

GeoMet, Inc.
Form 424B3
May 11, 2007
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Filed pursuant to Rule 424(b)(3)

Registration Statement No. 333-131716

PROSPECTUS SUPPLEMENT NO. 5

to prospectus dated July 27, 2006, as amended on April 9, 2007

10,250,000 Shares

Common Stock

The following information supplements the prospectus dated July 27, 2006, as amended on April 9, 2007, relating to the offer and sale by the selling stockholders identified in the prospectus of up to 10,250,000 shares of our common stock. This prospectus supplement includes our Quarterly Report on Form 10-Q for the quarter ended March 31, 2007, which was filed with the U.S. Securities and Exchange Commission on May 10, 2007.

The information contained in such report is dated as of the date of such report. This prospectus supplement should be read in conjunction with the prospectus dated July 27, 2006, as amended on April 9, 2007, which is to be delivered with this prospectus supplement. This prospectus supplement is qualified by reference to the prospectus except to the extent that the information in this prospectus supplement updates and supersedes the information contained in the prospectus dated July 27, 2006, as amended on April 9, 2007, including any supplements or amendments thereto.

Investing in the shares involves risks and uncertainties. See Risk Factors beginning on page 10 of the prospectus dated July 27, 2006, as amended on April 9, 2007, and the risk factors included in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2006.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus supplement is May 11, 2007.

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

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended March 31, 2007

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 000-52155

GeoMet, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

76-0662382
(I.R.S. Employer

Identification Number)

909 Fannin, Suite 1850

Houston, Texas 77010

(713) 659-3855

(Address of principal executive offices and telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

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 is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act.

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Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of May 1, 2007 there were 38,719,149 shares issued and outstanding of GeoMet, Inc. s common stock, par value \$0.001 per share.

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Table of Contents**Item 1. Financial Statements****GEOMET, INC. AND SUBSIDIARIES****Consolidated Balance Sheets****(Unaudited)**

	March 31,	December 31,
	2007	2006
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 1,297,017	\$ 1,414,476
Accounts receivable	9,337,624	10,881,479
Current portion of notes receivable	81,728	81,181
Derivative asset	840,218	4,290,599
Other current assets	436,733	648,053
Total current assets	11,993,320	17,315,788
Gas properties utilizing the full cost method of accounting:		
Proved gas properties	326,402,583	310,011,154
Unevaluated gas properties, not subject to amortization	27,882,110	26,397,982
Other property and equipment	2,427,525	2,314,190
Total property and equipment	356,712,218	338,723,326
Less accumulated depreciation, depletion, and amortization	(24,936,187)	(22,849,903)
Property and equipment net	331,776,031	315,873,423
Other noncurrent assets:		
Note receivable	292,355	298,936
Derivative asset		1,043,108
Other	702,463	663,511
Total other noncurrent assets	994,818	2,005,555
TOTAL ASSETS	\$ 344,764,169	\$ 335,194,766
LIABILITIES AND STOCKHOLDERS EQUITY		
Current Liabilities:		
Accounts payable	\$ 11,148,336	\$ 14,284,921
Accrued liabilities	2,651,350	2,917,575
Deferred income taxes	299,136	1,570,684
Asset retirement liability	73,458	73,047
Current portion of long-term debt	59,840	94,177
Total current liabilities	14,232,120	18,940,404
Long-term debt	74,816,645	60,832,110
Asset retirement liability	2,628,764	2,480,754
Other long-term accrued liabilities	162,908	154,455
Derivative liability	80,727	

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Deferred income taxes	43,588,728	42,779,537
TOTAL LIABILITIES	135,509,892	125,187,260
Commitments and contingencies (Note 10)		
Stockholders' Equity:		
Preferred stock, \$0.001 par value authorized 10,000,000, none issued		
Common stock, \$0.001 par value authorized 125,000,000 shares; issued and outstanding 38,719,149 and 38,678,713 at March 31, 2007 and December 31, 2006, respectively	38,719	38,679
Paid-in capital	186,970,301	186,852,852
Accumulated other comprehensive income (loss)	(99,926)	(193,888)
Retained earnings	22,714,281	23,740,144
Less notes receivable	(369,098)	(430,281)
TOTAL STOCKHOLDERS' EQUITY	209,254,277	210,007,506
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 344,764,169	\$ 335,194,766

See accompanying Notes to Consolidated Financial Statements.

