GEOGLOBAL RESOURCES INC
Form 10QSB
August 15, 2005

FORM 10-QSB

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

(Mark One)

[X]

Quarterly Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended June 30, 2005;

or

[ ]

Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from __________________ to ______________________.

Commission file Number: 1-32158

GEOGLOBAL RESOURCES INC.

(Exact name of small business issuer as specified in its charter)

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

SUITE 200, 630 4 AVENUE SW, CALGARY, ALBERTA, CANADA T2P 0J9

(Address of principal executive offices, zip code)

403 777-9250

(Issuer's Telephone Number, Including Area Code)

Check whether the issuer (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 issuer 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 an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

YES [ ]   NO [X]

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

Class	Outstanding at August 10, 2005
COMMON STOCK, PAR VALUE $.001 PER SHARE	58,297,855

Transitional Small Business Disclosure Format

YES [ ]   NO [X]

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GEOGLOBAL RESOURCES INC.

(a development stage enterprise)

QUARTERLY REPORT ON FORM 10-QSB

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ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

PART I. FINANCIAL INFORMATION

GEOGLOBAL RESOURCES INC.

(a development stage enterprise)

CONSOLIDATED BALANCE SHEETS

(Unaudited)

	June 30-2005	December 31-2004
	US $	US $
Assets		
Current		
Cash and cash equivalents	**5,571,791**	4,419,598
Restricted cash (note 10c)	**206,796**	206,796
	5,778,587	4,626,394
Accounts receivable	**210,836**	181,237
Cash call receivable	**7,697**	27,511
	5,997,120	4,835,142
Property and equipment (note 3)		
Exploration costs, not subject to depletion	**1,593,787**	638,539
Computer and office equipment, net	**136,177**	143,053
	1,729,964	781,592
	7,727,084	5,616,734
Liabilities		
Current		
Accounts payable	**53,926**	29,623
Accrued liabilities	**220,215**	54,442
Due to related companies (notes 7c, 7d and 7e)	**47,906**	19,624
	322,047	103,689
Stockholders' Equity		
Capital stock (note 4)		
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		
56,398,555 common shares (December 31, 2004 55,207,455)	**41,806**	40,615
Additional paid-in capital (note 4)	**9,097,593**	6,831,434
Deficit accumulated during the development stage	**(1,734,362)**	(1,359,004)
	7,405,037	5,513,045
	7,727,084	5,616,734

See Commitments and Guarantees (note 3e and 10)

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

GEOGLOBAL RESOURCES INC.

(a development stage enterprise)

CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

	Three months ended June 30-2005 US $	Three months ended June 30-2004 US $	**Six months ended June 30-2005 US $**	Six months ended June 30-2004 US $	Period from Inception, August 21-2002 to June 30-2005 US $
Expenses (note 7c, 7d and 7e)					
General and administrative	**83,342**	179,490	**189,934**	273,925	799,324
Consulting fees	**51,735**	53,319	**101,574**	126,484	509,460
Professional fees	**69,602**	54,013	**90,241**	105,586	390,358
Depreciation and depletion	**11,967**	15,050	**23,387**	27,394	135,843
	216,646	301,872	**405,136**	533,389	1,834,985
Other expenses (income)					
Consulting fees recovered	**--**	--	**--**	(14,300)	(53,075)
Equipment costs recovered	**--**	--	**--**	(2,200)	(6,445)
Foreign exchange loss	**1,474**	11,425	**4,508**	3,830	26,637
Interest	**(19,609)**	(7,092)	**(34,286)**	(12,975)	(67,740)
	(18,135)	4,333	**(29,778)**	(25,645)	(100,623)
Net loss and comprehensive loss for the period (note 8)	**(198,511)**	(306,205)	**(375,358)**	(507,744)	(1,734,362)
Net loss per share					
basic and diluted (note 4d)	**0.00**	(0.01)	**(0.01)**	(0.01)	

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

GEOGLOBAL RESOURCES INC.

(a development stage enterprise)

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

	Three months ended June 30-2005 US $	Three months ended June 30-2004 US $	**Six months ended June 30-2005 US $**	Six months ended June 30-2004 US $	Period from Inception, August 21-2002 to June 30-2005 US $
Cash flows provided by (used in)					
operating activities					
Net loss	**(198,511)**	(306,205)	**(375,358)**	(507,744)	(1,734,362)
Adjustment to reconcile net loss to					
net cash used in operating activities:					
Depreciation and depletion	**11,967**	15,050	**23,387**	27,394	135,843
Changes in operating assets					
and liabilities:					
Accounts receivable	**(26,556)**	(57,506)	**(29,599)**	(105,026)	(135,836)
Accounts payable	**(8,208)**	110,284	**24,303**	(16,840)	4,918
Accrued liabilities	**(200)**	--	**(15,700)**	--	5,300
Due to related companies	**24,588**	23,124	**28,282**	29,900	6,150
	(196,920)	(215,253)	**(344,685)**	(572,316)	(1,717,987)
Cash flows provided by (used in)					
investing activities					
Property and equipment					
Exploration costs	**(38,742)**	(186,650)	**(955,248)**	(270,218)	(1,593,787)
Computer and office equipment	**(7,305)**	(13,802)	**(16,511)**	(65,604)	(272,020)

Cash acquired on acquisition (note 6)	**--**	--	**--**	--	3,034,666
Restricted cash (note 10c)	**--**	--	**--**	--	(206,796)
Changes in investing assets					
and liabilities:					
Cash call receivable	**7,210**	--	**19,814**	--	(7,697)
Accrued liabilities	**(78,178)**	--	**181,473**	--	214,915
	(117,015)	(200,452)	**(770,472)**	(335,822)	1,169,281
Cash flows provided by (used in)					
financing activities					
Proceeds from issuance of common shares	**2,267,350**	75,000	**2,267,350**	90,000	8,582,614
Share issuance costs	**--**	--	**--**	--	(550,175)
Changes in financing liabilities:					
Note payable (note 7a)	**--**	(500,000)	**--**	(1,000,000)	(2,000,000)
Accounts payable	**--**	--	**--**	--	61,078
Due to related companies	**--**	--	**--**	--	26,980
	2,267,350	(425,000)	**2,267,350**	(910,000)	6,120,497
Net increase (decrease) in cash and cash equivalents	**1,953,415**	(840,705)	**1,152,193**	(1,818,138)	5,571,791
Cash and cash equivalents, beginning of period	**3,618,376**	6,052,474	**4,419,598**	7,029,907	--
Cash and cash equivalents, end of period	**5,571,791**	5,211,769	**5,571,791**	5,211,769	5,571,791
Cash and cash equivalents					
Current bank accounts	**1,308,355**	118,936	**1,308,355**	118,936	1,308,355
Term deposits	**4,263,436**	5,092,833	**4,263,436**	5,092,833	4,263,436
	5,571,791	5,211,769	**5,571,791**	5,211,769	5,571,791

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

Notes to the Consolidated Financial Statements

GeoGlobal Resources Inc.

