GEOPETRO RESOURCES CO
Form DEF 14A
April 30, 2007

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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant x
Filed by a Party other than the Registrant o
Check the appropriate box:

o	Preliminary Proxy Statement
o	**Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
x	Definitive Proxy Statement
o	Definitive Additional Materials
o	Soliciting Material Pursuant to §240.14a-12

GeoPetro Resources Company

(Name of Registrant as Specified In Its Charter)
N/A
(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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x	No fee required.		
o	Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.		
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	(3)	Filing Party:	
	(4)	Date Filed:	

One Maritime Plaza
Suite 700 San Francisco CA 94111
(415) 398-8186 Fax: (415) 398-9227

April 30, 2007

Dear Shareholder:

It is a pleasure to invite you to the Company s 2007 Annual Meeting of Shareholders (the Annual Meeting) to be held on June 14, 2007 at 10:30 a.m. Pacific Daylight Time, at Le Meridien San Francisco, Mercantile Room, 333 Battery Street, San Francisco, California, 94111. I hope you will be able to attend.

At this year s Annual Meeting, shareholders will be asked to elect seven directors and to ratify the appointment of Hein & Associates LLP to serve as GeoPetro s independent public accounting firm for the year ending December 31, 2007. In addition, shareholders will transact any other business that may properly come before the meeting.

Whether or not you attend the annual meeting, it is important that your shares be represented and voted at the meeting. Therefore, I urge you to promptly vote and submit your proxy by signing, dating and returning the enclosed proxy card in the enclosed envelope.

Details of the business to be conducted at the annual meeting are given in the attached Notice of Annual Meeting and Proxy Statement. Additionally, enclosed with the proxy materials is our annual report on Form 10-K as well as selected unaudited supplementary quarterly financial data.

The Past Year in Retrospect

This past year was marked by significant progress for our company in many respects:

On March 30, 2006, we completed an initial public offering in Canada, which consisted of 3,730,021 shares of common stock at an issue price of $3.50 per share and 519,500 shares of common stock issued on a flow-through basis under the *Income Tax Act* (Canada) at an issue price of $3.85 per share for aggregate gross proceeds of $15,055,149. GeoPetro shares commenced trading on the Toronto Stock Exchange under the symbol GEP.S .

We used the net proceeds of the initial public offering primarily to fund development drilling of two natural gas wells associated with the Madisonville Project during 2006, the Mitchell #1 and Wilson #1 wells. We expect to commence production from our Mitchell #1 well in the second quarter of 2007. In addition, later in 2007 we plan to fracture stimulate the Wilson #1 well whereupon we expect to place the well on production.

To avoid the costs of continued litigation, our wholly owned subsidiary, Redwood LP, entered into a binding settlement agreement on June 1, 2006 to resolve all of our outstanding litigation relating to the Madisonville Project. The terms of the settlement allowed us to consolidate our working interest position in both the Rodessa formation and deeper formation rights in the Madisonville Field in East Texas.

On September 29, 2006, we sold 70% of our interest in our Indonesian Bengara Block to CNPCHK (Indonesia) Limited (CNPC). We retained a 12% stake in the Bengara Block. In connection with their purchase, CNPC paid an Earning Obligation, in cash, in the amount of US $18,700,000, which funds will be used exclusively to pay for exploration on the Bengara Block. CNPC also agreed to provide development loans to fund appraisal and development costs of oil or gas discoveries made within the Bengara Block of up to US $41,300,000 over and above the Earning Obligation funds. CNPC will also pay directly to

GeoPetro a cash bonus in the amount of US $2,000,000 contingent upon the first commercial oil or gas discovery within the Bengara Block.

On June 10, 2006, we filed an S-1 registration statement with the Securities and Exchange Commission (the SEC), which was declared effective in early 2007. Our common stock commenced trading under the symbol GPR on the American Stock Exchange on February 15, 2007.

Looking Forward

Looking forward, we believe we are well positioned for future growth:

As previously announced, in 2005 we secured a commitment from Madisonville Gas Processing, LP (MGP) to install and make operational additional treating facilities capable of treating 50 MMcf/d (million cubic feet per day) of natural gas, which combined with the capacity of the current in-service treating facilities will represent a total designed treating capacity of 68 MMcf/d of natural gas for the gas treatment plant servicing our Madisonville Project wells. Representatives of MGP have indicated that they expect the full expansion of the treatment plant to 68 MMcf/d of natural gas capacity can be in place and operational by the second quarter of 2007. We believe completion of the plant expansion will result in higher net gas production, increased revenue and improved operating results during 2007.

In Indonesia, a rig has been transported to the location of the Seberaba #1, the first of four planned exploration wells in the Bengara Block. Drilling operations on this well commenced on April 25, 2007. Drilling and testing of the 13,200 feet deep Seberaba-No.1 is expected to take approximately 90 days at a budgeted cost of $6.2 million. The Seberaba #1 will test a large faulted structure ideally located to receive a hydrocarbon charge and trap hydrocarbons. It will test the oil production potential of four separate stratigraphic zones at depths between 4,900 to 13,100 feet. A second rig is being sought to accelerate the planned exploration program and ensure our objective of completing the drilling and testing of four new exploration wells this year. The second rig will be a smaller, lighter and more compact unit than the first rig deployed. It will not be capable of drilling as deep as the first rig but will be sufficient to drill two of the four planned 2007 exploration wells and allow us to drill two wells at the same time. Having been personally involved with Natomas Company for sixteen years, a company that enjoyed substantial success in the oil and gas business in Indonesia, I m glad that the drilling operations have commenced and look forward to evaluating the commercial potential of the Bengara-II Block.

Elsewhere, in our Canadian and Alaskan (Cook Inlet) projects, operations are currently in the planning stages and we expect to announce further progress in these areas in the coming months.

These forward looking statements are based on our current expectations, but our future performance involves risks and uncertainties that could cause actual results to differ materially, which risks are detailed in our filings with U.S. Securities and Exchange Commission, including under the caption Risk Factors contained in our Annual Report on Form 10-K, which is included herewith and also available at www.sec.gov.

Conclusion

On behalf of the Board of Directors and the employees of GeoPetro Resources Company, I would like to express my appreciation for your continued interest in the affairs of the Company. Thank you for your confidence and support. I look forward to greeting as many of you as possible at the Annual Meeting.

Sincerely,

Stuart J. Doshi
Chairman of the Board, President
and Chief Executive Officer

GEOPETRO RESOURCES COMPANY
One Maritime Plaza, Suite 700
San Francisco, California 94111
(415) 398-8186

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
To be held June 14, 2007

To Our Shareholders:

NOTICE IS HEREBY GIVEN that the 2007 Annual Meeting of Shareholders of GeoPetro Resources Company will be held on June 14, 2007 at 10:30 a.m. Pacific Daylight Time, at Le Meridien San Francisco, Mercantile Room, 333 Battery Street, San Francisco, California, 94111 for the following purposes:

1. To elect seven directors to serve on the Board of Directors until the next annual meeting of shareholders or until their respective successors are elected and qualified;

2. To ratify the appointment of Hein & Associates, LLP as the independent registered public accounting firm of the Company for the Company s fiscal year ending December 31, 2007; and

3. To transact such other business as may properly come before the meeting or any postponement or adjournment thereof.

We cordially invite all shareholders to attend the 2007 Annual Meeting. Only shareholders of record as shown on the books of the Company at the close of business on April 27, 2007 will be entitled to vote at the Annual Meeting or any adjournment or postponement thereof. The Annual Meeting may adjourn from time to time without notice other than by announcement at the Annual Meeting, or at any adjournments of postponements thereof, and any and all business for which the Annual Meeting is hereby noticed may be transacted at any such adjournments or postponements. Your vote is very important. Regardless of the number of shares you own, please read the attached proxy statement carefully and then complete, sign, date and return the enclosed proxy card as promptly as possible in the enclosed postage-paid envelope.

Please note that registration will begin at 9:30 a.m., and seating will begin immediately thereafter. For admission to the Annual Meeting, each shareholder may be asked to present valid picture identification, such as a driver s license or passport, and proof of ownership of GeoPetro stock as of the record date, such as the enclosed proxy card or a brokerage statement reflecting stock ownership as of the record date.

