

Odyssey Oil & Gas, Inc.
Form 10-Q
November 23, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 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, 2009

☐ TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT

For the transition period from _____ to _____

Commission file Number 333-106299

ODYSSEY OIL AND ENERGY, INC

(Exact name of small business issuer as specified in its charter)

ODYSSEY OIL AND GAS, INC.
(Former Name of Registrant)

FLORIDA 65-1139235
(State or other jurisdiction of incorporation (IRS Employer Identification No.)
or organization)

18 George Avenue
Rivonia, 2128 South Africa
Address of Principal Executive Offices

+27 (11) 807-1446

(Issuer's telephone number)

Check whether the issuer: (1) filed all documents reports required to be filed
by Section 13 or 15(d) of the Securities Exchange Act 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 x 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

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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. (Check one):

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 ☒

The number of shares of the registrant's common stock, par value \$0.0001 per share, outstanding as of November 19, 2009 was 292,566,500 shares.

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FORWARD LOOKING STATEMENT

Certain statements contained in this discussion and analysis or incorporated herein by reference that are not related to historical results are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Statements that are predictive, that depend upon or refer to future events or conditions, and/or that include words such as "expects," "anticipates," "intends," "plans," "believes," "estimates," "hopes," and similar expressions constitute forward-looking statements. In addition, any statements concerning future financial performance (including future revenues, earnings or growth rates), business strategies or prospects, or possible future actions by us are also forward-looking statements.

These forward-looking statements are based on beliefs of our management as well as current expectations, projections, assumptions and information currently available to the Company and are subject to certain risks and uncertainties that could cause actual results to differ materially from historical results or those anticipated or implied by such forward-looking statements. Should one or more of those risks or uncertainties materialize or should underlying expectations, projections and assumptions prove incorrect, actual results may vary materially from those described. Those events and uncertainties are difficult to predict accurately and many are beyond our control. We assume no obligation to update these forward-looking statements to reflect events or circumstances that occur after the date of these statements except as specifically required by law. Accordingly, past results and trends should not be used to anticipate future results or trends.

Item 1. Financial Statements

Unaudited financial statements as of the quarter ended September 30, 2009 are submitted in compliance with Rule 210.8-03 of Regulation S-X.

ODYSSEY OIL & ENERGY, INC. & SUBSIDIARIES
(F/K/A ODYSSEY OIL & GAS, INC. & SUBSIDIARIES)
(A DEVELOPMENT STAGE COMPANY)

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ODYSSEY OIL & ENERGY, INC. & SUBSIDIARIES
(F/K/A ODYSSEY OIL & GAS, INC. & SUBSIDIARIES)
(A DEVELOPMENT STAGE COMPANY)
CONDENSED CONSOLIDATED BALANCE SHEETS

	As of September 30, 2009 (Unaudited)	As of December 31, 2008
ASSETS		
CURRENT ASSETS		
Cash	\$ 7,274	\$ 1,196
Total Current Assets	7,274	1,196
Property & equipment, net	1,000	1,000
Patent costs, net	82,872	-
TOTAL ASSETS	\$ 91,146	\$ 2,196
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 63,769	\$ 77,060
Loans payable and accrued interest - related parties	578,420	312,209
Liabilities held for sale - discontinued operations	254,357	253,434
Total Liabilities	896,546	642,703
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' (DEFICIT)		
Attributable to Odyssey Oil & Energy, Inc.:		
Preferred stock, \$.0001 par value, 20,000,000 shares authorized, none issued and outstanding	-	-
Common stock, \$.0001 par value, 650,000,000 shares authorized, 292,566,500 and 143,742,500 shares issued and outstanding, respectively	29,256	14,375
Additional paid-in capital	82,093,678	26,786,251
Accumulated deficit during development stage	(81,764,473)	(27,127,703)
Accumulated other comprehensive income (loss)	(10,394)	3,434
Total	348,067	(323,643)
Non-controlling interest	(1,153,467)	(316,864)
Total Stockholders' (Deficit)	(805,400)	(640,507)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	\$ 91,146	\$ 2,196

See accompanying notes to condensed consolidated financial statements.