(a development stage enterprise)

(Unaudited)

June 30, 2005

1.

Nature of operations

On August 29, 2003, all of the issued and outstanding shares of GeoGlobal Resources (India) Inc. ("GeoGlobal India") were acquired by GeoGlobal Resources Inc., formerly Suite101.com, Inc. As a result of the transaction, the former shareholder of GeoGlobal India held approximately 69.3% of the issued and outstanding shares of GeoGlobal Resources Inc. This transaction is considered an acquisition of GeoGlobal Resources Inc. (the accounting subsidiary and legal parent) by GeoGlobal India (the accounting parent and legal subsidiary) and has been accounted for as a purchase of the net assets of GeoGlobal Resources Inc. by GeoGlobal India. Accordingly, this transaction represents a recapitalization of GeoGlobal India, the legal subsidiary, effective August 29, 2003. These consolidated financial statements are issued under the name of GeoGlobal Resources Inc. but are a continuation of the financial statements of the accounting acquirer, GeoGlobal India. The assets and liabilities of GeoGlobal India are included in the consolidated financial statements at their historical carrying amounts. As a result, the stockholders' equity of GeoGlobal Resources Inc. is eliminated and these consolidated financial statements reflect the results of operations of GeoGlobal Resources Inc. only from the date of the acquisition (refer to acquisition note 6).

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

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

2.

Basis of presentation

The accompanying unaudited interim consolidated financial statements have been prepared in accordance with US generally accepted accounting principles for interim financial information and with the instructions to Form 10-QSB and Item 310(b) of Regulation S-B. 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 and six month periods ended June 30, 2005 are not necessarily indicative of the results that may be expected for the year ended December 31, 2005.

The consolidated balance sheet at December 31, 2004 has been derived from the audited consolidated financial statements at that date but does not include all of the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements.

For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's annual report on Form 10-KSB for the year ended December 31, 2004.

Notes to the Consolidated Financial Statements

GeoGlobal Resources Inc.

(a development stage enterprise)

(Unaudited)

June 30, 2005

2.

Basis of presentation (continued)

These consolidated financial statements include the accounts of GeoGlobal Resources Inc., from the date of acquisition, being August 29, 2003, as well as the accounts of GeoGlobal's direct and indirect wholly-owned subsidiaries: (i) GeoGlobal Resources (India) Inc., incorporated under the *Business Corporations Act* (Alberta), Canada on August 21, 2002 which was continued under the *Companies Act of Barbados*, West Indies on June 27, 2003 (ii) GeoGlobal Resources (Canada) Inc., incorporated under the *Business Corporations Act* (Alberta), Canada on September 4, 2003 and (iii) GeoGlobal Resources (Barbados) Inc. incorporated under the *Companies Act of Barbados*, West Indies on September 24, 2003, which is the wholly-owned subsidiary of GeoGlobal Resources (Canada) Inc.

3.

Property and equipment

		Balance Sheet as at US $		Exploration costs incurred in the six months ended June 30 US $	
		June 30-2005	December 31-2004	**2005**	2004
Exploration and development					
Exploration costs	India	**1,593,787**	638,539	**955,248**	270,218
		1,593,787	638,539	**955,248**	270,218
Computer and equipment					
Computer and office equipment		**272,020**	255,509		
Accumulated depreciation		**(135,843)**	(112,456)		

136,177	143,053
1,729,964	781,592

a)

Exploration costs India

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

b)

Capitalized overhead costs

Included in the US$955,248 of exploration cost additions during the six months ended June 30, 2005 (year ended December 31, 2004 US$460,016) are certain overhead costs capitalized by the Company in the amount of US$156,720 (year ended December 31, 2004 US$336,535) directly related to the exploration activities in India. Of the capitalized overhead amount, US$49,767 (year ended December 31, 2004 US$49,370) was paid to third parties, and US$106,953 was paid to and on behalf of a related party (year ended December 31, 2004 US$287,165) (see note 7c). These indirect costs are incurred solely by and on behalf of the Company in providing its services under the Carried Interest Agreement and are therefore not reimbursable under the Carried Interest Agreement (see note 3c).

Notes to the Consolidated Financial Statements

GeoGlobal Resources Inc.

(a development stage enterprise)

(Unaudited)

June 30, 2005

3.

Property and equipment (continued)

c)

Carried Interest Agreement

On August 27, 2002, GeoGlobal entered into a Carried Interest Agreement (CIA) with Gujarat State Petroleum Corporation (GSPC), which grants the Company a 10% carried interest (net 5% - see note 3d) in the Exploration Block KG-OSN-2001/3. The CIA provides that GSPC is responsible for GeoGlobal's entire share of any and all costs incurred during the Exploration Phase prior to the date of initial commercial production.

As at June 30, 2005, GSPC has incurred costs of approximately Rs 40.0 Crore (approximately US$8.7 million) (December 31, 2004 Rs 22.8 Crore (approximately US$5.0 million)) attributable to GeoGlobal under the CIA of which 50% is for the account of Roy Group (Mauritius) Inc. ("RGM"), a related party (note 7b) under the terms of the Participating Interest Agreement.

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 Government of India consent, 50% of the benefits and obligations of the PSC-KG and the CIA leaving GeoGlobal with a net 5% Participating Interest in the PSC-KG and a net 5% carried interest in the CIA.

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% participating interest in the onshore CB-ON/2 Exploration Block (Tarapur) located in the center of the Cambay Basin. Commencing as of April 7, 2005, the Company agreed to be bound by the terms of the Production Sharing Contract

(PSC) relating to the Tarapur block and assume its proportionate share of obligations under it. The agreement provides that the Company pay 20% of the total of the past costs incurred in exploration activities on the block through the date of agreement, which sum amounted to approximately Rs. 2.53 Crore (approximately US$579,523). As the holder of a participating interest, the Company will be required to fund its 20% share of all further exploration and development costs incurred on the exploration block. It is expected that the total capital the Company will be required to contribute to exploration activities on Tarapur during 2005 based on the 20% participating interest will be approximately $300,000 and the Company has committed to expend an aggregate of approximately $1.2 million for exploration activities under the terms of the agreement entered into covering the Tarapur block over a period of 2½ years. The Company has further agreed to provide necessary geological and geophysical assistance at no cost to GSPC toward fulfillment of the work commitment made under the PSC in carrying out the exploration activities. The assignment of the 20% interest is subject to obtaining the consent of the Government of India to the assignment which consent has not yet been obtained. Based on the Company s past experience as a party to other PSCs with GSPC and its relationship with GSPC, the Company believes that such consent from the Government of India will be forthcoming. In the event such consent is not obtained, the assignment would be terminated. Under such circumstances, the Company intends to negotiate an alternative acceptable arrangement with GSPC. 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. Oil and Natural Gas Corporation Limited of India has the right to participate in the development of any commercial discovery by acquiring a 30% participating interest as provided under the PSC. This exercise of this right would result in the reduction of the Company s participating interest to 14%. The payment of the US$579,523 to GSPC under the terms of the Company s agreement with GSPC has been included in Exploration costs India at June 30, 2005.

