GEOGLOBAL RESOURCES INC.
Form 10-Q
May 15, 2007

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, 2007;
or		
o		Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from ____________ to ____________.

Commission file Number: 1-32158

GEOGLOBAL RESOURCES INC.

(Exact name of registrant as specified in its charter)

DELAWARE		33-0464753
(State or other jurisdiction of incorporation of organization)		(I.R.S. employer identification no.)

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

(Address of principal executive offices, zip code)
403/777-9250

(Registrant’s Telephone Number, Including Area Code)
Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the proceeding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
YES [X] NO [ ]
Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer (as defined in Rule 12b-2 of the Exchange Act).
Large accelerated filer   Accelerated filer   þ Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
YES [ ] NO [X]
Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class		Outstanding at May 14, 2007

COMMON STOCK, PAR VALUE $.001 PER SHARE		66,228,256

Table of Contents

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

TABLE OF CONTENTS

Table of Contents

PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

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

	March 31, 2007 US $	December 31, 2006 US $
Assets		
Current		
Cash and cash equivalents	**29,534,112**	32,362,978
Accounts receivable	**159,753**	202,821
Prepaids and deposits	**143,492**	31,232
	29,837,357	32,597,031
Restricted cash (note11a)	**3,194,696**	3,590,769
Property and equipment (note 3)	**522,521**	183,427
Oil and gas interests, not subject to depletion (note 4)	**11,431,133**	9,722,738
	44,985,707	46,093,965
Liabilities		
Current		
Accounts payable	**439,234**	1,888,103
Accrued liabilities	**271,130**	33,487
Due to related companies (notes 8c, 8d and 8e)	**8,896**	33,605
	719,260	1,955,195
Stockholders' Equity (note 5)		
Capital stock		
Authorized		
100,000,000 common shares with a par value of US$0.001 each		
1,000,000 preferred shares with a par value of US$0.01 each		
Issued		
66,228,255 common shares (December 31, 2006 - 66,208,255)	**51,637**	51,617
Additional paid-in capital	**47,662,044**	47,077,827
Deficit accumulated during the development stage	**(3,447,234)**	(2,990,674)
	44,266,447	44,138,770
	44,985,707	46,093,965

See Commitments, Contingencies and Guarantees (note 11)

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

Table of Contents

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

	Three months ended Mar 31, 2007 US $	Three months ended Mar 31, 2006 US $	Period from Inception, Aug 21, 2002 to Mar 31, 2007 US $
		Restated (note 12b)	(note 12a)
Expenses (notes 6b, 8c, 8d and 8e)			
General and administrative	**387,000**	272,204	2,897,716
Consulting fees	**266,540**	78,917	2,130,791
Professional fees	**231,572**	35,741	984,248
Depreciation	**11,650**	9,689	222,960
	896,762	396,551	6,235,715
Other expenses (income)			
Consulting fees recovered	**--**	--	(66,025)
Equipment costs recovered	**--**	--	(19,395)
Gain on sale of equipment	**--**	--	(42,228)
Foreign exchange (gain) loss	**(4,509)**	1,331	22,038
Interest income	**(435,693)**	(399,869)	(2,682,871)
	(440,202)	(398,538)	(2,788,481)
Net earnings (loss) and comprehensive earnings (loss) for the period (note 9)	**(456,560)**	1,987	(3,447,234)
Net earnings (loss) per share - basic and diluted (note 5f)	**(0.01)**	0.00	

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

Table of Contents

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

	Three months ended Mar 31, 2007 US $	Three months ended Mar 31, 2006 US $	Period from Inception, Aug 21, 2002 to Mar 31, 2007 US $
		Restated (note 12b)	(note 12a)
Cash flows provided by (used in) operating activities			
Net earnings (loss)	**(456,560)**	1,987	(3,447,234)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation	**11,650**	9,689	222,960
Gain on sale of equipment	**--**	--	(42,228)
Stock-based compensation (note 6b)	**352,245**	85,095	1,542,421
Changes in operating assets and liabilities:			
Accounts receivable	**43,068**	(131,001)	(84,753)
Prepaids and deposits	**(112,260)**	53,111	(143,492)
Accounts payable	**124,034**	(32,200)	158,685
Accrued liabilities	**--**	--	33,487
Due to related companies	**(24,709)**	(81,356)	(32,860)
	(62,532)	(94,675)	(1,793,014)
Cash flows provided by (used in) investing activities			
Oil and gas interests	**(1,496,603)**	(2,226,981)	(10,452,652)
Property and equipment:	**(350,744)**	(40,257)	(786,053)
Proceeds on sale of equipment	**--**	--	82,800
Cash acquired on acquisition (note 7)	**--**	--	3,034,666
Restricted cash (note 11a)	**396,073**	(36,374)	(3,194,696)
Changes in investing assets and liabilities:			
Cash call receivable	**--**	(18,421)	--
Accounts payable	**(1,572,903)**	294,077	231,541
Accrued liabilities	**237,643**	1,118,000	237,643
	(2,786,534)	(909,956)	(10,846,751)
Cash flows provided by (used in) financing activities			
Proceeds from issuance of common shares	**20,200**	2,169,800	46,251,690
Share issuance costs	**--**	(13,552)	(2,165,871)
Changes in financing liabilities:			
Note payable (note 8a)	**--**	--	(2,000,000)

Accounts payable	**--**	(10,800)	61,078
Due to shareholder	**--**	--	--
Due to related companies	**--**	--	26,980
	20,200	2,145,448	42,173,877
Net increase (decrease) in cash and cash equivalents	**(2,828,866)**	1,140,817	29,534,112
Cash and cash equivalents, beginning of period	**32,362,978**	36,037,388	--
Cash and cash equivalents, end of period	**29,534,112**	37,178,205	29,534,112
Cash and cash equivalents			
Current bank accounts	**83,453**	629,290	83,453
Term deposits	**29,450,659**	36,548,915	29,450,659
	29,534,112	37,178,205	29,534,112
Cash taxes paid during the period	**5,375**	15,550	39,463

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

Table of Contents

GeoGlobal Resources Inc.
(a development sate enterprise)
Notes to the Consolidated Financial Statements
(Unaudited)
March 31, 2007

1. Nature of Operations

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

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

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

2. Significant Accounting Policies

a) Basis of presentation

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

Table of Contents

GeoGlobal Resources Inc.
(a development sate enterprise)
Notes to the Consolidated Financial Statements
(Unaudited)
March 31, 2007

2. Basis of presentation (continued)

These consolidated financial statements include the accounts of (i) GeoGlobal Resources Inc., from the date of acquisition, being August 29, 2003, (ii) GeoGlobal Resources (India) Inc., incorporated under the *Business Corporations Act* (Alberta), Canada on August 21, 2002 and continued under the *Companies Act of Barbados*, West Indies on June 27, 2003, which is a wholly-owned subsidiary of GeoGlobal Resources Inc., (iii) GeoGlobal Resources (Canada) Inc., incorporated under the *Business Corporations Act* (Alberta), Canada on September 4, 2003, which is a wholly-owned subsidiary of GeoGlobal Resources Inc., (iv) GeoGlobal Resources (Barbados) Inc. incorporated under the *Companies Act of Barbados*, West Indies on September 24, 2003, which is the wholly-owned subsidiary of GeoGlobal Resources (Canada) Inc., and (v) GeoGlobal Oil & Gas (India) Private Limited, incorporated under the *Companies Act, 1956,* Maharashtra, India on May 5, 2006.

b) Stock-based compensation plan

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

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

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

3. Property and Equipment

	March 31, 2007 **US$**	December 31, 2006 US$
Computer and office equipment	**324,419**	324,419
Accumulated depreciation	**(180,732)**	(169,082)
	143,687	155,337
Office condominium deposit	**378,834**	28,090
	522,521	183,427

On November 21, 2006 the Company entered into a Memorandum of Understanding with Creative InfoCity Ltd of Gandhinagar, India to acquire an office condominium of approximately 11,203 sq. ft. A deposit of US$378,834 was paid which is reflected in the financial statements. A formal purchase and sale agreement has not yet been executed.

Table of Contents

GeoGlobal Resources Inc.
(a development sate enterprise)
Notes to the Consolidated Financial Statements
(Unaudited)
March 31, 2007

4. Oil and Gas Interests

	March 31, 2007 US$	December 31, 2006 US$
Exploration - India		
Exploration costs incurred in:		
2002	21,925	21,925
2003	156,598	156,598
2004	460,016	460,016
2005	1,578,124	1,578,124
2006	7,506,075	7,506,075
	9,722,738	9,722,738
2007	**1,708,395**	--
	11,431,133	9,722,738

a) Exploration costs - India

The exploration costs incurred to date are not subject to depletion and cover six exploration blocks, known as the KG Offshore Block, the Mehsana Block, the Sanand/Miroli Block, the Ankleshwar Block, the DS 03 Block and the Tarapur Block. It is anticipated that all or certain of these exploration costs may be subject to depletion commencing in the year 2007.

b) Capitalized overhead costs

Included in the US$1,708,395 of exploration cost additions during the three months ended March 31, 2007 (year ended December 31, 2006 - US$7,506,075) are certain overhead costs capitalized by the Company in the amount of US$905,735 (year ended December 31, 2006 - US$2,133,984) directly related to the exploration activities in India. The capitalized overhead amount includes capitalized stock-based compensation of US$211,792 (year ended December 31, 2006 - US$766,689) (see note 6b) of which US$57,050 (year ended December 31, 2006 - US$323,283) was for the account of a related party (see note 8c). Further, the capitalized overhead amount includes US$548,943 (year ended December 31, 2006 - US$1,000,705) which was paid to third parties and $nil (year ended December 31, 2006 - US$nil) was recovered from third parties. The balance of US$145,000 was paid to and on behalf of a related party (year ended December 31, 2006 - US$366,590) (see note 8c). These costs are incurred solely by and on behalf of the Company in providing its services under the Carried Interest Agreement (“CIA”) and are therefore not reimbursable under the CIA (see note 4c).

c) Carried Interest Agreement

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

Under the terms of the CIA, all of GeoGlobal's and Roy Group (Mauritius) Inc.'s (“RGM”), a related party (see note 8b) proportionate share of capital costs for exploration and development activities will be recovered by GSPC without interest over the projected production life or ten years, whichever is less, from oil and natural gas produced on the Exploration Block. GeoGlobal is not entitled to any share of production until GSPC has recovered the Company's share of the costs and expenses that were paid by GSPC on behalf of the Company and RGM.

As at March 31, 2007, GSPC has incurred costs of Rs 140.40 crore (approximately US$32.6 million) (December 31, 2006 - Rs 114.96 crore (approximately US$26.1 million)) attributable to GeoGlobal under the CIA of which 50% is for the account of RGM.

Table of Contents

GeoGlobal Resources Inc.
(a development sate enterprise)
Notes to the Consolidated Financial Statements
(Unaudited)
March 31, 2007

4. Oil and Gas Interests (continued)

d) Participating Interest Agreement

On March 27, 2003, GeoGlobal entered into a Participating Interest Agreement (“PIA”) with RGM, whereby GeoGlobal assigned and holds in trust for RGM subject to GOI consent, 50% of the benefits and obligations of the PSC covering the Exploration Block KG-OSN-2001/3 ("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 GOI 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, RGM has agreed to be bound by and be responsible for the actions taken by, obligations undertaken and costs incurred by GeoGlobal in regard to RGM's interest and to be liable to GeoGlobal for its share of all costs, interests, liabilities and obligations arising out of or relating to the RGM interest. RGM has agreed to indemnify GeoGlobal against any and all costs, expenses, losses, damages or liabilities incurred by reason of RGM's failure to pay the same. Subject to obtaining the government consent to the assignment, RGM is entitled to all income, receipts, credits, reimbursements, monies receivable, rebates and other benefits in respect of its 5% interest which relate to the 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 ("PI").

e) Deed of Assignment and Assumption

On April 7, 2005, the Company entered into a Deed of Assignment and Assumption with GSPC whereby, subject to the terms of the agreement, the Company agreed to acquire and assume and GSPC agreed to assign a 20% PI in the onshore Tarapur exploration block (CB-ON/2). The assignment of the 20% PI was subject to obtaining the consent of the GOI to the assignment, which consent was received effective August 24, 2006. As a condition to receiving the GOI consent, the Company provided to the GOI an irrevocable letter of credit in the amount of US$940,000 secured by a term deposit of the Company in the same amount (see note 11a). This amount represents the Company’s performance guarantee for its 20% PI share of the estimated exploration costs budgeted for the period April 1, 2007 through November 22,, 2007.

Under the terms of the Company's agreement with GSPC, the Company is to fund its 20% PI share of all past exploration costs incurred on the Tarapur exploration block. As at March 31, 2007 US$3,972,765 (year ended December 31, 2006 - US$3,972,765) has been included in oil and gas interests for our PI share of costs incurred in the previous drilling of eight exploration wells and a recently completed 500 sq. km. 3D seismic acquisition.

