



GEO PARK

TRANSCRIPT – SECOND QUARTER 2024 RESULTS

CONFERENCE CALL

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C O R P O R A T E P A R T I C I P A N T S

Andrés Ocampo, Chief Executive Officer

Jaime Caballero Uribe, Chief Financial Officer

Martin Terrado, Chief Operating Officer

Augusto Zubillaga, Chief Technical Officer

Rodrigo Dalle Fiore, New Developments and Portfolio Director

Stacy Steimel, Shareholder Value Director

Maria Catalina Escobar, Shareholder Value and Capital Markets Director

C O N F E R E N C E C A L L P A R T I C I P A N T S

Daniel Guardiola, Banco BTG Pactual

Stephane Foucaud, Auctus Advisors

Vicente Falanga, Bradesco

P R E S E N T A T I O N

Operator

Good morning, and welcome to the GeoPark Limited Conference Call following the results announcement for the second quarter ended June 30, 2024.

If you do not have a copy of the press release, it is available at the Invest with Us section on the company's corporate website at www.geopark.com. A replay of today's call may be accessed through this webcast in the Invest with Us section of the GeoPark corporate website.

Before we continue, please note that certain statements contained in the results press release and on this conference call are forward-looking statements rather than historical facts and are subject to risks and uncertainties that could cause actual results to differ materially from those described. With respect to such forward-looking statements, the company seeks protections afforded by the Private Securities Litigation Reform Act of 1995.

These risks include a variety of factors, including competitive development and risk factors listed from time to time in the company's SEC reports and public releases. Those risks are intended to identify certain principal factors that could cause actual results to differ materially from those described in the forward-looking statements but are not intended to represent a complete list of company's business.

All financial figures included here and were prepared in accordance with IFRS and are stated in U.S. dollars unless otherwise noted. Reserves figures correspond to PRMS standards.

On the call today from GeoPark is Andres Ocampo, Chief Executive Officer; Jaime Caballero, Chief Financial Officer; Augusto Zubillaga, Chief Technical Officer; Martin Terrado, Chief Operating Officer; Rodrigo Dalle Fiore, New Development and Portfolio Director; Stacy Steimel, Shareholder Value Director; and Maria Catalina Escobar, Shareholder Value and Capital Markets Director.

And now I would like to turn the call over to Mr. Andrés Ocampo. Mr. Ocampo, please, you may begin.

Andrés Ocampo

Chief Executive Officer

Good morning and thank you for joining our second quarter conference call. We're pleased to report on our continued progress and results. In the second quarter, GeoPark demonstrated strong financial performance despite some operational challenges.

Our revenue increased by 14% compared to the first quarter to \$190 million on the back of higher oil prices. Adjusted EBITDA increased 15% to \$128 million, resulting in an EBITDA margin of 67%. Net profit was \$25.7 million, equivalent to \$0.50 per share, mainly affected by non-cash charges related to the impact of the devaluation of the Colombian peso over deferred income taxes.

During the second quarter, GeoPark invested around \$49 million in capital expenditures and generated almost 3x that amount in adjusted EBITDA within the same quarter. Again, showing our team's capital discipline and efficiency of our investments. The return on average capital employed in the last 12 months was 38%. GeoPark's strong net free cash flow generation continues having finished the quarter with a cash position of \$66 million after repurchasing \$43.7 million worth of shares through a Dutch auction in May, paying \$52 million in taxes and making a down payment of \$49 million for the Vaca Muerta assets and having paid \$7.5 million in dividends for the quarter.

GeoPark continues to further enhance its financial flexibility and balance sheet through 2 strategic oil prepayment agreements, one effective in the second quarter and the other one nearing finalization, providing additional liquidity available at any time. We continue growing shareholder returns with the board approving a dividend of \$7.5 million payable on September 12, which combined with the Dutch auction results GeoPark will have returned over \$66 million to shareholders, equivalent to \$1.29 per share by the end of the third quarter already exceeding the total amount returned in all of 2023.