Notes to the Consolidated Financial Statements

GeoGlobal Resources Inc.

(a development stage enterprise)

(Unaudited)

June 30, 2005

4.

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 GGRI (note 6)	34,000,000	34,000	1,072,960
Share issuance costs on acquisition	--	--	(66,850)
Elimination of GeoGlobal capital stock in recognition of reverse takeover (note 1)	(1,000)	(14,657)	(10,914,545)
Options exercised for cash	396,668	397	101,253
Private Placement Financing	6,000,000	6,000	5,994,000
Share issuance costs on private placement	--	--	(483,325)
	55,052,355	40,397	6,618,038

Balance as at December 31, 2003	55,053,355	40,461	6,618,038
2004 Transactions			
Options exercised for cash	115,000	115	154,785
Broker warrants exercised for cash	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	**335,000**	**335**	**461,865**
Purchase warrants exercised for cash	**521,000**	**521**	**1,301,979**
Broker warrants exercised for cash	**335,100**	**335**	**502,315**
	1,191,100	**1,191**	**2,266,159**
Balance as at June 30, 2005	**56,398,555**	**41,806**	**9,097,593**

b)

Warrants

i)

Private Placement Financing

On December 23, 2003, GeoGlobal completed a brokered private placement of 5,800,000 units at US$1.00 each, together with a concurrent private placement of an additional 200,000 units on the same terms, for aggregate gross cash total proceeds of $6,000,000. Each unit was comprised of one common share and one half of one warrant ("Private Placement Warrant"), where one full Private Placement Warrant entitles the holder to purchase one additional common share for US$2.50, for a term of two years from date of closing. The Private Placement Warrants are subject to accelerated expiration 30 days after issuance of a news release to that effect in the event that the common shares trade at US$4.00 or more for 20 consecutive trading days and if the resale of the shares has been registered under the 1933 Act and the hold period for Canadian subscribers has expired.

Notes to the Consolidated Financial Statements

GeoGlobal Resources Inc.

(a development stage enterprise)

(Unaudited)

June 30, 2005

4.

Capital Stock (continued)

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

During the three and six months ended June 30, 2005, nil and 521,000 Private Placement Warrants respectively were exercised for gross proceeds of $nil and $1,302,500 respectively. Total additional proceeds if all the remaining Placement Warrants were exercised would be US$6,197,500.

ii)

Broker Warrants

The 580,000 Broker Warrants described above entitle the holder to purchase 580,000 common shares at an exercise price of US$1.50 per share, expiring on December 23, 2005. The Broker Warrants are also subject to accelerated expiration 30 days after issuance of a news release to that effect in the event that the common shares trade at US$3.00 or more for 20 consecutive trading days and if the resale of the shares has been registered under the 1933 Act and the hold period for Canadian subscribers has expired.

During the three and six months ended June 30, 2005, nil and 335,100 Broker Warrants respectively were exercised for gross proceeds of $nil and $502,650. Total additional proceeds if all the remaining Broker Warrants were exercised would be US$308,700.

c)

Options

During the three months and six months ended June 30, 2005, nil and 335,000 options respectively were exercised for gross proceeds of US$nil and US$462,200 respectively. As at June 30, 2005, there were 4,005,000 options outstanding at various prices which, if exercised, would result in total proceeds of US$5,077,000.

d)

Weighted average number of shares

For purposes of the determination of net loss per share, the basic and diluted weighted average number of shares outstanding for the three and six months ended June 30, 2005 was 50,342,600 and 50,275,401 respectively (three and six months ended June 30, 2004 35,593,244 and 35,574,454 respectively). The amount for the three and six months ended June 30, 2005 excludes 5,000,000 shares currently held in escrow. The amount for the three and six months ended June 30, 2004 also excludes the 5,000,000 shares currently held in escrow plus 14,500,000 shares which were not released from escrow until August 27, 2004.

Notes to the Consolidated Financial Statements

GeoGlobal Resources Inc.

(a development stage enterprise)

(Unaudited)

June 30, 2005

5.

Stock Options

a)

The Company s 1998 Stock Incentive Plan

At the annual stockholders meeting held on June 14, 2005, the stockholders approved amendments to the 1998 Stock Incentive Plan (the Plan) to; a) increase the shares of Common Stock reserved for issuance under the Plan from 3,900,000 shares to 8,000,000 shares and b) amend the terms of the Automatic Option Grant Program of the Plan to increase the number of shares subject to the annual automatic option grant to non-employee Board members from 5,000 shares to 50,000 shares.

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.

b)

Stock-based compensation

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

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

	Three months	Three months ended	**Six months ended**	Six months ended

	ended June 30-2005 US$	June 30-2004 US$	June 30-2005 US$	June 30-2004 US$
Pro-forma stock based compensation	**563,575**	103,326	**930,564**	206,653
Net loss				
As reported	**(198,511)**	(306,205)	**(375,358)**	(507,744)
Pro-forma	**(762,086)**	(409,531)	**(1,305,922)**	(714,397)
Net loss per share basic and diluted				
As reported	**(0.00)**	(0.01)	**(0.01)**	(0.01)
Pro-forma	**(0.02)**	(0.01)	**(0.03)**	(0.02)
Black-Scholes Assumptions				
Fair value of stock options granted (1)	**$0.41**	$0.27	**$0.41**	$0.27
Risk-free interest rate	**2.75%**	2.61%	**2.75%**	2.61%
Volatility	**103%**	55%	**103%**	55%
Expected life (1)	**0.9 years**	0.9 years	**0.9 years**	0.9 years
Dividend yield	**0%**	0%	**0%**	0%

(1) Weighted average

Notes to the Consolidated Financial Statements

GeoGlobal Resources Inc.

(a development stage enterprise)

(Unaudited)

June 30, 2005

5.

