

PetroHunter Energy Corp  
Form 10-Q  
March 07, 2014

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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 THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2013

Or

☐ 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: 000-51152

PETROHUNTER ENERGY CORPORATION  
(Exact name of registrant as specified in its charter)

Maryland  
(State or other jurisdiction of  
incorporation or organization)

98-0431245  
(I.R.S. Employer  
Identification No.)

910 16th Street  
Suite 208, Denver, Colorado  
(Address of principal executive  
offices)

80202  
(Zip Code)

Registrant's telephone number, including area code:  
(303) 859-6666

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 [X]

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 during

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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 small reporting company. See 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

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

As of March 7, 2014, the registrant had 439,373,853 shares of common stock outstanding.

### FORWARD-LOOKING STATEMENTS

Certain statements contained in this Quarterly Report constitute “forward-looking statements”. These statements, identified by words such as “plan”, “anticipate”, “believe”, “estimate”, “should”, “expect” and similar expressions include expectations and objectives regarding our future financial position, operating results and business strategy. These statements reflect the current views of management with respect to future events and are subject to risks, uncertainties and other factors that may cause our actual results, performance or achievements, or industry results, to be materially different from those described in the forward-looking statements. Such risks and uncertainties include those set forth under the caption “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in this Quarterly Report. We do not intend to update the forward-looking information to reflect actual results or changes in the factors affecting such forward-looking information. We advise you to carefully review the reports and documents we file from time to time with the Securities and Exchange Commission (the “SEC”).

### CURRENCIES

All amounts expressed herein are in U.S. dollars unless otherwise indicated.

PETROHUNTER ENERGY CORPORATION

FORM 10-Q

FOR THE SIX-MONTH PERIOD ENDED  
MARCH 31, 2013

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PETROHUNTER ENERGY CORPORATION  
CONDENSED CONSOLIDATED BALANCE SHEETS

	March 31, 2013 (unaudited)	September 30, 2012
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	\$ 11,145	\$ 61,018
Prepaid expenses	7,149	28,587
<b>TOTAL CURRENT ASSETS</b>	<b>18,294</b>	<b>89,605</b>
<b>Other Assets</b>		
Certificates of deposit and bonds	85,000	85,000
Deposits	150	150
<b>TOTAL ASSETS</b>	<b>\$ 103,444</b>	<b>\$ 174,755</b>
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 3,243,646	\$ 2,872,676
Convertible notes payable	417,873	417,873
Notes payable — related party	2,722,060	2,722,060
Accrued interest payable	364,732	179,958
Accrued interest and fees payable — related parties	1,160,692	666,186
Short term advances officers and shareholders	47,596	-
Other accrued liabilities	10,956,400	10,260,134
Asset retirement obligation	739,222	739,222
<b>TOTAL CURRENT LIABILITIES</b>	<b>19,652,221</b>	<b>17,858,109</b>
Notes payable – related party	40,759,000	40,759,000
Convertible notes payable	6,538,419	6,538,419
Accrued interest and fees payable – related parties	10,629,189	9,378,393
Accrued interest payable	1,708,444	1,430,576
<b>TOTAL LIABILITIES</b>	<b>79,287,273</b>	<b>75,964,497</b>
<b>Stockholders' Deficit</b>		
Preferred stock, \$0.001 par value; authorized 100,000,000 shares; none issued	—	—
Common stock, \$0.001 par value; authorized 1,000,000,000 shares; 439,373,853 shares issued and outstanding at March 31, 2013 and September 30, 2012, respectively	439,374	439,374
Additional paid-in capital	223,750,495	223,710,442
Accumulated other comprehensive (loss)	(27,471 )	(4,364 )

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Accumulated (deficit)	(303,346,227 )	(299,935,194 )
TOTAL STOCKHOLDERS' (DEFICIT)	(79,183,829 )	(75,789,742 )
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	\$ 103,444	\$ 174,755

See accompanying notes to these unaudited condensed consolidated financial statements.

PETROHUNTER ENERGY CORPORATION  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
(unaudited)

	Three Months Ended March 31, 2013	Three Months Ended March 31, 2012
Costs and Expenses		
General and administrative	\$ 264,540	\$ 324,247
Depreciation, depletion, amortization and accretion	—	549
Total operating expenses	264,540	324,796
(Loss) From Operations	(264,540 )	(324,796 )
Other Income (Expense)		
Interest income	—	16
Interest expense	(1,399,732 )	(1,362,245 )
Loss on sale of marketable securities	—	(13,786 )
Total Other (Expense)	(1,399,732 )	(1,376,015 )
Net (Loss)	\$ (1,664,272 )	\$ (1,700,811 )
Net (loss) per common share — basic and diluted	\$ (0.00 )	\$ (0.00 )
Weighted average number of common shares outstanding — basic and diluted	439,373,853	439,078,759

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS  
(unaudited)

	Three Months Ended March 31, 2013	Three Months Ended March 31, 2012
Net (loss)	\$ (1,664,272 )	\$ (1,700,811 )
Other Comprehensive Income (loss)		
Unrealized gain on marketable securities	—	25,222
Unrealized (loss) on currency translation adjustment	(935 )	(2,916 )
Comprehensive (Loss)	\$ (1,665,207 )	\$ (1,678,505 )

See accompanying notes to these unaudited condensed consolidated financial statements.

