

GEOGLOBAL RESOURCES INC.

Form 10-Q/A

June 25, 2008



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q/A
Amendment No. 1

(Mark One)

- Quarterly Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended September 30, 2007;
- or
- Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from _____ to _____.

Commission file Number: 1-32158

GEOGLOBAL RESOURCES INC.

(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of incorporation of organization)

33-0464753
(I.R.S. employer identification no.)

SUITE #310, 605 – 1 STREET SW, CALGARY, ALBERTA, CANADA T2P 3S9

(Address of principal executive offices, zip code)

403/777-9250

(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the proceeding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES

NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

Large accelerated filer

Accelerated filer

Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

YES []

NO [X]

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

| Class | Outstanding at November 14, 2007 |
|--|----------------------------------|
| COMMON STOCK, PAR VALUE \$.001 PER SHARE | 72,205,756 |

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GEOGLOBAL RESOURCES INC.
(a development stage enterprise)
QUARTERLY REPORT ON FORM 10-Q/A

This Form 10-Q/A Amendment No. 1 is being filed to amend the GeoGlobal Resources Inc. (the “Company”) Quarterly Report on Form 10-Q for the nine months ended September 30, 2007. The amendment arose out of a need to restate certain financial statements previously filed with the Securities and Exchange Commission in order to correct certain errors relating to the Company’s reporting of stock based compensation in compliance with FAS 123R.

This Form 10-Q/A does not reflect events occurring after the filing of the original Form 10-Q or modify or update those disclosures. Information not affected by the amendment is unchanged and reflects the disclosure made at the time of the original filing of the Form 10-Q with the Securities and Exchange Commission on November 14, 2007. The following items have been amended as a result of the restatement:

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PART I. FINANCIAL INFORMATION
Item 1. CONSOLIDATED FINANCIAL STATEMENTS

GEOGLOBAL RESOURCES INC.
(a development stage enterprise)
CONSOLIDATED BALANCE SHEETS
(Unaudited)

| | September 30, 2007 US \$ Restated note 6c | December 31, 2006 US \$ Restated note 6c |
|--|---|--|
| Assets | | |
| Current | | |
| Cash and cash equivalents | 49,255,804 | 32,362,978 |
| Accounts receivable | 431,335 | 202,821 |
| Prepays and deposits | 154,214 | 31,232 |
| | 49,841,353 | 32,597,031 |
| Restricted cash (note 9a) | 4,545,148 | 3,590,769 |
| Property and equipment (note 3) | 935,934 | 183,427 |
| Oil and gas interests, not subject to depletion (note 4) | 20,459,523 | 12,121,334 |
| | 75,781,958 | 48,492,561 |
| Liabilities | | |
| Current | | |
| Accounts payable | 1,078,912 | 1,888,103 |
| Accrued liabilities | 1,076,319 | 33,487 |
| Due to related companies (notes 7c, 7d and 7e) | 52,745 | 33,605 |
| | 2,207,976 | 1,955,195 |
| Stockholders' Equity | | |
| Capital stock | | |
| Authorized | | |
| 100,000,000 common shares with a par value of US\$0.001 each | | |
| 1,000,000 preferred shares with a par value of US\$0.01 each | | |
| Issued | | |
| 72,205,755 common shares (December 31, 2006 – 66,208,255) | 57,614 | 51,617 |
| Additional paid-in capital | 82,012,120 | 52,900,900 |
| Deficit accumulated during the development stage | (8,495,752) | (6,415,151) |
| | 73,573,982 | 46,537,366 |
| | 75,781,958 | 48,492,561 |

See Commitments, Contingencies and Guarantees (note 9)

The accompanying notes are an integral part of these Consolidated Financial Statements

GEOGLOBAL RESOURCES INC.
(a development stage enterprise)
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

| | Three months ended Sept 30, 2007 US \$ | Three months ended Sept 30, 2006 US \$ | Nine months ended Sept 30, 2007 US \$ | Nine months ended Sept 30, 2006 US \$ | Period from Inception, Aug 21, 2002 to Sept 30, 2007 US\$ |
|---|---|---|--|--|---|
| | Restated note 6c | Restated note 6c | Restated note 6c | Restated note 6c | Restated note 6c |
| Expenses (notes 5f, 6b, 7c, 7d and 7e) | | | | | |
| General and administrative | 820,112 | 552,780 | 1,771,399 | 1,214,761 | 4,767,041 |
| Consulting fees | (46,209) | 292,954 | 22,469 | 461,971 | 4,826,271 |
| Professional fees | 147,424 | 61,039 | 488,918 | 161,967 | 1,241,594 |
| Depreciation | 14,941 | 12,975 | 39,285 | 33,974 | 250,595 |
| | 936,268 | 919,748 | 2,322,071 | 1,872,673 | 11,085,501 |
| Other expenses (income) | | | | | |
| Consulting fees recovered | -- | -- | -- | -- | (66,025) |
| Equipment costs recovered | -- | -- | -- | -- | (19,395) |
| Gain on sale of equipment | -- | -- | -- | -- | (42,228) |
| Foreign exchange (gain) loss | 2,433 | (2,329) | (10,286) | (3,750) | 16,261 |
| Interest income | (694,292) | (461,123) | (1,551,184) | (1,288,741) | (3,798,362) |
| | (691,859) | (463,452) | (1,561,470) | (1,292,491) | (3,909,749) |
| Net loss and comprehensive loss for the period | (244,409) | (456,296) | (760,601) | (580,182) | (7,175,752) |
| Net loss per share – basic and diluted (note 5e, 5f) | (0.02) | (0.01) | (0.03) | (0.01) | |

The accompanying notes are an integral part of these Consolidated Financial Statements

GEOGLOBAL RESOURCES INC.

