ANNUAL REPORT 2011

EXECUTION RISK MANAGEMENT CREATING OPPORTUNITIES COMMITMENT

GEOPARK

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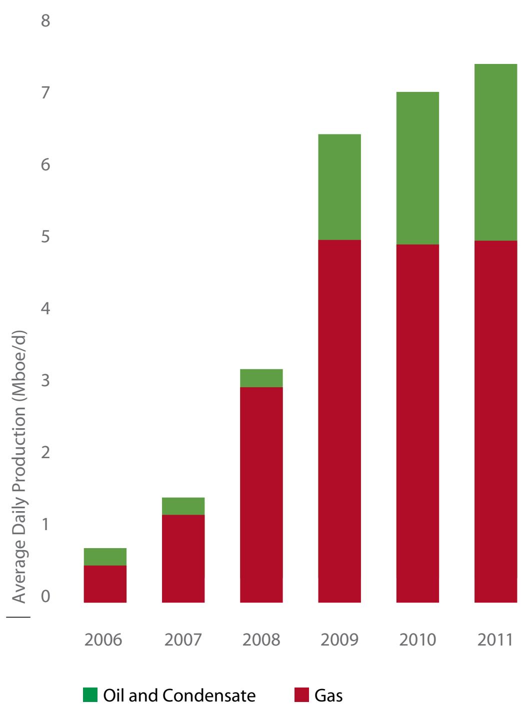
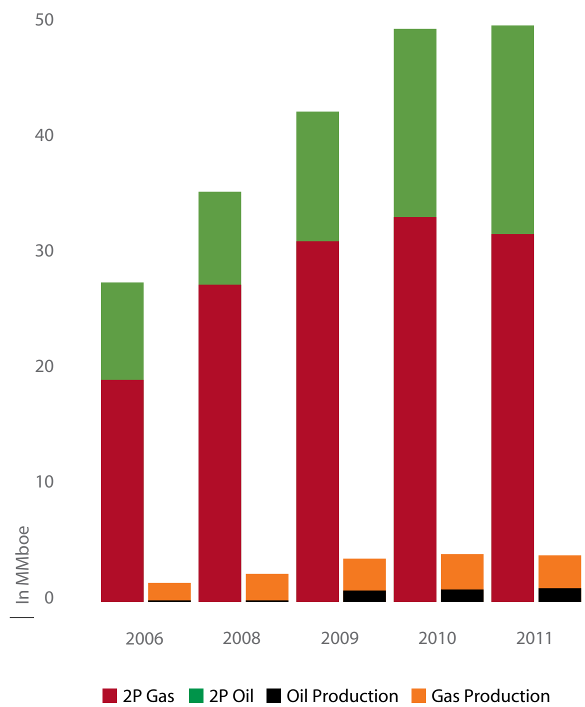
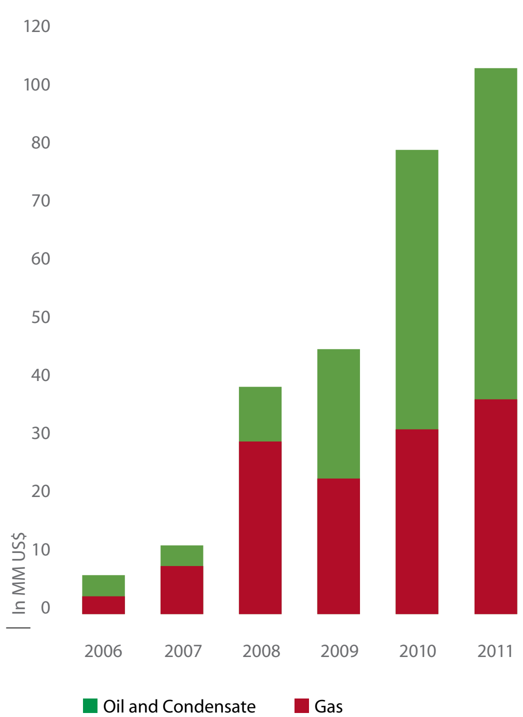
Oil and Gas Production



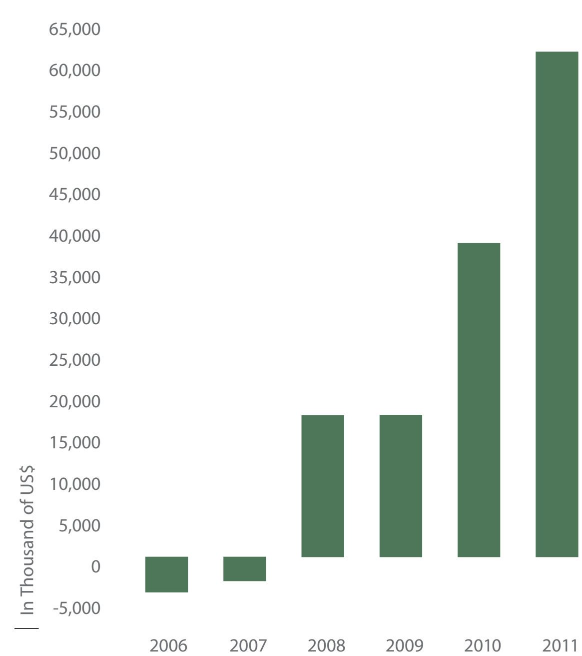
Oil and Gas Reserves



Total Revenues



EBITDA



Dear Shareholders,

For GeoPark, 2011 was again a year of delivery and growth – with our sixth consecutive year of key performance improvements. Importantly, we progressed with new project acquisitions to expand our asset portfolio and set the foundation for step-change growth in 2012 with a significant new investment programme.

2011 Results

Key developments included:

- **Operational Improvements:** Oil production increased 27% with a 9% increase in total oil and gas production. Results were led by the drill bit with eighteen successful wells recorded out of twenty-five wells drilled. (Current production is approximately 12,000 boepd.)

- **Financial Growth:** Revenues grew 40%, adjusted EBITDA increased 54%, net income increased 21% and year-end cash resources grew to US$ 202 million.

- **Strategic Expansion:** Asset portfolio was expanded by:
  - Award of three new high potential hydrocarbon blocks in Tierra del Fuego, Chile;
  - Entry by LG International ("LGI") into GeoPark's Chile business via its acquisition of a 20% interest;
  - Acquisition of two oil and gas exploration and production companies in Colombia, with interests in ten hydrocarbon blocks, during the First Quarter 2012.

- **Organisational Strengthening:** New experienced professionals joined the Company and Board to bring further depth and structure to our technical and management capabilities.

Chile continued to be our principal area of focus where GeoPark has established itself as the first and only private oil and gas producer – today accounting for over 35% of Chile's total hydrocarbon production. Our large acreage position in Chile, with over 3.5 million gross acres, contains a broad inventory of attractive production,

development, high-impact exploration opportunities and high potential unconventional resources. As the only OECD country in Latin America, Chile continues to provide an attractive base for investment and an ideal platform for expansion throughout Latin America.

LG International Growth Partnership

GeoPark and LGI cemented its strategic alliance by LGI acquiring a 20% interest in GeoPark's Chile business for US$ 148 million in two separate transactions. These transactions demonstrated the underlying value of the business GeoPark has built in Chile and also LGI's long-term commitment to our partnership to expand together by building a portfolio of upstream assets throughout Latin America.

Colombia Acquisitions

After proving our ability to convert under-performing projects into productive and economically attractive oil and gas assets, GeoPark successfully laid the groundwork for and initiated new project acquisitions to expand into new regions.

Two acquisitions in Colombia, completed in the First Quarter 2012, created an attractive growth platform with a balanced mix of production, development and exploration assets including:

- Interests in 10 blocks (ranging from 5% to 100%) located in the Llanos, Magdalena and Catatumbo basins, covering an area of approximately 220,000 gross acres, and with operatorship of four of the blocks.
- Crude oil production of approximately 2,800 barrels per day (bopd) from three blocks and 2P oil reserves of approximately 10 million barrels.
- Prospective oil resources (unrisked) in excess of 25 million barrels.
- An active and on-going exploration and development drilling programme with a successful Colombian operating and administrative team to support a smooth transition and start-up by GeoPark in Colombia.


GEOPARK
GEOPAR

2012 Outlook

Aided by our multi-year record of growth, GeoPark is strongly positioned for 2012 and beyond with attractive assets in Chile, Colombia and Argentina and secure cash flow streams. With substantial cash reserves and the continuing support of partners and shareholders, we plan to accelerate capital investment on our properties and acquire new projects. We have an aggressive risk-balanced work programme, which provides a steady growth platform and exposure to big growth opportunities. Our technical and management team are built for expansion and ready to handle the increased activity. Our low operating costs and discretionary investment programme provide flexibility and security even in widely varying oil and gas price environments.

For 2012, GeoPark has embarked on a US$ 220-240 million capital investment programmes (approximately US$ 350 million including new acquisitions) organised around the following priorities:

- **Execute to Grow:** Drill 45-55 new wells to increase oil and gas production by 80-100% and grow oil and gas reserves; and increase operating and investment efficiency to improve economic performance.

- **Manage Risk:** Continue to balance production profile between oil and gas; spread work programme exposure between production, development and high-impact exploration projects; expand funding exposure and capital sources; strengthen management and technical team; expand country footprint; and farm-out higher risk / non-core areas.

- **Expand the Business:** Increase our portfolio of organic growth opportunities on existing properties and acquire new projects in Latin America – targeting projects with proven reserves and production and with development and exploration upside.

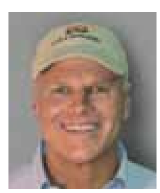
- **Strengthen Commitment:** Continue to build the right kind of company – with a performance-driven culture, which values and protects our shareholders, employees, environment and communities and thereby supports and enhances our long-term business plan.

GeoPark has been able to develop a culture of continuous improvement, and, as we grow, efforts and adjustments are continuously made to effectively manage our increasing scale and scope. It is a vital and welcome challenge to successfully introduce the tools and structure necessary to run a larger company while still maintaining and encouraging the original pioneering spirit and ideals which led us to be where we are today.

We express admiration for the GeoPark team for its important achievements over the years and for an organisation which continuously takes on new responsibilities and challenges to help make GeoPark better every day. We recognise and appreciate our team's commitment to excelling in all that we do and in never giving-up. Their professionalism, trust and kindness have made "working in the GeoPark way" mean something unique.

We also express our gratitude to our investors and shareholders for your continued support during 2011 and look forward with confidence to continuing to deliver and grow value in 2012 and beyond.

Gerald E. O'Shaughnessy,
Chairman



James F. Park,
Chief Executive Officer

2011 PERFORMANCE

Key Operational Results

- **Oil Production Up 27%:** Average oil production increased 27% to 2,510 bopd; total average oil and gas production increased 9% to 7,593 boepd in 2011.

- **72% Drilling Success:** 18 wells drilled, completed and placed into production.

- **100% Reserve Replacement:** DeGolyer and McNaughton certified 2P reserves increase of 6% to 49.5 mmboe and 3P reserves of 107 mmboe. Net Present Value of 2P reserves was assessed to be US$ 852 million and 3P reserves to be US$ 1,418 million.

- **Fell Block Conversion to Exploitation Phase:** 84% of the total area was converted into an exploitation phase valid up to 2032. (GeoPark exceeded the minimum investment commitment by over 75 times.)

- **Seismic Operations:** In Tranquilo and Otway Blocks completed 293 km of 2D seismic and 165 sq km of 3D seismic. A 3D seismic survey was started in first quarter 2012 on the Flamenco Block in Tierra del Fuego.

- **Unconventional Resources Potential:** Initiated a technical assessment of the oil and gas shale potential in Argentina (Vaca Muerta) and Chile (Estratos con Favrella).

Key Financial Results

- **Revenues Up 40%:** Total revenues increased to US$ 111.6 million, led by 52% increase in oil revenues to US$ 73.5 million.

- **EBITDA Up 54%:** Adjusted EBITDA increased to US$ 63.4 million. Cash flow from operating activities increased 106% year-on-year to US$ 63.8 million.

- **Netbacks Up 40%:** Netbacks increased to US$ 22.90 per boe produced.

- **Net Income Up 21%:** Net Income increased to US$ 5.1 million.

- **Capital Expenditures Up 70%:** Capital expenditures increased to US$ 98.7 million due to increased drilling activity on the Fell and Tranquilo Blocks in Chile.

- **Shareholders Equity Up 126%:** Equity increased by US$ 116.6 million to US$ 208.9 million as a result of the transaction with LGI and improved financial performance.

- **Year-End Positive Net Cash Position:** Year-end cash resources were US$ 201.9 million.

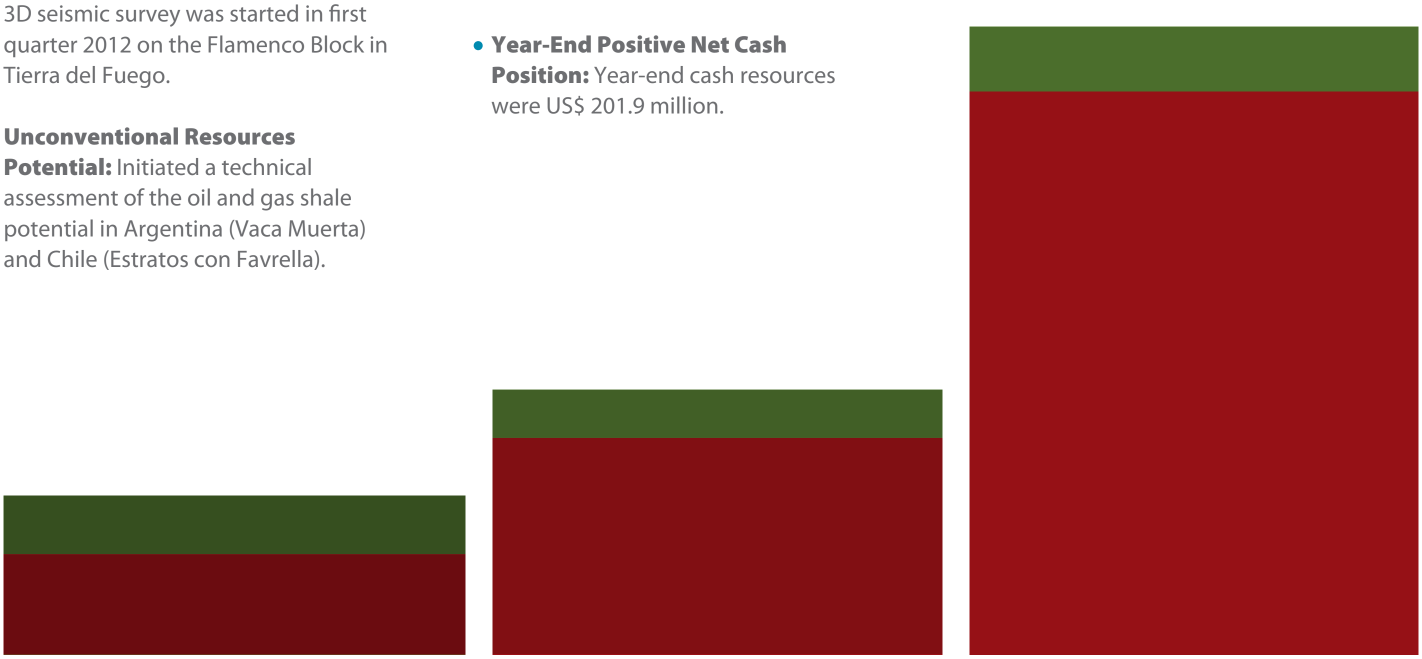
Key Strategic Results

- **Entry by LGI into the Chilean Business:** LGI acquired a 20% equity interest in GeoPark's Chilean business for a consideration of US$ 148 million. Also committed to provide US$ 31.6 million over the next three years in Tierra del Fuego licences.

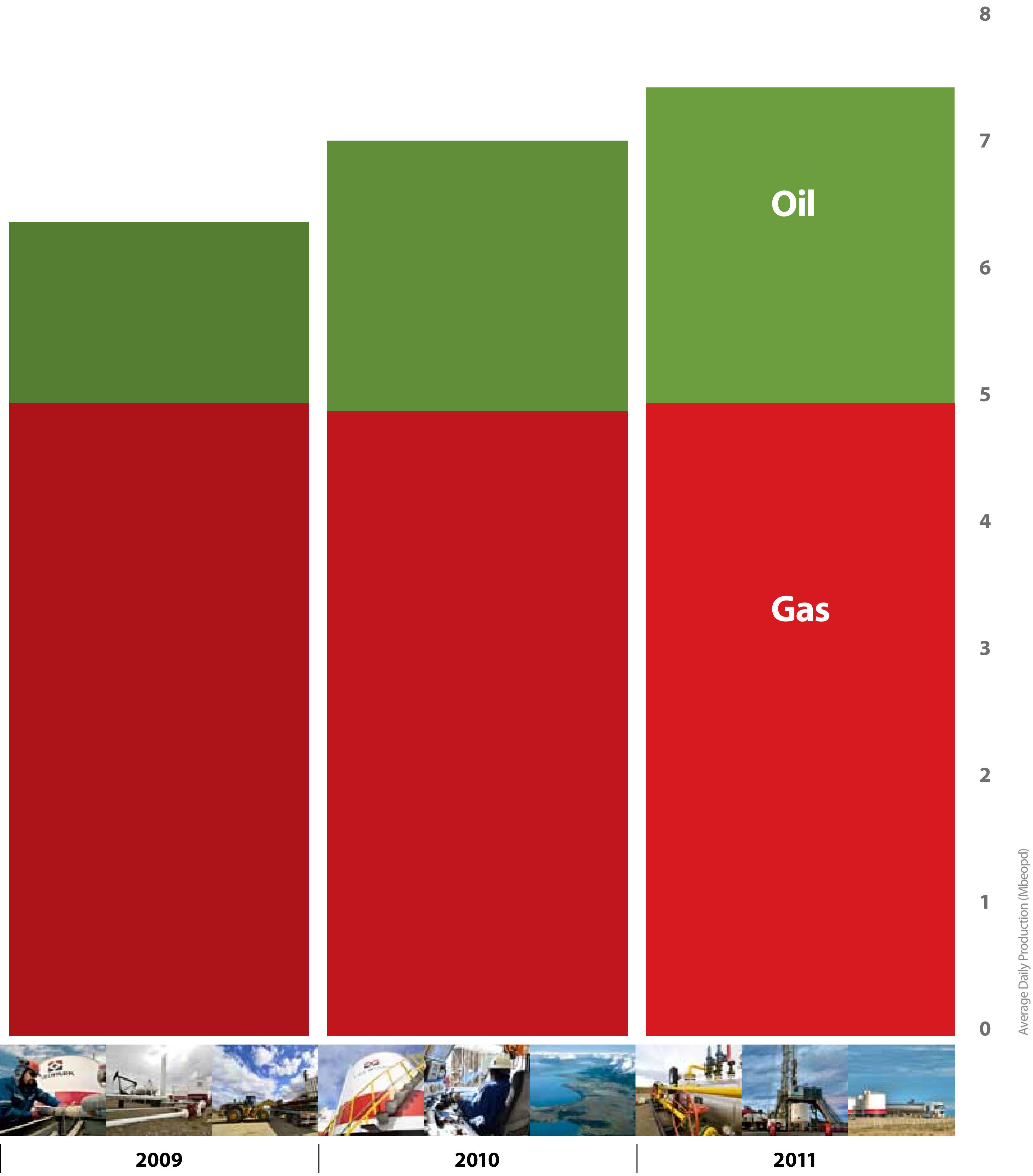
- **Three New High Potential Blocks in Tierra del Fuego:** GeoPark signed three participation agreements with ENAP to acquire the Campanario, Flamenco and Isla Norte blocks covering 460,000 acres in Tierra del Fuego, Chile.

- **Acquisition of Ten Block Colombia Platform:** In first quarter 2012, GeoPark acquired Winchester Luna and Hupecol – privately-held companies in Colombia. GeoPark acquired ten exploration and production blocks for a total consideration of US$ 105 million.

- **Gas Purchase and Incentive Agreement:** New commercial agreement with Methanex to incentivise gas development.



2006 | 2007 | 2008


Oil
Gas
8
7
6
5
4
3
2
1
0
Average Daily Production (Mbeopd)
2009
2010
2011

Execution

VALUE DRIVER.

PROVEN TECHNICAL EXPERIENCE AND EXCELLENCE IN FINDING AND PRODUCING OIL AND GAS RESERVES – AND THE ABILITY TO PLAN, EXECUTE, OVERCOME OBSTACLES, ADAPT, SEIZE OPPORTUNITIES AND ACHIEVE RESULTS.

DRILLING

GeoPark's growth continues to be led by the drill bit. Most of the drilling activity occurred on the Fell Block in Chile, where twenty-three wells were drilled and eighteen wells were successfully put on production. One well was unsuccessful and four wells are waiting for completion or are under evaluation. One well was drilled on the Tranquilo Block in Chile, targeting the Esperanza prospect, which is currently under evaluation without commercial test results. In Argentina, Del Mosquito Sur 1 was drilled on the Del Mosquito Block and is currently producing minor oil amounts from the Tobifera formation.

The chart below summarises GeoPark's drilling programme during 2011:

Block	Well Name	Well Type	Status
Fell	Nika Sur 2	Exploration	Under Evaluation
Fell	Monte Aymond 35	Development	On Production
Fell	Copihue 1	Exploration	On Production
Fell	Williche 1	Exploration	Waiting for Completion
Fell	Monte Aymond 36	Appraisal	Produced / Temporarily Shut-in
Fell	Konawentru 1	Exploration	On Production
Fell	Alakaluf 10	Development	Produced / Converted to Water Injector
Fell	Municion Oeste 2	Exploration	On Production
Fell	Guanaco 5	Development	On Production
Fell	Alakaluf Este 1	Exploration	On Production
Fell	Guanaco 12	Development	On Production
Fell	Guanaco 7	Development	On Production
Fell	Punta Delgada Norte 4	Exploration	On Production
Fell	Guanaco Sur 1	Exploration	Abandoned
Fell	Guanaco a-10	Appraisal	Produced / Converted to Water Injector
Fell	Guanaco a-9	Appraisal	On Production
Fell	Guanaco 21	Development	Side-tracked
Fell	Guanaco 21 ST	Development	Produced / Converted to Water Injector
Fell	Guanaco 13	Development	On Production
Fell	Guanaco 8	Development	On Production
Fell	Copihue 2 D	Appraisal	On Production
Fell	Yagan Norte 3	Appraisal	On Production
Fell	Selknam 1A	Appraisal	On Production
Del Mosquito	Del Mosquito Sur 1	Exploration	On Production
Tranquilo	Renoval 1	Exploration	Under Evaluation

OIL AND GAS RESERVES

GeoPark has achieved consistent growth in oil and gas reserves from its investment activities since 2005. DeGolyer & MacNaughton, independent petroleum engineers, appraised a 6% increase in 2P reserves (after allowing for production) to a total of 49.5 million barrels oil equivalent (mmboe) in its report dated 31 December 2011. This represented approximately 100% reserve replacement during the year.

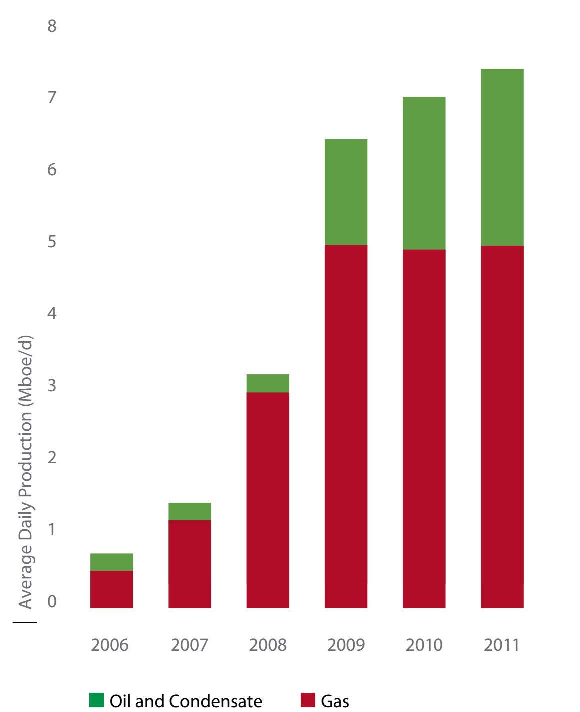
DeGolyer & MacNaughton's report estimated, on four GeoPark blocks, a total of 16.5 mmboe of proved reserves, a total of 33.0 mmboe of probable reserves, and a total of 57.5 mmboe of possible reserves as shown in the chart on the right. Approximately 95% of the Company's total oil and gas reserves are in Chile and approximately 5% in Argentina. In this appraisal, gas represents approximately 73% of total reserves and oil represents approximately 27% of total reserves. (Figures do not include recent 2P reserve additions from acquisitions in Colombia in the first quarter 2012.)

