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BLUE DOLPHIN ENERGY CO
Form 10QSB
May 14, 2004

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

FORM 10-QSB

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended: March 31, 2004

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period fromto

Commission File Number: 0-15905

BLUE DOLPHIN ENERGY COMPANY
(Exact name of small business issuer as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

73-1268729
(I.R.S. Employer
Identification No.)

801 Travis, Suite 2100, Houston, Texas
(Address of principal executive offices)

77002
(Zip Code)

(713) 227-7660
(Issuer's telephone number, including area code)

(Former name, former address and former fiscal year,
if changed since last report.)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 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 the number of shares outstanding of each of the issuer's classes of common stock as of the latest practicable date.

As of May 12, 2004, there were 6,712,438 shares of the registrants' common stock, par value \$.01 per share, outstanding.

Transitional Small Business Disclosure Format (Check one): Yes No

BLUE DOLPHIN ENERGY COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEET -UNAUDITED

March 31, 2004

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BLUE DOLPHIN ENERGY COMPANY AND SUBSIDIARIES

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

The condensed consolidated financial statements of Blue Dolphin Energy Company and subsidiaries (referred to herein, with its predecessors and subsidiaries, as "Blue Dolphin", "we", "us" and "our") included herein have been prepared by us, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC") and, in the opinion of management, reflect all adjustments necessary to present a fair statement of operations, financial position and cash flows. We follow the full-cost method of accounting for oil and gas properties, wherein costs incurred in the acquisition, exploration and development of oil and gas reserves are capitalized. We believe that the disclosures are adequate and the information presented is not misleading, although certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations.

Our accompanying condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in our Annual Report on Form 10-KSB/A-1 for the year ended December 31, 2003.

BLUE DOLPHIN ENERGY COMPANY AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEET -UNAUDITED

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ASSETS

Current assets:

Cash and cash equivalents	\$ 1,727,101
Accounts receivable	606,939
Related party receivable	6,984
Prepaid expenses and other assets	152,729

TOTAL CURRENT ASSETS	2,493,753

Property and Equipment at cost:

Oil and Gas properties, including \$160,697 of unproved leasehold cost (full-cost method)	529,258
Pipelines	4,546,287
Onshore separation and handling facilities	1,664,128
Land	860,275
Other property and equipment	307,238

	7,907,186

Less: Accumulated depletion, depreciation and amortization	2,261,745

	5,645,441

Deferred federal income tax	244,444
Investment in New Avoca	581,897
Other assets	14,664

TOTAL ASSETS	\$ 8,980,199
	=====

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:

Trade accounts payable	\$ 1,954,332
Accrued expenses and other liabilities	136,585

TOTAL CURRENT LIABILITIES	2,090,917

Note payable	750,000
Asset retirement obligations	1,574,865

Common Stock, (\$.01 par value, 10,000,000 shares authorized, 6,712,438 shares issued and outstanding)	67,124
Additional Paid-in Capital	26,349,762
Accumulated Deficit	(21,852,469)

	4,564,417

TOTAL LIABILITES AND STOCKHOLDERS' EQUITY	\$ 8,980,199
	=====

See accompanying notes to the condensed consolidated financial statements.

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BLUE DOLPHIN ENERGY COMPANY AND SUBSIDIARIES CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS - UNAUDITED

	Three Months Ended March 31, 2004	2003
	-----	-----
Revenue from operations:		
Pipeline operations	\$ 204,039	\$ 247,777
Oil and gas sales	154,892	77,777
	-----	-----
	358,931	325,554
	-----	-----
Cost of operations:		
Pipeline operating expenses	243,251	197,191
Lease operating expenses	31,839	1,111
Depletion, depreciation and amortization	134,782	87,888
General and administrative	496,014	487,111
Accretion expense	23,356	2,111
	-----	-----
	929,242	775,412
	-----	-----
LOSS FROM OPERATIONS	(570,311)	(449,858)
Other income (expense):		
Interest and other expense	(11,702)	(1,111)
Interest and other income	85,709	137,777
Equity in loss of affiliate	(23,302)	---
	-----	-----
LOSS BEFORE INCOME TAXES	(519,606)	(354,192)
Income taxes	--	---
	-----	-----
LOSS BEFORE CUMULATIVE EFFECT OF A CHANGE IN ACCOUNTING PRINCIPLE	(519,606)	(354,192)
Cumulative effect of a change in accounting principle for asset retirement obligations	--	(4,000)
	-----	-----
Net loss	\$ (519,606)	\$ (358,192)
	=====	=====
Loss per common share before cumulative effect of a change in accounting principle - basic and diluted	\$ (0.08)	\$ (0.08)
	=====	=====
Cumulative effect of a change in accounting principle - basic and diluted	\$ --	\$ --
	=====	=====
Loss per common share - basic and diluted	\$ (0.08)	\$ (0.08)
	=====	=====
Weighted average number of common shares outstanding - basic and diluted	6,663,990	6,611,111
	=====	=====

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See accompanying notes to the condensed consolidated financial statements.

