

GeoMet, Inc.
Form FWP
September 18, 2006

Corporate
Presentation
September 2006

Edgar Filing: GeoMet, Inc. - Form FWP

Issuer Free Writing Prospectus

Filed Pursuant To Rule 433

Registration Statement No. 333-131716

September 18, 2006

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. 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:

<http://www.sec.gov/Archives/edgar/data/1352302/000119312506154235/ds1a.htm>

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

Corporate Highlights

Coalbed Methane is Our Only Business

Experienced technical team of CBM professionals

Track record of success (Black Warrior, Raton, Central Appalachia and Cahaba Basins)

Comparative advantage

Characteristics of Coalbed Methane

Availability of large scale, high-impact resource projects at attractive costs

Attractive CBM operating profile

Low geologic risks

Low F&D costs

Low production costs

Long-lived reserves

Initially inclining production rates

Positioned for Growth

646 identified additional drilling locations (148 pud, 498 probable)

Increase in recovery factors

Exploration projects

4

Coalbed Methane

An Unconventional Resource

Coalbeds exist over large geographic expanses

Significant resource potential

Low geologic and development risks (corehole drilling, gas desorption tests)

Higher gas in place at shallow depths

Incremental investment decisions drive down development and operating risk

Gas Manufacturing

business

Large-scale projects

Economies of scale drive down costs

Long-lived reserves with low decline rates after initial production incline

Success is not dependent on identifying coals, but on optimizing

production

Technical issues require experienced personnel

Undeveloped Resources in Established Resource Plays

(

As of June 30, 2006, except for reserve and production data)

Peace River (British Columbia)

18,287 net CBM acres

3 coreholes drilled

3 test wells producing

Houston,
TX

Corporate
Headquarters
Birmingham,
AL

Technical
Headquarters
Production and Development Area
Exploration and Evaluation Area
North Central Louisiana
119,244 net CBM acres
17 exploration / production
wells drilled
Cahaba (Alabama)
145 Bcf of estimated proved reserves (YE 05)
42,326 net CBM acres
Est. current net sales of 6,300 Mcf/d
2006 capex
of \$45 MM to drill 75 wells
335 additional drill sites
Appalachia (Virginia/West Virginia)
114 Bcf of estimated proved reserves (YE 05)
55,631 net CBM acres
Est. current net sales of 11,300 Mcf/d
2006 capex
of \$20 MM to drill 40 wells
311 additional drill sites
5

6

Resource Plays with Significant Upside

(1)

Based on the December 31, 2005 reserve report prepared by DeGolyer and MacNaughton, independent petroleum engineers.

(2)

The PV-10 was calculated using a flat gas price of \$9.66 per Mcf.

(3)

Net productive wells in developing projects

Proved
Reserves
at
(12/31/05)

Drilling
and
Acreage
Inventory
at
(6/30/06)

Proved
Proved
Developed
Percent

PV-10
(2)
(MMcf)
(MMcf)
Developed
(\$MM)

Appalachia:

Pond Creek

114,458

79,864

70%

366

\$

Alabama:

Gurnee Field (Cahaba Basin)

145,062

112,517

78%

497

Other

2,991

2,758

92%

17

Total

262,511

195,139

74%

880

\$

NOTE: R/P - 39.7 years (8.4 year half life)

Estimated

Proved Reserves

(1)

Field

Net
 Additional
 Productive
 Drilling
 Basin
 Wells
 (3)
 Locations
 Total
 Developed
 Undeveloped
 Appalachia
 178
 311
 55,631
 12,659
 42,972
 Cahaba
 176
 335
 42,326
 11,000
 31,326
 North Central Louisiana
 -
 -
 119,244
 -
 119,244
 British Columbia
 -
 -
 18,287
 -
 18,287
 Piceance
 -
 -
 16,949
 -
 16,949
 Other (United States)
 -
 -
 13,880
 -
 13,880
 Total
 354
 646

266,317

23,659

242,658

Estimated Net CBM Acres

7
Track Record of Growth
Daily Sales
Proved
Reserves
(2)
Capital

Expenditures

(2)

Net

Wells

Drilled

(2)

(1)

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

(2)

Proved reserves, capital expenditures and net wells drilled include White Oak Creek Field working interest, sold in 2004.

