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GeoPark's Venezuela Bet: Lessons for Colombia's Oil and Gas Sector

Competition for capital, redevelopment opportunities and regional services may be the real story.

September 2026 · Phillip Rosenblatt + Johanna Santos

Oil-refining infrastructure, Kazakhstan · Oil + Gas

GeoPark's decision to enter Venezuela through the Bare Block is obviously important for Venezuela. It also deserves attention in Colombia. GeoPark remains deeply rooted in Colombia, which accounted for 81% of its proved reserves and 93.7% of its 2025 consolidated sales. Yet the company has made clear that it allocates capital across a regional portfolio and will pursue the opportunities that offer the strongest risk-adjusted returns.[2]

The lesson is not that GeoPark is leaving Colombia. It is that Colombia is competing for capital, technical people and management attention with a wider Latin American opportunity set - and Venezuela has re-entered that competition with unusually large brownfield assets and a new contractual framework.[1]

DEAL LENS

- Capital is regional and mobile. GeoPark declined to raise its bid for Colombian assets earlier in 2026 because the revised valuation compared unfavourably with alternative uses of capital across Colombia, Argentina, Venezuela and the broader region.
- Geology is only part of the proposition. Bare couples giant resource scale with existing infrastructure and contractual provisions addressing commercialization, operational control, economic rebalancing and compensation.
- Brownfield recovery deserves strategic attention. Colombia faces natural decline in mature fields, while Bare is being presented as a redevelopment story built around existing wells and infrastructure.
- Gas raises the stakes on time-to-market. Colombia has meaningful contingent gas resources, but turning resources into deliverable production requires investment, infrastructure and execution.
- Venezuela can be a market as well as a competitor. Colombian oilfield-service companies are already exploring opportunities there, creating a regional export opportunity for Colombia's industry ecosystem.
- The policy question is execution. Competitive contracts, predictable approvals, security, community alignment and workable economics determine whether geology becomes investment and production.

The useful Colombian question is therefore not whether Venezuela is suddenly a lower-risk jurisdiction. It plainly is not. The question is what the transaction reveals about how sophisticated operators compare opportunities and what Colombia can do to remain one of the region's most compelling places to deploy oil and gas capital.

1. Capital does not owe a country loyalty

GeoPark provides a particularly clear case study because Colombia has historically been the foundation of its business. At year-end 2025, 47 million boe of its 59 million boe of proved reserves were in Colombia, and Colombian operations produced US$461 million of revenue - 93.7% of consolidated sales.[2]

That concentration has not prevented the company from comparing each new investment against opportunities elsewhere. In March 2026, GeoPark declined to raise its offer for Frontera Energy's

Colombian E&P assets. The company said the revised valuation would reduce portfolio returns and compare unfavourably with alternative capital deployment opportunities across Colombia, Argentina, Venezuela and the broader region.[3]

Six months later, GeoPark announced Bare.

The sequence should not be over-read. The Frontera assets and Bare are different opportunities with different risk profiles, and GeoPark continues to describe Colombia as a core platform. But it demonstrates the discipline with which a regional operator can move capital toward the opportunity it finds most attractive at a particular price and risk allocation.[3]

For Colombia, that means the competitive question is not simply whether hydrocarbons exist. It is whether the full investment proposition can win the next dollar of capital. Fiscal terms, permitting time, security, infrastructure, community relations, contractual durability and the expected return after all of those factors are taken into account will influence that decision.

2. Contract architecture can compete alongside geology

Bare's geology is extraordinary. GeoPark reports approximately 16 billion barrels of original oil in place, more than 1,100 existing wells, current gross production of about 11,000 barrels per day and significant installed infrastructure. Its base redevelopment plan contemplates raising the recovery factor from roughly 4-5% to 8-9%.[1]

What is equally notable is the prominence given to the contractual framework. GeoPark says the 25-year Production Participation Contract gives the operator a 65% net working interest, while requiring it to fund 100% of approved capital expenditures. The company also highlights direct commercialization and monetization rights, access to critical infrastructure, operational-control provisions, economic-rebalancing mechanisms and compensation protections.[1]

That is a useful reminder for Colombia: countries compete through investment architecture as well as subsurface potential. A technically attractive asset is more valuable when the investor can understand how it will commercialize production, access infrastructure, obtain approvals, preserve economic balance and respond if the operating environment changes.

Colombia already has an established contracting system, sophisticated institutions and decades of private-sector operating history. Those are important advantages. The strategic challenge is to make the system work with sufficient speed and predictability that those advantages translate into competitive project economics.