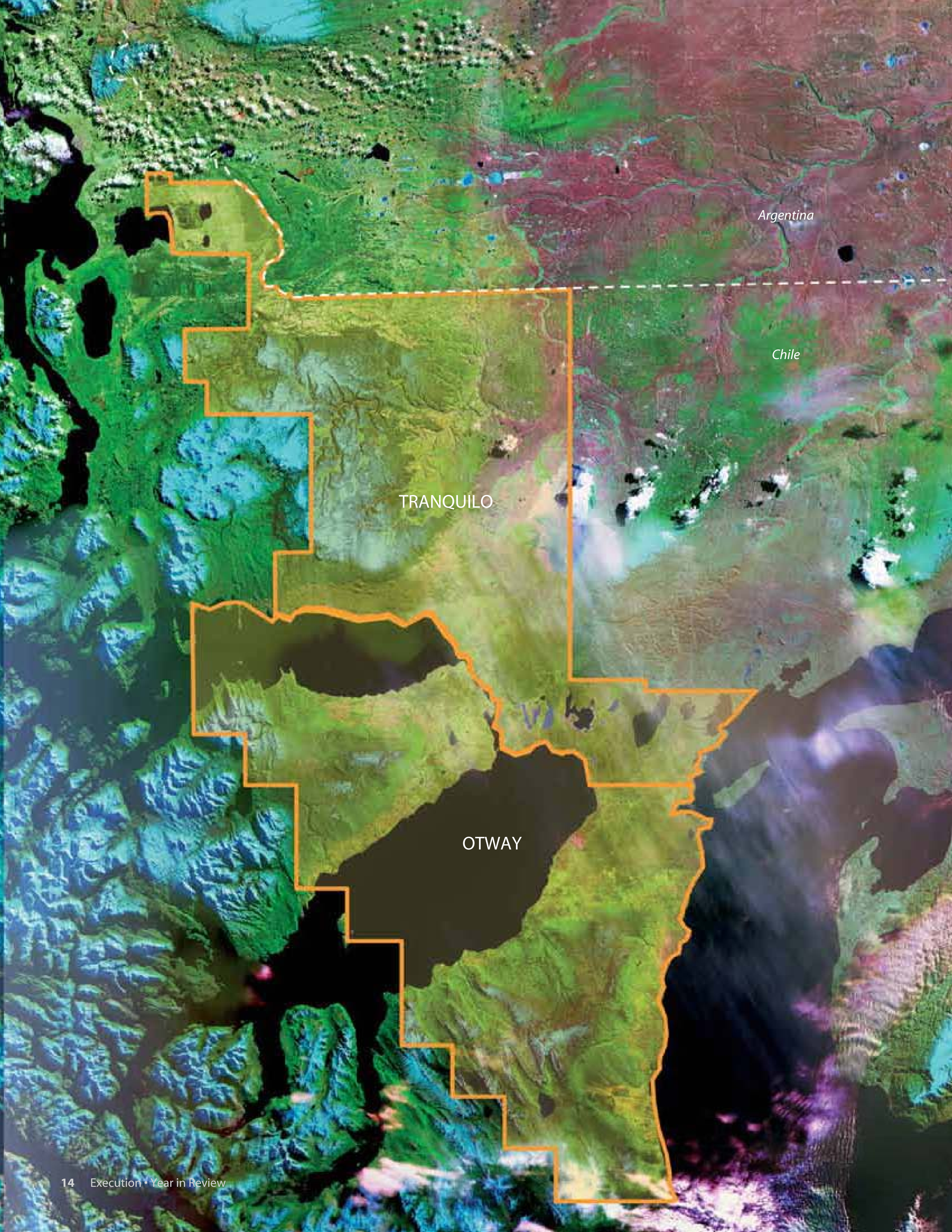
Country	Reserve Type	Oil (MMBBL)	Gas (BCF)	BOE (MMBOE)
Chile	P1	5.8	60.3	15.8
	P2	8.7	135.6	31.3
	P3	8.8	272.2	54.2
	P1+P2	14.5	195.9	47.1
	P1+P2+P3	23.3	468.1	101.3
Argentina	P1	0.7	0.1	0.7
	P2	1.7	0	1.7
	P3	3.3	0	3.3
	P1+P2	2.4	0.1	2.4
	P1+P2+P3	5.7	0.1	5.7
Total	P1	6.5	60.4	16.5
	P2	10.4	135.6	33.0
	P3	12.1	272.2	57.5
	P1+P2	16.9	196.0	49.5
	P1+P2+P3	29.0	468.2	107.0

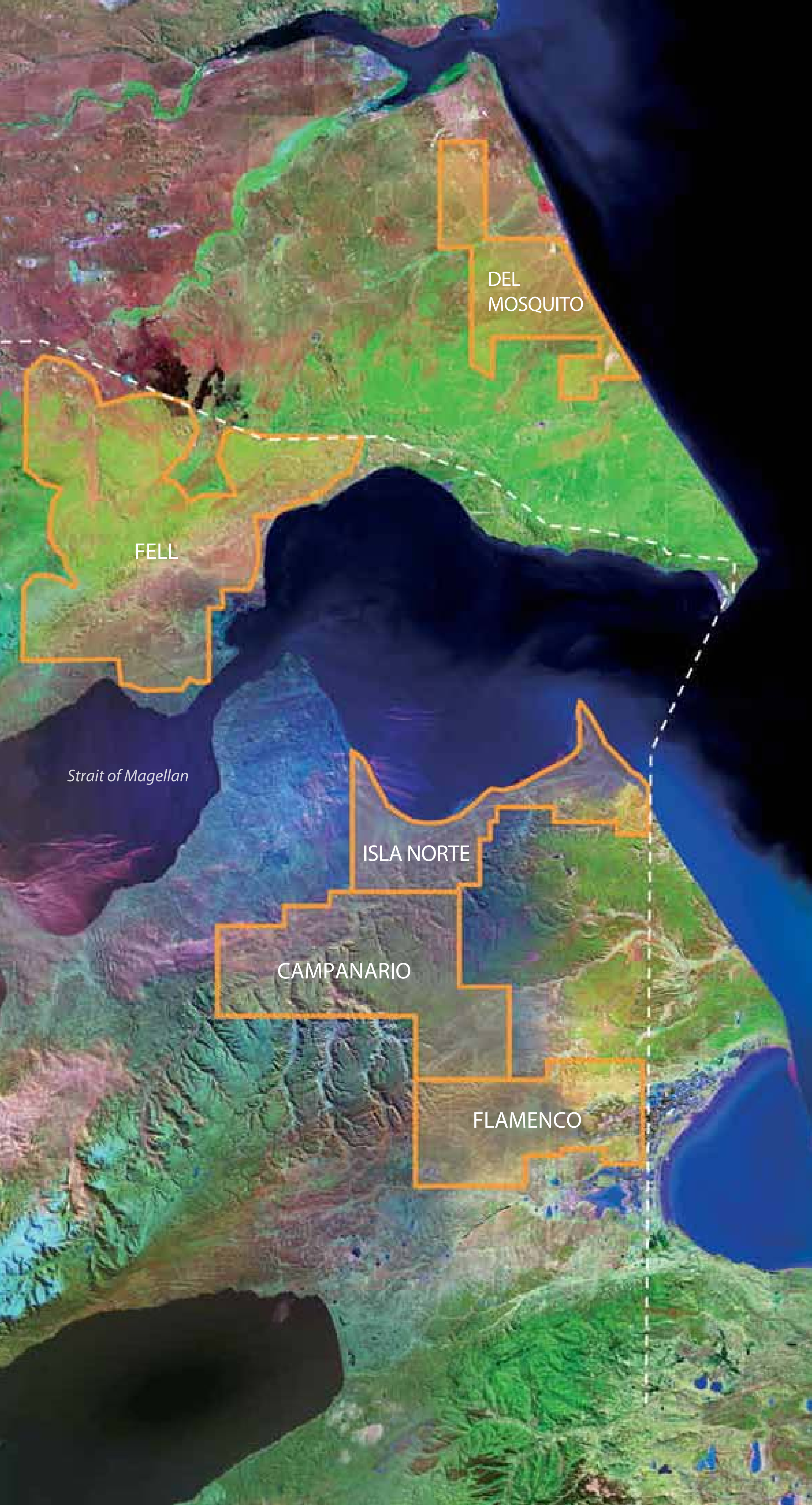
OIL AND GAS PRODUCTION

In 2011, GeoPark's oil and gas production was generated from the Fell Block in Chile and the Del Mosquito Block in Argentina. During 2011, approximately 99% of the Company's total oil and gas production was produced in Chile and approximately 1% in Argentina. During 2011, gas represented approximately 67% of the total production (72% in 2010) and oil represented approximately 33% of the total production volume (28% in 2010). With respect to revenues, gas production represented approximately 34% and oil represented approximately 66% of the total 2011 production revenues. (Current production is approximately 12,000 boepd.)

Oil and gas production is shown in the chart on the right.




Argentina
Chile
TRANQUILO
OTWAY



GeoPark's portfolio of oil and gas assets in 2011 consisted of nine hydrocarbon blocks totalling approximately 3.7 million gross acres – with oil and gas production, proven oil and gas reserves, operating licences, associated infrastructure and production facilities, an extensive technical database – and managed by a team with a track record of success in the region. The properties represent high potential blocks (with multiple play types and objectives that are offset by major oil and gas fields) with a large risk-balanced portfolio of opportunities including well reactivation, by-passed reservoirs, stranded and producing field development, medium to high impact exploration projects and unconventional resource plays. (Following the new acquisitions in Colombia in First Quarter 2012, GeoPark owns interests in nineteen hydrocarbon blocks totalling approximately 3.9 million gross acres.)

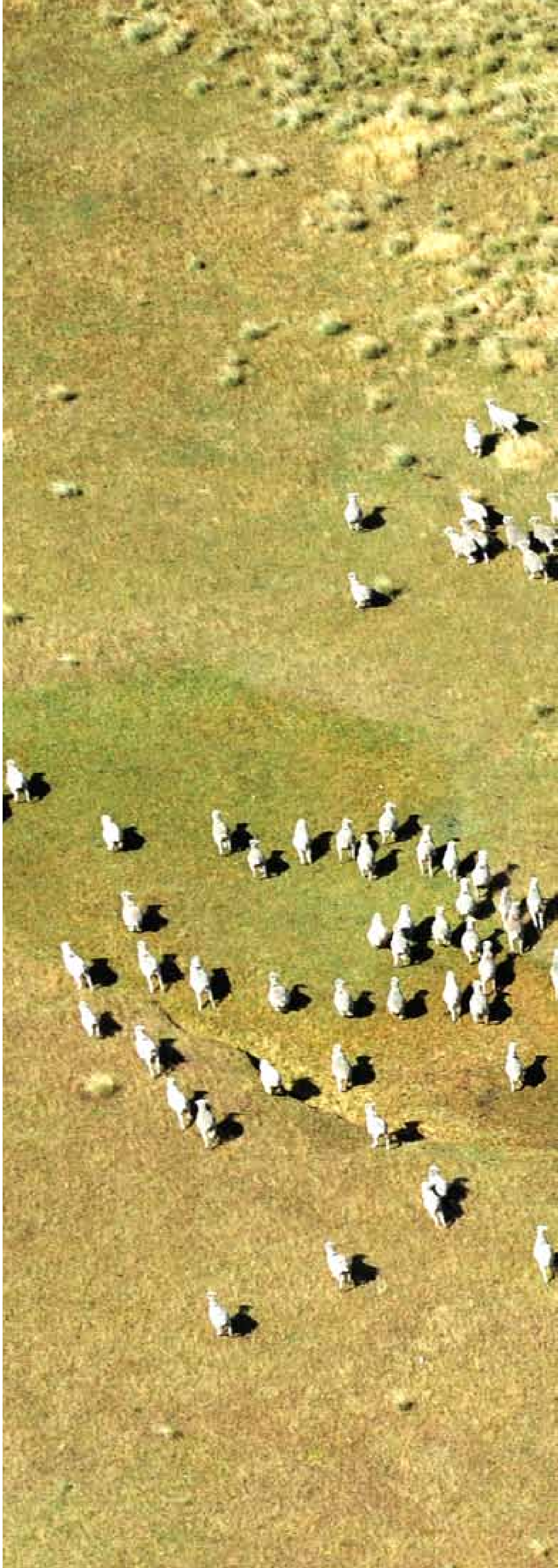
CHILE LICENCES

GeoPark became the first private-sector oil and gas producer in Chile when it began production on the Fell Block in May 2006 and currently is producing approximately 65% of Chile's crude oil production and 25% of Chile's natural gas production. Its substantial acreage position with over 3.5 million gross acres (14,326 square kilometres) in Chile represents an important platform for continued growth and expansion. GeoPark's blocks in Chile consist of:

Block	Area (sq km)	Operator	Working Interest (%)	Basin
Fell	1,488	GeoPark	100	Magellan / Austral
Tranquilo	4,986	GeoPark	29	Magellan / Austral
Otway	5,965	GeoPark	25	Magellan / Austral
Isla Norte	527	GeoPark	60	Magellan / Austral
Campanario	778	GeoPark	50	Magellan / Austral
Flamenco	582	GeoPark	50	Magellan / Austral

The Blocks are located in the continental and Tierra del Fuego Magallanes region in a proven oil and gas producing basin (Magellan or Austral Basin) and on trend with recent discoveries to the north in Argentina and to the south in Tierra del Fuego. The Magallanes region currently produces all of Chile's oil and gas production. Although it has been producing for over 50 years, the basin remains relatively underdeveloped with new exploration frontiers being opened in recent years.

Substantial technical data (seismic, geological, drilling and production information), both developed by GeoPark and ENAP (the Chilean State Oil Company), provides an excellent base for new hydrocarbon exploration and development. Log interpretations by engineers experienced in the region indicate by-passed oil and gas production zones in certain existing wells. Shut-in and abandoned fields also have the potential to be put back on production by constructing new pipelines and plants. Geophysical interpretations by GeoPark suggest additional development potential in known fields and exploration potential in new undrilled prospects and plays – including opportunities in the Springhill, Tertiary, Tobifera, and Estratos con Favrella formations. The Estratos con Favrella shale formation is the principal source rock of the Magellan/Austral Basin and represents a high potential unconventional resource play.



FELL BLOCK

The Fell Block has an area of approximately 368,000 acres (1,488 sq km) and its centre is located approximately 140 km northeast from the city of Punta Arenas. The Fell Block's northern border coincides with the international border between Argentina and Chile and its southern limit is bordered by the Magellan Straits.

The first exploration efforts on the Fell Block began in the 1950's and since then until 2005, ENAP carried out 2,400 km of 2D seismic and 256 sq km of 3D seismic and drilled 146 wells. In 2006, GeoPark became Operator and 100% interest owner of the Fell Block when the Fell Block had no oil and gas production. Since GeoPark has been Operator, it has completed more than 860 sq km of 3D seismic and drilled over 80 exploration, appraisal and development wells resulting in current oil and gas production of approximately 28 million cubic feet per day of gas and 4,300 barrels of oil per day.

In August 2011, the exploration period for the Fell Block was completed and resulted in the Company converting approximately 84% of the total Fell Block area into an exploitation phase valid up to 2032. (GeoPark exceeded the minimum work and investment commitment on the Fell Block during the exploration period by over 75 times.)

Geologically, the Block is located in the Cretaceous depocenter of the Magellan Basin – in the northwest area comprising the structural platform (developing to the east) and the slope (developing to the west). The source rocks relate to the Estratos con Favrella (Cretaceous) deposits. The principal producing reservoir is the Springhill formation sandstone (Lower Cretaceous) at depths of 2,200-3,500 metres. Additional reservoirs have been discovered and put into production on the Fell Block – namely Tobifera volcanic-clastic rocks (Jurassic) at depths of 2,200-3,600 metres and the Upper Tertiary and Upper Cretaceous sandstones at depths of 700-2,000 metres. Trap types in the Fell Block are mainly structural traps defined by anticlines developed in the basement and involving the Cretaceous and Tertiary sequences. Stratigraphic and combined traps are developed in the southern and northern sector of the Block.

GeoPark's geoscience team is continuing to identify and expand an attractive inventory of prospects and drilling opportunities on the Fell Block – both exploration and development projects – and the Company will be continuing its aggressive drilling programme over the next years. The recent oil discoveries in the Konawentru, Copihue, Municion Oeste and Punta Delgada fields have further opened up new oil and gas potential in the Block. An important discovery in 2011 relates to the Konawentru 1 well, which initially tested in excess of 2,000 bopd from the Tobifera formation (a non-conventional volcanic-clastic reservoir underlying the Springhill formation) and which has opened up additional potentially attractive opportunities (workovers, well-deepenings and new exploration and development wells) in the Tobifera formation throughout the Fell Block. The Tobifera formation is currently contributing over 50% of the oil production in the Fell Block.

In the Santiago Norte Field Complex, GeoPark drilled the Williche 1 well with an inconclusive result. Further testing is being carried out and other approaches evaluated to develop the large potential gas reserve in this field.

GeoPark also initiated an evaluation of the Estratos con Favrella shale reservoir that represents a high potential unconventional resource play. A broad area of the Fell Block (1,000 sq km) appears to be in the oil window for this play and GeoPark has begun work to reinterpret core data, logs and well test information, evaluate cores and fluids and determine reservoir brittleness (for fracturing) through special field tests.

TRANQUILO AND OTWAY BLOCKS

The Tranquilo Block extends over an area of approximately 1,232,067 acres (4,986 sq km) and the Otway Block extends over an area of approximately 1,473,984 acres (5,965 sq km). The Blocks are located approximately 100-120 km from Punta Arenas. The first hydrocarbon exploration activities began in the 1920's and during the 1930's and 1940's several wells were drilled with gas manifestations. Historically, 52 wells have been drilled and approximately 2,303 km of 2D seismic have been carried out on the Blocks. The Tranquilo gas field was discovered in 1958. The Blocks have tested and produced oil and gas; however, there is currently no oil or gas production.

GeoPark is the Operator of the Tranquilo and Otway Blocks. The partners in the Tranquilo Block consist of GeoPark (29%), Pluspetrol (29%), Wintershall (25%) and Methanex (17%). The partners in the Otway Block consist of GeoPark (25%), Pluspetrol (25%), Wintershall (25%), International Finance Corporation (12.5%), and Methanex (12.5%).

Geologically, the Tranquilo and Otway Blocks are located in the Magellan Basin's northwest area, comprising the Folded Belt and Thrust Front and the Tertiary Foreland Basin. The source rock is related to the deep marine basin Cretaceous deposits. The proven reservoirs with production history in Tranquilo are related to the Loreto Formation deltaic sandstones at depths of 700 to1, 000 metres. Other potential reservoirs include the Morro Chico Formation (Basal Tertiary sandstones) and the Rocallosa Formation (Upper Cretaceous sandstones). The proven reservoirs with production history in Otway relate to the Agua Fresca formations marine and/or deltaic sandstones at depths of 1,500-2,000 metres. Other potential reservoirs include the sandstones of the Loreto (Upper Tertiary), Chorillo Chico (Lower Tertiary) and Rocallosa and Rosa Formations (Upper Cretaceous).

Trap types are fundamentally structural defined by anticlines developed in the Folded Belt and Thrust Front and they are involving the Basement, the Cretaceous and the Tertiary sequences. Stratigraphic traps are developed toward the Foreland Basin including Upper Tertiary sandstones (deltaic and turbiditic deposits of the Loreto and Agua Fresca Formations).

GeoPark's current exploration focus in Tranquilo is in the Folded Belt and in the transition zone to the Foreland area (Esperanza, Gales and Kerber structures) in which the main reservoirs are the basal Tertiary sandstones (Morro Chico Formation). In the southeast sector, Marcou

area, there is the potential of gas accumulations in stratigraphic traps that are including the Loreto Formation sandstones (fluvial-deltaic to marine marginal facies). In 2011, GeoPark completed a seismic programme consisting of 163 sq km of 3D seismic and 303 km of 2D seismic. A large gas prospect (unrisked mean resources of 715 BCF) in the Esperanza-Gales region was drilled by the Renoval 1 exploratory well during 2011. The well was stimulated with three hydraulic fractures in three intervals in early 2012. During production testing, gas flowed at non-commercial rates, however the test appears inconclusive and the partners are evaluating the next steps.

GeoPark's current exploration focus in Otway is in the Folded Belt (central and western areas of Isla Riesco), where several structural traps, related to hanging wall anticlines, have been identified showing total potential unrisked mean resources of 1,570 BCF of gas (possibility of success: 18-30%). The Aracelis Anticline with the targeted turbidite sandstones of the Agua Fresca Formation has estimated potential gas resources of 130 BCF. In the Foreland Basin (north-eastern sector of Peninsula Brunswick), potential gas accumulations in stratigraphic traps in the Upper Tertiary (Loreto Formation), such as Cabo Negro Norte with estimated unrisked mean gas resources of 100 BCF (possibility of success: 20-22%). Otway's seismic commitment programme was completed in 2011 and included 270 sq km of 3D seismic and 127 km of 2D seismic. Both the Aracelis and Cabo Negro Norte prospects are expected to be drilled during 2012.

TIERRA DEL FUEGO BLOCKS

In September 2011, GeoPark signed three participation agreements with ENAP, to acquire the Campanario, Flamenco and Isla Norte blocks located in the centre-north of Tierra del Fuego, Chile. The three blocks, which cover 460,000 acres (1,887 sq km), are similar and geologically contiguous to the Fell Block and represent high potential and strategic acreage. Following its successful methodology employed on the Fell Block, the Company will also evaluate early production opportunities from existing non-producing wells. GeoPark has committed to spend in excess of US$ 101 million on these blocks over the next three years. During 1Q2012 and 2Q2012, the State of Chile and GeoPark executed Special Operations Contracts for the Exploration and Exploitation of Hydrocarbons ("CEOPs") for the three new blocks in Tierra del Fuego and 3D seismic operations were initiated on the Flamenco block in 1Q2012.

The three blocks include:

- **Isla Norte Block (527 sq km):** GeoPark is the Operator with a 60% working interest and ENAP owns a 40% working interest (with a carry for the first three year investment commitment). Fourteen oil and gas leads have been identified by GeoPark.

- **Campanario Block (778 sq km):** GeoPark is the Operator with a 50% working interest and ENAP owns a 50% working interest (with a carry for the first three year investment commitment). Seventeen oil and gas leads have been identified by GeoPark.

- **Flamenco Block (582 sq km):** GeoPark is the Operator with a 50% working interest and ENAP owns a 50% working interest (with a carry for the first three year investment commitment). Fifteen oil and gas leads have been identified by GeoPark.

Exploration in Tierra del Fuego of the Magellan Basin dates back to the 1940´s when the first surface exploration focused on obtaining stratigraphic and structural information. Anticlinal structural traps with transgressive sandstone reservoirs (Springhill Formation) were outlined with refraction seismic lines and, in 1945, oil was discovered on the flank of an anticline.

In the specific area of the acquired blocks, the first wells were drilled in 1951 resulting in the discovery of the Sombrero oil field (a structural-stratigraphic trap). At the end of the 1950´s and early 1960´s, new fields were discovered to the east (Catalina and Cuarto Chorrillo Fields) and, following seismic reflection data acquisition, new fields were discovered and existing fields were further developed.

During the past decade, geological studies in the Magellan Basin have focused on stratigraphic analysis, based on 3D and 2D seismic information, on the definition and distribution of facies of the deltaic and/or turbiditic depositional systems of the Late Cretaceous-Tertiary period, and the evolution of the oil system in terms of generation/timing/expulsion and trapping.

Geologically, the blocks are located on the eastern margin of the Magellan Basin that remained relatively stable during its tectonic evolution, except for the minor reactivation of normal Jurassic faults, and with a sedimentary column of Cretaceous and Tertiary rocks with a thickness of up to 2,000 metres. The basal sandstones of the Neocomian (Springhill Formation) and the volcanic-clastic rocks (Series Tobifera) constitute the main reservoirs for the accumulation of oil and gas in the Magellan Basin and have been the main targets of exploration in recent decades. A secondary target is defined by the Tertiary sandstones (Paleocene-Miocene) deposited during the Foreland Stage.

Source rocks are represented by continental lacustrine shales (Type I and Type II Kerogen) deposited in Late Jurassic continental basins that were developed as isolated depocenters (Manantiales, Oriental and Gaviota Grabens) and by the marine shales of the Estratos con Favrella Formation (Type II and Type III Kerogen), deposited during the Early Cretaceous marine transgression.

