

GEOGLOBAL RESOURCES INC.

Form S-3

April 05, 2012

As filed with the Securities and Exchange Commission on April 5, 2012

Registration No. 333-

---

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM S-3

REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933

GEOGLOBAL RESOURCES INC.  
(Exact name of Registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

33-0464753  
(IRS Employer Identification  
No.)

---

Suite #200, 625 – 4th Avenue SW  
Calgary, Alberta T2P 0K2  
(403) 777-9250

(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

Paul Miller  
President and CEO  
Suite #200, 625 – 4th Avenue SW  
Calgary, Alberta T2P 0K2  
(403) 777-9250

(Name, address, including zip code, and telephone number, including area code, of agent for service)

---

Copy to:

Andrew J. Foley, Esq.  
Paul, Weiss, Rifkind, Wharton & Garrison LLP  
1285 Avenue of the Americas  
New York, New York 10019-6064  
Telephone: (212) 373-3000

---

Approximate date of commencement of proposed sale to public:  
From time to time after this Registration Statement becomes effective.

---

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. "

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. T

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box. "

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box. "

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="radio"/>	Smaller reporting company	<input checked="" type="checkbox"/>

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered (1)	Proposed Maximum Offering Price Per Unit (2)	Proposed Maximum Aggregate Offering Price (2)	Amount of Registration Fee
Common stock, par value \$0.001 per share	91,278,388 shares	\$0.20485	\$18,698,377.78	\$2,142.83

(1) Pursuant to Rule 416 of the Securities Act of 1933, as amended (the "Securities Act"), this registration statement covers such additional securities as may become issuable to prevent dilution from stock splits, stock dividends and similar events.

(2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(c) under the Securities Act. The proposed offering price and registration fee are based upon the average of the high and low prices of the Company's common stock on April 4, 2012, as reported on the NYSE Amex.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OR UNTIL THIS REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

---

---

---

INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THESE SECURITIES MAY NOT BE SOLD NOR MAY OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT BECOMES EFFECTIVE. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL, OR THE SOLICITATION OF AN OFFER TO BUY, NOR SHALL THERE BE ANY SALE OF THESE SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF ANY SUCH STATE.

SUBJECT TO COMPLETION, DATED APRIL 5, 2012

PROSPECTUS

91,278,388 Shares

GEOGLOBAL RESOURCES INC.

Common stock  
(par value \$0.001 per share)

This prospectus covers the sale of an aggregate of 91,278,388 shares of our common stock, \$0.001 par value per share (the “Shares”), by the selling security holders identified in this prospectus (collectively with any holder’s transferee, pledgee, donee or successor, the “Selling Stockholders”). The Shares covered by this prospectus were issued in connection with two private placement transactions, one that closed on March 2, 2012 and one that closed on March 29, 2012 (the “Private Placements”).

The Company will not receive any proceeds from the sale by the Selling Stockholders of the Shares. We are paying the cost of registering the Shares covered by this prospectus as well as various related expenses. The Selling Stockholders are responsible for all selling commissions, transfer taxes and other costs related to the offer and sale of their Shares.

Sales of the Shares by the Selling Stockholders may occur at fixed prices, at market prices prevailing at the time of sale, at prices related to prevailing market prices, or at negotiated prices. The Selling Stockholders may sell the Shares to or through underwriters, broker-dealers or agents, who may receive compensation in the form of discounts, concessions or commissions from the Selling Stockholders, the purchasers of the Shares, or both. If required, the number of Shares to be sold, the public offering price of those Shares, the names of any underwriters, broker-dealers or agents and any applicable commission or discount will be included in a supplement to this prospectus, called a prospectus supplement.

Our common stock is traded on the NYSE Amex Stock Exchange under the symbol GGR. On April 4, 2012, the last reported sale price per share of our common stock was \$0.218 per share.

Investing in our securities involves a high degree of risk. See “Risk Factors” on page 8 of this prospectus. You should read this prospectus together with additional information described under the headings “Risk Factors” “Where You Can Find More Information” and “Incorporation of Certain Information by Reference” before you make your investment decision.

The information contained or incorporated in this prospectus or in any prospectus supplement is accurate only as of the date of this prospectus, or such prospectus supplement, as applicable, regardless of time of delivery of this

prospectus or any sale of our securities.

