GEOGLOBAL RESOURCES INC.
Form 10-Q
August 11, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q

(Mark One)

þ Quarterly Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended June 30, 2008;

or

o 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	33-0464753
(State or other jurisdiction of incorporation of organization)	(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 [X] 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 þ 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 August 7, 2008
COMMON STOCK, PAR VALUE $.001 PER SHARE	72,205,756

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

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PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

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

	June 30, 2008	December 31, 2007
Assets		
Current		
Cash and cash equivalents	31,740,361	48,134,858
Accounts receivable	287,481	171,977
Prepaids and deposits	105,728	100,052
	32,133,570	48,406,887
Restricted deposits	8,649,218	4,555,480
Property and equipment (note 3)	146,862	157,398
Oil and gas interests, not subject to depletion (note 4)	32,397,536	27,099,547
	73,327,186	80,219,312
Liabilities		
Current		
Accounts payable	989,891	3,908,506
Accrued liabilities	2,900,961	2,355,322
Due to related companies (note 8)	67,372	66,152
	3,958,224	6,329,980
Asset retirement obligation (note 5)	470,471	318,922
	4,428,695	6,648,902
Stockholders' Equity		
Capital stock (note 6)		
Authorized		
100,000,000 common shares with a par value of $0.001 each		
1,000,000 preferred shares with a par value of $0.01 each		
Issued		
72,205,755 common shares (December 31, 2007 – 72,205,755)	57,614	57,614
Additional paid-in capital	83,407,430	82,791,057
Deficit accumulated during the development stage	(14,566,553)	(9,278,261)
	68,898,491	73,570,410
	73,327,186	80,219,312

See Guarantees (note 10), Commitments (note 11) and Contingencies (note 12)
The accompanying notes are an integral part of these Interim Consolidated Financial Statements

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

	Three months ended Jun 30, 2008	Three months ended Jun 30, 2007	Six months ended Jun 30, 2008	Six months ended Jun 30, 2007	Period from Inception, Aug 21, 2002 to Jun 30, 2008
		Restated note 7c		Restated note 7c	note 13a
Expenses					
General and administrative	664,689	478,711	1,169,977	951,287	6,445,851
Consulting fees	162,273	(22,523)	464,261	68,678	5,624,975
Professional fees	404,379	109,922	518,696	341,494	2,309,343
Asset Impairment (note 4c)	3,765,015	--	3,765,015	--	3,765,015
Depreciation	12,932	12,694	25,564	24,344	292,299
Accretion expense	8,490	--	14,868	--	14,868
	5,017,778	578,804	5,958,381	1,385,803	18,452,351
Other expenses (income)					
Consulting fees recovered	--	--	--	--	(66,025)
Equipment costs recovered	--	--	--	--	(19,395)
Gain on sale of equipment	--	--	--	--	(42,228)
Foreign exchange (gain) loss	9,061	(8,210)	21,762	(12,719)	26,799
Interest income	(242,849)	(421,199)	(691,851)	(856,892)	(5,104,949)
	(233,788)	(429,409)	(670,089)	(869,611)	(5,205,798)
Net loss and comprehensive loss for the period	(4,783,990)	(149,395)	(5,288,292)	(516,192)	(13,246,553)
Net loss per share – basic and diluted (note 9)	(0.07)	0.00	(0.08)	(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
(Unaudited)