Table of Contents

GeoGlobal Resources Inc.
(a development sate enterprise)
Notes to the Consolidated Financial Statements
(Unaudited)
March 31, 2007

5. Capital Stock
a) Common shares

	Number of shares	Capital stock US $	Additional paid-in capital US $
Balance at December 31, 2002	1,000	64	--
2003 Transactions			
Capital stock of GeoGlobal at August 29, 2003	14,656,687	14,657	10,914,545
Common shares issued by GeoGlobal to acquire GeoGlobal India	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 7)	(1,000)	(14,657)	(10,914,545)
Options exercised for cash	396,668	397	101,253
December 2003 private placement financing (note 5c)	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	115,000	115	154,785
Broker Warrants exercised for cash (note 5c)	39,100	39	58,611
	154,100	154	213,396
Balance as at December 31, 2004	55,207,455	40,615	6,831,434
2005 Transactions			
Options exercised for cash	739,000	739	1,004,647
2003 Purchase Warrants exercised for cash	2,214,500	2,214	5,534,036
Broker Warrants exercised for cash (note 5c)	540,900	541	810,809
September 2005 private placement financing (note 5b)	4,252,400	4,252	27,636,348
Share issuance costs on private placement (note 5b)	--	--	(1,541,686)
	7,746,800	7,746	33,444,154
Balance as at December 31, 2005	62,954,255	48,361	40,275,588
2006 Transactions			

Options exercised for cash (note 5e(i))	2,284,000	2,285	2,706,895
Options exercised for notes receivable	184,500	185	249,525
2003 Purchase Warrants exercised for cash (note 5d(i))	785,500	786	1,962,964
Share issuance costs	--	--	(74,010)
Stock-based compensation (note 6b)	--	--	1,956,865
	3,254,000	3,256	6,802,239
Balance as at December 31, 2006	66,208,255	51,617	47,077,827
2007 Transactions			
Options exercised for cash (note 5e(i))	**20,000**	**20**	**20,180**
Stock-based compensation (note 6b)	**--**	**--**	**564,037**
	20,000	**20**	**584,217**
Balance as at March 31, 2007	**66,228,255**	**51,637**	**47,662,044**

Table of Contents

GeoGlobal Resources Inc.
(a development sate enterprise)
Notes to the Consolidated Financial Statements
(Unaudited)
March 31, 2007

5. Capital Stock (continued)

b) September 2005 Financing

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

Each Unit is comprised of one common share and one half of one warrant. One full warrant ("2005 Purchase Warrant") entitles the holder to purchase one additional common share for US$9.00, for a term of two years expiring September 2007. The 2005 Purchase Warrants are subject to accelerated expiration in the event that the price of the Company's common shares on the American Stock Exchange is US$12.00 or more for 20 consecutive trading days, the resale of the shares included in the Units and issuable on exercise of the 2005 Purchase Warrants has been registered under the US Securities Act of 1933, as amended (the "Act"), and the hold period for Canadian subscribers has expired. In such events, the warrant term will be reduced to 30 days from the date of issuance of a news release announcing such accelerated expiration of the warrant term. At May 10, 2007 since not all such events have occurred, the accelerated expiration of the warrant term was not triggered.

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

c) December 2003 Financing

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

Each unit is comprised of one common share and one half of one warrant. One full warrant ("2003 Purchase Warrant"), entitles the holder to purchase one additional common share for US$2.50, for a term of two years from date of closing. The 2003 Purchase Warrants are subject to accelerated expiration 30 days after issuance of a news release to that effect in the event that the common shares trade at US$4.00 or more for 20 consecutive trading days and if the resale of the shares has been registered under the 1933 Act and the hold period for Canadian subscribers has expired. Also issued as additional consideration for this transaction were 580,000 Broker Warrants.

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

GeoGlobal Resources Inc.
(a development sate enterprise)
Notes to the Consolidated Financial Statements
(Unaudited)
March 31, 2007

5. Capital Stock (continued)

d) Warrants

i) 2003 Purchase Warrants

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

ii) 2005 Purchase Warrants

During the three months ended March 31, 2007, none of the 2005 Purchase Warrants were exercised, therefore all of the 2005 Purchase Warrants remained outstanding, which if exercised, would result in the issuance of 2,126,200 common shares for gross proceeds of US$19,135,800.

iii) Compensation Option Warrants

During the three months ended March 31, 2007, none of the 97,572 Compensation Option Warrants have been issued as a result of the Compensation Options not being exercised. If the Compensation Options are exercised and the Compensation Option Warrants issued, such Warrants if exercised, would result in the issuance of 97,572 common shares for gross proceeds of US$878,148.

e) Options

i) Stock Options

During the three months ended March 31, 2007, 20,000 (December 31, 2006 - 2,468,500) options were exercised at a price of US$1.01 for gross proceeds of US$20,200 (December 31, 2006 - US$2,709,180).

ii) Compensation Options

As at March 31, 2007, none of the 195,144 Compensation Options were exercised. When fully exercised, the Compensation Options would result in the issuance of 97,572 compensation option warrants, and the issuance of 195,144 common shares for gross proceeds of US$1,268,436.

f) 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 three months ended March 31, 2007 was 61,214,700 (three months ended March 31, 2006 - 58,542,772). The number for the three months ended March 31, 2006 and 2005 excludes the 5,000,000 shares currently held in escrow (see note 7).

6. Stock Options

a) The Company's 1998 Stock Incentive Plan

Under the terms of the 1998 Stock Incentive Plan (the "Plan"), as amended, 12,000,000 common shares have been reserved for issuance on exercise of options granted under the Plan. As at March 31, 2007, the Company had 3,500,697 (December 31, 2006 - 3,650,697) 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.

Table of Contents

GeoGlobal Resources Inc.
(a development sate enterprise)
Notes to the Consolidated Financial Statements
(Unaudited)
March 31, 2007

6. Stock Options (continued)

b) Stock-based compensation

The Company adopted FAS 123(R), using the modified-prospective-transition method on January 1, 2006. Under this method, the Company is required to recognize compensation cost for stock-based compensation arrangements with employees, consultants and directors based on their grant date fair value using the Black-Scholes option-pricing model, such cost to be expensed over the compensations' respective vesting periods.

	Three months ended Mar 31, 2007 US $	Three months ended Mar 31, 2006 US $	Period from Inception Aug 21, 2002 to Mar 31, 2007 US $
		Restated note 6b(iii)	
Stock based compensation			
Consolidated Statements of Operations			
General and administrative	**183,090**	85,095	746,641
Consulting fees	**169,155**	--	795,780
	352,245	85,095	1,542,421
Consolidated Balance Sheets			
Oil and gas interests			
Exploration costs - India	**211,792**	33,713	978,481
	564,037	118,808	2,520,902

i) At January 1, 2006, the impact of the adoption of FAS123(R) required the Company to recognize a charge for past stock-based compensation options granted of US$367,596 over the next 3 years in accordance with their respective vesting periods. In the period from inception August 21, 2002 to March 31, 2007 US$315,101 and for the three months ended March 31, 2007 and March 31, 2006, US$14,073 and US$118,808, respectively of this charge was recognized in the Consolidated Statements of Operations as general and administrative expense resulting in an increase in the net loss and comprehensive loss for the period in the same amount and no impact on the net loss per share - basic and diluted for the period.

ii) At March 31, 2007, the total compensation cost related to non-vested awards not yet recognized was US$1,389,849 (December 31, 2006 - US$1,577,286) which will be recognized over the remaining vesting period of the options. The total fair value of all options vested during the three months ended March 31, 2007 was $nil (year ended December 31, 2006 - US$1,046,490).

iii) In prior years, the Company was required only to disclose the impact on net loss and net loss per share on a pro-forma basis. The prior periods have been restated due to an error in the classification and calculation for modification of stock-based compensation. The impact of this restatement in the year ended December 31, 2005 was a reduction of the net loss pro-forma from US$2,452,180 to US$1,080,303 (year ended December 31, 2004 - US$1,182,030 to US$1,094,259) and a reduction of the net loss per share - basic and diluted pro-forma from US$0.05 to US$0.02 (year ended December 31, 2004 - no impact and remained at US$0.02). In addition, in December 31, 2005, US$183,581 of stock based compensation was reclassified from operating expenses to capital expenditures (December 31, 2004 - US$87,771 - From inception of August 21, 2002 to December 31, 2003 - US$53,354).

Page13

Table of Contents

GeoGlobal Resources Inc.
(a development sate enterprise)
Notes to the Consolidated Financial Statements
(Unaudited)
March 31, 2007

6. Stock Options (continued)

c) Black-Scholes Assumptions

During the periods ended March 31, 2007 and 2006 options of 150,000 and nil respectively were granted to the Company's directors, employees and consultants under the terms of the 1998 Stock Incentive Plan. The fair value of each option granted was estimated on the date of grant using the Black-Scholes option-pricing model. Weighted average assumptions used in the valuation are disclosed in the following table:

	Three months ended Mar 31, 2007 US $	Three months ended Mar 31, 2006 US $
Fair value of stock options granted (per option)	**$2.51**	--
Risk-free interest rate	**3.97%**	--
Volatility	**73%**	--
Expected life	**2.0 years**	--
Dividend yield	**0%**	--

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

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

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

d) Stock option table

These options were granted for services provided to the Company:

Grant date mm/dd/yy	Option exercise price US $	Fair Value at Original Grant Date US$	Expiry date mm/dd/yy	Vesting date mm/dd/yy	Balance Dec 31/06 #	Granted during the period #	Cancelled (c) Expired (x) Exercised (e) during the period #	Balance Mar 31/07 iii) #	Balance Exercisable Mar 31/07 #
12/09/03	1.18	0.24	08/31/06	Vested	--	--	--	--	--
12/30/03	1.50	0.32	08/31/06	Vested	--	--	--	--	--
01/17/05	1.01	0.38	i) 06/30/07	Vested	202,500	--	iv) 20,000 (e)	182,500	182,500
01/17/05	1.01	0.38	i) 06/30/07	05/31/07	150,000	--	--	150,000	--
01/18/05	1.10	0.62	08/31/08	Vested	600,000	--	--	600,000	600,000
01/25/05	1.17	0.43	08/31/06	Vested	--	--	--	--	--
06/14/05	3.49	1.55	06/14/15	Vested	150,000	--	--	150,000	150,000
08/24/05	6.50	2.38	08/24/08	Vested	110,000	--	--	110,000	110,000
10/03/05	6.81	3.07	10/03/15	Vested	16,666	--	-	16,666	16,666
10/03/05	6.81	3.83	10/03/15	10/03/07	16,667	--	--	16,667	--
10/03/05	6.81	4.38	10/03/15	10/03/08	16,667	--	--	16,667	--

06/14/06	5.09	2.06	06/14/16	06/14/07	200,000	--	--	200,000	--
07/25/06	3.95	1.14	12/31/09	Vested	100,000	--	--	100,000	100,000
07/25/06	3.95	1.39	12/31/09	07/25/07	660,000	--	--	660,000	--
07/25/06	3.95	1.60	12/31/09	12/31/07	50,000	--	--	50,000	--
07/25/06	3.95	1.78	12/31/09	07/25/08	145,000	--	--	145,000	--
07/25/06	3.95	2.01	12/31/09	07/25/09	70,000	--	--	70,000	--
07/25/06	3.95	1.14	07/25/16	Vested	500,000	--	--	500,000	500,000
07/25/06	3.95	1.14	07/25/16	07/25/07	500,000	--	--	500,000	--
11/24/06	7.52	2.47	11/24/09	06/30/07	10,000	--	--	10,000	--
11/24/06	7.52	2.92	11/24/09	12/31/07	10,000	--	--	10,000	--
11/24/06	7.52	3.70	11/24/09	12/31/08	10,000	--	--	10,000	--
03/30/07	6.11	2.02	ii) 03/30/10	12/31/07	--	50,000	--	50,000	--
03/30/07	6.11	2.69	ii) 03/30/10	12/31/08	--	50,000	--	50,000	--
03/30/07	6.11	2.82	ii) 03/30/10	03/30/09	--	50,000	--	50,000	--
					3,517,500	150,000	20,000	3,647,500	1,659,166

Table of Contents

GeoGlobal Resources Inc.
(a development sate enterprise)
Notes to the Consolidated Financial Statements
(Unaudited)
March 31, 2007

6. Stock Options (continued)

i) On August 30, 2006, the Board of Directors of the Company passed a resolution with respect to the remaining stock options issued on January 17, 2005 to (a) extend the expiry date of all then outstanding options from August 31, 2006 to the earlier of June 30, 2007 or 60 days following the date of a "Commercial Discovery" as defined under the terms of the PSC on Block KG-OSN-2001/3 and (b) to extend the vesting date of certain of these options to the earlier of the date of a "Commercial Discovery" as defined under the terms of the PSC on Block KG-OSN-2001/3 or May 31, 2007, as long as drilling operations are continuing on the KG Offshore Block. This resolution resulted in an added incremental stock-based compensation cost of $11,440 with respect to the seven employees.

ii) During the three months ended March 31, 2007, the Company granted options to purchase 150,000 shares exercisable at $6.11 and expire on March 30, 2010, which vest in their entirety on the vesting dates.

iii) As at March 31, 2007, there were 3,647,500 options outstanding at various prices which, if exercised, would result in total proceeds of US$12,733,675.

iv) During the three months ended March 31, 2007, 20,000 options were exercised for gross cash proceeds of US$20,200.

Table of Contents

GeoGlobal Resources Inc.
(a development sate enterprise)
Notes to the Consolidated Financial Statements
(Unaudited)
March 31, 2007

7. 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 on 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 Offshore Block. On August 27, 2004, 14.5 million shares were released to Mr. Roy from escrow upon the commencement of a drilling program on the KG Offshore Block. The final 5.0 million shares remaining in escrow will be released only if a commercial discovery is declared on the KG Offshore Block. In addition to the shares of Common Stock, the Company delivered to Mr. Roy a US$2.0 million promissory note, of which US$500,000 was paid on the closing of the transaction on August 29, 2003, US$500,000 was paid on October 15, 2003, US$500,000 was paid on January 15, 2004 and US$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 were 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

Table of Contents

GeoGlobal Resources Inc.
(a development sate enterprise)
Notes to the Consolidated Financial Statements
(Unaudited)
March 31, 2007

8. Related Party Transactions

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

a) Note payable

On August 29, 2003, as part of the Acquisition (see note 7), 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 repaid. 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 who is also a principal shareholder of the Company. On March 27, 2003, the Company entered into a Participating Interest Agreement (see note 4d) with the related party.

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

Roy Group is related to the Company by common management and is controlled by a director of the Company who is also a principal shareholder of the Company. On August 29, 2003, the Company entered into a Technical Services Agreement ("TSA") with Roy Group to provide services to the Company as assigned by the Company and to bring new oil and gas opportunities to the Company. On January 31, 2006, the terms of the agreement were amended to extend the term of the agreement from August 31, 2006 to December 31, 2007. Roy Group receives consideration of US$350,000 per year, as outlined and recorded below:

	Three months ended Mar 31, 2007	Three months ended Mar 31, 2006	Period from Inception, Aug 21, 2002 to Mar 31, 2007
	US $	US $	US$
Consolidated Statements of Operations			
Consulting fees	**17,500**	17,500	216,167
Consolidated Balance Sheets			
Oil and gas interests			
Exploration costs - India (note 4b)	**70,000**	70,000	864,666
	87,500	87,500	1,080,833

During the three months ended March 31, 2007, the Company recognized compensation cost for stock-based compensation arrangements with the principal of Roy Group as outlined and recorded below:

Consolidated Statement of Operations			
Consulting fees	**14,263**	--	95,084
Consolidated Balance Sheets			
Oil & gas interests			
Exploration costs - India (note 4b)	**57,050**	--	380,333
	71,313	--	475,417

Table of Contents

GeoGlobal Resources Inc.
(a development sate enterprise)
Notes to the Consolidated Financial Statements
(Unaudited)
March 31, 2007

8. Related Party Transactions (continued)

Roy Group was also reimbursed on a cost recovery basis, for medical insurance and expenses; travel, hotel, meals and entertainment expenses; computer costs; and amounts billed by third parties incurred during the periods as outlined and recorded below:

	Three months ended Mar 31, 2007	Three months ended Mar 31, 2006	Period from Inception, Aug 21, 2002 to Mar 31, 2007
	US $	US $	US$
Consolidated Statement of Operations			
General and administrative	**--**	34,100	153,539
Consolidated Balance Sheets			
Accounts receivable	**--**	--	21,597
Oil & gas interests			
Exploration costs - India (note 4b)	**75,000**	35,738	459,387
Property and equipment	**--**	--	37,595
	75,000	69,838	672,118

At March 31, 2007 the Company owed Roy Group (Barbados) Inc. US$2,326 (December 31, 2006 - US$29,976) 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.