Stock Options (continued)

c)

Stock option table

These options were granted for services provided to the Company:

Grant date (mm/dd/yy)	Option exercise price US $	Expiry date (mm/dd/yy)	Vesting date (mm/dd/yy)	Balance December 31, 2004 #	Granted during the period #	Cancelled (c) Exercised (e) during the period #		Balance June 30, 2005 #	Balance exercisable June 30, 2005 #
12/09/03	1.18	08/31/06	Vested	1,945,000	--	80,000	(e)	1,865,000	1,865,000
12/30/03	1.50	08/31/06	Vested	945,000	--	150,000	(c)		
						225,000	(e)	570,000	570,000
01/17/05	1.01	08/31/06	Vested	--	107,000	30,000	(e)	77,000	77,000
01/17/05	1.01	08/31/06	08/31/05	--	341,500	--		341,500	--
01/17/05	1.01	08/31/06	12/31/05	--	341,500	--		341,500	--
01/18/05	1.10	08/31/08	Vested	--	200,000	--		200,000	200,000
01/18/05	1.10	08/31/08	08/31/05	--	200,000	--		200,000	--
01/18/05	1.10	08/31/08	12/31/05	--	200,000	--		200,000	--
01/25/05	1.17	08/31/06	Vested	--	10,000	--		10,000	10,000
01/25/05	1.17	08/31/06	08/31/05	--	25,000	--		25,000	--
01/25/05	1.17	08/31/06	12/31/05	--	25,000	--		25,000	--
06/14/05	3.49	06/14/15	Vested	--	150,000	--		150,000	150,000

2,890,000	1,600,000	485,000	4,005,000	2,872,000

i)

On January 17, 2005, the Board of Directors of the Company passed a resolution with respect to stock options issued in 2003 to extend the expiry date of all then outstanding options from August 31, 2005 to August 31, 2006.

ii)

During the six-month period ended June 30, 2005, the Company granted options to purchase 1,600,000 shares exercisable at various prices and expiry dates.

iii)

Of the 485,000 options exercised or cancelled in the period, 150,000 were cancelled during the three months ended March 31, 2005 and the remaining 335,000 options were all exercised in the period from April 1 to June 30, 2005.

iv)

As at June 30, 2005, there were 4,005,000 options outstanding at various prices which, if exercised, would result in total proceeds of US$5,077,000.

v)

At the annual stockholder meeting held on June 14, 2005, the stockholders of the Company approved amendments to the Plan to a) increase the shares of Common Stock reserved for issuance under the Plan from 3,900,000 shares to 8,000,000 shares and b) amend the terms of the Automatic Option Grant Program of the Plan to increase the number of shares subject to the annual automatic option grant to non-employee Board members from 5,000 shares to 50,000 shares.

Notes to the Consolidated Financial Statements

GeoGlobal Resources Inc.

(a development stage enterprise)

(Unaudited)

June 30, 2005

6.

Acquisition

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

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

US $

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

Notes to the Consolidated Financial Statements

GeoGlobal Resources Inc.

(a development stage enterprise)

(Unaudited)

June 30, 2005

7.

Related party transactions

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

a)

Note payable

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

b)

Roy Group (Mauritius) Inc.

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

c)

Roy Group (Barbados) Inc.

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

	Three months ended	Three months ended	**Six months ended**	Six months ended
	June 30-2005	June 30-2004	**June 30-2005**	June 30-2004
	US $	US $	**US $**	US $
Consolidated Statement of Operations				
Consulting fees	**12,500**	12,500	**25,000**	25,000
Consolidated Balance Sheets				
Property and equipment				
Exploration costs - India	**50,000**	50,000	**100,000**	100,000
	62,500	62,500	**125,000**	125,000

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

Consolidated Statement of Operations				
General and administrative	**--**	2,191	**1,489**	3,331
Consolidated Balance Sheets				
Accounts receivable	**--**	--	**15**	--
Property and equipment				
Exploration costs India	**--**	33,515	**12,543**	47,813
	--	30,116	**14,047**	51,144

Notes to the Consolidated Financial Statements

GeoGlobal Resources Inc.

(a development stage enterprise)

(Unaudited)

June 30, 2005

7.

Related party transactions (continued)

At June 30, 2005, the Company owed Roy Group (Barbados) Inc. US$29,291 (December 31, 2004 - US$16,103) 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.

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

	Three months ended	Three months ended	**Six months ended**	Six months ended
	June 30-2005	June 30-2004	**June 30-2005**	June 30-2004
	US $	US $	**US $**	US $
Consolidated Statement of Operations				
Consulting fees	**30,000**	30,000	**60,000**	60,000
	30,000	30,000	**60,000**	60,000

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

Consolidated Statement of Operations

General and administrative				
Office costs	**5,411**	13,851	**19,010**	27,451
Travel, hotel, meals and entertainment	**2,281**	1,141	**3,531**	2,801
Consolidated Balance Sheets				
Accounts receivable	**2,596**	--	**5,517**	--
	10,288	14,992	**28,058**	30,252

At June 30, 2005, the Company owed D.I. Investments Ltd. US$12,615 (December 31, 2004 US$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.

Notes to the Consolidated Financial Statements

GeoGlobal Resources Inc.

(a development stage enterprise)

(Unaudited)

June 30, 2005

7.

Related party transactions (continued)

e)

Amicus Services Inc.

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

	Three months ended	Three months ended	**Six months ended**	Six months ended
	June 30-2005	June 30-2004	**June 30-2005**	June 30-2004
	US $	US $	**US $**	US $
Consolidated Statement of Operations				
Consulting fees	**7,925**	8,459	**14,035**	20,514
	7,925	8,459	**14,035**	20,514

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

Consolidated Statement of Operations				
General and administrative	**--**	--	**--**	1,618
Consolidated Balance Sheets				
Accounts receivable	**134**	1,559	**562**	1,559
Property and equipment	**--**	--	**--**	1,121
	134	1,559	**562**	4,298

At June 30, 2005, the Company owed Amicus Services Inc. US$6,000 (December 31, 2004 US$3,521) as a result of services provided and expenses incurred on behalf of the Company. These amounts bear no interest and have no set terms of repayment.

Notes to the Consolidated Financial Statements

GeoGlobal Resources Inc.

(a development stage enterprise)

(Unaudited)

June 30, 2005

8.

Income Taxes

a)

Income tax expense

The provision for income taxes in the 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 June 30-2005	Three months ended June 30-2004	**Six months ended June 30-2005**	Six months ended June 30-2004
	US $	US $	**US $**	US $
Net loss	**(198,511)**	(306,205)	**(375,358)**	(507,744)
Expected US tax rate	**40.66%**	40.66%	**40.66%**	40.66%
Expected income tax recovery	**(80,714)**	(124,503)	**(152,620)**	(206,449)
Excess of expected tax rate over tax				
rate of foreign affiliates	**11,469**	1,481	**24,526**	12,303
Valuation allowance	**69,102**	121,872	**126,899**	191,855
Other	**143**	1,150	**1,195**	2,291
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:

	June 30-2005	December 31-2004
	US$	US$
Difference between tax base and reported amounts of		
depreciable assets	**(133,360)**	2,679
Non-capital loss carry forwards	**1,809,499**	524,904
	1,676,139	527,583
Valuation allowance	**(1,676,139)**	(527,583)
Deferred income tax asset	**--**	--

c)

Loss carry forwards

At June 30, 2005, the Company has US$1,809,499 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.

