ANNUAL REPORT 2008

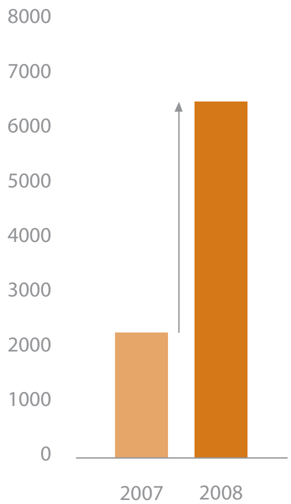
GEOPARK

ASSETS CAPABILITIES PERFORMANCE OPPORTUNITY COMMITMENT

CONTENTS

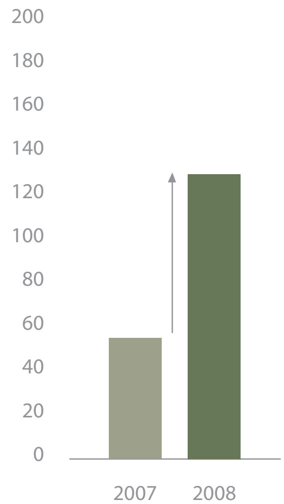
Production Up
Boepd

180 %



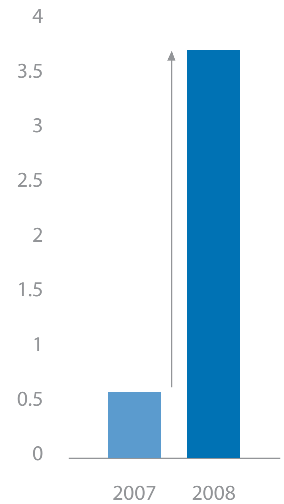
Reserves Up
3P mmboe

123 %



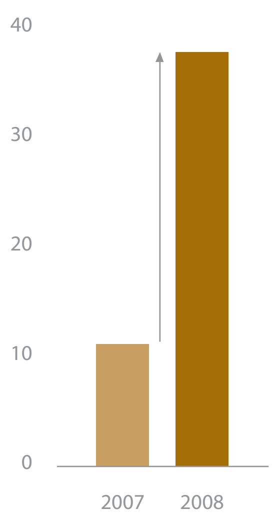
Acreage Up
mm acres

517 %

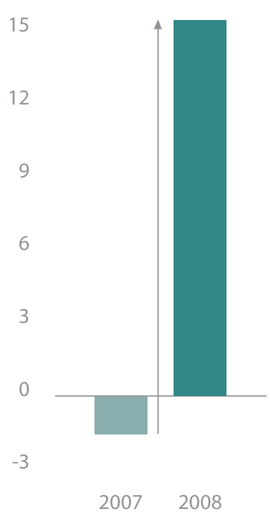


Revenues Up
US$ mm

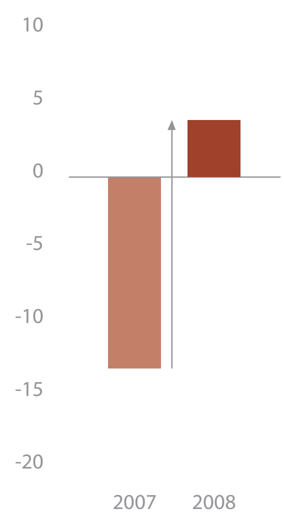
248 %



Operating Cash Flow Up
US$ mm



Profits Up
US$ mm



DEAR SHAREHOLDERS

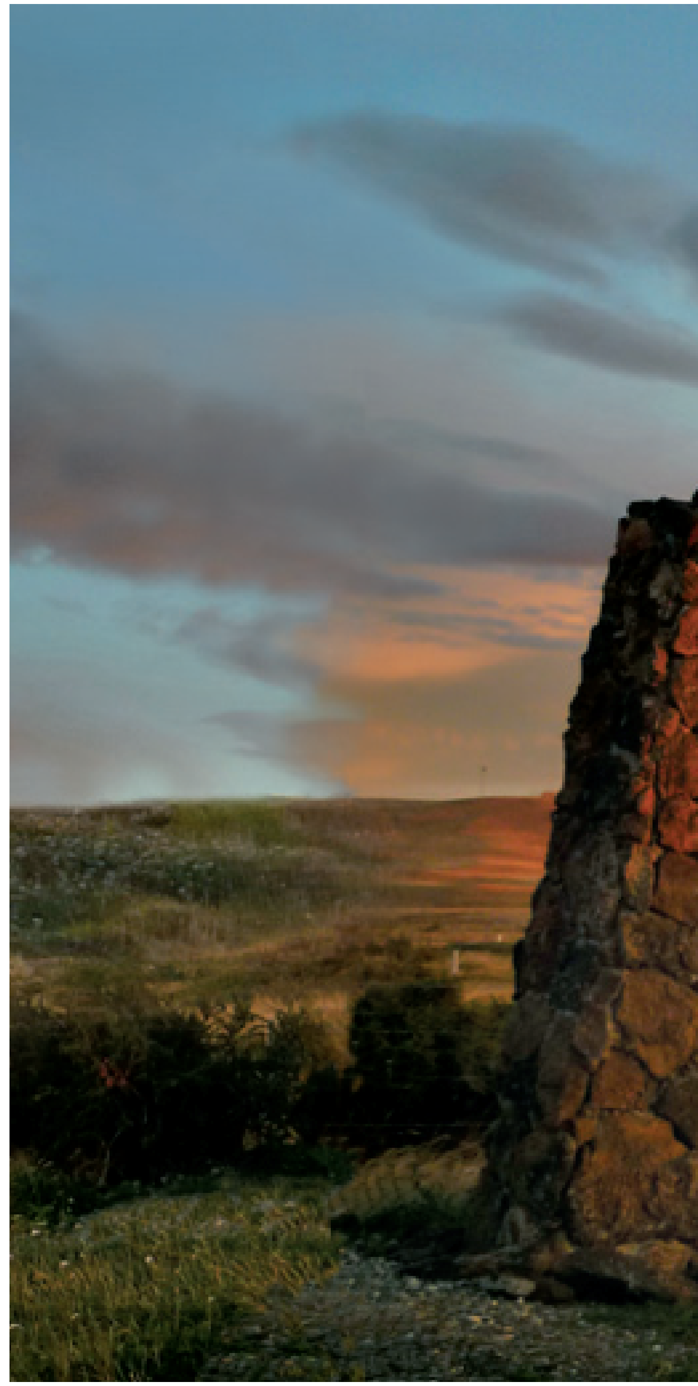
For GeoPark, 2008 was a year of results. Positive bottom-line results produced by the drill bit.

During the year, we exceeded our targets and gained in every measurement of value growth in our business: oil and gas production increased, oil and gas reserves grew, revenues and operating cash flow were higher, net income became positive, the balance sheet was strengthened, the project portfolio expanded and our team was improved.

GeoPark's vision to build a successful upstream oil and gas company has always been based on patiently laying the necessary foundation. This required long term investments in people, blocks, tools, know-how, and assembling the right mix of strategic partners. Our strong performance this year - despite the severity of the world economic crisis - demonstrates the momentum of our growth and the durability of our business plan.

In 2006, when GeoPark became a publicly-listed company in London, our Fell Block in Chile was a nonproducing asset. Today, less than three years later, GeoPark has developed the Fell Block into a valuable asset with production of approximately 8,000 barrels of oil equivalent per day (boepd), a solid base of proven oil and gas reserves, a reliable operations infrastructure and continuing attractive and high potential growth prospects. In this short period, GeoPark became the first private oil and gas producer in Chile - such that it now produces over 30% of Chile's total oil production and 25% of Chile's total gas production.

The science, capital, experience and drive required to achieve this result represent the true measure of your Company - as well as the engine for delivering our continued success.



FOR GEOPARK, 2008 WAS A YEAR OF DELIVERING RESULTS:
IMPORTANT BOTTOM-LINE RESULTS PRODUCED BY THE DRILL BIT

2008 Performance

- **180% Increase in Oil and Gas Production:** Year-end exit production of over 6,500 barrels of oil equivalent per day (boepd) exceeded GeoPark's 2008 production target of 6,000 boepd and represented a 180% increase from its 2007 exit production. Average annual oil and gas production increased by 138% from 1,425 boepd during 2007 to 3,390 boepd during 2008. Current production (May 2009) is approximately 8,000 boepd consisting of approximately 38 million cubic feet per day (mmcfpd) of gas and 1,500 barrels per day (bpd) of oil.

- **90% Oil and Gas Drilling Success:** GeoPark's track record of finding oil and gas is illustrated by its record of drilling 10 productive wells out of 11 wells completed during 2008 and the rapid commercialisation of this success into production revenue. During the first quarter 2009, two additional wells were successfully tested and put on production - resulting in a record of 12 successful wells out of the last 13 wells completed. The drilling program represented a balance of exploration, appraisal and development wells - and included five new field discoveries.

- **248% Revenues Increase:** Oil and gas production revenue increased by over 248% from US$11.0 million in 2007 to US$38.4 million in 2008.

- **Profitability and Cash Flow Growth:** GeoPark achieved its first positive earnings result with a net income of US$3.7 million in 2008 versus a net loss of US$13.8 million in 2007. This positive result occurred during an intensive capital investment program of US$58 million in 2008 and US$39 million in 2007. The Group also reduced its operating costs per produced barrel by approximately 25% with a consequent reduction in GeoPark's overall breakeven operating cost position.

- **41% Growth in Proved Oil and Gas Reserves:** As informed previously, engineering consultants DeGolyer & MacNaughton reported a 123% increase in GeoPark's overall 3P reserves in its appraisal of March 2008 - and which included a 41% increase in proved reserves to 16.8 million barrels of oil equivalent (mmboe); a 9% increase in P2 reserves to 18.8 mmboe; and a 231% increase in possible reserves to 91.9 mmboe. These figures do not yet include GeoPark's drilling successes in 2008 and 2009 year to date, which are expected to significantly increase the Company's oil and gas reserves in its next independent engineering appraisal.

- **Attractive Blocks Acquired:** In Chile, GeoPark acquired a 30% interest in the Tranquilo Block (with Pluspetrol, IPR and Manas) and was awarded, following the Chilean bidding round, a 42% interest in the Otway Block (with Wintershall and Methanex). Both consortia have requested GeoPark to be the Operator. The Otway and Tranquilo blocks are located in southern Chile near GeoPark's Fell Block and contain both short term production opportunities and attractive exploration targets. These new blocks, which comprise over 12,000 square kilometres (over 3.1 million acres), represent a major growth opportunity and demonstrate GeoPark's expansion strategy in the Southern Cone.

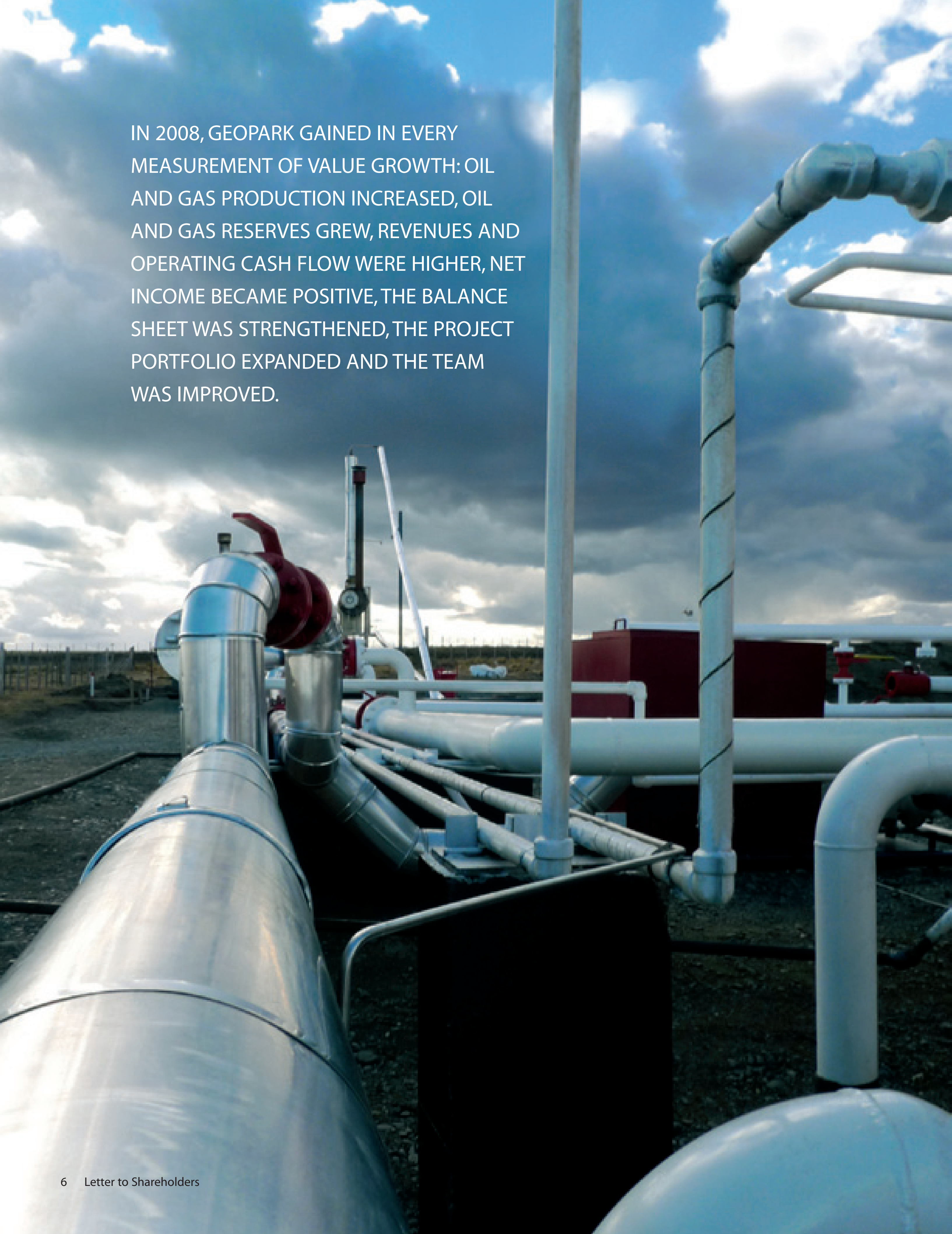
- **Strategic Funding:** In May 2008, GeoPark raised US$23.6 million in equity from Chilean institutional investors, the International Finance Corporation of the World Bank (IFC) and certain London financial institutions. The strong interest from the Chilean investment community provides a regional foundation and security for the Company’s activities and growth plans. The IFC continues to provide long term financial and advisory support to the Company as both a shareholder and lender.

- **Increased Potential:** Following the continuous acquisition and interpretation of geological, geophysical and engineering data on GeoPark's large block position (3.7 million acres) by the Company’s experienced geoscience team, additional new prospects were added to the expanding portfolio -- thereby ensuring an attractive inventory of high potential drilling opportunities for 2009 and future years.

- **Oil and Gas Sales Price Increase:** GeoPark increased its gas sale prices by 45% and crude oil sale prices by 56% during 2008. GeoPark's Chilean Fell Block gas production was sold at an average price of US$4.70 per thousand cubic feet (mcf) during 2008 compared to an average gas sales price of US$3.23 per mcf during 2007 as a result of its new long term gas contract with the Methanex Corporation of Canada. The price for Fell Block gas is dependent on


100
4
120
5
140
160
6
180

IN 2008, GEOPARK GAINED IN EVERY MEASUREMENT OF VALUE GROWTH: OIL AND GAS PRODUCTION INCREASED, OIL AND GAS RESERVES GREW, REVENUES AND OPERATING CASH FLOW WERE HIGHER, NET INCOME BECAME POSITIVE, THE BALANCE SHEET WAS STRENGTHENED, THE PROJECT PORTFOLIO EXPANDED AND THE TEAM WAS IMPROVED.



global methanol prices and current gas prices have declined due to weaker methanol prices worldwide. Crude oil prices increased in Chile to an average of US$96 per barrel in 2008 from US$59 per barrel in 2007 and in Argentina to an average of US$46 per barrel from US$39 per barrel in 2007.

- **Client Project Funding:** During 2008, the Company drew down US$26.3 million to fully utilise the US$40 million funding facility provided by its gas purchaser, Methanex. The objective of the financing is to increase gas deliveries to Methanex's large methanol plant located in southern Chile by accelerating GeoPark's development of the Fell Block. It is structured as a gas pre-sale agreement with a six year pay-back period with an interest rate of LIBOR even.

- **Market Access Infrastructure Expanded:** The Company expanded the Kimiri Aike Gas Treatment and Compression Plant in Chile during 2008, which increased GeoPark's total gas processing and selling capacity in the Fell Block to over 40 million cubic feet per day (mmcfpd). The Kimiri Aike facility permits access for Fell Block gas to the regional gas pipeline infrastructure and to the Methanex methanol plant - as well as rapid hook-up and commercialisation of any new discovery wells. During 2008, the Company also constructed new production and storage facilities and 75 kilometres of new gas pipelines in Chile.