As we look ahead to the second half of 2024, we're looking forward to continuing our drilling workover and waterflooding campaign in our Llanos 34 block, as well as the potential new appraisal opportunities coming from our recent exploration discoveries in the other Llanos basin blocks, namely the Toritos, Saltador, Bisbita fields, which are currently producing approximately 3,600 barrels a day gross, and we expect to drill 3 to 5 new wells before the end of the year.

In addition, we have already started initial activities and civil works in the Putumayo 8 block, getting ready to drill our first exploration well before year end, the Machaca 1 prospect. New appraisal and exploration drilling activities in our core CTO-5 block will continue. And our team is already mapping new prospectivity coming from recent 3D

seismic in the Llanos 86 and Llanos 104 blocks, as well as in the CPO-5 block for next year's exploration campaign. It is important to mention that GeoPark's consolidated production is currently 5,000 to 5,500 barrels a day higher than reported following our recent acquisition in Vaca Muerta effective since July 1. And we're on target to close by the end of the third quarter.

The Mata Mora Norte block produced an average of 12,500 barrels a day gross in the second quarter, and the operator is continuing development drilling there. Production from this block would boost our 2024 production level to well within our stated guidance.

Part number 4 in Mata Mora Norte, which was drilling at the time, we announced the transaction has been put on production and is already producing more than 5,000 barrels a day gross with a 45% water cut, which means that these wells continue to clean up with less water and higher production until they reach the initial peak in the incoming weeks. Results so far are quite encouraging.

The drilling rig is on the Confluencia Norte Block, finishing the first exploration part that includes 3 wells, drilling activities are almost complete, and a completion set is scheduled for October. We look forward to testing production from this first exploration activities before the year end. The drilling rig will immediately move back to Mata Mora Norte block to continue drilling development wells and increase production.

GeoPark is well-positioned to continue its success in 2024 and beyond. Our strategic growth initiatives, disciplined financial management and focus on sustainability will continue to be key drivers of our performance. Thank you for your continued support and confidence in our company. We are now ready to take any questions you may have.

Q & A SESSION

Operator

The first question comes from the line of Daniel Guardiola of BTG.

Daniel Guardiola

BTG Pactual

Andres, just a couple of questions from my end. The first one related to Argentina. And I would like to know if you could share with us, how do you envision the progress of production coming from Argentina? I mean toward the second half of the year, but also in 2025. And the second question related to potential additional inorganic opportunities, and if you can share with us if the company is actually targeting new potential acquisitions in the region and if you could share the rationale behind this potential M&A strategy. That will be all for my end.

Rodrigo Dalle Fiore

New Developments and Portfolio Director

Hello, Daniel. Good morning. This is Rodrigo from this side. Let's start with the question about Argentina and the perspective that we have in term of production. We have a robust result during the second quarter this year. We performed 12,500 barrels per day during the quarter. What we expect after the drill came back to Mata Norte log, it started increasing again. That's why we expect slowly increasing production during the '25. For '25, another

important milestone is the second drilling rig. So for the future to achieve the base plan where we try to tackle 20,000, sorry, 20,000 barrel per day net. We need the second one. We expect to get that drilled by the end of next year. So that's the perfection that we have in term of activity. And the production is going to increase. We expect to finish the year between 13,000-14,000 barrels equivalent per day, and that's the guidance that we did last call. So we still in the same line.

Andrés Ocampo

Chief Executive Officer

Andrés here, Daniel, I think the big picture comments on our new acquisition is that everything is going really ahead of our expectations. If you remember, some of the activities that we're doing, that we're actually doing right now was putting on production the part 4. And as I mentioned in my introduction, that part is already contributing approximately 5,000 barrels a day, and it's still cleaning up. I mean, it's still producing at 50% water. And if you remember, these wells should clean-up to almost zero water in the incoming weeks. So we have high expectations for the productivity coming from that path. And the second big item here is the initial of the exploration activities in Confluencia, and that is underway. We haven't completed the wells, but we have completed the drilling of the wells.