Four main exploration plays of the Tierra del Fuego blocks include:

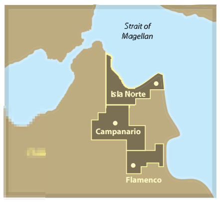
- Springhill Play: combination stratigraphic-structural traps of shallow marine sands of the Springhill Formation generated by the reactivation of old faults.

- Tobifera Clastic Play: fluvial to deltaic sandstones in structural and stratigraphic traps present in deeper part of the grabens.

- Fractured Tobifera Play: volcanic reservoirs present in the margins of the late Jurassic rift basins, where intense secondary fracturing is superimposed on the primary reservoir porosity.

- Tertiary Play: stratigraphic and/or structural traps related to deltaic and transgressive sandstones of the Late Cretaceous-Tertiary, with reservoirs located at an estimated maximum depth of 1,000 to 1,500 metres.

Following the signing of the CEOPs, GeoPark initiated the 1,500 sq km 3D seismic program. This programme is expected to be completed during the summer windows of 2012 and 2013.



ARGENTINA LICENCES

GeoPark has interests in the following blocks in Argentina:

Block	Area (sq km)	Operator	Working Interest (%)	Basin
Del Mosquito	485	GeoPark	100	Austral
Cerro Dona Juana	80	GeoPark	100	Neuquén
Loma Cortaderal	115	GeoPark	100	Neuquén

DEL MOSQUITO BLOCK

The Del Mosquito Block has an area of approximately 120,000 acres (485 sq km) and is located in the Austral basin in southern Argentina. The Austral Basin produces nearly 10% of Argentina's total oil production and nearly 20% of its total gas production. (Although the Fell and the Del Mosquito Blocks are located in different countries, they are situated in the same geological basin and, at their closest point, are less than 20 kilometres apart.)

The Del Mosquito Block is surrounded by producing oil and gas fields to the north, south, east and west. There is oil production currently from one field and there is good infrastructure, nearby gas plants and pipelines and an easily accessible crude oil market (40 kilometres by truck). 80% of the block is at an early stage of exploration with sparse well coverage. Two 3D seismic surveys, totalling an area of 355 square kilometres, cover approximately 73% of the block and GeoPark's geoscience team has identified potential hydrocarbon-bearing prospects. The potential of the Lower Magellan and Tobiferas geological formations has been underexplored.

GeoPark is the operator of the Del Mosquito Block and has a 100% working interest. GeoPark established oil production on the block in 2002 by rehabilitating the abandoned Del Mosquito field. In 2004, GeoPark discovered a new field – Del Mosquito Norte – which currently is shut-in due to high water cuts. The discovery well on Del Mosquito Norte was the first well drilled on the block since the 1980's. GeoPark is evaluating potential drilling opportunities on Del Mosquito and the option of bringing a partner into the project to increase investment activity. During 2011, the Company drilled the new Del Mosquito Sur 1 exploration well, which resulted in minor oil production.

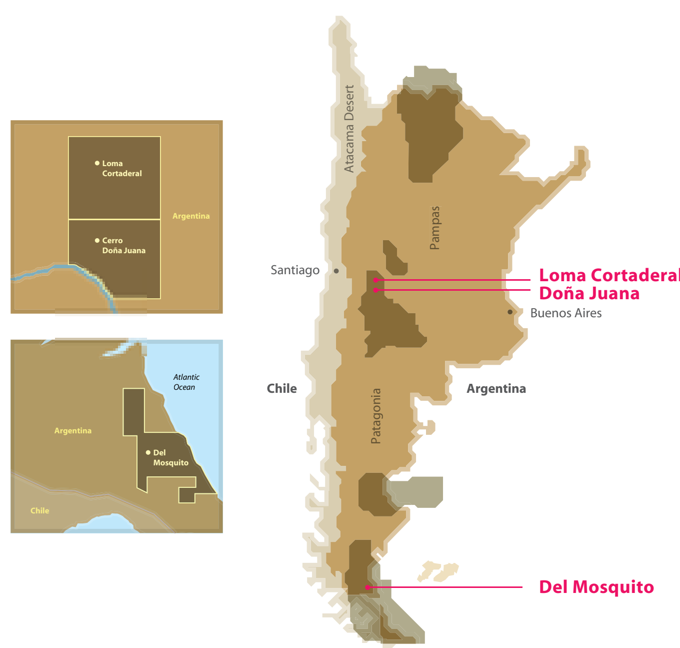
CERRO DOÑA JUANA & LOMA CORTADERAL BLOCKS

The Cerro Doña Juana and Loma Cortaderal Blocks cover an area of approximately 47,959 acres (195 sq km) and are located in the Neuquén Basin (west-central Argentina) which represents the most prolific hydrocarbon producing basin in Argentina, accounting for over 40% of its total oil production and over 60% of its total gas production.

The 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 is the operator of the Cerro Doña Juana and Loma Cortaderal Blocks and has a 100% working interest in each block. In 2007, GeoPark established oil production on the Loma Cortaderal Block after repairing an existing well. (Well is shut-in waiting for a workover and the Blocks are not currently on production).

After a revision of the potential resources of the block and new available technologies for tight reservoirs and oil shales, a work programme has been designed to evaluate the Agrio Formation – including a 100 sq km 3D seismic programme and a two well drilling programme. In addition, the blocks contain the prolific unconventional Vaca Muerta shale formation and the Company is currently assessing its potential and required investment. GeoPark may consider inviting a partner to join this project.



COLOMBIA LICENCES

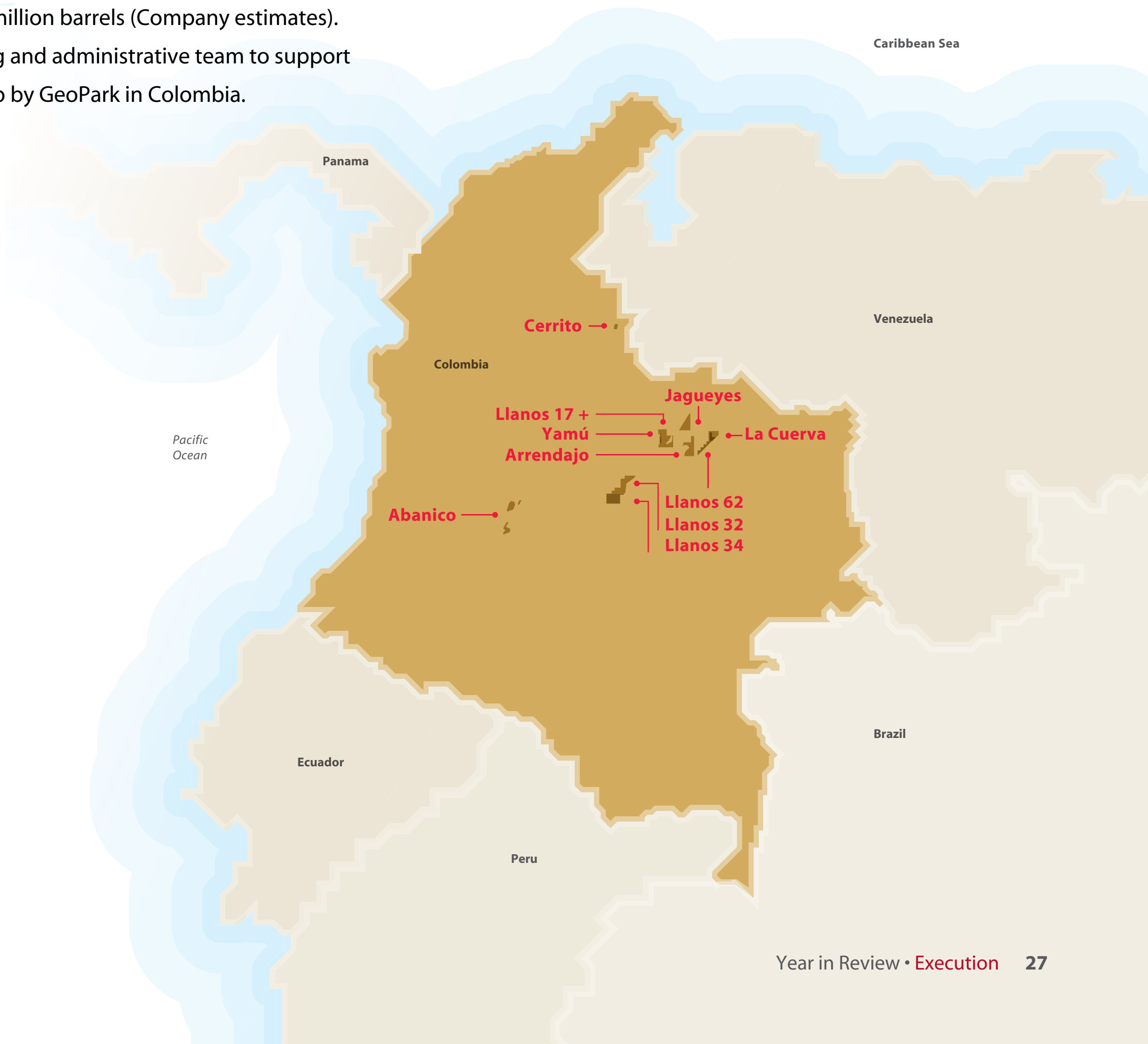
In the First Quarter 2012, GeoPark acquired Winchester Oil and Gas S.A. and La Luna Oil Company Limited S.A. ("Winchester Luna") – privately held exploration and production companies with eight exploration and productions blocks in Colombia – and Hupecol Cuerva LLC ("Hupecol") – a privately-held company with two exploration and production blocks in Colombia. The combined Hupecol and Winchester Luna purchases (acquired for a total consideration of US$ 105 million, adjusted for working capital, plus certain possible contingent payments) provide GeoPark with the following in Colombia:

- Interests in 10 blocks (ranging from 5% to 100%), located in the Llanos, Magdalena and Catatumbo basins, covering an area of approximately 220,000 gross acres.
- Risk-balanced asset portfolio of existing reserves, low risk development potential and attractive exploration upside.
- Current oil production of approximately 2,800 barrels per day (bopd) from three blocks.
- 2P oil reserves of approximately 10 million barrels and prospective oil resources (unrisked) of 25+ million barrels (Company estimates).
- Successful Colombian operating and administrative team to support a smooth transition and start-up by GeoPark in Colombia.

The Blocks acquired in Colombia include the following:

Block	Area (sq km)	Operator	Working Interest (%)	Basin
La Cuerva	194	GeoPark	100	Llanos
Llanos 34	333	GeoPark	45	Llanos
Llanos 62 *	178	GeoPark	100	Llanos
Yamu	46	GeoPark	55-75	Llanos
Llanos 17 *	440	Ramshorn	36.8	Llanos
Llanos 32 *	406	P1 Energy	10	Llanos
Arrendajo *	316	Pacific	10	Llanos
Abanico *	1019	Pacific	10	Magdalena
Cerrito *	41	Pacific	10	Catatumbo
Jagüeyes *	247	Ramshorn	5	Llanos

(*) Subject to submission and approval by ANH



Geological basins and settings of the Colombian Blocks include:

- **Eastern Llanos Basin** (La Cuerva, Llanos 62, Llanos 34, Llanos 17, Llanos 32, Yamu, Jagüeyes and Arrendajo Blocks)

The Eastern Llanos Basin is a Cenozoic Foreland basin covering 153,000 sq km in the eastern region of Colombia and is the most prolific hydrocarbon basin in continental Colombia, with more than 1.5 billion barrels of recoverable oil. Two giant fields (Caño Limón and Castilla), three major fields (Rubiales, Apiay and Tame Complex), and approximately seventy minor fields have been discovered.

The source rock for the basin is located beneath the east flank of the Eastern Cordillera, as a mixed marine – continental shaly basinal facies of the Gachetá Formation. The main reservoirs of the basin are represented by the Paleogene Carbonera (C-3, C-5 and C-7) and Mirador sandstones. Within the Cretaceous sequence, several sandstones have also excellent reservoirs. Porosity varies from 10-30% (decreasing from east to west), pay thickness varies from 5-180 feet, and oil gravity ranges from 17-42 degrees API. The main regional seal is the Carbonera Formation (C-8 and C-2 Units).

Exploration drilling has been concentrated in normal, up-to-the basin (antithetic) faults. Hanging wall anticlines related to reversal faults, low-relief 4-way dip closures and stratigraphic traps are all high potential exploration targets. High potential areas for hydrocarbon accumulation are located in the southern and eastern part of the basin where pinch-outs of reservoir sandstones are affected by fresh water (meteoric) forming hydrodynamic traps.

- **Catatumbo Basin** (Cerrito Block)

The Catatumbo Basin is a Cenozoic Foreland basin covering 7,350 sq km that is the Colombian portion of the Maracaibo Basin (Venezuelan giant basin with 2% of the world's hydrocarbon reserves).

The main source rocks are defined by Cretaceous-pelitic deposits (La Luna, Capacho, Tibú and Mercedes Formations) which are widely present throughout the Basin. The La Luna Formation is the principal source rock. The main reservoirs are the Cretaceous limestones and sandstones of the Uribante Group, Capacho and La Luna Formations. Deltaic sandstones of Paleogene age are also good reservoirs, such as the Catatumbo, Barco, Mirador and Carbonera Formations.

The main seals are thick marine and non-marine shales in the Cretaceous and Cenozoic sequences.

The basin shows a wide variety of traps: normal faults partially inverted, subthrust structures, triangle zones and structures associated to inversion system are important structural traps. The western zone of the Catatumbo Basin is a fold belt and recent studies indicate potential exploration plays along thrust zones. The basin has been moderately explored and has an attractive potential which has been delayed due to security issues in the area.

- **Middle Magdalena Basin** (Abanico Block)

The Middle Magdalena Basin is a rift to broken foreland, located along the central reaches of the Magdalena River Valley between the Central and Eastern Cordilleras of the Colombian Andes. The basin areas covers 34,000 sq km with a history of approximately 296 wildcat wells and 41 discoveries, including the first giant in Colombia: La Cira-Infantas Fields.

The source rocks in the basin are defined by the Cretaceous limestones and shales of the La Luna and the Simiti-Tablazo Formations.

Most of the proven oil in the basin comes from continental Paleogene sandstones (Paleocene-Miocene), Lisama, Esmeraldas-La Paz, and Colorado-Mugrosa Formations. Lightly explored reservoirs are fractured systems of the Cretaceous limestones (Basal Limestone Group) and La Luna Formation.

The main traps identified are structural closures form by major asymmetric anticlines, including: 1. Contractional fault-related folds hidden beneath surface thrusts; 2. 4-way dip closures related to duplex systems; 3. Fault-dependent closures; and 4. Traps on the low side of sealing faults. Despite being one of the most explored basins in Colombia, the Cretaceous carbonate plays remains a high potential under-explored target.

VALUE DRIVER.
UNDERSTANDING AND CONTINUALLY BUILDING TO ACCOMMODATE RISK AMONG THE SUBSURFACE, FUNDING, ORGANISATIONAL, PARTNER/ SHAREHOLDER, OIL AND GAS MARKET, AND REGULATORY/POLITICAL ENVIRONMENTS.

Risk Management

Since its founding, GeoPark has approached building its business with a long-term view and a keen appreciation of the inherent uncertainties associated with the oil and gas industry – both above and below ground. Its business model is to build a large diversified portfolio that will allow the Company to sustain continuous and profitable growth – and to also participate in higher risk step-change growth opportunities. Efforts are consistently made to balance asset types, geographic locations, work programmes and capital support. GeoPark's consistent and strong record of growth over the last six years reflects the Company's success in balancing uncertainties and seizing opportunities it has encountered during its history.

Examples of key risk management elements addressed by GeoPark include:

- **Subsurface / Geological:** Invest in best people and balanced projects (proven production plus development and exploration upside).
- **Regulatory / Political:** Multi-country footprint; local knowledge and ownership; IFC shareholding; SPEED initiative.
- **Capital / Balance Sheet:** Multiple capital sources (funders and regions); creative and inexpensive financing.
- **Partners:** Associating with long-term strategic partners which understand the business.
- **Market / Infrastructure:** Areas with high market demand and infrastructure in place; financially strong market clients.
- **Project Economics:** Balanced work programme of production, development and exploration; invest in technology and operational efficiency.
- **Organisation / Management:** Build good demographics (seasoned professionals with new recruits); local organisations; all employees are shareholders.

BUSINESS PLAN

GeoPark's management believes shareholder value is increased most economically by consistently pursuing a strategy of discovery and development of oil and gas deposits in areas in or nearby known reserves. GeoPark implements this strategy through a business plan which emphasises:

1. Technical strength in economically finding, developing and producing new and bypassed oil and gas reserves;
2. Commercial capabilities in acquiring high potential assets at attractive prices;
3. Risk-management in expanding the portfolio, increasing options and protecting against uncertainties; and
4. Strategic mix of partners and allies to facilitate organic and inorganic growth.

GeoPark's opportunity portfolio includes multiple in-house projects and an asset foundation from which to pursue a targeted acquisition plan, which is expected to include both asset and corporate targets. Its full-cycle exploration and production work programme allows the Company to move forward along different lines simultaneously and independently. This available mix of rehabilitation, development, exploration and acquisition opportunities allows GeoPark to balance its risk exposure and ensure continuous growth.

OIL AND GAS MARKET

Natural Gas

GeoPark has continued to benefit from the major changes undergoing the regional gas markets. In particular, the supply of gas from Argentina to Chile has been severely limited and, as the only private-sector gas producer currently in Chile, this market shift has substantially increased the value of GeoPark's Chilean gas reserves.

Located approximately 140 kilometres from GeoPark's Fell Block, Methanex operates one of the world's largest methanol plants which has the capacity to consume 350 million cubic feet per day of gas and produce over 10 per cent of the world's methanol supply. Over 60% of the Methanex gas supply, which historically has originated in Argentina, was cut-off by Argentina export duties and restrictions in 2007, thereby creating an important market opportunity. GeoPark captured this opportunity by entering into a strategic alliance with Methanex providing for a ten year gas purchase and supply contract at an improved gas price (linked to the international price of methanol) and with the opportunity to pre-sell gas to generate future work programme funding and to jointly acquire new hydrocarbon blocks in Chile. This marketing alliance has substantially de-risked GeoPark's Chile gas investment activities.

In March 2011, a new commercial agreement was signed with Methanex designed to increase gas production volumes by improving the relative economics of gas exploration and development for 2011. In First Quarter 2012, GeoPark further improved this arrangement by agreeing with Methanex for additional incentives to explore and produce gas on the Fell Block.

During 2011, in line with a global increase in commodity prices, international methanol prices increased by 32% which resulted in a corresponding 26% increase in natural gas prices for GeoPark in Chile.

Crude Oil

Crude oil markets in the region are both accessible and secure. In Chile, GeoPark's crude oil and condensate production are sold to ENAP and delivered by truck from the GeoPark wells to ENAP's refining facilities or pipeline access. The sales price is equivalent to WTI less quality adjustments (based on degrees API and mercury content). To accommodate increased oil deliveries, GeoPark has also built truck reception, metering and storage facilities at the ENAP San Gregorio refinery.

In Argentina, GeoPark's oil production is sold to Oil M&S at WTI less quality and Argentina retention tax adjustments. GeoPark's crude oil is trucked to a local facility located 40 km from the Del Mosquito field. Argentina prices fluctuate in relatively minor amounts as a result of prevailing retention taxes which cap crude oil prices. During 2011, crude oil prices in Argentina averaged US$ 59.40 per barrel.

Crude oil prices in Chile increased 15% during 2011 in line with world petroleum markets to average US$ 83.80 per barrel (after discounts).


CASING PRESSURE
PRESSURE
TOTAL STROKES
STROKES PER MINUTE

CAPABILITIES

GeoPark deems it critical to continuously develop creative and long-term solutions to build its capabilities and acquire the capital, tools, and people necessary to achieve its growth plans. The Company's record of performance demonstrates that its attention to and investment in these basics are creating an important differentiating factor and a competitive advantage over the longer term.

Tools and Infrastructure

In new regions such as Chile where oilfield services are scarce or in tight oilfield equipment supply markets (as recently experienced), GeoPark works to develop solutions to ensure the availability of needed services and equipment – including drilling and workover rigs. In order to quickly commercialise its oil and gas reserves, GeoPark also invests in and builds the infrastructure (plants and pipelines) necessary to produce, process, store and transport its hydrocarbon reserves to market.

Examples of these projects in 2011 include:

- Operated a drilling rig with a new state-of-art hydraulic rig from Petreven in Italy – which began drilling March 2011. The Petreven rig was used to drill eleven wells in 2011: ten wells in Fell Block and one well in the Tranquilo Block.

- Operated a drilling rig with a depth capacity of 10,000 feet contracted from San Antonio International under a one year contract – and which was used to drill nine wells in 2011.

- Operated a drilling rig with a depth capacity of 10,500 feet contracted from Quintana WellPro (US/Argentine drilling contractor) under a three-year contract. This rig, which was imported from China as a result of the tight local rig market in 2006/7, was used to drill four wells in 2011.

- Operated two workover rigs operated by Petreven and San Antonio. The Company's Southern Cross service subsidiary rig was subcontracted to Petreven and replaced by a Petreven rig.

- The Kimiri Aike production facility, which originated in Bolivia and is being leased from the Exterran Compression Company under a long-term contract, was put into operation during 2007 after an investment (including the construction of associated tank batteries) of US$ 8 million. The plant provides direct access to the main regional gas pipeline and allows rapid commercialisation of new wells. Current plant capacity is 47 million cubic feet per day.

- An additional gas delivery point at Municion, with a capacity of 30 million cubic feet per day, was opened in 2010 allowing gas production from the north eastern area of the Fell Block to be transported and sold through an alternative pipeline system. This increased total Fell Block gas production delivery capacity to 77 million cubic feet per day.

- Built new oil and gas production gathering centres in Guanaco and Alakaluf fields (processing and storage facilities) and constructed an additional 6 kilometres of gas pipelines on the Fell Block to connect new oil and gas fields to production. Approximately 151 kilometres of gas pipelines have been built on the Block since 2006.

- Built a new storage tank at the ENAP San Gregorio refinery to receive and market new crude oil deliveries. Rehabilitated and leased an existing ENAP oil treatment and storage facility at Faro Este to handle the increased crude oil production until a new facility will be constructed on the Fell Block in 2012.

- During 2011, the engineering of three new Fell Block infrastructure projects was carried out in preparation for construction in 2012:
  - An oil treatment plant (adjacent to Kimiri Aike Plant) with a capacity of 10,000 bpd;
  - Two water treatment plants (located in Alakaluf and Guanaco fields) for water flooding to increase oil recovery.

VALUE DRIVER.
INITIATING AND CREATIVELY BUILDING AN ATTRACTIVE HIGH-IMPACT PORTFOLIO OF ORGANIC AND NEW PROJECT OPPORTUNITIES – COUPLED WITH THE COMMERCIAL SKILLS TO BUY RIGHT AND TO CLOSE.

Creating Opportunities

A strategic pillar of GeoPark's long-term business plan is based on creatively initiating and developing growth opportunities – both organically on existing assets and by acquiring new economically-attractive projects. There is a strong competitive environment for new project acquisitions and GeoPark is working to differentiate itself by ensuring it has the foundation, capabilities and capital necessary to successfully acquire new economically-attractive projects.

Latin America is the focus of GeoPark's growth and represents an attractive region for GeoPark because of the following fundamentals:

- Resource Base – vast under-explored areas and opportunity for expansion
- Regulatory Environment – competitive regulatory and fiscal framework
- Infrastructure – existing oil and gas services, transportation and markets
- Human Resources – availability of qualified and experienced personnel
- Security – negligible and/or improving security concerns
- Economics – easy access and low cost operating environment
- Hedge – multi-country position provides political balance
- Market – substantial immediate and long-term regional energy requirements
- Trends – regional industry reorientation favours smaller technically-proficient companies

Latin America's economic future is dependent on the development of secure energy supplies – and oil and gas will be the chief contributor to this mix. With its experience in the region, strong technical team and committed financial resources from strategic partners, GeoPark is well positioned to participate in this growing opportunity.

ORGANIC GROWTH

With over 3.9 million gross acres and a large and balanced prospect inventory on its nineteen hydrocarbon blocks in Chile, Argentina, and Colombia, GeoPark has an attractive land position and high growth potential from its existing properties.

Aided by its successes in 2011, GeoPark is well positioned for 2012 and beyond. The Company has a secure production base and positive cash flow stream capable of supporting continued growth on the Company's assets. In addition, GeoPark has substantial cash reserves to accelerate capital investment and to acquire new projects.