---

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS OR ANY PROSPECTUS SUPPLEMENT IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

---

The date of this prospectus is April 5, 2012

---

## TABLE OF CONTENTS

<u>Important Notice to Readers</u>	2
<u>About the Company</u>	3
<u>The Offering</u>	6
<u>Note of Caution Regarding Forward-Looking Statements</u>	6
<u>Risk Factors</u>	8
<u>Use of Proceeds</u>	9
<u>Selling Stockholders</u>	9
<u>Plan of Distribution</u>	11
<u>Legal Matters</u>	13
<u>Experts</u>	13
<u>Where You Can Find More Information</u>	14
<u>Incorporation of Certain Information by Reference</u>	14

## IMPORTANT NOTICE TO READERS

You should rely only on the information contained in this prospectus and the documents incorporated by reference in this prospectus. We have not authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. The Selling Stockholders are offering to sell, and seeking offers to buy, shares of common stock only in jurisdictions where offers and sales are permitted. You should not assume that the information contained in this prospectus or any document incorporated by reference is accurate as of any date other than the date on the front cover of the applicable document. Neither the delivery of this prospectus nor any distribution of securities pursuant to this prospectus shall, under any circumstances, create any implication that there has been no change in the information set forth or incorporated by reference into this prospectus or in our affairs since the date of this prospectus. Our business, financial condition, results of operations and prospects may have changed since that date.

Table of Contents

ABOUT THE COMPANY

Overview

We are engaged, through our subsidiaries, in the exploration for and development of oil and natural gas reserves. We have not yet achieved our planned principal operations and are considered to be a development stage enterprise. We initiated these activities in 2003. The recoverability of the costs we have incurred to date is uncertain and dependent upon achieving commercial production and sale of hydrocarbons, our ability to obtain sufficient financing to fulfill our obligations under the production sharing or other contracts we are a party to with respect to oil and natural gas exploration and development activities in India, Israel and Colombia and upon future profitable operations.

At present, our activities are being undertaken in four geological basins located offshore and onshore in India, one geological basin located offshore Israel and one geological basin located onshore in Colombia where reserves of oil or natural gas are believed by our management to exist.

Our principal executive offices are located at Suite #200, 625 – 4 Avenue SW, Calgary, Alberta, Canada T2P 0K2 and our telephone number is +1 (403) 777-9250.

The Private Placements

The Israel Land Development Company – Energy Ltd.

On March 29, 2012, GeoGlobal Resources Inc. (the “Company”) closed a private placement transaction with The Israel Land Development Company – Energy Ltd. (“ILDE”) as more fully described below (the “ILDE Transaction”).

Securities Purchase and Exchange Agreement

Under the terms of a Securities Purchase and Exchange Agreement (the “Securities Purchase and Exchange Agreement”), the Company agreed to issue to ILDE 32,740,479 shares of common stock, par value \$0.001 per share (“Common Stock”) and 16,466,639 warrants to purchase shares of Common Stock (the “Warrants”) in exchange for the issuance by ILDE of 28,402,262 ordinary shares of ILDE (the “ILDE Ordinary Shares”) to the Company (the “Share Exchange” and the closing of the Share Exchange is referred to herein as the “Share Exchange Closing”). The value of each ILDE Ordinary Share was determined based on the volume weighted average prices for the Ordinary Shares on the Tel Aviv Stock Exchange for the twenty-five (25) trading days ending on November 7, 2011, which the parties agreed was NIS0.9704 at a USD/NIS conversion rate of 0.2732179 USD/NIS. Therefore, the 28,402,262 ILDE Ordinary Shares are valued at US\$7,530,310. After the Share Exchange, the Company will own 3.05% of ILDE. In addition, the Company agreed to grant ILDE the right, exercisable in whole or in part from time to time following receipt of the approval by the stockholders of the Company and through July 31, 2012, to subscribe for and purchase from the Company up to 16,466,639 units (“Units”), with each Unit consisting of (i) one share of Common Stock and (ii) one Warrant. The purchase price per Unit is US\$0.24 (subject to customary anti-dilution adjustments). The Warrants issued at the Share Exchange Closing and the Warrants underlying the Units have an exercise price of US\$0.30 (subject to customary anti-dilution adjustments) and may be exercised for a period of 12 months following the date that is six months after the date of applicable issue. On November 21, 2011, the average trading price of our Common Stock was US\$0.2947. On April 4, 2012, the last reported sale price of our Common Stock was US\$0.218.