- **Strengthened Cost-Effective Organization:** During 2008, GeoPark continued to invest in its oil and gas finding, drilling and production capabilities. Important improvements were made to the management team, and to the drilling, reservoir engineering, production, geological and finance and administrative departments resulting in increased cost-efficient operations and increased overall capabilities. The Company also expanded its employee share plans to include all employees.

2009 Outlook

The extent of the global economic crisis and the accompanying oil and gas price volatility have compounded the uncertainty in accurately forecasting future activities. GeoPark, like virtually every enterprise in every industry today, faces a period of adjustment.

Following its successes in 2008, GeoPark is in the fortunate position of having a secure production base and positive cash flow stream - coupled with low operating costs and the flexibility of a discretionary investment program that can be maintained, reduced or increased in the short term depending on the severity or duration of the downturn. The Company's cost structure allows it to sustain itself in a very low oil and gas price environment.

Our priorities during this period will be to increase and protect cash flow by lowering our breakeven operating cost position and by accessing quick cash flow producing investments within our portfolio. GeoPark's 2009 capital investment program is designed to:

1. Increase oil and gas production and reserves: By drilling new wells (6-9) and performing workovers to explore for new fields and to develop existing fields; optimising reservoir performance by hydraulic fracturing and stimulation; performing geological and geophysical surveys to increase inventory of drilling opportunities; and constructing additional production facilities to accommodate new well discoveries and production.

2. Increase cash flow and improve project economics and performance: By reducing costs and increasing efficiency in production operations and administrative management; reducing capital expenditures (drilling and facilities) by technological and design improvements; continue strengthening core competences (i.e. the ability to economically find and produce oil and gas); and expanding SPEED (GeoPark's integrated safety, shareholder, employee, environmental and community development program).

3. Manage risk: By prioritising projects with short cycle time to production; re-balancing production profile between oil and gas; balancing work program exposure between production, development and exploration projects; expanding funding exposure and capital sources; and farming-out higher risk / non-core areas.

4. Grow and expand portfolio: By exploiting exceptional current availability of growth opportunities by acquiring new projects / acreage at attractive terms.

In 2009, GeoPark is projecting to invest US$25-35 million (dependent on oil and gas prices throughout the year) in Chile and Argentina with the expectation of approximately doubling total annual oil and gas production.

Investment Case

We believe the investment case for GeoPark rests on the substance of five basic building blocks of our business plan. This 2008 Annual Report details our collective progress in each area and provides the rationale for your support.

- **Secure Cash Flow and Asset Base:** Our record shows a profitable and growing platform of acreage, production, revenues and reserves.

- **Right People with Necessary Tools and Capital:** Our record shows an exceptional technical team supported by the equipment necessary to do the job and by reliable capital partners.

- **Proven Performance:** Our record shows the ability to plan, execute, overcome obstacles, seize opportunities and achieve results.

- **High Growth Potential:** Our record shows an attractive portfolio consisting of both organic growth and new project acquisition opportunities - coupled with the commercial abilities to buy right.

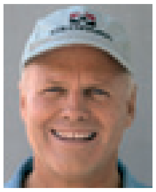
- **Commitment:** Our record shows an in-house culture which values and protects our shareholders, employees, environment and communities.

We again salute the GeoPark team and express our appreciation and admiration for its many accomplishments in 2008. The ability and persistence demonstrated by our Employees, Management and Directors during these formative years remain our principal strength and the key to our ability to consistently deliver value growth now and in the future.

Additionally, we express our appreciation to our Shareholders for your continued support during 2008. Your management and employees look forward to the challenges and opportunities of 2009 and to further demonstrating our performance and achievements throughout the year.

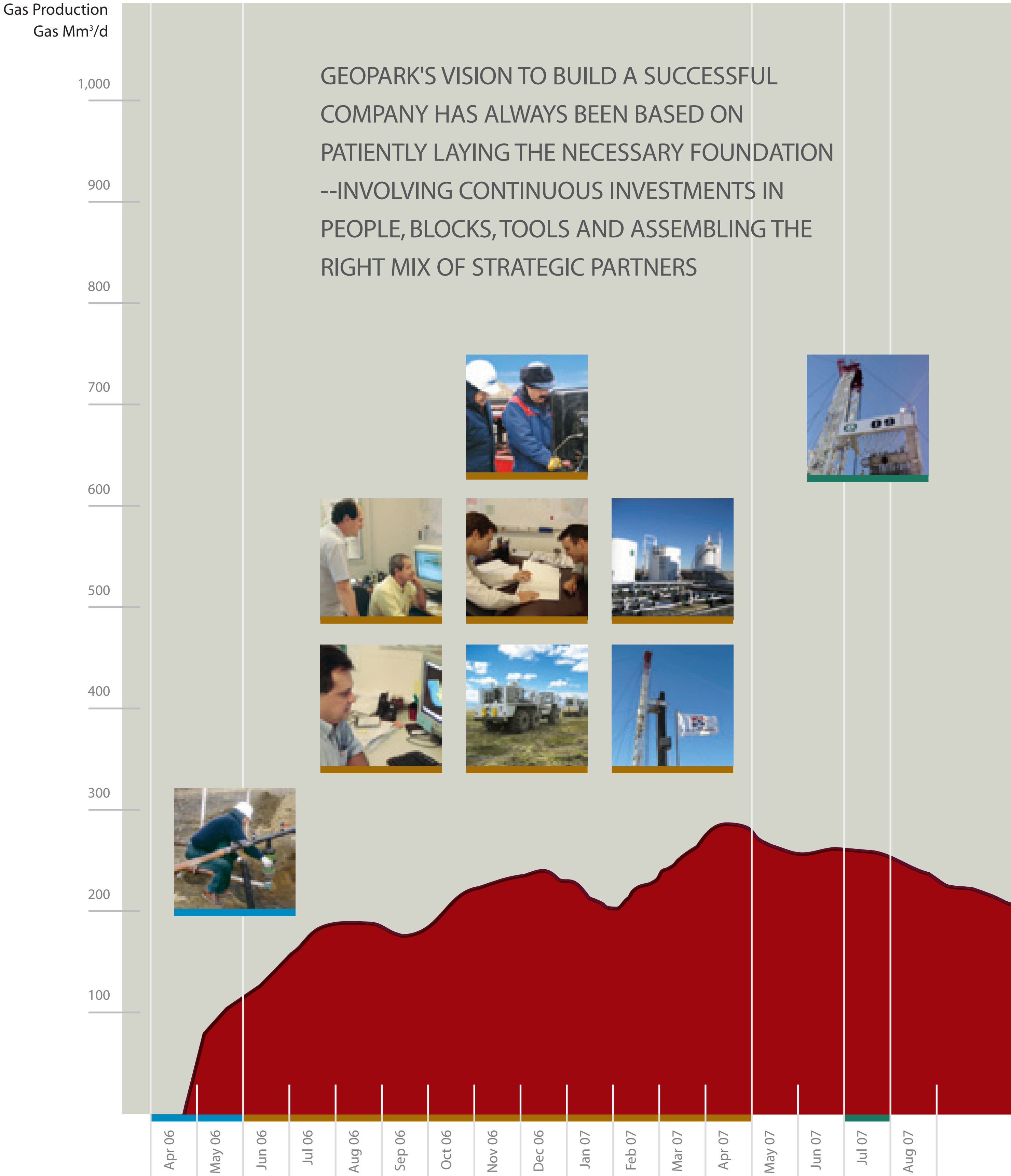
Sincerely,

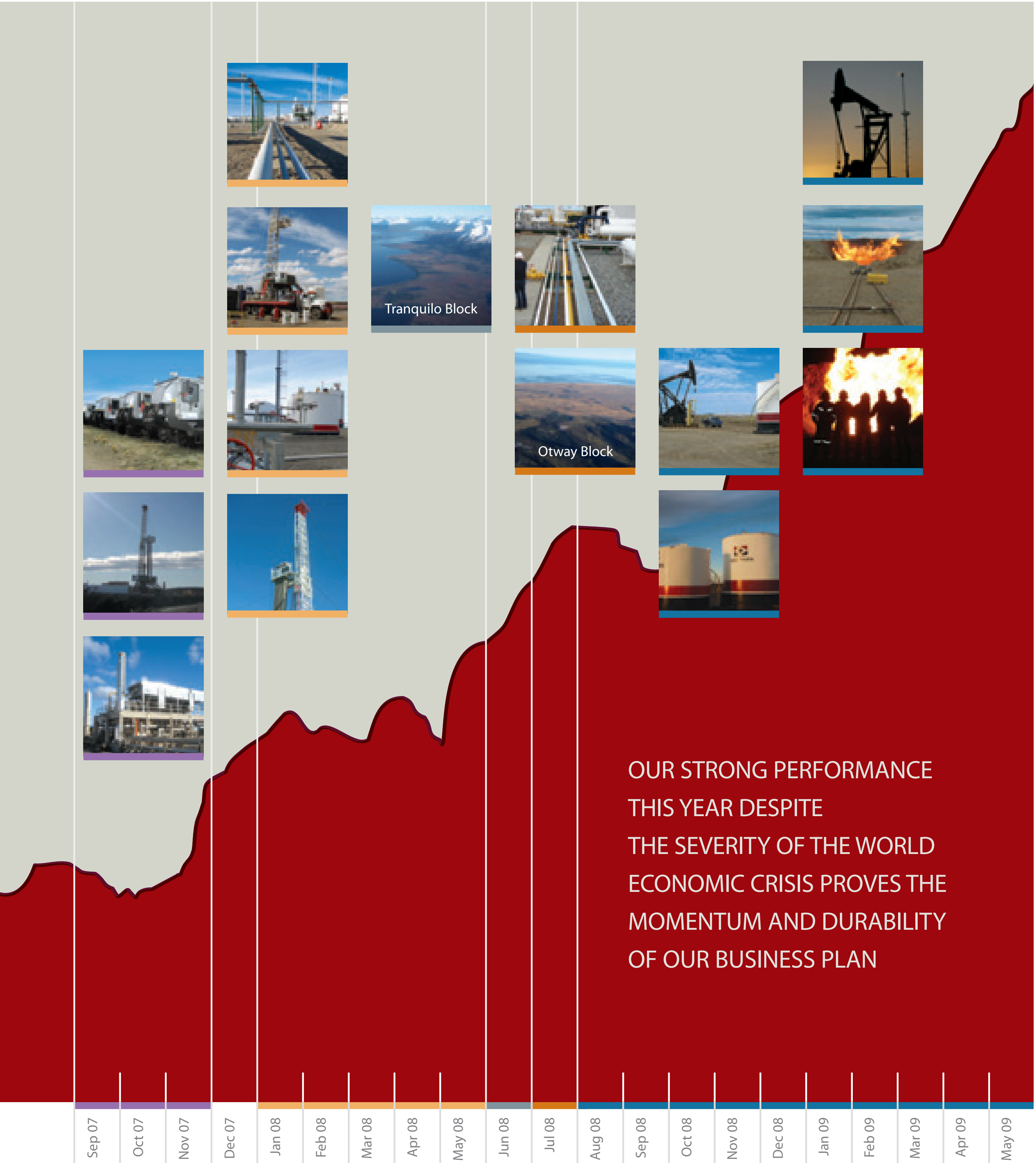
Gerald E. O'Shaughnessy,
Chairman



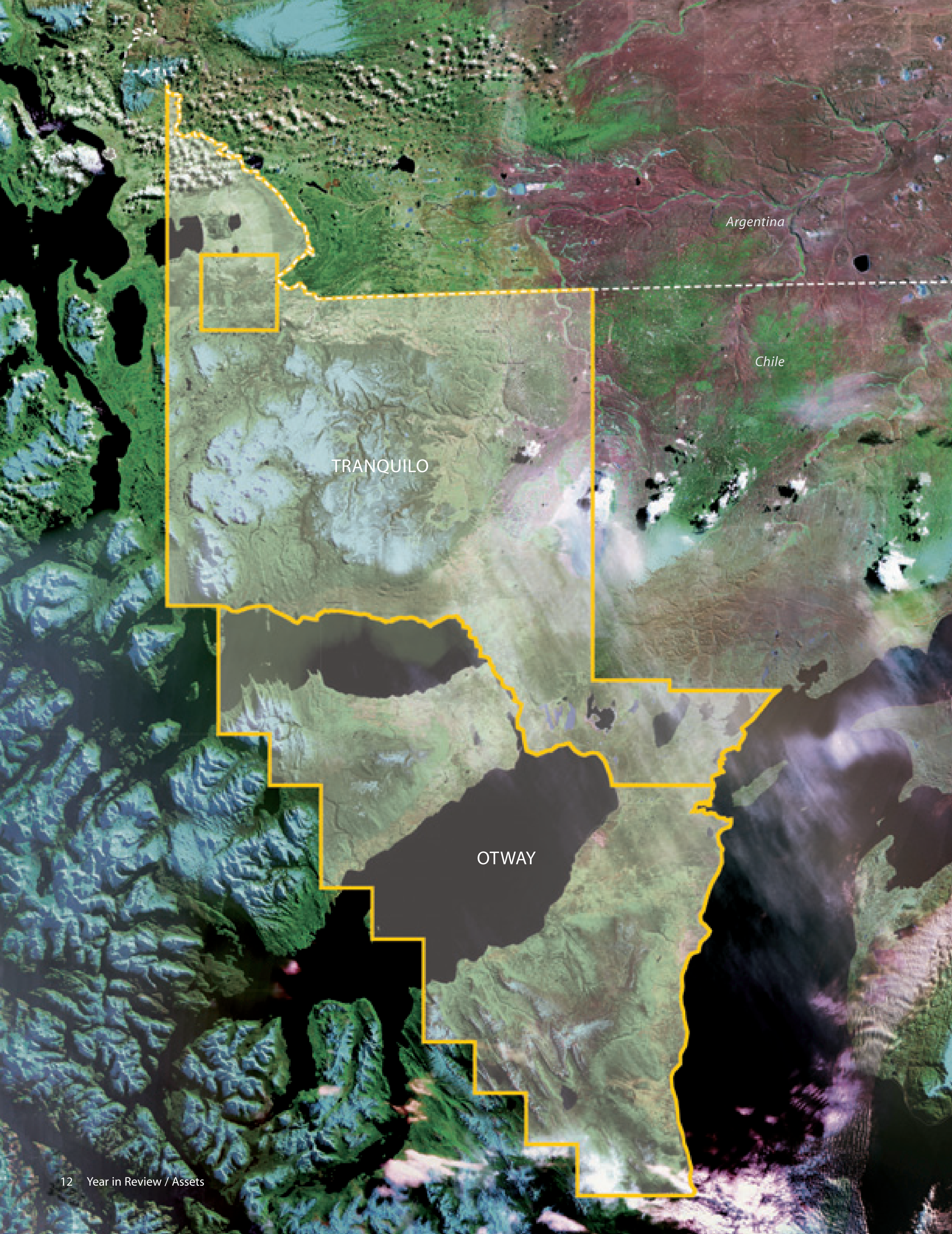
James F. Park,
Chief Executive Officer

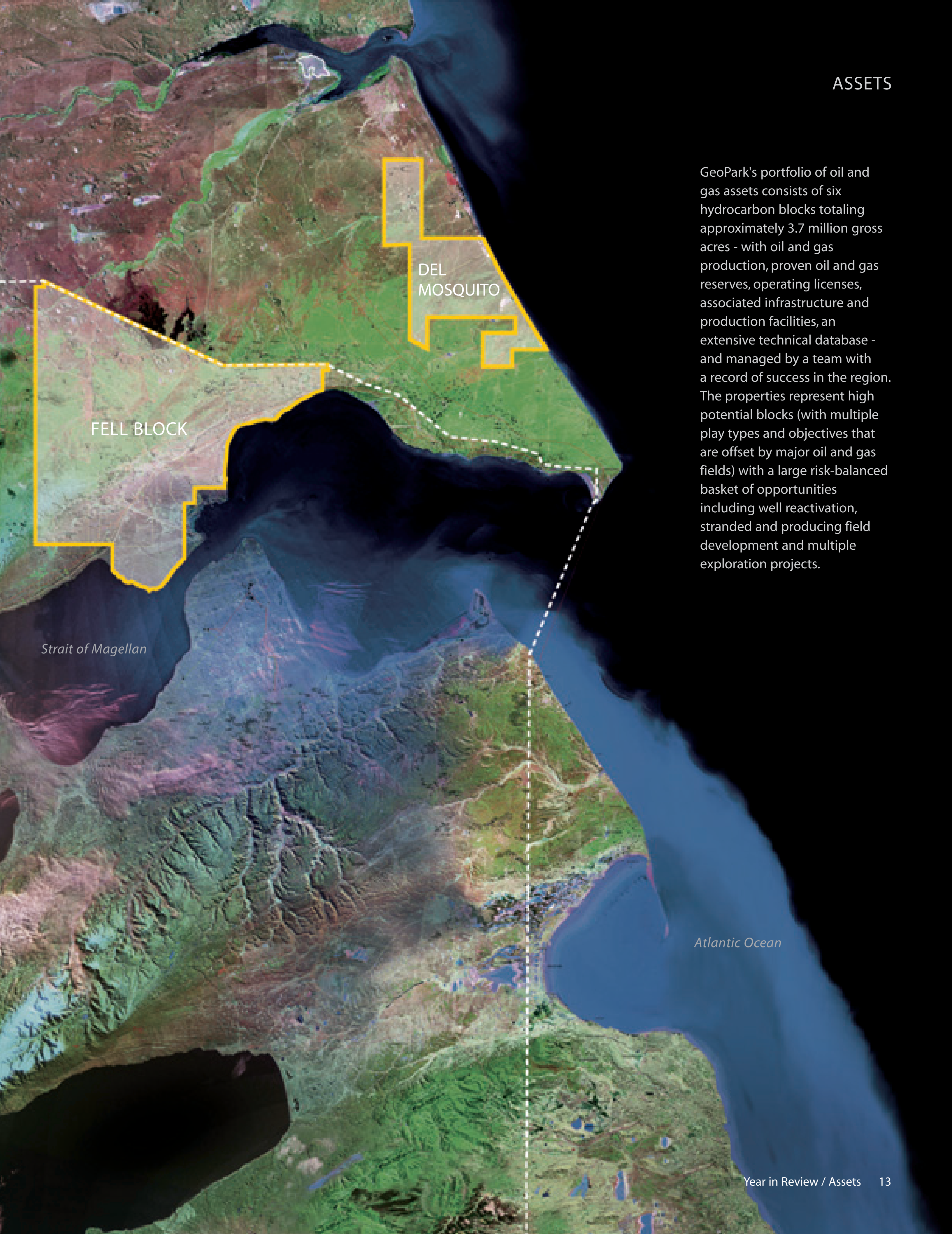
GEOPARK'S VISION TO BUILD A SUCCESSFUL COMPANY HAS ALWAYS BEEN BASED ON PATIENTLY LAYING THE NECESSARY FOUNDATION --INVOLVING CONTINUOUS INVESTMENTS IN PEOPLE, BLOCKS, TOOLS AND ASSEMBLING THE RIGHT MIX OF STRATEGIC PARTNERS





OUR STRONG PERFORMANCE THIS YEAR DESPITE THE SEVERITY OF THE WORLD ECONOMIC CRISIS PROVES THE MOMENTUM AND DURABILITY OF OUR BUSINESS PLAN


Argentina
Chile
TRANQUILO
OTWAY



GeoPark's portfolio of oil and gas assets consists of six hydrocarbon blocks totaling approximately 3.7 million gross acres - with oil and gas production, proven oil and gas reserves, operating licenses, associated infrastructure and production facilities, an extensive technical database - and managed by a team with a 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 basket of opportunities including well reactivation, stranded and producing field development and multiple exploration projects.