PETROHUNTER ENERGY CORPORATION  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
(unaudited)

	Six Months Ended March 31, 2013	Six Months Ended March 31, 2012
Costs and Expenses		
General and administrative	\$ 505,875	\$ 708,005
Other operating expenses	—	106,315
Depreciation, depletion, amortization and accretion	—	1,097
Total operating expenses	505,875	(815,417 )
(Loss) From Operations	(505,875 )	(815,417 )
Other Income (Expense)		
Interest income	7	20
Interest expense	(2,905,165 )	(2,507,789 )
Losses on sale of marketable securities	—	(91,842 )
Gains recognized in connection with recovery of related party accounts payable	—	171,670
Loss on settlement of accounts payable – related party	—	(61,455 )
Total Other Income (Expense)	(2,905,158 )	(2,525,865 )
Net (Loss)	\$ (3,411,033 )	\$ (3,304,813 )
Net (loss) per common share — basic and diluted	\$ (0.01 )	\$ (0.01 )
Weighted average number of common shares outstanding — basic and diluted	439,373,853	439,078,759

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS  
(unaudited)

	Six Months Ended March 31, 2013	Six Months Ended March 31, 2012
Net (loss)	\$ (3,411,033 )	\$ (3,304,813 )
Other Comprehensive Income (loss)		
Unrealized gain on marketable securities	—	39,594
Unrealized (loss) on currency translation adjustment	(23,107 )	(1,569 )
Comprehensive (Loss)	\$ (3,434,140 )	\$ (3,266,788 )

See accompanying notes to these unaudited condensed consolidated financial statements.



PETROHUNTER ENERGY CORPORATION  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
(unaudited)

	Six Months Ended March 31, 2013	Six Months Ended March 31, 2012
<b>Cash flows from operating activities</b>		
Net (loss)	\$ (3,411,033 )	\$ (3,304,813 )
Adjustments used to reconcile net loss to net cash (used in) operating activities:		
Stock-based compensation	40,053	44,600
Depreciation, depletion, amortization and accretion	—	1,097
Loss on sale of marketable securities	—	91,842
Non cash interest expense incurred in connection with debt forgiveness	—	61,455
Gain on equity method investment	—	(171,670 )
Changes in assets and liabilities		
Prepaid expenses	21,438	25,447
Accounts payable and accrued expenses	1,506,771	881,552
Accrued interest and fees payable-related parties	1,745,302	1,702,887
Net cash (used in) operating activities	(97,469 )	(667,603 )
<b>Cash flows from investing activities</b>		
Proceeds related to GST tax refunds on the sale of oil and gas properties	—	197,375
Proceeds from sale of marketable securities	—	437,601
Net cash provided by investing activities	—	634,976
<b>Cash flows from financing activities</b>		
Borrowing on short-term advances related parties	47,596	—
Net cash provided by financing activities	47,596	—
Net (decrease) in cash and cash equivalents	(49,873 )	(32,627 )
Cash and cash equivalents, beginning of period	61,018	65,759
Cash and cash equivalents, end of period	\$ 11,145	\$ 33,132
<b>Supplemental schedule of cash flow information</b>		
Cash paid for interest	\$ —	\$ —

See accompanying notes to these unaudited condensed consolidated financial statements.

PETROHUNTER ENERGY CORPORATION  
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited)

Note 1 — Organization and Basis of Presentation

The interim condensed consolidated financial statements of PetroHunter Energy Corporation (“we,” “us,” “our,” or the “Company”) are unaudited and contain all adjustments necessary for a fair statement of the results for the interim period presented. Results for interim period are not necessarily indicative of results to be expected for a full year or for previously reported periods due in part, but not limited to, interest rates and our ability to obtain additional capital to sustain operations. You should read these condensed consolidated interim financial statements in conjunction with the audited consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended September 30, 2012.

Note 2 — Summary of Significant Accounting Policies

**Basis of Accounting**— The accompanying financial statements have been prepared on the basis of accounting principles applicable to a going concern, which contemplates the realization of assets and extinguishment of liabilities in the normal course of business. The report of our independent registered public accounting firm on our financial statements for the fiscal year ended September 30, 2012 includes an explanatory paragraph relating to substantial doubt or uncertainty of our ability to continue as a going concern. As shown in the accompanying condensed consolidated balance sheets, we have an accumulated deficit of \$303,346,227, and our current liabilities exceeded our current assets by \$19,633,927 as of March 31, 2013. On July 17, 2013, the Company through its wholly-owned subsidiary Sweetpea completed the sale of its 50,000,000 shares (24.22% interest) in Falcon Australia to Falcon for \$3 million in cash and 97.86 million Falcon shares. The capital received pursuant to this transaction will be utilized to sustain the operations of the Company; however, there are no assurances that the Company will be able to successfully re-negotiate its maturing debt obligations and address outstanding liabilities with creditors. If the Company is unable to successfully execute these plans, it may have to cease operations or further curtail operations.

**Cash and Cash Equivalents** – We consider investments in highly liquid financial instruments with an original stated maturity of three months or less to be cash equivalents.

**Other Comprehensive (Loss)** – FASB ASC 220, “Comprehensive Income,” establishes standards for the reporting and display of comprehensive income and its components in financial statements. It requires that all items that are required to be recognized under accounting standards as components of comprehensive income be reported in the financial statement that is displayed with the same prominence as other financial statements. The Company’s comprehensive loss consists of foreign currency translation adjustments and mark-to-market adjustments on marketable securities and as presented in the accompanying consolidated statements of comprehensive loss.

**Concentration of Credit Risk** – Financial instruments which potentially subject us to concentrations of credit risk consist of cash. We periodically evaluate the credit worthiness of financial institutions, and maintain cash accounts only with major financial institutions, thereby minimizing exposure for deposits in excess of federally insured amounts. On occasion, the Company may have cash in banks in excess of federally insured amounts. We believe that credit risk associated with cash is remote.