The Company is targeting important performance gains throughout 2012 and following an ambitious investment plan which will include:

- Risk-balanced production, development and exploration work programmes.
- Capital expenditures of US$ 220-240 MM.
- Drilling of 45-55 new wells – with approximately 35% representing exploration.

NEW PROJECTS

After proving the business model and team's ability to convert under-performing assets into productive and economically attractive oil and gas projects, GeoPark is now working to expand its asset base and project portfolio into new areas where suitable opportunities arise. Acquisition initiatives are now underway in Chile, Argentina, Brazil, Ecuador, Peru, and Colombia.

In March 2010, GeoPark entered into a strategic partnership with LGI to jointly acquire and develop upstream oil and gas projects throughout Latin America. This alliance provides GeoPark with a long-term financially strong partner to facilitate and expand its access to acquisition opportunities. During 2011, the Company and LGI executed two agreements by which LGI acquired a 20% interest in GeoPark's Chilean business for a total consideration of US$ 148 million plus certain funding obligations. These agreements further cement the strategic relationship and demonstrate the value of the business that GeoPark has built in Chile.

In September 2011, GeoPark signed three participation agreements with ENAP, in respect of the Campanario, Flamenco and Isla Norte blocks located in Tierra del Fuego, Chile. The three blocks, covering 460,000 acres, represent high potential and strategically attractive acreage which is geologically contiguous to the Fell Block.

In the First Quarter 2012, GeoPark completed two upstream oil and gas acquisitions in Colombia consisting of Winchester Luna – with interests in eight exploration and production blocks – and Hupecol – with interests in two exploration and production blocks. The combined acquisitions provide GeoPark with an attractive platform in Colombia of ten hydrocarbon blocks with production, development and exploration opportunities and new acquisition opportunities.

CAPITAL

To successfully participate in the capital-intensive oil and gas business, GeoPark is continuously developing potential funding sources to ensure the efficient development of its assets. To date, more than US$ 475 million has been raised by GeoPark – demonstrating its ability to attract the capital and strong shareholders needed to facilitate its future growth.

Every year, GeoPark has made progress in strengthening its balance sheet through new funding, increased revenues and debt repayments. Key financings include:

2006

- International Finance Corporation of the World Bank ("IFC") equity investment in February 2006 for US$ 10 million following a thorough technical, financial and environmental review of the Group.

- Admission to the London Stock Exchange Alternative Investment Market (AIM) in May 2006 which resulted in:
  - US$ 35 million for new capital investment
  - Access to the capital markets
  - A base of strong institutional shareholders
  - Improvement in GeoPark's ability to attract, recruit and retain key employees
  - Potential acquisition currency

- IFC loan in December 2006 for US$ 20 million to accelerate the development programme and which reconfirmed the IFC's long-term support for GeoPark.

2007

- Methanex Gas Pre-Sale Loan Facility for US$ 40 million. This agreement provided US$ 40 million from Methanex in order to increase development of the Fell Block. Conditions include:
  - Pay back in gas production over six years in variable instalments
  - An interest rate paid on borrowed funds of LIBOR flat

2008

- New equity funding of approximately US$ 24 million (3,080,000 shares at GBP 3.94) in May 2008 from a strategic block of Chilean investors and pension funds, the IFC and certain London institutional investors. The placing, which was limited to 10% of the current issued share capital of the Company, was significantly oversubscribed.

2009

- New equity funding of approximately US$ 11.8 million (3,437,000 shares at GBP 2.25) in May 2009 from a block of GeoPark's founders, directors and shareholders and including the IFC and certain London and Chilean institutional investors. The placing, which was limited to 10% of the current issued share capital of the Company, was significantly oversubscribed.

- New equity funding of approximately US$ 20.5 million (3,784,000 shares at GBP 3.23) in November 2009 from a new strategic investor in the USA, a UK institutional investor, the IFC and a director of the Company. The placing was limited to 10% of the current issued share capital of the Company and was oversubscribed.

- Methanex Gas Pre-Sale Loan Facility for US$ 15.0 million. This facility provided US$ 15.0 million from Methanex in order to increase development of the Fell Block. The facility, which was repayable in gas with an interest rate adjustable to the gas deliveries, was repaid in full with the proceeds from the 2010 Notes (see below).

- Methanex Loan for US$ 3.3 million. This facility provides US$ 3.3 million, interest-free, from Methanex in order to finance the exploration, development and production of natural gas from the Otway Block.

- IFC Loan Rescheduling of US$ 14.0 million. In November 2009, the IFC agreed to reschedule until 2015 the outstanding US$ 14.0 million from its 2006 loan to GeoPark. Following proceeds received from the 2010 Notes (see below), this facility was repaid in full.

- Chile Stock Exchange Listing. Following the approval of the Chilean Superintendencia de Valores y Seguros (SVS), GeoPark's stock was admitted to trade on the Santiago Offshore Stock Exchange in Chile in October 2009. This development strengthens GeoPark's foundations in the region and ties to the Chilean financial community which is becoming an increasingly active supporter of the Company's efforts.

2010

- Strategic Partnership with LGI. In March 2010, GeoPark and LGI agreed to jointly acquire upstream oil and gas assets throughout Latin America in side-by-side acquisitions. This partnership enables GeoPark to both accelerate and expand its current efforts to acquire new projects with initial projects targeted in the US$ 100-500 million range.

- US$ 133 million Reg S Note. In December 2010, GeoPark successfully completed the private placement of a US$ 133 million Reg S Note with a coupon of 7.75% per annum and maturity on 15 December 2015. The Notes are guaranteed by GeoPark and secured with the pledge of 51% of the shares of GeoPark Chile. In addition, the Note agreement allows for the placement of up to an additional US$ 27 million of Notes under the same indenture subject to the maintenance of certain financial ratios.

2011

- US$ 70 million from LGI. As a step towards cementing the long-term growth partnership with LGI, GeoPark agreed in May 2011 for LGI to acquire a 10% interest in the Chilean business (participation in Fell, Otway and Tranquilo blocks) for US$ 70 million.

- US$ 78 million from LGI. In October 2011, GeoPark and LGI signed a second agreement by which LGI acquired an additional 10% in the Chilean business for a total consideration of US$ 78 million. In addition, LGI committed to provide additional equity funding of US$ 31.6 million over the next three years for its share of the minimum work programme of the three Tierra del Fuego licences.

- Performance Bond Contribution. As part of the October 2011 transaction, LGI agreed to provide Stand-by Letters of Credit (SBLC) for approximately US$ 84 million to guarantee the Performance Bond required for the new Tierra del Fuego blocks (equal to approximately 83% of the total committed three year investment).

- Four stock market oil and gas analysts cover GeoPark and provide valuations on the Company. These include (as of April 2012) two analysts in London, one analyst in Argentina and one analyst in Chile – with all four analysts maintaining "Buy" or "Outperform" recommendations.

IFC International Finance Corporation World Bank Group

London Stock Exchange

METHANEX A Responsible Care® Company

LG

VALUE DRIVER.
AN IN-HOUSE PERFORMANCE-DRIVEN CULTURE WHICH VALUES AND PROTECTS OUR SHAREHOLDERS, EMPLOYEES, ENVIRONMENT AND COMMUNITIES AND SUPPORTS OUR LONG-TERM BUSINESS PLAN.

Commitment

PEOPLE

The underlying principle of GeoPark's long-term strategy is to attract and invest in the best people and support those people with the proper tools and financial resources necessary to achieve success.

GeoPark's management, professional and field operation teams provide an unusual mix of experience and depth for a company of its size – bringing with them the diverse range of tools and technical know-how necessary to create success and endure in an international oil and gas venture. GeoPark's team has a history of proven technical and commercial performance in frontier and complex projects in Latin America and around the world, as well as in the specific geological basins where the Company operates. Most of GeoPark's employees joined from other larger companies with the ambition to help build GeoPark into a successful and unique company – incorporating the best they had learned over their careers. All of GeoPark's employees are shareholders of the Company. The continuing successful results of the Company reflect the commitment, persistence, unique spirit and performance-driven nature of the GeoPark team.

S.P.E.E.D. (Safety, Prosperity, Employees, Environment, Community Development)

Long-term success for international resource companies depends upon solving complex logistical and operational challenges, overcoming competition for new opportunities and good people, and meeting a broadening set of demands and standards from local governments and core constituencies. Meeting these challenges and performing to these new standards are what differentiate a successful company from the rest of the pack.

"Creating Value and Giving Back" represents GeoPark's integrated and market-based approach for meeting these challenges by aligning our business objectives with our core values and responsibilities. GeoPark's overall business plan is to create long-term value by finding and producing energy, based on good science and efficient operations, and to return that value to our core constituencies, which we define as our Shareholders, Employees, Communities and Environment.

- GeoPark is committed to delivering significant bottom-line financial value to our shareholders. Only a financially healthy and transparent company can continue to grow, attract needed resources and create real long-term benefits.

- GeoPark is committed to creating a safe and motivating workplace for employees. With today's shortage of capable energy professionals, the company which is able to attract, protect, retain and train the best team with the best attitude will always prevail.

- GeoPark is committed to minimising the impact of our projects on the environment. As our footprint becomes cleaner and smaller – more areas and opportunities will be opened up for us to work in. Our long-term well-being requires us to properly fit within our natural surroundings.

- GeoPark is committed to being the preferred neighbour and partner by creating a mutually beneficial exchange with the local communities where we work. Unlocking local knowledge creates and supports long-term sustainable value in our projects. Simply put, if our efforts enhance local goals and customs, we will be invited to do more.

GeoPark's specific methodology is focused on undertaking realistic and practical programmes based on best world practices. Our emphasis is on building key principles and company-wide ownership and then expanding programmes from within as we continue to grow. Our comprehensive in-house designed EHSS management programme, entitled S.P.E.E.D. (for Safety, Prosperity, Employees, Environment and Community Development), is being developed in accordance with: ISO 14001 for environmental management issues; OSHAS 18001 for occupational health and safety management issues; SA 8000 for social accountability and worker rights issues; the Development Standards of the World Bank; and the Quoted Companies Alliance standards for good corporate governance.

"Creating Value and Giving Back" represents GeoPark's underlying value system which provides us the leadership, confidence and foundation required for long-term success. It is our competitive advantage. And, it reflects our pride in achieving an important mission in the right way. If we are the true performer, the best place to work, the preferred partner and the cleanest operator – our future is bigger, better and more secure.

Above: Participants in BMX championship in Punta Arenas in October 2011 which was organised and sponsored by GeoPark and which included local and international competitors. In 2010 in Chile, GeoPark created the “Club Deportivo GeoPark” [GeoPark Sport Club] to provide a supporting environment to young people as a way to improve their life quality and personal skills through sports and teamwork. Sports offered include volleyball, basketball, badminton, athletics, rugby, table tennis and BMX and currently more than 450 people between ages of 6 and 65 are members of Club Deportivo GeoPark.

Punta Arenas, November 7, 2011

La Prensa Austral

"Private Company and Social Commitment"

…The company Geopark has been organising this [BMX Contest] event over the last few years, with the important cooperation of the Municipality of Punta Arenas. The event has grown in importance over the period, as evidenced by the fact that this edition was sponsored by 27 companies.

This contest is an additional evidence of the relevant role private companies can play in the communities where they are located, above and beyond their own business. However, this social involvement requires an effective, long-term commitment that exceeds the specific actions companies are invited to participate in. Such involvement must be based on a real conviction about the importance of interacting with society on a constant basis.

Unfortunately, nowadays many companies prefer to focus only on their own business, avoiding any contact with the community. Or if they do have such contact, they act without any conviction, accepting it as mere imposition that is difficult to evade considering the circumstances.

Therefore, a company like Geopark that bucks the trend must be congratulated…

Financial Statements

Directors' Report

The Directors submit their report together with the audited consolidated financial statements of GeoPark Holdings Limited ("GeoPark" or "the Company") for the year ended 31 December 2011. The Company and its subsidiaries together are referred to herein as the Group.

Addresses
The Registered office address is Cumberland House, 9th Floor, 1 Victoria Street, Hamilton HM 11, Bermuda. The Company has a representative office at 35 Piccadilly, London, United Kingdom.

Principal Activity
The principal activity of the Group in the period under review was to explore, develop and produce for oil and gas reserves in Chile and Argentina. The Group owns and operates six hydrocarbon blocks including the Fell, Otway and Tranquilo Blocks in Chile and the Del Mosquito, Cerro Doña Juana and Loma Cortaderal Blocks in Argentina.

During 2011, the Government of Chile announced the successful farm-in by GeoPark TdF S.A. to three new prospective exploration blocks in Tierra del Fuego under a private process organised by ENAP. The three blocks of Isla Norte, Flamenco and Campanario cover more than 460,000 acres and are geologically contiguous to the Fell Block. GeoPark TdF S.A. has committed to invest in excess of US$ 101.4 million on the three new blocks over the next three years accounting from the CEOPs signing date.

Business Review
The Business Review is intended to provide a balanced and comprehensive analysis of the development and performance of the business of the Company during the year and its position at the year end. Key elements of the Business Review are contained within the Annual Report and accompanying documents. The Business Review has been divided in the following areas:

1. Development and Performance

The Group has successfully improved and strengthened its business during 2011. The Group achieved increases or improvements in oil and gas production, reserves, revenues, adjusted EBITDA, profitability, balance sheet, organization and safety performance.

A detailed review of the operations, development and performance of the Group's business is included in this report and in:

a. Chairman's and Chief Executive's Letter to Shareholders (Pages 2 to 5); and
b. Year in Review (Pages 6 to 51).

2. Year-End Cash and Debt Position

The Group's year-end cash position was US$ 193.7 million. Also, the Company had cash in escrow of US$ 3.0 million for the acquisition of the Colombian business completed during the first quarter of 2012 and US$ 5.2 million in a cash collateral account required under the terms of the Bond issued in 2010. Therefore, year-end cash resources amount to US$ 201.9 million. Year-end debt was US$ 165.3 million.

3. Principal Risks and Uncertainties

Given the nature of the upstream oil and gas business, effective operational and financial risk management is a principal focus of the Group. Efforts are continuously made to balance and manage long-term work programme, capital sources, regulatory issues, oil and gas markets and organizational issues in order to achieve continuous growth.

A description of the principal risks to which the Group are exposed and a description of financial risk management objectives and policies of the Group are included in:

a. Year in Review (Risk Management section); and
b. Note 3 to the Financial Statements (Pages 75 to 76);

4. Health, Safety, Environment and Community Development: SPEED

The Group seeks to ensure that its operations are conducted in a safe manner and to minimise any impact on the environment. The Group's specific methodology is focused on undertaking realistic and practical programmes based on best world practices, with an emphasis on building key principles and company-wide ownership and then expanding the programme from within as the Group continues to grow. The Group's comprehensive in-house designed EHSS management programme, entitled S.P.E.E.D. (for Safety, Prosperity, Employees, Environment and Community Development), is being developed in accordance with: ISO 14001 for environmental management issues; OSHAS 18001 for occupational health and safety management issues; SA 8000 for social accountability and worker rights issues; the Development Standards of the World Bank; and the Quoted Companies Alliance standards for good corporate governance. During 2011, the Group continued to improve its SPEED Programme by establishing objectives, increasing the safety training of all its employees, effective monitoring of all incidents and the benchmarking against global industry standards. The SPEED Programme is described in further detail in the section titled "Commitment".

Key Performance Indicators

The Group uses a number of financial and non-financial key performance indicators to measure performance, which are set out below:

	2011	2010	2011 vs. 2010
Oil and Gas 2P Reserve Growth [1] (millions of barrels of oil equivalent - boe)	49.5	49.6	+6%
Oil and Gas Production Growth (boe per day)	7,593	6,947	+9%
Average Realised Sales Price (Chile)			
Oil (US$ per bbl)	83.8	72.8	+15%
Gas (US$ per mcf)	3.93	3.13	+26%
Total Net Revenues (US$ million)	111.6	79.6	+40%
Adjusted EBITDA [2]			
US$ million	63.4	41.1	+54%
US$ per boe	22.9	16.3	+41%
Operating Costs US$ per boe	7.9	6.9	+14%
Gearing Ratio [3]	26%	43%	-40%

(1) As of 31 December 2011 and 31 December 2010; % change adjusted for production during the period of 2.77 million of boe.
(2) As defined in Note 6.
(3) Calculated as total borrowing less cash and cash equivalent over total capital [(borrowings - cash) / capital]. The Group does not consider the cash that has been allocated for future M&A activities (purchase price, adjusted for working capital, of the two Colombian acquisitions).

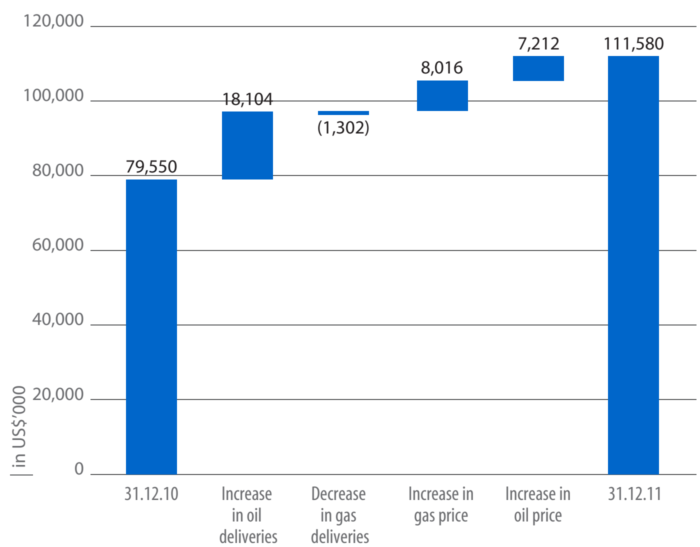
1. Production, Prices and Revenue

During 2011, oil and gas production increased as a result of the Group's successful drilling programme, which resulted in eighteen productive wells out of twenty five wells drilled (four of them are awaiting for completion or under evaluation). The drilling programme represented a balance between exploration, appraisal and development prospects.

Production	2011	2010	2011 vs. 2010
Oil (in thousand of bbls)	916	719	27%
Gas (in thousand of mcf)	11,135	10,901	2%

The Group directed most of the drilling efforts towards the development of oil reserves, which increased the production. Investments in gas wells resulted in an increase in production which was offset with higher internal consumption in the operations that resulted in lower volume gas sold.

Net Revenues 2010 vs. 2011

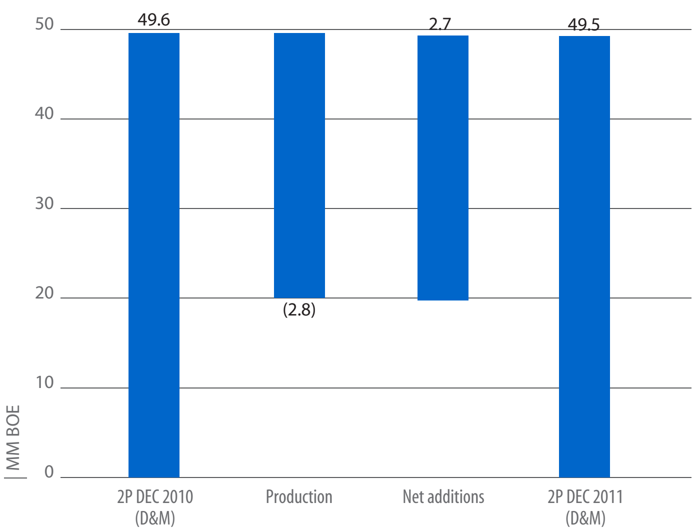


The revenue growth was due to a rise in prices (both oil and gas) and the increase in oil production.

2. Reserves

DeGolyer and McNaughton ("D&M"), independent reservoir engineers, certified 2P reserves of 49.5 million barrels of oil equivalent (mmboe) at 31 December 2011 composed of 34% oil. Allowing for production of 2.78 mmboe during 2011, additions of 2P Reserves represent an increase of 6% in respect of 2P Reserves at 31 December 2010. 2P Reserves replacement ratio was 100%.

Reserves



3. Production Costs

Production costs in 2011 increased to US$ 54.5 million from US$ 43.9 million in 2010 - resulting from an increase in depreciation charges and an increase in production volumes, of which a larger proportion represented oil.

a. Depreciation charges

Capitalised costs of proved oil and gas properties are depreciated on a block-by-block basis, using the unit of production method and based on proved and probable reserves - as defined in chapter 19 of the listing rules of the United Kingdom Listing Authority (UKLA). Oil and gas reserves for this purpose are determined in accordance with Society of Petroleum Engineers definitions and were estimated by DeGolyer and MacNaughton, the Group's independent reservoir engineers. The 2011 depreciation charge of US$ 25.8 million represented a 16% increase compared to 2010 (US$ 22.3 million) resulting principally from the increase in production volumes. The average depreciation charge in 2011 was US$ 8.4 per barrel of oil equivalent (boe) - (US$ 7.5 in 2010). This increase in cost is the result of the change in the estimation of future drilling cost, associated mainly to higher oil and gas prices.

b. Operating expenditures

Operating expenditures (OPEX) per producing unit (boe) is a key indicator measuring the efficiency of the producing process. In 2011, OPEX per boe rose to US$ 7.9 from US$ 6.9 in 2010. This variance was driven by the continuous change in production mix from gas to oil, which has higher production costs than gas. In 2011, the production mix was split 33% oil and 67% gas, whereas in 2010, it was 27% and 73%.

4. Adjusted EBITDA

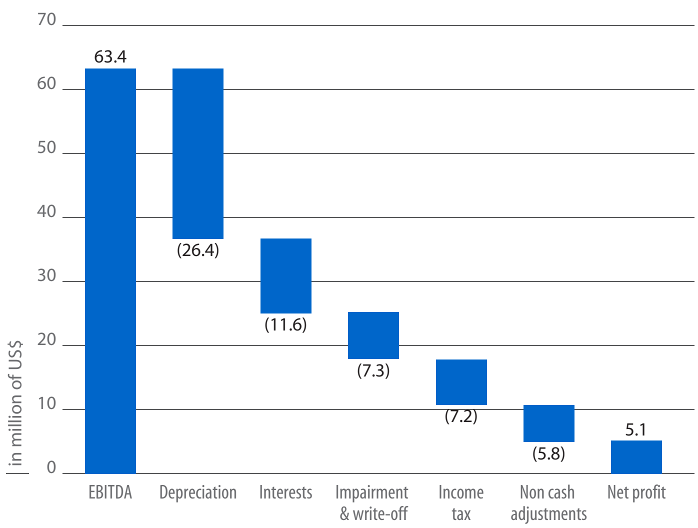
Adjusted EBITDA is defined as earnings before interest, tax, depreciation, amortisation and certain non-cash items such as write-offs, impairments and share-based payments. This measurement excludes the effects of non-recurring expenditures from the operating segments, such as impairments if it is a result of an isolated non-recurring event.

Adjusted EBITDA for 2011 of US$ 63.4 million represented an increase of 54% from US$ 41.1 million in 2010. In terms of producing units, the 2011 Adjusted EBITDA equalled US$ 22.9 per boe, compared to US$ 16.3 per boe in 2010, representing an increase of 40%. This significant increase in the adjusted EBITDA was achieved by the increase in production, coupled by the change in production mix and also higher oil and gas prices.

5. Net Result

The Group generated a net profit of US$ 5.1 million in 2011 compared to US$ 4.2 million in 2010. The chart below shows the reconciliation in 2011 of the Adjusted EBITDA to the Net Result.

Net Result and Adjusted EBITDA Reconciliation



Non-cash adjustments include a US$ 5.3 million charge incurred by the Group due to stock awards programmes.

During 2011, the Company transferred 20% of its Chilean business to LGI (see Note 34). Therefore the non-controlling interest on the profit of the year corresponds to the profit generated by the Chilean operations. The profits of the Chilean operations that are attributable to the owners of the Company were offset by losses incurred by the Company in its Corporate and Argentine operations.

Oil and gas exploration and production activities are accounted for in a manner similar to the successful efforts method on a field by field basis. The Group accounts for exploration and evaluation activities in accordance with IFRS 6, Exploration for and Evaluation of Mineral Resources, capitalizing exploration and evaluation costs until such time as the economic viability of producing the underlying resources is determined.

During 2011, the Group recognised write-offs of exploration and evaluation assets in the Fell Block for an amount of US$ 5,919,000. The charge includes the cost of an unsuccessful exploratory well amounting to US$ 2,331,000 and also in accordance with the Group's accounting policy and considering that no additional work will be performed, wells from previous years have been written off for an amount of US$ 3,588,000. In addition, an impairment charge of US$ 1,344,000 was recognised in relation to exploration assets in Del Mosquito Block.

Dividends

The Directors do not recommend the payment of any dividend for the period ended 31 December 2011 (2010: nil). The Group is currently re-investing all cash generated by its operations and intends to continue to re-invest these funds for the near future. Cumulative losses for the Group are US$ 18.5 million. Net free available equity reserves amount to US$ 95.7 million.