	Amount	**Expiry Dates**
Tax Jurisdiction	**US $**	**Commence**
United States	1,552,431	2023
Canada	25,989	2010
Barbados	231,079	2012

Notes to the Consolidated Financial Statements

GeoGlobal Resources Inc.

(a development stage enterprise)

(Unaudited)

June 30, 2005

9.

Segmented information

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

	June 30-2005	December 31-2004
	Property and equipment	Property and equipment
	US $	US $
Canada	**96,125**	97,482
India	**1,633,839**	684,110
	1,729,964	781,592

10.

Commitments

a)

Pursuant to the PSC in respect of the onshore area identified as Cambay Block CB-ONN-2002/2 (Mehsana), on August 18, 2004, the Company executed a Financial and Performance Guarantee to the Government of India to fulfill the Company s obligations under the terms of the PSC, which includes the completion of its 10% share of a minimum work commitment for Phase I, estimated to be approximately US$606,000.

b)

Pursuant to the PSC in respect of the onshore area identified as Cambay Block CB-ONN-2002/3 (Sanand), on August 24, 2004, the Company executed a Financial and Performance Guarantee to the Government of India to fulfill the Company s obligations under the terms of the PSC, which includes the completion of its 10% share of a minimum work commitment for Phase I, estimated to be approximately US$1,097,000.

c)

The Company has provided to the Government of India two irrevocable letters of credit totalling US$206,796 (Mehsana US$74,530 and Sanand US$132,266) secured by term deposits of the Company in the same amount as guarantees for the performance of the minimum work commitments for the first budget period ending March 31, 2005 of Phase I of both these Cambay Blocks.

Subsequent to June 30, 2005, the Company increased the two irrevocable letters of credit to the Government of India to US$392,485 (Mehsana US$195,055 and Sanand/Mirola US$197,430) secured by term deposits of the Company in the same amounts as guarantees for the performance of the minimum work commitments for the budget period ending March 31, 2006 of Phase I for both of these Cambay Blocks.

d)

As the holder of a participating interest in the Tarapur block, the Company will be required to fund its 20% share of all further exploration and development costs incurred on the exploration block. It is expected that the total capital the Company will be required to contribute to exploration activities on Tarapur during 2005 based on the 20% participating interest will be approximately $300,000 and the Company has committed to expend an aggregate of approximately $1.2 million for exploration activities under the terms of the agreement entered into covering the Tarapur block over a period of 2½ years. 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.

Notes to the Consolidated Financial Statements

GeoGlobal Resources Inc.

(a development stage enterprise)

(Unaudited)

June 30, 2005

10.

Commitments (continued)

e)

Under the terms of the Company s PSC relating to the KG Block, the first phase of the exploration period expires on September 11, 2005. The PSC provides that by the end of the first phase, subject to a possible extension to March 11, 2006, the contracting parties shall have drilled at least fourteen wells. In the event the requisite number of wells are not drilled by the expiration date and any extensions that may be granted, the Government of India would have the right to assert that the contracting parties have failed to comply with or have contravened a material provision of the PSC. Under such circumstances, the PSC would be subject to termination by the Government of India. In the event the PSC is terminated, or in the event the work program is not fulfilled by the end of the relevant exploration phase, each party to the PSC is to pay to the Government of India 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. The Company is of the view that GSPC, under the terms of the CIA, would be liable for the Company s participating interest share of the amount required to complete the minimum work program for the phase. However, termination of the PSC by the Government of India would result in the loss of the Company s interest in the KG Block other than areas determined to encompass commercial discoveries. To June 30, 2005, exploration costs related to the KG Block amount to US$665,144.

ITEM 2 MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS FOR JUNE 30, 2005

GENERAL

The following discussion and analysis of our financial condition or plan of operation should be read in conjunction with, and is qualified in its entirety by, the more detailed information including our 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 10KSB for the year ended December 31, 2004.

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 June 30, 2005, our activities have been undertaken in locations where we and our joint venture participants have been granted exploration rights pursuant to Production Sharing Contracts (PSC s) entered into with the Government of India.

At August 10, 2005, we claim no reserves of hydrocarbons. We have entered into three PSC s each relating to a separate drilling block and each providing for multi-year and multi-phase exploration and drilling activities. In addition, we have entered into an agreement to acquire a 20% participating interest in a PSC for the Tarapur block located in the centre of the Cambay Basin in the State of Gujarat, subject to Government of India consent. Exploration and development activities pursuant to the terms of these agreements are expected to continue throughout 2005.

A COMPARISON OF OUR OPERATING RESULTS FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2005 TO JUNE 30, 2004

Statement of Operations

Three months ended June 30, 2005

During the three months ended June 30, 2005, we had expenses of $216,466 compared with expenses of $301,872 for the three months ended June 30, 2004. Our general and administrative expenses decreased to $83,342 from $179,490 for the same period in 2004. This decrease is primarily the result of the initial listing fee to the American Stock Exchange of $63,500 plus a prorated annual listing fee of $20,000 paid in the second quarter of 2004 versus the $30,000 annual listing fee to the American Stock Exchange which was paid in the first quarter in 2005. Otherwise, our general and administrative costs decreased slightly. Our general and administrative expenses include transfer agent fees and services as well as costs related to the corporate head office including administrative services, rent and office costs. Our consulting fees of $51,735 during the three months ended June 30, 2005 decreased slightly from $53,319 for the same period in 2004. These consulting fees include $12,500 paid under the Technical Services Agreement for both periods and fees incurred for employing various technical and corporate consultants which advised us on a variety of matters. Professional fees increased to $69,602 during the three months ended June 30, 2005 from $54,013 during the same period in 2004. Professional fees include those paid to our auditors for audit, accounting and tax advice, fees paid to our legal advisors for services provided with regard to filing various SEC documents and review of our oil and gas agreements. Depreciation and depletion decreased slightly to $11,967 compared to $15,050 for the same period in 2004.

Our other expenses and income during the three months ended June 30, 2005 resulted in income of $18,135 compared to an expense of $4,333 during the same period in 2004. The increase can be directly attributed to a foreign exchange loss of only $1,474 compared to a foreign exchange loss of $11,425 for the three months ended June 30, 2004. Our interest income of $19,609 in 2005 arose out of interest earned on our cash balances we held during the quarter as compared to $7,092 during the same period in 2004. This increase is a direct result of the increase in the US prime interest rate.

Reflecting the overall decrease in the fees and expenses above during the three months ended June 30, 2005 as compared to the same period ending June 30, 2004, we had a net loss of $198,511 in 2005 compared to a net loss of $306,205 in 2004.

