

MILLER ENERGY RESOURCES, INC.
Form 10-Q
December 10, 2012

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

(Mark One)
Form 10-Q

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

For the quarterly period ended October 31, 2012
OR

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____
Commission file number: 001-34732

Miller Energy Resources, Inc.
(Name of registrant as specified in its charter)

Tennessee 62-1028629
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

9721 Cogdill Road, Suite 302, Knoxville, TN 37932
(Address of principal executive offices) (Zip Code)

(865) 223-6575
(Registrant's telephone number, including area code)

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, 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

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.

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company

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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. 43,361,694 shares of common stock are issued and outstanding as of November 30, 2012.

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

MILLER ENERGY RESOURCES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

(in thousands, except share data)

	October 31, 2012	April 30, 2012
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$4,343	\$3,971
Restricted cash	13,069	2,250
Accounts receivable	1,900	3,107
State production credits receivable	2,894	2,958
Inventory	1,748	1,835
Prepaid expenses and other	1,557	482
	25,511	14,603
OIL AND GAS PROPERTIES, NET	481,055	475,802
EQUIPMENT, NET	41,142	33,728
OTHER ASSETS:		
Land	542	542
Restricted cash, non-current	9,948	9,875
Deferred financing costs, net of accumulated amortization	5,171	1,426
Other assets	731	413
	\$564,100	\$536,389
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$12,884	\$9,504
Accrued expenses	6,075	6,744
Short-term portion of derivative instruments	2,055	2,803
Current portion of long-term debt	3,000	24,130
	24,014	43,181
OTHER LIABILITIES:		
Deferred income taxes	164,699	167,319
Asset retirement obligation	18,935	18,366
Long-term portion of derivative instruments	224	7,700
Long-term debt, less current portion	39,216	—
	247,088	236,566
COMMITMENTS AND CONTINGENCIES (Note 14)		
MEZZANINE EQUITY:		
Series A cumulative preferred stock, redemption amount of \$11.2 million	—	8,818
Series C cumulative preferred stock, redemption amount of \$17.4 million	14,458	—
STOCKHOLDERS' EQUITY:		
Common stock, \$0.0001 par, 500,000,000 shares authorized, 43,361,694 and 41,086,751 shares issued and outstanding, respectively	4	4

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Additional paid-in capital	82,441	64,813
Retained earnings	220,109	226,188
	302,554	291,005
	\$564,100	\$536,389

See accompanying notes to the condensed consolidated financial statements.

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MILLER ENERGY RESOURCES, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

(in thousands, except share and per share data)

	Three Months Ended October		Six Months Ended October	
	31,		31,	
	2012	2011	2012	2011
REVENUES:				
Oil sales	\$7,944	\$8,285	\$15,590	\$16,476
Natural gas sales	112	156	195	284
Other	2,754	764	3,287	1,300
	10,810	9,205	19,072	18,060
OPERATING EXPENSES:				
Oil and gas operating	4,871	4,375	8,845	8,171
Cost of other revenue	2,485	146	3,033	372
General and administrative	6,208	7,949	11,538	13,721
Exploration expense	28	148	57	