

GEOGLOBAL RESOURCES INC.

Form 10-Q

August 13, 2010



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

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES
EXCHANGE ACT OF 1934
For the quarterly period ended June 30, 2010;

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 registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

33-0464753
(I.R.S. Employer Identification No.)

Suite #200, 620 – 4 Avenue SW, Calgary, Alberta, Canada
(Address of principal executive offices)

T2P 0K2
(Zip Code)

Registrant's telephone number, including area code:

+1 403-777-9250

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES

NO

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

YES

NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or

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a smaller reporting company. See definition of “accelerated filer and large accelerated filer” in Rule 12b-2 of the Exchange Act.

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

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

YES

NO

The number of shares outstanding of the registrant’s common stock as of August 13, 2010 was 72,805,756

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

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PART I
FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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

	June 30, 2010 (Unaudited)	December 31, 2009 (Audited)
Assets		
Current		
Cash and cash equivalents	5,824,199	16,294,996
Restricted deposits (note 4)	3,815,000	--
Accounts receivable	92,306	64,031
Prepays and deposits	209,164	173,318
	9,940,669	16,532,345
Restricted deposits (note 4)	5,678,000	6,925,000
Property and equipment (notes 5 and 10)	51,373,740	46,813,004
	66,992,409	70,270,349
Liabilities		
Current		
Accounts payable	5,832,294	8,733,612
Accrued liabilities	2,679,200	1,196,614
Due to related companies (note 10)	38,393	123,554
	8,549,887	10,053,780
Deferred income taxes	48,500	-
Asset retirement obligation (note 6)	807,090	775,000
	9,405,477	10,828,780
Stockholders' Equity		
Capital stock		
Authorized		
125,000,000 common shares with a par value of \$0.001 each		
1,000,000 preferred shares with a par value of \$0.01 each		
Issued		
72,805,756 common shares (December 31, 2009 – 72,805,756)	58,214	58,214
Additional paid-in capital	88,411,858	88,153,778
Deficit accumulated during the development stage	(30,883,140)	(28,770,423)
	57,586,932	59,441,569
	66,992,409	70,270,349

See Going Concern (note 2), Commitments (note 12) and Contingencies (note 13).

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

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GEOGLOBAL RESOURCES INC.

(a development stage enterprise)

UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(Unaudited)

	Three months ended June 30, 2010	Three months ended June 30, 2009	Six months ended June 30, 2010	Six months ended June 30, 2009	Period from Inception, August 21, 2002 to June 30, 2010
Revenue and other income					
Oil and gas sales	234,672	190,048	425,889	190,048	1,087,811
Interest income	11,302	83,933	29,657	198,029	5,890,784
Gain on sale of equipment	--	--	--	--	42,228
	245,974	273,981	455,546	388,077	7,020,823
Expenses					
Operating	39,692	83,271	102,357	83,271	201,235
General and administrative	927,796	886,573	1,596,468	1,719,742	12,183,052
Consulting fees (note 10)	188,145	169,333	370,796	352,496	7,030,139
Professional fees	63,905	216,503	180,399	448,346	4,145,275
Depletion and depreciation	89,966	57,190	198,334	72,609	869,850
Accretion (note 6)	16,045	13,315	32,090	25,987	119,911
Foreign exchange loss	5,098	(5,762)	32,006	(1,036)	126,673
Impairment of oil and gas properties (note 5)	--	--	--	--	10,098,015
	1,330,647	1,420,423	2,512,450	2,701,415	34,774,150
Net loss before tax	(1,084,673)	(1,146,442)	(2,056,904)	(2,313,338)	(27,753,327)
Current income tax	--	--	(7,313)	--	(7,313)
Deferred income tax	--	--	(48,500)	--	(48,500)
Net loss and comprehensive loss after tax	(1,084,673)	(1,146,442)	(2,112,717)	(2,313,338)	(27,809,140)
Warrant modification	--	(1,754,000)	--	(1,754,000)	(3,074,000)
Net loss and comprehensive loss attributable to common stockholders	(1,084,673)	(2,900,442)	(2,112,717)	(4,067,338)	(30,883,140)
Basic and diluted net loss per share (note 11)	(0.01)	(0.04)	(0.03)	(0.06)	

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

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GEOGLOBAL RESOURCES INC.