We capitalize certain overhead costs directly related to our exploration activities in India. During the three months ended June 30, 2005 these capitalized overhead costs were $91,996 compared to $83,698 during the three months ended June 30, 2004.

Six months ended June 30, 2005

During the six months ended June 30, 2005, we had expenses of $405,136 compared with expenses of $533,389 for the six months ended June 30, 2004. Our general and administrative expenses decreased to $189,934 from $273,925 for the same period in 2004. This decrease is primarily the result of the initial listing fee to the American Stock Exchange of $63,500 plus a prorated annual listing fee of $20,000 which was paid in the second quarter of 2004 versus only the $30,000 annual listing fee to the American Stock Exchange which was paid in the first quarter of 2005. Otherwise, our general and administrative costs decreased slightly. Our general and administrative expenses include transfer agent fees and services as well as costs related to the corporate head office including administrative services, rent and office costs. Our consulting fees of $101,574 during the six months ended June 30, 2005 decreased from $126,484 for the same period in 2004. These consulting fees include $12,500 paid under the Technical Services Agreement for both periods. Additional consulting fees were incurred in the prior period for employing various technical and corporate consultants which advised us on a variety of matters which were not incurred in the first six months of 2005. Professional fees also decreased to $90,241 during the six months ended June 30, 2005 from $105,586 during the same period in 2004. Professional fees include those paid to our auditors for audit, accounting and tax advice, fees paid to our legal advisors for services provided with regard to filing various SEC documents and review of our oil and gas agreements. The decrease is a result of a decrease in legal fees in the first six months of 2005 compared to the same period in 2004. Depreciation and depletion decreased slightly to $23,387 compared to $27,394 for the same period in 2004.

Our other expenses and income during the six months ended June 30, 2005 resulted in income of $29,778 compared to $25,645 during the same period in 2004. The increase can be directly attributed to the increase in our interest income to $34,286 in 2005 compared to $12,975 during the same period in 2004. Our interest income arose out of interest earned on our cash balances we held during the quarter and the increase is a direct result of the increase in the US prime interest rate. There was no recovery of consulting fees and equipment costs from services provided and billed out to GSPC during the first half of 2005, compared to $16,500 recovered in the first quarter of 2004. Included in other revenue is also a foreign exchange loss of $4,508 compared to a foreign exchange loss of $3,830 for the six months ended June 30, 2004.

Reflecting the overall decrease in the fees and expenses above during the six months ended June 30, 2005 as compared to the same period ending June 30, 2004, we had a net loss of $375,358 in 2005 compared to a net loss of $507,744 in 2004.

We capitalize certain overhead costs directly related to our exploration activities in India. During the six months ended June 30, 2005 these capitalized overhead costs were $156,720 compared to $167,267 during the six months ended June 30, 2004.

Liquidity and Capital Resources

At June 30, 2005, our cash and cash equivalents were $5,571,791. 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 June 30, 2005

The increase in our cash and cash equivalents of $1,953,415 from $3,618,376 at March 31, 2005 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 June 30, 2005 was $196,920 as compared to $215,253 for the same period in 2004. This decrease is mostly as a result of a decrease in our net loss for the period.

Cash used in investing activities for the three months ended June 30, 2005 was $117,015. This amount was for the purchase of property and equipment as compared with $200,452 for the same period in 2004. This is consistent with our increased activities in the Cambay Basin.

Cash provided by financing activities for the three months ended June 30, 2005 was $2,267,350 as compared to used in financing activities of $425,000 for the same period in 2004. Cash of $2,267,350 was provided from the issuance of 1,191,100 shares of common stock in the exercise of options, purchase and broker warrants. During the same period in 2004, 50,000 options were exercised for proceeds of $75,000. The three months ended June 30, 2004 also included a $500,000 repayment of the note payable. No such payment was required in 2005 as the note was entirely paid on June 30, 2004.

Six months ended June 30, 2005

The increase in our cash and cash equivalents of $1,152,193 from $4,419,598 at December 31, 2004 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 six months ended June 30, 2005 was $317,174 as compared to $572,316 for the same period in 2004. This decrease is mostly as a result of a decrease in our net loss for the period of $375,358 as compared to $507,744 the prior 2004 period.

Cash used in investing activities for the six months ended June 30, 2005 was $797,983. This amount was for the purchase of property and equipment as compared to $335,822 for the same period in 2004. This increase is a result of our increased activities in the Cambay Basin and mostly attributed to our first quarter acquisition of a 20% participating interest in the Tarapur Exploration Block CB-ON/2 (see *Operations Update*).

Cash provided by financing activities for the six months ended June 30, 2005 was $2,267,350 as compared to cash used in financing activities of $910,000 for the same period in 2004. Cash of $2,267,350 was provided from the issuance of 1,191,100 shares of common stock in the exercise of options, purchase and broker warrants. During the same period in 2004, 60,000 options were exercised for proceeds of $90,000. The six months ended June 30, 2004 also included a $1,000,000 repayment of the note payable. No such payment was required in 2005 as the note was entirely paid on June 30, 2004.

The KG Block and Our Carried Interest Agreement

At June 30, 2005, the Operator of the KG Block, GSPC, has expended on exploration activities approximately $8.7 million attributable to us under the Carried Interest Agreement (CIA) as compared to $5.0 million at December 31, 2004 and $1.97 million at June 30, 2004, of which 50% is for the account of Roy Group (Mauritius) Inc. (RGM). 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 Block prior to the start date of initial commercial production.

Under the terms of the PSC, GSPC is committed to expend further funds for the exploration of and drilling on the KG Block. Preliminary budgets estimate that these expenditures attributable to us will total approximately $22.0 million over the 6.5 year term of the PSC, including the $8.7 million attributable to us through June 30, 2005. Additional expenditures may be required for the cost overruns and completion of commercially successful wells. 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 Block. Of these expenditures attributable to us, 50% are for the account of RGM under the terms of the Participating Interest Agreement (PIA).

We will not realize cash flow from the KG 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 that agreement, 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.

Cambay Blocks

We have committed to expend an aggregate of approximately $2.5 million for exploration activities under the terms of the PSC s on both of the Cambay Blocks, Mehsana and Sanand/Mirola, over a period of 6 years. As at June 30, 2005, we have incurred costs of approximately $350,000 with respect to these contracts. We estimate that our expenditures for these purposes during the balance of the 2005 fiscal year will be approximately $1.9 million, based upon our 10% participating interest in these PSC s.

We have committed to expend an aggregate of approximately $1.2 million for exploration activities under the terms of a Deed of Assignment and Assumption entered into covering the Tarapur block over a period of 2½ years. As at June 30, 2005, we have incurred costs of approximately $580,000 with respect to this agreement. We estimate that our expenditures for these purposes during the balance of the 2005 fiscal year will be approximately $300,000, based upon our 20% participating interest in this agreement.

