

**STATE OF CALIFORNIA
BUSINESS, TRANSPORTATION AND HOUSING AGENCY
DEPARTMENT OF CORPORATIONS**

TO: Richard F. O'Connor, CEO
Coastal Resources Corporation
33971 Selva Road, Suite 230
Dana Point, California 92629

16 Technology, #130
Irvine, California 92616

**DESIST AND REFRAIN ORDER
(For violations of section 25110 of the Corporations Code)**

The California Corporations Commissioner finds that:

1. At all relevant times, Richard F. O'Connor ("O'Connor") was the Chief Executive Officer of Coastal Resources Corporation ("Coastal"), a California corporation, whose mailing address is 33971 Selva Road, Suite 230, Dana Point, California 92629 and whose alternate address is 16 Technology, #130, Irvine, California 92616
2. Beginning in or about late 1999, O'Connor and Coastal offered and sold securities in the form of common stock and convertible preferred stock issued by O'Connor and Coastal by cold calling investors and by soliciting investors that were referrals.
3. O'Connor and Coastal offered and sold securities raising at least \$350,000 from the public in an attempt to raise a total of \$2,500,000 from the sale of common stock and \$5,000,000 from the sale of convertible preferred stock, for the acquisition of oil and natural gas properties.
4. These securities were offered or sold in this state in issuer transactions. The Department of Corporations has not issued a permit or other form of qualification authorizing any person to offer and sell these securities in this state.

Based upon the foregoing findings, the California Corporations Commissioner is of the opinion that the common stock and convertible preferred stock in Coastal are securities subject to qualification under the California Corporate Securities Law of 1968 and are being or have been offered or sold without being qualified, in violation of Section 25110 of the Corporate Securities Law of 1968. Pursuant to Section 25532 of the Corporate Securities Law of 1968, O'Connor and Coastal offered or sold securities and are hereby ordered to desist and refrain from the further offer or sale in the State of California of securities, in the form of common stock and convertible preferred stock, unless and until qualification has been made under said law or unless exempt.

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The sale of such securities are subject to qualification under said law and such securities are being or have been offered for sale without first being so qualified. This Order is necessary, in the public interest, for the protection of investors and consistent with the purposes, policies, and provisions of the Corporate Securities Law of 1968.

Dated: January 31, 2003
Los Angeles, California

DEMETRIOS A. BOUTRIS
California Corporations Commissioner

By _____
ALAN S. WEINGER
Supervising Counsel
Enforcement and Legal Services Division

**STATE OF CALIFORNIA
BUSINESS, TRANSPORTATION AND HOUSING AGENCY
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TO: Richard F. O'Connor, CEO
Coastal Resources Corporation
33971 Selva Road, Suite 230
Dana Point, California 92629

16 Technology, #130
Irvine, California 92616

**DESIST AND REFRAIN ORDER
(For violations of section 25401 of the Corporations Code)**

The California Corporations Commissioner finds that:

1. At all relevant times, Richard F. O'Connor ("O'Connor") was the Chief Executive Officer of Coastal Resources Corporation ("Coastal"), a California corporation, whose mailing address is 33971 Selva Road, Suite 230, Dana Point, California 92629 and whose alternate address is 16 Technology, #130, Irvine, California 92616
2. Beginning in or about late 1999, O'Connor and Coastal offered and sold securities in the form of common stock and convertible preferred stock issued by O'Connor and Coastal by cold calling investors and by soliciting investors that were referrals.
3. O'Connor and Coastal offered and sold securities raising at least \$350,000 from the public in an attempt to raise a total of \$2,500,000 from the sale of common stock and \$5,000,000 from the sale of convertible preferred stock, for the acquisition of oil and natural gas properties.
4. In connection with these offers and sales, O'Connor and Coastal omitted to state material facts to some or all of the investors. O'Connor and Coastal failed to disclose that on October 6, 1999, the Pennsylvania Securities Commission issued a Summary Order to Cease and Desist against O'Connor and Coastal to halt the offer and sale of unregistered securities.

Based upon the foregoing, the California Corporations Commissioner is of the opinion that the securities of Coastal were offered or sold in this state by means of written or oral communications which omitted to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, in violation of section 25401 of the Corporate Securities Law of 1968. Pursuant to Section 25532 of the Corporate Securities Law of 1968, O'Connor and Coastal are hereby ordered to desist and refrain from offering or selling or buying or offering to buy any security in the State of California, by means of any written or oral communication which omits to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.

This Order is necessary, in the public interest, for the protection of investors and consistent with the purposes, policies, and provisions of the Corporate Securities Law of 1968.

Dated: January 31, 2003
Los Angeles, California

DEMETRIOS A. BOUTRIS
California Corporations Commissioner

By _____
ALAN S. WEINGER
Supervising Counsel
Enforcement and Legal Services Division