



Santiago, 10 de abril de 2013

Geopark Holdings Limited

Inscrito en el Registro de Valores Extranjeros bajo N° 045

Señor
Fernando Coloma Correa
Superintendente de Valores y Seguros
Av. Libertador Bernardo O'Higgins N° 1449, piso 1
PRESENTE

REF.: Adjunta información relevante que se publicó el día de hoy en el AIM del Mercado Bursátil de Londres.

Señor Superintendente:

En virtud de lo establecido en la Norma de Carácter General N°217 sección II, por medio de la presente adjunto información considerada como relevante para la empresa, que ha sido entregada el día de hoy en el Alternative Investment Market, mercado secundario de la London Stock Exchange, en donde mediante un comunicado de prensa se informan las ganancias de la Compañía correspondientes al año 2012.

La información adjunta consiste en un comunicado de prensa de dieciocho páginas en idioma inglés. Con respecto a la traducción del comunicado al idioma español, se informa que la misma será publicada en esta Superintendencia dentro de los próximos días.

Sin otro particular, saluda atentamente a Usted,



Pedro Aylwin Chiorrini
pp. GEOPARK HOLDINGS LIMITED



GEOPARK

2012 Results

GEOPARK HOLDINGS LIMITED

- Revenues increased 124% to US\$250 million in 2012.
- Full year production increased 49% averaging 11,276 boepd.
- 2P Reserves increased 15% to 56.9 MMboe.
- Full year Adjusted EBITDA increased 92% to US\$121 million. Net income increased 264% to US\$18 million.
- Netback per boe produced increased to US\$30.8 per boe in 2012, representing an increase of 34.5% from 2011.
- Acquisition and consolidation of two Colombian Companies – Winchester Oil and Gas and Hupecol – for a combined consideration of US\$105 million.
- First gas discovery in Tranquilo block (Chile) in 40 years, Palos Quemados (with a production test of 4.6 mmcf/day).
- Operations commenced in Tierra del Fuego, Chile on the Isla Norte, Flamenco and Campanario blocks.
- Over US\$195 million invested in capital expenditures in 2012 with 44 new wells. Total investment of US\$300 million including Colombian acquisitions.
- US\$300 million bond issue in February 2013 (144A/RegS): more than 6 times oversubscribed, initial yield of 7 5/8%. Funds will be used for new investments and refinancing.

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1. Financial and Operational Highlights

(US\$ million)	4Q12	4Q11	% Chg.	2012	2011	% Chg.
Revenues	68.3	37.7	81%	250.5	111.6	124%
Oil	63.3	28.0	126%	221.6	73.5	201%
Gas	5.1	9.7	-47%	28.9	38.1	-24%
Chile	32.7	37.4	-13%	149.9	110.1	36%
Colombia	35.6	-		99.5	-	
Argentina	0.1	0.3	-77%	1.1	1.5	-29%
Adjusted EBITDA	26.6	22.2	20%	121.4	63.4	92%
Chile	17.2	26.1	-34%	93.9	70.4	33%
Colombia	10.2	-		34.5	-	
Argentina, Corporate & Others	-0.8	-3.9	79%	-7.0	-7.0	0%
Adjusted EBITDA Margin (%)	38.9%	58.7%		48.5%	56.8%	
Net Income	-6.0	3.7	-263%	18.4	5.1	264%
Net Income Margin (%)	-8.7%	9.7%		7.4%	4.5%	
Net Cash Flow from Operations	30.6	18.9	62%	131.8	68.8	92%
Weighted Avg. Shares (million)				42.7	41.9	
EPS Diluted (\$)				0.269	0.001	
Stock Price (£ as of December)				647.5	440.0	
Average Daily Traded Volume (\$ '000)				89.9	196.1	
Production (average boepd)	10,627	8,710		11,276	7,593	49%
Chile	6,558	8,637		7,802	7,511	4%
Colombia	4,027	-		3,411	-	N/A
Argentina	42	73		63	82	-23%
P1 Reserves (MMboe)				18.7	16.5	13%
P1 + P2 Reserves				56.9	49.5	15%
P1 + P2 + P3 Reserves				114.4	106.9	7%
% Oil / Revenues	92.6%	74.4%		88.5%	65.9%	34%
% Gas / Revenues	7.4%	25.6%		11.5%	34.1%	-66%
2P Reserve/Production Ratio (Years)				14.4	17.9	-19%

- Revenues Up 124%:** Total revenues increased to US\$250 million in 2012 from US\$112 million in 2011, mainly as a result of an increase in oil production in Chile and the incorporation of new production from Colombia, partially offset by lower gas revenues. Oil revenues from Chilean operations increased by 68% to US\$121 million and Colombian operations incorporated additional oil revenues of US\$99 million. Oil revenues represented 88% of total revenues. Revenues from Columbian operations are accounted from the date of acquisition and therefore do not represent full 2012 production from the relevant assets.