2005 Activities

We expect our exploration and development activities pursuant to the PSC s we are parties to will continue throughout 2005 in accordance with the terms of those agreements. In addition, we have participated in joint ventures bidding under NELP V expected to be awarded, if successful, in the third quarter of 2005. We expect that our interest in any such ventures may involve either a minority or majority ownership interests and would be participating interest in the venture. In addition, as opportunities arise, we may seek to acquire participating interests in exploration blocks where PSC s have been heretofore awarded by the Government of India. 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. Depending upon the scope of our activities during the year, we may require additional capital for the possible acquisition of further participating interests in PSC s in drilling blocks heretofore awarded by the Government of India. We may also require additional capital in order to participate in ventures bidding for the grant of PSC s for future exploration blocks to be awarded by the Government of India. We believe it can be expected that our interest in such ventures would be a participating interest. As of August 10, 2005, the scope of any possible such activities has not been definitively established and, accordingly, we are unable to disclose the amount of any funds that may be required for these purposes. As the holder of a participating interest in any such possible activities, it can be expected that we will be required to contribute capital to any such ventures.

We believe that our available cash resources, including the proceeds received from the exercise of outstanding common stock purchase warrants, broker warrants and options will be sufficient to meet all our expenses, cash requirements and commitments during the balance of the year ended December 31, 2005. In addition, we intend to seek to raise additional equity capital through private sales of our securities. As of August 10, 2005, no engagement letters or other written agreements have been entered into with respect to such transactions. There can be no assurance that such transactions will be entered into, the amounts of equity capital that may be raised or the terms on which any such transactions may be completed.

We do not at this time, have any present plans to make any large acquisition, nor do we expect to make any significant changes to our personnel.

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 Quarterly 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 Quarterly Report regarding our plans and objectives relating to our future operations, plans and objectives regarding the exploration, development and production activities conducted on the four exploration blocks in India in which have interest, 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. Forward looking statements also include our plans and objectives to join with others or to directly seek to enter into or acquire interests in additional PSC s with the Government of India. Our assumptions, plans and expectations regarding our future capital requirements, our plans and intentions regarding the possibility of us raising additional capital in 2005 and beyond, the costs and expenses to be incurred in conducting any exploration, well drilling, development, and production activities and the adequacy of our capital to meet our requirements for our present level of activities are all forward-looking statements. These statements appear, among other places, under the following captions: Risk Factors and Management s Discussion and Analysis or Plan of Operation . 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. We cannot assure you that we will be successful in joining any further ventures seeking to be granted PSC s by the Government of India or that we will be successful in acquiring interests in existing ventures. We cannot assure you that the Government of India will consent to the assignment by GSPC of the 20% participating interest in the Tarapur block or that the Company will be successful in entering into alternative acceptable arrangements on commercially favorable terms with GSPC should that consent not be forthcoming. If our plans fail to materialize, your investment will be in jeopardy. We cannot assure you that the outcome of testing of one or more wells on the KG Block will be satisfactory and result in a commercially-productive well or that any further wells drilled on the KG Block 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 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 Reports on Form 10-KSB, our Quarterly Reports on Form 10-QSB, 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 Quarterly 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 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.

Risks Relating to Our Oil and Gas Activities

Because We Are In the Early Stage Of Developing Our Activities, There Are Considerable Risks 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 three Production Sharing Contracts with the Government of India. In addition, we have entered into an agreement to acquire a participating interest in a fourth Production Sharing Contract, subject to Government of India consent. We have realized no revenues from our oil and natural gas exploration and development activities and claim no reserves of oil or natural gas. As of June 30, 2005 a venture in which we have a net 5% interest, has drilled and abandoned two wells, and is currently testing and evaluating a third well that has been drilled. We claim no reserves of hydrocarbons as a result of those drilling and testing activities through that date. 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 Production Sharing Contracts we are parties to. There can be no assurance that the exploratory drilling to be conducted on the exploration blocks in which we hold or have agreed to acquire an interest 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. 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. 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.

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 will 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 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 canceled as a result of numerous factors, many of which are beyond the operator s control, including economic conditions, mechanical problems, 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.

Possible Inability of Contracting Parties to Fulfill Phase One of the Minimum Work Program for the KG Block

Under the terms of our Production Sharing Contract relating to the KG Block, the first phase of the exploration period expires on September 11, 2005. The Production Sharing Contract provides that by the end of the first phase, the contracting parties, in addition to other parts of the work program which have been completed, shall have drilled at least fourteen wells. Through June 30, 2005, three wells have been drilled on the exploration block, leaving eleven wells to be drilled before September 11, 2005. The Production Sharing Contract provides that, if at the end of an exploration phase a work program for that phase is not completed, the time for completion of the exploration program for that phase is to be extended for a period necessary to enable completion but not exceeding six months provided the parties submit a request by written notice to the Government of India at least thirty days prior to the expiration of the relevant phase and can show technical or other good reasons for the non-completion of the work program and the management committee gives its consent to the extension.

In the event, as is likely, that the eleven additional wells are not drilled by September 11, 2005, or in the event, if the six-month extension is granted, the eleven additional wells are not drilled by March 11, 2006, the Government of India would have the right to assert that the contracting parties have failed to comply with or have contravened a material provision of the Production Sharing Contract. Under such circumstances, the Production Sharing Contract would be subject to termination by the Government of India on ninety days written notice, unless such failure of compliance or contravention is remedied within the ninety-day period or such extended period as may be granted by the Government of India. In the event the Production Sharing Contract 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, each party to the Production Sharing Contract is to pay to the Government of India 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 Carried Interest Agreement, would be liable for our participating interest share of the amount required to complete the minimum work program for the phase. However, termination of the Production Sharing Contract by the Government of India would result in the loss of our interest in the KG Block other than areas determined to encompass commercial discoveries.

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 no 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:

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We will experience failures to discover oil and gas in commercial quantities;

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There are uncertainties as to the costs to be incurred in our exploratory drilling activities and cost overruns are possible;

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There are uncertain costs inherent in drilling into unknown formations, such as over-pressured zones and tools lost in the hole; and

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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 KG Block. Our interests in the three exploration blocks in the Cambay Basin 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 KG Block are to be repaid in full to GSPC, the operator of our venture s activities on the block, 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. Due to the foregoing factors, the development of our business plan, prospects and exploratory drilling activities, as well as our quarterly and annual operating results, are difficult to forecast. 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 June 30, 2005, we have had to abandon two wells drilled on the KG Block and it is likely that in some future quarters 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 plugged. In such event, the trading price of our common stock may be materially and adversely affected.