**Fair Value** – We apply the provisions of FASB ASC 820, “Fair Value Measurements.” The carrying amounts reported in the condensed consolidated balance sheets for cash, prepaid expenses, accounts payable and accrued liabilities approximate fair value because of the immediate or short-term maturity of these financial instruments.

Income Taxes – We record income taxes under the asset and liability method prescribed by FASB ASC 740, “Income Taxes.” Under this method, deferred tax assets and liabilities are recognized for temporary differences between the financial statement amounts and the tax basis of certain assets and liabilities by applying statutory rates in effect when the temporary differences are expected to reverse.

Loss Per Common Share – We do not report fully diluted loss per common share as the effect would be anti-dilutive.

Certificates of Deposit and Bonds – Consists of certificates of deposit and bonds for exploration permits and state and local bonding requirements.

Share-Based Compensation – We use the Black-Scholes option-pricing model to determine the fair value of stock-based awards in accordance with FASB ASC 718, “Stock Compensation.” The option-pricing model requires the input of highly subjective assumptions, including the option’s expected life and the price volatility of the underlying stock. The Company’s expected term is calculated using the “plain vanilla” method and represents the period that stock based compensation awards are expected to be outstanding. The expected stock price volatility is based on the Company’s historical stock prices.

Use of Estimates – The preparation of our condensed consolidated financial statements in accordance with Generally Accepted Accounting Principles (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual results could differ materially from those estimates. Our significant estimates include asset retirement obligation liabilities, certain accrued liabilities and share based compensation.

Asset Retirement Obligation – Asset retirement obligations associated with tangible long-lived assets are accounted for in accordance with FASB ASC 410, “Accounting for Asset Retirement Obligations.” The estimated fair value of the future costs associated with dismantlement, abandonment and restoration of oil and gas properties is recorded generally upon acquisition or completion of a well. The net estimated costs are discounted to present values using a risk adjusted rate over the estimated economic life of the oil and gas properties. Such costs are capitalized as part of the related asset. The liability is periodically adjusted to reflect (1) new liabilities incurred, (2) liabilities settled during the period, (3) accretion expense, and (4) revisions to estimated future cash flow requirements. Accretion expense is recorded as a component of depreciation, depletion, amortization and accretion expense.

#### Recently Issued Accounting Pronouncements

Effective October 1, 2012, the Company concurrently adopted ASU No. 2011-05, “Presentation of Comprehensive Loss,” and ASU No. 2013-02, “Reporting Amounts Reclassified Out of Accumulated Other Comprehensive Loss,” both of which amend ASC 220, “Comprehensive Loss.” In adopting ASU No. 2011-05, which requires that all nonowner changes in stockholders’ equity be presented in either a single statement of comprehensive loss or two separate but consecutive statements, the Company added Consolidated Statements of Comprehensive loss following our Consolidated Statements of Operations. The amended guidance in ASU No. 2013-02 requires entities to provide information about the amounts reclassified out of accumulated other comprehensive income by component and to present, either on the face of the financial statements or in the notes, significant amounts reclassified out of accumulated other comprehensive income by the respective line items of net income. The amended guidance does not change the current requirements for reporting net income or other comprehensive income.

In February 2013, the FASB issued ASU No. 2013-04, “Obligations Resulting from Joint and Several Liability Arrangements for Which the Total Amount of the Obligation Is Fixed at the Reporting Date,” which requires an entity to measure obligations resulting from joint and several liability arrangements for which the total amount of the obligation within the scope of this guidance is fixed at the reporting date, as the sum of the amount the reporting entity agreed to pay on the basis of its arrangement among its co-obligors and any additional amount the reporting entity expects to pay on behalf of its co-obligors. The guidance in this ASU also requires an entity to disclose the nature and amount of the obligation as well as other information about those obligations. The standard is effective for fiscal years, and interim periods within those years, beginning after December 15, 2013. We are currently evaluating the impact of adopting this guidance.

In March 2013, the FASB issued ASU No. 2013-05, "Parent's Accounting for the Cumulative Translation Adjustment upon Derecognition of Certain Subsidiaries or Groups of Assets within a Foreign Entity or of an Investment in a Foreign Entity". This ASU addresses the accounting for the cumulative translation adjustment when

a parent either sells a part or all of its investment in a foreign entity or no longer holds a controlling financial interest in a subsidiary or group of assets that is a nonprofit activity or a business within a foreign entity. The guidance outlines the events when cumulative translation adjustments should be released into net income and is intended by FASB to eliminate some disparity in current accounting practice. This standard is effective prospectively for fiscal years, and interim periods within those years, beginning after December 15, 2013. We are currently evaluating the impact of adopting this guidance.

In July 2013, the FASB issued, ASU No. 2013-11 "Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists" ("ASU 2013-11"). ASU 2013-11 addresses the diversity in practice that exists for the balance sheet presentation of an unrecognized tax benefit when a net operating loss carry-forward, a similar tax loss, or a tax credit carry-forward exists. Under this ASU, an unrecognized tax benefit, or portion thereof, should be presented in the financial statements as a reduction to a deferred tax asset for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward except when specific conditions are met as outlined in the ASU. When these specific conditions are met, the unrecognized tax benefit should be presented in the financial statements as a liability and should not be combined with deferred tax assets. This standard is effective for fiscal years, and interim periods within those years, beginning after December 15, 2013, and should be applied prospectively to all unrecognized tax benefits that exist at the effective date. We are currently evaluating the impact of adopting this guidance.

