

GEOGLOBAL RESOURCES INC  
Form 10KSB/A  
August 02, 2005

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, DC 20549**

**FORM 10-KSB/A**

**Amendment No. 1**

Mark One:

Annual Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

For the fiscal year ended **December 31, 2004**; 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 No. 1-32158**

**GEOGLOBAL RESOURCES INC.**

(Name of Small Business Issuer in its Charter)

**Delaware**

**33-0464753**

(State or Other Jurisdiction of Incorporation or  
Organization)

(IRS Employer Identification No.)

**Suite 200, 630- 4 Avenue SW, Calgary, Alberta T2P 0J9 Canada**

(Address of Principal Executive Offices)

(Zip Code)

**(403) 777-9250**

(Issuer's Telephone Number, Including Area Code)

Securities registered under Section 12(b) of the Exchange Act:

Title of Each Class

Name of Each Exchange on Which Registered

None

Securities Registered Pursuant to Section 12(g) of the Exchange Act:

Common Stock, par value \$.001 per share  
(Title of Each Class)

Check whether the Issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past twelve (12) months (or for such shorter period that the Issuer was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.  Yes  No

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B in this form, and no disclosure will be contained, to the best of Issuer's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB, or any amendment to this Form 10-KSB.

State Issuer's revenues for its most recent fiscal year: \$-0-

The aggregate market value of the voting and non-voting equity held by non-affiliates computed by reference to the price at which the common equity was sold, or the average bid and asked prices of such common equity, as of December 29, 2004, was \$19,642,332. (Non-affiliates have been determined on the basis of holdings set forth in Item 11 of this Annual Report on Form 10-KSB.)

The number of shares outstanding of each of the Issuer's classes of common equity, as of March 15, 2005, was 55,207,455.

**DOCUMENTS INCORPORATED BY REFERENCE**

None

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This Form 10-KSB/A is being filed to amend the GeoGlobal Resources Inc. (the Company ) Annual Report on Form 10-KSB for the year ended December 31, 2004. The amendment arose out of a letter of comment dated July 14, 2005 received from the staff of the Securities and Exchange Commission.

Generally, no attempt has been made in this Form 10-KSB/A to modify or update other disclosures presented in the original report on Form 10-KSB except as required to meet the staff's comments. This Form 10-KSB/A does not reflect events occurring after the filing of the original Form 10-KSB 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-KSB with the Securities and Exchange Commission on March 31, 2005. The following items have been amended as a result of the restatement:

**Annual Report on Form 10-KSB/A**

**December 31, 2004**

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**PART II**

**Item 7. Financial Statements**

Our Financial Statements are included in a separate section of this report. See page F-1.

**Item 8A. Controls and Procedures**

Under the supervision and with the participation of our management, including Jean Paul Roy, our President and Chief Executive Officer, and Allan J. Kent, our Executive Vice President and Chief Financial Officer, we have evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this annual report, and, based on their evaluation, Mr. Roy and Mr. Kent have concluded that these controls and procedures are effective. There were no significant changes in our internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation.

Disclosure controls and procedures are our controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act are recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including Mr. Roy and Mr. Kent, as appropriate to allow timely decisions regarding required disclosure.

**Item 13. Exhibits**

<b>Exhibit</b>	<b>Description</b>
3.1	Certificate of Incorporation of the Registrant, as amended. <sup>(1)</sup>
3.2	Bylaws of the Registrant, as amended. <sup>(4)</sup>
3.3	Certificate of Amendment filed with the State of Delaware on November 25, 1998. <sup>(2)</sup>
3.4	Certificate of Amendment filed with the State of Delaware on December 4, 1998. <sup>(2)</sup>
3.5	Certificate of Amendment filed with the State of Delaware on March 18, 2003. <sup>(5)</sup>
3.6	Certificate of Amendment filed with the State of Delaware on January 8, 2004. <sup>(5)</sup>
4.1	Specimen stock certificate of the Registrant. <sup>(5)</sup>
10.1	Restated 1993 Stock Incentive Plan. <sup>(1)</sup>
10.2	1994 Directors Stock Option Plan. <sup>(1)</sup>
10.3	1994 Stock Option Plan. <sup>(1)</sup>
10.4	1993 Stock Incentive Plan. <sup>(1)</sup>
10.5	1998 Stock Incentive Plan. <sup>(2)</sup>
10.6	Stock Purchase Agreement dated April 4, 2003 by and among Suite101.com, Inc., Jean Paul Roy and GeoGlobal Resources (India) Inc. <sup>(3)</sup>
10.7	Amendment dated August 29, 2003 to Stock Purchase Agreement dated April 4, 2003. <sup>(4)</sup>
10.8	Technical Services Agreement dated August 29, 2003 between Suite101.com, Inc. and Roy Group (Barbados) Inc. <sup>(4)</sup>
10.9	Participating Interest Agreement dated March 27, 2003 between GeoGlobal Resources (India) Inc. and Roy Group (Mauritius) Inc. <sup>(4)</sup>
10.10	Escrow Agreement dated August 29, 2003 among Registrant, Jean Paul Roy and Computershare Trust Company of Canada. <sup>(4)</sup>
10.11	Promissory Note dated August 29, 2003 payable to Jean Paul Roy. <sup>(4)</sup>
10.12	Production Sharing Contract dated February 4, 2003, among The Government of India, Gujarat State Petroleum Corporation Limited, Jubilant Enpro Limited and GeoGlobal Resources (India) Inc. <sup>(6)</sup>
10.13	Production Sharing Contract dated February 6, 2004 among The Government of India, Gujarat State Petroleum Corporation Limited, Jubilant Enpro Private Limited and GeoGlobal Resources (Barbados) Inc. <sup>(6)</sup>
10.14	Production Sharing Contract dated February 6, 2004 among The Government of India, Gujarat State Petroleum Corporation Limited, Jubilant Enpro Private Limited, Prize Petroleum Company Limited and GeoGlobal Resources (Barbados) Limited. <sup>(6)</sup>

- 10.15 Carried Interest Agreement dated August 27, 2002 between Gujarat State Petroleum Corporation Limited and GeoGlobal Resources (India) Inc. <sup>(5)</sup>
- 14 Code of Ethics. <sup>(5)</sup>
- 21 Subsidiaries of the Registrant:

<b>Name</b>	<b>State or Jurisdiction of Incorporation</b>
GeoGlobal Resources  (India) Inc.	Barbados
GeoGlobal Resources (Canada) Inc.	Alberta
GeoGlobal Resources (Barbados) Inc.	Barbados

- 23 Consent of experts and counsel:
  - 23.1 Consent of Ernst & Young LLP. <sup>(7)</sup>
  - 31.1 Certification of President and Chief Executive Officer Pursuant to Rule 13a-14(a). <sup>(7)</sup>
  - 31.2 Certification of Chief Financial Officer Pursuant to Rule 13a-14(a). <sup>(7)</sup>
  - 32.1 Certification of President and Chief Executive Officer Pursuant to Section 1350 (furnished, not filed). <sup>(7)</sup>
  - 32.2 Certification of Chief Financial Officer Pursuant to Section 1350 (furnished, not filed). <sup>(7)</sup>
- (1)

Filed as an Exhibit to Neuro Navigational Corporation Form 10-KSB No. 0-25136 dated September 30, 1994.

