GEOGLOBAL RESOURCES INC.
Form 10-Q
May 11, 2012

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 March 31, 2012;

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 or organization)	(I.R.S. Employer Identification No.)

Suite #200, 625 – 4 Avenue SW, Calgary, Alberta, Canada	T2P 0K2
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: +1 403-777-9250

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 preceding 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 þ NO o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

YES þ NO o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definition of “accelerated filer and large accelerated filer” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	Accelerated filer	Non-accelerated filer	Smaller reporting company	þ

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

YES o NO þ

The number of shares outstanding of the registrant’s common stock as of May 11, 2012 was 134,490,051

TOC

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

TABLE OF CONTENTS

TOC

PART I
FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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

	March 31, 2012	December 31, 2011
Assets		
Current		
Cash and cash equivalents (note 17)	5,156,896	10,480,734
Accounts receivable (note 17)	19,702,943	19,615,153
Restricted deposits (notes 4 and 17)	39,773,000	40,378,075
Available for sale investment (note 5)	5,117,233	--
Prepaid expenses and deposits (note 17)	487,731	573,300
	70,237,803	71,047,262
Restricted deposits (notes 4 and 17)	641,000	--
Equity method investment (note 7)	1,467,046	1,340,262
Property and equipment (notes 6 and 10)	43,592,915	42,580,105
	115,938,764	114,967,629
Liabilities		
Current		
Accounts payable (note 17)	68,823,343	72,356,548
Accrued liabilities	301,602	555,236
Due to related companies (note 11)	20,405	66,330
	69,145,350	72,978,114
Deferred income taxes	45,340	42,471
Asset retirement obligation	739,235	724,241
	69,929,925	73,744,826
Stockholders' Equity		
Capital stock (notes 8, 9 and 10)		
Authorized		
250,000,000 common shares with a par value of $0.001 each		
1,000,000 preferred shares with a par value of $0.01 each		
Issued		
134,490,051 common shares (December 31, 2011 – 99,213,572)	119,898	84,622
Additional paid-in capital	106,923,662	101,305,069
Deficit accumulated during the development stage	(61,034,721)	(60,166,888)
	46,008,839	41,222,803
	115,938,764	114,967,629

See Going Concern (note 2), Commitments (note 14), and Contingencies (note 15)

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

TOC

GEOGLOBAL RESOURCES INC.
(a development stage enterprise)
UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

	Three months ended Mar 31, 2012	Three months ended Mar 31, 2011	Period from Inception, August 21, 2002 to Mar 31, 2012
Revenue and other income			
Oil and gas sales	121,742	142,912	2,133,557
Interest income	3,934	10,414	5,950,637
Gain on sale of equipment	--	--	42,228
	125,676	153,326	8,126,422
Expenses			
Operating	37,347	33,846	447,863
General and administrative	450,193	1,079,687	17,887,652
Consulting fees (note 11)	225,924	195,164	8,403,711
Professional fees	173,210	191,268	6,134,026
Depletion and depreciation (note 6)	110,555	93,841	1,985,937
Accretion	14,994	14,065	197,313
Foreign exchange (gain)/loss	(26,639)	7,675	117,542
Impairment of oil and gas properties	--	--	30,757,015
	985,584	1,615,546	65,931,059
Net loss before tax	(859,908)	(1,462,220)	(57,804,637)
Current income tax expense	(5,056)	(19,197)	(110,744)
Deferred income tax expense	(2,869)	--	(45,340)
Net loss and comprehensive loss	(867,833)	(1,481,417)	(57,960,721)
Warrant modification	--	--	(3,074,000)
Net loss and comprehensive loss attributable to common stockholders	(867,833)	(1,481,417)	(61,034,721)
Basic and diluted net loss per share (note 12)	(0.01)	(0.02)	

