

HOUSTON AMERICAN ENERGY CORP
Form 10-Q
August 10, 2016

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 EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2016

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)

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Delaware 76-0675953
(State or other jurisdiction of incorporation or organization) (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 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 August 9, 2016, we had 51,499,336 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)

	June 30, 2016	December 31, 2015
ASSETS		
CURRENT ASSETS		
Cash	\$1,248,762	\$2,123,520
Escrow receivable	262,016	262,016
Prepaid expenses and other current assets	26,250	38,257
TOTAL CURRENT ASSETS	1,537,028	2,423,793
PROPERTY AND EQUIPMENT		
Oil and gas properties, full cost method		
Costs subject to amortization	54,843,643	54,840,599
Costs not being amortized	2,947,029	2,879,063
Office equipment	90,004	90,004
Total	57,880,676	57,809,666
Accumulated depletion, depreciation, amortization, and impairment	(54,725,987)	(54,676,723)
PROPERTY AND EQUIPMENT, NET	3,154,689	3,132,943
Other assets	3,167	3,167
TOTAL ASSETS	\$4,694,884	\$5,559,903
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$19,416	\$23,195
Accrued expenses	13,534	16,315
TOTAL CURRENT LIABILITIES	32,950	39,510
LONG-TERM LIABILITIES		
Reserve for plugging and abandonment costs	25,538	25,262

TOTAL LIABILITIES	58,488	64,772
COMMITMENTS AND CONTINGENCIES		
SHAREHOLDERS' EQUITY		
Preferred stock, par value \$0.001; 10,000,000 shares authorized, 0 shares issued and outstanding	—	—
Common stock, par value \$0.001; 150,000,000 shares authorized 52,169,945 shares issued	52,170	52,170
Additional paid-in capital	66,080,883	66,019,681
Treasury shares, at cost; 670,609 and 190,000 shares, respectively	(128,231)	(38,152)
Accumulated deficit	(61,368,426)	(60,538,568)
TOTAL SHAREHOLDERS' EQUITY	4,636,396	5,495,131
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$4,694,884	\$5,559,903

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

HOUSTON AMERICAN ENERGY CORP.

CONSOLIDATED STATEMENTS OF OPERATIONS

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2016 AND 2015

(Unaudited)

	Six Months Ended		Three Months Ended	
	June 30,		June 30,	
	2016	2015	2016	2015
OIL AND GAS REVENUE	\$82,147	\$216,093	\$33,887	\$114,122
EXPENSES OF OPERATIONS				
Lease operating expense and severance tax	37,361	59,648	26,973	30,735
General and administrative expense	831,135	732,576	474,865	276,703
Impairment of oil and gas properties	-	677,051	-	—
Depreciation and depletion	49,264	278,075	24,251	146,172
Total operating expenses	917,760	1,747,350	526,089	453,610
Loss from operations	(835,613)	(1,531,257)	(492,202)	(339,488)
OTHER INCOME				
Interest income, net	5,756	10,445	1,796	4,989
Total other income	5,756	10,445	1,796	4,989
Net loss before taxes	(829,857)	(1,520,812)	(490,406)	(334,499)
Income tax expense	-	18,060	-	17,309
Net loss	\$(829,857)	\$(1,538,872)	\$(490,406)	\$(351,808)