By Order of the Board of Directors

Stuart J. Doshi,
Chairman, President and
Chief Executive Officer
San Francisco, CA
April 30, 2007

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GEOPETRO RESOURCES COMPANY
One Maritime Plaza, Suite 700
San Francisco, California 94111
(415) 398-8186

PROXY STATEMENT FOR ANNUAL MEETING OF SHAREHOLDERS
To be held June 14, 2007

INFORMATION CONCERNING SOLICITATION AND VOTING

This proxy statement contains information related to the 2007 Annual Meeting of Shareholders of GeoPetro Resources Company (the Company, GeoPetro, we, or us) to be held on June 14, 2007 at 10:30 a.m. Pacific Daylight Time, at Le Meridien San Francisco, Mercantile Room, 333 Battery Street, San Francisco, California 94111, or at any adjournment or postponement thereof. We anticipate that this proxy statement and the accompanying form of proxy will be first mailed or given to shareholders on or about May 4, 2007.

At our Annual Meeting, shareholders will act upon the matters outlined in the notice of Annual Meeting on the cover page of this proxy statement, including the election of seven directors, each for a term of one year, and the ratification of Hein & Associates, LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2007.

Only shareholders of record at the close of business on April 27, 2007, the record date for the Annual meeting, are entitled to receive notice of and to vote at the Annual Meeting. If you are a shareholder of record on April 27, 2007, you will be entitled to vote all of the shares that you hold on that date at the Annual Meeting, or any postponements or adjournments thereof. If you attend the Annual Meeting, please note that you may be asked to present valid picture identification, such as a driver s license or passport. Please also note that if you hold your shares in street name (that is, through a broker or other nominee), you will need to bring a copy of a brokerage statement reflecting your stock ownership as of the record date and check in at the registration desk at the Annual Meeting.

The presence, in person or by proxy, of persons entitled to vote a majority of the outstanding common stock will constitute a quorum, permitting business to be conducted at the Annual Meeting. Abstentions and broker non-votes are counted as shares present at the Annual Meeting for purposes of determining whether a quorum exists.

Broker non-votes occur when brokers or nominees have voted on some of the matters to be acted on a meeting, but do not vote on certain other matters because, under the rules of the American Stock Exchange, they are not allowed to vote on those or other matters without instructions from the beneficial owners of the shares. If you hold your shares indirectly through a broker, bank, trustee, nominee, or other third party, that party is the registered holder of your shares and submits the proxy to vote your shares. You are the beneficial owner of the shares and typically you will be asked to provide the registered holder with instructions as to how you want your shares to be voted. If you are a shareholder who holds your shares through a broker or other nominee, you may vote in person at the Annual Meeting only by obtaining a proxy form from the broker or other nominee that holds your shares.

If you are a registered shareholder (that is, you hold your stock in certificate form or otherwise directly and not through a broker or other nominee) and attend the Annual Meeting, you may deliver your completed proxy card in person. We encourage you, however, to submit the enclosed proxy card in advance of the Annual Meeting. In addition, ballots will be available for registered shareholders to vote in person at the Annual Meeting. If you complete and properly sign the accompanying proxy card and return it to the Company, it will be voted as you direct.

A shareholder giving a proxy may revoke it at any time before it is exercised by delivering written notice of revocation to our Secretary, by substituting a new proxy executed at a later date, or by attending the Annual Meeting and voting in person.

The Board of Directors of the Company recommends a vote:

- **FOR** election of the seven director nominees, each for a term of one year (see Proposal 1); and

- **FOR** the ratification of the appointment of Hein & Associates, LLP as the independent registered public accounting firm for the Company s fiscal year ending December 31, 2007.

If you return your signed proxy or voting instructions by mail and do not indicate how you wish to vote, the proxy holders will vote FOR election of all the nominees for director (Proposal 1) and FOR the ratification of the appointment of Hein & Associates, LLP, as the independent registered public accounting firm for the Company s fiscal year ending December 31, 2007 (Proposal 2). With respect to other business that may properly come before the Annual Meeting, the proxy holders will vote as recommended by the Board of Directors, or, if no recommendation is given, in accordance with their judgment.

If you are a registered shareholder and you do not provide voting instructions to a designated proxy or cast a ballot at the Annual Meeting, your shares will not be voted. If you hold your shares in street name and you do not provide voting instructions to your bank, broker or other nominee on how to vote your shares, the bank, broker or other nominee may be authorized to vote your shares as it chooses on the matters to be considered at the meeting. If your bank, broker or other nominee lacks discretionary authority to vote on an item, your shares will not be voted on that item and will be treated as a broker non-vote on that item. Under American Stock Exchange Rules, the proposals to elect directors and to ratify the appointment of independent auditors are considered discretionary items for which brokers may vote, so we do not expect broker non-votes on these proposals.

As of the record date, April 27, 2007, GeoPetro had 29,359,718 shares of common stock outstanding and entitled to vote at the Annual Meeting. Each share of common stock is entitled to one vote on each Proposal presented at the Annual Meeting, except with respect to the election of directors, in which each share is entitled to a number of votes equal to the number of directors to be elected, as discussed below.

For Proposal No.1, the election of directors, provided that the shares represented and voting at the meeting constitute a quorum, the candidates receiving the highest number of votes, up to the number of directors to be elected, shall be elected. A shareholder may cumulate his, her or its votes for one or more candidates, but only if each such candidate s name has been placed in nomination prior to the voting and the shareholder has given notice at the meeting, prior to the voting, of his intention to cumulate his votes. If any one shareholder has given such notice, all shareholders may cumulate their votes for the candidates in nomination. If the voting for directors is conducted by cumulative voting, each share will be entitled to a number of votes equal to the number of directors to be elected. These votes may be cast for a single candidate or may be distributed among two or more candidates in such proportions as the shareholder chooses. The seven candidates receiving the highest number of affirmative votes will be elected. Withheld votes will have no effect on the outcome of the vote, nor will broker non-votes.

Discretionary authority to cumulate votes is being solicited hereby. Unless otherwise directed by a shareholder, the proxies named in the accompanying proxy card may elect to cumulate votes cast pursuant to a proxy by casting all such votes for one nominee or by distributing such votes among as many nominees as they deem desirable. If a shareholder desires to restrict the proxies named in the accompanying proxy card in casting votes for certain nominees, the shareholder should give such direction on the proxy card.

For Proposal No. 2, the ratification of Hein & Associates, LLP, the affirmative vote of a majority of the shares represented and voting at the Annual Meeting, in person or by proxy, provided that such shares constitute a quorum, is required for approval. Abstentions will be counted as represented and voting and will therefore have the effect of votes against the proposal. Broker non-votes will have no effect.

The proxies being solicited hereby are being solicited by the Board of Directors of the Company. The solicitation of proxies is to be made principally by mail; however, following the initial solicitation, our officers, directors and employees may engage in further solicitations by telephone or oral communication with shareholders. These persons will not receive compensation for that solicitation other than their regular compensation as officers, directors and employees. Arrangements also will be made with brokerage houses and other custodians, nominees and fiduciaries to forward solicitation materials to beneficial owners of the shares held of record by those persons. We may reimburse those persons for reasonable out-of-pocket expenses incurred by them in so doing. We will pay all expenses involved in preparing, assembling and mailing this proxy statement and the enclosed materials.

AVAILABLE INFORMATION

Copies of our Annual Report on Form 10-K for the fiscal year ended December 31, 2006, which include our consolidated financial statements and our auditor s report thereon, are being sent to shareholders with this proxy statement. The annual report is not part of the proxy soliciting material. Shareholders may also obtain a copy of our annual report, free of charge, by accessing the SEC s website at www.sec.gov or by sending a written request to: President, GeoPetro Resources Company, One Maritime Plaza, Suite 700, San Francisco, CA 94111.

PROPOSAL 1: ELECTION OF DIRECTORS

Shareholders are being asked to elect seven directors to serve on the Board of Directors of GeoPetro. If elected as director, each individual will hold office until the next annual meeting of shareholders or until his/her successor is elected and qualified, except in the case of his/her death, resignation, ineligibility or removal. Based upon the recommendation of our independent directors, the seven nominees for director are Stuart Doshi, David Creel, Chris Steinhauser, David Anderson, Thomas Cunningham, Kevin Delehanty and Nick DeMare.