(1)

E

E

5,837

6,806

8,709

2,024

3,246

7,226

12,585

3,813

3,560

1,483

15,721

0

2,000

4,000

6,000

8,000

10,000

12,000

14,000

16,000

18,000

2002

2003

2004

2005

1H 2006

Other Sales

Production Sold in 2004

17

36

104

210

263

0

50

100

150

200
250
300
2001
2002
2003
2004
2005
\$13
\$36
\$59
\$59
\$90
0
20
40
60
80
100
2002
2003
2004
2005
2006
12
63
92
98
125
0
20
40
60
80
100
120
140
2002
2003
2004
2005
2006

8
Project Inventory Lifecycle
GeoMet has a deep inventory of resource play development projects at all stages of the asset
lifecycle
EARLY
STAGE
MATURE

Exploration / Evaluation
Development / Production
HIGHER RISK
LOWER RISK
Emerging
Projects
North Central
Louisiana
Lasher
Peace
River
Cahaba /
Pond Creek
Increased
Density
Drilling
Cahaba
Pond Creek
White Oak
Creek
Mature
Production

Development Projects

10

Cahaba Project (Gurnee Field)

A Significant Development Opportunity

Other Operators

Water Discharge Pipeline

SONAT Interstate Pipeline

SONAT Bessemer Calera Pipeline

GeoMet12 High Pressure Pipeline

Black Warrior Methane

El

Paso

Energen

Energen

Constellation

Dominion

Resources

El

Paso

White Oak

Creek

Dominion

Resources

GeoMetInc. Projects

N
0
4
8
Miles
Black
Warrior
Basin
Cahaba
Basin
GeoMet
Cahaba
Operations
Black
Warrior
River
Cahaba
River
Other Operators
Water Discharge Pipeline
SONAT Interstate Pipeline
SONAT Bessemer Calera Pipeline
GeoMet12 High Pressure Pipeline
Black Warrior Methane
El
Paso
Energen
Energen
Constellation
Dominion
Resources
El
Paso
White Oak
Creek
Dominion
Resources
GeoMetInc. Projects
N
0
4
8
Miles
Black
Warrior
Basin
Cahaba
Basin
GeoMet
Cahaba

Operations

Black

Warrior

River

Cahaba

River

Southeast of Black Warrior Basin with thicker coal seams and similar gas content

Pennsylvanian Age Pottsville coals (same as Warrior Basin)

Twice average coal thickness (50 feet) / twice average resource in place

42,326 net acres under lease

Operator -

GeoMet

100% WI

Other operators in the basin -

CDX

11

Cahaba Project (Gurnee Field)

Project Profile

First gas sales in January 2004

Full scale development commenced March 2005

after completion of 38.5 mile water disposal

pipeline to Black Warrior River

145 Bcf of estimated proved reserves (Recovery factor approximately 55%) at YE 05
31 coreholes and 540 gas desorption tests allows for accurate estimate of gas in place
Estimated current net sales
6,300 Mcf /day
176 wells drilled with 335 additional undrilled locations remaining
9.2 mile (expanding to 17 mile) 12-inch high-pressure steel pipeline interconnecting with Sonat
Projected 2006 capex
Approximately \$45 MM
(75 wells, including 10 infill wells)
Approximately 100 new wells each year starting in 2007

-Compressor Sites

- Well Locations

- Drilled Coreholes

GeoMet, Inc.

- Potential Drill Locations

- Proved Developed

- Proved Undeveloped

0

2 mi.

1 mi.

