

HOUSTON AMERICAN ENERGY CORP
Form 10-Q
November 09, 2012

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 September 30, 2012

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 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

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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, 2012, we had 52,180,045 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, 2012	December 31, 2011
ASSETS		
CURRENT ASSETS		
Cash	\$ 190,245	\$ 9,930,284
Restricted cash – letter of credit	3,056,250	3,056,250
Accounts receivable – oil and gas sales	—	40,502
Accounts receivable – other	370,834	4,322,063
Escrow receivable – current	1,899,307	1,863,332
Marketable securities – available for sale	614,700	707,445
Prepaid expenses and other current assets	88,545	13,635
TOTAL CURRENT ASSETS	6,219,881	19,933,511
PROPERTY, PLANT AND EQUIPMENT		
Oil and gas properties – full cost method		
Costs subject to amortization	38,662,300	2,490,164
Costs not being amortized	9,019,161	22,890,944
Office equipment	90,004	90,004
Total property, plant and equipment	47,771,465	25,471,112
Accumulated depreciation, depletion and impairment	(38,667,801)	(1,675,232)
TOTAL PROPERTY, PLANT, AND EQUIPMENT, NET	9,103,664	23,795,880
OTHER ASSETS		
Deferred tax asset	—	3,195,583
Escrow receivable	1,664,581	1,664,581
Other assets	3,166	68,381
TOTAL ASSETS	\$ 16,991,292	\$ 48,657,936
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 124,018	\$ 84,300
Accrued cash call to operator	3,590,000	—
Accrued expenses	26,249	185,597
Income taxes payable	21,139	27,074
TOTAL CURRENT LIABILITIES	3,761,406	296,971
LONG-TERM LIABILITIES		
Reserve for plugging and abandonment costs	7,734	41,419
Deferred rent obligation	—	3,620
TOTAL LONG-TERM LIABILITIES	7,734	45,039

COMMITMENTS AND CONTINGENCIES

SHAREHOLDERS' EQUITY

Common stock, \$0.001 par value; 100,000,000 shares authorized; 37,365,230 and 31,165,230 shares issued and outstanding, respectively