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BALANCE SHEETS
AS OF DECEMBER 31
(unaudited)

	2008	2007
Assets		
Current assets		
Cash	$ 974	$ 1,879
Prepaid expenses	$ -	$ -
Paid in capital	$ -	$ -
	$ -	$ -
Total current assets	$ 974	$ 1,879
		$ -
Property and Equipment		
net of accum depreciation	$ -	$ -
Other assets		$ -
Prepaid insurance	$ -	$ -
Accts. Receivable	$ -	$ -
	$ -	$ -
Total Assets	$ 974	$ 1,879
Liabilities & shareholder Equity		
Current liabilities		
Accounts Payable		
Accrued salaries(carried over)	$ -	$ -
Accrued salaries	$ 168,000	$ 72,000
Shareholder loans	$ 23,041	$ 7,713
Total current liabilities	$ 191,041	$ 79,713
Long term liabilities		
	$ -	$ -
	$ -	$ -
	$ -	$ -
Total long term liabilities	$ -	$ -
Total liabilities	$ 191,041	$ 79,713
Shareholder Equity		
Common stock 46,589,615 shares at $.001 par	$ 46,590	$ 46,590
Preferred stock 10,000,000 at $.001 par	$ 10,000	$ 10,000
Additional Paid in	$ 74,568	$ 74,568
Shareholders equity	$ (321,225)	$ (208,992)
Shareholders equity, (Gain/Loss)	$ (190,067)	$ (77,834)
Total Shareholder Equity	$ 974	$ 1,879

COASTAL INTEGRATED SERVICES, INC.
STATEMENTS OF EARNINGS
AS OF DECEMBER 31
(unaudited)

	2008	2007
Revenues	$ 7,250	$ 16,531
Expenses		
General expenses		
Selling & general administrative expenses	$ 31,196	$ 29,749
	$ -	$ -
	$ -	$ -
Total expenses	$ 31,196	$ 29,749
Net operating income (loss)	$ (23,946)	$ (13,218)
Income taxes	$ -	$ -
Net income (loss)	$ (23,946)	$ (13,218)
Shares outstanding	46,589,615	46,589,615
Gain/(loss) per share	$ (0.00)	(0.00)

STATEMENT OF STOCK ACTIVITY AND SHAREHOLDER EQUITY

	Common Stock		Preferred stock		Accumulated
	Shares	Amount	Shares	Amount	earnings (Loss)
Balance- December 31, 2006	38,143,800	80,427	10,000,000	10,000	(84,394)
Shares issued	8,445,815				
Balance- December 31, 2007	46,589,615	121,158	10,000,000	10,000	(208,992)
shares issued	0				
Balance- December 31, 2008	46,589,615	121,158	10,000,000	10,000	(321,225)

COASTAL INTEGRATED SERVICES, INC.
STATEMENTS OF CASH FLOWS
AS OF DECEMBER 31
(unaudited)

	2008	2007
Beginning Balance	$ 1,879	$ 6,033
Sources of Cash		
Cash Flows From Oper (Net Inc/Loss)	$ 7,250	$ 16,531
Depreciation	$ -	$ -
Net Sale of Assets	$ -	$ -
Stock issued for services	$ -	$ -
Additional Paid in capital	$ -	$ 1,350
Shareholder loans	$ 23,041	$ 7,713
Total Sources of Cash	$ 32,170	$ 31,628
Uses of Cash		
Repayment of Debt		$ -
Selling & general administrative expenses	$ 31,196	$ 29,749
Repurchase of Stock		$ -
Stock Dividends	$ -	$ -
Total Uses of Cash	$ 31,196	$ 29,749
		$ -
Cash Balance at End of Period	$ 974	$ 1,879

COASTAL INTEGRATED SERVICES, INC.
NOTES TO INTERIM FINANCIAL STATEMENTS
December 31, 2008(UNAUDITED)

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

(a) *Organization and Business*

COASTAL INTEGRATED SERVICES, INC.. (the " Company") was incorporated in the State of Nevada on March 5, 2002 for the purpose of raising capital that is intended to be used in connection with its business plan which is the buying and selling of black oil.

(b) *Basis of Presentation:*
The accompanying financial statements have been prepared assuming the Company will continue as a going concern. At the balance sheet date, the Company has a stockholders' deficiency and a deficit accumulated during the development stage. Management plans to issue more shares of common stock in order to raise funds.

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. In the opinion of management, these financial statements include all adjustments necessary in order to make them not misleading.