ODYSSEY OIL & ENERGY, INC. & SUBSIDIARIES
(F/K/A ODYSSEY OIL & GAS, INC. & SUBSIDIARIES)
(A DEVELOPMENT STAGE COMPANY)
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(UNAUDITED)

	For the Three Months Ended September 30, 2009	For the Three Months Ended September 30, 2008	For the Nine Months Ended September 30, 2009	For the Nine Months Ended September 30, 2008	For the Period From May 28,2003 (Inception) to September 30, 2009
REVENUE	\$ -	\$ -	\$ -	\$ -	\$ 26,695
OPERATING EXPENSES					
Drilling costs and expenses	-	-	-	-	51,886
General and administrative	54,818	5,774	2,557,636	28,536	2,492,688
Professional fees	8,554	8,278	15,615	25,244	151,545
Amortization	-	-	-	-	33,400
Impairment of investment in oil and gas leases	-	-	-	-	247,931
Impairment of bio-fuels plant development contract	-	-	15,000,000	21,717,235	36,717,235
Impairment of Hybrid Battery Technology license	-	-	37,878,422	-	37,878,422
Total Operating Expenses	63,372	14,052	55,451,673	21,771,015	77,573,107
LOSS FROM CONTINUING OPERATIONS	(63,372)	(14,052)	(55,451,673)	(21,771,015)	(77,546,412)
OTHER INCOME (EXPENSE)					
Interest income	-	-	1	-	2,794
Interest expense	(7,272)	(5,923)	(20,479)	(15,972)	(65,816)
Total Other Income (Expense)	(7,272)	(5,923)	(20,478)	(15,972)	(63,022)
LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	(70,644)	(19,975)	(55,472,151)	(21,786,987)	(77,609,434)
Provision for Income Taxes	-	-	-	-	-
LOSS FROM CONTINUING OPERATIONS	(70,644)	(19,975)	(55,472,151)	(21,786,987)	(77,609,434)

LOSS FROM DISCONTINUED OPERATIONS					
	-	(93,767)	(504)	(279,750)	(8,736,516)
NET LOSS					
	(70,644)	(113,742)	(55,472,655)	(22,066,737)	(86,345,950)
NET LOSS ATTRIBUTABLE TO NON-CONTROLLING INTEREST					
	12,914	-	835,885	-	835,885
NET LOSS ATTRIBUTABLE TO ODYSSEY OIL & ENERGY					
	(57,730)	(113,742)	(54,636,770)	(22,066,737)	(85,510,065)
OTHER COMPREHENSIVE INCOME					
Foreign currency translation gain (loss)	(12,398)	852	(13,828)	900	(10,394)
COMPREHENSIVE LOSS	\$ (70,128)	\$ (112,890)	\$ (54,650,598)	\$ (22,065,837)	\$ (85,520,459)
LOSS PER COMMON SHARE - BASIC AND DILUTED					
Continuing operations	\$ (0.00)	\$ (0.00)	\$ (0.25)	\$ (0.33)	
Discontinued operations	-	-	-	-	
Weighted average number of shares outstanding during the period - Basic and Diluted					
	292,566,478	143,742,500	218,181,159	66,559,270	

See accompanying notes to condensed consolidated financial statements.

ODYSSEY OIL & ENERGY, INC. & SUBSIDIARIES
 (F/K/A ODYSSEY OIL & GAS, INC. & SUBSIDIARIES)
 (A DEVELOPMENT STAGE COMPANY)
 CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT)
 FOR THE PERIOD FROM MAY 28, 2003 (INCEPTION) TO SEPTEMBER 30, 2009
 (UNAUDITED)

	Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Deficit During Development Stage	Accumulated Other Comprehensive Income	Deferred Stock Compensation	Total
	Shares	Amount	Shares	Amount					
Common stock issued to founders for cash (\$.03 per share)	-	\$ -	7,500	\$ 1	\$ 249	\$ -	\$ -	\$ -	\$ 250
Common stock issued for license (\$.03 per share)	-	-	49,500,000	4,950	1,645,050	-	-	-	1,650,000
Common stock issued to officer as compensation (\$.03 per share)	-	-	21,375,000	2,138	710,362	-	-	-	712,500
Common stock issued for cash (\$.03 per share)	-	-	2,400,000	240	79,760	-	-	-	80,000
Common stock issued for cash (\$.15 per share)	-	-	833,334	83	124,917	-	-	-	125,000
				-					-
Common stock issued to consultant for services (\$.03 per share)	-	-	24,600,000	2,460	817,540	-	-	-	820,000
Net loss for the period from May 28, 2003 (inception) to December 31, 2003	-	-	-	-	-	(1,737,805)	-	-	(1,737,805)
	-	-	98,715,834	9,872	3,377,878	(1,737,805)	-	-	1,649,945

