FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

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INFINITY ENERGY RESOURCES, INC

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SIC: **1381** Drilling oil & gas wells

Mailing Address
11900 COLLEGE BLVD
SUITE 204
OVERLAND PARK KS 66210

Business Address
11900 COLLEGE BLVD
SUITE 204
OVERLAND PARK KS 66210
913-948-9512

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

FORM 10-Q

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

For the quarterly period ended September 30, 2012.

[ ] 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: 0-17204

INFINITY ENERGY RESOURCES, INC.
(Exact name of registrant as specified in its charter)

Delaware	**20-3126427**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

11900 College Blvd, Suite 310, Overland Park, KS 66210
(Address of principal executive offices) (Zip Code)

(913) 948-9512
(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 [X] No [ ]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, 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 [X] 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 Exchange Act.

Large accelerated filer	[ ]	Accelerated filer	[ ]
Non-accelerated filer	[ ] (Do not check if a smaller reporting company)	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 [ ] No [X]

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

Class	Outstanding at January 4, 2013
Preferred Stock, $0.0001 par value	145,016
Common Stock, $0.0001 par value	20,668,575

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PART I Financial Information

Item 1. Financial Statements

INFINITY ENERGY RESOURCES, INC. AND SUBSIDIARIES
Consolidated Balance Sheets

	September 30, 2012 (Unaudited)	December 31, 2011
ASSETS		
Current assets		
Cash and cash equivalents	$ 95,111	$ 217
Current assets of discontinued operation	-	2,992
Prepaid expenses	-	7,500
Deferred income tax	-	700,000
Total current assets	95,111	710,709
Oil and gas properties, using full cost accounting, net of accumulated depreciation, depletion, amortization and ceiling write-down Unproved	4,340,415	3,844,080
Other asset – deposit	5,000	-
Total assets	$ 4,440,526	$ 4,554,789

See notes to consolidated financial statements.

INFINITY ENERGY RESOURCES, INC. AND SUBSIDIARIES
Consolidated Balance Sheets (continued)

	September 30, 2012 (Unaudited)	December 31, 2011
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities		
Revolving credit facility to bank	$ -	$ 11,407,252
Current portion, subordinated note payable to related party, net of discount of $0 at September 30, 2012 and $83,088 at December 31, 2011	-	1,186,353
Accrued interest on subordinated note	-	232,112
Accounts payable	1,199,208	1,067,310
Accrued liabilities	3,243,390	2,692,073
Accrued interest and fees – bank and other	153,076	8,156,254
Current liabilities of discontinued operation	-	4,703,055
Current portion of asset retirement obligations	432,027	432,027
Note payable to related party, net of discount of $40,146 at September 30, 2012	209,854	-
Total current liabilities	5,237,555	29,876,436
Long-term liabilities		
Officer indemnification	780,000	-
Asset retirement obligations, less current portion	527,491	465,533
Long-term liabilities of discontinued operation	-	389,759
Derivative liabilities	67,783	600,763
Total long-term liabilities	1,375,274	1,456,055
Total liabilities	6,612,829	31,332,491
Redeemable, convertible preferred stock, par value $.0001, 6% cumulative dividend, authorized 10,000,000 shares:		
Series A, 130,000 shares issued and outstanding at September 30, 2012, none at December 31, 2011, liquidation preference $13,000,000 plus undeclared dividends of $364,000	10,890,970	-
Series B (related party), 15,016 shares issued and outstanding at September 30, 2012, none at December 31, 2011, liquidation preference $1,501,600 plus undeclared dividends of $42,045	1,243,102	-
Commitments and contingencies (Note 6)		
Stockholders' deficit		
Common stock, par value $.0001, authorized 75,000,000 shares, issued and outstanding 20,668,575 shares at September 30, 2012 and 18,668,575 shares at December 31, 2011	2,066	1,866
Additional paid-in capital	89,371,843	80,322,722
Accumulated deficit	(103,680,284)	(107,102,290)
Total stockholders' deficit	(14,306,375)	(26,777,702)
Total liabilities and stockholders' deficit	$ 4,440,526	$ 4,554,789

See notes to consolidated financial statements.

INFINITY ENERGY RESOURCES, INC. AND SUBSIDIARIES
Consolidated Statements of Operations (Unaudited)

	For the Three Months Ended September 30, 2012	For the Three Months Ended September 30, 2011	For the Nine Months Ended September 30, 2012	For the Nine Months Ended September 30, 2011
Operating expenses				
General and administrative expenses	$ 152,523	$ 303,068	$ 593,714	$ 822,490
Accretion expense	21,113	19,302	61,958	56,162
Total operating expenses	173,636	322,370	655,672	878,652
Operating loss	(173,636)	(322,370)	(655,672)	(878,652)
Other income (expense)				
Interest expense, net of capitalization	(18,542)	(820,300)	(364,758)	(2,303,049)
Change in derivative fair value	(19,129)	307,542	99,556	345,375
Other	33,058	65	33,058	247
Total other income (expense)	(4,613)	(512,693)	(232,144)	(1,957,427)
Loss from continuing operations	(178,249)	(835,063)	(887,816)	(2,836,079)
Loss of discontinued operation	(6,776)	(36,357)	(62,289)	(85,962)
Gain on sale of discontinued operation	4,372,111	-	4,372,111	-
Net income (loss)	4,187,086	(871,420)	3,422,006	(2,922,041)
Accrual of 6% dividend payable on Series A and B redeemable, convertible preferred stock	(217,524)	-	(406,045)	-
Accretion of Series A and B redeemable, convertible preferred stock	(487,479)	-	(878,192)	-
Income (loss) applicable to common shareholders	$ 3,482,083	$ (871,420)	$ 2,137,769	$ (2,922,041)
Basic and diluted net income (loss) per share:				
Loss from continuing operations	$ (0.04)	$ (0.05)	$ (0.11)	$ (0.16)
Loss from discontinued operation	0.00	0.00	0.00	0.00
Gain on sale of discontinued operation	0.21	0.00	0.22	0.00
Basic and diluted net income (loss) per share	$ 0.17	$ (0.05)	$ 0.11	$ (0.16)
Weighted average shares outstanding – basic and diluted	20,668,575	18,668,575	19,913,996	18,668,575

See notes to consolidated financial statements.

INFINITY ENERGY RESOURCES, INC. AND SUBSIDIARIES
Consolidated Statements of Changes in Stockholders' Deficit
For the Nine Months Ended September 30, 2012 (Unaudited) and
Year Ended December 31, 2011

	Common Stock		Additional Paid-in	Accumulated	Stockholders
	Shares	Amount	Capital	Deficit	Deficit
Balance, December 31, 2010	18,668,575	$ 1,866	$ 80,107,816	$(103,572,691)	$(23,463,009)
Issuance of stock options	-	-	214,906	-	214,906
Net loss	-	-	-	(3,529,599)	(3,529,599)
Balance, December 31, 2011	18,668,575	1,866	80,322,722	(107,102,290)	(26,777,702)
Issuance of common stock	2,000,000	200	2,979,800	-	2,980,000
Accretion of Series A and B redeemable, convertible preferred stock	-	-	(878,192)	-	(878,192)
Accrual of 6% dividend payable on Series A and B redeemable, convertible preferred stock	-	-	(406,045)	-	(406,045)
Excess of debt forgiven by creditors over fair value of common and redeemable, convertible preferred Series A and B stock issued in exchange (Note 3) net of tax of $700,000	-	-	7,353,558	-	7,353,558
Net income	-	-	-	3,422,006	3,422,006
Balance, September 30, 2012	20,668,575	$ 2,066	$ 89,371,843	$(103,680,284)	$(14,306,375)

See notes to consolidated financial statements.

INFINITY ENERGY RESOURCES, INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows (Unaudited)

	For the Nine Months Ended September 30, 2012	For the Nine Months Ended September 30, 2011
Cash flows from operating activities		
Net income (loss)	$ 3,422,006	$ (2,922,041)
Adjustments to reconcile net income (loss) to net cash used in operating activities		
Gain on sale of discontinued operation	(4,372,111)	-
Accretion of asset retirement obligations	61,958	56,162
Accretion of asset retirement obligation within discontinued operation	17,736	24,392
Stock-based compensation	-	214,906
Change in fair value of derivative liability	(99,556)	(345,375)
Amortization of debt discount, net of capitalized amounts of $77,616 in 2012 and $143,493 in 2011	29,280	430,421
Change in operating assets and liabilities		
(Increase) decrease in prepaid expenses	7,500	(6,917)
Increase in accounts payable and accrued liabilities	847,677	2,149,989
Increase in current liabilities of discontinued operation	44,553	61,570
Application of debt proceeds to reduce accrued liability	-	(56,086)
Net cash used in operating activities	(40,957)	(392,979)
Cash flows from investing activities		
Investment in oil and gas properties	(381,219)	(433,687)
Increase in deposit	(5,000)	-
Net cash used in investing activities	(386,219)	(433,687)
Cash flows from financing activities		
Proceeds from debt and note payable to unrelated third party	522,070	1,240,646
Repayment of notes	-	(232,462)
Loan commitment fees paid with debt proceeds	-	(14,925)
Checks written in excess of cash	-	(166,419)
Net cash provided by financing activities	522,070	826,840
Net increase (decrease) in cash and cash equivalents	94,894	174
Cash and cash equivalents		
Beginning	217	-
Ending	$ 95,111	$ 174
Supplemental noncash disclosures		
Noncash capitalized overhead and interest	$ 115,116	$ 226,893
Noncash transaction: debt, subordinated note payable and related accrued interest and other fees satisfied by issuance of Common and Series A and B Preferred shares	$ 21,883,393	$ -

See notes to consolidated financial statements.

INFINITY ENERGY RESOURCES, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements
(Unaudited)

Note 1 — Nature of Operations, Basis of Presentation and Summary of Significant Accounting Policies

Unaudited Interim Financial Information

Infinity Energy Resources, Inc. and its subsidiaries (collectively, "we," "ours," "us," "Infinity" or the "Company") has prepared the accompanying consolidated financial statements pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC") for interim financial reporting. These consolidated financial statements are unaudited and, in our opinion, include all adjustments consisting of normal recurring adjustments and accruals necessary for a fair presentation of our consolidated balance sheets, statements of operations, and cash flows for the periods presented. Operating results for the periods presented are not necessarily indicative of the results that may be expected for 2012 due to various factors. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States ("GAAP") have been omitted in accordance with the rules and regulations of the SEC. These consolidated financial statements should be read in conjunction with the audited consolidated financial statements and accompanying notes in Item 8, "Financial Statements and Supplementary Data," of our Annual Report on Form 10-K, filed with the SEC.

Nature of Operations

We are engaged in the exploration of the Perlas and Tyra concession blocks offshore Nicaragua in the Caribbean Sea (the "Nicaraguan Concessions").

Basis of Presentation

The consolidated financial statements include the accounts of Infinity Energy Resources, Inc. and its wholly-owned subsidiaries, Infinity Oil and Gas of Texas, Inc. ("Infinity-Texas") and Infinity Oil & Gas of Wyoming, Inc. ("Infinity-Wyoming"). All significant intercompany balances and transactions have been eliminated in consolidation. As described in Note 8, the Company sold its entire investment in Infinity-Texas effective July 31, 2012. The assets, liabilities and operations of Infinity-Texas have been segregated and set forth as relating to discontinued operations on the accompanying consolidated financial statements.

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States.

On March 5, 2009 Infinity signed the contracts relating to its Nicaraguan Concessions. Infinity is conducting an environmental study and the development of geological information from reprocessing and additional evaluation of existing 2-D seismic data that was acquired for the Nicaraguan Concessions. Infinity is seeking offers from other industry operators and other third parties for interests in the acreage in exchange for cash and a carried interest in exploration and development operations. The funds raised through the subordinated note transaction described below and Forbearance advances from Amegy Bank, N.A. ("Amegy") were used to fund these expenditures (see Notes 2 and 3). These funds will not be sufficient to cover our expected operating exploration costs.

Going Concern

As reflected in the accompanying Consolidated Statements of Operations, the Company has had a history of losses. In addition, the Company has a significant working capital deficit and is currently experiencing substantial liquidity issues. Further, as discussed in Note 2 and below, the Company was at December 31, 2011 operating under the Fifth Forbearance Agreement with Amegy under the Revolving Credit Facility, which agreement expired on that date. After December 31, additional advances of $272,070 were made by Amegy accumulating to a total advance of $1,668,828 as of February 28, 2012.

On February 28, 2012, we signed definitive agreements with Amegy and Off-Shore relating to outstanding debt and other obligations we owed to them. Under these documents, we agreed to issue to Amegy 130,000 shares of Series A Preferred and 2,000,000 shares of common stock as payment in full of all debt and related obligations owed Amegy; the Company and Amegy also agreed to cancel a warrant held by Amegy exercisable to purchase 968,000 shares of the Company's common stock that had been issued in February 2011. In addition, we agreed to issue Off-Shore 15,016 shares of Series B Preferred in conversion, exchange and payment in full of all debt and other obligations we owed to Off-Shore. The transactions with Amegy and Off-Shore closed on April 13, 2012 and are described more fully in Note 3.

Notes to Consolidated Financial Statements
(Unaudited)

Although the cash outflow necessary to pay Amegy has been eliminated under terms of the Stock Purchase Agreement, the Company is still in need of additional capital to meet its obligations under the Nicaraguan Concessions, and is searching for sources of additional equity or debt financing. There can be no assurance that the Company will be able to obtain such capital or obtain it on favorable terms..

The Company has classified the entire balance outstanding under the Revolving Credit Facility at December 31, 2011 as a current liability in the accompanying Consolidated Balance Sheets.

The Company conducted an environmental study and developed geological information from the reprocessing and additional evaluation of existing 2-D seismic data acquired over its Nicaraguan Concessions. It issued letters of credit totaling $851,550 for this initial work on the leases. The Company commenced certain activity under the initial work plan and is waiting for governmental approval of the environmental study. The Company intends to seek joint venture or working interest partners prior to the commencement of any exploration or drilling operations on the Nicaraguan Concessions.

Due to the uncertainties related to these matters, there exists substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount and classification of liabilities that might result should the Company be unable to continue as a going concern.

Management Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates with regard to the consolidated financial statements include the initial fair value of redeemable convertible preferred shares, the estimated carrying value of unproved properties, the estimated cost and timing related to asset retirement obligations, the estimated fair value of derivative liabilities and stock based awards, and the realization of deferred tax assets.

Oil and Gas Properties

The Company follows the full cost method of accounting for exploration and development activities. Accordingly, all costs incurred in the acquisition, exploration, and development of properties (including costs of surrendered and abandoned leaseholds, delay lease rentals, dry holes and seismic costs) and the fair value of estimated future costs of site restoration, dismantlement, and abandonment activities are capitalized. Overhead related to exploration and development activities is also capitalized. In the quarters ended September 30, 2012 and 2011, the Company capitalized direct costs, overhead costs and interest as follows:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2012	2011	2012	2011
Direct costs	$ 96,462	$ 68,131	$ 381,219	$ 396,188
Overhead costs	12,500	12,500	37,500	37,500
Total non-interest costs	108,962	80,631	418,719	433,688
Interest costs	-	67,529	77,616	189,393
	$ 108,962	$ 148,160	$ 496,335	$ 623,081

Costs associated with production and general corporate activities are expensed in the period incurred.

Depletion of proved oil and gas properties is computed on the units-of-production method, with oil and gas being converted to a common unit of measure based on relative energy content, whereby capitalized costs, as adjusted for estimated future development costs and estimated asset retirement costs, are amortized over the total estimated proved reserve quantities. Investments in unproved properties, including capitalized interest and internal costs, are not depleted pending determination of the existence of proved reserves. Unproved properties are assessed periodically (at least annually) to ascertain whether impairment has occurred. Unproved properties whose costs are individually significant are assessed individually by considering the primary lease terms of the properties, the holding period of the properties, geographic and geologic data obtained relating to the properties, and estimated discounted future net cash flows from the properties. Estimated discounted future net cash flows are based on discounted future net revenues associated with probable and possible reserves, risk adjusted as appropriate. Where it is not practicable to assess individually the amount of impairment of properties for which costs are not individually significant, such properties are grouped for purposes of assessing impairment. The amount of impairment assessed is added to the costs to be amortized, or is reported as a period expense, as appropriate. All unproved property costs as of September 30, 2012 and December 31, 2011 relate to the Company's Nicaraguan Concessions that were entered into in March 2009. In assessing the unproved property costs for impairment, the Company takes into consideration the terms of the government concessions, the status of the ongoing environmental study, evaluation of the seismic data and plans to seek industry participation in the future exploration and development.

Pursuant to full cost accounting rules, the Company must perform a "ceiling test" each quarter. The ceiling test provides that capitalized costs less related accumulated depletion and deferred income taxes for each cost center may not exceed the sum of (1) the present value of future net revenue from estimated production of proved oil and gas reserves using prices based on the arithmetic mean of the previous 12 months' first-of-month prices and current costs, including the effects of derivative instruments accounted for as cash flow hedges but excluding the future cash outflows associated with settling asset retirement obligations that have been accrued on the balance sheet, and a discount factor of 10%; plus (2) the cost of properties not being amortized, if any; plus (3) the lower of cost or estimated fair value of unproved properties included in the costs being amortized, if any; less (4) income tax effects related to differences in the book and tax basis of oil and gas properties. If capitalized costs exceed the ceiling, the excess must be charged to expense and may not be reversed in future periods. As of September 30, 2012 and 2011, the Company did not have any proved oil and gas properties, and all unproved property costs relate to the Company's Nicaraguan Concessions.

Proceeds from the sales of oil and gas properties are accounted for as adjustments to capitalized costs with no gain or loss recognized, unless such adjustments would significantly alter the relationship between capitalized costs and proved reserves of oil and gas, in which case the gain or loss would be recognized in the determination of the Company's net earnings/loss. During 2011 Infinity-Texas, the Company's 100%-owned subsidiary, sold its oil and gas properties in Texas, to a single-member LLC, the owner of which purchased 100% of the stock of Infinity-Texas from the Company in July 2012 (see Note 8). The costs associated with these properties were entirely written off in prior periods. The properties were sold in return for a non-interest-bearing note with repayment conditional upon net profit from sales of oil and gas from the properties. Due to the uncertainty of when and in what amount payments on the note will be received, the Company has recorded the note net of a 100% valuation reserve and has recognized no gain or loss on this transaction. The note was sold as an asset of Infinity-Texas in the July 2012 sale of such company's stock.

Concentrations

The Company's only significant asset is the Nicaraguan Concessions and it expects to be active in Nicaragua for the foreseeable future, given sufficient capital. The political climate in Nicaragua could become unstable and subject to radical change over a short period of time. In the event of a significant negative change in political and economic stability in the vicinity of the Nicaraguan Concessions, it may be forced to abandon or suspend its efforts.

Derivative Instruments

The Company accounts for derivative instruments or hedging activities under the provisions of ASC 815 (formerly Statement of Financial Accounting Standards ("SFAS") No. 133, *Accounting for Derivative Instruments and Hedging Activities*.) ASC 815 requires the Company to record derivative instruments at their fair value. If the derivative is designated as a fair value hedge, the changes in the fair value of the derivative and of the hedged item attributable to the hedged risk are recognized in earnings. If the derivative is designated as a cash flow hedge, the effective portions of changes in the fair value of the derivative are recorded in other comprehensive income (loss) and are recognized in the statement of operations when the hedged item affects earnings. Ineffective portions of changes in the fair value of cash flow hedges, if any, are recognized in earnings. Changes in the fair value of derivatives that do not qualify for hedge treatment are recognized in earnings.

The purpose of hedging is to provide a measure of stability to the Company's cash flows in an environment of volatile oil and gas prices and to manage the exposure to commodity price risk. As of September 30, 2012 and December 31, 2011 and during the periods then ended, the Company had no oil and natural gas derivative arrangements outstanding.

As a result of certain terms, conditions and features included in certain common stock purchase warrants issued by the Company but no longer outstanding at September 30, 2012 (see Note 5), those warrants were required to be accounted for as derivatives at estimated fair value, with changes in fair value recognized in earnings. Such derivatives were outstanding at December 31, 2011 and were cancelled effective April 13, 2012 as part of the transaction in which the Company's debt, subordinated note payable and related accrued interest and other fees, in addition to its derivative liability associated with the warrants, were satisfied by the issuance of common and Series A and B redeemable, convertible preferred stock (Note 3). Likewise, as the result of certain terms, conditions and features included in certain common stock purchase warrants issued by the Company in association with a note payable entered into August 28, 2012 with a related party, the warrants issued are also required to be accounted for as derivatives at estimated fair value, with changes in fair value recognized in earnings.

Income Taxes

The Company uses the asset and liability method of accounting for income taxes. This method requires the recognition of deferred tax liabilities and assets for the expected future tax consequences of temporary differences between financial accounting bases and tax bases of assets and liabilities. The tax benefits of tax loss carryforwards and other deferred taxes are recorded as an asset to the extent that management assesses the utilization of such assets to be more likely than not. We routinely assess the realizability of our deferred income tax assets, and a valuation allowance is recognized if it is determined that deferred income tax assets may not be fully utilized in future periods. We consider future taxable earnings in making such assessments. Numerous judgments and assumptions are inherent in the determination of future taxable earnings, including such factors as future operating conditions. When the future utilization of some portion of the deferred tax asset is determined not to be more likely than not, a valuation allowance is provided to reduce the recorded deferred tax asset. When the Company can project that a portion of the deferred tax asset can be realized through application of a portion of tax loss carryforward, the Company will record that utilization as a deferred tax benefit and recognize a deferred tax asset in the same amount. There can be no assurance that facts and circumstances will not materially change and require us to adjust our deferred income tax asset valuation allowance in a future period. We are potentially subject to taxation in many jurisdictions, and the calculation of income tax liabilities (if any) involves dealing with uncertainties in the application of complex income tax laws and regulations in various taxing jurisdictions. We recognize certain income tax positions that meet a more-likely-than not recognition threshold. If we ultimately determine that the payment of these liabilities will be unnecessary, we will reverse the liability and recognize an income tax benefit. The Company recognized a deferred tax asset, net of valuation allowance, of $0 at September 30, 2012 and $700,000 at December 31, 2011 related to the anticipated use of net operating losses to offset taxable income triggered by the transaction with Amegy and Off-Shore that closed in April 2012 (see Note 3). As recorded, the Company did not realize any gain in association with the transaction, and the deferred tax asset set up at December 31, 2011 was recorded as a reduction in additional paid-in capital.

Cash and cash equivalents

For purposes of reporting cash flows, cash consists of cash on hand and demand deposits with financial institutions. It is the Company's policy that all highly liquid investments with a maturity of three months or less when purchased would be cash equivalents and would be included along with cash as cash and equivalents.

Asset Retirement Obligations

The Company records estimated future asset retirement obligations pursuant to the provisions of ASC 410 (formerly SFAS No. 143, *Accounting for Asset Retirement Obligations*.) ASC 410 requires entities to record the fair value of a liability for an asset retirement obligation in the period in which it is incurred with a corresponding increase in the carrying amount of the related long-lived asset. Subsequent to initial measurement, the asset retirement liability is required to be accreted each period. The Company's asset retirement obligations consist of costs related to the plugging of wells, the removal of facilities and equipment, and site restoration on oil and gas properties. Capitalized costs are depleted as a component of the full cost pool using the units of production method. Although the Company has recognized full impairment of the value of all remaining domestic oil and gas properties in prior periods, the Company may retain title to certain abandoned non-producing domestic leasehold properties. Management believes the Company has been relieved from asset retirement obligation related to Infinity-Texas because of the sale of its Texas oil and gas properties in 2011 and its sale of 100% of the stock in Infinity-Texas in 2012 (see Note 8), but may retain some asset retirement obligation related to properties of Infinity-Wyoming. Therefore, the Company has continued to maintain the asset retirement obligation as a liability in its financial statements and, in accordance with ASC 410, to accrete such obligation regularly. The following table summarizes the activity for the Company's asset retirement obligations for the period ended September 30, 2012:

Asset retirement obligations at beginning of period (net of $389,759 attributed to Infinity-Texas set forth as liabilities of discontinued operation on the accompanying consolidated balance sheets)	$	897,560
Accretion expense, nine months ended September 30, 2012 (net of $17,736 attributed to Infinity-Texas and included within loss of discontinued operation on accompanying consolidated statement of operations)		61,958
Asset retirement obligations at end of period		959,518
Less: current portion of asset retirement obligations		(432,027)
Asset retirement obligations, less current portion	$	527,491

Capitalized Interest and Debt Discount Amortization

The Company capitalizes interest costs and debt discount amortization to oil and gas properties on expenditures made in connection with exploration and development projects that are not subject to current depletion. Such costs are capitalized only for the period that activities are in progress to bring these projects to their intended use. Interest costs and debt discount amortization capitalized for the quarters ended September 30, 2012 and 2011 were $0 and $67,529, respectively, and for the nine months ended September 30, 2012 and 2011 were $77,616 and $189,393, respectively.

Fair Value of Financial Instruments

As defined in ASC 820, fair value is the price that would be received in the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company utilizes market data or assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable. The Company classifies fair value balances based upon observability of those inputs. ASC 820 establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement), pricing inputs are other than quoted prices in active markets, but are either directly or indirectly observable and are valued using models or other valuation methodologies (level 2 measurement), and the lowest priority to unobservable inputs (level 3 measurement). There were no changes in valuation techniques or reclassifications of fair value measurements between levels 1, 2 or 3 during the quarter ended September 30, 2012 or year ended December 31, 2011.

The carrying values of the Company's accounts receivable, accounts payable and accrued liabilities represent the estimated fair value due to the short-term nature of the accounts.

The carrying value of the Company's debt under its Revolving Credit Facility represented its estimated fair value due to its short-term nature, its adjustable rate of interest, associated fees and expenses and initially recorded discount.

The estimated fair value of the Company's non-current derivative liabilities, all of which related to warrants, was estimated using a closed-ended option pricing model utilizing assumptions related to the contractual term of the instruments, estimated volatility of the price of the Company's common stock, interest rates, the probability of both the downward adjustment of the exercise price and the upward adjustment to the number of warrants as provided by the warrant agreement terms (Note 5) and non-performance risk factors, among other items (ASC 820, *Fair Value Measurements* ("ASC 820") fair value hierarchy Level 2). A comparison of the assumptions used in calculating estimated fair value at the issue date and at September 30, 2012 is as follows:

	Upon Issuance, August 29, 2012	At September 30, 2012
Volatility	52.5%	52.2%
Contractual term	5 years	5 years
Exercise price	$ 2.50	$ 2.50
Number of warrants per contract	120,000	120,000

The estimated initial fair value of the Company's Series A and B redeemable convertible preferred stock was determined based upon estimates of the expected occurrence and timing of certain future events, such as the date such shares might be redeemed or converted (assumed to be December 31, 2013); an estimate of discount rates to be utilized in determining net present value of the preferred stock, based upon rates observed in similar or analogous, but not identical, market transactions, upon past Company-specific effective borrowing rates, and the assessment of each instrument's specific rights and obligations.

Net Income (Loss) Per Common Share

Pursuant to FASB ASC Topic 260, *Earnings Per Share,* basic net income (loss) per share is computed by dividing the net income (loss) attributable to common shareholders by the weighted-average number of common shares outstanding during the period. Diluted net income (loss) per share is computed by dividing the net income (loss) attributable to common shareholders by the weighted-average number of common and common equivalent shares outstanding during the period. Common share equivalents included in the diluted computation represent shares issuable upon assumed exercise of stock options and warrants using the treasury stock and "if converted" method. For periods in which net losses from continuing operations are incurred, weighted average shares outstanding is the same for basic and diluted loss per share calculations, as the inclusion of common share equivalents would have an anti-dilutive effect.