(2)

Filed as an Exhibit to our Current Report on Form 8-K dated December 10, 1998.

(3)

Filed as exhibit 10.1 to our Quarterly Report on Form 10-QSB for the quarter ended March 31, 2003.

(4)

Filed as an exhibit to our Current Report on Form 8-K for August 29, 2003.

(5)

Filed as an Exhibit to our Form 10-KSB dated April 1, 2004.

(6)

Filed as an Exhibit to our Form 10-KSB/A dated April 28, 2004.

(7)

Filed herewith.





**GEOGLOBAL RESOURCES INC.**

**(a development stage enterprise)**

**(formerly Suite101.com, Inc.)**

**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2004 AND DECEMBER 31, 2003**

**(in United States dollars)**

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**GeoGlobal Resources Inc.**  
**(a development stage enterprise)**

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**December 31, 2004 and December 31, 2003**

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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

**The Board of Directors and Stockholders Of**

GeoGlobal Resources Inc.

We have audited the accompanying consolidated balance sheets of GeoGlobal Resources Inc., a development stage enterprise (formerly Suite101.com, Inc.), as of December 31, 2004 and 2003 and the related consolidated statements of operations, stockholders' equity and cash flows for the years ended December 31, 2004 and 2003, for the period from inception on August 21, 2002 to December 31, 2002, and for the cumulative period from inception on August 21, 2002 to December 31, 2004. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of GeoGlobal Resources Inc. at December 31, 2004 and 2003 and the consolidated results of its operations and its cash flows for the years ended December 31, 2004 and 2003, for the period from inception on August 21, 2002 to December 31, 2002, and for the cumulative period from inception on August 21, 2002 to December 31, 2004 in conformity with U.S. generally accepted accounting principles.

"

*Ernst & Young LLP" (signed)*

CALGARY, ALBERTA

CHARTERED ACCOUNTANTS

March 14, 2005

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

	<b>2004</b>	2003
<b>December 31</b>	<b>US \$</b>	<b>US \$</b>
<b>Assets</b>		
Current		
Cash and cash equivalents	<b>4,419,598</b>	7,029,907
Restricted cash (note 10d)	<b>206,796</b>	--
	<b>4,626,394</b>	7,029,907
Accounts receivable (note 2e)	<b>208,748</b>	81,487
	<b>4,835,142</b>	7,111,394
Property and equipment (note 3)		
Exploration costs, not subject to depletion	<b>638,539</b>	178,523
Computer and office equipment, net	<b>143,053</b>	117,020
	<b>781,592</b>	295,543
	<b>5,616,734</b>	7,406,937
<b>Liabilities</b>		
Current		
Accounts payable	<b>29,623</b>	176,683
Accruals	<b>54,442</b>	16,400
Due to related companies (notes 7c, 7d and 7e)	<b>19,624</b>	46,863
Note payable (note 7a)	<b>--</b>	1,000,000
	<b>103,689</b>	1,239,946
<b>Stockholders' Equity</b>		
Capital stock (note 4)		
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		
55,207,455 common shares (2003 55,053,355)	<b>40,615</b>	40,461
Additional paid-in capital (note 4)	<b>6,831,434</b>	6,618,038

Deficit accumulated during the development stage	<b>(1,359,004)</b>	(491,508)
	<b>5,513,045</b>	6,166,991
	<b>5,616,734</b>	7,406,937

See Commitments (note 10)

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

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

			Period from	Period from
			Inception,	Inception,
	<b>Year ended</b>	Year ended	August 21-2002 to	August 21-2002 to
	<b>December 31-2004</b>	December 31-2003	December 31-2002	December 31-2004
	US \$	US \$	US \$	US \$
		(note 11a)	(note 11a)	(note 11b)
<b>Expenses (notes 7c, 7d and 7e)</b>				
General and administrative	<b>451,788</b>	151,404	6,198	609,390
Consulting fees	<b>237,615</b>	170,271	--	407,886
Professional fees	<b>161,381</b>	131,819	6,917	300,117
Depreciation and depletion	<b>61,308</b>	50,450	698	112,456
	<b>912,092</b>	503,944	13,813	1,429,849
<b>Other expenses (income)</b>				
Consulting fees recovered	<b>(14,300)</b>	(38,775)	--	(53,075)
Equipment costs recovered	<b>(2,200)</b>	(4,245)	--	(6,445)
Foreign exchange	<b>3,495</b>	18,634	--	22,129
Interest	<b>(31,591)</b>	(1,863)	--	(33,454)
	<b>(44,596)</b>	(26,249)	--	(70,845)
<b>Net loss and comprehensive loss</b>				
<b>for the period</b>	<b>(867,496)</b>	(477,695)	(13,813)	(1,359,004)
<b>Net loss per share</b>				
<b>basic and diluted (note 4d)</b>	<b>(0.02)</b>	(0.02)	(0.00)	

**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**

	Additional	Accumulated	Stockholders'
Capital Stock	paid-in capital	Deficit	Equity



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	US \$	US \$	US \$	US \$
Common shares issued on incorporation on				
August 21, 2002	64	--	--	64
Net loss and comprehensive loss for the period	--	--	(13,813)	(13,813)
Balance at December 31, 2002	64	--	(13,813)	(13,749)
Common shares issued during the year				
On acquisition (note 6)	34,000	1,072,960	--	1,106,960
Exercise of options	397	101,253	--	101,650
Private placement financing	6,000	5,994,000	--	6,000,000
Share issuance costs	--	(550,175)	--	(550,175)
Net loss and comprehensive loss for the year	--	--	(477,695)	(477,695)
Balance at December 31, 2003	40,461	6,618,038	(491,508)	6,166,991
<b>Common shares issued during the year</b>				
Exercise of options	<b>115</b>	<b>154,785</b>	--	<b>154,900</b>
Exercise of warrants	<b>39</b>	<b>58,611</b>	--	<b>58,650</b>
<b>Net loss and comprehensive loss for the year</b>	<b>--</b>	<b>--</b>	<b>(867,496)</b>	<b>(867,496)</b>
<b>Balance at December 31, 2004</b>	<b>40,615</b>	<b>6,831,434</b>	<b>(1,359,004)</b>	<b>5,513,045</b>