(a development stage enterprise)

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

| | Number of shares | Capital Stock US \$ | Additional paid-in capital US \$ Restated note 6c | Accumulated Deficit US \$ Restated note 6c | Stockholders' Equity US \$ Restated note 6c |
|---|---------------------|------------------------|--|--|---|
| Common shares issued on incorporation - Aug 21, 2002 | 1,000 | 64 | -- | -- | 64 |
| Net loss and comprehensive loss for the period | -- | -- | -- | (13,813) | (13,813) |
| Balance at December 31, 2002 | 1,000 | 64 | -- | (13,813) | (13,749) |
| Capital stock of GeoGlobal at August 29, 2003 | 14,656,687 | 14,657 | -- | 10,914,545 | 10,929,202 |
| Elimination of GeoGlobal capital stock in recognition of reverse takeover | (1,000) | (14,657) | -- | (10,914,545) | (10,929,202) |
| Common shares issued during the year: | | | | | |
| On acquisition | 34,000,000 | 34,000 | 1,072,960 | -- | 1,106,960 |
| Options exercised for cash | 396,668 | 397 | 101,253 | -- | 101,650 |
| December 2003 private placement financing | 6,000,000 | 6,000 | 5,994,000 | -- | 6,000,000 |
| Share issuance costs on private placement | -- | -- | (483,325) | -- | (483,325) |
| Share issuance costs on acquisition | -- | -- | (66,850) | -- | (66,850) |
| Stock-based compensation | -- | -- | 62,913 | -- | 62,913 |
| Net loss and comprehensive loss for the year | -- | -- | -- | (518,377) | (518,377) |
| Balance at December 31, 2003 | 55,053,355 | 40,461 | 6,680,951 | (532,190) | 6,189,222 |
| Common shares issued during the year: | | | | | |
| Options exercised for cash | 115,000 | 115 | 154,785 | -- | 154,900 |
| Broker Warrants exercised for cash | 39,100 | 39 | 58,611 | -- | 58,650 |
| Stock-based compensation | -- | -- | 350,255 | -- | 350,255 |
| Net loss and comprehensive loss for the year | -- | -- | -- | (1,171,498) | (1,171,498) |
| Balance at December 31, 2004 | 55,207,455 | 40,615 | 7,244,602 | (1,703,688) | 5,581,529 |
| Common shares issued during the year: | | | | | |
| Options exercised for cash | 739,000 | 739 | 1,004,647 | -- | 1,005,386 |
| 2003 Purchase Warrants exercised for cash | 2,214,500 | 2,214 | 5,534,036 | -- | 5,536,250 |
| Broker Warrants exercised for cash | 540,900 | 541 | 810,809 | -- | 811,350 |
| September 2005 private placement financing | 4,252,400 | 4,252 | 27,636,348 | -- | 27,640,600 |
| Share issuance costs on private placement | -- | -- | (1,541,686) | -- | (1,541,686) |

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| | | | | | |
|---|------------|--------|-------------|-------------|-------------|
| Stock-based compensation | -- | -- | 4,354,256 | -- | 4,354,256 |
| Net loss and comprehensive loss for the year | -- | -- | -- | (3,162,660) | (3,162,660) |
| Balance at December 31, 2005 | 62,954,255 | 48,361 | 45,043,012 | (4,866,348) | 40,225,025 |
| Common shares issued during the year: | | | | | |
| Options exercised for cash | 2,284,000 | 2,285 | 2,706,895 | -- | 2,709,180 |
| Options exercised for notes receivable | 184,500 | 185 | 249,525 | -- | 249,710 |
| 2003 Purchase Warrants exercised for cash | 785,500 | 786 | 1,962,964 | -- | 1,963,750 |
| Share issuance costs | -- | -- | (74,010) | -- | (74,010) |
| Stock-based compensation | -- | -- | 3,012,514 | -- | 3,012,514 |
| Net loss and comprehensive loss for the year | -- | -- | -- | (1,548,803) | (1,548,803) |
| Balance at December 31, 2006 | 66,208,255 | 51,617 | 52,900,900 | (6,415,151) | 46,537,366 |
| Common shares issued during the period: | | | | | |
| Options exercised for cash (note 6e) | 317,500 | 317 | 320,358 | -- | 320,675 |
| June 2007 private placement financing (note 5a) | 5,680,000 | 5,680 | 28,394,320 | -- | 28,400,000 |
| Share issuance costs on private placement (note 5a) | -- | -- | (2,720,728) | -- | (2,720,728) |
| 2007 Compensation Options (note 5a) | -- | -- | 705,456 | -- | 705,456 |
| 2005 Stock Purchase Warrant modification (note 5f) | -- | -- | 1,320,000 | (1,320,000) | -- |
| 2005 Compensation Option & Warrant modification (note 5f) | -- | -- | 240,000 | -- | 240,000 |
| Stock-based compensation (note 5a) | -- | -- | 851,814 | -- | 851,814 |
| Net loss and comprehensive loss for the period | -- | -- | -- | (760,601) | (760,601) |
| Balance as at September 30, 2007 | 5,997,500 | 5,997 | 29,111,220 | (2,080,601) | 27,036,616 |
| Balance as at September 30, 2007 | 72,205,755 | 57,614 | 82,012,120 | (8,495,752) | 73,573,982 |