During the nine months and the three months ended September 30, 2012 the Company had outstanding an additional 2,000,000 shares of common stock for the period April 13 through September 30, 2012. Weighted average common shares outstanding for both the quarter and nine months ended September 30, 2012 reflect the effects of the shares outstanding for this period. The calculation of income (loss) per common share for the quarter and nine months ended September 30, 2012 reflects these amounts which are attributable to the preferred shareholders as increases in the net income (loss) for those periods allocable to common shareholders.

Foreign Currency

The United States dollar is the functional currency for the Company's operations. Although the Company's acquisition and exploration activities have been conducted in Nicaragua, a significant portion of the payments incurred for exploration activities are denominated in United States dollars. The Company expects that a significant portion of its required and discretionary expenditures in the foreseeable future will also be denominated in United States dollars. Any foreign currency gains and losses are included in the consolidated results of operations in the period in which they occur. The Company does not have any cash accounts denominated in foreign currencies.

Recent Accounting Pronouncements

Effective January 1, 2011, the Company adopted ASC 820 guidance that requires enhanced disclosure in the level 3 reconciliation for fair value measurements. The adoption had no impact on the consolidated financial position, results of operations or cash flows of the Company. Refer to the discussion elsewhere in this note as to other information concerning our assets and liabilities measured at fair value.

In December 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2011-11 which requires that an entity disclose both gross and net information about instruments and transactions that are either eligible for offset in the balance sheet or subject to an agreement similar to a master netting agreement, including derivative instruments. ASU 2011-11 was issued in order to facilitate comparison between GAAP and IFRS financial statements by requiring enhanced disclosures, but does not change existing GAAP that permits balance sheet offsetting. This authoritative guidance is effective for annual reporting periods beginning on or after January 1, 2013, and interim periods within those annual periods. The Company is currently evaluating the provisions of ASU 2011-11 and assessing the impact, if any, it may have on the Company's financial position or results of operations.

Note 2 — Debt

Debt consists of the following at September 30, 2012 and December 31, 2011:

	September 30, 2012	December 31, 2011
Note payable to related party, net of discount	$ 209,854	$ -
Revolving credit facility to bank, current	$ -	$ 11,407,252
Subordinated note payable, related party, net of discount	$ -	$ 1,186,353
Less current portion	-	(1,186,353)
Long-term portion, subordinated note payable	$ -	$ -

Revolving Credit Facility

On January 10, 2007, the Company entered into a reserve-based revolving credit facility (the "Revolving Credit Facility") with Amegy. Under the related loan agreement (the "Loan Agreement") between Infinity, Infinity-Texas and Infinity-Wyoming (each wholly-owned subsidiaries of the Company and together, the "Guarantors") and Amegy, Infinity could borrow, repay and re-borrow on a revolving basis up to the aggregate sums permitted under the then current borrowing base. Amounts borrowed under the Revolving Credit Facility are collateralized by substantially all of the assets of Infinity and its subsidiaries and are guaranteed by Infinity's subsidiaries. The Revolving Credit Facility contained certain standard continuing covenants and agreements and requires the Company to maintain certain financial ratios and thresholds. Per the terms of the loan agreement, amounts borrowed bear interest at 5.5%, or at 11.0% if the loan is in default. The Company accrued interest at 11.0% on the balance of the loan during the three months ended March 31, 2012 and 2011 and during the nine months ended September 30, 2011. No interest was accrued on the loan balance after March 31, 2012 and the loans were satisfied with the distribution of common and redeemable convertible preferred stock effective April 13, 2012.

The Company entered into four separate forbearance agreements resulting from its breach of certain covenants in the Loan Agreement during the period 2007 through 2010.

Effective as of February 16, 2011 the Company entered into a Fifth Forbearance Agreement under the Loan Agreement. This agreement relates to the breach by the Company and Guarantors of (i) substantially all financial covenants set forth in Section 8 of the Loan Agreement and (ii) certain covenants set forth in Section 7 of the Loan Agreement (the "Existing Defaults"). Under this Agreement, Amegy agreed to forbear from exercising any remedies under the Loan Agreement and related loan documents and to waive the Existing Defaults for the forbearance period commencing as of January 31, 2011 and continuing through December 31, 2011, unless otherwise extended or earlier terminated by Amegy due to a further default under the Agreement. In connection with the Fifth Forbearance Agreement, the term of the Loan Agreement and related note was extended until December 31, 2011.

Notes to Consolidated Financial Statements
(Unaudited)

Amegy initially approved additional Forbearance Period advances of $1,050,000, which was increased to $1,260,000 on September 12, 2011, with an interest rate of prime plus 2% and the personal guarantee of the Company's President and CEO for up to $500,000 of the advances. At December 31, 2011, $500,000 of the advances was personally guaranteed by the Company's CEO. No additional compensation was granted for the personal guarantee. As of December 31, 2011 advances of $1,396,758 had been made, with $232,464 used to reduce prior obligations to Amegy, $56,084 used to repay hedge termination fees, and $21,000 used to pay current commitment fees in accordance with the Fifth Forbearance Agreement. As of December 31, 2011, Amegy had advanced a total amount of $1,396,758, which was $136,758 in excess of the approved maximum for advances. From January 1, 2012 through February 28, 2012, Amegy made additional advances of $272,070 for a total advance of $1,668,828.

On February 28, 2012, the Company signed definitive agreements with Amegy and Off-Shore Finance, LLC, a Nevada limited liability company ("Off-Shore") relating to outstanding debt and other obligations we owed to them. The transactions contemplated under these agreements closed April 13, 2012. These transactions are more fully discussed in Note 3.

In 2011, Infinity had granted Amegy a warrant to purchase 931,561 shares of the Company's common stock (the "Amegy Warrant") at an exercise price of $5.01 per share during a ten-year period following the issuance of the warrant (Note 5). The Amegy Warrant was cancelled as part of the agreement the Company and Amegy entered into on February 28, 2012 and which became effective April 13, 2012 (see Note 3). The Company recorded a debt discount equal to the estimated fair value of the Amegy Warrant on the date of issuance in the amount of $535,626, and expensed $311,985 in forbearance fees associated with the Fifth Forbearance Agreement (see below) during the three months ended September 30, 2011 ($619,274 during the nine months ended September 30, 2011), which amounts are included in the accompanying consolidated statements of operations as interest expense for those periods. Because the Fifth Forbearance Agreement ceased its effectiveness after December 31, 2011, and the Company and Amegy were in the process of negotiating and signing an agreement to exchange equity securities in full payment of the Company's obligations to Amegy, no further forbearance fees were accrued after that date. Interest expense recognized during the quarter and the nine months ended September 30, 2011 related to the accretion of the debt discount was $153,036 and $229,554, respectively (none during the quarter and nine months ended September 30, 2012).

The Company's intention had been to market and sell all remaining assets of Infinity-Wyoming and Infinity-Texas and to apply the net sales proceeds, if any, to payment of the revolving note, and in December 2011 the Company sold its Texas assets; no proceeds will be received as such note receivable, which was fully allowed for, was sold in connection with the sale by the Company of 100% of the common stock of Infinity-Texas in July 2012.

The following information relates to the Fifth Forbearance Agreement, which was in effect as of December 31, 2011, but which was cancelled effective with the closing of the agreement between the Company and Amegy effective on April 13, 2012:

> Under the Fifth Forbearance Agreement, any cash receipts of the Company were deposited in a lockbox held by Amegy as restricted cash. All cash disbursements had to be approved by Amegy.
>
> The Company also agreed to pay Amegy a monthly forbearance/waiver fee of 1.0% of the average daily outstanding principal balance of the revolving note through December 31, 2011. If any cash equity contributions to the Company are used to pay monthly interest due under the agreement, Amegy agreed to credit the Company 300% of the amount of the equity contributions as a reduction in interest cost.
>
> If Infinity failed to comply with the terms of the Fifth Forbearance Agreement, Amegy would be entitled to impose a default interest rate (prime plus 6.5%) or to declare an event of default, at which point the entire unpaid principal balance of the loan, together with all accrued and unpaid interest and other amounts then owing to Amegy would become immediately due and payable. Amegy or other creditors may take action to enforce their rights with respect to outstanding obligations, and Infinity may be forced to liquidate. Because substantially all of the Company's assets were pledged as collateral under the Revolving Credit Facility, if Amegy declared an event of default, it would be entitled to foreclose on and take possession of the Company's assets, including its rights under the Nicaraguan Concessions.

Infinity has accrued interest, forbearance and additional fees due in connection with the Forbearance Agreements of $0 and $7,896,442 as of September 30, 2012 and December 31, 2011, respectively.

Subordinated Note Payable to Related Party

Effective March 5, 2009, the Company entered into two contracts relating to its Nicaraguan Concessions, as awarded by the Republic of Nicaragua in 2003. In addition, the Company entered into a subordinated loan with Off-Shore, a related party (see Note 7) in an aggregate amount of $1,275,000, which was released as the Company needed funds for the Nicaraguan Concessions. Amegy allowed the subordinated loans to be secured by the assets of the Company, subject to Amegy's security interest. The note bore interest at 6% and would have been due March 23, 2012. This note was retired under the agreement between the Company and Off-Shore dated February 28, 2012, under which Off-Shore accepted 15,016 shares of the Company's Series B Preferred Stock in full payment of the note and its related accrued interest at such date (see also Note 4).

Further, Amegy allowed the Company to grant a one percent revenue sharing interest with respect to the Nicaraguan Concessions to Off-Shore to obtain the subordinated loan.

In connection with the issuance of the Subordinated Note Payable discussed above, the Company recorded a debt discount, through a reduction to unproved properties, of $637,620, which was amortized over the maturity of the Note utilizing the effective interest method and was fully amortized as of the date the debt was effectively satisfied (April 13, 2012) by issuance of Series B preferred stock. During the period amortization of the discount was occurring, the Company capitalized a portion of the amortization of debt discount to oil and gas properties on expenditures made in connection with exploration and development projects that are not subject to current depletion. By policy, amortization of debt discount was capitalized only for the period that activities are in progress to bring these projects to their intended use. Total subordinated note payable debt discount amortized during the quarters ended September 30, 2012 and 2011 were $0 and $69,638, respectively, of which $0 and $52,229, respectively, were capitalized to oil and gas properties. Such amortization for the nine months ended September 30, 2012 and 2011 was $83,088 and $191,324, respectively, of which $62,316 and $143,493, respectively, were capitalized.

Interest Bearing Liabilities to Vendors

At September 30, 2012 and December 31, 2011, the Company had agreed to pay interest of 8% on certain accrued liabilities aggregating $410,500. The total amount of interest accrued relating to these liabilities for the three months ending September 30, 2012 and 2011 was $8,277 and $8,277 respectively, and for the nine months ending September 30, 2012 and 2011 was $24,652 and $24,652, respectively. Included in assets of discontinued operations at December 31, 2011 was a note payable to vendor of $278,002 bearing interest at 18%; this note was assumed by the purchaser of Infinity-Texas as of July 31, 2012. Interest accrued relating to this note for the three months ending September 30, 2012 and 2011 was $6,776 and $17,315, respectively, and for the nine months ended September 30, 2012 and 2011 was $44,553 and $49,188, respectively. All of such interest expense related to the note is included in loss from discontinued operations on the accompanying consolidated statements of operations for the respective periods, and the note payable and accrued interest, amounting to $411,164 at December 31, 2011, is included within liabilities of discontinued operations.

Note Payable to Related Party

On August 28, 2012, the Company borrowed $250,000 from an entity that is 49% owned by a board member of another corporation for which Infinity's CEO serves as CEO and chairman of the board. The Company issued a short-term note payable to the entity in this amount, bearing interest at 8% per annum, maturing February 28, 2013. At the same time, the Company issued the same entity a warrant exercisable to purchase 120,000 shares of the Company's common stock at a price of $2.50 per share, expiring August 2017. The note contains a penalty provision such that if the note is not repaid on its due date, the warrant exercise price will be reduced to $0.10 per share and the number of shares that may be purchased under the warrant shall increase to 1,200,000. Management believes that the note will be repaid on or before February 28, 2013 and therefore has calculated the estimated fair value of the warrant on that assumption. If the note is not repaid timely, the warrant liability would be considerably higher. Therefore, on the assumption of timely repayment of the note the Company has recorded the estimated fair value of the warrant as of August 28, 2012 as a discount on note payable in the amount of $48,654 and a non-current derivative liability in the same amount at that date. The discount of $48,654 is being amortized on a straight line basis over the expected outstanding period of the note (August 28, 2012 through February 28, 2013) and interest expense for the three months and nine months ended September 30, 2012 includes discount amortization in the amount of $8,508.The estimated current value of the warrant derivative liability was increased to $67,783 at September 30, 2012 and such increase in derivative liability is included as an other expense in the amount of $19,129 for the three and nine months ended September 30, 2012.

Note 3 - Cancellation of Debt and Related Obligations and Issuance of Securities in Exchange for Debt

On February 28, 2012, the Company signed definitive agreements with Amegy and Off-Shore relating to outstanding debt and other obligations owed them. In accordance with these agreements, on April 13, 2012, the Company issued Amegy 2,000,000 shares of common stock and 130,000 shares of Series A redeemable convertible preferred stock, and issued Off-Shore 15,016 shares of Series B redeemable convertible preferred stock. Amegy also agreed to cancel the Amegy Warrant (that had originally been issued in February 2011), exercisable to purchase 931,561 shares of common stock. In aggregate, the Company cancelled debt, accrued interest and fees and the derivative liability that had been recorded relative to the Amegy Warrant in the aggregate amount of $21,883,393.

The Series A and Series B redeemable convertible preferred stock have a 6% annual dividend and are convertible into common stock at a price of $6.50 per share. Both series of preferred stock automatically convert into common stock if the average of the closing prices of the common stock for 30 consecutive trading days equals at least $7.50 per share. The Company has the right to redeem both series of preferred stock at any point for an amount equal to their issue price of $100 per share plus all accrued and unpaid dividends; however the Series A preferred stock has a higher liquidation preference and must be redeemed prior to any redemption of Series B preferred stock. Commencing January 1, 2013, the Series A preferred stock will vote with the common stock on all matters presented to the holders of the common stock. Beginning January 1, 2014, the Series A preferred shareholders will have a majority vote on all such matters and the right to elect a majority of the Board of Directors, if the Series A preferred stock has not been redeemed or converted into common stock. Series B preferred stock has no voting privileges. Neither series of preferred stock is transferrable for 180 days after issuance.

The common stock issued to Amegy has been recorded at a value equal to the closing price of the shares of the Company's common stock on April 13, 2012, the date the agreement was effective, a total of $2,980,000. Taking into consideration the rights and preferences accruing to the preferred stock issued, as summarized above, the Company has classified both Series A and B preferred stock as mezzanine securities on the accompanying consolidated balance sheet at September 30, 2012 and accordingly has recorded such stock at their estimated fair value. That estimated fair value was $9,743,210 for Series A preferred and $1,106,625 for Series B preferred at the date of issuance, April 13, 2012. During the period April 13 through September 30, 2012, the recorded fair value of Series A and B preferred shares accreted (increased in calculated present value) by $783,760 and $94,432, respectively ($435,013 and $52,466, respectively, during the three months ended September 30, 2012), to $10,890,970 and $1,243,102, respectively, at the latter date. Both Series A and B preferred are being accreted to their face values over a period commencing April 14, 2012 through December 31, 2013. Accrued dividends payable on the preferred shares in the amount of $406,045 have been recorded as of September 30, 2012 ($217,524 in the three months ended September 30, 2012). In addition, a $700,000 deferred tax benefit recorded at December 31, 2011 in anticipation that the Company would recognize a gain from the above transaction during 2012 has been applied in this transaction.

The aggregate amount of debt, warrant derivative and other related liabilities cancelled in the transaction exceeded the recorded amounts for common stock and Series A and B preferred stock, and the deferred tax benefit application, in the amount of $7,353,558. Management believes that the appropriate accounting for this excess is to regard it as an addition to additional paid-in capital, because of the extent and exclusivity of the financing provided by Amegy and Off-Shore to the Company since 2009, the continued willingness of Amegy to forbear from existing remedies allowed it under its 2007 agreement as it continued to provide the Company advances necessary to satisfy funding requirements of the Nicaraguan Concessions, and the voting privileges accorded the Series A preferred stockholders commencing in 2013.

Following tabular presentation summarizes the transaction as recorded by the Company as of April 13, 2012:

Debt and related liabilities at April 13, 2012:		
Note and line of credit borrowing, Amegy Bank	$ 11,679,322	
Subordinated note payable, Off-Shore	1,269,441	
Accrued interest and other fees due Amegy	8,201,314	
Accrued interest due Off-Shore	251,238	
Derivative liability related to Amegy warrant	482,078	$ 21,883,393
Equities issued in exchange for above, at estimated fair value on April 13, 2012:		
Common stock	2,980,000	
Redeemable, convertible preferred stock, Series A	9,743,210	
Redeemable, convertible preferred stock, Series B	1,106,625	13,829,835
		8,053,558
Deferred income tax asset applied in recording transaction		700,000
Excess of debt forgiven by creditors over fair value of common and Series A and B redeemable, convertible preferred stock issued in exchange, recorded as an addition to additional paid-in capital		$ 7,353,558

Note 4 — Stock Options

The Company applies ASC 718, *Stock Compensation*, which requires companies to recognize compensation expense for share-based payments based on the estimated fair value of the awards. ASC 718 also requires tax benefits relating to the deductibility of increases in the value of equity instruments issued under share-based compensation arrangements to be presented as financing cash inflows in the statement of cash flows. Compensation cost is recognized based on the grant-date fair value for all share-based payments granted, and is estimated in accordance with the provisions of ASC 718.

During the nine months ended September 30, 2012, no stock options were granted or forfeited. During the nine months ended September 30, 2011, the Company granted options to purchase 550,000 shares of common stock at $5.25/share, expiring ten years after issuance (February 2011), and 600,000 shares of common stock at $7.50/share, also expiring ten years after issuance (August 2011).

The following table summarizes stock option activity as of and for the periods ended September 30, 2012 and December 31, 2011:

	Number of Options	Weighted Average Exercise Price Per Share	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding and exercisable at January 1, 2011	903,500	$ 2.92	5.8 years	$ -
Granted in February 2011	550,000	$ 5.25		
Granted in August 2011	600,000	$ 7.50		
Outstanding and exercisable at December 31, 2011	2,053,500	$ 4.88	7.3 years	$ -
Granted in 2012	-			
Outstanding and exercisable at September 30, 2012	2,053,500	$ 4.88	6.6 years	$ -

The Company recognized expense in connection with options granted of $0 and $214,906 during the nine months ended September 30, 2012 and 2011, respectively, and $0 and $62,553 in the three months ended September 30, 2012 and 2011, respectively. The weighted average grant date fair value of the February 2011 options granted was $0.28 and for the August 2011 options was $0.10. There was no unrecognized compensation cost as of September 30, 2012 or December 31, 2011 related to unvested stock and stock options, as all options granted vested immediately and are currently exercisable.

Note 5 — Derivative Instruments and Warrants

Commodity Derivatives

As of September 30, 2012 and December 31, 2011, the Company had no oil and natural gas derivative arrangements outstanding.

Derivatives – Amegy Fifth Forbearance Warrant

On February 16, 2011, in connection with the signing of the Fifth Forbearance Agreement (see Note 2) the Company granted Amegy the Amegy Warrant exercisable to purchase 931,561 shares of the Company's common stock at an exercise price of $5.01 per share during a ten-year period following the issuance of the Warrant. The Amegy Warrant was cancelled under the agreements between the Company and Amegy dated February 28, 2012 (effective April 13, 2012). See Note 3.

The Amegy Warrant was subject to a registration rights agreement under which the Company has 120 days after the notification by Amegy to have such underlying shares registered. Such agreement was cancelled under the agreements between the Company and Amegy dated February 28, 2012 (effective April 13, 2012) that also cancelled the Amegy Warrant. See Notes 2 and 3.

In addition, the Amegy Warrant contained provisions upon which Amegy has the right, upon certain conditions, to put the Warrant to the Company at fair value. It also contained a provision under which the $5.01 per share exercise price is to be re-priced upon the issuance by the Company of equity instruments at a price less than $5.01. Further, the Company was required, during the period the Warrant could be exercised, to have authorized and reserved 110% of the number of shares of common stock required for the exercise of the shares to be issued under the Amegy Warrant. As a result of Amegy's conditional ability to put the Warrant back to the Company, it has classified the estimated fair of the Amegy Warrant (derivative liability) as a noncurrent liability in the accompanying consolidated balance sheet as of December 31, 2011. Prospective changes in the fair value of the Amegy Warrant were recorded in the consolidated statement of operations until the Warrant was cancelled. During the nine months ended September 30, 2012 the Company recorded an income item of $118,685 representing the net decrease in fair value of the Amegy Warrant for the period, but no amount was recorded as income or expense during the quarter ended that same date. During the three months ended September 30, 2011 the Company recorded income of $307,542 representing the net decrease in fair value of the Amegy Warrant. For the nine months ended September 30, 2011, the Company recorded income of $345,375 representing the net decrease in the fair value of the Amegy Warrant for the period from its issuance through September 30, 2011.

Derivatives – Warrant Issued Relative to Note Payable to Related Party

In connection with the short-term note payable entered into with a related party (see Note 2) the Company issued the same entity a warrant exercisable to purchase 120,000 shares of the Company's common stock at a price of $2.50 per share, expiring August 2017. The warrant contains a penalty provision under which the number of shares that may be purchased will increase to 1,200,000 and the exercise price will be reduced to $0.10 per share if the Company fails to pay the note when due on February 28, 2013. The Company has recorded the estimated fair value of the warrant as of August 28, 2012, on the assumption that the note payable will be entirely repaid on its due date, as a discount on note payable in the amount of $48,654 and a non-current derivative liability in the same amount at that date. The estimated current value of the warrant derivative liability was increased to $67,783 at September 30, 2012 and such increase in derivative liability is included as an other expense in the amount of $19,129 for the three and nine months ended September 30, 2012.

Note 6 — Commitments and Contingencies

The Company has no insurance coverage on its U.S domestic oil and gas properties. The Company is not in compliance with Federal and State laws regarding the U.S. domestic oil and gas properties. The Company's known compliance issues relate to the Texas Railroad Commission regarding administrative filings and renewal permits. The ultimate resolution of these compliance issues could have a significant adverse impact on the Company's financial statements.

Nicaraguan Concessions

The significant terms and work commitments associated with the Nicaraguan Concessions by area (Perlas and Tyra blocks) are summarized below. Within 15 days of entering an exploration sub-period, the Company is required to provide an irrevocable guarantee ("Irrevocable Guarantee") in favor of the Nicaraguan Ministry of Energy, payable in Nicaragua, in an amount equal to the estimated cost of such exploration sub-period, subject to an accumulated credit carry forward for the excess of work performed in the preceding exploration sub-period, as provided in the agreements relating to the Nicaraguan Concessions.

As of December 31, 2011 and September 30, 2012, the Company is in Sub-Period 1 for both Perlas and Tyra. The Company has provided Environmental Impact Studies to the Nicaraguan Ministry of Energy effective April 2011 and is awaiting approval of these studies before proceeding to Sub-Period 2. In accordance with the concession agreements, the Company has provided the Ministry of Energy with the required letters of credit in the amounts of $443,100 for Perlas (expiring March 2013) and $408,450 for Tyra (expiring September 2013). The Company has also made all required expenditures related to the concessions for training programs and as "area fees," for 2011, 2010 and, in early 2012, for that year. The Company considers it is fully in compliance with the terms of the Nicaraguan Concession agreements.

Minimum Work Program – Perlas

Block Perlas – Exploration Minimum Work Commitment and Relinquishments

Exploration Period (6 Years)	Duration (Years)	Work Commitment	Relinquishment	Irrevocable Guarantee
Sub-Period 1	2	- Environmental Impact Study - Acquisition & interpretation of 333km of new 2D seismic - Acquisition, processing & interpretation of 667km of new 2D seismic (or equivalent in 3D)	26km2	$ 443,100
Sub-Period 2 Optional	1	- Acquisition, processing & interpretation of 200km^2 of 3D seismic	53km2	$ 1,356,227
Sub-Period 3 Optional	1	- Drilling of one exploration well to the Cretaceous or 3,500m, whichever is shallower	80km2	$10,220,168
Sub-Period 4 Optional	2	- Drilling of one exploration well to the Cretaceous or 3,500m, whichever is shallower - Geochemical analysis	All acreage except areas with discoveries	$10,397,335

Minimum Work Program - Tyra

Block Tyra – Exploration Minimum Work Commitment and Relinquishments

Exploration Period (6 Years)	Duration (Years)	Work Commitment	Relinquishment	Irrevocable Guarantee
Sub-Period 1	1.5	- Environmental Impact Study - Acquisition & interpretation of 667km of existing 2D seismic - Acquisition of 667km of new 2D seismic (or equivalent in 3D)	26km2	$ 408,450
Sub-Period 2 Optional	0.5	- Processing & interpretation of the 667km 2D seismic (or equivalent in 3D) acquired in the previous sub-period	40km2	$ 278,450
Sub-Period 3 Optional	2	- Acquisition, processing & interpretation of 250km^2 of new 3D seismic	160km2	$ 1,818,667
Sub-Period 4 Optional	2	- Drilling of one exploration well to the Cretaceous or 3,500m, whichever is shallower - Geochemical analysis	All acreage except areas with discoveries	$ 10,418,667

Contractual and Fiscal Terms

Training Program	US $50,000 per year, per block	
Area Fee	Yr 1-3	$0.05/hectare
	Yr 4-7	$0.10/hectare
	Yr 8 fwd	$0.15/hectare
Royalties	Recovery Factor	Percentage
	0 – 1.5	5%
	1.5 – 3.0	10%
	>3.0	15%
Natural Gas Royalties	Market value at production	5%
Corporate Tax	Rate no higher than 30%	
Social Contribution	3% of the net profit (1.5% for each autonomous region)	
Investment Protection	ICSID arbitration OPIC insurance	

The minimum cash commitment budgeted for the Nicaraguan Concessions for 2012 is approximately $256,800, of which approximately $303,500 has been incurred and paid through November 26, 2012. The Sub Period 2 starts when the Nicaraguan Government approves the environmental impact study. The approval is currently pending. Once the approval is received the minimum cash requirements for the next twelve month period will be $1,894,000 of which $1,634,677 is related to seismic and $259,300 is related to the training and area fees under the concession. See Note 1 for discussion of Going Concern.

Delivery Commitments

In June 2005, Infinity-Texas entered into a long-term gas gathering contract for natural gas production from its properties in Erath County, Texas, under which Infinity-Texas was to pay a gathering fee of $0.35 per Mcf gathered to LDH Gas Development, L.P (LDH). The contract contains minimum delivery volume commitments through December 31, 2011 associated with firm transportation rights. The aggregate amount owing related to the shortfalls was $2,845,458 (which had been entirely accrued prior to 2011). In July 2012, the Company sold 100% of the common stock of Infinity-Texas for $1 and the assumption of all the Infinity - Texas liabilities by the purchaser (see Note 8). In accordance with the results of this transaction, the LDH liability is no longer a Company obligation after that date. The amount of the liability is presented in the accompanying consolidated balance sheets as an element of "current liabilities of discontinued operation" at December 31, 2011.

Revenue Sharing Commitments

On March 23, 2009, the Company entered into a Securities Purchase Agreement, dated effective as of March 23, 2009, with Off-Shore, an accredited investor, to issue a subordinated secured promissory note in the aggregate principal amount of up to $1,275,000 and a one percent (1%) revenue sharing interest in the Nicaraguan Concessions. As of December 31, 2009, Off-Shore had funded $1,275,000 (the "Funding Amount").