3. Brownfield recovery may be as important as new exploration

Bare is not primarily a frontier-exploration story. It is a redevelopment story: an existing producing field with wells, infrastructure, operating history and a low recovery factor that GeoPark believes can be improved through rehabilitation, technical work and capital.[1]

That has a direct Colombian parallel. The ANH reported that national oil production averaged about 740,812 barrels per day in the first quarter of 2026 and identified natural reservoir-pressure decline in mature fields, together with rising water cut and operational constraints, as factors affecting production.[5]

The lesson is not to choose between exploration and mature-field investment. Colombia needs both. But mature-field optimisation can sometimes add barrels faster, with less subsurface uncertainty and less infrastructure build-out than frontier exploration.

Enhanced recovery, infill drilling, recompletions, water management, infrastructure debottlenecking, digital field management and the reactivation of marginal or under-invested assets can all become part of a reserves-and-production strategy. The commercial question is whether contract terms, fiscal treatment and approval processes allow the required capital to earn an adequate return.

A mature field that is marginal under one operating and economic structure can become investable under another. Bare is an unusually large example of the principle, but the principle travels.

4. Gas makes execution and time-to-market more urgent

Colombia's 2025 reserves report put proved oil reserves at approximately 2 billion barrels, with an oil reserves-to-production ratio of 7 years. The same report put the gas reserves-to-production ratio at 6 years and identified more than 11 Tcf of contingent gas resources, particularly associated with the Colombian Caribbean.[4]

That distinction between resources and deliverable production matters. A discovery or contingent resource only strengthens energy security once the commercial, regulatory, infrastructure and financing pieces are aligned well enough to bring it to market.

The ANH's more recent engagement with Canacol has focused expressly on production decline, investment plans and the technical and regulatory actions required to recover gas volumes from existing contracts.[8]

For Colombia, therefore, the investment-policy test is not only how much exploration activity can be announced. It is how quickly credible resources and discoveries can be converted into producing, transportable and saleable gas.

That requires coordination across upstream investment, environmental and community processes, pipelines and processing infrastructure, sales arrangements and financing. In that sense, the GeoPark transaction reinforces a broader point: transaction architecture and project execution are often as important as the resource itself.

5. Venezuela can be a market for Colombian capability

There is also a less defensive way to look at Venezuela's reactivation. It can create business for Colombia.

CAMPETROL led a business mission to Caracas in April 2026 involving about 100 participants from 50 companies and expressly identified opportunities for Colombian goods and services as Venezuelan exploration, production, refining and infrastructure activity recovers. CAMPETROL represents more than 210 companies supplying goods and services to the oil, gas and energy industries.[6, 7]

Colombia's oilfield-services ecosystem, engineering capabilities, technical workforce, logistics networks and management experience have been built over decades. Geography makes many of those capabilities relevant to Venezuela, especially as operators seek to rehabilitate wells, production facilities, pipelines and related infrastructure.

The opportunity cuts both ways. Venezuela can absorb Colombian services and expertise, but a sustained investment cycle there can also compete for rigs, engineers, managers and specialist contractors. Capital is not the only mobile resource in a regional oil and gas market.

6. Colombia's durable advantage will come from execution

Colombia does not need to imitate Venezuela to compete with it. Its strengths are different: an established hydrocarbons institution, a long history of private investment, functioning service markets, extensive operating knowledge, infrastructure and a mature professional ecosystem.

The administration that took office on 7 August 2026 has an opportunity to strengthen those advantages. CAMPETROL's message to the new government has emphasized energy security, competitiveness and confidence for investment - all of which are directly relevant to how capital will compare Colombia with regional alternatives.[7]

The test will be practical. Investors will look for competitive economics, predictable approvals, workable community and environmental processes, infrastructure access, security and confidence that the investment framework will remain sufficiently durable over the life of the project.

Colombia does not have to win every regional capital-allocation decision. It does have to make sure that good Colombian projects are not losing because avoidable execution friction has overwhelmed their geological and commercial strengths.

The broader lesson

GeoPark's Venezuela transaction does not tell us that Colombia is being abandoned. In fact, GeoPark continues to describe Colombia as a core cash-generating platform and has publicly identified opportunities to strengthen its position there.[3]

What Bare does show is that Colombia is again competing in a wider regional market for oil and gas capital. Venezuela offers extraordinary resource scale and potentially high-reward brownfield opportunities. Argentina offers Vaca Muerta. Brazil offers deepwater scale. Guyana has transformed the regional exploration landscape.

Colombia's own proposition can remain powerful: proven basins, infrastructure, capable institutions, an experienced service sector, technical talent and substantial remaining resources. But those strengths create value only when investors can turn them into executable projects.

A country's natural resources establish the opportunity. Its investment framework determines how much of that opportunity becomes capital, projects and production.

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Sources

Primary public sources are listed below. Public information reviewed through September 12, 2026.

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