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

DI is related to the Company by common management and is controlled by a director of the Company. DI charged consulting fees up to December 31, 2006 for management, financial and accounting services rendered, as outlined and recorded below:

	Three months ended Mar 31, 2007	Three months ended Mar 31, 2006	Period from Inception, Aug 21, 2002 to Mar 31, 2007
	US $	US $	US$
Consolidated Statements of Operations			
Consulting fees	**--**	46,250	516,715

During the three months ended March 31, 2007, the Company recognized compensation cost for stock-based compensation arrangements with the principal of the related party as outlined and recorded below:

Consolidated Statement of Operations			
Consulting fees	**--**	--	404,104

Table of Contents

GeoGlobal Resources Inc.
(a development sate enterprise)
Notes to the Consolidated Financial Statements
(Unaudited)
March 31, 2007

8. Related Party Transactions (continued)

DI was also reimbursed on a cost recovery basis, 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:

	Three months ended Mar 31, 2007	Three months ended Mar 31, 2006	Period from Inception, Aug 21, 2002 to Mar 31, 2007
	US $	US $	US$
Consolidated Statements of Operations			
General and administrative			
Office costs	**1,125**	13,181	180,195
Travel, hotel, meals and entertainment	**--**	92	48,686
Consolidated Balance Sheets			
Accounts receivable	**67**	4,130	27,456
Property and equipment	**--**	--	4,107
	1,192	17,403	260,444

At March 31, 2007, the Company owed DI US$1,333 (December 31, 2006 -US$nil) 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")

Amicus is related to the Company by virtue of being controlled by the brother of a director of the Company. Amicus charged consulting fees for IT and computer related services rendered, as outlined below:

	Three months ended Mar 31, 2007	Three months ended Mar 31, 2006	Period from Inception, Aug 21, 2002 to Mar 31, 2007
	US $	US $	US$
Consolidated Statements of Operations			
Consulting fees	**13,550**	13,882	150,666

Amicus was also reimbursed on a cost recovery basis, 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 Statements of Operations			
General and administrative	**6,233**	--	10,701
Consolidated Balance Sheets			
Accounts receivable	**742**	692	11,016
Property and equipment	**--**	--	1,599
	6,975	692	23,316

At March 31, 2007, the Company owed Amicus Services Inc. US$5,237 (December 31, 2006 - US$3,629) 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.

GeoGlobal Resources Inc.
(a development sate enterprise)
Notes to the Consolidated Financial Statements
(Unaudited)
March 31, 2007

9. 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:

	Three months Ended Mar 31, 2007	Three months ended Mar 31, 2006	Period from Inception, Aug 21, 2002 to Mar 31, 2007
	US $	US $	US$
		Restated (note 12b)	
Net earnings (loss) before income taxes	**(456,560)**	1,987	(3,447,234)
Expected US tax rate	**35.00%**	35.00%	
Expected income tax (recovery)	**(159,796)**	(12,900)	(1,310,878)
Excess of expected tax rate over tax rate of foreign affiliates	**151,214**	8,137	724,230
	(8,582)	(4,763)	(586,648)
Valuation allowance	**8,235**	4,206	576,611
Other	**347**	557	10,037
Income tax recovery	**--**	--	--

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:

	Mar 31, 2007 US $	Dec 31, 2006 US $
Difference between tax base and reported amounts of depreciable assets	**38,132**	25,873
Non-capital loss carry forwards	**2,529,097**	2,525,363
	2,567,229	2,551,236
Valuation allowance	**(2,567,229)**	(2,551,236)
Deferred income tax asset	**--**	--

c) Loss carry forwards

At March 31, 2007, the Company has US$7,912,599 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.

Tax Jurisdiction	**Amount US $**	**Expiry Dates Commence**
United States	7,165,520	2023
Canada	7,994	2010
Barbados	739,085	2012

	7,912,599

Table of Contents

GeoGlobal Resources Inc.
(a development sate enterprise)
Notes to the Consolidated Financial Statements
(Unaudited)
March 31, 2007

10. Segmented Information

The Company's petroleum and natural gas exploration 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.

	Mar 31, 2007 US $	December 31, 2006 US $
Oil & gas interests		
India	**11,431,133**	9,722,738

11. Commitments, Contingencies and Guarantees

a) Restricted cash

i) The PSCs contain provisions whereby the joint venture participants must provide the GOI a bank guarantee in the amount of 35% of the participant's share of the minimum work program for a particular phase, to be undertaken annually during the budget period April 1 to March 31. These bank guarantees have been provided to the GOI and serve as guarantees for the performance of such minimum work program and are in the form of irrevocable letters of credit which are secured by term deposits of the Company in the same amount.

The term deposits securing these bank guarantees are as follows:

	March 31, 2007 US $	December 31, 2006 US $
Exploration Block		
Mehsana	**155,000**	711,445
Sanand/Miroli	**910,000**	905,000
Ankleshwar	**950,000**	600,000
Tarapur	**940,000**	1,200,000
DS	**175,000**	110,000
	3,130,000	3,526,445

ii) The Company has provided to its bankers as security for credit cards issued to employees for business purposes two term deposits, one in the amount of US$30,000 and the other in the amount of US$34,696 (Cdn$40,000).

b) Production Sharing Contracts

The Company is required to expend funds on the exploration activities to fulfill the terms of the minimum work commitment based on our participating interest for Phase I pursuant to the PSCs in respect of each of our exploration blocks as follows:

i) Mehsana - Acquire, process and interpret 75 square kilometers of 3D seismic and drill 7 exploratory wells between 1,000 and 2,200 meters.

ii) Sanand/Miroli - Acquire, process and interpret 200 square kilometers of 3D seismic and drill 12 exploratory wells between 1,500 and 3,000 meters.

iii) Ankleshwar - Acquire, process and interpret 448 square kilometers of 3D seismic and drill 14 exploratory wells between 1,500 and 2,500 meters.

iv) DS 03 Block - Gravity and geochemical surveys and a 12,000 line kilometer aero magnetic survey.

Table of Contents

GeoGlobal Resources Inc.
(a development sate enterprise)
Notes to the Consolidated Financial Statements
(Unaudited)
March 31, 2007

11. Commitments, Contingencies and Guarantees (continued)

v) NELP-VI Blocks

On March 2, 2007, the Company along with its joint venture partners executed PSCs with the GOI covering four new exploration blocks awarded under the sixth round of the New Exploration Licensing Policy (NELP-VI).

The Company is also required to fund its participating interest for Phase I exploration and development costs incurred in fulfilling the minimum work commitments under these PSCs as outlined below. The Company's share of these costs is estimated to total approximately US$28.0 million for all four blocks over the four years of Phase I. The Production Exploration Licenses ("PELs") have not yet been issued on these four new blocks, therefore, the Phase I work commitment has not commenced.

1) KG Onshore Block - Reprocess 564 LKM of 2-D seismic; conduct a gravity and magnetic and geochemical survey; acquire, process and interpret 548 sq kms of 3-D seismic; and drill 12 exploratory wells between 2,000 and 5,000 meters.

2) RJ Block 20 - Reprocess 463 LKM of 2-D seismic; conduct a gravity and magnetic and geochemical survey; acquire, process and interpret 250 LKM of 2-D seismic and 700 sq kms of 3-D seismic; and drill a total of 12 exploratory wells between 2,000 and 2,500 meters.

3) RJ Block 21 - Reprocess 463 LKM of 2-D seismic; conduct a gravity and magnetic and geochemical survey; acquire, process and interpret 310 LKM of 2-D seismic and 611 sq kms of 3-D seismic; and drill a total of 8 exploratory wells between 2,000 and 2,500 meters.

4) DS 04 Block - Gravity and magnetic and geochemical surveys; acquire, process and interpret 325 LKM of 2-D seismic; and drill 10 core holes to a depth of approximately 500 meters.

Under the terms of all the PSCs, the Company is also required to keep in force a financial and performance guarantee, whereby the Company unconditionally and irrevocably guarantees to the GOI to fulfill or cause to be fulfilled all of its obligations under the PSCs.

c) KG Offshore Block

The first phase of the exploration period relating to the PSC for the KG Offshore Block has expired without the required minimum of at least fourteen wells being drilled during the first phase. GSPC, as operator and on behalf of the contracting parties, is engaged in seeking from the GOI its consent to an extension of the expiration date of the first phase of the exploration period and is also seeking to proceed to the second phase of the exploration period without relinquishing any of the contract area at the end of the first phase. In connection with the process of seeking these consents, on February 24, 2006, the management committee for the KG Offshore Block, which includes members representing the GOI, recommended a further extension of the first phase of twelve months to March 11, 2007. On February 9, 2007, GSPC proposed to the Directorate General of Hydrocarbons, a body under the Ministry of Petroleum & Natural Gas ("DGH") and to the GOI that the contracting parties proceed to the next exploration phase (Phase II) upon completion of Phase I which was expiring on March 11, 2007. It was also requested, on behalf of the contracting parties, to not relinquish any of the contract area at the end of Phase I. On March 12, 2007, DGH noted the option of GSPC, on behalf of the contracting parties, to enter Phase II and advised that entry into Phase II, effective March 12, 2007, is subject to the following conditions: (1) any decision by the GOI on the substitution of the work program of Phase I will be binding on the contracting parties; and (2) any decision by the GOI on relinquishment of the 25% of original contract Area (ie. 462 sq. kms.) under the PSC would be binding on the contracting parties. The extension of Phase I for the 18 months to March 11, 2007 would be deducted from Phase II. As such, Phase II would have a term of one year and expire March 11, 2008 and four additional exploration wells would be required to be drilled between 1,100 and 2,850 meters before the end of Phase II to meet the Phase II minimum work commitment. As at May 10 2007, six exploratory wells have been drilled on the exploration block leaving eight exploration wells to be drilled to complete the Phase I commitment and four exploration wells to be drilled to complete the Phase II commitment.

Table of Contents

GeoGlobal Resources Inc.
(a development sate enterprise)
Notes to the Consolidated Financial Statements
(Unaudited)
March 31, 2007

11. Commitments, Contingencies and Guarantees (continued)

A seventh exploratory well, the KG#28 is also being drilled on the exploration block, however the KG#28 well has been classified as an appraisal well as defined under the PSC by the management committee. An eighth exploration well, the KG#30 commenced drilling on May 8, 2007 on the exploration block. Approval of the extension and the entering into of the second phase of exploration under the PSC without relinquishment of any portion of the contract area from the GOI is currently outstanding.

Unless this approval is granted, we may be liable for the consequences of non-fulfillment of the minimum work commitment in a given time frame under the PSC. The PSC has provisions for termination of the PSC on account of various reasons specified therein including material breach of the contract. Termination rights can be exercised after giving ninety days written notice. This failure to timely complete the minimum work commitment, though we have been advised by GSPC there is no precedence, may be deemed by the GOI to be a failure to comply with the provisions of the contract in a material particular.

The termination of the PSC by the GOI would result in our loss of our interest in the KG Offshore Block other than areas determined to encompass "commercial discoveries". The PSC sets forth procedures whereby the operator can obtain the review of the management committee under the PSC as to whether a discovery on the exploration block should be declared a commercial discovery under the PSC. Those procedures have not been completed at present with respect to the discovery on the KG Offshore Block and, accordingly, as of May 10, 2007, no areas on the KG Offshore Block have been determined formally to encompass "commercial discoveries" as that term is defined under the PSC.

In the event the PSC for the KG Offshore Block is terminated by the GOI, or in the event the work program is not fulfilled by the end of the relevant exploration phase, the PSC provides that each party to the PSC is to pay to the GOI its participating interest share of an amount which is equal to the amount that would be required to complete the minimum work program for that phase. We are of the view that GSPC, under the terms of our CIA, would be liable for our participating interest share of the amount required to complete the minimum work program for the phase.

Certain exploration costs related to the KG Offshore Block are incurred solely by and on behalf of the Company in providing its services under the CIA and are therefore not reimbursable under the CIA. As such, these costs have been capitalized in the Company's accounts under Oil and gas interests and at March 31, 2007 amount to US$4,017,095 (December 31, 2006 - US$3,111,676).

d) Tarapur Block

As the holder of a participating interest in the Tarapur Block, the Company is required to fund its 20% share of all exploration and development costs incurred on the exploration block. To March 31, 2007, US$3,972,765 (year ended December 31, 2006 - US$3,972,765) has been incurred under the terms of the Company's agreement with GSPC. The Company has budgeted to expend approximately US$2.7 million for exploration activities under the terms of the agreement over the period April 1, 2007 to November 22, 2007. These activities include the drilling of 3 exploration wells and the acquisition of 90 sq kms of 3-D seismic. Under the terms of the agreement, the Company is required to keep in force a financial and performance guarantee securing its performance under the Tarapur PSC.

e) Corporate Head Office

Our corporate head office is located at Suite #310, 605 - 1 Street SW, Calgary, Alberta, T2P 3S9 Canada. These premises are leased for a term of two years ending April 30, 2009 at an annual rental of approximately US$80,000 for base rent and operating costs. These premises include approximately 3,088 square feet which we consider adequate for our present activities.

.