- Sonat Gas Line

- High Pressure Line

- Water Disposal Line

38.5 mile water discharge line
to Black Warrior River

12

High Pressure Pipeline

Compressor Sites

Cahaba

River

12
0
1000
2000
3000
4000
5000

6000

7000

8000

0

2000

4000

6000

8000

10000

12000

14000

16000

18000

20000

GeoMet Daily Gas Sales

Daily Water Production

Cahaba Project (Gurnee field)

Increasing Daily Sales

144A

Roadshow

Completion of

water

discharge

pipeline

IPO

Roadshow

CDX
Wise
Scott
0
10
Miles
20
GeoMet
Operations
Other Operations
Cardinal II Pipeline
Columbia KA -20 Pipeline
N
Equitable
Resources
Dickinson
CNX Gas
Buchanan
McDowell
Wyoming
Raleigh
GeoMet
Pond
Creek
Project
Penn
Virginia
Lasher
Prospect
CDX
Wise
Scott
0
10
Miles
20
0
10
Miles
20
GeoMet
Operations
Other Operations
Cardinal II Pipeline
Columbia KA -20 Pipeline
N
N
Equitable
Resources
Dickinson

CNX Gas
Buchanan
McDowell
Wyoming
Raleigh
GeoMet
Pond
Creek
Project
Penn
Virginia
Lasher
Prospect
Pond Creek Project
West Virginia, Virginia border
Pennsylvanian Age Pottsville coals
Coal thickness ranges from 10
30 feet
34,982 net acres under lease
Operator -
GeoMet
100% WI
Other operators in the basin
CNX Gas, Equitable
Resources, Penn Virginia, and CDX
Lasher Prospect
Additional development project
16,548 net acres under lease
2 test wells drilled
4 coreholes drilled

14
Pond Creek Project
Project Profile
First gas sales
February 2003
114 Bcf of estimated proved reserves (Recovery
factor approximately 64%) at YE 05

12 coreholes and 205 gas desorption tests allow
for accurate estimate of gas in place

Estimated current net sales

11,300 Mcf / day

178 wells drilled with 311 additional undrilled
locations

Projected 2006 capex

Approximately \$26 MM

(includes 40 wells and \$5.5 MM for pipeline)

Approximately 40 new wells each year

Scale

0

2mi

1mi

- Compressor Sites

- Well Sites

- Drilled Coreholes

GeoMet, Inc.

- Potential Drill Locations

- Proved Developed

- Shut In Wells

- Proved Undeveloped

ABANDONED

MINES

ABANDONED

MINES

- Pipelines

Compressor Sites

Cardinal States Gathering

Cardinal II Pipeline

15
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

Feb-03

Apr-03

Jul-03

Sep-03

Dec-03

Mar-04

May-04

Aug-04

Nov-04

Jan-05

Apr-05

Jun-05

Sep-05

Dec-05

Feb-06

May-06

Aug-06

0

25

50

75

100

125

150

175

200

225

250

275

300

Pond Creek Project

Increasing Daily Sales

144A

Roadshow

IPO

Roadshow

GeoMet Daily Gas Sales

Well Count

Exploration and
Evaluation Properties

17
36,573 gross acres (18,287 net acres) in
northeastern British Columbia, approximately
60 miles from Fort St. John
Cretaceous Age Gething coals
Net coal thickness greater than existing
development projects

Depths from 1,000 to 3,000 feet

High gas contents

100 MMcf/d of available pipeline capacity within 3 miles

GeoMet operates with a 50% working interest

Attractive royalty incentive package for CBM development

Deductions for gas & water gathering and water disposal

\$50,000 royalty credit for wells drilled before 2008

A summer drilling royalty credit of 10% of capital well cost up to \$100,000 per well

Expected royalty rate < 10%

No severance tax

Peace River Prospect

Project Profile

British

Columbia

Fort

St. John

18

Prior Activity (6/30/06):

Drilled 3 coreholes

Drilled 2 pilot wells -
producing

Recompleted 1 existing well -
producing

Recompleted and tested water disposal well

Estimated investment as of 6/30/06 -

\$8.6 MM

Additional 2006 Activity:

Drilling 4 production test wells

Drill 1 water disposal well

Projected 2H 2006 capex -

\$4.4 MM (net)

Seek to expand acreage position (acquired an additional 3,573 gross acres in May)

Peace River Prospect

Project Profile

0

1 km

2 km

6/20/2006

Date:

GeoMet, Inc.