(c) *Use of Estimates:*
The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the balance sheet and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(d) *Cash and Cash Equivalents:*
For purposes of the statement of cash flows, the Company considers highly liquid financial instruments purchased with a maturity of three months or less to be cash equivalents.

(e) Income taxes:
The Company utilizes the liability method of accounting for income taxes. Under the liability method deferred tax assets and liabilities are determined based on the differences between financial reporting basis and the tax basis of the assets and liabilities and are measured using enacted tax rates and laws that will be in effect, when the differences are expected to reverse. An allowance against deferred tax assets is recognized, when it is more likely than not, that such tax benefits will not be realized. Any deferred tax asset is considered immaterial and has been fully offset by a valuation allowance because at this time the Company believes that it is more likely than not that the future tax benefit will not be realized as the Company has no current operations.

COASTAL INTEGRATED SERVICES, INC.
NOTES TO INTERIM FINANCIAL STATEMENTS
December 31, 2008 (UNAUDITED)

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

(f) Loss per Common Share:

Basic loss per share is calculated using the weighted-average number of common shares outstanding during each reporting period. Diluted loss per share includes potentially dilutive securities such as outstanding options and warrants, using various methods such as the treasury stock or modified treasury stock method in the determination of dilutive shares outstanding during each reporting period. The Company does not have any potentially dilutive instruments.

(g) *Fair Value of Financial Instruments:*

The carrying value of cash, due from affiliate and due to shareholder approximate their fair value due to the short period of time to maturity.

(h) *Stock Based Compensation:*

SFAS No. 123, "Accounting for Stock-Based Compensation," establishes and encourages the use of the fair value based method of accounting for stock-based compensation arrangements under which compensation cost is determined using the fair value of stock-based compensation determined as of the date of grant and is recognized over the periods in which the related services are rendered. The statement also permits companies to elect to continue using the current intrinsic value accounting method specified in Accounting Principles Board ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees," to account for stock-based compensation. The Company has elected to use the intrinsic value based method and has disclosed the pro forma effect of using the fair value based method to account for its stock-based compensation issued to employees. For options granted to employees where the exercise price is less than the fair value of the stock at the date of grant, the Company recognizes an expense in accordance with APB 25. For non-employee stock based compensation the Company

(i) *Stock Based Compensation(continued).*

recognizes an expense in accordance with SFAS No. 123 and values the equity securities based on the fair value of the security on the date of grant. For stock-based awards the value is based on the market value for the stock on the date of grant and if the stock has restrictions as to transferability a discount is provided for lack of tradability. Stock option awards are valued using the Black-Scholes option-pricing model.

(j) *Comprehensive Income:*

The Company has adopted SFAS No. 130, "Reporting Comprehensive Income." This statement establishes standards for reporting comprehensive income and its components in a financial statement. Comprehensive income as defined includes all changes in equity (net assets) during a period from non-owner sources. Examples of items to be included in comprehensive income, which are excluded from net income, include foreign currency translation adjustments and unrealized gains and losses on available-for-sale securities.

Comprehensive income (loss) is not presented in the Company's financial statements since there is no difference between net loss and comprehensive loss in any period presented.

NOTE 2 - CAPITAL STOCK

The total number of shares of capital stock which the Company shall have authority to issue is 195,000,000 shares consisting of 175,000,000 common shares with no par value and 20,000,000 preferred shares with no par value .

Holders of shares of common stock shall be entitled to cast one vote for each share held at all stockholders' meetings for all purposes, including the election of directors. The common stock does not have cumulative voting rights.

No holder of shares of stock of any class shall be entitled as a matter of right to subscribe for or purchase or receive any part of any new or additional issue of shares of stock of any class, or of securities convertible into shares of stock of any class, whether now hereafter authorized or whether issued for money, for consideration other than money, or by way of dividend.

NOTE 3 — RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In July 2006, the FASB issued Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" ("FIN 48"). FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprises' financial statements in accordance with SFAS No. 109, "Accounting for Income Taxes". FIN 48 prescribes a recognition threshold and measurement attributable for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FIN 48 also provides guidance on derecognizing, classification, interest and penalties, accounting in interim periods, disclosures and transitions. FIN 48 is effective for fiscal years beginning after December 15, 2006. The Company is currently reviewing the effect, if any, FIN 48 will have on its financial position and operations.