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

TOC

GEOGLOBAL RESOURCES INC.
(a development stage enterprise)
UNAUDITED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	Number of Shares #	Capital Stock $	Additional paid-in capital $	Accumulated Deficit $	Stockholders' Equity $
For the period from inception August 21, 2002 to December 31, 2009					
Common stock issued	58,150,068	58,214	76,660,911	--	76,719,125
Capital stock of GeoGlobal at August 29, 2003	14,656,688	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)
Share issuance cost	--	--	(4,778,844)	--	(4,778,844)
2007 Compensation Options	--	--	705,456	--	705,456
2005 Stock Purchase Warrant modification	--	--	3,074,000	(3,074,000)	--
2005 Compensation Option & Warrant modification	--	--	504,000	--	504,000
Stock-based compensation	--	--	11,988,255	--	11,988,255
Net loss	--	--	--	(25,696,423)	(25,696,423)
Balance as at December 31, 2009	72,805,756	58,214	88,153,778	(28,770,423)	59,441,569
Common stock issued	9,941,177	9,941	8,440,059	--	8,450,000
Share issuance costs	--	--	(463,804)	--	(463,804)
Stock-based compensation	--	--	969,964	--	969,964
Net loss	--	--	--	(18,788,624)	(18,788,624)
Balance as at December 31, 2010	82,746,933	68,155	97,099,997	(47,559,047)	49,609,105
Common stock issued	16,466,639	16,467	3,935,526	--	3,951,993
Share issuance costs	--	--	(625,000)	--	(625,000)
Stock-based compensation	--	--	894,546	--	894,546
Net loss	--	--	--	(12,607,841)	(12,607,841)
Balance as at December, 2011	99,213,572	84,622	101,305,069	(60,166,888)	41,222,803
Common stock issued (note 8)	35,276,479	35,276	5,896,361	--	5,931,637
Share issuance costs (note 8)	--	--	(322,956)	--	(322,956)
Stock-based compensation (note 10)	--	--	45,188	--	45,188
Net loss	--	--	--	(867,833)	(867,833)
Balance as at March 31, 2012	134,490,051	119,898	106,923,662	(61,034,721)	46,008,839

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

TOC

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

	Three months ended Mar 31, 2012	Three months ended Mar 31, 2011	Period from Inception, August 21, 2002 to Mar 31, 2012
Cash flows provided by (used in) operating activities:			
Net loss	(867,833)	(1,481,417)	(57,960,721)
Adjustments to reconcile net loss to net cash used in operating activities:			
Accretion expense	14,994	14,065	197,313
Asset impairment	--	--	30,757,015
Depletion and depreciation	110,555	93,841	1,985,937
Gain on sale of equipment	--	--	(42,228)
Stock-based compensation (note 10)	36,657	247,954	8,244,851
Compensation option and warrant modification	--	--	504,000
Deferred income taxes	2,869	--	45,340
Changes in non-cash working capital (note 16)	(345,479)	(603,983)	20,482
	(1,048,237)	(1,729,540)	(16,248,011)
Cash flows provided by (used in) investing activities:			
Oil and natural gas property additions	(1,105,439)	(491,615)	(67,404,336)
Other property and equipment additions	(9,395)	(1,613)	(1,607,079)
Proceeds on sale of equipment	--	--	82,800
Cash acquired on acquisition	--	--	3,034,666
Restricted deposits (note 4)	(35,925)	(1,327,500)	(41,584,000)
Investment in equity investee	(126,784)	(210,000)	(1,467,046)
Changes in non-cash working capital (note 16)	(3,489,506)	242,119	48,918,430
	(4,767,049)	(1,788,609)	(60,026,565)
Cash flows provided by (used in) financing activities:			
Proceeds from issuance of common stock and warrant (note 8)	625,988	--	88,640,146
Share issuance costs	(134,540)	--	(5,296,732)
Changes in non-cash working capital (note 16)	--	--	(1,911,942)
	491,448	--	81,431,472
Net increase (decrease) in cash and cash equivalents	(5,323,838)	(3,518,149)	5,156,896
Cash and cash equivalents, beginning of the period	10,480,734	7,751,105	--
Cash and cash equivalents, end of the period	5,156,896	4,232,956	5,156,896
Cash and cash equivalents			
Current bank accounts	2,068,896	1,620,630	2,068,896
Short term deposits	3,088,000	2,612,326	3,088,000
	5,156,896	4,232,956	5,156,896
Cash taxes paid during the period	21,367	26,352	

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

TOC

GeoGlobal Resources Inc.
(a development stage enterprise)
Notes to the Unaudited Consolidated Financial Statements
March 31, 2012

1. Organization and Nature of Operations

The Company is engaged in the pursuit of oil and natural gas through exploration and development in India, Israel and Colombia. The Company is a Delaware corporation with common stock listed and traded on the NYSE Amex Exchange under the symbol GGR.