	Number of shares	Capital Stock	Additional paid-in capital	Accumulated Deficit	Stockholders' Equity
			Restated note 7c	Restated note 7c	Restated note 7c
From inception August 21, 2002 to December 31, 2006					
Common shares issued on incorporation	1,000	64	--	--	64
Capital stock of GeoGlobal at August 29, 2003	14,656,687	14,657	--	10,914,545	10,929,202
Elimination due to reverse takeover	(1,000)	(14,657)	--	(10,914,545)	(10,929,202)
Issued on reverse takeover	34,000,000	34,000	1,072,960	--	1,106,960
Private placement financings	10,252,400	10,252	33,630,348	--	33,640,600
Options exercised	3,719,168	3,721	4,217,105	--	4,220,826
Purchase Warrants exercised	3,000,000	3,000	7,497,000	--	7,500,000
Broker Warrants exercised	580,000	580	869,420	--	870,000
Stock-based compensation	--	--	7,779,938	--	7,779,938
Share issuance costs	--	--	(2,165,871)	--	(2,165,871)
Net loss and comprehensive loss	--	--	--	(6,415,151)	(6,415,151)
Balance as at December 31, 2006	66,208,255	51,617	52,900,900	(6,415,151)	46,537,366
Common shares issued during 2007:					
Options exercised for cash	317,500	317	320,358	--	320,675
June 2007 private placement financing (note 6a)	5,680,000	5,680	28,394,320	--	28,400,000
Share issuance costs on private placement	--	--	(2,612,973)	--	(2,612,973)
2007 Compensation Options	--	--	705,456	--	705,456
2005 Stock Purchase Warrant modification	--	--	1,320,000	(1,320,000)	--
2005 Compensation Option & Warrant modification	--	--	240,000	--	240,000
Stock-based compensation	--	--	1,522,996	--	1,522,996
Net loss and comprehensive loss for 2007	--	--	--	(1,543,110)	(1,543,110)
Balance as at December 31, 2007	72,205,755	57,614	82,791,057	(9,278,261)	73,570,410
Stock-based compensation (note 7b)	--	--	616,373	--	616,373
Net loss and comprehensive loss for the period	--	--	--	(5,288,292)	(5,288,292)
Balance as at June 30, 2008	72,205,755	57,614	83,407,430	(14,566,553)	68,898,491

See note 6 for further information
The accompanying notes are an integral part of these Interim Consolidated Financial Statements

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

	Three months ended Jun 30, 2008	Three months ended Jun 30, 2007	Six months ended Jun 30, 2008	Six months ended Jun 30, 2007	Period from Inception, Aug 21, 2002 to Jun 30, 2008
		Restated note 7c		Restated note 7c	note 13a
Cash flows provided by (used in) operating activities					
Net loss	(4,783,990)	(149,395)	(5,288,292)	(516,192)	(13,246,553)
Adjustment to reconcile net loss to net cash used in operating activities:					
Accretion expense (note 5)	8,490	--	14,868	--	14,868
Asset impairment	3,765,015	--	3,765,015	--	3,765,015
Depreciation	12,932	12,694	25,564	24,344	292,299
Gain on sale of equipment	--	--	--	--	(42,228)
Stock-based compensation (note 7b)	140,169	76,290	312,662	338,773	5,598,307
2005 Compensation Option and Warrant modification	--	--	--	--	240,000
Changes in operating assets and liabilities:					
Accounts receivable	46,510	(39,053)	(115,504)	4,015	(212,481)
Prepaids and deposits	17,881	31,628	35,656	(80,632)	(30,001)
Accounts payable	45,293	(34,459)	(181,754)	89,574	145,904
Accrued liabilities	(92,500)	(33,487)	(322,500)	(33,487)	117,500
Due to related companies	(7,631)	19,171	1,220	(5,538)	25,616
	(847,831)	(116,611)	(1,753,065)	(179,143)	(3,331,754)
Cash flows provided by (used in) investing activities					
Oil and gas interests	(3,041,695)	(884,355)	(7,452,611)	(2,380,958)	(30,215,947)
Property and equipment	(4,001)	(123,793)	(15,028)	(474,537)	(479,733)
Proceeds on sale of equipment	--	--	--	--	82,800
Cash acquired on acquisition	--	--	--	--	3,034,666
Restricted deposits	(1,238,738)	(2,920)	(5,263,738)	393,153	(9,819,218)
Changes in investing assets and liabilities:					
Cash call receivable	275,569	(62,547)	--	(62,547)	--
Prepaids and deposits	39,326	--	(41,332)	--	(75,727)
Accounts payable	(4,380,095)	170,665	(2,736,862)	(1,402,238)	794,978
Accrued liabilities	329,586	(24,684)	868,139	212,959	2,783,461
	(8,020,048)	(927,634)	(14,641,432)	(3,714,168)	(33,894,720)
Cash flows provided by (used in) financing activities					