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- **Adjusted EBITDA Up 92%:** Adjusted EBITDA (adjusted earnings before interest, tax, depreciation, amortization and certain non-cash items such as write offs and share based payments) increased to US\$121 million in 2012 compared to US\$63 million in 2011. In addition, cash flow from operating activities in 2012 increased by 91% to US\$132 million from US\$69 million in 2011.
- **Netbacks Up 35%:** Netback per boe increased to US\$30.8 per boe in 2012 compared to US\$22.9 per boe in 2011 reflecting a higher weighting of oil in GeoPark's production mix, as well as the incorporation of Colombian operations into the portfolio.
- **Net Income Up Significantly:** Net income for 2012 increased to US\$18 million, compared to US\$5 million reported in 2011. The growth in net results is mainly associated with an improvement in operating results which increased to US\$41 million in 2012 (including US\$8.5 million from our new Colombian operations) compared to US\$26 million in 2011, despite higher write off charges of US\$ 25.6 million in 2012 compared to US\$ 5.9 million in 2011. In addition, a gain of US\$8.4 million was recognized related to the acquisition of the Colombian subsidiaries.
- **Total Equity Up 25%:** Total Equity increased to US\$312 million as of December 2012 compared to US\$251 million as of December 2011. In addition to the net income generated during the year, net equity increased due to equity contributions made by LGI in Chile.
- **Available Cash Resources:** GeoPark had US\$48 million in cash and cash equivalents at the end of 2012 (US\$38 million net of overdrafts), with a liquidity ratio of 1.28x (current assets divided by current liabilities), and total financial debt of US\$193 million. As of 31 March 2013, after the issuance of the US\$ 300 million Notes, total cash amounted to US\$179 million.
- **Total Production Up 49%:** Production average 11,276 boepd during 2012 compared to 7,593 boepd in 2011. Resulting from an increase in production of 291 boepd in Chile (including an increase of 65% of oil production partially offset by a decrease in gas production) and the addition of 3,411 bopd in Colombia.
- **57% Drilling Success:** GeoPark's 44 well drilling program during 2012 represented a balance between exploration, appraisal and development. 36 wells (operated by GeoPark) were drilled achieving a success rate of 57%.
- **2P Reserves Up 15%:** 2P reserves increased 15% compared to 2011, to 56.9 Mmboe.
- **US\$198 million CAPEX:** Geopark invested US\$198 during 2012. In addition, US\$ 105 million was invested for the acquisition of the Colombian operations.

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2. Summary of Financial Results

Statement of income

(US\$ million)	4Q12	4Q11	% Chg.	2012	2011	% Chg.
Revenues	68.3	37.7	81.2%	250.5	111.6	124.5%
Production Costs	(40.6)	(17.8)	128.1%	(129.2)	(54.5)	137.1%
Gross Profit	27.8	19.9	39.3%	121.2	57.1	112.5%
Operating Profit	4.9	11.2	-56.4%	40.7	25.8	58.0%
Financial Income	0.5	(0.2)	-364.0%	0.9	0.2	350.0%
Financial Expenses	(3.0)	(2.7)	9.9%	(17.2)	(13.7)	25.7%
Gain on Acquisition	(0.2)	-		8.4	-	
Profit Before Income Tax	2.2	8.3	-73.7%	32.8	12.3	167.7%
Income Tax	(8.1)	(4.6)	76.4%	(14.4)	(7.2)	99.8%
Profit for the Year	(6.0)	3.7	-262.7%	18.4	5.1	264.4%
Attributable to:						
Equity holders of the company	(6.0)	0.4	-1548.7%	11.9	0.5	2099.8%
Minority Interest	0.0	3.7	-100.0%	6.6	5.0	31.1%

