

MERGENT INDUSTRIAL

NEW LISTING

February 7, 2012



This Supplemental News Reports is published as required, is part of the annual MERGENT INDUSTRIAL, OTC and OTCUNLISTED Manuals and will be included in the bound 2012 February Monthly News Reports and is published on our Website.

MESA ENERGY HOLDINGS INC

Company Website: www.mesaenergy.us

History: Incorporated in Delaware as Mesquite Mining, Inc. on Oct. 23, 2007. Present name adopted on Aug. 5, 2009.

On Aug. 31, 2009, the subsidiary of Co., Mesa Energy Acquisition Corp., acquired and merged with and into Mesa Energy, Inc. ("MEI"), with MEI as the surviving entity. Each of the 12,981,115 shares of MEI's common stock issued and outstanding, including 430,000 shares of MEI's common stock issued in exchange for outstanding warrants to purchase 430,000 shares of MEI's common stock, was converted into 1,9286 shares of Co.'s common stock. As a result, an aggregate of 25,035,700 shares of Co.'s common stock were issued to the holders of MEI's common stock, not including 964,300 shares of Co.'s common stock issuable upon conversion of MEI's outstanding convertible promissory note in the principal amount of \$250,000.

On July 22, 2011, Co., through its subsidiary, Mesa Energy, Inc. ("Mesa"), acquired Tchefuncte Natural Resources, LLC ("TNR"), and TNR became a new subsidiary of Mesa. Members of TNR received an aggregate of 21,500,000 shares of Co.'s common stock in exchange for all of the issued and outstanding membership interests of TNR (20,000,000 shares), the retirement of notes payable in the amount of \$150,000 (1,200,000 shares) and for providing personal guarantees to secure remaining loans of TNR (30,000 shares). Members of TNR also received an overriding royalty interest on each lease owned by TNR.

On July 22, 2011, Co. acquired properties in four fields in south Louisiana from Samson Contour Energy E & P, LLC for \$2,775,608 in cash.

On Sept. 8, 2011, Co. sold and assigned to Wentworth Operating Co. all of its leasehold and working interests in its Gipson #1 and Cook #1 wells comprising its Coal Creek Project in Sequoyah County, OK, for \$17,960,25.

Business Summary: Mesa Energy Holdings is in the exploration stage and is engaged in the acquisition, development, and rehabilitation of oil and gas properties.

Property: Co. maintains its principal executive office in Dallas, TX, comprising 1,492 leased square feet.

Co. has interests in two oil and gas projects: Java Field, a natural gas development project in Wyoming County in western New York; and Coal Creek Prospect, a natural gas developmental prospect in the Arkoma Basin of eastern Oklahoma.

Subsidiaries

Mesa Energy, Inc.
Tchefuncte Natural Resources, LLC

Officers

Randy M. Griffin, Chairman; Chief Executive Officer
Ray L. Unruh, President; Secretary
Carolyn Monica Greer, Executive Vice President - Engineering
David L. Freeman, Executive Vice President - Oil and Gas Operations
Willard Willie Powell, Executive Vice President - Geology
J. Clint Unruh, Vice President
Rachel L. Dillard, Chief Financial Officer

Directors

Randy M. Griffin, Chairman
James J. Cerna, Jr. Fred B. Zaziski
Ray L. Unruh Kenneth T. HERN
Carolyn Monica Greer

Auditors: GBH CPAs, PC

Shareholder Relations: Susan U, Tel.: 208-292-4241

No. of Stockholders: Dec. 31, 2011, 3,000 (approx. beneficial)

No. of Employees: Jan. 27, 2012, 15

Address: 5220 Spring Valley Road, Suite 525, Dallas, TX 75254 Tel.: 972-490-9595 Fax: 972-490-9161
E-mail: randy@mesaenergy.us **Web:** www.mesaenergy.us

Consolidated Income Account, years ended Dec. 31 (in \$):

	2010	2009 (revised)	2008
Revs	61,647	16,639	
Lse oper cost	33,407	2,429	
Exploration cost	13,492	101,075	
Depreciation, depletion, amortization, accretion & impairment	1,136,305	28,619	
Gen & admin exps	2,017,244	938,506	16,050
Gain (loss) on sale of Poydras Energy, LLC		(1,151,997)	
Mineral expenditures			6,500
Tot oper exp	3,200,448	2,222,626	22,550
Income (loss) fr			
opers	(3,138,801)	(2,205,987)	
Int inc	3,805	617	
Int exp	1,077,269	1,655,494	
Other inc		7,625	
Tot other income (expense)	9,700,036	274,448	
Net income (loss)	6,561,235	(1,931,539)	(22,550)
Common shares:			
Weigh avg shares outstg - basic	39,932,479	29,232,076	35,000,000
Weigh avg shares outstg - diluted	49,190,627	29,232,076	
Yr end shares	40,232,021	39,385,700	35,000,000
Net income (loss) per sh - basic	\$0.16	\$(0.07)	
Net income (loss) per sh - diluted	\$0.13	\$(0.07)	
No of full time employees		12	
No of part time employees		3	
Tot no of employees	15		
No of com stkhldrs	127	115	26
No of beneficiary stkhldrs	3,000		

Reclassified to conform with 2010 presentation.
2008 and prior year in non-consolidated presentation.
Adjusted for 14-for-1 stock split, August 5, 2009.
As of April 12, 2010. As of January 27, 2012.
Approximately. As of June 1, 2011. As of December 31, 2011.

