

Edgar Filing: GeoMet, Inc. - Form FWP

GeoMet, Inc.  
Form FWP  
October 01, 2007  
Issuer Free Writing Prospectus

Filed Pursuant To Rule 433

Registration Statement No. 333-131716

October 1, 2007

The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at [www.sec.gov](http://www.sec.gov). Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling (713) 287-2261. The prospectus relating to this offering is available by clicking on the following link or by copying it and pasting the link into your web browser:

[http://searchwww.sec.gov/EDGARFSCClient/jsp/EDGAR\\_MainAccess.jsp#topAnchor](http://searchwww.sec.gov/EDGARFSCClient/jsp/EDGAR_MainAccess.jsp#topAnchor); and then type GMET.

IPAA OGIS San Francisco  
October 1, 2007

2  
Forward Looking Statements  
This  
presentation  
includes  
forward-looking  
statements

made  
in  
reliance  
on  
the  
safe  
harbor  
provisions  
of  
the  
Private  
Securities  
Litigation  
Reform  
Act  
of  
1995.  
Words  
such  
as  
"believes,"  
"anticipates,"  
"expects,"  
"intends,"  
"targeted,"  
and  
similar  
expressions,  
generally  
identify  
forward-looking  
statements  
and  
should  
be  
read  
carefully.  
These  
statements  
are  
based  
on  
GeoMet's  
current  
expectations  
and  
beliefs  
and  
are  
subject

to  
a  
number  
of  
risks,  
uncertainties  
and  
assumptions  
that  
could  
cause  
actual  
results  
to  
differ  
materially  
from  
those  
described  
in  
the  
forward-looking  
statements.

Risks,  
uncertainties  
and  
assumptions  
include  
(i)  
risks  
inherent  
in  
the  
exploration  
for  
and  
development  
and  
production  
of  
coalbed  
methane  
and  
in  
estimating  
reserves,  
(ii)  
the  
presence  
or

recoverability  
of  
estimated  
reserves,  
(iii)  
the  
ability  
to  
replace  
reserves,  
(iv)  
unexpected  
future  
capital  
expenditures,  
(v)  
general  
economic  
conditions,  
(vi)  
gas  
price  
volatility,  
(vii)  
the  
success  
of  
our  
hedging  
and  
other  
risk  
management  
activities,  
(viii)  
competition,  
(ix)  
regulatory  
changes,  
(x)  
the  
ability  
of  
management  
to  
execute  
its  
plans  
to  
meet

its  
goals,  
(xi)  
cost  
and  
availability  
of  
transportation  
to  
get  
our  
gas  
to  
market,  
and  
(xii)  
other  
factors  
discussed  
in  
GeoMet's  
filings  
with  
the  
United  
States  
Securities  
and  
Exchange  
Commission.  
GeoMet  
assumes  
no  
obligation  
to  
publicly  
update  
or  
revise  
any  
forward-looking  
statements  
contained  
in  
this  
presentation,  
whether  
as  
a  
result

of  
new  
information,  
future  
events,  
or  
otherwise.



3  
Summary  
Track Record of Success  
Substantial  
expertise  
and  
experience

as  
a  
developer  
and  
operator  
of  
coalbed  
methane  
properties  
since 1985

Developed 5 large scale CBM projects in four separate basins (Black Warrior, Raton, Central Appalachia and Cahaba Basins)

19 person technical, professional and project management team averages more than 16 years of CBM experience

Operational Characteristics

Proved reserves of 326 Bcf

at YE 06 (75 % proved developed)

Long lived reserves with low finding and development and unit operating costs

Current net daily gas sales volumes of approximately 20 MMcf

100% operational control

Positioned for Growth

Large inventory of development locations in existing 100% W.I. projects

High potential in new development and exploration opportunities

4  
Recent Developments  
New Development Projects  
Lasher

10 miles north of Pond Creek Field, West Virginia

Approximately 16,548 net leasehold acres

Operator with 100% W.I.  
Peace River

Near Hudson's Hope, British Columbia

Approximately 50,188 gross leasehold acres

Operator with 50% W.I.  
New Exploration Prospect  
Garden City

Chattanooga Shale opportunity in North Central Alabama

Approximately 60,000 gross leasehold acres

Complementary production characteristics to CBM

Significant resource in-place

Operator with 100% W.I.