Balance sheet

(US\$ million)	Dec-12	Dec-11		Dec-12	Dec-11
Non-Current Assets	490	234	Non-Current Liabilities	209	157
PP&E	458	225	Borrowings	165	135
Other Non-Current	33	9	Other Non-Current Liabilities	43	23
Current Assets	138	238	Current Liabilities	107	64
Cash and Cash Equivalents	48	194	Borrowings	28	31
Prepayment and Other Receivables	50	25	Trade and Other Payable	55	29
Assets Held for Sale	-	-	Other Current Liabilities	25	5
Trades Receivables	32	16	TOTAL LIABILITIES	316	222
Inventories	4	1	Equity Owners Company	239	209
Other Current Assets	3	3	Minority Interest	73	42
			TOTAL EQUITY	312	251
TOTAL ASSETS	628	472	TOTAL EQUITY + LIABILITIES	628	472

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Financial indicators

	Units	Dec-12	Dec-11	Covenant Limit
Gross Financial Debt	\$ million	193.0	165.3	
Net Financial Debt	\$ million	144.7	(28.4)	
Net Financial Debt / Equity	times	0.46x	na	
Gross Debt / Adjusted EBITDA	times	1.59x	2.61x	2.75x
Coverage Ratio	times	7.06x	4.63x	3.50x
Liabilities / Equity	times	1.01x	0.88x	
Net Financial Debt / Adjusted EBITDA	times	1.19x	na	
Current Liabilities	%	34.0%	29.1%	
Non-Current Liabilities	%	66.0%	70.9%	
Cash and Cash Equivalents	\$ million	48.3	193.7	
Equity	\$ million	312.1	250.7	

3. Assets

Country	Block	Operator	WI ⁽¹⁾	Basin	Gross Area (thousand acres)	Net 2P Reserves (mmboe) ⁽²⁾	Net Production (boepd) ⁽³⁾	% oil	Concession Expiration Date
Chile	Fell	GeoPark	100%	Magallanes	368	45.4	7,802	52%	2032
Chile	Tranquilo	GeoPark	29%	Magallanes	1,232	-	-	-	2013/2043
Chile	Otway	GeoPark	25%	Magallanes	1,474	-	-	-	2017/2044
Chile	Isla Norte	GeoPark	60%	Magallanes	130	-	-	-	2019/2044
Chile	Campanario	GeoPark	50%	Magallanes	192	-	-	-	2020/2045
Chile	Flamenco	GeoPark	50%	Magallanes	141	-	-	-	2019/2044
Colombia	La Cuerva	GeoPark	100%	Llanos	47	3.8	2,071	100%	2014/2038
Colombia	Llanos 34	GeoPark	45%	Llanos	82	6.5	413	100%	2015/2039
Colombia	Llanos 62	GeoPark	100%	Llanos	44	-	-	-	2017/2041
Colombia	Yamú	GeoPark	54.5/75%	Llanos	11	0.8	602	100%	2013/2036
Colombia	Llanos 17	Ramshorn	36.80%	Llanos	109	-	-	-	2015/2039
Colombia	Llanos 32	P1 Energy	10%	Llanos	100	0.3	116	100%	2015/2039
Colombia	Jagueyes	Columbus	5%	Llanos	61	-	-	-	2014/2038
Colombia	Arrendajo	Pacific	10%	Llanos	78	-	96	100%	2017/2041
Colombia	Abanico	Pacific	10%	Magdalena	32	-	112	100%	2022 ⁽⁴⁾
Colombia	Cerrito	Pacific	10%	Catatumbo	10	-	1	0%	2028 ⁽⁴⁾

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Country	Block	Operator	WI ⁽¹⁾	Basin	Gross Area (thousand acres)	Net 2P Reserves (mmboe) ⁽²⁾	Net Production (boepd) ⁽³⁾	% oil	Concession Expiration Date
Argentina	Del Mosquito	GeoPark	100%	Austral	17.3 ⁽⁵⁾	-	63	76%	2016
Argentina	C. Doña Juana	GeoPark	100%	Neuquén	28	-	-	-	2017
Argentina	Loma Cortaderal	GeoPark	100%	Neuquén	20	-	-	-	2017

1 Working Interest

2 Million of barrils of Oils Equivalent

3 Barrels of oil equivalent per day

4 Exploration phase has ended. Currently in production phase

5 In November 2012, we relinquished approximately 85.6% of the Del Mosquito Concession to the Santa Cruz Province; resulting in a remaining exploitation area of 17,300 acres.