As of March 31, 2012, the Company has not achieved its planned principal operations from its oil and gas operations. Accordingly, the Company's activities are considered to be those of a "Development Stage Enterprise". Among the disclosures required by this status is that the Company's financial statements be identified as those of a development stage enterprise. In addition, the statements of operations and comprehensive loss, stockholders' equity and cash flows are required to disclose all activity since the Company's date of inception. The Company will continue to prepare its financial statements and related disclosures as those of a development stage enterprise until such time that the Company achieves planned principal operations.

2. Going Concern

The Company has not achieved its planned principal operations and is considered to be in the development stage. The Company's exploration activities and overhead expenses are financed by way of equity issuance and to-date, oil and gas sales are incidental to the exploration process.

The Company's financial statements as at and for the period ended March 31, 2012 have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. During the three months ended March 31, 2012, the Company incurred a net loss of approximately $0.9 million, used approximately $1.0 million of cash flow in its operating activities, used approximately $4.8 million in its investing activities and had an accumulated deficit of approximately $61.0 million. These matters raise doubt about the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern is dependent upon obtaining the necessary financing to complete further exploration and development activities and generate profitable operations from its oil and natural gas interests in the future. The Company must make an assessment of its ability to fulfill current liabilities and to meet future exploration requirements in the normal course of business. The assessment requires estimates regarding future uncommitted financing, future costs of exploration programs, timing of activities, future oil and gas prices, amongst other things. Should those estimates be materially incorrect, the Company's ability to continue as a going concern would be impaired and these unaudited consolidated financial statements could require material adjustments to the value of assets and liabilities. These unaudited consolidated financial statements do not reflect any such adjustments or reclassifications.

The Company's cash balance at March 31, 2012 and anticipated cash flow from operating activities are not sufficient to satisfy its current liabilities and meet its exploration commitments of $19.2 million and $38.5 million, over the twelve months ending March 31, 2013 and the three years ending March 31, 2015, respectively. As at March 31, 2012 the Company has $5.2 million of cash and cash equivalents, of which $4.3 million is committed to carry out the exploration activities of the Myra and Sara joint venture – see note 17. To meet these obligations, it will be necessary to raise capital through equity markets, debt markets or other financing arrangements, which could include the sale of oil and gas interests or participation arrangements in oil and gas interests. If these activities are unsuccessful, the Company may be forced to substantially curtail or cease exploration, appraisal and development expenditures and possibly curtail other of our activities.

3. Significant Accounting Policies

Basis of presentation

The accompanying unaudited consolidated financial statements of the Company have not been audited and are presented in United States dollars unless otherwise noted and have been prepared by management in accordance with accounting principles generally accepted in the United States of America.

In the opinion of management, these unaudited consolidated financial statements reflect all of the normal and recurring adjustments necessary to present fairly the financial position at March 3, 2012 and December 31, 2011, the results of operations for the three months ended March 31, 2012 and 2011 and for the period from inception of August 21, 2002 to March 31, 2012 and cash flows for the three months ended March 31, 2012 and 2011 and for the period from inception of August 21, 2002 to March 31, 2012.

TOC

GeoGlobal Resources Inc.
(a development stage enterprise)
Notes to the Unaudited Consolidated Financial Statements
March 31, 2012

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 unaudited consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes included in the Company's Annual Report on Form 10-K for the year ended December 31, 2011. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year.

Principles of consolidation
These unaudited consolidated financial statements include the accounts of the Company and its subsidiaries, all of which are wholly-owned. A significant portion of the Company's activities conducted jointly with others and the unaudited consolidated financial statements reflect only the Company's proportionate interest in such activities. Investment in companies where the company has the ability to exercise significant influence but not control, are accounted for using the equity method. All inter-company balances and transactions have been eliminated in consolidation.

Use of estimates
The preparation of the unaudited consolidated financial statements in accordance with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimated amounts due to factors such as fluctuations in interest rates, currency exchange rates, inflation levels and commodity prices, changes in economic conditions and legislative and regulatory changes.

Significant estimates with regard to the unaudited consolidated financial statements include going concern assumptions, the impairment assessment of oil and natural gas properties, the estimated cost and timing related to asset retirement obligations, fair value of non-monetary transactions, stock-based compensation and contingencies.