Table of Contents

The Securities Purchase and Exchange Agreement contains customary representations, warranties and covenants for transactions of this type. These representations, warranties and covenants were made solely for purposes of the Securities Purchase and Exchange Agreement and should not be relied upon by any investor in the Company, nor should any investor rely upon any descriptions thereof as characterizations of the actual state of facts or condition of the Company or its subsidiaries or affiliates. Investors in the Company are not third party beneficiaries under the Securities Purchase and Exchange Agreement.

The Securities Purchase and Exchange Agreement provides that, upon receipt of stockholder approval of the transactions contemplated by the Securities Purchase and Exchange Agreement, which stockholder approval was received on February 10, 2012, the Company will cause one director then serving on the Board of Directors of the Company (the "Company Board") to resign. On February 10, 2012, Jean Paul Roy resigned from the Company Board. The Company, acting through the Company Board, will appoint one individual selected by ILDE to fill such vacancy until the subsequent annual meeting of stockholders of the Company. Thereafter, for so long as ILDE and its affiliates hold at least 18.75% of the issued and outstanding shares of Common Stock, the Company will take such action as is necessary to nominate two individuals selected by ILDE to serve on the Company Board. Mr. Ohad Marani, the CEO of ILDE, was appointed to the Company Board as ILDE's first director on January 11, 2012. The Company's By-laws specify that there may be no less than two and no more than nine directors that constitute the whole Company Board and that the numbers of directors that constitute the whole Company Board may be changed from time to time as determined by action of the majority of the whole Company Board. According to the Company's By-laws, as of April 4, 2012, five directors constitute the whole Company Board.

The foregoing description of the Securities Purchase and Exchange Agreement is only a summary, does not purport to be complete and is qualified in its entirety by reference to the Securities Purchase and Exchange Agreement, which is attached as Exhibit 10.2 to our Current Report on Form 8-K, filed with the SEC on November 23, 2011, and is incorporated herein by reference.

Registration Rights Agreement

In connection with the Securities Purchase and Exchange Agreement, the Company entered into a Registration Rights Agreement (the "Registration Rights Agreement") whereby the Company agreed to use its commercially reasonable efforts to ensure that all of the Common Stock underlying the securities issued or issuable pursuant to the Securities Purchase and Exchange Agreement will be covered by an effective registration statement for resale as soon as practicable.

The Company agreed to pay all expenses associated with the registration of the Common Stock issued to ILDE, including ILDE's reasonable expenses in connection with the registration but excluding discounts, commissions, fees of underwriters, selling brokers, deal managers or similar securities industry professionals related to a sale of the Common Stock.

The foregoing description of the Registration Rights Agreement is only a summary, does not purport to be complete and is qualified in its entirety by reference to the Registration Rights Agreement, which is attached as Exhibit 10.3 to our Current Report on Form 8-K, filed with the SEC on November 23, 2011, and is incorporated herein by reference.



## Table of Contents

### Rodman & Renshaw Engagement Letter

On May 20, 2011, the Company entered into an engagement letter with Rodman & Renshaw, LLC (“Rodman”) (the “Engagement Letter”). Pursuant to terms negotiated under the Engagement Letter, when Rodman acts as placement agent for the Company, it is entitled, as part of its compensation, to such number of Warrants to purchase 6% of the aggregate number of Warrants placed in the offering. Therefore, Rodman is entitled to 6% of the Warrants issued in the ILDE Transaction. These Warrants have the same terms as the Warrants issued to ILDE, except that the exercise price is 125% of the price at which the securities are issued to ILDE and the exercise period is five years. Therefore, the Warrants may be exercised for five years following the date that is six months after the date of issue, and will have an exercise price of \$0.375.

