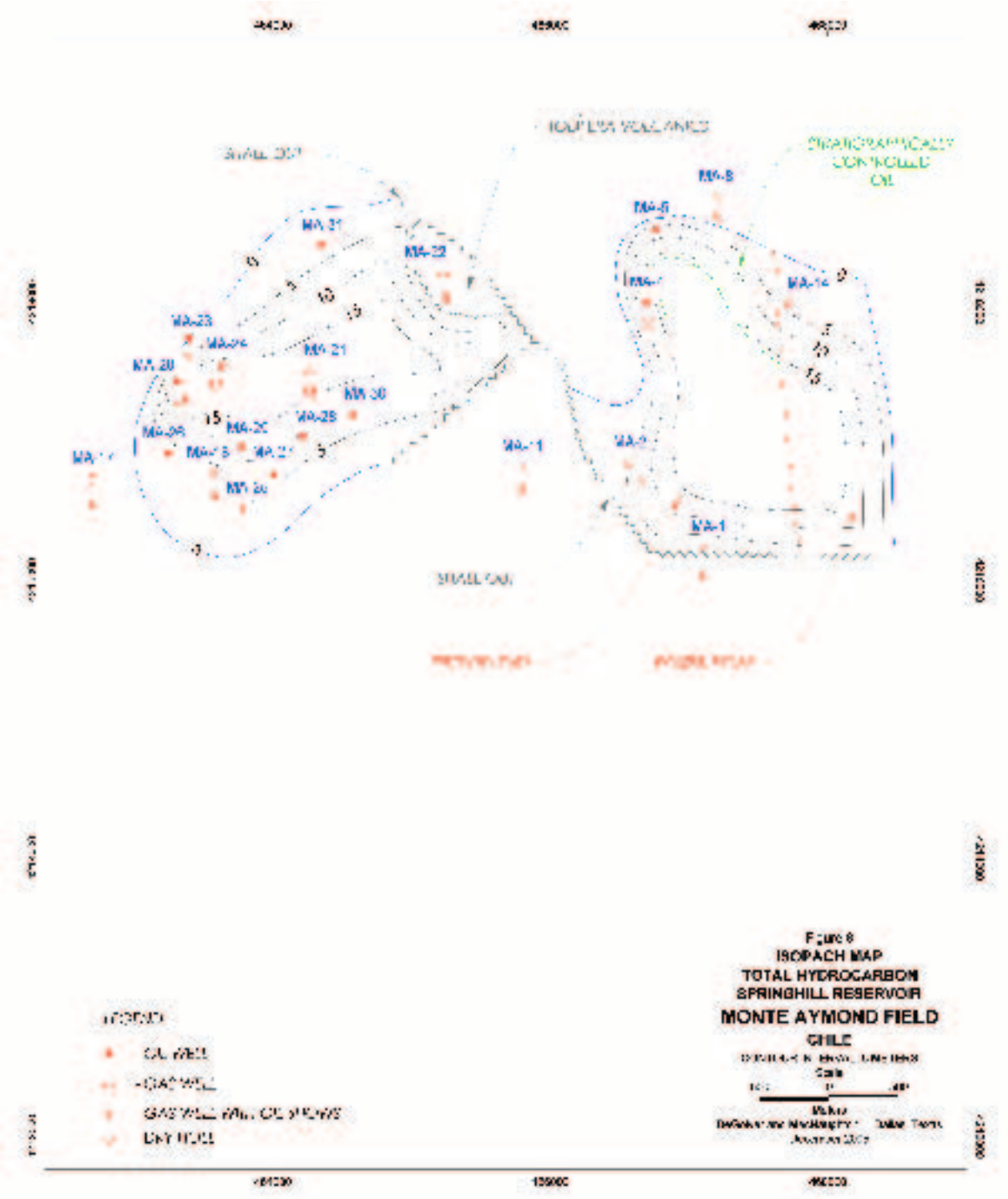


Figure 8
ISOPACH MAP
TOTAL HYDROCARBON
SPRINGHILL RESERVOIR
MONTE AYMOND FIELD
CHILE

Monte Aymond Oeste Field

To the west of the Monte Aymond field is the Monte Aymond Oeste field. The Monte Aymond Oeste field has a single well and is a simple anticlinal structure with four-way dip closure. The Monte Aymond Oeste-1 well produced some oil and was subsequently shut in. This field contains probable oil and gas reserves.

Munición Oeste Field

The Munición Oeste field is located in the eastern part of the Fell Block. The Munición Oeste structure is a faulted anticline with dip closure on the north, south, and west flanks. The east flank is closed by a northwest/southeast-trending normal fault. The Munición Oeste-1 well was drilled in 1989 and produced oil. To the northwest of the Munición Oeste-1 well and in the same structure are the Guanaco-1 and -2 wells. Both wells were dry holes. The Guanaco-1 well had oil and gas shows in the Springhill reservoir but did not produce. The area around the Munición Oeste-1 well contains possible oil and gas reserves.

Murtilla-Dorado Norte Field

The Murtilla-Dorado Norte field is located in the southwestern portion of the block. The structure is a large north/south-trending anticline with four-way dip closure. The primary reservoir is the Springhill. The Murtilla-1 well was drilled in 1987 and was completed as an oil and gas well. The Dorado Norte-1 well was drilled in 1973 and was a dry hole. The well had gas shows but the reservoir had deteriorated. The southern part of the field with the Murtilla-1 well contains probable and possible oil and gas reserves.

Nika, Nika Oeste, and Nika Sur Fields

The Nika, Nika Oeste, and Nika Sur fields are part of the same structural complex. These fields lie south of the Pampa Larga field and north of the Santiago Norte field approximately in the center of the Fell Block. The Nika field is a simple anticlinal four-way closure. The Nika-1 well produced gas and condensate, and proven gas and condensate reserves were estimated for this field. The Nika Oeste field is to the west of the Nika field and is a simple domal closure. The Nika Oeste-1 well produced oil and proven oil reserves were estimated for this field. The Nika Sur field, like the other fields, is a simple four-way dip closed anticline. The Nika Sur-1 well produced a small amount of oil, but it is not likely that commercial oil volumes remain in the field.

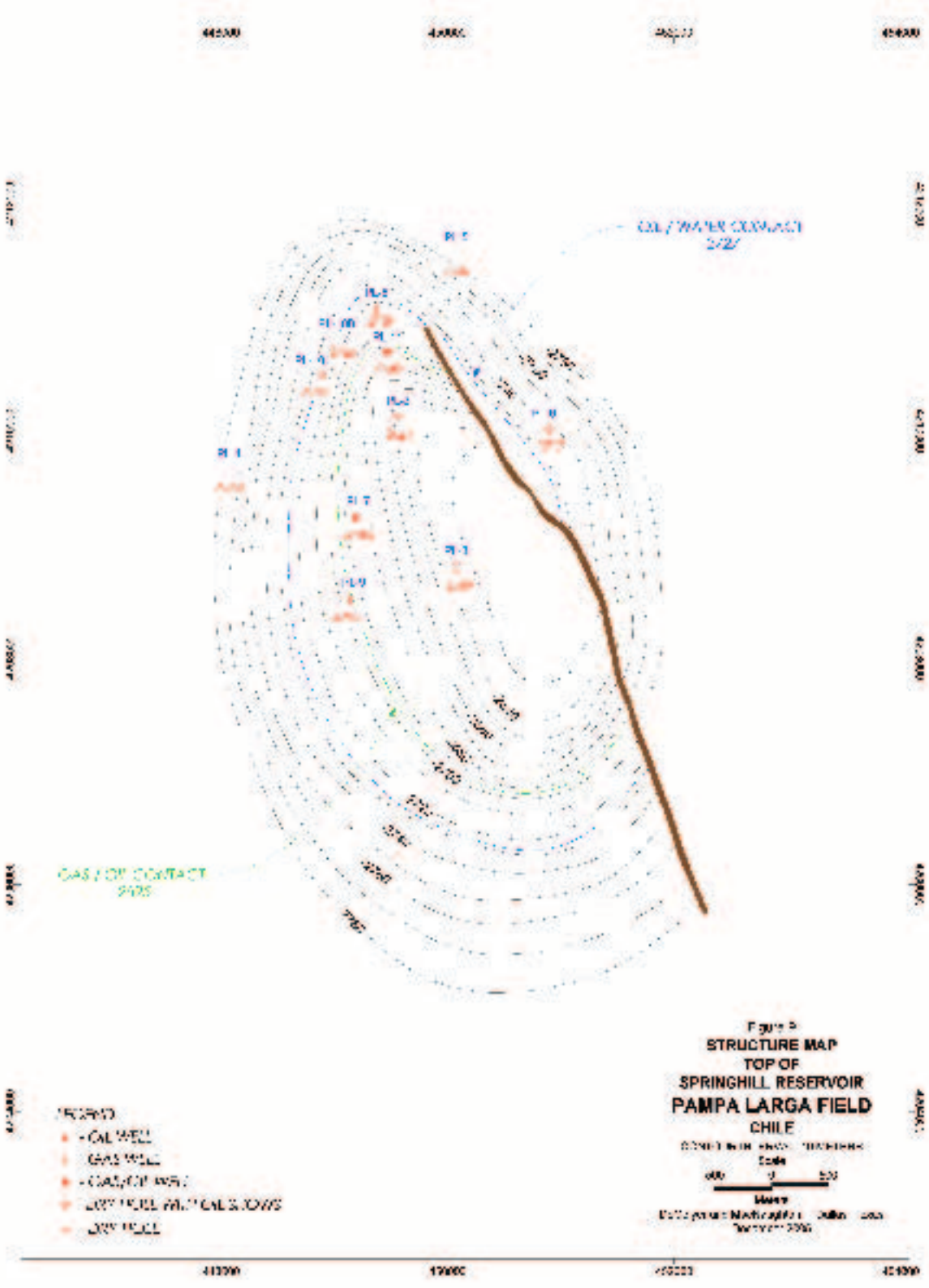
Ovejero Field

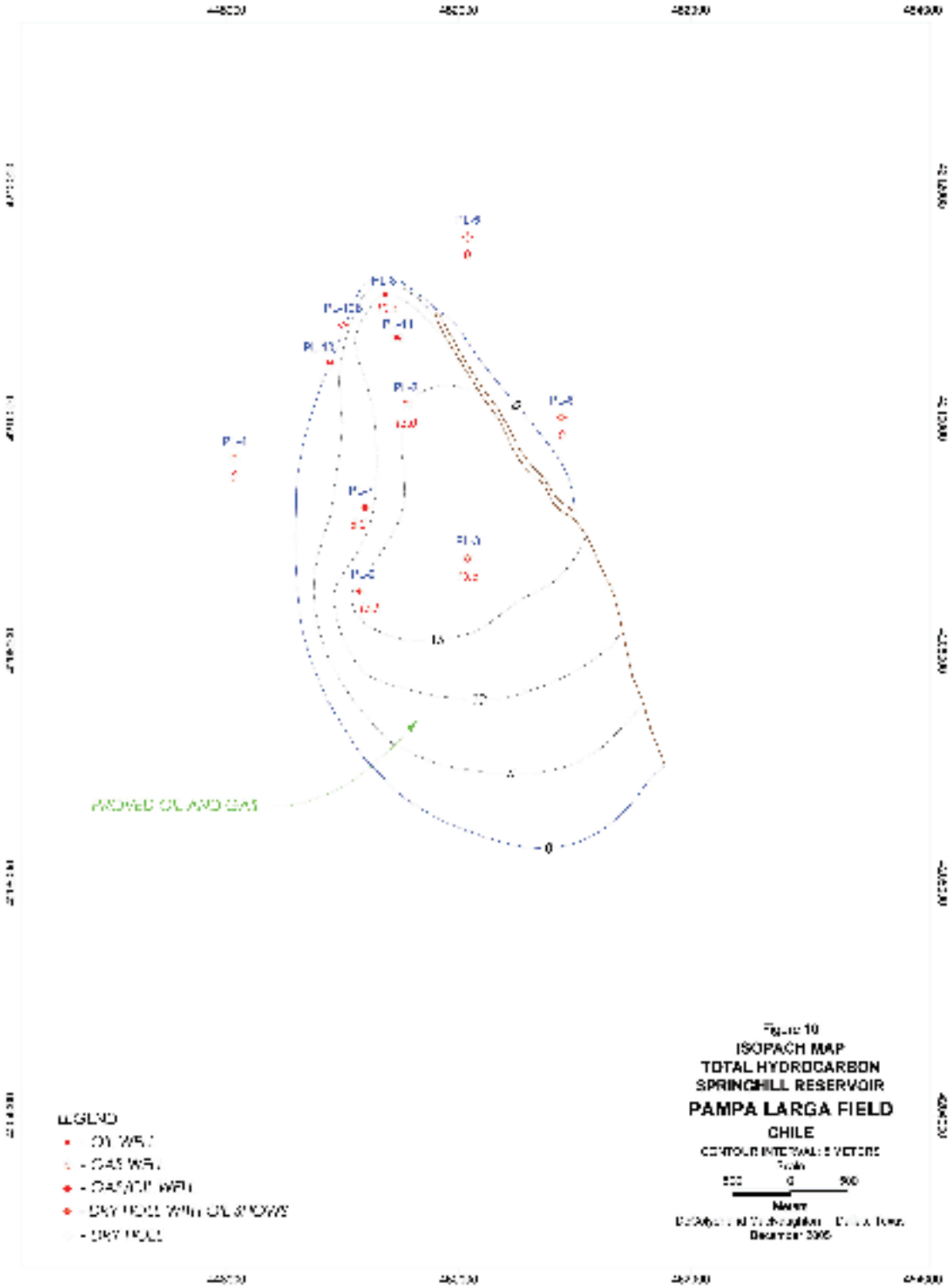
The Ovejero field is located to the west of the Nika field. The Ovejero field is a north/south-trending anticline with simple four-way dip closure. The Ovejero-1 well was drilled on the south flank of the structure in 1981. The well produced oil and gas but was primarily a gas well. The Ovejero field contains proven, probable, and possible gas and condensate reserves.

Pampa Larga Field

The Pampa Larga field is the largest oil and gas field in the Fell Block. The Pampa Larga (PL) field is a large north/south-trending anticline with four-way dip closure. There is a north/south-trending, down-to-the-east normal fault that cuts across the east flank of the field. There is a large gas cap, which reaches a thickness of more than 15 meters. The gas/oil contact (GOC) has been estimated to be at 2,695 meters subsea. There is an oil rim downdip of the gas cap and the OWC is estimated to be at 2,727 meters subsea. Significant proven, probable, and possible oil and gas reserves have been estimated for this field. ENAP, the Chilean Government-owned oil and gas company, holds a 100 per cent. interest in the production from the PL-2 well. GeoPark has advised that gas reserves in the PL field outside the PL-2 area are attributed to GeoPark on the basis of a contractual agreement between GeoPark and ENAP.

The structure map at the top of the Springhill reservoir and the isopach map of the total hydrocarbons of the Springhill reservoir are shown on Figures 9 and 10, respectively.


STRUCTURE MAP
TOP OF
SPRINGHILL RESERVOIR
PAMPA LARGA FIELD
CHILE


PROVED OIL AND GAS
LEGEND
Figure 10
ISOPACH MAP
TOTAL HYDROCARBON
SPRINGHILL RESERVOIR
PAMPA LARGA FIELD
CHILE

Punta Delgada Oeste Field

The Punta Delgada Oeste field is located north of the Faro field and in the southeastern part of the block. The Punta Delgada Oeste field is a faulted anticline with dip closure on the north, south, and west flanks. A north/south-trending fault serves as the trap on the east flank. The Punta Delgada Oeste-1 well was drilled in 1980 and produced gas and condensate. The Punta Delgada Oeste-2 well was drilled to the southwest of the -1 well and was dry. Proven, probable, and possible reserves were estimated for this field.

Santiago Norte Field

The Santiago Norte field is located in the south-central part of the block. The field has been mapped as a large north/south-trending anticline with fault closure on the north and west flanks and dip closure on the south and east flanks. There are several east/west-trending faults that produce internal complexity. The Santiago Norte-1 and -2 wells were drilled in 1971 and 1974, respectively. The wells are located in different fault blocks. Both wells produced gas and condensate. Proven gas and condensate reserves were attributed to a drainage area around the Santiago Norte-1 well, with proven and probable reserves in offset locations. Probable gas and condensate reserves were attributed to a drainage area around the Santiago Norte-2 well, with additional probable and possible reserves in offset locations.

Sauce Field

The Sauce field lies to the west of the Ovejero field in the western side of the Fell Block. The field is a simple domal closure with four-way dip closure. One well was drilled in the field. The Sauce-1 well produced oil and gas. Proven oil reserves were estimated for this field.

Tetera Field

The Tetera field lies immediately east of the Dicky field in the northern part of the block. The Tetera field has one well that was drilled in 1980. The well produced approximately 4,866 barrels of oil and was shut in when the water cut reached about 96 per cent. The field is a simple four-way closed anticline. Proven oil reserves have been estimated for this field based on economic considerations and the well completion conditions permitting a workover to reduce the watercut.

A brief description of the accumulations (contingent resources) and mature and immature prospects (prospective resources) follows. Tables 35 through 38 show the net contingent oil and gas resources and input parameters for the estimation of the contingent resources. Tables 39 through 42 show the net prospective oil and gas resources for the mature prospects along with their respective input parameters.

Fell Block Accumulations

Mogote Accumulation

The Mogote field is located in the southwest portion of the Fell Block. The structure has been mapped using two-dimensional (2–D) seismic coverage and the Mogote-1 well. Structurally the Mogote accumulation is a simple four-way dip closed anticline. The Mogote-1 well in the southern portion of the field was drilled in 1986 and tested commercial rates of gas and condensate. The Springhill Formation is well developed with porosities ranging from 18 to 24 per cent. Contingent gas resources have been estimated for the northern part of the structure.

Monte Aymond Accumulation

The Monte Aymond accumulation is located in a downdip position from the Monte Aymond field. The Monte Aymond field produced from both a gas cap and an oil rim. The MA-22 well was drilled at the crest of the structure and found no Springhill reservoir sandstones. The MA-21 well was drilled in the gas cap and produced commercial quantities of gas. The established OWC is at 2,220 meters subsea. There are some indications that oil may exist downdip in a stratigraphically trapped accumulation. The highest known water (HKW) was observed in the MA-17 well at 2,267 meters subsea. The volume of oil between the OWC and HKW has been classified as contingent oil resources.

Murtilla-Dorado Norte Accumulation

The Murtilla-Dorado Norte accumulation lies in the Fell Block to the northwest of the Mogote accumulation. The structural configuration of the field is an elongate north/south-trending anticline with four-way dip closure. The 2–D seismic data are widely spaced and the field is structurally controlled by seven seismic profiles and two wells. The Dorado Norte-1 well was drilled in 1973 and the well had gas shows through the Springhill Formation. The Murtilla-1 well was drilled in 1987 and tested gas and condensate. The Springhill Formation seems to be deteriorating toward the Dorado Norte-1 well, but the reservoirs should maintain good porosity and permeability. There are multiple reservoir targets. Due to the deterioration of reservoir to the north, contingent gas resources have been estimated for the remainder of the structure.

Pampa Larga Accumulation

The Pampa Larga accumulation is located in a downdip position from the Pampa Larga field. The Pampa Larga (PL) field has a large gas cap and an oil rim. The field has a partial fault trap on the eastern flank and oil volumes immediately east of the fault. The established OWC is situated at 2,727 meters subsea based on testing. The PL-6 well showed traces of oil below the OWC. The PL-5 well has an HKW at 2,781 meters subsea. Contingent oil resources have been estimated for the volume of oil between the OWC and the HKW.

Santiago Norte Accumulation

The Santiago Norte (SN) accumulation is located in a structurally updip position from two wells that produced or tested hydrocarbons at commercial rates. The SN-1 well produced gas and condensate. The SN-2 well also tested gas and condensate but at lower rates. The remainder of the Santiago Norte structure is considered to be a contingent gas resource.

Fell Block Mature Prospects

Brazo Norte Prospect

The Brazo Norte prospect lies immediately west of the Dicky Oeste prospect on the Fell Block. The Brazo Norte trap is indicated by three-dimensional (3–D) seismic data. The 3–D seismic data show the structure to be a four-way dip-closed anticline. The prospective oil reservoir target is porous sandstone that is Tertiary in age. The Brazo Norte-2 well found this Tertiary sandstone and the prospective reservoir contained oil shows. The primary risk for this prospect is migration of hydrocarbons into the reservoir.

Escorial Prospect

The Escorial prospect lies to the southeast of the Dicky field in the Fell Block. The Escorial-1 well recovered gas-cut mud from the Springhill Formation. The reservoir section has approximately 25 meters of clean sandstones. A sparse 2–D seismic survey along with the well control forms the structural basis for the prospect. The gas is a four-way dip-closed anticline. The Escorial-2 and -3 wells have Springhill reservoir sandstones, but the -2 well is rather poor in sand quality compared to the -1 and -3 wells. The critical risk factor is trap.

Martin Prospect

The Martin prospect is located in the northwestern part of the Fell Block and to the northwest of the Dicky Oeste prospect. The prospect is controlled by several 2–D seismic profiles and the Martin-1 well that was drilled in 1982. The gas prospect is triangular in shape resulting from a series of northeast/southwest-trending faults. Dip closure forms the trap on the northern flank. The Martin-1 well was drilled on the southern part of the prospect and found high-quality reservoir sands and gas shows in the Springhill Formation. There are multiple Springhill targets for this prospect. The critical risk factor is trap.

Mata Negra Prospect

The Mata Negra prospect is located in the southwestern part of the Fell Block. The gas prospect is a four-way dip closed anticlinal structure controlled by four 2–D seismic lines and two wells. The Mata Negra-1 well was drilled in 1989 and had a gas show at the top of the Springhill Formation. The Mata

Negra-2 well did not reach the prospective Springhill reservoirs. The Springhill reservoirs drilled in the Mata Negra-1 well were thick with good porosity and permeability. The critical risk factor is trap.

Monte Aymond Nuevo Prospect

The Monte Aymond Nuevo prospect is located immediately south of the Monte Aymond field, which produced oil and gas. The Monte Aymond field has a definitive gas cap and oil rim, and the prospect is structurally lower than the gas cap. The prospective interval, therefore, is interpreted to be oil bearing. The prospect is controlled by three 2–D seismic lines and wells on the southern flank of the Monte Aymond field. The prospect is a fairly simple dome with four-way dip closure. The Springhill Formation shows degradation to the east and there may be a stratigraphic component forming the eastern seal. The primary risk for this prospect is reservoir.

Monte Aymond Oriental Prospect

The Monte Aymond Oriental prospect is located east of the Monte Aymond field. The prospect is a Springhill Formation stratigraphic play. The Monte Aymond-12, -16, and Tandy-5 wells did not penetrate any Springhill reservoir. These wells define the east, west, and south closures for the prospect. To the north, the MA-13 well encountered good Springhill Formation reservoir and had oil shows. The oil prospect lies to the south of the MA-13 well where there are indications that there is updip potential. The primary risks for this prospect are reservoir and trap.

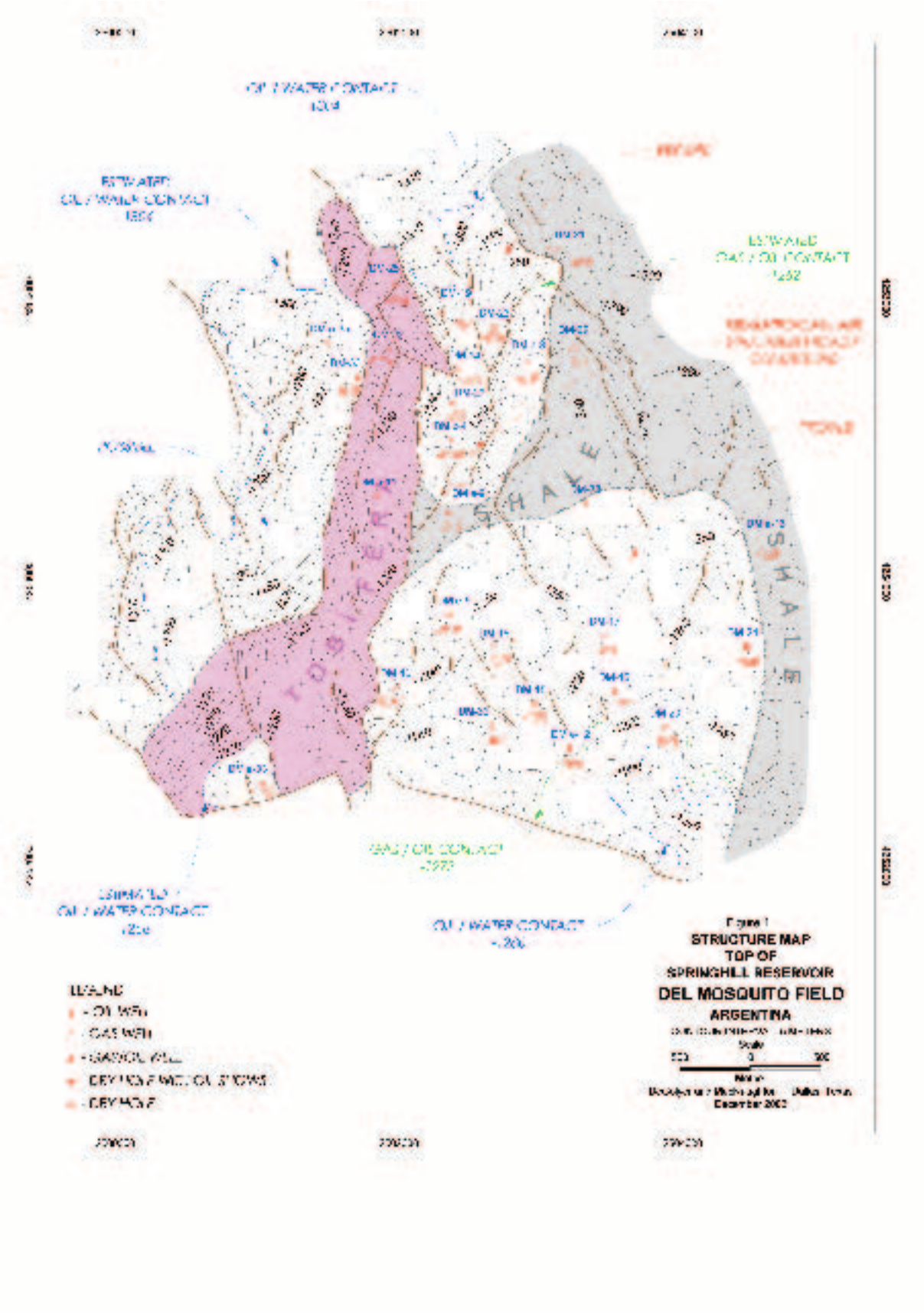
Tandy Prospect

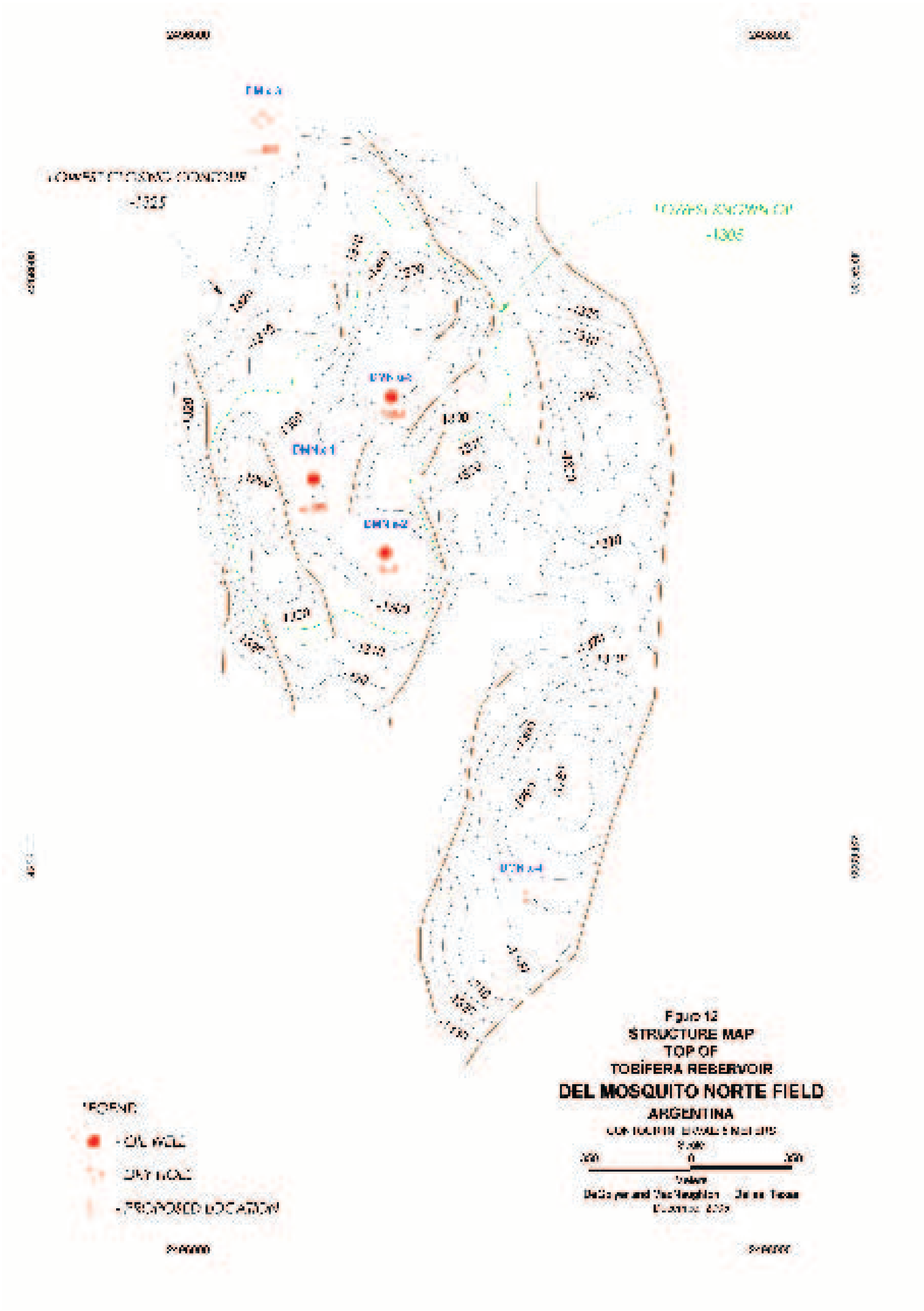
The Tandy prospect lies in the northeasternmost part of the Fell Block. The prospect is northeast of the Monte Aymond field. The oil prospect is the southern flank of an anticline that appears to be dip closed on the north, south, and west flanks and fault closed to the east. Three 2–D seismic lines and some east-flank Monte Aymond wells control the prospect. The Tobifera Formation is the primary target and the Tandy-8 well had oil shows in the Tobifera. The risks for this prospect are trap and reservoir.

Del Mosquito Block Fields – Argentina

Del Mosquito Field

The Del Mosquito field is located in the Del Mosquito Block in Argentina (Figure 1). The field is a large anticlinal feature with north/south-trending faults and stratigraphic pinchouts forming a complex petroleum system. On the south flank of the field there is a large gas cap and relatively small oil rim. The GOC is estimated at 1,273 meters subsea and the OWC is at 1,280 meters subsea. Several wells that encountered no Springhill reservoir have been drilled on the crest of the structure. The north flank of the structure has an estimated GOC at 1,262 meters subsea and an OWC at 1,304 meters subsea. Based on the extensive well data, these accumulations are separate. Proven and probable oil and gas reserves and possible oil reserves have been estimated for the main field area. To the west of the bald high on the west flank of the field lies an area for which possible oil reserves have been estimated. A single well, the Del Mosquito a-33, on the southwest part of the structure contains proven and probable oil reserves from the Tobífera Formation. The structure map at the top of the Springhill reservoir is shown on Figure 11.


STRUCTURE MAP
TOP OF
SPRINGHILL RESERVOIR
DEL MOSQUITO FIELD
ARGENTINA
LEGEND
SHALE
SHALE
TOBIFERA



LOWEST CLOSING CONTOUR
-1325
LOWEST KNOWN OIL
-1305
LEGEND
OIL WELL
DRY HOLE
PROPOSED LOCATION
Figure 12
STRUCTURE MAP
TOP OF
TOBIFERA RESERVOIR
DEL MOSQUITO NORTE FIELD
ARGENTINA

Del Mosquito Norte Field

The Del Mosquito Norte (DMN) field lies north of the Del Mosquito field and has three wells that are oil productive. Structurally, the field is a rather broad anticline with some internal faults that are likely not sealing (Figure 12). The DMN x-1, a-2, and a-3 wells encountered the top of the Tobifera at 1,292, 1,293, and 1,284 meters subsea, respectively. The lowest known oil (LKO) was established at 1,305 meters subsea by the DMN x-1 well and was used as the downdip limit for proven oil volumes. A depth of 1,320 meters subsea was used for the downdip limit of proven-plus-probable oil volumes and the lowest closing contour of 1,325 meters subsea was used for the downdip limit of proven-plus-probable-plus-possible oil volumes. Figures 13, 14, and 15 show the net oil isopach maps for the proven, proven-plus-probable, and proven-plus-probable-plus-possible oil volumes.

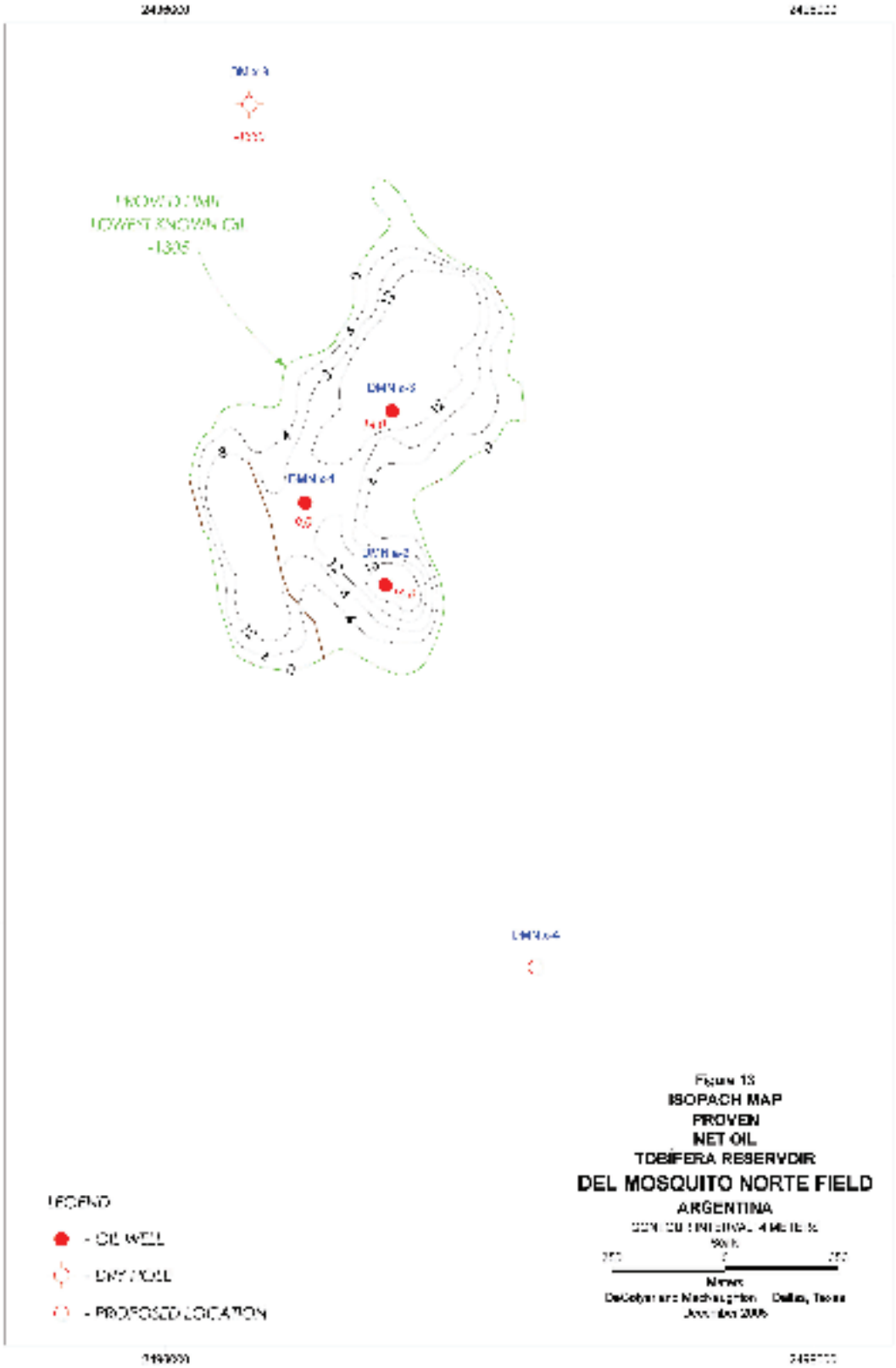


Figure 13
ISOPACH MAP
PROVEN
NET OIL
TOBIFERA RESERVOIR
DEL MOSQUITO NORTE FIELD
ARGENTINA

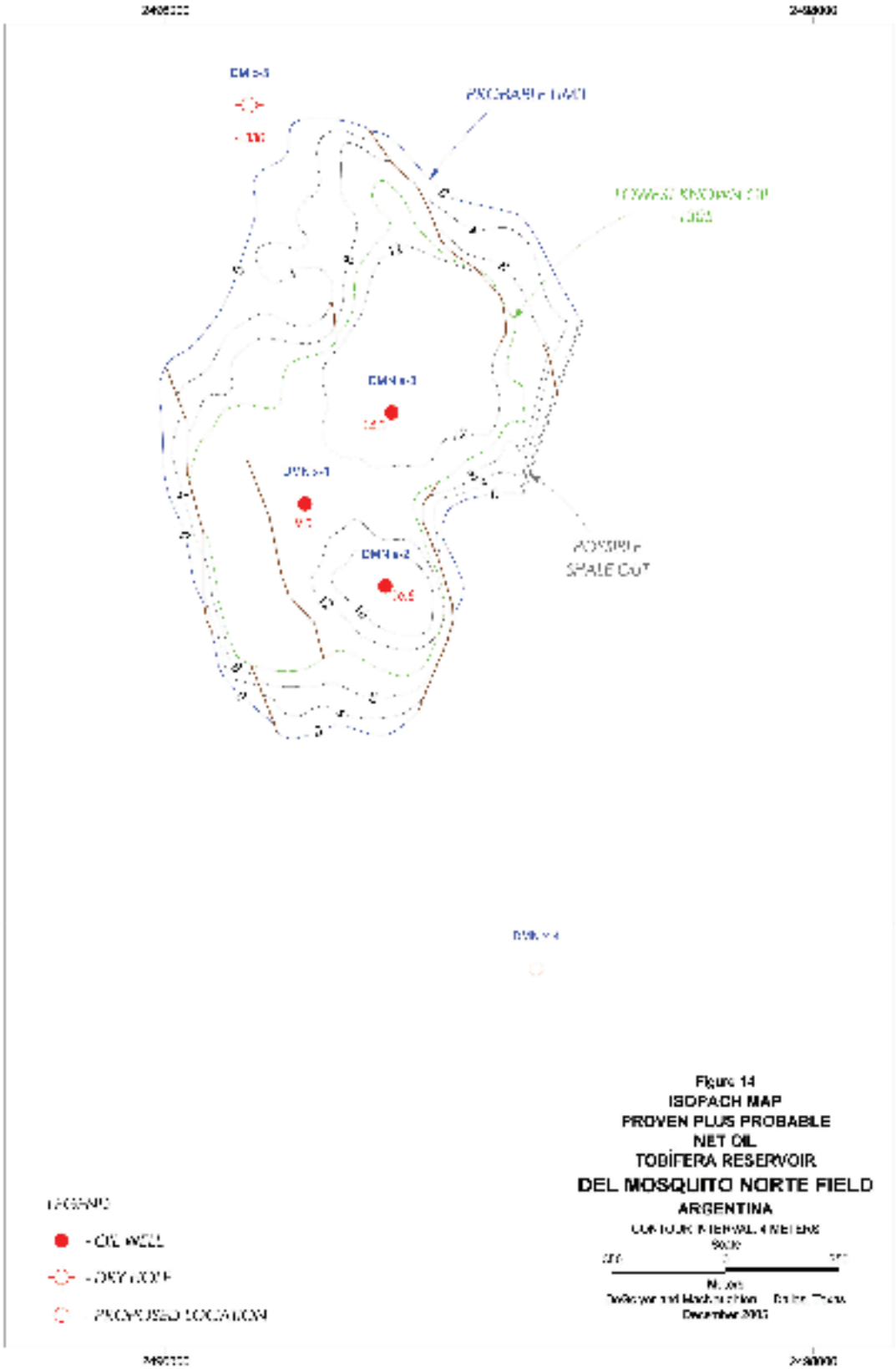
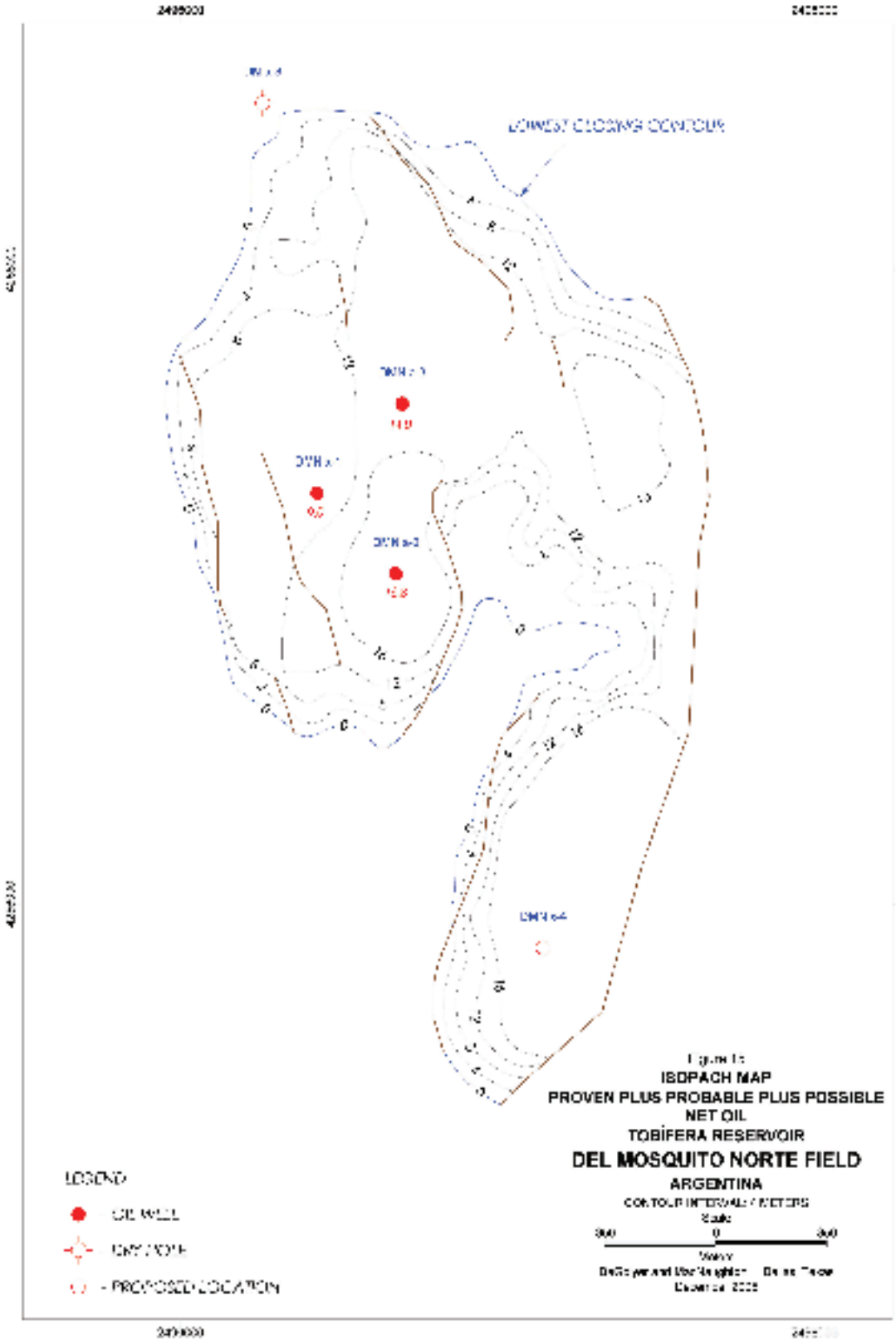


Figure 14
ISOPACH MAP
PROVEN PLUS PROBABLE
NET OIL
TOBIFERA RESERVOIR
DEL MOSQUITO NORTE FIELD


LOWEST CLOSING CONTOUR
LEGEND
OIL WELL
- PROPOSED LOCATION
ISOPACH MAP
PROVEN PLUS PROBABLE PLUS POSSIBLE
NET OIL
TOBIFERA RESERVOIR
DEL MOSQUITO NORTE FIELD
ARGENTINA
CONTOUR INTERVALS / METERS
Scale
300 0 300
Meters

Del Mosquito Block Mature Prospects

Flanco Oriental 1 Prospect

The Flanco Oriental 1 oil prospect is located in the northeastern portion of the Del Mosquito Block, which is east of the Fell Block. The prospect can be characterized as a four-way dip-closed domal structure that is controlled by a 3–D seismic survey. To the east of the prospect is the Oceano field, which is productive in the Tobifera Formation. The identified prospect is a bald high, which means that it is likely that the Springhill Formation was not deposited or was eroded. The Tobifera volcanic deposits are the primary target. It has been demonstrated in the Del Mosquito Norte field as well as the Oceano field that the Tobifera Formation is a viable target. The reservoir is the critical risk factor for this prospect.