### Note 3 —Equity Investment and Joint Venture

#### Investment

In April 2010, we and our wholly-owned subsidiary, Sweetpea Petroleum Pty Ltd. ("Sweetpea"), as bound by an agreement executed in December 2009, and Falcon Oil & Gas Ltd. ("Falcon") and its wholly-owned subsidiary, Falcon Oil & Gas Australia Pty Ltd ("Falcon Australia"), closed a transaction wherein Sweetpea received an initial 25% equity interest in Falcon Australia in exchange for its remaining undivided 25% interest in four exploration permits in the Beetaloo Basin, in the Northern Territory, Australia. The result of this transaction was the re-consolidation of the interests in the exploration permits into one entity and the creation of a vehicle for fundraising and exploration and development activities in the Beetaloo Basin. The ownership of Falcon Australia immediately following the closing of the transaction was 75% by Falcon and 25% by Sweetpea.

We have accounted for our investment in Falcon Australia in accordance with FASB ASC Topic 323, "Investments-Equity Method & Joint Ventures." Our basis in the 50,000,000 shares of Falcon Australia we received was recorded at the historical cost of the identifiable assets given in consideration net of related liabilities relieved resulting in the recording of a net equity investment as of the date of the transaction.

In June 2010, Falcon Australia raised \$4,900,000 in accordance with the terms of a private placement memorandum. As a result of this financing transaction, our ownership interest was diluted to 24%.

As of March 31, 2013, our equity method investment in Falcon Australia consisted of 50,000,000 shares of common stock in the investee. We did not record any income or loss related to the investment for the three and six months ended March 31, 2013 and 2012, respectively. As of March 31, 2013, our interest in the investment was 24% and we have recorded no value related to the investment as a result of the impact of losses incurred during the periods prior to March 31, 2013. As of March 31, 2013 and September 30, 2012, the Company's investee, Falcon Australia, had no proved oil or gas reserves.

#### Joint Venture Agreement

In August 2011, we entered into a Joint Venture and Operating Agreement with Paltar Petroleum Ltd (“Paltar”), a related party, pursuant to our permit applications in the Beetaloo Basin in Australia. On August 28, 2012, the permits were granted. As of March 31, 2013 and September 30, 2012 included in Accounts Payable and Accrued Liabilities on our condensed consolidated balance sheets are \$51,790 in advances from Paltar. Advances represent cash received related to our Joint Venture Agreement with Paltar. We have requested additional amounts from Paltar under the terms of the Joint Venture Agreement. Paltar has denied our request and asserted that it is entitled to

a refund from the Company. We are currently in discussion with Paltar related to the advances, additional amounts billed to Paltar and amounts Paltar claims as receivable from the Company.

Note 4 — Share-Based Compensation

Compensation Expense - Stock-based employee and non-employee compensation expense of \$40,053 was charged to operations during the six months ended March 31, 2013. Stock-based compensation expense of \$44,600 was charged to operations during the six months ended March 31, 2012. Stock-based compensation has been included in general and administrative expense in the unaudited consolidated statements of operations.

Note 5 — Notes Payable

Convertible notes payable

As of March 31, 2013 three of our 8.5% convertible notes payable totaling \$417,873 have matured and are past due. In accordance with the terms of the note agreements, effective on various dates in November, 2012 a penalty in the amount of 30% of the initial principal balance of each note has been accrued and a default interest rate of 18% has been applied to each note. We are in default of various provisions contained in the note agreements. The remaining \$6,538,419 of our convertible notes remain in default of various provisions of the initial note agreements. In April and May 2010 we obtained waivers of default through December 31, 2014 on these notes.

Global Finance AG

As of March 31, 2013 we were in default of several provisions contained in an \$850,000 promissory note and in connection with our \$39,800,000 credit facility due Global Finance AG. In March 2010 we received waivers of default through December 31, 2014 on both the note payable and credit facility.

Note 6 — Common Stock Warrants

The following stock purchase warrants were outstanding at March 31, 2013 and September 30, 2012:

	March 31, 2013	September 30, 2012
Number of warrants	62,492,901	65,863,023
Exercise price	\$0.10-\$2.10	\$0.10 - \$2.10
Expiration date	2014	2012 - 2014

During the three and six months ended March 31, 2013, nil and 3,370,122 warrants to purchase our common shares expired respectively.

Note 7 — Related Party Transactions

Our policy is to enter into transactions with related parties on terms that, on the whole, are more favorable, or no less favorable than those available from unaffiliated third parties. Based on our experience in oil and gas exploration and development and considering the terms of our transactions with unaffiliated third parties, we believe that all of the transactions described below met this policy standard at the time they occurred.

Bruner Family Trust – As of March 31, 2013, we owed \$2,831,060 in principal of which \$2,722,060 has been classified as current and \$575,692 in accrued interest which has been included in Accrued Interest and Fees Payable - Related Parties on our consolidated balance sheet as of March 31, 2013 to the Bruner Family Trust related to seven

outstanding notes payable. We have recognized interest expense in the amount of \$25,200 and \$50,400 during the three months and six months ended March 31, 2013 related to these notes. We are in default with respect to the repayment of principal and interest on five of the seven outstanding notes. We have received a waiver from the lender that covers all events of default through June 30, 2014.

Equity Method Investment – In April 2010, we were issued 50,000,000 shares of common stock in Falcon Australia in consideration for our contribution of our 25% interest in four exploration permits related to 7 million acres in the Beetaloo Basin, Australia.

Global Finance AG – As of March 31, 2013, we owed \$40,650,000 in principal and \$11,214,189 in accrued interest and fees payable to Global Finance AG. Of amounts accrued \$585,000 and \$10,629,189 have been classified as Accrued Interest and Fees Payable-Related Parties; short term and long term respectively on our consolidated balance sheet as of March 31, 2013. These amounts relate to an outstanding line of credit, notes payable, and advance fees due. During the three and six months ended March 31, 2013, we recorded interest expense in the amount of \$851,979 and \$1,695,716, respectively, related to the various instruments.

