



GeoResources, Inc.

Oil & Gas Exploration and Production

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FOR IMMEDIATE RELEASE

GeoResources, Inc. Reports Fourth Quarter and 2009 Annual Financial Results

Reports 2009 Earnings of \$9.8 Million and Adjusted EBITDAX of \$48.2 Million.

Houston, Texas, March 10, 2010 – GeoResources, Inc., (NASDAQ:GEOI), today announced its financial and operating results for the twelve and three month periods ended December 31, 2009. The following tables summarize the results of operations compared to similar periods in 2008.

Twelve Months Ended December 31,
(In thousands, except Earnings per share)

	2009		2008	
Total revenue	\$	80,428	\$	94,607
Net income	\$	9,775	\$	13,522
Earnings per share (diluted)	\$	0.59	\$	0.86
Adjusted EBITDAX (1)	\$	48,159	\$	54,150

Three Months Ended December 31,
(In thousands, except Earnings per share)

	2009		2008	
Total revenue	\$	23,616	\$	18,863
Net income	\$	2,371	\$	(4,291)
Earnings per share (diluted)	\$	0.14	\$	(0.26)
Adjusted EBITDAX (1)	\$	14,080	\$	9,186

(1) See additional detail below.

	Percent Increase (Decrease)	Twelve Months Ended December 31,	
		2009	2008
Gas Production (MMcf)	67%	4,944	2,962
Oil Production (MBbls)	15%	851	743
Barrel of oil equivalent (MBOE)	36%	1,675	1,236
Average Price Gas before Hedge Settlements (per Mcf)	(61%)	\$ 3.28	\$ 8.36
Average Price Oil before Hedge Settlements (per Bbl)	(41%)	\$ 56.37	\$ 94.88
Average Price Gas after Hedge Settlements (per Mcf)	(51%)	\$ 3.97	\$ 8.12
Average Price Oil after Hedge Settlements (per Bbl)	(26%)	\$ 61.09	\$ 82.42

	Percent Increase (Decrease)	Three Months Ended December 31,	
		2009	2008
Gas Production (MMcf)	113%	1,514	711
Oil Production (MBbls)	32%	250	190
Barrel of oil equivalent (MBOE)	63%	503	308
Average Price Gas before Hedge Settlements (per Mcf)	(32%)	\$ 3.77	\$ 5.57
Average Price Oil before Hedge Settlements (per Bbl)	33%	\$ 68.19	\$ 51.37
Average Price Gas after Hedge Settlements (per Mcf)	(32%)	\$ 4.02	\$ 5.91
Average Price Oil after Hedge Settlements (per Bbl)	6%	\$ 65.57	\$ 61.78

Adjusted EBITDAX (see definition below) increased 53% to approximately \$14.1 million for the fourth quarter 2009 compared to \$9.2 million for the fourth quarter 2008. Adjusted EBITDAX for the year 2009 decreased 11% to approximately \$48.2 million compared to \$54.2 million in 2008.

The following tables reconcile reported net income to Adjusted EBITDAX for the periods indicated (in thousands):

	Twelve Months Ended December 31,	
	2009	2008
Adjusted EBITDAX (1)		
Net income	\$ 9,775	\$ 13,522
Add back:		
Interest expense	4,984	4,820
Income taxes:		
Current	412	866
Deferred	4,655	6,903
Depreciation, depletion and amortization	22,409	16,007
Hedge and derivative contracts	299	440
Non-cash compensation	1,424	661
Exploration and impairments	4,201	10,931
Adjusted EBITDAX(1)	\$ 48,159	\$ 54,150

	Three Months Ended December 31,	
	2009	2008
Net income (loss)	\$ 2,371	\$ (4,291)
Add back:		
Interest expense	1,435	962
Income taxes :		
Current	588	(3,573)
Deferred	(637)	372
Depreciation, depletion and amortization	6,906	4,724
Hedge and derivative contracts	(28)	392
Non-cash compensation	360	199
Exploration and impairments	3,085	10,401
Adjusted EBITDAX (1)	\$ 14,080	\$ 9,186

(1) As used herein, adjusted EBITDAX is calculated as earnings before interest, income taxes, depreciation, depletion and amortization, and exploration expense and further includes non-cash compensation, impairments and hedge ineffectiveness and income or loss on derivative contracts. Adjusted EBITDAX should not be considered as an alternative to net income (as an indicator of operating performance) or as an alternative to cash flow (as a measure of liquidity or ability to service debt obligations) and is not in accordance with, nor superior to, generally accepted accounting principles, but provides additional information for evaluation of our operating performance.