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measures" ("SFAS No. 157"). SFAS No157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles ("GAAP"), expands disclosures about fair value measurements, and applies under other accounting pronouncements that require or permit fair value measurements. SFAS No. 157 does not require any new fair value measurements, however the FASB anticipates that for some entities, the application of SFAS No. 157 will change current practice. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007, which for the Company would be its fiscal year beginning November 1, 2008. The implementation of SFAS No. 157 is not expected to have a material impact on the Company's results of operations and financial condition.

In September 2006, the Financial Accounting Standards Board ("FASB") issued SFAS No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans - an amendment of FASB Statements No. 87, 88, 106, and 132(R)". This statement requires employers to recognize the overfunded or underfunded status of a defined benefit postretirement plan (other than a multi-employer plan) as an asset or liability in its statement of financial position and to recognize changes in that funded status in the year in which the changes occur through comprehensive income of a business entity or changes in unrestricted net assets of a not-for-profit organization. This statement also requires an employer to measure the funded status of

NOTE 3 — RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS (continued)

In September 2006, the Securities and Exchange Commission ("SEC") issued Staff Accounting Bulletin No. 108 (Topic 1N), "Quantifying Misstatements in Current Year Financial Statements" ("SAB No. 108"). SAB No. 108 addresses how the effect of prior year uncorrected misstatements should be considered when quantifying misstatements in current year financial statements. SAB No. 108 requires SEC registrants (i) to quantify misstatements using a combined approach which considers both the balance sheet and income statement approaches; (ii) to evaluate whether either approach results in quantifying an error that is material in light of relevant quantitative and qualitative factors; and (iii) to adjust their financial statements if the new combined approach results in a conclusion that an error is material. SAB No. 108 addresses the mechanics of correcting misstatements that include effects from prior years. It indicates that the current year correction of a material error that includes prior year effects may result in the need to correct prior year financial statements even if the misstatement in the prior year or years is considered immaterial. Any prior year financial statements found to be materially misstated in years subsequent to the issuance of SAB No. 108 would be restated in accordance with SFAS No. 154, "Accounting Changes and Error Corrections." Because the combined approach represents a change in practice, the SEC staff will not require registrants that followed an acceptable approach in the past to restate prior years' historical financial statements. Rather, these registrants can report the cumulative effect of adopting the new approach as an adjustment to the current year's beginning balance of retained earnings. If the new approach is adopted in a quarter other than the first quarter, financial statements for prior interim periods within the year of adoption may need to be restated. SAB No.108 is effective for fiscal years ending after November 15, 2006, which for Company would be its fiscal year beginning December 1, 2007. The implementation of SAB No. 108 is not expected to have a material impact on the Company's results of operations and financial condition.

In October 2006, the Financial Accounting Standards Board (“FASB”) issued FASB Staff Position (“FSP”) Financial Accounting Standard (“FAS”) 123(R)-5, Amendment of FSP FAS 123(R)-1, (“FSP FAS 123(R)-5”) to address whether a change to an equity instrument in connection with an equity restructuring should be considered a modification for the purpose of applying FSP No. FAS 123(R)-1, Classification and Measurement of Freestanding Financial Instruments

Originally Issued in Exchange for Employee Services under FAS Statement No 123(R) ("FSP FAS 123(R)-1"). FSP FAS 123(R)-1 states that financial instruments issued to employees in exchange for past or future services are subject to the provisions of SFAS 123(R) unless the terms of the award are modified when the holder is no longer an employee. In FSP FAS 123(R)-5, the FASB staff concluded that changes to the terms of an award that are made solely due to an equity restructuring are not considered modifications as described in FSP FAS 123(R)-1 unless the fair value of the award increases, anti-dilution provisions are added, or holders of the same class of equity instruments are treated unequally. FSP FAS 123(R)-5 is

NOTE 3 — RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS (continued)

a plan as of the date of its year-end statement of financial position, with limited exceptions. The provisions of SFAS No. 158 are effective for employers with publicly traded equity securities as of the end of the fiscal year ending after December 15, 2006. The adoption of this statement is not expected to have a material effect on the Company's future reported financial position or results of operations.

Effective for the first reporting period beginning after October 10, 2006. The adoption of FSP FAS 123(R)-5 did not have a material impact on the Company's financial statements.

On February 15, 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Liabilities" (SFAS No. 159). Under this Standard, the Company may elect to report financial instruments and certain other items at fair value on a contract-by-contract basis with changes in value reported in earnings. This election is irrevocable. SFAS No. 159 provides an opportunity to mitigate volatility in reported earnings that is caused by measuring hedged assets and liabilities that were previously required to use a different accounting method than the related hedging contracts when the complex provisions of SFAS No. 133 are not met. SFAS No. 159 is effective for years beginning after November 15, 2007. The Company does not believe it will have an impact on its financial statements.