Flanco Oriental 2 Prospect

The Flanco Oriental 2 oil prospect is located in the northeastern portion of the Del Mosquito Block and is north of the Flanco Oriental 1 prospect. The prospect can be characterized as a four-way dip-closed anticline that is controlled by a 3–D seismic survey. To the east of the prospect is the Oceano field, which is productive in the Tobifera Formation. The Flanco Oriental 2 prospect is also a bald high. As with the Flanco Oriental 1 prospect the Tobifera volcanic deposits are the primary target. The Del Mosquito Norte and the Oceano fields are also analogs for this prospect. The reservoir is the critical risk factor for this prospect.

Flanco Oriental 3 Prospect

The Flanco Oriental 3 oil prospect is also located in the northeastern portion of the Del Mosquito Block and is south of the Flanco Oriental 1 prospect. The prospect can be characterized as a four-way dip-closed anticline that is controlled by a 3–D seismic survey and is located west of the Oceano field. The Flanco Oriental 3 prospect is a bald high, and the Tobifera volcanic deposits are the primary target. The reservoir is the critical risk factor for this prospect.

Flanco Sur Prospect

The Flanco Sur oil prospect is located immediately south of the Del Mosquito field. To the north of the prospect is the Del Mosquito a-33 well that tested oil. The trapping mechanism on the prospect's northern flank is not well understood. The trap may be structural or stratigraphic. The Tobifera Formation is the primary target of this prospect. The prospect is controlled by 3–D seismic data on the northern part and 2–D seismic data on the southern part. The prospect is formed by north/south-trending faults on the east and west flanks, by dip closure to the south, and faulting or stratigraphic pinchout of the reservoir to the north. The critical risk factor is reservoir.

Prospecto 5 Prospect

The Prospecto 5 oil prospect lies in the southeastern part of the Del Mosquito Block. To the south and southwest of the prospect are some large Springhill fields such as Cóndor, Cerro Redondo, and Dungeness. Prospecto 5 is a structural feature defined by a combination fault and structural dip closure that is interpreted from a 3–D seismic survey. A dry hole drilled to the east of the prospect, the SCDL-3 (Dos Lagunas) well had approximately 40 meters of gross Springhill section with about 35 meters of net porous sandstone. The Cóndor Norte-3 well had good quality Springhill sandstones with approximately 22 per cent. porosity and up to 100 millidarcys of permeability. The reservoir and trapping mechanism are the critical risk factors for this prospect.

Del Mosquito Block Immature Prospects

The immature prospects described as follows are in an early stage of technical development. Therefore, P_g and the probabilistic volumetric input distributions cannot be quantified.

Cañadon Fraile Prospect

The Cañadon Fraile immature prospect is located to the south of the Del Mosquito field on the Del Mosquito Block. The lead is controlled by a 3–D seismic survey. It appears that there may be structural closure against an east/west-trending fault that marks the southern extent of the Del Mosquito field. There may be dip closure to the south and east and either fault closure or a stratigraphic trap on the

west flank. The Del Mosquito wells to the north have good Springhill Formation sandstones. Additional work is necessary to quantify the technical risk of this immature prospect.

Cañadon Fraile Sur Prospect

The Cañadon Fraile Sur immature prospect is located to the south of the Cañadon Fraile immature prospect on the Del Mosquito Block. The lead is controlled by 2–D seismic data. The Del Mosquito wells to the north have good Springhill Formation sandstones. Additional work is necessary to quantify the technical risk of this immature prospect.

Laguna Del Mosquito Prospect

The Laguna Del Mosquito immature prospect is located in the eastern portion of the Del Mosquito Block. This immature prospect is controlled by a sparse 2–D seismic grid. The lead may be a four-way dip-closed anticlinal structure, but it is uncertain at this time. The primary reservoir target is the Tobifera Formation that produces locally on the Del Mosquito Block and in the Oceano field to the northwest. This immature prospect may be large but the trap has not been adequately defined. Additional seismic and geologic work needs to be done to define this immature prospect.

Cóndor Norte 1 Prospect

The Cóndor Norte 1 immature prospect is located in the southwestern portion of the Del Mosquito Block. The structure has been mapped as a four-way dip-closed anticline using the available 2–D seismic data. The primary stratigraphic target is the Springhill Formation, which produces in fields to the south. The Cóndor Norte x-3 (CNo x-3) well to the west found over 30 meters of Springhill Formation reservoir sandstones. The CNo x-1 and x-2 wells also found Springhill reservoir sandstone, but with a reduced thickness of approximately 5 to 20 meters. Additional seismic and geologic work is necessary to quantify the technical risk of this immature prospect.

Cóndor Norte 2 Prospect

The Cóndor Norte 2 immature prospect is located in the southwestern portion of the Del Mosquito Block and is immediately east of the Cóndor Norte 1 immature prospect. The structure has been mapped as a four-way dip-closed anticline using the available 2–D seismic data. The primary stratigraphic target is the Springhill Formation, which produces in fields to the south. The CNo x-3 well to the west found over 30 meters of Springhill Formation reservoir sandstones. The CNo x-1 and x-2 wells also found Springhill reservoir sandstone but with a reduced thickness of approximately 5 to 15 meters. Additional seismic and geologic work is necessary to quantify the technical risk of this immature prospect.

Zanja Pique 1 Prospect

The Zanja Pique 1 immature prospect is located to the northeast of the Cóndor Norte 2 immature prospect. The Zanja Pique structure is a faulted anticline with dip closure to the northwest and southeast. Sealing faults have been mapped on the east and west flanks. The structural interpretation is controlled by a sparse 2–D seismic survey. The primary stratigraphic target is the Springhill Formation. It is expected that the Springhill reservoirs will be from 5 to 15 meters thick. Additional seismic and geologic work is necessary to quantify the technical risk of this immature prospect.

Zanja Pique 2 Prospect

The Zanja Pique 2 immature prospect is located to the east of the Cóndor Norte 2 immature prospect. The Zanja Pique structure is a faulted anticline with dip closure to the northwest and west flanks. A sealing fault has been mapped on the east flank. At this time there is no seismic control on the south flank and it is not clear whether the south flank is dip closed. The structural interpretation is controlled by the end of one seismic line in the 2–D seismic survey. The primary stratigraphic target is the Springhill Formation. It is expected that the Springhill reservoirs will be from 5 to 15 meters thick. Additional seismic and geologic work is necessary to quantify the technical risk of this immature prospect.

Cerro Doña Juana and Loma Cortaderal Blocks – Argentina

Cerro Doña Juana and Loma Cortaderal Fields

The Cerro Doña Juana and Loma Cortaderal Blocks are located in the northwestern part of the Neuquen Basin of Argentina in the foothills of the Andes Mountains (Figure 2). The structural configurations of the fields are not well understood and are likely very complex. There are a series of detached reverse faults that produce uplift and imbricated thrust sheets. A post-Cretaceous backthrust produces closure on the east flank. The stratigraphic targets are the Neuquen Group of Tertiary age and Agrio and Vaca Muerta Formations of Cretaceous age. Each block has one well that has produced oil and at this time only the Loma Cortaderal-1 well is producing limited amounts of oil. Proven, probable, and possible oil reserves have been estimated for each block.

Classification of Reserves

Petroleum reserves included in this report are classified by degree of proof as proven, probable, or possible. Proven reserves are judged to be economically producible in future years from known reservoirs under existing economic and operating conditions and assuming continuation of current regulatory practices using conventional production methods and equipment. In the analyses of production-decline curves, reserves were estimated only to the limit of economic rates of production under existing economic and operating conditions using prices and costs as of the date the estimate is made, including consideration of changes in existing prices provided only by contractual arrangements but not including escalations based upon future conditions. Proven and probable reserves classifications used in this report are in accordance with reserves definitions presented in Appendix 1 of *The Listing Rules* of the United Kingdom Listing Authority. The petroleum reserves are classified as follows:

> *Proven* – Proven reserves means, in respect of mineral companies primarily involved in the extraction of oil and gas resources, those reserves which on the available evidence and taking into account technical and economic factors have a better than 90 per cent. chance of being produced.

Proven reserves have been proven to a high degree of certainty by analysis of the producing history of a reservoir and/or by volumetric analysis of adequate geological and engineering data. Commercial productivity has been established by actual production, successful testing, or in certain cases by favorable core analyses and electrical-log interpretation when the producing characteristics of the formation are known from nearby fields. Volumetrically, the structure, areal extent, volume, and characteristics of the reservoir are well defined by a reasonable interpretation of adequate subsurface well control and by known continuity of hydrocarbon-saturated material above known fluid contacts, if any, or above the lowest known structural occurrence of hydrocarbons.

> *Developed* – Reserves that are recoverable from existing wells with current operating methods and expenses.

Developed reserves include both producing and nonproducing reserves. Estimates of producing reserves assume recovery by existing wells producing from present completion intervals with normal operating methods and expenses. Developed nonproducing reserves are in reservoirs behind the casing or at minor depths below the producing zone and are considered proven by production from other wells in the field, by successful drill-stem tests, or by core analyses from the particular zones. Nonproducing reserves require only moderate expense to be brought into production.

> *Undeveloped* – Reserves that are recoverable from additional wells yet to be drilled.

Undeveloped reserves are those considered proven for production by reasonable geological interpretation of adequate subsurface control in reservoirs that are producing or proven by other wells but are not recoverable from existing wells. This classification of reserves requires drilling of additional wells, major deepening of existing wells, or installation of enhanced recovery or other facilities.

Reserves recoverable by enhanced recovery methods, such as injection of external fluids to provide energy not inherent in the reservoirs, may be classified as proven developed or proven undeveloped reserves depending upon the extent to which such enhanced recovery methods are in operation. These reserves are considered to be proven only in cases where a successful fluid-injection program is in

operation, a pilot program indicates successful fluid injection, or information is available concerning the successful application of such methods in similar reservoirs in the general area and it is reasonably certain that the program will be implemented. In the North Sea, it is only necessary that information is available concerning the successful application of such methods in similar reservoirs in the general area.

Probable – Probable reserves means, in respect of mineral companies primarily involved in the extraction of oil and gas resources, those reserves which are not yet "proven" but which on the available evidence and taking into account technical and economic factors have a better than 50 per cent. chance of being produced.

Probable reserves are susceptible of being proven on the basis of reasonable evidence of producible hydrocarbons within the limits of a structure or reservoir above known or inferred fluid contacts but are defined to a lesser degree of certainty because of more limited well control and/or the lack of definitive production tests. Probable reserves may include extensions of proven reservoirs or other reservoirs that have not been tested at commercial rates of flow or reserves recoverable by enhanced recovery methods that have not yet been tested in the same reservoir or where there is reasonable uncertainty that the program will be implemented.

Possible – Reserves that may exist but are less well defined by well control than probable reserves. Possible reserves include those based largely on log interpretation and other evidence of hydrocarbon saturation in zones behind the pipe in existing wells, possible extensions to proven and probable reserves areas where indicated by geophysical or geological studies, and those to be recovered by enhanced recovery methods where the data are insufficient to classify the reserves as proven or probable.

The extent to which probable or possible reserves ultimately may be reclassified as proven reserves is dependent upon future drilling, testing, and well performance. The degree of risk to be applied in evaluating probable and possible reserves is influenced by economic and technological factors as well as the time element. Probable and possible reserves in this report have not been adjusted in consideration of these additional risks and therefore are not comparable with proven reserves.

Classification of Resources

Petroleum resources included in this report are classified as contingent or prospective resources. Because of the lack of commerciality or sufficient drilling, the contingent or prospective resources estimated herein cannot be classified as reserves. The petroleum resources are classified as follows:

Contingent Resources – Those quantities of petroleum that are estimated, on a given date, to be potentially recoverable from known or discovered accumulations, but which are not currently considered to be commercially recoverable or for which the degree of commitment is not such that the accumulation is expected to be developed and placed on production within a reasonable time frame. Contingent resources include accumulations for which there is currently no viable market, or where commercial recovery is dependent on the development of new technology, or where evaluation of the accumulation is still at an early stage.

Prospective Resources – Those quantities of petroleum that are estimated, on a given date, to be potentially recoverable from undiscovered accumulations.

The estimation of resources quantities for a prospect is subject to both technical and commercial uncertainties and, in general, may be quoted as a range. The range of uncertainty reflects a reasonable range of estimated potentially recoverable volumes. In all cases, the range of uncertainty is dependent on the amount and quality of both technical and commercial data that are available and may change as more data become available.

Low, Median, Best, and High Estimates – Estimates of petroleum resources in this report are expressed using the terms low estimate, median estimate, best estimate, and high estimate to reflect the range of uncertainty.

A detailed explanation of the probabilistic terms used herein and identified by an asterisk (*) is included in the Glossary of Probabilistic Terms bound with this report. For probabilistic estimates of petroleum resources, the expected value* (EV), an outcome of the probabilistic analysis, is used for the best estimate. The low estimate reported herein is the P_{90}* quantity derived from probabilistic analysis. This means that there is at least a 90 per cent. probability that, assuming the prospect is discovered and developed, the quantities actually recovered will equal or exceed the low estimate. The median estimate is the P_{50}* quantity derived from probabilistic analysis. This means that there is at least a 50 per cent. probability that, assuming the prospect is discovered and developed, the quantities actually recovered will equal or exceed the median estimate. The high estimate is the P_{10}* quantity derived from probabilistic analysis. This means that there is at least a 10 per cent. probability that, assuming the prospect is discovered and developed, the quantities actually recovered will equal or exceed the high estimate.

Uncertainties Related to Prospective Resources – The volume of petroleum discovered by exploration drilling depends on the number of prospects that are successful as well as the volume that each success contains. Reliable forecasts of these volumes are, therefore, dependent on accurate predictions of the number of discoveries that are likely to be made if the entire portfolio of prospects is drilled. The accuracy of this forecast depends on the portfolio size, and an accurate assessment of the probability of geologic success* (P_g).

Probability of Geologic Success – P_g is defined as the probability of discovering reservoirs which flow petroleum at a measurable rate. P_g is estimated by quantifying the probability of each of the following individual geologic factors: trap, source, reservoir, and migration*. The product of these four probabilities or chance factors is computed as P_g.

In this report estimates of prospective resources are presented both before and after adjustment for P_g. Total prospective resources estimates are based on the probabilistic summation of the volumes for the total inventory of prospects.

Application of P_g to estimate the P_g-adjusted prospective resources volumes does not equate prospective resources with reserves or contingent resources. P_g-adjusted prospective resources volumes cannot be compared directly to or aggregated with either reserves or contingent resources. Estimates of P_g are interpretative and are dependent on the quality and quantity of data currently made available. Future data acquisition, such as additional drilling or seismic acquisition can have a significant effect on P_g estimation. These additional data are not confined to the study area, but also include data from similar geologic settings or technological advancements that could affect the estimation of P_g.

Predictability versus Portfolio Size – The accuracy of forecasts of the number of discoveries that are likely to be made is somewhat constrained by the number of prospects in the exploration portfolio. The size of the portfolio and P_g together are helpful in gauging the limits on the reliability of these forecasts. A high P_g, which indicates a high chance of discovering measurable petroleum, may not require a large portfolio to ensure that at least one discovery will be made (assuming the P_g does not change during drilling of some of the prospects). By contrast, a low P_g, which indicates a low chance of discovering measurable petroleum, could require a large number of prospects to ensure a high confidence level of making even a single discovery. The relationship between portfolio size, P_g, and the probability of a fully unsuccessful drilling program that results in a series of wells not encountering measurable hydrocarbons is referred to herein as the predictability versus portfolio size relationship* (PPS). It is critical to be aware of PPS, because an unsuccessful drilling program, which results in a series of wells that do not encounter measurable hydrocarbons, can adversely affect any exploration effort, resulting in a negative net present value.

For a large prospect portfolio, the P_g-adjusted best estimate of the prospective resources volume should be a reasonable estimate of the recoverable petroleum quantities found if all prospects are drilled. When the number of prospects in the portfolio is small and the P_g is low, the recoverable petroleum actually found may be considerably smaller than the P_g-adjusted best estimate would indicate. It follows that the probability that all of the prospects will be unsuccessful is smaller when a large inventory of prospects exist.

Prospect Technical Evaluation Stage – A prospect can often be subcategorized based on its current stage of technical evaluation. The different stages of technical evaluation relate to the amount of geologic, geophysical, engineering, and petrophysical data, as well as the quality of available data. In this report, prospects are referred to as mature prospects or immature prospects to reflect the current stage of technical evaluation.

Mature Prospect – A mature prospect is a potential accumulation that is sufficiently well defined to be a viable drilling target. For a mature prospect, sufficient data and analyses exist to identify and quantify the technical uncertainties, determine reasonable ranges of geologic chance factors, engineering and petrophysical parameters, and estimate prospective resources.

Immature Prospect – An immature prospect is less well defined and requires additional data and/or evaluation to be classified as a mature prospect. An example would be a poorly defined closure mapped using sparse regional seismic data in a basin containing favorable source and reservoir(s). An immature prospect may or may not be elevated to mature prospect status depending on the results of additional technical work.

Threshold Economic Field Size – The threshold economic field size (TEFS) is the minimum amount of producible petroleum required to recover the total capital expenditure used to establish the prospect as having a net present value greater than zero. These investments include expenditures required to establish and prove profitable production and to conduct delineation or confirmation drilling. All geologic, geophysical, lease and/or contract-area acquisition costs and other anticipated field delineation costs are included in the estimation of TEFS as well. The potential net present value per resources volume methodology is a standard industry practice used to estimate resources value if a prospect is successfully discovered and developed. This methodology is directly formulated from the discounted cash flow analysis, which is fundamental to the potential net present value estimation. Accordingly, where this methodology is employed to estimate TEFS, no additional provision should be made for field development costs.

Probability of Economic Success – The probability of economic success* (P_e) is defined as the probability that a given discovery will be economically viable. It takes into account P_g, TEFS, capital costs, operating expenses, the proposed development plan, and other business and economic factors.

Estimation of Reserves

Estimates of reserves were prepared by the use of standard geological and engineering methods generally accepted by the petroleum industry. The method or combination of methods used in the analysis of each reservoir was tempered by experience with similar reservoirs, stage of development, quality and completeness of basic data, and production history.

Where applicable, the volumetric method was used to estimate the original gas in place (OGIP) and original oil in place (OOIP) for the fields. Structure and isopach maps were prepared to aid in evaluating reservoir volumes. Electric logs, radioactive logs, core analyses, bottomhole pressures, and other available data were used to prepare these maps as well as to estimate representative values for porosity and water saturation. When data permitted, material-balance techniques were used to corroborate the volumetric estimates. In certain cases, fluid recovery factors were evaluated by analogy. Estimates of ultimate recovery of fluids took into account the type of energy inherent in the reservoir, as well as reservoir and well performance.

For depletion-type reservoirs or those whose performance disclosed a reliable decline in producing-rate trends or other diagnostic characteristics, reserves were estimated by the application of appropriate decline curves or other performance relationships. In the analyses of production-decline curves, reserves were estimated to the limits of economic production based on current economic conditions.

In certain cases, when the previously named methods could not be used, reserves were estimated by analogy with similar wells or reservoirs for which more complete data were available.

Gas volumes estimated herein are separator-gas volumes expressed at a temperature base of 59 degrees Fahrenheit (°F) and a pressure base of 14.696 pounds per square inch absolute (psia) for the Argentina fields, and a temperature base of zero degrees Celsius (°C) and a pressure base of 1 kilogram-force per

square centimeter for the Chilean fields. Separator-gas volumes are defined as those volumes available to be delivered into the gas pipeline prior to compression following field separation and processing.

For the purposes of this report no shrinkage has been applied; therefore, sales-gas volumes are equal to separator-gas volumes.

Oil and condensate reserves estimated herein are those to be recovered by conventional field operations. Production data were available through December 2005.

Production forecasts of the gross proven, proven-plus-probable, and proven-plus-probable-plus-possible reserves and corresponding revenue projections were prepared by block. These forecasts were prepared using the GeoPark development plan for each field, including, as appropriate, the drilling of additional wells and the installation of new production facilities, and pipelines. The reserves estimates contained herein terminate at the economic limit as defined in the Classification of Reserves section of this report.

The initial production date, number of wells drilled, and the cumulative oil and condensate and separator-gas production, as of 31 December, 2005, are summarized by field, block, and country as follows, oil and condensate are expressed in thousands of barrels (Mbbl) and separator gas in millions of cubic feet (MMcf):

Cumulative Production – Fell Block – Chile

Field	*Date of Initial Production*	*Number of Wells*	*Cumulative Production Oil and Condensate (Mbbl)*	*Cumulative Production Separator Gas (MMcf)*
Dicky	Apr-1962	15	527	8,055
Dicky Oeste	Mar-1982	3	0	27
Faro	Nov-1959	2	2	136
Kimiri Aike	Aug-1966	4	233	17,253
Kimiri Aike Norte	Sep-1972	5	76	993
Mogote	Nov-1986	1	1	11
Molino	Mar-1977	7	13	3,963
Monte Aymond	Dec-1961	31	672	13,679
Monte Aymond Oeste	Oct-1992	1	0	0
Munición Oeste	Aug 1989	1	6	12
Murtilla-Dorado Norte	Feb-1987	2	0	39
Nika	Jan-1963	5	11	979
Nika Oeste	Jun-1968	2	4	6
Nika Sur	Dec-1976	1	2	3
Ovejero	May-1981	1	2	130
Pampa Larga	Jun-1963	13	271	35,120
Punta Delgada Oeste	Jun-1980	2	24	1,595
Santiago Norte	Nov-1971	2	29	2,082
Sauce	May-1990	1	0	0
Tetera	Feb-1981	1	5	72

Cumulative Production – Del Mosquito Block – Argentina

Field	*Date of Initial Production*	*Number of Wells*	*Cumulative Production Oil and Condensate (Mbbl)*	*Cumulative Production Separator Gas (MMcf)*
Del Mosquito	Feb-1974	27	2,387	12,615
Del Mosquito Norte	Aug-2004	1	86	0

Cumulative Production – Cerro Doña Juana and Loma Cortaderal Blocks – Argentina

Field	*Date of Initial Production*	*Number of Wells*	*Cumulative Production Oil and Condensate (Mbbl)*	*Cumulative Production Separator Gas (MMcf)*
Cerro Doña Juana	1988	3	10	0
Loma Cortaderal	1989	1	91	0

A summary, by block, of the estimated gross and net oil, condensate, and separator-gas reserves, as of 31 December, 2005, of the properties operated by GeoPark evaluated in this report is shown as follows, expressed in thousands of barrels (Mbbl) and millions of cubic feet (MMcf):

	Reserves Summary			
	Gross		*Net*	
Block Classification	*Oil and Condensate (Mbbl)*	*Separator Gas (MMcf)*	*Oil and Condensate (Mbbl)*	*Separator Gas (MMcf)*
Fell				
Proven	2,673	47,350	2,406	42,615
Probable	2,487	63,634	2,238	57,271
Possible	4,090	105,555	3,681	95,000
Del Mosquito				
Proven	1,030	1,688	1,030	1,688
Probable	3,678	2,044	3,678	2,044
Possible	4,983	364	4,983	364
Cerro Doña Juana				
Proven	27	0	27	0
Probable	105	0	105	0
Possible	830	0	830	0
Loma Cortaderal				
Proven	18	0	18	0
Probable	146	0	146	0
Possible	273	0	273	0

Note: Probable and possible reserves have not been adjusted for risk.

A summary of the gross proven, probable, and possible reserves, as of 31 December, 2005, of the blocks operated by GeoPark in Chile and Argentina are presented in Table 1. The proven, probable, and possible reserves as of 31 December, 2005, for the Fell, Del Mosquito, Cerro Doña Juana, and Loma Cortaderal Blocks are presented by field in Tables 2, 3, and 4, respectively. The production forecasts for the proven, proven-plus-probable, and proven-plus-probable-plus-possible reserves are shown by block in Tables 5, 6, and 7, respectively.

Estimation of Resources

Estimates of contingent and prospective resources were prepared by the use of standard geological and engineering methods generally accepted by the petroleum industry. The method or combination of methods used in the analysis of the reservoirs was tempered by experience with similar reservoirs, stage of development, and quality and completeness of basic data.

The probabilistic analysis of the contingent and prospective resources in this report considered the uncertainty in the amount of petroleum that may be discovered and the P_g. The uncertainty analysis addresses the range of possibilities for any given volumetric parameter. Low, median, best, and high estimates of contingent and prospective resources were estimated to address this uncertainty. The P_g analysis addresses the probability that the identified prospects will encounter petroleum that flows at a

measurable rate. The P_e analysis addresses the probability that the prospective resources will be economically viable. P_e analysis has not been applied, and P_e-adjusted and TEFS-adjusted prospective and contingent resources have not been estimated herein.

Contingent and prospective resources were evaluated using probabilistic analysis of certain parameters related to the quantity of petroleum present and recoverable in discovered accumulations. These discovered accumulations may be developed in the future depending on economic and market conditions, additional well data, or seismic information. For the contingent resources, the P_g is unity, since the wells have encountered petroleum that flows at a measurable rate.

Standard probabilistic methods were used in the uncertainty analysis. Probability distributions were estimated from representations of porosity, petroleum saturation, net hydrocarbon thickness, geometric correction factor, recovery efficiency, fluid properties, and productive area for each prospect. These representations were prepared based on known data, analogy, and other standard estimation methods including experience. Statistical measures describing the probability distributions of these representations were identified and input to a Monte Carlo simulation to produce low estimate, median estimate, best estimate, and high estimate prospective resources for each prospect.

Quantitative Risk Assessment and the Application of P_g

Minimum, modal, and maximum representations of productive area were interpreted from maps, available seismic data, and/or analogy. Low, mean, and high representations for the petrophysical parameters (porosity, petroleum saturation, and net hydrocarbon thickness) and engineering parameters (recovery efficiency and fluid properties) were also made based on available well data, regional data, analog field data, and global experience. Individual probability distributions for net rock volume, petrophysical, and engineering parameters were produced from these representations and are summarized in Tables 36, 38, 40, and 42.

The distributions for the variables were derived from (1) scenario-based interpretations, (2) the geologic, geophysical, petrophysical, and engineering data provided, (3) local, regional, and global knowledge, and (4) field and case studies in the literature. The parameters used to model the recoverable volumes were productive area, net hydrocarbon thickness, geometric correction factor, porosity, petroleum saturation, formation volume factor, and recovery efficiency. Minimum, mean, and maximum representations were used to statistically model and shape the input P_{90}, P_{50}, and P_{10} parameters. Productive area and net hydrocarbon thickness were modeled using truncated lognormal distributions. Truncated normal distributions were used to model geometric correction factor, formation volume factor, and recovery efficiency. Porosity and petroleum saturation were modeled using truncated normal distributions. Latin hypercube sampling was used to better represent the tails of the distributions.

Each individual volumetric parameter was investigated using a probabilistic approach with attention to variability. Deterministic data were used to anchor and shape the various distributions. The net rock volume parameters had the greatest range of variability, and therefore had the greatest impact on the uncertainty of the simulation. The volumetric parameter variability was based on the structural and stratigraphic uncertainties due to the depositional environment and quality of the seismic data. Analog field data were statistically incorporated to derive uncertainty limits and constraints on the net pore volume. Uncertainty associated with the depth conversion, seismic interpretation, gross sand thickness mapping, and net hydrocarbon thickness assumptions were also derived from studies of analogous reservoirs, multiple interpretive scenarios, and sensitivity analyses.

A P_g analysis was applied to estimate the volumes that may actually result from drilling these prospects. In the P_g analysis, the P_g estimates were made for each prospect from the product of the probabilities of the four geologic chance factors: trap, reservoir, migration, and source. The P_g-adjusted best estimate of the prospective resources was made by application of the P_g to the best estimate of the prospective resources (the product of P_g and the best estimate). For the contingent resources (associated with the accumulations that have been drilled), the P_g is unity, since the wells have encountered petroleum that flows at a measurable rate.

Estimates for the net contingent resources as of 31 December, 2005, evaluated herein are shown in Tables 35 and 37. Input parameters for the contingent resources are shown in Tables 36 and 38.

Application of any risk factor to contingent resources volumes does not equate contingent resources with reserves. Risk adjusted estimates of contingent resources volumes cannot be compared directly to or aggregated with reserves.

Estimates of net prospective resources and the P_g estimates, as of 31 December, 2005, evaluated herein are shown in Tables 39 and 41. Input parameters for the prospective resources are shown in Tables 40 and 42. The P_g-adjusted best estimate of the prospective resources was then made by the product of P_g and the best estimate for each of the individual prospects. These results for the individual prospects were then summed to produce the total P_g-adjusted best estimate prospective resources.

Application of the factor to estimate the P_g-adjusted prospective resources volumes does not equate prospective resources with reserves or contingent resources. P_g-adjusted estimates of prospective resources volumes cannot be compared directly to or aggregated with either reserves or contingent resources. Estimates of P_g are interpretive and are dependent on the quality and quantity of data currently available. Future data acquisition, such as additional drilling or seismic acquisition can have a significant effect on P_g estimation. These additional data are not confined to the area of study, but also include data from similar geologic settings or from technological advancements that could affect the estimation of P_g.

Valuation of Reserves

This report has been prepared using initial prices and costs and future price and cost assumptions specified by GeoPark. Revenue values were developed using methods generally accepted by the petroleum industry.

In this report, values for proven, proven-plus-probable, and proven-plus-probable-plus-possible reserves are based on projections of estimated future production and revenue prepared for these properties with no risk adjustment applied to the probable or possible reserves. Probable and possible reserves involve substantially higher risks than proven reserves. Revenue values for proven-plus-probable and proven-plus-probable-plus-possible reserves have not been adjusted to account for such risks; this adjustment would be necessary in order to make proven-plus-probable and proven-plus-probable-plus-possible reserves values comparable with values for proven reserves.

The future net revenue and net present value of the reserves of each block were estimated using concession terms provided by GeoPark. Values are presented for three price cases: a Base Case and two sensitivity cases, referred to herein as the High Price Case and the Low Price Case. All reserves estimates presented in this report are based on the economic conditions used in the Base Case. The sensitivity cases are presented at GeoPark's request and may contain estimates of reserves higher or lower than those presented in the Base Case due to the impact of different price assumptions. A summary discussion of the fiscal terms and other economic parameters follows.

Base Case

Oil, Condensate, and Gas Prices

The Base Case uses the NYMEX forward curve for WTI through 2008 (as of 31 December, 2005) and $50.00 per barrel thereafter. The marker price for each of the blocks was adjusted for sales and marketing fees and to account for quality adjustments. The differential of the Del Mosquito Block liquids includes a marketing fee of $2.20 per barrel. The sales price of the Fell Block liquids includes an adjustment of $1.20 per barrel. For the Cerro Doña Juana and Loma Cortaderal Blocks, an oil price differential of $2.60 was used for the Base Case.

The projected separator gas price for the Base Case was provided by GeoPark for each block as follows, expressed in United States dollars per thousand cubic feet (U.S.$/Mcf):

Separator Gas Prices – Base Case

Year	*Del Mosquito Separator Gas (U.S.$/Mcf)*	*Fell Block Separator Gas (U.S.$/Mcf)*
2006	1.08	1.65
2007	1.15	1.71
2008	1.25	1.77
2009	1.32	1.83
2010 forward	1.38	1.89

Operating Expenses and Capital Costs

Estimates of future operating expenses and capital costs have been made based on information provided by GeoPark. This information included historical costs as well as operating expense and capital cost estimates for future development. Estimates of future operating expenses and capital costs, either higher or lower than the GeoPark development plan estimates, may have been made in order to conform to the respective reserves classifications. No general inflation adjustment has been applied to future operating expenses or capital costs.

Oil and condensate transportation costs have been included in the operating expense forecast. These costs were provided by GeoPark as $1.77 per barrel for the Del Mosquito Block and as $1.96 per barrel for the Fell Block.

Abandonment cost estimates were provided by GeoPark for each block and were included as a capital cost in the year following cessation of production.

All cost estimates contained in the Base Case were held constant for the life of the evaluation (December 2005 terms) without any general inflation adjustment. No corporate overhead has been considered in the valuation of reserves.

Royalties

The Del Mosquito, Cerro Doña Juana, Loma Cortaderal, and Fell Blocks are subject to a state and private royalty. The Del Mosquito Block is subject to a 12 per cent. state royalty and a 2.5 per cent. private overriding royalty on oil and gas sales. The Fell Block is subject to a 5 per cent. royalty on oil sales and a 3 per cent. royalty on gas sales. There is a 3 per cent. private overriding royalty payable on oil and gas sales from the Fell Block up to a total aggregate amount of $3.25 million. A private overriding royalty of 8 per cent. payable on oil sales from the Cerro Doña Juana and Loma Cortaderal Blocks was applied in addition to the 12 per cent. state royalty.

Taxes

The Del Mosquito, Cerro Doña Juana, and Loma Cortaderal Blocks and the Fell Block are subject to Argentine and Chilean corporate income tax, respectively, at a statutory rate of 35 per cent. The Del Mosquito, Cerro Doña Juana, and Loma Cortaderal Blocks are also subject to export taxes on oil and gas sales. The export tax on oil sales is based on a sliding scale tied to oil prices. Under the Base Case price assumptions, the effective export tax on oil sales is 31 per cent. The effective export tax on gas sales is 16.67 per cent. The current legislation for the export tax expires in 2007. For purposes of this evaluation it has been assumed that the export tax continues to be payable after 2007 for the Del Mosquito, Cerro Doña Juana, and Loma Cortaderal Blocks.

Exchange Rates

All information provided by GeoPark has been expressed in U.S. dollars (U.S.$) and all revenue projections included herein are expressed in U.S.$.

Estimates of the Base Case net present value derived from the proven, proven-plus-probable, and proven-plus-probable-plus-possible reserves, as of 31 December, 2005, of the petroleum interests owned by GeoPark, discounted at rates of 5, 10, 15, and 20 per cent., in thousands of U.S. dollars (M U.S.$) are presented in the following table:

Revenue Summary – Base Case

Block Classification	*Future Net Revenue (M U.S.$)*	*Net Present Value*			
		5 Per cent. (M U.S.$)	*10 Per cent. (M U.S.$)*	*15 Per cent. (M U.S.$)*	*20 Per cent. (M U.S.$)*
Fell					
Proven	77,029	64,351	54,150	45,938	39,284
Proven plus Probable	174,633	140,477	114,179	93,771	77,773
Proven plus Probable plus Possible	344,148	260,690	200,574	156,715	124,220
Del Mosquito					
Proven	3,999	3,072	2,317	1,701	1,199
Proven plus Probable	50,524	41,904	35,085	29,631	25,222
Proven plus Probable plus Possible	111,830	88,936	71,611	58,304	47,939
Cerro Doña Juana – Loma Cortaderal					
Proven	522	515	507	499	491
Proven plus Probable	2,976	2,670	2,404	2,174	1,974
Proven plus Probable plus Possible	4,290	2,654	1,366	377	(367)
Total					
Proven	81,550	67,938	56,974	48,138	40,974
Proven plus Probable	228,133	185,051	151,668	125,576	104,969
Proven plus Probable plus Possible	460,268	352,280	273,551	215,396	171,792

Note: Values estimated for probable and possible reserves have not been adjusted for risk.

Sensitivity Cases

GeoPark requested two price sensitivity cases: a High Price Case using the NYMEX forward curve through 2008 (as of 31 December, 2005) and $60 per barrel thereafter, and a Low Price Case using the same NYMEX forward curve through 2008 (as of 31 December, 2005) and $40 per barrel thereafter. Wellhead gas prices are based on GeoPark's expectation of high and low price market conditions within their respective markets. Details of the oil and gas prices for each sensitivity case are provided as follows. All other economic and fiscal assumptions that were used in the Base Case remain unchanged for the sensitivity cases.

High Price Case

The pricing parameters for the High Price Case are as follows, expressed in U.S.$ per barrel (U.S.$/bbl) or U.S.$ per thousand cubic feet (U.S.$/Mcf):

Oil and Separator Gas Prices – High Price Case

Year	*WTI Marker (U.S.$/bbl)*	*Del Mosquito Separator Gas (U.S.$/Mcf)*	*Fell Block Separator Gas (U.S.$/Mcf)*
2006	63.01	1.25	2.15
2007	64.06	1.34	2.23
2008	62.96	1.48	2.30
2009	60.00	1.60	2.38
2010 forward	60.00	1.68	2.47

Low Price Case

The pricing parameters for the Low Price Case are as follows, expressed in U.S.$ per barrel (U.S.$/bbl) or U.S.$ per thousand cubic feet (U.S.$Mcf):

Oil and Separator Gas Prices – Low Price Case

Year	*WTI Marker (U.S.$/bbl)*	*Del Mosquito Separator Gas (U.S.$/Mcf)*	*Fell Block Separator Gas (U.S.$/Mcf)*
2006	63.01	1.00	1.55
2007	64.06	1.06	1.54
2008	62.96	1.14	1.40
2009	40.00	1.20	1.30
2010 forward	40.00	1.25	1.30

A summary of the estimated future net revenue and net present value at a 10 per cent. discount rate for the High Price Case and the Low Price Case of the proven, proven-plus-probable, and proven-plus-probable-plus-possible reserves of GeoPark's interest in the properties in Argentina and Chile, classified by block, are presented as follows, expressed in thousands of U.S. dollars (M U.S.$):

Revenue Summary – Sensitivity Cases

	High Price Case		*Low Price Case*	
Block Classification	*Future Net Revenue (M U.S.$)*	*Present Worth at 10-Per cent. (M U.S.$)*	*Future Net Revenue (M U.S.$)*	*Net Present Value at 10-Per cent. (M U.S.$)*
Fell				
Proven	98,115	68,452	59,100	42,920
Proven plus Probable	225,634	147,182	128,450	85,500
Proven plus Probable plus Possible	451,672	263,457	241,704	141,948
Del Mosquito				
Proven	6,178	3,591	2,375	1,328
Proven plus Probable	59,333	40,253	44,172	32,421
Proven plus Probable plus Possible	134,940	85,130	96,838	65,678
Cerro Doña Juana and Loma Cortaderal				
Proven	522	507	522	507
Proven plus Probable	3,366	2,642	2,703	2,240
Proven plus Probable plus Possible	6,594	2,746	2,068	57
Total Proven	104,815	72,550	61,997	44,755
Total Proven plus Probable	288,333	190,077	175,325	120,161
Total Proven plus Probable plus Possible	593,206	351,333	340,610	207,683

Note: Values estimated for probable and possible reserves have not been adjusted for risk.

Detailed results of the proven, proven-plus-probable, and proven-plus-probable-plus-possible reserves valuation for the Base Case, High Price Case, and Low Price Case for the Fell, Del Mosquito, Cerro Doña Juana, and Loma Cortaderal Blocks are presented in Tables 8 through 34.

Summary and Conclusions

Reserves

The estimated gross and net proven, probable, and possible oil, condensate, and gas reserves, as of 31 December, 2005, of the properties evaluated herein are summarized as follows, expressed in thousands of barrels (Mbbl) or millions of cubic feet (MMcf):

Reserves Summary

	Oil and Condensate		*Separator Gas*	
Country Classification	*Gross (Mbbl)*	*Net (Mbbl)*	*Gross (Mbbl)*	*Net (Mbbl)*
Chile				
Proven	2,673	2,405	47,350	42,614
Probable	2,487	2,239	63,634	57,272
Possible	4,090	3,681	105,555	94,999
Argentina				
Proven	1,075	1,075	1,688	1,688
Probable	3,929	3,929	2,044	2,044
Possible	6,086	6,086	364	364
Total Proven	3,748	3,480	49,038	44,302
Total Probable	6,416	6,168	65,678	59,316
Total Possible	10,176	9,767	105,919	95,363

Note: Probable and possible reserves have not been adjusted for risk.

The estimated future net revenue and net present value at a 10 per cent. discount rate under the aforementioned pricing and cost assumptions for the Base Case designated by GeoPark, of the proven, proven-plus-probable, and proven-plus-probable-plus possible reserves, as of 31 December, 2005, of GeoPark's interest in the properties in Chile and Argentina, are summarized as follows, expressed in thousands of U.S. dollars (M U.S.$):

Revenue Summary – Base Case

Country Classification	*Future Net Revenue (M U.S.$)*	*Net Present Value at 10-Per cent. (M U.S.$)*
Chile		
Proven	77,029	54,150
Proven plus Probable	174,633	114,179
Proven plus Probable plus Possible	344,148	200,574
Argentina		
Proven	4,521	2,824
Proven plus Probable	53,500	37,489
Proven plus Probable plus Possible	116,120	72,977
Total		
Proven	81,550	56,974
Proven plus Probable	228,133	151,668
Proven plus Probable plus Possible	460,268	273,551

Note: Values for probable and possible reserves have not been adjusted for risk.

Gas volumes estimated herein are expressed at a temperature base of 59 °F and a pressure base of 14.696 psia for the Argentinean properties and at a temperature base of zero ºC and a pressure base of 1 kg/cm^2 for the Chilean properties.

Resources

GeoPark has represented that it owns interests in contingent and prospective resources in certain prospects located in the Fell Block in Chile and the Del Mosquito Block in Argentina.

Contingent Resources

Should these accumulations result in commercial development, estimates of the Fell Block gross and net contingent resources, as of 31 December, 2005, are summarized as follows, expressed in thousands of barrels (Mbbl) of oil and millions of cubic feet (MMcf) of gas:

Contingent Resources Summary

	Low Estimate	*Median Estimate*	*Best Estimate*	*High Estimate*
Gross Contingent Oil Resources, Mbbl	1,335.6	2,242.0	2,444.6	3,788.3
Net Contingent Oil Resources, Mbbl	1,202.0	2,017.8	2,200.2	3,409.5
Gross Contingent Gas Resources, MMcf	142,097.7	240,675.7	275,207.7	459,780.4
Net Contingent Gas Resources, MMcf	127,887.9	216,608.1	247,687.0	413,802.4

Notes:

1. Low, median, best, and high estimates follow the SPE/WPC/AAPG guidelines for contingent resources.
2. Low, median, best, and high estimates in this table are P_{90}, P_{50}, EV, and P_{10}, respectively.
3. Only EVs can be arithmetically summed; P_{90}, P_{50}, and P_{10} can not be arithmetically summed.
4. P_g is defined as the probability of discovering reservoirs that flow petroleum at a measurable rate.
5. Recovery factor is applied to contingent resources in this table.
6. P_g is unity for contingent resources.
7. Application of P_g does not equate contingent resources to reserves.

Prospective Resources

Should these mature prospects evaluated in this report result in successful discoveries and development, estimates of the gross and net prospective oil and gas resources of the Fell and Del Mosquito Blocks, as of 31 December, 2005, are summarized as follows, expressed in thousands of barrels (Mbbl) of oil and millions of cubic feet (MMcf) of gas:

Prospective Resources Summary

	Low Estimate	*Median Estimate*	*Best Estimate*	*High Estimate*
Gross Prospective Oil Resources, Mbbl	13,726.2	19,300.5	20,002.6	26,926.8
Net Prospective Oil Resources, Mbbl	13,288.9	18,625.5	19,283.8	25,902.1
Gross Prospective Gas Resources, Mbbl	79,772.1	110,240.3	115,100.8	156,206.5
Net Prospective Gas Resources, Mbbl	71,794.9	99,216.3	103,590.7	140,585.9

Notes:

1. Low, median, best, and high estimates follow the SPE/WPC/AAPG guidelines for prospective resources.
2. Low, median, best, and high estimates in this table are P_{90}, P_{50}, EV, and P_{10}, respectively.
3. Only EVs can be arithmetically summed; P_{90}, P_{50}, and P_{10} cannot be arithmetically summed.
4. P_g is defined as the probability of discovering reservoirs that flow petroleum at a measurable rate.
5. P_g has not been applied to the quantities in this table.
6. Application of P_g does not equate prospective resources to contingent resources or reserves.
7. Recovery efficiency is applied to prospective resources in this table.