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 Production Sharing Contracts 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 carried interest agreement relating to the KG Block, after the start date of initial commercial production on the KG Block, and under the terms of the two Production Sharing Contracts relating to the Cambay Basin and the agreement relating to the acquisition of the 20% participating interest in the Tarapur block, we are required to bear our proportionate share of costs during the exploration phases of those agreements. There can be no assurance that this capital 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 Production Sharing Contracts which could result in the loss of our rights under the contract.

As of June 30, 2005, we had cash and cash equivalents of approximately $5.6 million. Subsequent to June 30, 2005 through August 10, 2005, we realized proceeds of approximately $4.5 million from the exercise of outstanding common stock purchase warrants, broker warrants and options. We currently expect that our available cash, including the proceeds realized from the exercise of warrants, will be sufficient to fund through 2005 at the present level of operations our required capital expenditures on the three exploration blocks in which we are a participant and our participation in the Tarapur Block in which we agreed to acquire a 20% participating interest. We expect our commitments pursuant to the terms of the agreements relating to these exploration blocks to total approximately $2.1 million during the period July 1, 2005 through December 31, 2005. Any further Production Sharing Contacts 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.

Pursuant to our agreement executed on April 7, 2005 to acquire a 20% participating interest from GSPC in the Tarapur Block (Tarapur), we paid to GSPC the sum of approximately Rs. 2.53 Crore (approximately $580,000). In addition, it is expected that under the terms of our agreement with GSPC the total capital we will be required to contribute to exploration activities on Tarapur during 2005 based on our 20% participating interest will be approximately $300,000. Further, we have committed to expend an aggregate of approximately $1.2 million for exploration activities under the terms of the agreement over a period of 2½ years. Our agreement with GSPC is subject to obtaining the Government of India consent. In the event such consent is not obtained, the assignment would be terminated. Under such circumstances, we intend to seek to negotiate an alternative acceptable arrangement with GSPC. In the event the Government of India does not reject in writing the application for consent to the assignment within 180 days, it is deemed approved. We intend that such an alternative acceptable arrangement would include provisions that would place us in an economic position substantially equivalent to the position we would have held if the consent of the Government of India had been obtained and the assignment of the interest effected. We do not have an alternative agreement or understanding with GSPC in effect, and we cannot make any assurance that such an alternative arrangement can be entered into with GSPC. In the event such an arrangement is not entered into we would seek to have the moneys advanced by us to GSPC returned to us. There can be no assurance that the Government of India consent will be obtained or that we will be successful in having the moneys advanced to GSPC returned to us if an acceptable alternative arrangement is not available to us.

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 Production Sharing Contract is subject to Government of India consent and matters relating to the implementation and conduct of operations under the Production Sharing Contract is subject, under certain circumstances, to Government of India consent. As a consequence, all future drilling and production programs and operations we undertake or are undertaken by the ventures in which we participate 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 may increase the risks associated with our intended exploration and productivity activities and increase our costs of doing business.

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

As of August 10, 2005, our Directors and executive officers and their respective affiliates, in the aggregate, beneficially hold 34,061,667 shares or approximately 58.4% 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 our future activities and transactions we engage in that 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 both Mr. Roy and Mr. Kent are provided pursuant to the terms of agreements with corporations wholly-owned by each of them. At present, Mr. Kent s services are provided through an oral agreement with the corporation he owns. 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 have entered into a three-year Technical Services Agreement with Roy Group (Barbados) Inc. 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. 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 Operate The Oil And Gas Exploration, Development And Production Activities On An Exploration Block Properly Or Successfully Could Materially Adversely Affect Us

At present, our only oil and gas interests are our rights under the terms of the three Production Sharing Contracts with the Government of India and the assignment agreement with GSPC, effective only upon obtaining Government of India consent, relating to an interest in the Tarapur Block. We are not the operator of any of the exploration, drilling and production activities conducted on any of the exploration blocks. 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 carried interest agreement for the KG Block, we have a carried interest in the exploration activities conducted by the parties on the KG 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 Production Sharing Contract for which our interest is carried is estimated to be approximately $22.0 million, including the $5.0 million attributable to us as of December 31, 2004 and $8.7 million attributable to us as of June 30, 2005, of which 50% is for the account of Roy Group (Mauritius) Inc. 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 carried interest agreement 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 Block until such time as the expenditures attributed to us, including those expenditures made for the account of Roy Group (Mauritius) Inc., under the carried interest agreement, 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 Block. As provided in the carried interest agreement, 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 Block.

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

The Production Sharing Contracts 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:

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The venture participants are required to complete certain minimum work programs during the three phases of the term of the Production Sharing Contracts. In the event the venture participants fail to fulfill any of these minimum work programs, the parties to the venture must pay to the Government of India 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;

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Until such time as the Government of India 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 Production Sharing Contacts 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;

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The parties to the agreement that are not Indian companies, which includes us, are required to negotiate technical assistance agreements with the Government of India 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 the venture s and our cost of operations; and

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The parties to the 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 Production Sharing Contracts, possibly among others, may increase our costs of participating in the ventures and thereby affect our profitability.

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:

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political conditions in oil producing regions, including the Middle East and elsewhere;

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the domestic and foreign supply of oil and gas;

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quotas imposed by the Organization of Petroleum Exporting Countries upon its members;

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the level of consumer demand;

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weather conditions;

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domestic and foreign government regulations;

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the price and availability of alternative fuels;

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overall economic conditions; and

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international political conditions.

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

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the capacity and availability of oil and gas gathering systems and pipelines;

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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;

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the proximity of future hydrocarbon discoveries to oil and gas transmission facilities and processing equipment (as well as the capacity of such facilities);

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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);

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the imposition of trade sanctions or embargoes by other countries;

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the availability and frequency of delivery vessels;

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changes in supply due to drilling by others;

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the availability of drilling rigs; and

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Changes in demand.

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 the past approximately two 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 their 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.

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 have no proved reserves of oil or 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.

ITEM 3.

CONTROLS AND PROCEDURES

Under the supervision and with the participation of our management, including Jean Paul Roy, our President and Chief Executive Officer, and Allan J. Kent, our Executive Vice President and Chief Financial Officer, we have evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this 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 6.

EXHIBITS

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)

SIGNATURES

In accordance with the requirements of the *Exchange Act*, the Registrant caused this Report to be signed on its behalf by the undersigned thereunto duly authorized.

GEOGLOBAL RESOURCES INC.

(Registrant)

August 10, 2005

/s/ Jean Paul Roy

Jean Paul Roy

President and Chief Executive Officer

(Principal Executive Officer and Director)

August 10, 2005

/s/ Allan J. Kent

Allan J. Kent

Executive Vice President and Chief Financial Officer

(Principal Financial and Accounting)