GEOPARK

TRANSCRIPT – FOURTH QUARTER AND FULL YEAR 2025 RESULTS

CONFERENCE CALL

FEBRUARY 26, 2026

10:00 AM ET

CORPORATE PARTICIPANTS

Felipe Bayon
CEO & Director

Jaime Caballero
Chief Financial Officer

Martin Terrado
Chief Operating Officer

Rodrigo Dalle Fiore
Chief Exploration & Development Officer

Maria Catalina Escobar
Shareholder Value and Capital Markets Director

CONFERENCE CALL PARTICIPANTS

Alejandro Demichelis

Jefferies LLC

Stephane Foucaud

Auctus Advisors

Oriana Covault

Balanz Capital

Eduardo Muniz

Santander

Isabella Pacheco

BofA Securities

Vicente Falanga

Bradesco

PRESENTATION

Operator

Good morning, and welcome to the GeoPark Limited conference call following the results announcement for the fourth quarter ended December 31, 2025. [Operator Instructions] 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.geo-park.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 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 developments and risk factors listed from time to time in the company's SEC reports and public releases. Those lists 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 the company's business.

All financial figures included herein were prepared in accordance with the IFRS and are stated in U.S. dollars unless otherwise noted. Reserve figures correspond to PMRS standards.

On the call today from GeoPark is Felipe Bayon, Chief Executive Officer; Jaime Caballero, Chief Financial Officer; Martin Terrado, Chief Operating Officer; Rodrigo Dalle Fiore, Chief Exploration and Development Officer; and Maria Catalina Escobar, Shareholder Value and Capital Markets Director. And now I'll turn the call over to Mr. Felipe Bayon. Mr. Bayon, you may begin.

Felipe Bayon
CEO & Director

Good morning, everyone, and thank you for joining GeoPark's Fourth Quarter and Full Year 2025 Results Call. 2025 marked a turning point for GeoPark, defined by strategic clarity, operational discipline, and a decisive portfolio reset well underway.

We strengthened our foundation through an anticipated inflection point in production and continued financial discipline, repositioning the Company for long-term value creation. Importantly, we delivered or exceeded our full year guidance across all key metrics despite a materially lower oil price environment.

Production averaged 28,233 barrels of oil equivalent per day for the full year 2025, above the upper end of our guidance, reflecting a platform in both Colombia and Argentina that is executing and evolving while staying grounded in operational discipline.

In Colombia, we achieved an earlier-than-anticipated production stabilization supported by resilient base production in Llanos 34, sustained contribution from CPO-5 and successful drilling in Llanos 123. We also launched a polymer injection recovery project in Llanos 34 that delivered solid results.

Argentina began contributing production ahead of plan and assets were integrated safely to our operations.

Fourth quarter volumes averaged 28,351 barrels of oil equivalent per day, broadly in line with the prior quarter and reflecting the fresh production of our Vaca Muerta assets. Full year financial results primarily reflect lower realized prices, which averaged $58.1 per boe in 2025 versus $65.6 per boe in 2024.

Adjusted EBITDA reached $277 million, within our guidance range, while margins remained resilient. Fourth quarter Adjusted EBITDA was $46 million, reflecting lower realized prices and the impact of specific nonrecurring items, including deferred sales volumes, logistics-related adjustments and start-up costs in

Vaca Muerta. These are timing-related effects, some of which will be reversed in our first quarter 2026 results.

Even in a lower price environment and with temporary quarterly impacts, our operational platform remained resilient and capital allocation disciplined. We invested $98 million during the year, in line with our plan and delivered a 2.8x Adjusted EBITDA to CapEx ratio and achieved an 18% ROACE, underscoring disciplined returns-based capital allocation. We delivered meaningful structural efficiencies in 2025.

Operating costs averaged $13.4 per barrel for the year and G&A stood at an average of $4.8 per barrel, both within guidance. We also achieved $32 million in structural cash savings, setting a lower cost base expected to generate a run rate of some $45 million in annualized savings in 2026 and beyond.

Our balance sheet and risk management remain strong. Cash stood at over $100 million and net leverage closed at 1.6x, and we have no material debt maturities until 2027.