- Producing

- Corehole

- Salt Water Disposal Well

Hudson's

Hope

New

Acreage

?

19

Winn, LaSalle and Caldwell Parishes

119,244 net acres

Coals of lignite and sub-bituminous rank

The coals are a member of the Wilcox Formation
which includes sands, shales and siltstones

17 test wells and 60 gas desorption tests allow for

accurate estimate of gas in place
Redrilled two original test wells
Other operators in the area: Devon, Chesapeake,
Harvest Gas and Spooner
Technical difficulties related to zonal isolation and
water encroachment
Other Exploration & Evaluation Prospects
North Central Louisiana
Cameo Prospect
Mesa County, Colorado (Piceance
Basin)
14,600 net acres in the southwestern portion of the
basin
Drilled 1 core hole and conducted gas desorption
tests
The gas content and coal thickness are favorable
for CBM development
Pursuing opportunities to increase our acreage
position in this area

Summary Financial Information

21

Strong Financial Profile

Growing production and cash flow

Growing reserve and resource base

Low finding and development costs

Declining unit operating costs

Solid balance sheet

Edgar Filing: GeoMet, Inc. - Form FWP

Stockholder's equity increased \$107 MM in first half 2006 (proforma)

Five year credit facility, \$150 MM borrowing base

Favorable hedging position

Management team has significant public company experience

Savvy financial sponsor (Yorktown Partners, LLC)

22
Low Finding and Development Costs
(1)
Finding
and
development
costs

include
total
capital
expenditures
for
exploration,
development
and
acquisition
of
proved
reserves
including
the
net
change
for
the
period
in
both
future
development
costs
and
the
carrying
value
of
unproved
properties.
(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)

Data
from

J.S.

Herold

Database.

Includes

a

broad

universe

of

Large-Cap,

Mid-Cap

and

Small-Cap

E&P

companies.

3 Year Average (including future development costs)

(1) (2)

Cahaba Project (Gurnee Field)

\$0.86 per Mcf

Pond Creek Project (Pond Creek Field)

\$0.98 per Mcf

Combined

\$0.95 per Mcf

3 Year Average (excluding future development costs)

GeoMet

\$0.74 per Mcf

E&P Composite Index

(3)

\$2.47 per Mcf

23

Prototypical CBM Field

Inclining Production / Declining Unit Costs

Source: Actual historical performance of a Black Warrior Basin project.

Early Stage

Intermediate

Stage

Mature Stage

0

250

500

750

1,000

1,250

1,500

1,750

2,000

2,250

\$0.00

\$0.50

\$1.00

\$1.50

\$2.00

\$2.50

\$3.00

\$3.50

\$4.00

\$4.50

\$5.00

\$5.50

Gas

Water

Wells

LOE

24

Pro Forma Capitalization

(1) 5,750,000 share offering at \$10 per share (net of underwriting discount and expenses estimated at \$850,000).

(2)

Long-term debt at 6/30/06 includes \$73,000,000 of bank debt..

