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

FORM 10-Q

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 for the quarterly period ended March 31, 2009

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 000-15303

Leo Motors, Inc.
(Exact name of registrant as specified in its charter)

Delaware	95-3909667
(State or other jurisdiction of incorporation or organization)	(I. R. S. Employer Identification No.)

291-1, Hasangok-dong, Hanam City, Gyeonggi-do, Republic of Korea	465-250
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code +82 31 796 8805

n/a
(Former name, former address and former fiscal year, if changed since last report)

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 is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	[ ]	Accelerated filer	[ ]
Non-accelerated filer (Do not check if a 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 [ ] No [x]

The number of shares of the registrant's common stock outstanding as of March 31, 2009 was 31,613,115 shares.

LEO MOTORS, INC.

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PART I. FINANCIAL INFORMATION.

ITEM 1. CONDENSED CONSONSOLIDATED INTERIM FINANCIAL STATEMENTS

LEO MOTORS, INC.

(a development stage company)
CONSOLIDATED BALANCE SHEETS
March 31, 2009

		March 31, 2009		December 31, 2008
Assets				
Current Assets:				
Cash in Bank	$	156,511	$	32,181
Accounts Receivable-net of allowance of $11,735 and 0		46,414		13,854
Inventory		4,772		35,575
Prepaid Costs		134,630		130,568
Total Current Assets		342,327		212,178
Fixed Assets-Net		1,190		5,940
Deposits		58,187		63,104
Total Assets	$	**401,704**	$	**281,222**
Liabilities and Stockholders' Equity				
Current Liabilities				
Accounts Payable and Accrued Expenses		35,527		16,850
Taxes Payable		37,203		2,080
Payments Received in Advance		-		396,197
Related Party Payable		1,412,229		804,794
Total Current Liabilities		1,484,957		1,219,921
Total Liabilities	$	**1,484,957**	$	**1,219,921**
Stockholders' Equity				
Common Stock, Authorized 100,000,000 Shares, $0.001 par value, 31,613,115 shares issued and outstanding		35,946		31,613
Additional Paid in Capital		2,485,685		323,351
Comprehensive income (loss)		21,212		237,386
Retained Deficit		(3,626,096)		(1,531,049)
Stockholders' Deficit		**(1,083,253)**		**(938,699)**
Total Liabilities and Stockholders' Deficit	$	**401,704**	$	**281,222**

The notes are an integral part of these financial statements

LEO MOTORS, INC.

(a development stage company)
CONSOLIDATED STATEMENT OF OPERATIONS
For the Three Months Ended March 31, 2009 and 2008
and for the period from Inception (July 1, 2006) to March 31, 2009

		The Three Months Ended March 31, 2009		The Three Months Ended March 31, 2008		The Period from Inception (July 1, 2006) to March 31, 2009
Sales	$	359,881	$	2,254	$	614,632
Cost of Sales		208,203		-		208,203
Gross Profit		151,678		2,254		406,429
Expenditures:						
Salaries and Benefits		26,214		117,748		394,430
Service Fees		34,552		24,758		266,210
General and Administrative		2,201,662		98,098		3,570,237
Total Expenditures		2,262,428		240,604		4,230,877
Net Profit (Loss) from Operations		(2,110,750)		(238,350)		(3,824,448)
Other Income (Expense)						
Other Income		15,703		8,628		126,740
Net Profit (Loss)	$	(2,095,047)	$	(229,722)	$	(3,697,708)
Profit (Loss) per share	$	0.002	$	(0.008)		
Weighted Average Shares		31,613,115		30,312,315		

The notes are an integral part of these financial statements

LEO MOTORS, INC.

(a development stage company)
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the Three Months Ended March 31, 2009 and 2008
and for the period from Inception (July 1, 2006) to March 31, 2009

	The Three Months Ended March 31, 2009	**The Three Months Ended March 31, 2008**	**The Period from Inception (July 1, 2006) to March 31, 2009**
Net Profit (Loss)	$ (2,094,845)	$ (227,610)	$ (3,694,596)
Currency Transaction Loss	(202)	(2,112)	(3,112)
Total Comprehensive Income	$ (2,095,047)	$ (229,722)	$ (3,697,708)

The notes are an integral part of these financial statements

LEO MOTORS, INC.