See note 4 for further information

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

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

	Year ended December 31-2004	Year ended December 31-2003	Period from Inception, August 21-2002 to December 31-2002	Period from Inception, August 21-2002 to December 31-2004
	US \$	US \$	US \$	US \$
		(note 11a)	(note 11a)	(note 11b)
<b>Cash flows provided by (used in)</b>				
<b>operating activities</b>				
Net loss	<b>(867,496)</b>	(477,695)	(13,813)	(1,359,004)
Adjustment to reconcile net loss to net cash used in operating activities:				
Depreciation and depletion	<b>61,308</b>	50,450	698	112,456
Changes in operating assets and liabilities:				
Accounts receivable	<b>(127,261)</b>	(6,487)	--	(133,748)
Accounts payable	<b>(147,060)</b>	121,304	6,371	(19,385)
Accruals	<b>38,042</b>	16,400	--	54,442
Due to shareholder	--	(6,952)	6,952	--
Due to related companies	<b>(27,239)</b>	5,107	--	(22,132)
	<b>(1,069,706)</b>	(297,873)	208	(1,367,371)
<b>Cash flows provided by (used in)</b>				
<b>investing activities</b>				
Property and equipment	<b>(547,357)</b>	(296,845)	(49,846)	(894,048)
Cash acquired on acquisition (note 6)	--	3,034,666	--	3,034,666
Restricted cash (note 10d)	<b>(206,796)</b>	--	--	(206,796)
	<b>(754,153)</b>	2,737,821	(49,846)	1,933,822

**Cash flows provided by (used in)****financing activities**

Proceeds from issuance of common

shares	<b>213,550</b>	6,101,650	64	6,315,264
Share issuance costs	--	(550,175)	--	(550,175)
Changes in financing liabilities:				
Note payable (note 7a)	<b>(1,000,000)</b>	(1,000,000)	--	(2,000,000)
Accounts payable	--	61,078	--	61,078
Due to shareholder	--	(37,998)	37,998	--
Due to related companies	--	15,132	11,848	26,980
	<b>(786,450)</b>	4,589,687	49,910	3,853,147

**Net increase (decrease) in cash and****cash equivalents**

	<b>(2,610,309)</b>	7,029,635	272	4,419,598
Cash and cash equivalents, beginning of year	<b>7,029,907</b>	272	--	--
<b>Cash and cash equivalents, end of year</b>	<b>4,419,598</b>	7,029,907	272	4,419,598

**Cash and cash equivalents**

Current bank accounts	<b>90,670</b>	36,631	272	90,670
Term deposits	<b>4,328,928</b>	6,993,276	--	4,328,928
	<b>4,419,598</b>	7,029,907	272	4,419,598

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

## Notes to the Consolidated Financial Statements

### GeoGlobal Resources Inc.

(a development stage enterprise)

December 31, 2004

#### 1.

### NATURE OF OPERATIONS

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 (refer to acquisition note 6).

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 .

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") and the Government of India 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 complete its obligations in India and upon future profitable operations.

#### 2.

### SIGNIFICANT ACCOUNTING POLICIES

a)

**Basis of presentation**

These consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States within the framework of the accounting policies summarized below.

These consolidated financial statements include the accounts of GeoGlobal Resources Inc., from the date of acquisition, being August 29, 2003 as well as the accounts of GeoGlobal's direct and indirect wholly-owned subsidiaries: (i) GeoGlobal Resources (India) Inc., incorporated under the *Business Corporations Act* (Alberta), Canada on August 21, 2002 which was continued under the *Companies Act of Barbados*, West Indies on June 27, 2003 and (ii) GeoGlobal Resources (Canada) Inc., incorporated under the *Business Corporations Act* (Alberta), Canada on September 4, 2003 and (iii) 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.

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**Notes to the Consolidated Financial Statements**

**GeoGlobal Resources Inc.**

**(a development stage enterprise)**

**December 31, 2004**

**2.**

**SIGNIFICANT ACCOUNT POLICIES (continued)**

**b)**

**Property and equipment**

**i)**

**Capitalized costs**

The Company follows the full cost method of accounting for its petroleum and natural gas operations. Under this method all costs related to the exploration for and development of petroleum and natural gas reserves are capitalized. Costs include land acquisition costs, geological and geophysical expenditures, costs of drilling both productive and non-productive wells and related overhead costs. Proceeds from the sale of properties will be applied against capitalized costs, without any gain or loss being realized, unless such sale would significantly alter the relationship between capital costs and proven reserves of petroleum and natural gas attributable to the cost center.

**ii)**

**Depreciation and depletion**

Computer equipment is recorded at cost, with depreciation provided for on a declining-balance basis at 30% per annum.

Upon the commencement of economic production quantities of oil and gas, depletion of exploration and development costs and depreciation of production equipment will be provided on a country-by-country basis using the unit-of-production method based upon estimated proven petroleum and natural gas reserves. The costs of acquiring and evaluating unproven properties and major development properties will be excluded from costs until it is determined whether or not proven reserves are attributable to the properties, the major development projects are completed, or impairment occurs. For depletion and depreciation purposes, relative volumes of petroleum and natural gas production and reserves will be converted into equivalent units based upon estimated relative energy content.

**iii)**

**Ceiling test**

In applying the full cost method, the Company will be calculating a ceiling test whereby the carrying value of petroleum and natural gas properties and production equipment, net of recorded deferred income taxes is limited to the present value of after tax future net revenues from proven reserves, discounted at 10% (based on prices and costs at the balance sheet date calculated quarterly), plus the lower of cost and fair value of unproven properties. Should this comparison indicate an excess carrying value, the excess will be charged against earnings as additional depletion and depreciation.

iv)

#### **Asset retirement obligations**

The Company recognizes the fair value of a liability for an asset retirement obligation in the period in which it is incurred and a corresponding increase in the carrying value of the related long-lived asset. The fair value is determined through a review of engineering and environmental studies, industry guidelines, and management's estimate on a site by site basis. The liability is subsequently adjusted for the passage of time, and is recognized as accretion expense in the consolidated statement of operations. The liability is also adjusted due to revisions in either the timing or the amount of the original estimated cash flows associated with the liability. The increase in the carrying value of the asset is amortized over the useful life of the related productive assets.

c)

#### **Joint operations**

All of the Company's petroleum and natural gas activities are conducted jointly with others. The Company's undivided interests in joint ventures are consolidated on a proportionate basis.

**Notes to the Consolidated Financial Statements**

**GeoGlobal Resources Inc.**

**(a development stage enterprise)**

**December 31, 2004**

**2.**

**SIGNIFICANT ACCOUNTING POLICIES (continued)**

**d)**

**Net loss per share**

Net loss per share is calculated based upon the weighted average number of shares outstanding during the period. The treasury stock method is used to determine the dilutive effect of the stock options. The treasury stock method assumes any proceeds obtained upon exercise of options would be used to purchase common shares at the average market price during the period. There are no differences between net loss and the weighted average number of shares used in the calculation of the basic net loss per share and that used in the calculation of diluted net loss per share.

**e)**

**Financial instruments**

The Company has estimated the fair value of its financial instruments which include cash and cash equivalents, restricted cash, accounts receivable, accounts payable, note payable, due to shareholder and due to related companies. The Company used valuation methodologies and market information available as at period end to determine that the carrying amounts of such financial instruments approximate fair value in all cases, unless otherwise noted. Of the Company's accounts receivable, US\$154,884 (December 31, 2003 US\$57,364) is due from one entity in the oil and gas industry which may pose some credit risk. If these amounts were uncollectible, they would be capitalized as part of the property and equipment exploration costs. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from its financial instruments.

