



Second Quarter 2007 Financial Schedules

GEOMET, INC. CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
Revenues:				
Gas sales	\$ 13,439	\$ 10,139	\$ 25,287	\$ 22,451
Gas marketing	8,901	-	17,444	-
Other fees and other	324	-	616	-
Total Revenues	22,664	10,139	43,347	22,451
Expenses:				
Purchased gas	8,796	-	17,228	-
Total production expenses	5,097	4,124	10,259	8,310
Depreciation, depletion and amortization	2,265	1,746	4,341	3,581
Research and development	-	29	-	98
General and administrative	2,227	1,436	4,504	2,456
Realized (gains) losses on derivative contracts	(50)	(439)	(1,297)	156
Unrealized (gains) losses on derivative contracts	(1,861)	(1,371)	2,713	(10,445)
Total operating expenses	16,474	5,525	37,748	4,156
Income from operations	6,190	4,614	5,599	18,295
Other expenses & interest, net	(1,238)	(727)	(2,135)	(1,593)
Income tax expense	1,953	1,596	1,491	7,248
Net income	\$ 2,999	\$ 2,291	\$ 1,973	\$ 9,454
Net income per share - basic	\$ 0.08	\$ 0.07	\$ 0.05	\$ 0.29
Net income per share - diluted	\$ 0.08	\$ 0.07	\$ 0.05	\$ 0.28
Weighted average shares outstanding - basic	38,710	32,711	38,704	32,212
Weighted average shares outstanding - diluted:	39,401	33,702	39,386	33,297



GEOMET, INC. CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands)

	<u>June 30, 2007</u>	<u>December 31, 2006</u>
Assets:		
Current assets	\$ 14,342	\$ 17,316
Properties and equipment, net	343,417	315,873
Other assets	956	2,006
Total assets	<u>\$ 358,715</u>	<u>\$ 335,195</u>
Liabilities and stockholders' equity		
Current liabilities	\$ 15,841	\$ 18,940
Long-term debt	81,301	60,832
Other long-term liabilities	47,848	45,415
Total liabilities	144,990	125,187
Total stockholders' equity	213,725	210,008
Total liabilities and stockholders' equity	<u>\$ 358,715</u>	<u>\$ 335,195</u>

GEOMET, INC. CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	<u>Six Months Ended June 30,</u>	
	<u>2007</u>	<u>2006</u>
Net cash provided by operating activities	\$ 10,819	\$ 16,495
Net cash used in investing activities	(29,996)	(34,508)
Net cash provided by financing activities	20,572	18,424
Effect of exchange rates changes on cash	28	(43)
Increase in cash and cash equivalents	<u>1,423</u>	<u>368</u>
Cash and cash equivalents at beginning of period	1,414	615
Cash and cash equivalents at end of period	<u>\$ 2,837</u>	<u>\$ 983</u>



GeoMet, Inc.
Reconciliation of EBITDA and ADJUSTED EBITDA to NET INCOME
(\$000)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
Net Income	\$ 2,999	\$ 2,291	\$ 1,973	\$ 9,454
Add: Interest expense, net of interest income and amounts capitalized	1,242	758	2,111	1,611
Add (Deduct): Other expense (income) loss	(4)	(31)	25	(18)
Add (Deduct): Expense (benefit) for income taxes	1,953	1,596	1,491	7,248
Add: Depreciation, depletion and amortization	2,266	1,747	4,341	3,580
EBITDA	8,456	6,361	9,940	21,875
Add (Deduct): Unrealized losses (gains) on derivative contracts	(1,861)	(1,371)	2,713	(10,445)
Add: Stock based compensation	82	95	163	198
Add: Accretion expense	52	39	103	76
Adjusted EBITDA	\$ 6,729	\$ 5,124	\$ 12,919	\$ 11,704

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The table above reconciles net income to EBITDA and ADJUSTED EBITDA. EBITDA is defined as net income before net interest expense, other non-operating income or losses, income taxes, depreciation, depletion and amortization, and minority interest. ADJUSTED EBITDA is defined as EBITDA before unrealized losses (gains) on derivative contracts, stock-based compensation and accretion expense. Although EBITDA and ADJUSTED EBITDA are not measures of performance calculated in accordance with generally accepted accounting principles (GAAP), management believes that it is useful to Geomet and to an investor in evaluating our company because it is a widely used measure to evaluate a company's operating performance.