4. Restricted Deposits

The Company, on behalf of the Myra and Sara Joint Venture has provided letters of credit for $54,350,000 regarding the mobilization of the rig and rig rental, which is secured by a restricted term deposit from the Company of $39,222,000 (December 31, 2011 - $39,110,000). The balance amount in the letter of credit of $15,240,000 (December 31, 2011 - $15,128,000) is secured by a restricted term deposit pledged from a partner in the Myra and Sara Joint Venture which is included in the Company's consolidated accounts receivable. Subsequent to the quarter end, the letter of credit for $16,000,000 has been cancelled and the restriction on the term deposit has been released.

Pursuant to Israeli Customs Authorities, the Company, on behalf of the Myra and Sara Joint Venture, is required to post bank guarantees which represents an 8% to 12% Israeli Custom Duty required to release all imports of oil and gas equipment and supplies from Customs. These bank guarantees have been secured by term deposits of the Company. Once the Custom Authorities are provided the appropriate documentation, documenting that these goods and supplies are exempt from Custom Duties under the Israeli Petroleum law, these bank guarantees are refundable. As of March

31, 2012 term deposits amounting to $1,192,000 (December 31, 2011 - $534,000) of which $551,000 is expected to be released on or before December 31, 2012 and $506,000 and $135,000 are expected to be released on April 15, 2013 and May 13, 2013, respectively.

TOC

GeoGlobal Resources Inc.
(a development stage enterprise)
Notes to the Unaudited Consolidated Financial Statements
March 31, 2012

The restricted term deposits securing these bank guarantees are as follows:

	March 31, 2012	December 31, 2011
	$	$
Exploration Blocks – India		
Ankleshwar	--	734,075
Exploration Licenses - Israel		
Myra and Sara	40,414,000	39,644,000
	40,414000	40,378,075
Less: current portion of restricted deposit	(39,773,000)	(40,378,075)
	641,000	--

The following term deposits are classified as current restricted deposits:

	March 31, 2012	December 31, 2011
	$	$
Exploration Blocks - India		
Ankleshwar	--	734,075
Exploration Licenses – Israel		
Myra and Sara	39,773,000	39,644,000
	39,773000	40,378,075

Export Development Canada (EDC) provided performance security guarantees on behalf of the Company against the bank guarantees provided to the Government of India for the period of April 1, 2011 to June 30, 2012. The performance security guarantees provided by EDC on behalf of the Company against these bank guarantees are as follows (see note 15):

	March 31, 2012	December 31, 2011
	$	$
Exploration Blocks – India		
DS 03	599,000	599,000
DS 04	728,000	728,000
KG Onshore	458,500	458,500
RJ 20	1,374,500	1,374,500
RJ 21	897,500	897,500
	4,057,500	4,057,500

5. Available For Sale Investment

On March 29, 2012, after receiving stockholder approval, the Company completed a Securities Purchase and Exchange Agreement with The Israel Land Development Company – Energy Ltd. (the "ILDE Transaction"). The Company received 28,402,262 common shares of ILDE in exchange for issuance of certain securities in the Company - see note 8(b). Accordingly, the Company owns 3.05% of ILDE's outstanding common stock, which are subject to a minimum six months lock-up restriction imposed by the Israeli Securities Law and Regulations.

TOC

GeoGlobal Resources Inc.
(a development stage enterprise)
Notes to the Unaudited Consolidated Financial Statements
March 31, 2012

6. Property and Equipment

The amounts capitalized as oil and natural gas properties were incurred for the purchase, exploration and ongoing development of various properties.

	March 31, 2012	December 31, 2011
	$	$
Oil and natural gas properties (using the full-cost method)		
Unproved properties	45,138,185	43,540,400
Proved properties	29,872,886	30,348,218
Total oil and natural gas properties	75,011,071	73,888,618
Building	889,609	889,609
Computer, office and other equipment	634,672	625,277
Total property and equipment	76,535,352	75,403,504
Accumulated impairment of oil and natural gas properties	(30,757,015)	(30,757,015)
Accumulated depletion	(1,493,500)	(1,394,200)
Accumulated depreciation	(691,922)	(672,184)
Total property and equipment, net	43,592,915	42,580,105

The Company has capitalized $74,310 for the three months ended March 31, 2012 (March 31, 2011 – $191,543) of general and administrative expenses directly related to exploration activities. These amounts include $8,532 (March 31, 2011 – $98,496) of capitalized stock-based compensation expense and capitalized support equipment depreciation of $8,736 (March 31, 2011 - $9,961).