**f)**

**Measurement uncertainty**

The preparation of the 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 at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimated amounts.

**g)**



### **Cash and cash equivalents**

Cash and cash equivalents include cash on hand, balances with banks and short-term deposits with original maturities of three months or less.

**h)**

### **Foreign currency translation**

The Company translates integrated foreign operations into the functional currency of the parent. Monetary assets and liabilities denominated in foreign currencies are translated into U.S. dollars at rates of exchange in effect at the date of the balance sheet. Non-monetary items are translated at the rate of exchange in effect when the assets are acquired or obligations incurred. Revenues and expenses are translated at average rates in effect during the period, with the exception of depreciation which is translated at historic rates. Exchange gains and losses are charged to operations.

**i)**

### **Income taxes**

The Company follows the liability method of tax allocation. Under this method, assets and liabilities are determined based on deferred income tax, differences between the tax basis of an asset or liability and its carrying value using enacted tax rates anticipated to apply in the periods when the temporary differences are expected to reverse.

The effect on deferred income tax assets and liabilities of changes in tax rates is recognized in income in the period in which the change is enacted.

**j)**

### **Revenue recognition**

Revenue associated with the production and sales of crude oil, natural gas and natural gas liquids owned by the Company will be recognized when title passes from the Company to its customer.

**Notes to the Consolidated Financial Statements**

**GeoGlobal Resources Inc.**

**(a development stage enterprise)**

**December 31, 2004**

**2.**

**SIGNIFICANT ACCOUNTING POLICIES (continued)**

**k)**

**Stock-based compensation plan**

The Company has a stock-based compensation plan which includes stock options. Consideration received from employees or directors on the exercise of stock options under the stock option plan is recorded as capital stock.

The Company uses 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 the grant, no compensation cost is recognized.

Non-employee stock-based compensation costs are measured using the fair value based method and are charged to earnings on the measurement date.

**l)**

**Comprehensive income**

Comprehensive income (loss) includes all changes in equity except those resulting from investments made by owners and distributions to owners. Other accumulated comprehensive income (loss) consists only of net loss for all periods presented.

**3.**

**PROPERTY AND EQUIPMENT**

Balance Sheet as at December 31,

Exploration costs incurred in

	US \$		US \$		
	<b>2004</b>	2003	<b>2004</b>	2003	2002
<b>Exploration and development</b>					
Exploration costs India	<b>638,539</b>	178,523	<b>460,016</b>	156,598	21,925
Accumulated depletion	--	--	--	--	--
	<b>638,539</b>	178,523	<b>460,016</b>	156,598	21,925
<b>Computer and equipment</b>					
Computer and office equipment	<b>255,509</b>	168,168			
Accumulated depreciation	<b>(112,456)</b>	(51,148)			
	<b>143,053</b>	117,020			
	<b>781,592</b>	295,543			

a)

**Exploration costs India**

The exploration costs incurred to date are not subject to depletion and cover three exploration blocks, known as the KG Block, Mehsana Block and the Sanand and Mirola Block. It is anticipated these exploration costs will be subject to depletion no earlier than the 2007 fiscal year.

b)

**Capitalized overhead costs**

Included in the US\$460,016 of exploration cost additions during the year ended December 31, 2004 (year ended December 31, 2004 US\$156,598) are certain overhead costs capitalized by the Company in the amount of US\$336,535 (year ended December 31, 2003 US\$128,078) directly related to the exploration activities in India. Of the capitalized overhead amount, US\$49,370 (year ended December 31, 2003 - US\$nil) was paid to third parties, and US\$287,165 was paid to and on behalf of a related party (year ended December 31, 2003 US\$128,078) (see note 7c). These indirect costs are incurred solely by and on behalf of the Company in providing its services under the Carried Interest Agreement and are therefore not reimbursable under the Carried Interest Agreement (see note 3d).

**Notes to the Consolidated Financial Statements**

**GeoGlobal Resources Inc.**

**(a development stage enterprise)**

**December 31, 2004**

**3.**

**PROPERTY AND EQUIPMENT (continued)**

**c)**

**Production Sharing Contracts**

**i)**

**Exploration Block KG-OSN-2001/3**

On August 27, 2002, GeoGlobal together with its joint venture participants, Jubilant Enpro Limited ( Enpro ) and Gujarat State Petroleum Corporation Limited ( GSPC ) entered into a Joint Bidding Agreement for the purpose of submitting a bid for Exploration Block KG-OSN-2001/3 offered by the Government of India under the New Exploration Licensing Policy Third Round (NELP-III). This Exploration bid was successful and was awarded on November 29, 2002, by the Directorate General of Hydrocarbons under the Ministry of Petroleum & Natural Gas of India.

On February 4, 2003, GeoGlobal, as to a 10% Participating Interest ("PI") (net 5% - see note 3e) along with Enpro and GSPC, as to their 10% and 80% PI respectively, entered into a Production Sharing Contract ( PSC-KG ) with the Government of India with respect to this Exploration Block. See also Carried Interest Agreement note 3d.

The PSC-KG allows the joint venture participants to explore for petroleum and natural gas over a 6.5 year period on the Exploration Block subject to the work commitment as outlined in note 10a.

**ii)**

**Exploration Block CB-ONN-2002/2 (also referred to as Mehsana Block)**

On January 8, 2004, the Company announced that it was awarded by the Government of India a 10% PI in a new onshore Exploration Block CB-ONN-2002/2 covering an area of approximately 125 square kilometers ("sq. kms.") in the Cambay Basin, located in the province of Gujarat in Northwest India, under the Fourth Round of the New Exploration Licensing Policy (NELP-IV) bidding which closed on September 30, 2003.

On February 6, 2004, GeoGlobal as to its 10% PI, along with its joint venture participants, Enpro and GSPC as to their 30% and 60% PI respectively, signed the Production Sharing Contract ("PSC-Mehsana") with the Government of

India with respect to this Exploration Block.

The PSC-Mehsana allows the joint venture participants to explore for petroleum and natural gas over a 6 year period on the Exploration Block subject to the work commitment as outlined in note 10b.

**iii)**

**Exploration Block CB-ONN-2002/3** (also referred to as Sanand and Mirola Block)

On January 8, 2004, the Company also announced that it was awarded a 10% PI in a second new onshore Exploration Block CB-ONN-2002/3 covering an area of approximately 285 sq. kms. also in the Cambay Basin under NELP-IV.

On February 6, 2004, GeoGlobal as to its 10% PI, along with its joint venture participants, Enpro, GSPC, and Prize Petroleum Company Limited as to their 20%, 55% and 15% PI respectively, signed the Production Sharing Contract ("PSC-Sanand and Mirola") with the Government of India with respect to this Exploration Block.

The PSC-Sanand and Mirola allows the joint venture participants to explore for petroleum and natural gas over a 6 year period on the Exploration Block subject to the work commitment as outlined in note 10c.