Comments

Frank A. Lodzinski, CEO and President, commented “Our results for the fourth quarter and year ended December 31, 2009 continue to reflect our growth. Our production increased 36% over the prior year and our reserves increased 42% over the prior year using the SEC pricing methodology. This represented a 467% production replacement rate. A comparison of the 4th quarter of 2009 vs. 2008 underscores our considerable growth. Our gas production was up 113% and our oil production was up 32%. Revenues, adjusted EBITDAX and net income were all up appreciably. A contributing factor to increased earnings was lower lease operating expenses. On a unit-of-production basis, our lease operating expenses were down about 40%, both for comparative quarter and annual periods, largely as a result of our re-engineering and development drilling activities. Our increased production is a direct result of our successful drilling programs in the Bakken Shale and Austin Chalk and from the strategic acquisitions we have made in these core areas. As recently announced we have further increased our acreage position in

the Bakken Shale Trend of the Williston Basin and expect our drilling programs to continue to contribute to our growth.”

About GeoResources, Inc.

GeoResources, Inc. is an independent oil and gas company engaged in the acquisition and development of oil and gas reserves through an active and diversified program which includes purchases of reserves, re-engineering, and development and exploration activities primarily focused in three core areas – the Southwest, Gulf Coast, and the Williston Basin. For more information, visit our website at www.georesourcesinc.com.

Forward-Looking Statements

Information herein contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which can be identified by words such as "may," "will," "expect," "anticipate," "estimate" or "continue," or comparable words. All statements other than statements of historical facts that address activities that the Company expects or anticipates will or may occur in the future are forward-looking statements. Readers are encouraged to read our 10-K for the year ended December 31, 2009 and the other SEC reports of the Company and any and all other documents filed with the SEC regarding information about GeoResources for meaningful cautionary language in respect of the forward-looking statements herein. Interested persons are able to obtain free copies of filings containing information about GeoResources, without charge, at the SEC's Internet site (<http://www.sec.gov>)

GEORESOURCES, INC and SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(In thousands, except share and per share amounts)

	December 31,	
ASSETS	2009	2008
Current assets:		
Cash	\$ 12,660	\$ 13,967
Accounts Receivable		
Oil and gas revenues	14,860	11,439
Joint interest billings and other	13,734	7,172
Affiliated partnerships	933	2,905
Notes receivable	120	120
Derivative financial instruments	764	8,200
Income taxes receivable	2,077	2,165
Prepaid expenses and other	2,297	3,923
Total current assets	47,445	49,891
Oil and gas properties, successful efforts method:		
Proved properties	285,363	204,536
Unproved properties	10,281	2,409
Office and other equipment	828	1,025
Land	96	96
	296,568	208,066
Less accumulated depreciation, depletion and amortization	(48,182)	(26,486)
Net property and equipment	248,386	181,580
Equity in oil and gas limited partnerships	3,532	3,266
Derivative financial instruments	1,360	6,409
Deferred financing costs and other	3,574	2,388
	\$ 304,297	\$ 243,534

GEORESOURCES, INC and SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(In thousands, except share and per share amounts)

	December 31,	
	2009	2008
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 6,452	\$ 10,750
Accounts payable to affiliated partnerships	8,361	10,310
Revenue and royalties payable	13,928	11,701
Drilling advances	390	2,169
Accrued expenses	1,574	1,506
Derivative financial instruments	4,794	1,572
Total current liabilities	35,499	38,008
Long-term debt	69,000	40,000
Deferred income taxes	15,778	17,868
Asset retirement obligations	6,110	5,418
Derivative financial instruments	3,233	1,245
Stockholders' equity:		
Common stock, par value \$0.01 per share; authorized 100,000,000 shares; issued and outstanding: 19,705,362 shares in 2009 and 16,236,717 in 2008	197	162
Additional paid-in capital	146,966	112,523
Accumulated other comprehensive income (loss)	(3,288)	7,283
Retained earnings	30,802	21,027
Total stockholders' equity	174,677	140,995
	\$ 304,297	\$ 243,534

GEORESOURCES, INC. and SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

(In thousands, except share and per share amounts)