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Balance, December 31, 2003									
Common stock issued for cash (\$0.15 per share)	-	-	2,016,693	202	302,301	-	-	-	302,503
Net loss, 2004	-	-	-	-	-	(551,203)	-	-	(551,203)
Balance, December 31, 2004	-	-	100,732,527	10,074	3,680,179	(2,289,008)	-	-	1,401,245
Common stock issued in reverse merger	-	-	33,292,500	3,329	(3,329)	-	-	-	-
Common stock issued to consultant for services (\$0.01 per share)	-	-	15,000,000	1,500	148,500	-	-	-	150,000
Common stock cancelled related to license rights (\$0.01 per share)	-	-	(49,500,000)	(4,950)	(490,050)	-	-	-	(495,000)
In-kind contribution	-	-	-	-	12,000	-	-	-	12,000
Warrants issued for non-exclusive license	-	-	-	-	143,238	-	-	-	143,238
Net loss, 2005	-	-	-	-	-	(1,696,989)	-	-	(1,696,989)
Balance, December 31, 2005	-	-	99,525,027	9,953	3,490,538	(3,985,997)	-	-	(485,506)
See accompanying notes to condensed consolidated financial statements.									

ODYSSEY OIL & ENERGY, INC. & SUBSIDIARIES
 (F/K/A ODYSSEY OIL & GAS, INC. & SUBSIDIARIES)
 (A DEVELOPMENT STAGE COMPANY)
 CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT)
 FOR THE PERIOD FROM MAY 28, 2003 (INCEPTION) TO SEPTEMBER 30, 2009 (CONTINUED)
 (UNAUDITED)

	Preferred		Common		Additional Paid-In Capital	Accumulated Deficit During Development Stage	Accumulated Other Comprehensive Income	Deferred Stock Compensation	Total
	Shares	Amount	Shares	Amount					
In-kind contribution	-	-	-	-	12,000	-	-	-	12,000
Common stock cancelled in connection with exchange of ownership in CardioBioMedical Corporation to its original stockholders	-	-	(66,232,527)	(6,623)	(3,211,742)	3,745,592	-	-	527,227
Common stock issued to purchase investment in oil and gas leases (\$.003 per share)	-	-	60,000,000	6,000	159,000	-	-	-	165,000
Net loss, 2006	-	-	-	-	-	(140,836)	-	-	(140,836)
Balance, December 31, 2006	-	-	93,292,500	9,330	449,796	(381,241)	-	-	77,885
In-kind contribution	-	-	-	-	12,000	-	-	-	12,000
Common shares issued to acquire 100% of outstanding common shares of Uranium Acquisition Corp., Inc.	-	-	15,000,000	1,500	4,248,500	-	-	-	4,250,000
Net loss, 2007	-	-	-	-	-	(4,635,418)	-	-	(4,635,418)
Balance, December 31, 2007	-	-	108,292,500	10,830	4,710,296	(5,016,659)	-	-	(295,533)

In-kind contribution	-	-	-	-	12,000	-	-	-	12,000
Common stock issued to consultant for services (\$.82 per share)	-	-	450,000	45	367,455	-	-	-	367,500
Common shares issued to acquire 100% of outstanding common shares of ALG Bio Oils Ltd.	-	-	35,000,000	3,500	21,696,500	-	-	-	21,700,000
Other comprehensive income	-	-	-	-	-	-	3,434	-	3,434
Net loss, 2008	-	-	-	-	-	(22,111,044)	-	-	(22,111,044)
Balance, December 31, 2008	-	-	143,742,500	14,375	26,786,251	(27,127,703)	3,434	-	(323,643)

See accompanying notes to condensed consolidated financial statements.