Proceeds from issuance of common shares	--	28,700,475	--	28,720,675	74,952,165
Share issuance costs	--	(1,903,046)	--	(1,903,046)	(4,073,388)
Changes in financing liabilities:					
Note payable	--	--	--	--	(2,000,000)
Accounts payable	--	68,290	--	68,290	61,078
Due to related companies	--	--	--	--	26,980
	--	26,865,719	--	26,885,919	68,966,835
Net increase (decrease) in cash and cash equivalents	(8,867,879)	25,821,474	(16,394,497)	22,992,608	31,740,361
Cash and cash equivalents, beginning of period	40,608,240	29,534,112	48,134,858	32,362,978	--
Cash and cash equivalents, end of period	31,740,361	55,355,586	31,740,361	55,355,586	31,740,361
Cash and cash equivalents					
Current bank accounts			396,046	582,336	396,046
Short term deposits			31,344,315	54,773,250	31,344,315
			31,740,361	55,355,586	31,740,361
Cash taxes paid during the period			10,400	11,675	75,913

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)
June 30, 2008

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 ("PSCs") 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. However, 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. At June 30, 2008, Management of the Company believes the Company has sufficient capital resources which will meet all obligations and exploration commitments to June 30, 2009. The Company is a Delaware corporation whose common stock is listed and traded on the American Stock Exchange under the symbol GGR.

2. Significant Accounting Policies

a) Basis of presentation
The accompanying interim condensed consolidated financial statements of the Company, with the exception of the Consolidated Balance Sheet at December 31, 2007, have not been audited, are presented in United States ("US") dollars unless otherwise noted and have been prepared by management in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

In the opinion of management, the interim condensed consolidated financial statements reflect all of the normal and recurring adjustments necessary to present fairly the financial position at June 30, 2008, the results of operations and it's cash flows for the six months ended June 30, 2008 and 2007 and for the period from inception of August 21, 2002 to June 30, 2008. In preparing the accompanying financial statements, management has made certain estimates and assumptions that affect reported amounts in the financial statements and related disclosures. The Company bases its estimates on various assumptions that are believed to be reasonable under the circumstances. Accordingly, actual results may differ significantly from these estimates under different assumptions or circumstances.

Certain information, accounting policies, and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted in this Form 10-Q pursuant to certain rules and regulations of the Securities and Exchange Commission. These condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes included in our Annual Report on Form 10-K for the year ended December 31, 2007. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year.

b) Recently adopted Accounting Pronouncements
In September 2006, the Financial Accounting Standards Board (“FASB”) issued Statement of Financial Accounting Standards ("SFAS") No. 157, "Fair Value Measurements” ("SFAS 157"). SFAS 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. SFAS No. 157 is effective for financial statements issued for periods beginning after November

15, 2007. On February 12, 2008, the FASB issued Staff Position No. FAS 157-2 ("FSP 157-2") which proposed a one year deferral for the implementation of SFAS 157 for non-financial assets and liabilities that are recognized or disclosed at fair value on a nonrecurring basis (less frequent than annually).

GeoGlobal Resources Inc.
(a development stage enterprise)
Notes to the Consolidated Financial Statements
(Unaudited)
June 30, 2008

2. Significant Accounting Policies (continued)

Effective January 1, 2008, the Company adopted SFAS 157 except for measurements of those non-financial assets and liabilities subject to the one-year deferral. Given the nature of the Company's financial instruments, the adoption of SFAS 157 did not have an impact on its financial position, results of operations or cash flows. Beginning January 1, 2009, the Company will adopt the provisions for nonfinancial assets and nonfinancial liabilities that are not required or permitted to be measured at fair value on a recurring basis. The Company is in the process of evaluating this standard with respect to its effect on nonfinancial assets and liabilities and has not yet determined the impact that it will have on its financial statements upon full adoption in 2009.

SFAS 157, defines fair value, establishes a framework for measuring fair value, outlines a fair value hierarchy based on inputs used to measure fair value and enhances disclosure requirements for fair value measurements. Fair value is defined as the price at which an asset could be exchanged in a current transaction between knowledgeable, willing parties. Where available, fair value is based on observable market prices or parameters or derived from such prices or parameters. Where observable prices or inputs are not available, use of unobservable prices or inputs are used to estimate the current fair value, often using an internal valuation model. These valuation techniques involve some level of management estimation and judgment, the degree of which is dependent on the item being valued.