Should these mature prospects evaluated herein result in successful discoveries and development, estimates of the gross and net P_g-adjusted best estimate prospective oil and gas resources, as of 31 December, 2005, are summarized in the table that follows, expressed in thousands of barrels (Mbbl) and millions of cubic feet (MMcf).

P_g-Adjusted Best Estimate Prospective Oil Resources

	Gross (Mbbl)	*Net (Mbbl)*
Prospective Oil Resources, Mbbl	3,082.9	2,927.0

P_g-Adjusted Best Estimate Prospective Gas Resources

	Gross (Mbbl)	*Net (Mbbl)*
Prospective Gas Resources, MMcf	57,550.4	51,795.5

Tables 39 and 41 present summaries of estimated net oil and gas prospective resources, respectively, by block and prospect.

Reserves and Resources (Projected 100-Per cent. Fell Block Case)

GeoPark has represented that it has reached agreement to acquire an additional 10 per cent. interest in the Fell Block in Chile, which would bring its total interest to 100 per cent. This agreement is subject to the approval of the Ministry of Mining in Chile, which has not yet been granted as of the date of this report. GeoPark has requested DeGolyer and MacNaughton to provide a summary of estimated reserves and resources attributable to GeoPark following receipt of final approval for the acquisition from the Chilean Government.

The estimated proven, probable, and possible oil, condensate, and gas reserves and the estimated future net revenue and net present value at a 10 per cent. discount rate under the price and cost assumptions of the Base Case evaluated herein of the proven, proven-plus-probable, and proven-plus-probable-plus-possible reserves, following the approval of the additional 10 per cent. interest in the Fell Block as of 31 December, 2005, of the properties evaluated herein are summarized in Tables 43 and 44, respectively, expressed in thousands of barrels (Mbbl) or millions of cubic feet (MMcf) and thousands of U.S. dollars (M U.S.$).

Similarly, the interests in the resources owned by GeoPark in the Fell Block are to be increased by 10 per cent. following receipt of final approval for the acquisition from the Chilean Government. Should the accumulations in the Fell Block evaluated herein result in commercial development, estimates of the Fell Block net contingent resources, following the approval of the additional 10 per cent. interest in the Fell Block, as of 31 December, 2005, are summarized in Table 45. Should the mature prospects in the Fell and Del Mosquito Blocks evaluated herein result in successful discoveries and development, estimates of the net prospective oil and gas resources of the Fell and Del Mosquito Blocks, following the approval of the additional 10 per cent. interest in the Fell Block, as of 31 December, 2005, are also summarized in Table 45. Resources volumes are expressed in thousands of barrels (Mbbl) of oil and millions of cubic feet (MMcf) of gas.

Professional Qualifications

DeGolyer and MacNaughton is a Delaware corporation with offices at 5001 Spring Valley Road, Suite 800 East, Dallas, Texas 75244, U.S.A. The firm has been providing petroleum consulting services throughout the world for more than 65 years. The firm's professional engineers, geologists, geophysicists, petrophysicists, and economists are engaged in the independent appraisal of oil and gas properties, evaluation of hydrocarbon and other mineral prospects, basin evaluations, comprehensive field studies, equity studies, and studies of supply and economics related to the energy industry. Except for the provision of professional services on a fee basis, DeGolyer and MacNaughton has no commercial arrangement with any other person or company involved in the interests which are the subject of this report.

The evaluation has been supervised by Mr. R. M. Shuck. Mr. Shuck is a Senior Vice President with DeGolyer and MacNaughton, a Division Manager within the company, a Registered Professional Engineer in the State of Texas, and a member of the Society of Petroleum Engineers. He has 29 years of oil and gas industry experience.

Submitted,

DeGOLYER and MacNAUGHTON

R. M. Shuck, P.E.
Senior Vice President
DeGolyer and MacNaughton

GLOSSARY of PROBABILISTIC TERMS

Accumulation – The term accumulation is used to identify an individual body of moveable petroleum. A known accumulation (one determined to contain reserves or contingent resources) must have been penetrated by a well. The well must have clearly demonstrated the existence of moveable petroleum by flow to the surface or at least some recovery of a sample of petroleum though the well. However, log and/or core data from the well may establish an accumulation, provided there is a good analogy to a nearby and geologically comparable known accumulation.

Contingent Resources – Those quantities of petroleum that are estimated, on a given date, to be potentially recoverable from known (drilled) or discovered accumulations, but which are not currently considered to be commercially recoverable or for which the degree of commitment is not such that the accumulation is expected to be developed and placed on production within a reasonable time frame. Contingent resources include accumulations for which there is currently no viable market, or where commercial recovery is dependent on the development of new technology, or where evaluation of the accumulation is still at an early stage.

Expected Value (EV) – The expected value is the probability-weighted average of the parameter being estimated, where probability values from the probability distribution are used as the weighting factors. Parameter values (abscissa) and probabilities (ordinate) are the Cartesian pairs (e.g., gross recoverable volumes and P_{90}), which define the probability distribution. These parameters are probability-weighted and summed to yield the resulting expected value. The equation for computing the expected value is as follows:

$$EV = \sum_{i=1}^{n} (P_i)\,(V_i)$$

where: P = probability from probability distribution, ordinate
V = parameter value, abscissa
i = a specific value in an ordered sequence of values
n = the total number of samples

The expected value is the algebraic sum of all of the products obtained by multiplying the parameter quantity and its associated probability of occurrence. The expected value is sometimes called the mean or the statistical mean. In a probabilistic analysis, the expected value is the only quantity that can be treated arithmetically (by addition, subtraction, multiplication, or division). All other quantities, such as median (P_{50}), mode, P_{90}, and P_{10}, require probabilistic techniques for scaling or aggregation.

The expected value is the preferred quantity to use for the best estimate in probabilistic estimates of prospective resources. The P_{90} and P_{10} quantity is often used for the low and high estimates, respectively, of prospective resources. Aggregation or scaling of P_{90}, P_{50}, and P_{10} quantities should be done probabilistically, not arithmetically.

Geometric Correction Factor – The geometric correction factor is a geometry adjustment correction that takes into account the relationship of the potential fluid contact to the geometry of the reservoir and trap. Input parameters used to estimate the geometric correction factor include trap shape, length-to-width ratio, potential reservoir thickness, and the height of the potential trapping closure (potential hydrocarbon column height).

Immature Prospect – An immature prospect is less well defined and requires additional data and/or evaluation to be classified as a mature prospect. An example would be a poorly defined closure mapped using sparse regional seismic data in a basin containing favorable source and reservoir(s). An immature prospect may or may not be elevated to mature prospect status depending on the results of additional technical work. An immature prospect must have a P_g equal to or less than 0.05 to reflect the inherent technical uncertainty.

Mature Prospect – A mature prospect is a potential accumulation that is sufficiently well defined to be a viable drilling target. For a mature prospect, sufficient data and analyses exist to identify and quantify

the technical uncertainties, determine reasonable ranges of geologic chance factors, engineering and petrophysical parameters, and estimate prospective resources.

Median – Median is the P_{50} quantity, where the P_{50} means there is a 50 per cent. chance that a given variable (such as prospective resources, porosity, or water saturation) is equaled or exceeded. The median of a data set is a number such that half the measurements are below the median and half are above.

The median is an acceptable, but not preferred, quantity to use for the best estimate in probabilistic estimations of prospective resources. Aggregation or scaling of P_{50} quantities should be done probabilistically, not arithmetically.

Migration Chance Factor ($P_{migration}$) – Migration chance factor is defined as the probability that a trap either predates or is coincident with petroleum migration and that there exists vertical and/or lateral migration pathways linking the source to the trap.

Mode (MO) – The mode is the quantity that occurs with the greatest frequency in the data set and therefore is the quantity that has the greatest probability of occurrence. However, the mode may not be uniquely defined, as is the case in multimodal distributions.

The mode is an acceptable, but not preferred, quantity to use for the best estimate in probabilistic estimations of prospective resources.

P_n Nomenclature – This report uses the convention of denoting probability with a subscript representing the greater than cumulative probability distribution. As such, the notation P_n indicates the probability that there is an *n* per cent. chance that a specific input or output quantity will be equaled or exceeded. For example, P_{90} means there is a 90 per cent. chance that a variable (such as prospective resources, porosity, or water saturation) is equaled or exceeded.

Potential Present Worth (PPW) – Potential present worth is defined as potential future net revenue discounted at 10 per cent. compounded monthly over the expected period of realization. The estimation is probabilistically modeled using distributions (except NRI, a constant) in the following equation:

$$PPW_{10} = \left[\left(P_E \cdot EV_T \cdot NRI \cdot \frac{PW}{BO}\right) - P_F \cdot CWCE \cdot NRI\right] - (P_F \cdot DHC \cdot NRI)$$

where:
- PPW_{10} = potential present worth at 10 per cent.
- P_E = probability of economic success
- EV_T = truncated expected value
- NRI = net revenue interest
- PW/BO = present worth at 10 per cent. per barrel of oil
- CWCE = completed well cost estimate
- P_F = probability of economic failure
- DHC = dry hole cost estimate

Predictability versus Portfolio Size (PPS) – The number of prospects in a prospect portfolio influences the reliability of the forecast of drilling results. The relationship between predictability versus portfolio size is also known in the petroleum industry literature as "Gambler's Ruin." The relationship of probability to portfolio size is described by the binomial probability equation given as follows:

where:
- P_x^n = the probability of x successes in n trials
- C_x^n = the number of mutually exclusive ways that x successes can be arranged in n trials
- p = the probability of success for a given trial (for petroleum exploration, this is P_g)
- x = the number of successes (e.g., the number of discoveries)
- n = the number of trials (e.g., the number of wells to be drilled)

Note: For the case of *n* successive dry holes, C_x^n and p each equals 1, so the probability of failure is the quantity (1 – p) raised to the number of trials.

Probability of Economic Success (P_e) – The probability of economic success is defined as the probability that a given discovery will be economically viable. It takes into account P_g, P_{TEFS}, TEFS, capital costs, operating expenses, the proposed development plan, the economic model (discounted cash flow analyses), and other business and economic factors. P_e is calculated as follows:

$$P_e = P_G \times P_{TEFS}$$

Probability of Geologic Success (P_g) – The probability of geologic success is defined as the probability of discovering reservoirs that flow petroleum at a measurable rate. P_g is estimated by quantifying with a probability each of the following individual geologic chance factors: trap, source, reservoir, and migration. The product of the probabilities of these four chance factors is P_g.

Probability of TEFS (P_{TEFS}) – The probability of threshold economic field size is defined as the probability of discovering an accumulation that is large enough to be economically viable. P_{TEFS} is estimated by using the prospective resources recoverable volumes distribution in conjunction with the TEFS. The probability associated with the TEFS can be determined graphically from the prospective gross recoverable volumes distribution.

Prospective Resources – Those quantities of petroleum that are estimated, on a given date, to be potentially recoverable from undiscovered (undrilled) accumulations.

Reservoir Chance Factor ($P_{reservoir}$) – The reservoir chance factor is defined as the probability associated with the presence of porous and permeable reservoir quality rock.

Source Chance Factor (P_{source}) – The source chance factor is defined as the probability associated with the presence of a hydrocarbon source rock rich enough, of sufficient volume, and in the proper spatial position to charge the prospective area or areas.

Standard Deviation (SD) – Standard deviation is a measure of distribution spread. It is the positive square root of the variance. The variance is the summation of the squared distance from the mean of all possible values. Since the units of standard deviation are the same as those of the sample set, it is the most practical measure of population spread.

$$\sigma = \sqrt{\sigma^2} = \sqrt{\frac{\sum_{i=1}^{n}(x_i - \mu)^2}{n-1}}$$

where:
- s = standard deviation
- s2 = variance
- n = sample size
- xi = value in data set
- m = sample set mean

Threshold Economic Field Size – The threshold economic field size (TEFS) is the minimum amount of producible petroleum required to recover the total capital expenditure used to establish the prospect as having a positive potential present worth at 10 per cent. Exploration costs and investments used to estimate TEFS include expenditures required to establish and prove profitable production and to conduct delineation or confirmation drilling. All geologic, geophysical, lease and/or contract-area acquisition costs and other anticipated field delineation costs are included in the estimation of TEFS as well. The present worth per resources volume methodology is a standard industry practice used to estimate resources value. This methodology is directly formulated from the discounted cash flow analysis, which is fundamental to the potential present worth estimation. Accordingly, where the potential present worth per barrel methodology is being employed to estimate TEFS, no additional provision should be made for full-field development costs.

$$TEFS = \frac{Geology + Geophysics + Drilling + Land + Transportation + Overhead}{Potential\ Present\ Worth\ per\ Barrel}$$

Trap Chance Factor (P_{trap}) – The trap chance factor is defined as the probability associated with the presence of a structural closure and/or a stratigraphic trapping configuration with competent vertical and lateral seals, and the lack of any post migration seal integrity events or breaches.

Truncated Best Estimate – The truncated best estimate is the resulting expected value calculated from the truncation of the resources distribution by the threshold economic field size. This truncated distribution produces a new set of statistical metrics, including the truncated expected value.

Variance (σ^2) – The variance is a measure of how much the distribution is spread from the mean. The variance sums up the squared distance from the mean of all possible values of x. The variance has units that are the squared units of x. The use of these units limits the intuitive value of variance.

$$\sigma = \sqrt{\frac{\sum_{i=1}^{n}(x_i - \mu)^2}{n - 1}}$$

where: $\sigma 2$ = variance
n = sample size
xi = value in data set
m = sample set mean

TABLE 1

SUMMARY of GROSS RESERVES
as of
31 DECEMBER, 2005
for
CERTAIN BLOCKS
in
ARGENTINA AND CHILE
with interests owned by
GEOPARK HOLDINGS LIMITED

Standard Conditions

Chile		
Pressure	1	kg/cm^2
Temperature	0	°C
Argentina		
Pressure	14.696	psia
Temperature	59	°F

	Proven		*Probable*		*Possible*	
Country Block	*Oil and Condensate (Mbbl)*	*Separator Gas (MMcf)*	*Oil and Condensate (Mbbl)*	*Separator Gas (MMcf)*	*Oil and Condensate (Mbbl)*	*Separator Gas (MMcf)*
Chile						
Fell	2,673	47,350	2,487	63,634	4,090	105,555
Argentina						
Del Mosquito	1,030	1,688	3,678	2,044	4,983	364
Cerro Doña Juana	27	0	105	0	830	0
Loma Cortaderal	18	0	146	0	273	0
Total Argentina	1,075	1,688	3,929	2,044	6,086	364
Grand Total	3,748	49,038	6,416	65,678	10,176	105,919

Note: Probable and possible reserves have not been adjusted for risk.

TABLE 2

SUMMARY of GROSS RESERVES
as of
31 DECEMBER, 2005
for
CERTAIN FIELDS
in the
FELL BLOCK
in the
MAGALLANES REGION, CHILE
with interest owned by
GEOPARK HOLDINGS LIMITED

Gas volumes are measured in millions of cubic feet at a pressure base of 1 Kg/cm² psia and a temperature base of 0 ºC

	Gross Ultimate Recovery		*Cumulative Production*		*Proven*		*Probable*		*Possible*	
Field	*Oil and Condensate (Mbbl)*	*Separator Gas (MMcf)*	*Oil and Condensate (Mbbl)*	*Separator Gas (MMcf)*	*Oil and Condensate (Mbbl)*	*Separator Gas (MMcf)*	*Oil and Condensate (Mbbl)*	*Separator Gas (MMcf)*	*Oil and Condensate (Mbbl)*	*Separator Gas (MMcf)*
Dicky	740	8,338	527	8,055	213	283	0	0	254	18,999
Dicky Oeste	17	2,040	0	27	17	2,013	23	2,649	15	1,766
Faro	11	1,160	2	136	9	1,024	33	3,284	25	2,401
Kimiri Aike	282	21,385	233	17,253	49	4,132	25	2,825	90	10,135
Kimiri Aike Norte	184	10,104	76	993	108	9,111	26	2,896	0	0
Mogote	1	11	1	11	0	0	0	0	275	7,028
Molino	18	7,035	13	3,963	5	3,072	6	3,637	8	2,119
Monte Aymond	1,526	16,398	672	13,679	854	2,719	550	4,450	720	10,135
Monte Aymond Oeste	0	0	0	0	0	0	50	177	0	0
Municion Oeste	6	12	6	12	0	0	0	0	554	2,154
Murtilla-Dorado Norte	0	39	0	39	0	0	132	6,957	663	34,997
Nika	52	5,570	11	979	41	4,591	0	0	0	0
Nika Oeste	40	6	4	6	36	0	0	0	0	0
Nika Sur	2	3	2	3	0	0	0	0	0	0
Ovejero	29	3,132	2	130	27	3,002	35	3,920	13	1,448
Pampa Larga	1,461	45,679	271	35,120	1,190	10,559	1,415	11,972	1,398	6,357
Punta Delgada Oeste	32	2,301	24	1,595	8	706	46	3,991	16	1,589
Santiago Norte	84	8,220	29	2,082	55	6,138	146	16,876	59	6,427
Sauce	27	0	0	0	27	0	0	0	0	0
Tetera	39	72	5	72	34	0	0	0	0	0
Total	4,551	131,505	1,878	84,155	2,673	47,350	2,487	63,634	4,090	105,555

Note: Probable and possible reserves have not been adjusted for risk.

TABLE 3

SUMMARY of GROSS RESERVES
as of
31 DECEMBER, 2005
for
CERTAIN FIELDS
in the
DEL MOSQUITO BLOCK
in
SANTA CRUZ, ARGENTINA
with interest owned by

GEOPARK HOLDINGS LIMITED

	Gross Ultimate Recovery		*Cumulative Production*		*Proven*		*Probable*		*Possible*	
		Separator		*Separator*		*Separator*		*Separator*		*Separator*
Field	*Oil (Mbbl)*	*Gas (MMcf)*	*Oil (Mbbl)*	*Gas (MMcf)*	*Oil (Mbbl)*	*Gas (MMcf)*	*Oil (Mbbl)*	*Gas (MMcf)*	*Oil (Mbbl)*	*Gas (MMcf)*
Del Mosquito	2,731	14,303	2,387	12,615	344	1,688	1,143	2,044	1,550	364
Del Mosquito West Flank and DM a-33	56	0	1	0	55	0	1,737	0	1,616	0
Del Mosquito Norte	717	0	86	0	631	0	798	0	1,817	0
Total	3,504	14,303	2,474	12,615	1,030	1,688	3,678	2,044	4,983	364

Note: Probable and possible reserves have not been adjusted for risk.

TABLE 4

SUMMARY OF GROSS OIL RESERVES
as of
31 DECEMBER, 2005
for
CERRO DOÑA JUANA and LOMA CORTADERAL FIELDS
in
MENDOZA, ARGENTINA
with interest owned by
GEOPARK HOLDINGS LIMITED

Field	*Gross Ultimate Recovery (Mbbl)*	*Cumulative Production (Mbbl)*	*Proven (Mbbl)*	*Probable (Mbbl)*	*Possible (Mbbl)*
Cerro Doña Juana	37	10	27	105	830
Loma Cortaderal	109	91	18	146	273
Total	146	101	45	251	1,103

Note: Probable and possible reserves have not been adjusted for risk.

TABLE 5

GROSS PRODUCTION FORECAST
as of
31 DECEMBER, 2005
for the
FELL BLOCK
in the
MAGALLANES REGION, CHILE
with interest owned by
GEOPARK HOLDINGS LIMITED

Gas volumes are measured in millions of cubic feet at a pressure base of 1 Kg/cm2 and a temperature base of 0 ºC

	Proven		*Proven plus Probable*		*Proven plus Probable plus Possible*	
Year	*Oil and Condensate (Mbbl)*	*Separator Gas (MMcf)*	*Oil and Condensate (Mbbl)*	*Separator Gas (MMcf)*	*Oil and Condensate (Mbbl)*	*Separator Gas (MMcf)*
2006	220	3,796	220	3,796	220	3,796
2007	762	9,026	824	11,877	851	12,335
2008	572	8,829	1,266	20,214	1,418	22,538
2009	373	7,155	1,017	19,377	1,762	23,682
2010	247	5,117	662	15,514	1,521	27,224
2011	168	3,789	428	11,548	1,153	31,780
2012	114	2,906	279	8,730	770	24,929
2013	79	2,084	183	6,406	525	19,088
2014	55	1,416	122	4,503	363	14,493
2015	33	1,067	73	3,108	244	10,752
2016	20	872	33	2,214	157	8,165
2017	12	562	18	1,303	107	5,908
2018	10	413	14	950	72	4,542
2019	8	318	12	745	45	3,210
2020	0	0	7	547	20	1,699
2021	0	0	2	152	8	770
2022	0	0	0	0	4	463
2023	0	0	0	0	4	399
2024	0	0	0	0	3	346
2025	0	0	0	0	2	286
2026	0	0	0	0	1	134
Total	2,673	47,350	5,160	110,984	9,250	216,539

Note: Probable and possible reserves have not been adjusted for risk.

TABLE 6

GROSS PRODUCTION FORECAST
as of
31 DECEMBER 2005
for the
DEL MOSQUITO BLOCK
in the
SANTA CRUZ, ARGENTINA
with interest owned by
GEOPARK HOLDINGS LIMITED

Gas volumes are measured in millions of cubic feet at a pressure base of 14.696 psia and a temperature base of 59 ºF

	Proven		*Proven plus Probable*		*Proven plus Probable plus Possible*	
Year	*Oil and Condensate (Mbbl)*	*Separator Gas (MMcf)*	*Oil and Condensate (Mbbl)*	*Separator Gas (MMcf)*	*Oil and Condensate (Mbbl)*	*Separator Gas (MMcf)*
2006	224	0	439	0	439	0
2007	221	0	1,060	0	1,210	0
2008	169	374	895	374	1,723	374
2009	129	330	652	578	1,760	578
2010	100	292	477	512	1,281	512
2011	78	259	350	453	935	453
2012	61	230	259	402	686	402
2013	48	203	192	355	502	355
2014	0	0	142	314	369	314
2015	0	0	106	279	273	279
2016	0	0	80	247	203	247
2017	0	0	56	218	147	218
2018	0	0	0	0	97	193
2019	0	0	0	0	66	171
Total	1,030	1,688	4,708	3,732	9,691	4,096

Note: Probable and possible reserves have not been adjusted for risk.

TABLE 7

GROSS PRODUCTION FORECAST
as of
31 DECEMBER 2005
for the
CERRO DOÑA JUANA and LOMA CORTADERAL BLOCKS
in the
NEUQUÉN BASIN, ARGENTINA
with interest owned by
GEOPARK HOLDINGS LIMITED

	Cerro Doña Juana			*Loma Cortaderal*			*Total*		
Year	*Proven (Mbbl)*	*Proven plus Probable (Mbbl)*	*Proven plus Probable plus Possible (Mbbl)*	*Proven (Mbbl)*	*Proven plus Probable (Mbbl)*	*Proven plus Probable plus Possible (Mbbl)*	*Proven (Mbbl)*	*Proven plus Probable (Mbbl)*	*Proven plus Probable plus Possible (Mbbl)*
2006	22	39	50	12	42	104	34	81	157
2007	5	29	259	6	29	76	11	58	338
2008	0	21	223	0	22	57	0	43	280
2009	0	14	149	0	17	45	0	31	194
2010	0	10	100	0	14	38	0	24	138
2011	0	7	67	0	12	32	0	19	99
2012	0	5	45	0	11	28	0	16	73
2013	0	4	30	0	9	24	0	13	54
2014	0	3	20	0	8	20	0	11	40
2015	0	0	12	0	0	11	0	0	23
2016	0	0	7	0	0	2	0	0	9
Total	27	132	962	18	164	437	45	296	1,405

Note: Probable and possible reserves have not been adjusted for risk.

TABLE 8

FUTURE NET REVENUE from the PROVEN RESERVES
as of
31 DECEMBER 2005
attributable to
GEOPARK
in the
FELL BLOCK
REPUBLIC OF CHILE
(All Monetary Values expressed in M U.S.$)
BASE PRICE CASE

Year	*Net Oil and Condensate Production (Mbbl)*	*Net Gas Sales (MMcf)*	*Product Revenue*	*Future Gross Revenue*	*Royalties*	*Operating Expense*	*Capital Expense*	*Production Taxes*	*Corporation Tax*	*Future Net Revenue*	*Present Worth at 10 per cent.*
2006	198	3,417	17,710	17,710	1,268	2,207	13,320	0	2,303	(1,388)	(1,316)
2007	686	8,124	56,438	56,438	4,124	5,299	17,955	0	9,297	19,763	16,957
2008	515	7,946	45,438	45,438	2,926	4,704	6,210	0	12,200	19,398	15,066
2009	336	6,439	27,899	27,899	1,104	3,645	4,365	0	7,956	10,829	7,614
2010	222	4,605	19,351	19,351	755	2,678	4,122	0	4,413	7,383	4,699
2011	151	3,410	13,688	13,688	528	2,057	936	0	2,744	7,423	4,276
2012	103	2,616	9,884	9,884	375	1,643	180	0	1,801	5,885	3,069
2013	71	1,875	6,949	6,949	262	1,298	180	0	1,186	4,023	1,899
2014	49	1,274	4,759	4,759	180	1,027	90	0	758	2,704	1,156
2015	29	960	3,205	3,205	117	861	90	0	438	1,699	657
2016	18	785	2,347	2,347	83	770	0	0	215	1,279	448
2017	11	505	1,483	1,483	52	654	0	0	83	694	220
2018	9	372	1,135	1,135	40	602	0	0	14	479	137
2019	7	286	877	877	31	568	0	0	0	278	72
2020	0	0	0	0	0	0	3,420	0	0	(3,420)	(804)
Total	2,405	42,614	211,163	211,163	11,845	28,013	50,868	0	43,408	77,029	54,150

Present Worth, M U.S.$
5.0% = 64,351
15.0% = 45,938
20.0% = 39,284

Note: Capital expense includes 9 wells.

TABLE 9

FUTURE NET REVENUE from the PROVEN RESERVES
as of
31 DECEMBER 2005
attributable to
GEOPARK
in the
FELL BLOCK
REPUBLIC OF CHILE
(All Monetary Values expressed in M U.S.$)
HIGH PRICE CASE

Year	*Net Oil and Condensate Production (Mbbl)*	*Net Gas Sales (MMcf)*	*Product Revenue*	*Future Gross Revenue*	*Royalties*	*Operating Expense*	*Capital Expense*	*Production Taxes*	*Corporation Tax*	*Future Net Revenue*	*Present Worth at 10 per cent.*
2006	198	3,417	19,418	19,418	1,368	2,207	13,320	0	2,585	(62)	(59)
2007	686	8,124	60,662	60,662	4,369	5,299	17,955	0	10,282	22,757	19,526
2008	515	7,946	49,649	49,649	2,864	4,704	6,210	0	13,659	22,212	17,252
2009	336	6,439	34,801	34,801	1,364	3,645	4,365	0	9,882	15,545	10,929
2010	222	4,605	24,242	24,242	936	2,678	4,122	0	6,417	10,089	6,421
2011	151	3,410	17,176	17,176	656	2,057	936	0	4,173	9,354	5,389
2012	103	2,616	12,431	12,431	468	1,643	180	0	2,832	7,308	3,811
2013	71	1,875	8,747	8,747	327	1,298	180	0	1,929	5,013	2,367
2014	49	1,274	5,988	5,988	224	1,027	90	0	1,276	3,371	1,441
2015	29	960	4,052	4,052	147	861	90	0	794	2,160	836
2016	18	785	2,982	2,982	104	770	0	0	470	1,638	574
2017	11	505	1,886	1,886	65	654	0	0	262	905	287
2018	9	372	1,441	1,441	51	602	0	0	131	657	189
2019	7	286	1,112	1,112	39	568	0	0	66	439	114
2020	4	184	687	687	24	525	0	0	18	120	28
2021	1	76	247	247	8	210	0	0	0	29	6
2022	0	0	0	0	0	0	3,420	0	0	(3,420)	(659)
Total	2,410	42,874	245,521	245,521	13,014	28,748	50,868	0	54,776	98,115	68,452

Present Worth, M U.S.$
5.0% = 81,633
15.0% = 57,914
20.0% = 49,440

Note: Capital expense includes 9 wells.

TABLE 10

FUTURE NET REVENUE from the PROVEN RESERVES
as of
31 DECEMBER 2005
attributable to
GEOPARK
in the
FELL BLOCK
REPUBLIC OF CHILE
(All Monetary Values expressed in M U.S.$)
LOW PRICE CASE

Year	*Net Oil and Condensate Production (Mbbl)*	*Net Gas Sales (MMcf)*	*Product Revenue*	*Future Gross Revenue*	*Royalties*	*Operating Expense*	*Capital Expense*	*Production Taxes*	*Corporation Tax*	*Future Net Revenue*	*Present Worth at 10 per cent.*
2006	198	3,417	17,368	17,368	1,249	2,207	13,320	0	2,247	(1,655)	(1,569)
2007	686	8,124	55,057	55,057	4,044	5,299	17,955	0	9,013	18,746	16,085
2008	515	7,946	42,498	42,498	2,895	4,704	6,210	0	11,464	17,225	13,379
2009	336	6,439	21,126	21,126	847	3,645	4,365	0	6,306	5,963	4,192
2010	222	4,605	14,414	14,414	573	2,678	4,122	0	2,441	4,600	2,928
2011	151	3,410	10,165	10,165	399	2,057	936	0	1,318	5,455	3,143
2012	103	2,616	7,310	7,310	283	1,643	180	0	773	4,431	2,311
2013	71	1,875	5,133	5,133	198	1,298	180	0	445	3,012	1,422
2014	49	1,274	3,517	3,517	136	1,027	90	0	242	2,022	864
2015	29	960	2,349	2,349	87	861	90	0	84	1,227	475
2016	18	785	1,704	1,704	62	770	0	0	1	871	305
2017	11	505	1,075	1,075	39	654	0	0	0	382	121
2018	9	372	825	825	29	602	0	0	0	194	56
2019	7	286	638	638	23	568	0	0	0	47	12
2020	0	0	0	0	0	0	3,420	0	0	(3,420)	(804)
Total	2,405	42,614	183,179	183,179	10,864	28,013	50,868	0	34,334	59,100	42,920

Present Worth, M U.S.$
5.0% = 50,276
15.0% = 36,845
20.0% = 31,833

Note: Capital expense includes 9 wells.

TABLE 11

FUTURE NET REVENUE from the PROVEN-PLUS-PROBABLE RESERVES
as of
31 DECEMBER 2005
attributable to
GEOPARK
in the
FELL BLOCK
REPUBLIC OF CHILE
(All Monetary Values expressed in M U.S.$)
BASE PRICE CASE

Year	*Net Oil and Condensate Production (Mbbl)*	*Net Gas Sales (MMcf)*	*Product Revenue*	*Future Gross Revenue*	*Royalties*	*Operating Expense*	*Capital Expense*	*Production Taxes*	*Corporation Tax*	*Future Net Revenue*	*Present Worth at 10 per cent.*
2006	198	3,417	17,710	17,710	1,268	2,207	13,509	0	2,406	(1,680)	(1,592)
2007	741	10,689	64,235	64,235	4,644	6,326	23,517	0	10,942	18,806	16,136
2008	1,139	18,193	101,589	101,589	5,024	10,067	23,139	0	21,435	41,924	32,562
2009	915	17,439	75,797	75,797	3,000	9,120	17,919	0	21,126	24,632	17,318
2010	596	13,962	54,973	54,973	2,111	6,964	4,122	0	13,817	27,959	17,794
2011	385	10,393	38,108	38,108	1,436	5,116	936	0	9,296	21,324	12,285
2012	251	7,857	26,887	26,887	993	3,852	180	0	6,213	15,649	8,161
2013	165	5,765	18,810	18,810	685	2,887	180	0	4,190	10,868	5,130
2014	110	4,052	12,935	12,935	468	2,143	90	0	2,798	7,436	3,178
2015	66	2,797	8,451	8,451	300	1,588	90	0	1,790	4,683	1,812
2016	30	1,993	5,205	5,205	175	1,207	0	0	1,021	2,802	981
2017	16	1,173	2,984	2,984	99	893	0	0	506	1,486	471
2018	13	855	2,239	2,239	75	775	0	0	264	1,125	323
2019	11	671	1,795	1,795	61	710	0	0	174	850	221
2020	6	493	1,219	1,219	40	633	0	0	88	458	108
2021	2	137	354	354	12	233	0	0	18	91	19
2022	0	0	0	0	0	0	3,780	0	0	(3,780)	(728)
Total	4,644	99,886	433,291	433,291	20,391	54,721	87,462	0	96,084	174,633	114,179

Present Worth, M U.S.$
5.0% = 140,477
15.0% = 93,771
20.0% = 77,773

Note: Capital expense includes 30 wells.

TABLE 12

FUTURE NET REVENUE from the PROVEN-PLUS-PROBABLE RESERVES
as of
31 DECEMBER 2005
attributable to
GEOPARK
in the
FELL BLOCK
REPUBLIC OF CHILE
(All Monetary Values expressed in M U.S.$)
HIGH PRICE CASE

Year	*Net Oil and Condensate Production (Mbbl)*	*Net Gas Sales (MMcf)*	*Product Revenue*	*Future Gross Revenue*	*Royalties*	*Operating Expense*	*Capital Expense*	*Production Taxes*	*Corporation Tax*	*Future Net Revenue*	*Present Worth at 10 per cent.*
2006	198	3,417	19,418	19,418	1,368	2,207	13,509	0	2,688	(354)	(336)
2007	741	10,689	69,793	69,793	4,967	6,326	23,517	0	12,139	22,844	19,601
2008	1,139	18,193	111,231	111,231	5,075	10,067	23,139	0	24,030	48,920	37,996
2009	915	17,439	94,539	94,539	3,708	9,120	17,919	0	25,961	37,831	26,598
2010	596	13,962	69,031	69,031	2,624	6,964	4,122	0	19,344	35,977	22,897
2011	385	10,393	47,986	47,986	1,790	5,116	936	0	13,333	26,811	15,446
2012	251	7,857	33,954	33,954	1,242	3,852	180	0	9,073	19,607	10,225
2013	165	5,765	23,804	23,804	858	2,887	180	0	6,227	13,652	6,445
2014	110	4,052	16,385	16,385	586	2,143	90	0	4,225	9,341	3,992
2015	66	2,797	10,733	10,733	377	1,588	90	0	2,759	5,919	2,290
2016	30	1,993	6,661	6,661	222	1,207	0	0	1,653	3,579	1,253
2017	16	1,173	3,824	3,824	126	893	0	0	895	1,910	605
2018	13	855	2,865	2,865	95	775	0	0	512	1,483	426
2019	11	671	2,294	2,294	77	710	0	0	365	1,142	297
2020	6	493	1,565	1,565	51	633	0	0	231	650	153
2021	2	137	454	454	15	233	0	0	90	116	25
2022	0	0	0	0	0	0	3,780	0	14	(3,794)	(731)
Total	4,644	99,886	514,537	514,537	23,181	54,721	87,462	0	123,539	225,634	147,182

Present Worth, M U.S.$
5.0% = 181,202
15.0% = 120,862
20.0% = 100,265

Note: Capital expense includes 30 wells.

TABLE 13

FUTURE NET REVENUE from the PROVEN-PLUS-PROBABLE RESERVES
as of
31 DECEMBER 2005
attributable to
GEOPARK
in the
FELL BLOCK
REPUBLIC OF CHILE
(All Monetary Values expressed in M U.S.$)
LOW PRICE CASE

Year	*Net Oil and Condensate Production (Mbbl)*	*Net Gas Sales (MMcf)*	*Product Revenue*	*Future Gross Revenue*	*Royalties*	*Operating Expense*	*Capital Expense*	*Production Taxes*	*Corporation Tax*	*Future Net Revenue*	*Present Worth at 10 per cent.*
2006	198	3,417	17,368	17,368	1,249	2,207	13,509	0	2,350	(1,947)	(1,846)
2007	741	10,689	62,418	62,418	4,540	6,326	23,517	0	10,585	17,450	14,973
2008	1,139	18,193	94,858	94,858	4,900	10,067	23,139	0	19,979	36,773	28,562
2009	915	17,439	57,404	57,404	2,302	9,120	17,919	0	16,874	11,189	7,867
2010	596	13,962	40,775	40,775	1,595	6,964	4,122	0	8,327	19,767	12,580
2011	385	10,393	28,126	28,126	1,080	5,116	936	0	5,217	15,777	9,089
2012	251	7,857	19,742	19,742	743	3,852	180	0	3,322	11,645	6,073
2013	165	5,765	13,758	13,758	511	2,887	180	0	2,130	8,050	3,800
2014	110	4,052	9,444	9,444	348	2,143	90	0	1,355	5,508	2,354
2015	66	2,797	6,141	6,141	222	1,588	90	0	809	3,432	1,328
2016	30	1,993	3,730	3,730	128	1,207	0	0	380	2,015	706
2017	16	1,173	2,132	2,132	72	893	0	0	112	1,055	334
2018	13	855	1,605	1,605	54	775	0	0	15	761	218
2019	11	671	1,290	1,290	44	710	0	0	0	536	139
2020	6	493	868	868	29	633	0	0	0	206	48
2021	2	137	254	254	8	233	0	0	0	13	3
2022	0	0	0	0	0	0	3,780	0	0	(3,780)	(728)
Total	4,644	99,886	359,913	359,913	17,825	54,721	87,462	0	71,455	128,450	85,500

Present Worth, M U.S.$
5.0% = 104,338
15.0% = 70,738
20.0% = 59,080

Note: Capital expense includes 30 wells.

TABLE 14

FUTURE NET REVENUE from the PROVEN-PLUS-PROBABLE-POSSIBLE-RESERVES
as of
31 DECEMBER 2005
attributable to
GEOPARK
in the
FELL BLOCK
REPUBLIC OF CHILE
(All Monetary Values expressed in M U.S.$)
BASE PRICE CASE

Year	*Net Oil and Condensate Production (Mbbl)*	*Net Gas Sales (MMcf)*	*Product Revenue*	*Future Gross Revenue*	*Royalties*	*Operating Expense*	*Capital Expense*	*Production Taxes*	*Corporation Tax*	*Future Net Revenue*	*Present Worth at 10 per cent.*
2006	198	3,417	17,710	17,710	1,268	2,207	13,509	0	2,447	(1,721)	(1,631)
2007	766	11,102	66,491	66,491	4,807	6,542	25,407	0	11,655	18,080	15,513
2008	1,276	20,284	113,637	113,637	5,460	11,192	31,563	0	24,706	40,716	31,624
2009	1,585	21,314	115,021	115,021	4,741	12,500	23,049	0	30,351	44,380	31,203
2010	1,369	24,502	111,965	111,965	4,448	12,889	18,945	0	28,361	47,322	30,117
2011	1,038	28,602	103,839	103,839	3,903	13,222	7,524	0	25,090	54,100	31,167
2012	693	22,436	75,640	75,640	2,783	10,089	180	0	19,814	42,774	22,307
2013	472	17,179	55,105	55,105	1,996	7,650	180	0	14,108	31,171	14,715
2014	327	13,044	40,336	40,336	1,444	5,818	90	0	10,099	22,885	9,779
2015	220	9,678	28,842	28,842	1,019	4,364	90	0	7,178	16,191	6,263
2016	141	7,348	20,650	20,650	714	3,340	0	0	5,001	11,595	4,060
2017	97	5,317	14,702	14,702	505	2,524	0	0	3,472	8,201	2,599
2018	65	4,087	10,842	10,842	366	2,015	0	0	2,438	6,023	1,728
2019	40	2,889	7,378	7,378	245	1,539	0	0	1,663	3,931	1,021
2020	18	1,529	3,752	3,752	123	1,015	0	0	937	1,677	394
2021	7	693	1,646	1,646	53	705	0	0	365	523	111
2022	4	416	979	979	32	601	0	0	94	252	49
2023	3	359	823	823	26	580	0	0	15	202	35
2024	3	311	733	733	24	563	0	0	0	146	23
2025	2	257	582	582	19	543	0	0	0	20	3
2026	1	121	276	276	9	267	0	0	0	0	0
2027	0	0	0	0	0	0	4,320	0	0	(4,320)	(506)
Total	8,325	194,885	790,949	790,949	33,985	100,165	124,857	0	187,794	344,148	200,574

Present Worth, M U.S.$
5.0% = 260,690
15.0% = 156,715
20.0% = 124,220

Note: Capital expense includes 52 wells.

TABLE 15

FUTURE NET REVENUE from the PROVEN-PLUS-PROBABLE-PLUS-POSSIBLE-RESERVES
as of 31 DECEMBER 2005
attributable to
GEOPARK
in the FELL BLOCK
REPUBLIC OF CHILE
(All Monetary Values expressed in M U.S.$)
HIGH PRICE CASE

Year	*Net Oil and Condensate Production (Mbbl)*	*Net Gas Sales (MMcf)*	*Product Revenue*	*Future Gross Revenue*	*Royalties*	*Operating Expense*	*Capital Expense*	*Production Taxes*	*Corporation Tax*	*Future Nett Revenue*	*Present Worth at 10 per cent.*
2006	198	3,417	19,418	19,418	1,368	2,207	13,509	0	2,728	(394)	(374)
2007	766	11,102	72,264	72,264	5,142	6,542	25,407	0	12,888	22,285	19,121
2008	1,276	20,284	124,387	124,387	5,537	11,192	31,563	0	27,526	48,569	37,724
2009	1,585	21,314	142,594	142,594	5,830	12,500	23,049	0	36,854	64,361	45,251
2010	1,369	24,502	139,866	139,866	5,504	12,889	18,945	0	37,694	64,834	41,263
2011	1,038	28,602	130,808	130,808	4,866	13,222	7,524	0	34,339	70,857	40,821
2012	693	22,436	95,582	95,582	3,479	10,089	180	0	27,733	54,101	28,214
2013	472	17,179	69,789	69,789	2,501	7,650	180	0	19,957	39,501	18,647
2014	327	13,044	51,171	51,171	1,812	5,818	90	0	14,413	29,038	12,409
2015	220	9,678	36,656	36,656	1,281	4,364	90	0	10,332	20,589	7,964
2016	141	7,348	26,322	26,322	901	3,340	0	0	7,283	14,798	5,182
2017	97	5,317	18,756	18,756	638	2,524	0	0	5,118	10,476	3,321
2018	65	4,087	13,863	13,863	464	2,015	0	0	3,635	7,749	2,223
2019	40	2,889	9,454	9,454	311	1,539	0	0	2,527	5,077	1,319
2020	18	1,529	4,819	4,819	156	1,015	0	0	1,470	2,178	512
2021	7	693	2,117	2,117	67	705	0	0	626	719	153
2022	4	416	1,260	1,260	40	601	0	0	221	398	77
2023	3	359	1,061	1,061	34	580	0	0	101	346	60
2024	3	311	943	943	30	563	0	0	66	284	45
2025	2	257	752	752	23	543	0	0	32	154	22
2026	1	121	356	356	11	267	0	0	5	73	9
2027	0	0	0	0	0	0	4,320	0	1	(4,321)	(506)
Total	8,325	194,885	962,238	962,238	39,995	100,165	124,857	0	245,549	451,672	263,457

Present Worth, M U.S.$
5.0% = 342,122
15.0% = 206,092
20.0% = 163,566

Note: Capital expense includes 52 wells.

TABLE 16

FUTURE NET REVENUE from the PROVEN-PLUS-PROBABLE-PLUS-POSSIBLE-RESERVES
as of 31 DECEMBER 2005
attributable to
GEOPARK
in the FELL BLOCK
REPUBLIC OF CHILE
(All Monetary Values expressed in M U.S.$)
LOW PRICE CASE

Year	*Net Oil and Condensate Production (Mbbl)*	*Net Gas Sales (MMcf)*	*Product Revenue*	*Future Gross Revenue*	*Royalties*	*Operating Expense*	*Capital Expense*	*Production Taxes*	*Corporation Tax*	*Future Net Revenue*	*Present Worth at 10 per cent.*
2006	198	3,417	17,368	17,368	1,249	2,207	13,509	0	2,390	(1,987)	(1,883)
2007	766	11,102	64,604	64,604	4,697	6,542	25,407	0	11,285	16,673	14,306
2008	1,276	20,284	106,132	106,132	5,317	11,192	31,563	0	23,097	34,963	27,156
2009	1,585	21,314	87,875	87,875	3,664	12,500	23,049	0	24,482	24,180	17,000
2010	1,369	24,502	83,819	83,819	3,387	12,889	18,945	0	19,031	29,567	18,817
2011	1,038	28,602	76,584	76,584	2,932	13,222	7,524	0	15,713	37,193	21,427
2012	693	22,436	55,472	55,472	2,079	10,089	180	0	11,772	31,352	16,350
2013	472	17,179	40,249	40,249	1,485	7,650	180	0	8,164	22,770	10,749
2014	327	13,044	29,370	29,370	1,071	5,818	90	0	5,714	16,677	7,127
2015	220	9,678	20,932	20,932	753	4,364	90	0	3,971	11,754	4,547
2016	141	7,348	14,905	14,905	525	3,340	0	0	2,679	8,361	2,928
2017	97	5,317	10,594	10,594	370	2,524	0	0	1,796	5,904	1,871
2018	65	4,087	7,781	7,781	267	2,015	0	0	1,218	4,281	1,228
2019	40	2,889	5,274	5,274	178	1,539	0	0	784	2,773	720
2020	18	1,529	2,670	2,670	89	1,015	0	0	395	1,171	275
2021	7	693	1,167	1,167	38	705	0	0	102	322	69
2022	4	416	693	693	22	601	0	0	0	70	14
2023	0	0	0	0	0	0	4,320	0	0	(4,320)	(753)
Total	8,316	193,837	625,489	625,489	28,123	98,212	124,857	0	132,593	241,704	141,948

Present Worth, M U.S.$
5.0% = 183,713
15.0% = 111,424
20.0% = 88,765

Note: Capital expense includes 52 wells.