5

Recent Developments  
Gurnee Field Production

Field not yet responding like a typical CBM project and production has been essentially flat over the past four quarters

High-graded 2007 drilling program

Conducting new well-treatment techniques to increase production

Similar production difficulties encountered in the early stages of Pond Creek field development

Pond Creek Gathering Line Right-of-Way Litigation

May  
23,  
2007

Virginia  
Trial  
Court  
ruled  
in  
favor  
of  
CNX  
Gas  
exclusive  
rights  
claim  
and  
enjoined  
us  
from  
transporting  
gas  
across  
the  
PMC  
property  
unless  
we  
satisfied  
several  
restrictive requirements

June 20, 2007

Virginia Supreme Court vacated the injunctive portion of the order and removed the restrictive requirements allowing us to move our Pond Creek production through our gathering line

July 30, 2007

GeoMet petitioned the Virginia Supreme Court to accept our appeal of the portion of the order that affirmed CNX Gas

exclusive rights claim  
Existing Projects

Existing Development Projects

7

Pond Creek Field (Central Appalachia)

Locator Map

West Virginia, Virginia border

Pennsylvanian Age Pottsville coals

Coal thickness ranges from 10

30 feet



High gas content -  
> than 500 cubic feet  
per ton  
34,982 net acres under lease  
Operator -  
GeoMet  
100% W.I.  
Key Facts  
CDX  
Equitable  
Resources  
Dickinson  
CNX Gas  
Lasher  
Prospect  
Virginia  
West Virginia  
GeoMet  
Operations  
Other Operations  
GeoMet  
Operations  
Other Operations  
GeoMet Gathering Pipeline  
Jewell Ridge Pipeline  
ETNG Pipeline  
Virginia  
West Virginia  
Nora  
Field  
Oakwood  
Field

8  
Pond Creek Field  
Profile  
2H 2007 Plan  
\$12 MM CAPEX  
Bring online 19 additional wells  
Resolve or advance litigation

Operating Data

Initial gas sales in February 2003

Current net sales of approximately

12.5 MMcf/d

Over 200 wells producing

Reserve & Resource Base

130 Bcf

of Proved Reserves at YE 2006

68% proved developed

14 coreholes

to determine gas in-place

Approximately 287 undrilled

locations (85 PUDS) at YE 06

Proved Undeveloped

Potential Drill Sites

Compressor Sites

Proved Developed

Drilled Coreholes

Well locations

High Pressure Pipelines

9  
Pond Creek Field  
Daily Sales  
Gross Daily Gas Sales  
Well Count  
0  
1,000

2,000  
3,000  
4,000  
5,000  
6,000  
7,000  
8,000  
9,000  
10,000  
11,000  
12,000  
13,000  
14,000  
15,000  
16,000  
17,000  
18,000  
0  
25  
50  
75  
100  
125  
150  
175  
200  
225  
250  
275  
300  
325  
350  
375  
400

10

Gurnee Field (Cahaba Basin)

Locator Map

Across anticline from Black Warrior Basin

Pennsylvanian Age Pottsville coals

Average coal thickness 50 feet

43,686 net acres under lease

Operator -  
GeoMet  
100% W.I.  
GeoMet  
Cahaba  
Operations  
GeoMet  
Cahaba  
Operations  
Black Warrior Methane  
El  
Paso  
Energen  
Energen  
Constellation  
Dominion  
Resources  
El  
Paso  
White Oak  
Creek  
Dominion  
Resources  
Cahaba  
Basin  
Black  
Warrior  
River  
Cahaba  
River  
White Oak  
Creek  
Black  
Warrior  
Basin  
GeoMet Projects  
Water Discharge Pipeline  
SONAT Bessemer Calera Pipeline  
SONAT Interstate Pipeline  
GeoMet  
High Pressure Pipeline  
CDX Pipeline  
Enbridge Pipeline  
Other CBM Projects  
Alabama  
Key Facts

11  
Gurnee Field (Cahaba Basin)  
Profile  
Reserve & Resource Base  
193 Bcf  
of Proved Reserves at YE 06  
78% Proved Developed



33 Coreholes  
to determine gas in-place  
Approximately 346 undrilled  
locations  
(74 PUDS) at YE 06  
2H 2007 Plan  
\$10.4 MM CAPEX  
Bring online 23 additional wells  
Well treatment program  
Complete and test 2 wells west of  
Cahaba River  
Operating Data  
Full scale development in March 2005  
Current net sales approximately  
6.5 MMcf/d  
Over 200 wells producing  
Water Discharge Pipeline  
High Pressure Pipeline  
Proved Undeveloped  
Potential Drill Sites  
Compressor Sites  
Drilled Coreholes  
Proved Developed  
Well locations  
Cahaba  
River

12  
Gurnee Field (Cahaba Basin)  
Daily Sales  
Gross Daily Gas Sales  
Daily Water Production  
0  
1000

2000  
3000  
4000  
5000  
6000  
7000  
8000  
9000  
0  
2000  
4000  
6000  
8000  
10000  
12000  
14000  
16000  
18000  
20000

New Development Projects

14

Lasher Project

Locator Map

10 miles north of Pond Creek Field

Operator with 100% W.I.