During the year, we repurchased over $100 million of our 2030 notes below par, capturing a $10 million gain and a $9.5 million annual interest saving. Over 84% of our 2026 production is now hedged through 3-way collars and hedging has already started for our 2027 production, ensuring continued cash flow protection.

Our portfolio reset is well underway, reinforcing our Colombian foundation while establishing a new unconventional growth platform in Argentina. In October, we successfully closed the acquisition of the Loma Jarillosa Este and Puesto Silva Oeste blocks in Vaca Muerta, securing full operational control of two high-quality blocks in one of the most attractive unconventional plays in the world.

Production is already online and development is underway with a clear path towards the 20,000 barrels of oil equivalent per day plateau production by 2028 that we have shared with the market.

In January 2026, we announced the agreed acquisition of Frontera Energy's Colombian upstream assets, a transaction that more than doubles our resource base and that brings an expected pro forma production of approximately 40,000 barrels of oil equivalent per day net to GeoPark, which significantly expands our scale, diversification, and operating leverage. This is a transformative deal that consolidates our position as the leading private operator in Colombia and strengthens our platform for disciplined long-term growth.

On a pro forma basis, this acquisition can take production to exceed 90,000 barrels of oil equivalent per day by 2028 and Adjusted EBITDA of approximately $950 million, doubling our previously communicated stand-alone outlook. Together, these two transactions reshape the Company, materially increasing production, improving cash flow durability, and enhancing our ability to reinvest efficiently across the cycle.

Our strategy remains clear, protecting and maximizing our cash-generating base in Colombia and scaling a transformational unconventional platform in Argentina.

By year 2028, we're targeting 44,000 to 46,000 barrels of oil equivalent per day and an Adjusted EBITDA of $490 million to $520 million with additional upside as the Frontera acquisition is integrated. In line with this road map, we reached a production inflection point in Colombia earlier than expected, anticipating the time we had originally outlined to the market. Execution remains disciplined and focused as we balance financial strength with long-term growth.

To support the strategy, the Board declared a quarterly dividend of $0.03 per share. As previously communicated, the Board will reassess shareholder distributions following the normalization of free cash flow after peak investments in Vaca Muerta.

Before closing, I would like to briefly address the recent announcement by Parex regarding directors' nominations to GeoPark's Board. Our Board remains fully committed to strong governance, disciplined capital allocation, and long-term value creation. All nominations will be reviewed through our established governance processes as we remain focused on executing our strategy and delivering results for all shareholders. GeoPark shareholders do not need to take any action at this time.

Regarding Parex's proposal to acquire Frontera's upstream assets, GeoPark remains fully committed to our agreement, which we believe creates a leading independent E&P platform across Colombia and Argentina. We have a strong conviction in the merits of the transaction and believe that, amongst other reasons, our strong operating expertise, deep local presence, and longstanding relationships in Colombia make us the strongest strategic fit for Frontera's assets.

Our agreement follows more than a year of detailed evaluation, technical diligence, and structured discussions with Frontera, supported by comprehensive operational, financial and contractual analysis. This depth of preparation underpins our confidence in the integration plan and value creation roadmap.

We believe the transaction delivers immediate and certain value to Frontera shareholders, while enhancing long-term value for GeoPark shareholders through greater scale, reserve debt and cash flow durability.

Our full field development approach is also expected to sustain production and investment in Colombia, supporting royalties, taxes and employment while strengthening the country's energy platform.

In summary, 2025 was a pivotal year for GeoPark. We protected and optimized what we have while continuing to deliver results with consistency and focus. In parallel, we launched a new growth engine in Argentina and secured a transformational acquisition in Colombia that will improve scale, competitiveness, long-term optionality, and value for the Company and our shareholders.

We have entered 2026 with momentum. We have a stronger, more diversified portfolio that has a leaner cost base and a clearer path forward to continue building long-term value for all of our shareholders. With that, let me open the floor for your questions.

Q&A SESSION

Operator
Our first question will be from the line of Alejandro Demichelis with Jefferies.