Nomination of Directors

All of the nominees for director are current directors of the Company. All of the nominees have agreed to serve if elected. If a nominee becomes unable or unwilling to accept nomination or election, either the Board will reduce the size of the Board, or the proxyholders named on the enclosed proxy card will vote for substitute nominees as recommended by the Board, or, if no recommendation is given, in accordance with their judgment.

About the Directors

Information is provided on the following pages about the nominees for director, including their principal occupations for the past five years, certain other directorships, age and length of service as a director for GeoPetro. Membership on Board committees, attendance at Board and committee meetings and ownership of GeoPetro stock are provided in separate sections following the biographical information on the nominees.

Name	**Age**	**Position with GeoPetro(1)**
Stuart J. Doshi	61	Director, Chairman, President and Chief Executive Officer
David V. Creel	67	Director and Vice President of Exploration
J. Chris Steinhauser	47	Director, Chief Financial Officer, and Corporate Secretary
Kevin M. Delehanty	49	Director
Thomas D. Cunningham(2)(3)	57	Director
David G. Anderson(2)(3)	54	Director
Nick DeMare(2)(3)	52	Director

Notes:

(1) Each director is elected or appointed to hold office until the next annual meeting of shareholders or until their successor is duly elected or appointed, unless their office is earlier vacated. Our bylaws currently authorize a minimum of four and a maximum of seven directors to serve on the Board of Directors and, by resolution of the Board of Directors, the current number of directors has been set at seven.

(2) Member of the Audit Committee.

(3) Independent, in accordance with the rules of the American Stock Exchange.

Stuart J. Doshi. Mr. Doshi has been actively engaged in the oil and gas business since 1970. Mr. Doshi began his oil and gas career with Natomas Company in 1970. He held various positions of increasing responsibility in planning, corporate development and financial management with Natomas. After leaving Natomas in 1985, Mr. Doshi served as a Senior Vice President of Energy Sources Group until 1988. Mr. Doshi then served as Vice President of Pan Pacific Petroleum, Inc. from 1988 to 1991. Immediately prior to forming GeoPetro, Mr. Doshi was the Managing Director of Sierra Overseas

Corporation. Mr. Doshi founded GeoPetro in 1994 and has served as a director and our President and Chief Executive Officer since our inception and as Chairman of the Board since March 1998. Mr. Doshi is a graduate of the University of San Francisco with a Bachelor s Degree in Finance and the University of California, Santa Barbara with a Master s Degree in Economics.

David V. Creel. Mr. Creel has 41 years oil and gas experience as a petroleum exploration geologist. Mr. Creel held various geological and supervisory positions in Libya during his eleven-year career with AMOSEAS (the operator for CALTEX Petroleum). Mr. Creel was also the Exploration Manager of the Rocky Mountain Region and Canada for Ladd Petroleum Company; Exploration Manager of the Rocky Mountain Region for Kilroy Company of Texas; and President of Aztec Resources Corporation. Since 1995, Mr. Creel worked as an independent geologic consultant and in June 1998 he joined GeoPetro in his current role as Vice President of Exploration. Mr. Creel has served as a director of GeoPetro since October 2001. Mr. Creel is a graduate of the University of Notre Dame with a Bachelor s degree in Geology and the University of Tulsa with a Master s degree in Geology.

J. Chris Steinhauser. Mr. Steinhauser is an accountant with 23 years of experience in the energy and financial services industries. Mr. Steinhauser began his career with Peat, Marwick, Mitchell & Co. from 1981 through 1984. From September 1987 through January 1998, Mr. Steinhauser was employed by Sharon Energy Ltd. and Sharon Resources, Inc., its operating subsidiary, ultimately serving as Executive Vice President and Chief Financial Officer of the parent and President, Chief Operating Officer and Director of the subsidiary. From January 1998 until June 2000 Mr. Steinhauser was employed by Beta Oil & Gas, Inc. as a director and Chief Financial Officer where his primary activities included Beta s initial public offering and listing on the NASDAQ National Market System, business development and corporate acquisitions. Mr. Steinhauser joined GeoPetro in June 2000 as its Chief Financial Officer and Vice President of Finance. Mr. Steinhauser has served as a director of GeoPetro since October 2001. Mr. Steinhauser is a graduate of the University of Southern California with a Bachelor s degree in Business and conducted graduate studies at the University of Denver Graduate Tax Program and was a certified public accountant.

Kevin M. Delehanty. Mr. Delehanty has 22 years of experience in the commercial real estate business. Mr. Delehanty is currently a Senior Vice President with Colliers International Inc., an international real estate services firm. Prior to joining Colliers in March of 1996, Mr. Delehanty founded and operated Delehanty Commercial Brokerage (a sole proprietorship), a company which specialized in real estate leasing and investment transactions. Mr. Delehanty began his real estate career as a land specialist with Hayden & Smith Co. of Dallas, Texas. Mr. Delehanty has served as a director of GeoPetro since August 1997. Mr. Delehanty is a graduate of Southern Methodist University with a Bachelor s degree in Business Administration and a Bachelor s degree in Fine Arts.

Thomas D. Cunningham. Mr. Cunningham has 31 years of experience in general management, with expertise in mergers and acquisitions, foreign exchange, sales, financial analysis and personnel management. Since January 2003, he has served as Senior Vice President of OfficePower L.L.C., a privately owned company in the distributed generation business. Prior to joining OfficePower L.L.C., Mr. Cunningham served as Executive Vice President and Chief Financial Officer of Microban International, Ltd., a seller and licensor of branded additives from 2000 to 2003. From 1997 to 2000, Mr. Cunningham was a member of the Board and Executive Vice President of EMCOR Group, Inc. Prior to EMCOR, Mr. Cunningham was with Swiss Army Brands Inc. from 1994 to 1997, where he served on the Board of Directors and as Executive Vice President and Chief Financial Officer. Prior to that position, Mr. Cunningham spent 21 years with J.P. Morgan & Co., in various positions of increasing responsibility and last served as Managing Director in the Corporate Banking Group. Mr. Cunningham has served as a director of GeoPetro since April 2000. Mr. Cunningham is a graduate of Harvard College with a Bachelor s degree in Economics and Columbia University with a Master s degree in Business Administration.

David G. Anderson. Mr. Anderson is a Senior Vice President and director of Dundee Securities Corporation where he has managed the firm s investment banking and capital markets activities since 1998. Mr. Anderson began his career with the National Energy Board of Canada in 1976 and later was employed by Amoco Production Company from 1978 to 1986 in its Calgary, Chicago and Houston offices. In 1987, Mr. Anderson returned to Canada with Midland Doherty and later joined BBN James Capel where he was the Managing Director from 1988 to 1995. From 1995 to 1998, Mr. Anderson was a partner and Managing Director with another investment dealer, Loewen, Ondaatje, McCutcheon Limited. Mr. Anderson has served as a director of GeoPetro since March 2006. Mr. Anderson is a graduate from the University of Manitoba with a Master s degree in Business Administration and Bachelor s degree in Arts.

Nick DeMare. Mr. DeMare is a member in good standing of the Institute of Chartered Accountants of British Columbia. Since May 1991, Mr. DeMare has been the President of Chase Management Ltd., a private company which provides a broad range of administrative, management and financial services to private and public companies engaged in mineral exploration and development, gold and silver production, oil and gas exploration and production and venture capital. Mr. DeMare indirectly owns 100% of Chase Management Ltd. Mr. DeMare currently serves as an officer and director of the following public companies: Rochester Resources Ltd., a mineral interest acquisition and exploration company, Centrasia Mining Corp., a base and precious metal exploration company, Halo Resources Ltd., a mineral exploration company, and Tumi Resources Limited, a mineral exploration company, each of which trades on the OTC Bulletin Board. Mr. DeMare has served as a director of GeoPetro since March 2006. Mr. DeMare is a graduate of the University of British Columbia with a Bachelor s degree in Commerce.

Recommendation of the Board of Directors

The Board of Directors recommends a vote FOR the election of each of the nominees for director presented in this proxy statement. Unless instructed to the contrary, the shares represented by the proxies will be voted for the election of the seven nominees named above as directors. Although it is anticipated that each nominee will be able to serve as a director, should any nominee become unavailable to serve, the persons acting under proxies in the enclosed proxy card will vote for such other person or persons as may be recommended by our Board of Directors, or if no such recommendation is given, in accordance with their judgment.