Oil and Gas Reserves

GeoPark has achieved strong oil and gas reserve growth from its investment activities on its properties and DeGolyer & MacNaughton, independent petroleum engineers, appraised an 123% increase in 3P reserves in its report dated March 2008. In this report, DeGolyer & MacNaughton estimated, on four of GeoPark's six blocks, a total of 16.8 million barrels oil equivalent (mmboe) of proved reserves, a total of 18.8 mmboe of probable reserves, and a total of 91.9 mmboe of possible reserves. DeGolyer & MacNaughton also appraised 45.6 mmboe of contingent resources (best estimate). GeoPark's important drilling successes realised during the last three quarters of 2008 and first quarter of 2009 have not yet been appraised by DeGolyer & MacNaughton. A new reserve appraisal report is targeted for completion in the third quarter 2009.

The chart to the right summarises the reserves appraised by DeGolyer & MacNaughton in March 2008. 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 85% of total reserves and oil represents approximately 15% of total reserves.

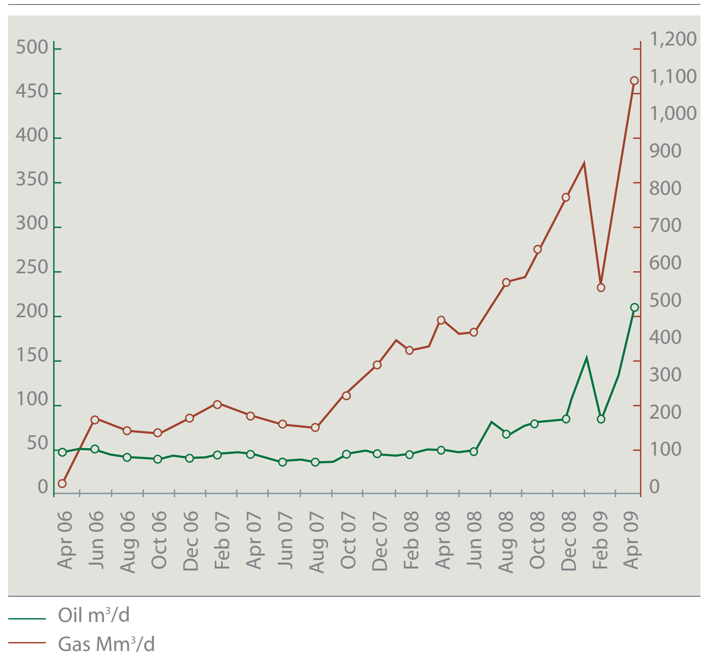
Country	Reserve Type	Oil (MMBO)	Gas (BCF)	BOE (MMBOE)
Chile	P1	2.0	82.0	15.7
	P2	3.3	81.9	17.0
	P3	7.1	485.5	88.0
	P1+P2	5.3	163.9	32.6
	P1+P2+P3	12.4	649.4	120.6
Argentina	P1	0.9	1.0	1.1
	P2	1.8	0.0	1.8
	P3	4.0	0.0	4.0
	P1+P2	2.7	1.0	2.9
	P1+P2+P3	6.7	1.0	6.9
Total	P1	2.9	83.0	16.7
	P2	5.1	81.9	18.8
	P3	11.1	485.5	92.0
	P1+P2	8.0	164.9	35.5
	P1+P2+P3	19.1	650.4	127.5

Oil and Gas Production

GeoPark's oil and gas production currently is generated from the Fell Block in Chile and the Del Mosquito Block in Argentina. During 2008, approximately 98% of the Company's total oil and gas production was produced in Chile and approximately 2% in Argentina. During 2008, gas represented approximately 90% of the total production and oil represented approximately 10% of the total production volume.

Oil and gas production is shown in the chart to the right:

Production



CHILE

GEOPARK PIONEERED PRIVATE SECTOR OIL AND GAS DEVELOPMENT IN CHILE - AND NOW CONTRIBUTES APPROXIMATELY 25% OF CHILE'S DOMESTIC HYDROCARBON PRODUCTION

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 25% of Chile's oil and gas production. Its substantial acreage position with over 3.4 million gross acres (14,420 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	Basin
Fell	1,780	GeoPark	Magellan / Austral
Tranquilo	6,648	GeoPark	Magellan / Austral
Otway	5,992	GeoPark	Magellan / Austral

The Blocks are located in the continental 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 undeveloped with new exploration frontiers being opened.

Substantial technical data (seismic, drilling and production information) provides an excellent base for technical re-evaluation. 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 reinterpretations by GeoPark suggest additional development potential in known fields and exploration potential in new un-drilled prospects and plays - including opportunities in the Springhill, Tertiary, Tobifera, and Estratos con Favrella formations.

FELL BLOCK

The Fell Block has an area of approximately 440,000 acres (1780 sq km) and its center 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 began on the Fell Block in the 1950's and from then until 2005, ENAP (the Chilean State Oil Company) 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 carried out 693 sq km of 3D seismic and drilled 22 exploration, appraisal and development wells resulting in current oil and gas production of approximately 38 mmcfpd of gas and 1,500 bpd of oil.

The Block is located geologically 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

2,500 - 3,500 metres. Other potential reservoirs, which have tested and produced hydrocarbons, include the Tobifera (Jurassic) volcaniclastics (2,600 to 3,600 metres) and the Upper Tertiary and Upper Cretaceous sandstones (700 to 2,000 metres). Trap types are fundamentally 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 has identified a large and attractive inventory of prospects and drilling opportunities on the Fell Block -

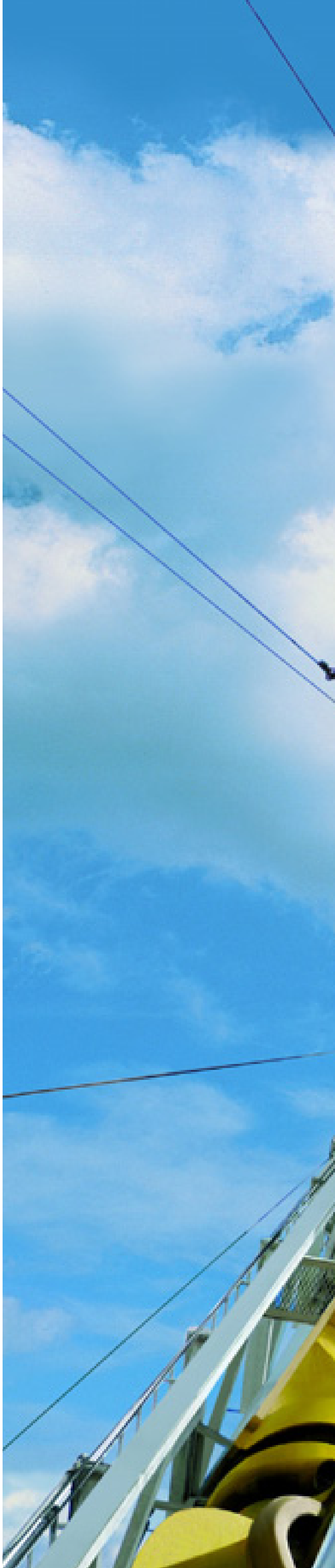
GEOPARK'S TRACK RECORD OF FINDING OIL AND GAS IS DEMONSTRATED BY ITS RECORD OF DRILLING 12 PRODUCTIVE WELLS OUT OF THE LAST 13 WELLS COMPLETED - AND THE RAPID COMMERCIALISATION OF THIS SUCCESS INTO PRODUCTION REVENUE

including both exploration and development projects - and the Company intends to continue its successful drilling program over the coming years. The recent oil discoveries in the Alakaluf and Aonikenk fields have opened up a new oil potential in the northeastern portion of the Block where additional prospects have been identified. Increased oil production on the Fell Block will further balance the hydrocarbon stream which is currently weighted towards gas. In the Santiago Norte Field Complex, DeGolyer & MacNaughton estimated approximately 427 bcf of 3P gas reserves and approximately 174 bcf of contingent gas resources. GeoPark is currently developing a reservoir stimulation and development program to further test and exploit this substantial gas resource potential.

The chart below summarises GeoPark's successful drilling program on the Fell Block during 2008:

Well name	Well type	Hydrocarbon / Formation	Status
Selknam 1	Exploration	Oil / Springhill	Waiting on Completion
Cerro Sutlej 1	Appraisal	Gas / Springhill	On Production
Puesto Ranger 1	Exploration	Gas / Springhill	Temporarily Abandoned
Bump Hill 1	Exploration	Gas / Springhill	On Production
Aonikenk 1	Exploration	Oil / Springhill	On Production
Nika Oeste 3	Exploration	Gas / Springhill	On Production
Santiago Norte 5	Development	Gas / Springhill	On Production
Estancia Zunilda 1	Appraisal	Gas / Springhill	On Production
Ovejero 2	Development	Gas / Springhill	On Production
Dicky 15	Appraisal	Gas / Springhill	On Production
Manekenk 1	Exploration	Gas / Springhill	On Production
Aonikenk 2	Appraisal	Oil / Springhill	Waiting on Completion
Alakaluf 1	Exploration	Oil / Springhill	On Production
Monte Aymond 33	Appraisal	Gas / Springhill	On Production
Yagan 1*	Appraisal	Gas / Springhill	On Production

* Drilled and completed first quarter 2009.



OTWAY BLOCK

The Otway Block consists of an area of approximately 1,480,000 acres (5,992 sq km) and is located approximately 110 km from the city of Punta Arenas. The Block consists of onshore areas (Peninsula Brunswick and Isla Riesco) and offshore areas (Seno Skyring and Seno Otway). The first hydrocarbon exploration activities began in the 1920's and during the 30's and 40's several wells were drilled with gas manifestations. To date, 31 wells have been drilled and 875 km of 2D seismic carried out on the Block. During a drilling campaign in the 1970's, gas was tested in three structures on the Block.

GeoPark is the Operator of the Otway Block and holds a 42% working interest participation. Other partners in the Block are Wintershall Energia of Germany (42%) and Methanex Corporation of Canada (16%). Historically, the Block has tested and produced oil and gas, however, there is currently no oil or gas production and no reserves have been independently appraised by GeoPark's engineering consultants on the Block.

Geologically, the Block is located in the Magellan Basin's northwest area comprising the Folded Belt and Thrust Front and the Tertiary Foreland Basin. The source rocks relate to the deep marine basal Cretaceous deposits. The proven reservoirs with production history relate to the Agua Fresca formations marine and/or deltaic sandstones at depths of 200-1,500 metres. Other potential reservoirs include the Chorillo Chico sandstones (1,500 to 1,900 metres) and the Loreto formation (Upper Tertiary) and Rocallosa and Rosa formations (Upper Cretaceous). Trap types are fundamentally

structural traps defined by anticlines developed in the Folded Belt and Thrust Front and involving the basement and Cretaceous and Tertiary sequences. Stratigraphic traps are developed toward the Foreland Basin in the northern sector of Peninsula Brunswick including Upper Cretaceous and Lower Tertiary deltaic and turbiditic deposits.

GeoPark's current exploration focus is in the Folded Belt (southern and central areas of Peninsula Brunswick and western portion of Isla Riesco). In the eastern sector, there is the potential of gas accumulations in stratigraphic traps in the Upper Tertiary. GeoPark is currently performing geological and geophysical surveys to further delineate the Block's potential. Existing wells are also being studied to determine the feasibility of early production opportunities in the sector of Peninsula Brunswick.

TRANQUILO BLOCK

The Tranquilo Block extends over an area of approximately 1,643,000 acres (6,648 sq km) and is located approximately 110 km northwest of Punta Arenas. The first hydrocarbon exploration efforts began in the 1940's and the Tranquilo gas field was discovered in 1958. To date, ENAP has drilled 21 wells and carried out 1,428 km of 2D seismic on the Block.

GeoPark is the Operator of the Tranquilo Block and holds a 30% working interest participation. Other partners in the Block are Pluspetrol Corporation of Argentina (30%), IPR Energy of USA (20%) and Manas Petroleum of Switzerland (20%). Historically, the Block has tested and produced oil and gas, however, there is currently no oil or gas production and no reserves have been independently appraised by GeoPark's engineering consultants on the Block.

Geologically, the Tranquilo Block is located in the Magellan Basin's northwest area, comprising the Folded Belt and Thrust Front and the Tertiary Foreland Basin. The source rocks relate to the deep marine basin Cretaceous deposits. The proven reservoirs with production history relate to the Loreto formations deltaic sandstones at depths of 500-700 metres. Other potential reservoirs include the Chorillo Chico (Basal Tertiary) sandstones and the Rocallosa (Upper Cretaceous) sandstones. Trap types are fundamentally structural traps defined by anticlines developed in the Folded Belt and Thrust Front involving the basement and Cretaceous and Tertiary sequences. Stratigraphic traps are developed toward the Foreland Basin including Upper Tertiary deltaic and turbiditic deposits.

GeoPark's current exploration focus is in the Folded Belt, Esperanza, Kerber and Diana areas. In the southeast sector, there is the potential of gas accumulations in stratigraphic traps. GeoPark is currently performing geological and geophysical surveys to further delineate the Block's potential. Early geological re-interpretations suggest the potential for a very large structure in the Esperanza-Gales region. Existing wells are also being evaluated to determine the feasibility of early production opportunities in the Esperanza area.

ARGENTINA

GeoPark has interests in the following blocks in Argentina:

Block	Area (Sq Km)	Operator	Basin
Del Mosquito	485	GeoPark	Austral
Cerro Doña Juana	80	GeoPark	Neuquén
Loma Cortaderal	115	GeoPark	Neuquén

DEL MOSQUITO BLOCK

The Del Mosquito Block is located in the Austral basin in southern Argentina. The Austral Basin produces nearly ten per cent of Argentina's total oil production and nearly twenty per cent of its total gas production. (Although the Fell and 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 (120,000 acres) is surrounded by producing oil and gas fields to the north, south, east and west. There is oil production currently from two fields and there is good infrastructure, nearby gas plants and pipelines and an easily accessible crude oil market (40 kilometres by truck). Eighty per cent of the block is at an early stage of exploration covered by few wells. Two 3D seismic surveys, totaling an area of 355 square kilometres, cover approximately 73 per cent of the block and GeoPark's geoscience team has identified and delineated multiple potential hydrocarbon-bearing prospects. The potential of the Lower Magallanes and Tobifera geological formations has been underexplored.

GeoPark is the operator of the Del Mosquito Block and has a 100 per cent 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 has two producing wells. The discovery well on Del Mosquito Norte was the first well drilled on the block since the 1980's. In accordance with prevailing regulations, GeoPark relinquished approximately 38% of the Del Mosquito Block back to the province of Santa Cruz at the end of 2008. GeoPark is evaluating potential drilling opportunities on Del Mosquito and also evaluating the option of bringing a partner into the project to increase investment activity.