4. Analysis of Consolidated Results

Revenues in 2012 amounted to US\$250 million, a 124% increase compared to 2011, driven mainly by the Colombian acquisition and the change in mix towards oil in the Chilean operations. In Chile, total oil production increased 65% to an average of 4,024 bopd. The acquisition of two companies in Colombia increased production by 3,408 bopd. Revenues from the Colombian business amounted to US\$99. Revenues for the Colombian subsidiaries were accounted for since the acquisition date (February and March 2012, respectively).

Gross profit for the year was US\$121.2 million leading to a year-on-year increase of 113% and a gross margin of 48.4%. The gross margin slightly decreased from 51% in 2011 due to consolidation of the Colombian acquisitions, higher royalties in Colombia and accelerated depreciation of the Del Mosquito Block assets.

Exploration costs increased explained mainly by two factors: the relinquishment of part of the Del Mosquito block and the write-offs related to unsuccessful exploration wells, (five in Chile and three in Colombia) compared to 3 unsuccessful wells in 2011.

Administrative expenses increased 58.5% explained by the incorporation of the Colombian operations for an amount of \$8.1 million and higher costs associated to new business developments.

Selling expenses amounted to US\$24.6 million, reflecting an increase due to higher transportation costs in our Colombian operations.

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Adjusted EBITDA in 2012 showed a record amount for the Company of US\$121 million, representing a 92% increase compared to 2011. Adjusted EBITDA for 2012 accounts for the EBITDA generated from the Colombian business since the acquisition dates. Adjusted EBITDA, calculated on a proforma basis considering the Adjusted EBITDA for the Colombian business as if the Colombian operations would have been acquired as of January 1st 2012 would have been US\$ 132 million. Chile accounted for US\$93.9 million representing a 33% increase. Colombia accounted for US\$34.5 million and the remaining amount relates to results from the Argentine operations and corporate expenses.

Depreciation and amortization increased mainly due to the incorporation of the Colombian operations. In Chile, in the Fell block depreciation charge represents approximately US\$ 9 per boe produced. In Colombia, the depreciation charge ranges from US\$ 13 to US\$ 16 per boe in the different operated fields.

Financial expenses increased mainly due to higher interest charges as a result of the US\$37.5 million financing facility executed with Itau BBA and US\$ 2.5 million loss arising from exchange rate differences.

Gain on acquisition of subsidiaries: in accordance with the acquisition method of accounting, the acquisition cost of the two Colombian companies was allocated to the underlying assets acquired and liabilities assumed based primarily upon their estimated fair values at the date of acquisition. An income approach (being the net present value of expected future cash flows) was adopted to determine the fair values of the mineral interest. Under this methodology a gain of US\$8.4 million was recognized.

Net income increased 264% reaching US\$18.4 million. Total net income attributable to owners of the Company reached US\$11.9 million which translates in an diluted EPS of US\$0.2693 versus US\$0.0012 in 2011. Consolidated net margin increased to 7.4% versus the 4.5% obtained in 2011.

5. 4Q2012 Operational Update

Key achievements during 4Q2012 include:

Oil and Gas Production Increase

Oil and gas production increased by 22% to 10,627 barrels of oil equivalent per day ("boepd") in 4Q2012 from 8,710 boepd in 4Q2011. Crude oil production increased by 110% to 7,939 barrels of oil per day ("bopd") in 4Q2012 from 3,783 bopd in 4Q2011.. 1Q2013 average production was approximately 13,500 boepd.

