

Siberian Energy Group Inc.
Form 10QSB
May 15, 2007

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-QSB

(Mark One)

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

For the quarterly period ended March 31, 2007

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

For the transition period from _____ to _____

Commission file number 333-118902

SIBERIAN ENERGY GROUP INC.

(Exact name of small business issuer as specified in its charter)

NEVADA **52-2207080**
(State or (IRS
other Employer
jurisdiction of Identification
No.)

incorporation
or
organization)

275 Madison Ave, 6th Floor, New York, NY 10016

(Address of principal executive offices)

(212) 828-3011

(Registrant's telephone number)

Check whether the registrant (1) has 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

As of May 10, 2007, 15,034,961, shares of Common Stock of the issuer were outstanding ("Common Stock").

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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 [X].

Traditional Small Business Disclosure Format (Check One): Yes [] No [X].

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

**SIBERIAN ENERGY GROUP INC.
(A Development Stage Company)**

**CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

March 31, 2007

**REPORT OF INDEPENDENT REGISTERED PUBLIC
ACCOUNTING FIRM**

The Board of Directors and Stockholders
Siberian Energy Group Inc.

We have reviewed the accompanying condensed consolidated balance sheet of Siberian Energy Group Inc. (a development stage company) as of March 31, 2007, and the related condensed consolidated statements of operations, stockholders' equity, and cash flows for the three months ended March 31, 2007 and 2006, and the cumulative period of development stage activity (January 1, 2003 through March 31, 2007). These financial statements are the responsibility of the Company's management.

We conducted our review in accordance with standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the auditing standards of the Public Company Accounting Oversight Board, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying interim financial statements referred to above for them to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with auditing standards of the Public Company Accounting Oversight Board, the consolidated balance sheet as of December 31, 2006, and the related consolidated statements of operations, stockholders' equity and cash flows for the year then ended (not presented herein); and in our report dated March 28, 2007, we included an explanatory paragraph describing conditions that raised substantial doubt about the Company's ability to continue as a going concern. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of December 31, 2006 is fairly stated, in all material respects, in relation to the balance sheet from which it has been derived.

Lumsden & McCormick, LLP
Buffalo, New York
May 10, 2007

SIBERIAN ENERGY GROUP INC. (A Development Stage Company)

Condensed Consolidated Balance Sheets

	(Unaudited) March 31, 2007	December 31, 2006
Assets		
Current assets:		
Cash	\$ 8,920	\$ 1,435
Management fee receivable	55,000	110,000
Prepaid expenses and other	171,281	5,272
	235,201	116,707
Investment in joint venture	-	-
Oil and gas properties, unproved	2,700,000	2,700,000
Property and equipment, net	2,489	2,565
	\$ 2,937,690	\$ 2,819,272
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable:		
Related party - stockholders	\$ 322,357	\$ 362,166
Related party - Baltic Petroleum, interest at 14%	52,113	50,615
Others	214,108	459,561
Accrued payroll	357,698	1,011,788
	946,276	1,884,130
Stockholders' equity:		
Common stock - authorized 100,000,000 shares, \$.001 par value, 15,093,095 and 14,112,961 issued and outstanding	15,093	14,113
Additional paid-in capital	7,960,247	6,593,829
Accumulated deficit		
Pre-development stage	(449,785)	(449,785)
Development stage	(5,527,663)	(5,218,570)
Accumulated other comprehensive income (loss)	(6,478)	(4,445)
	1,991,414	935,142
	\$ 2,937,690	\$ 2,819,272

See accompanying notes.

SIBERIAN ENERGY GROUP INC. (A Development Stage Company)

**Condensed Consolidated Statements
of Operations**

For the three months ended March 31,	2007	2006	For the cumulative period of Development Stage Activity- January 1, 2003 through March 31, 2007
Revenues and other income:			
Management fees from joint venture	\$ 165,000	\$ 75,000	\$ 600,000
Gain from entrance into joint venture	-	-	364,479
Other	-	-	6,382
	165,000	75,000	970,861
Expenses:			
Salaries	83,643	33,311	1,961,710
Professional and consulting fees	202,388	155,716	2,852,034
Rent and occupancy	12,385	9,737	188,628
Depreciation and amortization	82	86	102,799
Finance charges and interest	1,499	3,848	59,875
Marketing and other	174,096	191,491	1,333,478
Total expenses	474,093	394,189	6,498,524
Loss before income taxes	309,093	319,189	5,527,663
Provision for income taxes (benefit)	-	-	-
Net loss (development stage)	\$ 309,093	\$ 319,189	\$ 5,527,663