

PetroHunter Energy Corp
Form 10-Q
May 12, 2010

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2010

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: 000-51152

PETROHUNTER ENERGY CORPORATION
(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction of
incorporation or organization)

98-0431245
(I.R.S. Employer
Identification No.)

1600 Stout Street
Suite 450, Denver, Colorado
(Address of principal executive
offices)

80202
(Zip Code)

Registrant's telephone number, including area code:
(303) 572-8900

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 is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a small reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

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Large accelerated filer
Non-accelerated filer

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 April 30, 2010 the registrant had 437,093,842 shares of common stock outstanding.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Quarterly Report constitute “forward-looking statements”. These statements, identified by words such as “plan”, “anticipate”, “believe”, “estimate”, “should”, “expect” and similar expressions include expectations and objectives regarding our future financial position, operating results and business strategy. These statements reflect the current views of management with respect to future events and are subject to risks, uncertainties and other factors that may cause our actual results, performance or achievements, or industry results, to be materially different from those described in the forward-looking statements. Such risks and uncertainties include those set forth under the caption “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in this Quarterly Report. We do not intend to update the forward-looking information to reflect actual results or changes in the factors affecting such forward-looking information. We advise you to carefully review the reports and documents we file from time to time with the Securities and Exchange Commission (the “SEC”).

CURRENCIES

All amounts expressed herein are in U.S. dollars unless otherwise indicated.

PETROHUNTER ENERGY CORPORATION

FORM 10-Q

FOR THE THREE-MONTH AND SIX MONTH PERIODS ENDED
MARCH 31, 2010

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PETROHUNTER ENERGY CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS

March 31,
2010

September 30,
2009

(unaudited)

(\$ in thousands)

ASSETS

Current Assets

Cash and cash equivalents	\$ 51	\$ 235
Marketable securities, available for sale	530	455
Restricted marketable securities	3,048	2,925
Prepaid expenses and other assets	72	222
TOTAL CURRENT ASSETS	3,701	3,837

Property and Equipment, at cost

Oil and gas properties under full cost method, net	1,987	1,427
Furniture and equipment, net	92	122
	2,079	1,549

Other Assets

Restricted cash	101	101
Deposits and other assets	25	50
TOTAL ASSETS	\$ 5,906	\$ 5,537

LIABILITIES AND STOCKHOLDERS' DEFICIT

Current Liabilities

Accounts payable and accrued expenses	\$ 4,909	\$ 4,104
Notes payable — short term	81	81
Notes payable — related party — short term	2,722	43,479
Convertible notes payable	2,956	6,956
Accrued interest payable	1	457
Accrued interest and fees payable — related parties	351	5,409
Other accrued liabilities	7,273	7,273
Asset retirement obligation	1,057	1,012
TOTAL CURRENT LIABILITIES	19,350	68,771

Long-Term Liabilities

Convertible notes payable	4,000	—
Notes payable — related party	40,756	—
Accrued interest and fees payable related party	1,022	—
Accrued interest	389	—
Other long-term liabilities	23	29
TOTAL LIABILITIES	65,540	68,800

Stockholders' Deficit

	—	—
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Preferred stock, \$0.001 par value; authorized 100,000,000 shares; none issued		
Common stock, \$0.001 par value; authorized 1,000,000,000 shares; and 437,093,842 and 380,468,544 shares issued and outstanding respectively	437	380
Additional paid-in-capital	222,548	215,576
Other comprehensive income	635	—
Accumulated deficit	(283,254)	(279,219)
TOTAL STOCKHOLDERS' DEFICIT	(59,634)	(63,263)
TOTAL LIABILITIES AND STOCKHOLDERS DEFICIT	\$ 5,906	\$ 5,537

See accompanying notes to these unaudited condensed consolidated financial statements.

PETROHUNTER ENERGY CORPORATION
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
 (unaudited)

	Three Months Ended March 31, 2010	Three Months Ended March 31, 2009
	(\$ in thousands except per share and share data)	
Revenue		
Oil and gas revenue	\$ —	\$ —
Other revenue	—	—
Total Revenue	—	—
Costs and Expenses		
Lease operating expenses	—	188
General and administrative	505	3,370
Impairment of oil and gas properties	—	83,094
Depreciation, depletion, amortization and accretion	29	63
Impairment of intangible asset	—	