COASTAL CARIBBEAN OILS & MINERALS LTD
Form 10-K
October 15, 2014
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**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**WASHINGTON, D.C. 20549**

**Form 10-K**

**(Mark One)**

x **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the fiscal year ended December 31, 2013**

**or**

¨ **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 001-04668**

**Coastal Caribbean Oils & Minerals, Ltd.**

**(Exact name of Registrant as specified in its charter)**

| | |
|---|---|
| **BERMUDA** | **NONE** |
| **(State or Other Jurisdiction of** | **(I.R.S. Employer** |
| **Incorporation or Organization)** | **Identification No.)** |
| **Clarendon House, Church Street, Bermuda** | **HM 11** |
| **(Address of Principle Executive Offices)** | **(Zip Code)** |

**Registrant s telephone number, including area code:**

**(850) 576-5982**

**Securities registered pursuant to Section 12(b) of the Act:**

| **Title of each class** | **Name of each exchange on which registered** |
|---|---|
| **NONE** | **NONE** |

**Securities registered pursuant to Section 12(g) of the Act:**

**Title of Class**

**Common stock, par value $.12 per share**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. ¨ Yes x No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. ¨ Yes x No

**Note** Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Exchange Act from their obligations under those Sections.

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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ¨ 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 definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

| | | | |
|---|---|---|---|
| Large accelerated filer | ¨ | Accelerated filer | ¨ |
| Non-accelerated filer | ¨ (Do not check if 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 x No

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant s most recently completed second fiscal quarter: $1,364,354 (U.S.) at June 30, 2013.

**Note** If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided that the assumptions are set forth in this Form.

Indicate the number of shares outstanding of each of the registrant s classes of common stock, as of the latest practicable date: Common stock, par value $.12 per share, 97,734,617 shares outstanding as of October 15, 2014.

**DOCUMENTS INCORPORATED BY REFERENCE**

List hereunder the following documents if incorporated by reference and the Part of the Form 10K (e.g. Part I, Part II, etc.) into which the document is incorporated: (1) Any annual report to security holders; (2) Any proxy or information statement; and (3) Any prospectus filed pursuant to Rule 424(b) or (c) under the Securities Act of 1933. The listed documents should be clearly described for identification purposes (e.g., annual report to security holders for fiscal year ended December 24, 1980).

None

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All monetary figures set forth are expressed in United States currency.

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# PART I

## Item 1. Business

***Company Website***

The Company no longer has a general company website, however, the Company s interactive financial filings are available to be viewed online by accessing the following website: **http://www.sendd.com/exbrl2/XbrlFinancials.asp?id=COCBF**. Securities and Exchange Commission ( SEC ) filings, including supplemental schedules and exhibits can be accessed free of charge through the SEC website at http://www.sec.gov.

## General

Coastal Caribbean Oils & Minerals, Ltd. ( Company or Coastal Caribbean ), was organized in Bermuda on February 14, 1962. The Company is the successor to Coastal Caribbean Oils, Inc., a Panamanian corporation organized on January 31, 1953 to be the holding company for Coastal Petroleum Company ( Coastal Petroleum ). Coastal Caribbean has been engaged through its subsidiary, Coastal Petroleum, in the exploration for oil and gas reserves. During 2013 and 2012, all the Company s oil and gas leases in Montana and North Dakota expired under their terms, due to the Company being unable to establish production on the leases, or in the case of less prospective leases, for nonpayment of lease rentals. During 2013 and 2012, the Company continued to hold and conducted limited operations on the lease at the location of the Company s Federal 1-19A well. The Company recorded impairment losses for all costs incurred for property leases, exploration and development activities relating to the remaining leases prior to 2013.

Prior to acquiring leases in Montana and North Dakota, and beginning in the 1940 s, the Company held State of Florida oil, gas and mineral leases covering approximately 3,700,000 acres of submerged lands along the Gulf Coast and under certain inland lakes and rivers. For more than 15 years, the State of Florida used laws, policies and permit denials to prevent Coastal Petroleum from using its leases. The Company vigorously litigated to be able to use its leases or to be compensated for the State s taking of them, but Florida courts ultimately ruled against the Company. On June 1, 2005, the Company, Coastal Petroleum and other royalty holders, based upon the court decisions and State policies prohibiting exploration on these leases, entered an agreement to exchange mutual releases, dismiss pending actions and to surrender the leases and royalty rights back to the State of Florida in exchange for a total compensation of $12.5 million to be divided among the parties in interest. The Company and its subsidiary received approximately $4,872,000 in net proceeds and the Company regained 100% ownership of its subsidiary, Coastal Petroleum.

The Company utilized the funds it received from the Agreement with the State of Florida to acquire the leases in Montana and North Dakota described above and to begin drilling there. No quantified discoveries of economic quantities of oil or gas were made on these properties; therefore, the Company had no proved reserves of oil and gas and has had no production. Other than the lease covering the location of the Company s Federal 1-19A well, the Montana and North Dakota leases expired during 2012.

## Crude Oil and Natural Gas Exploration

Through its wholly owned subsidiary, Coastal Petroleum, the Company explored for oil and gas in Montana, although during 2013, the Company s primary activity was seeking capital.

During the fourth quarter of 2010, the Company drilled an exploratory gas well on its Valley County, Montana Leases to test multiple zones potentially containing natural gas. There was no quantifiable determination made as to whether economic quantities of oil and gas exist within the target zones at this location. In 2014, the lessor of the Montana Leases, the Bureau of Land Management ( BLM ), took the position that there was not a sufficient showing of oil or gas on the Montana Leases (or some part of them) to maintain the leases and so they are deemed expired. The Company filed an appeal of this determination on October 9, 2014.

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## Environmental Regulation

Coastal Caribbean is committed to responsible management of the environment, health and safety, as these areas relate to the Company s operations. The Company strives to achieve the long-term goal of sustainable development within the framework of sound environmental, health and safety practices and standards.

All facets of the Company s operations are affected by a myriad of federal, state, regional and local laws, rules and regulations. The Company is further affected by changes in such laws and by constantly changing administrative regulations. Furthermore, government agencies may impose substantial penalties if the Company fails to comply with such regulations or for any contamination resulting from the Company s operations.

The costs incurred to ensure compliance with environmental, health and safety laws and other regulations are inextricably connected to normal operating expenses such that the Company is unable to separate the expenses related to these matters.

When acting as the operator and conducting drilling operations, Coastal Caribbean maintains insurance coverage that it believes is customary in the industry although it is not fully insured against all environmental or other risks. The Company is not currently conducting drilling operations and therefore does not currently have such insurance. The Company is not aware of any environmental claims existing as of December 31, 2013 that would have a material impact upon the Company s financial position, results of operations, or liquidity.

### *Regulation of Oil and Gas*

The oil and gas industry is extensively regulated by numerous federal, state and local authorities. Legislation affecting the oil and gas industry is under constant review for amendment or expansion, frequently increasing the regulatory burden. Also, numerous departments and agencies, both federal and state are authorized by statute to issue rules and regulations binding on the oil and gas industry and its individual members, some of which carry substantial penalties for failure to comply. Although the regulatory burden on the oil and gas industry increases the Company s cost of doing business and, consequently, may affect profitability, these burdens generally do not affect the Company any differently or to any greater or lesser extent than they affect other companies in the industry with similar types, quantities and locations of production.

The Company s operations are subject to various types of regulation at federal, state and local levels. These types of regulation include requiring permits for the drilling of wells, drilling bonds and reports concerning operations. Most states, and some counties and municipalities in which the Company operates may also regulate one or more of the following: the location of wells; the method of drilling and casing wells; the rates of production or allowables; the surface use and restoration of properties upon which wells are drilled; the plugging and abandoning of wells; and notice to surface owners and other third parties.

State laws regulate the size and shape of drilling and spacing units or proration units governing the pooling of oil and natural gas properties. Some states allow forced pooling or integration of tracts to facilitate exploration while other states rely on voluntary pooling of lands and leases. In some instances, forced pooling or unitization may be implemented by third parties and may reduce the Company s interest in the unitized properties. In addition, state conservation laws establish maximum rates of production from oil and natural gas wells, generally prohibit the venting or flaring of natural gas, and impose requirements regarding the ratability of production. These laws and regulations may limit the amount of oil and natural gas the Company can produce from its wells or limit the number of wells or the locations at which it can drill.

Moreover, each state generally imposes a property, production or severance tax with respect to the production and sale of oil, natural gas and natural gas liquids within its jurisdiction.

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## Competition

The oil and gas industry is highly competitive. The Company must compete with other companies that have substantially greater resources available to them. As an independent, the Company does not own any refining or retail outlets and, therefore, it would have little control over the price it may receive for any crude oil it produces. In acquisition activities, significant competition exists as integrated and independent companies and individual producers are active bidders for desirable oil and gas properties. Although many of these competitors have greater financial and other resources than the Company, Management believes that Coastal Caribbean is in a position to compete effectively due to its low cost structure, transaction flexibility, experience and determination.

## Employees

As of the date of this report and at December 31, 2013, the Company had no employees. The Company relies heavily on consultants for legal, accounting, geological and administrative services. The Company uses consultants because it believes it is more cost effective than employing a full time staff.

## Oil and Gas Properties

The Company does not currently hold any oil and gas property or rights. The Company held leases in Valley County, Montana covering approximately 32,313 net acres and leases covering approximately 400 net acres in Slope County, North Dakota. The leases expired, except in a few cases of less prospective leases where rentals were not paid, so the Company no longer has any rights to these properties. As described in Item 7. Management s Discussion and Analysis of Financial Condition and Results of Operations , on October 9, 2014, the Company filed an appeal of this determination by the BLM that the lease covering the Company s Federal 1-19A well has expired.

## Item 1A. Risk Factors.

Not required.

## Item 1B. Unresolved Staff Comments.

None

## Item 2. Properties.

## Properties

Information required by Item 2 Properties is included under Item 1 Business. See Oil and Gas Properties Section under Item 1 Business and page 5.

## Disclosure Concerning Oil and Gas Operations.

Since the properties in which the Company has interests are undeveloped and nonproducing, items 2 through 4 of Securities Exchange Act Industry Guide 2 are not applicable.

(5) Undeveloped Acreage.
Information required by Item 2 Properties is included under Item 1 Business. See Oil and Gas Properties Section under Item 1 Business and page 5.

(6) Drilling Activity.
None.

(7) Present Activities.
None.

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## Item 3. Legal Proceedings

The Company is aware of a claim of lien relating to the Evaline well (for approximately $10,400), and another relating to the Federal 1-19A well (for approximately $33,200). We have also stipulated with surveyors in North Dakota for approximately $40,000 in order to avoid suit over work conducted there.