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UNAUDITED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(Unaudited)

	Number of Shares #	Capital Stock \$	Additional paid-in capital \$	Accumulated Deficit \$	Stockholders' Equity \$
For the period from inception August 21, 2002 to December 31, 2007					
Common shares issued	57,550,068	57,614	76,001,511	--	76,059,125
Capital stock of GeoGlobal at August 29, 2003	14,656,688	14,657	--	10,914,545	10,929,202
Elimination of GeoGlobal capital stock in recognition of reverse takeover	(1,000)	(14,657)	--	(10,914,545)	(10,929,202)
Share issuance cost	--	--	(4,778,844)	--	(4,778,844)
2007 Compensation Options	--	--	705,456	--	705,456
2005 Stock Purchase Warrant modification	--	--	1,320,000	(1,320,000)	--
2005 Compensation Option & Warrant modification	--	--	240,000	--	240,000
Stock-based compensation	--	--	9,302,934	--	9,302,934
Net loss	--	--	--	(7,958,261)	(7,958,261)
Balance as at December 31, 2007	72,205,756	57,614	82,791,057	(9,278,261)	73,570,410
Common shares issued during 2008:					
Options exercised for cash	600,000	600	659,400	--	660,000
Stock-based compensation	--	--	1,104,216	--	1,104,216
Net loss	--	--	--	(13,313,915)	(13,313,915)
Balance as at December 31, 2008	72,805,756	58,214	84,554,673	(22,592,176)	62,020,711
Compensation option and warrant modification	--	--	264,000	--	264,000
Stock purchase warrant modification	--	--	1,754,000	(1,754,000)	--
Stock-based compensation	--	--	1,581,105	--	1,581,105
Net loss	--	--	--	(4,424,247)	(4,424,247)
Balance as at December 31, 2009	72,805,756	58,214	88,153,778	(28,770,423)	59,441,569
Stock-based compensation (note 9)	--	--	258,080	--	258,080

Net loss	--	--	--	(2,112,717)	(2,112,717)
Balance as at June 30, 2010	72,805,756	58,214	88,411,858	(30,883,140)	57,586,932

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

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GEOGLOBAL RESOURCES INC.

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UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

	Six months ended June 30, 2010	Six months ended June 30, 2009	Period from Inception, August 21, 2002 to June 30, 2010
Cash flows provided by (used in) operating activities:			
Net loss	(2,112,717)	(2,313,338)	(27,809,140)
Adjustments to reconcile net loss to net cash used in operating activities:			
Accretion expense	32,090	25,987	119,911
Asset impairment	--	--	10,098,015
Depletion and depreciation	198,334	72,609	869,850
Gain on sale of equipment	--	--	(42,228)
Stock-based compensation (note 9)	203,574	605,323	7,034,161
Compensation option & warrant modification	--	264,000	504,000
Deferred income taxes	48,500	--	48,500
Changes in non-cash working capital (note 14)	(627,038)	(140,038)	123,535
	(2,257,257)	(1,485,457)	(9,053,396)
Cash flows provided by (used in) investing activities:			
Oil and natural gas property additions	(4,704,071)	(3,611,792)	(53,756,856)
Other property and equipment additions	(493)	--	(1,555,968)
Proceeds on sale of equipment	--	--	82,800
Cash acquired on acquisition	--	--	3,034,666
Restricted deposits (note 4)	(2,568,000)	3,875,000	(10,663,000)
Changes in non-cash working capital (note 14)	(940,976)	(1,834,896)	8,109,118
	(8,213,540)	(1,571,688)	(54,749,240)
Cash flows provided by (used in) financing activities:			
Proceeds from issuance of common shares	--	--	75,612,165
Share issuance costs	--	--	(4,073,388)
Changes in non-cash working capital (note 14)	--	--	(1,911,942)
	--	--	69,626,835
Net increase (decrease) in cash and cash equivalents	(10,470,797)	(3,057,145)	5,824,199
Cash and cash equivalents, beginning of the period	16,294,996	25,432,814	--
Cash and cash equivalents, end of the period	5,824,199	22,375,669	5,824,199
Cash and cash equivalents			
Current bank accounts	230,192	222,308	230,192
Short term deposits	5,594,007		