

EVOLUTION PETROLEUM CORP
Form 10-Q
November 08, 2013
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended September 30, 2013

o 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 001-32942

EVOLUTION PETROLEUM CORPORATION

(Exact name of registrant as specified in its charter)

Nevada

41-1781991

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(State or other jurisdiction of incorporation or organization)

(IRS Employer Identification No.)

2500 CityWest Blvd., Suite 1300, Houston, Texas 77042

(Address of principal executive offices and zip code)

(713) 935-0122

(Registrant's telephone number, including area code)

Not Applicable

(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 the definition of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

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:

The number of shares outstanding of the registrant's common stock, par value \$0.001, as of November 7, 2013, was 28,599,669.

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EVOLUTION PETROLEUM CORPORATION AND SUBSIDIARIES

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	September 30, 2013	June 30, 2013
Assets		
Current assets		
Cash and cash equivalents	\$ 25,677,097	\$ 24,928,585
Certificates of deposit	250,000	250,000
Receivables		
Oil and natural gas sales	1,621,720	1,632,853
Income taxes	281,970	281,970
Joint interest partner	21,784	49,063
Other		918
Deferred tax asset	26,133	26,133
Prepaid expenses and other current assets	212,606	266,554
Total current assets	28,091,310	27,436,076
Property and equipment, net of depreciation, depletion, and amortization		
Oil and natural gas properties full-cost method of accounting, of which \$4,161,816 and \$4,112,704 at September 30, 2013 and June 30, 2013, respectively, were excluded from amortization	38,923,477	38,789,032
Other property and equipment	45,531	52,217
Total property and equipment	38,969,008	38,841,249
Advances to joint interest operating partner	46,364	26,059
Other assets	243,377	252,912
Total assets	\$ 67,350,059	\$ 66,556,296
Liabilities and Stockholders Equity		
Current liabilities		
Accounts payable	\$ 279,566	\$ 642,018
Due to joint interest partner	100,347	127,081
Accrued compensation	392,474	1,385,494
Royalties payable	131,457	91,427
Income taxes payable	638,225	233,548
Other current liabilities	663,488	153,182
Total current liabilities	2,205,557	2,632,750
Long term liabilities		
Deferred income taxes	8,491,364	8,418,969

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Asset retirement obligations	201,416	615,551
Deferred rent	48,579	52,865
Total liabilities	10,946,916	11,720,135
Commitments and contingencies (Note 11)		
Stockholders' equity		
Preferred stock, par value \$0.001; 5,000,000 shares authorized:8.5% Series A Cumulative Preferred Stock, 1,000,000 shares authorized, 317,319 shares issued and outstanding at September 30, 2013, and June 30, 2013 with a liquidation preference of \$7,932,975 (\$25.00 per share)	317	317
Common stock; par value \$0.001; 100,000,000 shares authorized: issued 28,599,669 shares at September 30, 2013, and 29,410,858 at June 30, 2013; outstanding 28,599,669 shares and 28,608,969 shares as of September 30, 2013 and June 30, 2013, respectively	28,599	29,410
Additional paid-in capital	31,057,316	31,813,239
Retained earnings	25,316,911	24,013,035
	56,403,143	55,856,001
Treasury stock, at cost, no shares and 801,889 shares as of September 30, 2013 and June 30, 2013, respectively		(1,019,840)
Total stockholders' equity	56,403,143	54,836,161
Total liabilities and stockholders' equity	\$ 67,350,059	\$ 66,556,296

See accompanying notes to consolidated condensed financial statements.

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Evolution Petroleum Corporation and Subsidiaries