Consolidated Balance Sheet, as of Dec. 31 (in \$):

	2010	2009 (revised)
Assets:		
Cash & cash equivs	6,096	267,141
Restricted cash		20,000
Accts receiv	8,348	5,515
Defer financing cost, current	135,552	114,591
Ppd exps	3,750	24,126
Tot curr assets	153,746	431,373
Oil & gas properties, using successful efforts accounting - properties not subject to amortization, gross	247,500	291,332
Less: accum impair	247,500	27,140
Oil & gas properties, using successful efforts accounting - properties subject to amortization, gross	519,116	76,395
Less: accum depl & impair	519,116	1,411
Oil & gas properties, using successful efforts accounting - pipeline property, gross	379,367	372,794
Less: accum deprec & impair	379,367	6,213
Oil & gas properties, using successful efforts accounting - pipeline property, net		366,581
Land	38,345	38,345
Net oil & gas props	38,345	744,102
Furn & equipment, gross	5,203	5,203
Less: accum deprec	5,203	5,051
Furn & equipment, net		152
Defer financing cost, net		76,395
Ppd asset retir cost	40,000	40,000
Tot assets	232,091	1,292,022
Liabilities:		
Accts pay trade	67,409	86,433
Accrued exps	778,240	246,305
Accrued exps - rel parties	131,832	104,458
Dep		8,033
Notes pay	20,000	
Notes pay - rel parties	21,000	43,000
Conv notes payable, curr portion	1,480,000	
Derivative liabil		7,461,680
Tot curr liabil	2,498,481	7,949,909
Conv note pay	665,000	1,530,000
Asset retir oblig	80,217	55,280
Tot liabil	3,695,098	9,986,589
Com stk	4,023	3,399
Addit paid-in capital (deficit)	(6,786,915)	(5,457,156)

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Retain earnings (deficit) accum during exploration stage	3,319,885	(3,241,350)
Tot stkhlders' equity (deficit)	(3,463,007)	(8,694,567)

⊠ Reclassified to conform with 2010 presentation.
 ⊡ Net of accumulated amortization - Deferred financing cost: 2009 \$38,197.

Auditor's Report: The following is an excerpt from the Report of the Independent Auditors, GBH CPAs, PC, as it appeared in the 2010 10K report:

"In our opinion, the consolidated financial statements referred to above present fairly, in all material respects the financial position of Mesa Energy Holdings, Inc. as of December 31, 2010 and 2009, and the consolidated results of its operations and its cash flows for the periods described above, in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that Mesa will continue as a going concern. As discussed in Note 2 to the consolidated financial statements, Mesa has suffered recurring losses from operations and has a working capital deficit as of December 31, 2010. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also discussed in Note 2. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty."

Long Term Debt: Dec. 31, 2010, \$2,596,400 (including current portion of \$1,480,000) comprised of:

(1) \$451,400 unsecured notes payable to related parties, bearing interest at a rate of 6% per annum, due on May 31, 2012.

(2) \$2,145,000 secured convertible notes payable, bearing interest at a rate of 10% per annum, due from 2011 to 2012.

Subsequent Financing: On July 22, 2011, Co. entered into a loan agreement by and among Mesa Energy, Inc., a wholly-owned subsidiary of Co., Tchefunctce Natural Resources, LLC ("TNR"), Mesa Gulf Coast, LLC ("MGC") and The F&M Bank & Trust Company ("F&M") with respect to a senior secured revolving line of credit facility F&M provides to Mesa. The loan agreement (the "Loan Agreement"), provides for a revolving loan in the maximum amount of \$25,000,000, together with a letter of credit facility not to exceed 50% of the Borrowing Base (as hereinafter defined), subject to the terms and conditions of the Loan Agreement.

In connection with the Loan Agreement, (i) TNR entered into (A) security agreement, and (B) mortgage, collateral assignment, security agreement and financing statement pursuant to which it granted a security interest to F&M in all of its assets, (ii) Mesa entered into a pledge and security agreement, pursuant to which it granted a security interest to F&M in the membership interests of its wholly-owned subsidiaries, TNR and MGC, and (iii) Co., MGC and TNR entered into unlimited guaranties, pursuant to which each entity absolutely and unconditionally guaranteed and promised to pay to F&M or its order the obligations of Mesa.

Pursuant to the terms of the Loan Agreement, Co. is permitted to borrow up to \$8,250,000 (the "Borrowing Base"), which will be increased to \$10,500,000 if Co. delivers to F&M by Aug. 15, 2011 a required consent relating to the assignment to TNR of certain leases.

The Loan Agreement contains customary covenants, including but not limited to (i) maximum funded debt to EBITDA ratio, and (ii) minimum interest coverage ratio. The loan commitment shall expire on July 22, 2013. Co. may repay the loan at any time. Loans under the Loan Agreement bear interest at a rate equal to F&M's base rate (currently 3.25%), plus 1.00% per annum; however, that the interest rate shall never fall below a floor rate of 5.75% per annum. Interest is paid on a monthly basis.

Capital Stock: 1. Mesa Energy Holdings Inc common; par \$0.0001.

AUTHORIZED — 300,000,000 shs.

OUTSTANDING — Dec. 31, 2010, 40,232,021 shs; par \$0.0001.

STOCK SPLITS — \$0.0001 par shares split 14-for-1 June 18, 2009.

OWNERSHIP — As of June 2, 2011, directors and executive officers as a group beneficially owned 42.80% of Co.'s outstanding common stock.

DIVIDENDS — After 14-for-1 split:

9-12 Nil

OPTIONS — Dec. 31, 2010, authorized for issuance, 5,000,000; outstanding, 1,048,000.

TRANSFER AGENT — Continental Stock Transfer & Trust Company, New York, NY.

PRIMARY EXCHANGE — National Bulletin Board (NBB); MSEH

PRICE RANGE —

	2011	2010	2009
High	0.20	3.50	1.50
Low	0.06	0.07	0.40