

IVANHOE ENERGY INC  
Form 10-Q  
August 14, 2002

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

**FORM 10-Q**

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.  
For the quarterly period ended June 30, 2002

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 000-30586

**IVANHOE ENERGY INC.**

*(Exact name of registrant as specified in its charter)*

**Yukon, Canada**

*(State or other jurisdiction of  
incorporation or organization)*

**Not applicable**

*(I.R.S. Employer  
Identification No.)*

**Suite 654 999 Canada Place  
Vancouver, British Columbia, Canada  
V6C 3E1**

*(Address of principal executive office)*

**(604) 688-8323**

*(registrant's telephone number, including area code)*

Former Name, Former Address and Former Fiscal Year, if Change Since Last Report:

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the 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

The number of shares of the registrant's capital stock outstanding as of June 30, 2002 was 144,630,818 Common Shares, no par value.

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Item 3. Defaults Upon Senior Securities: None

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Item 5. Other Information: None

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Certificate of the CEO and CFO

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**IVANHOE ENERGY INC.**  
**Consolidated Condensed Balance Sheets**  
(stated in thousands of U.S. Dollars)

	June 30, 2002 (unaudited)	December 31, 2001 (audited)
<b>Assets</b>		
Current Assets		
Cash	\$ 5,632	\$ 9,697
Accounts receivable	3,245	1,938
Other	228	375
	<u>9,105</u>	<u>12,010</u>
Long Term Assets	462	397
Oil and gas properties, equipment and GTL investments	99,523	91,596
	<u>\$ 109,090</u>	<u>\$ 104,003</u>
<b>Liabilities and Stockholders' Equity</b>		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 3,171	\$ 5,974
Convertible debenture	1,000	1,000
	<u>4,171</u>	<u>6,974</u>
Provision for site restoration	180	132
Shareholders' Equity		
Share capital, issued 144,631,000 common shares; December 31, 2001 139,267,000	130,862	120,392
Deficit	(26,123)	(23,495)
	<u>104,739</u>	<u>96,897</u>
	<u>\$ 109,090</u>	<u>\$ 104,003</u>

(see accompanying notes)

**Table of Contents****IVANHOE ENERGY INC.****Unaudited Consolidated Condensed Statements of Loss and Deficit**

(stated in thousands of U.S. Dollars except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2002	2001	2002	2001
<b>Revenue</b>				
Oil and gas revenue	\$ 1,981	\$ 2,278	\$ 3,644	\$ 4,433
Interest income	43	138	72	486
	<u>2,024</u>	<u>2,416</u>	<u>3,716</u>	<u>4,919</u>
<b>Expenses</b>				
Operating costs	1,012	1,073	1,868	2,015
General and administrative (including Project Identification)	1,401	2,870	2,988	4,841
Depletion and depreciation	718	436	1,488	919
Provision for impairment		5,000		5,000
	<u>3,131</u>	<u>9,379</u>	<u>6,344</u>	<u>12,775</u>
<b>Net loss</b>	<b>1,107</b>	<b>6,963</b>	<b>2,628</b>	<b>7,856</b>
Deficit, beginning of period	<u>25,016</u>	<u>3,266</u>	<u>23,495</u>	<u>2,373</u>
Deficit, end of period	\$ <u>26,123</u>	\$ <u>10,229</u>	\$ <u>26,123</u>	\$ <u>10,229</u>
<b>Net Loss per share</b>	\$ <u>0.01</u>	\$ <u>0.05</u>	\$ <u>0.02</u>	\$ <u>0.06</u>
<b>Weighted Average Number of Shares (in thousands)</b>	<u>140,493</u>	<u>127,319</u>	<u>139,979</u>	<u>127,159</u>

(see accompanying notes)

**Table of Contents**
**IVANHOE ENERGY INC.**  
**Unaudited Consolidated Condensed Statements of Cash Flow**  
(stated in thousands of U.S. Dollars)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2002	2001	2002	2001
<b>Operating Activities</b>				
Net loss	\$ (1,107)	\$ (6,963)	\$ (2,628)	\$ (7,856)
<b>Items not requiring use of cash</b>				
Depletion and depreciation	718	436	1,488	919
Provision for impairment		5,000		5,000
	(389)	(1,527)	(1,140)	(1,937)
Changes in non-cash working capital items	(2,252)	3,455	(2,376)	3,192
	(2,641)	1,928	(3,516)	1,255
<b>Investing Activities</b>				
Capital spending	(5,144)	(13,627)	(11,832)	(25,735)
Proceeds from sale of Daqing project			1,200	
	(5,144)	(13,627)	(10,632)	(25,735)
<b>Financing Activities</b>				
Shares issued on private placement	9,964		9,964	
Shares issued on exercise of options	50	41	119	228
	10,014	41	10,083	228
Increase (Decrease) in cash for the period	2,229	(11,658)	(4,065)	(24,252)
Cash, beginning of period	3,403	17,100	9,697	29,694
Cash, end of period	\$ 5,632	\$ 5,442	\$ 5,632	\$ 5,442
<b>Supplementary Information Regarding Non-Cash Transactions</b>				
Investing activities, net assets acquired:				
Oil and gas properties	\$	\$ 2,978	\$	\$ 2,978
Accounts receivable		200		200
	\$	\$ 3,178	\$	\$ 3,178
Financing activities, non-cash:				
Shares issued as consideration	\$	\$ 3,178	\$	\$ 3,178
<b>Included in the above are the following:</b>				
Interest paid	\$ 18	\$ 8	\$ 35	\$ 16
<b>Decrease (increase) in non-cash working capital items</b>				
Accounts receivable	\$ (378)	\$ (9)	\$ (107)	\$ 1,595
Other current assets	141	1,073	147	51