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Drilling Success in Chile and Colombia

Key wells drilled and put into production on the Fell Block in Chile during 2012 fourth quarter included:

- Yagan 2 (currently producing approximately 610 bopd)
- Konawentru 4 (currently producing approximately 900 bopd)
- Yagan 4 (currently producing approximately 600 bopd)

Key wells drilled and put into production on the Llanos 34 Block in Colombia included:

- Tua 3 (currently producing approximately 1,100 bopd)
- Tua 2 (currently producing approximately 1,700 bopd)

Fourth Quarter 2012 Drilling and Work Program

GeoPark's 2012 work program included the drilling of 44 new wells (gross) with a capital expenditure of \$195 million. The drilling program in 4Q2012 was mainly focused on reserve appraisal and development in Chile and Colombia. Results are set out below:

Country	Block	WI ⁽¹⁾	Well	Type of Well	Geological Formation	Depth (Meters)	Principal Hydrocarbon	Current Status
Wells Drilled in 4Q2012								
Chile	Fell	100%	Yagán 2	Appraisal	Tobífera	3,126	Oil	On Production
Chile	Fell	100%	Konawentru 4	Appraisal	Tobífera	3,102	Oil	On Production
Chile	Fell	100%	Yagán Norte 4	Development	Tobífera	3,105	Oil	On Production
Chile	Fell	100%	Manekenk 2	Development	Tobífera			On Drilling
Chile	Fell	100%	Konawentru 3	Development	Tobífera			Waiting for Completion
Chile	Tranquilo	29%	Marcou Sur 1	Exploration	Loreto Inferior	1,496	Gas	Waiting for Completion
Chile	Tranquilo	29%	Palos Quemados 1	Exploration	Loreto Superior	1,600	Gas	Waiting for Completion
Chile	Tranquilo	29%	Ea Ma Antonieta 1	Exploration	El Salto Inferior	1,191	Gas	Waiting for Completion
Colombia	Llanos 32	10%	Maniceño 1	Disposal	-			Injecting in C1
Colombia	Llanos 34	45%	Tua 3	Development	Mirador/Guadalupe	3,276	Oil	On Production
Colombia	Arrendajo	10%	Azor 3	Development	C5	2,033	Oil	On Production

Completions/Workovers Performed in 4Q2012

Chile	Otway	25%	Tatiana 1	Completion	Agua Fresca	2,202	Gas	Plug & Abandon
Chile	Fell	100%	Nika Oeste 4	Completion	Springhill / Tobífera	3,204	Gas	Waiting for Fracture
Chile	Fell	100%	Kosten 1	Workover	Springhill		Gas	On Production
Chile	Fell	100%	Ovejero 2	Deepening	Tobífera	3,184	Oil	Waiting for Fracture
Chile	Fell	100%	Guanaco 10	Workover	Springhill		Oil	Converted to Injector
Chile	Fell	100%	Maku 1	Workover	Springhill		Gas	On Production
Chile	Fell	100%	Guanaco 16	Workover	Springhill		Oil	On Production
Chile	Fell	100%	Alakaluf 3	Workover	Springhill		Oil	Injector
Colombia	Llanos 34	45%	Tua 2	Completion	Guadalupe	3,374	Oil	On Production
Colombia	Arrendajo	10%	Azor 2	Completion	C5	1,947	Oil	On Production

Drilling Highlights:

- Appraisal well Yagan 2 on the Fell Block in Chile (GeoPark operated with a 100% working interest ("WI")) was put into production from the Tobífera formation in November 2012 and is currently producing approximately 610 bopd.

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- Appraisal well Konawentru 4 on the Fell Block in Chile (GeoPark operated with a 100% WI) was put into production from the Tobifera formation in November 2012 and is currently producing approximately 900 bopd.
- Appraisal well Yagan Norte 4 on the Fell Block in Chile (GeoPark operated with 100% WI) was put into production from the Tobifera formation in December 2012 and is currently producing approximately 600 bopd.
- Appraisal well Manekenk 2 on the Fell Block in Chile (GeoPark operated with a 100% WI) was drilled and is waiting on completion and testing in the Tobifera and Springhill formations.
- Development well Konawentru 3 on the Fell Block in Chile (GeoPark operated with a 100% WI) was drilled and is waiting on completion and testing in the Tobifera formation.
- Exploration well Tatiana 1 on the Otway Block in Chile (GeoPark operated with a 25% WI) was drilled and completed in December 2012. The well encountered gas in the targeted objective but with a tight reservoir (low permeability) and no commercial production. The well was plugged and abandoned.
- Appraisal well Tua 3 on the Llanos 34 Block in Colombia (GeoPark operated with a 45% WI) was put into production from the Mirador formation in December 2012 and is currently producing approximately 1,100 bopd gross.
- Appraisal well Tua 2 on the Llanos 34 Block in Colombia (GeoPark operated with a 45% WI) was put into production from the Guadalupe formation in December 2012 and is currently producing approximately 1,700 bopd gross.
- Appraisal well Azor 2 on the Arrendajo Block in Colombia (Non-operated with a 10% WI) was put into production from the C5 formation in October 2012 and is currently producing approximately 580 bopd gross.
- Appraisal well Azor 3 on the Arrendajo Block in Colombia (Non-operated with a 10% WI) was put into production from the C5 formation in December 2012 and is currently producing approximately 490 bopd gross.