TABLE 17

FUTURE NET REVENUE from the PROVEN-RESERVES
as of
31 DECEMBER 2005
attributable to
GEOPARK
in the
DEL MOSQUITO BLOCK
REPUBLIC OF ARGENTINA
(All Monetary Values expressed in M U.S.$)
BASE PRICE CASE

Year	*Net Oil and Condensate Production (Mbbl)*	*Net Gas Sales (MMcf)*	*Product Revenue*	*Future Gross Revenue*	*Royalties*	*Operating Expense*	*Capital Expense*	*Production Taxes*	*Corporation Tax*	*Future Net Revenue*	*Present Worth at 10 per cent.*
2006	224	0	13,583	13,583	1,905	1,992	6,830	4,215	753	(2,112)	(2,002)
2007	221	0	13,633	13,633	1,912	1,977	3,700	4,230	1,385	429	368
2008	169	374	10,707	10,707	1,501	1,930	800	3,255	950	2,271	1,764
2009	129	330	6,580	6,580	923	1,700	650	1,979	324	1,004	706
2010	100	292	5,166	5,166	724	1,531	50	1,545	6	1,310	834
2011	78	259	4,072	4,072	571	1,399	50	1,212	0	840	484
2012	61	230	3,222	3,222	452	1,295	50	954	0	471	246
2013	48	203	2,566	2,566	360	1,214	50	756	0	186	88
2014	0	0	0	0	0	0	400	0	0	(400)	(171)
Total	1,030	1,688	59,529	59,529	8,348	13,038	12,580	18,146	3,418	3,999	2,317

Present Worth, M U.S.$
5.0% = 3,072
15.0% = 1,701
20.0% = 1,199

Note: Capital expense includes 4 wells.

TABLE 18

FUTURE NET REVENUE from the PROVEN-RESERVES
as of
31 DECEMBER 2005
attributable to
GEOPARK
in the
DEL MOSQUITO BLOCK
REPUBLIC OF ARGENTINA
(All Monetary Values expressed in M U.S.$)
HIGH PRICE CASE

Year	*Net Oil and Condensate Production (Mbbl)*	*Net Gas Sales (MMcf)*	*Product Revenue*	*Future Gross Revenue*	*Royalties*	*Operating Expense*	*Capital Expense*	*Production Taxes*	*Corporation Tax*	*Future Net Revenue*	*Present Worth at 10 per cent.*
2006	224	0	13,583	13,583	1,905	1,992	6,830	4,215	764	(2,123)	(2,012)
2007	221	0	13,633	13,633	1,912	1,977	3,700	4,230	1,413	401	344
2008	169	374	10,793	10,793	1,513	1,930	800	3,270	999	2,281	1,772
2009	129	330	7,962	7,962	1,116	1,700	650	2,395	511	1,590	1,118
2010	100	292	6,254	6,254	876	1,531	50	1,870	246	1,681	1,070
2011	78	259	4,930	4,930	691	1,399	50	1,467	110	1,213	699
2012	61	230	3,901	3,901	547	1,295	50	1,155	25	829	432
2013	48	203	3,107	3,107	436	1,214	50	915	0	492	232
2014	38	180	2,492	2,492	349	1,149	50	730	0	214	91
2015	0	0	0	0	0	0	400	0	0	(400)	(155)
Total	1,068	1,868	66,655	66,655	9,345	14,187	12,630	20,247	4,068	6,178	3,591

Present Worth, M U.S.$
5.0% = 4,734
15.0% = 2,684
20.0% = 1,960

Note: Capital expense includes 4 wells.

TABLE 19

FUTURE NET REVENUE from the PROVEN-RESERVES
as of
31 DECEMBER 2005
attributable to
GEOPARK
in the
DEL MOSQUITO BLOCK
REPUBLIC OF ARGENTINA
(All Monetary Values expressed in M U.S.$)
LOW PRICE CASE

Year	*Net Oil and Condensate Production (Mbbl)*	*Net Gas Sales (MMcf)*	*Product Revenue*	*Future Gross Revenue*	*Royalties*	*Operating Expense*	*Capital Expense*	*Production Taxes*	*Corporation Tax*	*Future Net Revenue*	*Present Worth at 10 per cent.*
2006	224	0	13,583	13,583	1,905	1,992	6,830	4,215	740	(2,099)	(1,990)
2007	221	0	13,633	13,633	1,912	1,977	3,700	4,230	1,348	466	400
2008	169	374	10,666	10,666	1,496	1,930	800	3,248	892	2,300	1,786
2009	129	330	5,250	5,250	736	1,700	650	1,377	284	503	354
2010	100	292	4,128	4,128	579	1,531	50	1,077	0	891	567
2011	78	259	3,259	3,259	456	1,399	50	847	0	507	292
2012	61	230	2,582	2,582	362	1,295	50	668	0	207	108
2013	0	0	0	0	0	0	400	0	0	(400)	(189)
Total	982	1,485	53,101	53,101	7,446	11,824	12,530	15,662	3,264	2,375	1,328

Present Worth, M U.S.$
5.0% = 1,806
15.0% = 929
20.0% = 595

Note: Capital expense includes 4 wells.

TABLE 20

FUTURE NET REVENUE from the PROVEN-PLUS-PROBABLE-RESERVES
as of
31 DECEMBER 2005
attributable to
GEOPARK
in the
DEL MOSQUITO BLOCK
REPUBLIC OF ARGENTINA
(All Monetary Values expressed in M U.S.$)
BASE PRICE CASE

Year	*Net Oil and Condensate Production (Mbbl)*	*Net Gas Sales (MMcf)*	*Product Revenue*	*Future Gross Revenue*	*Royalties*	*Operating Expense*	*Capital Expense*	*Production Taxes*	*Corporation Tax*	*Future Net Revenue*	*Present Worth at 10 per cent.*
2006	439	0	26,621	26,621	3,733	3,089	11,830	8,260	1,849	(2,140)	(2,029)
2007	1,060	0	65,391	65,391	9,168	6,256	11,000	20,291	6,214	12,462	10,693
2008	895	374	54,695	54,695	7,668	5,632	2,100	16,905	7,810	14,580	11,324
2009	652	578	31,817	31,817	4,460	4,510	2,200	9,763	4,979	5,905	4,152
2010	477	512	23,426	23,426	3,285	3,580	200	7,168	2,599	6,594	4,197
2011	350	453	17,296	17,296	2,424	2,901	200	5,277	1,789	4,705	2,711
2012	259	402	12,891	12,891	1,807	2,406	200	3,920	1,204	3,354	1,749
2013	192	355	9,635	9,635	1,351	2,035	150	2,919	784	2,396	1,131
2014	142	314	7,197	7,197	1,009	1,756	150	2,171	474	1,637	700
2015	106	279	5,433	5,433	762	1,556	150	1,631	242	1,092	422
2016	80	247	4,151	4,151	582	1,402	150	1,239	71	707	248
2017	56	218	2,968	2,968	416	1,262	150	878	0	262	83
2018	0	0	0	0	0	0	1,030	0	0	(1,030)	(296)
Total	4,708	3,732	261,521	261,521	36,665	36,385	29,510	80,422	28,015	50,524	35,085

Present Worth, M U.S.$
5.0% = 41,904
15.0% = 29,631
20.0% = 25,222

Note: Capital expense includes 27 wells.

TABLE 21

FUTURE NET REVENUE from the PROVEN-PLUS-PROBABLE-RESERVES
as of
31 DECEMBER 2005
attributable to
GEOPARK
in the
DEL MOSQUITO BLOCK
REPUBLIC OF ARGENTINA
(All Monetary Values expressed in M U.S.$)
HIGH PRICE CASE

Year	*Net Oil and Condensate Production (Mbbl)*	*Net Gas Sales (MMcf)*	*Product Revenue*	*Future Gross Revenue*	*Royalties*	*Operating Expense*	*Capital Expense*	*Production Taxes*	*Corporation Tax*	*Future Net Revenue*	*Present Worth at 10 per cent.*
2006	439	0	26,621	26,621	3,733	3,089	11,830	8,260	1,851	(2,142)	(2,030)
2007	1,060	0	65,391	65,391	9,168	6,256	11,000	20,291	6,226	12,450	10,683
2008	895	374	54,781	54,781	7,681	5,632	2,100	16,919	7,841	14,608	11,346
2009	652	578	38,499	38,499	5,397	4,510	2,200	11,814	5,657	8,921	6,272
2010	477	512	28,349	28,349	3,975	3,580	200	8,673	3,742	8,179	5,205
2011	350	453	20,932	20,932	2,934	2,901	200	6,386	2,635	5,876	3,385
2012	259	402	15,601	15,601	2,187	2,406	200	4,744	1,832	4,232	2,207
2013	192	355	11,661	11,661	1,635	2,035	150	3,533	1,255	3,053	1,441
2014	142	314	8,711	8,711	1,222	1,756	150	2,627	829	2,127	909
2015	106	279	6,577	6,577	922	1,556	150	1,974	512	1,463	566
2016	80	247	5,025	5,025	705	1,402	150	1,500	281	987	346
2017	56	218	3,594	3,594	504	1,262	150	1,063	92	523	166
2018	31	193	2,111	2,111	296	1,120	0	609	0	86	25
2019	0	0	0	0	0	0	1,030	0	0	(1,030)	(268)
Total	4,739	3,925	287,853	287,853	40,359	37,505	29,510	88,393	32,753	59,333	40,253

Present Worth, M U.S.$
5.0% = 48,615
15.0% = 33,651
20.0% = 28,378

Note: Capital expense includes 27 wells.

TABLE 22

FUTURE NET REVENUE from the PROVEN-PLUS-PROBABLE-RESERVES
as of
31 DECEMBER 2005
attributable to
GEOPARK
in the
DEL MOSQUITO BLOCK
REPUBLIC OF ARGENTINA
(All Monetary Values expressed in M U.S.$)
LOW PRICE CASE

Year	*Net Oil and Condensate Production (Mbbl)*	*Net Gas Sales (MMcf)*	*Product Revenue*	*Future Gross Revenue*	*Royalties*	*Operating Expense*	*Capital Expense*	*Production Taxes*	*Corporation Tax*	*Future Net Revenue*	*Present Worth at 10 per cent.*
2006	588	0	35,656	35,656	4,999	3,849	11,830	11,064	2,520	1,394	1,321
2007	1,069	0	65,947	65,947	9,246	6,303	11,000	20,463	6,880	12,055	10,344
2008	850	374	51,929	51,929	7,280	5,403	2,100	16,052	7,575	13,519	10,500
2009	611	558	23,662	23,662	3,314	4,292	2,200	6,322	4,161	3,373	2,372
2010	443	515	17,313	17,313	2,425	3,411	200	4,610	1,570	5,097	3,244
2011	322	455	12,686	12,686	1,778	2,758	200	3,368	1,015	3,567	2,055
2012	236	404	9,386	9,386	1,316	2,288	200	2,483	619	2,480	1,293
2013	172	357	6,918	6,918	970	1,937	150	1,822	333	1,706	805
2014	126	316	5,136	5,136	720	1,678	150	1,346	125	1,117	477
2015	93	280	3,850	3,850	540	1,489	150	1,004	19	648	251
2016	69	249	2,907	2,907	408	1,350	150	753	0	246	86
2017	0	0	0	0	0	0	1,030	0	0	(1,030)	(327)
Total	4,579	3,508	235,390	235,390	32,996	34,758	29,360	69,287	24,817	44,172	32,421

Present Worth, M U.S.$
5.0% = 37,686
15.0% = 28,113
20.0% = 24,555

Note: Capital expense includes 27 wells.

TABLE 23

FUTURE NET REVENUE from the PROVEN-PLUS-PROBABLE-PLUS-POSSIBLE-RESERVES
as of
31 DECEMBER 2005
attributable to
GEOPARK
in the
DEL MOSQUITO BLOCK
REPUBLIC OF ARGENTINA
(All Monetary Values expressed in M U.S.$)
BASE PRICE CASE

Year	*Net Oil and Condensate Production (Mbbl)*	*Net Gas Sales (MMcf)*	*Product Revenue*	*Future Gross Revenue*	*Royalties*	*Operating Expense*	*Capital Expense*	*Production Taxes*	*Corporation Tax*	*Future Net Revenue*	*Present Worth at 10 per cent.*
2006	439	0	26,621	26,621	3,733	3,089	12,830	8,260	1,925	(3,216)	(3,048)
2007	1,210	0	74,645	74,645	10,465	7,022	14,700	23,162	7,299	11,997	10,294
2008	1,723	374	104,864	104,864	14,702	9,855	12,850	32,472	12,437	22,548	17,513
2009	1,760	578	84,591	84,591	11,860	10,162	2,200	26,139	11,974	22,256	15,648
2010	1,281	512	61,720	61,720	8,653	7,680	250	19,050	8,432	17,655	11,236
2011	935	453	45,159	45,159	6,331	5,885	250	13,923	6,031	12,739	7,339
2012	686	402	33,229	33,229	4,659	4,583	250	10,231	4,297	9,209	4,803
2013	502	355	24,400	24,400	3,421	3,618	200	7,501	3,039	6,621	3,126
2014	369	314	18,009	18,009	2,525	2,915	200	5,526	2,120	4,723	2,018
2015	273	279	13,387	13,387	1,877	2,407	200	4,099	1,454	3,350	1,296
2016	203	247	10,010	10,010	1,403	2,028	200	3,057	969	2,353	824
2017	147	218	7,303	7,303	1,024	1,726	200	2,223	599	1,531	485
2018	97	193	4,886	4,886	685	1,458	0	1,478	304	961	276
2019	66	171	3,380	3,380	474	1,289	0	1,015	93	509	132
2020	0	0	0	0	0	0	1,400	0	6	(1,406)	(331)
Total	9,691	4,096	512,204	512,204	71,812	63,717	45,730	158,136	60,979	111,830	71,611

Present Worth, M U.S.$
5.0% = 88,936
15.0% = 58,304
20.0% = 47,939

Note: Capital expense includes 54 wells.

TABLE 24

FUTURE NET REVENUE from the PROVEN-PLUS-PROBABLE-PLUS-POSSIBLE-RESERVES
as of
31 DECEMBER 2005
attributable to
GEOPARK
in the
DEL MOSQUITO BLOCK
REPUBLIC OF ARGENTINA
(All Monetary Values expressed in M U.S.$)
HIGH PRICE CASE

Year	*Net Oil and Condensate Production (Mbbl)*	*Net Gas Sales (MMcf)*	*Product Revenue*	*Future Gross Revenue*	*Royalties*	*Operating Expense*	*Capital Expense*	*Production Taxes*	*Corporation Tax*	*Future Net Revenue*	*Present Worth at 10 per cent.*
2006	439	0	26,621	26,621	3,733	3,089	12,830	8,260	1,925	(3,216)	(3,048)
2007	1,210	0	74,645	74,645	10,465	7,022	14,700	23,162	7,299	11,997	10,294
2008	1,723	374	104,950	104,950	14,714	9,855	12,850	32,487	12,447	22,597	17,551
2009	1,760	578	102,353	102,353	14,350	10,162	2,200	31,627	13,697	30,317	21,315
2010	1,281	512	74,683	74,683	10,471	7,680	250	23,051	11,394	21,837	13,898
2011	935	453	54,645	54,645	7,661	5,885	250	16,847	8,196	15,806	9,106
2012	686	402	40,209	40,209	5,637	4,583	250	12,380	5,886	11,473	5,983
2013	502	355	29,526	29,526	4,139	3,618	200	9,076	4,209	8,284	3,911
2014	369	314	21,793	21,793	3,056	2,915	200	6,687	2,982	5,953	2,544
2015	273	279	16,201	16,201	2,271	2,407	200	4,960	2,092	4,271	1,652
2016	203	247	12,114	12,114	1,698	2,028	200	3,699	1,446	3,043	1,066
2017	147	218	8,839	8,839	1,239	1,726	200	2,690	953	2,031	644
2018	97	193	5,914	5,914	829	1,458	0	1,789	553	1,285	369
2019	66	171	4,091	4,091	573	1,289	0	1,228	263	738	192
2020	0	0	0	0	0	0	1,400	0	76	(1,476)	(347)
Total	9,691	4,096	576,584	576,584	80,836	63,717	45,730	177,943	73,418	134,940	85,130

Present Worth, M U.S.$
5.0% = 106,491
15.0% = 68,834
20.0% = 56,226

Note: Capital expense includes 54 wells.

TABLE 25

FUTURE NET REVENUE from the PROVEN-PLUS-PROBABLE-PLUS-POSSIBLE-RESERVES
as of
31 DECEMBER 2005
attributable to
GEOPARK
in the
DEL MOSQUITO BLOCK
REPUBLIC OF ARGENTINA
(All Monetary Values expressed in M U.S.$)
LOW PRICE CASE

Year	*Net Oil and Condensate Production (Mbbl)*	*Net Gas Sales (MMcf)*	*Product Revenue*	*Future Gross Revenue*	*Royalties*	*Operating Expense*	*Capital Expense*	*Production Taxes*	*Corporation Tax*	*Future Net Revenue*	*Present Worth at 10 per cent.*
2006	588	0	35,656	35,656	4,999	3,849	12,830	11,064	2,626	288	273
2007	1,177	0	72,609	72,609	10,180	6,854	14,700	22,531	7,832	10,512	9,020
2008	2,050	374	124,637	124,637	17,474	11,523	12,850	38,614	13,587	30,589	23,758
2009	1,696	558	64,490	64,490	9,025	9,826	2,200	17,349	11,866	14,224	10,001
2010	1,191	515	45,460	45,460	6,364	7,225	250	12,212	5,869	13,540	8,617
2011	853	455	32,667	32,667	4,573	5,466	250	8,765	4,027	9,586	5,523
2012	615	404	23,647	23,647	3,311	4,221	250	6,335	2,769	6,761	3,526
2013	442	357	17,078	17,078	2,392	3,313	200	4,567	1,873	4,733	2,234
2014	318	316	12,361	12,361	1,731	2,658	200	3,298	1,227	3,247	1,388
2015	231	280	9,043	9,043	1,267	2,192	200	2,406	768	2,210	855
2016	168	249	6,633	6,633	930	1,853	200	1,759	438	1,453	509
2017	114	220	4,564	4,564	640	1,561	200	1,204	174	785	249
2018	66	194	2,727	2,727	382	1,299	0	711	25	310	89
2019	0	0	0	0	0	0	1,400	0	0	(1,400)	(364)
Total	9,509	3,922	451,572	451,572	63,268	61,840	45,730	130,815	53,081	96,838	65,678

Present Worth, M U.S.$
5.0% = 79,326
15.0% = 54,911
20.0% = 46,319

Note: Capital expense includes 54 wells.

TABLE 26

FUTURE NET REVENUE from the PROVEN-RESERVES
as of
31 DECEMBER 2005
attributable to
GEOPARK
in the
CERRO DOÑA JUANA and LOMA CORTADERAL BLOCKS
REPUBLIC OF ARGENTINA
(All Monetary Values expressed in M U.S.$)
BASE PRICE CASE

Year	*Net Oil and Condensate Production (Mbbl)*	*Net Gas Sales (MMcf)*	*Product Revenue*	*Future Gross Revenue*	*Royalties*	*Operating Expense*	*Capital Expense*	*Production Taxes*	*Corporation Tax*	*Future Net Revenue*	*Present Worth at 10 per cent.*
2006	31	0	1,873	1,873	366	250	0	581	119	557	528
2007	14	0	860	860	168	181	0	267	161	83	71
2008	0	0	0	0	0	0	75	0	43	(118)	(92)
Total	45	0	2,733	2,733	534	431	75	848	323	522	507

Present Worth, M U.S.$
5.0% = 515
15.0% = 499
20.0% = 491

TABLE 27

FUTURE NET REVENUE from the PROVEN-RESERVES
as of
31 DECEMBER 2005
attributable to
GEOPARK
in the
CERRO DOÑA JUANA and LOMA CORTADERAL BLOCKS
REPLUBLIC OF ARGENTINA
(All Monetary Values expressed in M U.S.$)
HIGH PRICE CASE

Year	*Net Oil and Condensate Production (Mbbl)*	*Net Gas Sales (MMcf)*	*Product Revenue*	*Future Gross Revenue*	*Royalties*	*Operating Expense*	*Capital Expense*	*Production Taxes*	*Corporation Tax*	*Future Net Revenue*	*Present Worth at 10 per cent.*
2006	31	0	1,873	1,873	366	250	0	581	119	557	528
2007	14	0	860	860	168	181	0	267	161	83	71
2008	0	0	0	0	0	0	75	0	43	(118)	(92)
Total	45	0	2,733	2,733	534	431	75	848	323	522	507

Present Worth, M U.S.$
5.0% = 515
15.0% = 499
20.0% = 491

TABLE 28

FUTURE NET REVENUE from the PROVEN-RESERVES
as of
31 DECEMBER 2005
attributable to
GEOPARK
in the
CERRO DOÑA JUANA and LOMA CORTADERAL BLOCKS
REPLUBLIC OF ARGENTINA
(All Monetary Values expressed in M U.S.$)
LOW PRICE CASE

Year	*Net Oil and Condensate Production (Mbbl)*	*Net Gas Sales (MMcf)*	*Product Revenue*	*Future Gross Revenue*	*Royalties*	*Operating Expense*	*Capital Expense*	*Production Taxes*	*Corporation Tax*	*Future Net Revenue*	*Present Worth at 10 per cent.*
2006	31	0	1,873	1,873	366	250	0	581	119	557	528
2007	14	0	860	860	168	181	0	267	161	83	71
2008	0	0	0	0	0	0	75	0	43	(118)	(92)
Total	45	0	2,733	2,733	534	431	75	848	323	522	507

Present Worth, M U.S.$
5.0% = 515
15.0% = 499
20.0% = 491

TABLE 29

FUTURE NET REVENUE from the PROVEN-PLUS-PROBABLE RESERVES
as of
31 DECEMBER 2005
attributable to
GEOPARK
in the
CERRO DOÑA JUANA and LOMA CORTADERAL BLOCKS
REPLUBLIC OF ARGENTINA
(All Monetary Values expressed in M U.S.$)
BASE PRICE CASE

Year	*Net Oil and Condensate Production (Mbbl)*	*Net Gas Sales (MMcf)*	*Product Revenue*	*Future Gross Revenue*	*Royalties*	*Operating Expense*	*Capital Expense*	*Production Taxes*	*Corporation Tax*	*Future Net Revenue*	*Present Worth at 10 per cent.*
2006	67	0	4,047	4,047	790	394	800	1,256	250	557	528
2007	63	0	3,872	3,872	756	377	0	1,201	489	1,049	900
2008	45	0	2,716	2,716	530	305	0	843	400	638	496
2009	34	0	1,612	1,612	315	261	0	500	238	298	210
2010	26	0	1,232	1,232	241	229	100	382	127	153	97
2011	21	0	995	995	195	209	0	309	84	198	114
2012	16	0	758	758	148	190	0	235	57	128	67
2013	13	0	616	616	120	178	0	191	35	92	43
2014	11	0	521	521	102	169	0	162	22	66	28
2015	0	0	0	0	0	0	195	0	8	(203)	(79)
Total	296	0	16,369	16,369	3,197	2,312	1,095	5,079	1,710	2,976	2,404

Present Worth, M U.S.$
5.0% = 2,670
15.0% = 2,174
20.0% = 1,974

TABLE 30

FUTURE NET REVENUE from the PROVEN-PLUS-PROBABLE RESERVES
as of
31 DECEMBER 2005
attributable to
GEOPARK
in the
CERRO DOÑA JUANA and LOMA CORTADERAL BLOCKS
REPLUBLIC OF ARGENTINA
(All Monetary Values expressed in M U.S.$)
HIGH PRICE CASE

Year	*Net Oil and Condensate Production (Mbbl)*	*Net Gas Sales (MMcf)*	*Product Revenue*	*Future Gross Revenue*	*Royalties*	*Operating Expense*	*Capital Expense*	*Production Taxes*	*Corporation Tax*	*Future Net Revenue*	*Present Worth at 10 per cent.*
2006	67	0	4,047	4,047	790	394	800	1,256	250	557	528
2007	63	0	3,872	3,872	756	377	0	1,201	489	1,049	900
2008	45	0	2,716	2,716	530	305	0	843	400	638	496
2009	34	0	1,952	1,952	381	261	0	606	268	436	307
2010	26	0	1,492	1,492	291	229	100	463	179	230	146
2011	21	0	1,205	1,205	235	209	0	374	125	262	151
2012	16	0	918	918	179	190	0	285	89	175	91
2013	13	0	746	746	146	178	0	231	60	131	62
2014	11	0	631	631	123	169	0	196	42	101	43
2015	0	0	0	0	0	0	195	0	18	(213)	(82)
Total	296	0	17,579	17,579	3,431	2,312	1,095	5,455	1,920	3,366	2,642

Present Worth, M U.S.$
5.0% = 2,973
15.0% = 2,361
20.0% = 2,122

TABLE 31

FUTURE NET REVENUE from the PROVEN-PLUS-PROBABLE RESERVES
as of
31 DECEMBER 2005
attributable to
GEOPARK
in the
CERRO DOÑA JUANA and LOMA CORTADERAL BLOCKS
REPLUBLIC OF ARGENTINA
(All Monetary Values expressed in M U.S.$)
LOW PRICE CASE

Year	*Net Oil and Condensate Production (Mbbl)*	*Net Gas Sales (MMcf)*	*Product Revenue*	*Future Gross Revenue*	*Royalties*	*Operating Expense*	*Capital Expense*	*Production Taxes*	*Corporation Tax*	*Future Net Revenue*	*Present Worth at 10 per cent.*
2006	67	0	4,047	4,047	790	394	800	1,256	250	557	528
2007	63	0	3,872	3,872	756	377	0	1,201	489	1,049	900
2008	45	0	2,716	2,716	530	305	0	843	400	638	496
2009	34	0	1,272	1,272	249	261	0	344	218	200	141
2010	26	0	972	972	190	229	100	263	91	99	63
2011	21	0	785	785	153	209	0	212	57	154	89
2012	16	0	598	598	117	190	0	162	35	94	49
2013	13	0	486	486	95	178	0	131	17	65	31
2014	11	0	411	411	80	169	0	111	7	44	19
2015	0	0	0	0	0	0	195	0	2	(197)	(76)
Total	296	0	15,159	15,159	2,960	2,312	1,095	4,523	1,566	2,703	2,240

Present Worth, M U.S.$
5.0% = 2,458
15.0% = 2,043
20.0% = 1,871

TABLE 32

FUTURE NET REVENUE from the PROVEN-PLUS-PROBABLE PLUS POSSIBLE RESERVES
as of
31 DECEMBER 2005
attributable to
GEOPARK
in the
CERRO DOÑA JUANA and LOMA CORTADERAL BLOCKS
REPLUBLIC OF ARGENTINA
(All Monetary Values expressed in M U.S.$)
BASE PRICE CASE

Year	*Net Oil and Condensate Production (Mbbl)*	*Net Gas Sales (MMcf)*	*Product Revenue*	*Future Gross Revenue*	*Royalties*	*Operating Expense*	*Capital Expense*	*Production Taxes*	*Corporation Tax*	*Future Net Revenue*	*Present Worth at 10 per cent.*
2006	120	0	7,249	7,249	1,415	605	3,100	2,249	475	(595)	(564)
2007	291	0	17,885	17,885	3,491	1,289	13,200	5,550	1,159	(6,804)	(5,838)
2008	306	0	18,470	18,470	3,606	1,348	4,300	5,731	1,142	2,343	1,820
2009	211	0	10,001	10,001	1,952	970	400	3,103	509	3,067	2,156
2010	149	0	7,063	7,063	1,379	721	350	2,192	61	2,360	1,502
2011	107	0	5,072	5,072	990	553	0	1,574	11	1,944	1,120
2012	78	0	3,697	3,697	722	437	0	1,147	1	1,390	725
2013	57	0	2,702	2,702	527	354	0	838	0	983	464
2014	43	0	2,038	2,038	398	298	0	632	0	710	303
2015	25	0	1,185	1,185	232	225	0	368	0	360	139
2016	12	0	569	569	112	173	0	177	0	107	38
2017	0	0	0	0	0	0	1,575	0	0	(1,575)	(499)
Total	1,399	0	75,931	75,931	14,824	6,973	22,925	23,561	3,358	4,290	1,366

Present Worth, M U.S.$
5.0% = 2,654
15.0% = 377
20.0% = (367)

TABLE 33

FUTURE NET REVENUE from the PROVEN-PLUS-PROBABLE PLUS POSSIBLE RESERVES
as of
31 DECEMBER 2005
attributable to
GEOPARK
in the
CERRO DOÑA JUANA and LOMA CORTADERAL BLOCKS
REPLUBLIC OF ARGENTINA
(All Monetary Values expressed in M U.S.$)
HIGH PRICE CASE

Year	*Net Oil and Condensate Production (Mbbl)*	*Net Gas Sales (MMcf)*	*Product Revenue*	*Future Gross Revenue*	*Royalties*	*Operating Expense*	*Capital Expense*	*Production Taxes*	*Corporation Tax*	*Future Net Revenue*	*Present Worth at 10 per cent.*
2006	120	0	7,249	7,249	1,415	605	3,100	2,249	475	(595)	(564)
2007	291	0	17,885	17,885	3,491	1,289	13,200	5,550	1,159	(6,804)	(5,838)
2008	306	0	18,470	18,470	3,606	1,348	4,300	5,731	1,142	2,343	1,820
2009	211	0	12,111	12,111	2,364	970	400	3,758	691	3,928	2,762
2010	149	0	8,553	8,553	1,669	721	350	2,654	372	2,787	1,774
2011	107	0	6,142	6,142	1,199	553	0	1,906	233	2,251	1,297
2012	78	0	4,477	4,477	874	437	0	1,389	156	1,621	845
2013	57	0	3,272	3,272	639	354	0	1,015	102	1,162	549
2014	43	0	2,468	2,468	481	298	0	766	64	859	367
2015	25	0	1,435	1,435	280	225	0	445	30	455	176
2016	12	0	689	689	134	173	0	214	6	162	57
2017	0	0	0	0	0	0	1,575	0	0	(1,575)	(499)
Total	1,399	0	82,751	82,751	16,152	6,973	22,925	25,677	4,430	6,594	2,746

Present Worth, M U.S.$
5.0% = 4,427
15.0% = 1,459
20.0% = 488

Note: Capital expense includes 5 wells.

TABLE 34

FUTURE NET REVENUE from the PROVEN-PLUS-PROBABLE-PLUS-POSSIBLE RESERVES
as of
31 DECEMBER, 2005
attributable to
GEOPARK
in the
CERRO DOÑA JUANA and LOMA CORTADERAL BLOCKS
REPUBLIC OF ARGENTINA
(All Monetary Values expressed in M U.S.$)
LOW PRICE CASE

Year	*Net Oil and Condensate Production (Mbbl)*	*Net Gas Sales (MMcf)*	*Product Revenue*	*Future Gross Revenue*	*Royalties*	*Operating Expense*	*Capital Expense*	*Production Taxes*	*Corporation Tax*	*Future Net Revenue*	*Present Worth at 10 per cent.*
2006	120	0	7,249	7,249	1,415	605	3,100	2,249	475	(595)	(564)
2007	291	0	17,885	17,885	3,491	1,289	13,200	5,550	1,159	(6,804)	(5,838)
2008	306	0	18,470	18,470	3,606	1,348	4,300	5,731	1,142	2,343	1,820
2009	211	0	7,891	7,891	1,540	970	400	2,131	458	2,392	1,682
2010	149	0	5,573	5,573	1,088	721	350	1,505	0	1,909	1,215
2011	107	0	4,002	4,002	781	553	0	1,081	0	1,587	914
2012	78	0	2,917	2,917	569	437	0	788	0	1,123	586
2013	57	0	2,132	2,132	417	354	0	576	0	785	371
2014	43	0	1,608	1,608	314	298	0	434	0	562	240
2015	25	0	935	935	183	225	0	253	0	274	106
2016	12	0	449	449	88	173	0	121	0	67	24
2017	0	0	0	0	0	0	1,575	0	0	(1,575)	(499)
Total	1,399	0	69,111	69,111	13,492	6,973	22,925	20,419	3,234	2,068	57

Present Worth, M U.S.$
5.0% = 955
15.0% = (643)
20.0% = (1,168)

Note: Capital expense includes 5 wells.

TABLE 35

ESTIMATE of the NET CONTINGENT OIL RESOURCES
as of
31 DECEMBER 2005
in
CERTAIN OIL ACCUMULATIONS
FELL BLOCK
CHILE

Net Contingent Oil Resources Summary

Accumulation	*Low Estimate (Mbbl)*	*Median Estimate (MMcf)*	*High Estimate (Mbbl)*	*Best Estimate (Mbbl)*	*Probability of Geologic Success, P_g (decimal)*	*P_g-Adjusted Best Estimate (Mbbl)*
Pampa Larga	735.4	1,461.5	2,847.8	1,668.3	1.000	1,668.3
Monte Aymond	326.4	497.2	770.3	531.9	1.000	531.9
Statistical Aggregate	1,202.0	2,017.8	3,409.5	2,200.2	1.000	2,200.2

Notes:

1. Low, median, best, and high estimates follow the SPE/WPC/AAPG guidelines for contingent resources.
2. Application of P_g and/or P_e does not equate contingent resources to reserves.
3. Low, median, best, and high estimates in this table are P_{90}, P_{50}, EV, and P_{10}, respectively.
4. Only EV's can be arithmetically summed; P_{90}, P_{50}, and P_{10} cannot be arithmetically summed.
5. Pg is defined as the probability of discovering reservoirs which flow petroleum at a measurable rate.
6. Recovery efficiency is applied to contingent resources in this table.
7. P_g is unity for contingent resources.

TABLE 36

PROBABILITY DISTRIBUTIONS
for
MONTE CARLO SIMULATION
of GROSS CONTINGENT OIL RESOURCES
as of
31 DECEMBER 2005
in
CERTAIN OIL ACCUMULATIONS
FELL BLOCK
CHILE

Accumulation	*Reservoir*	*Parameter*	P_{100}	P_{90}	P_{50}	P_{10}	P_{0}	*Expected Value*
Pampa Larga	Springhill	Area, acres	209	398	721	1,302	2,567	799
		Net pay, feet	15.0	18.8	22.9	27.8	34.7	23.2
		Geometric Correction Factor, fraction	0.95	0.95	0.95	0.95	0.95	0.95
		Net to Gross ratio, fraction	1.00	1.00	1.00	1.00	1.00	1.00
		Porosity, fraction	0.143	0.161	0.180	0.199	0.223	0.180
		Oil saturation, fraction	0.601	0.641	0.700	0.759	0.800	0.700
		Formation volume factor, Bo	0.691	1.427	1.399	1.372	0.740	1.399
		Recovery efficiency, fraction	0.100	0.120	0.150	0.180	0.200	0.150
		OOIP, barrels	2,677,695	5,745,148	11,075,040	20,281,020	47,575,060	12,311,780
		Gross ultimate recovery, barrels	360,626	817,132	1,623,876	3,164,217	6,835,550	1,853,631
Monte Aymond	Springhill	Area, acres	201	269	346	446	591	35
		Net pay, feet	15.2	19.5	24.5	30.7	40.0	24.9
		Geometric Correction Factor, fraction	0.95	0.95	0.95	0.95	0.95	0.95
		Net to Gross ratio, fraction	1.00	1.00	1.00	1.00	1.00	1.00
		Porosity, fraction	0.117	0.138	0.160	0.183	0.216	0.160
		Oil saturation, fraction	0.451	0.491	0.550	0.609	0.649	0.550
		Formation volume factor, Bo	0.667	1.477	1.449	1.422	0.713	1.449
		Recovery efficiency, fraction	0.100	0.120	0.150	0.180	0.200	0.150
		OOIP, barrels	1,670,614	2,508,058	3,843,221	5,472,855	9,884,221	3,944,643
		Gross ultimate recovery, barrels	197,398	362,669	552,428	855,920	1,631,172	590,976

TABLE 37

ESTIMATE of the NET CONTINGENT GAS RESOURCES
as of
31 DECEMBER 2005
in
CERTAIN GAS ACCUMULATIONS
FELL BLOCK
CHILE

Net Contingent Oil Resources Summary

Accumulation	*Low Estimate (MMcf)*	*Median Estimate (MMcf)*	*High Estimate (MMcf)*	*Best Estimate (MMcf)*	*Probability of Geologic Success, P_g (decimal)*	*P_g-Adjusted Best Estimate (MMcf)*
Santiago Norte	60,313.3	139,295.5	325,716.2	173,718.5	1.000	173,718.5
Murtilla-Dorado Norte	22,841.6	39,354.3	70,151.4	43,863.6	1.000	43,863.6
Mogote	21,141.1	29,438.2	40,159.1	30,104.9	1.000	30,104.9
Statistical Aggregate	127,887.9	216,608.1	413,802.4	247,687.0	1.000	247,687.0

Notes:

1. Low, median, best, and high estimates follow the SPE/WPC/AAPG guidelines for contingent resources.
2. Application of P_g and/or P_e does not equate contingent resources to reserves.
3. Low, median, best, and high estimates in this table are P_{90}, P_{50}, EV, and P_{10}, respectively.
4. Only EV's can be arithmetically summed; P_{90}, P_{50}, and P_{10} cannot be arithmetically summed.
5. Pg is defined as the probability of discovering reservoirs which flow petroleum at a measurable rate.
6. Recovery efficiency is applied to contingent resources in this table.
7. P_g is unity for contingent resources.

TABLE 38

PROBABILITY DISTRIBUTIONS
for
MONTE CARLO SIMULATION
of GROSS CONTINGENT GAS RESOURCES
as of
31 DECEMBER 2005
in
CERTAIN GAS ACCUMULATIONS
FELL BLOCK
CHILE

Accumulation	*Reseervoir*	*Parameter*	P_{100}	P_{90}	P_{50}	P_{10}	P_{0}	*Expected Value*
Santiago Norte	Springhill	Area, acres	261	653	1,491	3,390	8,599	1,820
		Net pay, feet	66.3	73.4	80.4	88.1	98.0	80.6
		Geometric Correction Factor, decimal	0.920	0.930	0.952	0.976	1.000	0.952
		Net to Gross ratio, decimal	1.000	1.000	1.000	1.000	1.000	1.000
		Porosity, decimal	0.132	0.155	0.180	0.206	0.242	0.180
		Gas saturation, decimal	0.550	0.591	0.650	0.709	0.749	0.650
		Formation volume factor, scf/rcf	334	344	359	382	399	361
		Recovery efficiency, decimal	0.661	0.700	0.750	0.800	0.839	0.750
		Prospective OGIP, cubic feet	34,006,450,000	91,522,340,000	207,176,800,000	479,468,900,000	1,269,828,000,000	257,289,500,000
		Prospective gross ultimate recovery, cubic feet	26,870,080,000	67,014,760,000	154,772,800,000	361,906,900,000	963,654,300,000	193,020,500,000
Murtilla-Dorado Norte	Springhill	Area, acres	207	380	659	1,143	2,160	721
		Net pay, feet	33.0	38.0	43.0	48.6	55.9	43.2
		Geometric Correction Factor, decimal	0.920	0.930	0.951	0.976	1.000	0.952
		Net to Gross ratio, decimal	1.000	1.000	1.000	1.000	1.000	1.000
		Porosity, decimal	0.134	0.151	0.170	0.189	0.214	0.170
		Gas saturation, decimal	0.550	0.591	0.650	0.709	0.749	0.650
		Formation volume factor, scf/rcf	401	422	450	478	499	450
		Recovery efficiency, decimal	0.700	0.721	0.757	0.800	0.832	0.759
		Prospective OGIP, cubic feet	15,478,420,000	33,191,760,000	57,011,680,000	101,883,200,000	234,803,600,000	64,217,580,000
		Prospective gross ultimate recovery, cubic feet	10,886,920,000	25,379,510,000	43,726,990,000	77,945,950,000	173,327,500,000	48,737,320,000
Mogote	Springhill	Area, acres	204	265	338	431	562	344
		Net pay, feet	50.2	55.2	60.0	65.3	71.6	60.1
		Geometric Correction Factor, decimal	0.920	0.930	0.952	0.976	0.999	0.952
		Net to Gross ratio, decimal	1.000	1.000	1.000	1.000	1.000	1.000
		Porosity, decimal	0.127	0.150	0.175	0.201	0.235	0.175
		Gas saturation, decimal	0.550	0.591	0.650	0.709	0.750	0.650
		Formation volume factor, scf/rcf	402	422	450	478	499	450
		Recovery efficiency, decimal	0.700	0.721	0.757	0.800	0.832	0.759
		Prospective OGIP, cubic feet	021,369,150,000	31,155,720,000	43,116,020,000	58,613,600,000	88,783,630,000	44,065,620,000
		Prospective gross ultimate recovery, cubic feet	16,015,290,000	23,490,100,000	32,709,080,000	44,621,270,000	68,985,850,000	33,449,870,000

TABLE 39

ESTIMATE of the NET PROSPECTIVE OIL RESOURCES
as of
31 DECEMBER 2005
in
CERTAIN MATURE OIL PROSPECTS
VARIOUS BLOCKS
ARGENTINA/CHILE

Net Prospective Oil Resources Summary

Block Prospect	*Low Estimate (Mbbl)*	*Median Estimate (Mbbl)*	*High Estimate (Mbbl)*	*Best Estimate (Mbbl)*	*Probability of Geologic Success, P_g (decimal)*	*P_g-Adjusted Best Estimate (Mbbl)*
Del Mosquito Block						
Prospecto 5	4,653.5	7,680.1	13,076.4	8,388.4	0.097	815.4
Flanco Sur	1,113.9	2,061.4	3,797.7	2,314.3	0.206	476.3
Flanco Oriental 2	359.0	507.8	727.7	529.7	0.113	60.1
Flanco Oriental 1	702.2	1,036.0	1,504.8	1,081.7	0.113	122.7
Flanco Oriental 3	337.0	478.8	687.3	500.9	0.113	56.8
Statistical Aggregate Del Mosquito Block	9,352.4	12,550.7	16,679.9	12,815.0	0.119	1,531.3
Fell Block						
Monte Aymond Nuevo	408.7	787.8	1,492.6	885.2	0.221	195.6
Monte Aymond Oriental	741.1	1,383.0	2,492.7	1,535.2	0.500	767.6
Brazo Norte	1,193.0	2,204.3	4,186.9	2,488.0	0.113	281.1
Tandy	673.3	1,319.0	2,771.6	1,560.4	0.097	151.4
Statistical Aggregate Fell Block	3,936.5	6,074.8	9,222.2	6,468.8	0.216	1,395.7
Statistical Aggregate	13,288.9	18,625.5	25,902.1	19,283.8	0.152	2,927.0

Notes:

1. Low, median, best, and high estimates follow the SPE/WPC/AAPG guidelines for prospective resources.
2. Application of P_g does not equate prospective resources to contingent resources or reserves.
3. Low, median, best, and high estimates in this table are P_{90}, P_{50}, EV, and P_{10}, respectively.
4. Only EV's can be arithmetically summed; P_{90}, P_{50}, and P_{10} cannot be arithmetically summed.
5. P_g is defined as the probability of discovering reservoirs which flow petroleum at a measurable rate.
6. Recovery efficiency is applied to prospective resources in this table.
7. P_g has been rounded for presentation purposes.