As of the date of this report, to the best of our knowledge, there are no material litigation matters pending or threatened against us.

## Item 4. Mine Safety Disclosures.

None

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**PART II**

**Item 5. Market for the Company s Common Stock, Related Stockholder Matters and Issuer Purchases of Equity Securities**

**Market Information.**

The principal market for the Company s common stock is in the over-the-counter market on the Electronic Bulletin Board of the National Association of Securities Dealers, Inc. under the symbol **COCBF**. The quarterly high and low closing prices on the Electronic Bulletin Board during the last two years were as follows:

| **2012** | **1st quarter** | **2nd quarter** | **3rd quarter** | **4th quarter** |
|---|---|---|---|---|
| High | 0.06 | 0.10 | 0.04 | 0.03 |
| Low | 0.03 | 0.02 | 0.01 | 0.02 |
| **2013** | **1st quarter** | **2nd quarter** | **3rd quarter** | **4th quarter** |
| High | 0.03 | 0.03 | 0.02 | 0.02 |
| Low | 0.01 | 0.01 | 0.01 | 0.01 |

**Holders.**

The approximate number of record holders of the Company s common stock at October 15, 2014 was 7,791.

**Dividends.**

The Company has never declared or paid dividends on its common stock and it does not anticipate declaring or paying any dividends in the foreseeable future. The Company plans to retain any future earnings to reduce the accumulated deficit of $40,932,665 at December 31, 2013 and to fund its operations.

***Foreign Exchange Control Regulations***

The Company is subject to the applicable laws of The Islands of Bermuda relating to exchange control, but has the permission of the Foreign Exchange Control of Bermuda to carry on business in, to receive, disburse and hold United States dollars and dollar securities under its designation as an External Account Company. The Company has been advised that, although as a matter of law it is possible for such designation to be revoked, there is little precedent for revocation under Bermuda law.

***Income and Withholding Taxes***

Coastal Caribbean is a Bermuda corporation. Bermuda currently imposes no taxes on corporate income or capital gains realized outside of Bermuda. Any amounts received by Coastal Caribbean from United States sources as dividends, interest, or other fixed or determinable annual or periodic gains, profits and income, will be subject to a 30% United States withholding tax. In addition, any dividends from its domestic subsidiary, Coastal Petroleum, will not be eligible for the 100% dividends received deduction, which is allowable in the case of a United States parent corporation. Shares of the Company held by persons who are citizens or residents of the United States are subject to federal estate and gift and local inheritance taxation. Any dividends received by such persons will also be subject to federal, State and local income taxation. The foregoing rules are of general application only, and reflect law in force as of the date of this report.

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A convention between Bermuda and the United States relating to mutual assistance on tax matters became operative in 1988.

***Passive Foreign Investment Company Rules***

The Internal Revenue Code of 1986, as amended, provides special rules for distributions received by U.S. holders on stock of a passive foreign investment company (PFIC), as well as amounts received from the sale or other disposition of PFIC stock.

Under the PFIC rules, a non-U.S. corporation will be classified as a PFIC for U.S. federal income tax purposes in any taxable year in which, after applying certain look-through rules, either (1) at least 75 percent of its gross income is passive income or (2) at least 50 percent of the gross value of its assets is attributable to assets that produce passive income or are held for the production of passive income.

Passive income for this purpose generally includes dividends, interest, royalties, rents, and gains from commodities and securities transactions. Special rules apply in cases where a foreign corporation owns directly or indirectly at least a 25 percent interest in a subsidiary, measured by value. In this case, the foreign corporation is treated as holding its proportionate share of the assets of the subsidiary and receiving directly its proportionate share of the income of the subsidiary when determining whether it is a PFIC. Thus, Coastal Caribbean would be deemed to receive it s pro rata share of the income and to hold it s pro rata share of the assets, of Coastal Petroleum.

Based on certain estimates of its gross income and gross assets and the nature of its business, Coastal Caribbean would be classified as a PFIC for the years 1987 through 2006. Once an entity is considered a PFIC for a taxable year, it will be treated as such for all subsequent years with respect to owners holding the stock in a year that it was classified as a PFIC under the income or asset test described above. Whether the Company will be a PFIC under either of these tests in future years will be difficult to determine because the tests are applied annually. Based upon the estimated gross income of the Company during 2013, and the relatively small amount of interest the Company received, the Company believes that it may be classified as a PFIC for the year 2013.

If Coastal Caribbean is classified as a PFIC with respect to a U.S. holder any gain from the sale of, and certain distributions with respect to, shares of our common stock, would cause a U.S. holder to become liable for U.S. federal income tax under Code section 1291 (the interest charge regime). The Company recommends that any such U.S. holder should consult his or her own tax advisor on this issue. The tax is computed by allocating the amount of the gain on the sale or the amount of the distribution, as the case may be, to each day in the U.S. shareholder s holding period. To the extent that the amount is allocated to a year, other than the year of the disposition or distribution, in which the corporation was treated as a PFIC with respect to the U.S. holder, the income will be taxed as ordinary income at the highest rate in effect for that year, plus an interest charge. The interest charge would generally be calculated as if the distribution or gain had been recognized ratably over the U.S. holder s holding period (for PFIC purposes) for the shares. To the extent an amount is allocated to the year of the disposition or distribution, or to a year before the first year in which the corporation qualified as a PFIC, the amount so allocated is included as additional gross income for the year of the disposition or distribution. A U.S. holder also would be required to make an annual return on IRS Form 8621 that describes any distributions received with respect to our shares and any gain realized on the sale or other disposition of our shares.

As an alternative to taxation under the interest charge regime, a U.S. holder generally can elect, subject to certain limitations, to annually take into gross income the appreciation or depreciation in our common shares value during the tax year (mark-to-market election). If a U.S. holder makes the mark-to-market election, the U.S. holder will not be subject to the above-described rule. Instead, if a U.S. holder makes the mark-to-market election, the U.S. holder recognizes each year an amount equal to the difference as of the close of the taxable year between the U.S. holder s fair market value of the common shares and the adjusted basis in the common shares. Losses would be allowed only to the extent of net gain previously included by the U.S. holder under the mark-to-market election for prior taxable years. Amounts included in or deducted from income under the mark-to-market election and actual gains and losses realized upon the sale or disposition of the common shares, subject to certain limitations, will be treated as ordinary gains or losses. If the mark-to-market election is made for a year other than the first year in the U.S. holder s holding period in which the corporation was a PFIC, the first year s mark-to-market inclusion, if any, is taxed as if it were a distribution subject to the interest charge regime discussed above.

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Another alternative election which would allow a U.S. holder to elect to take its pro rata share of Coastal Caribbean s undistributed income into gross income as it is earned by Coastal Caribbean (QEF election) would only be available to a U.S. holder if Coastal Caribbean provided certain information to the shareholders of Coastal Caribbean. Coastal Caribbean has had no undistributed income for the years 1987 through 2013. If the QEF election is made in a year other than the first year of the U.S. holder s holding period in which the foreign corporation is a PFIC, both the QEF regime and interest charge regime can apply, unless a special election is made. Under this special election, the taxpayer is treated as if it disposed of its PFIC stock in a transaction subject to the interest charge rules to the extent gain is deemed to be recognized. Once this election is made, the holder will be subject only to the QEF regime.

## Recent Sales of Unregistered Securities

On May 20, 2011, the Company entered into an agreement with Robert J. Angerer, Sr., for the sale of 857,142 restricted and unregistered shares of common stock of the Company for $60,000, in order to cover certain Company expenses. Mr. Angerer also exercised an option under the agreement for 142,857 shares of common stock for $10,000. The Company plans to issue Mr. Angerer a total of 999,999 restricted and unregistered shares of common stock for investments made under this agreement. This agreement has concluded.

In October 2011, in order to fund immediate cash needs at that time, the Company entered into an agreement with Robert J. Angerer, Sr., for an immediate infusion of $30,000 cash and the commitment to spend $130,000 in operational costs to complete the Federal 1-19A well. The agreement also provided options for Mr. Angerer to provide additional funding. In return, the Company will issue 4,444,444 restricted and unregistered shares of common stock to Mr. Angerer. Under this agreement, Mr. Angerer provided a total of $90,000 in cash to the Company; he provided $55,000 in 2011 and an additional $35,000 through August of 2012. Mr. Angerer also paid directly $70,000 for expenses related to the Federal 1-19A well. The Company plans to issue Mr. Angerer a total of 4,444,444 restricted and unregistered shares of common stock for investments made under this agreement. The agreement was completed and all other options under the agreement expired. During 2012 and 2011, 972,223 and 3,472,221 shares, respectively have been reflected as issued under the October 2011 agreement. The shares remain to be issued to Mr. Angerer.

In September 2012, the Company entered into an agreement with Robert J. Angerer, Sr., to provide additional funding in return for shares of restricted and unregistered shares of common stock of the Company at $.03 per share. Mr. Angerer agreed to provide up to $1,000,000 to perform a nitrogen fracturing operation on the Federal 1-19A well, to abandon two existing wells, to pay existing liabilities, and to allow the Company to cure its delinquent legal and regulatory filings. In conjunction with this agreement, the Company entered into a separation agreement with Phillip W. Ware. Mr. Angerer completed the nitrogen fracturing operation on the Federal 1-19A well at a cost of $171,501 in 2012. The Company plans to issue 3,564,705 shares of restricted and unregistered shares of common stock to Mr. Angerer for 2012. In 2013, Mr. Angerer paid $60,000 to the Company in order for the Company to pay legal compliance costs and paid $343,988 of existing liabilities of the Company. During 2014, Mr. Angerer paid $78,394 for regulatory compliance costs and other general and administrative costs on behalf of the Company. The Company plans to issue Mr. Angerer 18,063,865 shares of restricted and unregistered shares of common stock in exchange for the funds paid into the Company during 2013 and through the date of this report, pursuant to the 2012 agreement.

As of the date of this report, the Company plans to issue Mr. Angerer 27,073,013 shares of restricted and unregistered shares of common stock in exchange for the funds paid into the Company through the various agreements described above that were entered and performed from 2011 through the date of this report.

## Purchases of Equity Securities by the Issuer and Affiliated Purchasers

None

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**Item 6. Selected Consolidated Financial Data**

Not required.