(a development stage company)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Three Months Ended March 31, 2009 and 2008

and for the period from Inception (July 1, 2006) to March 31, 2009

		The Three Months Ended March 31, 2009		**The Three Months Ended March 31, 2008**		**The Period from Inception (July 1, 2006) to March 31, 2009**
Cash Flows from Operating Activities:						
Net Loss	$	(2,095,047)	$	(229,722)	$	(3,697,708)
Adjustments to reconcile net loss to net cash provided by operating activities: Stock issued		2,166,667				2,381,361
Depreciation		4,750		4,000		39,817
Comprehensive loss		(216,174)		30,346		21,212
(Increase) in Inventory		30,803		1,032		(4,772)
(Increase) Decrease in Accounts Receivable		(32,560)		(2,870)		(46,414)
(Increase) Decrease in Deposits/Prepaid		855		127,693		(192,817)
Increase (Decrease) in Accounts Payable and Accrued Expenses/Payments in Advance		(303,750)		2,678		505,486
Increase in Taxes and Advances		35,123		(24,704)		37,201
Net Cash Flows Used in Operating Activities		(409,333)		(91,547)		(956,634)
Cash Flows from Investing Activities						
Fixed Assets				-		(41,007)
Cash Flows from Financing Activities:						
Proceeds				-		211,882
Proceeds from related party		546,807		78,374		1,129,067
Debt reduction related party		-		-		(186,797)
Net Cash Flows from Financing Activities		546,807		78,374		1,154,152
Net Increase (Decrease) in Cash		124,330		(13,173)		156,511
Cash at the Beginning of the Period		32,181		38,061		
Cash at the End of the Period	$	156,511	$	24,888	$	156,511
Income taxes paid		-		-		-
Interest expense paid		-		-		-

The notes are an integral part of these financial statements

LEO MOTORS, INC.

(a development stage company)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2009

NOTE 1 – BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Background

Leo Motors, Inc, Inc. (the "Company") was originally incorporated as Classic Auto Accessories, a California Corporation on July 2, 1986. The Company then underwent several name changes from FCR Automotive Group, Inc. to Shini Precision Machinery, Inc. to Simco America Inc. and then to Leo Motors. The Company had been dormant since 1989, and effectuated a reverse merger on November 12, 2007 with Leozone Inc., a South Korean Company, which is the maker of electrical transportation devices. The merger essentially exchanges shares in Leo Motors, Inc. for shares in Leozone. As this is a reverse merger the accounting treatment of such is that of a combination of the two entities with the activity of Leozone, Inc. the surviving entity, going forward.

The Company is a development stage enterprise under SFAS No. 7, as principal operations have begun but the Company has not realized substantial revenues.

Basis of Presentation and Going Concern

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, which contemplate continuation of the Company as a going concern. The company has incurred material losses and has a negative equity. These conditions raise substantial doubt as to the Company's ability to continue as a growing concern. These financial statements do not include any adjustments that might result from the outcome of this uncertainty. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or amounts and classification of recorded asset amounts, or amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

Use of Estimates

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

Fair Value of Financial Instruments

For certain of the Company's financial instruments, including cash and cash equivalents, accounts receivable inventory and prepaid expenses, accounts payable and deferred revenues, the carrying amounts approximate fair value due to their short maturities.

Revenue Recognition

Revenues are recognized upon sale and shipment of the product.

Accounts receivables of the Company are reviewed to determine if their carrying value has become impaired.

The Company considers the assets to be impaired if the balances are greater than six months old. Management regularly reviews accounts receivable and will establish an allowance for potentially uncollectible amounts when appropriate. When accounts are written off, they will be charged against the allowance. Receivables are not collateralized and do not bear interest. The Company has established a reserve on receivables of $11,735.

Concentration of Credit Risk

Financial instruments which subject the Company to concentrations of credit risk include cash and cash equivalents.

The Company maintains its cash in well-known banks selected based upon management's assessment of the bank's financial stability. Balances may periodically exceed the $250,000 federal depository insurance limit; however, the Company has not experienced any losses on deposits. The Company extends credit based on an evaluation of the customer's financial condition, generally without collateral. Exposure to losses on receivables is principally dependent on each customer's financial condition. The Company monitors its exposure for credit losses and maintains allowances for anticipated losses, as required.

Cash Equivalents

For purposes of reporting cash flows, the Company considers all short-term investments with an original maturity of three months or less to be cash equivalent.

Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation. Depreciation is provided principally on the straight-line method over the estimated useful lives of the assets, which is generally 3 to 10 years. The cost of repairs and maintenance is charged to expense as incurred. Expenditures for property betterments and renewals are capitalized. Upon sale or other disposition of a depreciable asset, cost and accumulated depreciation are removed from the accounts and any gain or loss is reflected in other income (expense).

The Company will periodically evaluate whether events and circumstances have occurred that may warrant revision of the estimated useful lives of fixed assets or whether the remaining balance of fixed assets should be evaluated for possible impairment. We use an estimate of the related undiscounted cash flows over the remaining life of the fixed assets in measuring their recoverability.

Comprehensive Income

Statement of Financial Accounting Standards (SFAS) No. 130, "Reporting Comprehensive Income," establishes standards for the reporting and display of comprehensive income and its components in the financial statements.

The functional currency of the Company is the Korean Won. Assets and liabilities are translated to U.S. Dollars at the period-end exchange rates ($.00023014) and ($.000792393) respectively and revenues and expenses are translated at weighted average exchange rates for the period, which was (.0006959899) and (001044067) respectively. Resulting translation adjustments are recorded as a component of stockholders’ equity in other comprehensive income (loss).

Advertising Costs

Advertising costs are expensed as incurred.

Income Taxes

The Company accounts for income taxes under SFAS 109, "Accounting for Income Taxes." Under the asset and liability method of SFAS 109, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Loss per Share

In accordance with SFAS No. 128, "Earnings Per Share," the basic income / (loss) per common share is computed by dividing net income / (loss) available to common stockholders by the weighted average number of common shares outstanding. Diluted income per common share is computed similar to basic income per share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive.

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. For stock based compensation the Company 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. Stock option awards are valued using the Black-Scholes option-pricing model.

For the year ended December 31, 2008 the Company issued 1,300,800 shares, 1,000,000 for a reduction of debt and 300,000 for services both valued at market at .11 per share. The shares for services were recognized as an expense in general and administrative at $33,000.

For the quarter ended March 31, 2009 the Company issued 4,333,334 shares valued at market at .50 and recognized a stock for services expense of $2,166,667.

For the period ended March 31, 2009 there was no stock expense.

Recent Accounting Pronouncements

In December 2007, the FASB issued SFAS No. 141(R), Business Combinations (FAS 141(R)). This Statement provides greater consistency in the accounting and financial reporting of business combinations. It requires the acquiring entity in a business combination to recognize all assets acquired and liabilities assumed in the transaction, establishes the acquisition-date fair value as the measurement objective for all assets acquired and liabilities assumed, and requires the acquirer to disclose the nature and financial effect of the business combination. FAS 141(R) is effective for fiscal years beginning after

December 15, 2008. We will adopt FAS 141(R) no later than the first quarter of fiscal 2009 and are currently assessing the impact the adoption will have on our financial position and results of operations.

In December 2007, the FASB issued SFAS No. 160. Noncontrolling Interests in Consolidated Financial Statements (FAS 160). This Statement amends Accounting Research Bulletin No. 51, Consolidated Financial Statements, to establish accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. FAS 160 is effective for fiscal years beginning after December 15, 2008. We will adopt FAS 160 no later than the first quarter of fiscal 2009 and are currently assessing the impact the adoption will have on our financial position and results of operations.

In February 2007, the FASB issued SFAS No. 159, The Fair Value Option for Financial Assets and Financial Liabilities, which permits entities to choose to measure at fair value eligible financial instruments and certain other items that are not currently required to be measured at fair value. The standard requires that unrealized gains and losses on items for which the fair value option has been elected be reported in earnings at each subsequent reporting date. SFAS No. 159 is effective for fiscal years beginning after November 15, 2007. We have adopted SFAS No. 159 which has had no impact on our financial position and results of operations.

In September 2006, the 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). SFAS No. 158 requires company plan sponsors to display the net over- or under-funded position of a defined benefit postretirement plan as an asset or liability, with any unrecognized prior service costs, transition obligations or actuarial gains/losses reported as a component of other comprehensive income in shareholders' equity. SFAS No. 158 is effective for fiscal years ending after December 15, 2006. We adopted the recognition provisions of SFAS No. 158 as of the end of fiscal 2007. The adoption of SFAS No. 158 did not have an effect on the Company's financial position or results of operations.