CORPORATE GOVERNANCE

Board of Directors

David Anderson, Thomas Cunningham and Nick DeMare are independent as defined by the rules of the American Stock Exchange. Stuart Doshi, David Creel, Chris Steinhauser and Kevin Delehanty are not independent as defined by the rules of the American Stock Exchange. Our Board of Directors is not currently comprised of a majority of independent directors in reliance upon the phase-in period provided for by Section 809 of the American Stock Exchange Company Guide, which provides companies transferring from other markets that do not have substantially similar board independence requirements, one year from the date of listing to establish a Board of Directors consisting of a majority of independent directors. We listed our common stock on the Toronto Stock Exchange on March 30, 2006. On February 14, 2007, we listed our common stock on the American Stock Exchange. The Toronto Stock Exchange does not have board independence requirements substantially similar to those of the American Stock Exchange. Thus, in accordance with the rules of the American Stock Exchange, we intend to have a majority of independent directors before February 14, 2008.

Committees of the Board of Directors

We have an Audit Committee of the Board of Directors which complies with the rules of the American Stock Exchange and the SEC. Our Audit Committee charter is available on our website, www.geopetro.com, under the investor relations section. The inclusion of our website address in this proxy statement does not include or incorporate by reference the information on our website into this proxy statement.

Audit Committee

Our Audit Committee currently consists of three directors, Thomas Cunningham, Nick DeMare and David Anderson. Messrs. Cunningham, DeMare and Anderson are independent as defined by the rules of the American Stock Exchange and the SEC. Each member of the Audit Committee meets the financial literacy and experience requirements of the SEC and American Stock Exchange rules. Mr. Cunningham serves as the chairperson of the Audit Committee and Nick DeMare is an audit committee financial expert under applicable SEC rules. Our Audit Committee operates pursuant to a written charter that satisfies applicable SEC and American Stock Exchange rules. Our Audit Committee charter is available on our website at *http://www.geopetro.com*, and is attached hereto as *Appendix A*.

Our Audit Committee charter requires that the Audit Committee oversee our corporate accounting and financial reporting processes. The primary duties of our Audit Committee are to, among other things:

- evaluate our independent auditors qualifications, independence and performance;
- determine the engagement and compensation of our independent auditors;
- approve the retention of our independent auditors to perform any audit and permissible non-audit services;
- monitor the rotation of partners of the independent auditors on our engagement team as required;
- review our consolidated financial statements;
- review our critical accounting policies;
- meet with our management periodically to consider the adequacy of our internal controls and procedures for financial reporting;
- establish procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters and the confidential, anonymous submissions by employees of concerns regarding questionable accounting or auditing matters;
- review on an ongoing basis and approve related party transactions;
- prepare the reports required by the rules of the SEC to be included in our annual proxy statement;
- discuss with our management and our independent auditors the results of our annual audit and the review of our quarterly consolidated financial statements.

Compensation Committee

We do not have a Compensation Committee and, as such, we do not have a Compensation Committee charter. The Board of Directors believes that it is in the best interest of the Company to permit all independent directors to fully participate in the compensation decisions for our officers including Stuart Doshi, our President and Chief Executive Officer, Chris Steinhauser, our Chief Financial Officer, and David Creel, our Vice President of Exploration, as well as our directors. In accordance with the rules of the American Stock Exchange, the compensation of our Chief Executive Officer and all other

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officers are determined, or recommended to the Board of Directors for determination, by a majority of independent directors. The independent directors consider the input of Mr. Doshi in making their recommendations for Messrs. Steinhauser and Creel. The independent directors duties include:

- establishing overall employee compensation policies and recommending to our Board of Directors major compensation programs;
- reviewing and approving the compensation of our corporate officers and directors, including salary, bonus awards and stock option grants;
- administering our various employee benefit, pension and equity incentive programs;
- reviewing executive officer and directors indemnification and insurance matters;
- managing and reviewing employee loans; and
- preparing a report on executive compensation for inclusion in our annual report and, as applicable, our proxy or information statement.

Our independent directors who participate in the consideration of executive officer and director compensation are David Anderson, Thomas Cunningham and Nick DeMare. In establishing compensation for our executive officers and directors, we do not rely on independent compensation consultants to analyze or prepare formal surveys for us. Our independent directors review executive compensation on an annual basis. In establishing compensation to our executives, we strive to provide compensation that will: (1) motivate and retain executives and reward performance; (2) encourage our long-term success; (3) encourage the long-term enhancement of shareholder value; and (4) encourage the application of prudent decision-making processes in an industry marked by volatility and high risk.

Nominating Committee

We do not have a Nominating Committee and, as such, we do not have a Nominating Committee charter. The Board of Directors believes that it is in the best interest of the Company to permit all independent directors to fully participate in the director nomination process. In accordance with the rules of the American Stock Exchange, director nominees are selected, or recommended to the Board of Directors for selection, by a majority of independent directors. In addition, the independent directors duties include:

- establishing standards for service on our Board of Directors and nominating guidelines and principles;
- identifying individuals qualified to become members of our Board of Directors and recommending director candidates for election to our Board of Directors;
- considering and making recommendations to our Board of Directors regarding its size and composition, committee composition and structure and procedures affecting directors;
- establishing policies regarding the consideration of any director candidates recommended by our shareholders, and the procedures to be followed by shareholders in submitting such recommendations;
- evaluating and reviewing the performance of existing directors; and
- monitoring our corporate governance principles and practices and making recommendations to our Board of Directors regarding governance matters, including our articles of incorporation, bylaws and charters of our committees.

Our independent directors who participate in the consideration of director nominees are David Anderson, Thomas Cunningham and Nick DeMare. At an appropriate time prior to each annual meeting of shareholders at which directors are to be elected or reelected, and whenever there is otherwise a vacancy on the Board, the independent directors who participate in the consideration of director nominees will assess the qualifications and effectiveness of the current board members and, to the extent there is a need, shall actively seek replacement of additional individuals well-qualified and available to serve to become board members. Members of management, the independent directors or any other member of the board may identify a need to add a new member to the board with specific criteria at any other time. Shareholders of the Company may identify a potential director candidate in accordance with the procedures set forth below. The independent directors may choose to hire an independent search firm to identify potential director candidates in those situations where particular qualifications are required or where existing contacts are not sufficient to identify an appropriate candidate.

We have adopted procedures by which shareholders may recommend director candidates for membership to our board. Each shareholder recommending a person as a director candidate must provide the Company at its principal executives offices with the following information in order for the independent directors to determine whether the recommended director candidate is independent from the shareholder or each member of the shareholder group that has recommended the director candidate:

(i) If the recommending shareholder or any member of the recommending shareholder group is a natural person, whether the recommended director candidate is the recommending shareholder, a member of the recommending shareholder group, or a member of the immediate family of the recommending shareholder or any member of the recommending shareholder group;

(ii) If the recommending shareholder or any member of the recommending shareholder group is an entity, whether the recommended director candidate or any immediate family member of the recommended director candidate has been an employee of the recommending shareholder or any member of the recommending shareholder group during the then-current calendar year or during the immediately preceding calendar year;

(iii) Whether the recommended director candidate or any immediate family member of the recommended director candidate has, during the year of the nomination or the preceding three fiscal years of the Company, accepted directly or indirectly any consulting, advisory, or other compensatory fee from the recommending shareholder or any member of the group of recommending shareholders or any affiliate of any such holder or member, provided that compensatory fees would not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with such holder or any such member (provided that such compensation is not contingent in any way on continued service);

(iv) Whether the recommended director candidate is an executive officer, director (or person fulfilling similar functions) of the recommending shareholder or any member of the recommending shareholder group, or of an affiliate of the recommending shareholder or any such member of the recommending shareholder group; and

(v) Whether the recommended director candidate controls the recommending shareholder or any member of the recommending shareholder group (or in the case of a holder or member that is a fund, an interested person of such holder or any such member as defined in Section 2(a)(19) of the Investment Company Act).

Each shareholder recommending a person as a director candidate or the person recommended by a shareholder as a director candidate must provide the Company with such information as may be reasonably required to determine whether the recommended director candidate is qualified to serve on the Audit Committee of the board, so that the independent directors may assess whether, if the candidate was elected to the board, the board as then composed would have a sufficient number of directors qualified to serve on the Audit Committee in accordance with the rules of the American Stock Exchange and the Securities and Exchange Commission.