SFAS 157 does not prescribe which valuation technique should be used when measuring fair value and does not prioritize among the techniques. SFAS 157 establishes a fair value hierarchy that prioritized the inputs used in applying the various valuation techniques. Inputs broadly refer to the assumptions that market participants use to make pricing decisions, including assumptions about risk. Level 1 inputs are given the highest priority in the fair value hierarchy while Level 3 inputs are given the lowest priority. The Company does not currently have any Level 1, 2 or 3 inputs. The three levels of the fair value hierarchy are as follows:

- Level 1 – Observable inputs that reflect unadjusted quoted prices for identical assets or liabilities in active markets as of the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 – Observable market-based inputs or unobservable inputs that are corroborated by market data. These are inputs other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date.
- Level 3 – Unobservable inputs that are not corroborated by market data and may be used with internally developed methodologies that result in management's best estimate of fair value.

Effective January 1, 2008, the Company adopted SFAS 159, "The Fair Value Option for Financial Assets and Financial Liabilities". This standard allows an entity the irrevocable option to elect fair value for the initial and subsequent measurement for certain financial assets and liabilities on a contract-by-contract basis. The Company did not elect fair value as an alternative, as provided under SFAS 159 for any of its financial assets and liabilities that are not currently measured at fair value.

3. Property and Equipment

	June 30, 2008	December 31, 2007

Computer and office equipment	396,934	381,905
Accumulated depreciation	(250,072)	(224,507)
	146,862	157,398

GeoGlobal Resources Inc.
(a development stage enterprise)
Notes to the Consolidated Financial Statements
(Unaudited)
June 30, 2008

4. Oil and Gas Interests

Exploration costs incurred in:	
2002	21,925
2003	178,829
2004	506,269
2005	3,250,700
2006	8,163,611
Period from Inception, Aug 21, 2002 to Dec 31, 2006	12,121,334
2007	14,978,213
Balance – December 31, 2007	27,099,547
Additions during the period	5,297,989
Balance – June 30, 2008	32,397,536

a) Exploration costs

The exploration costs incurred to date are not subject to depletion. These exploration costs cover ten exploration blocks, known as the KG Offshore and Onshore Blocks, the Mehsana Block, the Sanand/Miroli Block, the Ankleshwar Block, the DS 03 and DS 04 Blocks, the Tarapur Block and RJ Block 20 and RJ Block 21

b) Carried Interest Agreement ("CIA")

On August 27, 2002, GeoGlobal entered into a CIA with GSPC, which grants the Company a 10% Carried Interest ("CI") (net 5%) 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 8a), 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 June 30, 2008, GSPC has incurred costs of approximately $80 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 plus interest. GSPC asserts that the Company is required to pay 10% of the exploration expenses over and above gross costs of $59.23 million (10% being $5.92 million) plus interest. GeoGlobal disputes this assertion of GSPC. See note 12.

c) Impairment of Oil and Gas Interest in Egypt and the Middle East

The Company’s unproved properties are evaluated quarterly for the possibility of potential impairment.

The Company entered into a Joint Bidding Agreement with two additional parties to bid on certain exploration blocks in the Arab Republic of Egypt. The agreement provided that the Company was to receive a 30% participating interest in any production sharing contracts entered into. These blocks include offshore exploration Block 6 (also referred to as N. Hap’y) and onshore exploration Block 8 (also referred to as South Diyur) in the Arab Republic of Egypt. These blocks were awarded subject to certain terms and conditions.

GeoGlobal Resources Inc.
(a development stage enterprise)
Notes to the Consolidated Financial Statements
(Unaudited)
June 30, 2008

4. Oil and Gas Interests (continued)

Effective December 31, 2007, the Company entered into two agreements with one of its co-parties. The assignment agreement sets out the terms whereby the Company assigned to the co-party all the Company's rights to receive a 30% participating interest in the two exploration blocks awarded by the Arab Republic of Egypt in exchange for an option (the Option Agreement) exercisable on or before April 30, 2008 (subsequently extended to June 15, 2008) to reacquire all or a portion of those rights.