In September 2006, the FASB issued SFAS No. 157, Fair Value Measurements. SFAS No. 157 establishes a framework for measuring fair value in generally accepted accounting principles, clarifies the definition of fair value and expands disclosures about fair value measurements. SFAS No. 157 does not require any new fair value measurements. However, the application of SFAS No. 157 may change current practice for some entities. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. We have adopted SFAS No. 157 and it has had no impact on our financial position and results of operations.

In July 2006, the FASB issued Interpretation No. 48, Accounting for Uncertainty in Income Taxes — an interpretation of FASB Statement No. 109 (FIN 48). This interpretation clarifies the application of SFAS No. 109, Accounting for Income Taxes, by defining a criterion that an individual tax position must meet for any part of the benefit of that position to be recognized in an enterprise's financial statements and also provides guidance on measurement, derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. FIN 48 is effective for fiscal years beginning after December 15, 2006, but earlier adoption is permitted. The Company has adopted this and there is no impact of the application of the Interpretation to its financial statements.

NOTE 3 – EARNINGS PER SHARE

Basic earnings per share are calculated by dividing net income by the weighted average number of common shares outstanding during the period.

NOTE 4-ACCOUNTS RECEIVABLE

The Company recognizes a receivable on sales of parts and electrical motor equipment. The Company has established a reserve for allowance for doubtful accounts in 2008 equal to $11,735.

NOTE 5-INVENTORY

The Company accounts for its inventory under the FIFO method and lower of cost or market method of costing. The company's inventory consists of parts for the electric transportation industry.

NOTE 6-FIXED ASSETS

The Company's assets consist of the following:

Furniture Fixtures and Equipment	$41,007	$41,007
Less Accumulated Depreciation	(39,817)	(35,067)
Net	$ 1,190	$ 5,940

The Company depreciates it assets over useful lives of between 3 and 7 years. Depreciation expense was $4,750 in 2009.

NOTE 7-DUE TO RELATED PARTY

The company is indebted to its officer for advances. Repayment is on demand without interest.

The Company reduced this obligation by the issuance of 1,000,800 valued at $110,088 during 2008.

NOTE 8-PAYMENTS RECEIVED IN ADVANCE

The Company during the periods received payments from potential customers, or deposits, on future orders. The Company's policy is to record these payments as a liability until the product is completed and shipped to the customer at which the Company recognizes revenue.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FORWARD LOOKING STATEMENTS: STATEMENTS ABOUT OUR FUTURE EXPECTATIONS ARE "FORWARD-LOOKING STATEMENTS" AND ARE NOT GUARANTEES OF FUTURE PERFORMANCE. WHEN USED HEREIN, THE WORDS "MAY," "WILL," "SHOULD," "ANTICIPATE," "BELIEVE," "APPEAR," "INTEND," "PLAN," "EXPECT," "ESTIMATE," "APPROXIMATE," AND SIMILAR EXPRESSIONS ARE INTENDED TO IDENTIFY SUCH FORWARD-LOOKING STATEMENTS. THESE STATEMENTS INVOLVE RISKS AND UNCERTAINTIES INHERENT IN OUR BUSINESS, INCLUDING THOSE SET FORTH UNDER THE CAPTION "RISK FACTORS," IN THIS DISCLOSURE STATEMENT, AND ARE SUBJECT TO CHANGE AT ANY TIME. OUR ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THESE FORWARD-LOOKING STATEMENTS. THIS FORM 10-Q DOES NOT HAVE ANY STATUTORY SAFE HARBOR FOR THIS FORWARD LOOKING STATEMENT. WE UNDERTAKE NO OBLIGATION TO UPDATE PUBLICLY ANY FORWARD-LOOKING STATEMENT.

This Management's Discussion and Analysis should be read in conjunction with the financial statements included in this Quarterly Report on Form 10-Q (the "Financial Statements"). The financial statements have been prepared in accordance with generally accepted accounting policies in the United States ("GAAP"). Except as otherwise disclosed, all dollar figures included therein and in the following management discussion and analysis are quoted in United States dollars.

Overview

Leo Motors, Inc. (the "Company") is currently in the process of finalizing the design and production capability of several models of Electric Vehicle ("EV"). During the past two years, we have developed seven models of EV, two electric scooters, three electric cars, one three-wheeled vehicle, and one neighborhood electric vehicle ("NEV"). We also have several other projects in development stages.