4

BLUE DOLPHIN ENERGY COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS - UNAUDITED

	Three Months Ended March 2004	-----
OPERATING ACTIVITIES		
Net loss	\$ (519,606)	\$
Adjustments to reconcile net loss to net cash used in operating activities		
Depletion, depreciation and amortization	134,782	
Change in accounting principle	--	
Accretion of asset retirement obligations	23,356	
Equity in loss of affiliate	23,302	
Common stock issued for services	83,000	
Changes in operating assets and liabilities:		
Accounts receivable	(124,838)	
Prepaid expenses and other assets	4,925	
Abandonment costs incurred	--	
Trade accounts payable and accrued expenses	(578,445)	

NET CASH USED IN OPERATING ACTIVITIES	(953,524)	-----
INVESTING ACTIVITIES		
Purchases of property and equipment	(5,767)	
Development costs - New Avoca	(16,500)	

NET CASH USED IN INVESTING ACTIVITIES	(22,267)	-----
FINANCING ACTIVITIES		
	--	

DECREASE IN CASH AND CASH EQUIVALENTS	(975,791)	-----
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	2,702,892	

CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 1,727,101	\$
	=====	=====

See accompanying notes to the condensed consolidated financial statements.

BLUE DOLPHIN ENERGY COMPANY AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

UNAUDITED

MARCH 31, 2004

1. Liquidity and Going Concern

At March 31, 2004, our working capital was approximately \$400,000. In order to satisfy our working capital and capital expenditure requirements for the twelve months ending March 31, 2005, we believe that we will need to raise approximately \$1.5 million of capital. We will need to arrange external financing and/or sell assets to raise the necessary capital.

Historically, we have relied on the proceeds from the sale of assets and capital raised from the issuance of debt and equity securities to individual investors and related parties to sustain our operations. There can be no assurance that we will be able to obtain financing or sell assets on commercially acceptable terms to meet our capital requirements. Our inability to raise capital will have a material adverse effect on our financial condition, ability to meet our obligations and operating needs, and results of operations. Our financial statements contained herein have been prepared assuming that we will continue as a going concern, however our working capital deficiency raises substantial doubt about our ability to continue as a going concern. Our financial statements do not include any adjustments that might result from the outcome of this uncertainty.

2. Related Party Transactions

We own 12.8% of the common stock of Drillmar, Inc. Our Chairman, Ivar Siem, and one of our Directors, Harris A. Kaffie, are owners of 30.3%, and 30.6%, respectively, of Drillmar's common stock. Messrs. Siem and Kaffie are both Directors, and Mr. Siem is Chairman and President of Drillmar.

In 2002, we recorded a full impairment of our investment in Drillmar of approximately \$340,000 and a full reserve for the accounts receivable amount owed to us from Drillmar of approximately \$200,000 due to Drillmar's working capital deficiency and delays in securing capital funding. During the quarter ended March 31, 2004, we collected \$30,000 from Drillmar and we expect to receive \$15,000 per month until the accounts receivable is fully collected.

In January 2003, Drillmar stockholders approved a restructuring plan whereby Drillmar will issue up to \$3.0 million of convertible notes that are convertible into common stock representing over 99% of Drillmar's outstanding shares. As a result, our ownership in Drillmar can be reduced to less than 1%. However, in November 2003, we converted our contingent obligation due from Drillmar for providing office space, accounting and administrative services from May 2002 through January 2003 totaling \$162,000 (9 months at \$18,000 per month) into a convertible note, which if converted along with all of Drillmar's outstanding convertible notes would represent 7.7% of Drillmar's common stock. Messrs. Siem, Kaffie and Trimble (one of our Directors) also hold Drillmar convertible notes, which if converted along with all of Drillmar's outstanding convertible notes would represent 22.2%, 27.5% and 2.1%, respectively, of Drillmar's common stock.

We entered into a new agreement with Drillmar effective as of February 1, 2003, whereby we provide office space to Drillmar which is currently \$2,000 per month. We also provide professional, accounting and administrative services to Drillmar

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based on hourly rates based on our cost. The agreement can be terminated upon 30 days notice or by the mutual agreement of the parties.

6

BLUE DOLPHIN ENERGY COMPANY AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
UNAUDITED - Continued
MARCH 31, 2004

Effective April 1, 2003, we entered into a sublease agreement expiring December 31, 2006 for certain of our office space with Tri-Union Development Corporation. Our receipts from this sublease will be approximately \$78,500 annually. Mr. Trimble is the Chairman and Chief Executive Officer of Tri-Union.

3. Contingencies

We are involved in various claims and legal actions arising in the ordinary course of business. In our opinion, the ultimate disposition of these matters will not have a material effect on our financial position, results of operations or cash flows.

4. Change in Accounting Principle

In August 2001, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 143 ("SFAS 143"), "Accounting for Asset Retirement Obligations", which addresses financial accounting and reporting for obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs. The standard applies to legal obligations associated with the retirement of long-lived assets that result from the acquisition, construction, development and/or normal use of the asset.