Impairment of Oil and Gas Properties
The Company performed a ceiling test calculation at March 31, 2012, to assess the ceiling limitation of its proved oil properties. At March 31, 2012, the Company's net capitalized costs of proved oil and natural gas properties did not exceed the ceiling limitation.

7. Equity Method Investments

The Company through its subsidiary, own 40% ownership of Adira Geo Global Ltd. which holds a 30% participating interest in the Samuel license in Israel. Adira Geo Global is designated operator of the Samuel license. The Company's ownership in Adira Geo Global is accounted for using the equity method.

8. Capital Stock

a) Private Placement

On March 2, 2012, the Company completed a private placement offering and issued 2,500,000 Units at a price of $0.25 per Unit for gross proceeds of $625,000. Each Unit consists of one common stock and one warrant. The holder of each warrant is entitled to subscribe for and purchase one common stock of the Company at an exercise price of $0.32 per common stock, which may be exercised until March 2, 2014.The placement agent on this transaction was paid cash fees of $28,500 and the Company issued 36,000 common stock and 150,000 warrants.

The proceeds from the issuance of the Units have been allocated between the common stock and warrants based on their relative fair values. The fair value of the common stock of the Company was determined based on their market price of the stock the day private place offering closed. The fair value of the warrants was based on a Black-Scholes option-pricing model and the weighted average assumptions as at the date of the private placement offering closing as follows:

Risk-free interest rate	0.28%
Expected life	2 years
Expected volatility	136.7%
Expected dividend yield	0%

The resulting allocation of the fair value to the common stock and warrants (included as additional paid-in capital) is $354,953 and $213,754 respectively, which is net of $56,293 of related share issuance costs.

TOC

GeoGlobal Resources Inc.
(a development stage enterprise)
Notes to the Unaudited Consolidated Financial Statements
March 31, 2012

b) ILDE Transaction

On March 29, 2012, after receipt of stockholder approval, the Company completed a Securities Purchase and Exchange Agreement with The Israel Land Development Company – Energy Ltd. (the "ILDE Transaction"). The Company received 28,402,262 common shares of ILDE in exchange for issuance of the following securities in the Company:

(i) issued to ILDE 32,740,479 shares of common stock of the Company and 16,466,639 warrants. Each warrant is entitled to subscribe for and purchase one common stock of the Company at an exercise price of $0.30 per common stock, which may be exercised for a period of 12 months commencing September 29, 2012 and expiring on September 29, 2013;

(ii) granted ILDE the right, exercisable in whole or in part through July 31, 2012, to subscribe for and purchase up to 16,466,639 Units at $0.24, with each Unit consisting of one common stock of the Company and one warrant. Each of these warrants is entitled to subscribe for and purchase one common stock of the Company at an exercise price of $0.30 per common stock; and

(iii) issued 987,998 warrants to ILDE at $0.001 per warrant to purchase up to 987,998 common stock of the Company at an exercise price of $ 0.375 per common stock.

The fair value of the ILDE Transaction as described above, which is based on the fair value of the ILDE's common stock last traded at Tel Aviv Stock Exchange as of the ILDE Transaction date, is allocated between the common stock, warrants and right units based on their relative fair value. The fair value of the common stock is determined based on the market price of the common stock as at the date of the ILDE Transaction closed. The fair value of the warrants and the right units was based on a compounded option-pricing model and weighted average assumption as at the date of the ILDE Transaction closing as follows:

	Warrants	Right Units
Risk-free interest rate	0.26%	0.07%
Expected life	18 months	4 months
Expected volatility	105.4%	55.5%
Expected dividend yield	0%	0%

The Company issued the placement agent on the ILDE Transaction 987,988 warrants to purchase up to 987,998 common stock of the Company at an exercise price of $ 0.375 per common stock. The fair value of these warrants was based on a Black-Scholes option-pricing model and weighted average assumption as at the date of the ILDE Transaction closing as follows:

Risk-free interest rate	1.01%
Expected life	5.5 years
Expected volatility	107.4%
Expected dividend yield	0%

The resulting allocation of the fair value to the common stock, warrants and right units (included as additional paid-in capital) is $3,241,516, $1,305,213 and $303,841 respectively, which is net of $266,663 of related share issuance costs.

9. Warrants

From time to time, the Company may issue compensation options, compensation warrants, rights units and or warrants (collectively the "Warrants") in connection with a finance offering as an incentive to participate in such offerings. The fair value of any Warrants issued is recorded as additional paid-in capital. The fair value of the Warrants is determined using the Black–Scholes option pricing model.