Oil and Gas Production

GeoPark's daily average oil and gas production increased to 10,627 boepd in 4Q2012 from an average of 8,710 boepd in 4Q2011. This increase resulted from a growth in Chilean oil production (from 3,723 bopd to 3,879 bopd) and new production from Colombian assets acquired (4,018 bopd). Oil production accounted for 75% of the total oil and gas production compared to 43% in 4Q2011.

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<i>Fourth Quarter 2012</i>			<i>Fourth Quarter 2011</i>	
	Total (boepd)	Oil (Bopd)	Gas (mcfpd)	Total (boepd) % Chg.
Chile	6,558	3,879	16,080	8,637 -24%
Colombia	4,027	4,018	50	- N/A
Argentina	42	42	-	73 -42%
TOTAL	10,627	7,939	16,130	8,710 22%

<i>Full Year 2012</i>			<i>Full Year 2011</i>	
	Total (boepd)	Oil (Bopd)	Gas (mcfpd)	Total (boepd) % Chg.
Chile	7,802	4,024	22,665	7,511 4%
Colombia	3,411	3,408	50	- N/A
Argentina	63	48	85	82 -23%
TOTAL	11,276	7,480	22,800	7,593 49%

In accordance with the AIM Rules, the information in this announcement has been reviewed by Salvador Minniti, a geologist with 32 years of oil and gas experience and Director of Exploration of GeoPark.

6. Strategic Developments

LGI partnership

On 12 March 2010, LGI and the Company agreed to form a 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 \$70 million.
- 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 \$78 million, 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\$ 111.2 million has been recognized 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 program of the three Tierra del Fuego licenses.

In December 2012, LGI joined GeoPark's operations in Colombia through the acquisition of a 20% interest in GeoPark Colombia S.A., a company that holds GeoPark's Colombian assets and which includes interests in 10

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hydrocarbon blocks. A capital contribution in GeoPark Colombia S.A. for an amount of \$14.9 million was made in 2013. In addition, as part of the transaction, \$5 million was transferred directly to the Colombian subsidiary as a loan. In addition, in March 2013 GeoPark and LGI announced their agreement to extend their strategic alliance to build a portfolio of upstream oil and gas assets throughout Latin America through 2015.

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 completed the drilling of five new gas wells during 2012. Methanex contributed to the cost of drilling the wells in order to improve the project economics. As of 31 December, the Company has fulfilled all the commitments under this agreement.

The Agreement also included monthly commitments of delivering certain volume of gas; in case of failure, the Company could meet the obligation from future deliveries without penalties during a period of three months. Otherwise, the Company has to recognise the corresponding liability. As of 31 December 2012, the accrued penalty amounts to \$1.7 million.

Gas Market

Methanex Corporation, which purchases all of GeoPark's Chilean gas production, announced it expects to idle its Chile operation in March 2013 and restart it later in the present year due to anticipated insufficient natural gas supply. Gas supply for the plant is expected to decrease during the winter months of 2013 given the seasonal gas demand increase from the city of Punta Arenas, which is 100% supplied by the Chilean State Oil Company ENAP, and whose gas production is supplemental to GeoPark's gas supply to the Methanex plant.

However, the plant is still on production, given that according to public information, Methanex is receiving gas from Argentina under non disclosed conditions. Despite, Methanex idles its Chile operations, they has agreed to continue to purchase gas from GeoPark in 2013 in accordance with the minimum committed gas volumes per the Gas Sales Agreement.

Portfolio Restructuring

In Argentina, GeoPark, in November 2012, relinquished approximately 85.6% of the Del Mosquito Concession to the Santa Cruz Province; resulting in a remaining exploitation area of 17,300 acres.