The accompanying notes are an integral part of these Consolidated Financial Statements

GEOGLOBAL RESOURCES INC.
(a development stage enterprise)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

| | Three months ended Sept 30, 2007 | Three months ended Sept 30, 2006 | Nine months ended Sept 30, 2007 | Nine months ended Sept 30, 2006 | Period from Inception, Aug 21, 2002 to Sept 30, 2007 US \$ |
|---|--|--|---|---|--|
| | US \$ Restated note 6c | US \$ Restated note 6c | US \$ Restated note 6c | US \$ Restated note 6c | US \$ Restated note 6c |
| Cash flows provided by (used in) | | | | | |
| operating activities | | | | | |
| Net loss | (244,409) | (456,296) | (760,601) | (580,182) | (7,175,752) |
| Adjustment to reconcile net loss to net cash used in operating activities: | | | | | |
| Depreciation | 14,941 | 12,975 | 39,285 | 33,974 | 250,595 |
| Gain on sale of equipment | -- | -- | -- | -- | (42,228) |
| Stock-based compensation (note 6b) | 35,277 | 507,278 | 374,050 | 686,606 | 4,988,703 |
| 2005 Compensation option & warrant modification (note 5f) | 240,000 | -- | 240,000 | -- | 240,000 |
| Changes in operating assets and liabilities: | | | | | |
| Accounts receivable | (232,529) | (41,044) | (228,514) | (40,478) | (356,335) |
| Prepays and deposits | (42,350) | (10,190) | (122,982) | (11,793) | (154,214) |
| Accounts payable | 13,382 | 13,980 | 102,956 | 43,140 | 137,607 |
| Accrued liabilities | 30,000 | (17,500) | (3,487) | (35,000) | 30,000 |
| Due to related companies | 24,678 | 1,114 | 19,140 | (118,168) | 10,989 |
| | (161,010) | 10,317 | (340,153) | (21,901) | (2,070,635) |
| Cash flows provided by (used in) | | | | | |
| investing activities | | | | | |
| Oil and gas interests | (5,479,467) | (1,168,813) | (7,860,425) | (5,149,439) | (16,816,474) |
| Property and equipment | (317,255) | (24,782) | (791,792) | (85,765) | (1,227,101) |
| Proceeds on sale of equipment | -- | -- | -- | -- | 82,800 |
| Cash acquired on acquisition | -- | -- | -- | -- | 3,034,666 |
| Restricted cash (note 9a) | (1,347,532) | (1,879,984) | (954,379) | (3,089,820) | (4,545,148) |
| Changes in investing assets and liabilities: | | | | | |
| Cash call receivable | 62,547 | 21,620 | -- | (12,265) | -- |
| Accounts payable | 485,641 | (958,159) | (916,597) | 197,356 | 887,847 |
| Accrued liabilities | 833,360 | 217,000 | 1,046,319 | 739,427 | 1,046,319 |
| | (5,762,706) | (3,793,118) | (9,476,874) | (7,400,506) | (17,537,091) |
| Cash flows provided by (used in) | | | | | |
| financing activities | | | | | |
| Proceeds from issuance of common shares | -- | 1,949,979 | 28,720,675 | 4,667,878 | 74,952,165 |
| Share issuance costs | (112,226) | (15,457) | (2,015,272) | (74,008) | (4,181,143) |
| Changes in financing liabilities: | | | | | |
| Note payable (note 7a) | -- | -- | -- | -- | (2,000,000) |

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| | | | | | |
|--|-------------|-------------|------------|-------------|------------|
| Accounts payable | (63,840) | -- | 4,450 | (10,800) | 65,528 |
| Due to related companies | -- | -- | -- | -- | 26,980 |
| | (176,066) | 1,934,522 | 26,709,853 | 4,583,070 | 68,863,530 |
| Net increase (decrease) in cash and cash equivalents | (6,099,782) | (1,848,279) | 16,892,826 | (2,839,337) | 49,255,804 |
| Cash and cash equivalents, beginning of period | 55,355,586 | 35,046,330 | 32,362,978 | 36,037,388 | -- |
| Cash and cash equivalents, end of period | 49,255,804 | 33,198,051 | 49,255,804 | 33,198,051 | 49,255,804 |
| Cash and cash equivalents | | | | | |
| Current bank accounts | 1,065,149 | 700,029 | 1,065,149 | 700,029 | 1,065,149 |
| Term deposits | 48,190,655 | 32,498,022 | 48,190,655 | 32,498,022 | 48,190,655 |
| | 49,255,804 | 33,198,051 | 49,255,804 | 33,198,051 | 49,255,804 |

The accompanying notes are an integral part of these Consolidated Financial Statements

GeoGlobal Resources Inc.
(a development stage enterprise)
Notes to the Consolidated Financial Statements
(Unaudited)
September 30, 2007

1. Nature of Operations

The Company is engaged primarily in the pursuit of petroleum and natural gas through exploration and development in India. Since inception, the efforts of GeoGlobal have been devoted to the pursuit of Production Sharing Contracts ("PSC") with the Gujarat State Petroleum Corporation ("GSPC"), Oil India Limited ("OIL") among others, and the Government of India ("GOI") and the development thereof. To date, the Company has not earned revenue from these operations and is considered to be in the development stage. The recoverability of the costs incurred to date is uncertain and dependent upon achieving commercial production or sale, the ability of the Company to obtain sufficient financing to fulfill its obligations under the PSCs in India and upon future profitable operations and upon finalizing agreements.