**Item 7. Management s Discussion and Analysis of Financial Condition and Results of Operations**

**Forward Looking Statements**

Statements included in Management s Discussion and Analysis of Financial Condition and Results of Operations, which are not historical in nature, are intended to be forward looking statements. The Company cautions readers that forward looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those indicated in the forward looking statements. Among the risks and uncertainties are: the uncertainty of securing additional funding through the sale of shares of Coastal Petroleum and/or Coastal Caribbean; changes in the income tax laws relating to tax loss carry forwards; the failure of the Company to locate oil or gas reserves or the failure to locate oil or gas reserves which are economically feasible to recover; reductions in worldwide oil or gas prices; adverse weather conditions; or mechanical failures of equipment used to explore the Company s leases.

**General**

We are an independent oil and gas exploration company. The Company s future growth will be driven primarily by exploration and development activities. Our business strategy is to increase shareholder value by acquiring and drilling reasonably priced prospects that have good potential, with the goal of shaping the Company into a highly productive independent oil and gas firm. We will continue to seek high quality exploration projects with potential for providing long-term drilling inventories that generate high returns.

During 2013 and 2012, we were primarily focused on and engaged in raising capital to fund the Company so that we could recommence the exploration of our leases in Montana and North Dakota. Due to the recession and the fragile state of the country s financial market, capital was a scarce commodity to obtain. Ultimately, no outside parties were able to provide the capital necessary to begin exploration. During 2013 and 2012, the Company s own exploration efforts in Montana and North Dakota did not result in any quantifiable success and the leases have expired. Except for a few reclamation projects, we do not plan any further operations or expenditures on the former drilling program in Montana and North Dakota if the BLM prevails on the claim that the lease with the Federal 19-1A well has expired. The combination of: no parties being located that were interested in working with the Company; and the state of the economy; left the Company with no other viable alternative other than to sell shares of its common stock to raise capital necessary to remain a viable public company and to retain its most valuable leases, as described in Item 5 Recent Sales of Unregistered Securities.

The Company has been sustained only through the purchases of stock by the Chairman of the Board of Directors, Robert J. Angerer, Sr. The funds that Mr. Angerer has provided allowed for the abandonment expenditures and payment of operating costs to keep the Company viable.

During the fourth quarter of 2010, the Company drilled an exploratory gas well on its Valley County, Montana Leases to test multiple zones potentially containing natural gas. The well was logged and cased and the results and information gathered from the well were evaluated in order to provide an assessment of the potential for natural gas production from the several target horizons drilled through at this location. The information gathered was presented to the lessor, the U.S. Bureau of Land Management (BLM), but the BLM considered the information insufficient to show economic quantities of gas necessary to maintain the leases and has stated that it will issue a final order finding that the leases had expired under their terms. The Company filed an appeal of this determination on October 9, 2014.

In North Dakota, we held the working interest on approximately 400 net acres in Slope County, however, due to lack of funds and no entity to partner with, we were not able to explore those leases prior to them expiring. Other leases that we previously held in North Dakota expired during the first quarter of 2012, because we were not able to raise the capital needed to fund drilling exploratory wells to test the Lodgepole Reef prospects on the leases.

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Mr. Angerer has undertaken, pursuant to his most recent agreement, to bring the Company to a debt free operating position over the next twelve months. In addition, in light of recent technological advances in horizontal drilling and hydraulic fracturing methods, consultants are currently assessing certain areas to determine whether they are prospective for oil and gas in sufficient quantities and properties to allow the use of horizontal drilling and fracking . If, after their assessment, the consultants identify certain areas as prospective, the Company intends to seek another entity to work with to acquire leases over and to test the prospective areas for oil and gas. At this point the areas being assessed are confidential and may or may not result in the identification of any prospective areas.

**Liquidity and Capital Resources**

As more fully described in Note 1 to the consolidated financial statements, we have no significant assets or recurring revenues, have experienced recurring losses and have an accumulated deficit. We, along with various other related parties, settled several lawsuits in 2005, which were filed by the Company, our subsidiary Coastal Petroleum Company and other related parties against the State of Florida. All of these lawsuits were related to the State s actions limiting our ability to commence development activities through our subsidiary. The cost of that litigation was substantial. We leased mineral rights in Montana and North Dakota but the last of those leases expired under their terms in 2012 with the exception of the BLM contested lease. Management believes its efforts to obtain funding will allow the Company to move forward to explore and develop profitable oil and gas operations, although there is no assurance these efforts will be successful. These situations raise substantial doubt about our ability to continue as a going concern. Our consolidated financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or amounts and classification of liabilities, which may result from the outcome of these uncertainties.

At December 31, 2013, we have approximately $11,200 in cash compared to approximately $1,500 at December 31, 2012. Our current liabilities exceed our current assets by approximately $1,444,000 at December 31, 2013. We suspended payments to our directors, general legal counsel, and prior employee since the second quarter of 2007 through December 31, 2013, and have accrued approximately $1,455,000 in expenses as of December 31, 2013. We expect to continue to suspend payments to most of these parties indefinitely until sufficient funding can be secured to resume exploration operations and cover normal operating expenses.

On May 20, 2011, the Company entered into an agreement with Robert J. Angerer, Sr., for the sale of 857,142 restricted and unregistered shares of common stock of the Company for $60,000, in order to cover certain Company expenses. Mr. Angerer also exercised an option under the agreement for 142,857 shares of common stock for $10,000. The Company plans to issue Mr. Angerer a total of 999,999 restricted and unregistered shares of common stock for investments made under this agreement. This agreement has concluded.

In October 2011, in order to fund immediate cash needs at that time, the Company entered into an agreement with Robert J. Angerer, Sr., for an immediate infusion of $30,000 cash and the commitment to spend $130,000 in operational costs to complete the Federal 1-19A well. The agreement also provided options for Mr. Angerer to provide additional funding. In return, the Company will issue 4,444,444 restricted and unregistered shares of common stock to Mr. Angerer. Under this agreement, Mr. Angerer provided a total of $90,000 in cash to the Company; he provided $55,000 in 2011 and an additional $35,000 through August of 2012. Mr. Angerer also paid directly $70,000 for expenses related to the Federal 1-19A well. The Company plans to issue Mr. Angerer a total of 4,444,444 restricted and unregistered shares of common stock for investments made under this agreement. The agreement was completed and all other options under the agreement expired. During 2012 and 2011, 972,223 and 3,472,221 shares, respectively have been reflected as issued under the October 2011 agreement. The shares remain to be issued to Mr. Angerer.

In September 2012, the Company entered into an agreement with Robert J. Angerer, Sr., to provide additional funding in return for shares of restricted and unregistered shares of common stock of the Company at $.03 per share.
Mr. Angerer agreed to provide up to $1,000,000 to perform a nitrogen fracturing operation on the Federal 1-19A well, to abandon two existing wells, to pay existing liabilities, and to allow the Company to cure its delinquent legal and regulatory filings. In conjunction with this agreement, the Company entered into a separation agreement with Phillip W. Ware. Mr. Angerer

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completed the nitrogen fracturing operation on the Federal 1-19A well at a cost of $171,501 in 2012. The Company plans to issue 3,564,705 shares of restricted and unregistered shares of common stock to Mr. Angerer for 2012. In 2013, Mr. Angerer paid $60,000 to the Company in order for the Company to pay legal compliance costs and paid $343,988 of existing liabilities of the Company. During 2014, Mr. Angerer paid $78,394 for regulatory compliance costs and other general and administrative costs on behalf of the Company. The Company plans to issue Mr. Angerer 18,063,865 shares of restricted and unregistered shares of common stock in exchange for the funds paid into the Company during 2013 and through the date of this report, pursuant to the 2012 agreement.

As of the date of this report, the Company plans to issue Mr. Angerer 27,073,013 shares of restricted and unregistered shares of common stock in exchange for the funds paid into the Company through the various agreements described above that were entered and performed from 2011 through the date of this report.

## Results of Operations and Critical Accounting Policies and Estimates

### Oil and Gas Accounting

The Company follows the full cost method of accounting for its oil and gas properties. All costs associated with property acquisition, exploration and development activities whether successful or unsuccessful are capitalized.

The capitalized costs are subject to a ceiling test which basically limits such costs to the aggregate of the estimated present value discounted at a 10% rate of future net revenues from proved reserves, based on current economic and operating conditions, plus the lower of cost or fair market value of unproved properties. The Company assesses whether its unproved properties are impaired on a periodic basis. This assessment is based upon work completed on the properties to date, the expiration date of its leases and technical data from the properties and adjacent areas.

During 2013, we conducted limited operational activities but did not conduct drilling activities as our efforts have primarily been focused on soliciting funding.

### 2013 vs. 2012

During 2013, we conducted limited operations and we did not conduct any drilling operations. During 2012, we conducted limited operations including a nitrogen fracturing operation on the Federal 1-19A well in Montana.

Our expenses consist of administrative corporate and regulatory costs, and the administrative, travel, and lodging costs to maintain our former leases in North Dakota and Montana.

During 2012, our leases expired due to the expiration of the time remaining under some of the leases, as we were unable to establish quantifiable production on the leases, and in the case of less prospective leases, for nonpayment of lease rentals. As a result, we recorded an impairment charge of $415,367 for the year ended December 31, 2012.

## Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Not applicable.

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## Item 8. Financial Statements and Supplementary Data

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of
Coastal Caribbean Oils & Minerals, Ltd.
We have audited the accompanying consolidated balance sheets of Coastal Caribbean Oils & Minerals, Ltd. and Subsidiary (the Company ) as of December 31, 2013 and 2012, and the related consolidated statements of operations, cash flows, and common stock and capital in excess of par value for each of the years in the two-year period ended December 31, 2013. These consolidated financial statements are the responsibility of the Company s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Coastal Caribbean Oils & Minerals, Ltd. as of December 31, 2013 and 2012 and the results of their operations and their cash flows for each of the years in the two-year period ended December 31, 2013, in conformity with U.S. generally accepted accounting principles.

The accompanying consolidated financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company suffered recurring losses from operations and has not yet realized any operating revenues. This raises substantial doubt about the Company s ability to continue as a going concern. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Averett Warmus Durkee, P.A.