Under the Revenue Sharing Agreement (the "Revenue Agreement"), Infinity assigned to Off-Shore a monthly payment (the "RSP") equal to the revenue derived from one percent (1%) of Infinity's share of the hydrocarbons produced at the wellhead from the Nicaraguan Concessions. The RSP shall bear its proportionate share of all costs incurred to deliver the hydrocarbons to the point of sale to an unaffiliated purchaser, including its share of production, severance and similar taxes, and certain additional costs. The RSP shall be paid to Off-Shore by the last day of each month based on the revenue received by Infinity from the purchaser of the production during the previous month from the Nicaraguan Concessions. The Revenue Agreement does not create any obligation for Infinity to maintain or develop the Nicaraguan Concessions, and does not create any rights in the Nicaraguan Concessions for Off-Shore. At any time within three (3) years from the date of the Revenue Agreement, Infinity has the right to redeem the RSP by paying Off-Shore an amount as follows: (i) until March 22, 2010, a sum equal to three (3) times the Funding Amount, or $3,825,000; (ii) until March 22, 2011, a sum equal to five (5) times the Funding Amount, $6,375,000; or (iii) until March 22, 2012, a sum equal to ten (10) times the Funding Amount, or $12,750,000. Upon the redemption of the RSP by Infinity, the Revenue Agreement shall terminate. As of March 23, 2012, the Company had not exercised its right to redeem and such redemption right expired.

On June 6, 2009 the Company entered into a Revenue Sharing Agreement with the officers and directors for services provided. Infinity assigned to officers and directors a monthly payment (the "RSP") equal to the revenue derived from one percent (1%) of Infinity's share of the hydrocarbons produced at the wellhead from the Nicaraguan Concessions. The RSP shall bear its proportionate share of all costs incurred to deliver the hydrocarbons to the point of sale to an unaffiliated purchaser, including its share of production, severance and similar taxes, and certain additional costs. The RSP shall be paid by the last day of each month based on the revenue received by Infinity from the purchaser of the production during the previous month from the Nicaraguan Concessions. The Revenue Agreement does not create any obligation for Infinity to maintain or develop the Nicaraguan Concessions, and does not create any rights in the Nicaraguan Concessions for officers and directors.

The Company intends to seek joint venture or working interest partners (the "Farmout") prior to the commencement of any exploratory drilling operations on these Nicaraguan Concessions. On September 8, 2009 the Company entered into a Revenue Sharing Agreement with Jeff Roberts to assist the Company with its technical studies of gas and oil holdings in Nicaragua and managing and assisting in the Farmout. Infinity assigned to Jeff Roberts a monthly payment (the "RSP") equal to the revenue derived from one percent (1%) of Infinity's share of the hydrocarbons produced at the wellhead from the Nicaraguan Concessions. The RSP shall bear its proportionate share of all costs incurred to deliver the hydrocarbons to the point of sale to an unaffiliated purchaser, including its share of production, severance and similar taxes, and certain additional costs. The RSP shall be paid to Jeff Roberts by the last day of each month based on the revenue received by Infinity from the purchaser of the production during the previous month from the Nicaraguan Concessions. The Revenue Agreement does not create any obligation for Infinity to maintain or develop the Nicaraguan Concessions, and does not create any rights in the Nicaraguan Concessions for Jeff Roberts.

On September 8, 2009 the Company entered into a Revenue Sharing Agreement with Thompson Knight Global Energy Services ("Thompson Knight") to assist the Company with its technical studies of gas and oil holdings in Nicaragua and managing and assisting in the Farmout. Infinity assigned to Thompson Knight a monthly payment (the "RSP") equal to the revenue derived from one percent (1%) of Infinity's share of the hydrocarbons produced at the wellhead from the Nicaraguan Concessions. The RSP shall bear its proportionate share of all costs incurred to deliver the hydrocarbons to the point of sale to an unaffiliated purchaser, including its share of production, severance and similar taxes, and certain additional costs. The RSP shall be paid to Thompson Knight by the last day of each month based on the revenue received by Infinity from the purchaser of the production during the previous month from the Nicaraguan Concessions. The Revenue Agreement does not create any obligation for Infinity to maintain or develop the Nicaraguan Concessions, and does not create any rights in the Nicaraguan Concessions for Thompson Knight.

Lack of Compliance with Law Regarding Domestic Properties

Infinity is not in compliance with existing federal, state and local laws, rules and regulations for its domestic properties and this could have a material or significantly adverse effect upon the liquidity, capital expenditures, earnings or competitive position of Infinity. For the year ended December 31, 2008 the remaining values of Infinity-Texas and Infinity-Wyoming were written down to zero as the Company focused solely on the development of the Nicaraguan Concessions. Management believes the estimate of the Company's asset retirement obligations consisting of costs related to the plugging of wells, the removal of facilities and equipment, and site restoration on oil and gas properties is sufficient to cover any noncompliance liabilities. The Company no longer carries insurance on the domestic properties.

Contingent Fees

In addition to the Revenue Sharing Agreement with Thompson Knight to assist the Company with its technical studies of gas and oil holdings in Nicaragua and managing and assisting in the Farmout, the Company agreed to compensate Thompson Knight a success fee of 5% of the upfront cash fee paid to Infinity by a third party earning an interest in the Nicaragua asset up to $20 million and 10% of any amount exceeding the $20 million. A 2% success fee would be paid to Thompson Knight of the remaining cash investment in subsequent years.

Prior to action taken in December 2012, there was an agreement that at such time the Company entered into an agreement with a partner on the Nicaragua Concession and the Company received and collected up to $20,000,000 in upfront fees, Messrs. Ross and Hutchins would receive a bonus of 5% of the first $20,000,000 and 10% of any amount over $20,000,000, which amount was to be divided 50% to each officer. In December 2012, the parties terminated this agreement. As of September 30, 2012 and December 31, 2011, no amounts had been accrued under these contingent fee arrangements.

Litigation

The Company is subject to numerous claims and legal actions in which vendors are claiming breach of contract due to the Company's failure to pay amounts due. The Company believes that it has made adequate provision for these claims in the accompanying financial statements.

The Company is currently involved in litigation as follows:

> Exterran Energy Solutions, L.P., f/k/a Hanover Compression Limited Partnership, who filed an action in the District Court of Erath County, Texas, number CV30512, on March 31, 2010 against Infinity Oil and Gas of Texas, Inc., Infinity Energy Resources, Inc., Longhorn Properties, LLC, and Forest Oil Corporation. Exterran Energy Solutions, L.P. provided certain gas compressor and related equipment pursuant to a Gas Compressor/Production Equipment Master Rental & Servicing Agreement with Infinity dated January 3, 2005 in Erath County, Texas and is claiming breach of contract for failure to pay amounts due. The Company has included the impacts of this litigation as liabilities in its accounts payable because it does not dispute the amount owed. In 2009 the Company recorded the amount claimed. The Company will seek to settle the lawsuit when it has the financial resources to do so. The suit is in the discovery stage.
>
> Certain litigation had been filed against Infinity Oil and Gas of Texas (Infinity – Texas) by LDH Gas Development, L.P. In connection with this matter, Infinity - Texas had recorded accounts payable and accrued expense in the aggregate amount of $2,845,458 in 2009. These liabilities have been reflected since 2009 in the Company's consolidated financial statements and were included in "current liabilities of discontinued operation" in the Company's consolidated balance sheet at December 31, 2011. In July 2012, the Company sold 100% of the common stock of Infinity-Texas for $1 and the assumption of all the Infinity – Texas liabilities by the purchaser. In accordance with the results of this transaction, the LDH liability is no longer a Company obligation after that date. The amount of the liability is presented in the accompanying consolidated balance sheets as an element of "current liabilities of discontinued operations" at December 31, 2011.

Note 7 — Related Party Transactions

The corporate office was located in Denver, Colorado until November 2008 when the Denver office was closed. The corporate office moved to the business office of the CFO of the Company. The Company currently does not have any employees and the staff of the CFO provides the office services. These services are billed at the CFO firm's standard billing rate plus out-of-pocket expenses. For the quarters ended September 30, 2012 and 2011, the Company was billed $59,745 and $41,221, respectively, and for the nine months ended September 30, 2012 and 2011, the Company was billed $203,328 and $152,456, respectively. The amount due to the CFO's firm for services provided was $708,214 at September 30, 2012 and $514,885 at December 31, 2011.

The Company entered into a subordinated loan with Off-Shore in the aggregate amount of $1,275,000 for funds for the Nicaraguan Concessions. This note was satisfied by the Company's issuance of shares of Series B redeemable convertible preferred stock effective April 13, 2012 to Off-Shore (see Note 3). The managing partner of Off-Shore and the CFO are partners in the accounting firm which the Company uses for its corporate office. The Series B preferred stock continues to be held by Off-Shore.

While the relationship with Amegy Bank was ongoing and debt was outstanding (through April 13, 2012), the Company's CEO personally guaranteed up to $500,000 of the Forbearance advances. His guarantee obligation was never called upon and he was not compensated by the Company for such guarantee.

As of September 30, 2012 and December 31, 2011, the Company had accrued compensation to its officers and directors of $891,708 and $744,708, respectively.

As discussed in Note 2, on August 28, 2012, the Company borrowed $250,000 from an entity that is 49% owned by a board member of another corporation for which Infinity's CEO serves as CEO and chairman of the board. The Company issued a short-term note to bearing interest at 8% per annum and maturing February 28, 2013 to such party. In connection with the transaction, the Company issued the lender a warrant exercisable to purchase 120,000 shares of the Company's common stock at a price of $2.50 per share, expiring August 2017. The warrant contains a penalty provision under which the number of shares that may be purchased will increase to 1,200,000 and the exercise price will be reduced to $0.10 per share if the Company fails to pay the note when due on February 28, 2013.

Note 8 — Sale of Infinity-Texas, and Discontinued Operations Reporting

On July 31, 2012, the Company sold 100% of the stock of its wholly-owned subsidiary, Infinity Oil and Gas of Texas (Infinity-Texas) to an individual, the single member of an LLC which purchased the oil and gas properties of Infinity-Texas in 2011 (see "Oil and Gas Properties" in Note 1). The terms of the Stock Purchase Agreement with the purchaser are that purchaser would acquire 100% of the stock of Infinity-Texas for $1 and thereby assume all of it liabilities. At the date of the sale, Infinity-Texas had net liabilities of $5,152,111. Management believes that there are certain contingent liabilities related to Texas properties for which the Company, the parent entity, may retain financial responsibility. The liabilities are related to the reclamation of oil and gas properties and include the cost of plugging inactive wells and removal and recovery of any remaining production equipment. Infinity-Texas is primarily responsible for such obligations, but the officers of Infinity-Texas at the time such wells were in production, in their capacities as signators of certain regulatory filings, could be personally responsible. The State of Texas filed a lawsuit naming Infinity-Texas, the Company and the corporate officers of Infinity-Texas, and seeking $30,000 of reclamation costs associated with a single well, in addition to administrative expenses and penalties. The Company is in the process of proposing a solution to this and other potential such actions and is in discussion with regulatory authorities in Texas and the current owner of Infinity-Texas toward such a resolution. The officers are held harmless by indemnification provisions of the Company, therefore these liabilities, to the extent they may become actual, are the obligations of the Company. The extent of these liabilities is estimated by Management to not exceed $780,000, calculated as $30,000 for each of the 26 Infinity-Texas operated wells. This related liability is classified as the noncurrent officer indemnification liability at September 30, 2012.

The assets, liabilities and operations of Infinity-Texas are reported on the accompanying consolidated financial statements as those of a discontinued operation for the current and prior periods and dates presented. Because Infinity-Texas has not been actively operating during any of the periods presented, no overhead costs have been allocated to the discontinued operations during such periods.

Notes to Consolidated Financial Statements
(Unaudited)

The analysis below sets forth the major classes of the assets and liabilities of Infinity-Texas, which are presented separately in the accompanying consolidated balance sheet at December 31, 2011. Infinity-Texas also had title at December 31, 2011 to a note receivable from the single member LLC which purchased its oil and gas properties in December 2011, which was carried at December 31, 2011 net of a 100% valuation allowance and is therefore not reflected as an asset in the analysis below..

		December 31, 2011
ASSETS		
Current asset:		
Accounts receivable	$	2,992
Total assets	$	2,992
LIABILITIES		
Current liabilities:		
Accounts payable	$	2,213,029
Accrued liabilities		2,212,004
Note payable to vendor		278,022
Total current liabilities		4,703,055
Long-term liability:		
Asset retirement obligation		389,759
Total liabilities	$	5,092,814

The following analysis relates the assets and liabilities set forth in the table above to the gain recognized in sale of Infinity-Texas:

Total liabilities of Infinity-Texas at December 31, 2011	$	5,092,814
Total assets of Infinity-Texas at December 31, 2011		2,992
Net liabilities of Infinity-Texas at December 31, 2011		5,089,822
Additions to Infinity-Texas liabilities, January 1 through July 31, 2012 (equal to loss of discontinued operations for same period)		62,289
Potential liabilities related to indemnification of officers by the Company		(780,000)
Gain on sale of discontinued operation, July 31, 2012	$	4,372,111

The operating expenses of Infinity-Texas for the three months ended September 30, 2012 and 2011 and the nine months ended those same dates follows:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2012	2011	2012	2011
General and administrative expenses	$ -	$ 10,654	$ -	$ 12,382
Accretion expense	-	8,389	17,736	24,392
Interest expense	6,776	17,314	44,553	49,188
Total expenses	$ 6,776	$ 36,357	$ 62,289	$ 85,962

Note 9 — Subsequent Event – Issuance of Stock Options,Termination of Contingent Fee Agreement and Issuance of Convertible Note

In November 2012, the Company awarded stock options exercisable to purchase 1,250,000 shares to officers, directors and third parties at an exercise price of $3.00 per share. The options vest in equal amounts, one-third immediately upon issuance, one-third on the first anniversary in November 2013, and the final third in November 2014. The financial effect of the stock option issuance will be recorded as of the issuance date in the final quarter of the year. In December 2012, a contingent fee arrangement that had been in effect between certain officers and the Company was terminated by mutual agreement of all parties; see Note 6, “Contingent Fees.”

Also in November 2012 the Company issued a convertible promissory note to Quarles & Brady LLP, its outside legal counsel, in the principal amount of $212,400 for outstanding invoices for services rendered. Such note bears interest at the rate of 3% per annum, is due and payable on March 31, 2014 and convertible into common stock at a price of $3.00 per share.

ITEM 2. *MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS*

The following information should be read in conjunction with the Unaudited Consolidated Financial Statements and Notes presented elsewhere in this Quarterly Report on Form 10-Q. Infinity follows the full-cost method of accounting for oil and gas properties. See "Summary of Significant Accounting Policies," included in Note 1 to the Consolidated Financial Statements for the Nine Months Ended September 30, 2012 and the Year Ended December 31, 2011.

Infinity Energy Resources, Inc. and its subsidiaries, (collectively, "Infinity," "Company," "we," "us" and "our") are engaged in the acquisition and exploration of oil and gas properties offshore Nicaragua in the Caribbean Sea.

On March 5, 2009 Infinity signed the contracts relating to its Nicaraguan Concessions. Infinity has submitted an environmental study and the development of geological information from reprocessing and additional evaluation of existing 2-D seismic data that was acquired over the Nicaraguan Concessions located offshore. Infinity is currently seeking offers from other industry operators for interests in the acreage in exchange for cash and a carried interest in exploration and development operations. The funds raised through the subordinated note transaction and Forbearance advances from the bank were used to fund these expenses. No assurance can be given that these funds will be sufficient to cover the exploration and development cost until a partner is found.

We do not have any off-balance sheet debt nor did we have any transactions, arrangements, obligations (including contingent obligations) or other relationships with any unconsolidated entities or other persons that may have material current or future effect on financial conditions, changes in the financial conditions, results of operations, liquidity, capital expenditures, capital resources, or significant components of revenue or expenses.

FORWARD-LOOKING STATEMENTS

This Report on Form 10-Q for the nine months ended September 30, 2012, contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which are intended to be covered by the safe harbors created thereby. To the extent that there are statements that are not recitations of historical fact, such statements constitute forward-looking statements that, by definition, involve risks and uncertainties. In any forward-looking statement, where we express an expectation or belief as to future results or events, such expectation or belief is expressed in good faith and believed to have a reasonable basis, but there can be no assurance that the statement of expectation or belief will be achieved or accomplished.

The actual results or events may differ materially from those anticipated and as reflected in forward-looking statements included herein. Factors that may cause actual results or events to differ from those anticipated in the forward-looking statements included herein include the Risk Factors described in Item 1A of our Registration Statement on Form 10 filed on May 13, 2011, as amended on July 1, 2011 and April 4, 2012..

Factors that could cause or contribute to our actual results differing materially from those discussed herein or for our stock price to be adversely affected include, but are not limited to: (i) we have a history of losses and are experiencing substantial liquidity problems; (ii) we have been unable to satisfy most of our current liabilities; (iii) we require working capital for our operations for the next 12 months and capital to continue our exploration and development efforts on the Nicaraguan Concessions and there can be no assurances we will be able to obtain it or do so on terms favorable to us; (iv) we and our independent registered public accounting firm have concluded that there exists substantial doubt about our ability to continue as a going concern; (v) our Nicaraguan Concessions and planned future exploration activities are in a country with a developing economy and are subject to the risks of political and economic instability associated with such economies; (vi) exploration and development of our Nicaraguan Concessions will require large amounts of capital or a commercial relationship with an industry operator which we may not be able to obtain; (vii) we may not have sufficient resources to conduct seismic mapping on our Nicaraguan Concessions; (viii) the oil and gas exploration business involves a high degree of business and financial risk; (ix) we will be subject to regulations affecting our activities with the Nicaraguan Concessions; (x) our operations may be adversely affected by changes in the fiscal regime of Nicaragua; (xi) we are continuing to negotiate with our creditors and may face additional claims in the future; (xii) oil prices may be affected by regional factors; (xiii) any future production will be contingent on successful exploration, development and acquisitions to establish reserves and revenue in the future; (xiv) the oil and gas industry is highly competitive; (xv) exploratory drilling is an uncertain process with many risks; (xvi) oil and gas prices are volatile, and declines in prices would hurt our revenues and ability to achieve profitable operations; (xvii) our common stock is traded on the Over the Counter QB Tier Market (OTCQB); (xviii) we depend on key personnel; (xix) sufficient voting power by coalitions of a few of our larger stockholders to make corporate governance decisions that could have significant

effect on us and the other stockholders; (xx) sale of substantial amounts of our common stock that may have a depressive effect on the market price of the outstanding shares of our common stock; (xxi) our issuance of common and Series A redeemable convertible preferred stock to Amegy and Series B redeemable convertible preferred stock to Off-Shore diluted the ownership interests of our existing stockholders and the possible issuance of additional common stock subject to options and warrants that may dilute the interest of stockholders; (xxii) our ability to comply with Sarbanes-Oxley Act of 2002 Section 404; (xxiii) our nonpayment of dividends and lack of plans to pay dividends in the future; (xxiv) future sale of a substantial number of shares of our common stock that could depress the trading price of our common stock, lower our value and make it more difficult for us to raise capital; (xxv) our additional securities available for issuance, which, if issued, could adversely affect the rights of the holders of our common stock; (xxvi) our stock price is likely to be highly volatile due to a number of factors, including a relatively limited public float; and (xxvii) indemnification of our officers and directors.

Readers are cautioned not to place undue reliance on the forward-looking statements contained herein, which speak only as of the date hereof. We believe the information contained in this Form 10-Q to be accurate as of the date hereof. Changes may occur after that date, and we will not update that information except as required by law in the normal course of our public disclosure practices.

2012 Operational and Financial Objectives

Corporate Activities

On April 14, 2011, we announced that we had completed and filed with the Nicaraguan government the Environmental Impact Assessment ("EIA") covering proposed seismic activities on the 1.4 million-acres in our Nicaraguan Concessions. The filing of the EIA will be followed by a "comment period" during which there will be interaction among Infinity; the Ministerio del Ambiente y los Recursos Naturales de Nicaragua, an agency of the Nicaraguan government; and the autonomous regions of Nicaragua that are nearest the Nicaraguan Concessions. During this process, we will continue to maintain our relationship with the autonomous regions. After the EIA has been formally approved, Infinity expects to be cleared to commence 3-D seismic mapping activities in the area, although no assurances can be offered in this regard. See Liquidity and Capital Resources below.

Subject to obtaining sufficient capital, we plan to commence our seismic mapping activities. The 3-D seismic program will seek to further evaluate the structures that were previously identified with 2-D seismic in the Eocene Zone. Our geological consultants have estimated that these Eocene structures may contain recoverable oil in place. In addition, 3-D seismic should provide our first look at the potential for oil resources in the Cretaceous Zone, which we could not evaluate using less precise 2-D seismic mapping.

We intend to finance our business strategy through external financing, which may include debt and equity capital raised in public and private offerings, joint ventures, sale of working or other interests, employment of working capital and cash flow from operations, if any, net proceeds from the sales of assets.

Our ability to complete these activities is dependent on a number of factors, including, but not limited to:

- The availability of the capital resources required to fund the activity;
- The availability of third party contractors for completion services; and
- The approval by regulatory agencies of applications for permits to conduct exploration activities in a timely manner.

Results of operations for the nine months ended September 30, 2012 compared to the nine months ended September 30, 2011

Infinity incurred net income applicable to common shareholders of $2,137,769, or $0.11 per diluted share, for the nine months ended September 30, 2012 compared to a net loss of $(2,922,041), or $(0.16) per diluted share, for the nine months ended September 30, 2011. In 2012, the Company issued Series A and Series B redeemable convertible preferred stock effective April 13, 2012. The 6% cumulative dividend accrued relative to the period, as well as the accretion in the value ascribed to the preferred shares between those dates (which represent value attributable to holders of the preferred rather than common shares) decrease the Company's net income of $3,422,006 to arrive at net income applicable to common shareholders in the determination of basic and diluted net loss per share.

The Company's consolidated statements of operations for both the nine months ended September 30, 2012 and 2011 segregate the operating expenses of the company's formerly 100% owned subsidiary, Infinity-Texas, which was sold in its entirety effective July 31, 2012, as "Loss on discontinued operations." See Note 8 to the consolidated financial statements. A gain on that sale is included as "gain on sale of discontinued operation" for the nine months ended September 30, 2012.

Revenue

The Company had no revenues in either the nine months ending September 30, 2012 or 2011. The Company focused solely on the exploration, development and financing of the Nicaraguan Concessions.

General and Administrative Expenses

General and administrative expenses in the nine months ended September 30, 2012 were $228,776 less than for the nine months ended September 30, 2011. This decrease was primarily attributable to 1) the decrease in officer compensation expense of $201,056 due to the cost of stock options granted in 2011 (February and August), with no such options granted in 2012, combined with 2) decreases in legal and professional expenses in the 2012 as compared with 2011 of $32,726.

Other income (expense)

As noted above, on July 31, 2012 the Company sold the entirety of its 100% investment in its consolidated subsidiary, Infinity-Texas. The gain on that sale in the amount of $4,372,111 is included as "gain on sale of discontinued operation." The consolidated statements of operations for the nine month periods ended both September 30, 2012 and 2011 segregate the operations of Infinity-Texas as "loss on discontinued operations" in the amounts of $(62,289) and $(85,962), respectively. The principal reason for the decrease in loss between the two periods is that the 2011 period contains 9 months' operating results whereas the 2012 period ceases with the sale dated July 31, 2012.

Interest expense net of amounts capitalized to oil and gas properties decreased from $2,303,049 for the nine months ended September 30, 2011 to $364,758 for the nine months ended September 30, 2012. This significant decrease was entirely attributable to the fact that all debt due Amegy and Off-Shore outstanding for the entire period in 2011 was satisfied effective April 13, 2012 by the issuance of common and Series A and B redeemable convertible preferred stock (see Note 3). Also, the 2011 period reflected the accrual of forbearance fees due Amegy for the entire period and the accrual of such fees ceased effective December 31, 2011. No forbearance fees were reflected within the comparative 2012 period. The 2012 period also includes interest expense and debt discount amortization related to the note payable to unrelated party entered into August 28, 2012, in the aggregate amount of $10,286.

The fair value of the Company's derivative liability, related to the Amegy Warrant (cancelled effective April 13, 2012 -- see Note 3), decreased in the nine months ended September 30, 2012, resulting in an increase to other income item in the amount of $118,685. This increase in other income was offset by an other expense during the same period related to an increase of $19,129 in the fair value of a second derivative liability created in 2012 related to warrants issued to the related party holder of the Company's short-term note payable, netting to a $99,556 other income item for the 2012 period. During the same period in 2011 the Company reflected an increase in other income attributable to the decrease in the fair value of the Amegy warrant derivative liability by $345,735. These derivative values, which are required to be presented in accordance with generally accepted accounting principles, primarily reflect the liability associated with remaining life of the related warrants with changes in fair value being principally impacted by the volatility of the Company's stock price.

Income Tax

Infinity reflected no net tax benefit or expense in the nine month periods ended September 30 in either 2012 or 2011. The net operating loss generated in the nine month period ending in 2011 increased Infinity's gross deferred tax asset related to future ability to utilize net operating losses to reduce future income tax outlays. For the most part, due to uncertainty as to the ultimate ability of the Company to utilize its net deferred tax asset, the Company has recognized no net deferred tax benefit, and has, as a result, offset its gross deferred tax benefit with a 100% valuation allowance. A deferred tax benefit (asset) had been created at December 31, 2011 in anticipation of the recognition of a taxable gain from the exchange of common and preferred shares for all outstanding Amegy and Off-Shore debt and accrued related interest and other fees, as well as the Amegy warrant (Note 3). The Company determined in the nine months ended September 30, 2012, when the exchange occurred, that no gain recognition would be appropriate, and the deferred tax asset was applied against additional paid-in capital recognized as the result of the exchange. In the nine months ending September 30, 2012, the Company generated a net income of $3,422,006. Due to the combined effect of not having recorded any deferred tax benefit for the anticipated utilization of net operating losses in prior periods, and that the taxable income created in the nine months ended September 30, 2012 is entirely offset by those net operating losses, there is no current or deferred income tax expense appropriate for the period.

Results of operations for the three months ended September 30, 2012 compared to the three months ended September 30, 2011

Infinity incurred net income applicable to common shareholders of $3,482,083, or $0.17 per diluted share, for the three months ended September 30, 2012 compared to a net loss of $(871,420), or $0.05 per diluted share, for the three months ended September 30, 2011. In 2012, the Company's Series A and Series B redeemable convertible preferred stock, issued April 13, 2012, were outstanding for the entire three months ending September 30, 2012. The 6% cumulative dividend accrued relative to the period, as well as the accretion in the value ascribed to the preferred shares between those dates (which represent value attributable to holders of the preferred rather than common shares) decrease the Company's actual net income of $4,187,086 to arrive at the income applicable to common shareholders in the determination of basic and diluted net loss per share.

The Company's consolidated statements of operations for both the three months ended September 30, 2012 and 2011 segregate the operating expenses of the company's formerly 100% owned subsidiary, Infinity-Texas, which was sold in its entirety effective July 31, 2012, as "Loss on discontinued operations." See Note 8 to the consolidated financial statements. A gain on that sale is included as "gain on sale of discontinued operation" for the three months ended September 30, 2012.

Revenue

The Company had no revenues in either the three months ending September 30, 2012 or 2011. The Company focused solely on the exploration, development and financing of the Nicaraguan Concessions.

General and Administrative Expenses

General and administrative expenses in the three months ended September 30, 2012 were $150,545 less than for the three months ended September 30, 2011. This decrease was primarily attributable to 1) the decrease in officer compensation expense of $62,553 due to the cost of stock options granted in August 2011 with no such options granted in the three month period in 2012, combined with 2) decreases in legal and professional expenses in the 2012 as compared with 2011 of $72,043.