CERRO DOÑA JUANA & LOMA CORTADERAL BLOCKS

The Cerro Doña Juana and Loma Cortaderal Blocks (47,959 total acres) are located in the Neuquén Basin (west-central Argentina) which represents the most prolific hydrocarbon-producing basin in Argentina, accounting for over forty per cent of its total oil production and over sixty per cent 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 characterized 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 per cent working interest in each block. In 2007, GeoPark established oil production on the Loma Cortaderal Block after repairing an existing well. (The well is currently shut-in waiting for a workover). In accordance with prevailing regulations, GeoPark relinquished approximately 36% of the two blocks back to the province of Mendoza at the end of 2007. Further geological studies were performed on the blocks during 2008 with the expectation of developing a future exploration and development program and providing a basis for potentially farming-out the blocks.

ARGENTINA BLOCKS / ASSETS

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 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 these basics are creating an important differentiating factor and a competitive advantage over the longer term.

PEOPLE

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.

During 2008, GeoPark continued to improve its organization to ensure its ability both to effectively develop and cost-efficiently manage its assets. This included adding key managers and employees in Senior Management, Geoscience, Drilling, Production, Safety, Environmental and Support Departments - as well as organizational restructuring to insure the right people are in the right jobs. As GeoPark continues to grow, its management and structure need to continuously evolve to meet new demands and opportunities. The Company also is continuously working to reduce costs in order to increase profitability and to expand its range of new opportunities. A lower cost structure permits the Company to reduce risks and participate in a broader range of projects.

GeoPark is managed from its head office in Buenos Aires, Argentina and from its field operating and administrative offices in Punta Arenas and on the Fell Block in Chile and in Rio Gallegos and on the Del Mosquito Block in Argentina. The Company has legal offices located in Santiago, Chile and Hamilton, Bermuda and a representative office in London, England.


EXTERRAN

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 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 2008 include:

- 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, with an option for an additional two years. This rig was imported from China as a result of the tight local rig market. The Quintana rig was used to drill thirteen wells in 2008.

- Created a new service company subsidiary - Southern Cross Services - to own and operate a workover rig for testing and completion operations. The workover rig was assembled and rebuilt during 2007 and, during 2008, was used to test and complete fourteen wells.

- Expanded the capacity of the Kimiri Aike gas production plant (dew point and compression facility) on the Fell Block from 24 million cubic feet per day of gas to 35 million cubic feet per day with the addition of another compressor. This expanded GeoPark's total gas processing and selling capacity to 40 million cubic feet per day. The Kimiri Aike 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$6.5 million. The plant provides direct access to the main regional gas pipeline.

- Built new oil and gas production gathering centers and constructed an additional 75 kilometres of gas pipelines on the Fell Block to connect new oil and gas fields to production. Approximately 125 kilometres of gas pipelines have been built on the Block since 2006.

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, over US$150 million has been raised by GeoPark - demonstrating its ability to attract the capital and strong shareholders needed to facilitate its future growth.

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

- **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 GeoPark.

  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 program and which reconfirmed the IFC's long term support for GeoPark.

- **2007**

  Methanex Gas Pre-Sale Facility providing for GeoPark to borrow up to US$40 million from Methanex in order to increase development investment on the Fell Block.
  Conditions include:
  - Pay back in gas production over six years
  - Interest rate paid on borrowed funds of LIBOR flat

- **2008**

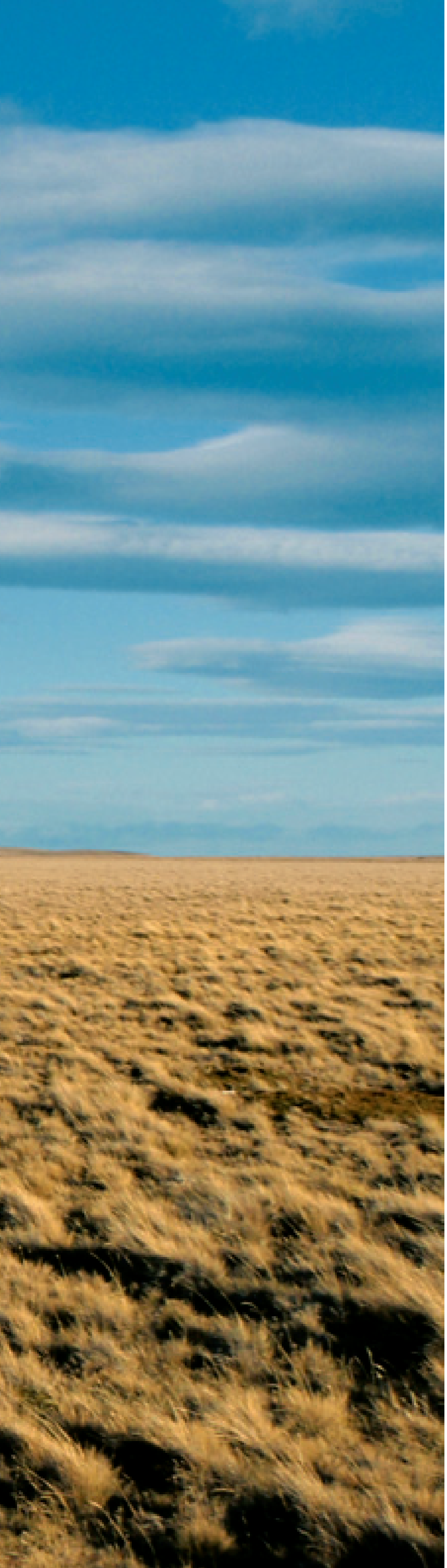
  New equity funding of approximately US$24 million (3,080,000 shares at GBP 3.94) in May 2008 from a strategic block of Chilean investors and pension funds, the IFC and certain London institutional investors. The placing, which was limited to 10% of the current issued share capital of the Company, was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

- **2009**

  New equity funding of approximately US$11.7 million (3,437,000 shares at GBP 2.25) in May 2009 from a strategic 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. (This event and funding occurred following the issue of the 2008 accounts and was not reviewed by the Auditors or included in the 2008 audited results).

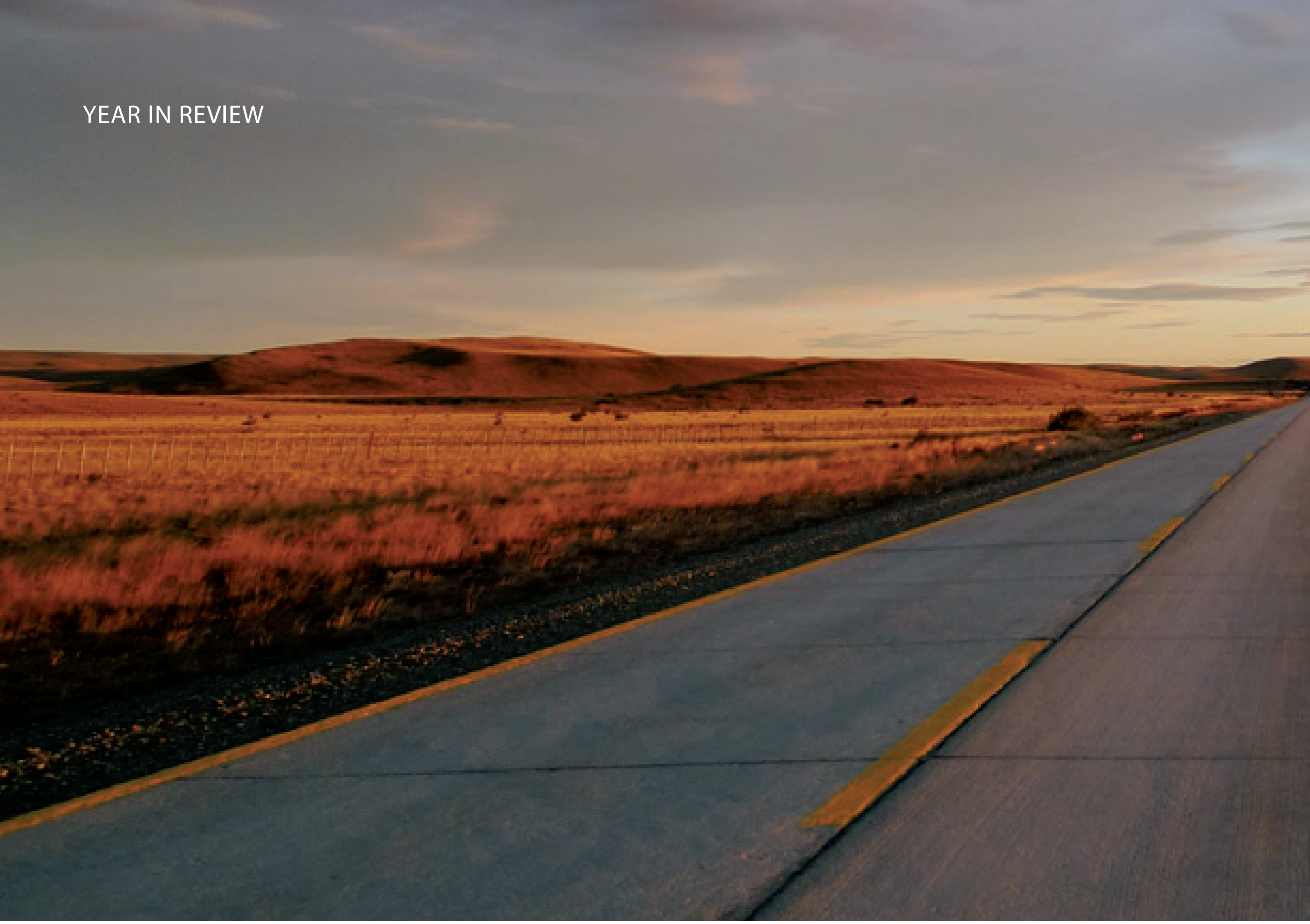
TO SUCCESSFULLY PARTICIPATE IN THE CAPITAL-INTENSIVE OIL AND GAS BUSINESS, GEOPARK IS CONTINUOUSLY DEVELOPING STRATEGIC FUNDING SOURCES TO ENSURE THE EFFICIENT DEVELOPMENT OF ITS ASSETS.

GEOPARK INTENDS TO LEVERAGE ITS STRATEGIC OPERATING BASE AND TECHNICAL CAPABILITIES TO EXPAND THROUGHOUT LATIN AMERICA -- A RICH UNDEREXPLORED REGION WITH AN ECONOMIC FUTURE DEPENDENT ON THE DEVELOPMENT OF SECURE ENERGY SUPPLIES.



GeoPark is focused on Latin America because of its:

- **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 security concerns
- **Economics:** easy access and low cost operating environment
- **Hedge:** multi-country position provides political risk balance
- **Market:** substantial immediate and long term energy requirements
- **Trends:** regional industry reorientation favours smaller technically-proficient companies



GROWTH

GeoPark's management believes shareholder value is increased most by the discovery and addition of new oil and gas reserves and that these reserves are most economically discovered and developed in areas in or nearby existing oil and gas fields. GeoPark's business plan is based on its:

- Technical strength in economically finding, developing and producing new and bypassed oil and gas reserves;
- Commercial capabilities in acquiring high potential assets at attractive prices; and
- Risk-management in expanding the portfolio, increasing options and protecting against uncertainties.

GeoPark's opportunity portfolio includes multiple in-house projects and a strategic base 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 program 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.

Organic Growth

With over 3.7 million gross acres and a large and balanced prospect inventory, GeoPark has an attractive land position and high growth potential from its existing properties.

In 2009, GeoPark will pursue a US$25-35 million investment program to drill 6-9 new wells and to expand its production facilities and infrastructure in Chile and Argentina. The program is targeted to develop existing fields and discover new fields in order to both

increase oil and gas production and increase oil and gas reserves - with the objective of increasing total annual oil and gas production (boepd) by approximately 100%. Efforts also will be focused on increasing oil production to balance current high gas production, improving reservoir performance by fracture stimulation programs, expanding the prospect inventory, and increasing the efficiency of all expenditures. Exploration and early production start-up efforts will also begin on GeoPark's large new blocks in Chile - Tranquilo and Otway - where some attractive targets are now being identified.

New Projects

GeoPark intends to leverage its strategic operating and management base and its technical and commercial capabilities to acquire new assets where suitable opportunities arise. The Company is targeting assets which bring a mix of production and development opportunities with attractive exploration acreage, utilising where applicable, various forms of participation including block acquisitions, farm-ins, corporate transactions, work and investment commitments and/or operator-earned interests. In the current world economic climate, GeoPark has identified several attractive properties which have become available for acquisition at favorable terms.

With its team and platform in Latin America, GeoPark is well positioned to assess and participate in these opportunities. This position is further enhanced by GeoPark's strategic relationships with the IFC (World Bank), ENAP (Chilean State Oil Company), and Methanex (largest regional gas consumer) - as well as its extensive Latin American operating experience.

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 oil and 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 a US$1.2 billion plant in Chile 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 sixty percent 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 for GeoPark. As a result, GeoPark entered 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 program funding and to jointly acquire new hydrocarbon blocks in Chile. This marketing alliance has substantially de-risked GeoPark's Chile investment activities.

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 (the Chilean State Oil Company) 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 Petrobras (the Brazilian State Oil Company) at WTI less quality and Argentina retention tax adjustments. GeoPark's crude oil is trucked to a local facility located 40 kilometres from the Del Mosquito field.

COMMITMENT

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 and achieving our objectives through the alignment of our values, responsibilities and business goals.

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 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 being the preferred neighbour and partner by creating a mutually beneficial exchange with the local communities where we work. Unlocking valuable local knowledge contributes an important asset to our projects - and if our efforts enhance local goals and customs, we will be invited to do more.

- GeoPark is committed to minimising the impact of our projects on the environment. As our footprint becomes cleaner and smaller - the 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's specific methodology is focused on undertaking realistic and practical programs based on best world practices. Our emphasis is on building key principles and company-wide ownership and then expanding programs from within as we continue to grow. Our comprehensive in-house designed EHSS management program, 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; OSHA 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.

Directors' Report

The Directors submit their report together with the audited consolidated financial statements of GeoPark Holdings Limited (the Company) for the year ended 31 December 2008. The Company and its subsidiaries together are referred to herein as the Group.

Addresses

The business address of the Group's Head Office is Florida 981, 4th Floor, 1005 Buenos Aires, Argentina.

The Registered office address is Milner House, 18 Parliament Street, Hamilton HM 12, 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 produce, develop and explore for oil and gas reserves in the Fell and Tranquilo Blocks in Chile and in the Del Mosquito, Cerro Doña Juana and Loma Cortaderal Blocks in Argentina. In addition, the Group was awarded, following the Chilean bidding round, an interest in the Otway Block in Chile.

Business Review

The business review contains the following components:

- a fair review of the business of the Company; and
- a description of the principal risks and uncertainties facing the Group.

The business review is 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. The review includes an analysis using financial and non financial key performance indicators to the extent that these are necessary for an understanding of the development, performance and position of the Group. Where appropriate, the Annual Report uses other performance indicators, including information relating to employees, health and safety and the environment. The review, where appropriate, includes references to, and explanations of, amounts included in the annual accounts.

The requirements of the business review are fulfilled in the disclosures contained within the Year In Review on pages 10 to 39 ; the Chairman's and Chief Executive's Letter to Shareholders on pages 2 to 9 and the Corporate Governance report on pages 44 to 45.

A description of financial risk management objectives and policies of the Group, together with the principal risks to which the Group is exposed, is contained in Note 30 to the financial statements.

Costs of Exploration and Appraisal

Oil and gas exploration and production properties and assets are accounted for by the Group in accordance with the "successful efforts" method of accounting for exploration and appraisal costs:

- Drilling costs of the exploratory wells, including wells for stratigraphical tests, and 3D seismic are capitalised as intangible fixed assets in cost centres by field or exploration area as appropriate, pending the determination of commercial reserves. If those reserves are not found, these costs are written off. Following the discovery of a commercially viable field, the attributable costs are transferred to property, plant and equipment in single field cost centres.

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

- Development and property acquisition costs incurred in development wells (including seismic surveys for development purposes) and production facilities and machinery are capitalised within property, plant and equipment.

- Costs related to works that increase the total commercially recoverable reserves or speed up the extraction of reserves are included in the carrying amount of the asset and are depreciated using the unit of production method.

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

- 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).

Functional 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 Bermuda (including the parent company) is the US Dollar.

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

Based on the rapid growth of the Company's operations in Chile during 2008 and the funding strategy followed, the Directors have concluded that the functional currency for the Chilean subsidiaries has effectively changed to US Dollars. Therefore, effective from 1 January 2008, the Chilean subsidiaries changed the functional currency from Chilean Pesos to US Dollars.
As there has been a change in the underlying transactions, conditions and events, IAS 21 requires the change to be accounted for prospectively from the date of change and the comparatives have not been restated.

For the Argentine subsidiaries, the functional currency continues to be the Argentine Peso.

Results and Dividends

The Group's profit after tax for the year has increased to US$3,651,000 from a loss of US$ 13,808,000 in 2007. The cumulative earnings for the Group are negative (US$ 19,207,000), and therefore the Directors do not recommend the payment of any dividend for the period ended 31 December 2008; (2007: nil). The Group is currently reinvesting all cash generated by its operations and intends to continue to reinvest these funds for the near future.

