

BLUE DOLPHIN ENERGY CO

Form 10-Q

August 14, 2008

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**UNITED STATES
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: June 30, 2008**

**Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period from _____ to _____**

**Commission File Number: 0-15905
BLUE DOLPHIN ENERGY COMPANY
(Exact name of registrant as specified in its charter)**

Delaware
(State or other jurisdiction of
Incorporation or organization)

73-1268729
(I.R.S. Employer
Identification No.)

801 Travis Street, Suite 2100, Houston, Texas 77002
(Address of principal executive offices)
(713) 568-4725

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) 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 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. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company)

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

Yes No

As of August 14, 2008, there were 11,639,715 shares of the registrant's common stock, par value \$.01 per share, outstanding.

BLUE DOLPHIN ENERGY COMPANY & SUBSIDIARIES
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ON FORM 10-Q

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Table of Contents**PART I. FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS****BLUE DOLPHIN ENERGY COMPANY & SUBSIDIARIES****Condensed Consolidated Balance Sheets**

	June 30, 2008 (unaudited)	December 31, 2007
Assets		
Current assets:		
Cash and cash equivalents	\$ 4,527,433	\$ 5,226,779
Accounts receivable	559,766	693,977
Prepaid expenses and other current assets	723,982	508,517
Total current assets	5,811,181	6,429,273
Property and equipment, at cost:		
Oil and gas properties (full-cost method)	1,108,433	751,175
Pipelines	4,659,686	4,659,686
Onshore separation and handling facilities	1,919,402	1,919,402
Land	860,275	860,275
Other property and equipment	285,916	279,468
	8,833,712	8,470,006
Less:		
Accumulated depletion, depreciation and amortization	4,215,115	3,966,087
	4,618,597	4,503,919
Other assets	9,463	10,640
Total Assets	\$ 10,439,241	\$ 10,943,832
Liabilities and Stockholders Equity		
Current liabilities:		
Accounts payable	\$ 472,561	\$ 432,974
Accrued expenses and other liabilities	26,626	109,628
Asset retirement obligations - current portion	264,538	262,187
Other long-term liabilities - current portion	25,996	25,996
Total current liabilities	789,721	830,785
Long-term liabilities:		
Other long-term liabilities, net of current portion	51,992	51,992
Asset retirement obligations, net of current portion	1,884,478	1,831,520

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Total long-term liabilities	1,936,470	1,883,512
Total Liabilities	2,726,191	2,714,297
Stockholders' Equity:		
Common stock (\$.01 par value, 25,000,000 shares authorized, 11,639,715 and 11,610,363 shares issued and outstanding at June 30, 2008 and December 31, 2007 respectively)	116,397	116,104
Additional paid-in capital	32,302,025	32,117,950
Accumulated deficit	(24,705,372)	(24,004,519)
Total Stockholders' Equity	7,713,050	8,229,535
Total Liabilities and Stockholders' Equity	\$ 10,439,241	\$ 10,943,832

See accompanying notes to the condensed consolidated financial statements.

Table of Contents**BLUE DOLPHIN ENERGY COMPANY & SUBSIDIARIES**
Condensed Consolidated Statements of Operations (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Revenue from operations:				
Pipeline operations	\$ 695,402	\$ 531,762	\$ 1,243,219	\$ 1,091,575
Oil and gas sales	293,553	89,165	424,273	384,348
Total revenue	988,955	620,927	1,667,492	1,475,923
Cost of operations:				
Pipeline operating expenses	402,096	562,692	818,052	1,078,863
Lease operating expenses	83,094	90,464	133,267	157,782
Depletion, depreciation and amortization	117,690	152,203	249,028	289,379
General and administrative	561,548	636,830	1,195,357	1,120,192
Accretion expense	26,733	30,391	55,309	60,782
Total costs and expenses	1,191,161	1,472,580	2,451,013	2,706,998
Loss from operations	(202,206)	(851,653)	(783,521)	(1,231,075)
Other income (expense):				
Interest and other income	26,727	67,168	82,668	127,402
Loss before income taxes	(175,479)	(784,485)	(700,853)	(1,103,673)
Income taxes				
Net loss	\$ (175,479)	\$ (784,485)	\$ (700,853)	\$ (1,103,673)
Loss per common share				
Basic	\$ (0.02)	\$ (0.07)	\$ (0.06)	\$ (0.10)
Diluted	\$ (0.02)	\$ (0.07)	\$ (0.06)	\$ (0.10)
Weighted average number of common shares outstanding				
Basic	11,632,165	11,560,361	11,624,746	11,558,754
Diluted	11,632,165	11,560,361	11,624,746	11,558,754

See accompanying notes to the condensed consolidated financial statements.