And of course these are quite close to Mata Mora. So our expectation was to encounter more or less similar conditions that we found in Mata Mora, and that is confirmed. So, so far what we found is well within what we expected. So we look forward to completing and testing production from these wells. This doesn't fully de-risk the entire Confluencia play but with positive results will open up more opportunities for us to continue drilling there. So, very encouraged and very happy with how the operations are going in Vaca Muerta right now. We'll have a great relationship with the operator and they are doing an incredible job. We have already GeoPark team members participating in the operation. We have 3 people named in the operation that are fully dedicated to work with them to get everything right. So, so far really so great.

Jaime Caballero Uribe

Chief Financial Officer

Daniel, good morning. I'm going to take your question around inorganic opportunities. And I think it's no surprise for everybody in the call that inorganic opportunities are a key component of our strategy going forward. We have, as a company, a strong track record of delivering value through inorganic opportunities. We have done that in the past. We're doing it now through Vaca Muerta, and we believe that we can continue to do that into the future. When you look at the perspectives in the region, we believe that we can actually access new barrels, new reserves and provide kind of long-term sustainability to the business through those acquisitions. I would say that our focus is around 3 things when you try to drill down into, into what that strategy is, is trying to accomplish, think that -- the first thing is that we are focusing on assets that provide immediate production capabilities. Whilst we still look at exploration opportunities and those sorts of renewal type opportunities in the medium to long term, that is not our prime focus and that's not where our primary capital allocation from an inorganic standpoint is going to be. At this time, we believe that our capital allocation needs to be biased towards those opportunities that bring immediate production to the business. We think that's one key component. A second component is of course around scale, right? We are focusing the agenda on material opportunities that move the dial in terms of reserves progression for the business. We have spoken in the past of our growth ambition. And we believe that the opportunities that are

going to be made available to this company if we reach a next ceiling of scale, something around the lines of 70,000 barrels a day or so are different. You know, it opens up new opportunities for the business. It opens up a different type of liquidity in the market. And we believe that is of strategic value and real economic value for our shareholders. So those are, I would say, are those -- are 2 elements of color in the strategy. And I think the third one is of course the geographic footprint. And as we've said many times in the past, and I'm going to reiterate that, Colombia, Argentina and Brazil are the places that we are focusing our attention right now.

Daniel Guardiola

BTG Pactual

If I may just squeeze another one related to the last comment you did, Jaime. Can you share with us what is the maximum level of leverage that the company will feel comfortable at operating?

Jaime Caballero Uribe

Chief Financial Officer

Sure, Daniel. I don't know if you heard that, I had a bit of a moment here, but I was saying that sure. What we indicated in the past and when we look at our financial frame going forward, we believe that a gross debt-to-EBITDA ratio of 1.5 is manageable. We're nowhere near that ratio, nor do we think that we would be in a sustained way at that level. But we believe that we can look at opportunities that at times take us to that level, right? Of course, we're going to look at the type of assets and the nature of how those assets look into give us financial flexibility and assurance. We've been a company that is known for its prudent financial discipline, and that's not going to change. But when we are looking at opportunities, that's kind of the debt ceiling that we put to ourselves.

Operator

The next question comes from the line of Stephane Foucaud, Auctus Advisors.

Stephane Foucaud

Auctus Advisors

I've got a few. The first one around production. So what's the current production net in the Llanos and Argentina? I think what is the number of quarters that we will get confirmation of that? Second, at least in my model, the cash tax in the quarter was quite lower than what I was expecting in Colombia. And I was wondering what do you expect to pay in cash tax in the second half of the year in 2025? And lastly, there is a new prepay with Trafi, I think, that comes with an improved discount, a lower discount for CPO-5, I was wondering if you could give us a sense of how long is that discount for? And did you have to pay for the Trafi prepay? What I'm trying to get to is whether the lower discount for CPO-5 production is just for the duration of the prepay? Or was that something that can carry for longer?