Events since the Balance Sheet Date

In February 2012, GeoPark acquired two privately-held exploration and production companies operating in Colombia, Winchester Oil and Gas S.A. and La Luna Oil Company Limited S.A. ("Winchester Luna").

In March 2012, a second acquisition occurred with the purchase of Hupecol Cuerva LLC ("Hupecol"), a privately-held company with two exploration and production blocks in Colombia.

The combined Hupecol and Winchester Luna purchases (acquired for a total consideration of US$ 105.0 million, adjusted for working capital, plus certain possible contingent payments) provide GeoPark with interests in 10 blocks (ranging from 5% to 100%), located in the Llanos, Magdalena and Catatumbo Basins, covering an area of approximately 220,000 gross acres.

Community Development Efforts, Charitable and Political Donations

For its community development efforts, the Group encourages the development of new local businesses by contracting services and people for its needs and work programme where it operates. The Group uses over 150 local contracting companies in its activities in Chile and has been credited with assisting in the start-up of 14 small businesses.

Total charitable donations in 2011 amounted to US$ 27,551 (2010: US$ 221,330 of which US$ 200,000 relates to the earthquake relief efforts).

In addition, the Group contributes to the GeoPark Sports Club in Punta Arenas, Chile to provide founded and a supporting environment to young people and to improve their quality of life and personal skills through sports and team efforts. A total of US$ 315,897 was contributed in 2011. This amount is recognised under Administrative costs.

No political donations are made by the Group.

Directors' Interests

The Directors who served the Company during the year and subsequently, together with their (and their families') beneficial interests in shares in the Company, were as follows:

Name	Re-Appointment	Committees			Ordinary share of US$ 0.001 each at 31 December 2011
		Audit	Nomination	Remuneration	
Gerry O'Shaughnessy					
Executive Chairman	3 August 2011 (*)		●		8,172,793
James F. Park					
Chief Executive Officer	3 August 2011 (*)				6,983,068
Sir Michael R. Jenkins					
Non-Executive Director	3 August 2011 (*)	● ■	●		37,344
Christian M. Weyer					
Non-Executive Director	3 August 2011 (*)		● ■		216,824
Peter Ryalls					
Non-Executive Director	3 August 2011 (*)	●		● ■	36,758
Juan Cristóbal Pavez					
Non-Executive Director	3 August 2011 (*)	●		●	2,165,437
Carlos Gulisano					
Non-Executive Director	3 August 2011 (*)				(1) 1,469
Steven J. Quamme					
Non-Executive Director	3 August 2011 (*)			●	4,326,708

● Committee Member

■ Committee Chairman

(*) Most recent reappointment date.

(1) Carlos Gulisano holds 50,000 IPO Stock options vested and unexercised and 100,000 stock awards which will vest on 15 December 2012.

Directors' Remuneration

Executive and Non-Executive Directors remuneration is discussed in the Director's Remuneration Report (Pages 62 to 63).

Auditors

PriceWaterhouseCoopers LLP has completed the audit of the 2011 Financial Statements, as appointed in the Annual General Meeting held in August 2011 and offer themselves for reappointment.

NOMAD

Oriel Securities Limited is the Company's Nominated Advisor under the AIM rules of the London Stock Exchange.

Annual General Meeting

At the Annual General Meeting of the Company, resolutions will be proposed to re-elect the Directors, according to the Company's Bye Laws. Other resolutions may be proposed in accordance with the circular to be sent out. Further details will be set forth in the formal Notice of Meeting.

Going Concern

The Directors regularly monitor the Group's cash position and liquidity risks throughout the year to ensure that it has sufficient funds to meet forecast operational and investment funding requirements. Sensitivities are run to reflect latest expectations of expenditures, oil and gas prices and other factors to enable the Group to manage the risk of any funding short-falls and/or potential loan covenant breaches.

Considering macroeconomic environment conditions, the performance of the operations and Group's cash position, the Directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Group has adequate resources to continue with its investment programme in order to increase oil and gas reserves, production and revenues and meet all its obligations for the foreseeable future. For this reason, the Directors have continued to adopt the going concern basis in preparing the consolidated financial statements.

On behalf of the Board

James F. Park
Chief Executive Officer
19 April 2012

Corporate Governance

GeoPark is committed to maintain high standards of corporate governance which it defines as managing the Group in an efficient, effective and entrepreneurial manner for the benefit of all shareholders over the longer term. The Directors strongly intend, as it is feasible given the Group's size and the constitution of the Board, to comply with the guidelines on corporate governance of the Quoted Companies Alliance for AIM companies.

GeoPark's good corporate governance goals include:

- Efficiency: Creating a governing body of an appropriate size to permit efficient decision-taking with transparency for major decisions, clear definition of responsibilities and performance targets, and procedures in place to protect and ensure protection of the Company's assets.

- Effectiveness: Assembling a governing body with the required skills, provided with the proper information and collectively involved to make the best decisions for the Company.

- Entrepreneurial: Defining a vision for the Company with an understanding of goals, timing and necessary resources.

- Shareholder Common Good: Taking decisions which consider the good of all shareholders and which, if they involve management, major shareholders and other related parties, are reported in a transparent manner.

Board Matters

The Board sets the Group's strategic aims, ensuring that the necessary resources are in place to achieve those aims, and reviews management and financial performance. It is accountable to shareholders for the creation and delivery of strong, sustainable financial performance and long-term shareholder value.

To achieve this, the Board directs and monitors the Group's affairs within a framework of controls which enable risk to be assessed and managed effectively through clear procedures, lines of responsibility and delegated authorities. The Board also has responsibility for setting the Group's core values and standards of business conduct and for ensuring that these, together with the Group's obligations to its stakeholders, are widely understood throughout the Group.

Board Members

The composition of the Board is a key factor in ensuring that the right mix of skills and experience are in place to lead the Group. Chairman and Chief Executive roles are not exercised by the same individual and the Company has at least two independent Non-Executive Directors. All Directors submit themselves for re-election at the Annual General Meetings each year - a practice the Group has followed since 2006. All Directors proposed to shareholders for election are accompanied by a biography and a description of the skills and experience that the Group feels are relevant.

The Chairman is responsible for the effective running of the Board, ensuring that the Board plays a full and constructive part in the development and determination of the Group's strategy, and acting as guardian and facilitator of the Board's decision-making process.

The Chief Executive is responsible for managing the Group's business, proposing and developing the Group's strategy and overall commercial objectives in consultation with the Board and, as leader of the Executive team, implementing the decisions of the Board and its Committees.
In addition, the Chief Executive is responsible for maintaining regular dialogue with shareholders as part of the Group's overall investor relations programme.

The Board comprises:

Executive Directors:
Gerald E. O'Shaughnessy - Chairman
James F. Park - Chief Executive Officer

Non-Executive Directors:
Sir Michael R. Jenkins
Christian M. Weyer
Peter Ryalls
Juan Cristóbal Pavez
Carlos Gulisano
Steven J. Quamme

On 3 August 2011, following Shareholder's approval at the Annual General Meeting Steven J. Quamme joined GeoPark's Board as a Non-Executive Director. Mr. Quamme has an extensive and recognised experience as securities lawyer, private equity investor and investment banker. He is a recognised expert in corporate governance.

Together, the Executive and Non-Executive Directors bring a broad range of business, commercial and other relevant experience to the Board, which is vital to the management of an expanding company.

Board Meetings
The Board meets at least quarterly and when issues arise and has a schedule of matters reserved for decisions of the Board. In addition to those formal matters required by relevant local laws to be set before a Board of Directors, the Board will also consider strategy and policy, acquisition and divestment proposals, approval of major capital investments, risk management policy, significant financing matters and statutory shareholder reporting. The Board met eight times during 2011 and maintains regular communication with Management.

The Directors also regularly visit the Group's operations. These field visits provide important perspective and expose the Directors directly to the quality and depth of the Group's operations and workforce. In these visits, the Directors are also able to make recommendations regarding improvements of the Group's operations.

Independence
The Board reviews annually the independence of all Non-Executive Directors and has determined with the exception of Carlos Gulisano that all current Non-Executive Directors are independent and have no cross-directorships or significant links which could materially interfere with the exercise of their independent judgment.

Board Support
Mr. Pedro Aylwin Chiorrini is currently the Company Secretary and is available to advise all Directors and ensure compliance with Board procedures. The Board has the power to appoint and remove the Company Secretary. A procedure is in place to enable Directors, if they so wish, to seek independent professional advice at the Group's expense.

Timely Information
Directors have access to a regular supply of financial, operational, strategic and regulatory information to assist them in the discharge of their duties. Much of this information is provided as part of the normal management reporting process. Board papers are circulated in time to allow Directors to be properly briefed in advance of meetings. In addition, Board meetings generally include a review of the history, performance and future potential of a material individual asset or business unit. This is designed to ensure that all material assets are considered on a cyclical basis and to enable Board members to familiarise themselves with the key assets and operations of the Group.

Internal Control Review
Directors review on an ongoing basis, inter alia, financial, operational, compliance matters and risk management, and approve the annual budget and monitor performance. The Board has the responsibility to establish and maintain the Group's system of internal controls and review its effectiveness. The procedures are reviewed on an ongoing basis.

The Group has defined an approval system for capital expenditures and expenses. This system includes different levels of authorisation based on functions and position of individuals. The Board has approved the annual budget and performance against the budget is monitored and reported.

The internal control system can only provide reasonable and not absolute assurance against material misstatement or loss. The Board has considered the need for an internal audit function but does not consider it necessary at the current time. During 2010, with the assistance of PricewaterhouseCoopers, the Group initiated a thorough review of the key administrative processes. As a result, all the administrative and finance procedures have been reviewed and formalised. During 2011, the effort continued to improve and update the procedures in place.

Induction
All new Directors receive an induction as soon as practicable after appointment. This includes meetings with senior management, functional and business unit heads and where appropriate, visits to the Company's main properties. The Company Secretary also provides new Directors with an overview of their duties as Directors, corporate governance policies and established Board procedures as part of the induction process.

Insurance
The Company maintains Directors' and Officers' liability insurance cover, the level of which is reviewed annually.

Audit Committee

The Audit Committee is comprised of three independent Non-Executive Directors (currently being Sir Michael Jenkins, Mr. Peter Ryalls and Mr. Juan Cristóbal Pavez). The Committee is chaired by Sir Michael Jenkins and meets to approve the Financial Statements, as required during the year.

The Committee's specific responsibilities to the Board are:

- Reviewing financial statements and formal announcements relating to the Group's performance;
- Assessing the independence, objectivity and effectiveness of the external auditors;
- Making recommendations for the appointment, re-appointment and removal of the external auditors and approving their remuneration and terms of engagement;
- Implementing and monitoring policy on the engagement of the external auditor to supply non-audit services to the Group.

Nomination Committee

The Nomination Committee is comprised of three Directors (currently being Mr. Christian M. Weyer, Sir Michael Jenkins and Mr. Gerald O'Shaughnessy), the majority of whom are independent Non-Executive Directors. The Committee is chaired by Mr. Christian M. Weyer and meets as required.

The Committee's specific responsibilities to the Board are:

- Reviewing the structure, size and composition of the Board and making recommendations to the Board with regard to any changes required;
- Identifying and nominating, for Board approval, candidates to fill Board vacancies as and when they arise;
- Making recommendations to the Board with regard to membership of the Audit and Remuneration Committees in consultation with the Chairman of each Committee;
- Reviewing the outside directorship/commitments of the Non-Executive Directors;
- Succession planning for Directors and other senior executives.

Remuneration Committee

The Remuneration Committee is comprised of three independent Non-Executive Directors, who currently are Mr. Peter Ryalls, Mr. Steven J. Quamme and Mr. Juan Cristóbal Pavez. The Committee is chaired by Mr. Peter Ryalls and meets as required during the year.

The Committee's specific responsibilities are:

- Determining and agreeing with the Board the remuneration policy for the Chief Executive Officer, Chairman, Executive Directors and other members of the Executive Management;
- Reviewing the performance of the Executive Directors and other members of the Executive Management;
- Reviewing the design of the share incentive plans for approval by the Board and shareholders.

The Director's Remuneration report on pages 62 to 63 contains further details of the role and activities of the Remuneration Committee.

Shareholder Relations

Communication with Shareholders is given high priority and there is regular dialogue with institutional investors, as well as general presentations to analysts at the time of the release of the annual and interim results. Throughout 2011, Executive Directors and Senior Management met with institutional investors and Shareholders in Europe, North America and South America and conducted field trips to the Group's operations.

The Company maintains regular contact with analysts to ensure that the information regarding the business status and strategy is communicated to Shareholders. Analysts also visit the Company's field operations and have access to management and technical staff to ask questions.

Press releases have been issued throughout the year and the Company maintains a website (www.geo-park.com) on which all press releases are posted and which also contains major corporate presentations and the Financial Statements. Regular updates to record news in relation to the Group and the status of exploration and development programmes are also included on the website. Additionally, this Annual Report, which is sent to all registered Shareholders, contains extensive information about the Group's activities. Enquiries from individual Shareholders on matters relating to their shareholdings and the business of the Group are welcomed. Shareholders are also encouraged to attend the Annual General Meeting to discuss the progress of the Group. Notice of the Annual General Meeting is sent to Shareholders at least 20 working days before the meeting and includes further information on how to vote by proxy.

Financial Accounts

A statement of Director's responsibilities in respect of the accounts is set out on page 64.

The following information is not subject to audit.

Remuneration Committee
The Company has a Remuneration Committee. The members of the Committee during 2011 were Peter Ryalls, Chairman, and Steven J. Quamme and Juan Cristóbal Pavez, who are Non-Executive Directors.

The Remuneration Committee agrees with the Board the framework for the remuneration of the Chief Executive, the Chairman of the Company and such other members of the Executive Management as it is designated to consider.

No Director plays a part in any discussion about his own remuneration.

Executive remuneration packages are designed to attract, motivate and retain Directors of the calibre required to grow the business and enhance value to Shareholders. The performance measurement of the Executive Directors and the determination of their annual remuneration package are undertaken by the Committee.

The Company's policy is that a substantial proportion of the remuneration of the Executive Directors should be performance related.

Performance-based Employee Long-Term Incentive Programme - Key Terms
In order to align the interests of its Management, employees and key advisors with those of the Company and its Shareholders, the Directors have established a Performance-based Employee Long-Term Incentive Programme ("the Plan"). At the Annual General Meeting held on 19 November 2007, Shareholders voted to authorise the Board to use up to 12% of the issued share capital of the Company at the relevant time for the purposes of the Employee Long-Term Incentive Plan. GeoPark's Shareholders authorised the Board of Directors to implement this plan and determine the specific conditions for each programme within some broadly-defined guidelines.

IPO Award Programme and Executive Stock Option plan
On admission to AIM, the Executive Directors, the Management and key employees of the Company received the following options over common shares of the Company granted under the Executive Stock Options Plan.

IPO Stock Options to Management and key employees

Nº of Underlying Common Shares	% of Issued Common Share Capital	Grant Date	Exercise Price (£)	Earliest Exercise Date	Expiry Date
545,000	Approximately 1.4%	15 May 2006	4.00	15 May 2008	15 May 2013

Dr. Carlos Gulisano holds 50,000 of these IPO Stock Options.

IPO Stock Options to Executive Directors

Name	Nº of Underlying Common Shares	Exercise Price (£)	Earliest Exercise Date	Expiry Date
Gerald	153,345	3.20	15 May 2008	15 May 2013
O'Shaughnessy	306,690	4.00	15 May 2008	15 May 2013
James F. Park	153,345	3.20	15 May 2008	15 May 2013
	306,690	4.00	15 May 2008	15 May 2013

In accordance with the programme, 601,235 common shares were issued to the GeoPark Employee Benefit Trust for use in the settlement of the exercise of stock options granted to certain Executive Directors and employees at the time of the Company's IPO.

Stock Awards to Management, Employees and Executive Directors
During 2011, the Remuneration Committee and the Board of Directors approved the granting of 500,000 performance share awards to employees and Management under the Plan. The 2011 awards also encompass new employees that have joined the Company since the 2010 awards. The awards will vest on the fourth anniversary of the grant date and will be subject to the award holder remaining in employment during that period (following the rules set out in the Plan).

Stock Awards to Management and Employees

Nº of Underlying Common Shares	% of Issued Common Share Capital	Grant Date	Exercise Price (US$)	Earliest Exercise Date	Expiry Date
1,000,000 (1)	Approximately 2.4%	15 Dec 2008	0.001	15 Dec 2012	15 Dec 2018
1,000,000	Approximately 2.4%	15 Dec 2010	0.001	15 Dec 2014	15 Dec 2020
500,000	Approximately 1.2%	15 Dec 2011	0.001	15 Dec 2015	15 Dec 2021

(1) Dr. Carlos Gulisano holds 100,000 of these Stock awards.

Considering the previously issued IPO Awards, plus the 12% limit established for the Plan, the total share capital awarded and to be awarded to employees, Management and Executive Directors represents approximately 14.8% of the shares issued.

Executive Directors' Contracts

It is the Group's policy that Executive Directors should have contracts of an indefinite term providing for a maximum of one year's notice. The details of the Director's contracts are summarised below:

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 US$ 200,000 per annum. The agreement is stated to continue indefinitely, 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.

James F. Park

James F. 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 US$ 400,000 per annum. The agreement is stated to continue indefinitely, 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.

No bonuses were awarded in 2011 to the Executive Directors.

Non-Executive Directors Contracts

In August 2011 at the Annual General Meeting, the Shareholders re-elected the Non-Executive Directors.

The remuneration package approved for Non-Executive Directors, which is detailed in the corresponding service contracts, contains the following components:

a) Annual salary of £ 35,000; the fees payable shall be made up, at the option of the Company, of an issue of new shares in the Company on the basis determined by the Board and/or cash consideration payable quarterly in arrears. The share price to determine the quantity of share is the simple average to the daily closing price of the stock in the quarter prior to the payment date.

b) Committee Chairman fee: annual remuneration of £ 5,750 payable quarterly in arrears in cash.

c) Notice for contract termination: 2 months.

The following chart summarises the detail of payments made to Non-Executive Directors:

	2011 Cash Payment		Stock Payment
			Director Fees
	Non-Executive	Committee	Paid in Shares
	Directors' Fees	Chairman Fees	No. of Shares
Sir Michael Jenkins (1)	£ 17,500	£ 5,750	2,633
Peter Ryalls (2)	£ 17,500	£ 5,750	2,633
Christian Weyer (3)	£ 17,500	£ 5,750	2,633
Juan Cristóbal Pavez	£ 17,500	-	2,633
Carlos Gulisano	£ 35,000	-	-
Steven J. Quamme	£ 8,750	-	1,496

Additionally Dr. Carlos Gulisano received US$ 138,000 for technical consultancy during 2011 (US$ 410,000 in 2010).

(1) Audit Committee Chairman.
(2) Remuneration Committee Chairman.
(3) Nominations Committee Chairman.

Approval

This report was approved by the Board of Directors on 19 April 2012 and signed on its behalf by:

Peter Ryalls
Chairman, Remuneration Committee
19 April 2012

Statement of Directors' Responsibilities

The Directors are responsible for preparing the financial statements in accordance with applicable laws and regulations in Bermuda. The Directors have elected to prepare financial statements for the Group in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

International Accounting Standard 1 requires that financial statements present fairly for each financial year the Group's financial positions, financial performances and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standard Board's "Framework for the preparation and presentation of Financial Statements". In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable International Financial Reporting Standards.

The Directors are also required to:

- select suitable accounting policies and apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's financial position and financial performance; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume the Group will continue in business.

The Directors are responsible for keeping proper accounting records, for safeguarding the assets of the Group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

In so far as each of the Directors is aware:

- there is no relevant audit information of which the Group's auditors are unaware; and
- the Directors have taken all steps that they ought to have taken to be aware of any relevant audit information and to establish that the auditors are made aware of that information.

Independent Auditors' Report

To the Members of Geopark Holdings Limited

We have audited the Group financial statements (the "financial statements") of GeoPark Holdings Limited for the year ended 31 December 2011 which comprise the consolidated statement of income, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flow and the related notes. The financial reporting framework that has been applied in their preparation is applicable law in Bermuda and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 64 the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law in Bermuda and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the UK Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 90 of The Companies Act 1981 (Bermuda) and for no other purpose. We do not, in giving the opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's affairs as at 31 December 2011 and of the Group's profit and cash flows for the year then ended;

- have been properly prepared in accordance with IFRSs as adopted by the European Union; and

- have been prepared in accordance with the requirements of the Companies Act 1981 (Bermuda).

Other matters

a. The maintenance and integrity of the GeoPark Holdings Limited website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

b. Legislation in Bermuda and the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants
London, United Kingdom
19 April 2012

Consolidated Statement of Income

Amounts in US$ '000	Note	2011	2010
Net Revenue	7	111,580	79,550
Production costs	8	(54,513)	(43,923)
Gross Profit		**57,067**	**35,627**
Exploration costs	11	(10,066)	(5,482)
Administrative costs	12	(18,169)	(13,764)
Selling expenses		(2,546)	(2,027)
Other operating costs	13	(502)	(1,130)
Operating Profit		**25,784**	**13,224**
Financial income	14	162	239
Financial expenses	15	(13,678)	(4,427)
Profit before Income Tax		**12,268**	**9,036**
Income Tax	16	(7,206)	(4,856)
Profit for the Year		**5,062**	**4,180**
Attributable to:			
Owners of the Company		54	4,180
Non-controlling interest		5,008	-
Earnings per share (in US$) for profit attributable to owners of the Company. Basic	18	**0.0013**	**0.1000**
Earnings per share (in US$) for profit attributable to owners of the Company. Diluted	18	**0.0012**	**0.0944**

Consolidated Statement of Comprehensive Income

Amounts in US$ '000	2011	2010
Income for the year	5,062	4,180
Other comprehensive income:	-	-
Total comprehensive Income for the year	**5,062**	**4,180**
Attributable to:		
Owners of the Company	54	4,180
Non-controlling interest	5,008	-

The notes on pages 70 to 91 are an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

Amounts in US$ '000	Note	2011	2010
Assets			
Non Current Assets			
Property, plant and equipment	19	224,635	159,717
Prepaid taxes	21	2,957	2,655
Other financial assets	24	5,226	5,601
Deferred income tax asset	17	450	374
Prepayments and other receivables	23	707	183
Total Non Current Assets		**233,975**	**168,530**
Current Assets			
Other financial assets	24	3,000	-
Inventories	22	584	252
Trade receivables	23	15,929	13,071
Prepayments and other receivables	23	24,984	3,158
Prepaid taxes	21	147	1,341
Cash and cash equivalents	24	193,650	99,411
Total Current Assets		**238,294**	**117,233**
Total Assets		**472,269**	**285,763**
Total Equity			
Equity attributable to owners of the Company			
Share capital	25	43	42
Share premium		112,231	107,858
Reserves		115,164	3,919
Retained losses		(18,549)	(19,527)
		208,889	92,292
Non-controlling interest		41,763	-
Total Equity		**250,652**	**92,292**
Liabilities			
Non Current Liabilities			
Borrowings	26	134,643	143,824
Provisions and other long-term liabilities	27	9,412	3,153
Deferred income tax liability	17	13,109	6,014
Total Non Current Liabilities		**157,164**	**152,991**
Current Liabilities			
Borrowings	26	30,613	25,564
Current income tax liabilities		187	-
Trade and other payable	28	28,535	12,710
Provisions for other liabilities		5,118	2,206
Total Current Liabilities		**64,453**	**40,480**
Total Liabilities		**221,617**	**193,471**
Total Equity and Liabilities		**472,269**	**285,763**

The financial statements were approved by the Board of Directors on 19 April 2012.