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BLUE DOLPHIN ENERGY COMPANY & SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows (Unaudited)

	Six Months Ended June 30,	
	2008	2007
Operating Activities		
Net loss	\$ (700,853)	\$ (1,103,673)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depletion, depreciation and amortization	249,028	289,379
Accretion of asset retirement obligations	55,309	60,782
Common stock issued for services	40,000	39,160
Compensation from issuance of stock options	144,368	13,440
Changes in operating assets and liabilities:		
Accounts receivable	134,211	736,639
Prepaid expenses and other assets	(214,288)	(334,133)
Abandonment costs incurred		(32,133)
Accounts payable and accrued expenses	(43,415)	184,482
Net cash used in operating activities	(335,640)	(146,057)
Investing Activities		
Exploration and development costs	(357,258)	
Capital expenditures	(6,448)	(22,224)
Net cash used in investing activities	(363,706)	(22,224)
Financing Activities		
Decrease in cash and cash equivalents	(699,346)	(168,281)
Cash and Cash Equivalents at Beginning of Period	5,226,779	5,499,147
Cash and Cash Equivalents at End of Period	\$ 4,527,433	\$ 5,330,866

See accompanying notes to the condensed consolidated financial statements.

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BLUE DOLPHIN ENERGY COMPANY & SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited)
June 30, 2008

1. Organization and Significant Accounting Policies

Organization

Blue Dolphin Energy Company was incorporated in Delaware in January 1986 to engage in oil and gas exploration, production and acquisition activities and oil and gas transportation and marketing. We were formed pursuant to a reorganization effective June 9, 1986.

The unaudited condensed consolidated financial statements of Blue Dolphin Energy Company and its subsidiaries (referred to herein, with its predecessors and subsidiaries, as Blue Dolphin, we, us and our) included herein have been prepared by us, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission (the SEC) and, in the opinion of management, reflect all adjustments necessary to present a fair statement of operations, financial position and cash flows. We follow the full-cost method of accounting for oil and gas properties, wherein costs incurred in the acquisition, exploration and development of oil and gas reserves are capitalized. We believe that the disclosures are adequate and the information presented is not misleading, although certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations.

Our accompanying unaudited condensed consolidated financial statements should be read in conjunction with our audited consolidated financial statements and notes thereto included in our annual report on Form 10-KSB for the year ended December 31, 2007. The results of operations for the three and six months ended June 30, 2008 are not necessarily indicative of the results of operations to be expected for the full year.

Accounting Estimates

We have made a number of estimates and assumptions relating to the reporting of consolidated assets and liabilities and to the disclosure of contingent assets and liabilities to prepare these unaudited condensed consolidated financial statements in conformity with accounting principles generally accepted in the United States of America. This includes the estimated useful life of pipeline assets, valuation of stock-based payments and reserve information, which affects the depletion calculation as well as the full cost ceiling limitation. While we believe current estimates are reasonable and appropriate, actual results could differ from those estimated.

Fair Value Measurements

On January 1, 2008, we adopted Statement of Financial Accounting Standards (SFAS) Statement No. 157, *Fair Value Measurements* (SFAS 157), which clarifies the definition of fair value, establishes a framework for measuring fair value, and expands the disclosures on fair value measurements. In February 2008, the Financial Accounting Standards Board (FASB) issued Staff Position 157-2, *Effective Date of FASB Statement No. 157* (FSP 157-2), that deferred the effective date of SFAS 157 for one year for nonfinancial assets and liabilities recorded at fair value on a non-recurring basis. The effect of adoption of SFAS 157 for financial assets and liabilities recognized at fair value on a recurring basis did not have a material impact on our financial position and results of operations. We are assessing the impact of SFAS 157 for nonfinancial assets and liabilities.