Other income (expense)

Interest expense net of amounts capitalized to oil and gas properties decreased from $820,300 for the three months ended September 30, 2011 to $18,542 for the three months ended September 30, 2012. This significant decrease was entirely attributable to the fact that all debt due Amegy and Off-Shore outstanding for the entire period in 2011 was satisfied effective April 13, 2012 by the issuance of common and Series A and B redeemable convertible preferred stock (see Note 3). Also, the 2011 period reflected the accrual of forbearance fees due Amegy for the entire period and the accrual of such fees ceased effective December 31, 2011. No forbearance fees were reflected within the comparative 2012 period. The 2012 period also includes interest expense and debt discount amortization related to the note payable to unrelated party entered into August 28, 2012, in the aggregate amount of $10,286.

The change in derivative fair value changed significantly from an income item of $307,542 for the three months ended September 30, 2011 to an expense item of $(19,129) for the three months ended September 30, 2012. The 2011 income effect resulted from a decrease during the quarter in the fair value of the derivative liability related to the Amegy Warrant (see Note 3), which warrant was cancelled in April 2012 and thus is not outstanding during the three months ended September 30, 2012. During the three months ended September 30, 2012, the Company issued another warrant to the related party holder of the Company's short-term note payable, effective August 28, 2012. From that date until September 30, 2012, the fair value of that derivative warrant liability increased by $19,129, resulting in an other expense for the three months then ended. These derivative values, which are required to be presented in accordance with generally accepted accounting principles, primarily reflect the liability associated with remaining life of the related warrants with changes in fair value being principally impacted by the volatility of the Company's stock price.

Income Tax

Infinity reflected no net tax benefit or expense in the three month periods ended September 30 in either 2012 or 2011. The net operating loss generated in the three months ending in 2011 increased Infinity's gross deferred tax asset related to future ability to utilize net operating losses to reduce future income tax outlays. For the most part, due to uncertainty as to the ultimate ability of the Company to utilize its net deferred tax asset, the Company has recognized no net deferred tax benefit, and has, as a result, offset its gross deferred tax benefit with a 100% valuation allowance. In the three months ending September 30, 2012, the Company generated a net income of $4,187,086. Due to the combined effect of not having recorded any deferred tax benefit for the anticipated utilization of net operating losses in prior periods (including the first six months of 2012), and that the taxable income created in the three months ended September 30, 2012 is entirely offset by those net operating losses, there is no current or deferred income tax expense appropriate for the period.

Liquidity and Capital Resources; Going Concern

The Company has had a history of losses. Although the sale of Infinity-Texas relieved the Company of a considerable portion of its current liabilities, the Company continues to have a significant working capital deficit and continues to experience substantial liquidity issues. As also discussed in Note 2 of the Financial Statements, as of December 31, 2011 we were operating under the Fifth Forbearance Agreement with Amegy under the Revolving Credit Facility. We had entered into the Fifth Forbearance under the Revolving Credit Facility as a result of our failure to meet substantially all financial and certain other covenants during 2007, 2008, 2009 and 2010. Under this Agreement, Amegy agreed to forebear from exercising any remedies under the Revolving Credit Facility, the revolving note and the related loan documents and to temporarily waive the covered events of default through December 31, 2011.

We continued to operate under the Fifth Forbearance Agreement through February 28, 2012, when definitive agreements with Amegy and Off-Shore relating to outstanding debt and other obligations we owed to them were signed. Effective April 13, 2012, the transactions contemplated under these agreements closed and the Company exchanged common stock and Series A and Series B redeemable convertible preferred stock shares in satisfaction of all the outstanding Amegy and Off-Shore debt, related accrued interest and other fees, and the Amegy Warrant. At December 31, 2011 the entirety of the debt and related accruals was classified as current liability on the accompanying consolidated balance sheet and the derivative liability related to the Amegy Warrant was classified as a long-term liability; these balances were no longer outstanding at September 30, 2012.

We conducted an environmental study and developed geological information from the reprocessing and additional evaluation of existing 2-D seismic data acquired on our Nicaraguan Concessions. We issued letters of credit totaling $851,550. We commenced significant activity under the work plan and are waiting for governmental approval of the environmental study. Once the approval is received the minimum cash requirements for the next twelve month period will be $1,894,000 of which $1,634,677 is related to seismic and $259,300 is related to the training and area fees under the concession.

We estimate that we will require approximately $2,480,000 in working capital for the next 12 months, but not including annual salaries of $200,000 to our officers, which we will continue to defer if we do not have sufficient capital, and not including obligations that we owe to third parties. The $2,480,000 includes $1,894,000 for expenditures projected to be required under Sub-period 2 of the Nicaraguan Concessions, which would occur after our receipt of all approvals of the Environmental Impact Assessment, $270,000 in expenditures for direct Nicaragua expenditures not required under the Nicaraguan Concessions and $315,000 in administrative expenditures required to maintain SEC requirements. We can offer no assurances regarding the receipt of such approvals or, if received, their timing.

We plan to raise capital to satisfy the foregoing needs through an offering of our equity or debt securities and/or through a commercial relationship with other industry operators, which may involve the granting of revenue or other interests in the Nicaraguan Concessions in exchange for cash and a carried interest in exploration and development operations or the creation of a joint venture or other strategic partnership. There can be no assurance that we will obtain such funding or obtain it on terms acceptable to us. Further, if we cannot meet our obligations respecting the Nicaraguan Concessions, we will lose our rights to them.

Due to the uncertainties related to these matters, there exists substantial doubt about our ability to continue as a going concern. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount and classification of liabilities that might result should we be unable to continue as a going concern.

Critical Accounting Policies and Estimates

The discussion and analysis of our financial condition and results of operations is based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. We believe certain critical accounting policies affect the more significant judgments and estimates used in the preparation of our consolidated financial statements. Our significant accounting policies are summarized in the notes to our consolidated financial statements included in Item 1, "Financial Statements," of this quarterly report.

The application of our accounting policies regarding income taxes and full cost accounting for oil and gas properties and the sale of oil and gas properties are critical to two accounting estimates made in 2011.

As noted above, the Company reflected a $700,000 deferred income tax benefit for the year ended December 31, 2011 in conformity with the Company's policy for accounting for income taxes. The deferred tax benefit recorded in 2011 reflected anticipated 2012 net earnings as the result of recording of the effects of the agreements signed in February 2012 (effective April 13, 2012) with Amegy and Off-Shore (see Note 3), net of projected 2012 operating expenses, which at the time were interpreted as an estimate that it was more likely than not that the Company would utilize a portion of its deferred tax asset in 2012. When the transactions recording the aforementioned were re-evaluated and recorded in the nine months ended September 30, 2012, it was determined that the recognition of a gain on the exchange of common and preferred shares for the debt and related accruals would not be appropriate. Thus, the deferred tax benefit recognized and reflected in 2011 was applied as a reduction in the amount of additional paid-in capital recorded in the exchange transaction. The remainder of the deferred tax asset at December 31, 2011 and all such deferred tax asset at September 30, 2012 has been reduced to $0 by valuation allowances.

Also, as noted above, in 2011 the Company's wholly-owned subsidiary, Infinity-Texas, had sold its oil and gas properties in Texas, the cost associated with which were entirely written off in prior periods, in return for a non-interest-bearing note with repayment conditional upon net profit from sales of oil and gas from the properties. Due to the uncertainty of when and in what amount payments on the note would be received, the Company had recorded the note net of a 100% valuation reserve and recognized no gain or loss on this transaction. As of July 31, 2012, the Company sold the entirety of its 100% ownership of stock to an individual. Accounting for this sale included the necessity for Management to estimate the value of any potential contingent liabilities for which the parent entity, Infinity Energy Resources, Inc., might retain financial responsibility. These contingent liabilities have been estimated and recorded and are reflected on the Company's consolidated balance sheet at September 30, 2012.

At September 30, 2012, and as of December 31, 2011, there have been no material changes or updates to our critical accounting policies.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

(Not Applicable)

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our Chief Executive Officer, Stanton Ross and Chief Financial Officer, Daniel F. Hutchins evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) as of the end of the period covered by this Report. Based on the evaluation, Messrs. Ross and Hutchins have concluded that the Company's disclosure controls and procedures are effective but not timely in assuring that financial statement presentation and disclosure are in conformity with those which are required to be included in our periodic SEC filings. The lack of timeliness is a material weakness which Management believes could be relieved with sufficient working capital to allow full-time accounting staff or the equivalent.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting that occurred during our most recent fiscal quarter that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

Internal control systems, no matter how well designed and operated, have inherent limitations. Therefore, even a system which is determined to be effective cannot provide absolute assurance that all control issues have been detected or prevented. Our systems of internal controls are designed to provide reasonable assurance with respect to financial statement preparation and presentation.

PART II Other Information

ITEM 1. LEGAL PROCEEDINGS

There were no material developments in the material litigation in which the Company is currently involved as set forth in our Registration Statement on Form 10 filed on May 13, 2011 and Amendment No.1 filed on July 1, 2011 and April 4, 2012 except for the following.

The State of Texas filed a lawsuit naming Infinity-Texas, the Company and the corporate officers of Infinity-Texas, and seeking $30,000 of reclamation costs associated with a single well, in addition to administrative expenses and penalties. The Company is in the process of proposing a solution to this and other potential such actions and is in discussion with regulatory authorities in Texas and the current owner of Infinity-Texas toward such a resolution. The officers are held harmless by indemnification provisions of the Company, therefore these liabilities, to the extent they may become actual, are the obligations of the Company.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

None.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

(c)Exhibits.

31.1	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32	Certification of Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. 1350 (Section 906 of the Sarbanes-Oxley Act)
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document

* Filed Herewith.

SIGNATURES

In accordance with the requirements of the Exchange Act, the Registrant caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Signature	Capacity	Date
/s/ Stanton E. Ross Stanton E. Ross	Chief Executive Officer (Principal Executive Officer)	January 10, 2013
/s/ Daniel F. Hutchins Daniel F. Hutchins	Chief Financial Officer (Principal Financial and Accounting Officer)	January 10, 2013

Index of Exhibits

31.1	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
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32	Certification of Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. 1350 (Section 906 of the Sarbanes-Oxley Act)

EXHIBIT 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF SARBANES-OXLEY ACT OF 2002

I, Stanton E. Ross, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Infinity Energy Resources, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period(s) in which this quarterly report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting

/s/ Stanton E. Ross

Stanton E. Ross
Chief Executive Officer
January 10, 2013

EXHIBIT 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO SECTION 302 OF SARBANES-OXLEY ACT OF 2002

I, Daniel F. Hutchins, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Infinity Energy Resources, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period(s) in which this quarterly report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting

/s/ Daniel F. Hutchins

Daniel F. Hutchins
Chief Financial Officer
January 10, 2013

EXHIBIT 32

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Infinity Energy Resources, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2012, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned hereby certifies to the best of his knowledge, pursuant to 18 U.S.C. §1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Stanton E. Ross

Stanton E. Ross
Chief Executive Officer
January 10, 2013

/s/ Daniel F. Hutchins

Daniel F. Hutchins
Chief Financial Officer
January 10, 2013

Commitments and Contingencies - Schedule of Minimum Exploration Work Commitment and Relinquishments by Individual Blocks (Details) (USD $)	9 Months Ended
	Sep. 30, 2012
Sub-Period1 [Member] | Block Perlas [Member]	
Duration	2 years
Minimum Work Commitment	- Environmental Impact Study - Acquisition & interpretation of 333km of new 2D seismic - Acquisition, processing & interpretation of 667km of new 2D seismic (or equivalent in 3D)
Minimum Relinquishments	$26km^2$
Irrevocable Guarantee	$ 443,100
Sub-Period1 [Member] | Block Tyra [Member]	
Duration	1 year 6 months
Minimum Work Commitment	- Environmental Impact Study - Acquisition & interpretation of 667km of existing 2D seismic - Acquisition of 667km of new 2D seismic (or equivalent in 3D)
Minimum Relinquishments	$26km^2$
Irrevocable Guarantee	408,450
Sub-Period 2 Optional [Member] | Block Perlas [Member]	
Duration	1 year
Minimum Work Commitment	- Acquisition, processing & interpretation of $200km^2$ of 3D seismic
Minimum Relinquishments	$53km^2$
Irrevocable Guarantee	1,356,227
Sub-Period 2 Optional [Member] | Block Tyra [Member]	
Duration	6 months
Minimum Work Commitment	- Processing & interpretation of the 667km 2D seismic (or equivalent in 3D) acquired in the previous sub-period
Minimum Relinquishments	$40km^2$
Irrevocable Guarantee	278,450
Sub-Period 3 Optional [Member] | Block Perlas [Member]	
Duration	1 year
Minimum Work Commitment	- Drilling of one exploration well to the Cretaceous or 3,500m, whichever is shallower
Minimum Relinquishments	$80km^2$
Irrevocable Guarantee	10,220,168

Sub-Period 3 Optional [Member] | Block Tyra [Member]	
Duration	2 years
Minimum Work Commitment	- Acquisition, processing & interpretation of $250km^2$ of new 3D seismic
Minimum Relinquishments	$160km^2$
Irrevocable Guarantee	1,818,667
Sub-Period 4 Optional [Member] | Block Perlas [Member]	
Duration	2 years
Minimum Work Commitment	- Drilling of one exploration well to the Cretaceous or 3,500m, whichever is shallower - Geochemical analysis
Minimum Relinquishments	All acreage except areas with discoveries
Irrevocable Guarantee	10,397,335
Sub-Period 4 Optional [Member] | Block Tyra [Member]	
Duration	2 years
Minimum Work Commitment	- Drilling of one exploration well to the Cretaceous or 3,500m, whichever is shallower - Geochemical analysis
Minimum Relinquishments	All acreage except areas with discoveries
Irrevocable Guarantee	$ 10,418,667

Subsequent Event – Issuance of Stock Options, Termination of Contingent Fee Agreement and Issuance of Convertible Note (Details Narrative) (USD $)	0 Months Ended	3 Months Ended	
	Aug. 28, 2012	Sep. 30, 2012	Nov. 30, 2012
Subsequent Events [Abstract]			
Company awarded stock options exercisable to purchase shares			1,250,000
Exercise price			$ 3.00
Company issued a convertible promissory note			$ 212,400
Convertible promissory note interest rate		3.00%	
Common stock price per share in convertible note			$ 3.00
Convertible note due and payable date	Feb. 28, 2013	Mar. 31, 2014	

Cancellation of Debt and Related Obligations and Issuance of Securities in Exchange for Debt (Details Narrative) (USD $)	0 Months Ended			3 Months Ended	12 Months Ended
	Apr. 13, 2012	Feb. 28, 2012	Feb. 28, 2012	Sep. 30, 2012	Dec. 31, 2011
Shares issued in payment of debt		15,016			
Warrant exerisable to purchase common stock	931,561				
Warrant aggregate amount		$ 21,883,393	$ 21,883,393		
Percentage of dividends of series A and series B redeemable convertible preferred stock			6.00%		
Common stock conversion price per share			$ 6.50		
Closing price of common stock per share			$ 7.50		
Redeemable convertible preferred stock price per share				$ 100	
Common stock	2,980,000				
Redeemable, convertible preferred stock, Series A	9,743,210				
Redeemable, convertible preferred stock, Series B	1,106,625				
Increase in redeemable convertible preferred stock, Series A				435,013	
Increase in redeemable convertible preferred stock, Series B				52,466	
Accrued dividends payable				406,045	
Accrued dividends payable during the period				217,524	
Deferred tax benefit					700,000
Excess of debt forgiven by creditors over fair value of common and Series A and B redeemable, convertible preferred stock issued in exchange, recorded as an addition to additional paid-in capital	7,353,558			7,353,558	
Minimum [Member]					
Redeemable, convertible preferred stock, Series A				783,760	
Redeemable, convertible preferred stock, Series B				94,432	
Maximum [Member]					
Redeemable, convertible preferred stock, Series A				10,890,970	
Redeemable, convertible preferred stock, Series B				$ 1,243,102	
Redeemable Convertible Preferred Stock Series A					
Shares issued in payment of debt	130,000		130,000		
Common Stock [Member]					
Shares issued in payment of debt	2,000,000		2,000,000		
Redeemable Convertible Preferred Stock Series B					
Additional shares issued on payment of debt	15,016		15,016		

Sale of Infinity-Texas, and Discontinued Operations Reporting (Tables)	9 Months Ended Sep. 30, 2012

Discontinued Operations and Disposal Groups [Abstract]

Assets and Liabilities of Discontinued Operations

		December 31, 2011
ASSETS		
Current asset:		
Accounts receivable	$	2,992
Total assets	$	2,992
LIABILITIES		
Current liabilities:		
Accounts payable	$	2,213,029
Accrued liabilities		2,212,004
Note payable to vendor		278,022
Total current liabilities		4,703,055
Long-term liability:		
Asset retirement obligation		389,759
Total liabilities	$	5,092,814

Gain recognized on Sale of Discontinued Operations

Total liabilities of Infinity-Texas at December 31, 2011	$	5,092,814
Total assets of Infinity-Texas at December 31, 2011		2,992
Net liabilities of Infinity-Texas at December 31, 2011		5,089,822
Additions to Infinity-Texas liabilities, January 1 through July 31, 2012 (equal to loss of discontinued operations for same period)		62,289
Potential liabilities related to indemnification of officers by the Company		(780,000)
Gain on sale of discontinued operation, July 31, 2012	$	4,372,111

Schedule of Operating Expenses Of Discontinued Operations

	For the Three Months Ended September 30,				For the Nine Months Ended September 30,			
	2012		2011		2012		2011	
General and administrative expenses	$	-	$	10,654	$	-	$	12,382
Accretion expense		-		8,389		17,736		24,392
Interest expense		6,776		17,314		44,553		49,188
Total expenses	$	6,776	$	36,357	$	62,289	$	85,962

Sale of Infinity-Texas, and Discontinued Operations Reporting (Details Narrative) (USD $)	0 Months Ended		1 Months Ended
	Jul. 31, 2012	Dec. 31, 2011	Jul. 31, 2012
Discontinued Operations and Disposal Groups [Abstract]			
Percentage of sale of ownership interest	100.00%		100.00%
Proceeds from sale of ownership interest in affiliates	$ 1		$ 1
Reclamation costs	30,000		
Net liabilities	5,152,111	5,092,814	5,152,111
Extend of liabilities to the maximum	780,000		780,000
Calculated value of Subsidiary operated wells	$ 30,000		
Valuation allowance percentage		100.00%	

Derivative Instruments and Warrants (Details Narrative) (USD $)	0 Months Ended		3 Months Ended		9 Months Ended		12 Months Ended	0 Months Ended
	Aug. 28, 2012	Apr. 13, 2012	Sep. 30, 2012	Sep. 30, 2011	Sep. 30, 2012	Sep. 30, 2011	Dec. 31, 2011	Feb. 16, 2011 Amegy Fifth Forbearance Warrant [Member]
Warrant exerisable to purchase common stock		931,561						931,561
Warrants exercisable period								10 years
Warrants, Exercise Price					$ 2.50		$ 5.01	$ 5.01
Percentage of common stock shares authorized and reserved for exercise of warrant								110.00%
Net decrease in fair value of the Amegy Warrant				$ 307,542	$ 118,685	$ 345,375		
Warrant exerisable to purchase common stock issued to related parties	120,000				120,000			
Number of shares to be increased for exercising warrants under penalty provision					1,200,000			
Reduced investment warrant exercise price					$ 0.10			
Discounts on notes payable					48,654			
Increased in the estimated current value of the warrant derivative liability			67,783		67,783			
Increase in derivative liability included in other expense			$ 19,129	$ (307,542)	$ (99,556)	$ (345,375)		

Consolidated Statements of Cash Flows (Parenthetical) (USD $)	9 Months Ended	
	Sep. 30, 2012	Sep. 30, 2011
Statement of Cash Flows [Abstract]		
Capitalization of debt discount	$ 77,616	$ 143,493

Sale of Infinity-Texas, and Discontinued Operations Reporting - Assets and Liabilities of Discontinued Operations (Details) (USD $)	Sep. 30, 2012	Jul. 31, 2012	Dec. 31, 2011
Discontinued Operations and Disposal Groups [Abstract]			
Accounts receivable			$ 2,992
Total assets			2,992
Accounts payable			2,213,029
Accrued liabilities			2,212,004
Note payable to vendor			278,022
Total current liabilities			4,703,055
Asset retirement obligation			389,759
Total liabilities		$ 5,152,111	$ 5,092,814

Summary of Asset Retirement Obligations (Details) (Parenthetical) (USD $)	9 Months Ended		
	Sep. 30, 2012	Sep. 30, 2011	Dec. 31, 2011
Asset retirement obligations	$ 959,518		$ 89,756
Accretion expense	61,958	56,162	
Infinity-Texas [Member]			
Asset retirement obligations	389,759		
Accretion expense	$ 17,736		

Summary of Asset Retirement Obiligations (Details) (USD $)	9 Months Ended		
	Sep. 30, 2012	Sep. 30, 2011	Dec. 31, 2011
Organization, Consolidation and Presentation of Financial Statements [Abstract]			
Asset retirement obligations at beginning of period (net of $389,759 attributed to Infinity-Texas set forth as liabilities of discontinued operation on the accompanying consolidated balance sheets)	$ 89,756		
Accretion expense, nine months ended September 30, 2012 (net of $17,736 attributed to Infinity-Texas and included within loss of discontinued operation on accompanying consolidated statement of operations)	61,958	56,162	
Asset retirement obligations at end of period	959,518		
Less: current portion of asset retirement obligations	(432,027)		(432,027)
Asset retirement obligations, less current portion	$ 527,491		$ 465,533

Sale of Infinity-Texas, and Discontinued Operations Reporting - Gain recognized on Sale of Discontinued Operations (Details) (USD $)	3 Months Ended		9 Months Ended			
	Sep. 30, 2012	Sep. 30, 2011	Sep. 30, 2012	Sep. 30, 2011	Jul. 31, 2012	Dec. 31, 2011
Discontinued Operations and Disposal Groups [Abstract]						
Total liabilities of Infinity-Texas at December 31, 2011					$ 5,152,111	$ 5,092,814
Total assets of Infinity-Texas at December 31, 2011						2,992
Net liabilities of Infinity-Texas at December 31, 2011						5,089,822
Additions to Infinity-Texas liabilities, January 1 through July 31, 2012 (equal to loss of discontinued operations for same period)	62,289		62,289			
Potential liabilities related to indemnification of officers by the Company	(780,000)		(780,000)			
Gain on sale of discontinued operation, July 31, 2012	$ 4,372,111		$ 4,372,111			

Assumptions of Estimated Fair Value (Details) (USD $)	0 Months Ended Aug. 29, 2012	9 Months Ended Sep. 30, 2012
Organization, Consolidation and Presentation of Financial Statements [Abstract]		
Volatility	52.50%	52.20%
Contractual term	5 years	5 years
Exercise price	$ 2.50	$ 2.50
Number of warrants per contract	120,000	120,000

Debt (Details Narrative) (USD $)	0 Months Ended					1 Months Ended	2 Months Ended	3 Months Ended		9 Months Ended		12 Months Ended			3 Months Ended		9 Months Ended			3 Months Ended		9 Months Ended				0 Months Ended			
	Aug. 28, 2012	Jul. 31, 2012	Apr. 13, 2012	Feb. 28, 2012	Sep. 12, 2011	Jul. 31, 2012	Feb. 28, 2012	Sep. 30, 2012	Sep. 30, 2011	Sep. 30, 2012	Sep. 30, 2011	Dec. 31, 2011	Jan. 10, 2007 Minimum [Member]	Jan. 10, 2007 Maximum [Member]	Sep. 30, 2012 Interest Bearing Liabilities To Vendors [Member]	Sep. 30, 2011 Interest Bearing Liabilities To Vendors [Member]	Sep. 30, 2012 Interest Bearing Liabilities To Vendors [Member]	Sep. 30, 2011 Interest Bearing Liabilities To Vendors [Member]	Dec. 31, 2011 Interest Bearing Liabilities To Vendors [Member]	Sep. 30, 2012 Note Payable To Vendor [Member]	Sep. 30, 2011 Note Payable To Vendor [Member]	Sep. 30, 2012 Note Payable To Vendor [Member]	Sep. 30, 2011 Note Payable To Vendor [Member]	Sep. 12, 2011 Amegy [Member]	Feb. 16, 2011 Amegy [Member]	Mar. 05, 2009 Off-Shore [Member]	Mar. 31, 2012 Revolving Credit Facility [Member]	Sep. 30, 2011 Revolving Credit Facility [Member]	Mar. 31, 2011 Revolving Credit Facility [Member]
Percentage of loan agreement, bearing interest rate								8.00%		8.00%			5.50%	11.00%															
Interest rate of loan	8.00%														18.00%		18.00%		18.00%								11.00%	11.00%	11.00%
Current borrowing capacity																									$ 1,050,000				
Maximum borrowing capacity																								1,260,000					
Increase in interest rate					0.02							0.065																	
Advances guaranteed by CEO												500,000																	
Advances due to bank total				1,668,828			1,668,828					1,396,758																	
Prior obligations paid												232,464																	
Repaid hedge termination fees												56,084																	
Current commitment fees paid												21,000																	
Additional advances received							272,070					136,758																	
Issue of warrants												931,561																	
Warrants exercise price										$ 2.50		$ 5.01																	
Debt discount	48,654											535,626																	
Forbearance fees paid									311,985		619,274																		
Interest expense									153,036	229,554																			
Percentage of sale of ownership interest		100.00%				100.00%																							
Percentage of forbearance/ waiver fee												1.00%																	
Percentage of equity contributions												300.00%																	
Accrued interest forbearance and additional fees due								0		0		7,896,442																	
Prime plus rate												6.50%																	
Subordinated loan								1,275,000		1,275,000																1,275,000			
Subordinated loan interest rate																										6.00%			
Preferred stock shares issued to settle debt				15,016																									
Subordinated note payable debt discount amortized			637,620					0	69,638	83,088	191,324																		
Subordinated note payable debt discount capitalized								0	52,229	62,316	143,493																		
Accrued interest															8,277	8,277	24,652	24,652		6,776	17,315	44,553	49,188						
Note payable and accrued interest												411,164																	
Note payable to a vendor	250,000							278,022		278,022		278,022			410,500		410,500		278,002										
Accrued liabilities								3,243,390		3,243,390		2,692,073																	
Issuance of warrants to purchase common stock	120,000									120,000																			
Warrant derivative liability								67,783		67,783																			
Change in derivative liability								19,129		19,129																			
Derivative, interest expense								$ 8,508		$ 8,508																			
Decrease in warrant exercise price	$ 0.10																												
Increase in number of shares to be purchased under the warrant	1,200,000																												

Consolidated Statements of Cash Flows (Unaudited) (USD $)	9 Months Ended	
	Sep. 30, 2012	Sep. 30, 2011
Cash flows from operating activities		
Net income (loss)	$ 3,422,006	$ (2,922,041)
Adjustments to reconcile net income (loss) to net cash used in operating activities		
Gain on sale of discontinued operation	4,372,111	
Accretion of asset retirement obligations	61,958	56,162
Accretion of asset retirement obligation within discontinued operation	17,736	24,392
Stock-based compensation	0	214,906
Change in fair value of derivative liability	(99,556)	(345,375)
Amortization of debt discount, net of capitalized amounts of $77,616 in 2012 and $143,493 in 2011	29,280	430,421
Change in operating assets and liabilities		
(Increase) decrease in prepaid expenses	7,500	(6,917)
Increase in accounts payable and accrued liabilities	847,677	2,149,989
Increase in current liabilities of discontinued operation	44,553	61,570
Application of debt proceeds to reduce accrued liability		(56,086)
Net cash used in operating activities	(40,957)	(392,979)
Cash flows from investing activities		
Investment in oil and gas properties	(381,219)	(433,687)
Increase in deposit	(5,000)	
Net cash used in investing activities	(386,219)	(433,687)
Cash flows from financing activities		
Proceeds from debt and note payable to unrelated third party	522,070	1,240,646
Repayment of notes		(232,462)
Loan commitment fees paid with debt proceeds		(14,925)
Checks written in excess of cash		(166,419)
Net cash provided by financing activities	522,070	826,840
Net increase (decrease) in cash and cash equivalents	94,894	174
Cash and cash equivalents		
Beginning	217	
Ending	95,111	174
Supplemental noncash disclosures		
Noncash capitalized overhead and interest	115,116	226,893
Noncash transaction: debt, subordinated note payable and related accrued interest and other fees satisfied by issuance of Common and Series A and B Preferred shares	$ 21,883,393	

