GEOPARK

Santiago, 23 de Abril de 2012

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 Nº 1449, piso 1
PRESENTE

REF.: Adjunta información relevante que se publicó el día de hoy en la 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 se informa sobre los resultados de la compañía para sus operaciones en el año finalizado en el 31 de diciembre de 2011.

La información adjunta consiste en un comunicado de prensa de veintitrés páginas en idioma inglés. Con respecto a la traducción del comunicado al idioma español, esta será entregada por esta misma vía dentro del plazo estipulado para estos efectos en la Norma De Carácter General nº217 del año 2008.

Sin otro particular, saluda atentamente a Usted,

Pedro Aylwin Chiorrini
pp.GEOPARK HOLDINGS LIMITED

GEOPARK HOLDINGS LIMITED
RESULTS FOR THE YEAR ENDED 31 DECEMBER 2011

GeoPark Holdings Limited ("GeoPark" or the "Company"), the Latin American oil and gas exploration and production company, operating in Chile, Colombia and Argentina (AIM: GPK), is pleased to announce its results for the year ended 31 December 2011.

Summary

During 2011, GeoPark continued its steady record of organic growth by achieving its sixth consecutive year of key performance improvements.

Important initiatives during the last 12 months also strengthened GeoPark's balance sheet and expanded its portfolio -- laying the foundations for significant growth in production and cash-flow in 2012 and beyond. These included the:

- 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; and
- acquisition of two oil and gas exploration and production companies in Colombia, with interests in ten hydrocarbon blocks, during 1Q 2012.

Key Operational Results

Oil Production Up 27%: Crude oil production averaged 2,510 barrels per day (bopd) in 2011 compared to 1,970 bopd in 2010 -- resulting from a strategic emphasis towards increasing more valuable oil production in the oil / gas mix. Natural gas production increased 2% to an average of 30.5 million cubic feet per day (mmcfpd) in 2011 from an average of 29.8 mmcfpd in 2010. Total oil and gas production therefore increased 9% to 7,593 barrels of oil equivalent per day (boepd) in 2011 compared to 6,947 boepd in 2010. GeoPark's current production is approximately 12,200 boepd (with 64% oil), including contributions from the new properties in Colombia.

72% Drilling Success: GeoPark's 25 well drilling program in 2011 represented a balance between exploration, appraisal and development and resulted in 18 wells drilled, completed and placed into production (compared to twelve out of fifteen wells drilled and put on production in 2010). Of the remaining wells, one well was plugged and abandoned and six wells are awaiting completion or under evaluation.

100% Reserve Replacement: DeGolyer and MacNaughton ("D&M"), independent reservoir engineers, certified 2P reserves of 49.5 million barrels of oil equivalent (mmboe) at 31 December 2011, representing a 6% 2P reserve growth compared to 31 December 2010, allowing for production of 2.8 mmboe during 2011. 2P reserve additions resulted in a reserve replacement ratio of 100%. D&M estimated P3 reserves to be 57 mmboe at 31 December 2011. D&M assessed the Net Present Value of GeoPark's 2P reserves to be US$852 million (unrisked, post tax and at a 10% discount rate) and 3P reserves to be US$1,418 million (unrisked, post tax and at a 10% discount rate). The 2011 reserve figures do not include approximately 10 mmbo of additional 2P oil reserves (Company estimates) acquired via the two Colombian acquisitions completed during 1Q 2012.

Fell Block Conversion to Exploitation Phase: In August 2011, the exploration period for the Fell Block, the Company's principal exploration and production block in Chile, was completed and resulted in the Company converting approximately 84% of the total Fell Block area into an exploitation phase now valid up to 2032. (GeoPark exceeded its minimum work and investment commitment on the Fell Block during the exploration period by over 75 times.)

Seismic Operations: Seismic surveys were conducted on the Tranquilo and Otway Blocks in Chile during 2011 - with 293 km of 2D seismic and 165 square kilometers of 3D seismic completed in total. Geophysical processing and interpretation of these surveys is underway to define additional drilling prospects on both blocks. A 3D seismic survey was started in 1Q 2012 on the Flamenco Block, one of GeoPark's newly acquired Tierra del Fuego Blocks.

Unconventional Resource Potential: GeoPark has initiated a technical review and assessment of the oil and gas shale potential of its acreage in Argentina and Chile. In Argentina, GeoPark has two blocks (approximately 48,000 acres) in the Neuquen Basin with the attractive Vaca Muerta shale opportunity. In Chile, GeoPark's extensive acreage (approximately 3.1 million acres) in the Magallanes Basin contains the Estratos con Favrella shale formation.