TABLE 40

PROBABILITY DISTRIBUTIONS
for
MONTE CARLO SIMULATION
as of
31 DECEMBER 2005
in
CERTAIN MATURE OIL PROSPECTS
ARGENTINA/CHILE

Prospect	*Reseervoir*	*Parameter*	P_{100}	P_{90}	P_{50}	P_{10}	P_{0}	*Expected Value*
Prospecto 5	Springhill Formation	Area, acres	202	348	562	904	1,545	601
		Net pay, feet	49.2	56.3	63.4	71.4	81.7	63.7
		Geometric Correction Factor, fraction	0.95	0.95	0.95	0.95	0.95	0.95
		Porosity, fraction	0.161	0.185	0.210	0.236	0.267	0.210
		Oil saturation, fraction	0.600	0.615	0.658	0.713	0.750	0.661
		Formation volume factor, Bo	0.834	1.189	1.175	1.161	0.869	1.175
		Recovery efficiency, fraction	0.180	0.204	0.251	0.300	0.338	0.252
		OOIP, barrels	8,318,287	18,610,860	30,591,430	51,123,180	125,366,000	33,356,210
		Gross ultimate recovery, barrels	2,010,512	4,653,512	7,680,143	13,076,360	28,573,270	8,388,448
Flanco Sur	Tobifera Formation	Area, acres	207	371	632	1,075	1,934	687
		Net pay, feet	16.2	21.6	28.0	36.2	48.3	28.6
		Geometric Correction Factor, fraction	0.95	0.95	0.95	0.95	0.95	0.95
		Porosity, fraction	0.138	0.156	0.175	0.194	0.219	0.175
		Oil saturation, fraction	0.550	0.563	0.600	0.637	0.650	0.600
		Formation volume factor, Bo	0.835	1.177	1.149	1.121	0.908	1.149
		Recovery efficiency, fraction	0.131	0.150	0.175	0.200	0.219	0.175
		OOIP, barrels	3,635,359	6,532,405	11,941,870	21,274,560	46,848,470	13,202,850
		Gross ultimate recovery, barrels	566,954	1,113,865	2,061,417	3,797,654	8,981,969	2,314,268
Flanco Oriental 2	Springhill Formation	Area, acres	101	120	141	166	199	0142
		Net pay, feet	16.1	21.6	28.0	36.2	48.9	28.6
		Geometric Correction Factor, fraction	0.95	0.95	0.95	0.95	0.95	0.95
		Porosity, fraction	0.138	0.156	0.175	0.194	0.219	0.175
		Oil saturation, fraction	0.600	0.615	0.659	0.713	0.749	0.661
		Formation volume factor, Bo	0.835	1.177	1.149	1.121	0.909	1.149
		Recovery efficiency, fraction	0.131	0.150	0.175	0.200	0.219	0.175
		OOIP, barrels	1,327,510	2,112,477	2,940,726	4,075,002	6,611,246	3,027,421
		Gross ultimate recovery, barrels	195,156	359,018	507,787	727,732	1,206,800	529
Flanco Oriental 1	Tobifera Formation	Area, acres	201	256	316	391	495	320
		Net pay, feet	16.1	21.6	28.0	36.2	48.6	28.6
		Geometric Correction Factor, fraction	0.95	0.95	0.95	0.95	0.95	0.95
		Porosity, fraction	0.138	0.156	0.175	0.194	0.220	0.175
		Oil saturation, fraction	0.550	0.563	0.600	0.637	0.650	0.600
		Formation volume factor, Bo	0.834	1.177	1.149	1.121	0.908	1.149
		Recovery efficiency, fraction	0.131	0.150	0.175	0.200	0.219	0.175
		OOIP, barrels	2,669,006	4,208,771	5,956,169	8,441,341	13,763,290	6,175,096
		Gross ultimate recovery, barrels	419,826	702,241	1,036,003	1,504,806	2,407,043	1,081,688

TABLE 40 – PROBABILITY DISTRIBUTIONS – *(Continued)*

Prospect	*Reseervoir*	*Parameter*	P_{100}	P_{90}	P_{50}	P_{10}	P_{0}	*Expected Value*
Flanco Oriental 3	Tobifera Formation	Area, acres	101	120	141	166	199	142
		Net pay, feet	16.3	21.6	28.0	36.2	48.5	28.6
		Geometric Correction Factor, fraction	0.95	0.95	0.95	0.95	0.95	0.95
		Porosity, fraction	0.138	0.156	0.175	0.194	0.219	0.175
		Oil saturation, fraction	0.551	0.594	0.630	0.647	0.650	0.624
		Formation volume factor, Bo	0.834	1.177	1.149	1.121	0.907	1.149
		Recovery efficiency, fraction	0.131	0.150	0.175	0.200	0.219	0.175
		OOIP, barrels	1,167,511	2,005,761	2,729,320	3,913,012	5,628,456	2,860,240
		Gross ultimate recovery, barrels	183,582	337,044	478,767	687,344	1,112,593	500,936
Brazo Norte	Springhill Formation	Area, acres	206	317	471	700	1,084	494
		Net pay, feet	16.2	21.6	28.0	36.2	48.1	28.6
		Geometric Correction Factor, fraction	0.95	0.95	0.95	0.95	0.95	0.95
		Porosity, fraction	0.224	0.237	0.250	0.263	0.278	0.250
		Oil saturation, fraction	0.450	0.491	0.550	0.609	0.649	0.550
		Formation volume factor, Bo	0.717	1.352	1.296	1.241	0.831	1.295
		Recovery efficiency, fraction	0.101	0.154	0.250	0.345	0.400	0.250
		OOIP, barrels	3,291,563	6,368,240	10,252,090	17,050,540	31,277,980	11,053,230
		Gross ultimate recovery, barrels	465,744	1,325,540	2,449,272	4,652,166	7,870,549	2,764,418
Monte Aymond Nuevo	Springhill Formation	Area, acres	202	285	385	521	741	395
		Net pay, feet	7.0	11.1	16.5	24.6	38.6	17.3
		Geometric Correction Factor, fraction	0.95	0.95	0.95	0.95	0.95	0.95
		Porosity, fraction	0.123	0.145	0.170	0.196	0.228	0.170
		Oil saturation, fraction	0.450	0.491	0.550	0.609	0.649	0.550
		Formation volume factor, Bo	0.801	1.227	1.199	1.171	0.869	1.199
		Recovery efficiency, fraction	0.101	0.154	0.250	0.345	0.400	0.250
		OOIP, barrels	1,190,524	2,151,841	3,593,888	6,139,707	10,534,610	3,927,763
		Gross ultimate recovery, barrels	199,270	454,094	875,341	1,658,428	3,165,793	983,50
Monte Aymond Oriental	Springhill Formation	Area, acres	203	308	447	648	976	466
		Net pay, feet	16.1	20.3	25.0	30.7	38.8	25.3
		Geometric Correction Factor, fraction	0.95	0.95	0.95	0.95	0.95	0.95
		Porosity, fraction	0.122	0.145	0.170	0.196	0.229	0.170
		Oil saturation, fraction	0.451	0.491	0.550	0.609	0.650	0.550
		Formation volume factor, Bo	0.801	1.227	1.199	1.171	0.869	1.199
		Recovery efficiency, fraction	0.101	0.154	0.250	0.345	0.400	0.250
		OOIP, barrels	1,540,590	4,104,870	6,362,846	9,978,670	23,524,380	6,802,836
		Gross ultimate recovery, barrels	284,531	823,484	1,536,656	2,769,649	7,817,073	1,705,742
Tandy	Springhill Formation	Area, acres	201	370	628	1,066	1,938	682
		Net pay, feet	7.2	11.8	18.5	29.0	48.3	19.7
		Geometric Correction Factor, fraction	0.95	0.95	0.95	0.95	0.95	0.95
		Porosity, fraction	0.148	0.166	0.185	0.204	0.230	0.185
		Oil saturation, fraction	0.516	0.593	0.629	0.647	0.650	0.624
		Formation volume factor, Bo	0.835	1.177	1.149	1.121	0.908	1.149
		Recovery efficiency, fraction	0.131	0.150	0.175	0.200	0.219	0.175
		OOIP, barrels	1,715,523	4,396,177	8,442,397	17,199,900	41,262,500	9,917,173
		Gross ultimate recovery, barrels	275,907	748,062	1,465,512	3,079,587	8,417,974	1,733,826

TABLE 41

ESTIMATE of the NET PROSPECTIVE GAS RESOURCES
as of
31 DECEMBER 2005
in
CERTAIN MATURE GAS PROSPECTS
FELL BLOCK
CHILE

Net Prospective Gas Resources Summary

Prospect	*Low Estimate (MMcf)*	*Median Estimate (MMcf)*	*High Estimate (MMcf)*	*Best Estimate (MMcf)*	*Probability of Geologic Success, P_g (decimal)*	*P_g-Adjusted Best Estimate (MMcf)*
Escorial	11,801.5	21,727.0	41,400.7	24,599.3	0.500	12,299.7
Martin	19,706.4	31,989.3	54,089.1	34,922.7	0.500	17,461.4
Mata Negra	22,089.4	39,990.3	71,374.8	44,068.7	0.500	22,034.4
Statistical Aggregate	71,794.9	99,216.3	140,585.9	103,590.7	0.500	51,795.5

Notes:

1. Low, median, best, and high estimates follow the SPE/WPC/AAPG guidelines for prospective resources.
2. Application of P_g does not equate prospective resources to contingent resources or reserves.
3. Low, median, best, and high estimates in this table are P_{90}, P_{50}, EV, and P_{10}, respectively.
4. Only EV's can be arithmetically summed; P_{90}, P_{50}, and P_{10} cannot be arithmetically summed.
5. P_g is defined as the probability of discovering reservoirs which flow petroleum at a measurable rate.
6. Recovery efficiency is applied to prospective resources in this table.
7. P_g has been rounded for presentation purposes.

TABLE 42

PROBABILITY DISTRIBUTIONS
for
MONTE CARLO SIMULATION
as of
31 DECEMBER 2005
in
CERTAIN MATURE GAS PROSPECTS
FELL BLOCK
CHILE

Prospect	*Reseervoir*	*Parameter*	P_{100}	P_{90}	P_{50}	P_{10}	P_{0}	*Expected Value*
Escorial	Springhill	Area, acres	206	396	713	1,280	2,483	789
		Net pay, feet	16	19	23	27	33	23
		Geometric Correction Factor, decimal	1.00	1.00	1.00	1.00	1.00	1.00
		Net to Gross ratio, decimal	1.00	1.00	1.00	1.00	1.00	1.00
		Porosity, decimal	0.148	0.166	0.185	0.204	0.230	0.185
		Gas saturation, decimal	0.552	0.631	0.690	0.735	0.750	0.686
		Formation volume factor, scf/rcf	333.915	343.625	359.047	381.622	398.981	361.000
		Recovery efficiency, decimal	0.661	0.700	0.750	0.800	0.839	0.750
		Prospective OGIP, cubic feet	8,111,967,000	17,281,510,000	32,409,120,000	60,551,560,000	120,294,500,000	36,438,200,000
		Prospective gross ultimate recovery, cubic feet	6,409,641,000	13,112,780,000	4,141,070,000	46,000,780,000	0,386,640,000	27,332,590,000
Martin	Springhill	Area, acres	206	355	583	955	1,690	626
		Net pay, feet	33	37	40	44	49	40
		Geometric Correction Factor, decimal	1.00	1.00	1.00	1.00	1.00	1.00
		Net to Gross ratio, decimal	1.00	1.00	1.00	1.00	1.00	1.00
		Porosity, decimal	0.142	0.165	0.190	0.216	0.249	0.190
		Formation volume factor, scf/rcf	333.266	343.659	359.053	381.614	399.444	360.999
		Recovery efficiency, decimal	0.663	0.700	0.750	0.800	0.837	0.750
		Prospective OGIP, cubic feet	14,850,450,000	28,901,780,000	47,498,980,000	79,156,400,000	164,725,300,000	51,766,530,000
		Prospective gross ultimate recovery, cubic feet	9,971,487,000	21,896,000,000	35,543,630,000	60,099,040,000	119,298,700,000	38,802,960,000
Mata Negra	Springhill	Area, acres	208	371	628	1,064	1,900	682
		Net pay, feet	26	33	41	51	64	42
		Geometric Correction Factor, decimal	1.00	1.00	1.00	1.00	1.00	1.00
		Net to Gross ratio, decimal	1.00	1.00	1.00	1.00	1.00	1.00
		Porosity, decimal	0.154	0.167	0.180	0.193	0.209	0.180
		Gas saturation, decimal	0.550	0.591	0.650	0.709	0.750	0.650
		Formation volume factor, scf/rcf	402.000	422.332	449.969	477.574	498.660	450.001
		Recovery efficiency, decimal	0.663	0.700	0.750	0.800	0.837	0.750
		Prospective OGIP, cubic feet	15,500,710,000	33,042,970,000	59,262,600,000	106,840,000,000	235,198,700,000	65,290,130,000
		Prospective gross ultimate recovery, cubic feet	11,020,770,000	4,543,770,000	4,433,630,000	79,305,280,000	181,834,300,000	48,965,260,000

TABLE 43

SUMMARY OF RESERVES
(PROJECTED 100-PERCENT FELL BLOCK CASE)
as of
31 DECEMBER 2005
for
CERTAIN BLOCKS in
ARGENTINA and CHILE
with interests owned by
GEOPARK HOLDINGS LIMITED

Country Classification	*Oil and Condensate (Mbbl)*	*Separator Gas (MMcf)*
Chile		
Proven	2,673	47,350
Probable	2,487	63,634
Possible	4,090	105,555
Argentina		
Proven	1,075	1,688
Probable	3,929	2,044
Possible	6,086	364
Total Proven	3,748	49,038
Total Probable	6,416	65,678
Total Possible	10,176	105,919

Notes:

1. Probable and possible reserves have not been adjusted for risk.
2. All reserves estimates represent 100-percent Geopark ownership; gross equals net interest.

TABLE 44

SUMMARY of FUTURE NET REVENUE
(PROJECTED 100-PERCENT FELL BLOCK CASE)
as of
31 DECEMBER 2005
for
CERTAIN BLOCKS in
ARGENTINA and CHILE
with interests owned by
GEOPARK HOLDINGS LIMITED

Country Classification	*Future Net Revenue (M U.S.$)*	*Present Worth at 10 Percent (M U.S.$)*
Chile		
Proven	85,588	60,167
Proven-plus-Probable	194,037	126,866
Proven-plus-Probable-plus-Possible	382,387	222,860
Argentina		
Proven	4,521	2,824
Proven-plus-Probable	53,500	37,489
Proven-plus-Probable-plus-Possible	116,120	72,977
Total Proven	90,109	62,991
Proven-plus-Probable	247,537	164,355
Proven-plus-Probable-plus-Possible	498,507	295,837

Notes:

1. Probable and possible values have not been adjusted for risk.
2. All revenue estimates represent 100-percent Geopark ownership; gross equals net interest.

TABLE 45

CONTINGENT and PROSPECTIVE RESOURCES
(PROJECTED 100-PERCENT FELL BLOCK CASE)
as of
31 DECEMBER 2005
in
CERTAIN OIL ACCUMULATIONS
ARGENTINA and CHILE

Prospect	*Low Estimate (MMcf)*	*Median Estimate (MMcf)*	*Best Estimate (MMcf)*	*High Estimate (MMcf)*	*P_g-Adjusted Best Estimate (MMcf)*
Contingent Oil Resources, Mbbl	1,335.6	2,242.0	2,444.6	3,788.3	2,444.6
Contingent Gas Resources, MMcf	142,097.7	240,675.7	275,207.7	459,780.4	275,207.7
Prospective Oil Resources, Mbbl	13,726.2	19,300.5	20,002.6	26,926.8	3,082.9
Prospective Gas Resources, MMcf	79,772.1	110,240.3	115,100.8	156,206.5	57,550.4

Notes:

1. Low, median, best, and high estimates follow the SPE/WPC/AAPG guidelines for prospective resources.
2. Low, median, best and high estimates in this table are P_{90}, P_{50}, and P_{10}, respectively.
3. Only Evs can be arithmetically summed; P_{90}, P_{50}, and P_{10}, cannot be arithmetically summed.
4. Pg is defined as the probability of discovering reservoirs that flow petroleum at a measurable rate.
5. Application of P_g does not equate prospective resources to contingent resources or reserves.
6. Recovery efficiency is applied to resources in this table.
7. All resources and revenue estimates represent 100-percent Geopark ownership; gross equals net interest.

PART V

HISTORICAL FINANCIAL INFORMATION

Grant Thornton Corporate Finance

Grant Thornton UK LLP
Chartered Accountants
UK member of
Grant Thornton International

The Directors
GeoPark Holdings Limited
Milner House
18 Parliament Street
Hamilton HM12
Bermuda

10 May 2006

Dear Sirs

GeoPark HOLDINGS LIMITED (THE COMPANY)

We report on the financial information of the Company prepared for inclusion in and set out in Part V of the AIM admission document of the Company dated 10 May 2006 ("the AIM Admission Document"). This report is required by paragraph (a) of Schedule Two of the AIM Rules and is given for the purpose of complying with that paragraph and for no other purpose.

RESPONSIBILITIES

The Directors of GeoPark Holdings Limited are responsible for preparing the financial information on the basis of preparation set out in the Accounting Policies note to the financial information and in accordance with International Financial Reporting Standards (IFRS).

It is our responsibility to form an opinion on the financial information as to whether the financial information gives a true and fair view, for the purposes of the AIM Admission Document, and to report our opinion to you.

BASIS OF OPINION

We conducted our work in accordance with the Statements of Investment Circular Reporting Standards issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of the significant estimates and judgements made by those responsible for the preparation of the financial statements underlying the financial information and of whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

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We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement, whether caused by fraud or other irregularity or error.

OPINION

In our opinion, the financial information gives, for the purposes of the AIM Admission Document dated 10 May 2006, a true and fair view of the state of affairs of the Company as at the dates stated and of its profits, cash flows, recognised gains and losses and changes in equity for the periods then ended in accordance with the basis of preparation set out in note 2 of the financial information table on Part V of the AIM Admission Document and in accordance with IFRS.

DECLARATION

For the purposes of paragraph (a) of Schedule Two of the AIM Rules we are responsible for this report as part of the AIM Admission Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the AIM Admission Document in compliance with Schedule Two of the AIM Rules.

Yours faithfully

GRANT THORNTON UK LLP

ACCOUNTING POLICIES

Basis of preparation

The Historical Financial Information of GeoPark Holdings Limited is presented in accordance with International Financial Reporting Standards (IFRS).

The presentation of the Historical Financial Information follows the standards applicable to the 'stable platform' approved by the European Commission for all periods ended 31 December 2002, 2003, 2004 and 2005. In addition the Group has adopted early IFRS 6 "Exploration and Evaluation of Mineral Resources". This standard, approved by the European Commission, is compatible with the Company's previous accounting method for exploration and production costs.

The Group's first full financial statements under IFRS will be for the year ended 31 December 2006. The Group's date of transition to IFRS for the purposes of IFRS 1 is 1 January 2005.

The Historical Financial Information is presented in United States dollars rounded to the nearest thousand (US$'000).

GeoPark Holdings Limited was incorporated on 3 February 2003, under the laws of Bermuda. During 2002, the founder shareholders of GeoPark Holdings Limited, (The Globe Resources Group Inc. and Energy Holdings LLC), acquired concessions to extract oil and gas in certain blocks in Argentina and Chile through GeoPark Argentina Limited and Geopark Chile Limited and subsequently began trading in that year. Once GeoPark Holdings Limited had been incorporated, the shares in these companies were legally transferred to GeoPark Holdings Limited. The Group has adopted the principles of merger accounting as the most appropriate way to record these transactions because of the common ownership of GeoPark Argentina Limited and Geopark Chile Limited and, following the group reorganisation, GeoPark Holdings Limited. In the absence of specific guidance under IFRS the group has referred to alternate GAAP and adopted UK Accounting Standard FRS 6 'Acquisitions and Mergers' as the most appropriate accounting treatment.

These financial statements include those transactions which reflect the acquisition of the assets in November 2002 and subsequent trading in order to disclose the history of the Group's business under its current ownership.

Consolidated financial statements

The Group financial statements consolidate those of the company and all of its subsidiary undertakings drawn up to the balance sheet date. Subsidiaries are entities over which the Group has the power to control the financial and operating policies so as to obtain benefits from its activities. The Group obtains and exercises control through voting rights.

Unrealised gains on transactions between the Group and its subsidiaries are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Acquisitions of subsidiaries are dealt with by the purchase method. The purchase method involves the recognition at fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiary, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. On initial recognition, the assets and liabilities of the subsidiary are included in the consolidated balance sheet at their fair values, which are also used as the bases for subsequent measurement in accordance with the group accounting policies. Goodwill is stated after separating out identifiable intangible assets. Goodwill represents the excess of acquisition cost over the fair value of the Group's share of the identifiable net assets of the acquired subsidiary at the date of acquisition.

Joint venture

Entities whose economic activities are controlled jointly by the Group and by other ventures independent of the Group are accounted for using proportionate consolidation.

Revenue

Revenue from the sale of crude oil is recognised in the income statement if supply and risk transfer to the purchaser has taken place before the end of the year, and if the income can be measured reliably and is expected to be received. Revenue is recognised exclusive of VAT and less discounts related to the sale.

Production costs

The Group applies IFRS 6 "Exploration and Evaluation of Mineral Resources". Oil exploration, production properties and assets are accounted for as detailed below.

Production costs include wages and salaries and write-offs incurred to achieve the net revenue for the year. Also included are the direct and indirect costs of raw materials and consumables, rent and leasing, fixed assets depreciation and royalties.

Production costs also recognise the development costs that do not fulfil the criteria for capitalisation.

Financial costs

Financial costs include interest expenses, realised and unrealised gains and losses arising from transactions in foreign currencies and the amortisation of financial assets and liabilities. No finance costs have been capitalised.

Costs of Exploration and Appraisal

The Group applies IFRS 6 "Exploration and Evaluation of Mineral Resources". Oil exploration and production properties and assets are accounted for in accordance with the "successful efforts" method of accounting for exploration and appraisal costs.

Expenditure incurred on the acquisition of a licence interest is initially capitalised on a licence-by-licence basis. Costs are held, undepleted, within exploration until such a time as the exploration phase on the licence area is complete or commercial reserves have been discovered. Costs will either be transferred into development/producing assets or expensed in the Income Statement depending upon the success of the exploration and appraisal drilling.

Licence acquisition costs are included in the total exploration cost to be tested for impairment should any indicators exist.

Exploration expenditure incurred in the process of determining exploration targets and other exploration costs not directly relating to drilling of exploratory wells are written off as incurred.

Drilling costs of the exploratory wells, including wells for stratigraphical tests, are capitalised as intangible fixed assets in cost centres by well, field or exploration area as appropriate, pending the determination of commercial reserves. If those reserves are not found, these costs are written off when this is determined. Following the discovery of a commercially viable field, the attributable costs are transferred to Property, Plant and Equipment in single field cost centres.

Commercial reserves are proven and probable oil and gas reserves as defined in chapter 19 of The Listing Rules of the UKLA.

Development and property acquisition costs incurred in development wells (including seismic surveys for development purposes) are capitalised within Property Plant and Equipment.

Depletion and amortisation

All expenditure carried within each field is amortised from the commencement of production, on a unit of production basis, which is the ratio of oil and gas production in the period to the estimated quantities of commercial reserves at the end of the period plus the production of the period on a field by field basis.

A field is an area consisting of a single reservoir or multiple reservoirs all grouped or related to the same individual geographical structural feature and/or stratigraphic condition. Costs included in the unit of production calculation comprise the net book value of capitalised costs plus the estimated future field development costs.

Decommissioning

Provision for decommissioning is recognised to the extent that an obligation has arisen which is usually at the commencement of oil and gas production. A corresponding fixed asset of an amount equivalent to the provision is also created and depreciated as part of the capital costs of the production facilities on a unit of production basis.

Impairment testing for exploration and appraisal assets

Where there are indicators that an exploration asset may be impaired, the exploration and appraisal assets are grouped with all development/producing assets belonging to the same geographic segment to form the Cash Generating Unit ("CGU") for impairment testing. The combined cost of the CGU is compared against the CGU's net present value and any resulting impairment loss is written off to the income statement.

Other Property, plant and equipment

Machinery, fixtures and equipment are measured at cost less accumulated depreciation and write-down. The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready for use.

The cost of an asset is divided into separate components which are depreciated individually if the useful lives are not identical.

Subsequent costs of replacement of components are recognised as a tangible fixed asset when it is likely that they will lead to future economic benefits. The carrying amount of the replaced components are recognised in the income statement. All other costs of repair and maintenance are recognised in the income statement when incurred.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value, as follows:

	Useful life
Communication and EDP equipment	3 years
Furniture and fixtures	10 years
Vehicles and production facilities	5 years

Depreciation is recognised in the income statement as production and selling and administrative expenses, respectively.

Profit or loss on the disposal of property, plant and equipment is calculated as the difference between the net proceeds on disposal and the carrying amount at the time of sale. Profit or loss is recognised as other operating income or operating expenses in the income statement.

Lease contracts

All lease contracts are considered to be operating leases. Payments related to operating leases and other rental agreements are recognised in the income statement straight line over the term of the contract. The Group's total liability relating to operating leases and rental agreements is disclosed in a note.

Inventories

Inventories comprise crude oil and materials.

Crude oil is measured at net realisable value. The net realisable value of inventories is stated at sales price less costs incurred to execute the sale.

Materials are measured at cost. The cost of materials and consumables is calculated at acquisition price with the addition of transportation and similar costs.

Tax payable and deferred tax

Current tax is the tax currently payable based on taxable profit for the year.

Deferred income taxes are calculated using the liability method on temporary differences. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Temporary differences include those associated with shares in subsidiaries and joint ventures if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future. In addition, tax losses available to be carried forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets.

Deferred tax liabilities are provided in full, with no discounting. Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income. Current and deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the income statement, except where they relate to items that are charged or credited directly to equity (such as the revaluation of land), in which case the related deferred tax is also charged or credited directly to equity.

Financial assets

Financial assets, other than hedging instruments, are divided into the following categories: loans and receivables; financial assets at fair value through the profit or loss; available-for-sale financial assets; and held-to-maturity investments. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the investments were acquired. The designation of financial assets is re-evaluated at every reporting date at which a choice of classification or accounting treatment is available.

All financial assets are recognised when the group becomes a party to the contractual provisions of the instrument. All financial assets are initially recognised at fair value, plus transaction costs, unless they are classified as at fair value through profit or loss.

Derecognition of financial assets occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred. An assessment for impairment is undertaken at each balance sheet date.

Interest and other cash flows resulting from holding financial assets are recognised in the income statement when receivable, regardless of how the related carrying amount of financial assets is measured.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivables. Loans and receivables are subsequently measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value through impairment or reversal of impairment is recognised in the income statement.

Provision against trade receivables is made when objective evidence is received that the Group will not be able to collect all amounts due to it in accordance with the original terms of those receivables. The amount of the write-down is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows.

Cash and cash equivalents

Cash and cash equivalents comprise cash, and cash available at less than 24 hours' notice at no penalty.

Financial liabilities

Financial liabilities are obligations to pay cash or other financial instruments and are recognised when the Group becomes a party to the contractual provisions of the instrument. All interest-related charges are recognised as an expense in "financial expenses" in the income statement. Preferred shares and convertible loan notes have been raised for support of long term funding of the Group's operations. They are recognised at fair value, net of direct issue costs. Any equity element connected with these instruments through conversion rights or in the instrument issued represents the residual of the proceeds received after assessment of the fair value of the liability component of these instruments.

Finance charges, including premiums payable on settlement or redemption, and direct issue costs are charged to the income statement on an accruals basis using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Equity

Equity comprises the following:

- "Share capital" representing the nominal value of equity shares.
- "Share premium" representing the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.
- "Other reserve" representing the equity element attributable to compound or linked financial instruments as noted above.
- "Reserve for exchange adjustment" representing the differences arising from translation of investments in overseas subsidiaries.
- "Retained earnings" representing retained profits.

Foreign currencies

The Group considers its functional currency to be US dollars due to the nature of its operations whereby its sales and financing is priced in that currency.

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date.

The assets and liabilities in the financial statements of foreign subsidiaries and related goodwill are translated at the rate of exchange ruling at the balance sheet date. Income and expenses are translated at the actual rate. The exchange differences arising from the retranslation of the opening net investment in subsidiaries are taken directly to the "Reserve for exchange rate adjustments" in equity. On disposal

of a foreign operation the cumulative translation differences (including, if applicable, gains and losses on related hedges) are transferred to the income statement as part of the gain or loss on disposal.

Accounting estimates and assumptions

It should be noted that accounting estimates and assumptions are used in preparing the financial statements. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

The key estimates and assumptions used in this historical financial information are noted below:

- The Group adopts the "successful efforts" basis of accounting. The Board of Directors of the company makes assessments and estimates regarding whether an exploration asset should continue to be carried forward as an intangible asset not yet determined or whether insufficient certainty exists for this type of cost to remain an asset. In making this assessment the Directors take professional advice from qualified independent experts in making this determination.
- The Group has certain compound financial instruments. The Board of Directors have made estimates of the fair value of the liability of the compound instruments to calculate the liability and equity components thereof.

Cash flow statement

The cash flow statement shows the Group's cash flows for the year for operating activities, investing activities and financing activities in the year, the change in cash and cash equivalents during the year and at the beginning and end of the year.

Cash flows from operating activities are computed from the results for the year adjusted for non-cash operating items, changes in net working capital, and corporation tax. Tax paid is presented as a separate item under operating activities.

Cash flows from investing activities include payments in connection with the purchase and sale of fixed assets and cash flows relating to the purchase and sale of enterprises and activities.

Cash flows from financing activities include changes in shareholders' equity, and borrowings and repayment of loans.

Cash and cash equivalents include bank overdrafts and liquid funds with a term of less than three months.

Segment information

The Group explores and operates in two different countries: Argentina and Chile. As operations are similar in both countries, the primary segments of the group have been made on a geographical basis, based on the location of the assets (which is similar to the location of the customers).

Segment revenue and segment costs include items that are attributable directly to the relevant segment and items that can be distributed among the segments. Non-distributed items include the Group's administration costs, financial income and expenses and tax.

The fixed assets of a segment include the assets that are used directly in the segment.

The current assets of a segment include assets that are related directly to the operation of the segment, including inventory and accounts receivable.

The liabilities of the segment include liabilities that are related directly to the operation of the segment, including trade payables and other debt.

CONSOLIDATED INCOME STATEMENT 1 JANUARY – 31 DECEMBER

	Note	*2005 US$'000*	*2004 US$'000*	*2003 US$'000*	*2002 US$'000*
REVENUE	1	2,841	2,087	1,200	88
Production costs		(2,091)	(1,562)	(895)	(44)
GROSS PROFIT		750	525	305	44
Other operating income	4	85	141	–	–
Exploration costs		(1,203)	(308)	(107)	–
Selling and administrative expenses		(2,089)	(935)	(1,162)	(560)
Other operating expenses	5	–	–	(2)	–
OPERATING LOSS		(2,457)	(577)	(966)	(516)
Financial expenses	6	(743)	(369)	(20)	(2)
LOSS BEFORE TAX		(3,200)	(946)	(986)	(518)
Tax on profit on ordinary activities	7	(11)	29	15	–
LOSS FOR THE YEAR		(3,211)	(917)	(971)	(518)
Loss per share (in US$) Basic and diluted	9	(16)	(5)	(8)	(4)

The loss for the year is entirely attributable to the shareholders.

CONSOLIDATED BALANCE SHEET 31 DECEMBER

	Note	*2005 US$'000*	*2004 US$'000*	*2003 US$'000*	*2002 US$'000*
ASSETS					
Intangible fixed assets	10	1,728	1,144	652	343
Property, plant and equipment	11	3,000	1,396	51	30
Prepaid taxes	13	476	353	286	99
Legal deposit to mining authority		135	–	–	–
Deferred tax asset	8	32	44	15	–
		5,371	2,937	1,004	472
NON CURRENT ASSETS					
Inventory	14	218	207	–	–
Accounts receivable	15	611	577	1,464	150
Prepayments		24	–	–	–
Other short term financial assets		192	–	–	–
Cash and cash equivalents		2,403	379	668	29
CURRENT ASSETS		3,448	1,163	2,132	179
ASSETS		8,819	4,100	3,136	651
EQUITY AND LIABILITIES					
Share capital	17	20	20	20	12
Other reserve	18	3,134	3,025	1,339	–
Reserve for exchange rate adjustments		178	204	221	55
Retained earnings		(2,406)	(1,489)	(518)	–
Loss for the year		(3,211)	(917)	(971)	(518)
EQUITY		(2,285)	843	91	(451)
Convertible debt	18	5,112	–	–	–
Preferred shares	18	2,904	2,420	861	–
Provision for decommissioning	19	71	41	42	–
Other long-term liabilities	22	–	–	1,820	872
Long-term liabilities		8,087	2,461	2,723	872
Overdrafts		–	15	23	–
Trade accounts payable	20	2,715	688	247	213
Other liabilities		302	93	52	17
Current liabilities		3,017	796	322	230
LIABILITIES		11,104	3,257	3,045	1,102
EQUITY AND LIABILITIES		8,819	4,100	3,136	651

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 1 JANUARY – 31 DECEMBER

	Share capital US$'000	*Other reserve US$'000*	*Reserve for exchange rate adjustments US$'000*	*Retained earnings US$'000*	*Total US$'000*
Equity at 1 January 2002		–	–	–	–
Foreign currency translation	–	–	55	–	55
Loss for the year	–	–	–	(518)	(518)
Total income for the year	–	–	55	(518)	(451)
Capital increase	12	–	–	–	12
Equity movements for the year	12	–	–	–	12
Equity at 31 December 2002	12	–	55	(518)	(451)
Foreign currency translation	–	–	166	–	166
Loss for the year	–	–	–	(971)	(971)
Total income for the year	–	–	166	(971)	(805)
Capital increase	8	–	–	–	8
Equity component of preferred shares	–	1,339	–	–	1,339
Equity movements for the year	8	1,339	–	–	1,347
Equity at 31 December 2003	20	1,339	221	(1,489)	91
Foreign currency translation	–	–	(17)	–	(17)
Loss for the year	–	–	–	(917)	(917)
Total income for the year	–	–	(17)	(917)	(934)
Equity component of preferred shares	–	1,686	–	–	1,686
Equity movements for the year	–	1,686	–	–	1,686
Equity at 31 December 2004	20	3,025	204	(2,406)	843
Foreign currency translation	–	–	(26)	–	(26)
Loss for the year	–	–	–	(3,211)	(3,211)
Total income for the year	–	–	(26)	(3,211)	(3,237)
Equity component of convertible debt	–	109	–	–	109
Equity movements for the year	–	109	–	–	109
Equity at 31 December 2005	20	3,134	178	(5,617)	(2,285)

CONSOLIDATED CASH FLOW STATEMENT 1 JANUARY – 31 DECEMBER

	2005 US$'000	*2004 US$'000*	*2003 US$'000*	*2002 US$'000*
Loss for the year	(3,211)	(917)	(971)	(518)
Depreciation	637	466	29	4
Write off of unsuccessful efforts	635	–	–	–
Unrealised exchange gains/losses	(4)	(80)	25	30
Deferred taxation	11	(29)	(15)	–
Interest accrual	678	295	–	–
Change in prepaid taxes (VAT)	(123)	(67)	(187)	(99)
Provision for decommissioning	30	(1)	42	–
Change in inventory	(11)	(207)	–	–
Change in accounts receivable	(34)	955	(1,237)	(148)
Change in prepayments	(24)	–	–	–
Increase in legal deposit to mining authority	(135)	–	–	–
Change in current liabilities	2,236	482	69	230
Cash flows from operating activities	685	897	(2,245)	(501)
Purchase of exploration and evaluation assets	(1,234)	(601)	(256)	(326)
Purchase of property, plant and equipment	(2,250)	(1,707)	(31)	(28)
Sale of property, plant and equipment	3	–	–	–
Purchase of short term financial assets	(192)	–	–	–
Cash flows from investing activities	(3,673)	(2,308)	(287)	(354)
Proceeds from the issue of common shares	–	–	–	12
Proceeds from the issue of preferred shares	–	2,950	2,200	–
Proceeds from the issue of convertible debt	5,027	–	–	–
Movements in other long-term liabilities	–	(1,820)	948	872
Cash flows from financing activities	5,027	1,130	3,148	884
Change in cash and cash equivalents	2,039	(281)	616	29
Cash and cash equivalents at 1 January	364	645	29	–
Cash and cash equivalents at 31 December	2,403	364	645	29
Cash and cash equivalents at 31 December are analysed as follows:				
Cash at bank	2,401	376	664	26
Cash in hand	2	3	4	3
Bank overdrafts	–	(15)	(23)	–
Cash and cash equivalents	2,403	364	645	29

NOTES

1. Revenue

	2005 US$'000	2004 US$'000	2003 US$'000	2002 US$'000
Sale of crude oil	2,841	2,087	1,200	88

Segment information

Segment areas (geographical segments)	Argentina		Chile		Holding Company		Total	
	2005 US$'000	2004 US$'000	2005 US$'000	2004 US$'000	2005 US$'000	2004 US$'000	2005 US$'000	2004 US$'000
Revenue	2,841	2,087	–	–	–	–	2,841	2,087
Gross profit	750	525	–	–	–	–	750	525
Loss before tax	(1,191)	(152)	(804)	(346)	(1,205)	(448)	(3,200)	(946)
Loss for the year	(1,202)	(123)	(804)	(346)	(1,205)	(448)	(3,211)	(917)
Capital expenditure	3,237	2,308	245	–	2	–	3,484	2,308
Depreciation	635	466	1	–	1	–	637	466
Total assets	5,323	3,466	1,291	295	2,205	339	8,819	4,100
Liabilities	2,512	832	296	22	8,296	2,403	11,104	3,257
Cash flows from operations	1,540	228	(791)	(353)	(64)	1,022	685	897
Cash flows from investing	(2,934)	(2,309)	(724)	–	(15)	1	(3,673)	(2,308)
Cash flows from financing	1,419	2,063	1,513	358	2,095	(1,291)	5,027	1,130
Employees	21	14	2	–	–	–	23	14

Segment areas (geographical segments)	Argentina		Chile		Holding Company		Total	
	2003 US$'000	2002 US$'000	2003 US$'000	2002 US$'000	2003 US$'000	2002 US$'000	2003 US$'000	2002 US$'000
Revenue	1,200	88	–	–	–	–	1,200	88
Gross profit	305	44	–	–	–	–	305	44
Loss before tax	(465)	(70)	(374)	(56)	(147)	(392)	(986)	(518)
Loss for the year	(450)	(70)	(374)	(56)	(147)	(392)	(971)	(518)
Capital expenditure	287	354	–	–	–	–	287	354
Depreciation	29	4	–	–	–	–	29	4
Total assets	955	361	290	290	1,891	–	3,136	651
Liabilities	241	79	31	–	2,773	1,023	3,045	1,102
Cash flows from operations	(439)	208	(343)	(56)	(1,463)	(653)	(2,245)	(501)
Cash flows from investments	(289)	(476)	–	(290)	2	412	(287)	(354)
Cash flows from financing	716	296	343	346	2,089	242	3,148	884
Employees	9	1	–	–	–	–	9	1

2. Depreciation

	2005 US$'000	2004 US$'000	2003 US$'000	2002 US$'000
Oil and gas properties	598	444	18	3
Furniture and equipment	33	19	7	1
Vehicles	4	2	2	–
Production facilities	2	1	1	–
Depreciation, property plant and equipment	637	466	29	4
Profit or loss on sale	(17)	–	–	–
Depreciation total	620	466	29	4
Recognised as follows:				
Production costs	604	447	21	3
Selling and administrative expenses	16	20	8	1
	620	467	29	4

3. Employees

	2005 US$'000	*2004 US$'000*	*2003 US$'000*	*2002 US$'000*
Average number of employees	23	14	9	1
Wages and salaries	944	256	111	122
Pensions	132	46	30	17
	1,076	302	141	139
Board of directors' salaries	100	17	–	–

4. Other operating income

	2005 US$'000	*2004 US$'000*	*2003 US$'000*	*2002 US$'000*
Profit on sale of fixed assets	17	–	–	–
Other income	68	141	–	–
	85	141	–	–

5. Other operating expenses

	2005 US$'000	*2004 US$'000*	*2003 US$'000*	*2002 US$'000*
Donations	–	–	(2)	–

6. Financial expenses

	2005 US$'000	*2004 US$'000*	*2003 US$'000*	*2002 US$'000*
Bank charges	(10)	(15)	(3)	(2)
Interest	–	(3)	–	–
Exchange difference	(55)	(50)	(3)	–
Finance charges accrued in respect of preferred shares and convertible loan notes (note 18)	(678)	(295)	–	–
Other financial expenses	–	(6)	(14)	–
	(743)	(369)	(20)	(2)

7. Tax on profit on ordinary activities

	2005 US$'000	*2004 US$'000*	*2003 US$'000*	*2002 US$'000*
Calculated tax on taxable income of the year	–	–	–	–
Adjustment to deferred tax	(11)	29	15	–
	(11)	29	15	–
Tax on profit for the year is explained as follows:				
Calculated 0% tax on profit of ordinary activities before tax	–	–	–	–

The tax rate in Bermuda where GeoPark Holdings Limited is registered is 0 per cent.

In Argentina and Chile where the Group has its operations, the Group has tax losses available to utilise against future taxable profits in those respective countries as set out below:

Approximate tax losses carried forward

	2005 US$'000	*2004 US$'000*	*2003 US$'000*	*2002 US$'000*
Argentina	1,865	2,874	4,411	3,775
Chile	627	26	–	–

No deferred tax asset has been recognised in respect of these losses.

8. Deferred tax asset

	2005 US$'000	*2004 US$'000*	*2003 US$'000*	*2002 US$'000*
Deferred tax at 1 January	44	15	–	–
Exchange rate adjustment	(1)	–	–	–
Movement in deferred tax	(11)	29	15	–
Deferred tax at 31 December	32	44	15	–
Deferred tax asset relates to:				
Tangible fixed assets	6	–	–	–
Other timing differences	26	44	15	–
	32	44	15	–

9. Loss per Share

	2005 US$'000	*2004 US$'000*	*2003 US$'000*	*2002 US$'000*
Numerator:				
Loss for the year	(3,211)	(917)	(971)	(518)
Denominator:				
Weighted average number of shares used in basic EPS	200,000	200,000	126,667	120,000
Loss per share (US$) – basic and diluted	(16)	(5)	(8)	(4)

There are no dilutive potential equity shares.

10. Intangible fixed assets

	Exploration and evaluation assets US$'000
Cost at 1 January 2002	–
Additions	326
Disposals	–
Exchange rate adjustment	17
Cost at 31 December 2002	343
Additions	256
Disposals	–
Exchange rate adjustment	53
Cost at 31 December 2003	652
Additions	601
Transfer to oil and gas properties	(106)
Exchange rate adjustment	(3)
Cost at 31 December 2004	1,144
Additions	1,234
Disposals	–
Exchange rate adjustment	(15)
Write off of unsucessful efforts	(635)
Cost at 31 December 2005	1,728
Depreciation and write-down at 1 January 2002	–
Depreciation	–
Depreciation and write-down at 31 December 2002	–
Depreciation	–
Exchange rate adjustment	–
Depreciation and write-down at 31 December 2003	–
Depreciation	–
Transfer	–
Exchange rate adjustment	–
Depreciation and write-down at 31 December 2004	–
Depreciation	–
Exchange rate adjustment	–
Disposals	–
Depreciation and write-down at 31 December 2005	–
Carrying amount at 1 January 2002	–
Carrying amount at 31 December 2002	343
Carrying amount at 31 December 2003	652
Carrying amount at 31 December 2004	1,144
Carrying amount at 31 December 2005	1,728

During 2005 a settlement payment of US$250,000 was agreed with the 'finders' who assisted the Group in the acquisition of the concession in Chile in 2002.

As detailed in the Group's accounting policies, where there are indicators that an exploration asset may be impaired, the exploration and appraisal assets are grouped with all development/producing assets belonging to the same geographic segment to form the Cash Generating Unit ("CGU") for impairment testing. The combined cost of the CGU is compared against the CGU's net present value and any resulting impairment loss is written off to the Income Statement.

Net present value is based upon calculations carried out by independent experts commissioned by the Group. At 31 December 2005 net present value calculations were carried out using a discount factor of

10 per cent. by DeGolyer and MacNaughton, an international consultancy to the oil and gas industry based in Texas, USA. No impairment was considered necessary as a result of these calculations.