Orlando, Florida

October 15, 2014

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**COASTAL CARIBBEAN OILS & MINERALS, LTD.**

(A Bermuda Corporation)

**CONSOLIDATED BALANCE SHEETS**

(Expressed in U.S. dollars)

| | December 31, 2013 | December 31, 2012 |
|---|---|---|
| **Assets** | | |
| Current assets: | | |
| Cash and cash equivalents | $ 11,222 | $ 1,577 |
| Total current assets | 11,222 | 1,577 |
| Certificates of deposit - Restricted | 86,630 | 86,485 |
| Total assets | $ 97,852 | $ 88,062 |
| **Liabilities and Shareholders Equity (Deficit):** | | |
| Current liabilities: | | |
| Accounts payable and accrued liabilities | $ 91,194 | $ 542,493 |
| Amounts due to related parties | 1,363,787 | 1,313,235 |
| Total current liabilities | 1,454,981 | 1,855,728 |
| Shareholders equity (deficit): | | |
| Common stock, par value $.12 per share: | | |
| Authorized 250,000,000 shares | | |
| Outstanding 95,121,486 and 79,670,752 shares, respectively | 11,414,579 | 9,560,490 |
| Discount on common stock par value | (3,978,354) | (2,587,787) |
| Capital in excess of par value | 32,139,311 | 32,139,311 |
| | 39,575,536 | 39,112,014 |
| Accumulated deficit | (40,932,665) | (40,879,680) |
| Total shareholders equity (deficit) | (1,357,129) | (1,767,666) |
| Total liabilities and shareholders equity (deficit) | $ 97,852 | $ 88,062 |

See accompanying notes.

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**COASTAL CARIBBEAN OILS & MINERALS, LTD.**

(A Bermuda Corporation)

**CONSOLIDATED STATEMENTS OF OPERATIONS**

(Expressed in U.S. Dollars)

| | Years Ended December 31, 2013 | 2012 |
|---|---|---|
| **Interest and other income** | $ 145 | $ 167 |
| | 145 | 167 |
| **Expenses:** | | |
| Administrative expenses | 35,659 | 70,244 |
| Salaries | 20,833 | 125,000 |
| Shareholder communications | 16,904 | 21,866 |
| Recovery of costs previously expensed | (20,266) | |
| Write off of unproved properties | | 415,367 |
| | 53,130 | 632,477 |
| **Net loss before income taxes** | (52,985) | (632,310) |
| Income taxes | | |
| **Net loss** | $ (52,985) | $ (632,310) |
| Net loss per share based on weighted average number of shares outstanding during the period: | | |
| Basic and diluted EPS | $ (.00) | $ (.01) |
| Weighted average number of shares outstanding (basic and diluted) | 83,690,928 | 76,062,570 |

See accompanying notes.

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**COASTAL CARIBBEAN OILS & MINERALS, LTD.**

(A Bermuda Corporation)

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Expressed in U.S. Dollars)

| | Years Ended December 31, 2013 | 2012 |
|---|---|---|
| **Operating activities:** | | |
| Net loss | $ (52,985) | $ (632,310) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Write off of unproved properties | | 415,367 |
| Recovery of costs previously expensed | (20,266) | |
| Net change in: | | |
| Accounts payable and accrued liabilities | (380,481) | 70,366 |
| Net cash used in operating activities | (453,732) | (146,577) |
| **Investing activities:** | | |
| Purchase of certificates of deposit | (145) | (167) |
| Net cash used in investing activities | (145) | (167) |
| **Financing activities:** | | |
| Sale of common stock, net of expenses | 463,522 | 140,937 |
| Net cash provided by financing activities | 463,522 | 140,937 |
| Net increase (decrease) in cash and cash equivalents | 9,645 | (5,807) |
| Cash and cash equivalents at beginning of period | 1,577 | 7,384 |
| Cash and cash equivalents at end of period | $ 11,222 | $ 1,577 |
| Supplemental cash flow information: | | |
| Capital expenditures financed through accounts payable | $ | $ 415,367 |

See accompanying notes.

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**CONSOLIDATED STATEMENTS OF COMMON STOCK**

**AND CAPITAL IN EXCESS OF PAR VALUE**

(Expressed in U.S. dollars)

Years Ended December 31, 2013 and 2012

| | Number of Shares | Common Stock | Discount on Common Stock | Capital in Excess of Par Value |
|---|---|---|---|---|
| Balance at January 1, 2012 | 75,133,824 | $ 9,016,059 | $ (2,184,293) | $ 32,139,311 |
| Sale of common stock | 4,536,928 | 544,431 | (403,494) | |
| Balance at December 31, 2012 | 79,670,752 | 9,560,490 | (2,587,787) | 32,139,311 |
| Sale of common stock | 15,450,734 | 1,854,089 | (1,390,567) | |
| Balance at December 31, 2013 | 95,121,486 | $ 11,414,579 | $ (3,978,354) | $ 32,139,311 |

See accompanying notes.

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**Notes to Consolidated Financial Statements**

**1. Summary of significant accounting policies**

Consolidation

The accompanying consolidated financial statements include the accounts of Coastal Caribbean Oils & Minerals, Ltd., a Bermuda corporation ( Coastal Caribbean ) and its wholly owned subsidiary, Coastal Petroleum Company ( Coastal Petroleum ), referred to collectively as the Company. The Company, has been engaged in a single industry and segment, however, its exploration for oil, gas and minerals has not yielded any significant revenue or reserves. All intercompany transactions have been eliminated. Certain prior year amounts have been reclassified to conform to the current year presentation.

Cash and Cash Equivalents

The Company considers all highly liquid short-term investments with maturities of three months or less at the date of acquisition to be cash equivalents.

Certificates of Deposit Restricted

The Company has pledged certificates of deposit for pollution bond requirements under three previous well permits.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The ability to develop the Company s oil and gas properties will have a significant effect on the Company s financial position and results of operations. Actual results could differ from those estimates.

**Unproved Oil, Gas and Mineral Properties**

The Company follows the full cost method of accounting for its oil and gas properties. All costs associated with property acquisition, exploration and development activities whether successful or unsuccessful are capitalized. As our properties are unproven, these costs are temporarily exempt from amortization. Once the Company has proved reserves the capitalized costs will be amortized using the unit-of-production basis.

The Company assesses whether its unproved properties are impaired at least on a quarterly basis. This assessment is based upon work completed on the properties to date, the expiration date of its leases and technical data from the properties and adjacent areas. Our capitalized costs are subject to a ceiling test which basically limits such costs to the aggregate of the estimated present value discounted at a 10% rate of future net revenues from proved reserves based on current economic and operating conditions, plus the cost of properties not being amortized. The Company has determined that all of its leases and development costs were impaired due to its inability to pay the future annual leases on our properties. As a result, we recorded an impairment charge of $415,367 for the year ended December 31, 2012.

Sales of unproved nonoperating interests in oil and gas leases are accounted for as a reduction in the capitalized amount of the leases.

Sale of Subsidiary Shares

All amounts realized from the sale of Coastal Petroleum shares have been credited to capital in excess of par value.

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## 1. Summary of significant accounting policies (Continued)

Net Loss Per Share

Net loss per common share is based upon the weighted average number of common and common equivalent shares outstanding during the period. The Company s basic and diluted calculations of EPS are the same because the exercise of options is not assumed in calculating diluted EPS, as the result would be anti-dilutive.

Financial instruments

The carrying value for cash and cash equivalents, certificates of deposit, and accounts payable approximates fair value based on anticipated cash flows and current market conditions.

Stock Based Compensation

The Company uses the fair value based method of accounting for its stock option plans, which requires companies to expense stock options and other share-based payments.

Effects of Recent Accounting Pronouncements

In May 2014, the FASB issued ASU 2014-09 (Revenue from Contracts with Customers (Topic 606)), which requires an entity to recognize revenue from the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The guidance addresses in particular contracts with more than one performance obligation as well as the accounting for some costs to obtain or fulfill a contract with a customer and provides for additional disclosures with respect to revenues and cash flows arising from contracts with customers. With respect to public entities, this update is effective for fiscal years, and interim periods within those years, beginning after December 15, 2016 and early adoption is not permitted. We believe that our implementation of this guidance will have no material impact on our consolidated financial statements.

In May 2014, the FASB issued ASU 2014-10 (Development Stage Entities (Topic 915)), which eliminates certain financial reporting requirements related to development stage entities. The pronouncement removes the distinction between development stage companies and other reporting entities from U.S. GAAP. The pronouncement also eliminates the requirements for development stage entities to (1) present inception-to-date information in the statements of operations, cash flows and shareholders equity, (2) label the financial statements as those of a development stage entity, (3) disclose a description of the development stage activities in which the entity is engaged, and (4) disclose in the first year in which the entity is no longer a development stage entity that in prior years it had been in the development stage. With respect to public entities, this update is effective for fiscal years, and interim periods within those years, beginning after December 15, 2014, with early adoption permitted. The Company has decided to implement this update effective January 1, 2013.

Going Concern

The Company has no recurring revenues, had recurring losses since 2006 and prior to 2005, and has an accumulated deficit. The Company s current cash position is not adequate to fund existing operations or exploration and development. The Company has an agreement in place with a director pursuant to which the director may further fund the Company to continue operations and exploration. There is no assurance that the Company will be able to obtain any funding, that sufficient funding can be obtained, or that the Company will be able to raise necessary funds.

These situations raise substantial doubt about the Company s ability to continue as a going concern. The consolidated financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or amounts and classification of liabilities, which may result from the outcome of this uncertainty.

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## 2. Unproved Oil, Gas and Mineral Properties

The Company has determined that its leases and capitalized development costs were impaired due to the time remaining under some of the leases, the Company being unable to establish quantifiable production on the leases, and in the case of less prospective leases, for nonpayment of lease rentals. As a result, we recorded an impairment charge of $415,367 for the year ended December 31, 2012.

### Montana Leases

The Company had a presence in Valley County, Montana, where it held leases covering approximately 32,313 net acres, which were the remaining unexpired leases from those leases the Company acquired in three separate acquisitions between July 2005 and February 2006. During 2012, these leases expired due to the expiration of the time remaining under some of the leases, the Company being unable to establish quantifiable production on the leases, and in the case of less prospective leases, for nonpayment of lease rentals. As a result, we recorded an impairment charge of $415,367 for the year ended December 31, 2012. As described in Item 7. Management s Discussion and Analysis of Financial Condition and Results of Operations , on October 9, 2014, the Company filed an appeal of this determination by the BLM that the lease covering the Company s Federal 1-19A well has expired.

### North Dakota Leases

In July 2005, the Company acquired leases to the deeper rights in approximately 21,688 net acres in and near Slope County, North Dakota. During and subsequent to 2012, these leases expired due to the expiration of the time remaining under some of the leases, the Company being unable to establish quantifiable production on the leases, and in the case of less prospective leases, for nonpayment of lease rentals.

## 3. Common Stock

The Company s Bye-Law No. 21 provides that any matter to be voted upon must be approved not only by a majority of the shares voted at such meeting, but also by a majority in number of the shareholders present in person or by proxy and entitled to vote thereon.

The Company has entered into various agreements to sell and sold restricted shares of its common stock for cash or in return for payment of certain Company expenses, allowing the Company to pay lease rentals and other administrative costs necessary to keep the Company viable through the current period.