In Chile in January 2013, GeoPark formally advised the Ministry of Energy of a decision by the Tranquilo Block JV partners to not proceed with the Second Exploratory Period of the Tranquilo Block CEOP. GeoPark and its partners will relinquish the Tranquilo Block, except for an area of 92,417 acres consisting of protected exploitation zones for the Cabo Negro, Marcou Sur, Maria Antonieta and Palos Quemados prospects.

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Notes Issuance

During February 2013, the Company successfully placed US\$ 300 million notes which were offered under Rule 144A and Regulation S exemptions of the United States Securities laws.

The Notes, issued by the Company's wholly-owned subsidiary GeoPark Latin America Limited Agencia en Chile ("the Issuer"), were priced at 99.332% and will carry a coupon of 7.50% per annum to yield 7.625% per annum. Final maturity of the notes will be 11 February 2020.

The Notes are guaranteed by GeoPark and secured with a pledge of all of the equity interests of the Issuer in GeoPark Chile S.A. and GeoPark Colombia S.A. and a pledge of certain intercompany loans. Notes were rated single B by both Standard & Poor's and Fitch Ratings.

The net proceeds of the notes will be used to finance the Company's expansion plans in the region and also to repay existing debt of approximately US\$170 million, including the existing Reg S Notes due 2015. The transaction extends GeoPark's debt maturity significantly, allowing the Company to allocate more resources to its investment programs and inorganic growth in the coming years.

7. Oil and Gas Reserves

DeGolyer and McNaughton ("D&M") concluded its independent reserve certification of GeoPark's properties in Chile and Colombia dated 31 December 2012 with a 2P reserve estimate of 56.9 million barrels of oil equivalent, comprising 49% oil and 51% gas. These figures consider a write off of the Argentinian reserves due to lack of activity and proximity of the end of concession.

Country	Reserve Type	Oil (MMBBL)	Gas (BCF)	BOE (MMBOE)
Chile (Certified)	P1	5.5	39.4	12.0
	P2	10.9	135.0	33.4
	P3	10.8	253.5	53.1
	P1 + P2	16.3	174.4	45.4
	P1 + P2 + P3	27.2	427.9	98.5
Colombia (Certified)	P1	6.7	-	6.7
	P2	4.8	-	4.8
	P3	4.5	-	4.5
	P1 + P2	11.4	-	11.4
	P1 + P2 + P3	15.9	-	15.9
Total	P1	12.1	39.4	18.7
	P2	15.7	135.0	38.2
	P3	15.3	253.5	57.5
	P1 + P2	27.8	174.4	56.9
	P1 + P2 + P3	43.1	427.9	114.4

2012 – Earnings Release

8. 2013 Outlook

GeoPark has begun 2013 with strong fundamentals in place:

- Continuous track record of execution and growth performance,
- Improved capabilities and organization,
- Healthy financial position resulting from significant cash reserves and supporting operating cash flows, and
- Increased portfolio of new project opportunities.

During 2013, the Company expects to realize important operational and financial performance gains following an aggressive investment plan, which will include:

- Risk-balanced production, development and exploration work programs on 16 blocks in 2 countries (Chile and Colombia),
- Capital expenditures of US\$200-230 million,
- Drilling of 35-45 new wells - with approximately 40% representing exploration for new reserves,
- EBITDA projection in the range of \$160 MM - \$170 MM,
- Average annual production increase of 20% to 25% over 2012 average production.

2012 – Earnings Release

9. Consolidated Financial Statements

CONSOLIDATED STATEMENT OF INCOME

Amounts in US\$ '000	2012	2011
NET REVENUE	250,478	111,580
Production costs	(129,235)	(54,513)
GROSS PROFIT	121,243	57,067
Exploration costs	(27,890)	(10,066)
Administrative costs	(28,798)	(18,169)
Selling expenses	(24,631)	(2,546)
Other operating income (expenses)	823	(502)
OPERATING PROFIT	40,747	25,784
Financial income	892	162
Financial expenses	(17,200)	(13,678)
Bargain purchase gain on acquisition of subsidiaries	8,401	-
PROFIT BEFORE INCOME TAX	32,840	12,268
Income tax	(14,394)	(7,206)
PROFIT FOR THE YEAR	18,446	5,062
Attributable to:		
Owners of the Company	11,879	54
Non-controlling interest	6,567	5,008
Earnings per share (in US\$) for profit attributable to owners of the Company. Basic	0.2784	0.0013
Earnings per share (in US\$) for profit attributable to owners of the Company. Diluted	0.2693	0.0013