TOC

GeoGlobal Resources Inc.
(a development stage enterprise)
Notes to the Unaudited Consolidated Financial Statements
March 31, 2012

Activity with respect to all warrants is presented below for the periods as noted:

	March 31, 2012		December 31, 2011	
	Warrants #	Weighted Average Exercise Price $	Warrants #	Weighted Average Exercise Price $
Outstanding warrants at the beginning of period	3,117,647	1.00	8,717,363	5.44
Granted	37,559,274	0.28	--	--
Expired	--	--	(5,599,716)	7.91
Outstanding at the end of period	40,676,921	0.33	3,117,647	1.00
Exercisable at end of period	22,234,286	0.36	3,117,647	1.00

The weighted average remaining life by exercise price as of March 31, 2012 is summarized below:

	Outstanding Warrants #	Weighted Average Remaining Life (Months)	Exercisable Warrants #	Weighted Average Exercise Price $
Stock Purchase Warrants	24,210,282	23.7	5,767,647	0.69
Rights Units	16,466,639	4.0	16,466,639	0.24
	40,676,921	15.7	22,234,286	0.36

10. Stock Options

Stock-based Compensation
The Company recognizes compensation cost for stock-based compensation arrangements with employees, non-employee consultants and non-employee directors based on their fair value using the Black-Scholes option-pricing model, such cost to be expensed over the 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 vested tranche.

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

	Three months ended	Three months ended	Period from Inception

	Mar 31, 2012	Mar 31, 2011	August 21, 2002 to Mar 31, 2012
	$	$	$
Stock-based compensation			
Unaudited Consolidated Statements of Operations			
General and administrative	36,656	244,197	4,831,016
Consulting fees	--	3,757	3,413,834
	36,656	247,954	8,244,850
Unaudited Consolidated Balance Sheets			
Property and equipment	8,532	98,496	5,653,104
	45,188	346,450	13,897,954

TOC

GeoGlobal Resources Inc.
(a development stage enterprise)
Notes to the Unaudited Consolidated Financial Statements
March 31, 2012

At March 31, 2012, the total compensation cost related to non-vested awards not yet recognized was $29,453 (December 31, 2011 – $64,723) which will be recognized over a weighted-average period of three years. During the three months ended March 31, 2012 and 2011, no options were exercised.

No income tax benefit has been recognized relating to stock-based compensation expense and no tax benefits have been realized from the exercise of stock options.

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 months ended Mar 31, 2012	Three months ended Mar 31, 2011
Fair value of stock options granted (per option)	$0.18	$0.68
Risk-free interest rate	2.1%	3.4%
Volatility	106.6%	123.8%
Expected life	9.2 years	9.9 years
Dividend yield	0%	0%

Stock option table

Activity with respect to all stock options is presented below for the periods as noted:

		March 31, 2012		March 31, 2011
	Shares #	Weighted Average Exercise Price $	Shares #	Weighted Average Exercise Price $
Outstanding options at beginning of period	4,590,000	2.53	4,550,000	2.72
Granted	50,000	0.24	1,130,000	1.13
Expired	--	--	(50,000)	1.18
Outstanding at the end of the period	4,640,000	2.50	5,630,000	2.41
Outstanding aggregate intrinsic value	$--		$--	
Exercisable at the end of the period	4,390,001	2.62	3,765,000	2.87
Exercisable aggregate intrinsic value	$--		$--	

The weighted average remaining life by exercise price as of March 31, 2012 is summarized below:

Range of Exercise Prices $	Outstanding Shares #	Weighted Average Remaining Life Months	Exercisable Shares #	Weighted Average Exercise Price $
0.01 - 0.99	824,800	94.0	591,467	0.64
1.00 - 1.99	1,369,000	88.5	1,352,334	1.34
2.00 - 2.99	323,800	97.9	323,800	2.25
3.00 - 4.99	1,672,400	54.4	1,672,400	3.67
5.00 - 5.99	400,000	22.9	400,000	5.07
6.00 - 6.99	50,000	33.0	50,000	6.81
	4,640,000	71.6	4,390,001	2.50

TOC

GeoGlobal Resources Inc.
(a development stage enterprise)
Notes to the Unaudited Consolidated Financial Statements
March 31, 2012

11. 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.