Each shareholder recommending a person as a director candidate or the person recommended by a shareholder as a director candidate must provide the Company with such information as may be reasonably required to determine whether the director candidate meets the standards of independence established by AMEX and the SEC so that the independent directors may assess whether, if the candidate was elected to the board, the board as then composed would have a sufficient number of independent directors.

The Company may request from the recommending shareholder such other information as may reasonably be required to determine whether each person recommended by a shareholder as a director candidate meets the minimum director qualifications established by the Company s board, to enable the Company to make appropriate disclosures to shareholders entitled to vote in the next election of directors.

The shareholder must submit a detailed resume for the candidate and an explanation of the reasons why the shareholder believes this candidate is qualified for service on the board. The shareholder must include the consent of the candidate and describe any arrangements or undertakings between the shareholder and the candidate regarding the nomination. The shareholder must also submit proof of his, her or its Company stockholdings.

The person recommended by a shareholder as a director candidate shall make himself or herself reasonably available to be interviewed by the independent directors and members of management, as determined appropriate by the independent directors. The Company will not accept a shareholder recommendation for a director candidate if the recommended candidate s candidacy or, if elected, board membership, would violate controlling state law, federal law or the rules of any exchange or market on which the Company s securities are listed or traded.

The independent directors evaluate nominees recommended by shareholders on the same basis as nominees recommended by any other source. Nominations to the board may be submitted by shareholders of the Company for consideration by the Board of Directors by sending such nominations to: Stuart J. Doshi, Chairman, President and Chief Executive Officer, GeoPetro Resources Company, One Maritime Plaza, Suite 700, San Francisco, CA 94111.

In making their assessment of nominees, the independent directors seek candidates who meet the current challenges and needs of the board. In making their assessment, the independent directors may request that nominees complete and return a questionnaire prepared by the Company. The independent directors will consider issues of independence, knowledge, judgment, diversity, skills, education, character, standing in the community, and industry and financial background and experience. If the independent directors preliminarily determine that the potential candidate is qualified to fill a vacancy or satisfy a particular need after a preliminary inquiry, the independent directors will make an investigation and interview the potential candidate, as necessary, to make an informed final determination. During this process, the independent directors may solicit input from other members of the Board, the Company s Chief Executive Officer and members of the Company s senior management, as the independent directors deem appropriate, during the interview and evaluation process, regardless of who recommended the candidate.

Compensation Committee Interlocks and Insider Participation

None of our executive officers has served as a director or member of a compensation committee (or board committee performing equivalent functions or, in the absence of any such committee, the entire Board of Directors) of any other entity, any of whose executive officers served as one of our directors, or

Compensation Committee members, or independent directors participating in compensation decisions. In 2006, Stuart Doshi, our President and Chief Executive Officer, served on the Compensation Committee of our Board of Directors. Effective November l6, 2006, we dissolved our Compensation Committee and subsequently charged our independent directors with determining, or recommending to the Board of Directors for determination, the compensation of our executive officers.

Meetings of the Board and the Committees of the Board

During 2006, the Board of Directors held three regular meetings. The independent directors held one meeting in 2006. In 2006, the Audit Committee held four regular meetings and one special meeting. All of the directors attended at least seventy-five percent of the meetings of the Board and of the committee on which they served during that period. Directors and director nominees are expected to attend our annual meeting of shareholders. We did not have an annual meeting of shareholders in 2006.

Legal Proceedings

Currently, no director or executive officer is a party to any material legal proceeding adverse to the interests of the Company. Additionally, no director or executive officer has a material interest in any material proceeding adverse to the Company.

Communications with the Board of Directors

If a shareholder would like to write to the Board, he or she may send written correspondence to the following address: GeoPetro Resources Company, Attn: Board of Directors, One Maritime Plaza, Suite 700, San Francisco, CA 94111. Shareholders should provide proof of share ownership with their correspondence. It is suggested that shareholders also include contact information. All communications will be received and processed by our President, and then directed to the appropriate member(s) of the Board. In general, correspondence relating to accounting or auditing matters will be referred to the Chairperson of the Audit Committee. All other correspondence will be referred to the independent directors. To the extent correspondence is addressed to a specific director or requires a specific director s attention, it will be directed to that director.

Code of Business Conduct and Ethics

Our board of directors has adopted a code of business conduct and ethics that applies to all of our employees, executive officers and directors. Our code of business conduct and ethics is posted on our website, www.geopetro.com, under the Investor Relations section. In addition, a copy of the code of business conduct and ethics will be provided without charge upon request to the Corporate Secretary, GeoPetro Resources Company., One Maritime Plaza, Suite 700, San Francisco, CA 94111. We intend to disclose any future amendments to certain provisions of our code of busies conduct and ethics, or waivers to such provisions, applicable to our directors and executive officers, at the same location on our website identified above. The inclusion of our website address in this proxy statement does not include or incorporate by reference the information on our website into this proxy statement.

FEES PAID TO HEIN AND ASSOCIATES, LLP

Hein & Associates has acted as independent certified public auditor for the Company since 2002, and has been selected by the Audit Committee to serve again in that capacity for 2007. The following table lists the aggregate fees and costs billed by Hein & Associates and its affiliates to the Company and its subsidiaries for the 2006 and 2005 services identified below.

	2006	2005
Audit fees(1)	$ 180,095	$ 88,164
Audit related fees(2)	2,280	0
Tax fees(3)	39,915	57,361
All other fees	0	0
	$ 222,290	$ 145,525

(1) Includes fees for professional services rendered in connection with the audit of our annual consolidated financial statements, and the review of interim consolidated financial statements.

(2) Includes fees billed for professional services that are reasonably related to the performance of the audit or review of our consolidated financial statements but are not reported under Audit fees. Such fees include and certain consultations concerning financial accounting and reporting standards.

(3) Includes fees for preparation of federal and state tax returns, tax advice and planning and related compliance matters.

Policy on Audit Committee Pre-Approval

The Audit Committee is responsible for pre-approving the engagement of our independent auditors for audit or permissible non-audit services. Audit Committee pre-approval of specific audit and non-audit services is not required if the engagement for the services is entered into pursuant to general pre-approval policies and procedures established by the Committee regarding GeoPetro s engagement of the independent auditor, provided the policies and procedures are detailed as to the particular service, the Committee is informed of each service provided and such policies and procedures do not include delegation of the Committee s responsibilities under the Exchange Act to the Company s management. The Committee may delegate to one or more designated members of the Committee the authority to grant pre-approvals, provided such approvals are presented to the Committee at a subsequent meeting. Committee pre-approval of non-audit services (other than review and attest services) is not required if such services fall within available exceptions established by the U.S. Securities & Exchange Commission. All of the services covered by the fees disclosed above were pre-approved by the Chairman of the Audit Committee.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information about the beneficial ownership of common shares as of April 27, 2007 by:

- Each of our directors and director nominees;
- Each of the named executive officers listed in the Summary Compensation table;
- All of our directors and executive officers as a group; and
- Each person known to us to be the beneficial owner of more than 5% of our outstanding common shares.

For purposes of the following table, a person is deemed to be the beneficial owner of securities that can be acquired by that person within 60 days from April 27, 2007 upon the exercise of warrants or options or upon the conversion of convertible securities. Each beneficial owner s percentage is determined by assuming that options, warrants or conversion rights that are held by that person regardless of price, but not those held by any other person, and which are exercisable within 60 days from April 27, 2007 have been exercised.

The information in the following table is based upon information supplied by officers, directors and principal shareholders. Except as otherwise noted below, and subject to applicable community property laws, the persons named have sole voting and investment power with respect to all shares of common stock shown as beneficially owned by them. Unless otherwise indicated, the address of the following shareholders is c/o GeoPetro Resources Company, One Maritime Plaza, Suite 700, San Francisco, CA 94111.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Name of Beneficial Owner	Shares Beneficially Owned	Approximate Percent of Class(1)
Stuart J. Doshi, President, CEO and Chairman(2)	5,042,957	15.9 %
David V. Creel, Vice President and Director(3)	470,000	1.6 %
J. Chris Steinhauser, Chief Financial Officer and Director(4)	420,000	1.4 %
David Anderson, Director(5)	15,000	*
Thomas D. Cunningham, Director(6)	381,667	1.3 %
Kevin Delehanty, Director(7)	1,278,880	4.3 %
Nick DeMare, Director(8)	92,500	*
All executive officers, key persons and directors as a group, (7 persons)	7,701,004	24.6 %
5 percent or more shareholders:		
Jeffrey C. Friedman 911 Moraga Ave., Suite 205 Laffayette, CA 94549	1,762,898	6.0 %
M. J. J. Ventures LLC 255 California Street, #600 San Francisco, CA 94111	1,559,136	5.3 %

* Less than 1.0%

(1) For the purposes of calculating the percent of class beneficially owned by a holder, shares of common stock which may be issued to that holder within 60 days of April 27, 2007 are deemed to be outstanding.