At June 30, 2008, the Option Agreement had expired and the Company has not yet negotiated an additional extension of the expiration date. The Company determined the value of the Egyptian blocks to be impaired at June 30, 2008 and therefore has charged to the statement of operations the full carrying value of the Egyptian properties. The amount of the impairment includes the value of the capitalized costs and the value of the related non-refundable bank guarantees. The Company is continuing to seek an extension of the expiration date.

5. Asset Retirement Obligation

Asset retirement obligations are recorded for an obligation where the Company will be required to retire, dismantle, abandon and restore tangible long-lived assets. These obligations pertain to certain exploration blocks where the Company has currently drilled wells.

The following table summarizes the changes in the asset retirement obligation:

	June 30, 2008	December 31, 2007
Asset retirement obligation at beginning of period	318,922	--
Obligations incurred	136,681	318,922
Accretion	14,868	--
Asset retirement obligation at end of period	470,471	318,922

In determining the fair value of the asset retirement obligations, the estimated cash flows of new obligations incurred during the period have been discounted at 8.0% (December 31, 2007 – 8.0%). The total undiscounted amount of the estimated cash flows required to settle the obligations is $983,000 (December 31, 2007 - $689,000). The obligations will be settled on an ongoing basis over the useful lives of the operating assets, which extend up to 10 years in the future.

GeoGlobal Resources Inc.
(a development stage enterprise)
Notes to the Consolidated Financial Statements
(Unaudited)
June 30, 2008

6. Capital Stock

a) June 2007 Financing

During June 2007, GeoGlobal completed the sale of 5,680,000 Units of its securities at $5.00 per Unit for aggregate gross cash proceeds of $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 $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 $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 $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 June 30, 2008 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.

b) Warrants and Compensation Options

i) 2007 Compensation Options

As at June 30, 2008, 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 $1,704,000

ii) 2007 Stock Purchase Warrants

As at June 30, 2008, 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 $21,300,000.

iii) 2005 Compensation Options

As at June 30, 2008, 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 $6.50 resulting in gross proceeds of $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.

iv) 2005 Compensation Option Warrants

As at June 30, 2008, 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 $878,148

v) 2005 Stock Purchase Warrants

As at June 30, 2008, 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 $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.

GeoGlobal Resources Inc.
(a development stage enterprise)
Notes to the Consolidated Financial Statements
(Unaudited)
June 30, 2008

6. Capital Stock (continued)

c) Escrow shares

On August 29, 2003, the Company completed a transaction with Mr. Roy and GeoGlobal Resources (India) Inc. ("GeoGlobal India"), a corporation then wholly-owned by Mr. Roy, whereby the Company acquired from Mr. Roy all of the outstanding capital stock of GeoGlobal India. In exchange for the outstanding capital stock of GeoGlobal India, the Company issued 34.0 million shares of its Common Stock. Of the 34.0 million shares, 14.5 million shares were delivered to Mr. Roy at the closing of the transaction and 14.5 million shares were released to Mr. Roy from escrow upon the commencement of a drilling program on the KG Offshore Block. The final 5.0 million shares remaining in escrow will be released only if a commercial discovery as defined under the PSC is declared on the KG Offshore Block.

7. Stock Options

a) The Company’s 1998 Stock Incentive Plan

Under the terms of the 1998 Stock Incentive Plan (the "1998 Plan"), as amended, 12,000,000 common shares have been reserved for issuance on exercise of options granted under the 1998 Plan. As at June 30, 2008, the Company had 2,380,697 (December 31, 2007 – 2,380,697) common shares remaining for the grant of options under the 1998 Plan. The Board of Directors of the Company may amend or modify the 1998 Plan at any time, subject to any required stockholder approval. The 1998 Plan will terminate on the earliest of: (i) 10 years after the 1998 Plan Effective Date, being December 2008; (ii) the date on which all shares available for issuance under the 1998 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.

The Company's 2008 Stock Incentive Plan

Subsequent to June 30, 2008, on July 29, 2008 at the Annual Meeting of Stockholders, the shareholders of the Company approved the adoption of the 2008 Stock Incentive Plan. Under the terms of the 2008 Stock Incentive Plan (the "2008 Plan"), 12,000,000 common shares have been reserved for issuance on exercise of options granted under the 2008 Plan. The Board of Directors of the Company may amend or modify the 2008 Plan at any time, subject to any required stockholder approval. The 2008 Plan will terminate on the earliest of: (i) 10 years after the 2008 Plan Effective Date, being July 2018; (ii) the date on which all shares available for issuance under the 2008 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.

