

Report of the President on the procedures of internal control and presentation of the accounting and financial information for 2007



Annual General Meeting of the Shareholders

April 24, 2008

GEOREX SA

Capital : 1 588 511.37 euros

Head office : 145 rue Michel Carré – 95100 ARGENTEUIL

RCS B692037823

Pursuant to the provisions of the article L.225-37, the Commercial Code recommends that the chairman of the board of any Limited company reports to the shareholders with information annexed as mentioned in the articles L.225-100, L.225-102, L.225-102-1 and L.233-56. Following this recommendation, I report further below on the recommendations and issues of:

- The conditions of preparation and organization of work in the Board of Directors during the year ended on December 31, 2007,
- The procedures of internal control implemented by the Group.

The law does not envisage formal approval of this report by the Board of Directors. This report was placed at the disposal of the auditor according to the deadlines which are assigned by the law to present his reports.

1- Preparation and organization of the work of the Board of Directors

>Organisation of the Board of Directors

According to the Law 2001-420 of May 15, 2001, the chairman does not have any more vocation to ensure the tasks of the General Manager; this mission falling to the General Manager. On March 25, 2004, the Board of Directors allotted the General Manager's tasks of the company to the Chairman of the board. It however rests to the chairman to organize and direct the work of the Board and to represent the company with regard to the shareholders and to third parties.

>Composition of the Board of Directors

We remind to you that the Board of Directors is composed of 7 members.

Nom		Date of birth	End of mandate
M. BASSIAS Yannis	Chairman	30/05/1954	31/12/2011
M. BAILLARD Laurent	Director	15/12/1972	31/12/2008
M. FORREST Ian	Director	05/06/1938	31/12/2012
M. LADREIT DE LACHARRIERE Paul	Director	17/07/1971	31/12/2010
M. SUNDVALL Audar	Director	18/05/1944	31/12/2011
M. VOIGT Harald	Director	27/07/1956	31/12/2012
M. VROMANT Denis	Director	24/06/1950	31/12/2011

According to the law of May 15, 2001, the number of shares that each director must own is freely fixed by the statutes. As from the General Meeting of May 31, 2006, the Directors have the obligation to own twenty-five shares of guarantee under the terms of article 15 of the statutes. The number of Directors having exceeded the age of 70 years is null.

> Frequency and performance of the meetings

During year 2007, the Board of Directors met 5 times in the registered office of the company in the moments considered by the president to be convenient as the:

- 22 February
- 03 May
- 19 September
- 29 October
- 18 December

The conditions of the quorum stipulated in the article L.225-37 Al.1 were respected. A register of presence was held up to date and signed by the Directors at each Board meeting. All the decisions of quorum were made in the majority of the members present or represented (art L.225-37 Al 2). The Directors freely exerted their voting rights. After each Meeting a report with the Minutes (art D 85) was established. The Minutes were signed by the Chairman and at least one director (art D 86 Al 2).

>Convocation of the Directors

The convocation of the Directors is carried out by email or paper. The auditor is convened to the meetings by letter registered with acknowledgement of delivery. He performs the semi-annual and annual audits and statements in accordance with the provisions of the article L 225-38 of the Law of Commerce.

The Board of Directors determined the orientations of the activity of the company and took care of their implementations. It was regularly seized by all the questions interesting the good business of the company.

>Information addressed to the members of the Board of Directors

Each director received during the year all information necessary to the achievement of his mission, and all the documents required by the Directors were provided to them. In addition, the members of the Board of Directors were informed by the president with 9 "Letters to the Directors" developing the strategy of the Group. These letters were written in English at the request of the English speaking Directors.

>Work of the Board of Directors

During the past year, the Directors were consulted on the decisions of management implying an important commitment for the company.

The principal decisions taken by the Board of Directors were as follows:

- Dissolution of the subsidiary company Georex Norge (22/02/07)
- Participation in the production gas of the field Maracas, Colombia, to a total value of 5% (22/02/07)
- Evaluations studies of the oil and gas reserves in Tunisia and France (22/02/07)
- Proposal to the operator of the Maracas concession to increase the participation Georex SA from 5% to 20% upon payment of interior costs of explorations (03/05/07)
- Proposal for a new issue of capital reserved in favour of International Food, Equitech Financial Ltd and Banque Cramer & Co for a maximum of 209.284 shares (03/05/07)

- Transfer of shares of the subsidiary company Georex Tunisia Services (ex Geonumeric limited liability company) held by the subsidiary company Geonumeric SAS in parent company Georex SA (03/05/07)
- Rejection of the project of acquisition of a specialized company in Geotechnical and Environmental studies in France (19/09/07)
- Constitution of the new subsidiary company Poros SAS for oil and gas activities of the group (19/09/07)
- Due diligence audits for the acquisition of two companies specialized in the data management (19/07/07)
- Tenders of request for prospecting permits in France and in Tunisia (19/09/07)
- Approval of the first semester accounts at June 30, 2007 (29/10/07)
- Presentation of the non-audited quarterly accounts (29/10/07)

2-Procedures of the internal control

>Definition of the internal audit

The internal audit cover all the policies and procedures implemented by the Management in order to ensure, in the measurement of possible, the rigorous and effective management of the activities. These procedures entail the respect of the policies of the management, the safeguard of the assets, the prevention and detection of the irregularities and inaccuracies, the exactitude and exhaustiveness of the accounting records and the establishment at given time of reliable financial and accounting information. The internal system of audit gets along beyond the fields related to the accounting system and includes the actions of the Management and the government of company.

>Objectives of the internal audit

The procedures of internal audit implemented by the Management of the group aim to make sure of the sincerity and the reliability of the information recorded in the accounts.

>Description of the procedures

Existence of a plan of organization

The job descriptions of the employees of the group are defined by the contracts of employment. The tasks and the responsibilities of the employees of the group are defined in the scopes of mission. The wording of those documents is sufficiently precise to avoid any negligence.

The competences and integrity of the personnel

The skills and competencies of the personnel are evaluated on the basis of the education degrees, specialized studies, practical professional experience, years of experience and missions which the personnel carried out and carries today. The integrity of the personnel, and in particular of management, is validated by the handing-over of a civil extract of record.

Existence of a satisfactory documentation

Ample organizational, technical and commercial information is rendered and remains constantly available in the parent company and subsidiaries' websites of the group. Further to this, a guide of the internal procedures was prepared by the finances manager and the auditor.

>Result of the internal audit

There is a presumption of reliability of the individual accounts of company Georex as well as of the group accounts. There is a coincidence between the accounting data and reality. The received information is correctly transmitted and translated in the accounts.

The Chairman of the Board