On May 20, 2011, the Company entered into an agreement with Robert J. Angerer, Sr., for the sale of 857,142 restricted and unregistered shares of common stock of the Company for $60,000, in order to cover certain Company expenses. Mr. Angerer also exercised an option under the agreement for 142,857 shares of common stock for $10,000. The Company plans to issue Mr. Angerer a total of 999,999 restricted and unregistered shares of common stock for investments made under this agreement. This agreement has concluded.

In October 2011, in order to fund immediate cash needs at that time, the Company entered into an agreement with Robert J. Angerer, Sr., for an immediate infusion of $30,000 cash and the commitment to spend $130,000 in operational costs to complete the Federal 1-19A well. The agreement also provided options for Mr. Angerer to provide additional funding. In return, the Company will issue 4,444,444 restricted and unregistered shares of common stock to Mr. Angerer. Under this agreement, Mr. Angerer provided a total of $90,000 in cash to the Company; he provided $55,000 in 2011 and an additional $35,000 through August of 2012. Mr. Angerer also paid directly $70,000 for expenses related to the Federal 1-19A well. The Company plans to issue Mr. Angerer a total of 4,444,444 restricted and unregistered shares of common stock for investments made under this agreement. The agreement was completed and all other options under the agreement expired. During 2012 and 2011, 972,223 and 3,472,221 shares, respectively have been reflected as issued under the October 2011 agreement. The shares remain to be issued to Mr. Angerer.

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### 3. Common Stock (Continued)

In September 2012, the Company entered into an agreement with Robert J. Angerer, Sr., to provide additional funding in return for shares of restricted and unregistered shares of common stock of the Company at $.03 per share. Mr. Angerer agreed to provide up to $1,000,000 to perform a nitrogen fracturing operation on the Federal 1-19A well, to abandon two existing wells, to pay existing liabilities, and to allow the Company to cure its delinquent legal and regulatory filings. In conjunction with this agreement, the Company entered into a separation agreement with Phillip W. Ware. Mr. Angerer completed the nitrogen fracturing operation on the Federal 1-19A well at a cost of $171,501 in 2012. The Company plans to issue 3,564,705 shares of restricted and unregistered shares of common stock to Mr. Angerer for 2012. In 2013, Mr. Angerer paid $60,000 to the Company in order for the Company to pay legal compliance costs and paid $343,988 of existing liabilities of the Company. During 2014, Mr. Angerer paid $78,394 for regulatory compliance costs and other general and administrative costs on behalf of the Company. The Company plans to issue Mr. Angerer 18,063,865 shares of restricted and unregistered shares of common stock in exchange for the funds paid into the Company during 2013 and through the date of this report, pursuant to the 2012 agreement.

As of the date of this report, the Company plans to issue Mr. Angerer 27,073,013 shares of restricted and unregistered shares of common stock in exchange for the funds paid into the Company through the various agreements described above that were entered and performed from 2011 through the date of this report.

### 4. Stock Option Plans

At December 31, 2013, the Company maintains two stock-based employee compensation plans.

During 1995, the Company adopted a Stock Option Plan covering 1,000,000 shares of the Company s common stock. The plan is set to terminate once all the shares covered by the plan are issued. In July 2005, the Company issued an option to its former president to acquire 50,000 shares of the Company s common stock at a price of $.15 per share under the Company s stock option plan. The option was fully vested when issued, but expired in 2013 by its terms after the former president resigned and did not exercise the options within the time allowed to do so.

In December 2005, the Company issued options to its directors to acquire 200,000 shares of the Company s common stock at a price of $.15 per share. The options expire in December 2015 and were fully vested when issued. The options of former directors expired when not exercised within the time allotted to do so after their resignations.

During 2005, the Company adopted a Stock Option Plan covering 2,300,000 shares of the Company s common stock. Options may be granted from time to time until December 2015. In September 2005, the Company issued an option to its president to acquire 250,000 shares of the Company s common stock at a price of $.20 per share under the Company s 2005 stock option plan, subject to the approval of the Plan by shareholders. The Plan was approved at the shareholders meeting on December 9, 2005. The option was fully vested when issued, but expired in 2013 by its terms after the former president resigned and did not exercise the options within the time allowed to do so.

The Company did not issue any stock options or share-based payments in 2013 or in 2012.

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## 4. Stock Option Plans (Continued)

The following table summarizes employee stock option activity:

| Employee Options outstanding | Number of Shares | Range of Per Share Option Price ($) | Weighted Average Exercise Price ($) | Aggregate Option Price ($) | Aggregate Intrinsic Value ($) |
|---|---|---|---|---|---|
| Outstanding and exercisable at December 31, 2011 | 350,000 | .15-.20 | .18 | 65,000 | |
| Issued or cancelled during 2012 | | | | | |
| Outstanding and exercisable at December 31, 2012 | 350,000 | .15-.20 | .18 | 65,000 | |
| Issued or cancelled during 2013 | (300,000) | | | | |
| Outstanding and exercisable at December 31, 2013 | 50,000 | .15 | .15 | 7,500 | |
| **Available for grant at December 31, 2013** | 3,225,000 | | | | |

In connection with the separation agreement with the former president described above, the Company agreed to issue him an option to purchase 1,000,000 shares of restricted and unregistered shares of common stock for $0.03 per share. This option expires on December 31, 2017. The Company has not issued the stock option as of the date of this report. As a result, the 1,000,000 shares have not been reflected as employee options outstanding or in the shares available for grant at December 31, 2013.

The Aggregate Intrinsic Value in the preceding table represents total intrinsic value (of options in the money), which is the difference between the Company s closing stock price on the last trading day of 2013 and the exercise price times the number of shares that would have been received by the option holders had the option holders exercised their options on December 31, 2013.

**Summary of Employee Options Outstanding at December 31, 2013**

| Year Granted | Number of Shares | Expiration Date | Exercise Prices ($) |
|---|---|---|---|
| Granted 2005 | 50,000 | December 20, 2015 | .15 |

The weighted-average remaining contractual life of the outstanding stock options at December 31, 2013, and 2012 was 2 years and 3 years, respectively

**Nonqualified Stock Options**

In July 2005, the Company issued an option to its legal counsel to acquire 25,000 shares of the Company s common stock at a price of $.15 per share. The option expires in July 2015 and was fully vested when issued.

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## 4. Stock Option Plans (Continued)

A summary of non-employee option activity follows:

| Non-Employee Options Outstanding | Number of Shares | Range of Per Share Option Price ($) | Weighted Average Exercise Price ($) | Aggregate Option Price ($) | Aggregate Intrinsic Value ($) |
|---|---|---|---|---|---|
| Outstanding and exercisable at December 31, 2011 | 25,000 | .15 | .15 | 3,750 | |
| Issued or cancelled during 2012 | | | | | |
| Outstanding and exercisable at December 31, 2012 | 25,000 | .15 | .15 | 3,750 | |
| Issued or cancelled during 2013 | | | | | |
| Outstanding and exercisable at December 31, 2013 | 25,000 | .15 | .15 | 3,750 | |

The Company did not issue any stock options or share-based payments to non-employees in 2013 or in 2012.

The Aggregate Intrinsic Value in the preceding table represents total intrinsic value (of options in the money), which is the difference between the Company s closing stock price on the last trading day of 2013 and the exercise price times the number of shares that would have been received by the option holders had the option holders exercised their options on December 31, 2013.

The following table summarizes information about non-employee stock options:

**Summary of Non Employee Options Outstanding at December 31, 2013**

| Year Granted | Number of Shares | Expiration Date | Exercise Prices ($) |
|---|---|---|---|
| Granted 2005 | 25,000 | July 18, 2015 | .15 |

## 5. Income taxes

The Company is organized under the laws of Bermuda. Bermuda currently imposes no taxes on corporate income or capital gains outside of Bermuda. The Company s subsidiary is a U.S. corporation and is subject to U.S. income tax and files income tax returns in the U.S. and the State of Florida. For 2013 and 2012, the subsidiary has net taxable losses. The subsidiary will have approximately $11,585,000 in net operating losses to carry forward. The remaining net operating loss carry forwards expire in periods through 2032 as follows: $757,000 in 2018, $622,000 in 2019, $749,000 in 2020, $1,884,000 in 2021, $1,693,000 in 2022, $132,000 in 2023, $57,000 in 2024, $1,434,000 in 2026, $135,000 in 2027, $112,000 in 2028, $480,000 in 2029, $3,000 in 2031, and $3,527,000 in 2032. For financial reporting purposes, a valuation allowance has been recognized to offset the deferred tax assets relating to those carry forwards.

Significant components of the Company s deferred tax assets were as follows:

| | December 31, 2013 | December 31, 2012 |
|---|---|---|
| Net operating losses | $ 4,055,000 | $ 4,055,000 |
| Accruals to related parties | 314,000 | 305,000 |
| Total deferred tax assets | 4,369,000 | 4,360,000 |
| Valuation allowance | (4,369,000) | (4,360,000) |
| Net deferred tax assets | $ | $ |

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**5. Income taxes (Continued)**

Components of the income tax provision for the years ended December 31, are as follows:

| | 2013 | 2012 |
|---|---|---|
| **Provision for income taxes** | | |
| Current provision (benefit) | $ | $ |
| Deferred asset valuation allowance (reversal) | | |
| Net income tax provision (benefit) | $ | $ |

The Company files income tax returns in the U.S. federal jurisdiction, and in various state jurisdictions. The Company s income tax returns for the past three years are subject to examination by tax authorities, except possibly in future years should it utilize any net operating loss originating prior to 2010.

The Company has reviewed and evaluated the relevant technical merits of each of its tax positions in accordance with accounting principles generally accepted in the United States of America for accounting for uncertainty in income taxes, and determined that there are no uncertain tax positions that would have a material impact on the financial statements of the Company.

**6. Related party transactions**
See Note 3 also.

Services

Through May 2009, the Company paid a monthly retainer to the law firm of Angerer & Angerer which had been litigation counsel to the Company for more than twenty-five years and also served the Company in that capacity as well as others including general counsel services, management services, public relations, shareholder relations and representing the Company before state and federal agencies for permitting. The principals of the law firm included two individuals who are collectively shareholders, officers and a director of the Company. No amounts were paid or accrued in 2013 or 2012. The Company owes $150,000 to Angerer & Angerer at December 31, 2013 and 2012.

From June 2009 until his resignation on January 14, 2010, the Company retained Robert J. Angerer, Sr. as legal counsel. Mr. Angerer had been litigation counsel to the Company for more than twenty-five years before his resignation. As counsel for the Company he served the Company as litigation counsel, but also provided the Company with general counsel services and management services and represented the Company before state and federal agencies for permitting. Mr. Angerer, Sr. is also a shareholder and a director of the Company. No amounts were paid or accrued to Mr. Angerer, Sr. in 2013 or 2012.