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 over the vesting periods for each separate tranche.

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7. Stock Options (continued)

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

	Three months ended Jun 30, 2008	Three months ended Jun 30, 2007	Six months ended Jun 30, 2008	Six months ended Jun 30, 2007	Period from Inception, Aug 21, 2002 to Jun 30, 2008
		Restated note 7c		Restated note7c	
Stock based compensation					
Consolidated Statements of Operations					
General and administrative	185,385	234,383	366,489	503,049	2,344,790
Consulting fees	(45,216)	(158,093)	(53,827)	(164,276)	3,253,517
	140,169	76,290	312,662	338,773	5,598,307
Consolidated Balance Sheets					
Oil and gas interests	133,632	117,076	303,711	264,280	4,321,000
	273,801	193,366	616,373	603,053	9,919,307

c) Restatement

The periods ended June 30, 2007 and the period from inception August 21, 2002 to June 30, 2007 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 Consolidated Statements of Operations for the three and six months ended June 30, 2007 and for the period from inception of August 21, 2002 to June 30, 2007.

	As Reported		Adjustment		As Restated	
	Three months ended Jun 30, 2007	Period of Inception, Aug 21, 2002 to Jun 30, 2007	Three months ended Jun 30, 2007	Period of Inception, Aug 21, 2002 to Jun 30, 2007	Three months ended Jun 30, 2007	Period of Inception, Aug 21, 2002 to Jun 30, 2007
Statements of Operations						
General & administrative	393,135	3,290,851	85,576	656,078	478,711	3,946,929
Consulting fees	304,726	2,435,517	(327,249)	2,436,963	(22,523)	4,872,480
Net loss and comprehensive loss	(391,068)	(3,838,302)	241,673	(3,093,041)	(149,395)	(6,931,343)
Net loss per share - basic and diluted	(0.01)		0.01		0.00	

	Six months ended Jun 30, 2007	Six months ended Jun 30, 2007	Six months ended Jun 30, 2007
Statements of Operations			
General & administrative	780,135	171,152	951,287
Consulting fees	571,266	(502,588)	68,678
Net loss and comprehensive loss	(847,628)	331,436	(516,192)
Net loss per share - basic and diluted	(0.01)	0.00	(0.01)

For a full summary of the restatement, these financial statements should be read in conjunction with the audited consolidated financial statements and related notes in our Annual Report on Form 10-K for the year ended December 31, 2007.

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7. Stock Options (continued)

d) Black-Scholes Assumptions

During the six months ended June 30, 2008 and 2007, options of nil and 230,000, respectively, were granted to the Company's directors and employees under the terms of the 1998 Stock Incentive Plan. The fair value of each option granted was estimated on the date of grant using the Black-Scholes option-pricing model. Weighted average assumptions used in the valuation are disclosed in the following table:

	Three and Six months ended Jun 30, 2008	Three and Six months ended Jun 30, 2007
		Restated note 7c
Fair value of stock options granted (per option)	--	US$2.02
Risk-free interest rate	--	4.9%
Volatility	--	69%
Expected life	--	2.0 years
Dividend yield	--	0%

During the periods ended June 30, 2008 and 2007, options of nil and 150,000, respectively, were granted to non-employee consultants in exchange for services under the terms of the 1998 Stock Incentive Plan. The Company believes that the estimated fair value of the stock options is more readily measurable than the fair value of services rendered. The fair value of each option granted to non-employee consultants is calculated at each reporting date using the Black-Scholes option-pricing model. Weighted average assumptions used in the valuation are disclosed in the following table:

	Three and Six months ended Jun 30, 2008	Three and Six months ended Jun 30, 2007
		Restated Note 7c
Fair value of stock options granted (per option)	$1.02	$1.58
Risk-free interest rate	2.6%	4.9%
Volatility	121%	56%
Expected life	2.2 year	1.0 years
Dividend yield	0%	0%

i) The risk-free rate is based on the U.S. Treasury yield curve in effect at the time of grant.

ii) Expected volatilities are based on, historical volatility of the Company's stock, and other factors.