Martin Terrado

Chief Operating Officer

So, Stephane, this is Martin Terrado. Nice to talk to you again. I'm going to cover the question around how we're doing on the current production in Llanos. I will let Rodrigo talk about Argentina. So for Llanos, we look at it 3 ways. The first one is our 2 legacy blocks, which are CPO-5 and Llanos 34. And then the third component is exploration. So I'll touch a little bit on each of those.

In CPO-5 and Llanos, remember, we got 3 of the top 10 fields for the country where right now between those 2 blocks producing around 70,000 barrels gross and net to us is in the order of 28,000 barrels of oil per day. These fields are a little more mature as time goes by. If we think about CPO-5, when we acquired CPO-5 back in early 2020, we were producing 8,000 barrels. Now as we already published, we reached peak production last quarter of around 26,400 net in the block. We're still in that order of magnitude between 26,000 and 26,500. As you recall, all of those wells are naturally flowing. So the next step is to put artificial lift in some of those wells. We plan to do that on the second half of the year for 3 of those wells. We have 1 rig that is running. It has drilled 3 exploration wells. One of them has been a successful well called Perico producing 900 barrels. And then we had 2 exploration wells that did not result in putting them on production, Lark and Cisne. Lark was a low chance of success, but high potential prospect that was targeting the same as Indico in the Ubaque formation. And since Cisne was delineating and evaluating the stratigraphic play that we have in the north of the block where we have 2 out of 3 wells already producing. So that's what has been going on from a drilling perspective. Yesterday we started Cante Flamenco 2, which is an appraisal well, and we expect to have results from that well in about 45 days. In addition to that, in CPO-5, we, as we mentioned before, we do have the 3D seismic that was acquired early this year, and our subsurface teams are looking at that data. That's about 470 square kilometers of 3D. So that's, like Andres mentioned, at the beginning is what we are envisioning for additional prospects in the block.

When we move to Llanos 34, Llanos 34 has been on production, and if we recall what we've been talking in the past, we had 3 drilling rigs pretty much most of last year, and the stage of that asset is going into a phase where we're going to be doing less drilling. Most of the drilling that we did late last year and that we're doing this year is about horizontal wells, some injector wells that were required as part of our water flooding strategy. Right now, the field has about 17% of the production coming from horizontal wells. Those horizontal wells have been very successful on production and also economically. We spent around \$90 million of gross CapEx. The payout for those wells has been around 14 months, and they already provided positive cash flow. So horizontal wells has been a good story. Now we're running out of horizontal wells as the ones who originally drilled, and that's why we're releasing a rig. We have some additional ideas, and we were successful drilling a short radius well, which is basically using an existing vertical to do another horizontal well. And by that, we can do it cheaper. So that's part of what we're doing next. We continue doing workovers. Our workover campaign has been very successful. And again, as the field gets more mature, some of those formations that initially we left behind pipe, we're going back into those and opening those. So a very successful campaign. And we're going to do about 14 more. We're doing deepening of some pumps and we continue reinforcing the waterflood. So that's what we're doing in the Llanos 34. As you can imagine, when you bring down the number of rigs and we're not drilling that many wells, the decline of the field, it's probably going to be something that it's not keeping the field flat. So with all the activity that we got planned for the second half of the year, we expect that the decline of the field is going to be in the order of 10% to 15%.

