

TIDELANDS OIL & GAS CORP/WA
 Form 5
 February 05, 2007

FORM 5

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL
 OMB Number: 3235-0362
 Expires: January 31, 2005
 Estimated average burden hours per response... 1.0

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).
 Form 3 Holdings Reported Form 4 Transactions Reported

ANNUAL STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person *
SMITH JAMES B

2. Issuer Name and Ticker or Trading Symbol
TIDELANDS OIL & GAS CORP/WA [TIDE]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)
 12/31/2006

Director 10% Owner
 Officer (give title below) Other (specify below)
 President and CEO

1862 W. BITTERS ROAD, BLDG. #1

(Street)

4. If Amendment, Date Original Filed (Month/Day/Year)

6. Individual or Joint/Group Reporting

(check applicable line)

SAN ANTONIO, TX 78248

Form Filed by One Reporting Person
 Form Filed by More than One Reporting Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
Common Stock	12/31/2006	^	J4	500,000 (1) D	\$ 0 (1)	I	By Limited Partnership
Common Stock	^	^	^	^	^	I	By IRA
Common Stock	^	^	^	^	^	D	^
Common Stock	^	^	^	^	360,000 (2)	I	By Trust

Stock

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 2270
(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)
Non-recourse note with cap feature <u>(1)</u> <u>(2)</u>	\$ 0.8777	12/31/2006	Â	J4	Â 1	12/31/2006 12/31/2006	Common Stock 130,6 <u>(2)</u>
Non-recourse note with cap feature <u>(1)</u> <u>(2)</u>	\$ 0.804	12/31/2006	Â	J4	Â 1	12/31/2006 12/31/2006	Common Stock 134,5 <u>(2)</u>
Non-recourse note with cap feature <u>(1)</u> <u>(2)</u>	\$ 0.7888	12/31/2006	Â	J4	Â 1	12/31/2006 12/31/2006	Common Stock 234,9 <u>(2)</u>

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SMITH JAMES B 1862 W. BITTERS ROAD BLDG. #1 SAN ANTONIO, TX 78248	Â X	Â	Â President and CEO	Â

Signatures

/s/ James B. Smith 01/29/2007

**Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

A limited partnership holding 500,000 shares of the issuer previously pledged such shares in connection with a non-recourse loan in the aggregate amount of \$289,000. The loan was funded in three separate advances at 85% of the market value of the shares on the date of each advance. The per-share loan amounts were \$0.6214 (for the advance made on 11/10/2004), \$0.5695 (for the advance made on

(1) 11/17/2004), and \$0.5588 (for the advance made on 11/27/2004). The non-recourse loan included a "cap" feature which is described in more detail in the Reporting Person's Form 5/A filed on June 20, 2006 for the period ended December 31, 2004. On December 31, 2006, the liquidation price of the pledged shares was below each of the respective loan amounts, and therefore, the limited partnership chose to surrender the pledged shares to the lender with no further obligation.

(2) The reporting person disclaims beneficial ownership of the reported securities except to the extent of his pecuniary interest therein, if any.

Note: File three copies of this Form, one of which must be manually signed. If space provided is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.