Short Term Advances – On various dates during January, February and March 2013 we borrowed \$13,798, \$13,798 and \$20,000 from Wealth Preservation LLC an entity controlled by Martin B. Oring, our Chief Executive Officer; Matthew R. Silverman, a member of our Board of Directors; and Christian Russenberger, a shareholder, respectively. The short term advances bore interest of 15% per annum and were due three months from the date of the initial borrowing. As of March 31, 2013 we had incurred and accrued \$956 in interest expense related to these borrowings. The short term advances were collateralized by shares of Falcon Australia. (Note 11)

#### Note 8 — Other Accrued Liabilities

During the six months ended March 31, 2013, we accrued interest of \$696,266 related to amounts owed to Clear Creek Energy Services (“CCES”) as discussed in the audited consolidated financial statements for the year ended September 30, 2012. As of March 31, 2013 total amounts accrued related to this liability amounted to \$10,948,481.

#### Note 9 – Changes in Accumulated Other Comprehensive Income (Loss) by Component

The tables below present changes in accumulated other comprehensive income (loss) by component for the six months ended March 31, 2012 and 2013 respectively.

For the six months ended March 31, 2012:

	Unrealized (Loss) on Marketable Securities	Unrealized (Loss) on Foreign Currency Translation Adjustments	Total
Beginning Balance – September 30, 2011	\$ (75,000 )	\$ (43,826 )	\$ (118,826 )
Other comprehensive income (loss) before reclassification	(52,248 )	(1,569 )	(53,817 )
Amounts reclassified from accumulated other comprehensive income (loss)	91,842	-	91,842
Net current period other comprehensive income (loss)	39,594	(1,569 )	38,025
Ending balance March 31, 2012	\$ (35,406 )	\$ (45,395 )	\$ (80,801 )

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For the six months ended March 31, 2013:

	Unrealized (Loss) on Marketable Securities	Unrealized (Loss) on Foreign Currency Translation Adjustments	Total
Beginning Balance – September 30, 2012	\$ -	\$ (4,364 )	\$ (4,364 )
Other comprehensive income (loss) before reclassification	-	(23,107 )	(23,107 )
Amounts reclassified from accumulated other comprehensive income (loss)	-	-	-
Net current period other comprehensive income (loss)	-	(23,107 )	(23,107 )
Ending balance March 31, 2013	\$ -	\$ (27,471 )	\$ (27,471 )

Note 10 – Fair Value Disclosure

The Company has adopted ASC 820, Fair Market Measurement and Disclosures including the application of the statement to non-recurring, non-financial assets and liabilities. ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. ASC 820 establishes a fair value hierarchy, which prioritizes the inputs used in measuring fair value into three broad levels as follows:

- Level 1- Quoted prices in active markets for identical assets or liabilities.
- Level 2- Inputs, other than the quoted prices in active markets that are observable either directly or indirectly.
- Level 3- Unobservable inputs based on the Company's own assumptions.

Fair Value Measurements at September 30, 2012 and March 31, 2013:

	Level 1	Level 2	Level 3	Total
Restricted certificates of deposit	\$-	\$55,000	\$-	\$55,000
Bonds - COGCC	-	30,000	-	30,000
Total	\$-	\$85,000	\$-	\$85,000

Note 11 — Subsequent Events

On various dates April through July 2013, the Company borrowed \$23,500, \$20,000 \$74,000 and \$4,000 respectively from Marc A. Bruner and Christian Russenberger, shareholders; Wealth Preservation LLC an entity controlled by Martin Oring, our Chief Executive Officer; and Matthew R. Silverman, a member of our Board of Directors, respectively. The short term advances bore interest of 15% per annum and were due three months from the date of the initial borrowing. The advances were collateralized by shares of Falcon Australia. In July 2013 all amounts owed in connection with these short term advances were repaid.

On July 17, 2013, the Company through Sweetpea completed the sale of its 50,000,000 shares (24.22% interest) in Falcon Australia to Falcon for \$3 million in cash and 97.86 million Falcon shares. The Falcon Shares are subject to an escrow agreement whereby the Shares are locked up for three years, with Sweetpea being permitted to sell 15% each year during the lock-up period, subject to certain conditions. Related to the disposition of these Falcon Australia shares, a tax liability for the Company was generated as described further below.

On July 24, 2013, the Company issued an additional 23,000,000 options to purchase its common stock at \$0.10 per share to officers, directors and outside consultants.

In July 2013, the Company made a partial payment of approximately \$560,000 in accrued salaries, board of director fees and benefits that had been accrued on our unaudited condensed consolidated balance sheet as of December 31, 2012.

On September 27, 2013 the Board of Directors approved a proposal whereby PetroHunter would enter into a restructuring/settlement arrangement with significant secured creditors and noteholders including CCES, Global Project Finance AG, the Bruner Family Trust and the holders of convertible promissory notes. The restructuring/settlement arrangement would provide for the distribution of Falcon shares acquired by the Company in the July 17, 2013 sale transaction as discussed herein. The implementation of the restructuring/settlement arrangement is subject to the Company becoming current on its delinquent filings with the Securities and Exchange Commission and acceptance of the proposal by the creditors.

On November 18, 2013 the Company entered into an agreement with an independent third party to market our ownership interest in eleven well-bores in Western Colorado for sale.

In December 2013, the Company completed the compilation and filing of income tax returns for Sweetpea with the Australian tax authorities. Returns for the statutory reporting periods ended June 30, 2010, 2011, 2012 and 2013 were completed. As a result of the filing of these tax returns, a tax liability in the amount of approximately AUS \$570,000 exists for the statutory year ended June 30, 2013. In January 2014, the Company remitted AUS \$275,000 to the Australian Tax Office.