SFAS 143 requires that the fair value of a liability for an asset retirement obligation be recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. The fair value of the liability is added to the carrying amount of the associated asset and this additional carrying amount is depreciated over the life of the asset. If the obligation is settled for other than the carrying amount of the liability, we will recognize a gain or loss on settlement.

SFAS 143 amended Statement of Financial Accounting Standards No. 19, Financial Accounting and Reporting by Oil and Gas Producing Companies ("SFAS 19") to require that the fair value of a liability for an asset retirement obligation be recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. Under the provisions of SFAS 143, asset retirement obligations are capitalized as part of the carrying value of the long-lived asset. Under the provisions of SFAS 19, asset retirement obligations were recognized using a cost-accumulation approach. Prior to the adoption of SFAS 143, we recorded asset retirement obligations through the unit-of-production method for oil and gas properties, and the straight line method for pipelines and related facilities.

The adoption of SFAS 143 resulted in a January 1, 2003 cumulative effect adjustment to record (i) a \$1.0 million increase in the carrying value of pipelines, (ii) a \$.4 million decrease in accumulated depreciation, depletion, and amortization of property, plant and equipment, and (iii) a \$1.4 million increase in non-current abandonment liabilities. The net impact of items (i) through (iii) was to record an expense of \$40 thousand, net of tax, as a cumulative effect adjustment of a change in accounting principle in the

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Company's consolidated statement of operations upon adoption on January 1, 2003.

7

BLUE DOLPHIN ENERGY COMPANY AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
UNAUDITED - Continued
MARCH 31, 2004

5. Earnings Per Share

We apply the provisions of Statement of Financial Accounting Standards No. 128 ("SFAS 128"), "Earnings per Share". SFAS 128 requires the presentation of basic earnings per share ("EPS") which excludes dilution and is computed by dividing net income (loss) available to common stockholders by the weighted-average number of shares of common stock outstanding for the period. SFAS 128 requires dual presentation of basic EPS and diluted EPS on the face of the income statement and requires a reconciliation of the numerators and denominators of basic EPS and diluted EPS.

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€6.75

11

Date and place of transaction

11 JUNE 2013 - ISE

12

Date issuer informed of transaction

11 JUNE 2013

13

Any additional information

NOT APPLICABLE

14

Name of contact and telephone number for queries

JULIUSZ KOMOREK - 01 812 1212

Person authorised on behalf of the issuer responsible for making the notification_____JULIUSZ KOMOREK

Date of notification _____12 JUNE 2013

Information required under Irish Stock Exchange Listing Rule 6.10

The following additional information is required to be disclosed under ISE Listing Rule 6.10 in respect of interests in securities of a director or secretary or their connected persons. An issuer is not being required to submit the

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information below to the Central Bank in respect of any PDMR who is also a director/secretary/connected persons.

15	Name of director or secretary (if not required to be stated in box 2)	16	State whether the notification relates to a single transaction being notified in accordance with the Market Abuse Rules and ISE LR 6.10
	NOT APPLICABLE		YES
17	Description of class of share	18	Percentage of issued class acquired (treasury shares of that class should not be taken into account when calculating percentage)
	ORDINARY SHARES OF €0.0063 EACH		NOT APPLICABLE
19	Percentage of issued class disposed (treasury shares of that class should not be taken into account when calculating percentage)	20	Total holding following notification and total percentage holding following notification (any treasury shares should not be taken into account when calculating percentage)
	0.029%		1985 BONDERMAN CHILDREN'S TRUST NOW HOLD 5,881,592 ORDINARY SHARES OR 0.41%. MR. BONDERMAN AND PERSONS CONNECTED TO HIM NOW HOLD 8,813,032 ORDINARY SHARES OR 0.62% (INCLUDING THE ABOVE HOLDING OF THE 1985 CHILDREN'S TRUST).

If a person whose interests are required to be disclosed under ISE Listing Rule 6.10 has been granted options by the issuer, please complete the following boxes:

21	Date of grant	22	Period during which or date on which it can be exercised
	NOT APPLICABLE	NOT	NOT APPLICABLE
23	Total amount paid (if any) for grant of the option	24	Description of shares involved (class and number)
	NOT APPLICABLE		NOT APPLICABLE
25	Exercise price (if fixed at time of grant) or indication that the price is to be fixed at the time of exercise	26	Total number of shares over which options are held following notification
	NOT APPLICABLE		NOT APPLICABLE

Name and signature of duly designated officer of issuer responsible for making notification

____JULIUSZ KOMOREK

Date of notification ____12 JUNE 2013

The duly designated officer of the issuer responsible for making this notification acknowledges and confirms that he/she is aware that the information as has been provided in response to the questions 15 to 26 above is not information which has been required by or which has been requested by the Central Bank, and is information which is required to be provided to the Irish Stock Exchange only.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

RYANAIR HOLDINGS PLC

Date: 12 June, 2013

By: ___/s/ Juliusz Komorek___

Juliusz Komorek
Company Secretary