**Notes to the Consolidated Financial Statements**

**GeoGlobal Resources Inc.**

**(a development stage enterprise)**

**December 31, 2004**

**3.**

**PROPERTY AND EQUIPMENT (continued)**

**d)**

**Carried Interest Agreement**

On August 27, 2002, GeoGlobal entered into a Carried Interest Agreement ( CIA ) with GSPC, which grants the Company a 10% carried interest (net 5% - see note 3e) in the Exploration Block KG-OSN-2001/3. 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.

As at December 31, 2004, GSPC has incurred costs of Rs 22.77 crore (approximately US\$5.01 million) attributable to GeoGlobal under the CIA of which 50% is for the account of Roy Group (Mauritius) Inc. ("RGM"), a related party (note 7b) under the terms of the Participating Interest Agreement as further described in note 3e.

**e)**

**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 Government of India consent, 50% of the benefits and obligations of the PSC-KG and the CIA leaving GeoGlobal with a net 5% Participating Interest in the PSC-KG and a net 5% carried interest in the CIA. Under the terms of the PIA, until the Government of India consent is obtained, GeoGlobal retains the exclusive right to deal with the other parties to the PSC-KG and the CIA and is entitled to make all decisions regarding the interest assigned to RGM and RGM agreed to be bound by and 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 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 PSC-KG. 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 PSC-KG and CIA as a net 5% Participating Interest.

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**Notes to the Consolidated Financial Statements****GeoGlobal Resources Inc.****(a development stage enterprise)****December 31, 2004****4.****CAPITAL STOCK****a)****Common shares**

	Number of shares	Capital stock US \$	Additional paid-in capital US \$
Balance at August 21, 2002 and December 31, 2002	1,000	64	--
<b>2003 Transactions</b>			
Capital stock of GeoGlobal (formerly Suite101.com, Inc.) acquired August 29, 2003	14,656,687	14,657	10,914,545
Common shares issued by GeoGlobal to acquire			
GeoGlobal India (note 6)	34,000,000	34,000	1,072,960
Share issuance costs on acquisition	--	--	(66,850)
Elimination of GeoGlobal capital stock in recognition of			
reverse takeover (note 1)	(1,000)	(14,657)	(10,914,545)
Options exercised for cash	396,668	397	101,253
Private placement financing	6,000,000	6,000	5,994,000
Share issuance costs on private placement	--	--	(483,325)
	55,052,355	40,397	6,618,038
Balance as at December 31, 2003	55,053,355	40,461	6,618,038



**2004 Transactions**

Options exercised for cash	<b>115,000</b>	<b>115</b>	<b>154,785</b>
Broker warrants exercised for cash	<b>39,100</b>	<b>39</b>	<b>58,611</b>
	<b>154,100</b>	<b>154</b>	<b>213,396</b>
<b>Balance as at December 31, 2004</b>	<b>55,207,455</b>	<b>40,615</b>	<b>6,831,434</b>

b)

**Warrants**

i)

**Private Placement 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 was comprised of one common share and one half of one warrant ("Private Placement Warrant"), where one full Private Placement 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 Private Placement 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 1933 Act and the hold period for Canadian subscribers has expired.

Costs of US\$483,325 were incurred in issuing shares under this Private Placement Financing which included a fee equal to 6% of the gross proceeds raised in the brokered offering. Also issued as additional consideration for this transaction were 580,000 Broker Warrants.

None of the Private Placement Warrants were exercised as at December 31, 2004.

**Notes to the Consolidated Financial Statements**

**GeoGlobal Resources Inc.**

**(a development stage enterprise)**

**December 31, 2004**

**4.**

**CAPITAL STOCK (continued)**

**ii)**

**Broker Warrants**

The 580,000 Broker Warrants described above entitle the holder to purchase 580,000 common shares at an exercise price of US\$1.50 per share, expiring on December 23, 2005. The Broker Warrants are also 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\$3.00 or more for 20 consecutive trading days and if the resale of the shares has been registered under the 1933 Act and the hold period for Canadian subscribers has expired.

During the year ended December 31, 2004, 39,100 Broker Warrants were exercised at US\$1.50 for gross proceeds of US\$58,650.

**c)**

**Options**

During the year ended December 31, 2004, 115,000 options were exercised at various prices between US\$1.18 and US\$1.50 for gross proceeds of US\$154,900.

**d)**

**Weighted average number of shares**

For purposes of the determination of net loss per share, the basic and diluted weighted average number of shares outstanding for the year ended December 31, 2004 was 41,671,136 (December 31, 2003 19,737,035, December 31, 2002 14,500,000). The amount for the year ended December 31, 2004 excludes 5,000,000 shares currently held in escrow. The amount for the year ended December 31, 2003 also excludes the 5,000,000 shares currently held in escrow plus 14,500,000 shares which were not released from escrow until August 27, 2004. The amount for the

period ended December 31, 2002 is deemed to be the number of shares issued to the legal subsidiary pursuant to the reverse take-over transaction described in note 6, reduced by the 19,500,000 shares which were held in escrow.

5.

## **STOCK OPTIONS**

a)

### **The Company's 1998 Stock Incentive Plan**

Under the terms of the 1998 Stock Incentive Plan (the "Plan"), 3,900,000 common shares have been reserved for issuance on exercise of options granted under the Plan. As at December 31, 2004, the Company had 385,697 (December 31, 2003 385,697) common shares remaining for issuance 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.

Subsequent to the year-end, on January 17, 2005, the Board of Directors resolved to amend the Plan to increase the shares reserved for grant of options from 3,900,000 to 8,000,000 subject to shareholder approval (note 12a).

b)

### **Stock-based compensation**

Under the Statement of Financial Accounting Standards 123, the Company is required to measure and disclose on a pro-forma basis the impact on net loss and net loss per share of applying the fair value based method to stock-based compensation arrangements with employees and directors.

**Notes to the Consolidated Financial Statements****GeoGlobal Resources Inc.**

(a development stage enterprise)

**December 31, 2004****5.****STOCK OPTIONS (continued)**

Under this method, compensation cost is measured at fair value at grant date and recognized over the vesting period. If the fair value based method had been used, the stock based compensation costs, pro-forma net loss and pro-forma net loss per share would be as follows:

	Year ended December 31-2004 US \$	Year ended December 31-2003 US \$	Period from Inception, August 21-2002 to December 31-2002 US \$
<b>Stock based compensation</b>	<b>314,534</b>	175,233	--
Net loss			
As reported	<b>(867,496)</b>	(477,695)	(13,813)
Pro-forma	<b>(1,182,030)</b>	(652,928)	(13,813)
Net loss per share basic and diluted			
As reported	<b>(0.02)</b>	(0.02)	(0.00)
Pro-forma	<b>(0.03)</b>	(0.03)	(0.00)
<b>Black-Scholes Assumptions</b>			
Fair value of stock options granted <sup>(1)</sup>	<b>\$0.27</b>	\$0.27	--
Risk-free interest rate	<b>2.61%</b>	2.61%	--
Volatility	<b>55%</b>	55%	--
Expected life <sup>(1)</sup>	<b>0.9 years</b>	0.9 years	--
Dividend yield	--	--	--

(1) weighted average

The stock options previously outstanding in the legal parent prior to the reverse takeover transaction described in note 6 have been excluded from the pro forma disclosures above.