The specific goals of the Company over the next twelve months include:

- Manufacture and sale of our E-Princessa taxi by the middle of 2009
- Production and sale of our Motorcycle design by June 2009
- Production and sale of S 65 SUV and SKG electric car by second half of 2009
- Production and sale of Reverse Tricycle Scooter in Thailand by July, 2009
- Sale of EVs in the United States by the end of 2009
- Marketing of our EV conversion kit and conversion services by the end of 2009
- Testing of EV conversion kit on Toyota RAV-4 model during May and June 2009

In addition, we have developed and are in the process of developing several key EV components that we believe will be competitive with industry leading technology. During the next twelve months, we intend to continue the development of these components, integrate them into our own EVs, and market them to other EV manufacturers.

Summary of Recent Business Developments

In April 2009, we completed testing of the EV conversion kit on the Kia Morning model. The conversion kit included our 300 volt Battery Management System, a 60kW water-cooled AC motor with controller, a lithium polymer power pack, and a home charger. Until we find a partner to supply vehicle bodies, we intend to market the conversion kit as well as conversion services.

In February 2009 we delivered the V-1 resort bus to CUSCO pursuant to our agreement with them.

In March 2009, we developed our electric motorcycle. We have entered into sales agreement for this e-motorcycle with Bike Lease, subject to successful product testing by Bike Lease. If the product successfully completes testing, the agreement calls for a minimum of 3,000 units in the first year. We have signed an agreement with Chulin to manufacture the motorcycles.

Liquidity and Capital Resources

Our liquidity requirements arise principally from our plans to develop EV production capability, additional product development, and marketing costs. Although in the future we intend to fund our liquidity requirements through a combination of cash on hand and revenues from operations, during the first quarter of 2009, the Company had incurred $95,761 in expenses and had realized $359,881 in revenues with $ 208, 203 in cost of goods sold. Accordingly, our ability to initiate our plan of operations and continue as a going concern is currently dependent on our ability to raise external capital.

We expense a minimum of $ 40,000 to operate our regular business, but is currently seeking up to $1,500,000 financing in Korea to implement our business plan. We have received proposals from several venture capitals and private investors in Korea.

Our monthly operating cost including salaries and general expenses is at a minimum approximately $40,000, however we are seeking additional financing in Korea to finance the expenditures needed to being implementing our current business goals. Despite being able to reach this stage in our development with limited funding, the EV and general automotive industries are extremely capital intensive, and we will need substantial additional financing in order to produce and sell our EVs. Our anticipated minimum costs of implementing our business plan are summarized as follows:

Step	Anticipated Cost	
Initial Prototypes	$	1,000,000
EV Testing	$	300,000
Component Development	$	2,000,000
Production Capability	$	500,000
Production of Inventory	$	100,000
Marketing & Sales	$	200,000
Total	$	4,100,000

To date we have raised approximately $617,000 in equity financing, $200,000 in November 2008 and $417,000 in January 2009.

We have not raised any financing on the issuance of debt other than in the form of cash advances from one of our officers. We believe that it will be very difficult to obtain any other form of debt financing due to our current lack of revenues from operations and the current state of our balance sheet, including a lack of hard assets against which to borrow. Accordingly, we are focusing on obtaining equity financing.

As we have not generated significant revenues and have not raised a significant amount of equity financing to date, there is substantial doubt as to our ability to continue in the short term and long term as a going concern. Our plan in the short term is to continue our operations at their current level, which our current cash holdings will cover through fiscal 2009. Our long term survival will depend on the growth of our operations towards full scale manufacturing and sales of our EVs, which in turn will depend on our ability to raise sufficient financing. If our fund raising efforts should fail or fall short of our goal, we will have to restructure our business plan in order to sustain our operations. However, in that event we may be unable to implement our business plan or continue operations.

Results of Operations

Revenues

The Sales for the first quarter ended March 31, 2009 were $359,881 compared to $2,254 for the first quarter ended March 31, 2008. Costs of sales were $208,203 and gross profit was $151,678 compared to $0 as costs of sales and $2,254 as gross profit in the same period in 2008. The sales during this quarter were not generated from regular business as most of our sales are for our product samples or development services. We believe recurring revenue will begin this year as our goal is to begin mass production and marketing of our designs. The sale of the resort EV bus for $358,166 was contracted with CUSCO in 2006, but has been carried forward to 2009 and was recorded as revenue in March 2009.