Alejandro Demichelis
Jefferies LLC

I have a couple of questions, if I may, please. The first one is on your cost base. Obviously, we have seen, and you mentioned one-offs in the fourth quarter. So can you give us some indication of how you expect costs for the whole of the year to develop? What kind of range can we expect? That's the first question.

And then the second question is, you mentioned the offer for Frontera. There is a competing offer now on the table. So how do you see that situation? And maybe you can comment on any kind of more recent discussions you have had with Frontera and how you see that situation, please.

Felipe Bayon
CEO & Director

Alejandro, good morning, and thanks for being here today. We always value your interest in the Company. And let me start in terms of giving some context around the cost evolution. And then I'll hand over to both Jaime and Martin to give us a bit more color. But one thing I would say, the first thing is that we met or exceeded all of the guidelines that we had given to the market, which I think is very, very important.

Remember that -- and you would probably acknowledge this, I think it's only my third results call in the Company. It's been 8 months, an intense 8 months with the reset that I mentioned in my intro, and this sort of stabilization of the operation inflection point that we reached in 2025, we've managed to work on define through activity and all of the technical work that has been done by the team. And from that point of view, Alejandro, very, very, very excited with the performance of the Company, very thrilled. Kudos to the team, to the operations and the technical teams and the people that support those operational teams.

And in terms of the cost specifically, if you recall, we had given a guidance of $12 to $14 per barrel. In terms of lifting, we're in the midpoint of that, $13.2 with an increase in 4Q. But most of those one-offs have been reversed or will not be present in 1Q, and we've managed to bring the cost back down, which is great news. And some of those had to do with some very, very specific activities that we were conducting.

So with that, Alejandro, I'll ask Jaime and Martin to give us a bit more color, which I think is warranted.

Jaime Caballero
Chief Financial Officer

Good morning, Alejandro, and thanks Felipe. So basically, a few data points that are relevant. When we think about the one-offs, essentially, we can split them into two categories, and they have an effect both on OpEx per barrel and on G&A. On one hand, we had very particular start-up costs associated to the reinitiation of the Platanillo operation in Putumayo and the Vaca Muerta operations in Argentina.

When you look at them on a full basis, the impact of that is in the order of $7 million in the quarter, which are not recurrent, right? They're not recurrent. They're split; broadly 2/3 of that is seen in the OpEx, 1/3 of that is seen in G&A roughly. But it's something that we don't expect to see. And obviously, the important component of that is that these costs are going to be -- are going to see production down the road, right? So Platanillo -- we are reactivating Platanillo in a context of production. And clearly, Vaca Muerta is the same case. So it's a bit of a -- it's a cost, but at the same time, it's an investment that we're making to be able to mobilize production in those two areas.

The other component is pure typical seasonality, right? So we had a seasonal effects in 4Q in the order of $2 million to $3 million. These are very specific to labor-related provisions that we decided to take in the context of what we were anticipating labor effects that were retracted to 2025. So there's an element of that. And there's also an element of the typical year-end projects like, for instance, reserve certification, costs associated to that and that type of element.

On a relative scale, they're not particularly material, but they do affect the per barrel metrics. We're talking about $2 million to $3 million that in the context of the numbers that we're looking for. The OpEx once normalized would probably be at $13 per barrel. The G&A would be at $4.5 per barrel, which is kind of what we signaled in our announcement.

As we look to 2026, our guidance is unchanged, Alejandro. Basically, what we're seeing is lifting costs that are going to be in the $13 to $15 per barrel area and a G&A that we expect to deliver in the area of $4 per barrel. Martin?

Martin Terrado
Chief Operating Officer

Yes. Thank you, Jaime. And good morning, Alejandro. Just a few additional data points. I want to stress again what Felipe was mentioning, our guideline for 2025 was $12 to $14 per barrel, and we finished the year at $13.4. So very proud of the team, all the efforts that have been done. And we got things that were already identified last year, and we're already underway, and I'll share a little bit of that. And for 2026, just to reiterate what Jaime was saying that our guideline for OpEx 2026 is $13 to $15 per barrel, and we feel confident around those values. And the fact around that is we already have January and February numbers, like Felipe was mentioning, part of those things that hit us in the fourth quarter are gone. So we feel good about that. So I'll touch on a few items.