On August 29, 2003, all of the issued and outstanding shares of GeoGlobal Resources (India) Inc. ("GeoGlobal India") were acquired by GeoGlobal Resources Inc., formerly Suite101.com, Inc. As a result of the transaction, the former shareholder of GeoGlobal India held approximately 69.3% of the issued and outstanding shares of GeoGlobal Resources Inc. This transaction is considered an acquisition of GeoGlobal Resources Inc. (the accounting subsidiary and legal parent) by GeoGlobal India (the accounting parent and legal subsidiary) and has been accounted for as a purchase of the net assets of GeoGlobal Resources Inc. by GeoGlobal India. Accordingly, this transaction represents a recapitalization of GeoGlobal India, the legal subsidiary, effective August 29, 2003. These consolidated financial statements are issued under the name of GeoGlobal Resources Inc. but are a continuation of the financial statements of the accounting acquirer, GeoGlobal India. The assets and liabilities of GeoGlobal India are included in the consolidated financial statements at their historical carrying amounts. As a result, the stockholders' equity of GeoGlobal Resources Inc. is eliminated and these consolidated financial statements reflect the results of operations of GeoGlobal Resources Inc. only from the date of the acquisition.

GeoGlobal Resources Inc. changed its name from Suite101.com, Inc. after receiving shareholder approval at the Annual Shareholders Meeting held on January 8, 2004. Collectively, GeoGlobal Resources Inc., GeoGlobal India and its other wholly-owned direct and indirect subsidiaries, are referred to as the "Company" or "GeoGlobal".

2. Significant Accounting Policies

a) Basis of presentation

The accompanying unaudited interim consolidated financial statements have been prepared in accordance with the accounting principles generally accepted in the United States for interim financial information and with Regulation S-X and the instructions to Form 10-Q under the U.S. Securities and Exchange Act of 1934, as amended. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the nine months ended September 30, 2007 are not necessarily indicative of the results that may be expected for the year ended December 31, 2007.

These consolidated financial statements include the accounts of (i) GeoGlobal Resources Inc., from the date of acquisition, being August 29, 2003, (ii) GeoGlobal Resources (India) Inc., incorporated under the Business Corporations Act (Alberta), Canada on August 21, 2002 and continued under the Companies Act of Barbados, West

Indies on June 27, 2003, which is a wholly-owned subsidiary of GeoGlobal Resources Inc., (iii) GeoGlobal Resources (Canada) Inc., incorporated under the Business Corporations Act (Alberta), Canada on September 4, 2003, which is a wholly-owned subsidiary of GeoGlobal Resources Inc., (iv) GeoGlobal Resources (Barbados) Inc. incorporated under the Companies Act of Barbados, West Indies on September 24, 2003, which is the wholly-owned subsidiary of GeoGlobal Resources (Canada) Inc., and (v) GeoGlobal Oil & Gas (India) Private Limited, incorporated under the Companies Act, 1956, Maharashtra, India on May 5, 2006.

GeoGlobal Resources Inc.
(a development stage enterprise)
Notes to the Consolidated Financial Statements
(Unaudited)
September 30, 2007

2. Basis of presentation (continued)

b) Stock-based compensation plan

In prior periods, reporting on the impact of stock-based compensation, such as employee stock options, on the Company's net loss and net loss per share was required only on a pro-forma basis.

In December, 2004, the Financial Accounting Standards Board issued a revision to Standard 123, Accounting for Stock-Based Compensation. The Statement of Financial Accounting Standards 123(R), Share-Based Payment ("FAS 123(R)"), requires the recognition of compensation cost for stock-based compensation arrangements with employees, consultants and directors based on their grant date fair value using the Black-Scholes option-pricing model. Compensation expense is recorded over the awards' respective requisite service, with corresponding entries to paid-in capital.

The Company adopted FAS 123(R) using the modified-prospective-transition method on January 1, 2006. The impact of this adoption required the Company to recognize a charge for past stock-based compensation options granted of US\$367,596 over the subsequent 3 years in accordance with their respective vesting periods (see note 6).

3. Property and Equipment

| | September 30, 2007 US\$ | December 31, 2006 US\$ |
|-------------------------------|-------------------------------|------------------------------|
| Computer and office equipment | 370,672 | 324,419 |
| Accumulated depreciation | (208,367) | (169,082) |
| | 162,305 | 155,337 |
| Office condominium - India | 773,629 | 28,090 |
| | 935,934 | 183,427 |

4. Oil and Gas Interests

| | September 30, 2007 US\$ | December 31, 2006 US\$ |
|--------------------------------|-------------------------------|------------------------------|
| | Restated note 6c | Restated note 6c |
| Exploration costs incurred in: | | |
| 2002 | 21,925 | 21,925 |
| 2003 | 178,829 | 178,829 |
| 2004 | 506,269 | 506,269 |
| 2005 | 3,250,700 | 3,250,700 |
| 2006 | 8,163,611 | 8,163,611 |
| | 12,121,334 | 12,121,334 |

| | | |
|------|------------|------------|
| 2007 | 8,338,189 | -- |
| | 20,459,523 | 12,121,334 |

a) Exploration costs

The exploration costs incurred to date are not subject to depletion. These exploration costs cover six exploration blocks, known as the KG Offshore Block, the Mehsana Block, the Sanand/Miroli Block, the Ankleshwar Block, the DS 03 Block and the Tarapur Block. In addition, exploration costs include costs incurred in evaluating and bidding on other blocks in Egypt and the Middle East. It is anticipated that all or certain of the exploration costs incurred in India may be subject to depletion commencing in the year 2008.