11. Property, plant and equipment

	Oil and gas properties US$'000	*Furniture and equipment US$'000*	*Vehicles US$'000*	*Production facilities US$'000*	*Total US$'000*
Cost at 1 January 2002	–	–	–	–	–
Additions	15	13	–	–	28
Exchange rate adjustment	6	–	–	–	6
Cost at 31 December 2002	21	13	–	–	34
Exchange rate adjustment	19	–	–	–	19
Additions	–	15	12	4	31
Cost at 31 December 2003	40	28	12	4	84
Additions	1,674	33	–	–	1,707
Exchange rate adjustment	(4)	–	(1)	–	(5)
Transfers from intangible assets	106	–	–	–	106
Cost at 31 December 2004	1,816	61	11	4	1,892
Exchange rate adjustment	(25)	–	–	–	(25)
Additions	1,925	73	14	238	2,250
Disposals	–	–	(5)	–	(5)
Transfers	(1)	1	–	–	–
Cost at 31 December 2005	3,715	135	20	242	4,112
Depreciation and write-down At 1 January 2002	–	–	–	–	–
Depreciation	(3)	(1)	–	–	(4)
Depreciation and write-down At 31 December 2002	(3)	(1)	–	–	(4)
Depreciation	(18)	(8)	(2)	(1)	(29)
Depreciation and write-down At 31 December 2003	(21)	(9)	(2)	(1)	(33)
Depreciation	(444)	(19)	(2)	(1)	(466)
Exchange rate adjustment	3	–	–	–	3
Depreciation and write-down At 31 December 2004	(462)	(28)	(4)	(2)	(496)
Depreciation	(598)	(33)	(4)	(2)	(637)
Exchange rate adjustment	18	–	1	–	19
Disposals	–	–	2	–	2
Depreciation and write-down At 31 December 2005	(1,042)	(61)	(5)	(4)	(1,112)
Carrying amount at 1 January 2002	–	–	–	–	–
Carrying amount at 31 December 2002	18	12	–	–	30
Carrying amount at 31 December 2003	19	19	10	3	51
Carrying amount at 31 December 2004	1,354	33	7	2	1,396
Carrying amount at 31 December 2005	2,673	74	15	238	3,000

12. Subsidiary undertakings

Details of the subsidiaries of the Company are set out below:

Name and registered office	*Ownership interest*
Subsidiaries	
GeoPark Argentina Ltd.	100%
GeoPark Argentina Ltd. – Argentine Branch	100%
GeoPark Chile Ltd.	100%
GeoPark Chile Ltd. – Chilean Branch	100%

13. Prepaid taxes

	2005 US$'000	*2004 US$'000*	*2003 US$'000*	*2002 US$'000*
VAT and other taxes	476	353	286	99

14. Inventory

	2005 US$'000	*2004 US$'000*	*2003 US$'000*	*2002 US$'000*
Crude oil	185	140	–	–
Materials	33	67	–	–
	218	207	–	–

15. Accounts receivable

	2005 US$'000	*2004 US$'000*	*2003 US$'000*	*2002 US$'000*
Trade accounts receivable	564	471	98	109
Stock subscriptions receivable	8	8	1,308	–
Other receivables	39	98	58	41
	611	577	1,464	150

The fair value of these short term financial instruments is not individually determined as the carrying amount is a reasonable appoximation of fair value.

16. Joint venture

The Group has a 90 per cent. interest in a joint venture at the Fell Block, in the South of Chile, which has been accounted for by proportional consolidation.

On 12 June 2002, AES Gener S.A. transferred to the Group its participation in a special agreement for the exploration and extraction of hydrocarbon resources in the Bloque Fell Area, Chilean Magallanes and Antarctic Region. As of 31 December 2004, Branch participation in that agreement was 55 per cent. The other participant in the agreement is ENAP.

On 4 July 2005, ENAP transferred to the Group 35 per cent. of the rights in the special agreement for the exploration and extraction of hydrocarbon resources in Bloque Fell, South of Chile. As of 31 December 2005, the Group participation in the joint venture agreement was 90 per cent., and ENAP participation was 10 per cent.

The following amounts have been recognised in the Group balance sheet relating to this joint venture.

	2005 US$'000	*2004 US$'000*	*2003 US$'000*	*2002 US$'000*
Non-current assets	67	–	–	–
Current assets	184	–	–	–
Current liabilities	(251)	–	–	–

17. Share capital

	2005 US$'000	*2004 US$'000*	*2003 US$'000*	*2002 US$'000*
Common stock	20	20	20	12
Share capital				
The share capital is distributed as follows:				
1) Founders' shares, of nominal US$0.10	133,500	133,500	133,500	120,000
2) Common shares, of nominal US$0.10	66,500	66,500	66,500	–
Total common shares in issue	200,000	200,000	200,000	120,000
Preferred shares				
3,325,000 class A shares, of nominal US$1	3,325,000	3,325,000	2,200,000	–
1,824,924 class B shares, of nominal US$1	1,824,924	1,824,924	–	–

Share rights

The share capital of the Company is comprised as follows:

Common Shares

The Common Shares consist of Founders' Common Shares and Class A Common Shares each of which confer the following rights on the holder:

- the right to one vote per Share;
- ranking *pari pasu*, the right to any dividend declared and payable on Common Shares provided that no dividends shall be declared or paid on Common Shares whilst Class A Preferred Shares and Class B Preferred Shares are outstanding;
- in a winding up, the right to receive the net assets of the Company subject to the rights of the holders of Class A Preferred Shares and Class B Preferred Shares.

Preferred Shares

The Preferred Shares are divided into Class A Preferred Shares and Class B Preferred Shares. These Preferred Shares were issued in a package with Common Shares. Details regarding the accounting for these instruments in accordance with IAS 32 is found at note 18.

Class A Preferred Shares which confer on the holders the following rights and restrictions:

- the Class A Preferred Shares confer no voting rights (except as may be required by the Companies Act in Bermuda).
- the Class A Preferred Shares will be redeemed (subject to certain conditions described below) at a redemption price of US$1.333 per Class A Preferred Share by scheduled redemptions each of one fourth of the originally issued Class A Preferred Shares beginning on the 45th day following 31 December 2006 and continuing annually thereafter pro rata to each Class A Shareholder until all Class A Preferred Shares are redeemed.

  Scheduled redemptions of Class A Preferred Shares shall be paid prior to redemptions of Class B Preferred Shares and before the payment of any dividends and are subject to: (1) EBITDAX during the previous fiscal year must exceed US$5,000,000 – otherwise the scheduled redemption

shall accrue until the next year when the EBITDAX requirement is fulfilled. (2) Any redemption of Class A Preferred Shares may be deferred by the Directors of the Company with the prior consent of 51 per cent. of the Class A shareholders.

EBITDAX is defined as revenue less any costs and expenditures but before interest, taxes, depreciation and capital expenditure.

- in a winding up, each holder of the Class A Preferred Share shall receive out of the surplus assets after discharge of creditors, and before any payment to the holders of Class B Preferred Shares, an amount equal to the Class A redemption entitlement multiplied by the number of Class A Preferred Shares registered in his name at the date of the commencement of the winding up.

Class B Preferred Shares which confer on the holders the following rights and restrictions:

- the Class B Preferred Shares confer no voting rights (except as may be required by the Companies Act).
- the Class B Preferred Shares will be redeemed (subject to certain conditions described below) at a redemption price of US$1.333 per Class B Preferred Share. Redemption of Class B Preferred Share will be paid prior to the payment of any dividends on Common Shares but after scheduled and accrued redemptions of Class A Preferred Shares and in accordance with a schedule to be established by the Distribution and Compensation Committee with a minimum 51 per cent. affirmative vote required to establish such Class B redemption schedule.
- in a winding up, each holder of the Class B Preferred Share shall receive out of the surplus assets after discharge of creditors, and the payment to the holders of Class A Preferred Shares described in above, an amount equal to the Class B redemption entitlement multiplied by the number of Class B Preferred Shares registered in his name at the date of the commencement of the winding up.

Class A Preferred Shares and Class B Preferred Shares may be redeemed in full at any time or the scheduled redemptions for them may be accelerated with the unanimous approval of the members of the distribution and compensation committee of the Board.

18. Financial liabilities

Preferred shares

The Preferred Shares detailed in note 17 were issued in packages with Common Shares during 2003 and 2004. The Directors of the Company consider that in substance these Preferred Shares and Common Shares should be considered to be one financial instrument and that the financial liability attributable to this instrument should be measured at fair value in accordance with IAS 32.

The Directors consider the fair value of the interest rate attributable to this liability component of this instrument to be 20 per cent. and have discounted the expected future cashflows in connection with this instrument (the redemption of the preferred shares) at this rate in order to calculate the amount attributable to financial liability component of this instrument. The residual amount is classed as equity in accordance with IAS 32.

Detailed below is a table which analyses the debt and equity components and the finance charge accrued in respect of this instrument at each period end.

	2005 US$'000	*2004 US$'000*	*2003 US$'000*	*2002 US$'000*
Analysis of proceeds from the issue of financial instrument (Preferred and Common Share packages)				
Attributable to:				
Equity	3,025	3,025	1,339	–
Financial liabilities	2,125	2,125	861	–
Finance charge accrued	779	295	–	–
Total financial liability	2,904	2,420	861	–

The Preferred Shares were converted to loan notes on 6 February 2006. Further details of this conversion can be found at note 25.

Convertible debt

In September 2005, the Company agreed a private loan with Gerald E. O'Shaughnessy, under the following terms and conditions:

a. Amount: O'Shaughnessy paid an amount of US$2,000,000 to the Company and may extend the loan up to US$10 million at his sole election. Funds are evidenced by Promissory Notes.

b. Participants (lenders): O'Shaughnessy may sell participation(s) of that loan at same terms and conditions.

c. Maturity date: the Company promises to repay the loan on or before 30 November 2006.

d. Interest: The loan accrues an annual interest rate of 10 per cent.

e. Conversion: At his sole discretion, O'Shaughnessy may convert the loan to equity (i.e. common stock) under the following conditions:

   i. conversion should be noticed to the Secretary before the closing of the next equity round,

   ii. for amounts funded before 1 October 2005, a conversion discount of 35 per cent. shall apply; before 1 November 2005, a conversion discount of 25 per cent.; before 28 February 2006, a conversion discount of 15 per cent. shall apply,

   iii. same rights and restrictions to convert are applicable to any participant.

At 31 December 2005 the Company had drawn down US$5,028,000 under this agreement.

The Directors of the Company consider that this agreement constitutes a compound financial instrument under IAS 32 as a result that the financial liability attributable to this instrument should be measured at fair value in accordance with IAS 32.

The Directors consider the fair value of the interest rate attributable to this liability component of this instrument to be 15 per cent. and have discounted the expected future cashflows in connection with this instrument (the redemption of the preferred shares) at this rate in order to calculate the amount attributable to financial liability component of this instrument. The residual amount is classed as equity in accordance with IAS 32.

Detailed below is a table which analyses the debt and equity components and the finance charge accrued in respect of this instrument at each period end.

	2005 US$'000
Proceeds from issue of financial instrument	
Attributable to:	
Equity	109
Financial liabilities	4,918
Finance charge accrued	194
Total financial liability	5,112

The Convertible debt was converted into common shares on 6 February 2006. Further details of this conversion can be found at note 25.

The Board consider the fair values of these financial liabilities not to be materially different from their carrying values in the balance sheet at each period end.

19. Provision for decommissioning

	2005 US$'000
At 1 January 2002	–
Increases	–
At 31 December 2002	–
Increases	42
At 31 December 2003	42
Exchange adjustment	(1)
At 31 December 2004	41
Exchange adjustment	(1)
Increases	31
At 31 December 2005	71

Provision for decommissioning relates to the estimation of future disbursements related to the abandonment and decommissioning of oil wells.

The total calculation of the provision is estimated by the Company's engineers, based on individual well filling and coverage.

This provision will be utilised when the related wells are fully depleted.

20. Trade accounts payable

	2005 US$'000	*2004 US$'000*	*2003 US$'000*	*2002 US$'000*
Trade payables	2,715	688	247	213

The fair value of these short term financial instruments is not individually determined as the carrying amount is a reasonable approximation of fair value.

21. Commitments and contingencies

Royalty commitments

In Argentina, crude oil production accrues royalties payable to Provinces of Santa Cruz and Mendoza (Argentina) equivalent to 12 per cent. on estimated value at mouth of well of those products. That value is equivalent to final sales price less transport, storage and treatment costs.

In Argentina, crude oil sales accrue private royalties payable to EPP Petróleo S.A. (2.5 per cent. on invoiced amount of crude oil obtained from wells at "Del Mosquito", Province of Santa Cruz, Argentina) and to Vintage Argentina Ltd. (8.0 per cent. on invoiced amount of crude oil obtained from wells at "Loma Cortaderal" and "Doña Juana", Province of Mendoza, Argentina).

These amounts have been accrued or paid as appropriate.

In Chile, royalties are payable to the Chilean Government which are calculated at from 5 per cent. of crude oil production and from 3 per cent. of gas production. Additionally, GeoPark Chile Ltd - Chilean Branch- is committed to pay private royalties, calculated at 3 per cent. on crude oil production, up to a total amount of US$3,250,000. There has not as yet been any production from Chilean properties.

Operating lease commitments

	2005 US$'000	*2004 US$'000*	*2003 US$'000*	*2002 US$'000*
Falling due within 1 year	70	42	20	10
Falling due within 1-5 years	88	114	156	176
Falling due after 5 years	–	–	–	–

22. Related parties

Controlling interest

GeoPark Holdings Limited, a company registered in Bermuda, is owned by two owners of founders' shares at equal participation who are Energy Holdings LLC and The Globe Resources Group Inc which are controlled by James Park and Gerald E. O'Shaughnessy respectively.

Balances outstanding and transactions with related parties

31 December	*Account*	*Balances US$'000*	*Related Party*	*Relationship*
2002	Other long term liabilities	(354)	The Globe Resources Group Inc.	Shareholder
2002	Other long term liabilities	(518)	Energy Holdings LLC	Shareholder
2003	Other long term liabilities	(876)	The Global Resources Group Inc.	Shareholder
2003	Other long term liabilities	(944)	Energy Holdings LLS	Shareholder

The above transactions and balances arise from funding transactions. Additional disclosure regarding funding transactions can be found at note 18.

In addition, the Company paid US$36,000 during 2004 and US$36,000 during 2005 for services provided by Lario Enterprises LLC. Gerald O'Shaughnessy is a shareholder and director of GeoPark Holdings Limited and is the beneficial owner of Lario Enterprises LLC through trusts.

There have been no other transactions with the Board of Directors, Executive Board, executive officers, significant shareholders or other related parties during the year besides the intercompany transactions which have been eliminated in the consolidated financial statements, and normal remuneration of Board of Directors and Executive Board.

23. Fees paid to auditors

2005 US$'000	*2004 US$'000*	*2003 US$'000*	*2002 US$'000*
28	24	17	17

24. Financial instruments – Risk management

The Company is exposed through its operations to one or more of the following financial risks:

- Foreign currency risk
- Fair value interest rate risk
- Market price risk
- Credit risk – Concentration
- Funding risk

The policy for managing these risks is set by the Board. Certain risks are managed centrally, while others are managed locally following guidelines communicated from the centre. The policy for each of the above risks is described in more detail below.

Foreign currency risks

As there are activities in foreign countries, the Group's cashflows are influenced by the exchange rate of the Argentine and Chilean Peso. Sales receipts from group production and funding is in US dollars. The Board do not consider there to be significant foreign exchange risks but manage them as follows:

- The Group minimises the local currency positions in Argentina and Chile by seeking to equilibrate local and foreign currency assets and liabilities. However, local VAT receivable is stated in local currencies and it is unavoidably exposed to inflation and currency fluctuation.
- Most of the Group's assets are associated to oil and gas productive assets. Such assets in the oil and gas industry even in the local markets are usually settled in local currency US Dollar equivalents.
- Exchange adjustment of investments in subsidiary enterprises is recognised directly in the equity. Related exchange risks are generally not hedged because it is the Group's opinion that a current hedging of such long-term investments will not be optimal from an overall risk and cost viewpoint.

Fair value interest rate risks

The most significant financial liabilities of the Group are Convertible Notes and Preferred Shares further details of which can be found at note 18.

These instruments carried fixed interest rates which the Board did not consider appropriate to manage through any form of derivative at this stage of the Group's development.

Market price risks

The Group is an oil and gas producer within local markets (Chile and Argentina). Prices are settled in US dollars and settled by international markets. The market price of these commodities is subject to significant fluctuation but at the current time the Board do not consider it appropriate to manage the Group's risk to such fluctuation through futures contracts or similar because to do so would not be economical at current production levels.

The Board will adopt a hedging policy when it deems appropriate according to the size of the business and market implied volatility.

Credit risks – concentration

The Group's credit risk relates mainly to accounts receivable where the credits risks correspond to the recognised values. There is not considered to be any significant risk in respect of the Group's major customer. Substantially all oil production is sold to Petrobras, a Brazilian oil and gas company, which has a credit rating in excess of B by international entities.

Funding risk

The Group has been obtaining funding through equity or convertible debt. It is currently planning an Initial Public Offering.

25. Post balance sheet date events

In the meeting of the Board of Directors held on 6 February 2006 the following post balance sheet events occurred:

- the Class A Preferred Shares and Class B Preferred Shares were redeemed, the consideration being US$4,432,225 new unsecured convertible A Notes and up to US$2,432,677 of new unsecured convertible B Notes. These loan notes carry similar rights to the Preferred Shares with the additional right to conversion to Common Shares as part of any Initial Public Offering.
- the share capital of the Company was divided into common shares having a par value of US$0.001.
- the holders of the convertible debt were allotted 1,310,868 Common Shares in consideration of the cancellation of such debt.
- a subscription agreement was agreed to be entered into between, *inter alia*, the Company and the International Finance Corporation (IFC) for the subscription of shares to the value of approximately US$10 million. These amounts were received by the Company on 27 February 2006.

PART VI

ADDITIONAL INFORMATION

1. The Company

1.1 The Company was incorporated and registered with the name GeoPark Holdings Limited in Bermuda on 3 February 2003 under the Act as a limited company and an exempted company with registered number 33273. The Company is domiciled in Bermuda. The liability of the members of the Company is limited. The Company has no commercial name other than its registered name. The registered office of the Company is Milner House, 18 Parliament Street, Hamilton, HM12, Bermuda.

1.2 The principal place of business of the Company is Florida 981, 4th floor, 1005 Buenos Aires, Argentina, telephone number: +54 11 4312 9400.

1.3 The principal activities of the Company are as described in Part I of this document. Save as disclosed in Part I of this document, there are no exceptional factors which have influenced the Company's activities.

1.4 The principal legislation under which the Company operates is the Act and the regulations thereunder and the Common Shares are created under the Act.

1.5 The Company is the holding company of the Group. Details of the Company's subsidiaries are set out in paragraph 3 of this Part VI.

2. Share Capital

2.1 The authorised and issued share capital of the Company as at the date of this document is as follows:

Authorised			*Issued*	
Number	*Amount US$*		*Number*	*Amount US$*
5,171,949,000	5,171,949	Common Shares of US$0.001 each	23,818,029	23,818.03

All issued shares are fully paid.

2.2 The authorised and issued share capital of the Company, as it is expected to be immediately following Admission will be as follows:

Authorised			*Issued*	
Number	*Amount US$*		*Number*	*Amount US$*
5,171,949,000	5,171,949	Common Shares of US$0.001 each	30,668,967	30,668.97

The outstanding A Notes and B Notes at the date of this document and immediately following Admission are:

	Immediately prior to Admission (US$)	*Immediately after Admission (US$)*
A Notes	4,432,225	Nil
B Notes	2,432,677	Nil

The terms of the A Notes and B Notes are set out in paragraph 11.4 of this Part VI. US$299,925 of A Notes are to be converted into Common Shares at the Placing Price on Admission. The outstanding US$4,132,300 of A Notes and all of the US$2,432,677 of B Notes are to be repaid out of the proceeds of the Placing.

2.3 In the three years preceding 9 May 2006 (being the latest practicable date prior to the publication of this document) the following alterations in the Company's issued share capital have occurred:

2.3.1 By a resolution passed on 27 February 2006 the Company allotted and issued to the IFC 2,507,161 Common Shares pursuant to the agreement dated 7 February 2006 between the Company and the IFC in respect of the IFC Investment.

2.3.2 By resolutions passed on 6 February 2006:

(a) the 3,325,000 US$1.00 par value class A preferred shares in the capital of the Company were redeemed and by way of payment for the redemption US$4,432,225 of new unsecured convertible A Notes were issued;

(b) the 1,824,964 US$1.00 par value class B preferred shares in the capital of the Company were redeemed and by way of payment for the redemption US$2,432,677 of new unsecured convertible B Notes were issued;

(c) the 133,500 founders shares and 66,500 class A common shares in the capital of the Company were redesignated as 200,000 common shares of US$0.10 each in the Company; and

(d) each of the common shares of US$0.10 in the Company were sub-divided into 100 Common Shares of US$0.001 each.

2.3.3 By a resolution passed on 6 February 2006 the Company allotted and issued to GeoPark Funding LLC 1,310,868 Common Shares pursuant to the private loan agreement as described in paragraph 12.3 of this Part VI.

2.3.4 By a resolution passed on 24 November 2003 the Company allotted and issued 66,500 class A common shares of US$0.10 each and 3,325,000 class A preferred shares of US$1.00 each in the capital of the Company to certain investors and 6,750 founders shares of US$0.10 each and 1,824,964 class B preferred shares of US$1.00 each in the capital of the Company to Energy Holdings LLC and The Globe Resources Group, Inc..

2.3.5 By resolutions passed on 24 November 2003:

(a) each of the founders shares of US$1.00 each were subdivided into 10 founders shares of US$0.10 each; and

(b) the authorised share capital of the Company was increased from US$12,000 to US$5,171,949 by the creation of an additional 33,350 founders shares of US$0.10 each, 66,500 class A common shares of US$0.10 each, 3,325,000 class A preferred shares of US$1.00 each and 1,824,964 class B preferred shares of US$1.00 each.

2.3.6 By a resolution passed on 4 February 2003 the Company allotted and issued 6,000 founders shares of US$1.00 each in the capital of the Company to each of the founders, Energy Holdings LLC and The Globe Resources Group, Inc..

2.4 Under Bermudan law all of the unissued share capital of the Company may be issued by the Directors. However, under Bye-law 8 of the Bye-laws adopted on 6 February 2006 the Directors may not exercise this power unless they are authorised to do so by a resolution of Shareholders. However Bye-law 8 does not apply to:

2.4.1 shares in the Company allotted, or any right to subscribe for or convert any security into shares in the Company granted, in any such case as part of any offering of shares in the Company which culminates in Admission;

2.4.2 shares in the Company allotted pursuant to any right granted before Admission (whether or not such right was expressed to be conditional on Admission); and

2.4.3 the number of shares equal to one-third of the issued share capital of the Company at Admission provided that this authority shall expire on 5 February 2011.

2.5 There are no pre-emption rights attaching to the share capital of the Company under the Act. Bye-law 19 of the Bye-laws adopted on 6 February 2006 confers on Shareholders rights of pre-emption in respect of the allotment of equity securities or securities convertible into equity securities which are, or are to be, paid up in cash and applies to the authorised but unissued share capital. However Bye-law 19 does not apply to:

2.5.1 shares in the Company allotted, or any right to subscribe for or convert any security into shares in the Company granted as part of any offering of shares in the Company which culminates in Admission;

2.5.2 shares in the Company allotted pursuant to any right granted before Admission (whether or not such right was expressed to be conditional on Admission); and

2.5.3 such number of shares, or a right to subscribe for, or to convert securities (including any debt securities) into, shares in the Company, as are equal to ten (10) per cent. of the issued share capital of the Company at Admission provided that this authority shall expire at the Annual General Meeting of the Company in 2007.

2.6 The Subscription Shares will be issued on 16 May 2006 credited as fully paid up and free from all liens, charges, encumbrances and other third party rights and will rank in full for all dividends and other

distributions declared, paid or made by the Company after Admission. The Subscription Shares will be created under the Act. The International Security Identification Number of the Common Shares is BMG383271050.

2.7 Save as disclosed in the foregoing sub-paragraphs of this paragraph 2 and in paragraph 6 below:

2.7.1 no share or loan capital of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option;

2.7.2 other than upon the exercise of options granted pursuant to the Executive Stock Option Plan and the grant of IPO Awards as described in paragraph 10 of this Part VI there is no present intention to issue any of the authorised but unissued share capital of the Company; and

2.7.3 during the three years ended 31 December 2003, 2004 and 2005 and up to the date of this document, not more than 10 per cent. of the share capital of the Company has been paid for with assets other than cash.

2.8 The Common Shares are all in registered form, are denominated in US dollars and are freely transferable.

2.9 There have been no public takeover bids by third parties in respect of the share capital of the Company or any Group company in the last financial year and between 1 January and 9 May 2006 (being the latest practicable date before the publication of this document).

3. The Company's subsidiaries

3.1 The Company which is the parent company of the Group has the following subsidiary undertakings. Their principal activities, registered offices, place of incorporation and the proportion of their share capital held (directly or indirectly) by the Company are shown below:

Name	GeoPark Argentina Limited*	GeoPark Chile Limited*
Company Number	14790	32226
Registered Office	Milner House, 18 Parliament Street, Hamilton HM12, Bermuda	Milner House, 18 Parliament Street, Hamilton HM12, Bermuda
Function	Holds oil and gas licences	Holds oil and gas licences
Country of Incorporation and Residence	Bermuda	Bermuda
Issued Share Capital	12,000 common shares of US $1 each	12,000 common shares of US $1 each
Percentage ownership	100	100

* Please note that these companies have a branch registered in Argentina and Chile respectively with the following registration numbers and registered addresses:

Name	GeoPark Argentina Limited (Sucursal Argentina)	GeoPark Chile Limited Agencia en Chile
Registration Number	Number: 390 Book: 52, T "B" Foreign Bye laws	RUT Number: 59.105.330-2
Registered Office	Florida 981 Piso 4 Buenos Aires Argentina	Avda. I. Goyenechea 3162, Of. 801 Las Condes Santiago, Chile

3.2 Save as disclosed in paragraph 3.1 of this Part VI, there are no undertakings in which the Company holds a proportion of the capital likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profits.

4. Memorandum and Bye-laws

4.1 The Memorandum of Association of the Company provides that the principal objects of the Company are as set out in paragraphs (b) to (n) and (p) to (u) of the Second Schedule to the Act being general corporate purposes.

4.2 The current Bye-laws, which were adopted on 6 February 2006, include provisions to the following effect:

4.2.1 *Voting rights*

(a) At any general meeting, a resolution put to the vote of the meeting shall, in the first instance, be voted upon by a show of hands. At a general meeting on a show of hands every shareholder who is present in person or by proxy has one vote (Bye-laws 107 and 114).

(b) On a poll every shareholder who is present in person or by proxy or (being a corporation) is present by a representative has one vote for every share in the capital of the Company of which he is the holder (Bye-law 107).

(c) No shareholder may vote or be reckoned in a quorum if any call or other sum payable by him to the Company in respect of any share remains unpaid (Bye-law 112).

(d) The Bye-laws provide for unanimous written resolutions of members (Bye-laws 90 to 92).

4.2.2 *Class rights*

Whenever the share capital of the Company is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound-up, be varied with the consent in writing of the holders of 65 per cent. of the issued shares of that class or with the sanction of a resolution passed by a majority of the votes cast at a separate general meeting of the holders of the shares of the class voting in person or by proxy (Bye-law 5).

4.2.3 *Directors and Officers*

(a) The business of the Company shall be managed by the Board, who may exercise all such powers as are not required to be exercised in general meeting, subject always to the provisions of the Bye-laws, the Act and to such directions as may be prescribed by the Company in general meeting. The Board may regulate its meetings as it sees fit and questions arising at a meeting shall be decided by a majority of votes. In the case of an equality of votes the motion shall be deemed to have been lost (Bye-laws 158 and 166).

(b) If and for so long as the Company shall not be subject to the City Code, the Board shall, in managing and conducting the business of the Company and in exercising or refraining from exercising any and all powers, rights and privileges, use its reasonable endeavours to apply and to have the Company abide by the General Principles as set out in the City Code ("General Principles") mutatis mutandis as though the Company were subject to the City Code. In the event that circumstances arise where, if the Company were subject to the City Code, the Company would be an offeree or otherwise the subject of an approach or the subject of a third party statement of firm intention to make an offer, the Board would comply and procure that the Company complied with the provisions of the City Code. In the event that the Board recommended to the shareholders of the Company or any class thereof any takeover offer made for shares in the Company from time to time, the Board would obtain the undertaking of the offeror(s) to comply with the provisions of the City Code in the conduct and the execution of the relevant offer. It is recognised in Bye-law 160 that the Panel on Takeovers and Mergers does not have jurisdiction and that, if and for so long as such may be the case, these provisions are subject in any event to the Act and to the requirement that the Board must be satisfied that the application of Bye-law 31.4 is in the best interests of the Company (Bye-law 160).

(c) The Board may confer on any individual any of the Board's powers. The Board may delegate any of its powers to a committee. The Board shall appoint directors to the offices of president and vice-president or chairman and deputy chairman to supervise and administer the general business and affairs of the Company and to exercise any of the powers and discretions exercisable by other directors, upon such terms and conditions and with such restrictions as the directors may think fit, and the Board may also delegate powers to any officer, or committee consisting of two or more directors, for such period and on such terms as the Board may from time to time determine. The Board may appoint one or more directors to hold such other executive office in relation to the management of the business of the Company as the Board may decide. The Board may revoke any such appointment subject to the terms of any service contract entered into and without prejudice to any claim arising from such revocation (Bye-laws 161, 163 and 178).

(d) The number of directors shall not be less than three (3) nor more than such number as the Board may by resolution determine. The directors shall be elected by the members of the Company at the statutory meeting, and annually thereafter. Of the directors subject to election each is subject to retirement by rotation in successive three (3) yearly cycles. A retiring director is eligible for re-election. The Bye-laws provide that notice must be given in writing not less than 120 days nor more than 150 days prior to the anniversary of the notice for the annual general meeting preceding the annual general meeting at which directors are to be appointed for proposals by members to appoint any person as a director (along with notice in writing signed by that person of his willingness to be appointed), other than a director retiring at the same meeting or a person proposed for re-election or election as a director by the Board (Bye-laws 130.1, 131, 134 and 138).

(e) The quorum necessary for Board meetings shall be fixed by the directors, and, unless fixed at any other number, shall be two (2) (Bye-law 168).

(f) Bye-law 171.1 provides for unanimous written resolutions of directors.

(g) The Board may appoint persons to be directors either to fill a casual vacancy or as an additional director. The office of a director shall be vacated in the event of death, disability, bankruptcy, disqualification, resignation or after the passing of a resolution by the members of the Company at general meeting (Bye-laws 131 and 141).

(h) A director shall declare the nature of his interest in any contract or arrangement with the Company as required by the Act. A director so interested shall not, except in particular circumstances, be entitled to vote or be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting by reason of such interest (Bye-laws 150 to 152).

(i) The Bye-laws provide for the appointment of alternate directors (Bye-law 142).

(j) The remuneration (if any) of any director of the Company shall be determined by the Board, and may include the making of provisions for the payment to him, his spouse or other dependants, of a pension on retirement from the office or employment to which he is appointed and for the participation in pension and life assurance and other benefits. The directors shall be paid out of the funds of the Company by way of fees for their services as directors and such remuneration shall be deemed to accrue from day to day. Directors may also be paid all travel, hotel and other expenses properly incurred by them in attending and returning from meetings of the Board, any committee appointed by the Board, general meetings of the Company, or in connection with the business of the Company or their duties as directors generally (Bye-laws 146 and 148).

(k) The officers of the Company must include a president and a vice president or a chairman and a deputy chairman, all of whom shall be deemed to be Officers for the purposes of the Bye-laws. The Board shall appoint a president and a vice president or a chairman and a deputy chairman, who shall be directors, as soon as possible after the statutory meeting of the shareholders and after each annual general meeting. The election or appointment of any officer may be revoked at any time, and where the officer is also a director his election or appointment as officer shall automatically terminate if such person ceases to be a director for any reason (Bye-laws 177 to 179).

(l) No directors shall vote or be counted as part of the quorum on any resolution concerning his own remuneration (Bye-law 146).

(m) The Bye-laws contain a provision for the mandatory submission for re-election of a director at each annual general meeting after he has reached the age of 70 (Bye-law 141.8).

(n) A director may be removed by a resolution of the shareholders at any general meeting convened in accordance with the Bye-laws and where the relevant director has been served with not less than 28 days' notice and has the right to be heard on the motion for his removal. Section 93 of the Act does not apply to the Company. Any removal of a director shall be without prejudice to any claim such director may have for damages for breach of any contract of service between him and the Company (Bye-law 141.7).

4.2.4 *Indemnity*

Subject to the Act, the Company indemnifies every director or officer of the Company against any liability in respect of any act done, conceived or omitted to be done in the conduct of the Company's business (Bye-law 212.1) and may:

(a) purchase and maintain for any such director or officer insurance against any such liability or any other insurance which the Company may purchase and maintain in accordance with the Act (Bye-law 212.4); or

(b) indemnify any such director or officer against any liability incurred by him in defending any proceedings in which judgment is given in his favour or where proceedings are otherwise disposed of without any finding of any material breach of duty on his part or in which he is acquitted or

in connection with any application in which relief from liability is granted to him by the court under the Act for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company (Bye-law 212.3).

Subject to the above and to the extent permitted by law, any director or officer of the Company shall be indemnified out of the assets of the Company against all costs, charges, expenses, losses or liabilities sustained or incurred in the proper and lawful execution and/or discharge of the duties of his office and/or the exercise or purported exercise of his powers or discretions and/or otherwise in relation thereto or in connection therewith.

4.2.5 *Borrowing powers*

The Board may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and may issue debentures, debenture stock, and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party (Bye-law 158).

4.2.6 *Dividends*

(a) The Board may, subject to the Bye-laws and in accordance with Section 54 of the Act, declare a dividend to be paid to the members, in proportion to the number of shares held by them, and such dividend may be paid in cash or wholly or partly in fully or partly paid shares (Bye-law 187).

(b) Dividends unclaimed within six years of declaration are forfeited and revert to the Company (Bye-law 192).

4.2.7 *Power to issue shares*

Subject to the provisions of the Bye-laws, all unissued shares (either part of the original or of any increased capital) shall be at the disposal of the directors to allot, grant options over, offer or otherwise deal with or dispose of them to such persons and generally on such terms and conditions as they may determine (Bye-law 7).

4.2.8 *Authority to issue shares*

The directors shall not exercise any power of the Company to allot "Relevant Securities" (meaning any shares of the Company, other than shares allotted in pursuance of any Employee Share Scheme (as defined in the Bye-laws), or warrants exercised under a warrant instrument and any right to subscribe for or to convert any security into, shares in the Company) unless authorised to do so by a shareholders' resolution in a general meeting. Relevant Securities shall not include shares allotted or rights to subscribe for or convert any security into shares granted as part of any offering of shares culminating in an "Admission" (meaning the first occurring admission of any class of shares of the Company to trading on the AIM Market of the London Stock Exchange), (including any shares so allotted or rights granted, whether before or after Admission, in accordance with any over-allotment or stabilisation arrangements entered into by the Company in connection therewith). Any authority, whether it is unconditional or subject to conditions, or whether given generally or for a particular exercise, shall state the maximum amount of Relevant Securities that may be allotted under it and the date on which it will expire, to be no more than 5 years from the date on which the Resolution is passed, unless previously revoked or varied by resolution of the shareholders in general meeting. Where the definition of Relevant Securities applies to any rights to subscribe for or to convert any security into shares, the authority relates to the maximum number of shares which may be allotted pursuant to such rights. The directors may allot Relevant Securities after the expiry of the authority, in pursuance of an offer or agreement made by the Company before the expiry of such authority. No breach of these provisions shall affect the validity of any allotment of any Relevant Securities (Bye-laws 8 to 15).

4.2.9 *Pre-emption rights*

The Bye-laws contain provisions giving pre-emption rights to holders of "Relevant Shares", meaning the shares in the Company other than:

(a) those shares giving rights to a specified amount of dividend and capital in a distribution; and

(b) shares acquired or to be allotted pursuant to any Employee Share Scheme,

and of "Relevant Employee Shares" (being those shares in the Company which would be Relevant Shares save for the fact that they were acquired pursuant to an Employee Share Scheme), entitling them to be offered "Equity Securities" meaning Relevant Shares and rights to subscribe for or convert securities into Relevant Shares, excluding shares or any rights to subscribe for or convert any security into shares as part of any offering of shares culminating in an Admission (as defined in the Bye-laws and set out above) (including any shares so allotted or rights granted, whether before or after Admission, in accordance with any over-allotment or stabilisation arrangements entered into by the

Company in connection therewith) in proportion to their existing shareholdings. These pre-emption provisions do not apply to allotments of Equity Securities which are paid otherwise than in cash (meaning where paid up otherwise than by cash received by the Company or cheque received by the Company in good faith, which the directors have no reason to suspect will not be paid, or release of a liability of the Company for a liquidated sum or an undertaking to pay cash to the Company at a future date, where "cash" also includes foreign currency) and they do not apply to the allotment of securities which would be held under any Employee Share Scheme (as defined in the Bye-laws). Any Equity Securities which the Company has offered to a holder of Relevant Shares and Relevant Employee Shares may be allotted to him, or to anyone in whose favour he has renounced his right to their allotment, without contravening these provisions. Any offer made under these provisions must state a period of not less than 21 days during which it may be accepted and this offer shall not be withdrawn before the end of such period (Bye-law 19 to 23).

4.2.10 *Disapplication of pre-emption rights*

The pre-emption rights summarised above in paragraph 4.2.9 of this Part VI may be disapplied in whole or modified as the directors determine, provided the directors are given power by special resolution, which shall not be proposed unless recommended by the directors and a notice is circulated to shareholders with a directors' statement setting out reasons for making such recommendation, the amount to be paid to the Company in respect of such allotment, and the directors' justification of such amount (Bye-laws 27 to 30).

4.2.11 *Shares and transfer of shares*

(a) Subject to the Act and to any other applicable laws and regulations and the facilities and requirements of any relevant system concerned, the directors have the power to implement any arrangements as they may, in their absolute discretion, think fit in relation to the evidencing of title to and transfer of uncertificated shares. To the extent that such arrangements are so implemented, no provision of the Bye-laws shall have effect which is in any respect inconsistent with the holding or transfer of shares in an uncertificated form. Unless otherwise determined by the directors or permitted by the Act or other applicable laws and regulations, no person shall be entitled to receive a certificate in respect of any share for so long as the title of the share is evidenced otherwise than by a certificate and for so long as any transfers of that share may be made otherwise than by a written instrument (Bye-law 68). Always subject to the Act and to any other applicable laws and regulations and the facilities and requirements of any relevant system concerned:

(i) the directors may in their absolute discretion convert certificated shares into uncertificated shares and vice versa, in such manner as they may think fit (Bye-law 69);

(ii) the Company shall enter on the Register of Members how many shares are held in uncertificated form and in certificated form and holdings in certificated form and uncertificated form shall be treated as separate holdings (Bye-law 70);

(iii) a class of shares is not to be treated as two classes by virtue of the fact that such class comprises both certificated shares and uncertificated shares or as a result of any provision of these Bye-laws or the Act or any other applicable law or regulation which are applicable only in respect of certificated or uncertificated shares and (Bye-law 71)

(iv) the directors are entitled to require the conversion of an uncertificated share into a certificated form to enable the Company to deal with that share in accordance with any provision in the Bye-laws. A member holding uncertificated shares may in accordance with any arrangements under Bye-law 8.1 and subject to compliance with the Act and other applicable laws in relation thereto require that such uncertificated shares be converted into certificated shares (Bye-law 72).

(b) Subject to the Act and any applicable laws and regulations and the facilities the requirements of any relevant system concerned, the directors have the power to implement and/or approve any arrangements which they may in their absolute discretion think fit in relation to the evidencing of title and transfer of interests in shares in the capital of the Company in the form of depositary interests or similar interests, instruments or securities. To the extent that such arrangements are implemented, no provision of Bye-laws shall apply or have effect to the extent that it is in any respect inconsistent with the holding of the transfer of depositary interests or the shares in the capital of the Company represented thereby. The directors may from time to time take such actions and do such things as they may in their absolute discretion think fit in relation to the operation of any such arrangements (Bye-law 35).

4.2.12 *Destruction of documents*

The Company is entitled to destroy:

(a) any instrument of transfer or any other document which has been registered, or on the basis of which registration was made, at any time after the expiration of six years from the date of registration;

(b) any dividend mandate (or cancellation or variation thereof or any notification of change of address), at any time after the expiry of two years from the date of recording thereof;

(c) any share certificate which has been cancelled, at any time after the expiration of one year from the date of such cancellation; and

(d) any instruments of proxy which have not been used for the purpose of a poll at any time after the expiration of one month from the end of the meeting to which the instrument of proxy relates and at which no poll was demanded.

It is to be conclusively presumed in favour of the Company that all entries in the register of members and recorded particulars in the books or records of the Company entered on the basis of instruments of transfer, share certificates and other documents so destroyed, have been duly and properly entered, provided always that the destruction of any relevant document has been made in good faith and without notice of the Company that the preservation of any such document is relevant to any claim (Bye-law 213).

4.2.13 *Untraced shareholders*

The Company is entitled to sell, at the best price reasonably obtainable at the time of the sale, any share of any shareholder where for a period of six years no cheque or warrant has been cashed and no communication has been received by the Company from such shareholder, provided that:

(a) during such period at least three dividends have become payable and none have been claimed;

(b) the Company has on or after expiry of such six year period given notice of its intention to sell such share(s), by way of an advertisement in a national newspaper in the country and in a newspaper in the area where the shareholder's last known address is located;

(c) the Company has not received, within a three month period following the publication of such advertisements, any communication from the shareholder; and

(d) where the shares are listed on a securities exchange, the Company has given notice thereto of its intention to sell such shares.

The net proceeds of any sale belong to the Company which must account to the former shareholder for an amount equal to the proceeds and enter his name in the books of the Company as a creditor for such amount. No trust shall be created in respect of the debt and such net proceeds and any interest earned on them may be employed in the business of the Company as the directors may from time to time think fit (Bye-law 214).

4.2.14 *Lien*

The Company has a first and paramount lien on any shares which are not fully-paid shares (Bye-law 36).

4.2.15 *Capitalisation and share premiums*

The directors may capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts (including any share premium account) and appropriate the sum resolved to be capitalised either:

(a) to the holders of any class of shares who would have been entitled to it if it had been distributed by way of dividend and in the same proportions, with the directors applying such sum on their behalf either in or towards paying up any amounts, if any, for the time being unpaid on any shares held by such holders of such shares respectively or in paying up in full unissued shares or debentures of the Company to be allotted credited as fully paid up to such Shareholders in the proportions aforesaid, or partly in the one way and partly in the other; or

(b) to such holders of such shares who may, in relation to any dividend or dividends, validly accept an offer or offers on such terms and conditions as the directors may determine (and subject to such exclusions or other arrangements as the directors may consider necessary or expedient to deal with legal or practical problems in respect of overseas shareholders or in respect of shares represented by depositary receipts) to receive new Common Shares, credited as fully paid up, in lieu of the whole or any part of any such dividend or dividends (any such offer being called a "Scrip Dividend Offer'');

and the directors shall apply such sum on their behalf in paying up in full at par unissued shares (in accordance with the terms, conditions and exclusions or other arrangements of the Scrip Dividend Offer) to be allotted credited as fully paid up to such holders respectively. The authority of the Company in general meeting, such authority not to end later than the fifth anniversary of the date at which the general meeting is held, shall be required before the directors implement any Scrip Dividend Offer (which authority may extend to one or more offers) and for any such capitalisation (Bye-law 195).

4.2.16 *Distributions on liquidation to shareholders*

On liquidation the liquidator may divide the whole or any part or parts of the assets of the Company among the Shareholders, in whole or part, in specie or in kind, for such values as the liquidator may deem fair (Bye-law 209).

4.2.17 *General Meetings*

At least 21 clear days' notice must be given of an annual general meeting or a meeting called for the passing of a special resolution. At any general meeting of the Company any two shareholders present in person or by proxy throughout the meeting shall form a quorum for the transaction of business. If within 30 minutes (or such longer time as the Chairman shall determine) from the time appointed for the meeting a quorum is not present, the meeting shall stand adjourned to such other day, time or place as the chairman of the meeting may determine. (Bye-laws 93, 98 and 99). A meeting of the members may be held by means of telephone or other communication as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously (Bye-law 121).

4.2.18 *Proxies*

Any Shareholder may appoint a standing proxy or, if a corporation, a representative by depositing such appointment at such place or places as the directors may otherwise specify for the purpose. Any such standing proxy or appointment of representative shall be valid for all general meetings and adjournments thereof, or resolutions in writing, as the case may be, until notice of revocation is received. Where a standing proxy or appointment of representative exists, its operation shall be deemed to have been suspended at any general meeting at which the member is present or in respect to which the member has specially appointed a proxy or representative (Bye-law 124).

