

Odyssey Oil & Gas, Inc.
Form 10-Q
August 21, 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 June 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
(State or other jurisdiction of incorporation
or organization)

65-1139235
(IRS Employer Identification No.)

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 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 August 20, 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 June 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 June 30, 2009 (Unaudited)	As of December 31, 2008
ASSETS		
CURRENT ASSETS		
Cash	\$ 35,542	\$ 1,196
Total Current Assets	35,542	1,196
Property & equipment, net	1,000	1,000
Patent costs, net	82,872	-
TOTAL ASSETS	\$ 119,414	\$ 2,196
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 49,657	\$ 77,060
Loans payable and accrued interest - related parties	539,857	312,209
Liabilities held for sale - discontinued operations	255,387	253,434
Total Liabilities	844,901	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, 292,565,500 and 143,742,500 shares issued and outstanding, respectively	29,256	14,375
Additional paid-in capital	82,090,549	26,786,251
Accumulated deficit during development stage	(81,706,743)	(27,127,703)
Accumulated other comprehensive income	2,004	3,434
Total	415,066	(323,643)
Non-controlling interest	(1,140,553)	(316,864)
Total Stockholders' Deficit	(725,487)	(640,507)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	\$ 119,414	\$ 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 June 30, 2009	For the Three Months Ended June 30, 2008	For the Six Months Ended June 30, 2009	For the Six Months Ended June 30, 2008	For the Period From May 28,2003 (Inception) to June 30, 2009
REVENUE	\$ -	\$ -	\$ -	\$ -	\$ 26,695
OPERATING EXPENSES					
Drilling costs and expenses	-	-	-	-	51,886
General and administrative	2,486,460	14,962	2,502,818	20,529	2,437,870
Professional fees	(5,548)	5,610	7,061	19,199	142,991
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	15,000,000	21,717,235	36,717,235
Impairment of Hybrid Battery Technology license	37,878,422	-	37,878,422	-	37,878,422
Total Operating Expenses	55,359,334	21,737,807	55,388,301	21,756,963	77,509,735
LOSS FROM CONTINUING OPERATIONS	(55,359,334)	(21,737,807)	(55,388,301)	(21,756,963)	(77,483,040)
OTHER INCOME (EXPENSE)					
Interest income	-	-	1	-	2,794
Interest expense	(6,876)	(5,211)	(13,207)	(10,049)	(58,544)
Total Other Income (Expense)	(6,876)	(5,211)	(13,206)	(10,049)	(55,750)
LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	(55,366,210)	(21,743,018)	(55,401,507)	(21,767,012)	(77,538,790)
Provision for Income Taxes	-	-	-	-	-
LOSS FROM CONTINUING OPERATIONS	(55,366,210)	(21,743,018)	(55,401,507)	(21,767,012)	(77,538,790)
LOSS FROM DISCONTINUED OPERATIONS	-	(92,308)	(504)	(185,983)	(8,736,516)
NET LOSS	(55,366,210)	(21,835,326)	(55,402,011)	(21,952,995)	(86,275,306)

NET LOSS ATTRIBUTABLE TO NON-CONTROLLING INTEREST	822,971	-	822,971	-	822,971
NET LOSS ATTRIBUTABLE TO ODYSSEY OIL & ENERGY	(54,543,239)	(21,835,326)	(54,579,040)	(21,952,995)	(85,452,335)
OTHER COMPREHENSIVE INCOME					
Foreign currency translation gain (loss)	(1,962)	(89)	(1,430)	49	2,004
COMPREHENSIVE LOSS	\$ (54,545,201)	\$ (21,835,415)	\$ (54,580,470)	\$ (21,952,946)	\$ (85,450,331)
LOSS PER COMMON SHARE - BASIC AND DILUTED					
Continuing operations	\$ (0.25)	\$ (0.19)	\$ (0.30)	\$ (0.22)	
Discontinued operations	-	-	-	-	
Weighted average number of shares outstanding during the period - Basic and Diluted	216,599,071	114,127,115	180,372,047	100,204,615	

See accompanying notes to condensed consolidated financial statements.

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(A DEVELOPMENT STAGE COMPANY)
CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT)
FOR THE PERIOD FROM MAY 28, 2003 (INCEPTION) TO JUNE 30, 2009
(UNAUDITED)

	Preferred Stock		Common Stock		Additional	Accumulated	Accumulated			
	Shares	Amount	Shares	Amount	Paid-In Capital	Deficit During Development Stage	Comprehensive Income	Other	Deferred Stock Compensation	Total
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.

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(A DEVELOPMENT STAGE COMPANY)
CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT)
FOR THE PERIOD FROM MAY 28, 2003 (INCEPTION) TO JUNE 30, 2009 (CONTINUED)
(UNAUDITED)

	Preferred Stock		Common Stock		Additional	Accumulated	Accumulated		
	Shares	Amount	Shares	Amount	Paid-In Capital	Deficit During Development Stage	Comprehensive Income	Other Deferred Compensation	Total
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)