I'll start with Argentina. When we took over the operation in Argentina, the OpEx were $32 per barrel. We now brought it down to the order of $22-27 per barrel, and that's just by doing the workovers on the 6 wells and working with the teams on things like transportation optimization, activities and others. We expect to be by the end of the year, and that's part of our guideline around $10-12 per barrel. And that's going to be because we are increasing production by bringing a rig that is about to start moving very shortly.

The second one is, like Jaime mentioned, Putumayo, we started in the last quarter of the year, that field back again. As we were starting, the OpEx were in the order of $45 per barrel. We're looking at that, and now we're lower than $40 per barrel. And with the recent announcement from Ecuador's government, we're looking at it since we're not transporting crude through Ecuador anymore. So we will decide in the next weeks the future of Putumayo.

And finally, in Llanos 34, the OpEx in Llanos 34 went up in the last quarter. We had well interventions. And also, we're always looking at reliability of the energy. So we had some activities to make sure that we were entering 2026 with as good energy reliability in the field as in the past, and we confirm we're already back at the levels that we had in the third quarter.

There are some things that we know are risks or challenges, especially around the exchange rate, and we're working on additional things that with the team we can implement. Some of them are around more ideas around the rigs for doing workovers and well services. So we have some pilots and some ideas that we're about to start implementing. We're bringing a fourth rig, workover rig, in March in Llanos 34, and we're already working in Llanos 123 to eliminate most of the rentals on facilities that we have. That's part of the plan as we move from temporary facilities to the final facilities in this block.

Felipe Bayon
CEO & Director

Thanks, Martin. And Alejandro, I'll go back to your second question in terms of how the Frontera situation is evolving. And first thing -- and just let me step back and just highlight some of the things that I already mentioned in my remarks.

So in January, when we announced a month ago, the acquisition of Frontera's assets in Colombia, clearly, a transformational transaction in which reserves double, brings additional production, helps us in terms of delivering more value, and actually provides the opportunity of a long-term commitment to the country, which is fundamental in terms of ensuring that deployment of technology and activity can be done in those blocks. All this in the context that we will always keep in mind, which is ensuring that value accretion and protection of our shareholders is present in every situation and every decision that we make.

And in terms of where we are in the process right now, so first of all, I want to acknowledge Frontera's team. The work that we've done so far is exceptional in terms of all the integration and all the process and everything that has to do with getting us ready for closing the deal.

And you'll remember, Alejandro, that we've mentioned this is something that as part of our valuation framework, with some conservative price assumptions, a very detailed operation plan, we've been looking at this opportunity for some years now with some more detailed conversations with Frontera over the last year, over the last 12 months or so. And we are fully convinced that it's not only in terms of Frontera's capability, the people, the teams they have, but it's a very, very complementary portfolio to the operations that we already have. And in that sense, in terms of the process itself, we're progressing with Frontera in our conversations.

One data point that I'll share with you today in the call, a couple of days back, we received formal approval from SIC, the Superintendencia de Industria y Comercio. It's like the antitrust body in Colombia, the antitrust agency, which is great. It was a major milestone in terms of the Colombian approvals. The AGM for Frontera, they scheduled that for April 10. So we're progressing in that sense.

And I'll just reiterate something that, with the news of the offer from Parex that came in this week -- and I mentioned that in my remarks. First of all, I'd say that as a Board, the Board will continue to assess, study, analyze, and pursue any and all options that seek and are directed at creating long-term value for our shareholders. And we will always evaluate the opportunities within the frame of financial discipline and the best interest of our shareholders. So we're very pleased, very, very pleased, Alejandro. These are great assets with opportunity. I mean, actually, the fact that there's a new offer from a different company demonstrates that our strategy is sound, is solid, that the deal is actually increasingly accretive deal for us and shareholders. So we're very pleased. We're very, very happy, Alejandro. Thanks for the questions.

Operator

The next question today will be from the line of Stephane Foucaud with Auctus Advisors.