Also since June 2009, the Company has retained Robert J. Angerer, Jr., a partner in Angerer & Angerer, who serves as the Company s corporate secretary and handles management services, public relations, shareholder relations and management of the Company s former website. No amounts were paid or accrued to Mr. Angerer, Jr. in 2013 or 2012.

Mr. Herbert D. Haughton, a shareholder of Igler & Dougherty, P.A., was elected a director of Coastal Caribbean and of Coastal Petroleum in December 2005. While the Company previously used the services of Igler & Dougherty, P.A., no amounts were expensed to Igler & Dougherty, P.A. during 2013 and 2012. The Company owed Igler & Dougherty, P.A. $14,595 at December 31, 2012.

The Company has been accruing compensation and related benefits to it its former president and CEO. During 2013, the Company accrued compensation and retirement benefits of $20,833 and $3,125, respectively.

## 6. Related party transactions (Continued)

At December 31, 2013, the Company owed compensation and related benefits to its former president and CEO of $708,334 and $186,703, respectively. At December 31, 2012, the Company owed compensation and related benefits to its former president and CEO of $687,500 and $181,985, respectively.

The Company has also been accruing directors fees. During 2013 and 2012, the Company accrued $25,000 of fees to directors. At December 31, 2013 and 2012, the Company owed $318,750 and $293,750, respectively in directors fees.

## 7. Concentrations of credit risk

All demand and certificates of deposit are held by commercial banks. The Company has no policy requiring collateral or other security to support its deposits, although all demand and certificate of deposits with banks are federally insured under FDIC protection. Demand deposit bank balances totaled $11,222 and $1,577 at December 31, 2013 and 2012, respectively. Certificates of deposit balances were $86,630 and $86,485 at December 31, 2013 and 2012, respectively.

## 8. Commitments, contingencies and subsequent events

See Note 3 regarding subsequent stock transactions.

The Company is delinquent in filing its periodic reports required under the Securities Exchange Act of 1934 due to lack of funding. The Company is currently preparing its delinquent reports and plans to file all delinquent reports in 2014. The previous inaction to bring the Company s filings current may result in de-registration of the Company with the Securities Exchange Commission (SEC). Loss of this status may limit the Company s ability to access capital markets. The Company is working to file the delinquent reports, but there is no assurance that the Company will be able to file its delinquent reports.

In September 2012, the Company entered into a separation agreement and release with Phillip Ware, formerly the CEO and President of the Company, in connection with the September 2012 agreement with Robert J. Angerer, Sr. as disclosed in Note 3. Mr. Ware agreed that his existing options for 300,000 shares of common stock (Note 4) would expire within 90 days of the termination date, which was February 28, 2013. The options were not exercised and have expired. The Company agreed to pay Mr. Ware $200,000 and issue him an option to purchase 1,000,000 shares of restricted and unregistered shares of common stock for $.03 per share. This option expires on December 31, 2017. The Company has not paid Mr. Ware or issued the stock option as of the date of this report. Mr. Ware resigned from the Company effective February 28, 2013.

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**Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure**

None

**Item 9A. Controls and Procedures**

**a. Management s evaluation of disclosure controls and procedures**

As required by Rule 13a-15(b) under the Exchange Act, management carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e) and 15d-15(e)) as of the end of the period covered by this report. Based on that evaluation, management believes that, as of December 31, 2013, the Company s disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, accumulated, processed, summarized, reported, and communicated on a timely basis within the time periods specified in the Securities and Exchange Commission s rules and forms.

**b. Management s annual report on internal control over financial reporting.**

1. Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934. Our internal control over financial reporting is a process designed to provide reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition, transactions are executed in accordance with appropriate management authorization and accounting records are reliable for the preparation of financial statements in accordance with generally accepted accounting principles.

2. Internal control over financial reporting is a process tailored to the Company s unique circumstances, designed under the supervision of the Company s Chief Executive and Chief Financial Officer, and effected by the Company s Board of Directors, its consultants and other personnel, taking into account the small size of the Company, small number of employees and others involved in the Company s finances. The process uses a system of checks and balances 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 and includes those policies and procedures that:

pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the Company s assets and the review of those transactions and dispositions by the Company s compliance officer;

provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that the Company s receipts and expenditures are being made only in accordance with authorizations of management or the Company s Board of Directors; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company s assets that could have a material adverse effect on the Company s financial statements.

The Company s management assessed the effectiveness of the Company s internal control over financial reporting and based upon that assessment, management concluded that the Company s internal control over financial reporting was effective as of December 31, 2013. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ( COSO ) in *Internal Control Integrated Framework.*

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**Item 9A. Controls and Procedures (Continued)**

3. This annual report does not include an attestation report of the Company s registered public accounting firm regarding internal control over financial reporting. Management s report was not subject to attestation by the Company s registered public accounting firm in accordance with the Dodd-Frank Wall Street Reform and Consumer Protection Act.

**c. Changes in internal controls.**

The Company made no changes in its internal control over financial reporting that occurred during the Company s fourth fiscal quarter that has materially affected, or which is reasonably likely to materially affect the Company s internal control over financial reporting.

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## PART III

### Item 10. Directors, Executive Officers and Corporate Governance
### Directors

As of December 31, 2013, the board of directors included two members, one of whom, Mr. Angerer, also serves as the executive officer. One class currently has no directors. Current directors will remain in their positions until they resign or their successors are elected.

| Name | Director Since | Other Offices Held With the Company | Age and Business Experience For the Past Five Years |
|---|---|---|---|
| Director With a One Year Term Expiring at the 2011 Annual Meeting | | | |
| Herbert D. Haughton* | 2005 | None | Mr. Haughton, age 72, is a banking, corporate and securities lawyer who retired from as a shareholder in the Tallahassee, Florida law firm of Igler & Dougherty, PA, in 2012, where he had practiced law since 1994, following his admission to the Florida Bar. Prior to entering the practice of law, Mr. Haughton spent over 30 years in the banking industry serving as president and chief executive officer of three different community banks in Florida from 1977 to 1991. He is a graduate of Cleary University and Florida State University College of Law. Mr. Haughton s financial and business background as well as his legal education and background and his past leadership to the Company have led the directors to conclude that he is valuable to the Company and should serve as a director of the Company. |
| Director With a Two Year Term Expiring at the 2012 Annual Meeting: | | | |
| Phillip W. Ware** | 1985 | President, Chief Executive Officer and Principal Accounting Officer | Mr. Ware, age 64, resigned effective February 28, 2013, was employed by Coastal Petroleum Company since 1976. He served as President of Coastal Petroleum since April 1985. Mr. Ware is a 1975 graduate of the University of Florida and is a professional geologist registered with the State of Florida. Mr. Ware s education and experience in geology and petroleum geology in particular as well as his many years with the Company has led the Board to conclude that he is valuable to the Company and should serve as a director of the Company. |

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| Name | Director Since | Other Offices Held With the Company | Age and Business Experience For the Past Five Years |
|---|---|---|---|
| Director With a Three Year Term Expiring at the 2013 Annual Meeting: | | | |
| Robert J. Angerer, Sr.* | 2003 | Chairman of the Board | Mr. Angerer, age 67, is a partner in Oil For America, an oil exploration business formed in 2002, with operations primarily in North Dakota and Montana. He is a lawyer and an engineer and has been a member of the Florida Bar since 1974. He was a partner in the Tallahassee law firm of Angerer & Angerer from 1994 until 2009 and is again a partner in Angerer & Angerer as of 2014. He is a graduate of the University of Michigan and of Florida State University College of Law. He has served as a director of Coastal Petroleum since 2003. Mr. Angerer s legal and engineering education and background as well as his experience in the oil industry and service to the Company in multiple roles, has led the Board to conclude that he is valuable to the Company and should serve as a director of the Company. |

* Members of the Board of Directors Compensation Committee.

** Resigned as a director subsequent on February 28, 2013.

**Executive Officers**

Phillip W. Ware has been President of Coastal Petroleum and Vice President of Coastal Caribbean for many years and became President of Coastal Caribbean effective March 1, 2003. Effective August 18, 2005, Mr. Ware was appointed Principal Accounting Officer. Mr. Ware resigned from all positions within the Company and Coastal Petroleum as of February 28, 2013.

Robert J. Angerer, Sr., became a director of Coastal Caribbean on January 30, 2003 and Vice President of Coastal Caribbean on February 27, 2003 and served in that position until resigning on January 14, 2010. He is currently serving as the Chief Executive Officer, President, and Principal Financial Officer.

Officers of Coastal Caribbean are elected annually by the board and report directly to it.

Only Mr. Ware received direct compensation for his services as an officer of Coastal Caribbean or Coastal Petroleum. During 2013 and 2012, $20,833 and $125,000, respectively, of Mr. Ware s compensation for his services was accrued. Mr. Ware devoted 100% of his professional time to the business and affairs of Coastal Caribbean and Coastal Petroleum.

We are not aware of any arrangements or understandings between any of the individuals named above and any other person by which any of the individuals named above was selected as a director and/or executive officer. We are not aware of any family relationship among the officers and directors of Coastal Caribbean or its subsidiary except for the father and son relationship between Mr. Angerer, Sr. and Robert J. Angerer, Jr., who serves as the Company s Secretary. Neither Robert J. Angerer, Sr. nor Robert J. Angerer, Jr. receive a salary or other compensation by the Company for their service as director and officer, respectively.

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## Compliance with Section 16(a) of the Securities Exchange Act of 1934

Section 16(a) of the Securities Exchange Act of 1934 requires the Company s executive officers, directors and persons who beneficially own more than 10% of the Company s Common Stock to file initial reports of beneficial ownership and reports of changes in beneficial ownership with the Securities and Exchange Commission (the SEC ). Such persons are required by the SEC regulations to furnish the Company with copies of all Section 16(a) forms filed by such persons. Based solely on its copies of forms received by it, or written representations from certain reporting persons that no Form 5 s were required for those persons, the Company believes that during the just completed fiscal year, its executive officers, directors, and greater than 10% beneficial owners complied with all applicable filing requirements.

## Code of Ethics

The Company has adopted a Code of Ethics applicable to principal executive and financial officers. The Code of Ethics is available upon request sent to the Company c/o Robert J. Angerer, Jr., Secretary, Post Office Box 10468, Tallahassee, Florida 32302.