4.2.19 *Demand for a poll at a general meeting*

A poll may be demanded by at least five shareholders present in person or represented by proxy, or by the Chairman or by any shareholder(s) present in person or by proxy representing one-tenth of the total voting rights of shareholders entitled to vote at such meeting (Bye-law 114).

4.2.20 *Changes to the Bye-laws*

No Bye-law may be rescinded, altered or amended and no new Bye-law shall be made until the same has been approved by a resolution of the Board passed by a majority of the directors and by a resolution of the Shareholders by a 65 per cent. majority (Bye-law 215).

4.2.21 *Disclosure of interests*

Each shareholder who from time to time is or becomes interested in 3 per cent. of the relevant share capital of the Company is required to notify such interest to the Company upon acquisition of such interest or upon any transaction whereby his interest rises above 3 per cent. or falls below 3 per cent. or if his interest remains above 3 per cent. but the percentage level of his interest immediately before and immediately after that time are not the same. Each shareholder is also required, to the extent that he is lawfully able to do so, to notify the Company if any other person acquires or ceases to have a notifiable interest in such shares of which he is the registered Shareholder, or to use his reasonable endeavours to procure that such other person makes notification of his interests to the Company. Where a shareholder fails to make the requisite notification, the Company may direct by notice that, in respect of the shares in relation to which the default has occurred, the shareholder is no longer entitled to be present at general meetings and to vote on any question, or to be reckoned in a quorum. Where the default shares represent 0.25 per cent. or more in nominal value of the issued shares of the relevant class, the Company may also suspend payment of dividends which would have been payable in respect of the shares in relation to which the default has occurred, or treat any election made by the defaulting shareholder to receive shares instead of cash as ineffective (Bye-laws 56, 62 and 63).

4.2.22 *Power of the Company to investigate interests in shares*

The Company may by notice in writing request any person whom the Company knows or has reasonable cause to believe to be or, at any time during the three (3) years immediately preceding the date on which the notice is issued, to have been interested in the Company's shares (i) to confirm that fact or (as the case may be) to indicate whether or not it is the case; and (ii) to give such further information as may be requested (Bye-law 57). A notice under Bye-law 57 shall request any information given in response to the notice to be given in writing within such time as may be specified

in the notice, being a period not less than fourteen (14) days following service thereof. If any Shareholder, or any other person appearing to the Directors to be interested in any shares in the capital of the Company held by such Shareholder has been served with a request notice under Bye-law 57 and does not within the period prescribed therein supply to the Company the information thereby requested, the Company may at any time thereafter by notice to such Shareholder direct that, in respect of the shares in relation to which the default has occurred and any other shares held at the date of the restriction notice by the Shareholder, the Shareholder is no longer entitled to be present at general meetings and to vote on any question, or to be reckoned in a quorum. Where the default shares represent 0.25 per cent. or more in nominal value of the issued shares of the relevant class, the Company may also suspend payment of dividends which would have been payable in respect of the shares in relation to which the default has occurred; treat any election made by the defaulting shareholder to receive shares instead of cash as ineffective; or, in certain circumstances, refuse to register a transfer of shares held by the defaulting shareholder (Bye-law 57 to 61).

4.2.23 *Takeover Provisions*

Bye-laws 216 to 222 adopt certain of the provisions of the City Code, including provisions dealing with compulsory takeover offers and shareholder treatment along the lines of the General Principles (including "equal treatment") and Substantial Acquisition Rules, which are to be administered by the Board. Bye-laws 216 to 222 are to have effect only during such times as the City Code does not apply to the Company.

Pursuant to Bye-laws 216 to 222, a person must not:

(a) acting by himself or with persons determined by the Board to be acting in concert, seek to acquire shares in the Company, which carry 30 per cent. or more of the voting rights attributable to the shares in the Company; or

(b) acting by himself or with persons determined by the Board to be acting in concert, hold not less than 30 per cent. but not more than 50 per cent. of the voting rights, and seek to acquire, by himself or with persons determined by the Board to be acting in concert, additional shares which, taken together with the shares held by the persons determined by the Board to be acting in concert with him, increase his voting rights, except as a result of a "permitted acquisition" (meaning an acquisition either consented to by the Board, or made in compliance with Rule 9 of the City Code, or arising from the repayment of a stock borrowing arrangement); or

(c) effect or purport to effect an acquisition which would breach or not comply with the Substantial Acquisition Rules and Rules 4, 5, 6, or 8 of the City Code, if the Company were subject to the City Code.

Where the Board has reason to believe that any of such circumstances has taken place, then it may take all or any of certain measures:

(a) require the person(s) appearing to be interested in the shares of the Company to provide such information as the Board considers appropriate;

(b) have regard to such public filings as may be necessary to determine any of the matters under Bye-laws 216 to 222;

(c) make any determination under Bye-laws 216 to 222 as it thinks fit, either after calling for submissions by the relevant person(s) or without calling for any;

(d) determine that the voting rights attached to such shares in breach of the Bye-laws, the "Excess Shares", are from a particular time incapable of being exercised for a definite or indefinite period (as defined in the Bye-laws);

(e) determine that some or all of the Excess Shares are to be sold;

(f) determine that some or all of the Excess Shares will not carry any right to any dividends or other distributions from a particular time for a definite or indefinite period; and

(g) taking such actions as it thinks fit for the purposes of Bye-laws 216 to 222, including prescribing rules not inconsistent with Bye-laws 216 to 222, setting deadlines for the provision of information, drawing adverse inferences where information requested is not provided, making determinations or interim determinations, executing documents on behalf of a shareholder, converting any Excess Shares held in uncertificated form to certificated form and vice-versa, or converting any Excess Shares represented by depositary interests issued in uncertificated form under Bye-law 35 into shares in certificated form, paying costs and expenses out of proceeds of sale, and changing any decision or determination or rule previously made.

The Board has the full authority to determine the application of Bye-laws 216 to 222, including the deemed application of the whole or any part of the City Code, and such authority shall include all the discretion that the Panel would exercise if the whole or part of the City Code applied. Any resolution

or determination made by the Board, any director or the chairman of any meeting acting in good faith is final and conclusive and is not open to challenge as to its validity or as to any other ground. The Board is not required to give any reason for any decision or determination it makes (Bye-laws 216 to 222). Under the terms of the NOMAD Agreement, the Directors have agreed not to exercise such authority without prior consultation with Canaccord.

4.2.24 *Electronic Communications*

Subject to the Act and to the extent permitted by law, the Company may provide information and give notices using electronic communications. (Bye-law 223).

4.3 Bermuda company law:

The Company is incorporated in Bermuda and, therefore, operates subject to Bermuda law. The Company complies with the applicable Bermuda corporate governance regime. Set out below is a summary of certain provisions of Bermuda company law, although this does not purport to contain all applicable qualifications and exceptions nor to be a complete review of all matters of Bermuda company law and taxation, which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar:

4.3.1 *Share capital*

(a) The Act provides that where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount or value of the premiums on those shares shall be transferred to an account, to be called the "share premium account", to which the provisions of the Act relating to a reduction of share capital of a company shall apply as if the share premium account were paid up share capital of that company except that the share premium account may be applied by the company:

(i) in paying up unissued shares of the company to be issued to members of the company as fully paid bonus shares;

(ii) in writing off:

(A) the preliminary expenses of the company; or

(B) the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company; or

(iii) in providing for the premiums payable on redemption of any shares or of any debentures of the company.

(b) In the case of an exchange of shares, the excess value of the shares acquired over the nominal value of the shares being issued may be credited to a contributed surplus account of the issuing company.

(c) The Act permits a company to issue preference shares and, subject to the conditions stipulated therein, to convert those preference shares into redeemable preference shares.

(d) The Act includes certain protections for holders of shares, requiring their consent to be obtained before their rights may be varied. Where provision is made by the memorandum of association or bye-laws for authorising the variation of rights attached to any class of shares in the company, the consent of the specified proportions of the holders of the issued shares of that class or the sanction of a resolution passed at a separate meeting of the holders of those shares is required, and where no provision for varying such rights is made in the memorandum of association or bye-laws and nothing therein precludes a variation of such rights, the written consent of the holders of three-fourths of the issued shares of that class or the sanction of a resolution passed as aforesaid is required.

4.3.2 *Meeting of shareholders*

(a) A meeting of members of a company shall be convened at least once in every calendar year: this meeting shall be referred to as the annual general meeting. The directors may, whenever they think fit, convene a general meeting; all meetings other than annual general meetings shall be called special general meetings.

(b) The directors of a company, notwithstanding anything in its bye-laws shall, on the requisition of members holding at the date of the deposit of the requisition not less than 10 per cent. of the paid-up capital as at the date of the deposit carries the right of voting at general meetings, or in the case of a company not having a share capital, members of the company representing not less than one-tenth of the total voting rights of all the members having at the date a right to vote at general meetings forthwith proceed duly to convene a special general meeting of the company. If the directors do not within 21 days after the date of the deposit of the requisition proceed to convene the special general meeting, the requisitionists (or any of them representing more than

50 per cent. of the total voting rights of all of them) may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of three months from that date.

(c) A member which is a corporation may authorise such person or, to the extent expressly permitted by the bye-laws, such persons as it thinks fit to act as its representative at any meeting of the company or of any class of members. Each representative so authorised is entitled to exercise the same powers on behalf of the corporation or its nominee could exercise as if it were an individual member, and in addition, the right to vote individually on a show of hands.

4.3.3 *Financial assistance to purchase shares of a company or its holding company*

(a) A company is prohibited from providing financial assistance for the purpose of an acquisition of its own or its holding company's shares unless there are reasonable grounds for believing that the company is, and would after the giving of such financial assistance be, able to pay its liabilities as they become due. In certain circumstances, the prohibition from giving financial assistance may be excluded such as where the assistance is only an incidental part of a larger purpose or the assistance is of an insignificant amount such as the payment of minor costs. In addition, the Act expressly permits the grant of financial assistance where:

(i) the financial assistance does not reduce the company's net assets or, to the extent the net assets are reduced, such financial assistance is provided for out of funds of the company which would otherwise be available for dividend or distribution;

(ii) an affidavit of solvency is sworn by the directors of the company; and

(iii) the financial assistance is approved by resolution of shareholders of the company.

4.3.4 *Purchase of shares and warrants by a company and its subsidiaries*

(a) A company may, if authorised by its memorandum of association or bye-laws, purchase its own shares. Such purchases may only be effected out of the capital paid up on the purchased shares or out of the funds of the company otherwise available for dividend or distribution or out of the proceeds of a fresh issue of shares made for the purpose. Any premium payable on a purchase over the par value of the shares to be purchased must be provided for out of funds of the company otherwise available for dividend or distribution or out of the company's share premium account. Any amount due to a shareholder on a purchase by a company of its own shares may:

(i) be paid in cash;

(ii) be satisfied by the transfer of any part of the undertaking or property of the company having the same value; or

(iii) be satisfied partly under (i) and partly under (ii).

(b) Any purchase by a company of its own shares may be authorised by its board of directors or otherwise by or in accordance with the provisions of its bye-laws. Such purchase may not be made if, on the date on which the purchase is to be effected, there are reasonable grounds for believing that the company is, or after the purchase would be, unable to pay its liabilities as they become due. The shares so purchased will be treated as cancelled and the company's issued but not its authorised, capital will be diminished accordingly.

(c) A company is not prohibited from purchasing and may purchase its own warrants subject to and in accordance with the terms and conditions of the relevant warrant instrument or certificate. There is no requirement under Bermuda law that a company's memorandum of association or its bye-laws contain a specific provision enabling such purchases and the directors of a company may rely upon the general power contained in its memorandum of association to buy and sell and deal in personal property of all kinds.

(d) Bermuda law does not prohibit a subsidiary from holding shares in its holding company and in certain circumstances, it may acquire such shares. The holding company is, however, prohibited from giving financial assistance for the purpose of the acquisition, subject to certain circumstances provided by the Act. A company, whether a subsidiary or a holding company, may only purchase its own shares for cancellation if it is authorised to do so in its memorandum of association or bye-laws pursuant to section 42A of the Act.

4.3.5 *Dividends and distributions*

(a) A company may not declare or pay a dividend, or make a distribution out of contributed surplus, if there are reasonable grounds for believing that (i) the company is, or would after the payment be, unable to pay its liabilities as they become due; or (ii) the realisable value of the company's assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts. Contributed surplus is defined for purposes of section 54 of the Act to

include the proceeds arising from donated shares, credits resulting from the redemption or conversion of shares at less than the amount set up as nominal capital and donations of cash and other assets to the company. There are no restrictions imposed on distributions to non-Bermuda-resident holders.

4.3.6 *Protection of minorities*

(a) Class actions and derivative actions are generally not available to shareholders under the laws of Bermuda. The Bermuda courts, however, would ordinarily be expected to permit a shareholder to commence an action in the name of a company to remedy a wrong done to the company where the act complained of is alleged to be beyond the corporate power of the company or is illegal or would result in the violation of the company's memorandum of association and bye-laws. Furthermore, consideration would be given by the court to acts that are alleged to constitute a fraud against the minority shareholders or, for instance, where an act requires the approval of a greater percentage of the company's shareholders than actually approved it.

(b) Any member of a company who complains that the affairs of the company are being conducted or have been conducted in a manner oppressive or prejudicial to the interests of some part of the members, including himself, may petition the court which may, if it is of the opinion that to wind up the company would unfairly prejudice that part of the members but that otherwise the facts would justify the making of a winding up order on just and equitable grounds, make such order as it thinks fit, whether for regulating the conduct of the company's affairs in future or for the purchase of shares of any members of the company by other members of the company or by the company itself and in the case of a purchase by the company itself, for the reduction accordingly of the company's capital, or otherwise. Bermuda law also provides that the company may be wound up by the Bermuda court, if the court is of the opinion that it is just and equitable to do so. Both these provisions are available to minority shareholders seeking relief from the oppressive conduct of the majority, and the court has wide discretion to make such orders as it thinks fit.

(c) Except as mentioned above, claims against a company by its shareholders must be based on the general laws of contract or tort applicable in Bermuda.

(d) A statutory right of action is conferred on subscribers of shares in a company against persons, including directors and officers, responsible for the issue of a prospectus in respect of damage suffered by reason of an untrue statement therein, but this confers no right of action against the company itself. In addition, such company, as opposed to its shareholders, may take action against its officers including directors, for breach of their statutory and fiduciary duty to act honestly and in good faith with a view to the best interests of the company.

4.3.7 *Management*

(a) The Act contains no specific restrictions on the power of directors to dispose of assets of a company, although it specifically requires that every officer of a company, which includes a director, managing director and secretary, in exercising his powers and discharging his duties must do so honestly and in good faith with a view to the best interests of the company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Furthermore, the Act requires that every officer should comply with the Act, regulations passed pursuant to the Act and the bye-laws of the company.

4.3.8 *Accounting and auditing requirements*

(a) The Act requires a company to cause proper records of accounts to be kept with respect to:

(i) all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place;

(ii) all sales and purchases of goods by the company; and

(iii) the assets and liabilities of the company.

(b) Furthermore, it requires that a company keeps its records of account at the registered office of the company or at such other place as the directors think fit and that such records shall at all times be open to inspection by the directors or the resident representative of the company. If the records of account are kept at some place outside Bermuda, there shall be kept at the office of the company in Bermuda such records as will enable the directors or the resident representative of the company to ascertain with reasonable accuracy the financial position of the company at the end of each three month period, except that where the company is listed on an appointed stock exchange, there shall be kept such records as will enable the directors or the resident representative of the company to ascertain with reasonable accuracy the financial position of the company at the end of each six month period.

(c) The Act requires that the directors of the company must, at least once a year, lay before the company in general meeting financial statements for the relevant accounting period. Further, the company's auditor must audit the financial statements so as to enable him to report to the members. Based on the results of his audit, which must be made in accordance with generally accepted auditing standards, the auditor must then make a report to the members. The generally accepted auditing standards may be those of a country or jurisdiction other than Bermuda or such other generally accepted auditing standards as may be appointed by the Minister of Finance of Bermuda under the Act; and where the generally accepted auditing standards used are other than those of Bermuda, the report of the auditor shall identify the generally accepted auditing standards used. All members of the company are entitled to receive a copy of every financial statement prepared in accordance with these requirements, at least five days before the general meeting of the company at which the financial statements are to be tabled. A company the shares of which are listed on an appointed stock exchange may send to its members summarised financial statements instead. The summarised financial statements must be derived from the company's financial statements for the relevant period and contain the information set out in the Act. The summarised financial statements sent to the company's members must be accompanied by an auditor's report on the summarised financial statements and a notice stating how a member may notify the company of his election to receive financial statements for the relevant period and/or for subsequent periods.

(d) The summarised financial statements together with the auditor's report thereon and the accompanied notice must be sent to the members of the company not less than 21 days before the general meeting at which the financial statements are laid. Copies of the financial statements must be sent to a member who elects to receive the same within seven days of receipt by the company of the member's notice of election.

4.3.9 *Auditors*

(a) At each annual general meeting, a company must appoint an auditor to hold office until the close of the next annual general meeting; however, this requirement may be waived if all of the shareholders and all of the directors, either in writing or at the general meeting, agree that there shall be no auditor.

(b) A person, other than an incumbent auditor, shall not be capable of being appointed auditor at an annual general meeting unless notice in writing of an intention to nominate that person to the office of auditor has been given not less than 21 days before the annual general meeting. The company must send a copy of such notice to the incumbent auditor and give notice thereof to the members not less than seven days before the annual general meeting. An incumbent auditor may, however, by notice in writing to the secretary of the company waive the requirements of the foregoing.

(c) Where an auditor is appointed to replace another auditor, the new auditor must seek from the replaced auditor a written statement as to the circumstances of the latter's replacement. If the replaced auditor does not respond within 15 days, the new auditor may act in any event. An appointment as auditor of a person who has not requested a written statement from the replaced auditor is voidable by a resolution of the shareholders at a general meeting. An auditor who has resigned, been removed or whose term of office has expired or is about to expire, or who has vacated office, is entitled to attend the general meeting of the company at which he is to be removed or his successor is to be appointed; to receive all notices of, and other communications relating to, that meeting which a member is entitled to receive; and to be heard at that meeting on any part of the business of the meeting that relates to his duties as auditor or former auditor.

4.3.10 *Exchange control*

(a) An exempted company is usually designated as "non-resident" for Bermuda exchange control purposes by the Bermuda Monetary Authority. Where a company is so designated, it is free to deal in currencies of countries outside the Bermuda exchange control area which are freely convertible into currencies of any other country. The permission of the Bermuda Monetary Authority is required for the issue of shares and warrants by the company and the subsequent transfer of such shares and warrants. In granting such permission, the Bermuda Monetary Authority accepts no responsibility for the financial soundness of any proposals or for the correctness of any statements made or opinions expressed in any document with regard to such issue. Before the company can issue or transfer any further shares and warrants in excess of the amounts already approved, it must obtain the prior consent of the Bermuda Monetary Authority.

(b) General permission of the Bermuda Monetary Authority will normally be granted for the issue and transfer of shares and warrants to and between persons regarded as resident outside

Bermuda for exchange control purposes without specific consent for so long as the shares and warrants are listed on an appointed stock exchange (as defined in the Act). Issues to and transfers involving persons regarded as "resident" for exchange control purposes in Bermuda will be subject to specific exchange control authorisation.

4.3.11 *Taxation*

(a) Under present Bermuda law, there is no withholding tax in Bermuda on dividends or other distributions, nor any tax computed on profits or income or on any capital asset, gain or appreciation will be payable by an exempted company or its operations, nor is there any tax in Bermuda in the nature of estate duty or inheritance tax applicable to shares, debentures or other obligations of an exempted company held by non-residents of Bermuda. Furthermore, a company may apply to the Minister of Finance of Bermuda for an assurance, under the Exempted Undertakings Tax Protection Act 1966 of Bermuda, that no such taxes shall be so applicable until 28 March 2016, although this assurance will not prevent the imposition of any tax in Bermuda payable in relation to any land in Bermuda leased or let to the company or to persons ordinarily resident in Bermuda.

4.3.12 *Stamp duty*

(a) An exempted company is exempt from all stamp duties except on transactions involving "Bermuda property". This term relates, essentially, to real and personal property physically situated in Bermuda, including shares in local companies (as opposed to exempted companies). Transfers of shares and warrants in all exempted companies are exempt from stamp duty in Bermuda.

4.3.13 *Loans to directors*

(a) The Act prohibits the making of loans by a company to any of its directors or to their families or companies in which they hold more than a 20 per cent. interest, without the consent of any member or members holding in aggregate not less than nine-tenths of the total voting rights of all members having the right to vote at any meeting of the members of the company. These prohibitions do not apply to anything done to provide a director with funds to meet the expenditure incurred or to be incurred by him for the purposes of the company, provided that the company gives its prior approval at a general meeting or, if not, the loan is made on condition that it will be repaid within six months of the next following annual general meeting if the loan is not approved at or before such meeting. If the approval of the company is not given for a loan, the directors who authorised it will be jointly and severally liable for any loss arising therefrom.

4.3.14 *Inspection of corporate records*

(a) Members of the general public have the right to inspect the public documents of a company available at the office of the Registrar of Companies in Bermuda which will include the company's certificate of incorporation, its memorandum of association (including its objects and powers) and any alteration to the company's memorandum of association. The members of the company have the additional right to inspect the bye-laws of a company, minutes of general meetings and the company's audited financial statements, which must be presented to the annual general meeting.

(b) Minutes of general meetings of a company are also open for inspection by directors of the company without charge for not less than two hours during business hours each day. The register of members of a company is open for inspection by members without charge and to members of the general public for a fee. The company is required to maintain its share register in Bermuda but may, subject to the provisions of the Act, establish a branch register outside Bermuda. Any branch register of members established by the company is subject to the same rights of inspection as the principal register of members of the company in Bermuda. Any person may require a copy of the register of members or any part thereof which must be provided within fourteen days of a request. Bermuda law does not, however, provide a general right for members to inspect or obtain copies of any other corporate records.

(c) A company is required to maintain a register of directors and officers at its registered office and such register must be made available for inspection for not less than two hours in each day by members of the public without charge. If summarised financial statements are sent by a company to its members pursuant to section 87A of the Act, a copy of the summarised financial statements must be made available for inspection by the public at the registered office of the company in Bermuda.

4.3.15 *Winding up*

(a) A company may be wound up by the Bermuda court on application presented by the company itself, its creditors or its contributors. The Bermuda court also has authority to order winding up in a number of specified circumstances including where it is, in the opinion of the Bermuda court, just and equitable that such company be wound up.

(b) A company may be wound up voluntarily when the members so resolve in general meeting, or, in the case of a limited duration company, when the period fixed for the duration of the company by its memorandum expires, or the event occurs on the occurrence of which the memorandum provides that the company is to be dissolved. In the case of a voluntary winding up, such company is obliged to cease to carry on its business from the time of passing the resolution for voluntary winding up or upon the expiry of the period or the occurrence of the event referred to above. Upon the appointment of a liquidator, the responsibility for the company's affairs rests entirely in his hands and no future executive action may be carried out without his approval.

(c) Where, on a voluntary winding up, a majority of directors make a statutory declaration of solvency, the winding up will be a members' voluntary winding up. In any case where such declaration has not been made, the winding up will be a creditors' voluntary winding up.

(d) In the case of a members' voluntary winding up of a company, the company in general meeting must appoint one or more liquidators within the period prescribed by the Act for the purpose of winding up the affairs of the company and distributing its assets. If the liquidator at any time forms the opinion that such company will not be able to pay its debts in full, he is obliged to summon a meeting of creditors.

(e) As soon as the affairs of the company are fully wound up, the liquidator must make up an account of the winding up, showing how the winding up has been conducted and the property of the company has been disposed of, and thereupon call a general meeting of the company for the purposes of laying before it the account and giving an explanation thereof. This final general meeting requires at least one month's notice published in an appointed newspaper in Bermuda.

(f) In the case of a creditors' voluntary winding up of a company, the company must call a meeting of creditors of the company to be summoned on the day following the day on which the meeting of the members at which the resolution for winding up is to be proposed is held. Notice of such meeting of creditors must be sent at the same time as notice is sent to members. In addition, such company must cause a notice to appear in an appointed newspaper on at least two occasions.

(g) The creditors and the members at their respective meetings may nominate a person to be liquidator for the purposes of winding up the affairs of the company provided that if the creditors nominate a different person, the person nominated by the creditors shall be the liquidator. The creditors at the creditors' meeting may also appoint a committee of inspection consisting of not more than five persons.

(h) If a creditors' winding up continues for more than one year, the liquidator is required to summon a general meeting of the company and a meeting of the creditors at the end of each year to lay before such meetings an account of his acts and dealings and of the conduct of the winding up during the preceding year. As soon as the affairs of the company are fully wound up, the liquidator must make an account of the winding up, showing how the winding up has been conducted and the property of the company has been disposed of, and thereupon shall call a general meeting of the company and a meeting of the creditors for the purposes of laying the account before such meetings and giving an explanation thereof.

5. Directors of the Company

5.1 The Directors, their respective functions within the Company and brief biographies are set out in Part I of this document.

5.2 During the five years immediately prior to the date of this document, other than members of the Group, the Directors have held or currently hold the following directorships and/or are or were partners of the following partnerships:

Director	*Current directorships/partnerships*	*Former directorships/partnerships in previous five years*
Gerald O'Shaughnessy	The Globe Resources Group, Inc Phoenix Capital Group, Inc Lario Enterprises, LLC Montara Corporation, Montara Properties LLC Montraux, Inc Gateway Investors, Inc GEO Services, Inc GeoPark Funding, LLC GP Investments, LLP Globe Security, LLC GeoWealth Holdings LLC GeoWealth Management, Inc O'Shaughnessy Capital Management, LLC Phoenix Capital Partners Ltd. Ruhfus Hotel Corporation Wichita Consulting Company Alpha Hotel Corp. Beta Hotel Corp.	Lario Enterprises, Inc Montara Enterprises, Inc Luxembourg Cambridge Holding Group S.A. Adaptive Motors Rockport Raceway Inc Heartland Park Corporation
James F. Park	Coban LLC Energy Holdings LLC Michael Shaw Memorial Scholarship Fund (trustee)	Basic Petroleum International Limited Girls Inc. of Santa Barbara (charitable organisation) Surgical Eye Expeditions International Inc. (charitable organisation)
Sir Michael Jenkins	Frontiers Capital Limited	Boeing Aerospace U.K. Limited Dresdner Kleinwort Wasserstein Limited
Peter Ryalls	None	Asian Construction Ltd Unocal Makassar Ltd CUEL Ltd. Thailand
Christian Weyer	Enerfin S.A.	United Rentals Inc.

5.3 Sir Michael Jenkins was a non-executive director of EO Net Limited, an online share trading company, which was dissolved by a voluntary strike off, under section 652A Companies Act 1985 of England and Wales.

5.4 Save as disclosed in this document, none of the Directors has:

(a) any unspent convictions in relation to indictable offences;

(b) ever been declared bankrupt or been the subject of an individual voluntary arrangement;

(c) ever been a director of a company which, while he was a director or within 12 months of his ceasing to be a director, had a receiver appointed or entered into compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with its creditors generally or with any class of its creditors;

(d) ever been a partner within a partnership which, while he was a partner or within 12 months of his ceasing to be a partner, entered into compulsory liquidation, administration or a partnership voluntary arrangement;

(e) owned any asset which has been placed in receivership or been a partner in a partnership whose assets have been placed in receivership while he was a partner or within the 12 months preceding such event; or

(f) been the subject of any public criticism by statutory or regulatory authorities (including recognised professional bodies) nor has any of them ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

6. Directors' and others' interests

6.1 As at the date of this document, the interests of the Directors in the share capital of the Company or interests of a person connected (within the meaning of section 346 of the CA 1985) with a Director and the existence of which is known to or could with reasonable diligence be ascertained by that Director, were as follows, along with those interests immediately following Admission:

	Immediately prior to Admission		*Immediately after Admission*	
Director	*Common Shares*	*Percentage of common issued share capital*	*Common Shares*	*per cent. of Enlarged Issued Common Share Capital*[1]
Gerald O'Shaughnessy	6,611,425	27.8	6,611,425	21.6
James Park	6,936,568	29.1	6,936,568	22.6
Sir Michael Jenkins[2]	0	0	0	0
Peter Ryalls[2]	0	0	0	0
Christian Weyer[2]	252,039	1.06	192,039	0.63

[1]Assuming full subscription of the Subscription Shares and conversion of A Notes into 50,938 Common Shares

[2] Excludes any shares to be issued as part of the compensation packages as set out in paragraph 8.2 of this Part VI

	Immediately prior to Admission	*Immediately after Admission*[1]
Director	*Notes (US$)*	*Notes (US$)*
Christian Weyer	133,300 A Notes	Nil

[1]All of the A Notes held by the Director listed above are to be converted into Common Shares at the Placing Price on Admission

6.2 On Admission, the Directors will be granted the following options over Common Shares granted under the Executive Stock Option Plan detailed in paragraph 10 of this Part VI:

Name	*No of underlying Common Shares*	*Per cent. of Enlarged Issued Common Share Capital*	*Exercise price (£)*	*Earliest Exercise Date*	*Expiry Date*
Gerald O'Shaughnessy	153,345	0.5	Placing Price	second anniversary of Admission	seventh anniversary of Admission
	306,690	1.0	125 per cent. of the Placing Price	second anniversary of Admission	seventh anniversary of Admission
James Park	153,345	0.5	Placing Price	second anniversary of Admission	seventh anniversary of Admission
	306,690	1.0	125 per cent. of the Placing Price	second anniversary of Admission	seventh anniversary of Admission

6.3 All the above interests are or will be beneficial.

6.4 The following options and awards to acquire Common Shares will be granted to certain officers, employees and consultants of the Group under the Executive Stock Option Plan detailed in paragraph 10 of this Part VI and were outstanding as at 9 May 2006 (being the latest practicable date prior to the publication of this document):

No of underlying Common Shares	*Per cent. of Enlarged Issued Common Share Capital*	*Date of Grant*	*Exercise price*	*Earliest Exercise Date*[1]	*Expiry Date*
approx. 613,380	approx. 2	Admission	125 per cent. of the Placing Price	second anniversary of Admission	seventh anniversary of Admission

[1]Assuming service criteria satisfied

6.5 The following awards have been granted to certain officers, employees and consultants of the Group under the IPO Awards detailed in paragraph 10 of this Part VI, and were outstanding as at 9 May 2006 (being the latest practicable date prior to the publication of this document):

No of underlying Common Shares	*Per cent. of Enlarged Issued Common Share Capital*	*Date of Grant*	*Exercise price*	*Earliest Exercise Date*[1]	*Expiry Date*
approx. 613,380	approx. 2	Admission	US$0.001	second anniversary of Admission	seventh anniversary of Admission

[1]Assuming service criteria satisfied

6.6 Under Bermuda law there is no obligation for a person to notify a company of his interest in that company's share capital. However under Bye-law 56 of the Bye-laws of the Company adopted on 6 February 2006 there is a provision whereby a person must notify the Company of a direct or indirect interest which is greater than three per cent., as under the CA 1985. In addition to the interests of the Directors set out in paragraphs 6.2 and 6.4 above, as at 9 May 2006 (being the latest practicable date prior to the publication of this document), insofar as is known to the Company, the following persons are interested, or will immediately after Admission be interested, directly or indirectly, in three per cent. or more of the issued common share capital of the Company:

	Immediately prior to Admission		*Immediately after Admission*	
Name	*Common Shares*	*Percentage of issued common share capital*	*Common Shares*	*per cent. of Enlarged Issued Common Share Capital*[1]
International Finance Corporation	2,507,161	10.5	2,507,161	8.2

[1]Assuming full subscription of the Subscription Shares and conversion of A Loan Notes into 50,938 Common Shares

6.7 All shareholders of Common Shares have the same voting rights as each other.

6.8 Save as disclosed above:

6.8.1 none of the Directors nor any member of their respective immediate families nor any person connected with the Directors (within the meaning of Section 346 of the CA 1985) has any interest, whether beneficial or otherwise, in the share or loan capital of the Company; and

6.8.2 none of the Directors or any member of a Directors' families (as defined in the AIM Rules) is interested in any related financial product (as defined in the AIM Rules) whose value in whole or in part is determined directly or indirectly by reference to the price of the Common Shares, including a contract for difference or a fixed odds bet.

6.9 There are no outstanding loans or guarantees provided by the Company for the benefit of the Directors nor are there any outstanding loans or guarantees provided by any of the Directors for the benefit of the Company.

6.10 Save as disclosed above, there are no persons, so far as the Company is aware, who will immediately following Admission be interested, directly or indirectly, in three per cent. or more of the Company's issued share capital, nor, so far as the Directors are aware, are there any person or persons who are or, following Admission will or are likely to be, directly or indirectly, jointly or severally, able to exercise control over the Company.

6.11 There are no arrangements known to the Company and the Directors the operation of which may at a subsequent date result in a change of control of the Company.

7. Selling Shareholders

7.1 It is expected that Common Shares, up to the stated maximum amounts, will be sold in the Placing by the following:

Name	*Common Shares to be sold* [1]	*Relationship with the Company*	*Business address*
GoPark LLC	75,340	–	8100 E. 22nd Street N Building 500 Wichita, Kansas 67226 USA
Mr. Rolf Ruhfus	179,675	–	8100 E. 22nd Street N Building 500 Wichita, Kansas 67226 USA
Mr. Christian Weyer	60,000	Director	122 Promenade de I'Aire CH-1233 Bernex Geneva Switzerland
Toxford Corporation SA	50,000	–	c/o Rathbone Trust Company SA Attn: Mr. John Porter Place de Saint-Gervais 1 Case Postale 2049 1211 Geneva Switzerland
The Estate of Paul C. O'Neill	300,000	–	c/o Mr. Chuck Lubar Morgan Lewis 2 Gresham Street London EC2V 7PE UK
The Peter C. Meinig Revocable Trust	398,382	–	5810 East Skelly Drive, Suite 1650 Tulsa, Oklahoma 74135 USA
Maureen O'Shaughnessy Young Revocable Trust	82,806	Trust for the benefit of Gerald O'Shaughnessy's sister	84 1389 Mauna Olu Street Waianae, Hawaii 96792 USA
Leparis D. Young Revocable Trust	82,806	Trust for the benefit of Gerald O'Shaughnessy's brother-in-law	84 1389 Mauna Olu Street Waianae, Hawaii 96792 USA
Flynn Ventures LLC	120,000	–	401 2nd Avenue South, Suite 150 Seattle, Washington 98104 USA
Thomas N. Davidson Revocable Living Trust	177,507	–	7 Sunrise Cay Key Largo, Florida 33037 USA
Basic International Holdings Ltd	1,000,000	–	St. Andrew's Court Frederik Street Steps PO Box 4805 Nassau Bahamas
The Gard Investment Company	166,500	–	PO Box 60250 Boulder City, NV 89006-0250 USA
Mr. Paul Downey	100,000	–	2220 Puccioni Road Healdsburg, CA 95448 USA

(1) This assumes the sale of the maximum number of Common Shares eligible for sale by such person, and is subject to confirmation.

7.2 **Sale Shares Placing Agreements**

The Selling Shareholders referred to in paragraph 7.1 above have agreed to sell their Common Shares pursuant to agreements between each of the Selling Shareholders (1), and Canaccord (2) ("**Sale Shares Placing Agreements**") pursuant to which Canaccord has agreed, as agent for each of the Selling Shareholders, to use its reasonable endeavours to procure purchasers for the Sale Shares at the Placing Price. The Sale Shares Placing Agreements are each conditional (*inter alia*) on Admission occurring by no later than 8.00 a.m. on 16 May 2006 or such later time as the Company and Canaccord may agree, being in any event no later than 8.00 a.m. on 30 June 2006.

The Sale Shares Placing Agreements contain indemnities and certain warranties in relation to title and capacity from the Selling Shareholders in favour of Canaccord. Canaccord may terminate the Sale Shares Placing Agreements if the Placing Agreement has not become unconditional in all respects by 30 June 2006 or in the event of a material breach of warranty. Under the Sale Shares Placing Agreements each of the Selling Shareholders has agreed to pay Canaccord a commission of six per cent. of the aggregate value at the Placing Price of the Sale Shares to be sold by them for which purchasers are procured together with any applicable transfer tax (up to a maximum of 0.5 per cent.).

8. **Directors' and senior management's service contracts and letters of appointment**

8.1 Service contracts or letters of appointment have been entered into between the Company and certain members of the administrative, management or supervisory bodies of the Company, all of which are summarised below:

8.1.1 *Gerald O'Shaughnessy*

Gerald O'Shaughnessy has a service contract with the Company which provides for him to act as Executive Chairman of the Company at a salary of £75,000 per annum. The agreement is stated to continue without limit in time, subject to it being terminable by either party by giving not less than 12 months' notice in writing at any time. The payment of any bonus to Mr O'Shaughnessy is at the Company's discretion. Mr O'Shaughnessy's service agreement contains restrictive covenants which restrict him, for a period of 12 months following the termination of employment, from soliciting senior employees of the Company and, for a period of 6 months following the termination of employment, from being involved in any competing undertaking.

8.1.2 *James Park*

James Park has a service contract with the Company which provides for him to act as Chief Executive Officer of the Company at a salary of £75,000 per annum. The agreement is stated to continue without limit in time, subject to it being terminable by either party by giving not less than 12 months' notice in writing at any time. The payment of any bonus to Mr Park is at the Company's discretion. Mr Park's service agreement contains restrictive covenants which restrict him, for a period of 12 months following the termination of employment, from soliciting senior employees of the Company and, for a period of 6 months following the termination of employment, from being involved in any competing undertaking.

8.2 Letters of appointment have been entered into between the Company and the Non-executive Directors, all of which are summarised below and are dated 18 April 2006:

8.2.1 *Sir Michael Jenkins*

Sir Michael Jenkins has a letter of appointment which provides for him to act as a Non-executive Director of the Company for a fee of £35,000 per annum, to be paid half in cash and half in Common Shares. The appointment began on 18 April 2006 and will continue for a period of three years, unless terminated in various circumstances including, *inter alia*, by either party giving not less than two months' notice in writing at any time.

8.2.2 *Peter Ryalls*

Peter Ryalls has a letter of appointment which provides for him to act as a Non-executive Director of the Company for a fee of £35,000 per annum, to be paid half in cash and half in Common Shares. The appointment began on 18 April 2006 and will continue for a period of three years, unless terminated in various circumstances including, *inter alia*, by either party giving not less than two months' notice in writing at any time.

8.2.3 *Christian Weyer*

Christian Weyer has a letter of appointment which provides for him to act as a Non-executive Director of the Company for a fee of US$60,000 per annum, to be paid half in cash and half in Common

Shares. The appointment began on 18 April 2006 and will continue for a period of three years, unless terminated in various circumstances including, *inter alia*, by either party giving not less than two months' notice in writing at any time.

8.3 The aggregate remuneration (including salaries, fees, pension contributions, bonus payments, consultancy fees and benefits in kind) granted to the Directors by the Company for the year ended 31 December 2005 amounted to US$100,000. It is estimated that for the year ended 31 December 2006, the remuneration of the Directors will be approximately £255,000.

8.4 In respect of the last completed financial year of the Company no member of the administrative, management or supervisory bodies' service contracts with the Company or any Group Company provide for benefits upon termination of employment.

8.5 Each of the Directors, in accordance with the terms of their respective service agreement or letter of appointment, have the benefit of an indemnity under the Bye-laws from the Company in respect of any liability incurred by him by reason of any act done or omitted in or about the execution of his duty in relation to the affairs of the Company provided that such persons will not be indemnified (a) in circumstances where such an indemnification would be void under the Act (b) in respect of fraud or dishonesty of the relevant Director or (c) in circumstances specifically excluded by the board of directors from time to time. Under their respective service agreement or letter of appointment no liability shall attach to the Company by reason of the indemnity provided by the Company to the extent that (i) any sums are recovered by the Director under the director's and officer's insurance policy; or (ii) to the extent that any sums may not be recovered by the Company under such director's and officer's insurance policy as a result of any act or omission by the Director in relation to such policy.

9. Directors' interests in transactions

9.1 Save as disclosed above, no Director has or has had any interest, direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company and which was effected in the current or immediately preceding financial year or during an earlier period and which remains in any respect outstanding or unperformed.

10. Summary of the principal features of the employee incentive arrangements

10.1 *Introduction*

It is intended that there will be two elements to the Company's employee share incentive arrangements. Firstly, the Company intends to make IPO Awards on Admission. Secondly, the Company intends to adopt the Executive Stock Option Plan, which will be operated on an ongoing basis.

Set out below is a summary of the key features of the IPO Awards and the Executive Stock Option Plan.

10.2 *IPO Awards*

It is the current intention of the Remuneration Committee that, within 90 days of Admission, conditional awards over Common Shares will be made to selected employees and a small number of consultants providing ongoing services to the Group following Admission.

It is the current intention of the Remuneration Committee that selected employees and consultants will be granted IPO Awards over, in aggregate, Common Shares equating to approximately two per cent. of the Enlarged Issued Common Share Capital. Awards which vest will be satisfied by the allotment of new Common Shares.

10.2.1 *Payment for Common Shares*

As a condition to the vesting of an IPO Award, an awardholder is required to pay to the Company an amount equal to the nominal value of each Common Share under the IPO Award.

10.2.2 *Vesting of IPO Awards*

IPO Awards will normally vest on the second anniversary of Admission, subject to the awardholder's continuing service.

10.2.3 *Leavers*

If an awardholder ceases to provide services to the Group prior to the vesting the IPO Award will be forfeited unless the Remuneration Committee, in its discretion, determines otherwise.

10.2.4 *Takeover, change of control or winding up*

In the event of a takeover, change of control or winding up of the Company, awards will vest in full.

However, in the event of an internal reorganisation of the Company, it is the Remuneration Committee's intention that all IPO Awards will be automatically exchanged for equivalent awards subject to the terms of the IPO Awards over an appropriate number of new securities and subject to continuing service.

10.2.5 *Variation of capital*

In the event of a rights or capitalisation issue or any sub-division, consolidation, reduction or other variation of the Company's share capital, an IPO Award may be adjusted in such manner as the Remuneration Committee determines is fair and reasonable.

10.2.6 *Voting, dividend and other rights*

Until participants receive Common Shares, they have no voting or dividend rights. Common Shares allotted pursuant to IPO Awards will rank *pari passu* with existing Common Shares then in issue with the exception of rights attaching by reference to a record date prior to the allotment date. Application will be made for the Common Shares allotted pursuant to IPO Awards to be admitted to trading on AIM.

All IPO Awards are non-transferable and non-pensionable.

10.2.7 *Amendments*

The terms of the IPO Awards may be amended by the Board, provided that:

(a) if and so long as Common Shares are admitted to trading on AIM, no amendment shall be made to the terms of an IPO Award which would materially benefit an awardholder without the prior approval of the Company in general meeting; and

(b) no amendment shall be made to the terms of an IPO Award which would materially disadvantage any awardholder without his prior written consent,

except for any amendment or addition which the Remuneration Committee considers necessary or desirable in order to comply with or take account of the provisions of any proposed or existing legislation or obtain or maintain favourable tax, exchange control or regulatory treatment for the Company or any Group Company or any awardholder, provided that such amendments or additions do not affect the basic principles of the IPO Awards.

10.2.8 *Overseas employees*

The Remuneration Committee may modify the terms of the IPO Awards to take account of tax laws or other legal or regulatory requirements in the relevant country and, if considered necessary and expedient, adopt additional plans suitable for operation in the relevant country, provided that the terms of awards granted to such employees shall not be more favourable overall than the terms set out above.

10.3 *The Executive Stock Option Plan*

10.3.1 *Introduction*

The Executive Stock Option Plan will provide for the grant of options to acquire Common Shares, which may become exercisable in the future depending on the optionholder's continuing service.

The Executive Stock Option Plan will be operated by the Remuneration Committee.

10.3.2 *Eligibility*

Any employee or director of the Company or its subsidiaries or person providing consultancy services to the Group is eligible to participate in the Executive Stock Option Plan. Participation will be at the discretion of the Remuneration Committee.

10.3.3 *Grant of options*

Options may be granted conditional on Admission and up to 90 days following Admission.

Thereafter, options may be granted under the Executive Stock Option Plan during the six week period following:

(a) an announcement by the Company of its interim or final results; or

(b) the date on which any amendment to the Executive Stock Option Plan becomes effective.

Options may also be granted outside these periods, in exceptional circumstances, at the discretion of the Remuneration Committee.

10.3.4 *Plan limit*

Options may be satisfied by allotment, the issue of treasury shares or the transfer of existing Common Shares. However, it is the current intention of the Remuneration Committee that options will be satisfied by the allotment of Common Shares.