Events since the Balance Sheet Date

Since 31 December 2008, GeoPark successfully completed and tied into production the Alakaluf 1 and Monte Aymond 33 wells and drilled, completed and tied into production the Yagan 1 well. These results together with the success of the 2008 drilling program enabled the Group to reach approximately 8,000 boe per day of oil and gas production during April 2009.

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:

		Committees			Ordinary Shares of USD 0.001 Each at
Name	Re-Appointment	Audit	Nomination	Remuneration	31 December 2008
Gerry O'Shaughnessy Executive Chairman	13 August 2008 (*)		●		6,617,925
James F. Park Chief Executive Officer	13 August 2008 (*)				6,943,068
Sir Michael Jenkins Non Executive Director	13 August 2008 (*)	●	■ ●		32,370
Christian Weyer Non Executive Director	13 August 2008 (*)	■ ●		●	203,596
Juan Cristóbal Pavez Non Executive Director	13 August 2008 (*)				658,709
Peter Ryalls Non Executive Director	13 August 2008 (*)		●	■ ●	(**) 25,230

● Committee Member
■ Committee Chairman
(*) Most recent reappointment date
(**) Not issued

Supplier Payment Policy

The Group makes payments to its suppliers in accordance with the agreed terms of each transaction. Trade creditors of the Group at 31 December 2008 were equivalent to 73 days' purchases (2007: 62), based on the year end balance.

Charitable and Political Donations

During 2008, the Group made charitable donations of US$ 16,645 (2007: US$ 14,285). For its community development efforts, the Group encourages the development of new local businesses by contracting services and people for its needs and work program where it operates.

No political donations are made by the Group.

Directors' Remuneration

Executive and Non Executive Directors remuneration is discussed in the Director's Remuneration Section.

Safety and Environment

GeoPark seeks to ensure that its operations are conducted in a safe manner and to minimise any impact on the environment. During 2008, the Group has continued to develop its integrated SPEED Program which establishes objectives, benchmarks and monitoring processes regarding Safety, Prosperity, Employees, Environment and Community Development. The SPEED Program is described in the section titled "Commitment".

Auditor

Grant Thornton UK LLP offers themselves for reappointment as auditor.

Nomad

Oriel Securites 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 current global economic conditions have created uncertainties, particularly over future oil and gas prices and the availability and cost of new finance. 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. As highlighted in Note 30, the Group remains in discussion with different financing sources to assist with funding its 2009 capital expenditure program.

The Directors prepare detailed cash flow forecasts under different scenarios that include the Group not obtaining additional financing. Such detailed short term cash flow forecasts are prepared for a period in excess of one year from the balance sheet date. These cash flow forecasts are based on current oil and gas prices and operating costs. In the event that global economic conditions worsen and oil and gas prices fall further, the Directors would be able to manage the resulting impact on the Group's cash position by implementing cost reductions, deferring capital expenditure commitments and selling non core assets.

After making enquiries, 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 in operational existence 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

James F. Park
Chief Executive Officer
5 May 2009

Corporate Governance

GeoPark is committed to maintaining 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 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: 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: a governing body with the required skills, provided with the proper information and collectively involved to make the best decisions for the Company.

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

- Shareholder Common Good: decisions taken 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 role of the Board is to provide strategic leadership, guidance and perspective to the business on behalf of the shareholders and to ensure that the risks and rewards of the business are properly managed through different phases of the industry's cycle.

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. 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.

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 are submitted to re-election at regular intervals. The Board is responsible to shareholders for the proper management of the Group.

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 program.

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
- Juan Cristóbal Pavez
- Peter Ryalls

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.

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 to 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. Performance against budget is monitored and reported to the Board. 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.

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 coverage, the level of which is reviewed annually.

Audit Committee

The Audit Committee is comprised of two independent Non Executive Directors (currently being Mr. Weyer and Sir Michael Jenkins), is chaired by Mr. Weyer and meets at least twice a year. The Audit Committee will review the Group's interim and annual financial statements before submission to the Board for approval. The Audit Committee also reviews reports from management and the external auditors on accounting and internal control matters.

Nomination Committee

The Nomination Committee is comprised of three Directors (currently Sir Michael Jenkins, Mr. Ryalls and Mr. O'Shaughnessy), the majority of whom are independent Non Executive Directors. The Committee is chaired by Sir Michael Jenkins and meets as required. The Nomination Committee considers the size, structure and composition of the Board, retirements and appointments of additional and replacement Directors and makes appropriate recommendations to the Board.

Remuneration Committee

The Remuneration Committee is comprised of two independent Non Executive Directors (currently being Mr. Ryalls and Mr. Weyer). The Committee is chaired by Mr. Ryalls and is responsible for reviewing the performance of the Executive Directors and for setting the scale and structure of their remuneration, paying due regard to the interests of Shareholders as a whole and the performance of the Group. The Committee meets as required during the year. (As described in note 28, Mr. Peter Ryalls provided operating consultancy to the Group in 2008. It is the Board's opinion that his role as a consultant does not affect his effectiveness, performance or independent judgment in carrying out his duties as a Director.) The Director's Remuneration report on pages 46 to 47 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 2008, Executive Directors and senior management met with institutional investors in Europe, as well as in North America and Chile.

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 programs 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.

Financial Accounts

A statement of Director's responsibilities in respect of the accounts is set out on page 48.

Directors’ Remuneration Report

The following information is not subject to audit.

Remuneration Committee
The Company has a Remuneration Committee. The members of the Committee during 2008 were Peter Ryalls (Chairman) and Christian Weyer 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 Program - Key Terms
Intending to align the interests of its management, employees and key advisors with those of the Company and its shareholders, the Directors established a new Performance-based Employee Long Term Incentive Program (“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 Plan. GeoPark’s Shareholders authorised the Board of Directors to implement this Plan and determine the specific conditions for each program within some broadly-defined guidelines.

During 2008, the Directors considered and approved the following programs:

- Program A: Stock Awards - Under this program, the Board grants the participant a certain number of shares for nominal (USD 0.001 per share) or nil value - which can only be exercised after a defined period of time subject to meeting specific performance conditions.

- Program B: Stock Options - Under this program, the Board grants the participant a certain number of stock options - to be exercised after a defined period of time, subject to meeting specific performance conditions, and at a predetermined exercise price.

- Program C: Stock Purchase Program - Under this program, the Board grants certain employees the right to buy GeoPark shares during a defined period of time (allocating a percentage of their salary), at the end of which they will be awarded a determined amount of free “matching shares”.

- Program D: Stock Appreciation Rights - Under this program, the Board may decide to pay an employee a cash amount related to the market value appreciation of GeoPark shares during a certain period of time. (This scheme does not need to be counted within the 12% limit for employee compensation programs.)

There are approximately 2.6 million shares available for distribution under the Employee Long Term Incentive Program

IPO Award Program 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:

Management and Key Employees

No. of Underlying Common Shares	% of Issued Common Share Capital	Grant Date	Exercise Price (US$)	Earliest Exercise Date	Expiry Date
605,000	Approximately 1.8%	15 May 2006	4.00	15 May 2008	15 May 2013

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

2008 Awards Program:
Since no awards were made in 2007, the Directors approved the award of approximately 1,000,000 shares to employees for the 2008 Program. The awards will have the following characteristics:

- Stock Awards (Program A).
- All GeoPark employees are eligible.
- Grant date of 15 December 2008.
- Vesting period: up to 4 years.

2008 Stock Awards will be determined for each employee in accordance with a formula and procedure that takes into consideration their individual contribution to the Company and recruitment conditions. Awards are based on exceptional performance and contributions to the growth of the Company.

The specific award amounts have been reviewed and approved by the Executive Directors and the Remuneration Committee of the Board of Directors.

Considering the previously issued IPO Awards, the total share capital being awarded to employees represents approximately 14% 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 £75,000 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 £75,000 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 2008 to the Executive Directors.

Non Executive Directors Contracts

In August 2008, at the Annual General Meeting the shareholders re-elected the Non Executive Directors, and approved the nomination of Juan Cristóbal Pavez to become a Non Executive Director of the Company.

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 payable quarterly in arrears; 50% in cash and 50% in shares. The share price to determine the quantity of shares 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.

	2008 Cash Payment		Stock Payment
	Non Executive Director's Fees	Committee Chairman Fees	Director Fees Paid in Shares
Sir Michael Jenkins (1)	£17,500	£5,750	4,295
Peter Ryalls (2)	£17,500	£5,750	(*) 4,295
Christian Weyer (3)	£17,500	£5,750	4,295
Juan Cristóbal Pavez	£4,375	-	1,159

Additionally Mr. Peter Ryalls received US$ 123,000 corresponding to operating consultancy in 2008 (2007: US$ 124,000).

(1) Nomination Committee Chairman
(2) Remuneration Committee Chairman
(3) Audit Committee Chairman
(*) Not issued

Approval

This report was approved by the Board of Directors on 5 May 2009 and signed on its behalf by:

Peter Ryalls
Chairman, Remuneration Committee
5 May 2009

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements. 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 for the Company's and Group's financial position, financial performance 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 Company and 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 the Directors are 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 make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Report of the Independent Auditor to the Members of GeoPark Holdings Limited

We have audited the Group financial statements of GeoPark Holdings Limited for the year ended 31 December 2008 which comprise the consolidated income statement, the consolidated balance sheet, the consolidated statement of changes in equity, the consolidated cash flow statement and notes 1 to 30. These Group financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with International Auditing Standards (UK and Ireland). Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditors
The Directors' responsibilities for preparing the Annual Report and the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the Group financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the Group financial statements give a true and fair view in accordance with IFRSs as adopted by the European Union.

In addition we report to you if, in our opinion, we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited Group financial statements. The other information comprises only the Letter to Shareholders, the Year in Review, the Directors' Report, Corporate Governance, the Directors' Remuneration Report and the Statement of Directors' Responsibilities. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Group financial statements. Our responsibilities do not extend to any other information.

Basis of Audit Opinion
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Group financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the Group financial statements, and of whether the accounting policies are appropriate to the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Group financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the Group financial statements.

Opinion
In our opinion, the Group financial statements give a true and fair view in accordance with IFRSs as adopted by the European Union, of the state of the Group's affairs as at 31 December 2008 and of its profit for the year then ended.

Grant Thornton UK LLP

Grant Thornton UK LLP
Registered Auditor
Chartered Accountants
Gatwick
5 May 2009

Consolidated Income Statement

1 January - 31 December

Amounts in US$ '000	Note	2008	2007
Revenue	3	38,376	11,028
Production Costs	4	(19,141)	(7,827)
Gross Profit		**19,235**	**3,201**
Exploration Costs	7	(4,444)	(6,616)
Administrative Costs	8	(6,988)	(9,648)
Selling Expenses		(451)	(503)
Other Operating Costs		(170)	(14)
Operating Profit/ (Loss)		**7,182**	**(13,580)**
Financial Income	9	673	2,036
Financial Expenses	10	(3,928)	(2,262)
Profit / (Loss) before Tax		**3,927**	**(13,806)**
Income Tax	11	(276)	(2)
Profit / (Loss) for the Year		**3,651**	**(13,808)**
Earnings / (Loss) per Share (in US$) Basic	**13**	**0.11**	**(0.45)**
Earnings / (Loss) per Share (in US$) Diluted	**13**	**0.11**	**(0.45)**

The profit of the year is entirely attributable to the shareholders.

The notes on pages 54 to 74 are an integral part of these consolidated financial statements.

Consolidated Balance Sheet

31 December

Amounts in US$ '000	Note	2008	2007
Intangible Assets	14	37,162	23,833
Property, Plant and Equipment	15	67,640	31,707
Prepaid Taxes	17	3,463	3,068
Investments	20	2,141	2,079
Deferred Tax Asset	12	15	15
Non Current Assets		**110,421**	**60,702**
Inventory	18	1,171	2,082
Trade Receivables	19	8,434	2,305
Prepayment and Other Receivables	19	1,383	574
Prepaid Taxes	17	2,688	3,889
Cash and Cash Equivalents		5,710	8,710
Current Assets		**19,386**	**17,560**
Assets		**129,807**	**78,262**
Share Capital	21	34	31
Share Premium		75,575	52,714
Other Reserve		3,175	3,260
Reserve for Exchange Rate Adjustment		920	938
Retained Earnings		(19,207)	(24,337)
Equity		**60,497**	**32,606**
Borrowings	22	42,253	29,958
Provision for Decommissioning	23	1,548	1,264
Deferred Tax Liabilities	12	276	-
Long Term Liabilities		**44,077**	**31,222**
Borrowings	22	11,427	4,783
Trade Accounts Payable	24	11,269	8,449
Other Liabilities		2,537	1,202
Current Liabilities		**25,233**	**14,434**
Liabilities		**69,310**	**45,656**
Equity and Liabilities		**129,807**	**78,262**

The notes on pages 54 to 74 are an integral part of these consolidated financial statements.

The financial statements were approved by the Board of Directors on 5 May 2009.

Consolidated Statement of Changes in Equity

1 January - 31 December

Amounts in US$ '000	Share Capital	Share Premium	Other Reserve	Reserve for Exchange Adjustment	Retained Earnings	Total
Equity at 1 January 2007	31	52,595	3,025	57	(14,601)	41,107
Foreign Currency Translation	-	-	-	881	-	881
Loss for the Year	-	-	-	-	(13,808)	(13,808)
Total Income and Expense for the Year	**-**	**-**	**-**	**881**	**(13,808)**	**(12,927)**
Share Based Payment (notes 21 and 25)	-	119	235	-	4,072	4,426
Equity Movements in the Year	**-**	**119**	**235**	**-**	**4,072**	**4,426**
Equity at 31 December 2007	**31**	**52,714**	**3,260**	**938**	**(24,337)**	**32,606**
Foreign Currency Translation	-	-	-	(18)	-	(18)
Profit for the Year	-	-	-	-	3,651	3,651
Total Income and Expense for the Year	**-**	**-**	**-**	**(18)**	**3,651**	**3,633**
Issue of Shares (note 21)	3	23,612	-	-	-	23,615
Costs of the Issue of Shares (note 21)	-	(940)	-	-	-	(940)
Share Based Payment (notes 21 and 25)	-	189	(85)	-	1,479	1,583
Equity Movements in the Year	**3**	**22,861**	**(85)**	**-**	**1,479**	**24,258**
Equity at 31 December 2008	**34**	**75,575**	**3,175**	**920**	**(19,207)**	**60,497**

The notes on pages 54 to 74 are an integral part of these consolidated financial statements.

Consolidated Cash Flow Statement

1 January - 31 December

Amounts in US$ '000	2008	2007
Profit / (Loss) for the Year	3,651	(13,808)
Adjustments for:		
Income Tax	276	2
Depreciation of the Year	7,440	2,084
Profit on Disposal of Property, Plant and Equipment	(143)	(38)
Write off of Unsuccessful Efforts	273	4,522
Relinquishment of Del Mosquito Area	1,149	-
Accrual of Financial Expenses	1,931	1,775
Unwinding of Discount	(434)	28
Accrual of Stock Options and Stock Awards	1,583	4,426
Exchange Difference Generated by Borrowings	1,193	550
Changes in Working Capital:		
Change in Prepaid Taxes	335	(3,890)
Change in Inventory	863	(1,134)
Change in Trade Receivables	(6,150)	(743)
Change in Prepayments and Other Receivables	(1,053)	(13)
Change in Legal Deposit	-	11
Change in Current Liabilities (Excluding Bank, Tax and Dividend)	4,282	4,608
Net Cash Generated by (used in) Operating Activities	**15,196**	**(1,620)**
Cash Flows from Investing Activities		
Purchase of Intangible Assets	(40,690)	(29,472)
Purchase of Property, Plant and Equipment	(17,452)	(9,311)
Sale of Property, Plant and Equipment	209	62
Purchase of Financial Assets	-	(2,000)
Net Cash Used in Investing Activities	**(57,933)**	**(40,721)**
Cash Flows from Financing Activities		
Proceeds from the Issue of Common Shares	22,675	-
Proceeds from Borrowings	26,319	17,311
Borrowings Paid	(7,117)	-
Interest Paid	(2,183)	(962)
Net Cash Generated from Financing Activities	**39,694**	**16,349**
Net Decrease in Cash and Cash Equivalents	**(3,043)**	**(25,992)**
Cash and Cash Equivalents at 1 January	8,710	34,170
Currency Translation Differences Relating to Cash and Cash Equivalents	43	532
Cash and Cash Equivalents at the End of the Year	**5,710**	**8,710**
Ending Cash and Cash Equivalents are Specified as Follows:		
Cash at Bank	5,707	8,707
Cash in Hand	3	3
Cash and Cash Equivalents	**5,710**	**8,710**

The notes on pages 54 to 74 are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

Note 1

General Information

GeoPark Holdings Limited (the Company) is a limited 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 has its listing on the AIM London Stock Exchange. Also The Company has applied to the Chilean Superintendent for Companies (Superintendencia de Valores y Seguros or SVS) for its authorization to trade the Group's shares in the Chilean off-shore market. All required documentation has been submitted, and the SVS has requested formal clarifications, which are currently being processed.

These consolidated financial statements were authorised for issue by the Board of Directors on 5 May 2009.

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.