## Item 11. Executive Compensation
## Compensation Discussion and Analysis

### Compensation Philosophy

The Company s executive compensation program reflects the Company s philosophy that executive s compensation should be structured so as to closely align executives interests with the interests of our shareholders. The primary objectives of the Company in determining compensation are to emphasize operating performance criteria that enhance shareholder value and to establish and maintain a competitive executive compensation program that enables the Company to retain and motivate a highly qualified executive who will contribute to the long-term success of the Company. When used in this Compensation Discussion and Analysis section, the term named executive officer means the person listed in the Summary Compensation Table.

Consistent with this philosophy, we seek to provide compensation for the named executive officer that is similar to comparable companies in the oil and gas industry. In making these determinations, we annually review each compensation component and compare it to market reference points. The application of our compensation philosophy to our named executive officer is described below in this Compensation Discussion and Analysis section.

### Executive Compensation Program Design

The objective of the Company and the Compensation Committee is to attract, retain and motivate the most highly qualified executive officer who will contribute to the Company s goals by consistently delivering exceptional performance while working within the annual budget of a development stage Company. In order to accomplish the Company s goals, we believe compensation paid to the executive officer should be designed around a combination of a competitive based salary combined with performance-based pay including equity-based or other incentives which thereby align the interest of our executive officer with those of the Company s shareholders.

The compensation package of the indicated named executive officer during the year ended December 31, 2013, consisted almost entirely of base salary.

At the request of the Compensation Committee, our compensation program is reviewed on an annual basis to ensure it meets the objectives of our compensation program and is benchmarked with the market. Prior compensation from the Company, such as gains from previously awarded stock options, is not generally taken into account in setting other elements of compensation, such as base pay and long-term incentive awards. We believe that our executive officer should be fairly compensated each year relative to market pay levels of our peer groups and internal equity within the Company.

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### Compensation Program Benchmarking

The Compensation Committee endeavors to conduct its review on an annual basis for the named executive officer to ensure that our compensation program works as designed and intended. This review by the Compensation Committee also facilitates discussion among the members of the Compensation Committee regarding our compensation program. The Compensation Committee has not retained the services of a compensation consultant during 2013 or 2012.

### Compensation Program Overview

Following is an overview of the principal components of our compensation program:

***How Amounts for Compensation Components are Determined***

In addition to the information provided above, following are other details on specific compensation components for 2013:

*2013 Base Salary.* Base salary level of the named executive officer is determined based on a combination of factors, including our compensation philosophy, market compensation data, competition for key executive talent, the named executive officer s experience, leadership, achievement of specified business objectives and contribution to the Company s success, the Company s overall annual budget for merit increases and the named executive officer s individual performance. In the Compensation Committee s first meeting of each year, the Compensation Committee conducts an annual review of the base salary of our named executive officer by taking into account these factors.

The base salary of the named executive officer did not increase during 2013 based upon the factors set out above. The Compensation Committee focused on the Company s annual budget and the beginning of new operations in an effort to establish production and revenue for the Company.

*2013 Long-Term Incentives.* The Company has in the past provided long-term incentives. Primarily this has been done through the issuance of stock options; however there is no set program or requirements for issuance of the stock options. Instead, stock options may be issued at the discretion of the Compensation Committee in conjunction with the Board of Directors.

In addition to our philosophy, internal equity**,** current share price, and individual performance during the prior year are considered. We do not target long-term incentive opportunities to be a particular percentage of total compensation. The Compensation Committee did not grant any stock options in 2013 to any individuals (including our Chief Executive Officer).

Another long-term incentive used in the oil and gas industry is the granting of overriding interest in wells to be drilled. On June 22, 2005, the Company approved of its subsidiary granting such an incentive to Mr. Ware and that incentive was granted as a 1% overriding interest in any well that he recommends that is drilled by the Company or its subsidiary Coastal Petroleum. No payments under this incentive plan were earned or paid during 2013.

***Retirement and Other Benefits***

We currently do not offer retirement programs within the Company that are intended to supplement the employee s personal savings and social security. However, the Company contributes to the SEP-IRA of the named executive employee. The Company believes that this contribution assists the Company in maintaining a competitive position in terms of retaining our named executive employee.

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***Other Benefits***

The Company does not provide the named executive officer with perquisites or other personal benefits. The Company does provide healthcare insurance for its named executive officer, which the Company believes assists in maintaining a competitive position in terms of retaining him.

**Board Process and Independent Review of Compensation Program**

The Compensation Committee is responsible for determining the compensation of our directors and our Chief Executive Officer. In addition, the Compensation Committee is authorized to exercise all the powers granted to it in its charter. The Compensation Committee charter provides that the Compensation Committee will have access to the necessary corporate resources to carry out its charter authority.

For our Chief Executive Officer, the Compensation Committee evaluates and assesses our Chief Executive Officer s performance related to leadership, financial and operating results, board relations, and other material considerations. These considerations as well as market information concerning compensation for similar positions are then incorporated into the Compensation Committee s compensation adjustment decisions. Market information is obtained through various sources including reference to materials published by the American Association of Petroleum Geologists (AAPG) annually in their *AAPG Explorer*. These materials review compensation being paid to geologists holding various degrees and of varying years of experience in oil and gas companies across the country.

The following table sets forth the compensation of the President of the Company, Mr. Ware, who served as our Chief Executive Officer and Principal Financial Officer for the three years ending with 2013, until his resignation on February 28, 2013. We have determined that Mr. Ware is our only named executive officer pursuant to the applicable rules of the SEC (the named executive officer ). No other company employee received $100,000 or more in total compensation. Mr. Ware s base salary was $125,000.

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## SUMMARY COMPENSATION TABLE

| Name and Principal Position | Year | Salary ($) | Bonus[1] ($) | Stock Awards ($) | Option Awards ($) | Non-Equity Incentive Plan Compensation ($) | Change in Pension Value and Nonqualified Deferred Compensation Earnings ($) | All Other Compensation[2][3] ($) | Total ($) |
|---|---|---|---|---|---|---|---|---|---|
| Phillip W. Ware, | 2013 | 20,833[4] | | | | | | 3,125 | 23,958 |
| Chief Executive Officer, President, Chief | 2012 | 125,000[5] | | | | | | 18,750 | 143,750 |
| Financial Officer, Director | 2011 | 125,000[6] | | | | | | 18,750 | 143,750 |

(1) Annual Cash Bonus Award - Annual incentive awards, which were paid during the year or immediately following the year indicated.
(2) Other Annual Compensation - All additional forms of cash and non-cash compensation paid, awarded or earned, including automobile allowances, 401(k) Plan matching contributions, and club membership costs.
(3) Payment to SEP-IRA pension plan (2011, 2012 and 2013 amounts have been deferred).
(4) Payment of $20,833 was accrued and not paid in 2013.
(5) Payment of $125,000 was accrued and not paid in 2012.
(6) Payment of $125,000 was accrued and not paid in 2011.

The Company does not have a contract with its named executive officer nor does it have a change of control employment agreement which would be effective upon change of control of the Company or in the event of termination of employment.

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## Stock Options

The Company has not adjusted or amended the exercise price of any stock options during the year end December 31, 2013. No stock options were held by executive officers at December 31, 2013.

## Option Exercises

None.

## Compensation of Directors

The Compensation Committee of our Board sets the compensation of our directors. In determining the appropriate level of compensation for our directors, the Compensation Committee considers the commitment required from our directors in performing their duties on behalf of the Company, as well as comparative information the committee obtains from various sources. Set forth below is a description of the compensation of our directors.

**Annual Retainers and Other Fees and Expenses.**

We pay our directors an annual retainer of $25,000. There is currently no provision for paying directors additional fees based upon attending meetings, service on a committee, or serving as chair of a committee. We do not regularly compensate directors for their service through stock options, although in the past the Company has issued stock options to Directors. We do reimburse directors for travel, lodging and related expenses they may incur in attending shareholder, Board and committee meetings.

We did not pay our directors in 2013 and accrued $25,000 owed to them at December 31, 2013. Director s fees of $25,000 were also accrued and not paid in 2012. Mr. Angerer and Mr. Ware discontinued receiving fees after the first quarter of 2009. The following table shows the compensation of the Company s directors for the year ended December 31, 2013.

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### DIRECTOR COMPENSATION

| Name | Fees Earned or Paid in Cash[1] ($) | Stock Awards ($) | Option Awards ($) | Non-Equity Incentive Plan Compensation ($) | Change in Pension Value and Nonqualified Deferred Compensation Earnings ($) | All Other Compensation ($) | Total ($) |
|---|---|---|---|---|---|---|---|
| Phillip W. Ware | | | | | | | |
| Robert J. Angerer, Sr. | | | | | | | |
| Herbert D. Haughton | 25,000 | | | | | | 25,000 |

(1) All fees were accrued but not paid. Mr. Ware and Mr. Angerer discontinued receiving fees after the first quarter of 2009.

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## Compensation Committee Interlocks and Insider Participation

The Compensation Committee serves with regard to compensation and personnel policies, programs and plans, including management development and succession, and to approve employee compensation and benefit programs. The Compensation Committee s charter was adopted on December 20, 2005. A copy of the Compensation Committee Charter may be obtained by a written request addressed to Mr. Robert J. Angerer, Jr., Secretary, P.O. Box 10468, Tallahassee, Florida 32302. Members of the Compensation Committee are: Herbert D. Haughton and Robert J. Angerer, Sr. Due to the fact that the Company has not had an employee to compensate since February of 2013, the Compensation Committee continues to recommend the Compensation Discussion and Analysis included in this report and as previously recommended.

## Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

### Security Ownership of Certain Beneficial Owners

As of December 31, 2013, Mr. Robert J. Angerer, Sr. owned 48,321,968 shares, or 50.80% of our common stock and his son, Mr. Robert J. Angerer, Jr., owned 816,914 shares, or 0.85% of our common stock. Mr. Angerer, Sr. disclaims beneficial ownership of any shares owned by his son.