Table of Contents

GeoGlobal Resources Inc.
(a development sate enterprise)
Notes to the Consolidated Financial Statements
(Unaudited)
March 31, 2007

12. Comparative figures

a) As the Company is in its development stage, these figures represent the accumulated amounts of the continuing entity for the period from inception August 21, 2002 to March 31, 2007.

b) Certain comparative figures have been restated and reclassified to conform with the presentation adopted in the current period. The restatement is due to an error in the classification of stock-based compensation. The impact of this restatement in the period ending March 31, 2006 was a reduction of US$33,713 in the net loss and comprehensive loss for the period from US$31,726 to a net earnings and comprehensive earnings for the period of US$1,987.

13. Recent Accounting Standards

a) Fair Value Measurements

In September 2006, the FASB issued FAS No. 157, “Fair Value Measurements” (“FAS 157”), which defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. FAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years, and is applicable beginning in the first quarter of 2008. The Company is currently evaluating the impact that FAS 157 will have on its consolidated financial statements.

b) The Fair Value Option for Financial Assets and Financial Liabilities

In February 2007, the FASB issued FAS No. 159, “The Fair Value Option for Financial Assets and Financial Liabilities - Including an amendment of FASB Statement No. 115”, (“FAS 159”) which permits entities to choose to measure many financial instruments and certain other items at fair value at specified election dates. A business entity is required to report unrealized gains and losses on items for which the fair value option has been elected in earnings at each subsequent reporting date. This statement is expected to expand the use of fair value measurement. FAS 159 is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years, and is applicable beginning in the first quarter of 2008. The Company is currently evaluating the impact that FAS 159 will have on its consolidated financial statements.

Table of Contents

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Our Business Activities

We are engaged, through subsidiaries and joint ventures in which we are a participant, in the exploration for and development of oil and gas reserves. We initiated these activities in 2003. Through March 31, 2007, our activities have been undertaken in locations where we and our joint venture participants have been granted exploration rights pursuant to Production Sharing Contract's ("PSCs") entered into with the Government of India ("GOI").

At May 14, 2007, we have not reported any proved reserves of oil or natural gas. We have entered into ten PSCs as set out below. Each PSC relates to a separate drilling block onshore or offshore India and each provides for multi-year and multi-phase exploration and drilling activities. Exploration and development activities pursuant to the terms of these agreements are expected to continue throughout 2007

The PSCs we have entered into with respect to ten exploration blocks are as follows:

· The first of our agreements, entered into in February 2003 under NELP-III, grants exploration rights in an area offshore eastern India in the Krishna Godavari Basin in the State of Andhra Pradesh. We refer to this KG-OSN-2001/3 exploration block as the "KG Offshore Block" and we have a net 5% carried interest ("CI") under this agreement.

· We entered into two agreements which grant exploration rights in areas onshore in the Cambay Basin in the State of Gujarat in western India. These agreements were entered into in February 2004 under NELP-IV and we have a 10% participating interest ("PI") under each of these agreements. We refer to the CB-ONN-2002/2 exploration block as the "Mehsana Block" and the CB-ONN-2002/3 exploration block as the "Sanand/Miroli Block."

· Pursuant to an agreement entered into in April 2005, we purchased from Gujarat State Petroleum Corporation Limited ("GSPC"), a 20% PI in the agreement granting exploration rights granted under NELP-III to an onshore exploration block in the Cambay Basin in the State of Gujarat in western India. We refer to this CB-ON/2 exploration block as the "Tarapur Block".

· In September 2005, we entered into agreements with respect to two areas under NELP-V. One area is located onshore in the Cambay Basin located in the State of Gujarat south-east of our three existing Cambay blocks, for which we hold a 10% PI. We refer to this CB-ONN-2003/2 exploration block as the "Ankleshwar Block". The second area is located onshore in the Deccan Syneclise Basin located in the northern portion of the State of Maharashtra in west-central India for which we hold a 100% PI interest and are the operator. We refer to this DS-ONN-2003/1 exploration block as the "DS 03 Block".

· In March 2007, we signed agreements with respect to four additional locations awarded under NELP-VI.

§ One area is located onshore in the Krishna Godavari Basin in the State of Andhra Pradesh adjacent to our KG Offshore Block in eastern India in which we hold a 10% PI. We currently refer to this KG-ONN-2004/1 exploration block as the "KG Onshore Block".

§ The second area includes two agreements located onshore in north-west India in the Rajasthan Basin in the State of Rajasthan and we hold a 25% PI in each of the agreements. We currently refer to the RJ-ONN-2004/2 exploration block as the "RJ Block 20" and the RJ-ONN-2004/3 exploration block as the "RJ Block 21".

§ The fourth area is located onshore in the Deccan Syneclise Basin in the State of Maharashtra adjacent to our DS 03 Block in west-central India for which we hold a 100% PI and are the operator. We currently refer to this DS-ONN-2004/1 exploration block as the "DS 04 Block".

All of our exploration activities should be considered highly speculative.

Table of Contents

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with, and is qualified in its entirety by, the more detailed information including our Consolidated Financial Statements and the related Notes appearing elsewhere in this Quarterly Report. This Quarterly Report contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from the results and business plans discussed in the forward-looking statements. Factors that may cause or contribute to such differences include those discussed in "Risk Factors," as well as those discussed elsewhere in this Quarterly Report. For further information, refer to the consolidated financial statements and footnotes and management's discussion and analysis thereto included in the Company's annual report on Form 10-KSB and as amended by Form 10-KSB/A for the year ended December 31, 2006.

A COMPARISON OF OUR OPERATING RESULTS FOR THE THREE MONTHS ENDED MARCH 31, 2007 TO MARCH 31, 2006

Statements of Operations

Three months ended March 31, 2007 and 2006

During the three months ended March 31, 2007, we had expenses of $896,762 compared with expenses of $396,551 during the three months ended March 31, 2006. This increase is primarily the result of the adoption of a new accounting standard FAS 123(R) *Share-Based Payment* on January 1, 2006, which requires the recognition of the compensation cost for stock-based compensation arrangements with employees, consultants and directors, to be expensed over the stock-based compensations' respective vesting periods. The balance of the increase is primarily the result of our continuing increase in the scale of our participation in oil and gas exploration activities.

Our general and administrative expenses increased to $387,000 from $272,204. These general and administrative expenses include costs related to the corporate head office including administrative salaries and services, rent and office costs, insurance and directors' fees as well our shareholder relations costs which include the American Stock Exchange listing and filing fees and transfer agent fees and services. The increase is primarily the result of an increase of approximately $100,000 in our compensation cost for stock-based compensation arrangements with employees and directors being expensed over their respective vesting period.

Our consulting fees increased to $266,540 during the three months ended March 31, 2007 from $78,917 for the three month period ended March 31, 2006. Of this increase, $169,155 is attributable to the adoption of FAS 123(R) whereby compensation costs for stock-based compensation with consultants has been recognized in 2007 versus $nil in the same period of 2006. These consulting fees reflect $17,500 (2006 - $17,500) paid under our Technical Services Agreement with a corporation wholly-owned by Mr. Roy and other fees and expenses we incurred in employing various technical and corporate consultants who advised us on a variety of matters. The remaining increase is a result of the costs of a consultant to model, test and document our internal controls as required by Section 404 of the *Sarbanes Oxley Act* which were not incurred in the same period in 2006.

Professional fees increased to $231,572 during the three months ended March 31, 2007 from $35,741 during the three months ended March 31, 2006. Professional fees include those paid to our auditors for pre-approved audit, accounting and tax services and fees paid to our legal advisors primarily for services provided with regard to filing various periodic reports and other documents and reviewing our various oil and gas and other agreements. The increase is mostly attributable to an approximately $160,000 increase in our fees paid to our auditors for additional work incurred in providing our audit services as well as testing of our internal controls as required by Section 404 of the *Sarbanes Oxley Act* during the three month period ending March 31, 2007 as compared to 2006.

Our other expenses and income during the three months ended March 31, 2007 resulted in income of $440,202 versus $398,538 for the same period in 2006. This increase in mostly attributed to an increase in interest income to $435,693 from $399,869 for the three months ended March 31, 2006 which is directly related to the increase in US prime interest rate as compared to 2006. Included in other expenses and income is a foreign exchange gain of $4,509 as compared to a loss in 2006 of $1,331.

Table of Contents

Reflecting the increase in expenses due to the increase in our overall oil and gas activities offset by our increase in interest income during the three months ended March 31, 2007 as compared to the three months ended March 31, 2006, our net loss increased to $456,560 as compared to net earnings of $1,987 in 2006.

We capitalized overhead costs directly related to our exploration activities in India. During the three months ended March 31, 2007, these capitalized overhead costs were $905,735 as compared to $567,504 during the three months ended March 31, 2006. This increase is mostly attributed to $211,792 being the capitalized portion of the stock-based compensation for the three months ended March 31, 2007 versus $33,713 for the same period in 2006. The remaining balance of the increase is consistent with the increased scale of our participation in oil and gas exploration activities.

Liquidity and Capital Resources

At March 31, 2007, our cash and cash equivalents were $29,534,112 (December 31, 2006 - $32,362,978). The majority of these funds are currently held as US funds in our bank accounts and in term deposits earning interest based on the US prime rate.

Three months ended March 31, 2007 and 2006

The decrease in our cash and cash equivalents of $2,828,866 from $32,362,978 at December 31, 2006 is primarily the result of funds used in operating and investing activities and provided by financing activities as follows:

Our net cash used in operating activities during the three months ended March 31, 2007 was $62,532 as compared to $94,675 for the three months ended March 31, 2006. This decrease is mostly as a result of an increase in our stock-based compensation costs and our operating accounts payable, offset by an increase in our net loss for the period which is consistent with our increased costs related to our increased oil and gas exploration activities.

Cash used by investing activities during the three months ended March 31, 2007 was $2,786,534 as compared to $909,956 during the three months ended March 31, 2006. This increase is a result of additional expenditures on our oil and gas activities which is consistent with the increased scale of our participation.

Cash provided by financing activities for the three months ended March 31, 2007 was $20,200 as compared to $2,145,448 during the three months ended March 31, 2006. During the three months ended March 31, 2007, cash of $20,200 was provided from the issuance of 20,000 shares of common stock on the exercise of options in the first quarter of 2007. During the prior quarter ended March 31, 2006, cash of $206,050 was provided from the issuance of 195,000 shares of common stock on the exercise of options and $1,963,750 from the issuance of 785,500 common shares on the exercise of the 785,500 remaining 2003 Purchase Warrants, net of share issuance costs of $13,552.

Our Krishna Godavari Basin Agreements and Exploration Activities

The KG Offshore Block and Our Carried Interest Agreement

At March 31, 2007, GSPC, the operator of the KG Offshore Block, has expended on exploration activities approximately $32.6 million attributable to us under the PSC and the Carried Interest Agreement ("CIA") as compared to $26.1 million at December 31, 2006. Of this amount, 50% is for the account of Roy Group (Mauritius) Inc. ("RGM") under the terms of our Participating Interest Agreement with RGM, which leaves us with a net 5% interest. Under the terms of the CIA, GeoGlobal and RGM are carried by GSPC for 100% of all our share of any costs during the exploration phase on the KG Offshore Block prior to the start date of initial commercial production.

Table of Contents

Under the terms of the PSC, GSPC is committed to expend further funds for the exploration of and drilling on the KG Offshore Block. The management committee under the exploration contract relating to the KG Offshore Block has estimated that the total gross budget for the KG Offshore Block for the period April 1, 2007 to March 31, 2008 is $503.6 million. The estimated annual budget for costs to be incurred by GSPC for the twelve month period April 1, 2007 to March 31, 2008 attributable to the 10% carried interest attributable to us and RGM under the CIA is approximately $50.4 million. We are unable to estimate the amount of additional expenditures GSPC will make attributable to us prior to the start date of initial commercial production under the CIA or when, if ever, any commercial production will commence. As provided in the CIA, we will be required to bear the expenditures attributable to us after the start date of initial commercial production on the KG Offshore Block.

We will not realize cash flow from the KG offshore venture until such time as the expenditures attributed to us, including those expenditures made for the account of RGM under the CIA, have been recovered by GSPC from future production revenue. Under the terms of the CIA, all of our proportionate share of capital costs for exploration and development activities must be repaid to GSPC without interest over the projected production life or ten years, whichever is less

Matters Relating to Our KG Offshore Block PSC

The first phase of the exploration period relating to the PSC for the KG Offshore Block has expired without the required minimum of at least fourteen wells being drilled during the first phase. GSPC, as operator and on behalf of the contracting parties, is engaged in seeking from the GOI its consent to an extension of the expiration date of the first phase of the exploration period and is also seeking to proceed to the second phase of the exploration period without relinquishing any of the contract area at the end of the first phase. In connection with the process of seeking these consents, on February 24, 2006, the management committee for the KG Offshore Block, which includes members representing the GOI, recommended a further extension of the first phase of twelve months to March 11, 2007. On February 9, 2007, GSPC proposed to the Directorate General of Hydrocarbons, a body under the Ministry of Petroleum & Natural Gas (“DGH”) and to the GOI that the contracting parties proceed to the next exploration phase (Phase II) upon completion of Phase I which was expiring on March 11, 2007. It was also requested, on behalf of the contracting parties, to not relinquish any of the contract area at the end of Phase I. On March 12, 2007, DGH noted the option of GSPC, on behalf of the contracting parties, to enter Phase II and advised that entry into Phase II, effective March 12, 2007, is subject to the following conditions: (1) any decision by the GOI on the substitution of the work program of Phase I will be binding on the contracting parties; and (2) any decision by the GOI on relinquishment of the 25% of original contract Area (ie. 462 sq. kms.) under the PSC would be binding on the contracting parties. The extension of Phase I for the 18 months to March 11, 2007 would be deducted from Phase II. As such, Phase II would have a term of one year and expire March 11, 2008 and four additional exploration wells would be required to be drilled between 1,100 and 2,850 meters before the end of Phase II to meet the Phase II minimum work commitment. As at May 14 2007, six exploratory wells have been drilled on the exploration block leaving eight exploration wells to be drilled to complete the Phase I commitment and four exploration wells to be drilled to complete the Phase II commitment. A seventh exploratory well, the KG#28 is also being drilled on the exploration block, however the KG#28 well has been classified as an appraisal well as defined under the PSC by the management committee. An eighth exploration well, the KG#30 commenced drilling on May 8, 2007 on the exploration block. Approval of the extension and the entering into of the second phase of exploration under the PSC without relinquishment of any portion of the contract area from the GOI is currently outstanding.