Basis of Preparation

The consolidated financial statements of GeoPark Holdings Limited have been prepared in accordance with International Financial Reporting Standards (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, modified by the recording of inventories at net realisable value.

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".

Standards, amendments and interpretations to existing standards that are not yet effective nor adopted early by the Group.

The following standards, amendments and interpretations to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2009 or later periods, but the Group has not early adopted them:

- IAS 23 (Amendment), 'Borrowing costs' (effective from 1 January 2009). The amendment requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs will be removed. The Group will apply IAS 23 (Amendment) prospectively from 1 January 2009.
- IAS 1 (Revised), 'Presentation of financial statements' (effective from 1 January 2009). The revised standard will prohibit the presentation of items of income and expenses (that is, 'non owner changes in equity') in the statement of changes in equity, requiring 'non owner changes in equity' to be presented separately from owner changes in equity. All non owner changes in equity will be required to be shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). Where entities restate or reclassify comparative information, they will be required to present a restated balance sheet as at the beginning of the comparative period in addition to the current requirement to present balance sheets at the end of the current period and comparative period. The Group will apply IAS 1 (Revised) from 1 January 2009. It is likely that both the income statement and statement of comprehensive income will be presented as performance statements.
- IFRS 2 (Amendment), 'Share-based payment' (effective from 1 January 2009).
- IAS 32 (Amendment), 'Financial instruments: Presentation', and IAS 1 (Amendment), 'Presentation of financial statements' - 'Puttable financial instruments and obligations arising on liquidation' (effective from 1 January 2009).
- IFRS 1 (Amendment) 'First time adoption of IFRS', and IAS 27 'Consolidated and separate financial statements' (effective from 1 January 2009).
- IAS 27 (Revised), 'Consolidated and separate financial statements', (effective from 1 July 2009).
- IFRS 3 (Revised), 'Business combinations' (effective from 1 July 2009).
- IFRS 8, 'Operating segments', replaces IAS 14, 'Segment reporting', and aligns segment reporting with the requirements of the US standard SFAS 131, 'Disclosures about segments of an enterprise and related information'.
- There are a number of minor amendments to IFRS 7, 'Financial instruments: Disclosures', IAS 8, 'Accounting policies, changes in accounting estimates and errors', IAS 10, 'Events after the reporting period', IAS 18, 'Revenue' and

IAS 34, 'Interim financial reporting', which are part of the IASB's annual improvements project published in May 2008 (not addressed above). These amendments are unlikely to have an impact on the Group's accounts and have therefore not been analysed in detail.

Going Concern

The current global economic conditions have created uncertainties, particularly over future oil and gas prices and the availability and cost of new finance. 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. As highlighted in note 30, the Group remains in discussion with different financing sources to assist with funding its 2009 capital expenditure program.

The Directors prepare detailed cash flow forecasts under different scenarios that include the Group not obtaining additional financing. Such detailed short term cash flow forecasts are prepared for a period in excess of one year from the balance sheet date. These cash flow forecasts are based on current oil and gas prices and operating costs. In the event that global economic conditions worsen and oil and gas prices fall further, the Directors would be able to manage the resulting impact on the Group's cash position, by implementing cost reductions, deferring capital expenditure commitments and selling non core assets.

After making enquiries, 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 in operational existence for the foreseeable future. For this reason, the Directors have continued to adopt the going concern basis in preparing the consolidated financial statements.

Consolidated Financial Statements

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.

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

Jointly Controlled Assets

The joint ventures undertaking by the Group are classified as jointly controlled assets under IAS 31 "Interest in Joint Ventures". Therefore, the Group recognised its share of assets and liabilities as well as its share of expenses and income from the use of its share of the output of both joint ventures.

Revenue

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

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.

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

Financial Costs

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

Costs of Exploration and Appraisal

The Group applies IFRS 6 "Exploration and Evaluation of Mineral Resources".

Oil and gas exploration and production properties and assets are accounted for in accordance with the "successful efforts" method of accounting for exploration and appraisal costs.

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

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

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

Drilling costs of the exploratory wells, including wells for stratigraphical tests and 3D seismic are capitalised as intangible assets in cost centres by field or exploration area as appropriate, pending the determination of commercial reserves. If those reserves are not found, these costs are written off. Following the discovery of a commercially viable field, the attributable costs are transferred to property, plant and equipment in single field cost centres.

Works costs that increase the total commercially recoverable reserves or speed up the extraction of reserves are included in the carrying amount of the asset and are depreciated using the unit of production method. Workovers that merely restore production to its original level are charged to the Income Statement during the fiscal period in which they are incurred.

Commercial reserves are proven and probable oil and gas reserves as defined in chapter 19 of the listing rules of the United Kingdom Listing Authority (UKLA).

Development and property acquisition costs incurred in development wells (including seismic surveys for development purposes) and production facilities and machinery are capitalised within property, plant and equipment.

Depletion

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

A field is an area consisting of a single reservoir or multiple reservoirs which are grouped or related to the same individual geographical structural feature and/or stratigraphic condition.

Decommissioning

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

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 an interest expense.

Impairment Testing for Exploration and Appraisal Assets and Property, Plant and Equipment

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use based on an internal discounted cash flow evaluation.

Where there are indicators that an exploration asset may be impaired, the exploration and appraisal assets are grouped with all development/producing assets belonging to the same geographic segment to form the Cash Generating Unit (CGU) for impairment testing. Where there are indicators that an property, plant and equipment asset is impaired, assets are grouped at the lowest levels for which there are separately identifiable cash flows to form the CGU. The combined cost of the CGU is compared against the CGU's net present value and any resulting impairment loss is written off to the Income Statement. No impairment has been recognised during the year.

Other Property, Plant and Equipment

Furniture, equipment and vehicles are measured at cost less accumulated depreciation and impairment. The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready for use.

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

Subsequent costs of replacement of components are recognised as property, plant and equipment when it is likely that they will lead to future economic benefits. The carrying amount of the replaced components is recognised in the Income Statement. All other costs of repair and maintenance are recognised in the Income Statement when incurred.

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

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

Depreciation is recognised in the Income Statement as production and selling and administrative expenses, respectively.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

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.

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

Lease Contracts

All current lease contracts are considered to be operating leases on the basis that the lessor bears 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 27.

Inventories

Inventories comprise crude oil and materials.

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

Current and Deferred Income Tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement.

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. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. 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.

The principal temporary differences mainly arise from:
- Exploration costs that have been capitalized for accounting or tax purposes and have been expensed for tax or accounting purposes, respectively.
- Differences in depreciation rates on property, plant and equipment for tax and accounting purposes.
- Inflation adjustments for tax purposes.

In addition, tax losses available to be carried forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets.

Deferred tax liabilities are provided in full, with no discounting. Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income.

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, unless they are classified as at fair value through profit or loss.

De-recognition 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 Income Statement.

Provision against trade receivables is made when objective evidence is received that the Group will not be able to collect all amounts due to it in accordance with the original terms of those receivables. The amount of the write-down is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows.

Cash and Cash Equivalents

Cash and cash equivalents 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 are shown within borrowings in the current liabilities section of the Balance Sheet.

Investments

Non current investments relate solely to the cash collateral account required under the terms of the borrowing obtained from the IFC. This investment accrues interests and will be recovered once the borrowing is fully paid.

Financial Liabilities

Financial liabilities are obligations to pay cash or other financial assets and are recognised when the Group becomes a party to the contractual provisions of the instrument.

The Group has no financial liabilities categorised as at fair value through profit or loss at the reporting date. Therefore, all other financial liabilities are recorded at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance cost in the income statement.

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 Income Statement over the period of the borrowings using the effective interest method.

Finance charges, including premiums payable on settlement or redemption, and direct issue costs are charged to the Income Statement on an accruals basis using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Compound Instruments

Compound instruments comprise both a liability and an equity component. At date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar debt instrument. The liability component is accounted for as a financial liability.

The residual is the difference between the net proceeds of issue and the liability component (at time of issue) and is the equity component, which is accounted for as an equity instrument.

The interest expense on the liability component is calculated applying the effective interest rate for the liability component of the instrument. The difference between this amount and any repayments is added to the carrying amount of the liability in the balance sheet.

If a company revises its estimates of payments or receipts, the entity shall adjust the carrying amount of the financial asset or financial liability (or group of financial instruments) to reflect actual and revised estimated cash flows. The Group recalculates the carrying amount by computing the present value of estimated future cash flows at the financial instrument's original effective interest rate. The adjustment is recognised as income or expense in profit or loss.

Equity

An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Equity comprises the following:

- "Share capital" representing the nominal value of equity shares.
- "Share premium" representing the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.
- "Other reserve" representing the equity element attributable to compound or linked financial instruments and shares granted according to IFRS 2 but not issued at year end, as noted above.
- "Reserve for exchange adjustment" representing the differences arising from translation of investments in overseas subsidiaries.
- "Retained earnings" representing retained profits and losses.

Stock Options Plan and Stock Awards

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 employee 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, excluding the impact of any non market vesting conditions (for example, profitability and sales growth targets). 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 Income Statement, with a corresponding adjustment to equity. 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.

Foreign Currency Translation

a) Functional and Presentational Currency

The consolidated financial statements are presented in US Dollars, which is the Group's presentational 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 Bermuda (including the parent company) is the US Dollar.

For the Argentine subsidiaries the functional currency is the Argentine Peso. Sales are predominantly based on US Dollar pricing but influenced by the local government policies. However, a significant proportion of operating costs (particularly labour) arises in Argentine Peso. Accordingly, changes in the exchange rates between these currencies and the US Dollar will impact on the Group's reported results. Subsidiaries hold certain monetary financial liabilities denominated in currencies other than their functional currency, in particular US Dollar denominated financial loans, and to a lesser extent, cash and cash equivalents. Monetary assets and liabilities are converted into functional currencies at the closing rate. The resultant differences are accounted for in the Income Statement in accordance with IFRS.

Effective from 1 January 2008, the Chilean subsidiaries changed the functional currency from Chilean Peso to the US Dollar.

As there has been a change in the underlying transactions, conditions and events, IAS 21 requires the change to be accounted for prospectively from the date of change and the comparatives have not been restated.

In 2008 there have been several circumstances that lead to change the functional currency from the Chilean Peso to the US Dollar in order to better represent the transactions and balances of the Group's Chilean subsidiaries.

The most significant changes occurred during the year were driven by the international financial crisis which had an impact on the ability of the subsidiaries to finance their own operations from domestic financial institutions. The Group changed its expectations to finance its capital expenditure program through its current or other borrowers and in US Dollars.

Due to the abovementioned, the importance of US Dollars in the operations increased in 2008 and will continue to do so because GeoPark Chile increased working with international suppliers rather than local ones. In 2008 most of the operating costs were influenced by 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 income statement. 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.

c) Group Companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
(b) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
(c) all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings are taken to shareholders' equity. On disposal of a foreign operation the cumulative translation differences (including, if applicable, gains and losses on related hedges) are transferred to the Income Statement as part of the gain or loss on disposal.

Accounting Estimates and Assumptions

It should be noted that accounting estimates and assumptions are used in preparing the financial statements. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from them.

Estimates and judgments 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 the successful efforts basis of accounting. The Board of Directors of the Company makes assessments and estimates regarding whether an exploration asset should continue to be carried forward as an intangible asset not yet determined or when insufficient information exists for this type of cost to remain as an asset. In making this assessment the Directors take professional advice from qualified independent experts (note 14).

- Cash flow estimates for the Group's 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. Forecasts for oil and gas revenues are based on prices derived from future price forecasts amongst industry analysts and the Group's assessments. Our estimates of future cash flows are generally based on assumptions of long-term prices and operating and development costs. Given the significant assumptions required and the possibility that actual conditions will differ, management considers 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 March 2008 prepared by Degoyler and MacNaughton, an international consultancy to the oil and gas industry based in Dallas, and updated for subsequent changes by the Group's management. 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 at the time the estimates are prepared. 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.

- The advances received under the gas pre-sale agreement entered into with Methanex Corporation bears interest at a rate of LIBOR (note 22). The Board of Directors considers that the advances are at fair value as a result of the security in the natural gas supply which Methanex have obtained through the agreement.

- The fair value of the stock option rights were determined based upon the Black-Scholes model. For this purpose the Group has used appropriate risk free rates and volatilities of comparable oil and gas companies traded on AIM. Details of these assumptions and the result charged to the Income Statement are provided in note 25.

- The total calculation of the decommissioning provision is estimated by the Group's engineers, based on individual well filling and coverage (note 23).

- As detailed in the relevant accounting policies the selection of functional currencies for each entity in the Group is dependent on the primary economic environment in which they operate which is determined by considering a number of factors. As detailed the Board consider that the primary economic environment in which the Argentinean subsidiary operates is the Argentine Peso and for the Chilean subsidiaries is the US Dollar. The Board considers this assessment to be a significant judgement as it gives rise to exchange differences as detailed in note 30.

Cash Flow Statement

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 2008

Balance Sheet Items	Movements Derived from Consolidated Balance Sheet	Movements Arising from Currency Translation	Other Non Cash Movements (*)	Movements from Consolidated Cash Flow Statement
Property, plant and equipment	35,933	332	(26,319)	9,946
Intangible assets	13,329	338	25,601	39,268
Prepaid taxes	(806)	471	-	(335)
Inventory	(911)	48	-	(863)
Trade receivables	6,129	21	-	6,150
Prepayment and other receivables	809	244	-	1,053
Investments	62	-	(62)	-
Cash and cash equivalents	(3,000)	(43)	-	(3,043)
Provision for decommissioning	(284)	-	718	434
Borrowings	(18,939)	(1,266)	62	(20,143)
Trade accounts payable	(2,820)	(83)	-	(2,903)
Deferred tax	(276)	-	276	-
Other liabilities	(1,335)	(44)	-	(1,379)
Equity	(27,891)	(18)	(276)	(28,185)

(*) Mainly transfers, increase in the asset retirement obligation and deferred tax.

31 December 2007

Balance Sheet Items	Movements Derived from Consolidated Balance Sheet	Movements Arising from Currency Translation	Other Non Cash Movements (*)	Movements from Consolidated Cash Flow Statement
Property, plant and equipment	23,471	(71)	(16,197)	7,203
Intangible assets	10,358	(462)	15,054	24,950
Prepaid taxes	3,487	403	-	3,890
Legal deposit	(11)	-	-	(11)
Inventory	1,214	(80)	-	1,134
Trade receivables	853	(110)	-	743
Prepayment and other receivables	31	(18)	-	13
Investments	2,079	-	(79)	2,000
Cash and cash equivalents	(25,460)	(532)	-	(25,992)
Provision for decommissioning	(1,171)	-	1,143	(28)
Borrowings	(18,236)	(517)	79	(18,674)
Trade accounts payable	(4,785)	477	-	(4,308)
Other liabilities	(331)	29	2	(300)
Equity	8,501	881	(2)	9,380

(*) Mainly transfers, increase in the asset retirement obligation and deferred tax.

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.

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.

Certain reclassification have been made to the cash flows reported in 2007 to ensure that the presentation is consistent with the 2008 balances.

Segment Information

The Group explores and operates in two different countries: Argentina and Chile. As operations are similar in both countries, the primary segments of the Group have been made on a geographical basis, based on the location of the assets (which is similar to the location of the customers). Segment revenue and costs include items that are attributable directly to the relevant segment and items that can be distributed among the segments. Non distributed items include the Group's administration, financial income, expenses and taxes.

The property, plant and equipment of a segment include the assets that are used directly in the segment. The current assets of a segment include assets that are related directly to the operation of the segment, including inventory and accounts receivable.

The liabilities of a segment include liabilities that are related directly to the operation of the segment, including trade payables and other debts.

Segment Areas (Geographical Segments)

Amounts in US$ '000	Argentina	Chile	Corporate	Total
2008				
Revenue	1,066	37,310	-	38,376
Gross profit / (loss)	(306)	19,541	-	19,235
Profit / (Loss) before tax	(4,503)	13,248	(4,818)	3,927
Profit / (Loss) for the year	(4,503)	12,972	(4,818)	3,651
Capital expenditure	879	57,263	-	58,142
Depreciation	(610)	(6,762)	(68)	(7,440)
Total assets	13,842	109,834	6,131	129,807
Liabilities	(6,756)	(62,283)	(271)	(69,310)
Cash flows from operations	(4,371)	24,121	(4,554)	15,196
Cash flows from investing	(691)	(57,242)	-	(57,933)
Cash flows from financing	(1,648)	18,667	22,675	39,694
Employees (average)	63	97	1	161

Amounts in US$ '000	Argentina	Chile	Corporate	Total
2007				
Revenue	1,341	9,687	-	11,028
Gross profit (loss)	(767)	3,968	-	3,201
Loss before tax	(7,250)	(67)	(6,489)	(13,806)
Loss for the year	(7,250)	(69)	(6,489)	(13,808)
Capital expenditure	4,735	34,044	4	38,783
Depreciation	(564)	(1,452)	(68)	(2,084)
Total assets	14,752	58,620	4,890	78,262
Liabilities	(8,911)	(36,635)	(110)	(45,656)
Cash flows from operations	(3,347)	4,946	(3,219)	(1,620)
Cash flows from investing	(4,700)	(34,021)	(2,000)	(40,721)
Cash flows from financing	2,751	13,598	-	16,349
Employees (average)	49	22	1	72

Note 3
Net Revenue

Amounts in US$ '000	2008	2007
Sale of crude oil	8,901	3,123
Sale of gas	29,475	7,905
	38,376	**11,028**

Note 4

Production Costs

Amounts in US$ '000	2008	2007
Wages and salaries	2,173	1,552
Depreciation	7,108	1,815
Royalties	2,173	486
Gas Plant lease	2,147	400
Insurance costs	469	250
Other costs	5,071	3,324
	19,141	**7,827**

Note 5

Depreciation

Amounts in US$ '000	2008	2007
Oil and gas properties	4,579	810
Furniture, equipment and vehicles	241	192
Production facilities and machinery	2,486	965
Buildings and improvements	134	117
Depreciation, property plant and equipment	**7,440**	**2,084**

Recognised as follows:

Production costs	7,108	1,815
Exploration costs	55	67
Administrative expenses	277	202
Depreciation total	**7,440**	**2,084**

Note 6

Employees

	2008	2007
Average number of employees	161	72
Amounts in US$ '000		
Wages and salaries (*)	4,876	4,360
Social security charges	666	492
Shared-based payment	816	2,047
	6,358	**6,899**

(*) The 2008 amount does not include US$ 1,632,000 (2007 nil) of salaries paid for drilling hours that were capitalised.