c)

### Stock option table

These options were granted for services provided to the Company:

Grant date (mm/dd/yy)	Option exercise		Vesting date (mm/dd/yy)	Balance	Granted	Exercised	Balance	Balance
	price	Expiry date		December 31, 2003	during the year	during the year	December 31, 2004	exercisable December 31, 2004
	US \$	(mm/dd/yy)	(mm/dd/yy)	#	#	#	#	#
2/25/99	1.50	08/29/04	Vested	50,000	--	50,000	--	--
6/11/99	1.50	08/29/04	Vested	5,000	--	5,000	--	--
6/12/00	1.50	08/29/04	Vested	5,000	--	5,000	--	--
12/09/03	1.18	08/31/05	Vested	1,625,000	--	55,000	1,570,000	570,000
12/09/03	1.18	08/31/05	01/08/05	375,000	--	--	375,000	--
12/30/03	1.50	08/31/05	Vested	475,000	--	--	475,000	475,000
12/30/03	1.50	08/31/05	01/08/05	470,000	--	--	470,000	--
				3,005,000	--	115,000	2,890,000	1,045,000

At December 31, 2004, there were 1,570,000 options outstanding exercisable at US\$1.18 per common share until August 31, 2005 of which 1,000,000 options were granted subject to shareholder approval.

Subsequent to the year-end as outlined in note 12, the Board of Directors of the Company passed a number of resolutions with respect to stock options: (i) to extend the expiry date of all outstanding options from August 31, 2005 to August 31, 2006; (ii) to amend the Plan to increase the shares reserved for the grant of options; and (iii) the issuance of additional options.



**Notes to the Consolidated Financial Statements**

**GeoGlobal Resources Inc.**

**(a development stage enterprise)**

**December 31, 2004**

**6.**

**ACQUISITION**

On August 29, 2003, pursuant to an agreement dated April 4, 2003 and amended 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 our Common Stock. Of the 34.0 million shares, 14.5 million shares were delivered to Mr. Roy at the closing of the transaction being August 29, 2003 and an aggregate of 19.5 million shares were held in escrow by an escrow agent. The terms of the escrow provide for the release of the shares upon the occurrence of certain developments relating to the outcome of oil and natural gas exploration and development activities conducted on the KG Block. On August 27, 2004, 14.5 million shares were released to Mr. Roy from escrow upon the actual commencement of a drilling program on the KG Block. The final 5.0 million shares remaining in escrow will be released only if a commercial discovery is declared on the KG Block. In addition to the shares of Common Stock, the Company delivered to Mr. Roy a \$2.0 million promissory note, of which \$500,000 was paid on the closing of the transaction on August 29, 2003, \$500,000 was paid on October 15, 2003, \$500,000 was paid on January 15, 2004 and \$500,000 was paid on June 30, 2004. The note did not accrue interest. The note was secured by the outstanding stock of GeoGlobal India which has subsequently been released. As a consequence of the transaction, Mr. Roy held as of the closing of the transaction an aggregate of 34.0 million shares of our outstanding Common Stock, or approximately 69.3% of the shares outstanding, assuming all shares held in escrow are released to him. The terms of the transaction provide that Mr. Roy is to have the right to vote all 34.0 million shares following the closing, including the shares during the period they are held in escrow. Shares not released from the escrow will be surrendered back to GeoGlobal.

As discussed in note 1, the acquisition of GeoGlobal India by GeoGlobal was accounted for as a reverse takeover transaction. As a result, the cost of the transaction was determined based upon the net assets of GeoGlobal deemed to have been acquired. These consolidated financial statements include the results of operations of GeoGlobal from the date of acquisition. The net identifiable assets acquired of GeoGlobal are as follows:

US \$

Net assets acquired

Cash	3,034,666
Other current assets	75,000
Current liabilities	(2,706)
Net book value of identifiable assets acquired	3,106,960
Consideration paid	
Promissory note issued	2,000,000
34,000,000 common shares issued par value \$0.001	34,000
Additional paid-in capital	1,072,960
	3,106,960

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**Notes to the Consolidated Financial Statements**

**GeoGlobal Resources Inc.**

**(a development stage enterprise)**

**December 31, 2004**

7.

**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)

**Note payable**

On August 29, 2003, as part of the Acquisition (note 6), a US\$2,000,000 promissory note was issued to the sole shareholder of GeoGlobal India. On each of August 29, 2003, October 15, 2003, January 15, 2004 and June 30, 2004, US\$500,000 of the note was paid. The promissory note was non-interest bearing and the capital stock of GeoGlobal India collateralized the repayment of the note. The collateral has been released.

b)

**Roy Group (Mauritius) Inc.**

Roy Group (Mauritius) Inc. is related to the Company by common management and is controlled by a director of the Company. On March 27, 2003, the Company entered into a Participating Interest Agreement (note 3e) with the related party.

c)

**Roy Group (Barbados) Inc.**

Roy Group (Barbados) Inc. is related to the Company by common management and is controlled by a director of the Company. On August 29, 2003, the Company entered into a Technical Services Agreement ("TSA") with the related party to provide services to the Company as assigned by the Company and to bring new oil and gas opportunities to the Company. The related party receives consideration of US\$250,000 per year for an initial term of three years as outlined and recorded below:

	<b>Year ended</b>	Year ended	Period from
	<b>December 31-2004</b>	December 31-2003	Inception,
	US \$	US \$	August 21, 2002 to
			December 31-2002
			US \$
Consolidated Statement of Operations			
Consulting fees	<b>50,000</b>	16,667	--
Consolidated Balance Sheets			
Property and equipment			
Exploration costs - India (note 3)	<b>200,000</b>	66,666	--
	<b>250,000</b>	83,333	--

The related party was also reimbursed for medical insurance and expenses; travel, hotel, meals and entertainment expenses; computer costs; and amounts billed to third parties incurred during the periods as outlined and recorded below:

Consolidated Statement of Operations			
General and administrative	<b>19,640</b>	40,649	--
Consolidated Balance Sheets			
Accounts receivable			
	<b>20,350</b>	--	--
Property and equipment			
Exploration costs - India (note 3)	<b>87,165</b>	61,412	21,925
Computer equipment	<b>8,064</b>	--	27,921
	<b>135,219</b>	102,061	49,846

At December 31, 2004, the Company owed Roy Group (Barbados) Inc. US\$16,103 (December 31, 2003 - US\$41,115) 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.

**Notes to the Consolidated Financial Statements****GeoGlobal Resources Inc.**

(a development stage enterprise)

**December 31, 2004**

7.