(2) Includes direct ownership of 2,742,957 common shares and stock options to purchase 2,300,000 common shares that are exercisable within 60 days of April 27, 2007.

(3) Includes direct ownership of 250,000 common shares and stock options to purchase 220,000 common shares that are exercisable within 60 days of April 27, 2007.

(4) Includes stock options and warrants to purchase 420,000 common shares that are exercisable within 60 days of April 27, 2007.

(5) Includes stock options to purchase 15,000 common shares that are exercisable within 60 days of April 27, 2007.

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(6) Includes direct ownership of 191,667 common shares, indirect ownership of 50,000 common shares and stock options and warrants to purchase 140,000 common shares that are exercisable within 60 days of April 27, 2007.

(7) Includes direct ownership of 847,880 common shares, indirect ownership of 1,000 common shares and stock options and warrants to purchase 430,000 common shares that are exercisable within 60 days of April 27, 2007.

(8) Includes indirect ownership of 77,500 common shares and stock options to purchase 15,000 common shares that are exercisable within 60 days of April 27, 2007.

Section 16(a) Beneficial Ownership Reporting Compliance

During our fiscal year ended December 31, 2006, our officers, directors and ten percent shareholders were not subject to the reporting requirements of Section 16(a) of the Securities Exchange Act of 1934.

EXECUTIVE COMPENSATION AND RELATED INFORMATION

Compensation Discussion and Analysis

We do not presently have a Compensation Committee. The Board of Directors believes that it is in the best interest of the Company to permit all independent directors to fully participate in the compensation decisions for our executive officers. In accordance with the rules of the American Stock Exchange, the compensation of our President and Chief Executive Officer, Stuart Doshi, and all other officers including Chris Steinhauser and David Creel are determined, or recommended to the Board of Directors for determination, by a majority of independent directors. The independent directors consider the input of Mr. Doshi in making their recommendations for Messrs. Creel and Steinhauser.

Our independent directors are responsible for reviewing executive compensation on an annual basis. Compensation for our executive officers consists of three components:

- base salaries;
- stock option grants; and
- cash bonuses.

In establishing the compensation paid to our executives, we emphasize providing compensation that will: (1) motivate and retain executives and reward performance; (2) encourage our long term success; (3) encourage the long term enhancement of shareholder value; and (4) encourage the application of prudent decision making processes in an industry marked by volatility and high risk.

Historically, we have evaluated compensation paid to our executive officers based upon the following factors:

- the growth in our oil and gas reserves and production;
- cash flow;
- the extent to which our executive officers have been successful in finding and creating opportunities for us to participate in attractive oil and gas projects;
- the ability of our executives to formulate and maintain sound budgets for drilling ventures and other business activities;
- our overall financial condition;

- the extent to which proposed business plans are met; and

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- by comparing the compensation packages of our executive officers with the compensation packages of executive officers of other companies in the oil and gas industry, which are similar to us in their size and operations, among other factors.

We do not assign relative weights or rankings to these factors. Instead, we make subjective determinations based upon a consideration of all of these factors. While specific performance levels or benchmarks are not used to establish compensation, we do take into account our overall progress over time.

In establishing compensation for our executive officers, we do not rely on independent consultants to analyze or prepare formal surveys for us; however, we make informal comparisons of our executives compensation with the compensation paid to executives of other publicly and privately held companies similar to ours. In addition, we take into account the fact that we do not provide significant perquisites and we provide no retirement plan or pension benefits to our executive officers.

Messrs. Doshi, Steinhauser and Creel are currently parties to employment agreements whereby their base salaries are fixed for the terms of their agreements, with the exception of Mr. Doshi s base salary, which is subject to an annual inflation adjustment based on the 1995 Consumer Price Index, per the terms of his employment agreement. We have amended Messrs. Doshi, Steinhauser and Creel s employment agreements in the past to provide for increases in base salary. When determining base salaries, we perform a subjective analysis of each executive officer s contributions and overall performance, consider the current compensation paid to executives of similar companies, and the officer s current salary.

During 2006, salaries accounted for approximately 84% of total compensation for the Chief Executive Officer and 79% on average for our other named executive officers.

In reviewing the overall compensation of Mr. Doshi, our President and Chief Executive Officer, in 2006 and previous periods, we took into account the fact that Mr. Doshi declined receiving an increase in his base salary since 2003 or an award of stock options since 2003. Throughout 2006, we were faced with intense competition in the oil and gas industry, including competition for oil and gas leases, and scarcity of available drilling rigs and goods and services related to the drilling, testing and completion of wells. While industry competition has intensified in the past several years, particularly from competitors that have similar or greater financial and human resources than we do, we believe the insight, experience and leadership of Mr. Doshi has been instrumental in keeping us positioned to access sufficient capital and remain competitive. Additionally, Mr. Doshi, in his capacity as President and Chief Executive Officer, has been responsible for achieving a number of historical benchmarks for us, including, but not limited to:

- Negotiating with Hanover Compression Limited Partnership and Gateway Processing Company the installation and construction of a new gas treatment plant and related pipelines which became operational in 2003 in the Madisonville Project which was necessary in order to treat natural gas production from our wells in the Madisonville Field in Texas.

- Arranging the sale of the gas treatment plant by Hanover to Madisonville Gas Processing, LP and the related commitment by MGP to expand the treating capacity of the plant from 18 million cubic feet of natural gas per day to 68 million cubic feet of natural gas per day.

- The drilling of additional wells at the Madisonville Project in an industry environment affected by intense competition and shortages of available drilling rigs and associated goods and services.

- The acquisition of the Cook Inlet Project in Alaska.

- On March 30, 2006, we completed an initial public offering in Canada, which consisted of 3,730,021 shares of common stock at an issue price of $3.50 per share and 519,500 shares of common stock issued on a flow-through basis under the Income Tax Act (Canada) at an issue price of $3.85 per share for aggregate gross proceeds of $15,055,149.

- On September 29, 2006 we sold 70% of our interest in C-G Bengara to CNPCHK (Indonesia) Limited in exchange for a substantial financial commitment from CNPC to conduct exploration, appraisal and development activities on the Bengara II PSC production sharing contract in Indonesia. We have retained a 12% stake in C-G Bengara and the Bengara II PSC.

- The sale of in October 2005 in another Indonesian production sharing contract for cash consideration of $2,400,000.

- The settlement in June 2006 of all of our pending litigation related the Miller and Mejlaender lawsuits.

When awarding stock options, we attempt to provide executives with an incentive compensation vehicle that could result in future additional compensation to them, but only if the value of our common stock increases for all shareholders. We perform a subjective analysis of each executive officer s contributions, and we consider the number of options granted on prior occasions and the length of time between option grants. All stock options are granted with exercise prices equal to or above the fair market value of the common stock on the date of grant.

We have not granted any options to our named executive officers since 2003. The option grants in 2003 were made pursuant to our 2001 Stock Incentive Plan. The options were granted with a five year vesting schedule providing that 20% of the options would vest on each one year anniversary of the date of grant of May 13, 2003. We determined that the five year vesting schedule was appropriate to provide a long term incentive to the named executive officers to remain employed with us and to work toward the long term best interests of all of our shareholders.

In 2004, we implemented a new 2004 Stock Option and Appreciation Rights Plan (the **Stock Option Plan**) providing for awards of incentive stock options, non-qualified stock options and stock appreciation rights. The Stock Option Plan replaced the 2001 Stock Incentive Plan as to new award grants effective in 2004 or thereafter to our directors, officers, employees and consultants. The terms of the Stock Option Plan govern future grants to our named executive officers. The terms provide, among other things, that the exercise price of option grants shall be no less than 110% of the fair market value of the common stock on the date of grant and that such grant shall vest at a rate no less than twenty percent (20%) over five years from the date of grant. We do not have specific established criteria for determining the timing of option grants.