On December 16, 2013 the Company entered into an Administrative Order by Consent with the Colorado Oil and Gas Conservation Commission (“COGCC”) whereby the Company agreed to; (1) pay fines of \$70,000 (2) complete certain mechanical integrity tests, (3) complete surface remediation, and (4) submit to the COGCC various delinquent production reports and other notices. In January 2014, the \$70,000 fine was paid and the submission of delinquent reports and surface remediation was complete subject to re-inspection by the COGCC.

On December 20, 2013 we received written notice from Global Project Finance AG, a related party, indicating that in accordance with a Credit and Security Agreement dated March 5, 2010 PetroHunter shall apply 25% of the net proceeds of any stock or asset sale by PetroHunter against the debt owed to Global. The Credit and Security Agreement also provided that in the event of an initial public offering of Sweetpea or the sale of Sweetpea’s Falcon Australia shares, Global would be entitled to request that 25% of the net proceeds therefrom be used to repay the indebtedness owed to Global. In this written notice, Global indicated that in connection with the July 17, 2013 sale transaction as discussed above 25% of the net consideration was due Global. The Company believes that its proposed restructuring/settlement arrangement complies with this provision. In January 2014 approximately \$220,000 in advance fees due Global were paid.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with the accompanying financial statements and related notes included elsewhere in this report. It contains forward-looking statements that reflect our future plans, estimates, beliefs and expected performance. The forward-looking statements are dependent upon events, risks and uncertainties that may be outside our control. Our actual results could differ materially from those discussed in these forward-looking statements.

Factors that could cause or contribute to such differences include, but are not limited to, market prices for natural gas and oil, economic and competitive conditions, capital expenditures and other uncertainties, as well as those factors discussed below, all of which are difficult to predict and which expressly qualify all subsequent oral and written forward-looking statements attributable to us or persons acting on our behalf. In light of these risks, uncertainties and assumptions, the forward-looking events discussed may not occur. We do not have any intention or obligation to update forward-looking statements included in this report after the date of this report, except as required by law.

### Executive Summary

We are an oil and gas exploration company. We currently own eleven wellbores in Western Colorado (Piceance Basin) and through our wholly-owned subsidiary, we, with our Joint Venture Partner, own two exploration permits in Australia (Beetaloo Basin). We are incorporated in the State of Maryland.

### Results of Operations

The financial information with respect to the three and six months ended March 31, 2013 and 2012 respectively, that is discussed below is unaudited. In the opinion of management, such information contains all adjustments, necessary for a fair presentation of the results for such periods. The results of operations for interim periods are not necessarily indicative of the results of operations for the full fiscal year.

### Company Overview for the three and six months ended March 31, 2013

Our net loss for the three and six months ended March 31, 2013 was \$1,664,272 and \$3,411,033, respectively. We had no revenues and continue to incur general and administrative and interest expense.

### Comparison of the results of operations for the three and six months ended March 31, 2013 and 2012

#### Costs and Expenses

**General and Administrative.** During the three and six months ended March 31, 2013, general and administrative expenses amounted to \$264,540 and \$505,875, respectively, as compared to \$324,247 and \$708,005, respectively, in the corresponding 2012 periods. The decrease in general and administrative expenses in the 2013 periods results from decreased insurance coverage for our directors and officers, decreased legal expense and decreased audit and accounting fees.

**Depreciation, Depletion, Amortization and Accretion.** Depreciation, depletion, amortization and accretion expense ("DD&A") was \$nil and \$nil respectively, for the three and six months ended 2013 as compared to \$549 and \$1,097 in the corresponding 2012 periods. Decreases in DD&A result from the completion of depreciation of our property and equipment balances.

Interest Expense. During the three and six months ended March 31, 2013, interest expense was \$1,399,732 and \$2,905,165 respectively, as compared to \$1,362,245 and \$2,507,789, respectively, in the corresponding 2012 periods. Increases in interest expense for the three month periods ended March 31, 2013 and 2012 and for the six month periods ended March 31, 2013 and 2012 relates primarily to interest charges incurred in connection with our liability owed to CCES.

Other Operating Income (Expense). During the three and six months ended March 31, 2013, we incurred \$nil and \$nil, respectively, in other operating expenses and nominal other operating income. During the three and six months ended March 31, 2012, we recognized nominal operating income of \$nil and \$171,670 in gains recognized in connection with recovery of related party accounts payable, respectively, while incurring \$13,786 and \$91,842, respectively, in losses on the sale of marketable securities. During these 2012 periods, we also incurred \$nil and \$106,315, respectively, in other operating expense, related to accrued liabilities recorded in connection with three of our wellbores in the Buckskin Mesa having failed mechanical integrity tests. We do not consider this expense to be related to asset retirement obligation liabilities recorded elsewhere herein.

Net Loss. During the three and six months ended March 31, 2013, we incurred net losses of \$1,664,272 and \$3,411,033, respectively, as compared to a net loss of \$1,700,811 and \$3,304,813 during the three and six months ended March 31, 2012, respectively, as described above.

#### Going Concern

The report of our independent registered public accounting firm on the financial statements for the year ended September 30, 2012 includes an explanatory paragraph relating to the significant doubt about our ability to continue as a going concern. We have an accumulated deficit of \$303,346,227 and our current liabilities exceeded our current assets by \$19,633,927 as of March 31, 2013. On July 17, 2013, the Company through its wholly-owned subsidiary Sweetpea completed the sale of its 50,000,000 shares (24.22% interest) in Falcon Australia to Falcon for \$3 million in cash and 97.86 million Falcon shares. The capital received pursuant to this transaction will be utilized to sustain the operations of the Company. We are in default on certain obligations. There are no assurances that the Company will be able to successfully re-negotiate its maturing debt obligations and address outstanding other accrued liabilities with creditors. If the Company is unable to successfully execute these plans, it may have to cease operations or further curtail operations.