**RELATED PARTY TRANSACTIONS (continued)**

d)

**D.I. Investments Ltd.**

D.I. Investments Ltd. is related to the Company by common management and is controlled by a director of the Company. The related party charged as consulting fees for services rendered as outlined and recorded below:

	Year ended	Year ended	Period from Inception, August 21, 2002 to December 31-2002
	<b>December 31-2004</b>	December 31-2003	
	US \$	US \$	US \$

## Consolidated Statement of Operations

Consulting fees	<b>120,000</b>	61,715	--
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The related party was also reimbursed for office costs, including rent, parking, office supplies and telephone as well as travel, hotel, meals and entertainment expenses incurred during the periods as outlined and recorded below:

## Consolidated Statement of Operations

## General and administrative

Office costs	<b>65,073</b>	33,802	6,198
Travel, hotel, meals and entertainment	<b>3,344</b>	39,045	--
	<b>68,417</b>	72,847	6,198

At December 31, 2004, the Company owed D.I. Investments Ltd. US\$nil (December 31, 2003 D.I. Investments owed the Company US\$1,640) 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.

e)

**Amicus Services Inc.**

Amicus Services Inc. is related to the Company as Amicus Services Inc. is controlled by the brother of a director of the Company. The related party charged as consulting fees for services rendered as outlined below:

## Consolidated Statement of Operations

Consulting fees	<b>33,921</b>	14,469	--
-----------------	---------------	--------	----

The related party was also reimbursed for office costs, including parking, office supplies and telephone as well as travel and hotel expenses incurred during the periods as outlined and recorded below:

## Consolidated Statement of Operations

General and administrative	<b>1,961</b>	168	--
----------------------------	--------------	-----	----

## Consolidated Balance Sheets

Accounts receivable	<b>967</b>	3,052	--
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Property and equipment	<b>1,599</b>	--	--
------------------------	--------------	----	----

	<b>4,527</b>	3,220	--
--	--------------	-------	----

At December 31, 2004, the Company owed Amicus Services Inc. US\$3,521 (December 31, 2003 US\$7,388) 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.

**Notes to the Consolidated Financial Statements****GeoGlobal Resources Inc.**

(a development stage enterprise)

**December 31, 2004****8.****INCOME TAXES****a)****Income tax expense**

The provision for income taxes in the consolidated financial statements differs from the result which would have been obtained by applying the combined Federal, State and Provincial tax rates to the loss before income taxes. This difference results from the following items:

	<b>Year ended</b>	Year ended	Period from
	<b>December 31-2004</b>	December 31-2003	Inception,
	US \$	US \$	August 21-2002 to December 31-2002
			US \$
Net loss	<b>(867,496)</b>	(477,695)	(13,813)
Expected US tax rate	<b>40.66%</b>	40.66%	42.12%
Expected income tax recovery	<b>(352,724)</b>	(194,231)	(5,818)
Excess of expected tax rate over tax rate			
of foreign affiliates	<b>54,623</b>	70,932	--
Valuation allowance	<b>293,552</b>	122,208	5,925
Other	<b>4,549</b>	1,091	(107)
<b>Income tax recovery</b>	<b>--</b>	--	--

**b)****Deferred income taxes**

The Company has not recognized the deferred income tax asset because the benefit is not more likely than not to be realized. The components of the net deferred income tax asset consist of the following temporary differences:

	<b>December 31, 2004</b>	December 31, 2003
	US \$	US \$
Difference between tax base and reported amounts of		
depreciable assets	<b>2,679</b>	5,078
Non-capital loss carry forwards	<b>524,904</b>	117,130
	<b>527,583</b>	122,208
Valuation allowance	<b>(527,583)</b>	(122,208)
<b>Deferred income tax asset</b>	<b>--</b>	<b>--</b>

c)

### Loss carry forwards

At December 31, 2004, the Company has US\$1,461,079 of available loss carry forwards to reduce taxable income for income tax purposes in the various jurisdictions as outlined below which have not been reflected in these consolidated financial statements.

	<b>Amount</b>	<b>Expiry Dates</b>
<b>Tax Jurisdiction</b>	<b>US \$</b>	<b>Commence</b>
United States	1,252,354	2023
Canada	28,926	2010
Barbados	113,022	2012

**Notes to the Consolidated Financial Statements****GeoGlobal Resources Inc.****(a development stage enterprise)****December 31, 2004****9.****SEGMENTED INFORMATION**

The Company's petroleum and natural gas exploration and development activities are conducted in India. Management of the Company considers the operations of the Company as one operating segment. The following information relates to the Company's geographic areas of operation.

	<b>December 31-2004</b>	December 31-2003
	<b>Property and equipment</b>	Property and equipment
	US \$	US \$
Canada	<b>97,482</b>	58,451
India	<b>684,110</b>	237,092
	<b>781,592</b>	295,543

**10.****COMMITMENTS****a)****Exploration Block KG-OSN-2001/3 Block**

Under the terms of this Production Sharing Contract, GeoGlobal, along with its joint venture participants have committed to the Government of India an exploration work program as outlined below. All of GeoGlobal's share of any and all costs incurred during the exploration phase prior to the date of initial commercial production are the responsibility of GSPC pursuant to the CIA executed on August 27, 2002, as described in note 3d.

**Phase I (2.5 years)**

(i)

*1250 km2 3D seismic program consisting of acquisition, processing and interpretation*

(ii)

*reprocessing of 2298.4 km of 2D seismic data*

(iii)

*bathymetric survey and seabed sampling*

(iv)

*drill 14 exploratory wells between 900 to 4118 meters (2 wells have been drilled)*

*(italics denotes work completed)*

**Phase II (2.5 years)**

(i)

bathymetric survey and seabed sampling

(ii)

drill 4 exploratory wells between 1100 to 2850 meters

**Phase III (1.5 years)**

(i)

bathymetric survey and seabed sampling

(ii)

drill 2 exploratory wells to 1550 and 1950 meters

**Land Relinquishment**

(i)

Phase I 25%

(ii)

Phase II 25%

(iii)

Phase III 100% except for development and discovery areas



Under the terms of the CIA, all of GeoGlobal's and RGM's 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. The total of these costs and expenses is estimated to be approximately US\$11 million over the 6.5 year term of this PSC.

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**Notes to the Consolidated Financial Statements**

**GeoGlobal Resources Inc.**

**(a development stage enterprise)**

**December 31, 2004**

**10.**

**COMMITMENTS (continued)**

**b)**

**Exploration Block CB-ONN-2002/2 ( Mehsana )**

Pursuant to the PSC in respect of this Mehsana Block, on August 18, 2004, the Company executed a Financial and Performance Guarantee to the Government of India to fulfill the Company's obligations under the terms of the PSC, which includes the completion of its 10% share of a minimum work commitment for Phase I, estimated to be approximately US\$606,000.

Under the terms of this PSC, GeoGlobal, along with its joint venture participants have committed to the Government of India an exploration work program as outlined below. The Company will be required to fund its proportionate share of costs incurred in these activities which are estimated to be approximately US\$1.0 million over the 6 year term of this PSC.

Phase I (2.5 years)

(i)

Acquire 75 sq kms 3D seismic

(ii)

Reprocess 650 kms of 2D seismic

(iii)

Drill 7 exploratory wells between 1000 and 2200 meters

**Phase II (2.0 years)**

(i)

Drill 2 exploratory wells 2000 meters

Phase III (1.5 years)

(i)

Drill 2 exploratory wells 2000 meters

**Land Relinquishment**

(i)

Phase I 25%

(ii)

Phase II 25%

(iii)

Phase III 100% except for development and discovery areas

c)

**Exploration Block CB-ONN-2002/3 Block ( Sanand and Mirola )**

Pursuant to the PSC in respect of this Sanand and Mirola Block, on August 24, 2004, the Company executed a Financial and Performance Guarantee to the Government of India to fulfill the Company's obligations under the terms of the PSC, which includes the completion of its 10% share of a minimum work commitment for Phase I, estimated to be approximately US\$1,097,000.