On January 1, 2008, we adopted SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities, including an amendment of FASB Statement No. 115* (SFAS 159). SFAS 159 permits companies to choose an irrevocable election to measure certain financial assets and financial liabilities at fair value. Unrealized gains and losses on items for which the fair value option has been elected are reported in earnings at each subsequent reporting date. We did not elect the fair value option under SFAS 159 for any of our financial assets or liabilities upon adoption.

Recent Accounting Developments

In December 2007, the FASB issued SFAS No. 141R, *Business Combinations* (SFAS 141R), which replaces SFAS No. 141, *Business Combinations*. SFAS 141R establishes principles and requirements for determining how an enterprise recognizes and measures the fair value of certain assets and liabilities acquired in a business

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BLUE DOLPHIN ENERGY COMPANY & SUBSIDIARIES
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combination, including non-controlling interests, contingent consideration, and certain acquired contingencies. SFAS 141R also requires acquisition-related transaction expenses and restructuring costs be expensed as incurred rather than capitalized as a component of the business combination. SFAS 141R will be applicable prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. SFAS 141R would have an impact on accounting for any businesses acquired after the effective date of this pronouncement.

In December 2007, the FASB also issued SFAS No. 160, *Non-controlling Interests in Consolidated Financial Statements - An Amendment of ARB No. 51* (SFAS 160). SFAS 160 establishes accounting and reporting standards for the non-controlling interest in a subsidiary (previously referred to as minority interests). SFAS 160 also requires that a retained non-controlling interest upon the deconsolidation of a subsidiary be initially measured at its fair value. Upon adoption of SFAS 160, we would be required to report any non-controlling interests as a separate component of stockholders' equity. We would also be required to present any net income allocable to non-controlling interests and net income attributable to the stockholders of the company separately in our consolidated statements of income. SFAS 160 is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008. SFAS 160 requires retroactive adoption of the presentation and disclosure requirements for existing non-controlling interests. All other requirements of SFAS 160 shall be applied prospectively. SFAS 160 would have an impact on the presentation and disclosure of the non-controlling interests of any non wholly-owned businesses acquired in the future.

2. Earnings per Share

We apply the provisions of SFAS No. 128, *Earnings per Share* (SFAS 128). SFAS 128 requires the presentation of basic earnings per share (EPS) which excludes the dilutive effect of securities or contracts to issue common stock, and is computed by dividing net income (loss) available to common stockholders by the weighted-average number of shares of common stock outstanding for the period. SFAS 128 requires dual presentation of basic EPS and diluted EPS on the face of the statement of operations and requires a reconciliation of the numerators and denominators of basic EPS and diluted EPS. Diluted EPS is computed by dividing net income (loss) available to common stockholders by the diluted weighted average number of shares of common stock outstanding, which includes the potential dilution that could occur if securities or other contracts to issue common stock were converted to common stock that then shared in the earnings of the entity.

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BLUE DOLPHIN ENERGY COMPANY & SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited)
June 30, 2008

Continued

Employee stock options and stock warrants outstanding at June 30, 2008 were not included in the computation of diluted earnings per share because their assumed exercise and conversion would have an antidilutive effect on the computation of diluted loss per share.

	Net Loss	Weighted Average Number of Shares of Common Stock Outstanding and Potential Dilutive Shares of Common Stock	Per Share Amount
Three months ended June 30, 2008 Basic and diluted loss per share	\$ (175,479)	11,632,165	\$ (0.02)
Three months ended June 30, 2007 Basic and diluted loss per share	\$ (784,485)	11,560,361	\$ (0.07)
Six months ended June 30, 2008 Basic and diluted loss per share	\$ (700,853)	11,624,746	\$ (0.06)
Six months ended June 30, 2007 Basic and diluted loss per share	\$ (1,103,673)	11,558,754	\$ (0.10)

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BLUE DOLPHIN ENERGY COMPANY & SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited)
June 30, 2008
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3. Business Segment Information