Unless this approval is granted, we may be liable for the consequences of non-fulfillment of the minimum work commitment in a given time frame under the PSC. The PSC has provisions for termination of the PSC on account of various reasons specified therein including material breach of the contract. Termination rights can be exercised after giving ninety days written notice. This failure to timely complete the minimum work commitment, though we have been advised by GSPC there is no precedence, may be deemed by the GOI to be a failure to comply with the provisions of the contract in a material particular.

Table of Contents

The termination of the PSC by the GOI would result in our loss of our interest in the KG Offshore Block other than areas determined to encompass "commercial discoveries". The PSC sets forth procedures whereby the operator can obtain the review of the management committee under the PSC as to whether a discovery on the exploration block should be declared a commercial discovery under the PSC. Those procedures have not been completed at present with respect to the discovery on the KG Offshore Block and, accordingly, as of May 14, 2007, no areas on the KG Offshore Block have been determined formally to encompass "commercial discoveries" as that term is defined under the PSC.

In the event the PSC for the KG Offshore Block is terminated by the GOI, or in the event the work program is not fulfilled by the end of the relevant exploration phase, the PSC provides that each party to the PSC is to pay to the GOI its participating interest share of an amount which is equal to the amount that would be required to complete the minimum work program for that phase. We are of the view that GSPC, under the terms of our CIA, would be liable for our participating interest share of the amount required to complete the minimum work program for the phase.

The KG Offshore Block Drilling Activities

GSPC currently has contracted with Saipem SPA, part of ENI, Italy, for the Saipem Perro Negro 3 jack-up drilling rig to drill 10 exploratory wells, with an option of extending the contract for 2 additional exploratory wells. As of May 14, 2007, the Saipem Perro Negro 3 drilling rig has drilled five exploratory wells and is currently drilling one well, the KG#28. Two of the five exploratory wells, the KG#1 drilled in 2004 and the KG#11 drilled in 2005 have both been abandoned. While testing deemed satisfactory by GSPC has been completed, the remaining three exploratory wells, the KG#8 drilled in 2005, and the KG#17 and KG#15 drilled in 2006, all drilled from the KG#8 well platform, have been suspended awaiting the results of future wells drilled from this platform.

On February 6, 2007, the Saipem Perro Negro 3 rig commenced drilling the KG#28 well from the KG#8 platform. The KG#28 well will be the sixth well drilled by the Saipem Perro Negro 3 jack-up drilling rig. The KG#28 well, a further exploratory well, has been classified by the management committee as an “appraisal well” for the purposes of the PSC and it is currently being drilled directionally to an intended total vertical depth (“TVD”) of approximately 5,050 meters deviating approximately 1,500 meters East of the KG#8 wellhead location.

GSPC has also entered into a 25 month contract with Atwood Oceanics Inc., a Houston based International Offshore Drilling Contractor, for the Atwood Beacon jack-up drilling rig to drill additional exploration wells on the KG Offshore Block.

On January 3, 2007, the Atwood Beacon rig commenced drilling the KG#16 exploratory well. This is the first exploratory well to be drilled using the Atwood Beacon rig. The KG#16 well is situated in shallow water of approximately 109 meters and is approximately 5 kilometers East of the location where the Saipem Perro Negro 3 jack-up drilling rig is located. On May 14, 2007 it was announced that GSPC had completed the drilling of the KG#16 well to a total depth (“TD”) of 5,372 meters measured depth (“MD”). A complete suite of modern logs have been run and the well is currently being cased with a 7 inch liner to TD. A testing program has been designed based upon independent log analyses, as well as core samples, MDT’s (“Modular Formation Dynamics Tester”) and hydrocarbon show while drilling. The testing program is expected to commence before the end of the May.

GSPC has further entered into a contract with Essar Oilfield Services Limited (“EOSL”), a subsidiary of Essar Shipping & Logistics Ltd. of Cyprus, for a semi-submersible drilling rig named “Essar Wildcat”. The Essar Wildcat is a self propelled drilling rig suitable for deployment in water depths of 400 meters and has a drilling depth capacity of 7,600 meters. GSPC intends to commence drilling additional wells in the deeper water in the KG Offshore Block by the third quarter of 2007. The initial term of the EOSL contract is for two years from the date of spud of the first well, with the option of two extensions, each for one year.

On May 14, 2007, it was further announced that GSPC has recently contracted a fourth drilling rig named “Deep Driller 1”. The Deep Driller 1 is owned by Sinvest ASA out of Norway and is a jack-up rig capable of operating in water depths of approximately 120 meters. The term of the contract is for two years from the date of spud of the first well.

Table of Contents

On May 8, 2007, GSPC commenced drilling the KG#30 exploratory well with the Deep Driller 1. The KG#30 well is situated approximately 15.5 kilometers Northeast of the KG#11 well, and is intended to be drilled vertically in shallow waters of approximately 45 meters to a TVD of approximately 4,200 meters. The KG#30 will be the first exploratory well to test the deepest part of the northern graben in the KG Offshore Block.

The KG Onshore Block Agreement

OIL, as operator for this KG Onshore Block is in the process of applying for the Production Exploration License ("PEL"), which when issued will allow OIL to commence the Phase I work program commitments.

Under the PSC for the KG Onshore Block, the Phase I work commitment consists of reprocessing 564 LKM of 2D seismic, conducting a gravity and magnetic and geochemical survey, as well as a seismic acquisition program consisting of 548 sq km of 3D seismic. This Phase I commitment further consists of the drilling of 12 exploration wells to various depths between 2,000 and 5,000 meters. We will be required to fund our 10% proportionate share of the costs incurred in these activities estimated to be approximately $8.5 million over the four years of the first phase of the work commitment with respect to a 10%participating interest in the block and approximately $21.4 million with respect to a 25% participating interest in the block.

Cambay Basin Agreements and Drilling Activities

At March 31, 2007, we are parties to four PSCs relating to exploration blocks in the Cambay Basin. These include the Mehsana Block, the Sanand/Miroli Block, the Ankleshwar Block and the Tarapur Block.

Mehsana Block

This PSC provides that the exploration activities of the first exploration phase, which commenced May 21, 2004, are to be conducted over a period of 2.5 years. During the first exploration phase on this exploration block, the parties are to acquire 75 sq kms of 3D seismic data, reprocess 650 LKM of 2D seismic data and conduct a geochemical survey, all of which has been completed. In addition, the parties are to drill seven exploratory wells between 1,000 to 2,200 meters. As at May 14, 2007, two of the seven exploration wells have been drilled on this block, the first being CB-2 well drilled to a TVD of 2,500 meters and the second, CB-3 well drilled to a TVD of 2,350 meters. Both of these wells did not proceed into a testing program and were subsequently abandoned. Results of these wells are currently being evaluated before proceeding to the next drilling location.

The first exploration phase relating to the PSC for the Mehsana Block expired without the required minimum of seven wells having been drilled. In October, 2006 the management committee under the PSC for the Mehsana Block approved a proposal to seek from the GOI an extension of the first exploration phase for a six month period from November 21, 2006 to May 20, 2007. Further, on April 6, 2007 the members of the operating committee under the Mehsana Block operating agreement resolved to submit an application to the GOI for extension for an additional six months to November 20, 2007 to complete the minimum work program under Phase I. In seeking that extension, the joint venture partners agreed to provide a 100% bank guarantee and a 10% cash payment to be agreed upon based on pre-estimated liquidated damages for the unfinished minimum work program as reasonably determined by DGH, which has not yet been determined. As well, the contractor would be required to relinquish 25% of the block pursuant to the provisions of the PSC. The period of extension will be set off against the term of the Second Phase which would reduce Phase II to one year expiring November 20, 2008. Final consent to this extension is awaiting GOI approval.

At March 31, 2007, we have incurred costs of approximately $1.3 million with respect to exploration activities on the Mehsana Block. We estimate that our expenditures for exploration activities during the period April 1, 2007 to March 31, 2008 fiscal year which will include the drilling of the remaining five wells from the Phase I work commitment, will be approximately $1.8 million

Sanand/Miroli Block

This PSC provides that the exploration activities, which commenced July 29, 2004, are to be conducted over a period of 2.5 years. During the first exploration phase on the Sanand/Miroli Block, the parties are to acquire 200 sq kms of 3-D seismic data, reprocess 1,000 LKM's of 2-D seismic data, and conduct a geochemical survey. GSPC as operator has completed these exploration activities which included the acquisition, processing and interpretation of a 463 sq km onshore 3-D seismic program. In addition, we are to drill twelve exploratory wells between 1,500 to 3,000 meters, of which two have been drilled and one is currently drilling as of May 14, 2007.

Table of Contents

Drilling operations using the DALMA MR#4 Rig commenced on this block on November 15, 2006 with the drilling of the first of the twelve exploration wells. The M1 well was drilled to a TVD of 2,300 meters and was temporarily suspended. The well has subsequently been re-entered and drilled to a TVD of 2,463 meters. As of May 14, 2007, the well has been logged and will undergo testing. The same rig spud a second well, the M4 well, on February 24, 2007 which was drilled to a TVD of 2,226 meters. This well was logged, cased and is currently being tested. A third well, the M2 well, commenced drilling using the DRIPL 1500 HP rig on March 26, 2007 and as of May 14, 2007, the well had not reached its intended TVD of 3,300 meters.

The first exploration phase relating to the PSC for the Sanand/Miroli Block expired without the required minimum of twelve wells having been drilled. On December 29, 2006 the management committee approved a proposal to seek from the GOI an extension of the first exploration phase for a six month period from January 28, 2007 to July 28, 2007. The period of extension will be set off against the term of the Second Phase which would reduce Phase II to 1.5 years expiring January 28, 2009. Final consent to this extension is awaiting GOI approval.

As at March 31, 2007 we have incurred costs of approximately $1.1 million with respect to exploration activities on the Sanand/Miroli Block. We estimate that our expenditures for exploration activities during the period April 1, 2007 to March 31, 2008, which will include the drilling of the remaining nine wells from the Phase I work commitment, will be approximately $2.6 million based on our 10% PI.

Ankleshwar Block

Under the terms of our PSC for the Ankleshwar Block, the first phase of our work commitment covers a period of three years and commenced April 1, 2006. The Phase I work commitment was to acquire, process and interpret 448 sq kms of 3-D seismic and reprocess 650 LKM's of 2-D seismic, a substantial portion of which as at May 14 is near completion. In addition, we are to drill 14 exploratory wells between 1,500 to 2,500 meters. As at March 31, 2007 we have incurred costs of approximately $700,000 on the Ankleshwar Block for our 10% participating interest. We estimate our expenditures for exploration activities during the period April 1, 2007 to March 31, 2008, which we anticipate will include the drilling of 8 of the 14 exploratory wells, will be approximately $2.7 million based on our 10% PI.

Tarapur Block

Through May 14, 2007, GSPC has drilled eight exploratory wells on this block, of which, three wells have been abandoned. The Tarapur 1, 5, 7, G, and P have been suspended awaiting a possible future development program. On April 26, 2007, GSPC commenced drilling the TS-4 exploratory well with the DALMA MR#1 rig to an estimated TVD of 2,700 meters. GSPC further commenced drilling the Tarapur 6 exploratory well on April 28, 2007 to an estimated TVD of 1,750 meters to delineate the extent of the Tarapur G discovery before the submission of a two-well appraisal program to the GOI under the terms of the PSC. GSPC plans on bringing to the block, one more drilling rig and drilling an additional five exploratory wells before the expiry of the PSC on November 22, 2007.

To March 31, 2007, we have incurred costs of approximately $4.0 million under the terms of our agreement with GSPC for our 20% PI share of exploration costs. The third and final phase of exploratory activities on the Tarapur Block had a term of 2 years expiring November 22, 2007 with a work commitment to drill one well to a depth of 3,000 meters or to the Deccan trap. This requirement has been completed and all areas not encompassing a commercial discovery after November 22, 2007 will be relinquished back to the GOI. Oil and Natural Gas Corporation Limited of India has the right to participate into the development of any commercial discovery on the Tarapur Block by acquiring a 30% participating interest as provided under the PSC. The exercise of this right would result in the reduction of our PI to 14%.

Estimated total capital expenditures we will be required to contribute to exploration activities on this block, which will include the drilling of these seven wells over the period April 1, to November 22, 2007 based on our 20% PI will be approximately $2.7 million.

Table of Contents

Financial Commitments
In connection with these four PSCs, we have provided to the GOI four irrevocable letters of credit totaling $2,955,000 (Mehsana $155,000, Sanand/Miroli $910,000, Ankleshwar $950,000 and Tarapur $940,000) (December 31, 2006 - $2,216,445) secured by our term deposits in the same amount. These letters of credit serve as guarantees for the performance of the minimum work commitments for the budget period April 1, 2007 to March 31, 2008 of Phase I of these Cambay Basin Agreements.

The Deccan Syneclise Basin Agreements and Drilling Activities

DS 03 Block
Under the terms of the PSC for the DS 03 Block, the work commitment under Phase I which commenced September 4, 2006, is to complete a gravity magnetic and geochemical survey and acquire an aero magnetic survey of 12,000 LKM's. We will be required to fund our 100% participating interest of the costs incurred in these activities originally estimated to be approximately $625,000 over the three years of the first phase. As at March 31, 2007, we have incurred costs of approximately $120,000 on this block.
We estimate our expenditures for exploration activities during the period April 1, 2007 to March 31, 2008 will be approximately $500,000 based upon our PI in this PSC. As at March 31, 2007 we have provided to the GOI, an irrevocable letter of credit totaling $175,000 secured by our term deposit in the same amount. This letter of credit serves as a guarantee for the performance of the minimum work commitment for the budget period April 1, 2006 to March 31, 2007 of Phase I of these Cambay Blocks.

DS 04 Block
We, as operator for this DS 04 Block have submitted application for the PEL to the State of Maharashtra on May 2, 2007 which when issued will allow us to commence the Phase I commitment work program. Under the PSC for the DS 04 Block, the Phase I work commitment consists of conducting a gravity and magnetic and geochemical survey, as well as a seismic acquisition program consisting of 325 LKM of 2-D seismic. We further committed to drill 10 core holes to a depth of approximately 500 meters. We will be required to fund our 100% proportionate share of the costs incurred in these activities estimated to be approximately $1.45 million over the four years of the first phase of the work commitment.