At any time, the aggregate number of Common Shares which have been issued or are issuable under options granted under the Executive Stock Option Plan may not exceed that number of shares which is equal to 8 per cent. of the Company's issued share capital at that time. Options granted more than ten years previously are not taken into account for the purposes of this limit.

10.3.5 *Exercise price*

Options granted on Admission to employees will have an exercise price equal to the Placing Price. A proportion of the options granted to directors on Admission will have an exercise price at a 25 per cent. premium to the Placing Price and the remaining proportion will have an exercise price equal to the Placing Price.

Any options granted within 90 days following Admission may have an exercise price per Common Share equal to the Placing Price. For options granted subsequently, the exercise price will not be less than the market price of a share at the time of grant.

10.3.6 *Exercise of options*

Options will normally become exercisable on the second anniversary of the date of grant subject to the optionholder having remained with the Group and may not be exercised after the seventh anniversary of the date of grant.

10.3.7 *Leavers*

A leaver's unexercised option will be forfeited on cessation unless the Remuneration Committee, in its discretion, determines otherwise.

10.3.8 *Takover, Change of control or winding up*

In the event of a takeover, change of control or winding up of the Company, options may be exercised in full for a short period thereafter.

In the event of an internal reorganisation of the Company, it is the Remuneration Committee's intention that all options will be automatically exchanged for equivalent options subject to the terms on the Executive Stock Option Plan over an appropriate number of new securities and subject to continuing performance.

10.3.9 *Variation of capital*

In the event of a rights or capitalisation issue or any sub-division, consolidation, reduction or other variation of the Company's share capital, an option may be adjusted in such manner as the Remuneration Committee determines is fair and reasonable.

10.3.10 *Voting, dividend and other rights*

Until participants receive Common Shares, they have no voting or dividend rights. Common Shares allotted under the Executive Stock Option Plan will rank *pari passu* with existing Common Shares then in issue with the exception of rights attaching by reference to a record date prior to the allotment date. Application will be made for the Common Shares to be admitted to trading on AIM.

All options are non-transferable and non-pensionable.

10.3.11 *Amendments*

The Executive Stock Option Plan may be amended by the Board, provided that:

(a) if and so long as Common Shares are admitted to trading on AIM, no amendment shall be made to the terms of an option which materially benefit an optionholder without the prior approval of the Company in general meeting; and

(b) no amendment shall be made to the terms of an option which would adversely materially disadvantage optionholders without the consent of the majority of affected optionholders,

except for any amendment or addition which the Remuneration Committee considers necessary or desirable in order to benefit the administration of the Executive Stock Option Plan, comply with or take account of the provisions of any proposed or existing legislation or obtain or maintain favourable tax, exchange control or regulatory treatment for the Company or any Group Company or any optionholder, provided that such amendments or additions do not affect the basic principles of the options.

10.3.12 *Overseas employees*

The Remuneration Committee may modify the terms of the Executive Stock Option Plan to take account of tax laws or other legal or regulatory requirements in the relevant country and, if considered necessary and expedient, adopt additional plans suitable for operation in the relevant country, provided that the terms of options granted to such employees shall not be more favourable overall than the terms set out above and the "Plan Limit" is not exceeded.

11. Material Contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company within two years immediately preceding the date of this document and are, or may be, material to the Company:

11.1 *NOMAD Agreement*

A nominated adviser and broker agreement dated 10 May 2006 between Canaccord (1), the Company (2) and the Directors (3) pursuant to which the Company has conditionally appointed Canaccord to act as its nominated adviser and broker for the purposes of the AIM Rules. The Company has agreed to pay Canaccord a fee of £50,000 per annum for its services under the agreement, together with all reasonable expenses and VAT. The agreement contains certain undertakings and warranties given by the Company and the Directors to Canaccord. The agreement has an initial term of 12 months from Admission and may be terminated in that time (*inter alia*) by either party giving the other three months' written notice. The Agreement contains an indemnity given by the Company in favour of Canaccord in relation to certain matters.

11.2 *Placing Agreement*

11.2.1 An agreement dated 10 May 2006 between Canaccord (1), the Company (2) and the Directors (3), pursuant to which Canaccord has agreed as agent for the Company to use its reasonable endeavours to procure subscribers for the Subscription Shares at the Placing Price. The Placing Agreement is conditional, *inter alia*, on Admission occurring by no later than 8.00 a.m. on 16 May 2006 or such later time as the Company and Canaccord may agree, being in any event no later than 8.00 a.m. on 30 June 2006.

11.2.2 The Placing Agreement contains an indemnity given by the Company and the Executive Directors in respect of certain matters and various warranties (as to the accuracy of the information in this document and the Group's business) given by the Company and the Directors in favour of Canaccord. The liability of the Directors under the Placing Agreement is subject to certain temporal and financial limits. Canaccord may terminate the Placing Agreement in certain circumstances prior to Admission, including (*inter alia*) circumstances where there is a material breach of warranty or a material breach of the Placing Agreement or in the case of a material adverse change in the condition, earnings, business affairs or business prospects of the Group. Under the Placing Agreement, the Company has agreed to pay to Canaccord a corporate finance fee of £125,000 plus a commission at the rate of six per cent. on the value of funds received by Canaccord from Placees pursuant to the Placing of the Subscription Shares together with all costs and expenses and VAT thereon, where appropriate.

11.3 *Lock in Agreements*

11.3.1 Undertakings of various dates given to Canaccord and the Company by the Directors and all Shareholders (as at the date of this document) pursuant to which the Directors and such Shareholders

have agreed to lock-in arrangements in relation to their Common Shares pursuant to which they have undertaken not to sell, transfer or otherwise dispose of any Common Shares held by them for a period commencing on Admission and ending on 1 January 2007.

11.3.2 In addition the Directors and the other shareholders in the Company have undertaken to effect any disposal of Common Shares in the period of six months following the initial lock-in period in such orderly manner as Canaccord shall reasonably require, with a view to the maintenance of an orderly market in the shares of the Company (having regard to the likely impact of any disposal on the price of the shares of the Company).

11.3.3 The lock-ins cease to apply in certain limited circumstances being:

(a) any disposal pursuant to acceptance of an offer to the Company or to all or any of the shareholders of the Company which provides for the acquisition (whether by way of a purchase, amalgamation, arrangement, corporate reorganisation or other means of merger or amalgamation) by a third party offeror for all of the common shares of the Company at any time (a "**Takeover Offer**");

(b) the execution of an irrevocable commitment to accept a Takeover Offer;

(c) the disposal of any interests to an offeror in connection with a Takeover Offer;

(d) any disposal pursuant to an intervening court order;

(e) any disposal by any personal representative of a shareholder who dies before the undertaking has expired (for individual shareholders);

(f) any disposal made in order to meet market demand, pursuant to a request from Canaccord;

(g) any disposal made with the prior written consent of Canaccord; or

(h) by way of gift, provided that the donee, before registration of any transfer, enters into a deed of adherence agreeing to be bound by the terms of this undertaking.

11.4 *Loan Note Instruments*

By an Instrument dated 6 February 2006 GeoPark Holdings Limited issued US$4,432,225 A unsecured convertible notes and US$2,432,677 B unsecured convertible notes ("A Notes" and "B Notes" together "Notes") in consideration for the redemption of the A preferred shares and B preferred shares in the Company's share capital. As the majority of loan noteholders are in the US, each proposed noteholder had to represent that he is an "Accredited Investor" for the purposes of Regulation D of the United States Securities Act 1933 on both redeeming his preferred shares for Notes and on converting his Notes into Common Shares. The Notes bear no coupon but confer upon the noteholder the right to convert all of some of the Notes held by him into Common Shares at the Placing Price on the date of Admission. If a noteholder does not choose to convert then on the date of Admission his Notes will be automatically redeemed in full. US$299,925 of A Notes are to be converted into 50,938 Common Shares at the Placing Price on Admission. The outstanding US$4,132,300 of A Notes and all of the US$2,432,677 of B Notes are to be repaid out of the proceeds of the Placing.

If Admission does not occur before 30 June 2006, then the schedule for repayment of the Notes is set out in the instrument and is on the same terms as the preferred shares were to be redeemed. The B Notes are subordinated to the A Notes and cannot be redeemed until the A Notes have been redeemed in full. The Notes when issued ranked *pari passu* equally and rateably as unsecured guaranteed debt obligations of the Company and were subordinated to any other unsecured indebtedness of the Company from time to time.

All shares issued on conversion of the Notes will be credited as fully paid and will rank *pari passu* in all respects with the shares already in issue on the conversion date (being the date of Admission). The Notes also set out certain provisions for conducting meetings of noteholders.

The Notes are (subject to certain administrative provisions and to the transfer restrictions applicable to noteholders subject to Regulation D) transferable in amounts or integral multiples of US$1 and are governed by the laws of Bermuda.

11.5 *Deed Poll*

For a summary of the terms of the deed poll agreement between Computershare Investor Services plc and the Company please see paragraph 14.2 of this Part VI.

11.6 *Depositary Agreements*

For a summary of the terms of the depositary agreement between Computershare Investor Services plc and the Company please see paragraph 14.3 of this Part VI.

11.7 *IFC Investment Agreement*

11.7.1 An agreement dated 7 February 2006 between the Company (1), Gerald O'Shaughnessy and James F. Park (the "Lead Investors") (2) and IFC, pursuant to which IFC agreed to purchase 2,507,161 Common Shares in the Company for US$10 million. Following the share purchase, IFC held approximately 10.5 per cent. of the share capital of the Company.

11.7.2 The agreement contains various representations and warranties from the Company and the Lead Investors in favour of IFC. The liability of those giving representations and warranties is limited to certain amounts.

11.7.3 The agreement is governed by the laws of England. Any dispute in relation to the agreement will be settled by arbitration in London, England, in accordance with the UNCITRAL Arbitration Rules. There shall be three arbitrators and the appointing authority shall be the London Court of International Arbitration.

11.8 *Chilean concession and associated agreements*

11.8.1 *Fell Block Concession*

For a summary of the terms of the Fell Block concession agreement between GeoPark Chile and the Chilean Government please see paragraph 1 of Part II of this document.

11.8.2 *Joint Operating Agreement for Fell Block*

A joint operating agreement ("JOA") was signed on 22 October 1997 between ENAP and Cordex Petroleums Inc., which was the owner of the Fell Block at the time. AES Gener SA bought Cordex Petroleums Inc. in 1998 and assumed its rights and obligations under the CEOP and the JOA. In November 2002, GeoPark Chile assumed the rights and obligations of AES Gener SA pursuant to the agreement described in paragraph 11.10 of this Part VI. This agreement was amended on 23 February 2005, the principal amendments being: to reflect the modifications to the CEOP; to update and improve the content of the JOA (in accordance with the guidelines of the AIPN 2002 Model Operating Agreement Contract); to translate the JOA into Spanish; and to include the appointment of GeoPark Chile as operator ("Operator").

The Operating Committee established under the JOA has overall control of the joint venture and is composed of one representative from each party and each representative has the voting right equal to the participating interest of the party (i.e. GeoPark Chile has 90 per cent. of the vote and ENAP 10 per cent.). As no matters are reserved for the unanimous consent of the Operating Committee, ENAP cannot block any proposal of GeoPark Chile as to the programme to be adopted by the joint venture. However in practice ENAP's approval is always sought. The matters referred to the Operating Committee for approval are as follows: forecasting the annual production capacity; proposed lifting procedures; determining whether or not a well may be established as a discovery of hydrocarbons, and the adoption of a program of appraisal activities therefor; authorising the disposition of surplus property held by the joint venture; determining whether or not one or more reservoirs constitutes a commercially exploitable field, and the adoption of a program of exploitation operations therefor; determining the deepening or sidetracking of wells; determining the abandonment of a well being drilled or a producing well, or the termination of drilling operations on an exploration well which has encountered adverse drilling conditions; appointing a successor Operator in the event of resignation or removal of the Operator.

Under the JOA, GeoPark Chile is appointed as Operator and has the following obligations:

(a) *General Duties*

The Operator shall have exclusive charge of and manage and conduct all petroleum operations on the Fell Block. In addition, the Operator may act for its own participating interest and not as Operator. The Operator shall prepare and submit to the parties operating programs and budgets, and it shall expend funds provided by the parties in accordance with the approved work program and budget.

(b) *Specific Duties*

To furnish to each party copies of the data and information needed for any decision of the operating committee; monthly summaries of material joint operations, excluding information relative to drilling operations; any technical reports, data, notifications and request for authorisations required by the JOA or applicable laws. To carry out all Sole Risk Projects (as defined below) requested by any party. To obtain competitive bid tenders for contracts.

(c) *Resignation of Operator*

The Operator shall have the right to resign as Operator at the end of any month by giving 90 days' prior written notice to the Parties or such shorter period of notice as the Operating Committee may agree. The Operating Committee shall elect one of the Non-Operators as Operator by a vote of more than fifty five (55 per cent.) of the aggregate Participating interest of all Parties the JOA. If no willing Non Operator receives the necessary vote in the Operating Committee, then the Non-Operator with the largest Participating Interest (excluding the resigning Operator) shall become the Operator.

(d) *Removal of Operator*

The Operator may be removed by the unanimous vote of the non-Operators upon sixty (60) days' notice to the Operator.

Under the JOA, each of ENAP and GeoPark Chile must contribute to all the cash calls, costs and expenses of the joint venture in proportion to their respective interests. Such expenses are incurred in accordance with the operating programs and budgets which GeoPark Chile as Operator presents to the Operating Committee for its approval. GeoPark Chile has the right to take in kind and dispose of the petroleum produced from the Fell Block. It also has the right to its share of the cash remuneration received from the sales of gas. It has an interest equal to its participating interest (currently 90 per cent.) in all property acquired through expenditures charged to the joint account of the joint venture (which does not include petroleum produced from the Fell Block). The obligations of GeoPark Chile and ENAP are several.

GeoPark Chile also has the right to assume a "Sole Risk Project". If an operation is not approved by the Operating Committee the Operator upon written request from either said party shall cause such operation to be carried out at the sole risk, cost and expense of said party, such an operation being called a "Sole Risk Project". No Sole Risk Project shall be carried out if, at the time it is proposed: i) such Sole Risk Project relates to a Reservoir which the Party have agreed to appraise or develop under an Approved Work Program and Budget; ii) the well in question is to be drilled at substantially the same location, to the same subsurface target or into the same Reservoir as a well included in an Approved Work Program and Budget; or iii) it would interfere with or delay an adopted appraisal program or development plan, or an Approved Work Program an Budget. Each party shall have the right and obligation to take in kind and dispose separately of its participating interest share of the remuneration in petroleum received by Contractor under the CEOP.

No party may withdraw from the JOA prior to the completion of (i) the current approved work program and budget and (ii) the minimum work commitment to which the parties are committed under the CEOP. In addition, no party participating in a plan of exploitation operations in respect of a commercially exploitable field may withdraw from the JOA prior to the completion of such plan.

Except as provided otherwise in the JOA, all costs and expenses shall be borne by the parties in proportion to their respective participating interests. Should a party fail to make timely payments of funds due in accordance with the accounting procedure, then the Operator shall send such party a notice, and shall send copies of this notice to the other party. If such party fails to tender funds to remedy such arrears within five (5) days of such notice, the Operator shall give the other parties a notice requesting that they contribute funds to cover the shortfall caused by the party in arrears. If the failure to make payment by a party continues for a period of thirty (30) consecutive days, the other parties shall have the right, without prejudice to any other rights or remedies, to require such party to assign to them at its expense such party's entire participating interest in proportion to the remaining other parties' interests, unless otherwise agreed to by the other parties.

Assignment of the JOA is subject to any necessary consent of the Chilean Minister of Mining and to the consent of the other party (which consent will not unreasonably be withheld), but subject to this each of the parties may assign at any time all or part of its participating interest to any other party or to a third party which is financially capable to meet its prospective obligations. However, no assignment shall take place if such assignment would result in the assignor or the assignee holding a participating interest of less than ten per cent. (10 per cent.).

The contract is subject to Chilean law and dispute resolution is under the Rules of Conciliation and Arbitration of the International Chamber of Commerce (ICC) by three arbitrators. Arbitrators shall determine the procedural rules to be utilised in the settlement of the dispute. If any party fails to nominate an arbitrator, or if the two arbitrators cannot agree on a third arbitrator, the Tribunales de Justicia Ordinaria de la Comuna de Santiago de Chile shall appoint

the arbitrator(s) who shall be (a) Chilean citizen(s). The arbitration shall be held in Santiago, Chile.

11.8.3 *Assignment of AES Gener SA's rights under CEOP and JOA to GeoPark Chile*

An agreement dated 5 November 2002 between AES Gener S.A. (1), ENAP (2) and GeoPark Chile (3), pursuant to which AES Gener S.A. agreed to assign 55 per cent. of its rights in the CEOP to GeoPark Chile. GeoPark Chile agreed to accept the rights and obligations of ENAP regarding this 55 per cent. Following the assignment, GeoPark Chile held 55 per cent. of the rights in CEOP, and ENAP held the remaining 45 per cent.

11.8.4 *Assignment of 35 per cent. interest in the CEOP from ENAP to GeoPark Chile*

An agreement dated 1 September 2005 between ENAP (1) and GeoPark Chile (2), pursuant to which ENAP agreed to assign 35 per cent. of its rights in the CEOP to GeoPark Chile. GeoPark Chile agreed to accept the rights and obligations of ENAP regarding this 35 per cent.. Following the assignment, GeoPark Chile held 90 per cent. of the rights in the CEOP, and ENAP held the remaining 10 per cent..

11.9 *Argentine concessions and associated agreements*

11.9.1 *Del Mosquito Concession*

For a summary of the terms of the Del Mosquito Concession Agreement between GeoPark Argentina and the Argentine Government please see paragraph 2 of Part II of this document.

11.9.2 *Cerro Doña Juana and Loma Cortaderal Concession*

For a summary of the terms of the Cerro Doña Juana and Loma Cortaderal Concession Agreement between GeoPark Argentina and the Argentine Government please see paragraph 2 of Part II of this document.

11.10 *Acquisition of concessions and associated agreements*

11.10.1 *AES Stock and Asset Purchase Agreement ("SAPA")*

An agreement dated 2 May 2002 between AES Gener S.A., Gener Argentina S.A., Oilgener Inc. (1) and Energy Holdings LLC (2), pursuant to which Energy Holdings LLC agreed to acquire various rights, assets and shares. AES Gener S.A. sold all of its rights and interests under a CEOP governing the exploration and production of oil and gas in the Fell Block to Energy Holdings LLC; Gener Argentina S.A. sold all of the outstanding shares of Oilgener Argentina S.A. which in turn owns 100 per cent. in three oil and gas concessions in Argentina, namely Del Mosquito, Cerro Doña Juana and Loma Cortaderal to Energy Holdings LLC; and Oilgener Inc. sold all of its oil and gas equipment and data located in the US to Energy Holdings LLC.

Under the agreement (as amended by the amendment to the SAPA described in paragraph 11.8.2 below), the Company agreed: to pay the purchase price upfront; to indemnify the sellers for any known or unknown environmental liabilities in connection with the acquired properties and rights; and to pay the sellers a royalty interest of 3 per cent. on the buyer's net contractor's remuneration from the Fell Block, capped at US$3,250,000.

The agreements are governed by the laws of the State of New York, with dispute resolution under the Rules of Conciliation and Arbitration of the International Chamber of Commerce (ICC) in Santiago (Chile), Buenos Aires (Argentina), or New York City (US) at the choice of the claimant.

11.10.2 *Amendment to SAPA*

An agreement dated 18 October 2002 between AES Gener S.A. and GeoPark Limited (former name of GeoPark Chile), pursuant to which the SAPA was amended. The purchase price was amended and the cap on the royalty on the Fell Block was reduced. GeoPark Chile also agreed to hold AES Gener S.A. harmless for any environmental liabilities which occurred on the Blocks prior to the acquisition.

11.10.3 *Transfer of Energy Holdings LLC's rights and obligations under SAPA to the Group*

An acknowledgement agreement dated 5 November 2002 was entered into between Energy Holding LLC, AES Gener S.A., Oilgener Inc., GeoPark Limited (former name of GeoPark Chile) and Gener Argentina S.A., pursuant to which Energy Holdings LLC's rights and obligations under the SAPA were transferred to the Group.

11.11 *EPP Royalty Agreement*

An agreement dated 25 November 1996 between EPP Petroleo S.A. ("EPP") (1) and Cordex Petroleums Argentina Ltd. ("Cordex") (2), pursuant to which Cordex (having been assigned 100 per cent. of the rights

to conduct exploration works, complementary exploration and development of hydrocarbons in the CA-5 Del Mosquito area) agreed to pay EPP US$100,000 upfront, and 2.5 per cent. of the price of marketed hydrocarbons produced in the Del Mosquito Block.

11.12 *Vintage Royalty Agreement*

An agreement dated 5 September 1996 between Triton Argentina Inc. ("Triton") (now Vintage Petroleum, Inc) (1) and Cordex (2), pursuant to which Triton assigns to Cordex its 100 per cent. interest in the concession for the exploitation, supplementary exploitation and development of hydrocarbons in the CNQ-29 Cerro Doña Juana area and CNQ-31 Loma Cortaderal area, both located in the province of Mendoza in Argentina. Part of the consideration for the blocks was the grant of an 8 per cent. royalty on the future hydrocarbon production, if any, from the Cerro Doña Juana and Loma Cortaderal Blocks.

11.13 *Petrobras Oil Sales Agreement*

All crude oil production is sold to Petrobras Energia S.A. under an agreement originally dated 8 February 2002 entered into between GeoPark Argentina and Petrobras Energia S.A.'s predecessor, Pecom Energia S.A. This agreement has now expired but the sales of all the crude production from Del Mosquito (the only Block currently in production) to Petrobras is conducted on an ongoing basis on the terms of the expired agreement. Petrobras Energia S.A. agreed to pay WTI less a variable discount up to US$3.50 per barrel, depending on the impurities in the oil. However, oil export duties have been imposed on Argentine oil producers by the Argentine government. This means that the price paid by domestic refiners (such as Petrobras Energia S.A.) to domestic producers (such as GeoPark Argentina) is reduced.

11.14 *Pride Drilling Agreement*

An agreement dated 21 September 2005 between the Company and Pride International SRL pursuant to which Pride International SRL agreed to provide certain workover rig facilities and services to the Company for the Del Mosquito Block in consideration for US$1,300,000. The agreement has now expired.

11.15 *Western Geco Seismic Agreement*

An agreement dated 17 January 2006 between GeoPark Argentina Limited and Western Geco S.A. pursuant to which Western Geco S.A. agreed to provide certain seismic services to the Company for the Del Mosquito Block in consideration for US$2,871,488. The provision of services under the agreement was completed in the first quarter of 2006.

12. Related Party Transactions

The following are all the related party transactions the Company has entered into since its incorporation:

12.1 GeoPark Argentina Limited (Sucursal Argentina) and James F. Park are parties to certain guaranty or surety agreements whereby the relevant guarantor agreed to be jointly and severally liable with the relevant lessee vis-à-vis lessor for the payment of the monthly leases, as well as for any damages caused to the leased properties, as follows:

Lessee	*Guarantor*	*Property*	*Monthly lease in US$*
James F. Park	GeoPark Argentina Branch	James F. Park's apartment	1800+VAT+utilities
GeoPark Argentina Branch	James F. Park	Buenos Aires Office	1750+VAT+utilities
GeoPark Argentina Branch	James F. Park	Buenos Aires Office	1700+VAT+utilities
GeoPark Argentina Branch	James F. Park	Apartment for employees of the Branch	1200+VAT+utilities

12.2 Lease Contract between GeoPark Argentina and GeoPark Chile:

Contractor	*Dated*	*Term*	*Object*	*Governing Law*	*Jurisdiction*
Oilgener Argentina	8/12/05	180 days	Lease machinery	Chile	Punta Arenas

12.3 Private loan agreement with GeoPark Funding LLC.

12.3.1 A loan agreement dated 21 September 2005 between GeoPark Funding Company, LLC ("**GeoPark Funding**") (1) and the Company (2), pursuant to which GeoPark Funding agreed to lend the Company US$1,500,000 (the "**Loan Agreement**"). GeoPark Funding had already lent the Company US$500,000 pursuant to a Promissory Note from the Company dated 1 August 2005, which is also subject to terms of the Loan Agreement. Hence as at 21 September 2005, the Company owed GeoPark Funding US$2,000,000.

12.3.2 The loan was unsecured and was subject to a simple interest rate of 10 per cent.. All sums lent were evidenced by promissory notes. The Company could request an extension of the loan commitment, up to a maximum of US$10,000,000. GeoPark Funding could, at its sole discretion, agree to extend the commitment and at 6 February 2006 the total principal loan outstanding was US$5,027,500.

12.3.3 GeoPark Funding was set up specifically to act as a conduit for Mr O'Shaughnessy, Mr Park and associates to lend money to the Company. Each individual entered into a Private Participation Agreement with GeoPark Funding, pursuant to which the individual would lend money to the Company (via GeoPark Funding) and have a pro rata share of the relevant Promissory Note issued by the Company.

12.3.4 By an amendment agreement dated 6 February 2006 GeoPark Funding agreed to convert the loan into Common Shares. This was effected on 6 February 2006 and 1,310,868 Common Shares were allotted to GeoPark Funding, which has in turn transferred the Common Shares to the participants pro rata with their participation. Consequently there are no amounts currently outstanding under the loan.

12.4 Payment to Lario Enterprises

An ongoing US$3,000 monthly payment by the Company to Lario Enterprises for services rendered by Glen Wells to the Company in his capacity as acting treasurer for the Group. There is no formal agreement and the services and payments may be terminated by either party at any time.

13. Taxation

The following summary describes certain tax consequences of the purchase, ownership and disposition of Common Shares. It is not a complete description of all the possible tax consequences of such purchase, ownership or disposition. This summary is based on the laws as in force and as applied in practice on the date of this document and is subject to changes to those laws and practices subsequent to the date of this document. You should consult your own advisers as to the tax consequences of the acquisition, ownership and disposition of Common Shares in light of your particular circumstances, including, in particular, the effect of any state, regional or local tax laws.

(a) *Bermuda taxation*

Under present Bermuda law, no Bermuda withholding tax on dividends or other distributions, nor any tax in Bermuda computed on profits or income or on any capital asset, gain or appreciation, will be payable by an exempted company or its operations, nor is there any Bermuda tax in the nature of estate duty or inheritance tax applicable to shares, debentures or other obligations of an exempted company held by non-residents of Bermuda.

The Company is exempt from all stamp duties except on transactions involving "Bermuda property". This term relates, essentially, to real and personal property physically situated in Bermuda (and excludes the shares of other exempted companies). Transfers of Common Shares and warrants in the Company are also exempt from stamp duty in Bermuda.

In addition, the Company has been granted an undertaking by the Minister of Finance of the Government of Bermuda under the Exempted Undertakings Tax Protection Act 1966 which exempts the Company until 28 March 2016, from any Bermuda tax computed on profits or income or on any capital asset, gain, appreciation, or any tax in the nature of estate duty or inheritance tax (apart from the application of any such tax or duties on such persons as are ordinarily resident in Bermuda and apart from taxes on land in Bermuda owned by or leased to the Company).

Though incorporated in Bermuda, the Company is classified as non-resident in Bermuda for exchange control purposes and, as such, is free to acquire, to hold and to sell any foreign currency or other assets (other than property situated in Bermuda) without restriction. The issue and transfer of Common Shares of the Company between persons regarded as resident outside Bermuda for exchange control purposes may be effected without specific consent under the Bermuda Exchange Control Act 1972 and the regulations made thereunder for so long as the Common Shares are listed on AIM.

As an exempted company, the Company is liable to an annual registration fee in Bermuda based on its assessable capital (being its authorised share capital and share premium (if any)). The current minimum fee payable is US$1,780 and the current maximum fee is US$27,825.

(b) *UK Taxation*

The statements below are based on current UK tax law and what is understood to be current HM Revenue and Customs published practice. They are intended as a general guide only, for Shareholders who are resident and ordinarily resident in the UK for UK tax purposes (except insofar as express reference is made to the treatment

of non-UK residents) and who hold their Common Shares as investments and not as trading stock and who are the beneficial owners of those Common Shares. Certain categories of Shareholder may be subject to special rules and this summary does not apply to such Shareholders, or to Shareholders who either directly or indirectly control, alone or together with one or more associated or connected persons, 10.0 percent or more of the voting power or equity investment in the Company. Shareholders who are in any doubt about their tax position, or who are resident, or otherwise subject to taxation, in a jurisdiction outside the UK, should consult their own professional advisers.

13.1 *Dividends*

13.1.1 The Company will not be required to withhold UK tax at source from dividend payments it makes.

13.1.2 A Shareholder who is an individual and who is resident or ordinarily resident in the UK for tax purposes or who, although neither resident nor ordinarily resident in the UK, carries on a trade, vocation or profession in the UK through a branch or agency, to which the holding of Common Shares is attributable **(a "UK Individual Holder")** will generally be subject to UK income tax on dividends received from the Company.

13.1.3 A UK Individual Holder who is not domiciled in the UK or who is not ordinarily resident in the UK will only be subject to income tax in respect of dividends received from the Company to the extent that the proceeds are remitted, or treated as remitted, to the UK.

13.1.4 To the extent that a dividend received from the Company represents income of a UK Individual Holder who is subject to UK income tax at the higher rate, it will be subject to income tax at the dividend upper rate (currently 32.5 per cent). To the extent that a dividend received from the Company represents income of a UK Individual Holder who is subject to UK income tax at a rate other than the higher rate, it will be subject to UK income tax at the dividend ordinary rate (currently 10 per cent). UK Individual Holders should note that, as matter of current law, no tax credit will be available to them in respect of dividends received from the Company (save in respect of any withholding taxes in Bermuda which are not anticipated).

13.1.5 A Shareholder which is a company and which is resident in the UK for tax purposes or which, although not resident in the UK, carries on a trade in the UK though a permanent establishment to which the holding of Common Shares is attributable will generally be subject to UK corporation tax (currently 30 per cent) on the gross amount of any dividends received from the Company.

13.2 *Dividends – non-UK resident shareholders*

Shareholders who are not resident or ordinarily resident in the UK for tax purposes and who do not carry on a trade profession or vocation in the UK through a branch, agency or permanent establishment will not be liable to UK tax in respect of dividends received from the Company. Shareholders who are not resident in the UK for tax purposes should consult their own tax advisers concerning their tax liabilities on dividends received from the Company.

13.3 The attention of individuals ordinarily resident in the UK for tax purposes is drawn to the provisions of Chapter III of Part XVII of the United Kingdom Income and Corporation Taxes Act 1988 (transfer of assets abroad), which may render them liable to UK income tax in respect of the undistributed income of the Group. As the application of those provisions to an individual Shareholder may depend upon the personal circumstances of that Shareholder (including the Shareholder's purpose in acquiring the Common Shares), such Shareholders are advised to consult their own advisers with regards to the potential application of those provisions to their particular circumstances.

13.4 *Stamp duty and stamp duty reserve tax*

No UK stamp duty or stamp duty reserve tax ("**SDRT**") will be payable by placees on the issue of the Common Shares or Depositary Interests pursuant to the placing. However, stamp duty at the rate of 0.5 per cent. will be due in respect of any agreement to sell DIs and UK stamp duty (at the rate of 0.5 percent) may be due on any instrument transferring Common Shares which is executed in the UK or relating to any property situate, or matter or thing done or to be done in the UK.

13.5 *Capital gains*

A disposal of Common Shares by a Shareholder who is either resident or, in the case of an individual, ordinarily resident, for tax purposes in the UK, or a Shareholder that is not UK tax resident but carries on a trade, profession or vocation in the UK through a branch, agency or permanent establishment and has used, held or acquired the Common Shares for the purposes of such trade, profession or vocation or such branch, agency or permanent establishment may, depending on the Shareholder's circumstances and subject to any available exemptions or relief, give rise to a chargeable gain or allowable loss for the purposes of the UK taxation of chargeable gains.

14. CREST and Depositary Interests

14.1 *Setting up Depositary Interests*

The Common Shares are in registered form and are in certificated form. However, it is proposed that, with effect from Admission, Common Shares may be delivered, held and settled in CREST by means of the creation of dematerialised depositary interests representing such Common Shares. In order to achieve this the Registrars, will issue dematerialised depositary interests representing entitlements to Common Shares, known as Depositary Interests or "DIs". The DIs will be independent securities constituted under English law which may be held and transferred through the CREST system.

The Depositary agreement under which the Company has appointed the Registrars to provide the DI arrangements and the branch registry agreement under which the Company has appointed Computershare Investor Services (Channel Islands) Limited in Jersey to provide registry services, are described in paragraphs 14.3 and 14.4 below.

The DIs will be created pursuant to and issued on the terms of a deed poll executed by the Registrars in favour of the holders of the DIs from time to time (the "**Deed Poll**"). Prospective holders of DIs should note that they will have no rights in respect of the underlying Common Shares or the DIs representing them against CRESTCo or its subsidiaries.

Common Shares will be registered in the name of the Registrars or their nominated custodian (the "**Custodian**") and the Registrars will issue DIs to participating CREST members.

Each DI will be treated as one Common Share for the purposes of determining, for example, eligibility for any dividends. The Registrars will pass on to holders of DIs any stock or cash benefits received by it as holder of Common Shares on trust for such DI holder. DI holders will also be able to receive notices of meetings of holders of Common Shares and other notices issued by the Company to its Shareholders

The DIs will have the same security code (ISIN) as the underlying Common Shares and will not require a separate listing on AIM.

In summary, the Deed Poll contains, among other things, provisions to the following effect which are binding on holders of DIs.

14.2 *Summary of Deed Poll*

Pursuant to a deed poll made by the Registrar on 18 April 2006 (the "Deed Poll"), the Registrar will hold (itself or through its nominated custodian), as bare trustee, the underlying securities issued by the Company and all and any rights and entitlements attributable to the underlying securities pertaining to the DIs for the benefit of the holders of the relevant DIs.

Holders of DIs warrant, among other things, that the securities in the Company transferred or issued to the custodian for the account of such holder on behalf of the Registrar are free and clear of all liens, charges, encumbrances or third party interests and that such transfers or issues are not in contravention of the Bye-laws or any contractual obligation, law or regulation.

The Registrar and any custodian must pass on to DI holders and exercise on behalf of DI holders all rights and entitlements received by it in respect of the underlying securities which are capable of being passed on or exercised. Rights and entitlements to cash distributions, to information, to make choices and elections and to call for, attend and vote at meetings shall, subject to the Deed Poll, be passed on in the form which they are received together with any amendments and additional documentation necessary to effect such passing-on, or, as the case may be, exercise in accordance with the Deed Poll.

The Deed Poll contains provisions excluding and limiting the Registrar's liability. For example, the Registrar shall not be liable to any DI holder or any other person for liabilities arising out of or in connection with the performance or non-performance of its obligations under the Deed Poll or otherwise except as may result from its negligence or wilful default or fraud or that of any person for whom it is vicariously liable, provided that the Registrar shall not be liable for the negligence, wilful default or fraud of any custodian or agent which is not a member of its group unless it has failed to exercise reasonable care in the appointment and continued use and supervision of such custodian or agent. Furthermore, the Registrar's liability to a holder of DIs will be limited to the lesser of (a) the value of the deposited property that would have been properly attributable to the DIs to which the liability relates and (b) that proportion of £5,000,000 which corresponds to the portion which the amount the Registrar would otherwise be liable to pay to the DI holder bears to the aggregate of the amounts the Registrar would otherwise be liable to pay to all such holders in respect of the same act, omission or event (or, if there are no such other amounts, £5,000,000).

The Registrar is entitled to charge holders fees and expenses for the provision of its services under the Deed Poll.

Each holder of DIs is liable to indemnify the Registrar and any custodian (and their agents, officers and employees) against all liabilities arising from or incurred in connection with, or arising from any act related to, the Deed Poll so far as they relate to the property held for the account of DIs held by that holder, other than those resulting from the wilful default, negligence or fraud of the Registrar, or the custodian or agent if it is a member of the same group of Companies as the Registrar or if the custodian or agent is not a member of the same group, where the Registrar has failed to exercise reasonable care in the appointment and continued use and supervision of such custodian or agent.

The Registrar may terminate the Deed Poll by giving at least 90 days' notice to the holders of DIs. During such period, holders may cancel their DIs and withdraw their deposited property and, if any DIs remain outstanding after termination, the Registrar must, among other things, deliver the deposited property in respect of the DIs to the relevant DI holders or, at its discretion, sell all or part of such deposited property. It shall, as soon as reasonably practicable, deliver the net proceeds of any such sale, after deducting any sums due to the Registrar, together with any other cash held by it under the Deed Poll pro rata to holders of DIs in respect of their DIs.

The Registrar or the custodian may require from any holder or former or prospective holder information as to the capacity in which DIs are owned or held and the identity of any other person with any interest of any kind in such DIs or the underlying securities and the holders are bound to provide such information requested. Furthermore, to the extent that, among other things, the Bye-laws require disclosure to the Company of, or limitations in relation to, beneficial or other ownership of, or interests of any kind whatsoever in, the Company's securities, the holders of DIs are to comply with such provisions and with the Company's instructions with respect thereto.

It should also be noted that holders of DIs may not have the opportunity to exercise all of the rights and entitlements available to holders of Common Shares including, for example, the ability to vote on a show of hands. In relation to voting, it will be important for holders of DIs to give prompt instructions to the Registrar or its nominated custodian, in accordance with any voting arrangements made available to them, to vote the underlying Common Shares on their behalf or, to the extent possible, to take advantage of any arrangements enabling holders of DIs to vote such Common Shares as a proxy of the Registrar or its nominated custodian.

14.3 *Terms of Depositary Agreement*

The terms of the depositary agreement dated 20 April 2006 between the Company and the Registrar (the "**Depositary Agreement**") under which the Company has appointed the Registrar to issue the DIs on the terms of the Deed Poll and to provide certain other services in connection with the DIs, are summarised below.

The Registrar agrees to provide certain depositary and custodian services under the Depositary Agreement (the "**Depositary and Custodian Services**") with reasonable skill and care and in accordance with FSMA and the CREST Regulations. The services include complying with the provisions of the Deed Poll, maintaining a DI register and dealing with routine correspondence with holders of DIs.

The agreement is for an initial fixed term of 1 year following which it can be terminated by either party on six months' notice. The agreement may also be terminated in certain other circumstances.

The Company agrees to provide to the Registrar all information, data and documentation reasonably required by the Registrar to carry out the Depositary and Custodian Services. Each party gives certain undertakings in relation to compliance with relevant data protection legislation.

The Registrar is entitled, by serving prior written notice on the Company, to change the Depositary Agreement if it is reasonably necessary to do so to reflect any change to CREST services or law.

The Registrar indemnifies the Company against any loss arising as a result of the fraud, negligence or wilful default of the Registrar, subject to a cap on its liability of two times annual fees for any 12 month period. The Company agrees to indemnify the Registrar against all losses arising from its performance of its obligations under the Depositary Agreement.

The Company is to pay certain fees and charges including, among other things, an annual fee, a fee based on the number of transactions conducted in DIs each month and certain CREST related fees. The Registrar is also entitled to recover out of pocket fees and expenses.

14.4 *Terms of Branch Registry Agreement*

The terms of the branch registry agreement (the "**Branch Registry Agreement**") dated 20 April 2006 between the Company and Computershare Investor Services (Channel Islands) Limited (the "**Branch Registrar**") under which the Company has appointed the Branch Registrar to maintain a branch share register of the Company in Jersey, are summaried below.

The Branch Registrar agrees to provide certain registry services under the Branch Registry Agreement. The services include maintaining the Company's branch share register in Jersey, and ensuring that the Company has all necessary information in order to keep the principal share register in Bermuda up to date. The agreement can be terminated by either party giving six months' notice.

The Agreement contains a provision that neither party shall be liable to the other party in respect of any loss incurred by the other party as a result of the discharge of its obligations under the Branch Registry Agreement, save where such loss is incurred as a result of fraud, wilful deceit, negligence or breach of the Branch Registry Agreement by the other party.

The Company is to pay certain fees and charges, including an annual management fee and a one-off set up fee. The Branch Registrar is also entitled to recover out of pocket expenses.

15. Litigation

Neither the Company nor any member of the Group is or has been engaged in, or is currently engaged in, any government, legal or arbitration proceedings, whether as claimant or defendant, which is having or may have had during the 12 months preceding the date of this document, a significant effect on the financial position or profitability of the Group and, so far as the Directors are aware, there are no such proceedings pending or threatened against, or brought by, the Company or any other member of the Group.

16. Working Capital

In the opinion of the Directors, having made due and careful enquiry, the working capital available to the Company and the Group is sufficient for the Company's present requirements, that is for at least the next 12 months from the date of Admission.

17. No Significant Change

Save as disclosed in this document there has been no significant change in the financial or trading position of the Group since 31 December 2005, the date to which the last audited financial statements of the Group (as set out in Part V of this document) were prepared.

18. Responsibility and Consents

18.1 Grant Thornton UK LLP of Grant Thornton House, Melton Street, London, NW1 2EP accept responsibility for the information in its report set out in Part V of this document and believe, having taken all reasonable care to ensure that such is the case, that the information contained in its report set out in Part V of this document is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import and has given and not withdrawn its written consent to the inclusion in this document of its name, report and references to it in the form and context in which they appear.

18.2 Canaccord Adams Limited of First Floor, Brook House, 27 Upper Brook Street, London W1K 7QF, has given and not withdrawn its written consent to the inclusion in this document of its name and the references to it in the form and context in which they appear. Canaccord, which is regulated by the Financial Services Authority, has not authorised the contents of any part of this document for the purposes of Annex I paragraph 1.2 of the PD Regulation.

18.3 DeGolyer and MacNaughton of 5001 Spring Valley Road, Suite 800 East, 75244, Dallas, Texas, USA, accept responsibility for the information in its report set out in Part IV of this document and having taken all reasonable care to ensure that such is the case, that the information contained in its reports set out in Part IV of this document is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import and has given and not withdrawn its written consent to the issue of this document with its name included in it and the references to it in the form and context in which they appear.

19. General

19.1 The Company paid to Mr Gamaliel Villalobos, Mr Edward Souza, Mr Juan Antonio Guzman and Mr Raimundo Labara US$250,000 (in aggregate) in connection with services rendered in introducing and securing the acquisition of AES Gener S.A.'s assets as set out in paragraph 11.10 of this PartVI.

19.2 Save as disclosed in this document, no person (other than professional advisers named in this document and trade suppliers) has:

19.2.1 received, directly or indirectly, from the Company within the 12 months preceding the application for Admission; or

19.2.2 entered into contractual arrangements (not otherwise disclosed in this document) to receive, directly or indirectly, from the Company on or after Admission any of the following:

(a) fees totalling £10,000 or more;

(b) securities in the Company where these have a value of £10,000 or more calculated by reference to the Placing Price; or

(c) any other benefit with the value of £10,000 or more at the date of Admission.

19.3 The total costs and expenses of the Placing, which are payable by the Company, are estimated to amount to £2.3 million (excluding VAT), out of which Canaccord will receive a commission of approximately £1.3 million in respect of the placing of the Subscription Shares. Accordingly, the net proceeds of the Placing (assuming full subscription of the Subscription Shares and after deduction of expenses, but excluding the commission payable to Canaccord from the placing of the Subscription Shares) are estimated at £20.8 million.

19.4 The Placing Price is 320p, of which US$5.88799 represents a premium assuming as US$/£ exchange rate of 1.84 over the nominal value of US$0.001 per Common Share.

19.5 The minimum amount which, in the opinion of the Directors, must be raised for the purposes set out in paragraph 16 of Part I is £18.8 million.

19.6 Canaccord is registered in England and Wales as a public company limited by shares under the CA 1985 with registered number 2814897 and is a member of the London Stock Exchange and is authorised and regulated in the United Kingdom by the Financial Services Authority.

19.7 The financial information set out in Part V of this document does not amount to statutory accounts within the meaning of section 240 of the CA 1985 and no such accounts have been prepared for the Company or its subsidiaries since their incorporation.

19.8 Other than the Company's application for the Common Shares to be admitted to trading on AIM, no application for admission to any other recognised investment exchange has been made.

19.9 Grant Thornton UK LLP of Grant Thornton House, Melton Street, London, NW1 2EP, who are Members of the Institute of Chartered Accountants for England and Wales, were the auditors of the Company for the period covered by the financial information in Part V of this document. No auditors of the Company have resigned, been removed or not reappointed during the period covered by the financial information in Part V of this document.

19.10 Save as disclosed herein, the Company is not dependent on patents or licences, industrial, commercial or financial contracts or new manufacturing processes which are material to the Company's business.

19.11 Copies of this document will be available to the public free of charge from the registered office of the Company and from the offices of Canaccord at Brook House, 27 Upper Brook Street, London W1K 7QF United Kingdom during normal business hours on any week day, Saturdays and public holidays excepted, from the date of this document until the date one month following Admission.

10 May 2006