Table of Contents**GEOMET, INC. AND SUBSIDIARIES****Consolidated Statements of Operations and Comprehensive Income****(Unaudited)**

	Three Months Ended	
	2007	March 31, 2006
Revenues:		
Gas sales	\$ 11,848,202	\$ 12,311,409
Gas marketing	8,542,486	
Operating fees and other	291,753	
Total revenues	20,682,441	12,311,409
Expenses:		
Purchased gas	8,432,319	
Lease operating expense	3,369,235	2,840,864
Compression and transportation expense	1,512,418	1,076,490
Production taxes	280,313	268,744
Depreciation, depletion and amortization	2,075,323	1,834,005
Research and development		69,255
General and administrative	2,276,264	1,019,556
Realized (gains) losses on derivative contracts	(1,246,126)	595,572
Unrealized (gains) losses on derivative contracts	4,574,216	(9,073,532)
Total operating expenses	21,273,962	(1,369,046)
Income (loss) from operations	(591,521)	13,680,455
Other income (expense):		
Interest income	6,973	10,894
Interest expense (net of amounts capitalized)	(875,005)	(863,374)
Other	(28,668)	(13,377)
Total other expense	(896,700)	(865,857)
Income (loss) before income taxes	(1,488,221)	12,814,598
Income tax (benefit) expense	(462,358)	5,651,500
Net income (loss)	\$ (1,025,863)	\$ 7,163,098
Other comprehensive income, net of income taxes		
Foreign currency translation adjustment, net of income tax of \$0	(93,962)	25,050
Comprehensive income (loss)	\$ (931,901)	\$ 7,138,048
Net income (loss) per common share:		
Basic	\$ (0.03)	\$ 0.23
Diluted	\$ (0.03)	\$ 0.22

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Weighted average number of common shares:

Basic	38,682,235	31,707,241
Diluted	38,682,235	32,901,915

See accompanying Notes to Consolidated Financial Statements.

Table of Contents**GEOMET, INC. AND SUBSIDIARIES****Consolidated Statements of Cash Flows****(Unaudited)**

	Three Months Ended March 31,	
	2007	2006
Cash flows provided by operating activities:		
Net income (loss)	\$ (1,025,863)	\$ 7,163,098
Adjustments to reconcile net income (loss) to net cash flows provided by operating activities:		
Depreciation, depletion and amortization	2,121,213	1,871,859
Amortization of debt issuance costs	34,764	35,852
Deferred income taxes	(462,358)	5,596,497
Unrealized losses (gains) from the change in market value of open derivative contracts	4,574,216	(9,073,532)
Stock-based compensation	80,780	102,962
Gain on sale of other assets	(15,954)	12,582
Accretion expense	50,718	36,042
Changes in operating assets and liabilities:		
Accounts receivable	1,548,445	1,617,287
Other current assets	211,319	43,349
Accounts payable	(2,877,238)	3,623,928
Other accrued liabilities	(257,773)	(526,246)
Net cash provided by operating activities	3,982,269	10,503,678
Cash flows used in investing activities:		
Capital expenditures	(18,032,955)	(13,326,775)
Proceeds from sale of other property and equipment	22,159	3,457
Collection of notes receivable	6,035	291,920
Other assets	(73,656)	(6,253)
Net cash used in investing activities	(18,078,417)	(13,037,651)
Cash flows provided by financing activities:		
Debt issuance costs		(203,977)
Treasury stock	(4,380)	
Proceeds from exercise of stock options	66,057	646,178
Equity offering costs		(823,347)
Proceeds from sales of common stock		28,012,808
Net proceeds from (payments on) revolver	14,000,000	(41,500,000)
Proceeds from notes receivable and accrued interest		17,184,357
Payments on other debt	(49,802)	(45,879)
Net cash provided by financing activities	14,011,875	3,270,140
Effect of exchange rate changes on cash	(33,186)	(11,502)
Increase (decrease) in cash and cash equivalents	(117,459)	724,665
Cash and cash equivalents at beginning of period	1,414,476	615,806
Cash and cash equivalents at end of period	\$ 1,297,017	\$ 1,340,471

See accompanying Notes to Consolidated Financial Statements.