During 2006, stock option equity incentives accounted for approximately 14% of total compensation for the Chief Executive Officer and 16% on average for our other named executive officers. These amounts pertain to options and warrants that were granted in prior periods that either vested during 2006 or were modified during 2006. See the Summary Compensation Table below for an explanation of these items. There were no grants of stock options to our named executive officers in 2006. The Board determined that our named executive officers had a sufficient equity stake in GeoPetro, consisting of shares of common stock and/or existing options and warrants, to align their interests with GeoPetro s and our shareholders.

Bonuses for each of our named executive officers are discretionary. During 2006, Mr. Doshi declined to receive a bonus and we awarded Messrs. Creel and Steinhauser a cash bonus of $7,000 and $10,000, respectively. In future periods, in considering whether to award bonuses, we will consider such factors as enumerated above in determining overall compensation, with a particular emphasis on our profitability and financial condition.

During 2006, cash bonus awards accounted for approximately 5% on average for our named executive officers other than the Chief Executive Officer, who declined to receive a bonus. In determining the bonus amounts, our Board took into consideration that our named executive officers have significant equity interests in GeoPetro through direct ownership of shares or prior option grants, which already provide them with performance incentives.

We provide certain personal benefits to our Chief Executive Officer in the form of life and disability insurance. During 2006, personal benefits accounted for approximately 2% of total compensation for the Chief Executive Officer.

We do not have any established formal criteria to determine how decisions regarding one compensation element might affect decisions regarding other compensation elements or fit into our overall compensation objectives.

The employment agreements with our named executive officers provide for certain payments in the event of a change in control and/or termination. Mr. Doshi s employment agreement provides for substantial and immediate cash payments in the event of a change in control or termination. Messrs. Steinhauser and Creel are entitled to post employment compensation in the event of termination without cause. The amounts of, and the conditions precedent for, such payments are discussed in detail in this proxy statement under Potential Payments Upon Termination or Change in Control.

It is our conclusion that the amount and types of compensation currently being paid to our executive officers are sufficient to retain and motivate them, reward their performance and encourage their efforts to increase the value of our common stock for all shareholders.

Compensation of Executive Officers

The following table sets forth all compensation awarded to, earned by or paid to our Chief Executive Officer, Chief Financial Officer and our other most highly compensated executive officer whose total compensation exceeded $100,000 for services rendered during our 2006 fiscal year. These three officers are referred to as the named executive officers in this proxy statement. No other executive officer received total compensation of more than $100,000 in the fiscal year ended December 31, 2006.

Summary Compensation Table

Name and Principal Position(1)	Year	Salary ($)		Bonus ($)		Option Awards ($)		All Other Compensation ($)		Total ($)
Stuart J. Doshi Chairman, President and Chief Executive Officer	2006	407,565	(2)	0	(2)	69,888	(3)	10,308	(4)	487,761
David V. Creel Vice President of Exploration	2006	125,000	(5)	7,000		5,284	(6)	0		137,284
J. Chris Steinhauser Chief Financial Officer	2006	150,000	(7)	10,000		64,275	(8)	8,654	(9)	224,275

(1) None of the named executive officers received any compensation for their services as a director during 2006.

(2) $79,619 of Mr. Doshi s salary for 2006 consists of an annual inflation adjustment based on the 1995 Consumer Price Index, per the terms of his employment agreement. Mr. Doshi declined to receive a bonus award for 2006.

(3) Includes $35,226 of compensation cost recognized in 2006 associated with options granted in 2003 which vested during 2006. Assumptions made in the valuation of the option grants are discussed in *Note 8. Common Stock Options* of the Notes to Consolidated Financial Statements. Also includes the incremental fair value of $34,992 related to the extension of the expiration date of an option to

purchase 750,000 shares of our common stock which previously expired on April 30, 2006 and was extended to expire on April 30, 2008 and has an exercise price of $0.50 per share. The extension was treated as a modification of the terms or conditions of an equity stock option or warrant award. Accordingly, the extension was treated as an exchange of the original award for a new award. Assumptions made in the valuation of the modification are discussed in *Note 8. Common Stock Options* of the Notes to Consolidated Financial Statements contained in our Annual Report on Form 10-K for the year ended December 31, 2006.

(4) Represents life and disability insurance benefits paid on Mr. Doshi s behalf.

(5) Mr. Creel s annual base salary during 2006 was $150,000. He did not receive his full base salary during 2006 due to an extended but temporary medical leave of absence. On December 18, 2006, the independent members of the Board of Directors acting on the recommendation of Mr. Doshi voted to increase Mr. Creel s annual salary to $163,200 effective January 1, 2007.

(6) Includes $5,284 of compensation cost recognized in 2006 associated with options granted in 2003 which vested during 2006. Assumptions made in the valuation of the option grants are discussed in Note 8. Common Stock Options of the Notes to Consolidated Financial Statements contained in our Annual Report on Form 10-K for the year ended December 31, 2006.

(7) Mr. Steinhauser s base salary during 2006 was $150,000. On December 18, 2006, the independent members of the Board of Directors acting on the recommendation of Mr. Doshi voted to increase Mr. Steinhauser s annual salary to $163,200 effective January 1, 2007.

(8) Includes $5,284 of compensation cost recognized in 2006 associated with options granted in 2003 which vested during 2006. Assumptions made in the valuation of the option grants are discussed in *Note 8. Common Stock Options* of the Notes to Consolidated Financial Statements contained herein. Also includes the incremental fair value of $58,991 related to the extension of the expiration dates of: (a) a warrant to purchase 150,000 shares of our common stock which previously expired on June 18, 2006 and was extended to expire on June 30, 2007 and has an exercise price of $2.00; and (b) a warrant to purchase 33,333 shares of our common stock which previously expired on June 18, 2006 and was extended to expire on April 30, 2008 and has an exercise price of $3.00. The extensions were treated as modifications of the terms or conditions of an equity stock option or warrant award. Accordingly, the extensions were treated as an exchange of the original award for a new award. Assumptions made in the valuation of the modification are discussed in *Note 8. Common Stock Options* of the Notes to Consolidated Financial Statements contained in our Annual Report on Form 10-K for the year ended December 31, 2006.

As indicated above, we extended the expiration dates of certain options and warrants to purchase our common stock which were previously granted to Messrs. Doshi and Steinhauser. The terms of the extensions are summarized below:

Name	**Description**	**Underlying Option or Warrant**	**Exercise Price Per Share**	**Previous Expiration Date**	**Revised Expiration Date**	**Aggregate Value of Extension**
Stuart J. Doshi	Common Stock Option	750,000	$ 0.50	4/30/2006	4/30/2008	$ 34,661.94
J. Chris Steinhauser	Common Stock Warrant	150,000	$ 2.00	6/18/2006	6/30/2007	$ 34,266.84
J. Chris Steinhauser	Common Stock Warrant	33,333	$ 3.00	6/18/2006	4/30/2008	$ 24,724.12
						$ 93,652.90

The above listed options and warrants are fully vested.

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Employment Agreements and Potential Post-Employment Payments

We entered into a contract of employment with Stuart J. Doshi, Chairman, President and Chief Executive Officer, dated July 28, 1997 (effective July 1, 1997) and amended on January 11, 2001, July 1, 2003, April 20, 2004, May 9, 2005, July 28, 2005 and January 30, 2006. The contract as amended currently provides for a five-year term which commenced May 1, 2005 which term is automatically extended for successive two-year renewal terms unless: (a) the Board of Directors elects not to renew the contract and we provide notice to Mr. Doshi of such non-renewal at least six months prior to the expiry of his employment term or any renewal term, (b) Mr. Doshi provides notice at any time prior to the expiry of his employment term or any renewal term that he elects not to renew the contract, or (c) Mr. Doshi attains age 75, in which case the term ends upon the completion of the calendar year in which he becomes 75 years old unless we and Mr. Doshi mutually agree to one-year extensions. The contract of employment provides for an annual base salary of $300,000, subject to annual inflation adjustments based on the 1995 United States Department of Labor, Bureau of Labor Statistics Consumer Price Index of Urban Wage Earners and Clerical Workers. The contract also provided for options to purchase up to 750,000 shares of our common stock at an exercise price of $0.50 per share which options, as amended, expire on April 30, 2008. The options are immediately exercisable. In the event that we file a registration statement under the 1933 Act, other than our initial registration statement, we have agreed to permit Mr. Doshi to include in the proposed registration the shares of our common stock that he would hold on exercise of his stock options and other securities issued to him, at no expense to him, subject to his payment of his own taxes, legal fees and underwriter s discounts, commissions and spreads.