Our income producing operations are conducted in two principal business segments: pipeline operations and oil and gas exploration and production. There were no intersegment revenues during the periods presented. Information concerning these segments for the three and six months ended June 30, 2008 and June 30, 2007 and at June 30, 2008 is as follows:

	Revenues	Operating Income (Loss) ^(*)	Depletion, Depreciation and Amortization
Three Months ended June 30, 2008:			
Pipeline operations	\$ 695,402	\$ (170,730)	\$ 104,332
Oil and gas exploration and production	293,553	40,999	12,315
Other		(72,475)	1,043
Consolidated	\$ 988,955	(202,206)	\$ 117,690
Other income, net		26,727	
Loss before income taxes		\$ (175,479)	
Three Months ended June 30, 2007:			
Pipeline operations	\$ 531,762	\$ (583,451)	\$ 105,360
Oil and gas exploration and production	89,165	(161,239)	45,484
Other		(106,963)	1,359
Consolidated	\$ 620,927	(851,653)	\$ 152,203
Other income, net		67,168	
Loss before income taxes		\$ (784,485)	
Six Months ended June 30, 2008:			
Pipeline operations	\$ 1,243,219	\$ (578,115)	\$ 208,663
Oil and gas exploration and production	424,273	(4,479)	37,714
Other		(200,927)	2,651
Consolidated	\$ 1,667,492	(783,521)	\$ 249,028
Other income, net		82,668	

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Loss before income taxes		\$	(700,853)	
Six Months ended June 30, 2007:				
Pipeline operations	\$ 1,091,575	\$	(898,309)	\$ 207,328
Oil and gas exploration and production	384,348		(96,012)	79,373
Other			(236,754)	2,678
Consolidated	\$ 1,475,923		(1,231,075)	\$ 289,379
Other income, net			127,402	
Loss before income taxes		\$	(1,103,673)	

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BLUE DOLPHIN ENERGY COMPANY & SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited)
June 30, 2008
Continued

	June 30, 2008
Identifiable assets:	
Pipeline operations	\$ 5,286,411
Oil and gas exploration and production	625,439
Other	4,527,391
 Consolidated	 \$ 10,439,241

(*) Consolidated loss from operations includes \$71,432 and \$105,604 in unallocated general and administrative expenses, and \$1,043 and \$1,359 in unallocated depletion, depreciation and amortization for the three months ended June 30, 2008 and 2007, respectively. All unallocated amounts are included in Other.

Consolidated loss from operations includes \$198,276 and \$234,077 in unallocated general and administrative expenses, and

\$2,651 and \$2,678 in unallocated depletion, depreciation and amortization for the six months ended June 30, 2008 and 2007, respectively. All unallocated amounts are included in Other.

4. Stock-Based Compensation

Effective April 14, 2000, after approval by our stockholders, we adopted the 2000 Stock Incentive Plan (the 2000 Plan). Under the 2000 Plan, we are able to make awards of stock-based compensation. The number of shares of common stock reserved for grants of incentive stock options (ISOs) and other stock-based awards was increased from 650,000 shares to 1,200,000 shares after approval by our stockholders at the 2007 Annual Meeting of Stockholders, which was held on May 30, 2007. As of June 30, 2008, we had 274,040 shares of common stock remaining available for future grants. Options granted under the 2000 Plan have contractual terms from six to ten years. The exercise price of ISOs cannot be less than 100% of the fair market value of a share of our common stock determined on the grant date. The 2000 Plan is administered by the Compensation Committee of our Board of Directors.

Pursuant to SFAS 123R, we estimate the fair value of stock options granted on the date of grant using the Black-Scholes-Merton option-pricing model. The following assumptions were used to determine the fair value of stock options granted during the year ended December 31, 2007. There were no stock options granted for the six months ended June 30, 2008.

	December 31, 2007
Stock options granted	378,500
Risk-free interest rate	4.31 to 4.80%
Expected term, in years	3.75 to 5.97
Expected volatility	81.67 to 92.4%
Dividend yield	0.00%

Expected volatility used in the model is based on the historical volatility of our common stock and is weighted 50% for the historical volatility over a past period equal to the expected term and 50% for the historical volatility over the past two years prior to the grant date. This weighting method was chosen to account for the significant changes in our financial condition beginning approximately two years ago. These changes include the improvement in our working capital, improved pipeline throughput and the reduction and ultimate elimination of our outstanding debt.

