

COASTAL CARIBBEAN OILS & MINERALS LTD
Form 10-Q
August 15, 2011

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 June 30, 2011

.. **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 1-4668

COASTAL CARIBBEAN OILS &
MINERALS, LTD.

(Exact name of registrant as specified in its charter)

BERMUDA (State or other jurisdiction of incorporation or organization)	NONE (I.R.S. Employer Identification No.)
Clarendon House, Church Street, Hamilton, Bermuda (Address of principal executive offices)	HM 11 (Zip Code)
(850) 556-5924 (Registrant's telephone number, including area code)	

(Former name, former address and former fiscal year, if changed since last report)

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 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 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 definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer <input type="checkbox"/>	Accelerated filer <input type="checkbox"/>
Non-accelerated filer <input type="checkbox"/> (Do not check if smaller reporting company)	Smaller reporting company <input checked="" type="checkbox"/>

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

The number of shares outstanding of the issuer's single class of common stock as of August 12, 2011 was 71,518,746.

COASTAL CARIBBEAN OILS & MINERALS, LTD.

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June 30, 2011

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COASTAL CARIBBEAN OILS & MINERALS, LTD.

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PART I - FINANCIAL INFORMATION

ITEM 1 - Financial Statements

CONSOLIDATED BALANCE SHEETS

(Expressed in U.S. dollars)

(A Bermuda Corporation)

A Development Stage Company

	June 30, 2011 (Unaudited)	December 31, 2010 (Note)
Assets		
Current assets:		
Cash and cash equivalents	\$	\$ 17,043
Total current assets		17,043
Certificates of deposit - Restricted	86,194	86,024
Petroleum leases	2,809,299	2,775,066
Equipment, net	114	1,374
Total assets	2,895,607	\$ 2,879,507
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 289,086	\$ 273,813
Notes payable	25,000	25,000
Amounts due to related parties	1,056,448	967,292
Total current liabilities	1,370,534	1,266,105
Shareholders' equity		
Common stock, par value \$.12 per share: Authorized - 250,000,000 shares Outstanding - 71,518,746 and 70,661,604 shares, respectively	8,582,249	8,479,392
Discount on common stock	(1,885,482)	(1,842,625)
Capital in excess of par value	32,139,311	32,139,311
Stock subscription receivable	(8,000)	
	38,828,078	38,776,078
Deficit accumulated during the development stage	(37,303,005)	(37,162,676)
Total shareholders' equity	1,525,073	1,613,402
Total liabilities and shareholders' equity	\$ 2,895,607	\$ 2,879,507

Note: The balance sheet at December 31, 2010 has been derived from
the audited consolidated financial statements at that date.

See accompanying notes.

COASTAL CARIBBEAN OILS & MINERALS, LTD.

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PART I - FINANCIAL INFORMATION

ITEM 1 - Financial Statements

CONSOLIDATED STATEMENTS OF OPERATIONS

(Expressed in U.S. dollars)

(A Bermuda Corporation)

A Development Stage Company

(Unaudited)

	Three months ended June 30,		Six months ended June 30,		For the
	2011	2010	2011	2010	period from
					Jan. 31,
					1953
					(inception)
					to
					June 30,
					2011
Interest and other income	\$ 88	\$ 830	\$ 169	\$ 1,494	\$ 3,985,398
Gain on settlement					8,124,016
	88	830	169	1,494	12,109,414
Expenses:					
Legal fees and costs		2,646		2,646	17,682,753
Administrative expenses	28,772	26,269	77,448	78,847	11,267,138
Salaries	31,250	31,250	62,500	64,359	4,583,931
Shareholder communications	250	1,889	550	3,218	4,173,121
Goodwill impairment					801,823
Write off of unproved properties					6,690,752
Exploration costs					188,218
Lawsuit judgments					1,941,916
Minority interests					(632,974)
Other					364,865
Contractual services					2,350,876
	60,272	62,054	140,498	149,070	49,412,419
Income tax benefit					

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Net loss	(60,184)	\$ (61,224)	(140,329)	\$ (147,576)
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Deficit accumulated during the development stage					\$ (37,303,005)
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Weighted average number of Shares outstanding (basic & diluted)	70,947,318	62,444,397	70,804,461	61,190,771
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Net loss per share (basic & diluted)	\$ (.00)	\$ (.00)	\$ (.00)	\$ (.00)
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See accompanying notes.

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PART I - FINANCIAL INFORMATION

ITEM 1 - Financial Statements

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in U.S. Dollars)

(A Bermuda Corporation)

A Development Stage Company

(Unaudited)

	For the period from		
	Six months ended		Jan. 31, 1953
	June 30,	June 30,	(inception)
	2011	2010	To June 30, 2011
Operating activities:			
Net loss	\$ (140,329)	\$ (147,576)	\$ (37,303,005)
Adjustments to reconcile net loss to net cash used in operating activities:			
Gain on settlement			(8,124,016)
Goodwill impairment			801,823
Minority interest			(602,949)
Depreciation	1,260	1,260	12,859
Write off of unproved properties			6,690,752
Common stock issued for services			119,500
Compensation recognized for stock option grant			75,000
Recoveries from previously written off properties			252,173
Net change in:			
Accounts payable and accrued liabilities	104,429	(125,202)	1,351,570
Net cash used in operating activities	(34,640)	(271,518)	(36,726,293)
Investing activities:			
Additions to oil, gas, and mineral properties net of assets acquired for common stock and reimbursements	(30,898)	(46,083)	(6,631,945)
Well drilling costs	(3,335)		(1,289,327)
Sale of unproved nonoperating interests			512,595