Under terms negotiated under the Engagement Letter, Rodman is entitled to Warrants for 6% of the Warrants acquired by ILDE under the Securities Purchase and Exchange Agreement. Thus, when the Company issued 16,466,639 Warrants to ILDE under the terms of the Securities Purchase and Exchange Agreement on March 29, 2012, we also issued an additional 987,998 Warrants, such amount constituting 6% of the 16,466,639 Warrants issued to ILDE, to Rodman as compensation for acting as the placement agent under terms negotiated under the Engagement Letter. If, in future, ILDE exercises its right to purchase 16,466,639 Units, then we would be obligated to issue an additional 987,998 Warrants, as the Units are comprised in part by 16,466,639 Warrants, and Rodman is entitled to 6% of the 16,466,639 Warrants issued, as compensation for acting as placement agent. Rodman will earn the 987,998 Warrants issuable in connection with the Units only if and when ILDE exercises its rights under the Securities and Exchange Agreement to purchase the Units.

### Participation Rights

Under the Securities Purchase and Exchange Agreement, the Company may not issue any equity, debt or convertible securities of the Company prior to May 2012 unless the Company offers ILDE the right to purchase in the aggregate up to 50% of the total issuance by the Company, at the same price and on the same terms as those offered to the other purchaser (the “Participation Right”).

Because the Company may issue up to 1,975,996 Warrants to Rodman, ILDE will have the right to participate, should they so choose, in the Warrants issued to Rodman up to 50% of the total number of Warrants issued in connection with the Engagement Letter and the participation rights under the Securities Purchase and Exchange Agreement. Therefore, ILDE may purchase up to 1,975,996 Warrants, depending on the Warrants issued to Rodman.

ILDE purchased 987,998 Warrants (at a purchase price of \$0.001 per underlying share and with an exercise price of \$0.375) on March 29, 2012, when Rodman was issued its first disbursement of Warrants for its work in connection with its placement of the Warrants in the Securities Purchase and Exchange Agreement. If ILDE exercises its right to purchase the Units, ILDE would have the right to purchase an additional 987,998 Warrants (at a purchase price of \$0.001 per underlying share and with an exercise price of \$0.375) once the 987,998 Warrants issuable in connection with the purchase of the Units have been issued to Rodman.

All Warrants issued to Rodman under the terms negotiated under the Engagement Letter or to ILDE pursuant to the Participation Right may be exercised for five years following the date that is six months after the date of issue.

### Private Investors

On March 2, 2012, the Company closed a private placement transaction with various private investors (the “Investors”) (the “Investor Transaction”). Under the terms of the subscription agreements signed by each Investor (the “Subscription Agreements”), the Company offered an aggregate of 2,500,000 units (the “Investor Units”), each Investor Unit consisting

of (i) one share of Common Stock and (ii) one

5

---

Table of Contents

warrant to purchase one share of Common Stock (the “Investor Warrants”), for a purchase price of \$0.25 per Investor Unit. Each Investor Warrant shall entitle the holder thereof to acquire one Common Share at an exercise price of US\$0.32 for a period of two years following the date the offering closed.

In connection with the Investor Transaction, the finders for each Investor (the “Finders”), received an aggregate of 150,000 Investor Warrants and 36,000 shares of Common Stock as compensation.

THE OFFERING

This prospectus relates to the resale by the Selling Stockholders identified in this prospectus of up to 91,278,388 shares of Common Stock. All of the Shares, when sold, will be sold by the Selling Stockholders. The Selling Stockholders may sell their Shares from time to time at prevailing market prices. We will not receive any proceeds from the sale of the Shares by the Selling Stockholders.

Common Stock offered by the Selling Stockholders      Up to 91,278,388 Shares

Common Stock outstanding as of April 4, 2012      134,490,051

Dividend Policy      We have not paid any cash dividends on our common stock in the past and currently do not expect to pay dividends or make any other distributions on our common stock in the immediate future.

Use of proceeds      We will not receive any proceeds from the sale of Shares by the Selling Stockholders.

NYSE Amex Symbol      “GGR”

All of the shares of Common Stock in this offering are being sold by the Selling Stockholders.

As of April 4, 2012, the number of shares of Common Stock outstanding excludes 7,757,647 shares of common stock issuable upon exercise of outstanding options and warrants.