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BLUE DOLPHIN ENERGY COMPANY & SUBSIDIARIES
Notes to Condensed Consolidated Financial Statements (Unaudited)
June 30, 2008

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The expected term of options granted used in the model represents the period of time that options granted are expected to be outstanding. The method used to estimate the expected term is the simplified method as allowed under the provisions of the Securities and Exchange Commission's Staff Accounting Bulletin No. 107. This number is calculated by taking the average of the sum of the vesting period and the original contract term. The risk-free interest rate for periods within the contractual life of the option is based on the U.S. Treasury yield curve in effect at the date of the grant. As we have not declared dividends on our common stock since we became a public company, no dividend yield was used. No forfeiture rate was assumed due to the forfeiture history for this type of award. Actual value realized, if any, is dependent on the future performance of our common stock and overall stock market conditions. There is no assurance that the value realized by an optionee will be at or near the value estimated by the Black-Scholes-Merton option-pricing model.

At June 30, 2008, there were a total of 491,559 shares of common stock reserved for issuance upon exercise of outstanding options under the 2000 Plan. A summary of the status of our stock options granted to key employees, officers and directors, for the purchase of shares of common stock for the period indicated, is as follows:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Aggregate Intrinsic Value
Options outstanding at December 31, 2006	143,997	\$ 1.56		
Options granted	378,500	\$ 2.93		
Options exercised	(27,938)	\$ 0.80		
Options expired or cancelled	(3,000)	\$ 6.00		
Options outstanding at December 31, 2007	491,559	\$ 2.61		
Options granted		\$		
Options exercised		\$		
Options expired or cancelled		\$		

Tiger Global Performance, LLC

Tiger Global Management, LLC

Charles P. Coleman III

Scott Shleifer

(b) Address of Principal Business Office, or if None, Residence:

Tiger Global Long Opportunities Master Fund, L.P.

c/o Citco Fund Services (Cayman Islands) Limited

P.O. Box 31106

89 Nexus Way

Camana Bay

Grand Cayman KY1-1205

Cayman Islands

Tiger Global Investments, L.P.

c/o Citco Fund Services (Cayman Islands) Limited

P.O. Box 31106

89 Nexus Way

Camana Bay

Grand Cayman KY1-1205

Cayman Islands

Tiger Global Performance, LLC

Tiger Global Management, LLC

9 West 57th Street

35th Floor

New York, New York 10019

Charles P. Coleman III

c/o Tiger Global Management, LLC

9 West 57th Street

35th Floor

New York, New York 10019

Scott Shleifer

c/o Tiger Global Management, LLC

9 West 57th Street

35th Floor

New York, New York 10019

(c)Citizenship:

Tiger Global Long Opportunities Master Fund, L.P. – Cayman Islands limited partnership

Tiger Global Investments, L.P. – Cayman Islands limited partnership

Tiger Global Performance, LLC – Delaware limited liability company

Tiger Global Management, LLC – Delaware limited liability company

Charles P. Coleman III – United States citizen

Scott Shleifer – United States citizen

(d) Title of Class of Securities:

Common Stock, Par Value \$0.0001 Per Share

(e)CUSIP Number:

86771W105

Item 3. If This Statement is filed pursuant to ss.240.13d-1(b) or 240.13d-2(b), or (c), check whether the person filing is a

(a) Broker or dealer registered under Section 15 of the Exchange Act (15 U.S.C. 78c).

(b) Bank as defined in Section 3(a)(6) of the Exchange Act (15 U.S.C. 78c).

(c) Insurance company as defined in Section 3(a)(19) of the Exchange Act (15 U.S.C. 78c).

(d) Investment company registered under Section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8).

(e) An investment adviser in accordance with § 240.13d-1(b)(1)(ii)(E);

(f) An employee benefit plan or endowment fund in accordance with § 240.13d-1(b)(1)(ii)(F);

(g) A parent holding company or control person in accordance with Rule 13d-1(b)(1)(ii)(G);

(h) A savings association as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C.1813);

(i) A church plan that is excluded from the definition of an investment company under Section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);

(j) Group, in accordance with s.240.13d-1(b)(1)(ii)(J).