The notes on pages 70 to 91 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

Amount in US$ '000	Share Capital	Share Premium	Other Reserve	Translation Reserve	Retained Losses	Non-controlling Interest	Total
	Attributable to owners of the Company						
Equity at 1 January 2010	42	107,524	3,056	894	(26,034)	-	85,482
Comprehensive income:							
Profit for the year	-	-	-	-	4,180	-	4,180
Other comprehensive income:							
Currency translation differences	-	-	-	-	-	-	-
Total Comprehensive Income for the Year 2010	**-**	**-**	**-**	**-**	**4,180**	**-**	**4,180**
Transactions with owners:							
Share-based payment (Note 29)	-	334	(31)	-	2,327	-	2,630
Total 2010	**-**	**334**	**(31)**	**-**	**2,327**	**-**	**2,630**
Balances at 31 December 2010	**42**	**107,858**	**3,025**	**894**	**(19,527)**	**-**	**92,292**
Comprehensive income:							
Profit for the year	-	-	-	-	54	5,008	5,062
Other comprehensive income:							
Currency translation differences	-	-	-	-	-	-	-
Total Comprehensive Income for the Year 2011	**-**	**-**	**-**	**-**	**54**	**5,008**	**5,062**
Transactions with owners:							
Proceeds from transaction with Non-controlling interest (Notes 25 and 34)	-	-	111,245	-	-	36,755	148,000
Share-based payment (Note 29)	1	4,373	-	-	924	-	5,298
Total 2011	**1**	**4,373**	**111,245**	**-**	**924**	**36,755**	**153,298**
Balances at 31 December 2011	**43**	**112,231**	**114,270**	**894**	**(18,549)**	**41,763**	**250,652**

The notes on pages 70 to 91 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flow

Amounts in US$ '000	Note	2011	2010
Cash flows from operating activities			
Income for the year		5,062	4,180
Adjustments for:			
Income tax for the year	16	7,206	4,856
Depreciation of the year	9	26,408	22,700
Loss on disposal of property, plant and equipment		2,010	115
Write-off of unsuccessful efforts	11	5,919	3,033
Impairment loss	11	1,344	-
Accrual of borrowing's interests		11,130	2,758
Amortisation of other long-term liabilities	27	(1,038)	-
Unwinding of long-term liabilities	15	350	259
Accrual of share-based payment	10	5,298	2,630
Exchange difference generated by borrowings		(15)	55
Changes in working capital	5	89	(9,688)
Cash flows from operating activities - net		**63,763**	**30,898**
Cash flows from investing activities			
Purchase of property, plant and equipment		(98,651)	(58,025)
Deferred income	27	5,000	-
Purchase of financial assets	24	(2,625)	(3,387)
Cash flows used in investing activities - net		**(96,276)**	**(61,412)**
Cash flows from financing activities			
Proceeds from borrowings		9,668	1,853
Proceeds from the issue of bond		-	130,296
Bond emission expenditures		-	(3,162)
Proceeds from transaction with Non-controlling interest	25	142,000	-
Principal paid		(9,150)	(36,171)
Interest paid		(10,779)	(1,666)
Cash flows from financing activities - net		**131,739**	**91,150**
Net increase in cash and cash equivalents		**99,226**	**60,636**
Cash and cash equivalents at 1 January		84,396	23,760
Currency translation differences relating to cash and cash equivalents		-	-
Cash and cash equivalents at the end of the year		**183,622**	**84,396**
Ending Cash and cash equivalents are specified as follows:			
Cash in bank		193,642	99,408
Cash in hand		8	3
Bank overdrafts		(10,028)	(15,015)
Cash and cash equivalents		**183,622**	**84,396**

The notes on pages 70 to 91 are an integral part of these consolidated financial statements.

Note 1
General Information

GeoPark Holdings Limited (the Company) is a company incorporated under the laws of Bermuda. The addresses of its registered office and principal places of business are disclosed in the introduction to the Directors' Report. The principal activities of the Company and its subsidiaries (the Group) are described in the Directors' Report.

The Company is quoted on the AIM London Stock Exchange. Also its shares are authorised for trading on the Santiago Off-Shore Stock Exchange, in US$ under the trading symbol "GPK".

These consolidated financial statements were authorised for issue by the Board of Directors on 19 April 2012.

Note 2
Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to the years presented, unless otherwise stated.

2.1 Basis of preparation
The consolidated financial statements of GeoPark Holdings Limited have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS).

The consolidated financial statements are presented in United States dollars and all values are rounded to the nearest thousand (US$ '000), except where otherwise indicated.

The consolidated financial statements have been prepared on a historical cost basis.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in this note under the title "Accounting estimates and assumptions".

2.1.1 Changes in accounting policy and disclosure
New and amended standards adopted by the Group
There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 January 2011 that would be expected to have a material impact on the Group.

New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2011 and not early adopted

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The Group is yet to assess IFRS 9's full impact and intends to adopt IFRS 9 no later than the accounting period beginning on or after 1 January 2015.

IFRS 10, 'Consolidated financial statements'' builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The Group is yet to assess IFRS 10's full impact and intends to adopt IFRS 10 no later than the accounting period beginning on or after 1 January 2013.

IFRS 11, 'Joint arrangements', establishes principles for financial reporting by entities that have an interest in arrangements that are controlled jointly. IFRS 11 defines joint control and requires an entity that is a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations and to account for those rights and obligations in accordance with that type of joint arrangement. The Group is yet to assess IFRS 11's full impact and intends to adopt IFRS 11 no later than the accounting period beginning on or after 1 January 2013.

IFRS 12, 'Disclosures of interests in other entities' includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The Group is yet to assess IFRS 12's full impact and intends to adopt IFRS 12 no later than the accounting period beginning on or after 1 January 2013.

IFRS 13, 'Fair value measurement', aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs. The Group is yet to assess IFRS13's full impact and intends to adopt IFRS 13 no later than the accounting period beginning on or after 1 January 2012.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

2.2 Going concern

The Directors regularly monitor the Group's cash position and liquidity risks throughout the year to ensure that it has sufficient funds to meet forecast operational and investment funding requirements. Sensitivities are run to reflect latest expectations of expenditures, oil and gas prices and other factors to enable the Group to manage the risk of any funding short falls and/or potential loan covenant breaches.

Considering macroeconomic environment conditions, the performance of the operations and Group's cash position, the Directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Group has adequate resources to continue with its investment programme to increase oil and gas reserves, production and revenues and meeting all its obligations for the foreseeable future. For this reason, the Directors have continued to adopt the going concern basis in preparing the consolidated financial statements.

2.3 Consolidation

The consolidated 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, generally accompanying a shareholding of more than one half of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the Group.

Intercompany transactions, balances and 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.

2.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the strategic steering committee that makes strategic decisions. This committee consists of the CEO, Managing Director, CFO and managers in charge of the Exploration, Development, Drilling, Operations and SPEED departments. This committee reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

2.5 Foreign currency translation

a) Functional and presentation currency

The consolidated financial statements are presented in US dollars, which is the Group's presentation currency.

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of Group companies incorporated in Chile and Argentina is the US dollar.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Income. Transaction gains and losses that arise from exchange rate fluctuations on transactions denominated in a currency other than the functional currency are included in other operating profit or other operating expenses.

2.6 Joint ventures

The Company's interests in oil and gas related joint ventures and other agreements involved in oil and gas exploration and production, have been consolidated line by line on the basis of the Company's proportional share in their assets, liabilities, revenues, costs and expenses.

2.7 Revenue recognition

Revenue from the sale of crude oil and gas is recognised in the Statement of Income when risk transferred to the purchaser, and if the revenue can be measured reliably and is expected to be received. Revenue is shown net of VAT and discounts related to the sale.

2.8 Production costs

Production costs include wages and salaries incurred to achieve the net revenue for the year. Direct and indirect costs of raw materials and consumables, rentals and leasing, property, plant and equipment depreciation and royalties are also included within this account.

2.9 Financial costs

Financial costs include interest expenses, realised and unrealised gains and losses arising from transactions in foreign currencies and the amortization of financial assets and liabilities. The Company has capitalised borrowing cost for wells and facilities that were initiated after 1 January 2009. Amounts capitalised totalled US$ 597,127 (US$ 397,164 in 2010).

2.10 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation, and impairment if applicable. Historical cost includes expenditure that is directly attributable to the acquisition of the items; including provisions for asset retirement obligation.

Oil and gas exploration and production activities are accounted for in a manner similar to the successful efforts method on a field by field basis. The Group accounts for exploration and evaluation activities in accordance with IFRS 6, Exploration for and Evaluation of Mineral Resources, capitalizing exploration and evaluation costs until such time as the economic viability of producing the underlying resources is determined. Costs incurred prior to obtaining legal rights to explore are expensed immediately to the income statement.

Exploration and evaluation costs may include: licence acquisition, geological and geophysical studies (i.e.: seismic), direct labour costs and drilling costs of exploratory wells. No depreciation and/or amortization are charged during the exploration and evaluation phase. Upon completion of the evaluation phase, the prospects are either transferred to oil and gas properties or charged to expense (exploration costs) in the period in which the determination is made depending whether they have found reserves or not. If not developed, exploration and evaluation assets are written off after three years unless, it can be clearly demonstrated that the carrying value of the investment is recoverable.

A charge of US$ 5,919,000 has been recognised in the Statement of Income within Exploration costs (US$ 3,033,000 in 2010) for write-offs in Chile (see Note 11).

All field development costs are capitalised within oil and gas properties, and subject to depreciation. Such costs may include the acquisition and installation of production facilities, development drilling costs (including dry holes, service wells and seismic surveys for development purposes), project-related engineering and the acquisition costs of rights and concessions related to proved properties.

Workovers of wells made to develop reserves and/or increase production are capitalised as development costs. Maintenance costs are charged to income when incurred.

Capitalised costs of proved oil and gas properties are depreciated on a licenced area by the licenced area basis, using the unit of production method, based on commercial proved and probable reserves. The calculation of the "unit of production" depreciation takes into account estimated future finding and development costs and is based on current year end unescalated price levels. Changes in reserves and cost estimates are recognised prospectively. Reserves are converted to equivalent units on the basis of approximate relative energy content.

Commercial reserves are proved and probable oil and gas reserves as defined in chapter 19 of the listing rules of the United Kingdom Listing Authority (UKLA). Oil and gas reserves for this purpose are determined in accordance with Society of Petroleum Engineers definitions and were estimated by DeGolyer and MacNaughton, the Group's independent reservoir engineers.

Depreciation of the remaining property, plant and equipment assets (i.e. furniture and vehicles) not directly associated with oil and gas activities has been calculated by means of the straight line method by applying such annual rates as required to write off their value at the end of their estimated useful lives. The useful lives range between 3 years and 10 years.

Depreciation is allocated in the Statement of Income as production, exploration and administrative expenses, based on the nature of the associated asset.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (see Impairment of non financial assets in Note 2.12).

2.11 Provisions and other long-term liabilities

2.11.1 Asset Retirement Obligation

Provisions for asset retirement obligations and legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

The Group records the fair value of the liability for asset retirement obligations in the period in which the wells are drilled. When the liability is initially recorded, the Group capitalises the cost by increasing the carrying amount of the related long-lived asset. Over time, the liability is accreted to its present value at each reporting period, and the capitalised cost is depreciated over the estimated useful life of the related asset. According to interpretations and application of current legislation and on the basis of the changes in technology and the variations in the costs of restoration necessary to protect the environment, the Group has considered it appropiate to periodically re-evaluate future costs of well-capping. The effects of this recalculation are included in the financial statements in which this recalculation is determined and reflected as an adjustment to the provision and the corresponding property, plant and equipment asset.

2.11.2 Deferred Income

Relates to contributions received in cash from the Group's clients to improve the project economics of gas wells. The amounts collected are reflected as a deferred income and recognised in the Consolidated Statement of Income via amortization. The depreciation of the gas wells that generated the deferred income is charged to the Statement of Income simultaneously with the amortization of the deferred income.

2.12 Impairment of non-financial assets

Assets that are not subject to depreciation and/or amortization (i.e.: exploration and evaluation assets) are tested annually for impairment. Assets that are subject to depreciation and/or amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units), generally a licenced area. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

No asset should be kept as an Exploration and Evaluation asset for a period of more than three years, except if it can be clearly demonstrated that the carrying value of the investment will be recoverable.

A charge of US$ 1,344,000 has been recognised within Exploration costs as a result of the impairment test performed regarding operating fields in Argentina in 2011 (No impairment loss was recognised in 2010).

2.13 Lease contracts

All current lease contracts are considered to be operating leases on the basis that the lessor retains substantially all the risks and rewards related to the ownership of the leased asset. Payments related to operating leases and other rental agreements are recognised in the Income Statement on a straight line basis over the term of the contract. The Group's total commitment relating to operating leases and rental agreements is disclosed in Note 31.

2.14 Inventories

Inventories comprise crude oil and materials.

Crude oil is measured at the lower of cost and net realisable value. Materials are measured at the lower between cost and recoverable amount. Cost is determined using the first-in, first-out (FIFO) method. The cost of materials and consumables is calculated at acquisition price with the addition of transportation and similar costs.

2.15 Current and deferred income tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income.

The current income tax charge is calculated on the basis of the tax laws enacted or substantially enacted at the balance sheet date in the countries where the Company's subsidiaries operate and generate taxable income.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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 only to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income.

2.16 Financial assets

Financial assets 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.

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 are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. The Group's loans and receivables comprise trade receivables, prepayments and other receivables and cash and cash equivalents in the balance sheet. 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 Statement of Income. All of the Group's financial assets are classified as loan and receivables.

2.17 Other financial assets

Non current other financial assets relate solely to the cash collateral account required under the terms of the Bond issued in 2010 (see Note 26). This investment is intended to guarantee interest payments and will be recovered once the borrowing is fully paid.

Current other financial assets relate solely to the cash down escrow payment that has been released on closing of the purchase of Colombian assets (see Note 35).

2.18 Impairment of financial assets

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.

2.19 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts, if any, are shown within borrowings in the current liabilities section of the Statement of Financial Position.

2.20 Trade and other payable

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of the business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.21 Borrowings

Borrowings are obligations to pay cash and are recognised when the Group becomes a party to the contractual provisions of the instrument.

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Statement of Income over the period of the borrowings using the effective interest method.

Direct issue costs are charged to the Statement of Income on an accruals basis using the effective interest method.

2.22 Share capital

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 shares granted according to IFRS 2 but not issued at year end or
- the difference between the proceeds from the transaction with non-controlling interest received over the book value of the shares acquired in the subsidiary GeoPark Chile S.A. (see Note 34).

- "Reserve for exchange adjustment" representing the differences arising from translation of investments in overseas subsidiaries.
- "Retained earnings" representing retained profits and losses.

2.23 Share-based payment

The Group operates a number of equity-settled, share-based compensation plans comprising share awards payments and stock options plans to certain employees and other third party contractors.

Fair value of the stock option plan for employee or contractors services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted calculated using the Black-Scholes model.

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the Statement of Income, with a corresponding adjustment to equity.

The fair value of the share awards payments is determined at the grant date by reference of the market value of the shares and recognised as an expense over the vesting period.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

Note 3

Financial Instruments-risk management

The Group is exposed through its operations to the following financial risks:

- Currency risk
- Price risk
- Credit risk - concentration
- Funding and Liquidity risk
- Interest rate risk
- Capital risk management

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 corporate office. The policy for each of the above risks is described in more detail below.

Currency risk

In Argentina and Chile the functional currency is the US dollar. The fluctuation of the Argentine peso and the Chilean peso does not impact the loans, costs and revenues held in US dollars; but it does impact the balances denominated in local currency. Such is the case of the prepaid taxes.
As currency rate changes between the US dollar and the Argentine peso or the Chilean peso, the Group recognises gains and losses in the consolidated Statement of Income.

In both countries, most of the balances are denominated in US dollars, and since it is the functional currency of the subsidiaries, there is no exposure to currency fluctuation except from receivables originated in local currency mainly corresponding to VAT credits for US$ 3,630,000 in Argentina (US$ 2,661,000 in 2010). During 2011, the VAT position in Chile is a payable US$ 955,000 (US$ 646,892 credit in 2010).

The Group minimises the local currency positions in Argentina and Chile by seeking to equilibrate local and foreign currency assets and liabilities. However, tax receivables (VAT) are very difficult to match with local currency liabilities. Therefore the Group maintains a net exposure to them.

Most of the Group's assets are associated with oil and gas productive assets. Such assets in the oil and gas industry even in the local markets are usually settled in US$ equivalents.

During 2011, the Argentine peso weakened by 8% (5% in 2010) against the US dollar and the Chilean peso weakened by 11% (strengthened by 8% in 2010). If the Argentine peso and the Chilean peso had weakened an additional 5% against the US dollar, with all other variables held constant, post-tax profit for the year would have been lower by US$ 41,000 (US$ 127,000 in 2010).

Price risk

The price realised for the oil produced by the Group is linked to WTI (West Texas Intermediate) which is settled in the international markets in US dollars. The market price of these commodities is subject to significant fluctuation but the Board does not consider it appropriate to manage the Group's risk to such fluctuation through futures contracts or similar because to do so would not have been economic at the achieved production levels.

In Chile, the oil price is based on WTI minus certain marketing and quality discounts such as, inter alia, API quality and mercury content. In Argentina, the oil price is also subject to the impact of the retention tax on oil exports defined by the Argentine government which limits the direct correlation to the WTI.

The Company has signed a long-term Gas Supply Contract with Methanex in Chile. The price of the gas under this contract is indexed to the international methanol price.

If the market prices of WTI and methanol had fallen by 10% compared to actual prices during the year, with all other variables held constant, post-tax profit for the year would have been lower by US$ 9,501,000 (US$ 6,619,000 in 2010).

The Board will consider adopting a hedging policy against commodity price risk, when deemed appropriate, according to the size of the business and market implied volatility.

Credit risk - concentration

The Group's credit risk relates mainly to accounts receivable where the credit risks correspond to the recognised values. There is not considered to be any significant risk in respect of the Group's major customers. Substantially all oil production in Argentina is sold to Oil Combustibles.

In Chile, all gas production is sold to the local subsidiary of the Methanex Corporation, a Canadian public company (34% of total revenue). All the oil produced in Chile is sold to ENAP (65% of total revenue), the State owned oil and gas company. Both companies have a very good credit standing and despite the concentration of the credit risk, the Directors do not consider that this would give rise to a significant collection risk.

See disclosure in Note 24.

Funding and Liquidity risk

Following its successes in 2011 and 2010, the Group is in the fortunate position of having a secure production base and cash flow stream - coupled with a strong cash position that enables the Group to fully fund the committed work programmes of the new Blocks. Producing Blocks combine low operating costs and the flexibility of a discretionary investment programme that can be maintained, reduced or increased in the short-term depending on the environment economic conditions.

The Group has strong support from its financial partners and significant flexibility in adjusting the programme to ensure the development of the key properties.

During 2011, the Group was able to secure US$ 148,000,000 from the disposal of 20% of the Chilean business. The existing cash position is held in Banks with good credit ratings where immediate access is available if required to pay for an acquisition.

See disclosure in Note 24.

Interest rate risk

As the Group has no significant interest-bearing assets, the Group's profit and operating cash flows are substantially independent of changes in market interest rates. The Group's interest rate risk arises from long-term borrowings issued at variable rates, which expose the Group to cash flow to interest rate risk. The Group does not face interest rate risk on its US$ 133,000,000 Reg S Notes which carry a fixed rate coupon of 7.75% per annum.

The loan from Methanex Corporation accrues variable interest rates which depend on the LIBOR rate. For the period covered by these financial statements, the Group has decided not to buy any coverage for this risk. At 31 December 2011 the outstanding long-term borrowing affected by variable rates amounted to US$ 15,229,000, representing 10% of total long-term borrowings.

The Group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the Group calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies. The scenarios are run only for liabilities that represent the major interest-bearing positions.

At 31 December 2011, if interest rates on currency-denominated borrowings had been 1% higher with all other variables held constant, post-tax profit for the year would have been US$ 144,267 lower (US$ 448,992 in 2010), mainly as a result of higher interest expense on floating rate borrowings.

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated balance sheet) less cash and cash equivalent. Total capital is calculated as 'equity' as shown in the consolidated balance sheet plus net debt.

The Group's strategy is to keep the gearing ratio within a 40% to 55% range.

Particularly, in 2011 the gearing ratio has been affected by the transactions with non-controlling interests, by which the Group received proceeds of US$ 142,000,000.

The gearing ratios at 31 December 2011 and 2010 were as follows:

Amounts in US$ '000	2011	2010
Net Debt [a]	86,768	69,977
Total Equity	250,652	92,292
Total Capital	337,420	162,269
Gearing Ratio	26%	43%

(a) For the calculation of the gearing ratio, the Group does not consider the cash that has been allocated for future M&A activities. Excluding the purchase price, adjusted for working capital, of the two Colombian acquisitions, the gearing ratio for 2011 was 26%.

Note 4

Accounting estimates and assumptions

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 them. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key estimates and assumptions used in these consolidated financial statements are noted below:

- The Group adopts an approach similar to the successful efforts method of accounting. The Management of the Company makes assessments and estimates regarding whether an exploration asset should continue to be carried forward as an exploration and evaluation asset not yet determined or when insufficient information exists for this type of cost to remain as an asset. In making this assessment the Management takes professional advice from qualified independent experts.

- Cash flow estimates for impairment assessments require assumptions about two primary elements - future prices and reserves. Estimates of future prices require significant judgments about highly uncertain future events. Historically, oil and gas prices have exhibited significant volatility. Our forecasts for oil and gas revenues are based on prices derived from future price forecasts amongst industry analysts and our own assessments.

Our estimates of future cash flows are generally based on our assumptions of long-term prices and operating and development costs.

Given the significant assumptions required and the possibility that actual conditions will differ, we consider the assessment of impairment to be a critical accounting estimate.

The process of estimating reserves is complex. It requires significant judgements and decisions based on available geological, geophysical, engineering and economic data. The estimation of economically recoverable oil and natural gas reserves and related future net cash flows was performed based on the Reserve Report dated December 2011 prepared by DeGolyer and MacNaughton, an international consultancy to the oil and gas industry based in Dallas. It incorporates many factors and assumptions including:

- expected reservoir characteristics based on geological, geophysical and engineering assessments;
- future production rates based on historical performance and expected future operating and investment activities;
- future oil and gas prices and quality differentials;
- assumed effects of regulation by governmental agencies; and
- future development and operating costs.

Management believes these factors and assumptions are reasonable based on the information available to us at the time we prepare our estimates. However, these estimates may change substantially as additional data from ongoing development activities and production performance becomes available and as economic conditions impacting oil and gas prices and costs change.

As part of its impairment analysis in 2011, management has carried out an impairment test on the oil and gas assets within property, plant and equipment of the Argentine subsidiary. This test compares the carrying value at the balance sheet date with the expected discounted cash flows from the relevant projects (value in use). For the discounted cash flows to be calculated, management has used a production profile based on its best estimate of proven and probable reserves and a range of assumptions including a 10% pre-tax discount rate and an estimated oil price profile.

• Oil and gas assets held in property plant and equipment are mainly depreciated on a unit of production basis at a rate calculated by reference to proven and probable reserves and incorporating the estimated future cost of developing and extracting those reserves. Future development costs are estimated using assumptions as to the numbers of wells required to produce those reserves, the cost of the wells, future production facilities and operating costs together with assumptions on oil and gas realisations.

• Obligations related to the plugging of wells once operations are terminated may result in the recognition of significant obligations. Estimating the future abandonment costs is difficult and requires management to make estimates and judgments because most of the obligations are many years in the future. Technologies and costs are constantly changing as well as political, environmental, safety and public relations considerations. The Company has adopted the following criterion for recognizing well plugging and abandonment related costs: The present value of future costs necessary for well plugging and abandonment is calculated for each area on the basis of a cash flow that is discounted at an average interest rate applicable to Company's indebtedness. The liabilities recognised are based upon estimated future abandonment costs, wells subject to abandonment, time to abandonment, and future inflation rates.

Note 5
Statement of Cash Flow

The Cash Flow Statement shows the Group's cash flows for the year for operating, investing and financing activities and the change in cash and cash equivalents during 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.

The following chart describes non-cash transactions related to the Cash Flow Statement:

31 December 2011

Balance Sheet Items	Movements derived from Consolidated Financial Position	Other Non-Cash Movements (*)	Movements from Consolidated Cash Flow Statement
Property, plant and equipment	64,918	(1,948)	62,970
Prepaid taxes	(892)	-	(892)
Inventory	332	-	332
Trade receivables	2,858	-	2,858
Prepayment and other receivables	22,350	(6,000)	16,350
Other financial assets	2,625	-	2,625
Cash and cash equivalents	99,226	-	99,226
Borrowings	(855)	-	(855)
Trade accounts payable	(15,825)	-	(15,825)
Deferred tax	(7,019)	(187)	(7,206)
Current income tax liabilities	(187)	187	-
Other liabilities	(9,171)	1,948	(7,223)
Equity	(158,360)	6,000	(152,360)

31 December 2010

Balance Sheet Items	Movements derived from Consolidated Financial Position	Other Non-Cash Movements (*)	Movements from Consolidated Cash Flow Statement
Property, plant and equipment	34,050	(1,873)	32,177
Prepaid taxes	363	-	363
Inventory	1,214	-	1,214
Trade receivables	7,163	-	7,163
Prepayment and other receivables	1,578	-	1,578
Other financial assets	3,387	-	3,387
Cash and cash equivalents	60,636	-	60,636
Borrowings	(93,963)	-	(93,963)
Trade accounts payable	213	-	213
Deferred tax	(4,856)	-	(4,856)
Other liabilities	(2,975)	1,873	(1,102)
Equity	(6,810)	-	(6,810)

(*) Mainly transfers, increase in the asset retirement obligation and deferred tax. The movement amounting to US$ 6,000,000 relates to the difference between the proceeds from transactions with Non-controlling interest and the total consideration of these transactions (see Notes 25 and 34).