Debt - Schedule of Debt Outstanding (Details) (USD $)	Sep. 30, 2012	Aug. 28, 2012	Apr. 13, 2012	Dec. 31, 2011	Mar. 23, 2009
Debt Disclosure [Abstract]					
Note payable to related party, net of discount	$ 209,854	$ 250,000			
Revolving credit facility to bank, current				11,407,252	
Subordinated note payable, related party, net of discount				1,186,353	
Less current portion			(1,269,441)	(1,186,353)	1,275,000
Long-term portion, subordinated note payable					

Commitments and Contingencies - Schedule of Contractual and Fiscal Terms (Details) (USD $)	9 Months Ended Sep. 30, 2012
Amount of contract per year, per block	$ 50,000
Natural Gas Royalties	Market value at production
Percentage of Natural Gas Royalties	5.00%
Corporate Tax	30.00%
Percentage of social contribution of net profit	3.00%
Percentage of social contribution of net profit for each autonomous region	1.50%
Investment Protection	ICSID arbitration OPIC insurance
Factor One [Member]	
Royalties recovery factor, minimum	0
Royalties recovery factor, maximum	1.5
Percentage of royalties	50.00%
Factor Two [Member]	
Royalties recovery factor, minimum	1.5
Royalties recovery factor, maximum	3.0
Percentage of royalties	10.00%
Factor Three [Member]	
Royalties recovery factor, maximum	3.0
Percentage of royalties	15.00%
Period One [Member]	
Period of area fee per hectare, minimum	1 year
Period of area fee per hectare, maximum	3 years
Area fee per hectare	$ 0.05
Period Two [Member]	
Period of area fee per hectare, minimum	4 years
Period of area fee per hectare, maximum	7 years
Area fee per hectare	$ 0.10
Period Three [Member]	
Period of area fee per hectare, maximum	8 years
Area fee per hectare	$ 0.15

Consolidated Balance Sheets (Unaudited) (USD $)	Sep. 30, 2012	Dec. 31, 2011
Current assets		
Cash and cash equivalents	$ 95,111	$ 217
Current assets of discontinued operation		2,992
Prepaid expenses		7,500
Deferred income tax		700,000
Total current assets	95,111	710,709
Oil and gas properties, using full cost accounting, net of accumulated depreciation, depletion, amortization and ceiling write-down Unproved	4,340,415	3,844,080
Other asset - deposit	5,000	
Total assets	4,440,526	4,554,789
Current liabilities		
Revolving credit facility to bank		11,407,252
Current portion, subordinated note payable to related party, net of discount of $0 at September 30, 2012 and $83,088 at December 31, 2011		1,186,353
Accrued interest on subordinated note		232,112
Accounts payable	1,199,208	1,067,310
Accrued liabilities	3,243,390	2,692,073
Accrued interest and fees – bank and other	153,076	8,156,254
Current liabilities of discontinued operation		4,703,055
Current portion of asset retirement obligations	432,027	432,027
Note payable to related party, net of discount of $40,146 at September 30, 2012	209,854	
Total current liabilities	5,237,555	29,876,436
Long-term liabilities		
Officer indemnification	780,000	
Asset retirement obligations, less current portion	527,491	465,533
Long-term liabilities of discontinued operation		389,759
Derivative liabilities	67,783	600,763
Total long-term liabilities	1,375,274	1,456,055
Total liabilities	6,612,829	31,332,491
Commitments and contingencies (Note 6)		
Stockholders' deficit		
Common stock, par value $.0001, authorized 75,000,000 shares, issued and outstanding 20,668,575 shares at September 30, 2012 and 18,668,575 shares at December 31, 2011	2,066	1,866
Additional paid-in capital	89,371,843	80,322,722
Accumulated deficit	(103,680,284)	(107,102,290)
Total stockholders' deficit	(14,306,375)	(26,777,702)
Total liabilities and stockholders' deficit	4,440,526	4,554,789
Redeemable Convertible Preferred Stock Series A		
Long-term liabilities		
Redeemable, convertible preferred stock	10,890,970	
Redeemable Convertible Preferred Stock Series B		

Long-term liabilities	
Redeemable, convertible preferred stock	$ 1,243,102

Sale of Infinity-Texas, and Discontinued Operations Reporting - Schedule of Operating Expenses Of Discontinued Operations (Details) (USD $)	3 Months Ended		9 Months Ended	
	Sep. 30, 2012	Sep. 30, 2011	Sep. 30, 2012	Sep. 30, 2011
Discontinued Operations and Disposal Groups [Abstract]				
General and administrative expenses		$ 10,654		$ 12,382
Accretion expense		8,389	17,736	24,392
Interest expense	6,776	17,314	44,553	49,188
Total expenses	$ 6,776	$ 36,357	$ 62,289	$ 85,962

Consolidated Statements of Changes in Stockholders' Deficit (Unaudited) (USD $)	Common Stock [Member]	Additional Paid-In Capital [Member]	Accumulated Deficit [Member]	Total
Balance at Dec. 31, 2010	$ 1,866	$ 80,107,816	$ (103,572,691)	$ (23,463,009)
Balance, shares at Dec. 31, 2010	18,668,575			
Issuance of stock options		214,906		214,906
Net income			(3,529,599)	(3,529,599)
Balance at Dec. 31, 2011	1,866	80,322,722	(107,102,290)	(26,777,702)
Balance, shares at Dec. 31, 2011	18,668,575			
Issuance of common stock	200	2,979,800		2,980,000
Issuance of common stock, shares	2,000,000			
Accretion of Series A and B redeemable, convertible preferred stock		(878,192)		(878,192)
Accrual of 6% dividend payable on Series A and B redeemable, convertible preferred stock		(406,045)		(406,045)
Excess of debt forgiven by creditors over fair value of common and redeemable, convertible preferred Series A and B stock issued in exchange (Note 3) net of tax of $700,000		7,353,558		7,353,558
Net income			3,422,006	3,422,006
Balance at Sep. 30, 2012	$ 2,066	$ 89,371,843	$ (103,680,284)	$ (14,306,375)
Balance, shares at Sep. 30, 2012	20,668,575			

Stock Options - Summary of Stock Option Activity (Details) (USD $)	9 Months Ended Sep. 30, 2012	12 Months Ended Dec. 31, 2011
Disclosure of Compensation Related Costs, Share-based Payments [Abstract]		
Outstanding and exercisable, Number of Options	2,053,500	903,500
Granted, Number of Options		1,150,000
Outstanding and exercisable, Number of Options	2,053,500	2,053,500
Outstanding and exercisable, Weighted Average Exercise Price Per Share	$ 4.88	$ 2.92
Granted, Weighted Average Exercise Price Per Share		$ 12.75
Outstanding and exercisable, Weighted Average Exercise Price Per Share	$ 4.88	$ 4.88
Outstanding and exercisable, Weighted Average Remaining Contractual Term	7 years 3 months 18 days	5 years 9 months 18 days
Outstanding and exercisable, Weighted Average Remaining Contractual Term	6 years 7 months 6 days	7 years 3 months 18 days
Outstanding and exercisable, Aggregate Intrinsic Value		
Outstanding and exercisable, Aggregate Intrinsic Value		

Cancellation of Debt and Related Obligations and Issuance of Securities in Exchange for Debt (Tables)	9 Months Ended Sep. 30, 2012
Cancellation Of Debt And Related Obligations And Issuance Of Securities In Exchange For Debt	
Summary of Debt and Other Liabilities	Following tabular presentation summarizes the transaction as recorded by the Company as of April 13, 2012:

Debt and related liabilities at April 13, 2012:		
Note and line of credit borrowing, Amegy Bank	$ 11,679,322	
Subordinated note payable, Off-Shore	1,269,441	
Accrued interest and other fees due Amegy	8,201,314	
Accrued interest due Off-Shore	251,238	
Derivative liability related to Amegy warrant	482,078	$ 21,883,393
Equities issued in exchange for above, at estimated fair value on April 13, 2012:		
Common stock	2,980,000	
Redeemable, convertible preferred stock, Series A	9,743,210	
Redeemable, convertible preferred stock, Series B	1,106,625	13,829,835
		8,053,558
Deferred income tax asset applied in recording transaction		700,000
Excess of debt forgiven by creditors over fair value of common and Series A and B redeemable, convertible preferred stock issued in exchange, recorded as an addition to additional paid-in capital		$ 7,353,558

Summary of Debt and Other Liabilities (Details) (USD $)	Sep. 30, 2012	Apr. 13, 2012	Dec. 31, 2011	Mar. 23, 2009
Cancellation Of Debt And Related Obligations And Issuance Of Securities In Exchange For Debt				
Note and line of credit borrowing, Amegy Bank		$ 11,679,322		
Subordinated note payable, Off-Shore		1,269,441	1,186,353	(1,275,000)
Accrued interest and other fees due Amegy		8,201,314		
Accrued interest due Off-Shore		251,238		
Derivative liability related to Amegy warrant		482,078		
Debt and related liabilities		21,883,393		
Common stock		2,980,000		
Redeemable, convertible preferred stock, Series A		9,743,210		
Redeemable, convertible preferred stock, Series B		1,106,625		
Equities issued		13,829,835		
Excess of debt over equities issued		8,053,558		
Deferred income tax asset applied in recording transaction	0	700,000	700,000	
Excess of debt forgiven by creditors over fair value of common and Series A and B redeemable, convertible preferred stock issued in exchange, recorded as an addition to additional paid-in capital	$ 7,353,558	$ 7,353,558		

Commitments and Contingencies (Tables)	9 Months Ended Sep. 30, 2012
Commitments and Contingencies Disclosure [Abstract]	
Schedule of Minimum Exploration Work Commitment and Relinquishments by Individual Blocks	The Company considers it is fully in compliance with the terms of the Nicaraguan Concession agreements.

Minimum Work Program – Perlas

Block Perlas – Exploration Minimum Work Commitment and Relinquishments

Exploration Period (6 Years)	Duration (Years)	Work Commitment	Relinquishment	Irrevocable Guarantee
Sub-Period 1	2	-Environmental Impact Study -Acquisition & interpretation of 333km of new 2D seismic -Acquisition, processing & interpretation of 667km of new 2D seismic (or equivalent in 3D)	26km2	$ 443,100
Sub-Period 2 Optional	1	-Acquisition, processing & interpretation of $200km^2$ of 3D seismic	53km2	$ 1,356,227
Sub-Period 3 Optional	1	-Drilling of one exploration well to the Cretaceous or 3,500m, whichever is shallower	80km2	$10,220,168
Sub-Period 4 Optional	2	-Drilling of one exploration well to the Cretaceous or 3,500m, whichever is shallower -Geochemical analysis	All acreage except areas with discoveries	$10,397,335

Minimum Work Program - Tyra

Block Tyra – Exploration Minimum Work Commitment and Relinquishments

Exploration Period (6 Years)	Duration (Years)	Work Commitment	Relinquishment	Irrevocable Guarantee
Sub-Period 1	1.5	- Environmental Impact Study - Acquisition & interpretation of 667km of existing 2D seismic - Acquisition of 667km of new 2D seismic (or equivalent in 3D)	26km2	$ 408,450
Sub-Period 2 Optional	0.5	- Processing & interpretation of the 667km 2D seismic (or equivalent in 3D) acquired in the previous sub-period	40km2	$ 278,450
Sub-Period 3 Optional	2	- Acquisition, processing & interpretation of $250km^2$ of new 3D seismic	160km2	$ 1,818,667
Sub-Period 4 Optional	2	- Drilling of one exploration well to the Cretaceous or 3,500m, whichever is shallower - Geochemical analysis	All acreage except areas with discoveries	$ 10,418,667

Schedule of Contractual and Fiscal Terms

Contractual and Fiscal Terms

Training Program	US $50,000 per year, per block	
Area Fee	Yr 1-3	$0.05/hectare
	Yr 4-7	$0.10/hectare
	Yr 8 fwd	$0.15/hectare
Royalties	Recovery Factor	Percentage
	0 - 1.5	5%
	1.5 - 3.0	10%
	>3.0	15%
Natural Gas Royalties	Market value at production	5%
Corporate Tax	Rate no higher than 30%	
Social Contribution	3% of the net profit (1.5% for each autonomous region)	
Investment Protection	ICSID arbitration OPIC insurance	

Consolidated Statements of Changes in Stockholders' Deficit (Parenthetical) (USD $)	9 Months Ended Sep. 30, 2012
Debt forgiven by creditors	$ 700,000
Redeemable Convertible Preferred Stock Series A	
Percentage of dividend payable on redeemable convertible preferred stock	$ 0.06
Redeemable Convertible Preferred Stock Series B	
Percentage of dividend payable on redeemable convertible preferred stock	$ 0.06

Consolidated Balance Sheets (Parenthetical) (USD $)	Sep. 30, 2012	Dec. 31, 2011
Subordinated note payable, Debt discount	$ 0	$ 83,088
Note payable to related party, discount	40,146	
Redeemable, convertible Preferred stock, par value	$ 0.0001	$ 0.0001
Redeemable, convertible Preferred stock, authorized	10,000,000	10,000,000
Redeemable, convertible Preferred stock, issued		
Redeemable, convertible Preferred stock, outstanding		
Common stock, par value	$ 0.0001	$ 0.0001
Common stock, authorized	75,000,000	75,000,000
Common stock, issued	20,668,575	18,668,575
Common stock, outstanding	20,668,575	18,668,575
Redeemable Convertible Preferred Stock Series A		
Cumulative dividends	6.00%	6.00%
Redeemable, convertible Preferred stock, issued	130,000	0
Redeemable, convertible Preferred stock, outstanding	130,000	0
Liquidation preference value	13,000,000	
Undeclared dividends	364,000	
Redeemable Convertible Preferred Stock Series B		
Cumulative dividends	6.00%	6.00%
Redeemable, convertible Preferred stock, issued	15,016	0
Redeemable, convertible Preferred stock, outstanding	15,016	0
Liquidation preference value	1,501,600	
Undeclared dividends	$ 42,045	

Sale of Infinity-Texas, and Discontinued Operations Reporting	9 Months Ended Sep. 30, 2012
Discontinued Operations and Disposal Groups [Abstract]	
Sale of Infinity-Texas, and Discontinued Operations Reporting	**Note 8 − Sale of Infinity-Texas, and Discontinued Operations Reporting** On July 31, 2012, the Company sold 100% of the stock of its wholly-owned subsidiary, Infinity Oil and Gas of Texas (Infinity-Texas) to an individual, the single member of an LLC which purchased the oil and gas properties of Infinity-Texas in 2011 (see "Oil and Gas Properties" in Note 1). The terms of the Stock Purchase Agreement with the purchaser are that purchaser would acquire 100% of the stock of Infinity-Texas for $1 and thereby assume all of it liabilities. At the date of the sale, Infinity-Texas had net liabilities of $5,152,111. Management believes that there are certain contingent liabilities related to Texas properties for which the Company, the parent entity, may retain financial responsibility. The liabilities are related to the reclamation of oil and gas properties and include the cost of plugging inactive wells and removal and recovery of any remaining production equipment. Infinity-Texas is primarily responsible for such obligations, but the officers of Infinity-Texas at the time such wells were in production, in their capacities as signators of certain regulatory filings, could be personally responsible. The State of Texas filed a lawsuit naming Infinity-Texas, the Company and the corporate officers of Infinity-Texas, and seeking $30,000 of reclamation costs associated with a single well, in addition to administrative expenses and penalties. The Company is in the process of proposing a solution to this and other potential such actions and is in discussion with regulatory authorities in Texas and the current owner of Infinity-Texas toward such a resolution. The officers are held harmless by indemnification provisions of the Company, therefore these liabilities, to the extent they may become actual, are the obligations of the Company. The extent of these liabilities is estimated by Management to not exceed $780,000, calculated as $30,000 for each of the 26 Infinity-Texas operated wells. This related liability is classified as the noncurrent officer indemnification liability at September 30, 2012. The assets, liabilities and operations of Infinity-Texas are reported on the accompanying consolidated financial statements as those of a discontinued operation for the current and prior periods and dates presented. Because Infinity-Texas has not been actively operating during any of the periods presented, no overhead costs have been allocated to the discontinued operations during such periods. The analysis below sets forth the major classes of the assets and liabilities of Infinity-Texas, which are presented separately in the accompanying consolidated balance sheet at December 31, 2011. Infinity-Texas also had title at December 31, 2011 to a note receivable from the single member LLC which purchased its oil and gas properties in December 2011, which was carried at December 31, 2011 net of a 100% valuation allowance and is therefore not reflected as an asset in the analysis below..

	December 31, 2011
ASSETS	
Current asset:	
Accounts receivable	$ 2,992
Total assets	$ 2,992
LIABILITIES	
Current liabilities:	
Accounts payable	$ 2,213,029
Accrued liabilities	2,212,004
Note payable to vendor	278,022
Total current liabilities	4,703,055

Long-term liability:		
Asset retirement obligation		389,759
Total liabilities	$	5,092,814

The following analysis relates the assets and liabilities set forth in the table above to the gain recognized in sale of Infinity-Texas:

Total liabilities of Infinity-Texas at December 31, 2011	$	5,092,814
Total assets of Infinity-Texas at December 31, 2011		2,992
Net liabilities of Infinity-Texas at December 31, 2011		5,089,822
Additions to Infinity-Texas liabilities, January 1 through July 31, 2012 (equal to loss of discontinued operations for same period)		62,289
Potential liabilities related to indemnification of officers by the Company		(780,000)
Gain on sale of discontinued operation, July 31, 2012	$	4,372,111

The operating expenses of Infinity-Texas for the three months ended September 30, 2012 and 2011 and the nine months ended those same dates follows:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2012	2011	2012	2011
General and administrative expenses	$ -	$ 10,654	$ -	$ 12,382
Accretion expense	-	8,389	17,736	24,392
Interest expense	6,776	17,314	44,553	49,188
Total expenses	$ 6,776	$ 36,357	$ 62,289	$ 85,962

Document and Entity Information	9 Months Ended Sep. 30, 2012	Jan. 04, 2013 Preferred Stock [Member]	Jan. 04, 2013 Common Stock [Member]
Entity Registrant Name	INFINITY ENERGY RESOURCES, INC		
Entity Central Index Key	0000822746		
Document Type	10-Q		
Document Period End Date	Sep. 30, 2012		
Amendment Flag	false		
Current Fiscal Year End Date	--12-31		
Is Entity a Well-known Seasoned Issuer?	No		
Is Entity a Voluntary Filer?	No		
Is Entity's Reporting Status Current?	Yes		
Entity Filer Category	Smaller Reporting Company		
Entity Common Stock, Shares Outstanding		145,016	20,668,575
Document Fiscal Period Focus	Q3		
Document Fiscal Year Focus	2012		

Subsequent Event – Issuance of Stock Options, Termination of Contingent Fee Agreement and Issuance of Convertible Note	9 Months Ended
	Sep. 30, 2012
Subsequent Events [Abstract]	
Subsequent Event - Issuance of Stock Options, Termination of Contingent Fee Agreement and Issuance of Convertible Note	**Note 9 − Subsequent Event ‐ Issuance of Stock Options, Termination of Contingent Fee Agreement and Issuance of Convertible Note** In November 2012, the Company awarded stock options exercisable to purchase 1,250,000 shares to officers, directors and third parties at an exercise price of $3.00 per share. The options vest in equal amounts, one-third immediately upon issuance, one-third on the first anniversary in November 2013, and the final third in November 2014. The financial effect of the stock option issuance will be recorded as of the issuance date in the final quarter of the year. In December 2012, a contingent fee arrangement that had been in effect between certain officers and the Company was terminated by mutual agreement of all parties; see Note 6, "Contingent Fees." Also in November 2012 the Company issued a convertible promissory note to Quarles & Brady LLP, its outside legal counsel, in the principal amount of $212,400 for outstanding invoices for services rendered. Such note bears interest at the rate of 3% per annum, is due and payable on March 31, 2014 and convertible into common stock at a price of $3.00 per share.

Consolidated Statements of Operations (Unaudited) (USD $)	3 Months Ended		9 Months Ended	
	Sep. 30, 2012	Sep. 30, 2011	Sep. 30, 2012	Sep. 30, 2011
Operating expenses				
General and administrative expenses	$ 152,523	$ 303,068	$ 593,714	$ 822,490
Accretion expense	21,113	19,302	61,958	56,162
Total operating expenses	173,636	322,370	655,672	878,652
Operating loss	(173,636)	(322,370)	(655,672)	(878,652)
Other income (expense)				
Interest expense, net of capitalization	(18,542)	(820,300)	(364,758)	(2,303,049)
Change in derivative fair value	(19,129)	307,542	99,556	345,375
Other	33,058	65	33,058	247
Total other income (expense)	(4,613)	(512,693)	(232,144)	(1,957,427)
Loss from continuing operations	(178,249)	(835,063)	(887,816)	(2,836,079)
Loss of discontinued operation	(6,776)	(36,357)	(62,289)	(85,962)
Gain on sale of discontinued operation	4,372,111		4,372,111	
Net income (loss)	4,187,086	(871,420)	3,422,006	(2,922,041)
Accrual of 6% dividend payable on Series A and B redeemable, convertible preferred stock	(217,524)		(878,192)	
Accretion of Series A and B redeemable, convertible preferred stock	(487,479)		(406,045)	
Income (loss) applicable to common shareholders	$ 3,482,083	$ (871,420)	$ 2,137,769	$ (2,922,041)
Basic and diluted net income (loss) per share:				
Loss from continuing operations	$ (0.04)	$ (0.05)	$ (0.11)	$ (0.16)
Loss from discontinued operation	$ 0	$ 0	$ 0	$ 0
Gain on sale of discontinued operation	$ 0.21	$ 0	$ 0.22	$ 0
Basic and diluted net income (loss) per share	$ 0.17	$ (0.05)	$ 0.11	$ (0.16)
Weighted average shares outstanding – basic and diluted	20,668,575	18,668,575	19,913,996	18,668,575

Cancellation of Debt and Related Obligations and Issuance of Securities in Exchange for Debt	9 Months Ended
	Sep. 30, 2012
Cancellation Of Debt And Related Obligations And Issuance Of Securities In Exchange For Debt	
Cancellation of Debt and Related Obligations and Issuance of Securities in Exchange for Debt	

Note 3 - Cancellation of Debt and Related Obligations and Issuance of Securities in Exchange for Debt

On February 28, 2012, the Company signed definitive agreements with Amegy and Off-Shore relating to outstanding debt and other obligations owed them. In accordance with these agreements, on April 13, 2012, the Company issued Amegy 2,000,000 shares of common stock and 130,000 shares of Series A redeemable convertible preferred stock, and issued Off-Shore 15,016 shares of Series B redeemable convertible preferred stock. Amegy also agreed to cancel the Amegy Warrant (that had originally been issued in February 2011), exercisable to purchase 931,561 shares of common stock. In aggregate, the Company cancelled debt, accrued interest and fees and the derivative liability that had been recorded relative to the Amegy Warrant in the aggregate amount of $21,883,393.

The Series A and Series B redeemable convertible preferred stock have a 6% annual dividend and are convertible into common stock at a price of $6.50 per share. Both series of preferred stock automatically convert into common stock if the average of the closing prices of the common stock for 30 consecutive trading days equals at least $7.50 per share. The Company has the right to redeem both series of preferred stock at any point for an amount equal to their issue price of $100 per share plus all accrued and unpaid dividends; however the Series A preferred stock has a higher liquidation preference and must be redeemed prior to any redemption of Series B preferred stock. Commencing January 1, 2013, the Series A preferred stock will vote with the common stock on all matters presented to the holders of the common stock. Beginning January 1, 2014, the Series A preferred shareholders will have a majority vote on all such matters and the right to elect a majority of the Board of Directors, if the Series A preferred stock has not been redeemed or converted into common stock. Series B preferred stock has no voting privileges. Neither series of preferred stock is transferrable for 180 days after issuance.

The common stock issued to Amegy has been recorded at a value equal to the closing price of the shares of the Company' s common stock on April 13, 2012, the date the agreement was effective, a total of $2,980,000. Taking into consideration the rights and preferences accruing to the preferred stock issued, as summarized above, the Company has classified both Series A and B preferred stock as mezzanine securities on the accompanying consolidated balance sheet at September 30, 2012 and accordingly has recorded such stock at their estimated fair value. That estimated fair value was $9,743,210 for Series A preferred and $1,106,625 for Series B preferred at the date of issuance, April 13, 2012. During the period April 13 through September 30, 2012, the recorded fair value of Series A and B preferred shares accreted (increased in calculated present value) by $783,760 and $94,432, respectively ($435,013 and $52,466, respectively, during the three months ended September 30, 2012), to $10,890,970 and $1,243,102, respectively, at the latter date. Both Series A and B preferred are being accreted to their face values over a period commencing April 14, 2012 through December 31, 2013. Accrued dividends payable on the preferred shares in the amount of $406,045 have been recorded as of September 30, 2012 ($217,524 in the three months ended September 30, 2012). In addition, a $700,000 deferred tax benefit recorded at December 31, 2011 in anticipation that the Company would recognize a gain from the above transaction during 2012 has been applied in this transaction.

The aggregate amount of debt, warrant derivative and other related liabilities cancelled in the transaction exceeded the recorded amounts for common stock and Series A and B preferred stock, and the deferred tax benefit application, in the amount of $7,353,558. Management believes that the appropriate accounting for this excess is to regard it as an addition to additional paid-in capital, because of the extent and exclusivity of the financing provided by Amegy and Off-Shore to the Company since 2009, the continued willingness of Amegy to forbear from existing remedies allowed it under its 2007 agreement as it continued to provide the Company advances necessary to satisfy funding requirements of the Nicaraguan Concessions, and the voting privileges accorded the Series A preferred stockholders commencing in 2013.

Following tabular presentation summarizes the transaction as recorded by the Company as of April 13, 2012:

Debt and related liabilities at April 13, 2012:		
Note and line of credit borrowing, Amegy Bank	$ 11,679,322	
Subordinated note payable, Off-Shore	1,269,441	
Accrued interest and other fees due Amegy	8,201,314	
Accrued interest due Off-Shore	251,238	
Derivative liability related to Amegy warrant	482,078	$ 21,883,393
Equities issued in exchange for above, at estimated fair value on April 13, 2012:		
Common stock	2,980,000	
Redeemable, convertible preferred stock, Series A	9,743,210	
Redeemable, convertible preferred stock, Series B	1,106,625	13,829,835
		8,053,558
Deferred income tax asset applied in recording transaction		700,000
Excess of debt forgiven by creditors over fair value of common and Series A and B redeemable, convertible preferred stock issued in exchange, recorded as an addition to additional paid-in capital		$ 7,353,558

Debt	9 Months Ended Sep. 30, 2012
Debt Disclosure [Abstract]	
Debt	**Note 2 − Debt**

Debt consists of the following at September 30, 2012 and December 31, 2011:

	September 30, 2012	December 31, 2011
Note payable to related party, net of discount	$ 209,854	$ -
Revolving credit facility to bank, current	$ -	$ 11,407,252
Subordinated note payable, related party, net of discount	$ -	$ 1,186,353
Less current portion	-	(1,186,353)
Long-term portion, subordinated note payable	$ -	$ -

Revolving Credit Facility

On January 10, 2007, the Company entered into a reserve-based revolving credit facility (the "Revolving Credit Facility") with Amegy. Under the related loan agreement (the "Loan Agreement") between Infinity, Infinity-Texas and Infinity-Wyoming (each wholly-owned subsidiaries of the Company and together, the "Guarantors") and Amegy, Infinity could borrow, repay and re-borrow on a revolving basis up to the aggregate sums permitted under the then current borrowing base. Amounts borrowed under the Revolving Credit Facility are collateralized by substantially all of the assets of Infinity and its subsidiaries and are guaranteed by Infinity' s subsidiaries. The Revolving Credit Facility contained certain standard continuing covenants and agreements and requires the Company to maintain certain financial ratios and thresholds. Per the terms of the loan agreement, amounts borrowed bear interest at 5.5%, or at 11.0% if the loan is in default. The Company accrued interest at 11.0% on the balance of the loan during the three months ended March 31, 2012 and 2011 and during the nine months ended September 30, 2011. No interest was accrued on the loan balance after March 31, 2012 and the loans were satisfied with the distribution of common and redeemable convertible preferred stock effective April 13, 2012.

