

FREESTONE RESOURCES, INC.

Form 10-Q

May 12, 2009

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U.S. 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 September 30, 2008

OR

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

Commission File Number 000-28753

FREESTONE RESOURCES, INC.  
(Exact name of small business issuer as specified in its charter)

Nevada	333-0880427
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

Republic Center, Suite 1350, 325 N. St. Paul Street Dallas, TX 75201  
(Address of principal executive offices)

(214) 880-4870  
(Issuer's telephone number)

2000 E. Lamar Blvd. Ste. 600 Arlington, TX 76006  
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (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

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Indicate by check mark whether the Registrant is a large accredited filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accredited filer”, “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act:

Large Accredited Filer [ ] Accelerated Filer [ ]  
Non-Accredited Filer [ ] Smaller Reporting Company [X]

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

As of May 11, 2008 there were 35,115,260 shares of Common Stock of the issuer outstanding.

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Freestone Resources, Inc.  
Consolidated Balance Sheets

	(Unaudited) September 30, 2008	June 30, 2008
Assets		
Current Assets		
Cash	\$ 9,646	\$ 13,548
Accounts receivable	2,283	42,260
Note receivable	-	16,468
Inventory of Petrozene	90,771	-
Total Current Assets	102,700	72,276
Fixed assets, net	337,260	344,202
Other assets	10,000	-
Petrozene contract, net	1,000	1,000
	11,000	1,000
Total Assets	\$ 450,960	\$ 417,478
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable	\$ 1,816	\$ 23,625
Accounts payable – related party	107,658	5,872
Note payable	-	1,721
Current portion – long term debt	12,267	12,267
Total Current Liabilities	121,741	43,485
Long-term Liabilities:		
Note payable	42,489	43,251
Other Long-term Liabilities:		
Asset Retirement Obligations Liability	34,888	34,888
Total Liabilities	199,118	121,624
Stockholders' Equity:		
Preferred stock, \$.001 par value, 5,000,000 shares authorized, -0- shares issued and outstanding		
Common stock, \$.001 par value, 100,000,000 shares authorized, 52,180,260 and 50,025,260 shares issued and outstanding respectively	52,180	50,025
Additional paid in capital	14,177,429	13,964,084

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Accumulated deficit	-13,977,767	-13,718,255
Total stockholders' equity	251,842	295,854
Total Liabilities and Stockholders' Equity	\$ 450,960	\$ 417,478

The accompanying notes are an integral part of these financial statements.

Freestone Resources, Inc.  
Consolidated Statements of Operations

(Unaudited)

	Three Months Ended September 30, 2008	Three Months Ended September 30, 2007
Revenue		
Oil & Gas	\$ 36,232	\$ -
Total Revenue	36,232	-
Operating Expense:		
Cost of Sales	4,558	-
Lease Operating Costs	42,091	-
Depreciation and Depletion	6,942	-
General and Administrative	239,162	118,025
Total Operating Expenses	292,753	118,025
Net Operating loss	(256,521)	(118,025)
Other income :		