Cash flows from investing activities include payments in connection with the purchase and sale of property, plant and equipment and cash flows relating to the purchase and sale of enterprises to third parties.

Cash flows from financing activities include changes in Shareholders' equity, and proceeds from borrowings and repayment of loans.

Cash and cash equivalents include bank overdraft and liquid funds with a term of less than three months.

Change in working capital shown in the Statement of Cash Flow is disclosed as follows:

Amounts in US$ '000	2011	2010
Change in Prepaid taxes	892	(363)
Change in Inventory	(332)	(1,214)
Change in Trade receivables	(2,858)	(7,163)
Change in Prepayments and other receivables	(16,350)	(1,578)
Change in Current liabilities	18,737	630
	89	**(9,688)**

Note 6

Segment information

Management has determined the operating segments based on the reports reviewed by the strategic steering committee that are used to make strategic decisions.

The committee considers the business from a geographic perspective.

The strategic steering committee assesses the performance of the operating segments based on a measure of adjusted earnings before interest, tax, depreciation, amortization and certain non-cash items such as write-offs, impairments and share-based payments (Adjusted EBITDA). This measurement basis excludes the effects of non-recurring expenditure from the operating segments, such as impairments when it is result of an isolated, non-recurring event. Interest income and expenses are not included in the result for each operating segment that is reviewed by the strategic steering committee. Other information provided, except as noted below, to the strategic steering committee is measured in a manner consistent with that in the financial statements.

Segment areas (geographical segments):

Amounts in US$ '000	Argentina	Chile	Corporate	Total
2011				
Net revenue	1,477	110,103	-	111,580
Gross profit	179	56,888	-	57,067
Adjusted EBITDA (1)	(1,081)	70,421	(5,949)	63,391
Depreciation	(1,083)	(25,297)	(28)	(26,408)
Impairment and write-off	(1,344)	(5,919)	-	(7,263)
Total assets	10,895	(2) 453,384	7,990	472,269
Employees (average)	83	98	1	182

Amounts in US$ '000	Argentina	Chile	Corporate	Total
2010				
Net revenue	1,119	78,431	-	79,550
Gross profit	180	35,447	-	35,627
Adjusted EBITDA (1)	(905)	49,973	(7,976)	41,092
Depreciation	(798)	(21,900)	(2)	(22,700)
Impairment and write-off	(240)	(2,793)	-	(3,033)
Total assets	10,806	(2) 273,450	1,507	285,763
Employees (average)	70	111	1	182

(1) Corporate expenses included in the Adjusted EBITDA are allocated within the Statement of Income as Exploration costs for an amount of US$ 1,001,000

(US$ 1,093,000 in 2010), Production costs for an amount of US$ 1,261,000 (US$ 1,012,000 in 2010) and the remaining amount corresponds to Administrative costs.

(2) Includes cash received from bond issuance in 2010 and disposal of 20% of the Chilean business in 2011.

Over 95% of CAPEX is allocated to Chile in 2011 and 2010.

A reconciliation of total Adjusted EBITDA to total profit before income tax is provided as follows:

Amounts in US$ '000	2011	2010
Adjusted EBITDA for reportable segments	**63,391**	**41,092**
Depreciation	(26,408)	(22,700)
Accrual of stock options and stock awards	(5,298)	(2,630)
Impairment and write off of unsuccessful efforts	(7,263)	(3,033)
Others [(a)]	1,362	495
Operating profit	**25,784**	**13,224**
Net finance cost	(13,516)	(4,188)
Profit before tax	**12,268**	**9,036**

(a) Includes internally capitalised costs.

Note 7

Net Revenue

Amounts in US$ '000	2011	2010
Sale of crude oil	73,508	48,186
Sale of gas	38,072	31,364
	111,580	**79,550**

Note 8

Production costs

Amounts in US$ '000	2011	2010
Depreciation	25,844	22,301
Royalties	4,843	3,940
Staff costs (Note 10)	4,568	2,936
Gas plant costs	3,242	3,067
Transportation costs	2,541	1,876
Facilities maintenance	2,302	2,206
Well maintenance	1,692	1,293
Consumables	1,687	1,319
Share-based payments (Notes 10 and 29)	1,447	372
Vehicle rental and personnel transportation	1,404	870
Pulling costs	1,086	614
Field camp	1,009	955
Landowners	344	239
Insurance costs	316	312
Other costs	2,188	1,623
	54,513	**43,923**

Note 9

Depreciation

Amounts in US$ '000	2011	2010
Oil and gas properties	20,096	16,171
Production facilities and machinery	5,767	6,209
Furniture, equipment and vehicles	343	185
Buildings and improvements	202	135
Depreciation of property, plant and equipment	**26,408**	**22,700**
Recognised as follows:		
Production costs	25,844	22,301
Administrative expenses	501	290
Other operating costs	63	109
Depreciation total	**26,408**	**22,700**

Note 10

Staff costs

	2011	2010
Average number of employees	182	182
Amounts in US$ '000		
Wages and salaries	9,914	7,665
Shared-based payment	5,298	2,630
Social security charges	2,228	1,446
	17,440	**11,741**

	2011	2010
Board of Directors' and key managers' remuneration		
Salaries and fees	4,045	2,786
Other benefits	2,257	1,422
	6,302	**4,208**

Note 11

Exploration costs

Amounts in US$ '000	2011	2010
Staff costs (Note 10)	2,292	1,749
Share-based payments (Notes 10 and 29)	985	299
Impairment loss [(a)]	1,344	-
Write-off of unsuccessful efforts [(b)]	5,919	3,033
Amortisation of other long-term liabilities (Note 27)	(600)	-
Other services	126	401
	10,066	**5,482**

(a) The 2011 impairment charge relates to exploration assets in Del Mosquito Block based on an impairment test performed.

(b) The 2011 charge corresponds to the write off of exploration and evaluation assets in the Fell Block. The charge includes the cost of an unsuccessful exploratory well amounting to US$ 2,331,000 and also in accordance with the Group's accounting policy and considering that no additional work will be performed, wells from previous years have been written off for an amount of US$ 3,588,000. The 2010 charge corresponds to the write off of exploration and evaluation assets amounting to US$ 2,793,000 and US$ 240,000 in the Fell Block and Del Mosquito Block, respectively.

Note 12
Administrative costs

Amounts in US$ '000	2011	2010
Staff costs (Note 10)	5,282	3,826
Share-based payments (Notes 10 and 29)	2,866	1,959
Consultant fees	1,896	2,499
New projects	1,726	974
Office expenses	1,025	696
Director fees	903	822
Travel expenses	686	242
Communication and IT costs	539	454
Depreciation	501	290
Other administrative expenses	2,745	2,002
	18,169	**13,764**

Note 13
Other operating costs

Amounts in US$ '000	2011	2010
Depreciation	63	109
Other expense	439	1,021
	502	**1,130**

Note 14
Financial income

Amounts in US$ '000	2011	2010
Exchange difference	32	237
Interest received	130	2
	162	**239**

Note 15
Financial expenses

Amounts in US$ '000	2011	2010
Bank charges and other financial costs	1,856	534
Exchange difference	496	921
Unwinding of long-term liabilities	350	259
Interest and amortization of debt issue costs	11,573	3,110
Less: amounts capitalised on qualifying assets	(597)	(397)
	13,678	**4,427**

Note 16
Income Tax

Amounts in US$ '000	2011	2010
Current tax	187	-
Deferred income tax (Note 17)	7,019	4,856
	7,206	**4,856**

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

Amounts in US$ '000	2011	2010
Profit before tax	12,268	9,036
Tax losses from non-taxable jurisdictions	8,565	11,134
Taxable profit	**20,833**	**20,170**
Income tax calculated at statutory tax rate	5,473	2,230
Tax losses where no deferred income tax is recognised	2,560	1,454
Difference between functional currency and tax currency	(761)	1,228
Non-taxable profit	(66)	(56)
Income tax	**7,206**	**4,856**

Under current Bermuda law, the Company is not required to pay any taxes in Bermuda on income or capital gains. The Company has received an undertaking from the Minister of Finance in Bermuda that, in the event of any taxes being imposed, they will be exempt from taxation in Bermuda until March 2016. Income tax rates in those countries where the Group operates range from 15% in Chile to 35% in Argentina.

The Group has significant tax losses available which can be utilised against future taxable profit in those countries as set out below:

Amounts in US$ '000	2011	2010
Argentina	18,656	18,095
Total tax losses at 31 December	**18,656**	**18,095**

At the balance sheet date deferred tax assets in respect of tax losses in Argentina have not been recognised as there is insufficient evidence of future taxable profits before the statute of limitation of these tax losses causes them to expire.

Expiring dates for tax losses accumulated at 31 December 2011 are:

Expiring date	Amounts in US$ '000
2012	5,336
2013	3,827
2014	725
2015	5,743
2016	3,025

Note 17

Deferred income tax

The gross movement on the deferred income tax account is as follows:

Amounts in US$ '000	2011	2010
Deferred tax at 1 January	(5,640)	(784)
Income statement charge	(7,019)	(4,856)
Deferred tax at 31 December	**(12,659)**	**(5,640)**

The breakdown and movement of deferred tax assets and liabilities as of 31 December 2011 and 2010 are as follows:

Amounts in US$ '000	At the beginning of year	(Charged) / credited to net profit	At end of year
Deferred tax assets			
Difference in depreciation rates	(936)	(490)	(1,426)
Taxable losses (*)	1,310	566	1,876
Total 2011	**374**	**76**	**450**
Total 2010	**302**	**72**	**374**

Amounts in US$ '000	At the beginning of year	(Charged) / credited to net profit	At end of year
Deferred tax liabilities			
Difference in depreciation rates	(13,340)	332	(13,008)
Taxable losses (*)	7,971	(7,971)	-
Borrowings	(948)	177	(771)
Other	303	367	670
Total 2011	**(6,014)**	**(7,095)**	**(13,109)**
Total 2010	**(1,086)**	**(4,928)**	**(6,014)**

(*) In Chile, taxable losses have no expiration date.

Note 18

Earnings per share

Amounts in US$ '000	2011	2010
Numerator:		
Profit for the year	54	4,180
Denominator:		
Weighted average number of shares used in basic EPS	41,912,685	41,673,256
Earnings after tax per share (US$) - basic	**0.0013**	**0.1000**

Amounts in US$ '000	2011	2010
Weighted average number of shares used in basic EPS	41,912,685	41,673,256
Effect of dilutive potential common shares		
Stock award at US$ 0.001	2,004,482	1,101,414
Stock option at £ 4.00	-	1,218,380
Executive Directors stock option at £ 3.20	-	306,690
Weighted average number of common shares for the purposes of diluted earnings per shares	43,917,167	44,299,740
Earnings after tax per share (US$) - diluted	**0.0012**	**0.0944**

Note 19

Property, plant and equipment

Amounts in US$ '000	Oil & gas properties	Furniture, equipment and vehicles	Production facilities and machinery	Buildings and improvements	Construction in progress	Exploration and evaluation assets	Total
Cost at 1 January 2010	**82,906**	**989**	**29,970**	**1,803**	**14,475**	**21,074**	**151,217**
Additions	2,129	418	379	199	32,344	24,429	59,898
Disposals	(141)	(43)	-	-	-	-	(184)
Write-off / Impairment	-	-	-	-	-	(3,033)	(3,033)
Transfers	41,732	81	7,793	74	(30,622)	(19,058)	-
Cost at 31 December 2010	**126,626**	**1,445**	**38,142**	**2,076**	**16,197**	**23,412**	**207,898**
Additions	2,318	825	1,261	156	56,570	39,469	100,599
Disposals	(227)	(177)	(1,852)	-	(272)	-	(2,528)
Write-off / Impairment	-	-	-	-	-	(7,263)	(7,263)
Transfers	43,239	82	9,551	205	(39,599)	(13,478)	-
Cost at 31 December 2011	**171,956**	**2,175**	**47,102**	**2,437**	**32,896**	**42,140**	**298,706**
Depreciation and write-down at 1 January 2010	**(17,382)**	**(690)**	**(7,099)**	**(379)**	**-**	**-**	**(25,550)**
Depreciation	(16,171)	(185)	(6,209)	(135)	-	-	(22,700)
Disposals	45	24	-	-	-	-	69
Depreciation and write-down at 31 December 2010	**(33,508)**	**(851)**	**(13,308)**	**(514)**	**-**	**-**	**(48,181)**
Depreciation	(20,096)	(343)	(5,767)	(202)	-	-	(26,408)
Disposals	-	71	447	-	-	-	518
Depreciation and write-down at 31 December 2011	**(53,604)**	**(1,123)**	**(18,628)**	**(716)**	**-**	**-**	**(74,071)**
Carrying amount at 31 December 2010	**93,118**	**594**	**24,834**	**1,562**	**16,197**	**23,412**	**159,717**
Carrying amount at 31 December 2011	**118,352**	**1,052**	**28,474**	**1,721**	**32,896**	**42,140**	**224,635**

As of 31 December 2011, the Group has pledged, as security for a mortgage obtained for the acquisition of the operating base in Chile, assets amounting to US$ 638,000 (US$ 708,000 in 2010). See Note 26.

On 25 August 2011 the exploratory period in the Fell Block ended. The exploration programme carried out during the exploration period enabled the Company to declare commerciality on approximately 84% of the total area of the Block. The remaining area not declared as commercial was relinquished, which did not generate any loss for the Group.

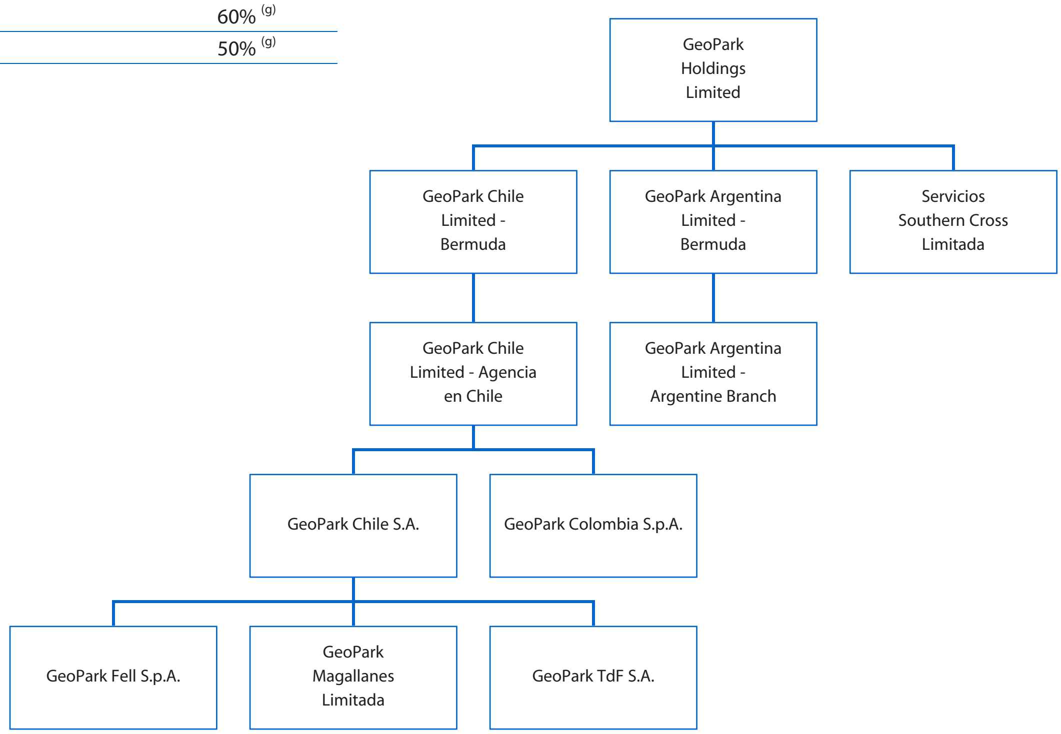
Note 20
Subsidiary undertakings

Details of the subsidiaries and jointly controlled assets of the Company are set out below:

	Name and registered office	Ownership interest
Subsidiaries		
	GeoPark Argentina Ltd. - Bermuda	100%
	GeoPark Argentina Ltd. - Argentine Branch	100% (a)
	Servicios Southern Cross Limitada (Chile)	100%
	GeoPark Chile Ltd. - Bermuda	100%
	GeoPark Chile Ltd. - Chilean Branch	100% (a)
	GeoPark S.A. (Chile)	100% (a)(b)
	GeoPark Chile S.A. (Chile)	80% (a)(c)
	GeoPark Fell S.p.A. (Chile)	80% (a)(c)
	GeoPark Magallanes Limitada (Chile)	80% (a)(c)
	GeoPark TdF S.A. (Chile)	69% (a)(d)
	GeoPark Colombia S.p.A. (Chile)	100% (a)
	GeoPark Brazil S.p.A. (Chile)	100% (a)(b)
Jointly controlled assets		
	Tranquilo Block (Chile)	29% (e)
	Otway Block (Chile)	25% (f)
	Flamenco Block (Chile)	50% (g)
	Isla Norte Block (Chile)	60% (g)
	Campanario Block (Chile)	50% (g)

(a) Indirectly owned.
(b) Dormant companies.
(c) Since 20 May 2011, LGI acquired 20% interest.
(d) LGI has 20% interest through GeoPark Chile S.A. and a 14% direct interest.
(e) On 14 April 2011 following Governmental approval the new ownership of the Tranquilo Block was confirmed. The other partners in the JVs are Pluspetrol (29%), Methanex (17%) and Wintershall (25%).
(f) On 15 July 2010 following Governmental approval the new ownership of the Otway Block was confirmed. The other partners in the JVs are Pluspetrol (25%), Methanex (12.5%), Wintershall (25%) and IFC (12.5%).
(g) After participating in a farm-in process organised by ENAP, GeoPark was awarded 3 blocks in Tierra del Fuego, Chile (Isla Norte Block, Flamenco Block and Campanario Block). GeoPark will be the operator in all blocks with a share of 60% for Isla Norte Block and 50% for the other 2 blocks.

The following chart illustrates the Group structure:



Note 21

Prepaid taxes

Amounts in US$ '000	2011	2010
V.A.T.	2,669	3,347
Other prepaid taxes	435	649
Total prepaid taxes	**3,104**	**3,996**
Classified as follows:		
Current	147	1,341
Non current	2,957	2,655
Total prepaid taxes	**3,104**	**3,996**

Note 22

Inventories

Amounts in US$ '000	2011	2010
Crude oil	499	199
Materials and spares	85	53
	584	**252**

Note 23

Trade receivables and Prepayments and other receivables

Amounts in US$ '000	2011	2010
Trade accounts receivable	15,929	13,071
	15,929	**13,071**
To be recovered from co-venturers	537	1,890
Prepayments and other receivables	25,154	1,451
	25,691	**3,341**
Total	**41,620**	**16,412**

Classified as follows:		
Current	40,913	16,229
Non current	707	183
Total	**41,620**	**16,412**

Trade receivables that are aged by less than three months are not considered impaired. As of 31 December 2011, trade receivables of US$ 4,019 (US$ 26,174 in 2010) were aged by more than 3 months, but not impaired. These relate to customers for whom there is no recent history of default. There are no balances due between 31 days and 90 days as of 31 December 2011 and 2010.

Movements on the Group provision for impairment are as follows:

Amounts in US$ '000	2011	2010
At 1 January	33	33
Provision for receivables impairment	-	-
	33	**33**

The credit period for trade receivables is 30 days. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable. The Group does not hold any collateral as security related to trade receivables.

The carrying value of trade receivables is considered to represent a reasonable approximation of its fair value due to their short-term nature.

Note 24

Financial instruments by category

	Loans and receivables		Total	
Amounts in US$ '000	2011	2010	2011	2010
Assets as per statement of financial position				
Trade receivables	15,929	13,071	15,929	13,071
Other financial assets (*)	8,226	5,601	8,226	5,601
Cash and cash equivalents	193,650	99,411	193,650	99,411
	217,805	**118,083**	**217,805**	**118,083**

	Other financial liabilities		Total	
Amounts in US$ '000	2011	2010	2011	2010
Liabilities as per statement of financial position				
Trade payables	27,580	11,592	27,580	11,592
Borrowings	165,256	169,388	165,256	169,388
	192,836	**180,980**	**192,836**	**180,980**

(*) Other financial assets relate to the cash collateral account required under the terms of the Bond issued in 2010. This investment is intended to guarantee interest payments and will be recovered once the borrowing is fully paid. In 2011, also includes the cash down escrow payment that has been released on closing of the purchase of Colombian assets (Note 34).

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

Amounts in US$ '000	2011	2010
Trade receivables		
Counterparties with external credit rating (Moody's)		
A3	11,333	5,977
Ba1	4,089	6,731
Baa1	-	334
Counterparties without external credit rating		
Group1 (*)	507	29
Total trade receivables	**15,929**	**13,071**

(*) Group 1 - existing customers (more than 6 months) with no defaults in the past.

All trade receivables are denominated in US dollars.

Cash at bank and investments (1)

Amounts in US$ '000	2011	2010
Counterparties with external credit rating (Moody's)		
A1	2,139	3,694
A3	7,631	-
Aa1	50,000	-
Aa2	54	-
Aa3	139,594	101,315
P1	2,450	-
Total	**201,868**	**105,009**

(1) The rest of the balance sheet item 'cash and cash equivalents' is cash on hand amounting to US$ 8,000 (US$ 3,000 in 2010).

Financial liabilities - contractual undiscounted cash flows

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Amounts in US$ '000	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years
At 31 December 2011			
Borrowings	30,613	8,265	179,489
Trade payables	27,580	-	-
	58,193	**8,265**	**179,489**
At 31 December 2010			
Borrowings	25,834	7,391	212,182
Trade payables	11,592	-	-
	37,426	**7,391**	**212,182**

Note 25

Share capital

Issued share capital	2011	2010
Common stock (amounts in US$ '000)	**43**	**42**
The share capital is distributed as follows:		
Common shares, of nominal US$ 0.001	42,474,274	41,703,011
Total common shares in issue	**42,474,274**	**41,703,011**

Authorised share capital		
US$ per share	0.001	0.001

Number of common shares		
(US$ 0.001 each)	5,171,969,000	5,171,969,000
Amount in US$	5,171,969	5,171,969

Details regarding the share capital of the Company are set out below:

Common shares

As of 31 December 2011 the outstanding common shares confer the following rights on the holder:

- the right to one vote per share;
- ranking pari passu, the right to any dividend declared and payable on common shares provided that no dividends shall be declared or paid on common shares.

GeoPark common shares history	Date	Shares issued (millions)	Shares closing (millions)	US$('000) Closing
Shares outstanding at the end of 2009			**41.7**	**42**
Issue of shares to Non-Executive Directors	2010	0.02	41.7	42
Stock awards	Dec 2010	0.02	41.7	42
Shares outstanding at the end of 2010			**41.7**	**42**
Issue of shares to Non-Executive Directors	2011	0.01	41.7	42
Stock awards	May 2011	0.06	41.8	42
Stock awards	Oct 2011	0.10	41.9	42
IPO stock options	Oct 2011	0.60	42.5	43
Shares outstanding at the end of 2011			**42.5**	**43**

During 2011, the Company issued 12,028 (14,704 in 2010) shares to Non-Executive Directors in accordance with contracts as compensation. Shares are issued at average price for the period, generating a share premium of US$ 130,733 (US$ 91,000 in 2010).

During 2011, 158,000 (22,000 in 2010) new common shares were issued, pursuant to a consulting agreement for services rendered to GeoPark Holdings Limited generating a shared premium of US$ 1,730,000 (US$ 243,000 in 2010).

On 6 October 2011, 601,235 common shares were allotted to the trustee of the EBT in anticipation of the exercise of the 2006 Stock Option Plan (Note 29).

The accounting treatment of the shares is in line with the Group's policy on share-based payments.

Other Reserve

During 2011, LGI acquired a 20% interest in GeoPark Chile S.A., the subsidiary that owns the Chilean assets for a total consideration of US$ 148,000,000. The difference between this amount and the net equity of the Company as per the book value was recorded as a reserve for an amount of US$ 111,245,000.