16,548 net contiguous leasehold acres

Key Facts

Virginia  
West Virginia  
Pond  
Creek  
Lasher  
Wyoming  
County  
McDowell  
County  
Buchanan  
County  
GeoMet  
Operations  
Columbia Pipeline  
West Virginia

15  
Lasher Project  
Profile  
Drill 2 production wells  
Secure agreements for pipeline tie-in  
Targeting the Pocahontas  
formation of the Pottsville coal

group at depths up to 1,800 feet  
4 coreholes  
to determine gas  
in-place  
2 production test wells drilled  
Approximately 130 undrilled  
locations  
Operational salt water disposal  
well on property  
Firm Capacity on Columbia  
KA-20 pipeline which crosses property  
-  
Salt water disposal well  
-  
Corehole  
-  
Well sites  
Columbia pipeline  
-  
Production wells  
2H 2007 Development Plan  
Profile



16

Peace River Project

Locator Map

Near Hudson's Hope, British Columbia

50,188 gross acres (25,094 net acres)

Operator with 50% W.I.

Attractive royalty incentive package

Expected effective rate < 10%

No severance tax

United States

Mexico

Canada

British

Columbia

Key Facts

17  
Peace River Project  
Profile  
Activity To Date  
3 coreholes  
to determine gas in-place  
7 production test wells

2 water disposal wells

Summary

Cretaceous age Gething

coals

Depth

ranges

from

1,000

3,000

ft

Over 400 MMcf/d

of available pipeline

capacity crosses acreage

Access to both U.S. and Canadian

gas markets

2007

2008 Development Plan

Complete consultations, permitting and project infrastructure

Drill one or more water disposal wells

Drill up to 25 initial development wells

Net CAPEX up to US\$25 MM

?

Hudson's

Hope

-

Production Test Well

-

Corehole

-

Salt Water Disposal Well

Garden City Prospect

19  
Garden City Prospect  
Locator Map  
Tuscaloosa  
County  
Fayette  
County

Walker  
County  
Jefferson  
County  
Shelby  
County  
Bibb  
County  
Chilton  
County  
Coosa  
County  
Talladega  
County  
St. Clair  
County  
Blount  
County  
Cullman  
County  
Winston  
County  
Birmingham  
(Technical  
Headquarters)  
Gurnee  
Field  
Alabama  
Garden  
City

20  
Garden City Prospect  
Profile  
Activity To Date  
4 coreholes  
drilled to determine gas in-place and  
reservoir properties



2H 2007 Plan

\$ 2.7 MM Capex

1 Corehole

3 production test wells

Expand acreage position

Summary

Approximately 60,000 gross leasehold acres

Highly organic gas bearing Chattanooga Shale

Depth ranges from 1,700 to 2,000 feet

Shale thickness ranges from 35

90 feet

Multiple gas marketing options

Stratigraphic

Unit

Series

Eocene

Paleocene

Claiborne Group

Wilcox Group

Midway Group

Selma Group

Eutaw Group

Tuscaloosa Group

Pottsville Formation

Parkwood

Formation

Floyd Shale

Upper

Middle

&

Lower

Upper

Lower

Fort Payne Chert

Chattanooga Shale

Unnamed Cherty

Limestone

Undifferentiated

Undifferentiated

Stones River Group

Knox Group

Conasauga

Group

Rome Formation

Upper &

Middle

Lower

Upper

Middle

Lower

Middle

Financial Overview

22  
Economic Parameters  
(1)  
The  
cost  
of  
finding

and  
developing  
reserves  
is  
calculated  
for  
the  
three  
year  
time  
period  
by  
taking  
the  
sum  
of  
the  
cost  
incurred  
for  
exploration,  
development  
and  
acquisition,  
including  
future  
development  
costs  
attributable  
to  
proved  
undeveloped  
reserves,  
adjusted  
for  
the  
change  
for  
the  
period  
in  
the  
balance  
of  
unevaluated  
gas  
properties  
not  
subject  
to

amortization  
and  
dividing  
such  
amount  
by  
the  
total  
proved  
reserve  
additions

(2)

Reserve additions for the period used to compute finding and development costs have been estimated by independent petroleum engineers and adjusted for revisions to previous estimates.

(3)

See appendix for calculations of three average finding and development

3

year  
average  
(excluding  
future  
development  
costs

(2)

)

\$0.84

per  
Mcf

(3)

3

year  
average  
(including  
future  
development  
costs

(2)

)

\$1.16

per  
Mcf

(3)

Low  
Finding  
&  
Development  
Costs

(1)

Moderate and declining operating costs  
< \$2.00 per Mcf

Positive gas price differentials  
> \$0.10 per Mcf  
Other

23

Capitalization (*\$ in thousands*)

Long-Term Bank Debt

80,500

\$

6/30/07

Stockholders' Equity



Total Capitalization

213,726

294,226

\$

\$

Long Term Bank Debt / Total Capitalization

27%

Bank Debt per Mcf

(1)

0.25

\$

(1)

Reserves as of December 31, 2006

24

Track Record of Growth

(1)

Adjusted EBITDA is defined as EBITDA before unrealized losses (gains) on derivative contracts, stock-based compensation and other non-recurring items. For reconciliation of Adjusted EBITDA, please refer to the appendix.