GeoGlobal Resources Inc.
(a development stage enterprise)
Notes to the Consolidated Financial Statements
(Unaudited)
September 30, 2007

4. Oil and Gas Interests (continued)

b) Capitalized overhead costs

Included in the US\$8,338,189 of exploration cost additions during the nine months ended September 30, 2007 (year ended December 31, 2006 – US\$8,163,611) are certain overhead costs capitalized by the Company in the amount of US\$2,269,317 (year ended December 31, 2006 – US\$2,791,520) directly related to the exploration activities in India. The capitalized overhead amount for the nine months ended September 30, 2007 includes capitalized stock-based compensation of US\$477,764 (year ended December 31, 2006 - US\$1,424,225) (see note 6b) of which US\$133,117 (year ended December 31, 2006 – US\$264,280) was for the account of a related party (see note 7c). Further, the capitalized overhead amount includes US\$1,506,553 (year ended December 31, 2006 - US\$1,000,705) which was paid to third parties. The balance of US\$285,000 was paid to and on behalf of a related party (year ended December 31, 2006 – US\$366,590) (see note 7c). These capitalized overhead costs related to the exploration activities in India are incurred solely by and on behalf of the Company in providing its services under the Carried Interest Agreement (“CIA”) and are therefore not reimbursable under the CIA (see note 4c).

c) Carried Interest Agreement

On August 27, 2002, GeoGlobal entered into a CIA with GSPC, which grants the Company a 10% Carried Interest (“CI”) (net 5% - see note 4d) in the KG Offshore Block. The CIA provides that GSPC is responsible for GeoGlobal's entire share of any and all costs incurred during the Exploration Phase prior to the date of initial commercial production.

Under the terms of the CIA, all of GeoGlobal's and Roy Group (Mauritius) Inc.'s (“RGM”), a related party (see note 7b) proportionate share of capital costs for exploration and development activities will be recovered by GSPC without interest over the projected production life or ten years, whichever is less, from oil and natural gas produced on the Exploration Block. GeoGlobal is not entitled to any share of production until GSPC has recovered the Company's share of the costs and expenses that were paid by GSPC on behalf of the Company and RGM.

As at July 31, 2007, GSPC has incurred costs of Rs 195.77 crore (approximately US\$45.5 million) (December 31, 2006 – Rs 114.96 crore (approximately US\$26.1 million)) attributable to GeoGlobal under the CIA of which 50% is for the account of RGM.

GeoGlobal has been advised by GSPC, that GSPC is seeking payment of the amount by which the exploration costs attributable to GeoGlobal under the PSC relating to the KG Offshore Block exceeds the amount that GSPC deems it is obligated to pay on behalf of GeoGlobal (including the net 5% participating interest of RGM) under the terms of the CIA. GSPC asserts that the Company is required to pay 10% of the exploration expenses over and above US\$59.23 million. GeoGlobal disputes this assertion of GSPC. See note 9e.

GeoGlobal Resources Inc.
(a development stage enterprise)
Notes to the Consolidated Financial Statements
(Unaudited)
September 30, 2007

4. Oil and Gas Interests (continued)

d) Participating Interest Agreement

On March 27, 2003, GeoGlobal entered into a Participating Interest Agreement ("PIA") with RGM, whereby GeoGlobal assigned and holds in trust for RGM subject to GOI consent, 50% of the benefits and obligations of the PSC covering the Exploration Block KG-OSN-2001/3 ("KG Offshore Block") and the CIA leaving GeoGlobal with a net 5% participating interest in the KG Offshore Block and a net 5% carried interest in the CIA. Under the terms of the PIA, until the GOI consent is obtained, GeoGlobal retains the exclusive right to deal with the other parties to the KG Offshore Block and the CIA and is entitled to make all decisions regarding the interest assigned to RGM, RGM has agreed to be bound by and be responsible for the actions taken by, obligations undertaken and costs incurred by GeoGlobal in regard to RGM's interest and to be liable to GeoGlobal for its share of all costs, interests, liabilities and obligations arising out of or relating to the RGM interest. RGM has agreed to indemnify GeoGlobal against any and all costs, expenses, losses, damages or liabilities incurred by reason of RGM's failure to pay the same. Subject to obtaining the government consent to the assignment, RGM is entitled to all income, receipts, credits, reimbursements, monies receivable, rebates and other benefits in respect of its 5% interest which relate to the KG Offshore Block. GeoGlobal has a right of set-off against sums owing to GeoGlobal by RGM. In the event that the Indian government consent is delayed or denied, resulting in either RGM or GeoGlobal being denied an economic benefit it would have realized under the PIA, the parties agreed to amend the PIA or take other reasonable steps to assure that an equitable result is achieved consistent with the parties' intentions contained in the PIA. As a consequence of this transaction the Company reports its holdings under the KG Offshore Block and CIA as a net 5% participating interest ("PI").

5. Capital Stock

a) June 2007 Financing

During June 2007, GeoGlobal completed the sale of 5,680,000 Units of its securities at US\$5.00 per Unit for aggregate gross cash proceeds of US\$28,400,000.