	2008	2007
Board of Directors' and key managers' remuneration		
Salaries and fees	1,601	1,569
Shared-based payment	644	1,728
Other benefits in kind	117	84
	2,362	**3,381**

Note 7

Exploration Costs

Amounts in US$ '000	2008	2007
Wages and salaries	1,406	1,220
Other services	1,616	874
Relinquishment of Del Mosquito Block (a)	1,149	-
Write off of unsuccessful efforts (b)	273	4,522
	4,444	**6,616**

(a) See note 14.

(b) The 2007 write offs relate to two exploratory wells in Del Mosquito during that period. These have been included within Exploration costs within the Income Statement in 2007. Additional costs were incurred during 2008 in relation to these exploratory wells. During 2008 there have not been any unsuccessful exploratory wells.

Note 8

Administrative Costs

Amounts in US$ '000	2008	2007
Administrative expenses	5,509	5,576
Stock awards and ESOP (note 25)	1,479	4,072
	6,988	**9,648**

Note 9

Financial Income

Amounts in US$ '000	2008	2007
Exchange difference	281	1,077
Interest receivable	392	959
	673	**2,036**

In 2007, when the functional currency was the Chilean Peso, the exchange difference arose from the net exposure related to the existence of financial liabilities in US Dollars mainly in Chile.

Note 10

Financial Expenses

Amounts in US$ '000	2008	2007
Bank charges and other financial costs	65	211
Exchange difference	1,654	197
Interest and amortisation of debt issue costs	2,209	1,854
	3,928	**2,262**

In 2008, both the Chilean Peso and the Argentine Peso weakened against the US Dollar. The Group's exchange differences arose from the net exposure related to the existence of financial liabilities in US Dollars in Argentina and from the net exposure related to the existence of financial assets in Chilean Pesos in Chile.

Note 11

Income Tax

Amounts in US$ '000	2008	2007
Current tax	-	(2)
Deferred tax	(276)	-
	(276)	**(2)**

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	2008	2007
Profit / (loss) before tax	3,927	(13,806)
Results in countries where no income tax is paid	4,818	6,489
Tax losses where no deferred income tax is recognised	4,503	7,250
Taxable profit / (loss)	**13,248**	**(67)**
Effective tax rate in respect of taxable profit.	15%	15%
Income tax calculated at statutory tax rate	1,987	(10)
Expenses not deductible for tax purposes	158	28
Difference between functional currency and tax currency	(1,862)	-
Non taxable profit	(7)	(16)
Income tax	**276**	**2**

The tax rate in Bermuda where GeoPark Holdings Limited is registered is 0%. Income tax rates in those countries where the Group operates ranges from 15% to 35%.

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	2008	2007
Argentina	13,144	6,066
Total tax losses at 31 December	**13,144**	**6,066**

At the balance sheet date deferred tax asset 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 2008 are:

Expiring date	Amounts in US$ '000
2010	748
2011	1,885
2012	6,590
2013	3,921

Note 12

Deferred Income Tax

Amounts in US$ '000	2008	2007
Deferred tax at 1 January	15	15
Exchange rate adjustment	-	-
Movement in deferred tax	(276)	-
Deferred tax at 31 December	**(261)**	**15**
Deferred tax asset (liability) relates to:		
Taxable losses (*)	3,669	-
Property, plant and equipment	(4,091)	(17)
Other temporary differences	161	32
	(261)	**15**

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

Note 13

Earnings / (Loss) per Share

Amounts in US$ '000	2008	2007
Numerator:		
Profit / (loss) for the year	3,651	(13,808)
Denominator:		
Weighted average number of shares used in basic EPS	32,984,875	30,683,536
Earnings / (loss) after tax per share (US$) - basic	**0.11**	**(0.45)**

Amounts in US$ '000	2008	2007
Weighted average number of shares used in basic EPS	32,984,875	30,683,536
Effect of dilutive potential common shares		
Stock awards to employees at US$ 0.001	-	613,380
Stock option at £4.00	-	1,218,380
Executive Directors stock option at £3.20	48,425	306,690
Non Executive Directors fees (note 21)	10,938	11,716
Stock awards to Non Executive Directors (note 21)	10,397	21,876
Weighted average number of common shares for the purposes of diluted earnings per share	33,054,635	32,855,578
Earnings / (loss) after tax per share (US$) - diluted	**0.11**	**(0.45)**

Note 14

Intangible Assets

Amounts in US$ '000	Exploration and evaluation assets
Carrying amount at 1 January 2007	13,475
Additions	29,472
Exchange rate adjustment	462
Write off of unsuccessful efforts	(4,522)
Transfers to property, plant and equipment	(15,054)
Carrying amount at 31 December 2007	**23,833**
Additions	40,690
Exchange rate adjustment	(338)
Write off of unsuccessful efforts (note 6)	(273)
Relinquishment of Del Mosquito Block	(1,149)
Transfers to property, plant and equipment	(25,601)
Carrying amount at 31 December 2008	**37,162**

Included in the carrying amounts are 265 (400 in 2007) square kilometres of 3D seismic surveys registered in Del Mosquito Block for US$ 2,107,315 (US$ 3,471,000 in 2007) and 450 (680 in 2007) square kilometres of 3D seismic surveys registered in the Fell Block for US$ 6,578,313 (US$ 8,669,000 in 2007).

In Argentina, on 30 December 2008 the Group relinquished 38.43% of the Del Mosquito Block back to the government in accordance with the terms of the Del Mosquito licence, effectively from 1 January 2009. This area includes 135 square kilometres of seismic surveys which represents 33.75% of the total seismic surveys (400 square kilometres). The relinquished seismic survey was charged within the income statement to Exploration costs.

During 2008, the 3D seismic registered in the Fell Block, relating to the areas that have been developed (243 square kilometres) has been transferred to property, plant and equipment within "Oil & gas properties" and is being depreciated considering the unit of production method.

Included in the carrying amount are 8 wells for US$ 22,013,000 that form part of the drilling campaign in Chile, 1 well in Argentina for US$ 752,000 and 4 wells that formed part of the workover campaign in Chile for US$ 1,448,000. Four of the Chilean wells entered into production in 2009. It is planned that the remaining wells will be refractured or retested in 2009 or 2010. Therefore, the carrying amounts of these wells has been retained in Intangible assets.

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

The Group has the exclusive right to explore and exploit the Fell Block. The exploration phases are divided in four exploration periods, which will last for six years in total, beginning on 25 August 2004. For exploitation, the CEOP grants the Contractor a period of 35 years, beginning on 25 August 1997. The exploration period ends in May 2011. Once oil or gas is discovered, that area of the block which is to be produced may be converted into an exploitation block and the Group has the right to exploit it until the end of the concession. To do this, the Contractor must declare the commerciality of the field, by means of a written letter to the Ministry of Mining.

The exclusive right to produce, explore and develop hydrocarbons in the Del Mosquito Block was granted for a period of 25 years, commencing in April 1991, with a possible extension of 10 years. This possible extension was not considered to impact the calculation of the net present value of the CGU's related to Del Mosquito Block.

Net present value is based upon calculations carried out by independent experts commissioned by the Group. On 31 December 2008 net present value calculations were carried out using a discount factor of 10 per cent based on the Reserve Report dated March 2008 prepared by DeGolyer and MacNaughton and updated for subsequent changes by the Group's management.
No impairment was considered necessary as a result of these calculations.

Note 15

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	Total
Cost at 1 January 2007	**4,631**	**634**	**3,683**	**330**	**717**	**9,995**
Exchange rate adjustment	(149)	(1)	221	3	4	78
Additions	1,357	229	3,370	79	5,419	10,454
Disposals	-	(37)	-	-	-	(37)
Transfers	(505)	-	5,190	1,022	(5,707)	-
Transfers (from intangible assets)	10,164	-	4,890	-	-	15,054
Cost at 31 December 2007	**15,498**	**825**	**17,354**	**1,434**	**433**	**35,544**
Exchange rate adjustment	(454)	(37)	(132)	(23)	(14)	(660)
Additions	5,240	162	3,029	3	9,736	18,170
Disposals	-	-	-	-	(66)	(66)
Transfers (from intangible assets)	25,571	-	5	25	-	25,601
Transfers	197	-	6,520	183	(6,900)	-
Cost at 31 December 2008	**46,052**	**950**	**26,776**	**1,622**	**3,189**	**78,589**
Depreciation and write-down at 1 January 2007	**(1,510)**	**(175)**	**(40)**	**(34)**	**-**	**(1,759)**
Depreciation (note 5)	(810)	(192)	(965)	(117)	-	(2,084)
Exchange rate adjustment	37	3	(45)	(2)	-	(7)
Disposals	-	13	-	-	-	13
Transfers	195	-	(195)	-	-	-
Depreciation and write-down at 31 December 2007	**(2,088)**	**(351)**	**(1,245)**	**(153)**	**-**	**(3,837)**
Depreciation (note 5)	(4,579)	(241)	(2,486)	(134)	-	(7,440)
Exchange rate adjustment	251	26	38	13	-	328
Depreciation and write-down at 31 December 2008	**(6,416)**	**(566)**	**(3,693)**	**(274)**	**-**	**(10,949)**
Carrying amount at 31 December 2007	**13,410**	**474**	**16,109**	**1,281**	**433**	**31,707**
Carrying amount at 31 December 2008	**39,636**	**384**	**23,083**	**1,348**	**3,189**	**67,640**

As of 31 December 2008, the Company has pledged, as security for a mortgage obtained for the acquisition of the operating base in Chile, assets amounting to US$ 520,000 (US$ 667,000 in 2007). See note 22.

The additions in "Construction in progress" principally relate to the acquisition of tubing and casing amounting to US$ 2,813,512, a compressor amounting to US$ 628,731, the construction of a gathering system station in Nika Sur for US$ 1,222,583 and a gathering system station in Monte Aymond for US$ 1,369,196 as well as some other facilities in Chile.

Note 16

Subsidiary Undertakings

In August 2008, GeoPark Holdings Limited established a new company located in Chile named GeoPark Magallanes Limitada which started operations in September 2008.

Also in Chile, the Group acquired a 30% interest in the Tranquilo Block (with Pluspetrol, IPR and Manas) and was awarded, following with Chilean bidding round, a 42% interest in the Otway Block (with Wintershall and Methanex). Both consortia have requested GeoPark to be the operator. The Tranquilo participation has been approved by the Chilean government and final approval of the Otway Block is in process. GeoPark Magallanes Limitada will hold the Group's interests in the Tranquilo and Otway Blocks.

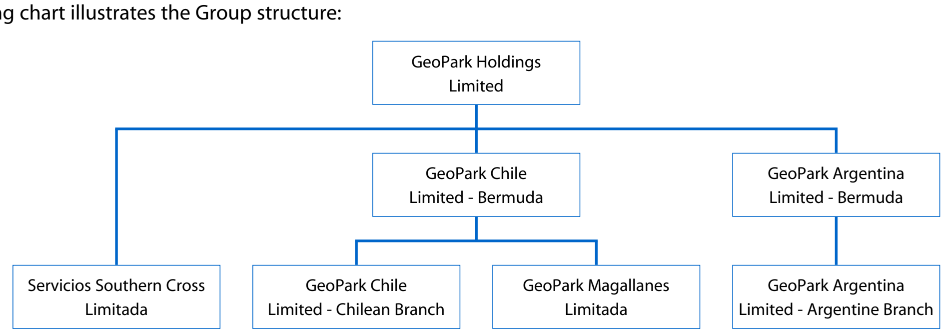
In September 2007, GeoPark Holdings Limited established a new company located in Chile called Servicios Southern Cross Limitada, which started operations in 2008.

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

	Name and Registered Office	Ownership Interest
Subsidiaries		
	GeoPark Argentina Limited - Bermuda	100%
	GeoPark Argentina Limited - Argentine Branch	100% (*)
	GeoPark Chile Limited - Bermuda	100%
	GeoPark Chile Limited - Chilean Branch	100% (*)
	Servicios Southern Cross Limitada	100%
	GeoPark Magallanes Limitada	100% (*)
Jointly controlled assets		
	Tranquilo Block	30%
	Otway Block	42%

(*) Indirectly owned.

The following chart illustrates the Group structure:



Note 17

Prepaid Taxes

Amounts in US$ '000	2008	2007
VAT	5,651	6,360
Other prepaid taxes	500	597
Total prepaid taxes	**6,151**	**6,957**
Classified as follows:		
Current	2,688	3,889
Non current	3,463	3,068
Total prepaid taxes	**6,151**	**6,957**

Note 18

Inventory

Amounts in US$ '000	2008	2007
Crude oil	464	351
Materials and spares	707	1,731
	1,171	**2,082**

Note 19

Trade Receivables and Prepayment and Other Receivables

Amounts in US$ '000	2008	2007
Trade accounts receivable	8,434	2,305
To be recovered from joint venturer	312	-
Prepayments and other receivables	1,071	574
	9,817	**2,879**

Trade receivables that are aged by less than three months are not considered impaired. As of 31 December 2008, trade receivables of US$ 145,000 (US$ 50,000 in 2007) were aged by more than 3 months, but not impaired. These relate to customers for whom there is no recent history of default.

As of 31 December 2008, trade receivables of US$ 21,256 were impaired and provided for. The individually impaired receivables mainly relate to wholesalers, which are in unexpectedly difficult economic situations. Also prepayments and other receivables of US$ 12,259 were impaired and provided for. The ageing of these receivables is over 12 months.

Movements on the Group provision for impairment are as follows:

Amounts in US$ '000	2008
At 1 January	-
Provision for receivables impairment	34
	34

The costs providing for impaired receivables have been included in 'Administrative costs' in the income statement.

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.

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

Note 20

Financial Instruments by Category

Amounts in US$ '000	Loans and Receivables	Total
2008		
Assets as per Balance Sheet		
Trade receivables	8,434	8,434
Investments (*)	2,141	2,141
Cash and cash equivalents	5,710	5,710
	16,285	**16,285**

	Other Financial Liabilities	Total
2008		
Liabilities as per Balance Sheet		
Trade payables	11,269	11,269
Borrowings	53,680	53,680
Other liabilities	1,492	1,492
	66,441	**66,441**

(*) Non current investments relate solely to the cash collateral account required under the terms of the borrowing obtained from the IFC.
This investment accrues interests and will be recovered once the borrowing is fully paid.

2007	Loans and Receivables	Total
Assets as per Balance Sheet		
Trade receivables	2,305	2,305
Investments	2,079	2,079
Cash and cash equivalents	8,710	8,710
	13,094	**13,094**

2007	Other Financial Liabilities	Total
Liabilities as per Balance Sheet		
Trade payables	8,449	8,449
Borrowings	34,741	34,741
Other liabilities	285	285
	43,475	**43,475**

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	2008	2007
Trade receivables		
Counterparties with external credit rating (Moody's)		
A2	690	297
Ba1	7,498	1,659
Baa1	94	144
Counterparties without external credit rating		
Group1 (*)	152	149
Group2 (*)	-	56
Total trade receivables	**8,434**	**2,305**
Cash at Bank and Investments		
Counterparties with external credit rating (Moody's)		
AAA	**7,848**	**10,786**

The rest of the balance sheet item 'cash and cash equivalents' is cash on hand.

(*)

Group 1 - new customers (less than 6 months).

Group 2 - existing customers (more than 6 months) with no defaults in the past.