ODYSSEY OIL & ENERGY, INC. & SUBSIDIARIES
 (F/K/A ODYSSEY OIL & GAS, INC. & SUBSIDIARIES)
 (A DEVELOPMENT STAGE COMPANY)
 CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT)
 FOR THE PERIOD FROM MAY 28, 2003 (INCEPTION) TO SEPTEMBER 30, 2009 (CONTINUED)
 (UNAUDITED)

	Preferred Stock		Common Stock		Additional	Accumulated Deficit During	Accumulated Other Deferred		
	Shares	Amount	Shares	Amount	Paid-In Capital	Development Stage	Comprehensive Income	Stock Compensation	Total
In-kind contribution	-	-	-	-	9,000	-	-	-	9,000
Additional common shares issued in connection with acquisition of ALG Bio Oils Ltd. (\$.20 per share)	-	-	75,000,000	7,500	14,992,500	-	-	-	15,000,000
Common shares issued to acquire 51% of outstanding common shares of H-Power (Pty) Ltd. (\$.58 per share)	-	-	65,000,000	6,500	37,693,500	-	-	-	37,700,000
Common stock issued to consultant of ALG Bio Oils Ltd. for services (\$.58 per share)	-	-	1,356,500	135	786,635	-	-	-	786,770
Common stock issued to consultant of H-Power (Pty)	-	-	6,200,000	620	1,673,380	-	-	-	1,674,000

Ltd. for services (\$.27 per share)									
Common stock issued for cash (\$.12 per share)	-	-	1,267,500	126	152,412	-	-	-	152,538
Other comprehensive income	-	-	-	-	-	-	(13,828)	-	(13,828)
Net loss, nine months ended September 30, 2009	-	-	-	-	-	(54,636,770)	-	-	(54,636,770)
Balance, September 30, 2009	-	\$ -	292,566,500	\$ 29,256	\$ 82,093,678	\$ (81,764,473)	\$ (10,394)	\$ -	\$ 348,067

See accompanying notes to condensed consolidated financial statements.

ODYSSEY OIL & ENERGY, INC. & SUBSIDIARIES
(F/K/A ODYSSEY OIL & GAS, INC. & SUBSIDIARIES)
(A DEVELOPMENT STAGE COMPANY)
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	For the Nine Months Ended September 30, 2009	For the Nine Months Ended September 30, 2008	For the Period From May 28,2003 (Inception) to September 30, 2009
CASH FLOWS FROM OPERATING ACTIVITIES:			
Loss from continuing operations	\$ (54,636,266)	\$ (21,786,987)	\$ (76,773,549)
Loss from discontinued operations	(504)	(279,750)	(8,736,516)
Net loss	(54,636,770)	(22,066,737)	(85,510,065)
Adjustments to reconcile net loss to net cash used in operating activities:			
In-kind contributions	9,000	9,000	42,000
Stock issued for services	2,460,770	275,625	3,051,927
Amortization	-	-	33,400
Impairment of investment in oil and gas leases	-	-	247,751
Impairment of bio-fuels plant development contract	15,000,000	21,717,235	36,717,235
Impairment of Hybrid Battery Technology license	37,877,520		37,877,520
Acquisition costs	-	-	8,245,592
Non-controlling interest	(835,885)	-	(1,153,274)
Changes in operating assets and liabilities:			
Increase (decrease) in accounts payable and accrued expenses	7,187	6,496	378,702
Cash flows from operating activities in continuing operations	(118,178)	(58,381)	(69,212)
Cash flows from operating activities in discontinued operations	923	-	(189,742)
Net Cash Used In Operating Activities	(117,255)	(58,381)	(258,954)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Increase in loans receivable - related parties			
Purchase of property and equipment	-	-	(116,331)
Purchase of website	-	(1,000)	(1,000)
Patent costs	(82,872)	-	(82,872)
Acquisition of ALG Bio Oils Ltd. net of cash purchased	-	180	180
Acquisition of H-Power (Pty) Ltd. net of cash purchased	16	-	16
Cash flows from investing activities in continuing operations	(82,856)	(820)	(200,007)
Cash flows from investing activities in discontinued operations	-	-	-

Net Cash Used In Investing Activities	(82,856)	(820)	(200,007)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds on sale of common stock	152,539	-	152,539
Proceeds from loans payable	12,730		12,730
Repayment of loans payable	(12,730)		(12,730)
Proceeds from loans payable - related parties	55,410	65,844	306,788