The Company entered into four separate forbearance agreements resulting from its breach of certain covenants in the Loan Agreement during the period 2007 through 2010.

Effective as of February 16, 2011 the Company entered into a Fifth Forbearance Agreement under the Loan Agreement. This agreement relates to the breach by the Company and Guarantors of (i) substantially all financial covenants set forth in Section 8 of the Loan Agreement and (ii) certain covenants set forth in Section 7 of the Loan Agreement (the "Existing Defaults"). Under this Agreement, Amegy agreed to forbear from exercising any remedies under the Loan Agreement and related loan documents and to waive the Existing Defaults for the forbearance period commencing as of January 31, 2011 and continuing through December 31, 2011, unless otherwise extended or earlier terminated by Amegy due to a further default under the Agreement. In connection with the Fifth Forbearance Agreement, the term of the Loan Agreement and related note was extended until December 31, 2011.

Amegy initially approved additional Forbearance Period advances of $1,050,000, which was increased to $1,260,000 on September 12, 2011, with an interest rate of prime plus 2% and the personal guarantee of the Company' s President and CEO for up to $500,000 of the advances. At December 31, 2011, $500,000 of the advances was personally guaranteed by the Company' s CEO. No additional compensation was granted for the personal guarantee. As of December 31, 2011 advances of $1,396,758 had been made, with $232,464 used to reduce prior obligations to Amegy, $56,084 used to repay hedge termination fees, and $21,000 used to pay current commitment fees in accordance with the Fifth Forbearance Agreement. As of December 31, 2011, Amegy had advanced a total amount of $1,396,758, which was $136,758 in excess of the approved maximum for advances. From January 1, 2012 through February 28, 2012, Amegy made additional advances of $272,070 for a total advance of $1,668,828.

On February 28, 2012, the Company signed definitive agreements with Amegy and Off-Shore Finance, LLC, a Nevada limited liability company ("Off-Shore") relating to outstanding debt and other obligations we owed to them. The transactions contemplated under these agreements closed April 13, 2012. These transactions are more fully discussed in Note 3.

In 2011, Infinity had granted Amegy a warrant to purchase 931,561 shares of the Company' s common stock (the "Amegy Warrant") at an exercise price of $5.01 per share during a ten-year period following the issuance of the warrant (Note 5). The Amegy Warrant was cancelled as part of the agreement the Company and Amegy entered into on February 28, 2012 and which became effective April 13, 2012 (see Note 3). The Company recorded a debt discount equal to the estimated fair value of the Amegy Warrant on the date of issuance in the amount of $535,626, and expensed $311,985 in forbearance fees associated with the Fifth Forbearance Agreement (see below) during the three months ended September 30, 2011 ($619,274 during the nine months ended September 30, 2011), which amounts are included in the accompanying consolidated statements of operations as interest expense for those periods. Because the Fifth Forbearance Agreement ceased its effectiveness after December 31, 2011, and the Company and Amegy were in the process of negotiating and signing an agreement to exchange equity securities in full payment of the Company' s obligations to Amegy, no further forbearance fees were accrued after that date. Interest expense recognized during the quarter and the nine months ended September 30, 2011 related to the accretion of the debt discount was $153,036 and $229,554, respectively (none during the quarter and nine months ended September 30, 2012).

The Company' s intention had been to market and sell all remaining assets of Infinity-Wyoming and Infinity-Texas and to apply the net sales proceeds, if any, to payment of the revolving note, and in December 2011 the Company sold its Texas assets; no proceeds will be received as such note receivable, which was fully allowed for, was sold in connection with the sale by the Company of 100% of the common stock of Infinity-Texas in July 2012.

The following information relates to the Fifth Forbearance Agreement, which was in effect as of December 31, 2011, but which was cancelled effective with the closing of the agreement between the Company and Amegy effective on April 13, 2012:

> Under the Fifth Forbearance Agreement, any cash receipts of the Company were deposited in a lockbox held by Amegy as restricted cash. All cash disbursements had to be approved by Amegy.
>
> The Company also agreed to pay Amegy a monthly forbearance/waiver fee of 1.0% of the average daily outstanding principal balance of the revolving note through December 31, 2011. If any cash equity contributions to the Company are used to pay monthly interest due under the agreement, Amegy agreed to credit the Company 300% of the amount of the equity contributions as a reduction in interest cost.
>
> If Infinity failed to comply with the terms of the Fifth Forbearance Agreement, Amegy would be entitled to impose a default interest rate (prime plus 6.5%) or to declare an event of default, at which point the entire unpaid principal balance of the loan, together with all accrued and unpaid interest and other amounts then owing to Amegy would become immediately due and payable. Amegy or other creditors may take action to enforce their rights with respect to outstanding obligations, and Infinity may be forced to liquidate. Because substantially all of the Company' s assets were pledged as collateral under the Revolving Credit Facility, if Amegy declared an event of default, it would be entitled to foreclose on and take possession of the Company' s assets, including its rights under the Nicaraguan Concessions.

Infinity has accrued interest, forbearance and additional fees due in connection with the Forbearance Agreements of $0 and $7,896,442 as of September 30, 2012 and December 31, 2011, respectively.

Subordinated Note Payable to Related Party

Effective March 5, 2009, the Company entered into two contracts relating to its Nicaraguan Concessions, as awarded by the Republic of Nicaragua in 2003. In addition, the Company entered into a subordinated loan with Off-Shore, a related party (see Note 7) in an aggregate amount of $1,275,000, which was released as the Company needed funds for the Nicaraguan Concessions. Amegy allowed the subordinated loans to be secured by the assets of the Company, subject to Amegy' s security interest. The note bore interest at 6% and would have been due March 23, 2012. This note was retired under the agreement between the Company and Off-Shore dated February 28, 2012, under which Off-Shore accepted 15,016 shares of the Company' s Series B Preferred Stock in full payment of the note and its related accrued interest at such date (see also Note 4).

Further, Amegy allowed the Company to grant a one percent revenue sharing interest with respect to the Nicaraguan Concessions to Off-Shore to obtain the subordinated loan.

In connection with the issuance of the Subordinated Note Payable discussed above, the Company recorded a debt discount, through a reduction to unproved properties, of $637,620, which was amortized over the maturity of the Note utilizing the effective interest method and was fully amortized as of the date the debt was effectively satisfied (April 13, 2012) by issuance of Series B preferred stock. During the period amortization of the discount was occurring, the Company capitalized a portion of the amortization of debt discount to oil and gas properties on expenditures made in connection with exploration and development projects that are not subject to current depletion. By policy, amortization of debt discount was capitalized only for the period that activities are in progress to bring these projects to their intended use. Total subordinated note payable debt discount amortized during the quarters ended September 30, 2012 and 2011 were $0 and $69,638, respectively, of which $0 and $52,229, respectively, were capitalized to oil and gas properties. Such amortization for the nine months ended September 30, 2012 and 2011 was $83,088 and $191,324, respectively, of which $62,316 and $143,493, respectively, were capitalized.

Interest Bearing Liabilities to Vendors

At September 30, 2012 and December 31, 2011, the Company had agreed to pay interest of 8% on certain accrued liabilities aggregating $410,500. The total amount of interest accrued relating to these liabilities for the three months ending September 30, 2012 and 2011 was $8,277 and $8,277 respectively, and for the nine months ending September 30, 2012 and 2011 was $24,652 and $24,652, respectively. Included in assets of discontinued operations at December 31, 2011 was a note payable to vendor of $278,002 bearing interest at 18%; this note was assumed by the purchaser of Infinity-Texas as of July 31, 2012. Interest accrued relating to this note for the three months ending September 30, 2012 and 2011 was $6,776 and $17,315, respectively, and for the nine months ended September 30, 2012 and 2011 was $44,553 and $49,188, respectively. All of such interest expense related to the note is included in loss from discontinued operations on the accompanying consolidated statements of operations for the respective periods, and the note payable and accrued interest, amounting to $411,164 at December 31, 2011, is included within liabilities of discontinued operations.

Note Payable to Related Party

On August 28, 2012, the Company borrowed $250,000 from an entity that is 49% owned by a board member of another corporation for which Infinity' s CEO serves as CEO and chairman of the board. The Company issued a short-term note payable to the entity in this amount, bearing interest at 8% per annum, maturing February 28, 2013. At the same time, the Company issued the same entity a warrant exercisable to purchase 120,000 shares of the Company' s common stock at a price of $2.50 per share, expiring August 2017. The note contains a penalty provision such that if the note is not repaid on its due date, the warrant exercise price will be reduced to $0.10

per share and the number of shares that may be purchased under the warrant shall increase to 1,200,000. Management believes that the note will be repaid on or before February 28, 2013 and therefore has calculated the estimated fair value of the warrant on that assumption. If the note is not repaid timely, the warrant liability would be considerably higher. Therefore, on the assumption of timely repayment of the note the Company has recorded the estimated fair value of the warrant as of August 28, 2012 as a discount on note payable in the amount of $48,654 and a non-current derivative liability in the same amount at that date. The discount of $48,654 is being amortized on a straight line basis over the expected outstanding period of the note (August 28, 2012 through February 28, 2013) and interest expense for the three months and nine months ended September 30, 2012 includes discount amortization in the amount of $8,508.The estimated current value of the warrant derivative liability was increased to $67,783 at September 30, 2012 and such increase in derivative liability is included as an other expense in the amount of $19,129 for the three and nine months ended September 30, 2012.

Stock Options (Tables)

9 Months Ended Sep. 30, 2012

Disclosure of Compensation Related Costs, Share-based Payments [Abstract]

Summary of Stock Option Activity

The following table summarizes stock option activity as of and for the periods ended September 30, 2012 and December 31, 2011:

	Number of Options	Weighted Average Exercise Price Per Share	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding and exercisable at January 1, 2011	903,500	$ 2.92	5.8 years	$ -
Granted in February 2011	550,000	$ 5.25		
Granted in August 2011	600,000	$ 7.50		
Outstanding and exercisable at December 31, 2011	2,053,500	$ 4.88	7.3 years	$ -
Granted in 2012	-			
Outstanding and exercisable at September 30, 2012	2,053,500	$ 4.88	6.6 years	$ -

Nature of Operations, Basis of Presentation and Summary of Significant Accounting Policies (Policies)	9 Months Ended Sep. 30, 2012
Organization, Consolidation and Presentation of Financial Statements [Abstract]	
Unaudited Interim Financial Information	***Unaudited Interim Financial Information*** Infinity Energy Resources, Inc. and its subsidiaries (collectively, "we," "ours," "us," "Infinity" or the "Company") has prepared the accompanying consolidated financial statements pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC") for interim financial reporting. These consolidated financial statements are unaudited and, in our opinion, include all adjustments consisting of normal recurring adjustments and accruals necessary for a fair presentation of our consolidated balance sheets, statements of operations, and cash flows for the periods presented. Operating results for the periods presented are not necessarily indicative of the results that may be expected for 2012 due to various factors. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States ("GAAP") have been omitted in accordance with the rules and regulations of the SEC. These consolidated financial statements should be read in conjunction with the audited consolidated financial statements and accompanying notes in Item 8, "Financial Statements and Supplementary Data," of our Annual Report on Form 10-K, filed with the SEC.
Nature of Operations	***Nature of Operations*** We are engaged in the exploration of the Perlas and Tyra concession blocks offshore Nicaragua in the Caribbean Sea (the "Nicaraguan Concessions").
Basis of Presentation	***Basis of Presentation*** The consolidated financial statements include the accounts of Infinity Energy Resources, Inc. and its wholly-owned subsidiaries, Infinity Oil and Gas of Texas, Inc. ("Infinity-Texas") and Infinity Oil & Gas of Wyoming, Inc. ("Infinity-Wyoming"). All significant intercompany balances and transactions have been eliminated in consolidation. As described in Note 8, the Company sold its entire investment in Infinity-Texas effective July 31, 2012. The assets, liabilities and operations of Infinity-Texas have been segregated and set forth as relating to discontinued operations on the accompanying consolidated financial statements. The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States. On March 5, 2009 Infinity signed the contracts relating to its Nicaraguan Concessions. Infinity is conducting an environmental study and the development of geological information from reprocessing and additional evaluation of existing 2-D seismic data that was acquired for the Nicaraguan Concessions. Infinity is seeking offers from other industry operators and other third parties for interests in the acreage in exchange for cash and a carried interest in exploration and development operations. The funds raised through the subordinated note transaction described below and Forbearance advances from Amegy Bank, N.A. ("Amegy") were used to fund these expenditures (see Notes 2 and 3). These funds will not be sufficient to cover our expected operating exploration costs.
Going Concern	***Going Concern*** As reflected in the accompanying Consolidated Statements of Operations, the Company has had a history of losses. In addition, the Company has a significant working capital deficit and is currently experiencing substantial liquidity issues. Further, as discussed in Note 2 and

below, the Company was at December 31, 2011 operating under the Fifth Forbearance Agreement with Amegy under the Revolving Credit Facility, which agreement expired on that date. After December 31, additional advances of $272,070 were made by Amegy accumulating to a total advance of $1,668,828 as of February 28, 2012.

On February 28, 2012, we signed definitive agreements with Amegy and Off-Shore relating to outstanding debt and other obligations we owed to them. Under these documents, we agreed to issue to Amegy 130,000 shares of Series A Preferred and 2,000,000 shares of common stock as payment in full of all debt and related obligations owed Amegy; the Company and Amegy also agreed to cancel a warrant held by Amegy exercisable to purchase 968,000 shares of the Company' s common stock that had been issued in February 2011. In addition, we agreed to issue Off-Shore 15,016 shares of Series B Preferred in conversion, exchange and payment in full of all debt and other obligations we owed to Off-Shore. The transactions with Amegy and Off-Shore closed on April 13, 2012 and are described more fully in Note 3.

Although the cash outflow necessary to pay Amegy has been eliminated under terms of the Stock Purchase Agreement, the Company is still in need of additional capital to meet its obligations under the Nicaraguan Concessions, and is searching for sources of additional equity or debt financing. There can be no assurance that the Company will be able to obtain such capital or obtain it on favorable terms..

The Company has classified the entire balance outstanding under the Revolving Credit Facility at December 31, 2011 as a current liability in the accompanying Consolidated Balance Sheets.

The Company conducted an environmental study and developed geological information from the reprocessing and additional evaluation of existing 2-D seismic data acquired over its Nicaraguan Concessions. It issued letters of credit totaling $851,550 for this initial work on the leases. The Company commenced certain activity under the initial work plan and is waiting for governmental approval of the environmental study. The Company intends to seek joint venture or working interest partners prior to the commencement of any exploration or drilling operations on the Nicaraguan Concessions.

Due to the uncertainties related to these matters, there exists substantial doubt about the Company' s ability to continue as a going concern. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount and classification of liabilities that might result should the Company be unable to continue as a going concern.

Management Estimates

Management Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates with regard to the consolidated financial statements include the initial fair value of redeemable convertible preferred shares, the estimated carrying value of unproved properties, the estimated cost and timing related to asset retirement obligations, the estimated fair value of derivative liabilities and stock based awards, and the realization of deferred tax assets.

Oil and Gas Properties

Oil and Gas Properties

The Company follows the full cost method of accounting for exploration and development activities. Accordingly, all costs incurred in the acquisition, exploration, and development of properties (including costs of surrendered and abandoned leaseholds, delay lease rentals, dry holes and seismic costs) and the fair value of estimated future costs of site restoration, dismantlement, and abandonment activities are capitalized. Overhead related to exploration and development activities is also capitalized. In the quarters ended September 30, 2012 and 2011, the Company capitalized direct costs, overhead costs and interest as follows:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2012	2011	2012	2011
Direct costs	$ 96,462	$ 68,131	$ 381,219	$ 396,188
Overhead costs	12,500	12,500	37,500	37,500
Total non-interest costs	108,962	80,631	418,719	433,688
Interest costs	-	67,529	77,616	189,393
	$ 108,962	$ 148,160	$ 496,335	$ 623,081

Costs associated with production and general corporate activities are expensed in the period incurred.

Depletion of proved oil and gas properties is computed on the units-of-production method, with oil and gas being converted to a common unit of measure based on relative energy content, whereby capitalized costs, as adjusted for estimated future development costs and estimated asset retirement costs, are amortized over the total estimated proved reserve quantities. Investments in unproved properties, including capitalized interest and internal costs, are not depleted pending determination of the existence of proved reserves. Unproved properties are assessed periodically (at least annually) to ascertain whether impairment has occurred. Unproved properties whose costs are individually significant are assessed individually by considering the primary lease terms of the properties, the holding period of the properties, geographic and geologic data obtained relating to the properties, and estimated discounted future net cash flows from the properties. Estimated discounted future net cash flows are based on discounted future net revenues associated with probable and possible reserves, risk adjusted as appropriate. Where it is not practicable to assess individually the amount of impairment of properties for which costs are not individually significant, such properties are grouped for purposes of assessing impairment. The amount of impairment assessed is added to the costs to be amortized, or is reported as a period expense, as appropriate. All unproved property costs as of September 30, 2012 and December 31, 2011 relate to the Company' s Nicaraguan Concessions that were entered into in March 2009. In assessing the unproved property costs for impairment, the Company takes into consideration the terms of the government concessions, the status of the ongoing environmental study, evaluation of the seismic data and plans to seek industry participation in the future exploration and development.

Pursuant to full cost accounting rules, the Company must perform a "ceiling test" each quarter. The ceiling test provides that capitalized costs less related accumulated depletion and deferred income taxes for each cost center may not exceed the sum of (1) the present value of future net revenue from estimated production of proved oil and gas reserves using prices based on the arithmetic mean of the previous 12 months' first-of-month prices and current costs, including the effects of derivative instruments accounted for as cash flow hedges but excluding the future cash outflows associated with settling asset retirement obligations that have been accrued on the balance sheet, and a discount factor of 10%; plus (2) the cost of properties not being amortized, if any; plus (3) the lower of cost or estimated fair value of unproved properties included in the costs being amortized, if any; less (4) income tax effects related to differences in the book and tax basis of oil and gas properties. If capitalized costs exceed the ceiling, the excess must be charged to expense and may not be reversed in future periods. As of September 30, 2012 and 2011, the Company did not have any proved oil and gas properties, and all unproved property costs relate to the Company' s Nicaraguan Concessions.

Proceeds from the sales of oil and gas properties are accounted for as adjustments to capitalized costs with no gain or loss recognized, unless such adjustments would significantly alter the relationship between capitalized costs and proved reserves of oil and gas, in which case the gain or loss would be recognized in the determination of the Company' s net earnings/loss. During 2011 Infinity-Texas, the Company' s 100%-owned subsidiary, sold its oil and gas properties in Texas, to a single-member LLC, the owner of which purchased 100% of the stock of Infinity-Texas from the Company in July 2012 (see Note 8). The costs associated with these properties were entirely written off in prior periods. The properties were sold in return for a non-interest-bearing note with repayment conditional upon net profit from sales of oil and gas from the properties. Due to the uncertainty of when and in what amount payments on the note will be received, the Company has recorded the note net of a 100% valuation reserve and has recognized no gain or loss on this transaction. The note was sold as an asset of Infinity-Texas in the July 2012 sale of such company's stock.

Concentrations

Concentrations

The Company' s only significant asset is the Nicaraguan Concessions and it expects to be active in Nicaragua for the foreseeable future, given sufficient capital. The political climate in Nicaragua could become unstable and subject to radical change over a short period of time. In the event of a significant negative change in political and economic stability in the vicinity of the Nicaraguan Concessions, it may be forced to abandon or suspend its efforts.

Derivative Instruments

Derivative Instruments

The Company accounts for derivative instruments or hedging activities under the provisions of ASC 815 (formerly Statement of Financial Accounting Standards ("SFAS") No. 133, *Accounting for Derivative Instruments and Hedging Activities*.) ASC 815 requires the Company to record derivative instruments at their fair value. If the derivative is designated as a fair value hedge, the changes in the fair value of the derivative and of the hedged item attributable to the hedged risk are recognized in earnings. If the derivative is designated as a cash flow hedge, the effective portions of changes in the fair value of the derivative are recorded in other comprehensive income (loss) and are recognized in the statement of operations when the hedged item affects earnings. Ineffective portions of changes in the fair value of cash flow hedges, if any, are recognized in earnings. Changes in the fair value of derivatives that do not qualify for hedge treatment are recognized in earnings.

The purpose of hedging is to provide a measure of stability to the Company' s cash flows in an environment of volatile oil and gas prices and to manage the exposure to commodity price risk. As of September 30, 2012 and December 31, 2011 and during the periods then ended, the Company had no oil and natural gas derivative arrangements outstanding.

As a result of certain terms, conditions and features included in certain common stock purchase warrants issued by the Company but no longer outstanding at September 30, 2012 (see Note 5), those warrants were required to be accounted for as derivatives at estimated fair value, with changes in fair value recognized in earnings. Such derivatives were outstanding at December 31, 2011 and were cancelled effective April 13, 2012 as part of the transaction in which the Company' s debt, subordinated note payable and related accrued interest and other fees, in addition to its derivative liability associated with the warrants, were satisfied by the issuance of common and Series A and B redeemable, convertible preferred stock (Note 3). Likewise, as the result of certain terms, conditions and features included in certain common stock purchase warrants issued by the Company in association with a note payable entered into August 28, 2012 with a related party, the warrants issued are also required to be accounted for as derivatives at estimated fair value, with changes in fair value recognized in earnings.

Income Taxes

Income Taxes

The Company uses the asset and liability method of accounting for income taxes. This method requires the recognition of deferred tax liabilities and assets for the expected future tax consequences of temporary differences between financial accounting bases and tax bases of assets and liabilities. The tax benefits of tax loss carryforwards and other deferred taxes are recorded as an asset to the extent that management assesses the utilization of such assets to be more likely than not. We routinely assess the realizability of our deferred income tax assets, and a valuation allowance is recognized if it is determined that deferred income tax assets may not be fully utilized in future periods. We consider future taxable earnings in making such assessments. Numerous judgments and assumptions are inherent in the determination of future taxable earnings, including such factors as future operating conditions. When the future utilization of some portion of the deferred tax asset is determined not to be more likely than not, a valuation allowance is provided to reduce the recorded deferred tax asset. When the Company can project that a portion of the deferred tax asset can be realized through application of a portion of tax loss carryforward, the Company will record that utilization as a deferred tax benefit and recognize a deferred tax asset in the same amount. There can be no assurance that facts and circumstances will not materially change and require us to adjust our deferred income tax asset valuation allowance in a future period. We are potentially subject to taxation in many jurisdictions, and the calculation of income tax liabilities (if any) involves dealing with uncertainties in the application of complex income tax laws and regulations in various taxing jurisdictions. We recognize certain income tax positions that meet a more-likely-than not recognition threshold. If we ultimately determine that the payment of these liabilities will be unnecessary, we will reverse the liability and recognize an income tax benefit. The Company recognized a deferred tax asset, net of valuation allowance, of $0 at September 30, 2012 and $700,000 at December 31, 2011 related to the anticipated use of net operating losses to offset taxable income triggered by the transaction with Amegy and Off-Shore that closed in April 2012 (see Note 3). As recorded, the Company did not realize any gain in association with the transaction, and the deferred tax asset set up at December 31, 2011 was recorded as a reduction in additional paid-in capital.

Cash and cash equivalents

Cash and cash equivalents

For purposes of reporting cash flows, cash consists of cash on hand and demand deposits with financial institutions. It is the Company' s policy that all highly liquid investments with a maturity of three months or less when purchased would be cash equivalents and would be included along with cash as cash and equivalents.

Asset Retirement Obligations

Asset Retirement Obligations

The Company records estimated future asset retirement obligations pursuant to the provisions of ASC 410 (formerly SFAS No. 143, *Accounting for Asset Retirement Obligations*.) ASC 410 requires entities to record the fair value of a liability for an asset retirement obligation in the period in which it is incurred with a corresponding increase in the carrying amount of the related long-lived asset. Subsequent to initial measurement, the asset retirement liability is required to be accreted each period. The Company' s asset retirement obligations consist of costs related to the plugging of wells, the removal of facilities and equipment, and site restoration on oil and gas properties. Capitalized costs are depleted as a component of the full cost pool using the units of production method. Although the Company has recognized full impairment of the value of all remaining domestic oil and gas properties in prior periods, the Company may retain title to certain abandoned non-producing domestic leasehold properties. Management believes the Company has been relieved from asset retirement obligation related to Infinity-Texas because of the sale of its Texas oil and gas properties in 2011 and its sale of 100% of the stock in Infinity-Texas in 2012 (see Note 8), but may retain some asset retirement obligation related to properties of Infinity-Wyoming. Therefore, the Company has continued to maintain the asset retirement obligation as a liability in its financial statements and, in accordance with ASC 410, to accrete such obligation regularly. The following table summarizes the activity for the Company' s asset retirement obligations for the period ended September 30, 2012:

Asset retirement obligations at beginning of period (net of $389,759 attributed to Infinity-Texas set forth as liabilities of discontinued operation on the accompanying consolidated balance sheets)	$	897,560
Accretion expense, nine months ended September 30, 2012 (net of $17,736 attributed to Infinity-Texas and included within loss of discontinued operation on accompanying consolidated statement of operations)		61,958
Asset retirement obligations at end of period		959,518
Less: current portion of asset retirement obligations		(432,027)
Asset retirement obligations, less current portion	$	527,491

Capitalized Interest and Debt Discount Amortization

Capitalized Interest and Debt Discount Amortization

The Company capitalizes interest costs and debt discount amortization to oil and gas properties on expenditures made in connection with exploration and development projects that are not subject to current depletion. Such costs are capitalized only for the period that activities are in progress to bring these projects to their intended use. Interest costs and debt discount amortization capitalized for the quarters ended September 30, 2012 and 2011 were $0 and $67,529, respectively, and for the nine months ended September 30, 2012 and 2011 were $77,616 and $189,393, respectively.

Fair Value of Financial Instruments

Fair Value of Financial Instruments

As defined in ASC 820, fair value is the price that would be received in the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company utilizes market data or assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable. The Company classifies fair value balances based upon observability of those inputs. ASC 820 establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement), pricing inputs are other than quoted prices in active markets, but are either directly or indirectly observable and are valued using models or other valuation methodologies (level 2 measurement), and the lowest priority to unobservable inputs (level 3 measurement). There were no changes in valuation techniques or reclassifications of fair value measurements between levels 1, 2 or 3 during the quarter ended September 30, 2012 or year ended December 31, 2011.

The carrying values of the Company' s accounts receivable, accounts payable and accrued liabilities represent the estimated fair value due to the short-term nature of the accounts.

The carrying value of the Company' s debt under its Revolving Credit Facility represented its estimated fair value due to its short-term nature, its adjustable rate of interest, associated fees and expenses and initially recorded discount.