The Rajasthan Basin Agreements and Drilling Activities

OIL, as operator for both these exploration blocks is in the process of applying for the PEL, which when issued will allow the parties to commence the Phase I work program commitments.
The combined Phase I work commitments under the PSCs for RJ Block 20 and RJ Block 21 consist of reprocessing of a total 926 LKM of 2-D seismic, conducting a gravity and magnetic and geochemical survey, as well as a seismic acquisition program consisting of 560 LKM of 2-D seismic and 1,311 sq km of 3-D seismic. The combined Phase I commitments further consist of drilling a total of 20 exploration wells over both blocks to various depths between 2,000 and 2,500 meters. We will be required to fund our 25% proportionate share of the costs incurred in these activities estimated to be approximately $18.3 million over the four years of the first phase of the work commitments.

2007 Activities
We expect our exploration and development activities pursuant to the PSCs we are parties to will continue throughout 2007 in accordance with the terms of those agreements. In addition, we may seek to participate in joint ventures bidding for the award of further PSCs for exploration blocks expected to be awarded by the GOI in the future. As of May 14, 2007, we have no specific plans to join with others in bidding for any specific PSCs in India. We expect that our interest in any such ventures would involve a minority PI in the venture. In addition, as opportunities arise, we may seek to acquire minority PI's in exploration blocks where PSCs have been heretofore awarded by the GOI. The acquisition of any such interests would be subject to the execution of a definitive agreement and obtaining the

requisite government consents and other approvals.

Table of Contents

We may during the year 2007 seek to participate in joint venture bidding for the acquisition of oil and gas interests in other international countries. As of May 14, 2007, we have not been awarded any such interests

We expect to continue with our drilling activities in our KG Offshore Block and Cambay Blocks during 2007. We anticipate Jubilant, as operator of the Mehsana Block to continue the drilling of the remaining five wells of the seven wells committed under the first phase. Similarly, we expect GSPC as operator of the Sanand/Miroli Block to continually drill the remaining nine wells of the twelve wells in the Phase I commitment. In addition, we expect GSPC as operator of the Ankleshwar Block to commence the drilling of the first of eight wells budgeted for the 12 months ended March 31, 2008. These eight wells are part of a fourteen well commitment under Phase I of the PSC covering the Ankleshwar Block.

In addition, we anticipate GSPC as operator of the Tarapur Block to drill a possible three additional exploration wells and two appraisal wells before November 22, 2007, the expiry of our PSC covering the Tarapur Block.

Depending upon the scope of our activities during the year 2007, we may require additional capital for the funding of our activities under the PSCs we are currently a party to as well as support for our bidding for other PSCs that may be awarded in India or elsewhere. In addition, we may require additional funds for the possible acquisition of further minority PIs in PSCs in drilling blocks heretofore awarded and that we may hereafter propose to enter into in India and possibly elsewhere. We believe it can be expected that our interest in further or additional PSCs would be a PI. As the holder of a PI in any such activities, it can be expected that we will be required to contribute capital to any such ventures in proportion to our percentage interest.

As of May 14, 2007, the scope of any possible such activities has not been definitively established and, accordingly, we are unable to state the amount of any funds that may be required for these purposes. As of that date, no specific plans or arrangements have been made to raise additional capital and we have not entered into any agreements in that regard. We expect that if we seek to raise additional capital it will be through the sale of equity securities. As of May 14, 2007, we are unable to estimate the terms on which any such capital may be raised, the price per share or possible number of shares involved.

We believe that our available cash resources will be sufficient to meet all our expenses and cash requirements during the year ended December 31, 2007 for our present level of operations. We do not expect to have any significant change in 2007 in our number of employees.

CAUTIONARY STATEMENT FOR PURPOSES OF THE "SAFE HARBOR" PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

With the exception of historical matters, the matters discussed in this Report are “forward-looking statements” as defined under the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, that involve risks and uncertainties. Forward-looking statements made herein include, but are not limited to:

- the statements in this Report regarding our plans and objectives relating to our future operations,
- plans and objectives regarding the exploration, development and production activities conducted on the exploration blocks in India in which we have interests,
- plans regarding drilling activities intended to be conducted through the ventures in which we are a participant, the success of those drilling activities and our ability and the ability of the ventures to complete any wells on the exploration blocks, to develop reserves of hydrocarbons in commercially marketable quantities, to establish facilities for the collection, distribution and marketing of hydrocarbons, to produce oil and natural gas in commercial quantities and to realize revenues from the sales of those hydrocarbons,
- our ability to maintain compliance with the terms and conditions of our PSCs, including the related work commitments, to obtain consents, waivers and extensions from the GOI as and when required, and our ability to fund those work commitments,
- our plans and objectives to join with others or to directly seek to enter into or acquire interests in additional PSCs with the GOI and others,
- our assumptions, plans and expectations regarding our future capital requirements,
- our plans and intentions regarding our plans to raise additional capital,

- the costs and expenses to be incurred in conducting exploration, well drilling, development and production activities and the adequacy of our capital to meet our requirements for our present and anticipated levels of activities are all forward-looking statements.

Table of Contents

These statements appear, among other places, under the captions "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Risk Factors". If our plans fail to materialize, your investment will be in jeopardy.

- We cannot assure you that our assumptions or our business plans and objectives discussed herein will prove to be accurate or be able to be attained.
- We cannot assure you that any commercially recoverable quantities of hydrocarbon reserves will be discovered on the exploration blocks in which we have an interest.
- Our ability to realize revenues cannot be assured. Our ability to successfully drill, test and complete producing wells cannot be assured.
- We cannot assure you that we will have available to us the capital required to meet our plans and objectives at the times and in the amounts required or we will have available to us the amounts we are required to fund under the terms of the PSCs we are a party to.
- We cannot assure you that we will be successful in joining any further ventures seeking to be granted PSCs by the GOI or that we will be successful in acquiring interests in existing ventures.
- We cannot assure you that we will obtain all required consents, waivers and extensions from the GOI as and when required to maintain compliance with our PSCs and that we may not be adversely affected by any delays we may experience in receiving those consents, waivers and extensions.
- We cannot assure you that the outcome of testing of one or more wells on the exploration blocks under our PSCs will be satisfactory and result in a commercially-productive wells or that any further wells drilled will have commercially-successful results.

Our inability to meet our goals and objectives or the consequences to us from adverse developments in general economic or capital market conditions, events having international consequences, or military or terrorist activities could have a material adverse effect on us. We caution you that various risk factors accompany those forward-looking statements and are described, among other places, under the caption "Risk Factors" herein. They are also described in our Annual Report on Form 10-KSB as amended by Form 10-KSB/A for the year ended December 31, 2006, our Quarterly Reports on Form 10-QSB and 10-Q, and our Current Reports on Form 8-K. These risk factors could cause our operating results, financial condition and ability to fulfill our plans to differ materially from those expressed in any forward-looking statements made in this Report and could adversely affect our financial condition and our ability to pursue our business strategy and plans.

Risk Factors

An investment in shares of our common stock involves a high degree of risk. You should consider the following factors, in addition to the other information contained in this Quarterly Report, in evaluating our business and current and proposed activities before you purchase any shares of our common stock. You should also see the "Cautionary Statement for Purposes of the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995" regarding risks and uncertainties relating to us and to forward-looking statements in this Quarterly Report.

There can be no assurance that the exploratory drilling to be conducted on the exploration blocks in which we hold an interest will result in any discovery of reserves of hydrocarbons or that any hydrocarbons that are discovered will be in commercially recoverable quantities. In addition, the realization of any revenues from commercially recoverable hydrocarbons is dependent upon the ability to deliver, store and market any hydrocarbons that are discovered. The presence of hydrocarbon reserves on contiguous properties is no assurance or necessary indication that hydrocarbons will be found in commercially marketable quantities on the exploration blocks in which we hold an interest.

Table of Contents

Risks Relating to Our Oil and Gas Activities

Because We Are In the Early Stage Of Developing Our Activities, There Are Considerable Risks That We Will Be Unsuccessful

We are in the early stage of developing our operations. Our only activities in the oil and natural gas exploration and production industry have primarily involved entering into ten PSCs with the GOI. We have realized no revenues from our oil and natural gas exploration and development activities and do not claim any proved reserves of oil or natural gas. As of May 14, 2007, a venture in which we have a net 5% carried interest has drilled and abandoned two wells; has drilled tested and cased three wells; is currently casing and testing one well; and is currently drilling two wells. Two ventures that we have a 10% PI have drilled and abandoned two wells; are in the testing phase of two wells; and are currently drilling one well. One venture that we have a 20% PI has drilled eight wells of which three have been abandoned and five have been suspended awaiting a possible future development program and are currently drilling two wells.

Our current plans are to conduct the exploration and development activities on the areas offshore and onshore India in accordance with the terms of the PSCs we are a party to. There can be no assurance that the exploratory drilling to be conducted on the exploration blocks in which we hold will result in any discovery of hydrocarbons or that any hydrocarbons that are discovered will be in commercially recoverable quantities. In addition, the realization of any revenues from commercially recoverable hydrocarbons is dependent upon the ability to deliver, store and market any hydrocarbons that are discovered and as of May 14, 2007, there are no or limited facilities for the delivery and storage of hydrocarbons on the areas covered by our PSCs. The presence of hydrocarbon reserves on contiguous properties is no assurance or necessary indication that hydrocarbons will be found in commercially marketable quantities on the exploration blocks in which we hold an interest. Our exploration opportunities are highly speculative and should any of these opportunities not result in the discovery of commercial quantities of oil and gas reserves, our investment in the venture could be lost.

Our business plans also include seeking to enter into additional joint ventures or other arrangements to acquire interests in additional government created and granted hydrocarbon exploration opportunities, primarily located onshore or in the offshore waters of India and possibly elsewhere. Opportunities to acquire interests in exploration opportunities will be dependent upon our ability to identify, negotiate and enter into joint venture or other similar arrangements with respect to specific exploration opportunities and upon our ability to raise sufficient capital to fund our participation in those joint ventures or other exploration activities. Our success will be dependent upon the success of the exploration activities of the ventures in which we acquire an interest and our ability to have adequate capital resources available at the times required.

Our Interest In The Production Sharing Contracts Involve Highly Speculative Exploration Opportunities That Involve Material Risks That We Will Be Unsuccessful

Our interests in the exploration blocks should be considered to be highly speculative exploration opportunities that involve material risks. None of the exploration blocks in which we have an interest have any proven reserves and are not producing any quantities of oil or natural gas. Exploratory drilling activities are subject to many risks, including the risk that no commercially productive reservoirs will be encountered. There can be no assurance that wells drilled on any of the exploration blocks in which we have an interest or by any venture in which we may acquire an interest in the future will be productive or that we will receive any return or recover all or any portion of our investment. Drilling for oil and gas may involve unsuccessful or unprofitable efforts, not only from dry wells, but from wells that are productive but do not produce sufficient net revenues to return a profit after drilling, operating and other costs. The cost of drilling, completing and operating wells is often uncertain. Drilling operations may be curtailed, delayed or cancelled as a result of numerous factors, many of which are beyond the operator’s control, including economic conditions, mechanical problems, extreme downhole pressures and temperatures, title problems, weather conditions, compliance with governmental requirements and shortages or delays of equipment and services. Drilling activities on the exploration blocks in which we hold an interest may not be successful and, if unsuccessful, such failure may have a material adverse effect on our future results of operations and financial condition.

Table of Contents

Possible Inability of Contracting Parties to Fulfill Phase One of the Minimum Work Program for Certain of Our PSCs

Our PSC relating to the KG Offshore Block provides that by the end of the first phase of the exploration phase the contracting parties shall have drilled at least fourteen wells. The first phase of the exploration period relating to the PSC for the KG Offshore Block has expired without the required minimum of at least fourteen exploration wells being drilled during the first phase. GSPC, as operator and on behalf of the contracting parties, is engaged in seeking from the GOI its consent to an extension of the expiration date of the first phase of the exploration period and is also seeking to proceed to the second phase of the exploration period without relinquishing any of the contract area at the end of the first phase. In connection with the process of seeking these consents, on February 24, 2006, the management committee for the KG Offshore Block, which includes members representing the GOI, recommended a further extension of the first phase of twelve months to March 11, 2007. On February 9 2007, GSPC proposed to the Directorate General of Hydrocarbons, a body under the Ministry of Petroleum & Natural Gas ("DGH") and to the GOI that the contracting parties proceed to the next exploration phase (Phase II) upon completion of Phase I which was expiring on March 11, 2007. It was also requested, on behalf of the contracting parties, to not relinquish any of the contract area at the end of Phase I. On March 12, 2007 DGH noted the option of GSPC, on behalf of the contracting parties, to enter phase two and advised that entry into phase two, effective March 12, 2007, is subject to the following conditions: (1) Any decision by the GOI on the substitution of the Work Program of Phase I will be binding on the contracting parties; and (2) Any decision by the GOI on relinquishment of the 25% of original contract Area (ie. 462 sq. kms.) under the PSC would be binding on the contracting parties. The extension of the first phase for the 18 months to March 11, 2007 would be deducted from the next succeeding exploration phase. As such the second phase would have a term of one year and expire March 11, 2008. As at May 14, 2007, six exploratory wells have been drilled on the exploration block leaving eight exploration wells to be drilled. A seventh well, the KG#28 is also being drilled on the exploration block, but has been classified by the management committee as an appraisal well for the purposes of the PSC. An eighth exploration well, the KG#30 commenced drilling on May 8, 2007 on the exploration block. Approval of the extension and the entering into the second phase of exploration under the PSC without relinquishment of any portion of the contract area from the GOI is currently outstanding. Unless this approval is granted, the Company may be liable for the consequences of non-fulfillment of the minimum work commitment in a given time frame under the PSC. The PSC has provisions for termination of the PSC on account of various reasons specified therein including material breach of the contract. Termination rights can be exercised after giving ninety days written notice. This failure to timely complete the minimum work commitment, though the Company has been advised by GSPC there is no precedence, may be deemed by the GOI to be a failure to comply with the provisions of the contract in a material particular.

The termination of the PSC by the GOI would result in the loss of the Company's interest in the KG Offshore Block other than areas determined to encompass "commercial discoveries". The PSC sets forth procedures whereby the operator can obtain the review of the management committee under the PSC as to whether a discovery on the exploration block should be declared a commercial discovery under the PSC. Those procedures have not been completed at present with respect to the discovery on the KG Offshore Block and, accordingly, as of May 14, 2007, no areas on the KG Offshore Block have been determined formally to encompass "commercial discoveries" as that term is defined under the PSC.