#### Plan of Operation

During fiscal 2014, with our Joint Venture Partner, we plan to focus on executing and implementing a strategy for our participation in exploration and development efforts in the Beetaloo Basin project area located in Australia where we own with our Joint Venture Partner two exploration permits related to 1.5 million acres. We will continue to pursue the grant of an additional pending permit application in the Beetaloo Basin. In Colorado we will continue to focus on a potential sale and explore alternative financing and/or working interest partners to further explore opportunities related to our eleven wellbores in the Buckskin Mesa.

#### Liquidity and Capital Resources

During our most recent quarter ended March 31, 2013, our cash flows from operations were not sufficient for us to meet our operating commitments. On July 17, 2013, the Company through its wholly-owned subsidiary Sweetpea completed the sale of its 50,000,000 shares (24.22% interest) in Falcon Australia to Falcon for \$3 million in cash and 97.86 million Falcon shares. The capital received pursuant to this transaction will be utilized to sustain the operations of the Company as described elsewhere herein.

Working Capital. As of March 31, 2013, we had a working capital deficit of \$19,633,927 and unrestricted cash of \$11,145, while at September 30, 2012 we had a working capital deficit of \$17,768,504 and cash of \$61,018. The decreases in working capital are primarily attributable to the fact that we have no revenues from operations and continue to incur expenses. Our working capital deficit has decreased subsequent to June 30, 2013 as the result of the completion of the sale of our shares in Falcon Australia as described elsewhere herein.

Cash Flow. Net cash used in or provided by operating, investing and financing activities for the six months ended March 31, 2013 and 2012 were as follows:

	Six Months Ended March 31,	
	2013	2012
Net cash (used in) operating activities	\$ (97,469 )	\$ (667,603 )
Net cash provided by investing activities	\$ --	\$ 634,976
Net cash provided by financing activities	\$ 47,596	\$ --

**Net Cash Used in Operating Activities.** The changes in net cash used in operating activities are attributable to our net income adjusted for non-cash charges as presented in the consolidated statements of cash flows and changes in working capital as discussed above.

**Net Cash Provided by Investing Activities.** Net cash provided by investing activities for the six months ended March 31, 2013 was \$nil as compared to \$634,976 for the six months ended March 31, 2012. The decrease in net cash provided by investing activities relates to the completion of the sale of our portfolio of marketable securities in the prior period.

**Net Cash Provided by Financing Activities.** We received \$47,596 in cash from financing activities for the six months ended March 31, 2013 related to short term advances from officers and directors and no cash from financing activities in the 2012 period.

#### Off-Balance Sheet Arrangements

We do not have off-balance sheet arrangements.

#### Critical Accounting Policies and Estimates

Our consolidated financial statements have been prepared by management in accordance with U.S. GAAP. We refer you to the corresponding section in Part II Item 7 and the notes to the consolidated financial statements of our Annual Report on Form 10K for the year ended September 30, 2012 for the description of critical accounting policies and estimates.

#### Recently Issued Accounting Pronouncements

Effective October 1, 2012, the Company concurrently adopted ASU No. 2011-05, "Presentation of Comprehensive Loss," and ASU No. 2013-02, "Reporting Amounts Reclassified Out of Accumulated Other Comprehensive Loss," both of which amend ASC 220, "Comprehensive Loss." In adopting ASU No. 2011-05, which requires that all nonowner changes in stockholders' equity be presented in either a single statement of comprehensive loss or two separate but consecutive statements, the Company added Consolidated Statements of Comprehensive Loss following our Consolidated Statements of Operations. The amended guidance in ASU No. 2013-02 requires entities to provide information about the amounts reclassified out of accumulated other comprehensive income by component and to present, either on the face of the financial statements or in the notes, significant amounts reclassified out of accumulated other comprehensive income by the respective line items of net income. The amended guidance does not change the current requirements for reporting net income or other comprehensive income. The adoption of ASU No. 2013-02 did not have a significant impact on the Company's consolidated financial statements.

In February 2013, the FASB issued ASU No. 2013-04, "Obligations Resulting from Joint and Several Liability Arrangements for Which the Total Amount of the Obligation Is Fixed at the Reporting Date," which requires an entity to measure obligations resulting from joint and several liability arrangements for which the total amount of the

obligation within the scope of this guidance is fixed at the reporting date, as the sum of the amount the reporting entity agreed to pay on the basis of its arrangement among its co-obligors and any additional amount the reporting entity expects to pay on behalf of its co-obligors. The guidance in this ASU also requires an entity to disclose the nature and amount of the obligation as well as other information about those obligations. The standard is effective for fiscal years, and interim periods within those years, beginning after December 15, 2013. We are currently evaluating the impact of adopting this guidance.

In March 2013, the FASB issued ASU No. 2013-05, "Parent's Accounting for the Cumulative Translation Adjustment upon Derecognition of Certain Subsidiaries or Groups of Assets within a Foreign Entity or of an Investment in a Foreign Entity". This ASU addresses the accounting for the cumulative translation adjustment when a parent either sells a part or all of its investment in a foreign entity or no longer holds a controlling financial interest in a subsidiary or group of assets that is a nonprofit activity or a business within a foreign entity. The guidance outlines the events when cumulative translation adjustments should be released into net income and is intended by FASB to eliminate some disparity in current accounting practice. This standard is effective prospectively for fiscal years, and interim periods within those years, beginning after December 15, 2013. We are currently evaluating the impact of adopting this guidance.