Key Financial Results

Revenues Up 40%: Total revenues increased to US$111.6 million in 2011 (2010: US$79.6 million) driven by a combination of higher oil and gas production and increased oil and gas prices. Oil revenues increased by 52% to US$73.5 million - representing 66% of total revenues – and resulting from a 27% increase in oil production and a 15% increase in realized oil prices. Natural gas revenues increased by 21% to US$38.1 million.

EBITDA Up 54%: EBITDA (adjusted for non cash items such as impairment charges, write-offs and share based payments), increased to US$63.4 million in 2011 compared to US$41.1 million in 2010. Cash flow from operating activities in 2011 increased by 106% year-on-year to US$63.8 million (2010: US$30.9 million).

Netbacks Up 40%: Netback per barrel of oil equivalent produced increased to US$22.9 per boe in 2011 compared to US$16.3 per boe in 2010 reflecting an increase percentage of oil in the production mix.

Net Income Up 21%: Net Income increased to US$5.1 million (2010:US$ 4.2 million). Net income was impacted by interest paid on the US$133 million corporate bond (issued in December 2010), expenses related to the acquisition of new projects and certain non-cash charges resulting from write-offs of exploration assets and employee stock awards.

Capital Expenditures Up 70%: Capital expenditures increased to US$98.7 million in 2011 (2010: US$58.0 million), driven primarily by an increase in drilling activity on the Fell and Tranquilo Blocks in Chile.

Shareholders Equity Up 126%: As a result of the transaction with LG International and the improved financial performance during the year, GeoPark's equity attributable to shareholders increased by US$116.6 million to US$208.9 million.

Year-End Positive Net Cash Position: The Company's 2011 year-end cash resources were US$201.9 Million, including cash guarantees. Year-end 2011 debt was US$165.3 million – resulting in a net cash position at 31 December 2011 of US$36.6 million (compared to a net debt position of US$ 64.4 million at 31 December 2010). The Company's current cash position is approximately US$75 million.

Key Strategic Results

Entry by LG International into the Chile Business: In March 2010, LGI and the Company agreed to form a strategic partnership to jointly acquire and develop upstream oil and gas projects throughout Latin America. During 2011, the Company and LGI executed agreements by which LGI acquired in total a 20% equity interest in GeoPark's Chilean business for an aggregate consideration of US$148 million. These transactions imply a 100% valuation of GeoPark's Chile business at more than US$780 million and contributed funding for new acquisition opportunities and investment programs.

Three New High Potential Blocks in Tierra del Fuego: In September 2011, GeoPark signed three participation agreements with Empresa Nacional del Petróleo ("ENAP"), the State Oil Company of Chile, to acquire the Campanario, Flamenco and Isla Norte blocks located in Tierra del Fuego, Chile. These three blocks cover more than 400,000 acres and are similar and geologically contiguous to the Fell Block where the Company has developed current oil and gas production of approximately 9,500 boepd. From preliminary evaluations, GeoPark currently estimates unrisked mean resources (100% WI) of 50 to 100 million boe on the three new blocks. 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. Final regulatory approval has now been obtained for the Flamenco and Isla Norte blocks and remains pending for the Campanario block. Seismic operations were initiated on the Flamenco block during 1Q 2012.

Acquisition of 10 Block Colombia Platform: In February 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 operating in Colombia. In March 2012, GeoPark acquired 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 cash 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 bopd from three blocks.
- 2P oil reserves of approximately 10 million barrels and prospective oil resources (unrisked) in excess of 25 million barrels (Company estimates).
- Successful Colombian operating and administrative team to support a smooth transition and start-up by GeoPark in Colombia.

Gas Purchase and Incentive Agreement: In March 2011, GeoPark signed a new commercial agreement with Methanex Corporation (the purchaser of the Company's gas in Chile) designed to increase gas production volumes by improving the relative economics of gas exploration and development. In March 2012, GeoPark signed a new commercial agreement with Methanex that provides GeoPark with additional incentives to explore for and develop the Company's gas reserves in Chile.

Current Activities and Outlook

GeoPark begins 2012 with strong fundamentals in place:

- A track record of execution and growth;
- Expanded asset base, including a new platform for growth in Colombia and a growing platform in Chile;
- Improved capabilities and organization;
- Healthy financial position resulting from significant cash reserves and supporting operating cash flows; and
- Increased portfolio of new project opportunities.

Consequently, the Company expects to realize important organic operational and financial performance improvements throughout 2012 following an aggressive investment plan that will include:

- Risk-balanced production, development and exploration work programs on 19 blocks in 3 countries (Chile, Colombia and Argentina);
- Capital expenditures of US$220-240 million, funded from existing cash resources and operating cash flows;

- Drilling of 45-55 new wells (gross) – approximately 35% of which will focus on exploration for new reserves; and
- A targeted increase in average oil and gas production from 2011 of between 80 - 100%.

