

AUSTRALIAN OIL & GAS CORP
Form 10-Q
August 11, 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 SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended: June 30, 2010

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE EXCHANGE ACT

For the transition period from _____ to _____

Commission File Number 000-26721

AUSTRALIAN OIL & GAS CORPORATION
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation of
organization)

84-1379164
(IRS Employer Identification Number)

Level 21, 500 Collins Street
Melbourne, Victoria, 3000
Australia

Issuer's Telephone Number: (61-3) 8610 4701

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 proceeding 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 smaller reporting company. See the definitions 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 (Do not check if a smaller reporting company) 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

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Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

45,650,531 shares of common stock, \$0.001 par value, as of August 11, 2010.

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AUSTRALIAN OIL & GAS CORPORATION
(an exploration stage enterprise)

For the Quarterly Period Ended: June 30, 2010

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Item 1. Financial Statements (Unaudited)

Australian Oil & Gas Corporation
(an exploration stage enterprise)
CONSOLIDATED BALANCE SHEETS

(Dollar amounts in thousands)	06/30/10 (Unaudited)	12/31/09 (Audited)
ASSETS		
Current assets:	\$	\$
Cash and cash equivalents	246	5
Receivables	33	1
Total Current Assets	279	6
Non-Current assets:		
Exploration and Evaluation Asset (Note 8)	2,999	2,968
Total Non-Current Assets	2,999	2,968
Total Assets	3,278	2,974
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable and accrued expenses	484	3,466
Accounts payable to director related entities	11	12
Total Current Liabilities	495	3,478
Non-Current liabilities:		
Line of Credit – Director Related (Note 3)	219	206
Loan – Director Related Party (Note 3)	1,401	1
Total Liabilities	2,115	3,684
STOCKHOLDERS' EQUITY (DEFICIT)		
Common stock, \$0.001 par value; 75,000,000 shares authorized, Issued shares, 45,650,531 at June 30, 2010 and 45, 650,531 at December 31, 2009; Outstanding shares, 46,650,531 at June 30, 2010 and 45,650,531 at December 31, 2009.		
	46	46
Capital in excess of par value	2,722	2,722
Accumulated other Comprehensive Income	258	264
Deficit accumulated during the exploration stage	(1,863) (3,742)
Total Stockholders' Equity (Deficit)	1,163	(710)

Total Liabilities and Stockholders' Equity (Deficit)	3,278	2,974
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The accompanying notes are an integral part of these consolidated financial statements.

Australian Oil & Gas Corporation
(an exploration stage enterprise)
CONSOLIDATED STATEMENT OF OPERATIONS
For the six months ended June 30, 2010 and 2009,
For the three months ended June 30, 2010 and 2009
and for the period from inception (August 6, 2003) to June 30, 2010 (unaudited)

(Dollar amounts in thousands)

	For the six months ended June 30, 2010	For the six months ended June 30, 2009	For the three months ended June 30, 2010	For the three months ended June 30, 2009	Cumulative period from Aug. 6, 2003 (Date of Inception) to June 30, 2010
Expenses					
General and administrative	61	56	36	25	1,207
Merger and reorganisation	-	-	-	-	249
Exploration (Note 8)	2,194	89	43	21	4,675
Total operating expenses	2,255	145	79	46	6,131
Net Income / (loss) before other income and extraordinary item					
	(2,255)	(145)	(79)	(46)	(6,131)
Other Income and Expense					
Income from sale of tenement and tenement information (Note 7)	4,244	249	-	249	6,143
Write down of investments	-	-	-	-	(1,759)
Currency exchange gain /(loss)	(102)	34	(89)	36	(38)
Interest income	5	-	2	-	68
Interest expense	(13)	(2)	(7)	-	(122)
Income / (Loss) before income tax	1,879	136	(173)	239	(1,839)
Income tax provision	-	-	-	-	24
Net Income / (loss)	1,879	136	(173)	239	(1,863)
Income / (loss) per Common share :					
Net Income / (loss)	\$0.04	\$0.00	\$(0.00)	\$0.00	\$(0.05)
Weighted average common share used in calculation					
	45,906,026	43,731,575	46,156,026	44,006,575	35,039,104

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

Australian Oil & Gas Corporation
(an exploration stage enterprise)
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the six months ended June 30, 2010 and 2009
and Cumulative from inception (August 6, 2003) to June 30, 2010 (unaudited)

(Dollar amounts in thousands – except per share data)

	For the six months ended June 30, 2010 \$	For the six months ended June 30, 2009 \$	Cumulative period from inception to June 30, 2010 \$
Cash flows from operating activities:			
Net profit / (loss)	1,879	136	(1,863)
Adjustments to reconcile net profit/(loss) to net cash used in operating activities:			
Adjustments for non-cash items			
Compensation expense	60	29	815
Currency exchange loss/(gain)	(6)	(34)	(37)
Write down of investment	-	-	1,759
Issuance of Convertible Note in lieu of repayment of advances from director related entity	-	-	100
Gain on transfer of interest in tenement	(4,244)	(249)	(6,142)
Change in assets and liabilities:			
Increase/(decrease) in accounts payable	(3,043)	(51)	787
Increase /(decrease) in income tax payable	-	-	(9)
Decrease/(increase) in accounts receivable	(32)	(1)	50
Increase in exploration assets	(31)	-	(2,999)
Net cash used in operating activities	(5,417)	(170)	(7,539)
Cash flows from financing activities:			
Proceeds from sale of Common stock –net	-	-	75
Proceeds from advance from director-related entities	1,401	-	1,401
Proceeds from line of credit	13	-	547
Repayment of advance from director-related entities	-	(56)	(73)
Net cash (used in)/ provided by financing activities	1,414	(56)	1,950
Cash flows from investing activities:			
Proceeds from sale of tenement/tenement information	4,244	249	5,753
Net cash provided by investing activities	4,244	249	5,753