

HOUSTON AMERICAN ENERGY CORP  
Form 10-Q  
August 14, 2017

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, DC20549**

**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, 2017

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, a smaller reporting company or an emerging growth company. See definition of "large accelerated filer," "accelerated filer," "smaller reporting company" or an "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

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

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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 14, 2017, we had 54,234,715 shares of \$0.001 par value Common Stock outstanding.

HOUSTON AMERICAN ENERGY CORP.

FORM 10-Q

INDEX

	Page No.
<b>PART I. <u>FINANCIAL INFORMATION</u></b>	
Item 1. <u>Financial Statements (Unaudited)</u>	
<u>Consolidated Balance Sheets as of June 30, 2017 and December 31, 2016 (Unaudited)</u>	3
<u>Consolidated Statements of Operations for the Three and Six Months Ended June 30, 2017 and 2016 (Unaudited)</u>	4
<u>Consolidated Statements of Cash Flows for the Six Months Ended June 30, 2017 and 2016 (Unaudited)</u>	5
<u>Notes to Consolidated Financial Statements (Unaudited)</u>	6
Item 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	12
Item 3. <u>Quantitative and Qualitative Disclosures About Market Risk</u>	18
Item 4. <u>Controls and Procedures</u>	18
<b>PART II</b>	
<b><u>OTHER INFORMATION</u></b>	18
Item 6. <u>Exhibits</u>	18

## PART I - FINANCIAL INFORMATION

## ITEM 1 Financial Statements

## HOUSTON AMERICAN ENERGY CORP.

## CONSOLIDATED BALANCE SHEETS

(Unaudited)

	June 30, 2017	December 31, 2016
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$229,778	\$481,172
Prepaid expenses and other current assets	26,250	3,750
<b>TOTAL CURRENT ASSETS</b>	<b>256,028</b>	<b>484,922</b>
<b>PROPERTY AND EQUIPMENT</b>		
Oil and gas properties, full cost method		
Costs subject to amortization	55,643,374	55,639,333
Costs not being amortized	4,463,258	2,291,181
Office equipment	90,004	90,004
Total	60,196,636	58,020,518
Accumulated depletion, depreciation, amortization, and impairment	(55,594,797)	(55,563,591)
<b>PROPERTY AND EQUIPMENT, NET</b>	<b>4,601,839</b>	<b>2,456,927</b>
Other assets	3,167	3,167
<b>TOTAL ASSETS</b>	<b>\$4,861,034</b>	<b>\$2,945,016</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$53,033	\$50,122
Accrued expenses	80,145	11,005
Notes payable, net of debt discount of \$152,372 and \$0, respectively	447,628	—
<b>TOTAL CURRENT LIABILITIES</b>	<b>580,806</b>	<b>61,127</b>
<b>LONG-TERM LIABILITIES</b>		

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Reserve for plugging and abandonment costs	35,560	27,444
<b>TOTAL LIABILITIES</b>	<b>616,366</b>	<b>88,571</b>
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>SHAREHOLDERS' EQUITY</b>		
Preferred stock, par value \$0.001; 10,000,000 shares authorized, 2,109.6 and 0 shares issued and outstanding, respectively	2	—
Common stock, par value \$0.001; 150,000,000 shares authorized 51,277,388 and 52,169,945 shares issued and outstanding, respectively	51,277	52,170
Additional paid-in capital	68,342,255	66,158,593
Treasury shares, at cost; 0 and 892,557 shares, respectively	—	(174,125 )
Accumulated deficit	(64,148,866)	(63,180,193)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>4,244,668</b>	<b>2,856,445</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$4,861,034</b>	<b>\$2,945,016</b>

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, 2017 AND 2016

(Unaudited)

	Six Months Ended		Three Months Ended	
	June 30,		June 30,	
	2017	2016	2017	2016
OIL AND GAS REVENUE	\$ 103,908	\$ 82,147	\$ 46,275	\$ 33,887
<b>EXPENSES OF OPERATIONS</b>				
Lease operating expense and severance tax	40,015	37,361	16,861	26,973
General and administrative expense	1,004,439	831,135	485,142	474,865
Depreciation and depletion	31,206	49,264	13,510	24,251
Total operating expenses	1,075,660	917,760	515,513	526,089
Loss from operations	(971,752 )	(835,613)	(469,238)	(492,202)