In the event the PSC is terminated by the Government of India, or in the event the work program is not fulfilled by the end of the relevant exploration phase, the PSC provides that each party to the PSC is to pay to the GOI its participating interest share of an amount which is equal to the amount that would be required to complete the minimum work program for that phase. We are of the view that GSPC, under the terms of our CIA, would be liable for our participating interest share of the amount required to complete the minimum work program for the phase.

Table of Contents

The PSC relating to the Mehsana Block expired without the required minimum of seven wells having been drilled. In October, 2006 the management committee under the PSC for the Mehsana Block approved a proposal to seek from the GOI an extension of the first exploration phase for a six month period from November 21, 2006 to May 20, 2007 and on April 6, 2007 the members of the operating committee under the Mehsana Block operating agreement resolved to submit an application to the GOI for extension for an additional six months to November 20, 2007 to complete the minimum work program under Phase I. In seeking that extension, the joint venture partners agreed to provide a 100% Bank Guarantee and a 10% cash payment to be agreed upon based on pre-estimated liquidated damages for the unfinished minimum work program as reasonably determined by DGH, which has not yet been determined. As well, the contractor would be required to relinquish 25% of the block pursuant to the provisions of the PSC. The period of extension will be set off against the term of the Second Phase which would reduce Phase II to one year expiring November 20, 2008. Final consent to this extension is awaiting GOI approval.

The PSC relating to the Sanand/Miroli Block expired without the required minimum of twelve wells having been drilled. On January 29, 2007 the management committee under the PSC for the Sanand/Miroli Block approved a proposal to seek from the GOI an extension of the first exploration phase for a six month period from January 28, 2007 to July 28, 2007. Final consent to this extension is awaiting GOI approval.

Because Our Activities Have Only Recently Commenced And We Have No Operating History And Reserves Of Oil And Gas, We Anticipate Future Losses; There Is No Assurance Of Our Profitability

Our oil and natural gas operations have been only recently established and we have very limited operating history, oil and gas reserves or assets upon which an evaluation of our business, our current business plans and our prospects can be based. Our prospects must be considered in light of the risks, expenses and problems frequently encountered by all companies in their early stages of development and, in particular, those engaged in exploratory oil and gas activities. Such risks include, without limitation:

- We will experience failures to discover oil and gas in commercial quantities;
- There are uncertainties as to the costs to be incurred in our exploratory drilling activities, cost overruns are possible and we may encounter mechanical difficulties and failures in completing wells;
- There are uncertain costs inherent in drilling into unknown formations, such as over-pressured zones, high temperatures and tools lost in the hole; and
- We may make changes in our drilling plans and locations as a result of prior exploratory drilling.

During the exploration phase prior to the start date of initial commercial production, we have a carried interest in the exploration activities on the KG Offshore Block. Our interests in our other exploration blocks are participating interests which require us to pay our proportionate share of exploration, drilling and development expenses on these blocks substantially as those expenses are incurred. Unexpected or additional costs can affect the commercial viability of producing oil and gas from a well and will affect the time when and amounts that we can expect to receive from any production from a well. Because our carried costs of exploration and drilling on the KG Offshore Block are to be repaid in full to the operator, GSPC, before we are entitled to any share of production, additional exploration and development expenses will reduce and delay any share of production and revenues we will receive.

There can be no assurance that the ventures in which we are a participant will be successful in addressing these risks, and any failure to do so could have a material adverse effect on our prospects for the future. Our operations were recently established, and as such, we have no substantial operating history to serve as the basis to predict our ability to further the development of our business plan. Likewise, the outcome of our exploratory drilling activities, as well as our quarterly and annual operating results cannot be predicted. Consequently, we believe that period to period comparisons of our exploration, development, drilling and operating results will not necessarily be meaningful and should not be relied upon as an indication of our stage of development or future prospects. Through May 14, 2007, we abandoned two wells drilled on the KG Offshore Block, two wells on the Mehsana Block and three wells on the Tarapur Block and it is likely that in some future quarter our stage of development or operating or drilling results may fall below our expectations or the expectations of securities analysts and investors and that some of our drilling results will be unsuccessful and the wells abandoned. In such event, the trading price of our common stock may be materially and adversely affected.

Page37

Table of Contents

We Expect to Have Substantial Requirements For Additional Capital That May Be Unavailable To Us Which Could Limit Our Ability To Participate In Our Existing and Additional Ventures Or Pursue Other Opportunities. Our Available Capital is Limited

In order to participate under the terms of our PSCs as well as in further joint venture arrangements leading to the possible grant of exploratory drilling opportunities, we will be required to contribute or have available to us material amounts of capital. Under the terms of our CIA relating to the KG Offshore Block, after the start date of initial commercial production on the KG Offshore Block, and under the terms of the nine other PSCs we are parties to, we are required to bear our proportionate share of costs during the exploration phases of those agreements. There can be no assurance that our currently available capital will be sufficient for these purposes or that any additional capital that is required will be available to us in the amounts and at the times required. Such capital also may be required to secure bonds in connection with the grant of exploration rights, to conduct or participate in exploration activities or be engaged in drilling and completion activities. We intend to seek the additional capital to meet our requirements from equity and debt offerings of our securities. Our ability to access additional capital will depend in part on the success of the ventures in which we are a participant in locating reserves of oil and gas and developing producing wells on the exploration blocks, the results of our management in locating, negotiating and entering into joint venture or other arrangements on terms considered acceptable, as well as the status of the capital markets at the time such capital is sought.

There can be no assurance that capital will be available to us from any source or that, if available, it will be at prices or on terms acceptable to us. Should we be unable to access the capital markets or should sufficient capital not be available, our activities could be delayed or reduced and, accordingly, any future exploration opportunities, revenues and operating activities may be adversely affected and could also result in our breach of the terms of a PSC which could result in the loss of our rights under the contract.

As of March 31, 2007, we had cash and cash equivalents of approximately $29.5 million. We currently expect that our available cash will be sufficient to fund us through the budget periods ending March 31, 2008 and through the balance of 2007 at our present level of operations on the ten exploration blocks in which we are currently a participant including our newly acquired NELP-VI exploration blocks. Although exploration activity budgets are subject to ongoing review and revision, our present estimate of our commitments of capital pursuant to the terms of our PSCs relating to our six exploration blocks, excluding our newly acquired NELP-VI exploration blocks, totals approximately $12.7 million during the period April 1, 2007 to March 31, 2008. We anticipate total expenditures on the four newly acquired NELP-VI blocks for the first exploration phase which covers four years to be approximately $28 million. Any further PSCs we may seek to enter into or any expanded scope of our operations or other transactions that we may enter into may require us to fund our participation or capital expenditures with amounts of capital not currently available to us. We may be unsuccessful in raising the capital necessary to meet these capital requirements. There can be no assurance that we will be able to raise the capital.

India's Regulatory Regime May Increase Our Risks And Expenses In Doing Business

All phases of the oil and gas exploration, development and production activities in which we are participating are regulated in varying degrees by the Indian government, either directly or through one or more governmental entities. The areas of government regulation include matters relating to restrictions on production, price controls, export controls, income taxes, expropriation of property, environmental protection and rig safety. In addition, the award of a PSC is subject to GOI consent and matters relating to the implementation and conduct of operations under the PSC are subject, under certain circumstances, to GOI consent. As a consequence, all future drilling and production programs and operations we undertake or are undertaken by the ventures in which we participate in India must be approved by the Indian government. Shifts in political conditions in India could adversely affect our business in India and the ability to obtain requisite government approvals in a timely fashion or at all. We, and our joint venture participants, must maintain satisfactory working relationships with the Indian government. This regulatory environment and possible delays inherent in that environment may increase the risks associated with our exploration and production activities and increase our costs of doing business.

Table of Contents

Our Control By Directors And Executive Officers May Result In Those Persons Having Interests Divergent From Our Other Stockholders

As of May 14, 2007, our Directors and executive officers and their respective affiliates, in the aggregate, beneficially hold 32,523,667 shares or approximately 49.1% of our outstanding Common Stock. As a result, these stockholders possess significant influence over us, giving them the ability, among other things, to elect a majority of our Board of Directors and approve significant corporate transactions. These persons will retain significant control over our present and future activities and our other stockholders and investors may be unable to meaningfully influence the course of our actions. These persons may have interests regarding the future activities and transactions in which we engage which may diverge from the interests of our other stockholders. Such share ownership and control may also have the effect of delaying or preventing a change in control of us, impeding a merger, consolidation, takeover or other business combination involving us, or discourage a potential acquiror from making a tender offer or otherwise attempting to obtain control of us which could have a material adverse effect on the market price of our Common Stock. Although management has no intention of engaging in such activities, there is also a risk that the existing management will be viewed as pursuing an agenda which is beneficial to themselves at the expense of other stockholders.

Our Reliance On A Limited Number Of Key Management Personnel Imposes Risks On Us That We Will Have Insufficient Management Personnel Available If The Services Of Any Of Them Are Unavailable

We are dependent upon the services of our President and Chief Executive Officer, Jean Paul Roy, and Executive Vice President and Chief Financial Officer, Allan J. Kent. The loss of either of their services could have a material adverse effect upon us. We currently do not have employment agreements with either of such persons or key man life insurance. The services of Mr. Roy are provided pursuant to the terms of an agreement with a corporation wholly-owned by him. At present, Mr. Kent’s services are provided through an oral agreement. Accordingly, these agreements do not contain any provisions whereby Mr. Roy and Mr. Kent have direct contractual obligations to us to provide services or refrain from other activities.

At present, our future is substantially dependent upon the geological and geophysical capabilities of Mr. Roy to locate oil and gas exploration opportunities for us and the ventures in which we are a participant. His inability to do the foregoing could materially adversely affect our future activities. We entered into a three-year TSA with RGB dated August 29, 2003, a company owed 100% by Mr. Roy, to perform such geological and geophysical duties and exercise such powers related thereto as we may from time to time assign to it. The expiration term of this contract has subsequently been extended to December 31, 2007. We have no agreement directly with Mr. Roy regarding his services to us.

Our Success Is Largely Dependent On The Success Of The Operators Of The Ventures In Which We Participate And Their Failure Or Inability To Properly Or Successfully Operate The Oil And Gas Exploration, Development And Production Activities On An Exploration Block, Could Materially Adversely Affect Us

At present, our only oil and gas interests are our contractual rights under the terms of the ten PSCs with the GOI that we have entered into. We are not and will not be the operator of any of the exploration, drilling and production activities conducted on our exploration blocks, with the exception of the DS blocks in which we are the operator. Accordingly, the realization of successes in the exploration of the blocks is substantially dependent upon the success of the operators in exploring for and developing reserves of oil and gas and their ability to market those reserves at prices that will yield a return to us.

Under the terms of our CIA for the KG Offshore Block, we have a carried interest in the exploration activities conducted by the parties on the KG Offshore Block prior to the start date of initial commercial production. However, under the terms of that agreement, all of our proportionate share of capital costs for exploration and development activities must be repaid without interest over the projected production life or ten years, whichever is less. Our proportionate share of these costs and expenses expected to be incurred over the 6.5 year term of the PSC for which our interest is carried was originally estimated to be approximately $22.0 million. Additional drilling costs including the drilling to depths in excess of 5,000 meters, where higher downhole temperatures and pressures are encountered, versus shallower depths as originally anticipated, as well as the testing and completion costs of these wells, has resulted in additional costs exceeding originally estimated expenditures. As a consequence of these additional drilling costs incurred, as of May 14, 2007, the annual budget for the period April 1, 2007 to March 31, 2008 submitted to the Management Committee under the PSC for the KG Offshore Block estimates that GSPC will expend approximately $50.4 million attributed to us (including the amount attributable to RGM) under the CIA over the period April 1, 2007 to March 31, 2008. Further additional expenditures may be required for cost overruns and completions of commercially successful wells. We are unable to estimate the amount of additional expenditures GSPC will make as operator attributable to us prior to the start date of initial commercial production under the CIA or when, if ever, any commercial production will commence. Of these expenditures, 50% are for the account of Roy Group (Mauritius) Inc. under the terms of the Participating Interest Agreement between us and Roy Group (Mauritius) Inc. We are not entitled to any share of production from the KG Offshore Block until such time as the expenditures attributed to us, including those expenditures made for the account of Roy Group (Mauritius) Inc., under the CIA, have been recovered by GSPC from future production revenue. Therefore, we are unable to estimate when we may commence to receive distributions from any production of hydrocarbon reserves found on the KG Offshore Block. As provided in the CIA, in addition to repaying our proportionate share of capital costs incurred for which we were carried, we will be required to bear our proportionate share of the expenditures attributable to us after the start date of initial commercial production on the KG Offshore Block.

Table of Contents

Certain Terms Of The Production Sharing Contracts May Create Additional Expenses And Risks That Could Adversely Affect Our Revenues And Profitability

The PSCs contain certain terms that may affect the revenues of the joint venture participants to the agreements and create additional risks for us. These terms include, possibly among others, the following:

- The venture participants are required to complete certain minimum work programs during the two or three phases of the terms of the PSCs. In the event the venture participants fail to fulfill any of these minimum work programs, the parties to the venture must pay to the GOI their proportionate share of the amount that would be required to complete the minimum work program. Accordingly, we could be called upon to pay our proportionate share of the estimated costs of any incomplete work programs. At May 14, 2007, we have failed to complete phase one work programs under three of our PSCs within the time periods agreed. We have applied to the GOI for extensions of these allotted time periods and are awaiting the GOI response.
- Until such time as the GOI attains self sufficiency in the production of crude oil and condensate and is able to meet its national demand, the parties to the venture are required to sell in the Indian domestic market their entitlement under the PSCs to crude oil and condensate produced from the exploration blocks. In addition, the Indian domestic market has the first call on natural gas produced from the exploration blocks and the discovery and production of natural gas must be made in the context of the government's policy of utilization of natural gas and take into account the objectives of the government to develop its resources in the most efficient manner and promote conservation measures. Accordingly, this provision could interfere with our ability to realize the maximum price for our share of production of hydrocarbons;
- The parties to each agreement that are not Indian companies, which includes us, are required to negotiate technical assistance agreements with the GOI or its nominee whereby such foreign company can render technical assistance and make available commercially available technical information of a proprietary nature for use in India by the government or its nominee, subject, among other things, to confidentiality restrictions. Although not intended, this could increase each venture's and our cost of operations; and
- The parties to each venture are required to give preference, including the use of tender procedures, to the purchase and use of goods manufactured, produced or supplied in India provided that such goods are available on equal or better terms than imported goods, and to employ Indian subcontractors having the required skills insofar as their services are available on comparable standards and at competitive prices and terms. Although not intended, this could increase the ventures and our cost of operations.