Now the other component that is affecting both of these blocks, CPO-5 and Llanos 34 is blockages. When we put together our budget, we always assume downtime for several root causes. One of them is social unrest. And what we assume for the year 2024 was the same numbers that we had seen in the year 2023. And one of the reasons why we're saying that there is a chance of being on the low end of our guidance and maybe even below that, it's blockages in these 2 blocks. The blockages that we had assumed for CPO-5 had a 3% downtime. And in CPO, it has been around 4x that. And when we look at our block Llanos 34, we had assumed 1.5, and it has been around twice that much. So that's something that we see in most of the blocks, not only ours, but the neighboring blocks. It's something that

we're working with the local, regional and government entities also with the national hydrocarbon agency and also with the petroleum operators that are associated in Colombia. So that's something that we wanted to address.

The other component that we have is the component of exploration. Last year we had discoveries in 7 wells throughout our operations in Ecuador and Colombia. Specifically for Colombia we had 3 successful exploration wells, Saltador, Bisbita and Toritos, those are in the blocks very close to Llanos 34 and CPO-5. In those blocks, if we look back 1 year, they were producing about 100 barrels net to us. We started the year and they were producing 1,500. And today, they're producing, like Andres mentioned, 1,800 barrels net to us. So that's a really good story. We have 1 rig that is drilling in the area, and we got one more rig coming. The latest wells that we have drilled, one of them is producing around 900 barrels of oil per day and the other one is producing around 500 barrels of oil per day. So we're encouraged about the results that we have in the Llanos 123. We will keep drilling about 3 to 5 more wells in that block. The other component that we have is exploration in a block that we've been pushing for about 2 years, which is Putumayo 8. That is in the Putumayo Basin, adjacent to the Platanillo block. And as we speak, we're doing the civil works. So we expect to drill the first well called Machaca, like Andres mentioned, spot that well in October, November, followed by another well. So as our CPO-5 block gets more mature and Llanos 34 goes into the stages where we will continue pushing for new ideas beyond vertical wells, but mainly around water flooding, workovers, we expect to continue having good results from the exploration program that we have in Colombia.

Rodrigo Dalle Fiore

New Developments and Portfolio Director

Hello, Stephane, this is Rodrigo. We are moving to Argentina. As you can see, the average production for last quarter was 12,500 barrels, and we are producing the same level today. We have some wells shutting wells to a workover operation in the pad 6. But the good news are coming from the new pads. We started with the pad 22 on last February, and the results are far away what we expect in the model that we did by the business at that time. So the result of those wells are above the P-10 of our estimation. The characteristics of that well is that it is located in the center of the block. There are 3 wells there. And I think this is part of the learning curve that we have with the operator in the area. They started to drill only the top side of Vaca Muerta, the level we call it C-3.5. The results that we are achieving there is really good. Even better than we expect, as I mentioned. So after 6 months, the performance is over the P-10 of the expectation that we have. Even though this is a shorter path, we have 2,200 meters as horizontal leg.

The other good news that we have is recent because we put it on production the pad #4. Pad #4 start 25 days ago, 4 wells, the same levels, as I mentioned, C-3.5 and C-3. So we are talking about the top side of Vaca Muerta. But this part is located in the north of the block. The results are pretty good. We are at the beginning. We are cleaning the well. But at least at the moment, we are far away from the P-10. So we have to wait and see the decline perfection. But at the moment, we are very happy with the performance of the new wells. Why there is a good performance, as I mentioned, something has related with the subsurface, but there is new technology what we are doing. We have oriented perforation in both pads. And so apparently, this is something that contributed a lot in the performance of the well. The next part is going to be Confluencia. That's the first exploratory pad that we drill in the next lower block. We are very excited with what we saw in the logs. We cannot promise production yet. We have to see the productivity we're going to find, but at least the projection that we see is similar than Mata Mora. So that we are very happy with the result at the moment. In that case, we had 3 wells. Those are long wells. So we are talking about

almost 3,000 as a lateral legs well. That's it from Mata Mora and Confluencia at the moment. What we expect is to finish the year between 13,000 and 14,000 barrels a day, an increase in the production as soon as we are putting new wells on production.