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	Over 5 Years
At 31 December 2008				
Borrowings	13,403	16,818	26,472	167
Trade accounts payable	11,269	-	-	-
Other liabilities	1,492	-	-	-
	26,164	**16,818**	**26,472**	**167**
At 31 December 2007				
Borrowings	13,448	11,149	13,543	301
Trade payable	8,449	-	-	-
Other liabilities	285	-	-	-
	22,182	**11,149**	**13,543**	**301**

Note 21

Share Capital

Issued share capital	2008	2007
Common stock (amounts in US$ '000)	**34**	**31**
The share capital is distributed as follows:		
Common shares, of nominal US$ 0.001	34,399,186	30,688,202
Total common shares in issue	**34,399,186**	**30,688,202**

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$	5,171,949	5,171,949

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

Common Shares

As of 31 December 2008 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 2006			**30.7**	**31**
Issue of shares to non Executive Directors	2007	0.01	30.7	31
Shares outstanding at the end of 2007			**30.7**	**31**
Issue of shares to non Executive Directors	2008	0.03	30.7	31
Placing	May 2008	3.08	33.8	34
Share awards to officers, employees and consultants	July 2008	0.60	34.4	34
Shares outstanding at the end of 2008			**34.4**	**34**

On 9 May 2008, the Company issued 3,080,000 ordinary shares. Each share has been placed at a price of 394 pence per share, generating a share premium of US$ 23,612,067. Included in the placing were a new strategic block of Chilean investors and pension funds, the International Finance Corporation ("IFC") of the World Bank, and certain London institutional investors. The Placing was limited to 10% of the current issued share capital of the Company.

The gross proceeds of the Placing has been used principally to fund the acquisition and work program for the Company's farm-in on the new Tranquilo block in Chile and to accelerate the investment program on the Company's Fell Block in Chile.

In accordance with the requirements of IAS 32, the costs associated with the issue of these shares and their admission to AIM of US$ 940,404 have been deducted from equity.

During 2008, the Company issued 48,219 (19,235 in 2007) 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$ 307,000 (US$ 119,000 in 2007).

Other Reserve

As stated above, the Company has issued 48,219 shares regarding Non Executive Directors fees paid in shares. Additionally, 23,530 shares have been granted to Non Executive Directors and have not been issued as of 31 December 2008 resulting in an amount of US$ 150,000 being included within Other reserve. The 38,470 shares granted in 2007 have been issued during 2008 resulting in a decrease of US$ 235,000 of Other reserve.

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

Note 22
Borrowings

Amounts in US$ '000	2008	2007
Outstanding amounts as of 31 December		
International Finance Corporation	16,245	20,373
Methanex Corporation	36,898	13,675
Banco de Crédito e Inversiones	537	693
	53,680	**34,741**
Classified as follows:		
Non current	42,253	29,958
Current	11,427	4,783

On 12 December 2006, the Group entered into a loan agreement for an amount of US$ 20,000,000 with the International Finance Corporation ("IFC"), the private sector arm of the World Bank Group, to partially finance the 2007 Group investment program. The IFC is also a shareholder in the Group.

Loan disbursements made on 27 December 2006 were US$ 17,000,000 (which according to IAS 39 has been recorded net of transaction costs at US$ 16,505,000). The remaining US$ 3,000,000 were disbursed by the IFC in January 2007. This loan facility has a one year grace period and it is payable in ten consecutive half year installments commencing on January 2008.

The interest rate applicable to this loan is LIBOR plus 3 per cent.

In relation to the IFC loan, the Company has pledged the shares of GeoPark Argentina Ltd. and GeoPark Chile Ltd. as collected security.

Under the IFC facility the Group has committed to comply with some financial covenants. Failure to comply with those covenants may result in total or partial acceleration of any outstanding under the loan agreement.

During 2007 the Group requested and was granted a waiver for some of the financial covenants which was in place in 2007 and 2008. This waiver was requested pursuant to the agreement entered into with Methanex and the acquisition of a facility through a mortgage as explained below.

In 2007, the Group, through its subsidiary GeoPark Chile Limited, entered into an agreement with Methanex Corporation (the worlds largest methanol producer), for a US$ 40,000,000 financing facility for development and investing activities on the Fell Block.

The financing 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 by the price payable to the Chilean Government for such gas.

As of 31 December 2007, US$ 13,681,000 have been drawn-down (which according to IAS 32 has been recorded net of transaction costs at US$ 13,618,000). During 2008, the remaining amount has been drawn-down for development and investing activities on the Fell Block.

Additionally, GeoPark Chile acquired a facility to establish its operational base in the Fell Block. This facility was acquired though a mortgage loan granted by the Banco de Crédito e Inversiones (BCI), a Chilean private bank (note 15). 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 carrying value of these financial instruments is considered to represent a reasonable approximation of fair value for 2007 but changes in the international credit markets had affected and reduced the fair value of these financial instruments in 2008. The fair value of these financial instruments at 31 December 2008 amounts to US$ 45,258,000.

Note 23
Provision for Decommissioning

Amounts in US$ '000	US$ '000
At 1 January 2007	**93**
Additional provisions	1,143
Unwinding of discount	28
At 31 December 2007	**1,264**
Additional provisions	718
Unwinding of discount	(434)
At 31 December 2008	**1,548**

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.

Note 24

Trade Accounts Payable

Amounts in US$ '000	2008	2007
Trade payables	**11,269**	**8,449**

The average credit period (expressed as creditor days) during the year ended 31 December 2008 was 52 days (2007: 62 days).

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

Note 25

Share Based Payments

IPO Award Program and Executive Stock Option Plan

In 2006, the Group established an IPO Award Program and Executive Stock Option plan. These schemes were established to incentivise the Directors, senior management and employees, enabling them to benefit from the increased market capitalisation of the Company.

The costs for these Programs are expensed in the Administrative costs line included in the Income Statement. Details of these costs are described in the following table and explanations:

Amounts in US$ '000	2008	2007
Stock awards (a)	687	1,995
Stock option plan (b)	792	2,077
	1,479	**4,072**

(a) Corresponds to 613,380 IPO Awards that 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 AIM. 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 corresponded to employees that had left the Group before vesting date.

During 2008, 85,000 of these shares were sold by the employees at a weighted average price of £4.1675 per share. The shares held in the employee Beneficiary Trust rank pari-passu with GeoPark's ordinary shares.

(b) On admission to AIM the Company granted:

i) 605,000 stock options to the senior management and some eligible employees. The exercise price of these stock options is £ 4.00 (125 per cent of placing price), and they can be exercised as long as the holder continues to be an employee of the Group or maintains the consultancy role they had at the grant date. The vesting date of these stock options was 15 May 2008 and they will expire in five years 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. The awards will vest in full in the event of a takeover, change of control or winding up of the Company. None of these options has been exercised since the stock price has been below the exercise price since their vesting period started.

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). None of these options has been exercised during 2008.

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.

The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non transferability, exercise restrictions and behavioural considerations.

The main inputs used in the model to calculate the fair value of the options under the Executive stock option plan are the followings:

	Executive Directors	Directors, Senior Management and Eligible Employees
Grant date share price	£3.20	£3.20
Exercise price	£3.20	£4.00
Expected volatility	55%	55%
Vesting period	2 years	2 years
Expected life	4 years	4 years
Risk free interest rate	4.73%	4.73%
Fair value of the option	£1.50	£1.25
Number of options	306,690	1,218,380

No stock options have been granted during 2007.

New Performance-Based Employee Long Term Incentive Program

During 2008 GeoPark Shareholders 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. Considering the previously issued IPO Awards, the total share capital being awarded to employees will be approximately 14%.

The 2008 Program consisted of Stock Awards, with all employees eligible and with a vesting period of 4 years. Stock Awards will be determined for each employee in accordance with a formula and procedure based on: recruitment bonus and entry into the Company and value added and performance bonus. Specific Award amounts have been reviewed and approved by the Executive Directors and the Remuneration Committee of the Board of Directors.

Further details of the Plan can be found in the Director's Remuneration Report on page 46.

Other Share Based Payments

As it is mentioned in note 21, the Company granted 14,044 shares at average price for each three months period for services rendered by the Non Executive Directors of the Company. Fees paid in shares were directly expensed in the administrative expenses line in the amount of US$ 104,405.

Note 26

Interests in Joint Ventures

The Group has interests in two joint ventures, which are involved in the exploration of hydrocarbons in Chile (Note 16).

The following amounts represent the Company's share in the assets, liabilities and results of the joint ventures which are included in the consolidated balance sheet and statement of income:

Joint venture	Tranquilo Block	Otway Block
Subsidiary	GeoPark Magallanes Ltda.	GeoPark Magallanes Ltda.
Interest	30%	42%
	2008	**2008**
Assets		
PP&E / E&E	17	4
Other assets	-	-
	17	**4**
Liabilities		
Non current liabilities	-	-
Current liabilities	113	37
	113	**37**
Net liabilities	**96**	**33**
Sales	-	-
Loss before tax	96	33
Income tax	-	-
Net loss	**96**	**33**

Capital commitments related to the Tranquilo and Otway Blocks are disclosed in Note 27 (b).

Note 27

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 mouth of well of those products. This value is equivalent to the 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. Additionally, GeoPark Chile Ltd -Chilean Branch- is committed to pay private royalties, calculated at 3 per cent on oil and gas revenues up to a total amount of US$ 3,250,000.

(b) Capital Commitments

The Group has committed to drill two exploratory wells in Del Mosquito Block during 2009 and 2010. The Group estimates a cost of US$ 3,200,000 for these two wells. This commitment has been undertaken as a compensation of the obligation of a cash payment for the exploratory annual cannon payable in Argentina in respect of the Del Mosquito concession. This annual cannon is levied by the Provincial authorities and gives the right to maintain the concession.

The Tranquilo Block Consortium has committed to drill six exploratory wells, to perform 2D and 3D seismic during 2009, 2010 and 2011. The joint venture estimates a cost of US$ 14,360,000 for these works. Regarding this commitment, GeoPark Magallanes holds a 38.40% share.

The Otway Block Consortium has committed to drill two exploratory wells and to perform 3D seismic during 2009, 2010 and 2011. The joint venture estimates a cost of US$ 10,550,000 for these works. Regarding this commitment, GeoPark Magallanes holds a 42% share.

(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.

US$ 12,271,000 were charged to the income statement during 2008 related to operating leases.

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

Amounts in US$ '000	2008	2007
Operating lease commitments		
Falling due within 1 year	13,322	2,253
Falling due within 1 - 5 years	14,005	5,483
Falling due after 5 years	1,200	1,680
Total minimum lease payments	**28,527**	**9,416**

Note 28
Related Parties

Controlling Interest
The main shareholders of GeoPark Holdings Limited, a company registered in Bermuda, as of 31 December 2008, are:
a) 20.16 per cent of share capital, by Energy Holdings LLC, controlled by James F. Park (founder).
b) 18.61 per cent of share capital, by GP Investments and The Globe Resources Group, both companies controlled by Gerald O'Shaughnessy (founder).
c) 10.07 per cent of share capital, by SCHRODER Investment Management.
d) 8.31 per cent of share capital, by IFC (International Finance Corporation).

Balances outstanding and transactions with related parties:

(Amounts in '000) Account	Transaction	Balances	Related Party	Relationship
2008				
Borrowings	1,993	(16,432)	IFC	Shareholders
Administrative expense	36	-	Lario Enterprises	(*)
Production costs	123	-	Peter Ryalls	(**) Non Executive Director
2007				
Borrowings	1,814	(20,740)	IFC	Shareholders
Administrative expense	36	-	Lario Enterprises	(*)
Administrative expenses	124	-	Peter Ryalls	(**) Non Executive Director

(*) The Company paid US$ 36,000 during 2008 and US$ 36,000 during 2007 for services provided by Lario Enterprises LLC. Gerald O'Shaughnessy is a shareholder and director of GeoPark Holdings Limited, and is the beneficial owner of Lario Enterprises LLC through trusts.
(**) Corresponding to operating 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 29
Fees Paid to Auditors

Amounts in US$ '000	2008	2007
Fees payable to the Group's Auditors for the audit of the consolidated financial statements	85	131
Fees payable to the Group's Auditors for the review of interim financial results	22	30
Fees payable for the audit of the Group's subsidiaries pursuant to legislation	57	56
Fees paid to auditors	**164**	**217**

Note 30
Financial Instruments-Risk Management

The Group is exposed through its operations to the following financial risks:
- Foreign currency risk
- Market 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 centre. The policy for each of the above risks is described in more detail below.

Foreign Currency Risk
There are activities in foreign countries in which its functional currency is its local currency (Argentine Peso). The main exposure of the Group to currency changes is related to the financial loans denominated in US Dollars, and to a lower extent to receivables and cash balances held in US Dollars. As currency rate changes between the US Dollar and the Argentine Peso, the Group

recognises gains and losses in the consolidated income statement. In Chile where the functional currency is the US Dollar, the fluctuation of the Chilean Peso does not impact the loans, costs and revenues held in US Dollars; but it does impact the accounts denominated in Chilean Pesos. Such is the case of the prepaid taxes held in Chilean Pesos. As currency rate changes between the US Dollar and the Chilean Peso, the Group recognises gains and losses in the consolidated income statement.

In Argentina, the main exposure comes from the IFC loan. The amount outstanding at the issue of these financial statements was US$ 4.2 million, which is fully exposed to a devaluation of the Argentine Peso. Given the high cost of a long term Peso/Dollar hedge and the relatively low amount exposed, the management has decided not to hedge this exposure.

In Chile, most of the balances are denominated in US Dollars, and since it is the functional currency of the Chilean subsidiary, there is no exposure to currency fluctuation except from receivables originated in Chilean Peso for an amount of US$ 3,265,000, mainly corresponding to VAT credits for US$ 2,536,000. Management is working to collect this credit during 2009, therefore the exposure is not significant and the decision has been made not to hedge this risk.

The Group minimises the local currency positions in Argentina and Chile by seeking to equilibrate local and foreign currency assets and liabilities.

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 local currency US$ equivalents.

Exchange adjustments in respect of investments in subsidiary undertakings are recognised directly in equity.

During 2008, the Argentine Peso had weakened by 10% (3% in 2007) against the US Dollar and the Chilean Peso had weakened by 28% (strengthened by 7% in 2007). If both the Argentine and 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$ 597,000 (US$ 1,734,000 higher post-tax loss in 2007).

Market Price Risk

The price collected for the oil produced by the Group is dependant on WTI which is settled in the international markets in US Dollars. The market price of these commodities is subject to significant fluctuation but the Board did not consider appropriate to manage the Group's risk to such fluctuation through futures contracts or similar because to do so would not have been economical 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.

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 the WTI and methanol would have 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$ 3,188,110 (post tax Group's net loss would have been higher by US$ 877,000 in 2007).

The Board will adopt a hedging policy when it deems it 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 Petrobras, a Brazilian oil and gas company, which has good credit standing.

In Chile, all gas production is sold to the local subsidiary of the Methanex Corporation (a Canadian public company). All the oil produced in Chile is sold to ENAP, the State owned oil and gas company. Both companies have a good credit standing and despite the concentration of the sale they do not represent a significant collection risk. See disclosure in Note 20.

Funding and Liquidity Risk

The extent of the global economic crisis and the accompanying oil and gas price volatility have created substantial uncertainty in accurately forecasting future activities. The Group, like virtually every enterprise in every industry today, faces a period of challenge and adjustment. Following its successes in 2008, the Group is in the fortunate position of having a secure production base and cash flow stream - coupled with low operating costs and the flexibility of a discretionary investment program that can be maintained, reduced or increased in the short term depending on the severity or duration of the downturn. The Group's cost structure allows it to sustain itself in a very low oil and gas price environment.

To manage through the current global crisis, the Group has adjusted its 2009 investment program, restructured internal costs and refocused its approach to:

- prioritise and protect cash flow,
- lower its breakeven operating position by cost reductions,
- increase production by accessing quick cash flow-producing investments within its portfolio, and
- protect the core competences of the Company (that is, the ability to economically find and produce oil and gas).

Although the Group may have to raise additional funds to support its 2009 investment program, it has a strong support from its financial partners and significant flexibility in adjusting the program to ensure the development of the key properties.

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's to cash flow to interest rate risk. The loans from the IFC and Methanex Corporation accrue variable interest rates which depends on the LIBOR rate. For the period covered by these financial statements, the Group has decided not to buy any coverage for this risk.

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 2008, 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$ 356,183 lower (post tax Group's net loss would have been higher by US$ 178,000 in 2007), 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). Total capital is calculated as 'equity' as shown in the consolidated balance sheet plus net debt.

During 2008, the Group's strategy, which was unchanged from 2007, was to take the gearing ratio within 45% to 55% range. The gearing ratios at 31 December 2008 and 2007 were as follows:

Amounts in US$ '000	2008	2007
Net debt	53,680	34,741
Total equity	60,497	32,606
Total capital	114,177	67,347
Gearing ratio	47%	52%

The decrease in the gearing ratio during 2008 resulted primarily from the proceeds from the issue of common shares.

We express our appreciation
to Diego Dicarlo, geologist,
for his photographs of the blocks.

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 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
Mr. 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 immediately joined Grupo CB (CB Group) as a research analyst. Thereafter, he obtained a master's degree in Business Administration 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 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 and 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, Quintec, Inversiones Frimetal, Trayenko and Norvind.

James F. Park | Chief Executive Officer and Deputy Chairman
Mr. Park has extensive 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 (Basic Resources International Limited) which pioneered the development of commercial oil and gas production in Central America and, as a Senior Executive, was closely involved in the development of the Company (including grass-roots exploration activities, drilling and production operations, surface and pipeline construction, legal and regulatory issues, crude oil marketing and transportation, and raising substantial investment funds). He remained as a member of the board of Directors until the company was successfully sold in 1997 after reaching an oil production rate exceeding 20,000 bopd. 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.

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)
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