Each Unit is comprised of one common share and one half of one warrant. One full warrant ("2007 Stock Purchase Warrant") entitles the holder to purchase one additional common share for US\$7.50, for a term of two years expiring June 20, 2009. In addition, compensation options ("2007 Compensation Options") were issued to the placement agents entitling them to purchase an aggregate of 340,800 common shares at an exercise price of US\$5.00 per share until June 20, 2009. The 2007 Stock Purchase Warrants and the 2007 Compensation Options are subject to accelerated expiration in the event that the price of the Company's common shares on the American Stock Exchange is US\$12.00 or more for 20 consecutive trading days, the resale of the shares included in the Units and the shares issuable on exercise of the 2007 Stock Purchase Warrants and the 2007 Compensation Options have been registered under the US Securities Act of 1933, as amended (the "Act"), and the hold period for Canadian subscribers has expired. In such events, the term will be reduced to 30 days from the date of issuance of a news release announcing such accelerated expiration of the term. At November 14, 2007 since not all such events have occurred, the accelerated expiration of the term for the 2007 Stock Purchase Warrants and the 2007 Compensation Options has not been triggered.

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5 Capital Stock (continued)

The proceeds from the issuance of the Units have been allocated between the common shares and the 2007 Stock Purchase Warrants based on their fair value. The fair value of the common share was determined based on the market price of the stock the day the financing closed. The fair value of the 2007 Stock Purchase Warrants was based on a Black-Scholes option-pricing model and the following weighted average assumptions as at the date of the financing closing as follows:

| | |
|-------------------------|-----------|
| Risk-free interest rate | 4.97% |
| Expected life | 2.0 years |
| Contractual life | 2.0 years |
| Expected volatility | 69% |
| Expected dividend yield | 0% |

The resulting allocation of the fair value to the common shares and the 2007 Stock Purchase Warrants (included as additional paid-in capital) was US\$24,992,000 and US\$3,408,000 respectively.

Costs of US\$2,720,728 were incurred in issuing shares in these transactions which included a fee paid to the placement agents of US\$1,704,000 along with the 2007 Compensation Options with a fair value of US\$705,456 with respect to the sale of the 5,680,000 Units. The Company assigned a fair value to the 2007 Compensation Options based on the same Black-Scholes option-pricing model and the same weighted average assumptions as used for the valuation of the 2007 Stock Purchase Warrants above.

The total issuance costs of US\$2,720,728 associated with the private placement financing were allocated to the common shares and the 2007 Stock Purchase Warrants on the same basis utilized for the allocation of the private placement financing proceeds as follows:

| | Common Shares US\$ | 2007 Stock Purchase Warrants US\$ | Total US\$ |
|---|--------------------------|--|---------------|
| Proceeds from private placement financing | 24,992,000 | 3,408,000 | 28,400,000 |
| Issuance costs from private placement financing | (2,394,241) | (326,487) | (2,720,728) |
| Balance September 30, 2007 | 22,597,759 | 3,081,513 | 25,679,272 |

Also, pursuant to the terms of the transaction, GeoGlobal entered into a Registration Rights Agreement with the placement agents whereby the Company agreed to prepare and file at its expense with the United States Securities and Exchange Commission ("SEC") as promptly as practicable and in any event prior to 5:00 pm eastern time on August 17, 2007 a registration statement under the US Securities Act of 1933, as amended (the "Act"), for an offering on a continuous shelf basis of the shares of Common Stock included in the Units and issuable on exercise of the 2007 Purchase Warrants included in the Units and the shares of Common Stock issuable to the placement agents on exercise of the 2007 Compensation Options. Such registration statement was filed on August 17, 2007.

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5. Capital Stock (continued)

b) September 2005 Financing

During September 2005, GeoGlobal completed the sale of 3,252,400 Units of its securities at US\$6.50 per Unit, together with a concurrent sale of an additional 1,000,000 Units on the same terms, for aggregate gross cash proceeds of US\$27,640,600.

Each Unit is comprised of one common share and one half of one warrant. One full warrant ("2005 Stock Purchase Warrant") entitles the holder to purchase one additional common share for US\$9.00, for a term of two years expiring September 2007. The 2005 Stock Purchase Warrants are subject to accelerated expiration in the event that the price of the Company's common shares on the American Stock Exchange is US\$12.00 or more for 20 consecutive trading days, the resale of the shares included in the Units and issuable on exercise of the 2005 Stock Purchase Warrants has been registered under the Act, and the hold period for Canadian subscribers has expired. In such events, the warrant term will be reduced to 30 days from the date of issuance of a news release announcing such accelerated expiration of the warrant term. At November 14, 2007 since not all such events have occurred, the accelerated expiration of the warrant term was not triggered.

Costs of US\$1,541,686 were incurred in issuing shares in these transactions which included a fee of US\$1,268,436 paid to Jones Gable & Company Limited with respect to the sale of the 3,252,400 Units, and, in addition, compensation options ("2005 Compensation Options") were issued to Jones Gable & Company Limited entitling it to purchase an additional 195,144 Units at an exercise price of US\$6.50 per Unit through their expiration in September 2007. The 2005 Compensation Options are also subject to accelerated expiration on the same terms and conditions as the warrants issued in the transaction.

c) December 2003 Financing

On December 23, 2003, GeoGlobal completed a brokered private placement of 5,800,000 units at US\$1.00 each, together with a concurrent private placement of an additional 200,000 units on the same terms, for aggregate gross cash total proceeds of US\$6,000,000.