Jaime Caballero Uribe

Chief Financial Officer

Stephane, this is Jaime. Thanks for your questions. I'm going to cover the other 2 points. The first one is around lower cash taxes. I guess on that one, let me put some kind of facts in the room. The first half of the year, which is where the bulk of the tax season is, our outflows amounted to circa \$70 million. And that's the pareto, if you will, of tax payments that we're going to have this year. We expect a further \$20 million, \$20 million, perhaps \$25 million from here to year-end, taking us to about \$95 million for the full year. If you do the math, and it basically puts the tax effective rate from a cash standpoint at around 40%. It is a good outcome. And what we're seeing compared to our estimates that we had perhaps at the back end of last year is that we are actually seeing lower withholding taxes. Particularly there's been some changes in effect in Colombia around that. The withholding tax rate specifically actually went from 10% to 7% on one end. And the other thing that we're seeing is more deductible items, more deductible items that can actually offset our tax position.

With regards to outlook on taxes beyond 2024, the biggest factor is going to be in what price environment we are, because actually the biggest lever regarding tax is the calculation around the tax surcharge that we have as part of the tax reform that occurred in Colombia. That is the biggest component. What we're estimating at this stage that the price decks that we're going to see are that if we have a price environment that is above \$76 per barrel, we're going to be in the 10% tax surcharge environment. And if we are above \$81, we are going to be at 15%. That takes you to a nominal of 50% kind of ceiling. So that's the way kind of to look at it.

With regards to your other question around the Trafigura prepayment, there are 2, 3 key facts to put in the room. The first one is the scope. And we have mentioned this is about CPO-5, but it's specifically around lighter crudes in CPO-5, right? That's that particular scope. And the reason for that and to put you in our terms, it's the Indico production particularly. It's because the quality of that oil is very special. This is probably the best crude or maybe top 2 crudes in Colombia. So it actually has better discount. It actually has a premium over Brent, right? And what we were searching for from a commercial standpoint was to capture that premium. So that's the aim of that deal with Trafigura, to capture the premium. Now it has other benefits. And the other benefit is obviously it diversifies our offtakers. And it gives us a little bit more flexibility around how do we market that crude in particular. With regards to the offtake agreement, it has a 12-month duration. That's how we've laid it out. So it started the 1st of August. It's going to go for a full year. And it gives us also the option to obtain financing from the offtaker for up to \$100 million, which is something that we also appreciate in terms of the toolbox of financial flexibility to deliver our strategy. So those are the biggest elements. And you asked, I think your other element in the question was what was the outlook for this crude. Fundamentally, when you look at Colombia, there is an increasing deficit of lighter crudes in country, right? And that's actually going to grow over time. So over time, this crude is going to become more and more and more attractive because it's actually a key component of the local refinery. So the local refineries in Colombia need this crude as part of their mix. And if they cannot find it domestically, they need to import it. So for the next 12 months, we blocked in a very competitive differential. We'll see how market conditions are next year, and we'll work with that. Thank you.

Operator

The next question comes from the line of Vicente Falanga, Bradesco.

Vicente Falanga

Bradesco

I was trying to figure out a little bit more over the long term for Llanos 123 and Putumayo 8 blocks. I know you've been running tests there and they've been encouraging. I was just wondering what sort of output these fields could grant you over the next coming years? Then if you could explain a little bit more about the results of the Mata Mora Norte 2223 well, which, if I'm not mistaken, produce an average of 2,136 barrels of oil per day during the second quarter. If you can walk us through what sort of the peak production you saw there and how it's declining and if we could expect other wells with similar characteristics.

Martin Terrado

Chief Operating Officer

Hello, Vicente, again, this is Martin Terrado. I'll cover the Llanos 123 and the Putumayo 8 questions and let Rodrigo go over the Vaca Muerta question.

