

FELLOWS ENERGY LTD
Form 10QSB
May 22, 2006

**United States
Securities And Exchange Commission**

Washington, D.C. 20549

Form 10-QSB

**x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2006

Commission File Number: 000-33321

Fellows Energy Ltd.
(Exact Name of Small Business Issuer as Specified in its Charter)

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

33-0967648
**(I.R.S. Employer
Identification No.)**

**370 Interlocken Boulevard, Suite 400
Broomfield, Colorado 80021**

(Address of Principal Executive Offices)

(303) 327-1525
(Registrant's Telephone Number, Including Area Code)

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. x Yes " No

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

" Yes x No

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: As of May 19, 2006 there were 57,935,969 shares of the issuer's \$.001 par value common stock issued and outstanding.

Transitional Small Business Disclosure Format: ☐ Yes ☒ No

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FELLOWS ENERGY LTD.

Quarterly Report on Form 10-QSB for the
Quarterly Period Ending March 31, 2006

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Part I: Financial Information**Item 1. Financial Statements**Fellows Energy Ltd.
Balance Sheet
(Unaudited)

	March 31, 2006	December 31, 2005
Assets		
Cash and Cash Equivalents	\$ 73,513	\$ 347,558
Marketable securities, available-for-sale	320,145	405,556
Accounts Receivable	121,829	—
Interest Receivable	179	179
Prepaid Expenses	2,794	—
Note Receivable	179,879	99,879
Total current assets	698,339	853,172
Unproved oil & gas property	10,020,813	9,575,813
Equipment, net of \$25,695 and \$18,418 accumulated depreciation respectively	1,429,166	287,836
Deposits	162,000	716,000
Restricted cash	260,000	235,000
Deferred debt issue costs	457,516	533,769
Total assets	\$ 13,027,834	\$ 12,201,590
Liabilities And Stockholders' Equity		
Accounts payable	\$ 371,411	\$ 313,703
Convertible debenture interest payable	145,700	—
Joint venture partner interest payable	60,915	—
Total current liabilities	578,026	313,703
Convertible debenture	4,498,233	5,063,848
Notes payable	951,119	12,000
Stockholders' equity:		
Preferred stock, \$.001 par value; 25,000,000 shares authorized; none outstanding	—	—
Common stock, \$.001 par value; 100,000,000 shares authorized; 47,878,806 shares issued and outstanding	55,058	52,545
Additional paid-in capital	16,710,869	15,973,152
Stock pledged as collateral	(1,665,000)	(1,665,000)
Accumulated deficit	(8,114,595)	(7,555,331)
Accumulated other comprehensive income	14,124	6,673
Total stockholders' equity	7,000,456	6,812,039
Total liabilities and stockholders' equity	\$ 13,027,834	12,201,590

See accompanying notes to financial statements

Fellows Energy Ltd.
Statements of Operations
(Unaudited)

	Three Months Ended March 31,	
	2006	2005
Revenue	\$ 60,915	\$ —
Operating expense		
Exploration and production	216,072	216,430
General and administrative	692,135	426,065
Operating (loss)	(847,292)	(642,495)
Other income (expense)		
Interest expense	(16,999)	(81,356)
Gain on Sale of Property	—	1,437,281
Project revenue applied as credit to purchase	198,361	—
Note receivable default penalty	80,000	—
Insurance rebates and project purchase credit	19,993	—