GEOMET, INC. OPERATING STATISTICS

	Three Months Ended June 30,		YTD Ended June 30,	
	2007	2006	2007	2006
Net Sales Volume				
Total (Bcf)	1.8	1.5	3.5	2.8
Daily Average (Mcf)	19,352	16,363	19,154	15,721
Average natural gas price	\$ 7.63	\$ 6.81	\$ 7.29	\$ 7.89
Differential to NYMEX ⁽¹⁾	\$ 0.08	\$ 0.03	\$ 0.12	\$ 0.07
Average natural gas price - realized ⁽²⁾	\$ 7.66	\$ 7.10	\$ 7.67	\$ 7.84
Expenses: (\$ per Mcf)				
Lease operating costs	\$ 1.94	\$ 1.90	\$ 1.96	\$ 1.99
Transportation costs	\$ 0.37	\$ 0.38	\$ 0.43	\$ 0.37
Compression costs	\$ 0.40	\$ 0.33	\$ 0.40	\$ 0.38
Production taxes	\$ 0.18	\$ 0.16	\$ 0.17	\$ 0.18
Total Production Costs	\$ 2.89	\$ 2.77	\$ 2.96	\$ 2.92

⁽¹⁾ The difference between the average natural gas price for the period, before the impact of hedging, and the final average settlement price for natural gas contracts on the New York Mercantile Exchange ("NYMEX") for each month during the applicable period weighted by gas sales volumes

⁽²⁾ Average realized price includes the effects of realized gains or losses on derivative contracts



GEOMET, INC. OPERATING STATISTICS Pond Creek Field

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Net Sales Volume				
Total (Bcf)	1.1	0.9	2.2	1.8
Daily Average (Mcf)	12,194	10,034	12,023	9,849
Expenses: (\$ per Mcf)				
Lease operating costs	\$ 1.72	\$ 1.44	\$ 1.70	\$ 1.51
Transportation costs	\$ 0.58	\$ 0.62	\$ 0.69	\$ 0.59
Compression costs	\$ 0.43	\$ 0.34	\$ 0.40	\$ 0.41
Production taxes	\$ 0.01	\$ 0.02	\$ 0.02	\$ 0.02
Total Production Costs	<u>\$ 2.74</u>	<u>\$ 2.42</u>	<u>\$ 2.81</u>	<u>\$ 2.53</u>

GEOMET, INC. OPERATING STATISTICS Gurnee Field

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Net Sales Volume				
Total (Bcf)	0.5	0.5	1.1	0.8
Daily Average (Mcf)	6,019	5,131	6,010	4,635
Expenses: (\$ per Mcf)				
Lease operating costs	\$ 2.75	\$ 3.26	\$ 2.84	\$ 3.55
Transportation costs	\$ -	\$ -	\$ -	\$ -
Compression costs	\$ 0.40	\$ 0.37	\$ 0.43	\$ 0.42
Production taxes	\$ 0.47	\$ 0.38	\$ 0.44	\$ 0.44
Total Production Costs	<u>\$ 3.62</u>	<u>\$ 4.01</u>	<u>\$ 3.71</u>	<u>\$ 4.41</u>



Geomet, Inc. Consolidated Hedge Position As of June 30, 2007

Period	Type	Volume MMBtu	Weighted Average Price per MMBtu		
			Cap	Floor	Protection *
July - October 2007	3 Way Collar	984,000	\$ 10.50	\$ 7.38	\$ 1.63
Winter 2007 / 2008	3 Way Collar	1,216,000	\$ 14.80	\$ 9.00	\$ 3.00
Summer 2008	3 Way Collar	1,712,000	\$ 10.50	\$ 7.00	\$ 2.00
July - October 2007	Traditional Collar	492,000	\$ 9.75	\$ 7.50	n/a
Winter 2007 / 2008	Traditional Collar	608,000	\$ 11.25	\$ 8.25	n/a

Summer- April through October

Winter- November through March

* Protection is the difference between the Floor (a bought put) and the Floor Phase-out (a sold put). This protection remains constant and fixed price enhancement as prices decline below the Floor Phase-out.