We have entered into a contract of employment with David V. Creel, Vice President of Exploration, dated April 28, 1998 and amended on June 15, 2000, May 12, 2003 and January 1, 2005. The contract provides for a term of employment until June 1, 2009 at an annual salary of $150,000 effective January 1, 2005. We issued options to Mr. Creel to acquire 100,000 shares of common stock at a price of $2.00 per share pursuant to the original April 28, 1998 agreement. Mr. Creel exercised the option on May 31, 2005. The June 15, 2000 amendment provided that we would issue options to acquire an additional 100,000 shares of common stock at a price of $2.00 per share. The options were issued with an effective grant date of May 31, 2000 and were subject to vesting over a five-year period with the first 20% vesting on the first anniversary of the date of grant and an additional 20% vesting on each of the four successive anniversaries. Mr. Creel exercised the option on May 31, 2005.

We have entered into a contract of employment with J. Chris Steinhauser, Vice President of Finance and Chief Financial Officer, dated June 19, 2000 and amended on December 12, 2002 and January 1, 2005. The contract provides for a term of employment until June 30, 2008 at an annual salary of $150,000, effective January 1, 2005. The agreement with Mr. Steinhauser provided for a $10,000 cash bonus payable upon execution of the agreement, which was paid in 2000. In addition, Mr. Steinhauser s employment agreement provided that we would issue warrants to purchase 250,000 shares of our common stock to Mr. Steinhauser. Such warrants, as amended, have terms expiring between June 2007 and April 2008, are fully vested, and as of December 31, 2006, remain outstanding. Each warrant entitles Mr. Steinhauser to purchase one share of our common stock as follows:

Exercise Price Per Common Share	**No. of Common Shares Underlying Warrants**
$2.00	150,000
$3.00	33,333
$4.00	33,333
$5.00	33,334
Total	250,000

GRANTS OF PLAN-BASED AWARDS

We did not grant any stock options, shares of stock or stock appreciation rights under any plan to any of our named executive officers during 2006.

Stock Incentive and Option Plans

Effective as of September 10, 2001, the Board of Directors approved the 2001 Stock Incentive Plan (the **Stock Incentive Plan**), providing for awards under the terms and provisions of such plan of incentive stock options, nonqualified stock options, stock appreciation rights and restricted stock to our officers, directors, employees and consultants. The purpose of the Stock Incentive Plan was to attract, motivate, reward and retain personnel and provide incentive compensation through participation in our growth. The awards available under the Stock Incentive Plan were exercisable for up to 5,000,000 shares of our common stock.

In 2004, we implemented a new 2004 Stock Option and Appreciation Rights Plan (the **Stock Option Plan**) providing for awards of incentive stock options, non-qualified stock options and stock appreciation rights. The Stock Option Plan replaced the Stock Incentive Plan as to new award grants effective in 2004 or thereafter to our directors, officers, employees and consultants. Outstanding awards issued under the Stock Incentive Plan will continue to be outstanding in accordance with their terms and the terms of the Stock Incentive Plan, but will count toward the limits in the number of shares of common stock available to be issued under the Stock Option Plan, which is 5,000,000.

Awards to purchase 1,750,000 shares of our common stock were issued under the Stock Incentive Plan, and to date, awards to purchase 170,000 shares of our common stock have been issued under the Stock Option Plan. 3,080,000 shares remain available for issuance pursuant to award grants under the Stock Option Plan.

The Stock Option Plan is administered by the Board of Directors or a committee designated by the Board. The Board of Directors or committee designated by the Board determines the number of shares of common stock which may be purchased pursuant to an award grant, the exercise price, vesting schedule, expiration date, and all other terms and conditions of the award grant, subject to the terms of the Stock Option Plan.

The exercise price of stock options granted under the Stock Option Plan may not be less than 110% of the fair market value of our common stock on the date of grant. The maximum number of shares of common stock which may be reserved for issuance to insiders under the Stock Option Plan is 10% of our shares of common stock outstanding at the time of the grant, less any shares reserved for issuance to insiders under any other stock compensation arrangement. The maximum number of shares of common stock which may be issued to insiders under the Stock Option Plan is also subject to certain annual limits.

The following table sets forth information with respect to the options outstanding, under the Stock Option Plan and otherwise, as of January 31, 2007.

Group (Number)	Date Options Granted	Shares Underlying Option	Average Exercise Price(3)	Closing Price One Day Prior to Grant(3)	Expiry Date	Market Value of Options(4)
Executive Officers(3)	various	2,950,000	$ 1.66	N/A	various (2)	$ 3,945,000
Directors(1)(3)	various	775,000	$ 2.40	N/A	various (2)	$ 592,500
Employees(3)	various	185,000	$ 2.42	N/A	various (2)	$ 152,500
Total		3,910,000	$ 1.87			

Notes:

(1) Directors who are not also executive officers.

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(2) Options have expiry dates not more than 10 years following their date of grant. Currently outstanding options have expiry dates between February 28, 2007 and May 13, 2013.

(3) The stock options were issued prior to February of 2006 and therefore no public trading market existed for our common stock with the exception of the grant of options exercisable to purchase 75,000 common stock to each of David Anderson and Nick DeMare. We granted the options to Mr. Anderson and Mr. DeMare, 150,000 options in total, on April 17, 2006. The options have an exercise price of $3.85 per share. The closing price on the Toronto Stock Exchange on the day preceding the date of grant was $3.50 per share.

(4) Based on the closing price of our common stock on the Toronto Stock Exchange on January 30, 2007.

Outstanding Equity Awards at Fiscal Year-End 2006

The following table details information with respect to all options and warrants to purchase our common stock held by our named executive officers and outstanding on December 31, 2006.

Name	Number of Securities Underlying Unexercised Options/Warrants Exercisable/ Unexercisable (#)				Option/Warrant Exercise Price	Option/Warrant Expiration Date
Stuart J. Doshi	750,000	/			$ 0.50	4/30/2008
Chairman, President and Chief	750,000	/			$ 2.00	12/29/2007
Executive Officer	600,000	/	400,000	(1)	$ 2.10	5/13/2013
David V. Creel	100,000	/			$ 2.00	12/29/2007
Vice President of Exploration	90,000	/	60,000	(2)	$ 2.10	5/13/2013
J. Chris Steinhauser(4)	50,000	/			$ 2.00	12/29/2007
Chief Financial Officer	90,000	/	60,000	(3)	$ 2.10	5/13/2003

(1) Mr. Doshi has 400,000 common stock options which are not yet vested. The unvested common stock options will vest as follows: (i) 200,000 options will vest on May 13, 2007, and 200,000 options will vest on May 13, 2008. Mr. Doshi must still be employed by us on the respective vesting dates in order to vest his options, subject to certain exceptions. See Potential Payments Upon Termination or Change in Control.

(2) Mr. Creel has 60,000 common stock options which are not yet vested. The unvested common stock options will vest as follows: (i) 30,000 options will vest on May 13, 2007, and 30,000 options will vest on May 13, 2008. Mr. Creel must still be employed by us on the respective vesting dates in order to vest his options. However, if Mr. Creel is terminated without cause, all unvested options shall immediately vest. See Potential Payments Upon Termination or Change in Control.

(3) Mr. Steinhauser has 60,000 common stock options which are not yet vested. The unvested common stock options will vest as follows: (i) 30,000 options will vest on May 13, 2007, and 30,000 options will vest on May 13, 2008. Mr. Steinhauser must still be employed by us on the respective vesting dates in order to vest his options.

(4) Mr. Steinhauser also has 250,000 common stock warrants which are fully vested as follows:

Number of Securities Underlying Exercisable Warrants (#)	Warrant Exercise Price	Warrant Expiration Date
150,000	$ 2.00	6/30/2007
33,333	$ 3.00	4/30/2008
33,333		