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Check whether the issuer has (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period the Company was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definitions of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one): Large accelerated filer , Accelerated filer , Non-accelerated filer

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

APPLICABLE ONLY TO CORPORATE ISSUERS

As of May 18, 2007, there were 102,633,706 shares of Common Stock issued and outstanding.

Transitional Small Business Disclosure Format: Yes No

Table of Contents

**TIDELANDS OIL & GAS CORPORATION
FORM 10-Q**

INDEX

	<u>Page</u>
PART I - Financial Information	
Item 1 - Financial Statements	
<u>Condensed Consolidated Balance Sheets as of March 31, 2007 and December 31, 2006</u>	F-1
<u>Condensed Consolidated Statements of Operations For the Three Months Ended March 31, 2007 and 2006</u>	F-2
<u>Condensed Consolidated Statements of Cash Flows For the Three Months Ended March 31, 2007 and 2006</u>	F-3 to F-4
<u>Notes to Condensed Consolidated Financial Statements</u>	F-5 to F13
Item 2 - <u>Management's Discussion and Analysis or Plan of Operation</u>	1
Item 3 - <u>Quantitative and Qualitative Disclosures About Market Risk</u>	3
Item 4 - <u>Controls and Procedures</u>	4
PART II - Other Information	
Item 1 - <u>Legal Proceedings</u>	4
Item 1A - <u>Risk Factors</u>	5
Item 2 - <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	5
Item 3 - <u>Defaults Upon Senior Securities</u>	6
Item 4 - <u>Submission of Matters to a Vote of Security Holdings</u>	6

Item 5 - <u>Other Information</u>	6
Item 6 - <u>Exhibits</u>	6
<u>Signature</u>	7

Table of Contents

TIDELANDS OIL & GAS CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS

ASSETS

	March 31, 2007 (Unaudited)	December 31, 2006
Current Assets:		
Cash	\$ 302,202	\$ 367,437
Accounts and Other Receivable	284,951	388,754
Inventory	119,478	84,030
Prepaid Expenses	95,634	148,551
Total Current Assets	802,265	988,772
Property Plant and Equipment, Net	13,147,781	12,364,359
Other Assets:		
Deposits	56,858	56,708
Cash Restricted	53,250	52,642
Deferred Charges	256,392	565,221
Goodwill	1,158,937	1,158,937
Total Other Assets	1,525,437	1,833,508
Total Assets	\$ 15,475,483	\$ 15,186,639

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities:		
Current Maturities - Note Payable	\$ 2,599,291	\$ 225,000
Accounts Payable and Accrued Expenses	1,988,261	1,624,752
Customer Deposits	8,100	0
Reserve for Litigation	2,250,000	2,250,000
Total Current Liabilities	6,845,652	4,099,752
Due to Related Party	100,000	0
Long-Term Debt	4,586,315	8,934,294
Total Liabilities	11,531,967	13,034,046
Stockholders' Equity:		
Common Stock, \$.001 Par Value per Share, 250,000,000 Shares Authorized, 98,688,909 and 86,457,922 Shares Issued and Outstanding at March 31, 2007 and December 31, 2006 Respectively	98,690	86,459
Additional Paid-in Capital	50,823,250	46,703,202

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Subscriptions Receivable	(110,000)	(220,000)
Minority Interest	-	-
Accumulated (Deficit)	(46,868,424)	(44,417,068)
Total Stockholders' Equity	3,943,516	2,152,593
Total Liabilities and Stockholders' Equity	\$ 15,475,483	\$ 15,186,639

See Accompanying Notes to Consolidated Financial Statements

F-1

Table of Contents

TIDELANDS OIL & GAS CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Three Months Ended March 31, 2007	Three Months Ended March 31, 2006
Revenues:		
Gas Sales and Pipeline Fees	\$ 1,001,882	\$ 672,506
Construction Services	102,089	129,388
Total Revenues	1,103,971	801,894
Expenses:		
Cost of Sales	567,721	376,866
Operating Expenses	83,371	84,531