Each unit is comprised of one common share and one half of one warrant. One full warrant ("2003 Stock Purchase Warrant"), entitles the holder to purchase one additional common share for US\$2.50, for a term of two years from date of closing. The 2003 Stock Purchase Warrants are subject to accelerated expiration 30 days after issuance of a news release to that effect in the event that the common shares trade at US\$4.00 or more for 20 consecutive trading days and if the resale of the shares has been registered under the Act and the hold period for Canadian subscribers has expired. Also issued as additional consideration for this transaction were 580,000 Broker Warrants.

The 580,000 Broker Warrants described above entitled the holder to purchase 580,000 common shares at an exercise price of US\$1.50 per share which were fully exercised before they expired on December 23, 2005 for gross proceeds of US\$870,000.

d) Warrants and Compensation Options

i) 2003 Stock Purchase Warrants

During the three months ended March 31, 2006, all remaining Purchase Warrants issued in December 2003 were exercised which resulted in the issuance of 785,500 common shares for gross proceeds of US\$1,963,750. As at September 30, 2007, none of such 2003 Stock Purchase Warrants remain to be exercised.

ii) 2005 Stock Purchase Warrants

As at September 30, 2007, none of the 2005 Stock Purchase Warrants have been exercised. If all of the 2005 Stock Purchase Warrants were exercised, it would result in the issuance of 2,126,200 common shares for gross proceeds of US\$19,135,800.

On September 6, 2007, the Company extended the expiration date of all outstanding 2005 Stock Purchase Warrants which were to expire on September 9, 2007, to June 20, 2009 (see note 5f).

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5. Capital Stock (continued)

iii) 2005 Compensation Options

As at September 30, 2007, none of the 195,144 2005 Compensation Options were exercised. If fully exercised, the 2005 Compensation Options would result in the issuance of 195,144 Units at an exercise price of US\$6.50 resulting in gross proceeds of US\$1,268,436.

On September 6, 2007, the Company extended the expiration date of all outstanding 2005 Compensation Options and associated 2005 Compensation Option Warrants which were to expire on September 9, 2007, to June 20, 2009 (see note 5f).

iv) 2005 Compensation Option Warrants

As at September 30, 2007, none of the 97,572 2005 Compensation Option Warrants have been issued as a result of the 2005 Compensation Options not being exercised. If the 2005 Compensation Options are exercised and the 2005 Compensation Option Warrants issued, such Warrants if exercised, would result in the issuance of 97,572 common shares for gross proceeds of US\$878,148.

v) 2007 Stock Purchase Warrants

As at September 30, 2007, none of the 2,840,000 2007 Stock Purchase Warrants were exercised. If fully exercised, the 2007 Stock Purchase Warrants would result in the issuance of 2,840,000 common shares for gross proceeds of US\$21,300,000.

vi) 2007 Compensation Options

As at September 30, 2007, none of the 340,800 2007 Compensation Options were exercised. If fully exercised, the 2007 Compensation Options would result in the issuance of 340,800 common shares for gross proceeds of US\$1,704,000

e) Weighted-average number of shares

In calculating the net loss per share – basic and diluted, the incremental fair value of \$1,320,000 associated with the 2005 Stock Purchase Warrants modification has been included in the determination of income attributable to common stockholders (see note 5f). As all other warrants and options are anti-dilutive, they have been excluded from the net loss per share – diluted calculation. For purposes of the determination of net loss per share, the basic and diluted weighted-average number of shares outstanding for the three and nine months ended September 30, 2007 was 67,205,756 and 63,440,573 respectively (three and nine months ended September 30, 2006 – 59,147,997 and 58,841,639 respectively). The numbers for the three and nine months ended September 30, 2007 and the three and nine months ended September 30, 2006, exclude the 5,000,000 shares currently held in escrow.

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5. Capital Stock (continued)

f) Extended warrants and compensation modification

On September 6, 2007, GeoGlobal passed a Board of Directors resolution extending the expiration date of its outstanding 2005 Stock Purchase Warrants, 2005 Compensation Options and 2005 Compensation Option Warrants from September 9, 2007 to June 20, 2009.

The Company has recorded the incremental difference in the fair value of these instruments immediately prior to and after the modification. The fair value of the instruments was determined using a Black-Scholes option-pricing model using the following assumptions prior to and as at the date of extension:

| | September 6, 2007 | September 9, 2007 |
|-------------------------|-------------------|-------------------|
| Risk-free interest rate | 4.28% | 4.08% |
| Expected life | 4 days | 22 months |
| Contractual life | 4 days | 22 months |
| Expected volatility | 134% | 75% |
| Expected dividend yield | 0% | 0% |

The resulting incremental fair value of \$1,320,000 associated with the 2005 Stock Purchase Warrants held by shareholders was recorded as a charge to the deficit, with a corresponding entry to additional paid-in capital.

The resulting incremental fair value of the 2005 Compensation Options and the 2005 Compensation Option Warrants of \$180,000 and \$60,000, respectively, were recorded as charge to general and administrative expense, with a corresponding entry to additional paid-in capital.

6. Stock Options

a) The Company's 1998 Stock Incentive Plan

Under the terms of the 1998 Stock Incentive Plan (the "Plan"), as amended, 12,000,000 common shares have been reserved for issuance on exercise of options granted under the Plan. As at September 30, 2007, the Company had 2,230,697 (December 31, 2006 – 3,650,697) common shares remaining for the grant of options under the Plan. The Board of Directors of the Company may amend or modify the Plan at any time, subject to any required stockholder approval. The Plan will terminate on the earliest of: (i) 10 years after the Plan Effective Date, being December 2008; (ii) the date on which all shares available for issuance under the Plan have been issued as fully-vested shares; or, (iii) the termination of all outstanding options in connection with certain changes in control or ownership of the Company.