Stephane Foucaud

Auctus Advisors LLP

I've got 3. So the first one back on Frontera. What are the various steps until closing? And are there things on increasing your offer that you could do to prevent Frontera to go with Parex, thinking about break fees or things like that?

Second, on the nomination by Parex of directors for GeoPark. I was thinking they are making an offer on the Frontera asset. They are nominating directors. I was wondering whether there would not be any conflict of interest, and I would be interested in your thoughts on that.

And lastly, where are we on Argentina with regard to planned production?

Felipe Bayon

CEO & Director

Stephane, thanks, and great to have you here on the call. So I'll expand a bit in terms of Frontera. And the first thing is that it's in Frontera's camp to assess the new offer that they've received. So it's up to Frontera to decide what they want to do with that offer.

In the meantime, as I've mentioned, our arrangement agreement is in place. I just talked about the local approvals, one which is very, very important that we received a couple of days ago, but it's down to Frontera to actually look at the offer.

One thing I would say, and I want to be very explicit on this, in the context of GeoPark and its Board and reviewing all of the options that are available to us -- and there's always multiple options in terms of things that we can do -- this needs to create long-term value for shareholders. And one of the things, Stephane, that we need to be very, very careful and mindful is that we don't lose that discipline in pursue of something specific. It could be a deal, it could be an operation. But we always, as the high ground, ensure that we remind ourselves that we are here to ensure that we create value for shareholders. And I think that's very, very important. So more to come, I guess, it's in Frontera's camp to decide if they want to fully consider and then take next steps on the new offer that came in.

And again, in terms of the arrangement agreement that's in place, that we're pursuing, that we're diligently working between our team and Frontera's team, we have options going forward. And those options, as I've mentioned, will be assessed by management and our Board.

In terms of the nominations by Parex, and you mentioned specifically conflict of interest. So the first thing is I'd say that I do believe there's a conflict of interest, absolutely. If you think about the nomination, which, in essence, is nominating a control slate for the Board. And this, without any additional context or even an offer that appropriately values GeoPark, I think it only serves to benefit Parex by providing Parex with optionality at the expense of GeoPark's shareholders. And in that context, I think it just demonstrates from Parex that there's been a deliberate and hostile strategy directed at GeoPark. So that's what I would comment on the nomination by Parex.

And in terms of Argentina, I think Martin provided a bit of context, but I'll give you the high-level one. We're extremely pleased with our entry and returning to Argentina this time to do unconventionals in Vaca Muerta. As you know, we received the keys to the operation October 16 of last year. We've done already two workover campaigns. And one thing that it's very, very -- I mean, it's very thrilling, Stephane, is, next week, as early as next week, we will start mobilizing a neighbor's rig that has an open window from a third-party operation from another company, another operator. We will mobilize the rig to start drilling a limited campaign, it's five wells, plus some ancillary works that need to be done. But that means that we will start drilling in Vaca Muerta, and we will start fracking operations in Vaca Muerta. I think that's a massive milestone for the Company.

Remember that we've given the market the signal that we will see an uplift in production by the end of the year. So with these wells and some of the activities that Martin was referring to in terms of facilities and commercial agreements and operational agreements with neighbors, we will see that uplift in production by the end of the year. So very, very exciting. There's additional opportunities that are being assessed in Argentina as well. And we're very pleased.

And the last thing, which I've mentioned in prior calls is that there will be an opportunity, I'm convinced, to bring some of the expertise that we reinforce and further deepen in Argentina to bring that expertise back to Colombia and look at unconventionals in Colombia.

Martin, if you want to give us a bit more color around Argentina?

Martin Terrado
Chief Operating Officer

Absolutely, Felipe. And good morning, Stephane, thanks for your question. I will reiterate that Vaca Muerta is going very well, and we're advancing on the key milestones. We think about it, 2025 was around taking over, finalizing the team, putting together contracts, and then 2026, as we've shown when we were in New York in the last quarter of last year, in fact it was about four things, and I'll go through all four of them. But I want to -- before we move into those four things; 2025, also everything we've done have been incident free with no recordables. And that's one of our values and going into a new area again shows how we operate.

