

HOUSTON AMERICAN ENERGY CORP
Form 10-Q
November 08, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES AND EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2011

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____.

Commission File Number 1-32955

HOUSTON AMERICAN ENERGY CORP.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

76-0675953
(IRS Employer Identification No.)

801 Travis Street,
Suite 1425,
Houston, Texas
77002
(Address of principal executive offices)(Zip Code)

(713) 222-6966
(Registrant's telephone number, including area code)

(Former name, former address and former

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fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

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

As of November 8, 2011, we had 31,165,230 shares of \$0.001 par value Common Stock outstanding.

HOUSTON AMERICAN ENERGY CORP.

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PART I - FINANCIAL INFORMATION

ITEM 1 Financial Statements

HOUSTON AMERICAN ENERGY CORP.
CONSOLIDATED BALANCE SHEETS
(Unaudited)

	September 30, 2011	December 31, 2010
ASSETS		
CURRENT ASSETS		
Cash	\$15,116,940	\$26,656,450
Restricted cash – letter of credit	3,056,250	3,056,250
Accounts receivable – oil and gas sales	41,357	1,226,341
Accounts receivable – other	4,191,909	3,951,370
Escrow receivable – current	2,531,269	4,440,953
Tax refund receivable	505,874	—
Prepaid expenses and other current assets	54,543	8,872
Total current assets	25,498,142	39,340,236
PROPERTY, PLANT AND EQUIPMENT		
Oil and gas properties – full cost method		
Costs subject to amortization	2,478,426	1,831,738
Costs not being amortized	16,889,272	10,258,980
Office equipment	90,004	90,004
Total property, plant and equipment	19,457,702	12,180,722
Accumulated depreciation, depletion, and impairment	(1,613,542)	(1,489,301)
Total property, plant and equipment, net	17,844,160	10,691,421
OTHER ASSETS		
Deferred tax asset	1,491,205	1,997,079
Escrow receivable	3,434,167	3,434,167
Other assets	58,023	13,525
Total assets	\$48,325,697	\$55,476,428
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$20,286	\$122,536
Accrued expenses	168,014	11,963
Income taxes payable	3,919	4,950,531
Total current liabilities	192,219	5,085,030
LONG-TERM LIABILITIES		
Deferred rent obligation	5,792	11,320
Reserve for plugging and abandonment costs	36,028	15,441
Total long-term liabilities	41,820	26,761

Commitments and Contingencies	—	—
SHAREHOLDERS' EQUITY		
Preferred stock, \$0.001 par value: 10,000,000 shares authorized; 0 shares outstanding	—	—
Common stock, \$0.001 par value; 100,000,000 shares authorized; 31,165,230 and 31,080,772 shares issued and outstanding, respectively	31,165	31,081
Additional paid-in capital	40,172,667	38,422,435
Retained earnings	7,887,826	11,911,121
Total shareholders' equity	48,091,658	50,364,637
Total liabilities and shareholders' equity	\$48,325,697	\$55,476,428

The accompanying notes are an integral part of these unaudited consolidated financial statements.

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HOUSTON AMERICAN ENERGY CORP.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Nine Months Ended September 30,		Three Months Ended September 30,	
	2011	2010	2011	2010
REVENUE				
Oil and gas	\$ 797,068	\$ 17,225,168	\$ 319,261	\$ 5,354,499
Total revenue	797,068	17,225,168	319,261	5,354,499
EXPENSES OF OPERATIONS				
Lease operating expense and severance tax	567,626	6,819,894		