The following is a detailed description of the products sold during the quarter:

Date	**Product**	**Units**	**Price**
1/20	Electric Scooter	1	$ 1,913
2/19	Electric Resort Bus	1	$ 358,166

Expenses

During the quarter, we incurred $2,262,428 in expenses, compared to $240,604 in the March 31 2008. The primary increase was due to payment of consulting service fees. Other expenses during the quarter decreased due to downsizing of business operations during 2008. The company reduced the number of employees from 15 in March 31, 2008 to7 in March 31, 2009. We also moved our offices to a new building in Gyeonggi province with lower rental cost and operation cost.

Expenses for the quarter consisted of the following:

Expenses:	**2008**	**2007**
Salaries and Benefits	$ 26,214	$ 117,748
Service Fees	23,132	24,758
Service Fees paid by Stock priced at $ 0.50	2,166,667	-
General and Administrative	34,995	98,098

Salaries and Benefits – consist of total cash compensation paid to our employees during the year and the cost of all benefits provided to our employees.

Service Fees – consist of consist of accounting, legal, and professional fees.

General and Administrative – consists of travel expenses, entertainment expenses, communication expenses, utilities, taxes & dues, depreciation expenses, rent, repairs, vehicle maintenance, ordinary development expenses, shipping, education & training, printing, storage, advertising, insurance, office supplies and expense, payroll expenses, investor referral fees and other miscellaneous expenses.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

None.

ITEM 4. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures

Our Chief Executive Officer and Interim Chief Financial Officer (the "Certifying Officer") maintains a system of disclosure controls and procedures that is designed to provide reasonable assurance that information, which is required to be disclosed, is accumulated and communicated to management timely. Under the supervision and with the participation of management, the Certifying Officer evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule [13a-14(c)/15d-14(c)] under the Exchange Act) within 90 days prior to the filing date of this report. Based upon that evaluation, the Certifying Officer concluded that our disclosure controls and procedures are not effective in timely alerting them to material information relative to our company required to be disclosed in our periodic filings with the SEC.

Changes in Internal Controls

There were no changes in our internal control over financial reporting during the quarter ended March 31, 2009, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II: OTHER INFORMATION

ITEM 1 - LEGAL PROCEEDINGS

None.

ITEM 2 - UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3 - DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4 - SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

ITEM 5 - OTHER INFORMATION

None.

ITEM 6 – EXHIBITS

The following exhibits are filed as part of this quarterly report on Form 10-Q:

10.6 Agreement between the Company and Bike Lease Co. Ltd. dated April 14, 2009.

10.7 OEM Supply Contract between the Company and Chulin dated April 23, 2009.

31.1 Certification of Chief Executive Officer and Interim Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

32.1 Certification of Chief Executive Officer and Interim Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

SIGNATURES

Pursuant to the requirements 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.

Dated: May 15, 2009

LEO MOTORS, INC.
(the registrant)

By: \s\ Shi Chul Kang
Shi Chul Kang
Chief Executive Officer
and Interim Chief Financial Officer

Exhibit 31.1

CERTIFICATIONS

I, Shi Chul Kang, certify that:

1. I have reviewed this Report on Form 10-Q of Leo Motors, Inc. (the “Company”) for the period ending March 31, 2009;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Company and have:

   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) evaluated the effectiveness of the Company’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (c) disclosed in this report any change in the Company’s internal control over financial reporting that occurred during the Company’s most recent fiscal quarter (the Company’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting.

5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the Company’s auditors and the audit committee of the Company’s Board of Directors (or persons performing the equivalent functions):

   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company’s ability to record, process, summarize and report financial information; and

   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company’s internal control over financial reporting.

Date: May 15, 2009

By: \s\ Shi Chul Kang_________
Shi Chul Kang
Chief Executive Officer
and Interim Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. 1350)

In connection with the Report of Leo Motors, Inc. (the “Company”) on Form 10-Q for the quarter ended March 31, 2009, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Shi Chul Kang, Chief Executive Officer and Interim Chief Financial Officer of the Company, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350), that to my knowledge:

1. the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 15, 2009

By: \s\ Shi Chul Kang__________
Shi Chul Kang
Chief Executive Officer
and Interim Chief Financial Officer