And again, when we went into New York, we said four things. First one, production optimization. So like Felipe mentioned, we did two campaigns of workovers. The first one was actually starting the day that we took over. The second one we did in January. And between those two campaigns, we continue to optimize. The second campaign was 37% cheaper than the first one.

Second thing that we mentioned was environmental permits. We know that there are critical environmental permits, and we have submitted those permits in middle of January. So they're way under the brand that we have. Specifically, the one that is important is for the pipeline that we're going to construct. We do not need any environmental permit for doing the drilling activity or doing any upscale or upgrade in our existing facilities, which is part of the work that we're doing.

The third one is around facilities, and I will mention that we have already awarded the contract for the Loma Jarillosa Este upgrade, actually a little bit lower than what we had in plan for $16 million. We have already finalized an agreement with a neighbor operator so that we can put together a pipeline and connect to the spare capacity that that operator has. And that way, we will continue to optimize as we will not be having to truck oil and water into the production that we have.

The last one is around drilling. We said we were going to start drilling. And like Felipe said, we worked with existing operators in a collaborative way, and we got a rig that is a neighbor's rig, very efficient rig, hot rig. And hot in the sense that the crews are already working, maintenance has been done by a known operator in Argentina, and we are mobilizing that rig in early March, it's next week. And the activity there will be -- there's a pad that has five wells, out of which two are fully drilled and the remaining three wells, we need to just drill the horizontal branches. It's two branches of 2,100 meters and 1 branch of 3,000 meters. That will take us around 45 days. And then we're already locking the frac set so that we will go and frac all five wells in that pad. It's around 220 fracs in all the wells for around 60 days.

So very excited on how we finish 2025 in Vaca Muerta and most importantly, how we're advancing on the key milestones. We have a team that is fully in place, integrated and our exit rate for the year in Vaca Muerta is, like we've been saying in the past, 5,000 to 6,000 barrels of oil per day, within our guidance. And that's again showing how we deliver production and value in Argentina.

Operator
Next question will be from the line of Oriana Covault with Balanz Capital.

Oriana Covault
Balanz Capital Valores

This is Oriana Covault with Balanz. I have one brief one regarding your 2026 work program. What is the status of the negotiations with your Llanos partners? I believe there was a discrepancy between the guidance that you had provided and your partners in the area. And should we expect any changes in activities versus the previously shared plan?

Felipe Bayon
CEO & Director

Oriana, thanks, and thanks for being here, and thanks for the opportunity to comment. So I mean, with most of the partners, we already have agreement in terms of the work programs and budgets and everything else, which basically support and underpin the guidance that we have given to the market. Specifically with regards to Llanos 34 -- and probably I'll give you a bit more detail and some data points. But we have 21 workovers that have been approved, both technically and from a budget perspective, which is great. Some facilities, upgrades and works that have been approved.

And in terms of the wells themselves, so from a technical point of view, there's 14 wells that have been approved by both teams, by both companies, but our partner has only approved eight of those wells. So we continue to diligently work with them to ensure that they have all the data to ensure that they understand that these are value-accretive operations. Remember, these are wells in Llanos 34 that provide value to not only the companies, but their shareholders, which is great, which is very, very relevant.

But the one thing I'd say, Oriana, is that, we'll very constructively continue with this dialogue to ensure that the partner can ensure that they have the funds to fully support the budget. And I know they have probably some other commitments as well in terms of their own operations. But if we don't get it into an agreement with them, we have optionality. And we can always put this rig into other areas and do some other things that will be beneficial for GeoPark and its shareholders. Thanks, Oriana.

Operator

We will now move to text questions submitted from the webcast:

Eduardo Muniz

Santander

If the Frontera deal does not close, how does that change your Colombia growth outlook? And second part, could you give us an update on the polymer injection project, which started in December, including incremental production impact, if any? And how this project could influence 2026 output and recovery factors?