Roy Group (Mauritius) Inc.
In March 2003, the Company entered into a Participating Interest Agreement with Roy Group (Mauritius) Inc. (a corporate entity controlled by a principal stockholder of the Company), whereby the Company assigned and holds in trust for Roy Group (Mauritius) Inc. 50% of the benefits and obligations of the production sharing contract covering the KG Offshore Block leaving the Company with a net 5% participating interest in the KG Offshore Block. The assignment of interest is subject to approval by the Government of India.

Under the terms of the Participating Interest Agreement and until approval by the Government of India, the Company retains the exclusive right to deal with Roy Group (Mauritius) Inc. with regard to the KG Offshore Block and is entitled to make all decisions regarding the interest assigned to Roy Group (Mauritius) Inc. The Company has a right of set-off against sums owing to the Company by Roy Group (Mauritius) Inc. In the event that the Indian government consent is delayed or denied, resulting in either Roy Group (Mauritius) Inc. or the Company being denied an economic benefit it would have realized under the Participating Interest Agreement, the parties have agreed to amend the Participating Interest Agreement or take other reasonable steps to assure that an equitable result is achieved consistent with the parties' intentions contained in the Participating Interest Agreement.

12. Per Share Amounts

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

	Three months ended Mar 31, 2012	Three months ended Mar 31, 2011
	$	$
Net loss available to common stockholders	(867,833)	(1,481,417)
Weighted average number of common stock outstanding:		
Basic	100,741,319	82,746,933
Impact of securities convertible into common stock	--	15,409
Diluted	100,741,319	82,762,342
Per share amounts		
Basic and diluted	(0.01)	(0.02)

Securities excluded from denominator as anti-dilutive:		
Stock options	4,640,000	5,380,000
Warrants	24,210,282	8,083,847
Rights Units	16,466,639	--
Compensation options	--	535,944
Compensation option warrants	--	97,572
	45,316,921	14,097,363

TOC

GeoGlobal Resources Inc.
(a development stage enterprise)
Notes to the Unaudited Consolidated Financial Statements
March 31, 2012

13. Segmented Information

The majority of the Company's oil and natural gas exploration activities is conducted in India. All of the oil and gas sales are generated from India and are sold within Indian markets. Management of the Company considers the operations of the Company on a country-by-country basis. The following information relates to the Company's geographic areas of operation.

	March 31, 2012	December 31, 2011
	$	$
Property and equipment, net		
India	36,639,903	36,965,510
Israel	6,725,647	5,388,030
Colombia and Canada	227,365	226,565
	43,592,915	42,580,105

14. Commitments

Pursuant to current production sharing contracts, the Company is required to perform minimum exploration activities that include various types of surveys, acquisition and processing of seismic data and drilling of exploration wells. In the event that the Company fails to fulfill minimum exploration activities by the end of the relevant exploration phase or early termination of the contract by the Government of India, the Company is liable to pay to the Government of India the amount which would be required to complete the unfinished portion of the minimum exploration activities. These obligations have not been provided for in the financial statements.

The Company has completed the minimum work programs on the Tarapur, Mehsana, Ankleshwar and Sanand-Miroli blocks for all the phases. Accordingly, all financial commitments have been met under the terms of the PSCs.

The following table sets forth the end dates to perform minimum work programs pursuant to current production sharing contracts:

		End dates of	
	Phase I (1) (2)	Phase II	Phase III
KG Onshore (3)	February 15, 2012	February 15, 2015	N/A
DS 03 (4)	September 3, 2010	September 3, 2011	September 3, 2013
DS 04	June 6, 2012	June 6, 2015	N/A
RJ 20 (5)	January 20, 2012	January 20, 2015	N/A
RJ 21 (6)	January 20, 2012	January 20, 2015	N/A

(1) All exploration properties are currently in Phase I.

(2) Government of India policies provide an option for a six-month extension without penalty to complete the minimum work program commitments. The Company must file an application for the six-month extension, and if

approved by the Government of India, the end date for Phase II remains unchanged.

(3) The end date of Phase I for this block expired on February 15, 2012. The Company applied for a six month extension, which has been approved and accordingly Phase I now expires on August 15, 2012. The Company also experienced delays in obtaining certain pre-requisite permits from local government authorities. Such delays are considered excusable under the Government of India policy, and the Company has applied for an extension equivalent to the time of the delay. If approved, the expiration date for Phase I would be December 10, 2014. The Company anticipates this application will be approved.