As of the date of this report, the only person or apparent groups of persons known by management to own beneficially five percent or more of the Company s outstanding shares is as follows:

| Person | Shares Owned | Percentage of Shares Outstanding |
|---|---|---|
| Robert J. Angerer, Sr.<br>P.O. Box 10468<br>Tallahassee, FL 32312 | 50,935,100 | 52.12% |

### Security Ownership of Management

The following table sets forth information as to the number of shares of the Company s common stock owned beneficially at October 15, 2014, by each director of the Company and by all directors and executive officers as a group:

| | Amount and Nature of Beneficial Ownership | | |
|---|---|---|---|
| Name of Individual or Group | Shares Held Directly or Indirectly | Options | Percent of Class |
| Phillip W. Ware | 454,121 | | 0.46% |
| Robert J. Angerer, Sr. | 50,935,100 | | 52.12% |

| | | | |
|---|---|---|---|
| Herbert D. Haughton | 50,000 | 50,000 | 0.05% |
| All directors as a group | 51,439,221 | 500,000 | 52.63% |

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## Equity Compensation Plan Information

The following table provides information about the Company s common stock that may be issued upon the exercise of options and rights under the Company s 1995 Stock Option Plan and the Company s 2005 Employee s Incentive Stock Option Plan as of December 31, 2013.

| Plan Category | Number of Securities to be issued upon exercise of outstanding options, warrants and rights (a) (#) | Weighted average exercise price of outstanding options, warrants and rights (b) ($) | Number of securities remaining available for issuance under equity compensation plans (excluding securities reflected in column (a)) (c) (#)(3)(4) |
|---|---|---|---|
| Equity compensation plans not approved by security holders(1) | 75,000 | $ 0.15 | 925,000 |
| Equity compensation plans approved by security holders(2) | | | 2,300,000 |
| Total: | 75,000 | $ 0.15 | 3,225,000 |

(1) 1995 Stock Option Plan

(2) 2005 Employee s Incentive Stock Option Plan

(3) Options to acquire 100,000 shares of the Company s common stock under the 1995 Stock Option Plan granted to former directors Cannon and Randazzo expired one month after their resignation and were returned to the options available to be issued.

(4) Options to acquire 50,000 shares of the Company s common stock under the 1995 Stock Option Plan and 250,000 shares of the Company s common stock under the 2005 Stock Option Plan granted to former president Ware expired after his resignation and were returned to the options available to be issued.

The Company s 1995 Stock Option Plan was adopted by the Board of Directors of the Company in March 1995 and 1,000,000 shares of the Company s common stock were authorized for issuance under the terms of the plan. Options under the plan may be granted only to directors, officers, key employees of, and consultants and consulting firms to, (i) the Company, (ii) subsidiary corporations of the Company from time to time and any business entity in which the Company from time to time has a substantial interest, who, in the sole opinion of the Committee of the Board administering the Plan, are responsible for the management and/or growth of all or part of the business of the Company. The exercise price of each option to be granted under the plan shall not be less than the fair market value of the stock subject to the option on the date of grant of the option.

The Company s 2005 Employees Stock Option and Limited Rights Plan ( Employees Plan ) was adopted by the Board on September 27, 2005, for the benefit of officers and other key employees of Coastal and Coastal Caribbean. The

Plan was approved by the shareholders at the Annual General Meeting held on December 9, 2005. The Employees Plan provides for 2,300,000 shares of Coastal common stock to be reserved for future issuance pursuant to the exercise of stock options. This represents 5% of the total number of shares of the Company s outstanding common stock. Employees of Coastal or Coastal Petroleum may be granted options to purchase shares of common stock, as determined by the Board in its sole discretion.

Options granted under the Program will be incentive stock options within the meaning of section 422A of the Internal Revenue Code of 1986, as amended, which are designed to result in beneficial tax treatment to the employee but no tax deduction to Coastal. The per share exercise price at which the shares of common stock may be purchased upon exercise of a granted option will be equal to or greater than the Fair Market Value of a share of common stock as of the date of grant. Fair Market Value of a share of common stock is defined in the Employees Plan. At no time will Coastal have total cumulative stock options outstanding to acquire more than 15% of the outstanding common stock of Coastal under all of its plans.

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## Item 13. Certain Relationships and Related Transactions, and Director Independence.

***Angerer & Angerer***

The law firm of Angerer & Angerer, Tallahassee, Florida, has been litigation counsel to the Company for more than twenty-five years and served the Company in that capacity, as well as others including general counsel services, management services, public relations, shareholder relations and representing the Company before state and federal agencies for permitting, until May 2009. Mr. Robert J. Angerer, Sr., a partner of the firm, was elected a director of Coastal Caribbean and of Coastal Petroleum on January 30, 2003, and a Vice President of Coastal Caribbean and Coastal Petroleum on February 28, 2003. No amounts were billed or paid in 2013 or 2012.

***Igler & Dougherty, PA***

The law firm of Igler & Dougherty, PA, Tallahassee, Florida, served as SEC counsel to the Company for almost six years. Mr. Herbert D. Haughton, a shareholder of the firm, was elected a director of Coastal Caribbean and of Coastal Petroleum in December 2005. No amounts were billed by Igler & Dougherty in 2013 and 2012.

## Item 14. Principal Accountant Fees and Services

Averett Warmus Durkee, P.A. audited the Company s financial statements for 2013 and 2012 and performed the reviews for 2013 and 2012. Fees related to services performed by Averett Warmus Durkee, P.A. for the years 2013 and 2012 were as follows:

| | 2013 | 2012 |
|---|---|---|
| Audit Fees(1) | $ 24,000 | $ 24,000 |
| Audit-Related Fees | -0- | -0- |
| Tax Fees(2) | -0- | -0- |
| Total | $ 24,000 | $ 24,000 |

(1) Audit fees represent fees for professional services provided in connection with the audit of our financial statements and review of our quarterly financial statements. The Audit Committee must pre-approve audit related and non-audit services not prohibited by law to be performed by the Company s independent auditors. There are currently not enough independent directors to comprise an Audit Committee, so since that time the entire Board of Directors has carried out the duties that would otherwise be carried out by an Audit Committee. The Audit Committee, or the Board of Directors after October 2008, pre-approved all audit related and non-audit services in 2013 and 2012.

The Board of Directors has reviewed Coastal Caribbean s audited financial statements as of, and for, the fiscal year ended December 31, 2013, and met with both management and Coastal Caribbean s independent auditors to discuss those financial statements. Management has represented to the Board of Directors that the financial statements were prepared in accordance with accounting principles generally accepted in the United States of America.

The Board of Directors has received from, and discussed with Averett Warmus Durkee, P.A. the written disclosure and the letter required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant s communications with the audit committee concerning independence. These items relate to that firm s independence from Coastal Caribbean. The Board of Directors has also discussed with Averett Warmus Durkee, P.A. any matters required to be discussed by the Public Company Accounting Oversight Board Auditing Standard No. 16 *(Communications with Audit Committees)*.

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Based on the reviews and discussions referred to above, the Board approved the inclusion of Coastal Caribbean s audited financial statements in the Company s Annual Report on Form 10-K for the fiscal year ended December 31, 2013, and filed with the Securities and Exchange Commission.

(2) Tax fees principally included tax advice, tax planning and tax return preparation.

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## PART IV

**Item 15. Exhibits and Financial Statement Schedules**
**Financial Statements**

The financial statements listed below and included under Item 8 above are filed as part of this report.



**Financial Statement Schedules**

All schedules have been omitted since the required information is not present or not present in amounts sufficient to require submission of the schedule, or because the information required is included in the consolidated financial statements and the notes thereto.

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## Exhibits

The following exhibits are filed as part of this report:

10. Material contracts.

(g) Stock Option Plan adopted March 7, 1995 filed as Exhibit 4A to form S-8 dated July 28, 1995 (File Number 001-04668) is incorporated herein by reference.

(h) Memorandum of Settlement dated June 1, 2005 between Coastal Petroleum Company, et al. and the State of Florida filed as Exhibit 10(h) to form 10K-A dated July 27, 2005 (File Number 001-04668) is incorporated herein by reference.

(i) Incentive Stock Option Plan adopted September 30, 2005 and approved by the shareholders on December 9, 2005 filed as Appendix A to form DEF 14A dated November 3, 2005 (File Number 001-04668) is incorporated herein by reference.

(j) Code of Ethics applicable to principal executive and financial officers adopted December 20, 2005 filed as Exhibit 10(j) to form 10K dated March 8, 2006 (File Number 001-04668) is incorporated herein by reference.

(k) Exploration Agreement between Coastal Petroleum Company and Victory Energy Corporation filed as Exhibit 10(k) to Form 8-K dated April 12, 2007 (File Number 001-04668) is incorporated by reference.

(l) Agreement with Robert J. Angerer, Sr. filed as Exhibit 10(l) to Form 8-K dated January 20, 2010 (File Number 001-04668) is incorporated by reference.

(m) Agreement with Robert J. Angerer, Sr. dated October 17, 2011, filed as Exhibit 10(m) to Form 8-K dated October 24, 2011 (File Number 001-04668) is incorporated by reference.

(n) Agreement with Robert J. Angerer, Sr. dated September 12, 2012, filed as Exhibit 10(n) to Form 10-K dated June 3, 2014 (File Number 001-04668) is incorporated by reference.

(o) Separation Agreement with Phillip W. Ware, dated September 17, 2012, filed as Exhibit 10(o) to Form 10-K dated June 3, 2014 (File Number 001-04668) is incorporated by reference.

| | |
|---|---|
| 21.1 | Subsidiaries of Coastal Caribbean Oils & Minerals, Ltd. |
| 23.1 | Consent of Averett Warmus Durkee, P.A. |
| 31.1 | Certification pursuant to Rule 13a-14 by Robert J Angerer, Sr. |
| 32.1 | Certification pursuant to Section 906 by Robert J Angerer, Sr. |
| 101.INS | XBRL Instance Document |
| 101.SCH | XBRL Schema Document |
| 101.CAL | XBRL Calculation Linkbase Document |
| 101.DEF | XBRL Definition Linkbase Document |
| 101.LAB | XBRL Label Linkbase Document |
| 101.PRE | XBRL Presentation Linkbase Document |

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## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**COASTAL CARIBBEAN OILS & MINERALS, LT**
(Registrant)

By *Is/ Robert J. Angerer, Sr.*
**Robert J Angerer, Sr.**, Chief Executive Officer, President and Principal Financial Officer

Dated: October 15, 2014

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

By *Is/ Robert J. Angerer, Sr.*
**Robert J Angerer, Sr.**
Director, Chief Executive Officer, President and Principal Financial Officer

Dated: October 15, 2014

By *Is/ Herbert D. Haughton*
**Herbert D. Haughton**
Director

Dated: October 15, 2014

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## INDEX TO EXHIBITS

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| 21.1 | Subsidiaries of Coastal Caribbean Oils & Minerals, Ltd. |
| 23.1 | Consent of Averett Warmus Durkee, P.A. |
| 31.1 | Certification pursuant to Rule 13a-14 by Robert J Angerer, Sr. |
| 32.1 | Certification pursuant to Section 906 by Robert J Angerer, Sr. |
| 101.INS | XBRL Instance Document |
| 101.SCH | XBRL Schema Document |
| 101.CAL | XBRL Calculation Linkbase Document |
| 101.DEF | XBRL Definition Linkbase Document |
| 101.LAB | XBRL Label Linkbase Document |
| 101.PRE | XBRL Presentation Linkbase Document |