	Year Ended December 31,		
	2009	2008	2007
Revenue:			
Oil and gas revenues	\$ 71,618	\$ 85,263	\$ 36,518
Partnership management fees	1,007	1,725	969
Property operating income	1,710	1,430	1,251
Gain on sale of property and equipment	1,355	4,362	49
Partnership income	4,318	1,061	184
Interest and other	420	765	1,144
	<u>80,428</u>	<u>94,606</u>	<u>40,115</u>
Expenses:			
Lease operating expense	18,763	22,914	10,818
Severance taxes	3,623	7,517	2,880
Re-engineering and workovers	2,807	3,518	2,092
Exploration expense	1,406	2,592	153
Impairment of oil and gas properties	2,795	8,339	-
General and administrative expense	8,500	7,168	6,513
Depreciation, depletion and amortization	22,409	16,007	7,507
Hedge ineffectiveness	137	(123)	287
Loss on derivative contracts	162	563	-
Interest	4,984	4,820	1,916
	<u>65,586</u>	<u>73,315</u>	<u>32,166</u>
Income before income taxes	14,842	21,291	7,949
Income taxes:			
Current	412	866	1,472
Deferred	4,655	6,903	3,408
	<u>5,067</u>	<u>7,769</u>	<u>4,880</u>
Net income	<u>\$ 9,775</u>	<u>\$ 13,522</u>	<u>\$ 3,069</u>
Net income per share (basic)	<u>\$ 0.59</u>	<u>\$ 0.87</u>	<u>\$ 0.25</u>
Net income per share (diluted)	<u>\$ 0.59</u>	<u>\$ 0.86</u>	<u>\$ 0.25</u>
Weighted average shares outstanding:			
Basic	<u>16,532,003</u>	<u>15,598,244</u>	<u>12,404,771</u>
Diluted	<u>16,559,431</u>	<u>15,751,185</u>	<u>12,404,771</u>

GEORESOURCES, INC. and SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands, except share and per share amounts)

	Year Ended December 31,		
	2009	2008	2007
Cash flows from operating activities:			
Net income	\$ 9,775	\$ 13,522	\$ 3,069
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation, depletion and amortization	22,409	16,007	7,507
Exploratory dry holes and unproved property impairments	-	2,241	-
Impairment of proved properties	2,795	8,339	-
Gain on sale of property and equipment	(1,355)	(4,362)	(49)
Accretion of asset retirement obligations	368	391	232
Unrealized loss on derivative contracts	(238)	563	-
Amortization of loss on cancelled hedges	482	-	-
Hedge ineffectiveness (gain) loss	137	(123)	287
Partnership income	(4,318)	(1,061)	(184)
Partnership distributions	2,406	653	204
Deferred income taxes	4,655	6,903	3,408
Non-cash compensation	1,424	661	553
Changes in assets and liabilities:			
Decrease (increase) in accounts receivable	(7,923)	3,958	(13,872)
Decrease in notes receivable	275	480	-
Decrease (increase) in prepaid expense and other	(1,116)	(1,990)	(347)
Increase (decrease) in accounts payable and accrued expense	(5,732)	(3,844)	20,056
Net cash provided by operating activities	24,044	42,338	20,864
Cash flows from investing activities:			
Proceeds from sale of property and equipment	1,991	26,789	2,419
Additions to property and equipment	(89,396)	(51,824)	(110,148)
Investment in oil and gas limited partnership	-	(978)	(1,632)
Cancellation of hedge contracts	-	(2,975)	-
Increase in other assets	-	-	(565)
Net cash used in investing activities	(87,405)	(28,988)	(109,926)
Cash flows from financing activities:			
Issuance of common stock	33,054	32,187	23,518
Distributions to stockholders	-	-	(4,007)
Issuance of long-term debt	64,000	-	99,000
Reduction of long-term debt	(35,000)	(56,000)	(9,800)
Debt issuance costs	-	-	(1,436)
Net cash provided by (used in) financing activities	62,054	(23,813)	107,275
Net increase (decrease) in cash and cash equivalents	(1,307)	(10,463)	18,213
Cash and cash equivalents at beginning of period	13,967	24,430	6,217
Cash and cash equivalents at end of period	\$ 12,660	\$ 13,967	\$ 24,430
Supplementary information:			
Interest paid	\$ 4,064	\$ 5,073	\$ 835
Income taxes paid	\$ 664	\$ 3,970	\$ 1,533
Non-cash net assets acquired in merger transactions:			
GeoResources			\$ 23,827
PICA Energy, LLC			\$ 11,703
Yuma property interests			\$ 3,120
Other property interests			\$ 218