Note 26

Borrowings

Amounts in US$ '000	2011	2010
Outstanding amounts as of 31 December		
Methanex Corporation [a]	18,068	25,848
Banco de Crédito e Inversiones [b]	8,845	541
Overdrafts [c]	10,028	15,015
Bond [d]	128,315	127,984
	165,256	**169,388**
Classified as follows:		
Non current	134,643	143,824
Current	30,613	25,564

(a) The financing obtained in 2007, for development and investing activities on the Fell Block, is structured as a gas pre-sale agreement with a six year pay-back period and an interest rate of LIBOR flat. In each year, the Group will repay principal up to an amount equal to the loan amount multiplied by a specified percentage. Subject to that annual maximum principal repayment amount, the Group will repay principal and interest in an amount equal to the amount of gas specified in the contract at the effective selling price.

In addition, on 30 October 2009, another financing agreement was signed with Methanex Corporation under which Methanex have funded GeoPark's portions of cash calls for the Otway Joint Venture for US$ 3,100,000. The loan is being repaid by GeoPark funding Methanex's portion of cash calls made between August 2011 and 11 May 2012 (or earlier). If any amount of loan remains outstanding on 11 May 2012, it will be repaid in a lump sum on that date. The purpose is to finance the exploration, development and production of natural gas from the Otway Block. This financing does not bear interest.

(b) Facility to establish the operational base in the Fell Block. This facility was acquired through a mortgage loan granted by the Banco de Crédito e Inversiones (BCI), a Chilean private bank (Note 19). The loan was granted in Chilean pesos and is repayable over a period of 8 years. The interest rate applicable to this loan is 6.6%. The outstanding amount at 31 December 2011 is US$ 410,000.

In addition, during the last quarter of 2011, GeoPark TdF obtained short-term financing from BCI to start the operations in the new blocks acquired. This financing is structured as letter of credit. The maturity is within a year. The outstanding amount at 31 December 2011 is US$ 8,435,000.

(c) The Group has been granted with credit lines for approximately US$ 15,000,000.

(d) Private placement of US$ 133,000,000 of Reg S Notes on 2 December 2010. The Notes carry a coupon of 7.75% per annum and mature on 15 December 2015. The Notes are guaranteed by the Company and secured with the pledge of 51% of the shares of GeoPark Fell. In addition, the Note agreement allows for the placement of up to an additional US$ 27,000,000 of Notes under the same indenture, subject to the maintenance of certain financial ratios. The net proceeds of the Notes are being used to support the Group's growth strategy and improve the Group's financial flexibility.

The fair value of these financial instruments at 31 December 2011 amounts to US$ 159,602,000 (US$ 158,492,000 in 2010).

Note 27

Provisions for other long-term liabilities

Amounts in US$ '000	Assets retirement obligation	Deferred income	Total
At 1 January 2010	**1,021**	**-**	**1,021**
Revision to provision	1,873	-	1,873
Unwinding of discount	259	-	259
At 31 December 2010	**3,153**	**-**	**3,153**
Revision to provision / Contributions received	1,947	5,000	6,947
Amortisation	-	(1,038)	(1,038)
Unwinding of discount	350	-	350
At 31 December 2011	**5,450**	**3,962**	**9,412**

The provision for decommissioning relates to the estimation of future disbursements related to the abandonment and decommissioning of oil and gas wells. This provision will be utilised when the related wells are fully depleted.

Deferred income relates to contributions received to improve the project economics of the gas wells. The amortization is in line with the related asset.

Note 28

Trade and other payable

Amounts in US$ '000	2011	2010
V.A.T.	955	1,118
Trade payables	27,580	11,592
	28,535	**12,710**

The average credit period (expressed as creditor days) during the year ended 31 December 2011 was 74 days (2010: 49 days).

The fair value of these short-term financial instruments is not individually determined as the carrying amount is a reasonable approximation of fair value.

Note 29

Share-based payments

IPO Award Programme and Executive Stock Option plan

The Group has established IPO Award Programme and Executive Stock Option plans. These schemes were established to incentivise the Directors, senior management and employees, enabling them to benefit from the increased market capitalization of the Company.

During 2008, GeoPark Shareholders voted to authorise the Board to use up to 12% of the issued share capital of the Company at the relevant time for the purposes of the Performance-based Employee Long-Term Incentive Plan.

Main characteristics of the Stock Awards Programmes are:

- All employees are eligible.
- Exercise price is equal to the nominal value of shares.
- Vesting period is four years.
- Specific Award amounts are reviewed and approved by the Executive Directors and the Remuneration Committee of the Board of Directors.

Details of these costs and the characteristics of the different stock awards programmes are described in the following table and explanations:

Year	Grant Date	Amount of Shares	Shares not vested	2011	2010
2011	15 December 2011	500,000	-	37	-
2010	15 December 2010	1,000,000	136,900	2,776	253
2008	15 December 2008	1,000,000	41,686	925	1,017
Subtotal				**3,738**	**1,270**
Stock awards for service contracts	October 2010	300,000	120,000	672	1,300
Stock awards for service contracts	31 August 2011	90,000	-	757	-
Shares granted to Non-Executive Directors				131	60
				5,298	**2,630**

The awards that do not vest are cancelled since they correspond to employees that had left the Group before vesting date.

A total of 613,380 IPO Awards were granted to all of the Group's employees and certain consultants at the IPO date (May 2006). The Awards vested on 15 May 2008, the second anniversary of admission to IPO. On 3 July 2008, the Company issued 602,000 shares for nominal value of $ 0.001 each, corresponding to the total IPO awards vested which are held in a Beneficiary Trust. There are 11,380 awards that did not vest and were cancelled since they involved employees that had left the Group before the vesting date.

During 2011, 15,000 (241,500 in 2010) of these shares were sold by the employees at a weighted average price of £ 7.45 (£ 5.81 in 2010) per share. The shares held in the employee Beneficiary Trust rank pari-passu with GeoPark's ordinary shares.

On admission to AIM the Company granted:

i) 605,000 stock options to the senior management and some eligible employees, from which 60,000 have expired. The exercise price of these stock options is £ 4.00 (125 per cent of placing price). The vesting date of these stock options was 15 May 2008 and they expire in five years from that date, on 15 May 2013. The stock options give no voting rights to the holders until they are exercised and converted into common shares when they will rank pari-passu with all existing common shares.

ii) to the Executive Directors 306,690 stock options at an exercise price of £ 3.20 and 613,380 at an exercise price of £ 4.00. The vesting conditions of these options are equal to those described in i).

The fair value of the options granted was calculated using the Black-Scholes model. Due to the short trading history of the Company, expected volatility was determined by comparison to a sample of AIM listed oil and gas companies with a similar market capitalisation to the Group but a longer trading history.

In addition, a simplified procedure for the exercise of the Options was approved by the Board. It is a payment mechanism available to option holders that enables a cash-free exercise of their Options. The mechanism allows participating option holders to exercise their options utilizing fully issued shares made available by the EBT (Employee Beneficiary Trust) according to a formula (the “Stock Option cash-free payment option”). This allows participating option holders to exercise options to buy shares for the same number of shares they would have obtained with borrowed cash and then sell sufficient shares to repay the borrowed sums.

On 6 October 2011, 601,235 common shares each credited as fully paid, were allotted to the trustee of the EBT in anticipation of the exercise of the Options. This number of shares issued was estimated assuming that all beneficiaries will adopt the cash-less exercise mechanism at market price £ 6.5.

Other share-based payments

As it is mentioned in Note 25, the Company granted 12,028 (14,704 in 2010) shares at average price for each three month period for services rendered by the Non-Executive Directors of the Company. Fees paid in shares were directly expensed in the Administrative costs line in the amount of US$ 130,745 (US$ 60,815 in 2010).

Note 30

Interests in Joint Ventures

The Group has interests in five joint ventures, which are involved in the exploration of hydrocarbons in Chile (Note 20). Three of them are related to the new blocks acquired in Tierra del Fuego (TdF), Chile. These joint ventures had no operations during 2011; however operations have started during the first quarter of 2012.

GeoPark is the operator in Tranquilo and Otway Blocks and will be the operator in all TdF blocks with a share of 60% for Isla Norte Block and 50% for the other 2 blocks.

The following amounts represent the Company’s share in the assets, liabilities and results of the joint ventures which have been consolidated line by line in the consolidated statement of financial position and statement of income:

Joint venture	Tranquilo Block		Otway Block	
Subsidiary	GeoPark Magallanes Ltda.		GeoPark Magallanes Ltda.	
Interest	29%		25%	
	2011	**2010**	**2011**	**2010**
Assets				
PP&E / E&E	8,438	3,114	2,561	1,108
Other assets	2,458	435	262	176
Total assets	**10,896**	**3,549**	**2,823**	**1,284**
Liabilities				
Current liabilities	(1,048)	(495)	(332)	(98)
Total liabilities	**(1,048)**	**(495)**	**(332)**	**(98)**
Net assets / (liabilities)	**9,848**	**3,054**	**2,491**	**1,186**
Sales	-	-	-	-
Net loss	**569**	**547**	**232**	**219**

Capital commitments related to the Tranquilo and Otway Blocks are disclosed in Note 31 (b).

Note 31

Commitments

(a) Royalty commitments

In Argentina, crude oil production accrues royalties payable to the Provinces of Santa Cruz and Mendoza equivalent to 12 per cent on estimated value at well head of those products. This 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 Occidental Petroleum Argentina INC, formerly Vintage Argentina Ltd. (8 per cent on invoiced amount of crude oil obtained from wells at “Loma Cortaderal” and “Cerro Doña Juana”, Province of Mendoza, Argentina).

In Chile, royalties are payable to the Chilean Government, which is calculated at 5 per cent of crude oil production and 3 per cent of gas production.

(b) Capital commitments

The Tranquilo Block Consortium has committed to drill four exploratory wells, to perform 2D and 3D seismic until July 2011. An extension of eighteen months has been granted. The joint venture estimates that the remaining commitment amounts to US$ 4,350,000 at GeoPark’s working interest (29%).

The Otway Block Consortium has committed to drill two exploratory wells and to perform 3D seismic until May 2012. The joint venture estimates that the remaining commitment amounts to US$ 3,750,000 at GeoPark’s working interest (25%).

After participating in a farm-in process organised by ENAP, GeoPark was awarded 3 blocks in Tierra del Fuego (Isla Norte Block, Flamenco Block and Campanario Block).

Future investment commitments assumed by GeoPark were:

- 3 exploratory wells and 350 km^2 of Seismic on Isla Norte Block
- 8 exploratory wells and 578 km^2 of Seismic on Campanario Block
- 10 exploratory wells and 570 km^2 of Seismic on Flamenco Block

As part of the agreement, the investments made in the first exploratory period will be carried 100% by GeoPark and will not be recoverable in the future (commitment of 21 exploratory wells and 1,498 km^2 of Seismic).

Once the related CEOPs are signed, the Group shall assume the commitment to guarantee US$ 101,430,000 for the work commitment through a stand-by letter or collateral. In any case, the applicable instrument will be issued by an international financial institution.

(c) Operating lease commitments - Group company as lessee

The Group leases various plant and machinery under non-cancellable operating lease agreements.

The Group also leases offices under non-cancellable operating lease agreements. The lease terms are between 2 and 3 years, and the majority of lease agreements are renewable at the end of the lease period at market rate.

During 2011 a total amount of US$ 3,313,000 was charged to the income statement and US$ 28,132,000 of operating leases were capitalised as Property, plant and equipment (US$ 11,676,000 in 2010).

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

Amounts in US$ '000	2011	2010
Operating lease commitments		
Falling due within 1 year	34,126	13,224
Falling due within 1 - 5 years	25,019	30,301
Total minimum lease payments	**59,145**	**43,525**

Note 32

Related parties

Controlling interest

The main shareholders of GeoPark Holdings Limited, a company registered in Bermuda, as of 31 December 2011, are:

a) 19.24 per cent of share capital, by Gerald O'Shaughnessy (founder).
b) 16.44 per cent of share capital, by Energy Holdings, LLC controlled by James F. Park (founder).
c) 10.18 per cent of share capital, by Cartica Corporate Governance Fund, L.P.
d) 8.14 per cent of share capital, by IFC (International Finance Corporation).
e) 5.10 per cent of share capital, by Socoservin Overseas Ltd controlled by Juan Cristóbal Pavez (Non- Executive Director).
f) 4.86 per cent of share capital, by MONEDA A.F.I.

Balances outstanding and transactions with related parties

(Amounts in '000) Account	Transaction	Balances	Related Party	Relationship
2011				
To be recovered from co-ventures	-	537	Joint Ventures	Joint Ventures
Exploration costs	138	-	Carlos Gulisano	Non-Executive Director (*)
2010				
To be recovered from co-ventures	-	1,890	Joint Ventures	Joint Ventures
Borrowings	1,061	-	IFC	Share-holders
Exploration costs	162	-	Carlos Gulisano	Non-Executive Director (*)

(*) Corresponding to geosciences consultancy.

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.

Note 33

Fees paid to Auditors

Amounts in US$ '000	2011	2010
Fees payable to the Group's auditors for the audit of the consolidated financial statements	120	115
Fees payable to the Group's auditors for the review of interim financial results	32	28
Fees payable for the audit of the Group's subsidiaries pursuant to legislation	113	98
Non-audit services	239	146
Fees paid to auditors	**504**	**387**

Non-audit services relate to tax services for US$ 123,000 (US$ 94,000 in 2010) and other services for US$ 116,000 (US$ 52,000 in 2010).

Note 34
Business transactions

LGI partnership
On 12 March 2010, LGI and the Company agreed to form a new strategic partnership to jointly acquire and develop upstream oil and gas projects in Latin America.

During 2011, GeoPark and LGI entered into the following agreements through which LGI acquires an equity interest in the Chilean Business of the Group:

- On 20 May 2011, the Company (through its wholly owned subsidiaries GeoPark Chile Chilean Branch and GeoPark Chile S.A.) and LGI signed a subscription agreement in which LGI subscribed 10 million of ordinary shares representing 10% equity interest in GeoPark Chile S.A., the Company owner of the Chilean assets, for a total consideration of US$ 70,000,000.
- On 4 October 2011, an addendum to the agreement dated 20 May 2011 was signed whereby 12.5 million of ordinary shares in GeoPark Chile S.A. were subscribed by LGI, for a consideration of US$ 78,000,000, representing an additional 10%.

The transactions mentioned above have been considered to be a deemed disposal and in accordance with IAS 27 it has been accounted for as a transaction with Non-controlling interest. Consequently, the gain as a result of US$ 111,245,000 has been recognised through equity rather than in the income statement for the year.
Under the terms of this agreement LGI also committed to provide additional equity funding of US$ 18 million to GeoPark Chile S.A. over the next three years, being LGI's share of GeoPark Chile S.A.'s commitments under the minimum work programme of the three Tierra del Fuego licences (see note 31).

Tierra del Fuego blocks
In 2011, after participating in a farm-in process organised by ENAP, GeoPark was awarded three blocks in Tierra del Fuego (Isla Norte Block, Flamenco Block and Campanario Block).

GeoPark is the operator in all blocks with a share of 60% for Isla Norte Block and 50% for the other 2 blocks.

Future investment commitments assumed by GeoPark were:
- 3 exploratory wells and 350 km^2 of Seismic on Isla Norte Block
- 8 exploratory wells and 578 km^2 of Seismic on Campanario Block
- 10 exploratory wells and 570 km^2 of Seismic on Flamenco Block

As part of the agreement, the investments made in the first exploratory period will be carried 100% by GeoPark and will not be recoverable in the future (commitment of 21 exploratory wells and 1,498 km^2 of 3D Seismic).
If commercial production is reached, both parties will fund the development and operating expenses on a pro rata basis.

Note 35
Subsequent Events

Acquisitions in Colombia
In February 2012, GeoPark acquired two privately-held exploration and production companies operating in Colombia, Winchester Oil and Gas S.A. and La Luna Oil Company Limited S.A. ("Winchester Luna").

In March 2012, a second acquisition occurred with the purchase of Hupecol Cuerva LLC ("Hupecol"), a privately-held company with two exploration and production blocks in Colombia.

The combined Hupecol and Winchester Luna purchases (acquired for a total consideration of US$ 105,000,000, adjusted for working capital, plus certain possible contingent payments) provide GeoPark with the following in Colombia:

- Interests in 10 blocks (ranging from 5% to 100%), with licence operations in four of them, located in the Llanos, Magdalena and Catatumbo Basins, covering an area of approximately 220,000 gross acres.

- Risk-balanced asset portfolio of existing reserves, low risk development potential and attractive exploration upside. With current oil production of approximately 2,800 barrels per day (bopd) from three blocks.

- 2P oil reserves of approximately 10 million barrels and prospective oil resources (unrisked) of 25+ million barrels (Company estimates).

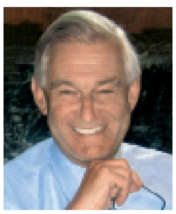
- Successful Colombian operating and administrative team to support a smooth transition and start-up by GeoPark in Colombia together with Associations and JVs with principal Colombian operators.

The acquisitions were afforded from the existing cash resources as of 31 December 2011. In the same way, the Company will fund the investment programme from the same source.

Agreement with Methanex
In March 2012, the Company and Methanex signed a third addendum and amendment to the Gas Supply Agreement to incentivise the development of gas reserves. Through this new agreement, the Company is undertaking a programme consisting of drilling a minimum of five new gas wells during 2012. Methanex will contribute to the cost of drilling the wells in order to improve the project economics.

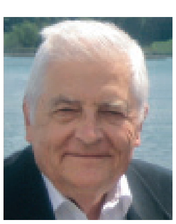
Board of Directors

Gerald E. O'Shaughnessy | Executive Chairman
Mr. O'Shaughnessy graduated from the University of Notre Dame with degrees in government and law, and thereafter practiced law until joining Lario Oil and Gas (his family company and one of the oldest independent oil and gas companies in the USA) as Senior Vice President. From 1986 to date, Mr. O'Shaughnessy has focused on private venture capital investment activities, including international oil and gas exploration and development through the Globe Resources Group. In 1992, Mr. O'Shaughnessy acquired 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 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 GeoPark in 2002.



Sir Michael Romilly Heald Jenkins | Non-Executive Director
After graduating from Cambridge University in 1959, Sir Michael joined the British Diplomatic Service and served in several European capitals, including ten years in the European Commission in Brussels with terms as Chef de Cabinet to the Commissioner for Regional Policy, Principal Adviser to the EC President Roy Jenkins and Deputy Secretary-General of the Commission. Sir Michael 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. From 1988 to 1992, he was British Ambassador to The Netherlands. Sir Michael joined the board of investment bank Kleinwort Benson in 1993 as an Executive director and became Vice-Chairman of Dresdner Kleinwort Wasserstein in 1996 with particular focus on the investment bank's continental European activities.
Sir Michael was a Non-Executive director of the Dutch insurance group AEGON from 1995 to 2001; Chairman of the British Group of the Trilateral Commission from 1996 to 1998; and President of Boeing UK from 2003 to 2005. Sir Michael joined GeoPark in April 2006

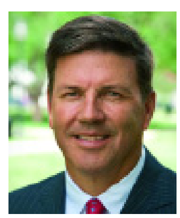
Peter Ryalls | Non-Executive Director
Mr. Ryalls, who joined GeoPark in April 2006, obtained a Master's Degree in Petroleum Engineering from Imperial College in London and began working in the oil industry in 1972 with oil service company Schlumberger in Angola, Gabon and Nigeria. Mr. Ryalls then joined 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 onshore Gulf of Mexico oil and gas business and then Vice President Global Engineering & Construction of Unocal, responsible for 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
Christian Weyer is an international banker and financier with over 50 years of experience. Mr. Weyer began his banking career with Chase Manhattan Bank as a senior credit officer in Paris and Geneva and subsequently worked as an executive at Banque Paribas until becoming President of Banque Paribas (Suisse) in 1984-5. During his career, Mr. Weyer has been credited with innovating new forms of trade finance and lines of credit as one of the leaders of the Geneva banking industry. Mr. Weyer also was instrumental in the growth of several large oil trading firms; as well as supporting the development of oil and gas exploration companies. From 1988 to 1992, Mr. Weyer was special adviser to Banque Indosuez for energy matters. Since 1992, he has been President of ENERFIN in Geneva, Switzerland, an advisory firm providing investment banking services to junior oil and gas companies. Mr. Weyer joined GeoPark in 2002 as an advisory board member and in 2003 as a Director. In April 2006, he was appointed as a Non-Executive Director.

Juan Cristóbal Pavez | Non-Executive Director
Mr. Pavez graduated from the Universidad Católica de Chile (Catholic University of Chile) in 1992 with a degree in Commercial Engineering, and then joined Grupo CB (CB Group) as a research analyst. Thereafter, he obtained an MBA from the Massachusetts Institute of Technology. He was then portfolio analyst at Moneda Asset Management until 1998, when he joined Santana, an investment company, as CEO. At Santana he focused mainly on investments in capital markets and real estate. While at Santana, he was appointed interim CEO of Laboratorios Andrómaco (Andrómaco Laboratories), one of Santana's principal assets. In 1999, Mr. Pavez co-founded Eventures, an internet company with subsidiaries in Argentina and Brazil. Since 2001 he has been CEO at Centinela, a company with diversified global investments, with a special focus in the energy industry, through the development of wind parks and run-of-the-river hydropower plants. Mr. Pavez is also a board member of Grupo Security, Vida Security, and Chairman of Hidroeléctrica Totoral. Mr. Pavez became a Non-Executive Director of GeoPark in August 2008.

Carlos Gulisano | Non-Executive Director
Dr. Gulisano is a respected leader in the fields of petroleum geology and geophysics in Latin America and has over 30 years of successful exploration, development and management experience in the oil and gas industry.
Dr. Gulisano has worked with YPF, Petrolera Argentina San Jorge, Chevron and GeoPark and has been a leader on teams credited with significant oil and gas discoveries (including the giant Trapial Field in Argentina). He has worked in Argentina, Bolivia, Peru, Ecuador, Colombia, Venezuela, Brazil, Chile, and 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 and has authored and co-authored over 40 technical papers. He is a former adjunct professor at the Universidad del Sur, a former thesis director at the University of La Plata, and a former scholarship director at CONICET (the national technology research council) in Argentina. Dr. Gulisano has been a key element of GeoPark's growth – as an adviser since 2002 and as the Managing Director from February 2008 until June 2010.



Steven J. Quamme | Non-Executive Director
Mr. Quamme has 25 years of successful experience as a securities lawyer, private equity investor and investment banker. He is a recognised expert in corporate governance and has been a member of over fifteen Boards of Directors including public companies, private companies and non-profit organizations. Mr. Quamme is the co-founder and President of Cartica Management, a registered investment advisor focused exclusively on emerging markets. Cartica manages a series of private investment funds investing in listed equities in 24 countries. From 2005-2007, Mr. Quamme was the co-founder and COO of Breeden Partners, a US$ 1.5 billion corporate governance fund. In addition, from 2002-2007, Mr. Quamme was a Senior Managing Director of Richard C. Breeden & Co., the leading professional services firm focused exclusively \on corporate governance and crisis management. From 2000-2005, Mr. Quamme was the founder and CEO of Milestone Merchant Partners -- a full service merchant bank based in Washington D.C. and the parent of International Equity Partners, a sponsor of emerging markets private equity funds for many of the world's largest institutional investors. Mr. Quamme received a BA in Economics from Northwestern University and a Juris Doctor degree from the Northwestern University School of Law where he is a member of the Law School Board. He began his career as a securities and M&A attorney at Baker Botts.

James F. Park | Chief Executive Officer and Deputy Chairman
Mr. Park has over 35 years of experience in all phases of the upstream oil and gas business - with a strong background in the acquisition, implementation and management of international joint ventures, including 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 in earthquake and tectonic studies.
In 1978, Mr. Park joined an oil and gas exploration project in Guatemala which pioneered the development of commercial oil and gas production in Central America and, as a senior executive, and Board member, was closely involved in the development of the company (including grass-roots exploration activities, drilling and production operations, surface and pipeline construction, legal and regulatory issues, crude oil marketing and transportation, and raising substantial investment funds) until its sale in 1997. Mr. Park has also participated in projects in California, Louisiana, Argentina, Yemen, and China. Mr. Park has lived in Argentina and Chile since co-founding GeoPark in 2002 and has been the Chief Executive Officer since its founding.

Directors, Secretary & Advisors

Directors	Gerald Eugene O'Shaughnessy (Executive Chairman) James Franklin Park (Chief Executive Officer and Deputy Chairman) Sir Michael Romily Heald Jenkins (Non-Executive Director) Peter Ryalls (Non-Executive Director) Christian Maurice Weyer (Non-Executive Director) Juan Cristóbal Pavez (Non-Executive Director) Carlos Gulisano (Non-Executive Director) Steven J. Quamme (Non-Executive Director)
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ANNUAL REPORT 2011

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