Item 4. Ownership.

Provide the following information regarding the aggregate number and percentage of the class of securities of the issuer identified in Item 1.

(a) Amount beneficially owned:

6,997,606 shares deemed beneficially owned by Tiger Global Long Opportunities Master Fund, L.P.

6,940,000 shares deemed beneficially owned by Tiger Global Investments, L.P.

13,937,606 shares deemed beneficially owned by Tiger Global Performance, LLC

13,937,606 shares deemed beneficially owned by Tiger Global Management, LLC

13,937,606 shares deemed beneficially owned by Charles P. Coleman III

13,937,606 shares deemed beneficially owned by Scott Shleifer

(b) Percent of class:

6.4% deemed beneficially owned by Tiger Global Long Opportunities Master Fund, L.P.

6.4% deemed beneficially owned by Tiger Global Investments, L.P.

12.8% deemed beneficially owned by Tiger Global Performance, LLC

12.8% deemed beneficially owned by Tiger Global Management, LLC

12.8% deemed beneficially owned by Charles P. Coleman III

12.8% deemed beneficially owned by Scott Shleifer

(c) Number of shares as to which Tiger Global Long Opportunities Master Fund, L.P. has:

- | | |
|---|-----------|
| (i) Sole power to vote or to direct the vote | 0 |
| (ii) Shared power to vote or to direct the vote | 6,997,606 |
| (iii) Sole power to dispose or to direct the disposition of | 0 |

(iv) Shared power to dispose or to direct the disposition of 6,997,606

Number of shares as to which Tiger Global Investments, L.P. has:

- (i) Sole power to vote or to direct the vote 0
- (ii) Shared power to vote or to direct the vote 6,940,000
- (iii) Sole power to dispose or to direct the disposition of 0
- (iv) Shared power to dispose or to direct the disposition of 6,940,000

Number of shares as to which Tiger Global Performance, LLC has:

- (i) Sole power to vote or to direct the vote 0
- (ii) Shared power to vote or to direct the vote 13,937,606
- (iii) Sole power to dispose or to direct the disposition of 0

(iv) Shared power to dispose or to direct the disposition of 13,937,606

Number of shares as to which Tiger Global Management, LLC has:

- (i) Sole power to vote or to direct the vote 0
- (ii) Shared power to vote or to direct the vote 13,937,606
- (iii) Sole power to dispose or to direct the disposition of 0
- (iv) Shared power to dispose or to direct the disposition of 13,937,606

Number of shares as to which Charles P. Coleman III has:

- (i) Sole power to vote or to direct the vote 0
- (ii) Shared power to vote or to direct the vote 13,937,606
- (iii) Sole power to dispose or to direct the disposition of 0
- (iv) Shared power to dispose or to direct the disposition of 13,937,606

Number of shares as to which Scott Shleifer has:

- (i) Sole power to vote or to direct the vote 0
- (ii) Shared power to vote or to direct the vote 13,937,606
- (iii) Sole power to dispose or to direct the disposition of 0
- (iv) Shared power to dispose or to direct the disposition of 13,937,606

Item 5. Ownership of Five Percent or Less of a Class.

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following [].

Item 6. Ownership of More Than Five Percent on Behalf of Another Person.

If any other person is known to have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, such securities, a statement to that effect should be included in response to this item and, if such interest relates to more than five percent of the class, such person should be identified. A listing of the shareholders of an investment company registered under the Investment Company Act of 1940 or the beneficiaries of employee benefit plan, pension fund or endowment fund is not required.

All securities reported in this Schedule 13G are owned by advisory clients of Tiger Global Management, LLC and/or its related persons' proprietary accounts. Other than the reporting persons disclosed herein, none of such persons individually own more than 5% of the Issuer's outstanding shares.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company.