(2)

Proved

reserves  
and  
capital  
expenditures  
include

White  
Oak  
Creek  
Field

working  
interest,  
sold

in  
2004

(3)

Excludes \$27 million for acquisition of producing properties in Pond Creek in 2004

0

2,000

4,000

6,000

8,000

10,000

12,000

14,000

16,000

18,000

20,000

2003

2004

2005

2006

1H 2007

Net Daily Sales Volumes

Adjusted EBITDA

(1)

0

50

100

150

200

250

300

350

2003

2004

2005

2006

210

263

326

104

White Oak Creek Field working interest, sold in 2004

0

10

20

30

40

50

60

70

80

90

100

2003

2004

2005

2006

2007 E

59

82

62

36

59

0

5000

10000

15000

20000

25000

2003

2004

2005

2006

1H 2007

7,148

9,860

17,829

22,779

3,246

7,226

12,585

3,560

1,475

6,806

8,701

17,064

19,154

12,919

Proved Reserves

(2)

Capital Expenditures  
(2) (3)

25

Natural Gas Production Hedges

(1)

(1)

As of June 30, 2007

(2)

Protection is the difference between the Floor (a bought put) and the Floor Price Phase-out (a sold put). This protection

remains  
a  
constant  
and  
fixed  
price  
enhancement  
as  
prices  
decline  
below  
the  
Floor  
Price  
Phase-out.  
Period  
Volume  
MMBtu  
Cap  
Floor  
Protection  
(2)  
July 2007  
October 2007  
984,000  
\$ 10.50  
\$ 7.38  
\$ 1.63  
November 2007  
March 2008  
1,216,000  
\$ 14.80  
\$ 9.00  
\$ 3.00  
April 2008  
October 2008  
1,712,000  
\$ 10.50  
\$ 7.00  
\$ 2.00  
Three Way  
Collars  
Traditional  
Collars  
July 2007  
October 2007  
492,000  
\$ 9.75  
\$ 7.50  
n/a

November 2007

March 2008

608,000

\$ 11.25

\$ 8.25

n/a

Weighted Average Price per MMBtu

Type



26  
% Estimated Sales Volumes Hedged  
0%  
10%  
20%  
30%  
40%

50%  
60%  
70%

27

Summary

Track Record of Success

Operational Characteristics

Positioned for Growth

Appendix

29  
Three Year Average Finding and Development Cost  
Costs Incurred  
Three Years  
Ended 12-31-06  
Acquisition Costs -  
Proved and Unproved

40,072

\$

Exploration Costs

27,339

Development Costs

158,186

Abandonment Costs

2,058

Increase (decrease) in Unevaluated properties not subject to amortization

(23,330)

Three Year Total

204,325

\$

Change in Future Development Costs

77,945

Total Finding & Development Costs -

Including Estimated Future Development Costs

282,270

\$

Proved Reserve Additions (MMcf)

Revisions to Previous Estimates

17,434

Extensions & Discoveries

193,079

Acquisition

33,599

Three Year Total

244,112

Finding Cost -

Excluding Future Development Costs

0.84

\$

Finding Cost -

Including Future Development Costs

1.16

\$

30  
Reconciliation of Non-GAAP Measure  
Six Months  
Ended  
June 30,  
2007  
2006

2005  
2004  
2003  
Net Income (loss)  
1,973  
\$  
17,296  
\$  
(1,573)  
\$  
3,836  
\$  
2,560  
\$  
Add: Interest expense, net of  
interest income and amounts  
capitalized  
2,111  
3,097  
3,818  
916  
138  
Add (Deduct): Other expense (income) loss  
25  
10  
21  
4  
7  
Add (Deduct):Expense  
(benefit)  
for income taxes  
1,491  
10,880  
(993)  
2,312  
1,651  
Add: Depreciation, depletion and  
amortization  
4,341  
7,876  
4,867  
2,691  
2,120  
Add: Minority interest  
-  
23  
(442)  
584  
571  
EBITDA



9,940  
39,182  
5,698  
10,343  
7,047  
Add (Deduct): Unrealized losses  
(gains) on derivative contracts  
2,713  
(16,877)  
12,059  
(542)  
101  
Add: Stock based compensation  
163  
317  
-  
-  
-  
Add: Accretion expense  
103  
157  
72  
59  
-  
Adjusted EBITDA  
12,919  
\$  
22,779  
\$  
17,829  
\$  
9,860  
\$  
7,148  
\$  
December 31,  
Twelve Months Ended

For More Information, Please Contact:

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