These provisions of the PSCs, possibly among others, may increase our costs of participating in the ventures and thereby affect our profitability. Failure to fully comply with the terms of the PSCs creates additional risks for us.

Table of Contents

The Requirements of Section 404 of the Sarbanes-Oxley Act of 2002 Require That We Undertake an Evaluation of Our Internal Controls That May Identify Internal Control Weaknesses.

The Sarbanes-Oxley Act of 2002 imposes new duties on us and our executives, directors, attorneys and independent registered public accounting firm. In order to comply with the Sarbanes-Oxley Act, we are evaluating our internal controls systems to allow management to report on, and our independent auditors to attest to, our internal controls. We have initiated establishing the procedures for performing the system and process evaluation and testing required in an effort to comply with the management certification and auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act. We anticipate being able to fully implement the requirements relating to reporting on internal controls and all other aspects of Section 404 in a timely fashion. If we are not able to implement the reporting requirements of Section 404 in a timely manner or with adequate compliance, our management and/or our auditors may not be able to render the required certification and/or attestation concerning the effectiveness of the internal controls over financial reporting, we may be subject to investigation and/or sanctions by regulatory authorities, such as the Securities and Exchange Commission or American Stock Exchange, and our reputation may be harmed. Any such action could adversely affect our financial results and the market price of our common stock.

Oil And Gas Prices Fluctuate Widely And Low Oil And Gas Prices Could Adversely Affect Our Financial Results

There is no assurance that there will be any market for oil or gas produced from the exploration blocks in which we hold an interest and our ability to deliver the production from any wells may be constrained by the absence of or limitations on collector systems and pipelines. Future price fluctuations could have a major impact on the future revenues from any oil and gas produced on these exploration blocks and thereby our revenue, and materially affect the return from and the financial viability of any reserves that are claimed. Historically, oil and gas prices and markets have been volatile, and they are likely to continue to be volatile in the future. A significant decrease in oil and gas prices could have a material adverse effect on our cash flow and profitability and would adversely affect our financial condition and the results of our operations. In addition, because world oil prices are quoted in and trade on the basis of U.S. dollars, fluctuations in currency exchange rates that affect world oil prices could also affect our revenues. Prices for oil and gas fluctuate in response to relatively minor changes in the supply of and demand for oil and gas, market uncertainty and a variety of additional factors that are beyond our control, including:

- political conditions and civil unrest in oil producing regions, including the Middle East and elsewhere;
- the domestic and foreign supply of oil and gas;
- quotas imposed by the Organization of Petroleum Exporting Countries upon its members;
- the level of consumer demand;
- weather conditions;
- domestic and foreign government regulations;
- the price and availability of alternative fuels;
- overall economic conditions; and
- international political conditions.

In addition, various factors may adversely affect the ability to market oil and gas production from our exploration blocks, including:

- the capacity and availability of oil and gas gathering systems and pipelines;
- the ability to produce oil and gas in commercial quantities and to enhance and maintain production from existing wells and wells proposed to be drilled;
- the proximity of future hydrocarbon discoveries to oil and gas transmission facilities and processing equipment (as well as the capacity of such facilities);
- the effect of governmental regulation of production and transportation (including regulations relating to prices, taxes, royalties, land tenure, allowable production, importing and exporting of oil and condensate and matters associated with the protection of the environment);
- the imposition of trade sanctions or embargoes by other countries;
- the availability and frequency of delivery vessels;
- changes in supply due to drilling by others;

- the availability of drilling rigs and qualified personnel; and
- changes in demand.

Table of Contents

Our Ability To Locate And Participate In Additional Exploration Opportunities And To Manage Growth May Be Limited By Reason Of Our Limited History Of Operations And The Limited Size Of Our Staff

While our President and Executive Vice President have had extensive experience in the oil and gas exploration business, we have been engaged in limited activities in the oil and gas business over approximately the past three years and have a limited history of activities upon which you may base your evaluation of our performance. As a result of our brief operating history and limited activities in oil and gas exploration activities, our success to date in entering into ventures to acquire interests in exploration blocks may not be indicative that we will be successful in entering into any further ventures. There can be no assurance that we will be successful in growing our oil and gas exploration and development activities.

Any future significant growth in our oil and gas exploration and development activities will place demands on our executive officers, and any increased scope of our operations will present challenges to us due to our current limited management resources. Our future performance will depend upon our management and its ability to locate and negotiate opportunities to participate in joint venture and other arrangements whereby we can participate in exploration opportunities. There can be no assurance that we will be successful in these efforts. Our inability to locate additional opportunities, to hire additional management and other personnel or to enhance our management systems could have a material adverse effect on our results of operations.

Our Future Performance Depends Upon Our Ability And The Ability Of The Ventures In Which We Participate To Find Or Acquire Oil And Gas Reserves That Are Economically Recoverable

Our success in developing our oil and gas exploration and development activities will be dependent upon establishing, through our participation with others in joint ventures and other similar activities, reserves of oil and gas and maintaining and possibly expanding the levels of those reserves. We and the joint ventures in which we may participate may not be able to locate and thereafter replace reserves from exploration and development activities at acceptable costs. Lower prices of oil and gas may further limit the kinds of reserves that can be developed at an acceptable cost. The business of exploring for, developing or acquiring reserves is capital intensive. We may not be able to make the necessary capital investment to enter into joint ventures or similar arrangements to maintain or expand our oil and gas reserves if capital is unavailable to us and the ventures in which we participate. In addition, exploration and development activities involve numerous risks that may result in dry holes, the failure to produce oil and gas in commercial quantities, the inability to fully produce discovered reserves and the inability to enhance production from existing wells.

We expect that we will continually seek to identify and evaluate joint venture and other exploration opportunities for our participation as a joint venture participant or through some other arrangement. Our ability to enter into additional exploration activities will be dependent to a large extent on our ability to negotiate arrangements with others and with various governments and governmental entities whereby we can be granted a participation in such ventures. There can be no assurance that we will be able to locate and negotiate such arrangements, have sufficient capital to meet the costs involved in entering into such arrangements or that, once entered into, that such exploration activities will be successful. Successful acquisition of exploration opportunities can be expected to require, among other things, accurate assessments of potential recoverable reserves, future oil and gas prices, projected operating costs, potential environmental and other liabilities and other factors. Such assessments are necessarily inexact, and as estimates, their accuracy is inherently uncertain. We cannot assure you that we will successfully consummate any further exploration opportunities or joint venture or other arrangements leading to such opportunities.

Table of Contents

Estimating Reserves And Future Net Revenues Involves Uncertainties And Oil And Gas Price Declines May Lead To Impairment Of Oil And Gas Assets

Currently, we do not claim any proved reserves of oil or natural gas. Any reserve information that we may provide in the future will represent estimates based on reports prepared by independent petroleum engineers, as well as internally generated reports. Petroleum engineering is not an exact science. Information relating to proved oil and gas reserves is based upon engineering estimates derived after analysis of information we furnish or furnished by the operator of the property. Estimates of economically recoverable oil and gas reserves and of future net cash flows necessarily depend upon a number of variable factors and assumptions, such as historical production from the area compared with production from other producing areas, the assumed effects of regulations by governmental agencies and assumptions concerning future oil and gas prices, future operating costs, severance and excise taxes, capital expenditures and workover and remedial costs, all of which may in fact vary considerably from actual results. Oil and gas prices, which fluctuate over time, may also affect proved reserve estimates. For these reasons, estimates of the economically recoverable quantities of oil and gas attributable to any particular group of properties, classifications of such reserves based on risk of recovery and estimates of the future net cash flows expected therefrom prepared by different engineers or by the same engineers at different times may vary substantially. Actual production, revenues and expenditures with respect to reserves we may claim will likely vary from estimates, and such variances may be material. Either inaccuracies in estimates of proved undeveloped reserves or the inability to fund development could result in substantially reduced reserves. In addition, the timing of receipt of estimated future net revenues from proved undeveloped reserves will be dependent upon the timing and implementation of drilling and development activities estimated by us for purposes of the reserve report.

Quantities of proved reserves are estimated based on economic conditions in existence in the period of assessment. Lower oil and gas prices may have the impact of shortening the economic lives on certain fields because it becomes uneconomic to produce all recoverable reserves on such fields, thus reducing proved property reserve estimates. If such revisions in the estimated quantities of proved reserves occur, it will have the effect of increasing the rates of depreciation, depletion and amortization on the affected properties, which would decrease earnings or result in losses through higher depreciation, depletion and amortization expense. The revisions may also be sufficient to trigger impairment losses on certain properties that would result in a further non-cash charge to earnings.

Risks Relating To The Market For Our Common Stock

Volatility Of Our Stock Price

The public market for our common stock has been characterized by significant price and volume fluctuations. There can be no assurance that the market price of our common stock will not decline below its current or historic price ranges. The market price may bear no relationship to the prospects, stage of development, existence of oil and gas reserves, revenues, earnings, assets or potential of our company and may not be indicative of our future business performance. The trading price of our common stock could be subject to wide fluctuations. Fluctuations in the price of oil and gas and related international political events can be expected to affect the price of our common stock. In addition, the stock market in general has experienced extreme price and volume fluctuations that have affected the market price for many companies which fluctuations have been unrelated to the operating performance of these companies. These market fluctuations, as well as general economic, political and market conditions, may have a material adverse effect on the market price of our company's common stock. In the past, following periods of volatility in the market price of a company's securities, securities class action litigation has often been instituted against such companies. Such litigation, if instituted, and irrespective of the outcome of such litigation, could result in substantial costs and a diversion of management's attention and resources and have a material adverse effect on our company's business, results of operations and financial condition.

Table of Contents

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk is the potential loss arising from changes in market rates and prices. We are exposed to the impact of market fluctuations associated with the following:

Commodity Price Risk
Oil and natural gas prices are subject to wide fluctuations and market uncertainties due to a variety of factors that are beyond our control. These factors include the level of global demand for petroleum products, international supply of oil and gas, the establishment of and compliance with production quotas by oil exporting countries, weather conditions, the price and availability of alternative fuels, and overall economic conditions, both international and domestic. We cannot predict future oil and gas prices with any degree of certainty. Sustained weakness in oil and gas prices may adversely affect our ability to obtain capital to fund our activities and could in the future require a reduction in the carrying value of our oil and gas properties. Similarly, an improvement in oil and gas prices can have a favorable impact on our financial condition, results of operations and capital resources.
At March 31, 2007, we had not entered into any market risk sensitive instruments, as such term is defined in Item 305 of Regulation S-K, relating to oil and natural gas.

Interest Rate Risk
At March 31, 2007, we had approximately $29.5 million in cash and cash equivalents. Substantially, all these funds are held in U.S. dollars and our cash equivalents are invested in high-quality credit instruments, primarily of money market funds with maturities of 90 days or less. We do not expect any material loss from cash equivalents, and therefore we believe our interest rate exposure on invested funds is not material. Fluctuations in interest rates can be expected to affect the interest income we receive on the invested funds.
At March 31, 2007, we had no long-term debt outstanding and held no market risk sensitive instruments related to the interest rate risk.

Foreign Currency Risk
Substantially, all of our cash and cash equivalents are held in U.S. dollars or U.S. dollar denominated securities. At March 31, 2007, we had no operating revenues. Certain of our expenses are fixed or denominated by foreign currencies including the Canadian dollar and the Indian Rupees. We are exposed to market risks associated with fluctuations in foreign currency exchange rates related to our transactions denominated in currencies other than the U.S. dollar.
At March 31, 2007, we had not entered into any market risk sensitive instruments relating to our foreign currency exchange risk.

Trading Risks
We have no market risk sensitive instruments held for trading purposes.

Table of Contents

ITEM 4. 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 within 90 days of the filing date of 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.

PART II
OTHER INFORMATION

ITEM 1A. RISK FACTORS

The description of the Risk Factors associated with an investment in our Common Stock set forth under the heading Risk Factors in Item 2 Management’s Discussion and Analysis of Financial Condition and Results of Operations in Part I of this Quarterly Report on Form 10-Q are incorporated into this Part II Item 1A by reference and supersede the discussion of risk factors under the heading in Part II, Item 6 Management’s Discussion and Analysis or Plan of Operations in our Annual Report on Form 10-KSB as amended by a Form 10-KSB/A for the year ended December 31, 2006.

ITEM 6. EXHIBITS

1.01*	Production Sharing Contract dated March 2, 2007, between the Government of India, Oil India Limited and GeoGlobal Resources (Barbados) Inc. with respect to Exploration block KG-ONN-2004/1
1.01.1*	Letter Agreement dated September 14, 2006 between Oil India Limited and the Company with respect to the acquisition of an additional 15% participating interest in Exploration block KG-ONN-2004/1
1.02*	Production Sharing Contract dated March 2, 2007, between the Government of India, Oil India Limited and GeoGlobal Resources (Barbados) Inc. with respect to Exploration block RJ-ONN-2004/2
1.03*	Production Sharing Contract dated March 2, 2007, between the Government of India, Oil India Limited, Hindustan Petroleum Corpn. Ltd. and GeoGlobal Resources (Barbados) Inc with respect to Exploration block RJ-ONN-2004/3
1.04*	Production Sharing Contract dated March 2, 2007, between the Government of India and GeoGlobal Resources (Barbados) Inc. with respect to Exploration Block DS-ONN-2004/1
31.1*	Certification of President and Chief Executive Officer Pursuant to Rule 13a-14(a)
31.2*	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a)
32.1	Certification of President and Chief Executive Officer Pursuant to Section 1350 (furnished, not filed)
32.2	Certification of Chief Financial Officer Pursuant to Section 1350 (furnished, not filed)

* filed herewith

SIGNATURES

In accordance with the requirements of the Securities 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.

(Registrant)

May 14, 2007

/s/ Jean Paul Roy

Jean Paul Roy
President and Chief Executive Officer
(Principal Executive Officer and Director)

May 14, 2007

/s/ Allan J. Kent

Allan J. Kent
Executive Vice President and Chief Financial Officer
(Principal Financial and Accounting)