GeoPark will also continue to actively work with LGI, as part of its strategic alliance, to acquire new oil and gas upstream projects throughout Latin America. GeoPark and LGI are currently reviewing a range of asset and corporate opportunities in Colombia, Peru, Brazil, Chile, Ecuador and Argentina.

Commenting, James Park, Chief Executive Officer, said, "Our efforts during 2011 again allowed us to continue our track record of consistent performance improvement and growth while demonstrating our core differentiating strengths of execution, risk management, opportunity creation and commitment. We are beginning 2012 with strong momentum, important foundations in place and exciting opportunities ahead – and expect during the year to create significant additional value for our shareholders and stakeholders. As the first company with operations and growth platforms in Chile, Colombia and Argentina, we are optimistic about being able to provide strong organic growth in 2012 and over the near term. We also believe our strategic partnership with LG International affords us the opportunity to continue to acquire new projects and strengthen our portfolio."

In accordance with the AIM Rules, the information in this report has been reviewed and signed off by Salvador Minniti, geologist (30 years of oil and gas experience) and Director of Development of GeoPark.

Reserve and resource estimates in this release have been compiled by DeGolyer and MacNaughton and the Company in accordance with the 2011 Petroleum Resources Management System produced by the Society of Petroleum Engineers.

GeoPark can be visited online at www.geo-park.com

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CONSOLIDATED STATEMENT OF INCOME

Amounts in US$ ´000	Note	2011	2010
NET REVENUE	2	111,580	79,550
Production costs	3	(54,513)	(43,923)
GROSS PROFIT		**57,067**	**35,627**
Exploration costs	4	(10,066)	(5,482)
Administrative costs	5	(18,169)	(13,764)
Selling expenses		(2,546)	(2,027)
Other operating costs		(502)	(1,130)
OPERATING PROFIT		**25,784**	**13,224**
Financial income	6	162	239
Financial expenses	7	(13,678)	(4,427)
PROFIT BEFORE INCOME TAX		**12,268**	**9,036**
Income Tax		(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$) for profit attributable to owners of the Company. Basic		**0.0013**	**0.1000**
Earnings per share (in US$) for profit attributable to owners of the Company. Diluted		**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 year	**5,062**	**4,180**
Attributable to:		
Owners of the Company	54	4,180
Non-controlling interest	5,008	-

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in US$ ´000	Note	2011	2010
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	8	224,635	159,717
Prepaid taxes		2,957	2,655
Other financial assets		5,226	5,601
Deferred income tax asset		450	374
Prepayments and other receivables		707	183
TOTAL NON CURRENT ASSETS		**233,975**	**168,530**
CURRENT ASSETS			
Other financial assets		3,000	-
Inventories		584	252
Trade receivables		15,929	13,071
Prepayments and other receivables		24,984	3,158
Prepaid taxes		147	1,341
Cash and cash equivalents		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	10	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	11	134,643	143,824
Provisions and other long-term liabilities		9,412	3,153
Deferred income tax liability		13,109	6,014
TOTAL NON CURRENT LIABILITIES		**157,164**	**152,991**
CURRENT LIABILITIES			
Borrowings	11	30,613	25,564
Current income tax liabilities		187	-
Trade and other payable		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**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company						
Amount in US$ '000	**Share Capital**	**Share Premium**	**Other Reserve**	**Translation Reserve**	**Retained Losses**	**Non-controlling Interest**	**Total**
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	-	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 (Note 13)	-	-	111,245	-	-	36,755	148,000
Share-based payment	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**

CONSOLIDATED STATEMENT OF CASH FLOW

Amounts in US$ '000	2011	2010
Cash flows from operating activities		
Income for the year	5,062	4,180
Adjustments for:		
Income tax for the year	7,206	4,856
Depreciation of the year	26,408	22,700
Loss on disposal of property, plant and equipment	2,010	115
Write off of unsuccessful efforts	5,919	3,033
Impairment loss	1,344	-
Accrual of borrowing's interests	11,130	2,758
Amortization of other long-term liabilities	(1,038)	-
Unwinding of long term liabilities	350	259
Accrual of share-based payment	5,298	2,630
Exchange difference generated by borrowings	(15)	55
Changes in working capital	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	5,000	-
Purchase of financial assets	(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	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**