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6. Stock Options (continued)

b) Stock-based compensation

The Company adopted FAS 123(R), using the modified-prospective-transition method on January 1, 2006. Under this method, the Company is required to recognize compensation cost for stock-based compensation arrangements with employees and directors based on their grant date fair value using the Black-Scholes option-pricing model, such cost to be expensed over the compensations' respective vesting periods. For awards with graded vesting, in which portions of the award vest in different periods, the Company recognizes compensation costs on a straight-line basis over the vesting periods for each separate vested tranche.

The following table summarizes stock-based compensation for employees and non-employee consultants:

| | Three months ended Sept 30, 2007 | Three months ended Sept 30, 2006 | Nine months ended Sept 30, 2007 | Nine months ended Sept 30, 2006 | Period from Inception, Aug 21, 2002 to Sept 30, 2007 US \$ |
|------------------------------------|--|--|---|---|---|
| | US \$ Restated note 6c | US \$ Restated note 6c | US \$ Restated note 6c | US \$ Restated note 6c | US \$ Restated note 6c |
| Stock based compensation | | | | | |
| Consolidated Statements | | | | | |
| of Operations | | | | | |
| General and administrative | 244,078 | 361,389 | 747,127 | 753,758 | 1,795,604 |
| Consulting fees | (208,801) | 145,889 | (373,077) | 145,889 | 3,193,099 |
| | 35,277 | 507,278 | 374,050 | 899,647 | 4,988,703 |
| Consolidated Balance Sheets | | | | | |
| Oil and gas interests | | | | | |
| Exploration costs - India | 213,484 | 364,242 | 477,764 | 869,068 | 3,643,049 |
| | 248,761 | 871,520 | 851,814 | 1,768,715 | 8,631,752 |

i) At January 1, 2006, the impact of the adoption of FAS123(R) required the Company to recognize a charge for past stock-based compensation options granted of US\$367,596 over the next 3 years in accordance with their respective vesting periods. For the three and nine months ended September 30, 2007, the three and nine months ended September 30, 2006 and the period from inception August 21, 2002 to September 30, 2007, US\$14,073 and

US\$42,219, US\$26,865, US\$197,055 and US\$253,347, respectively of this charge was recognized in the Consolidated Statement of Operations as general and administrative expense. This resulted in an increase in the net loss and comprehensive loss for the respective periods in the same amount with no impact on the net loss per share – basic and diluted for the periods. For the nine months ended September 30, 2007 and September 30, 2006, US\$nil and US\$89,900 of this charge was recognized in the Consolidated Balance Sheets as Oil and gas interests, not subject to depletion.

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6. Stock Options (continued)

Prior to the adoption of FAS 123(R), the Company used the intrinsic value method of accounting for employee and director stock-based compensation. As all options have been granted at exercise prices based on the market value of the Company's common shares at the date of grant, no compensation cost was recognized under the intrinsic value based method of accounting. For the period from inception August 21, 2002 to December 31, 2005, had employee compensation expense been determined based on the fair value at the grant date consistent with FAS123(R) pro-forma net loss and pro-forma net loss per share would have been as follows:

| | Period from Inception, Aug 21, 2002 to Dec 31, 2005 US\$ Restated note 6c |
|----------------------------|---|
| Pro-forma basis | |
| Stock-based compensation | |
| Oil and gas interests | 438,309 |
| General and administrative | 679,882 |
| Oil and gas interests | |
| As reported | 3,957,723 |
| Pro-forma | 4,396,032 |
| Net loss | |
| As reported | (4,866,348) |
| Pro-forma | (5,546,230) |

c) Restatement

The periods ended September 30, 2007, 2006, the period from inception August 21, 2002 to September 30, 2007 and the year ended December 31, 2006 have been restated due to an error in the classification and calculation for stock-based compensation for non-employee consultants.

The following is a summary of the effects of this restatement on the Company's Consolidated Balance Sheets and Statements of Stockholders' Equity at September 30, 2007 and December 31, 2006 and the Consolidated Statements of Operations for the three and nine months ended September 30, 2007 and 2006 and for the period from inception of August 21, 2002 to September 30, 2007.

| | As Reported | Adjustment | As Restated |
|--|------------------|---------------------------|------------------|
| | Sept 30, 2007 | Sept 30, 2007 | Sept 30, 2007 |
| | | Period of Inception to | |

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| | US\$ | US\$ | Dec 31, 2006 US\$ | US\$ |
|-----------------------------|-------------|-------------|-------------------------|-------------|
| Balance Sheets | | | | |
| Oil and gas interests | 18,558,849 | (497,922) | 2,398,596 | 20,459,523 |
| Additional paid-in capital | 77,373,125 | (1,184,080) | 5,823,073 | 82,012,118 |
| Deficit accumulated | (5,575,433) | 504,158 | (3,424,477) | (8,495,752) |
| Stockholders' equity | 71,673,306 | (497,922) | 2,398,596 | 73,573,980 |
| Statement of | | | | |
| Stockholders' Equity | | | | |
| Additional paid-in capital | 77,373,125 | (1,184,080) | 5,823,073 | 82,012,118 |
| Accumulated deficit | (5,575,433) | 504,158 | (3,424,477) | (8,495,752) |
| Stockholders' equity | 71,673,306 | (497,922) | 2,398,596 | 73,573,980 |

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6. Stock Options (continued)

As Reported