In February 2008, the FASB issued FASB Staff Position FAS 157-2 ("FSP FAS 157-2") "Effective Date of FASB Statement No. 157" which delays the effective date of SFAS No. 157 for non-financial assets and non-financial liabilities that are recognized or disclosed in the financial statements on a nonrecurring basis to fiscal years beginning after November 15, 2008. These non-financial items include assets and liabilities such as reporting units measured at fair value in a goodwill impairment test and non-financial assets acquired and non-financial liabilities assumed in a business combination. The Company has not applied the provisions of SFAS No. 157 to its non-financial assets and non-financial liabilities in accordance with FSP FAS 157-2.

In December 2007, the FASB issued SFAS No. 141 (revised 2007), "Business Combinations" ("SFAS No. 141(R)"). SFAS No. 141(R) retains the fundamental requirements in Statement 141 that the acquisition method of accounting (which Statement 141 called the purchase method) be used for all business combinations and for an acquirer to be identified for each business combination. In general, the statement 1) broadens the guidance of SFAS No. 141, extending its applicability to all events where one entity obtains control over one or more other businesses, 2) broadens the use of fair value measurements used to recognize the assets acquired and liabilities assumed, 3) changes the accounting for acquisition related fees and restructuring costs incurred in connection with an acquisition, and 4) increases required disclosures. We are required to apply

NOTE 3 — RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS (continued)

SFAS No. 141(R) prospectively to business combinations for which the acquisition date is on or after January 1, 2009. Earlier application is not permitted.

In December 2007, the FASB issued SFAS No. 160, "Non-controlling Interests in Consolidated Financial Statements — an amendment of Accounting Research Bulletin No. 51" ("SFAS No. 160"). SFAS No. 160 will change the accounting and reporting for minority interests, which will be re-characterized as non-controlling interests and classified as a component of equity. This new consolidation method will significantly change the accounting for transactions with minority interest holders. SFAS No. 160 is effective for fiscal years beginning after December 15, 2008, and will be adopted by us in the first quarter 2009. SFAS No. 160 is currently not expected to have a material effect on the Company's results of operations, cash flows or financial position.

In June 2008, the FASB issued FSP No. EITF 03-6-1, Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities. This guidance states that unvested share-based payment awards that contain nonforfeitable rights to dividends or dividend equivalents are participating securities and should be included in the computation of earnings per share using the two-class method outlined in SFAS No. 128, Earnings per Share. The two-class method is an earnings allocation formula that determines earnings per share for each class of common stock and participating security according to dividends declared and participation rights in undistributed earnings. The adoption of this new guidance on January 1, 2009 should not have an effect on our reported earnings per share.

NOTE 4 — DUE FROM AFFILIATE

Amounts due from an affiliated company are unsecured, non-interest bearing and have no fixed terms of repayment.

NOTE 5 — DUE TO SHAREHOLDER

Advances by a shareholder are unsecured, non-interest bearing and have no fixed terms of repayment.

NOTE 6 — INCOME TAXES

For the period ended September 30, 2008, the Company has incurred net losses and, therefore, has no tax liability. The net deferred tax asset generated by the loss carry-forward has been fully reserved. The cumulative net operating losses carried forward are approximately $135,184 at December 31, 2008, and will begin to expire in the year 2023.

COASTAL INTEGRATED SERVICES, INC.
NOTES TO INTERIM FINANCIAL STATEMENTS
December 31, 2008 (UNAUDITED)

NOTE 7 — GOING CONCERN

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As shown in the accompanying financial statements, the Company incurred losses since its inception and has not produced enough revenues from operations. These factors raise substantial doubt about the Company's ability to continue as a going concern.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts and classification of liabilities that might be necessary in the event that the Company cannot continue as a going concern. Management anticipates that it will be able to raise additional working capital through the issuance of stock and through additional loans from investors.

The ability of the Company to continue as a going concern is dependent upon the Company's ability to attain a satisfactory level of profitability and obtain suitable and adequate financing. There can be no assurance that management's plan will be successful.

CERTIFICATION

I, Warren Wheeler President of Coastal Integrated Services, Inc., certify that:
The consolidated financial statements and the attached notes filed herewith are in conformity with consistently applied accounting principles generally accepted in the United States, and fairly present, in all material respects, the financial position and results of operations for the period ended December 31, 2007

Date: May 3, 2009
Warren Wheeler,
President