The estimated fair value of the Company' s non-current derivative liabilities, all of which related to warrants, was estimated using a closed-ended option pricing model utilizing assumptions related to the contractual term of the instruments, estimated volatility of the price of the Company' s common stock, interest rates, the probability of both the downward adjustment of the exercise price and the upward adjustment to the number of warrants as provided by the warrant agreement terms (Note 5) and non-performance risk factors, among other items (ASC 820, *Fair Value Measurements* ("ASC 820") fair value hierarchy Level 2). A comparison of the assumptions used in calculating estimated fair value at the issue date and at September 30, 2012 is as follows:

	Upon Issuance, August 29, 2012	At September 30, 2012
Volatility	52.5%	52.2%
Contractual term	5 years	5 years
Exercise price	$ 2.50	$ 2.50
Number of warrants per contract	120,000	120,000

The estimated initial fair value of the Company' s Series A and B redeemable convertible preferred stock was determined based upon estimates of the expected occurrence and timing of certain future events, such as the date such shares might be redeemed or converted (assumed to be December 31, 2013); an estimate of discount rates to be utilized in determining net present value of the preferred stock, based upon rates observed in similar or analogous, but not identical, market transactions, upon past Company-specific effective borrowing rates, and the assessment of each instrument' s specific rights and obligations.

Net Income (Loss) Per Common Share

Net Income (Loss) Per Common Share

Pursuant to FASB ASC Topic 260, *Earnings Per Share,* basic net income (loss) per share is computed by dividing the net income (loss) attributable to common shareholders by the weighted-average number of common shares outstanding during the period. Diluted net income (loss) per share is computed by dividing the net income (loss) attributable to common shareholders by the weighted-average number of common and common equivalent shares outstanding during the period. Common share equivalents included in the diluted computation represent shares issuable upon assumed exercise of stock options and warrants using the treasury stock and "if converted" method. For periods in which net losses from continuing operations are incurred, weighted average shares outstanding is the same for basic and diluted loss per share calculations, as the inclusion of common share equivalents would have an anti-dilutive effect.

During the nine months and the three months ended September 30, 2012 the Company had outstanding an additional 2,000,000 shares of common stock for the period April 13 through September 30, 2012. Weighted average common shares outstanding for both the quarter and nine months ended September 30, 2012 reflect the effects of the shares outstanding for this period. The calculation of income (loss) per common share for the quarter and nine months ended September 30, 2012 reflects these amounts which are attributable to the preferred shareholders as increases in the net income (loss) for those periods allocable to common shareholders.

Foreign Currency

Foreign Currency

The United States dollar is the functional currency for the Company' s operations. Although the Company' s acquisition and exploration activities have been conducted in Nicaragua, a significant portion of the payments incurred for exploration activities are denominated in United States dollars. The Company expects that a significant portion of its required and discretionary expenditures in the foreseeable future will also be denominated in United States dollars. Any foreign currency gains and losses are included in the consolidated results of operations in the period in which they occur. The Company does not have any cash accounts denominated in foreign currencies.

Recent Accounting Pronouncements

Recent Accounting Pronouncements

Effective January 1, 2011, the Company adopted ASC 820 guidance that requires enhanced disclosure in the level 3 reconciliation for fair value measurements. The adoption had no impact on the consolidated financial position, results of operations or cash flows of the Company. Refer to the discussion elsewhere in this note as to other information concerning our assets and liabilities measured at fair value.

In December 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2011-11 which requires that an entity disclose both gross and net information about instruments and transactions that are either eligible for offset in the balance sheet or subject to an agreement similar to a master netting agreement, including derivative instruments. ASU 2011-11 was issued in order to facilitate comparison between GAAP and IFRS financial statements by requiring enhanced disclosures, but does not change existing GAAP that permits balance sheet offsetting. This authoritative guidance is effective for annual reporting periods beginning on or after January 1, 2013, and interim periods within those annual periods. The Company is currently evaluating the provisions of ASU 2011-11 and assessing the impact, if any, it may have on the Company's financial position or results of operations.

Commitments and Contingencies	9 Months Ended Sep. 30, 2012
Commitments and Contingencies Disclosure [Abstract]	
Commitments and Contingencies	

Note 6 − Commitments and Contingencies

The Company has no insurance coverage on its U.S domestic oil and gas properties. The Company is not in compliance with Federal and State laws regarding the U.S. domestic oil and gas properties. The Company' s known compliance issues relate to the Texas Railroad Commission regarding administrative filings and renewal permits. The ultimate resolution of these compliance issues could have a significant adverse impact on the Company' s financial statements.

Nicaraguan Concessions

The significant terms and work commitments associated with the Nicaraguan Concessions by area (Perlas and Tyra blocks) are summarized below. Within 15 days of entering an exploration sub-period, the Company is required to provide an irrevocable guarantee ("Irrevocable Guarantee") in favor of the Nicaraguan Ministry of Energy, payable in Nicaragua, in an amount equal to the estimated cost of such exploration sub-period, subject to an accumulated credit carry forward for the excess of work performed in the preceding exploration sub-period, as provided in the agreements relating to the Nicaraguan Concessions.

As of December 31, 2011 and September 30, 2012, the Company is in Sub-Period 1 for both Perlas and Tyra. The Company has provided Environmental Impact Studies to the Nicaraguan Ministry of Energy effective April 2011 and is awaiting approval of these studies before proceeding to Sub-Period 2. In accordance with the concession agreements, the Company has provided the Ministry of Energy with the required letters of credit in the amounts of $443,100 for Perlas (expiring March 2013) and $408,450 for Tyra (expiring September 2013). The Company has also made all required expenditures related to the concessions for training programs and as "area fees," for 2011, 2010 and, in early 2012, for that year. The Company considers it is fully in compliance with the terms of the Nicaraguan Concession agreements.

Minimum Work Program – Perlas

Block Perlas – Exploration Minimum Work Commitment and Relinquishments

Exploration Period (6 Years)	Duration (Years)	Work Commitment	Relinquishment	Irrevocable Guarantee
Sub-Period 1	2	-Environmental Impact Study - Acquisition & interpretation of 333km of new 2D seismic - Acquisition, processing & interpretation of 667km of new 2D seismic (or equivalent in 3D)	26km2	$ 443,100
Sub-Period 2 Optional	1	-Acquisition, processing & interpretation of 200km^2 of 3D seismic	53km2	$ 1,356,227
Sub-Period 3 Optional	1	-Drilling of one exploration well to the Cretaceous or 3,500m, whichever is shallower	80km2	$10,220,168
Sub-Period 4 Optional	2	-Drilling of one exploration well to the Cretaceous or 3,500m, whichever is shallower -Geochemical analysis	All acreage except areas with discoveries	$10,397,335

Minimum Work Program - Tyra

Block Tyra – Exploration Minimum Work Commitment and Relinquishments

Exploration Period (6 Years)	Duration (Years)	Work Commitment	Relinquishment	Irrevocable Guarantee
Sub-Period 1	1.5	- Environmental Impact Study - Acquisition & interpretation of 667km of existing 2D seismic - Acquisition of 667km of new 2D seismic (or equivalent in 3D)	26km2	$ 408,450
Sub-Period 2 Optional	0.5	- Processing & interpretation of the 667km 2D seismic (or equivalent in 3D) acquired in the previous sub-period	40km2	$ 278,450
Sub-Period 3 Optional	2	- Acquisition, processing & interpretation of 250km^2 of new 3D seismic	160km2	$ 1,818,667

Sub-Period 4 Optional	2	- Drilling of one exploration well to the Cretaceous or 3,500m, whichever is shallower - Geochemical analysis	All acreage except areas with discoveries	$ 10,418,667

Contractual and Fiscal Terms

Training Program	US $50,000 per year, per block	
Area Fee	Yr 1-3 Yr 4-7 Yr 8 fwd	$0.05/hectare $0.10/hectare $0.15/hectare
Royalties	Recovery Factor 0 - 1.5 1.5 - 3.0 >3.0	Percentage 5% 10% 15%
Natural Gas Royalties	Market value at production	5%
Corporate Tax	Rate no higher than 30%	
Social Contribution	3% of the net profit (1.5% for each autonomous region)	
Investment Protection	ICSID arbitration OPIC insurance	

The minimum cash commitment budgeted for the Nicaraguan Concessions for 2012 is approximately $256,800, of which approximately $303,500 has been incurred and paid through November 26, 2012. The Sub Period 2 starts when the Nicaraguan Government approves the environmental impact study. The approval is currently pending. Once the approval is received the minimum cash requirements for the next twelve month period will be $1,894,000 of which $1,634,677 is related to seismic and $259,300 is related to the training and area fees under the concession. See Note 1 for discussion of Going Concern.

Delivery Commitments

In June 2005, Infinity-Texas entered into a long-term gas gathering contract for natural gas production from its properties in Erath County, Texas, under which Infinity-Texas was to pay a gathering fee of $0.35 per Mcf gathered to LDH Gas Development, L.P (LDH). The contract contains minimum delivery volume commitments through December 31, 2011 associated with firm transportation rights. The aggregate amount owing related to the shortfalls was $2,845,458 (which had been entirely accrued prior to 2011). In July 2012, the Company sold 100% of the common stock of Infinity-Texas for $1 and the assumption of all the Infinity - Texas liabilities by the purchaser (see Note 8). In accordance with the results of this transaction, the LDH liability is no longer a Company obligation after that date. The amount of the liability is presented in the accompanying consolidated balance sheets as an element of “current liabilities of discontinued operation” at December 31, 2011.

Revenue Sharing Commitments

On March 23, 2009, the Company entered into a Securities Purchase Agreement, dated effective as of March 23, 2009, with Off-Shore, an accredited investor, to issue a subordinated secured promissory note in the aggregate principal amount of up to $1,275,000 and a one percent (1%) revenue sharing interest in the Nicaraguan Concessions. As of December 31, 2009, Off-Shore had funded $1,275,000 (the “Funding Amount”).

Under the Revenue Sharing Agreement (the “Revenue Agreement”), Infinity assigned to Off-Shore a monthly payment (the “RSP”) equal to the revenue derived from one percent (1%) of Infinity’ s share of the hydrocarbons produced at the wellhead from the Nicaraguan Concessions. The RSP shall bear its proportionate share of all costs incurred to deliver the hydrocarbons to the point of sale to an unaffiliated purchaser, including its share of production, severance and similar taxes, and certain additional costs. The RSP shall be paid to Off-Shore by the last day of each month based on the revenue received by Infinity from the purchaser of the production during the previous month from the Nicaraguan Concessions. The Revenue Agreement does not create any obligation for Infinity to maintain or develop the Nicaraguan Concessions, and does not create any rights in the Nicaraguan Concessions for Off-Shore. At any time within three (3) years from the date of the Revenue Agreement, Infinity has the right to redeem the RSP by paying Off-Shore an amount as follows: (i) until March 22, 2010, a sum equal to three (3) times the Funding Amount, or $3,825,000; (ii) until March 22, 2011, a sum equal to five (5) times the Funding Amount, $6,375,000; or (iii) until March 22, 2012, a sum equal to ten (10) times the Funding Amount, or $12,750,000. Upon the redemption of the RSP by Infinity, the Revenue Agreement shall terminate. As of March 23, 2012, the Company had not exercised its right to redeem and such redemption right expired.

On June 6, 2009 the Company entered into a Revenue Sharing Agreement with the officers and directors for services provided. Infinity assigned to officers and directors a monthly payment (the “RSP”) equal to the revenue derived from one percent (1%) of Infinity’ s share of the hydrocarbons produced at the wellhead from the Nicaraguan Concessions. The RSP shall bear its proportionate share of all costs incurred to deliver the hydrocarbons to the point of sale to an unaffiliated purchaser, including its share of production, severance and similar taxes, and certain additional costs. The RSP shall be paid by the last day of each month based on the revenue received by Infinity from the purchaser of the production during the previous month from the Nicaraguan Concessions. The Revenue Agreement does not create any obligation for Infinity to maintain or develop the Nicaraguan Concessions, and does not create any rights in the Nicaraguan Concessions for officers and directors.

The Company intends to seek joint venture or working interest partners (the "Farmout") prior to the commencement of any exploratory drilling operations on these Nicaraguan Concessions. On September 8, 2009 the Company entered into a Revenue Sharing Agreement with Jeff Roberts to assist the Company with its technical studies of gas and oil holdings in Nicaragua and managing and assisting in the Farmout. Infinity assigned to Jeff Roberts a monthly payment (the "RSP") equal to the revenue derived from one percent (1%) of Infinity' s share of the hydrocarbons produced at the wellhead from the Nicaraguan Concessions. The RSP shall bear its proportionate share of all costs incurred to deliver the hydrocarbons to the point of sale to an unaffiliated purchaser, including its share of production, severance and similar taxes, and certain additional costs. The RSP shall be paid to Jeff Roberts by the last day of each month based on the revenue received by Infinity from the purchaser of the production during the previous month from the Nicaraguan Concessions. The Revenue Agreement does not create any obligation for Infinity to maintain or develop the Nicaraguan Concessions, and does not create any rights in the Nicaraguan Concessions for Jeff Roberts.

On September 8, 2009 the Company entered into a Revenue Sharing Agreement with Thompson Knight Global Energy Services ("Thompson Knight") to assist the Company with its technical studies of gas and oil holdings in Nicaragua and managing and assisting in the Farmout. Infinity assigned to Thompson Knight a monthly payment (the "RSP") equal to the revenue derived from one percent (1%) of Infinity' s share of the hydrocarbons produced at the wellhead from the Nicaraguan Concessions. The RSP shall bear its proportionate share of all costs incurred to deliver the hydrocarbons to the point of sale to an unaffiliated purchaser, including its share of production, severance and similar taxes, and certain additional costs. The RSP shall be paid to Thompson Knight by the last day of each month based on the revenue received by Infinity from the purchaser of the production during the previous month from the Nicaraguan Concessions. The Revenue Agreement does not create any obligation for Infinity to maintain or develop the Nicaraguan Concessions, and does not create any rights in the Nicaraguan Concessions for Thompson Knight.

Lack of Compliance with Law Regarding Domestic Properties

Infinity is not in compliance with existing federal, state and local laws, rules and regulations for its domestic properties and this could have a material or significantly adverse effect upon the liquidity, capital expenditures, earnings or competitive position of Infinity. For the year ended December 31, 2008 the remaining values of Infinity-Texas and Infinity-Wyoming were written down to zero as the Company focused solely on the development of the Nicaraguan Concessions. Management believes the estimate of the Company' s asset retirement obligations consisting of costs related to the plugging of wells, the removal of facilities and equipment, and site restoration on oil and gas properties is sufficient to cover any noncompliance liabilities. The Company no longer carries insurance on the domestic properties.

Contingent Fees

In addition to the Revenue Sharing Agreement with Thompson Knight to assist the Company with its technical studies of gas and oil holdings in Nicaragua and managing and assisting in the Farmout, the Company agreed to compensate Thompson Knight a success fee of 5% of the upfront cash fee paid to Infinity by a third party earning an interest in the Nicaragua asset up to $20 million and 10% of any amount exceeding the $20 million. A 2% success fee would be paid to Thompson Knight of the remaining cash investment in subsequent years.

Prior to action taken in December 2012, there was an agreement that at such time the Company entered into an agreement with a partner on the Nicaragua Concession and the Company received and collected up to $20,000,000 in upfront fees, Messrs. Ross and Hutchins would receive a bonus of 5% of the first $20,000,000 and 10% of any amount over $20,000,000, which amount was to be divided 50% to each officer. In December 2012, the parties terminated this agreement. As of September 30, 2012 and December 31, 2011, no amounts had been accrued under these contingent fee arrangements.

Litigation

The Company is subject to numerous claims and legal actions in which vendors are claiming breach of contract due to the Company' s failure to pay amounts due. The Company believes that it has made adequate provision for these claims in the accompanying financial statements.

The Company is currently involved in litigation as follows:

> Exterran Energy Solutions, L.P., f/k/a Hanover Compression Limited Partnership, who filed an action in the District Court of Erath County, Texas, number CV30512, on March 31, 2010 against Infinity Oil and Gas of Texas, Inc., Infinity Energy Resources, Inc., Longhorn Properties, LLC, and Forest Oil Corporation. Exterran Energy Solutions, L.P. provided certain gas compressor and related equipment pursuant to a Gas Compressor/ Production Equipment Master Rental & Servicing Agreement with Infinity dated January 3, 2005 in Erath County, Texas and is claiming breach of contract for failure to pay amounts due. The Company has included the impacts of this litigation as liabilities in its accounts payable because it does not dispute the amount owed. In 2009 the Company recorded the amount claimed. The Company will seek to settle the lawsuit when it has the financial resources to do so. The suit is in the discovery stage.

Certain litigation had been filed against Infinity Oil and Gas of Texas (Infinity – Texas) by LDH Gas Development, L.P. In connection with this matter, Infinity - Texas had recorded accounts payable and accrued expense in the aggregate amount of $2,845,458 in 2009. These liabilities have been reflected since 2009 in the Company' s consolidated financial statements and were included in "current liabilities of discontinued operation" in the Company' s consolidated balance sheet at December 31, 2011. In July 2012, the Company sold 100% of the common stock of Infinity-Texas for $1 and the assumption of all the Infinity – Texas liabilities by the purchaser. In accordance with the results of this transaction, the LDH liability is no longer a Company obligation after that date. The amount of the liability is presented in the accompanying consolidated balance sheets as an element of "current liabilities of discontinued operations" at December 31, 2011.

Stock Options	9 Months Ended Sep. 30, 2012

Disclosure of Compensation Related Costs, Share-based Payments [Abstract]

Stock Options

Note 4 − Stock Options

The Company applies ASC 718, *Stock Compensation*, which requires companies to recognize compensation expense for share-based payments based on the estimated fair value of the awards. ASC 718 also requires tax benefits relating to the deductibility of increases in the value of equity instruments issued under share-based compensation arrangements to be presented as financing cash inflows in the statement of cash flows. Compensation cost is recognized based on the grant-date fair value for all share-based payments granted, and is estimated in accordance with the provisions of ASC 718.

During the nine months ended September 30, 2012, no stock options were granted or forfeited. During the nine months ended September 30, 2011, the Company granted options to purchase 550,000 shares of common stock at $5.25/share, expiring ten years after issuance (February 2011), and 600,000 shares of common stock at $7.50/share, also expiring ten years after issuance (August 2011).

The following table summarizes stock option activity as of and for the periods ended September 30, 2012 and December 31, 2011:

	Number of Options	Weighted Average Exercise Price Per Share	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding and exercisable at January 1, 2011	903,500	$ 2.92	5.8 years	$ -
Granted in February 2011	550,000	$ 5.25		
Granted in August 2011	600,000	$ 7.50		
Outstanding and exercisable at December 31, 2011	2,053,500	$ 4.88	7.3 years	$ -
Granted in 2012	-			
Outstanding and exercisable at September 30, 2012	2,053,500	$ 4.88	6.6 years	$ -

The Company recognized expense in connection with options granted of $0 and $214,906 during the nine months ended September 30, 2012 and 2011, respectively, and $0 and $62,553 in the three months ended September 30, 2012 and 2011, respectively. The weighted average grant date fair value of the February 2011 options granted was $0.28 and for the August 2011 options was $0.10. There was no unrecognized compensation cost as of September 30, 2012 or December 31, 2011 related to unvested stock and stock options, as all options granted vested immediately and are currently exercisable.

Derivative Instruments and Warrants	9 Months Ended Sep. 30, 2012
Derivative Instruments and Hedging Activities Disclosure [Abstract]	
Derivative Instruments and Warrants	**Note 5 − Derivative Instruments and Warrants** ***Commodity Derivatives*** As of September 30, 2012 and December 31, 2011, the Company had no oil and natural gas derivative arrangements outstanding. ***Derivatives – Amegy Fifth Forbearance Warrant*** On February 16, 2011, in connection with the signing of the Fifth Forbearance Agreement (see Note 2) the Company granted Amegy the Amegy Warrant exercisable to purchase 931,561 shares of the Company' s common stock at an exercise price of $5.01 per share during a ten-year period following the issuance of the Warrant. The Amegy Warrant was cancelled under the agreements between the Company and Amegy dated February 28, 2012 (effective April 13, 2012). See Note 3. The Amegy Warrant was subject to a registration rights agreement under which the Company has 120 days after the notification by Amegy to have such underlying shares registered. Such agreement was cancelled under the agreements between the Company and Amegy dated February 28, 2012 (effective April 13, 2012) that also cancelled the Amegy Warrant. See Notes 2 and 3. In addition, the Amegy Warrant contained provisions upon which Amegy has the right, upon certain conditions, to put the Warrant to the Company at fair value. It also contained a provision under which the $5.01 per share exercise price is to be re-priced upon the issuance by the Company of equity instruments at a price less than $5.01. Further, the Company was required, during the period the Warrant could be exercised, to have authorized and reserved 110% of the number of shares of common stock required for the exercise of the shares to be issued under the Amegy Warrant. As a result of Amegy' s conditional ability to put the Warrant back to the Company, it has classified the estimated fair of the Amegy Warrant (derivative liability) as a noncurrent liability in the accompanying consolidated balance sheet as of December 31, 2011. Prospective changes in the fair value of the Amegy Warrant were recorded in the consolidated statement of operations until the Warrant was cancelled. During the nine months ended September 30, 2012 the Company recorded an income item of $118,685 representing the net decrease in fair value of the Amegy Warrant for the period, but no amount was recorded as income or expense during the quarter ended that same date. During the three months ended September 30, 2011 the Company recorded income of $307,542 representing the net decrease in fair value of the Amegy Warrant. For the nine months ended September 30, 2011, the Company recorded income of $345,375 representing the net decrease in the fair value of the Amegy Warrant for the period from its issuance through September 30, 2011. ***Derivatives – Warrant Issued Relative to Note Payable to Related Party*** In connection with the short-term note payable entered into with a related party (see Note 2) the Company issued the same entity a warrant exercisable to purchase 120,000 shares of the Company' s common stock at a price of $2.50 per share, expiring August 2017. The warrant contains a penalty provision under which the number of shares that may be purchased will increase to 1,200,000 and the exercise price will be reduced to $0.10 per share if the Company fails to pay the note when due on February 28, 2013. The Company has recorded the estimated fair value of the warrant as of August 28, 2012, on the assumption that the note payable will be entirely repaid on its due date, as a discount on note payable in the amount of $48,654 and a non-current derivative liability in the same amount at that date. The estimated current value of the warrant derivative liability was increased to $67,783 at September 30, 2012 and such increase in derivative liability

is included as an other expense in the amount of $19,129 for the three and nine months ended September 30, 2012.

Related Party Transactions	9 Months Ended Sep. 30, 2012
Related Party Transactions [Abstract]	
Related Party Transactions	**Note 7 − Related Party Transactions** The corporate office was located in Denver, Colorado until November 2008 when the Denver office was closed. The corporate office moved to the business office of the CFO of the Company. The Company currently does not have any employees and the staff of the CFO provides the office services. These services are billed at the CFO firm' s standard billing rate plus out-of-pocket expenses. For the quarters ended September 30, 2012 and 2011, the Company was billed $59,745 and $41,221, respectively, and for the nine months ended September 30, 2012 and 2011, the Company was billed $203,328 and $152,456, respectively. The amount due to the CFO' s firm for services provided was $708,214 at September 30, 2012 and $514,885 at December 31, 2011. The Company entered into a subordinated loan with Off-Shore in the aggregate amount of $1,275,000 for funds for the Nicaraguan Concessions. This note was satisfied by the Company' s issuance of shares of Series B redeemable convertible preferred stock effective April 13, 2012 to Off-Shore (see Note 3). The managing partner of Off-Shore and the CFO are partners in the accounting firm which the Company uses for its corporate office. The Series B preferred stock continues to be held by Off-Shore. While the relationship with Amegy Bank was ongoing and debt was outstanding (through April 13, 2012), the Company' s CEO personally guaranteed up to $500,000 of the Forbearance advances. His guarantee obligation was never called upon and he was not compensated by the Company for such guarantee. As of September 30, 2012 and December 31, 2011, the Company had accrued compensation to its officers and directors of $891,708 and $744,708, respectively. As discussed in Note 2, on August 28, 2012, the Company borrowed $250,000 from an entity that is 49% owned by a board member of another corporation for which Infinity' s CEO serves as CEO and chairman of the board. The Company issued a short-term note to bearing interest at 8% per annum and maturing February 28, 2013 to such party. In connection with the transaction, the Company issued the lender a warrant exercisable to purchase 120,000 shares of the Company' s common stock at a price of $2.50 per share, expiring August 2017. The warrant contains a penalty provision under which the number of shares that may be purchased will increase to 1,200,000 and the exercise price will be reduced to $0.10 per share if the Company fails to pay the note when due on February 28, 2013.

Stock Options (Details Narrative) (USD $)	1 Months Ended		3 Months Ended		9 Months Ended		12 Months Ended
	Aug. 31, 2011	Feb. 28, 2011	Sep. 30, 2012	Sep. 30, 2011	Sep. 30, 2012	Sep. 30, 2011	Dec. 31, 2011
Disclosure of Compensation Related Costs, Share-based Payments [Abstract]							
Number of stock options granted or forfeited during period							1,150,000
Stock options granted to purchase of common stock						1,150,000	
Stock options granted to purchase of common stock, price per share						$ 12.75	
Stock options expiration period						10 years	
Recognized expense in connection with options granted			$ 0	$ 62,553	$ 0	$ 214,906	
Weighted average grant date fair value of options granted	$ 0.10	$ 0.28					

Debt (Tables)	9 Months Ended Sep. 30, 2012
Debt Disclosure [Abstract]	
Schedule Of Debt Outstanding	Debt consists of the following at September 30, 2012 and December 31, 2011:

	September 30, 2012	December 31, 2011
Note payable to related party, net of discount	$ 209,854	$ -
Revolving credit facility to bank, current	$ -	$ 11,407,252
Subordinated note payable, related party, net of discount	$ -	$ 1,186,353
Less current portion	-	(1,186,353)
Long-term portion, subordinated note payable	$ -	$ -

Nature of Operations, Basis of Presentation and Summary of Significant Accounting Policies (Details Narrative) (USD $)	0 Months Ended			1 Months Ended	3 Months Ended		9 Months Ended		0 Months Ended							
	Jul. 31, 2012	Feb. 28, 2012	Feb. 28, 2012	Jul. 31, 2012	Sep. 30, 2012	Sep. 30, 2011	Sep. 30, 2012	Sep. 30, 2011	Apr. 13, 2012	Dec. 31, 2011	Apr. 13, 2012 Redeemable Convertible Preferred Stock Series B	Feb. 28, 2012 Redeemable Convertible Preferred Stock Series B	Apr. 13, 2012 Redeemable Convertible Preferred Stock Series A	Feb. 28, 2012 Redeemable Convertible Preferred Stock Series A	Apr. 13, 2012 Common Stock [Member]	Feb. 28, 2012 Common Stock [Member]
Additional Advances from affiliates										$ 272,070						
Advances		1,668,828	1,668,828													
Shares issued in payment of debt		15,016											130,000	130,000	2,000,000	2,000,000
Warrants issued to purchase common stock			968,000													
Additional shares issued on payment of debt											15,016	15,016				
Letters of credit					851,550		851,550									
Percentage of discount factor							10.00%									
Percentage of valuation reserve of note							100.00%									
Percentage of sale of ownership interest	100.00%			100.00%												
Deferred tax asset, net of valuation allowance					0		0		700,000	700,000						
Interest costs and debt discount amortization capitalized					$ 0	$ 67,529	$ 77,616	$ 189,393								
Additional common stock shares outstanding							2,000,000									

Related Party Transactions (Details Narrative) (USD $)	0 Months Ended	3 Months Ended		9 Months Ended		
	Aug. 28, 2012	Sep. 30, 2012	Sep. 30, 2011	Sep. 30, 2012	Sep. 30, 2011	Dec. 31, 2011
Billing for CFO staff for consideration of office services		$ 59,745	$ 41,221	$ 152,456	$ 203,328	
Aggregate amount of Off-Shore subordinated loan		1,275,000		1,275,000		
Accrued compensation to related parties		891,708		891,708		744,708
Company borrowed amount by issued a short-term note payable	250,000	209,854		209,854		
Board member owned percentage	49.00%					
Short term debt, bearing interest rate	8.00%					
Maturity date of short term note	Feb. 28, 2013	Mar. 31, 2014				
Warrants issued to purchase common stock	120,000					
Common stock par value	$ 2.50	$ 0.0001		$ 0.0001		$ 0.0001
Warratns expiration date	2017-08-31					
Warrant price per share reduction on non-payment of note	$ 0.10					
Increase in the number of shares to be purchased under warrants for non payment of notes	1,200,000					
CFO's Firm [Member]						
Due to related party for consideration of services		708,214		708,214		514,885
CEO [Member]						
Outstanding debt guaranteed by related party		$ 500,000				

Consolidated Statements of Operations (Parenthetical) (USD $)	3 Months Ended		9 Months Ended	
	Sep. 30, 2012	Sep. 30, 2011	Sep. 30, 2012	Sep. 30, 2011
Redeemable Convertible Preferred Stock Series A				
Percentage of dividend payable on redeemable convertible preferred stock	$ 0.06	$ 0.06	$ 0.06	$ 0.06
Redeemable Convertible Preferred Stock Series B				
Percentage of dividend payable on redeemable convertible preferred stock	$ 0.06	$ 0.06	$ 0.06	$ 0.06

Nature of Operations, Basis of Presentation and Summary of Significant Accounting Policies	9 Months Ended Sep. 30, 2012
Organization, Consolidation and Presentation of Financial Statements [Abstract]	
Nature of Operations, Basis of Presentation and Summary of Significant Accounting Policies	**Note 1 − Nature of Operations, Basis of Presentation and Summary of Significant Accounting Policies**

Unaudited Interim Financial Information

Infinity Energy Resources, Inc. and its subsidiaries (collectively, "we," "ours," "us," "Infinity" or the "Company") has prepared the accompanying consolidated financial statements pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC") for interim financial reporting. These consolidated financial statements are unaudited and, in our opinion, include all adjustments consisting of normal recurring adjustments and accruals necessary for a fair presentation of our consolidated balance sheets, statements of operations, and cash flows for the periods presented. Operating results for the periods presented are not necessarily indicative of the results that may be expected for 2012 due to various factors. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States ("GAAP") have been omitted in accordance with the rules and regulations of the SEC. These consolidated financial statements should be read in conjunction with the audited consolidated financial statements and accompanying notes in Item 8, "Financial Statements and Supplementary Data," of our Annual Report on Form 10-K, filed with the SEC.