If a parent holding company has filed this schedule, pursuant to Rule 13d-1(b)(1)(ii)(G), so indicate under Item 3(g) and attach an exhibit stating the identity and the Item 3 classification of the relevant subsidiary. If a parent holding company has filed this schedule pursuant to Rule 13d-1(c) or Rule 13d-1(d), attach an exhibit stating the identification of the relevant subsidiary.

N/A

Item 8. Identification and Classification of Members of the Group.

If a group has filed this schedule pursuant to §240.13d-1(b)(1)(ii)(J), so indicate under Item 3(j) and attach an exhibit stating the identity and Item 3 classification of each member of the group. If a group has filed this schedule pursuant to §240.13d-1(c) or §240.13d-1(d), attach an exhibit stating the identity of each member of the group.

N/A

Item 9. Notice of Dissolution of Group.

Notice of dissolution of a group may be furnished as an exhibit stating the date of the dissolution and that all further filings with respect to transactions in the security reported on will be filed, if required, by members of the group, in their individual capacity. See

Item 5.

N/A

Item
10. Certification.

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect, other than activities solely in connection with a nomination under § 240.14a-11.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company.

If a parent holding company has filed this schedule, pursuant to Rule 13d-1(b)(1)(ii)(G), so indicate under Item 3(g) and attach an exhibit stating the identity and the Item 3 classification of the relevant subsidiary. If a parent holding company has filed this schedule pursuant to Rule 13d-1(c) or Rule 13d-1(d), attach an exhibit stating the identification of the relevant subsidiary.

N/A

Item 8. Identification and Classification of Members of the Group.

If a group has filed this schedule pursuant to §240.13d-1(b)(1)(ii)(J), so indicate under Item 3(j) and attach an exhibit stating the identity and Item 3 classification of each member of the group. If a group has filed this schedule pursuant to §240.13d-1(c) or §240.13d-1(d), attach an exhibit stating the identity of each member of the group.

N/A

Item 9. Notice of Dissolution of Group.

Notice of dissolution of a group may be furnished as an exhibit stating the date of the dissolution and that all further filings with respect to transactions in the security reported on will be filed, if required, by members of the group, in their individual capacity. See Item 5.

N/A

Item 10. Certification.

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect, other than activities solely in connection with a nomination under § 240.14a-11.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

June 11, 2018
(Date)

Tiger Global Long Opportunities Master Fund, L.P.	<u>/s/ Anil L. Crasto</u> Signature
By Tiger Global Performance, LLC Its General Partner	Anil L. Crasto Chief Operating Officer
Tiger Global Investments, L.P.	<u>/s/ Anil L. Crasto</u> Signature
By Tiger Global Performance, LLC Its General Partner	Anil L. Crasto Chief Operating Officer
Tiger Global Performance, LLC	<u>/s/ Anil L. Crasto</u> Signature
	Anil L. Crasto Chief Operating Officer
Tiger Global Management, LLC	<u>/s/ Anil L. Crasto</u> Signature
	Anil L. Crasto Chief Operating Officer
Charles P. Coleman III	<u>/s/ Charles P. Coleman III</u> Signature
Scott Shleifer	<u>/s/ Scott Shleifer</u> Signature

Exhibit A

AGREEMENT

The undersigned agree that this Schedule 13G Amendment dated June 11, 2018 relating to the Common Stock, Par Value \$0.0001 Per Share of Sunrun Inc. shall be filed on behalf of the undersigned.

Tiger Global Long Opportunities Master Fund, L.P.	<u>/s/ Anil L. Crasto</u> Signature
By Tiger Global Performance, LLC Its General Partner	Anil L. Crasto Chief Operating Officer
Tiger Global Investments, L.P.	<u>/s/ Anil L. Crasto</u> Signature
By Tiger Global Performance, LLC Its General Partner	Anil L. Crasto Chief Operating Officer
Tiger Global Performance, LLC	<u>/s/ Anil L. Crasto</u> Signature
	Anil L. Crasto Chief Operating Officer
Tiger Global Management, LLC	<u>/s/ Anil L. Crasto</u> Signature
	Anil L. Crasto Chief Operating Officer
Charles P. Coleman III	<u>/s/ Charles P. Coleman III</u> Signature
Scott Shleifer	<u>/s/ Scott Shleifer</u> Signature