In July 2013, the FASB issued, ASU No. 2013-11 "Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists" ("ASU 2013-11"). ASU 2013-11 addresses the diversity in practice that exists for the balance sheet presentation of an unrecognized tax benefit when a net operating loss carry-forward, a similar tax loss, or a tax credit carry-forward exists. Under this ASU, an unrecognized tax benefit, or portion thereof, should be presented in the financial statements as a reduction to a deferred tax asset for a net operating loss carryforward, a similar tax loss, or a tax credit carryforward except when specific conditions are met as outlined in the ASU. When these specific conditions are met, the unrecognized tax benefit should be presented in the financial statements as a liability and should not be combined with deferred tax assets. This standard is effective for fiscal years, and interim periods within those years, beginning after December 15, 2013, and should be applied prospectively to all unrecognized tax benefits that exist at the effective date. We are currently evaluating the impact of adopting this guidance.

### ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

#### Foreign Currency Exchange Rate Risk

We hold equity investments in and conduct business in Australia and are subject to exchange rate risk on cash flows related to sales, expenses, financing and investment transactions. We do not currently utilize hedging contracts to protect against exchange rate risk. If our or our investee's oil and gas operations grow, we may utilize currency exchange contracts, commodity forwards, swaps or futures contracts to manage our exposure to foreign currency exchange rate risks.

#### Interest Rate Risk

Interest rates on future debt offerings could be higher than current levels, causing our financing costs to increase accordingly. This could limit our ability to raise funds in debt capital markets.

### ITEM 4. CONTROLS AND PROCEDURES

#### Evaluation of Disclosure Controls and Procedures

As of March 31, 2013, an evaluation was performed under the supervision and with the participation of the Company's management, including Martin B. Oring, the Company's President and Chief Executive Officer ("CEO"), and Paul D. Maniscalco, the Company's Principal Accounting Officer ("PAO"), of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15(e) promulgated under the Securities and Exchange Act of 1934 (the "Exchange Act")).

#### Management's Report on Internal Controls Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) or 15d-15(f) promulgated under the Securities Exchange Act of 1934, as amended, as a process designed by, or under the supervision of, the Company's principal executive and principal financial officers and effected by the Company's Board, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America and includes those policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions of the company;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America and that expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Because of the inherent limitations of internal control, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

As of March 31, 2013, management assessed the effectiveness of our internal control over financial reporting based on the criteria for effective internal control over financial reporting established in Internal Control--Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") (1992 Version) and SEC guidance on conducting such assessments. Based on that evaluation, management concluded that, during the period covered by this report; such internal controls and procedures were not effective based on the COSO criteria. This was due to deficiencies that existed in the design or operation of our internal controls over financial reporting that adversely affected our ability to prepare accurate and timely financial statements, which are considered to be material weaknesses.

As a public company with listed equity securities, we need to comply with laws, regulations and requirements, certain corporate governance provisions of the Sarbanes-Oxley Act or the Dodd-Frank Act, and related regulations of the SEC, which we would not be required to comply with as a private company. Complying with these statutes, regulations and requirements will occupy a significant amount of time of our board of directors and management and will significantly increase our costs and expenses.

The matters involving internal controls and procedures that our management considered to be material weaknesses under the standards of the Public Company Accounting Oversight Board were: (1) lack of adequate resources so as to remain compliant with our periodic filing's as required by the Securities and Exchange Commission; and (2) failure to perform adequate timely review of specific transactions as recorded. The aforementioned material weaknesses were identified by our management in connection with the audit of our financial statements as of September 30, 2012.

Management believes that the material weaknesses set forth above did not have an effect on our financial results. See, "Management's Remediation Initiatives."

#### Management's Remediation Initiatives

In an effort to remediate the identified material weaknesses and other deficiencies and enhance our internal controls, we are in the process of formulating a plan to remediate our material weaknesses in internal controls. That plan

includes the following:

- In July 2013, upon the closing of a significant transaction, we believe that adequate resources are available so as to properly staff the financial reporting process. We are further studying best practices in internal

controls over financial reporting and designing other internal controls to implement that will help remediate our weaknesses.

#### Changes in Internal Control over Financial Reporting

Other than as described above, there have been no significant changes in our internal control over financial reporting during the quarter ended March 31, 2013 that have materially affected, or is reasonably likely to materially affect our internal control over financial reporting.

### PART II. OTHER INFORMATION

#### ITEM 1. LEGAL PROCEEDINGS

As of March 31, 2013, the Company is not a party to any legal or administrative actions or proceedings.

#### ITEM 1A. RISK FACTORS

Not required for smaller reporting companies.

#### ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

#### ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

#### ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

#### ITEM 5. OTHER INFORMATION

None.

#### ITEM 6. EXHIBITS

See Exhibit Index.

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, thereunto duly authorized.

PETROHUNTER ENERGY CORPORATION

By: /s/ Martin B. Oring  
Martin B. Oring  
Chief Executive Officer

Date: March 07, 2014

By: /s/ Paul D. Maniscalco  
Paul D. Maniscalco  
Principal Accounting Officer

Date: March 07, 2014

EXHIBIT INDEX

Regulation

S-K Number	Exhibit
31.1	Rule 13a-14(a) Certification of Martin B. Oring
32.1	Certification of Martin B. Oring Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act Of 2002
101.INS*	XBRL Instance Document (1)
101.SCH*	XBRL Taxonomy Extension (1)
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase (1)
101.DEF*	XBRL Taxonomy Extension Definition Linkbase (1)
101.LAB*	XBRL Taxonomy Extension Label Linkbase (1)
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase (1)

(1) To be filed by amendment.

\*Pursuant to Rule 406T of Regulation S-T, these interactive data files are deemed not filed or part of a registration or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, or Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sections.