Nature of Operations

We are engaged in the exploration of the Perlas and Tyra concession blocks offshore Nicaragua in the Caribbean Sea (the "Nicaraguan Concessions").

Basis of Presentation

The consolidated financial statements include the accounts of Infinity Energy Resources, Inc. and its wholly-owned subsidiaries, Infinity Oil and Gas of Texas, Inc. ("Infinity-Texas") and Infinity Oil & Gas of Wyoming, Inc. ("Infinity-Wyoming"). All significant intercompany balances and transactions have been eliminated in consolidation. As described in Note 8, the Company sold its entire investment in Infinity-Texas effective July 31, 2012. The assets, liabilities and operations of Infinity-Texas have been segregated and set forth as relating to discontinued operations on the accompanying consolidated financial statements.

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States.

On March 5, 2009 Infinity signed the contracts relating to its Nicaraguan Concessions. Infinity is conducting an environmental study and the development of geological information from reprocessing and additional evaluation of existing 2-D seismic data that was acquired for the Nicaraguan Concessions. Infinity is seeking offers from other industry operators and other third parties for interests in the acreage in exchange for cash and a carried interest in exploration and development operations. The funds raised through the subordinated note transaction described below and Forbearance advances from Amegy Bank, N.A. ("Amegy") were used to fund these expenditures (see Notes 2 and 3). These funds will not be sufficient to cover our expected operating exploration costs.

Going Concern

As reflected in the accompanying Consolidated Statements of Operations, the Company has had a history of losses. In addition, the Company has a significant working capital deficit and is currently experiencing substantial liquidity issues. Further, as discussed in Note 2 and below, the Company was at December 31, 2011 operating under the Fifth Forbearance Agreement with Amegy under the Revolving Credit Facility, which agreement expired on that date. After December 31, additional advances of $272,070 were made by Amegy accumulating to a total advance of $1,668,828 as of February 28, 2012.

On February 28, 2012, we signed definitive agreements with Amegy and Off-Shore relating to outstanding debt and other obligations we owed to them. Under these documents, we agreed to issue to Amegy 130,000 shares of Series A Preferred and 2,000,000 shares of common stock as payment in full of all debt and related obligations owed Amegy; the Company and Amegy also agreed to cancel a warrant held by Amegy exercisable to purchase 968,000 shares of the Company' s common stock that had been issued in February 2011. In addition, we agreed to issue Off-Shore 15,016 shares of Series B Preferred in conversion, exchange and payment in full of all debt and other obligations we owed to Off-Shore. The transactions with Amegy and Off-Shore closed on April 13, 2012 and are described more fully in Note 3.

Although the cash outflow necessary to pay Amegy has been eliminated under terms of the Stock Purchase Agreement, the Company is still in need of additional capital to meet its obligations under the Nicaraguan Concessions, and is searching for sources of additional equity or debt financing. There can be no assurance that the Company will be able to obtain such capital or obtain it on favorable terms..

The Company has classified the entire balance outstanding under the Revolving Credit Facility at December 31, 2011 as a current liability in the accompanying Consolidated Balance Sheets.

The Company conducted an environmental study and developed geological information from the reprocessing and additional evaluation of existing 2-D seismic data acquired over its Nicaraguan Concessions. It issued letters of credit totaling $851,550 for this initial work on the leases. The Company commenced certain activity under the initial work plan and is waiting for governmental approval of the environmental study. The Company intends to seek joint venture or working interest partners prior to the commencement of any exploration or drilling operations on the Nicaraguan Concessions.

Due to the uncertainties related to these matters, there exists substantial doubt about the Company' s ability to continue as a going concern. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount and classification of liabilities that might result should the Company be unable to continue as a going concern.

Management Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates with regard to the consolidated financial statements include the initial fair value of redeemable convertible preferred shares, the estimated carrying value of unproved properties, the estimated cost and timing related to asset retirement obligations, the estimated fair value of derivative liabilities and stock based awards, and the realization of deferred tax assets.

Oil and Gas Properties

The Company follows the full cost method of accounting for exploration and development activities. Accordingly, all costs incurred in the acquisition, exploration, and development of properties (including costs of surrendered and abandoned leaseholds, delay lease rentals, dry holes and seismic costs) and the fair value of estimated future costs of site restoration, dismantlement, and abandonment activities are capitalized. Overhead related to exploration and development activities is also capitalized. In the quarters ended September 30, 2012 and 2011, the Company capitalized direct costs, overhead costs and interest as follows:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2012	2011	2012	2011
Direct costs	$ 96,462	$ 68,131	$ 381,219	$ 396,188
Overhead costs	12,500	12,500	37,500	37,500
Total non-interest costs	108,962	80,631	418,719	433,688
Interest costs	-	67,529	77,616	189,393
	$ 108,962	$ 148,160	$ 496,335	$ 623,081

Costs associated with production and general corporate activities are expensed in the period incurred.

Depletion of proved oil and gas properties is computed on the units-of-production method, with oil and gas being converted to a common unit of measure based on relative energy content, whereby capitalized costs, as adjusted for estimated future development costs and estimated asset retirement costs, are amortized over the total estimated proved reserve quantities. Investments in unproved properties, including capitalized interest and internal costs, are not depleted pending determination of the existence of proved reserves. Unproved properties are assessed periodically (at least annually) to ascertain whether impairment has occurred. Unproved properties whose costs are individually significant are assessed individually by considering the primary lease terms of the properties, the holding period of the properties, geographic and geologic data obtained relating to the properties, and estimated discounted future net cash flows from the properties. Estimated discounted future net cash flows are based on discounted future net revenues associated with probable and possible reserves, risk adjusted as appropriate. Where it is not practicable to assess individually the amount of impairment of properties for which costs are not individually significant, such properties are grouped for purposes of assessing impairment. The amount of impairment assessed is added to the costs to be amortized, or is reported as a period expense, as appropriate. All unproved property costs as of September 30, 2012 and December 31, 2011 relate to the Company' s Nicaraguan Concessions that were entered into in March 2009. In assessing the unproved property costs for impairment, the Company takes into consideration the terms of the government concessions, the status of the ongoing environmental study, evaluation of the seismic data and plans to seek industry participation in the future exploration and development.

Pursuant to full cost accounting rules, the Company must perform a "ceiling test" each quarter. The ceiling test provides that capitalized costs less related accumulated depletion and deferred income taxes for each cost center may not exceed the sum of (1) the present value of future net revenue from estimated production of proved oil and gas reserves using prices based on the arithmetic mean of the previous 12 months' first-of-month prices and current costs, including the effects of derivative instruments accounted for as cash flow hedges but excluding the future cash outflows associated with settling asset retirement obligations that have been accrued on the balance sheet, and a discount factor of 10%; plus (2) the cost of properties not being amortized, if any; plus (3) the lower of cost or estimated fair value of unproved properties included in the costs being amortized, if any; less (4) income tax effects related to differences in the book and tax basis of oil and gas properties. If capitalized costs exceed the ceiling, the excess must be charged to expense and may not be reversed in future periods. As of September 30, 2012 and 2011, the Company did not have any proved oil and gas properties, and all unproved property costs relate to the Company' s Nicaraguan Concessions.

Proceeds from the sales of oil and gas properties are accounted for as adjustments to capitalized costs with no gain or loss recognized, unless such adjustments would significantly alter the relationship between capitalized costs and proved reserves of oil and gas, in which case the gain or loss would be recognized in the determination of the Company' s net earnings/loss. During 2011 Infinity-Texas, the Company' s 100%-owned subsidiary, sold its oil and gas properties in Texas, to a single-member LLC, the owner of which purchased 100% of the stock of Infinity-Texas from the Company in July 2012 (see Note 8). The costs associated with these properties were entirely written off in prior periods. The properties were sold in return for a non-interest-bearing note with repayment conditional upon net profit from sales of oil and gas from the properties. Due to the uncertainty of when and in what amount payments on the note will be received, the Company has recorded the note net of a 100% valuation reserve and has recognized no gain or loss on this transaction. The note was sold as an asset of Infinity-Texas in the July 2012 sale of such company's stock.

Concentrations

The Company' s only significant asset is the Nicaraguan Concessions and it expects to be active in Nicaragua for the foreseeable future, given sufficient capital. The political climate in Nicaragua could become unstable and subject to radical change over a short period of time. In the event of a significant negative change in political and economic stability in the vicinity of the Nicaraguan Concessions, it may be forced to abandon or suspend its efforts.

Derivative Instruments

The Company accounts for derivative instruments or hedging activities under the provisions of ASC 815 (formerly Statement of Financial Accounting Standards ("SFAS") No. 133, *Accounting for Derivative Instruments and Hedging Activities*.) ASC 815 requires the Company to record derivative instruments at their fair value. If the derivative is designated as a fair value hedge, the changes in the fair value of the derivative and of the hedged item attributable to the hedged risk are recognized in earnings. If the derivative is designated as a cash flow hedge, the effective portions of changes in the fair value of the derivative are recorded in other comprehensive income (loss) and are recognized in the statement of operations when the hedged item affects earnings. Ineffective portions of changes in the fair value of cash flow hedges, if any, are recognized in earnings. Changes in the fair value of derivatives that do not qualify for hedge treatment are recognized in earnings.

The purpose of hedging is to provide a measure of stability to the Company' s cash flows in an environment of volatile oil and gas prices and to manage the exposure to commodity price risk. As of September 30, 2012 and December 31, 2011 and during the periods then ended, the Company had no oil and natural gas derivative arrangements outstanding.

As a result of certain terms, conditions and features included in certain common stock purchase warrants issued by the Company but no longer outstanding at September 30, 2012 (see Note 5), those warrants were required to be accounted for as derivatives at estimated fair value, with changes in fair value recognized in earnings. Such derivatives were outstanding at December 31, 2011 and were cancelled effective April 13, 2012 as part of the transaction in which the Company' s debt, subordinated note payable and related accrued interest and other fees, in addition to its derivative liability associated with the warrants, were satisfied by the issuance of common and Series A and B redeemable, convertible preferred stock (Note 3). Likewise, as the result of certain terms, conditions and features included in certain common stock purchase warrants issued by the Company in association with a note payable entered into August 28, 2012 with a related party, the warrants issued are also required to be accounted for as derivatives at estimated fair value, with changes in fair value recognized in earnings.

Income Taxes

The Company uses the asset and liability method of accounting for income taxes. This method requires the recognition of deferred tax liabilities and assets for the expected future tax consequences of temporary differences between financial accounting bases and tax bases of assets and liabilities. The tax benefits of tax loss carryforwards and other deferred taxes are recorded as an asset to the extent that management assesses the utilization of such assets to be more likely than not. We routinely assess the realizability of our deferred income tax assets, and a valuation allowance is recognized if it is determined that deferred income tax assets may not be fully utilized in future periods. We consider future taxable earnings in making such assessments. Numerous judgments and assumptions are inherent in the determination of future taxable earnings, including such factors as future operating conditions. When the future utilization of some portion of the deferred tax asset is determined not to be more likely than not, a valuation allowance is provided to reduce the recorded deferred tax asset. When the Company can project that a portion of the deferred tax asset can be realized through application of a portion of tax loss carryforward, the Company will record that utilization as a deferred tax benefit and recognize a deferred tax asset in the same amount. There can be no assurance that facts and circumstances will not materially change and require us to adjust our deferred income tax asset valuation allowance in a future period. We are potentially subject to taxation in many jurisdictions, and the calculation of income tax liabilities (if any) involves dealing with uncertainties in the application of complex income tax laws and regulations in various taxing jurisdictions. We recognize certain income tax positions that meet a more-likely-than not recognition threshold. If we ultimately determine that the payment of these liabilities will be unnecessary, we will reverse the liability and recognize an income tax benefit. The Company recognized a deferred tax asset, net of valuation allowance, of $0 at September 30, 2012 and $700,000 at December 31, 2011 related to the anticipated use of net operating losses to offset taxable income triggered by the transaction with Amegy and Off-Shore that closed in April 2012 (see Note 3). As recorded, the Company did not realize any gain in association with the transaction, and the deferred tax asset set up at December 31, 2011 was recorded as a reduction in additional paid-in capital.

Cash and cash equivalents

For purposes of reporting cash flows, cash consists of cash on hand and demand deposits with financial institutions. It is the Company' s policy that all highly liquid investments with a maturity of three months or less when purchased would be cash equivalents and would be included along with cash as cash and equivalents.

Asset Retirement Obligations

The Company records estimated future asset retirement obligations pursuant to the provisions of ASC 410 (formerly SFAS No. 143, *Accounting for Asset Retirement Obligations*.) ASC 410 requires entities to record the fair value of a liability for an asset retirement obligation in the period in which it is incurred with a corresponding increase in the carrying amount of the related long-lived asset. Subsequent to initial measurement, the asset retirement liability is required to be accreted each period. The Company' s asset retirement obligations consist of costs related to the plugging of wells, the removal of facilities and equipment, and site restoration on oil and gas properties. Capitalized costs are depleted as a component of the full cost pool using the units of production method. Although the Company has recognized full impairment of the value of all remaining domestic oil and gas properties in prior periods, the Company may retain title to certain abandoned non-producing domestic leasehold properties. Management believes the Company has been relieved from asset retirement obligation related to Infinity-Texas because of the sale of its Texas oil and gas properties in 2011 and its sale of 100% of the stock in Infinity-Texas in 2012 (see Note 8), but may retain some asset retirement obligation related to properties of Infinity-Wyoming. Therefore, the Company has continued to maintain the asset retirement obligation as a liability in its financial statements and, in accordance with ASC 410, to accrete such obligation regularly. The following table summarizes the activity for the Company' s asset retirement obligations for the period ended September 30, 2012:

Asset retirement obligations at beginning of period (net of $389,759 attributed to Infinity-Texas set forth as liabilities of discontinued operation on the accompanying consolidated balance sheets)	$	897,560
Accretion expense, nine months ended September 30, 2012 (net of $17,736 attributed to Infinity-Texas and included within loss of discontinued operation on accompanying consolidated statement of operations)		61,958

Asset retirement obligations at end of period	959,518
Less: current portion of asset retirement obligations	(432,027)
Asset retirement obligations, less current portion	$ 527,491

Capitalized Interest and Debt Discount Amortization

The Company capitalizes interest costs and debt discount amortization to oil and gas properties on expenditures made in connection with exploration and development projects that are not subject to current depletion. Such costs are capitalized only for the period that activities are in progress to bring these projects to their intended use. Interest costs and debt discount amortization capitalized for the quarters ended September 30, 2012 and 2011 were $0 and $67,529, respectively, and for the nine months ended September 30, 2012 and 2011 were $77,616 and $189,393, respectively.

Fair Value of Financial Instruments

As defined in ASC 820, fair value is the price that would be received in the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company utilizes market data or assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable. The Company classifies fair value balances based upon observability of those inputs. ASC 820 establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement), pricing inputs are other than quoted prices in active markets, but are either directly or indirectly observable and are valued using models or other valuation methodologies (level 2 measurement), and the lowest priority to unobservable inputs (level 3 measurement). There were no changes in valuation techniques or reclassifications of fair value measurements between levels 1, 2 or 3 during the quarter ended September 30, 2012 or year ended December 31, 2011.

The carrying values of the Company' s accounts receivable, accounts payable and accrued liabilities represent the estimated fair value due to the short-term nature of the accounts.

The carrying value of the Company' s debt under its Revolving Credit Facility represented its estimated fair value due to its short-term nature, its adjustable rate of interest, associated fees and expenses and initially recorded discount.

The estimated fair value of the Company' s non-current derivative liabilities, all of which related to warrants, was estimated using a closed-ended option pricing model utilizing assumptions related to the contractual term of the instruments, estimated volatility of the price of the Company' s common stock, interest rates, the probability of both the downward adjustment of the exercise price and the upward adjustment to the number of warrants as provided by the warrant agreement terms (Note 5) and non-performance risk factors, among other items (ASC 820, *Fair Value Measurements* ("ASC 820") fair value hierarchy Level 2). A comparison of the assumptions used in calculating estimated fair value at the issue date and at September 30, 2012 is as follows:

	Upon Issuance, August 29, 2012	**At September 30, 2012**
Volatility	52.5%	52.2%
Contractual term	5 years	5 years
Exercise price	$ 2.50	$ 2.50
Number of warrants per contract	120,000	120,000

The estimated initial fair value of the Company' s Series A and B redeemable convertible preferred stock was determined based upon estimates of the expected occurrence and timing of certain future events, such as the date such shares might be redeemed or converted (assumed to be December 31, 2013); an estimate of discount rates to be utilized in determining net present value of the preferred stock, based upon rates observed in similar or analogous, but not identical, market transactions, upon past Company-specific effective borrowing rates, and the assessment of each instrument' s specific rights and obligations.

Net Income (Loss) Per Common Share

Pursuant to FASB ASC Topic 260, *Earnings Per Share,* basic net income (loss) per share is computed by dividing the net income (loss) attributable to common shareholders by the weighted-average number of common shares outstanding during the period. Diluted net income (loss) per share is computed by dividing the net income (loss) attributable to common shareholders by the weighted-average number of common and common equivalent shares outstanding during the period. Common share equivalents included in the diluted computation represent shares issuable upon assumed exercise of stock options and warrants using the treasury stock and "if converted" method. For periods in which net losses from continuing operations are incurred, weighted average shares outstanding is the same for basic and diluted loss per share calculations, as the inclusion of common share equivalents would have an anti-dilutive effect.

During the nine months and the three months ended September 30, 2012 the Company had outstanding an additional 2,000,000 shares of common stock for the period April 13 through September 30, 2012. Weighted average common shares outstanding for both the quarter and nine months ended September 30, 2012 reflect the effects of the shares outstanding for this period. The calculation of income (loss) per common share for the quarter and nine months ended September 30, 2012 reflects these amounts which are attributable to the preferred shareholders as increases in the net income (loss) for those periods allocable to common shareholders.

Foreign Currency

The United States dollar is the functional currency for the Company' s operations. Although the Company' s acquisition and exploration activities have been conducted in Nicaragua, a significant portion of the payments incurred for exploration activities are denominated in United States dollars. The Company expects that a significant portion of its required and discretionary expenditures in the foreseeable future will also be denominated in United States dollars. Any foreign currency gains and losses are included in the consolidated results of operations in the period in which they occur. The Company does not have any cash accounts denominated in foreign currencies.

Recent Accounting Pronouncements

Effective January 1, 2011, the Company adopted ASC 820 guidance that requires enhanced disclosure in the level 3 reconciliation for fair value measurements. The adoption had no impact on the consolidated financial position, results of operations or cash flows of the Company. Refer to the discussion elsewhere in this note as to other information concerning our assets and liabilities measured at fair value.

In December 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2011-11 which requires that an entity disclose both gross and net information about instruments and transactions that are either eligible for offset in the balance sheet or subject to an agreement similar to a master netting agreement, including derivative instruments. ASU 2011-11 was issued in order to facilitate comparison between GAAP and IFRS financial statements by requiring enhanced disclosures, but does not change existing GAAP that permits balance sheet offsetting. This authoritative guidance is effective for annual reporting periods beginning on or after January 1, 2013, and interim periods within those annual periods. The Company is currently evaluating the provisions of ASU 2011-11 and assessing the impact, if any, it may have on the Company's financial position or results of operations.

Capitalized Direct Costs, Overhead Costs and Interest (Details) (USD $)	3 Months Ended		9 Months Ended	
	Sep. 30, 2012	Sep. 30, 2011	Sep. 30, 2012	Sep. 30, 2011
Organization, Consolidation and Presentation of Financial Statements [Abstract]				
Direct costs	$ 96,462	$ 68,131	$ 381,219	$ 396,188
Overhead costs	12,500	12,500	37,500	37,500
Total non-interest costs	108,962	80,631	418,719	433,688
Interest costs		67,529	77,616	189,393
Capitalized direct costs, overhead costs and interest	$ 108,962	$ 148,160	$ 496,335	$ 623,081

Commitments and Contingencies (Details Narrative) (USD $)	0 Months Ended					1 Months Ended		9 Months Ended				12 Months Ended	9 Months Ended					9 Months Ended		
	Nov. 26, 2012	Jul. 31, 2012	Sep. 08, 2009	Jun. 06, 2009	Mar. 23, 2009	Jul. 31, 2012	Jun. 30, 2005 PerUnit	Sep. 30, 2012	Apr. 13, 2012	Dec. 31, 2011	Dec. 31, 2009	Dec. 31, 2009 LDH Gas Development, L.P. [Member]	Sep. 30, 2012 Condition One [Member]	Sep. 30, 2012 Condition Two [Member]	Sep. 30, 2012 Condition Three [Member]	Sep. 30, 2012 Perlas [Member]	Sep. 30, 2012 Tyra [Member]	Sep. 30, 2012 Ross [Member]	Sep. 30, 2012 Hutchins [Member]	Sep. 30, 2012 Thompson Knight [Member]
Letters of credit								$ 851,550								$ 443,100	$ 408,450			
Letters of credit expiration date																March 2013	September 2013			
Minimum cash commitment budgeted								256,800												
Cash commitment incurred and paid	303,500																			
Minimum cash requirements after approval								1,894,000												
Minimum cash requirements after approval relating to seismic								1,634,677												
Minimum cash requirements after approval relating to training and area fees								259,300												
Gathering fee per Mcf							0.35													
Aggregate amount owing related to the shortfalls								2,845,458		2,845,458										
Percentage of sale of ownership interest		100.00%				100.00%														
Proceeds from sale of ownership interest in affiliates		1				1														
Secured subordinated promissory notes					1,275,000				(1,269,441)	(1,186,353)										
Percentage of revenue sharing Interest					1.00%															
Amount funded by Off-Shore											1,275,000									
Percentage of payment of revenue to Off-Shore								1.00%												
Payment of funded amount on terms													(i) until March 22, 2010, a sum equal to three (3) times the Funding Amount	(ii) until March 22, 2011, a sum equal to five (5) times the Funding Amount	(iii) until March 22, 2012, a sum equal to ten (10) times the Funding Amount					
Payment of funded amount													3,825,000	6,375,000	12,750,000					
Percentage of payment of revenue to officers and directors				1.00%																
Percentage of payment of revenue to Jeff Roberts			1.00%																	
Percentage of payment of revenue to Thompson Knight Global Energy Services			1.00%																	
Percentage of success fee paid on remaining cash investments in subsequent years																				2.00%
Percentage of bonus receive on limited upfront fee																		5.00%	5.00%	5.00%
Maximum percentage of bonus receive, more on limited upfront fee																		10.00%	10.00%	
Percentage of bonus receive by individual from over on limited upfront fee																		50.00%	50.00%	
Maximum collection of upfront fee from partner								20,000,000												
Revenue sharing agreement description								In addition to the Revenue Sharing Agreement with Thompson Knight to assist the Company with its technical studies of gas and oil holdings in Nicaragua and managing and assisting in the Farmout, the Company agreed to compensate Thompson Knight a success fee of 5% of the upfront cash fee paid to Infinity by												

	a third party earning an interest in the Nicaragua asset up to $20 million and 10% of any amount exceeding the $20 million. A 2% success fee would be paid to Thompson Knight of the remaining cash investment in subsequent years.	
Recorded amounts from claimed forgoing lawsuits		$ 2,845,458

Nature of Operations, Basis of Presentation and Summary of Significant Accounting Policies (Tables)	9 Months Ended
	Sep. 30, 2012

Organization, Consolidation and Presentation of Financial Statements [Abstract]

Capitalized Direct Costs, Overhead Costs and Interest

Overhead related to exploration and development activities is also capitalized. In the quarters ended September 30, 2012 and 2011, the Company capitalized direct costs, overhead costs and interest as follows:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2012	2011	2012	2011
Direct costs	$ 96,462	$ 68,131	$ 381,219	$ 396,188
Overhead costs	12,500	12,500	37,500	37,500
Total non-interest costs	108,962	80,631	418,719	433,688
Interest costs	-	67,529	77,616	189,393
	$ 108,962	$ 148,160	$ 496,335	$ 623,081

Schedule of Asset Retirement Obiligations

The following table summarizes the activity for the Company's asset retirement obligations for the period ended September 30, 2012:

Asset retirement obligations at beginning of period (net of $389,759 attributed to Infinity-Texas set forth as liabilities of discontinued operation on the accompanying consolidated balance sheets)	$ 897,560
Accretion expense, nine months ended September 30, 2012 (net of $17,736 attributed to Infinity-Texas and included within loss of discontinued operation on accompanying consolidated statement of operations)	61,958
Asset retirement obligations at end of period	959,518
Less: current portion of asset retirement obligations	(432,027)
Asset retirement obligations, less current portion	$ 527,491

Assumptions of Estimated Fair Value

A comparison of the assumptions used in calculating estimated fair value at the issue date and at September 30, 2012 is as follows:

	Upon Issuance, August 29, 2012	**At September 30, 2012**
Volatility	52.5%	52.2%
Contractual term	5 years	5 years
Exercise price	$ 2.50	$ 2.50
Number of warrants per contract	120,000	120,000