Felipe Bayon

CEO & Director

Eduardo, good morning, and thanks for being here today. So we'll start with question number two, and I'll ask Rodrigo to give us an update on the polymer injection. But I'd say, we're very, very satisfied. We're thrilled. Things are progressing well in terms of the different milestones and increasing concentrations of the polymer and everything else. But I'll ask Rodrigo to give us a bit more color. Go ahead, Rodri.

Rodrigo Dalle Fiore

Chief Exploration & Development Officer

Thank you, Felipe. Good morning, Eduardo. Polymer flood is an important element in our development plan for Llanos 34. We started last year in December with two initial wells. The expectation that we have is incorporate another two wells next month or in April. What we have seen until now is a very good performance in terms of operation. We are waiting for results in the second part of this year. So we are not expecting some results in these early times. But actually, operationally and the concentration that we are incorporating in the polymer in the water are working very, very good.

The plan that we have is not stay there for long. So we are going to add five more wells by the second part of the year. So that's the plan that we have. But actually, at the same time, we are monitoring. We are expecting to anticipate that five wells by the half of this year. So that's the intention that we have in order to be more proactive. And something that we are at least aiming for is to accelerate expansion in the north of the block. We are seeing very good interesting results in the simulation that we are doing in the north of the block in Tigana block. So that's the next step. So that's why we are not going to keep here. We are also going beyond that. So that's where we are right now.

The expectation that we have in terms of -- you asked about the recovery factor. So in the simulation that we have is between 3% in the pessimistic scenario and 7% in the optimistic scenario that we expect in the areas where we are injecting. So that's the expectation that we have.

The results according to our own experience in all the blocks and obviously, the neighborhood is about 5% as an average, the expectation that we have in terms of recovery factors.

Felipe Bayon
CEO & Director

Thanks, Rodri. And Eduardo, in terms of the outlook and the deal, so probably the first thing I'd say is that where we are, we have this -- the arrangement agreement in place. And as I've mentioned before, we're pursuing very diligently with Frontera and both teams, the work to closing. So I think that's the first thing I would say.

The second thing is obviously that -- and I'll go back to the discipline, financial discipline comments that I've made -- the Board will assess all options, opportunities that are available to us and always within this frame of financial discipline. And I think that's very important. We will not and should not lose sight of what's priority for us, which is ensuring that there's value creation, and it's always in the best interest of our shareholders. So that will be the frame in which we will think about it.

And again, as we've done with guidance and updates to the market, we'll continue to keep you appraised. So thanks, Eduardo.

Operator
The next question has been submitted by:

Isabella Pacheco
Bank of America

When does the limited duration shareholders' rights plan expire? And is the Board discussing to renew it?

Felipe Bayon
CEO & Director

Thanks, Isabella, and thanks for being here. It's great to have you on today's call. Yes, the rights plan, the shareholders' rights plan has a duration of a year, and it expires on June 3. That's the date in which we - the rights plan will expire. And the Board, as with many other matters, will discuss in due time the nature, the conditions and the specifics around the shareholders' rights plan. So when those discussions are final and when the Company is ready to announce a decision or directionally where we want to go with that, we will communicate that promptly to the markets. Thanks, Isabella.

Operator
The next question has been submitted by:

Vicente Falanga
Bradesco

Have you seen any impacts on your business from the formalization of the Venezuelan market?

Felipe Bayon
CEO & Director

Thanks, Vicente. And I'll ask Jaime to take on the sort of the market conditions, volumes and how that's impacting us. But before I do that, there's -- at least the way in which I understand the question -- there are two things. There's obviously volumes and dips and stuff like that. But there's always, or there's also a window that's opening in terms of opportunities in Venezuela. And that's one of the things that as I've mentioned before, the Company and the Board will continue to assess optionality and opportunities going forward that we're reviewing as well, because we do believe that given our track record as a prudent, safe, efficient, reliable operator, there's always opportunities in that camp. But Jaime, if you can take the one on the volumes?

Jaime Caballero
Chief Financial Officer

Yes, sure, absolutely. So Vicente, when we think about Venezuela, I think the most immediate impact that we've seen is, of course, around the heavy oil markets as such, and particularly as it relates to the Vasconia and the Castilla references in Colombia. The Vasconia reference is relevant to us because it's probably the most relevant benchmark that we use both for Llanos 34 and CPO-5 crudes generally. Our crudes are not exactly the Vasconia reference. Actually, our crudes have improved quality and less sulfur content than Vasconia from a purity standpoint, if you will, if you think about the specs. But as a benchmark of commercial differentiation, we are, to some degree, connected to that.