iii) The expected life of options granted represents the period of time that the options are expected to be outstanding and is derived from historical exercise behavior and current trends.

e) Stock option table

The following table summarized option activity during the six months ended June 30, 2008:

Options	Shares (#)	Weighted Average Exercise Price per Share	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding at January 1, 2008	4,470,000	4.04	4.38 years	4,554,000
Granted	--	--	--	--
Exercised	--	--	--	--
Forfeited or expired	--	--	--	--
Outstanding at June 30, 2008	4,470,000	4.04	3.71 years	618,000
Exercisable at June 30, 2008	3,220,833	3.62	4.46 years	618,000

During the six months ended June 30, 2008 and June 30, 2007, cash received on exercise of stock options was $nil and $320,675 respectively.

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7. Stock Options (continued)

During the period ended June 30, 2008, the options as set out below were granted for services provided to the Company:

Grant date	Option exercise price	Fair Value at Original Grant Date	Expiry date	Vesting date	Balance Dec 31/07	Granted during the period	Forfeited (f) Expired (x) Exercised (e) during the period	Balance Jun 30/08	Balance Exercisable Jun 30/08
Mm/dd/yy	$	$	mm/dd/yy	mm/dd/yy	#	#	#	#	#
01/18/05	1.10	0.62	08/31/08	Vested	600,000	--	--	600,000	600,000
06/14/05	3.49	1.55	06/14/15	Vested	150,000	--	--	150,000	150,000
08/24/05	6.50	2.38	08/24/08	Vested	110,000	--	--	110,000	110,000
10/03/05	6.81	3.07	10/03/15	Vested	16,666	--	-	16,666	16,666
10/03/05	6.81	3.83	10/03/15	Vested	16,667	--	--	16,667	16,667
10/03/05	6.81	4.38	10/03/15	10/03/08	16,667	--	--	16,667	--
06/14/06	5.09	2.06	06/14/16	Vested	200,000	--	--	200,000	200,000
07/25/06	3.95	1.14	12/31/09	Vested	100,000	--	--	100,000	100,000
07/25/06	3.95	1.39	12/31/09	Vested	660,000	--	--	660,000	660,000
07/25/06	3.95	1.60	12/31/09	Vested	50,000	--	--	50,000	50,000
07/25/06	3.95	1.78	12/31/09	07/25/08	145,000	--	--	145,000	--
07/25/06	3.95	2.01	12/31/09	07/25/09	70,000	--	--	70,000	--
07/25/06	3.95	1.14	07/25/16	Vested	500,000	--	--	500,000	500,000
07/25/06	3.95	1.14	07/25/16	Vested	500,000	--	--	500,000	500,000
11/24/06	7.52	2.47	11/24/09	Vested	10,000	--	--	10,000	10,000
11/24/06	7.52	2.92	11/24/09	Vested	10,000	--	--	10,000	10,000
11/24/06	7.52	3.70	11/24/09	12/31/08	10,000	--	--	10,000	--
05/16/07	5.09	1.51	05/16/10	Vested	10,000	--	--	10,000	10,000
05/16/07	5.09	2.09	05/16/10	12/31/08	10,000	--	--	10,000	--
05/16/07	5.09	2.09	05/16/10	05/31/09	10,000	--	--	10,000	--
06/20/07	5.06	2.08	06/20/17	Vested	200,000	--	--	200,000	200,000
07/03/07	5.03	1.70	12/31/10	Vested	35,000	--	--	35,000	35,000
07/03/07	5.03	1.70	12/31/10	Vested	10,000	--	--	10,000	10,000
07/03/07	5.03	1.70	12/31/10	Vested	42,500	--	--	42,500	42,500
07/03/07	5.03	1.70	12/31/10	07/03/08	847,500	--	--	847,500	--
07/03/07	5.03	1.98	12/31/10	12/31/08	20,000	--	--	20,000	--
07/03/07	5.03	2.25	12/31/10	07/03/09	120,000	--	--	120,000	--
					4,470,000	--	--	4,470,000	3,220,833

8. Related Party Transactions

Related party transactions are measured at the exchange amount which is the amount of consideration established and agreed by the related parties.

a) Roy Group (Mauritius) Inc.