2012 – Earnings Release

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in US\$ '000	2012	2011
ASSETS		
NON CURRENT ASSETS		
Property, plant and equipment	457,837	224,635
Prepaid taxes	10,707	2,957
Other financial assets	7,791	5,226
Deferred income tax asset	13,591	450
Prepayments and other receivables	510	707
TOTAL NON CURRENT ASSETS	490,436	233,975
CURRENT ASSETS		
Other financial assets	-	3,000
Inventories	3,955	584
Trade receivables	32,271	15,929
Prepayments and other receivables	49,620	24,984
Prepaid taxes	3,443	147
Cash at bank and in hand	48,292	193,650
TOTAL CURRENT ASSETS	137,581	238,294
TOTAL ASSETS	628,017	472,269
TOTAL EQUITY		
Equity attributable to owners of the Company		
Share capital	43	43
Share premium	116,817	112,231
Reserves	128,421	115,164
Accumulated losses	(5,860)	(18,549)
Attributable to owners of the Company	239,421	208,889
Non-controlling interest	72,665	41,763
TOTAL EQUITY	312,086	250,652
LIABILITIES		
NON CURRENT LIABILITIES		
Borrowings	165,046	134,643
Provisions and other long-term liabilities	25,991	9,412
Deferred income tax liability	17,502	13,109
TOTAL NON CURRENT LIABILITIES	208,539	157,164
CURRENT LIABILITIES		
Borrowings	27,986	30,613
Current income tax liabilities	7,315	187
Trade and other payable	54,890	28,535
Provisions for other liabilities	17,201	5,118
TOTAL CURRENT LIABILITIES	107,392	64,453
TOTAL LIABILITIES	315,931	221,617
TOTAL EQUITY AND LIABILITIES	628,017	472,269

2012 – Earnings Release

CONSOLIDATED STATEMENT OF CASH FLOW

Amounts in US\$ '000	2012	2011
Cash flows from operating activities		
Income for the year	18,446	5,062
Adjustments for:		
Income tax for the year	14,394	7,206
Depreciation of the year	53,317	26,408
Loss on disposal of property, plant and equipment	546	2,010
Write-off of unsuccessful efforts	25,552	5,919
Impairment loss	-	1,344
Accrual of borrowing's interests	12,478	11,130
Amortisation of other long-term liabilities	(2,143)	(1,038)
Unwinding of long-term liabilities	1,262	350
Accrual of share-based payment	5,396	5,298
Exchange difference generated by borrowings	35	(15)
Gain on acquisition of subsidiaries	(8,401)	-
Deferred income	5,550	5,000
Income tax paid	(408)	-
Changes in working capital	5,778	89
Cash flows from operating activities – net	131,802	68,763
Cash flows from investing activities		
Purchase of property, plant and equipment	(198,204)	(98,651)
Acquisitions of companies, net of cash acquired	(105,303)	-
Purchase of financial assets	-	(2,625)
Cash flows used in investing activities - net	(303,507)	(101,276)
Cash flows from financing activities		
Proceeds from borrowings	37,200	9,668
Proceeds from transaction with non-controlling interest	12,452	142,000
Principal paid	(12,382)	(9,150)
Interest paid	(10,895)	(10,779)
Cash flows from financing activities - net	26,375	131,739
Net (decrease) increase in cash and cash equivalents	(145,330)	99,226
Cash and cash equivalents at 1 January	183,622	84,396
Cash and cash equivalents at the end of the year	38,292	183,622
Ending Cash and cash equivalents are specified as follows:		
Cash in bank	48,268	193,642
Cash in hand	24	8
Bank overdrafts	(10,000)	(10,028)
Cash and cash equivalents	38,292	183,622

2012 – Earnings Release

10. Glossary

Glossary

boe	barrels of oil equivalent
boepd	barrels of oil equivalent per day
bopd	barrels of oil per day
CEOP	Contrato Especial de Operacion Petrolera (Special Petroleum Operations Contract)
mmboe	million barrels of oil equivalent
mcfpd	thousands of cubic feet per day
mm3/day	thousands of cubic metres per day
EPS	earnings per share