

## Three Year Finding and Development Costs

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	For the 3 Year Period ended 12/31/07
<b>Costs Incurred (\$):</b>	
Acquisition costs-proved and unproved	\$17,036,242
Exploration costs	27,489,049
Development costs	151,558,136
Asset retirement costs	1,374,321
Total costs incurred per SFAS 69	<u>\$197,457,748</u>

<b>Proved Reserve Additions (Mcf):</b>	
Revisions to previous estimates	7,922,000
Extensions and discoveries	148,526,000
Acquisition	1,824,000
Proved reserves additions	<u>158,272,000</u>

**Three-year average finding and development cost (per Mcf) \$1.25**

Finding and development costs are not measures of performance calculated in accordance with accounting principles generally accepted in the United States of America (GAAP) and, thus, may be calculated differently by different companies; however, management believes that it is useful to GeoMet and to an investor in evaluating our company versus other companies in the industry because it is a widely used measure within the oil and gas industry.

### **Alternate Method Including Changes in Unevaluated Gas Properties Not Subject To Amortization and Future Development Costs Related to Proved Undeveloped Reserves**

Total costs incurred per SFAS 69 (from above)	\$197,457,748
Change in future development costs related to proved undeveloped reserves	68,113,380
Change in unevaluated gas properties, not subject to amortization	<u>(17,942,217)</u>
Total costs incurred per SFAS 69 adjusted for changes in future development costs less the changed in unevaluated gas properties, not subject to amortization	<u>\$247,628,911</u>

**Three-year average finding and development cost including changes in unevaluated gas properties not subject to amortization and future development costs related to proved undeveloped reserves (per Mcf) \$1.56**