When we think about Llanos 123, again that, like I said before, I'll make more focus on Llanos 123. But this block right now is producing net to us 1,800 barrels of oil per day. A year ago, it was producing 90 barrels. So the increase and the proportion of barrels coming out of that block are representative. We have 1 rig that is running, and we're bringing another rig. So that gives you an idea of how confident we are on more drilling in that block. The latest wells that we have drilled have given us between the 2 around 1,300 barrels of oil per day. And right now, we're drilling an exploration well called Toritos Sur. We started that well around 10 days ago, and the second rig will be starting in the middle of September. So these are usually Barco formation, Guadalupe wells that are similar to what we've seen in Llanos 34. We have facilities in place ready to put the wells on production as soon as we have discovery. And based on the results that we see in the second half of the year, we will sit together with our partner and decide on what are the next wells that we want to drill going into 2025. At this point, what we have for sure is the campaign for this year and encouraged about those results.

When we look at Putumayo 8, Putumayo 8 is 100% acceleration, right? When we acquired Amerisur back in 2020 and we look at the blocks that were available coming with that acquisition in the Putumayo, we focus on around 6 blocks. Putumayo 8 is clearly one of the top ones. And since then, in that block, we've done seismic, we got the environmental permit. We went through one of the first public hearings, successfully went through that one. And we have 3 prospects already identified, some more coming on the way. But out of the 3, Machaca is the first one that we will be drilling starting in October. So if you ask us, okay, what's the output for the next years? We'll have to see how the results show on those 2 wells and a third one, but we feel confident. That area is an area that has not been explored that much in the past. So probably more to come in the next call.

Rodrigo Dalle Fiore

New Developments and Portfolio Director

Hello, Vicente, this is Rodrigo. Going back to your question about Mata Mora '22-'23, that was one of the best wells that we have in the block definitely. Put it on production last February. After 6 months, we can say that the well is outstanding. But at the same time, if you see the performance of the interior pad that is located in the center of the block, it's quite good. It's on the P-10 of the expectation that we have. So we are almost the double that we expect in the P-50 for the deal. So that's why we are very happy.

You asked me if we could talk about the behavior of the wells. So you can find the peak of the 12,500 barrels per day. Remember that this well is a short well, now 2,050 meters or so. So that's -- if you know well about one of the best work in the basin. So I understand what you said is, can we find more wells than this in the block, definitely, yes, because if you see at least the beginning of the pad #4 located in the north of the pad, it's even better than this well. But we are in the first month. So we have to wait, see the peak of the production and then the decline ratio. But after these 2 new paths, we are very excited about the results. We believe that the new technology, as I mentioned, oriented perforation helps a lot, but definitely put the wells in the upper side of Vaca Muerta, as I mentioned, C-3.5 level is one of the key elements here. So we can develop a better performance in the fracking. So we are seeing very good results, not only one well in most of the new wells that we have in the block. Let's see what happen in Confluencia. Of course, we have to wait to October to see the results. But we are very at least at the moment, we have very encouraging results.

Andrés Ocampo

Chief Executive Officer

So certainly, Vicente, the results are very encouraging. And as Rodrigo said, some of these additional flows and remember, these are some of the highest flowing wells almost in the entire Vaca Muerta play, are very encouraging and can be seen in other wells. As Rodrigo said, we're seeing it on one of the wells in the pad 4. So that's why we're happy. Obviously, whether these higher initial rates are going to translate in future incremental results and things like that, it will take time. So we will be more cautious about it. But so far, the results are being ahead of our expectations.

Operator

As there are no additional questions waiting at this time, I'd like to turn the conference call back over to Mr. Andres Ocampo for closing remarks.

Andrés Ocampo

Chief Executive Officer

Thank you, everybody, for your interest and your support of our company. We're always here to answer any questions you may have and encourage you to come visit us in our field and our operations or call us any time for further information. Thank you and have a good day.

Operator

Ladies and gentlemen, this concludes today's call. You may now disconnect your lines.