NOTE OF CAUTION REGARDING FORWARD-LOOKING STATEMENTS

Some of the statements included or incorporated by reference in this prospectus or in information we file with the SEC are “forward-looking statements”, as defined in the Private Securities Litigation Reform Act of 1995, that involve risks and uncertainties. These statements are based on the beliefs and assumptions of our management and the management of our subsidiaries. Generally, forward-looking statements include information concerning possible or assumed future actions, events or results of operations of our company. Forward-looking statements include, but are not limited to:

Table of Contents

- statements regarding our plans and objectives relating to our future operations,
- plans and objectives regarding the exploration, development and production activities conducted on the exploration blocks in India, Israel and Colombia where we have interests,
- plans regarding drilling activities intended to be conducted through the ventures in which we are a participant, the success of those drilling activities and our ability and the ability of the ventures to complete any wells on the exploration blocks, to develop reserves of hydrocarbons in commercially marketable quantities, to establish facilities for the collection, distribution and marketing of hydrocarbons, to produce oil and natural gas in commercial quantities and to realize revenues from the sales of those hydrocarbons,
- our ability to maintain compliance with the terms and conditions of licenses and our production sharing and other contracts, including the related work commitments, to obtain consents, waivers and extensions under the terms of these licenses and production sharing and other contracts as and when required, and our ability to fund those work commitments,
- our plans and objectives to join with others or to directly seek to enter into or acquire interests in additional licenses and production sharing or other contracts in India, Israel, Colombia and elsewhere,
  - our assumptions, plans and expectations regarding our future capital requirements,
    - our plans and intentions to raise additional capital we require and our likelihood of success in that regard,
- the costs and expenses to be incurred in conducting exploration, well drilling, development and production activities, our estimates as to the anticipated annual costs of those activities and the adequacy of our capital to meet our requirements for our present and anticipated levels of activities are all forward-looking statements.

If our plans fail to materialize, your investment will be in jeopardy.

- We cannot assure you that our assumptions or our business plans and objectives will prove to be accurate or be able to be attained.
- We cannot assure you that the exploratory drilling to be conducted on the exploration blocks in which we hold an interest will result in a discovery of reserves of hydrocarbons or that any hydrocarbons discovered will be in commercially recoverable quantities. In addition, the realization of any revenues from commercially recoverable hydrocarbons is dependent upon the ability to deliver, store and market any hydrocarbons discovered.
- Our ability to realize material revenues cannot be assured. Our ability to successfully drill, test and complete significant numbers of producing wells cannot be assured.
- We cannot assure you that we will have available the capital required to meet our plans and objectives at the times and in the amounts required or we will have available to us the amounts we are required to fund under the terms of the licenses or production sharing and other contracts we are a party to. We cannot assure you that we will be successful in raising the additional capital we currently require.

## Table of Contents

- We cannot assure you that we will be successful in joining any further ventures seeking to be granted licenses or production sharing or other contracts in India, Israel, Colombia or elsewhere or that we will be successful in acquiring interests in existing ventures.
- We cannot assure you that we will obtain all required consents, waivers and extensions from a governmental or regulatory body in India, Israel or Colombia as and when required to maintain compliance with the licenses or production sharing or other contracts we have entered into, that we may not be adversely affected by any delays we may experience in receiving those consents, waivers and extensions, and that we may not incur liabilities under the production sharing or other contracts for our failure to maintain compliance with the requirements of and timely complete the related work programs.
- We cannot assure you that GSPC will not be successful in its efforts to obtain payment from us on account of exploration costs it has expended on the KG Offshore Block for which it asserts we are liable or otherwise seek to hold us in breach of the PSC or commence arbitration proceedings against us and be successful in its assertion that it can terminate our contract with them or the Government of India.
- We cannot assure you of our ability to meet our goals and objectives. The consequences to us from adverse developments in general economic or capital market conditions, events having international consequences, or military or terrorist activities could have a material adverse effect on us.