(3) Proved reserves at 12/31/05 of 262.5 Bcf

(\$ in thousands)

Actual
Proforma
(1)
Cash
983
\$
983
\$
Long-Term Debt
(2)
73,862
\$
21,237
\$
Stockholders' Equity
149,616
\$
202,241
\$
Total Capitalization
223,478
\$
223,478
\$
Bank Debt / Capitalization
33%
10%
Bank Debt / Proved Mcf
(3)
0.28
\$
\$0.09
June 30,

25

Natural Gas Production Hedges

(1)

Protection is the difference between the floor price and the point where the floor price phases out. It remains a constant premium

Hedge Quantity

Three Way Collars

MMBtu

Cap
Floor
Protection
(1)
Summer 2006 (Jul
Oct)
Winter 2006 / 2007
Summer 2007
Winter 2007 / 2008
Summer 2008

1,476,000

1,510,000

1,712,000

1,216,000

1,712,000

8.49

11.02

10.50

14.80

10.50

\$

\$

\$

\$

\$

7.00

8.20

7.38

9.00

7.00

\$

\$

\$

\$

\$

1.12

1.50

1.63

3.00

2.00

\$

\$

\$

\$

\$

Weighted Average Price / MMBtu

26

Corporate Highlights

Coalbed Methane is Our Only Business

Experienced technical team of CBM professionals

Track record of success (Black Warrior, Raton, Central Appalachia and Cahaba Basins)

Comparative advantage

Characteristics of Coalbed Methane

Availability of large scale, high-impact resource projects at attractive costs

Attractive CBM operating profile

Low geologic risks

Low F&D costs

Low production costs

Long-lived reserves

Initially inclining production rates

Positioned for Growth

646 identified additional drilling locations (148 pud, 498 probable)

Increase in recovery factors

Exploration projects

Appendix

28

Proven Management Team

J. Darby Seré

President and Chief Executive Officer

35 years of oil and gas experience including 17 years as CEO of 2 publicly traded companies

Former President and CEO of Bellwether Exploration Company

Former President and CEO of Bayou Resources, Inc.

William C. Rankin

Executive Vice President and Chief Financial Officer

35 years of experience including 29 years as financial officer with publicly and privately owned energy companies

Former CFO of Bellwether Exploration Company

Former CFO of Contour Energy Company

Former CFO of Hadson Energy Resources Corporation

Philip G. Malone

Senior Vice President of Exploration

Founder of GeoMet

31 years of experience as a CBM / Coal geologist

Former chief geologist at USX Corporation

Recognized worldwide author and speaker on coalbed methane

Brett S. Camp

Senior Vice President of Operations

Founder of GeoMet

25 years of experience as a CBM / Coal geologist at USX and GeoMet

17 years of experience managing CBM development projects

29

Three gas fired reciprocating compressors are currently in service

Current capacity is approximately 12.6 MMcf / d

Fourth compressor to be added in late 2006

38.5 Mile Water Pipeline from Cahaba to the Black Warrior River

Design Capacity

45,000 barrels per day

Two Water Treatment Ponds at the Cahaba
Project

36,000 barrels/each

One Water Discharge Pond at the Black Warrior
River

18,000 barrels

Water Gathering Lines -

76 miles of high density
polyethylene ranging from 2 to 8 inches in
diameter

9 mile 12-inch high-pressure steel pipeline
interconnecting with Sonat

Re-activating and extending an additional 8 miles
in 2006

72 miles of high density polyethylene low pressure
pipeline ranging from 3 to 12 inches in diameter

Cahaba Project (Gurnee Field)

Facilities Overview

Compression

Water Treatment

Pipeline

30

Water Gathering Lines

93 miles of high density polyethylene ranging
from 2 to 3 inches in diameter

6,000 barrels of brine water storage capacity

connected to water gathering lines
One salt water disposal facility with capacity of
1,440 barrels per day
High pressure

6 miles of 6 inch diameter
Low Pressure

90 miles of high density polyethylene ranging
from 3 to 16 inches in diameter
Four gas fired reciprocating compressors are in
service at Pond Creek #1 compressor station
totaling 5,000 HP
One electric compressor at Pond Creek #2
compressor station totaling 1,250 HP
Current capacity of these five units is
approximately 16 MMcf / d
Second electric compressor to be added late 2006

Pond Creek Project
Facilities Overview
Compression
Water Treatment
Pipeline