Roy Group (Mauritius) Inc. is related to the Company by common management and is controlled by an officer and director of the Company who is also a principal shareholder of the Company. On March 27, 2003, the Company entered into a Participating Interest Agreement with the related party.

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8. Related Party Transactions (continued)

b) Roy Group (Barbados) Inc. ("Roy Group")

Roy Group is related to the Company by common management and is controlled by an officer and director of the Company who is also a principal shareholder of the Company. On August 29, 2003, the Company entered into a Technical Services Agreement ("TSA") with Roy Group to provide services to the Company as assigned by the Company and to bring new oil and gas opportunities to the Company. The term of the agreement, as amended, extends through December 31, 2008 and continues for successive periods of one year thereafter. Roy Group receives consideration of $350,000 per year, as outlined and recorded below:

	Three months ended Jun 30, 2008	Three months ended Jun 30, 2007	Six months ended Jun 30, 2008	Six months ended Jun 30, 2007	Period from Inception, Aug 21, 2002 to Jun 30, 2008
Consolidated Statements of Operations					
Consulting fees	43,750	17,500	87,500	35,000	356,167
Consolidated Balance Sheets					
Oil and gas interests	43,750	70,000	87,500	140,000	1,162,166
	87,500	87,500	175,000	175,000	1,518,333

The Company recognized compensation cost for stock-based compensation arrangements with the principal of Roy Group as outlined and recorded below:

Consolidated Statement of Operations					
General and administrative	--	14,262	--	28,525	114,100
Consolidated Balance Sheets					
Oil & gas interests	--	57,050	--	114,100	456,400
	--	71,312	--	142,625	570,500

At June 30, 2008 the Company owed Roy Group (Barbados) Inc. $33,192 (December 31, 2007 - $33,192) for services provided and expenses incurred on behalf of the Company and pursuant to the TSA. These amounts bear no interest and have no set terms of repayment.

c) D.I. Investments Ltd. ("DI")

D.I. is related to the Company by common management and is controlled by an officer and director of the Company. DI charges consulting fees for management, financial and accounting services rendered, as outlined and recorded below:

	Three months	Three months	Six months ended	Six months ended	Period from

	ended Jun 30, 2008	ended Jun 30, 2007	Jun 30, 2008	Jun 30, 2007	Inception, Aug 21, 2002 to Jun 30, 2008
Consolidated Statements of Operations					
Consulting fees	53,188	46,250	106,375	92,500	808,090

The Company recognized compensation cost for stock-based compensation arrangements with the principal of the related party as outlined and recorded below:

Consolidated Statement of Operations					
General and administrative	--	--	--	--	570,500

At June 30, 2008, the Company owed DI $34,180 (December 31, 2007 –$26,007) as a result of services provided and expenses incurred on behalf of the Company. These amounts bear no interest and have no set terms of repayment.

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8. Related Party Transactions (continued)

d) Amicus Services Inc. ("Amicus")
Amicus is related to the Company by virtue of being controlled by the brother of an officer and director of the Company. Amicus charged consulting fees for IT and computer related services rendered, as outlined below:

	Three months ended Jun 30, 2008	Three months ended Jun 30, 2007	Six months ended Jun 30, 2008	Six months ended Jun 30, 2007	Period from Inception, Aug 21, 2002 to Jun 30, 2008
Consolidated Statements of Operations					
Consulting fees	18,026	12,742	42,317	26,292	238,024

The Company recognized compensation cost for stock-based compensation arrangements with the principal of the related party as outlined and recorded below:

Consolidated Statement of Operations					
Consulting fees	(27,825)	(67,754)	(32,338)	(70,404)	583,867

At June 30, 2008, the Company owed Amicus Services Inc. $nil (December 31, 2007 – $6,953) as a result of services provided and expenses incurred on behalf of the Company. These amounts bear no interest and have no set terms of repayment.

9. Net loss per share amounts

The following table presents the reconciliation between basic and diluted income per share:

	Three months ended Jun 30, 2008	Three months ended Jun 30, 2007	Six months ended Jun 30, 2008	Six months ended Jun 30, 2007
Net loss for the period	(4,783,990)	(149,395)	(5,288,292)	(516,192)
Weighted average number of common shares outstanding:				
Basic	67,205,755	61,835,425	67,205,755	