NOTES

Note

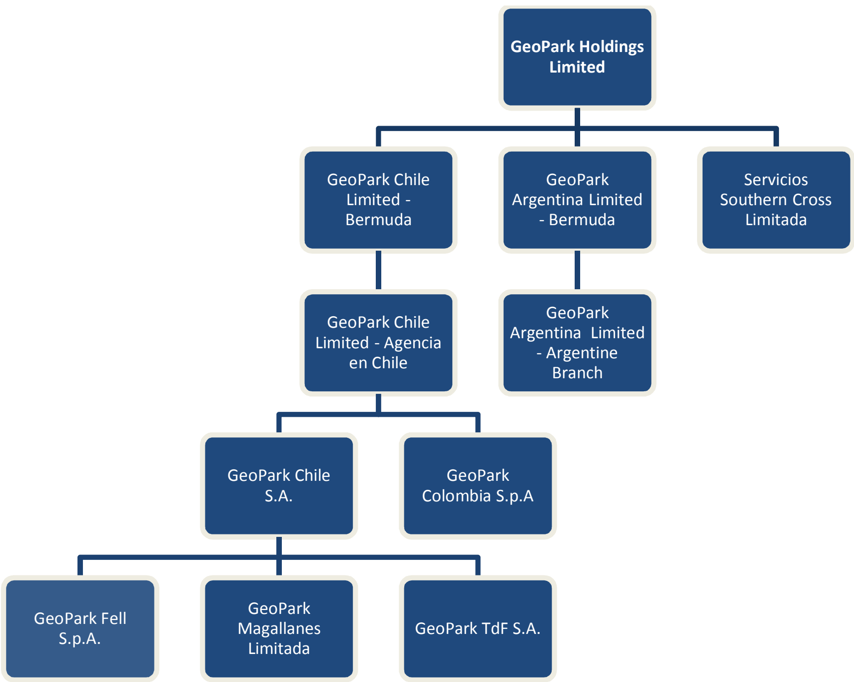
1 Summary of significant accounting policies

Basis of preparation

The consolidated financial statements of GeoPark Holdings Limited have been prepared in accordance with International Financial Reporting Standards (IFRS).

However, this announcement of preliminary results does not itself contain sufficient information to comply with IFRS and does not constitute the Group's full consolidated financial statements for the years ended 31 December 2011 and 2010. The Consolidated Statement of Financial Position as at 31 December 2011 and 2010, the Consolidated Statement of Income, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flow and associated notes for the year ended 31 December 2011 and 2010 have been extracted from the Group's full consolidated financial statements for the year ended 31 December 2011 and 2010 upon which the Auditor's opinion is unqualified. The Group expects to publish full consolidated financial statements in June 2012. The preliminary results are presented in United States Dollars and all values are rounded to the nearest thousand (US$'000), except where otherwise indicated. The principal accounting policies of the group have remained unchanged from those set out in the group's 2010 consolidated financial statements.

The following chart illustrates the Group structure as of 31 December 2011:



Note

2 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

3 Production costs

Amounts in US$ '000	2011	2010
Depreciation	25,844	22,301
Royalties	4,843	3,940
Staff costs	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	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

4 Exploration costs

Amounts in US$ '000	2011	2010
Staff costs	2,292	1,749
Share-based payments	985	299
Impairment loss (a)	1,344	-
Write off of unsuccessful efforts (b)	5,919	3,033
Amortization of other long-term liabilities	(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

5 Administrative costs

Amounts in US$ '000	2011	2010
Staff costs	5,282	3,826
Share-based payments	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

6 Financial income

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

Note

7 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

8 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 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 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 2011	**118,352**	**1,052**	**28,474**	**1,721**	**32,896**	**42,140**	**224,635**

Note

9 Segment information

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	(1,081)	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	453,384	7,990	472,269
Employees (average)	83	98	1	182

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

Amounts in US$ '000	2011
Adjusted EBITDA for reportable segments	**63,391**
Depreciation	(26,408)
Accrual of stock options and stock awards	(5,298)
Impairment and write off of unsuccessful efforts	(7,263)
Others (a)	1,362
Operating profit	**25,784**
Net finance cost	(13,516)
Profit before tax	**12,268**

(a) Includes internally capitalized costs.

Note

10 Share capital

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

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

11 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 interests.

(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. 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

12 Share-based payments

IPO Award Program and Executive Stock Option plan

The Group has established IPO Award Program 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 have voted to authorize 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 Programs 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 programs are described in the following table and explanations:

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

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

Note

13 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 arising on the transactions of US$ 111,245,000 has been recognised through equity rather than in the income statement for the year.

Tierra del Fuego blocks

In 2011, after participating in a farm-in process organized 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 km2 of Seismic on Isla Norte Block
- 8 exploratory wells and 578 km2 of Seismic on Campanario Block
- 10 exploratory wells and 570 km2 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 km2 of 3D Seismic). If commercial production is reached, both parties will fund the development and operating expenses on a pro rata basis.

Note

14 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 license 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 in order to incentivize the development of gas reserves. Through this new agreement, the Company undertakes 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.