What has happened with Vasconia has been, we've seen a widening differential. If you look at probably 3Q or 2Q of last year, in the middle of last year, we were seeing differentials which -- in other words, commercial discounts -- which were in the order of $3 to $4. Those commercial discounts are today probably in the $7 to $8 amount, right? And it's actually, to a large degree, being influenced by what's been happening in Venezuela.

So what is happening in Venezuela? Basically, you are seeing about 1 million or so of new barrels from Venezuela going into the market, particularly to the US market, the Gulf Coast refinery and area. And what we're seeing there is actually a combination of two things. You have new supply from Venezuela, but at the same time, we are at that part of the season, first Q of the year, typically in the refining sector, you see relatively lowish demand. It's a quarter where typically maintenance work is going on, refinery runs are lower typically.

So therefore, you have this combination of supply coming in -- new supply coming in from Venezuela and from Mexico -- and lower demand typically from the refineries. We think this is temporary. What we believe is that the market will adapt to absorb the new Venezuelan crude, and demand generally with the refinery runs will increase around summer. Summer is the typical high demand season in the US because there's massive consumption associated to people on vacation, traveling, extended days and long hours and all of that. So we are expecting stabilization, if you will, of that supply and demand. And particularly, what we see is that the Vasconia and the Colombian references, relatively speaking, provide better quality than that Venezuelan offer that you have currently.

Now having said that, we are obviously moving on all fronts to look at ways to further mitigate that. One of our strategies is around decoupling ourselves to the Vasconia reference by doing FOB exports. That's what we're doing with CPO-5. So basically, the bulk of the CPO-5 volumes that we have, which are in the order of 6,000 barrels a day, are actually being sold in Covenas for export, and that deal helps us reduce that effect. So we're more tied to Brent rather than to Vasconia on that particular reference, and that helps. But basically, that's what you're seeing in that particular market.

I think the other, of course, angle around your question of impacts on your business is, of course, that from a new business standpoint, Venezuela is opening up, right? Venezuela is opening up. We're starting to see inbound interest in that area, looking for operating capabilities that can help restart production in a number of fields, improve production in a number of fields. As you're probably aware, the dimension and scale of the Venezuelan industry is massive. So there could be opportunities in that front, and that is something that we are actively evaluating.

Felipe Bayon
CEO & Director

Thanks, Jaime, and thanks, Vicente.

Operator
Thank you. We will now close Q&A, and I would like to hand the call back to Mr. Felipe Bayon for closing remarks.

Felipe Bayon
CEO & Director

Thanks for the help. And again, thanks, everyone, for being here in the call today. Very, very briefly, just a few remarks from myself.

First one, 2025 closed in a very strong point. Operationally, as I've mentioned, we met or beat the guidelines that we had given the market with some specifics around the inflection point and stabilizing operations and production in Colombia and entering Vaca Muerta. And as I've mentioned, very, very pleased with [unclear line] of those major milestones.

Strategy is in place, and we're executing and deploying capital in a very disciplined way in terms of protecting the assets and the operations and the value that we have, and pursuing the avenue of growth, which both Vaca Muerta and the deal with Frontera underpin very, very, very nicely and directly. So we're very happy with the start of 2026, and we've shared some of the highlights as well. And we will continue to work with Frontera on the arrangement agreement and working towards closing.

Again, very thankful to the team in Frontera and to our team in terms of how diligent they've been in keeping us on track. Having the SIC approval, I think is a major milestone for us as well. And we will remain disciplined in terms of our decisions and the financial framework that we use at the management level and with the Board to continue to assess all and any options that are available to the Company.

So with that, I again thank everyone who has been present at today's call. Thanks for the interest in GeoPark. Thanks for the great questions. I think it allowed us the opportunity to share some of our views. And please stay safe. Have a great day.