Because the factors discussed in this prospectus and the documents incorporated by reference herein and therein could cause actual results or outcomes to differ materially from those expressed in any forward-looking statements made by us or on our behalf, you should not place undue reliance on any such forward-looking statements. Further, any forward-looking statement speaks only as of the date on which it is made, and we undertake no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for us to predict which will arise. In addition, we cannot assess the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

Our inability to meet our goals and objectives or the consequences to us from adverse developments in general economic or capital market conditions, events having international consequences, or military or terrorist activities could have a material adverse effect on us. We caution you that various risk factors accompany those forward-looking statements and are described, among other places, under the caption “Risk Factors” in this prospectus and any prospectus supplement. They are also described in our Annual Reports on Form 10-K, our Quarterly Reports on Form 10-Q and our Current Reports on Form 8-K incorporated herein by reference. These risk factors could cause our operating results, financial condition and ability to fulfill our plans to differ materially from those expressed in any forward-looking statements made in this prospectus and the documents incorporated by reference herein and therein and could adversely affect our financial condition and our ability to pursue our business strategy and plans.

## RISK FACTORS

An investment in shares of our Common Stock involves a high degree of risk. There can be no assurance that the exploratory drilling to be conducted on the exploration blocks in which we hold an interest will result in any discovery of reserves of hydrocarbons or that any hydrocarbons that are discovered will be in commercially recoverable quantities. In addition, the realization of any revenues from commercially



Table of Contents

recoverable hydrocarbons is dependent upon the ability to deliver, store and market any hydrocarbons that are discovered. There can be no assurance that we will realize material revenues from the sale of oil and gas.

We operate in a highly competitive environment in which there are numerous factors which can influence our business, financial position or results of operations and which can also cause the market value of our common stock to decline. Many of these factors are beyond our control and therefore, are difficult to predict. Prior to making a decision about investing in our securities, you should carefully consider the risk factors contained in the section entitled "Risk Factors" in our most recent Annual Report on Form 10-K, in our most recent Quarterly Report on Form 10-Q and in any applicable prospectus supplement and our other filings with the SEC and incorporated by reference in this prospectus, together with all of the other information contained in this prospectus, or any applicable prospectus supplement. Such sections discuss what we believe to be the principal risks that could affect us, the oil and gas exploration and production industry and our participation in that industry, and which could result in a material adverse impact on our financial condition and operating results or cause the market price of our common stock to fluctuate or decline. However, there may be additional risks and uncertainties not currently known to us or that we presently deem immaterial that could also affect our business operations and the market value of our Common Stock.

You should also see the "Note of Caution Regarding Forward-Looking Statements" regarding risks and uncertainties relating to us and to forward-looking statements in this prospectus and in any applicable prospectus supplements and our other filings with the Securities and Exchange Commission (the "SEC").

#### USE OF PROCEEDS

The proceeds from the resale of the Shares under this prospectus are solely for the account of the Selling Stockholders. We will not receive any proceeds from the sale of the Shares under this prospectus.

The Company will pay all expenses associated with the registration of the Shares, including the Selling Stockholders' reasonable expenses in connection with the registration but excluding discounts, commissions, fees of underwriters, selling brokers, dealer managers or similar securities industry professionals related to a sale of the Shares.

#### SELLING STOCKHOLDERS

The Company has included in this prospectus 86,092,388 shares of Common Stock and Common Stock underlying convertible securities issued or issuable upon the closing of the ILDE Transaction. The Company has also included in this prospectus 5,186,000 shares of Common Stock and Common Stock underlying convertible securities issued or issuable upon the closing of the Investor Transaction. In connection with both the ILDE Transaction and the Investor Transaction, we have agreed to file a registration statement with the SEC covering the resale of the ILDE Transaction and Investor Transaction Shares. The following table sets forth certain information regarding the Selling Stockholders and the shares of Common Stock beneficially owned by them, which is based on information that is available to us as of April 4, 2012. The Selling Stockholders may offer Shares under this prospectus from time to time and may elect to sell none, some or all of the Shares. As a result, we cannot estimate the number of Shares that the Selling Stockholders will beneficially own after termination of sales under this prospectus. In addition, the Selling Stockholders may have sold, transferred or otherwise disposed of all or a portion of its Shares since the date on which it provided information for this table. We have not made

Table of Contents

independent inquiries about this. Beneficial ownership is determined in accordance with the rules and regulations of the SEC and includes voting or investment power with respect to our Common Stock.

Selling Security Holders (1)	Shares of Common Stock Beneficially Owned Before This Offering (2)			Shares of Common Stock Beneficially Owned After This Offering (2)(3)	
	Number of Shares	Percentage of Class	Shares Offered	Number of Shares	Percentage of Shares
The Israel Land					