Under the terms of this PSC, GeoGlobal, along with its joint venture participants have committed to the Government of India an exploration work program as further outlined below. The Company will be required to fund its proportionate share of costs incurred in these activities which are estimated to be approximately US\$1.5 million over the 6 year term of this PSC.

Phase I (2.5 years)

(i)

Acquire 200 sq kms 3D seismic

(ii)

Reprocess 1000 kms of 2D seismic

(iii)

Drill 12 exploratory wells between 1500 and 3000 meters

Phase II (2.0 years)

(i)

Drill 3 exploratory wells 2000 meters

Phase III (1.5 years)

(i)

Drill 2 exploratory wells 2000 meters

Land Relinquishment

(i)

Phase I 25%

(ii)

Phase II 25%

(iii)

Phase III 100% except for development and discovery areas

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**Notes to the Consolidated Financial Statements**

**GeoGlobal Resources Inc.**

**(a development stage enterprise)**

**December 31, 2004**

**10.**

**COMMITMENTS (continued)**

**d)**

**Restricted cash**

Under the terms of the Production Sharing Contracts (notes 3b(ii) and (iii)), the Company is to provide the Government of India a guarantee for the performance of the minimum work commitments for the first budget period ending March 31, 2005 of Phase I of both Cambay Blocks. As a result, the Company has provided to the Government of India two irrevocable letters of credit totalling US\$206,796 (Mehsana US\$74,530 and Sanand and Mirola US\$132,266) secured by term deposits of the Company in the same amount.

**11.**

**COMPARATIVE FIGURES**

**a)**

As a result of the reverse takeover outlined in note 1, the comparatives are those of the continuing entity for accounting purposes and are for the year ended December 31, 2003 and for the period from inception, August 21, 2002 to December 31, 2002.

**b)**

As the Company is in its development stage, these are the accumulated amounts of the continuing entity for the period from inception, being August 21, 2002 to December 31, 2004.

**12.**

## SUBSEQUENT EVENT

Subsequent to the year-end, the Board of Directors of the Company passed the following resolutions with respect to stock options, subject to shareholder approval:

a)

On January 17, 2005, the Board of Directors resolved:

(i)

to amend the Company's 1998 Stock Incentive Plan to increase the shares reserved for the grant of options from 3,900,000 to 8,000,000;

(ii)

to grant 580,000 options exercisable at US\$1.01 per share to employees and consultants vesting at various dates throughout 2005 and expiring on August 31, 2006;

(iii)

to extend the expiration date of the options granted to employees and consultants on December 9, 2003 for 2,000,000 shares from August 31, 2005 to August 31, 2006;

(iv)

to grant 210,000 options exercisable at US\$1.01 per share to non-employees and consultants vesting at various dates throughout 2005 and expiring on August 31, 2006; and

(v)

to extend the expiration date of the options granted to non-employees and consultants on December 30, 2003 for 945,000 shares less 150,000 shares cancelled from August 31, 2005 to August 31, 2006.

b)

On January 18, 2005, the granting of 600,000 options to employees and consultants exercisable at US\$1.10 per share, vesting at various dates throughout 2005 and expiring on August 31, 2006.

c)

On January 25, 2005, the granting of 60,000 options to non-employees and consultants exercisable at US\$1.17 per share, vesting at various dates throughout 2005 and expiring on August 31, 2006.



**Notes to the Consolidated Financial Statements**

**GeoGlobal Resources Inc.**

**(a development stage enterprise)**

**December 31, 2004**

**13.**

**RECENT ACCOUNTING STANDARDS**

On December 16, 2004, the Financial Accounting Standards Board (FASB) issued FASB Statement No. 123 (revised 2004), *Share-Based Payment*, which is a revision of FASB Statement No. 123, *Accounting for Stock-Based Compensation*. Statement 123(R) supersedes APB Opinion No. 25, *Accounting for Stock Issued to Employees*, and amends FASB Statement No. 95, *Statement of Cash Flows*. Generally, the approach in Statement 123(R) is similar to the approach described in Statement 123. However, Statement 123(R) requires all share-based payments to employees, including grants of employee stock options, to be recognized in the income statement based on their fair values. Pro forma disclosure is no longer an alternative.

Statement 123(R) must be adopted no later than January 1, 2006. Early adoption will be permitted in periods in which financial statements have not yet been issued. The Company is adopting Statement 123(R) on January 1, 2005.

Statement 123(R) permits public companies to adopt its requirements using one of two methods:

1.

A modified prospective method in which compensation cost is recognized beginning with the effective date (a) based on the requirements of Statement 123(R) for all share-based payments granted after the effective date and (b) based on the requirements of Statement 123 for all awards granted to employees prior to the effective date of Statement 123(R) that remain unvested on the effective date.

2.

A modified retrospective method which includes the requirements of the modified prospective method described above, but also permits entities to restate based on the amounts previously recognized under Statement 123 for purposes of pro forma disclosures either (a) all prior periods presented or (b) prior interim periods of the year of adoption.

The Company is adopting Statement 123(R) using the modified prospective method.

Prior to January 1, 2005, as permitted by Statement 123, the Company accounted for share-based payments to employees using APB Opinion No. 25's intrinsic value method and, as such, generally recognized no compensation cost for employee stock options. Accordingly, the adoption of Statement 123(R)'s fair value method will have a significant impact on the Company's result of operations, although it will have no impact on the Company's overall



financial position. The impact of adoption of Statement 123(R) cannot be predicted at this time because it will depend on levels of share-based payments granted in the future. However, had the Company adopted Statement 123(R) in prior periods, the impact of that standard would have approximated the impact of Statement 123 as described in the disclosure of pro forma net loss and loss per share in Note 5b to the Company's consolidated financial statements.

**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities and Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

**GeoGlobal Resources Inc.**

**By:**

/s/ Allan J. Kent

**Allan J. Kent**

**Executive Vice President and CFO**

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Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Company and in the capacities and on the dates indicated.

<b><u>Signature</u></b>	<b><u>Title</u></b>	<b><u>Date</u></b>
<u>/s/ Jean Paul Roy</u> Jean Paul Roy	President, Chief Executive Officer and Director	August 2, 2005
<u>/s/ Allan J. Kent</u> Allan J. Kent	Executive Vice President, Chief Financial Officer and Director	August 2, 2005
<u>/s/ Brent J. Peters</u> Brent J. Peters	Director	August 2, 2005
<u>/s/ Peter R. Smith</u> Peter R. Smith	Chairman of the Board and Director	August 2, 2005
<u>/s/ Michael J. Hudson</u> Michael J. Hudson	Director	August 2, 2005