AER Energy Resources, Inc.

(a Nevada corporation)

7135 East Camelback Road Suite 230
Scottsdale, Arizona 85251

http://www.aernenergy.com

Phone: 310-461-3713
Fax: 480-946-8463
E-mail: info@aernenergy.com

ANNUAL REPORT

Company Information and Updated Disclosure Statement for Year End December 31, 2011

REQUIRED TO CONFORM WITH THE PROVISIONS OF THE PINK SHEETS ISSUERS DISCLOSURE STATEMENT

March 29, 2012

Current Information Regarding

AER Energy Resources, Inc.

The following information is provided to assist securities brokerage firms and potential investors with "due diligence" compliance. The information set forth below as to the above named corporation follows the requirements of the Pink Sheets Issuers Disclosure Statement and generally follows the format set forth therein.

PART A
GENERAL COMPANY INFORMATION

ITEM 1 THE EXACT NAME OF THE ISSUER AND ITS PREDECESSOR (IF ANY):

The exact name of the issuer is AER Energy Resources, Inc. ("we," "us," "our" or the "Company"). We were incorporated in the State of Nevada as a business combination related company on June 27, 2011 after having been originally incorporated on December 12, 1989 under the name of Aerobic Power Systems, Inc. in Georgia and changed our name to AER Energy Resources, Inc. in 1991.

ITEM 2 THE ADDRESS OF THE ISSUER'S PRINCIPAL EXECUTIVE OFFICE:

AER Energy Resources, Inc.
7135 East Camelback Road Suite 230
Scottsdale, Arizona 85251
http://www.aernenergy.com
Phone: 310-461-3713
Fax: 480-946-8463
E-mail: info@aernenergy.com.com

ITEM 3 THE STATE OF INCORPORATION:

The Company is incorporated under the laws of the State of Nevada.

PART B
SHARE STRUCTURE

ITEM 4 THE EXACT TITLE AND CLASS OF SECURITIES OUTSTANDING:

Common Stock
CUSIP No.: 000944 20 7
Trading Symbol: AERN

Preferred – none outstanding

Only the Company's shares of Common Stock are quoted on the Pink Sheets (AERN). The shares of Preferred Stock are not currently quoted.

ITEM 5 THE PAR OR STATED VALUE AND DESCRIPTION OF EACH CLASS OF OUTSTANDING SECURITIES:

Common Stock:

The par value of the Company's Common Stock is $0.001 per share with 950,000,000 shares authorized. Each share of common stock entitles the holder to one vote on each matter submitted to a vote of our stockholders, including the election of directors. There is no cumulative voting. Subject to preferences that may be applicable to any outstanding preferred stock, stockholders are entitled to receive ratably such dividends, if any, as may be declared from time to time by the Board of Directors. Stockholders have no preemptive, conversion or other subscription rights. There are no redemption or sinking fund provisions related to the common stock. In the event of liquidation, dissolution or winding up of Company, stockholders are entitled to share ratably in all assets remaining after payment of liabilities, subject to prior distribution rights of preferred stock, if any, then outstanding.

Preferred Stock:

The par value of the Company's Preferred stock is $0.001 with 20,000,000 shares authorized. The powers, preferences and rights of the Preferred stock and any qualifications, limitations or restrictions will be determined by the board upon issuance.

There are extraordinary provisions in the Company's Articles or Bylaws that would delay, defer or prevent a change in control of the Company. The authorized but unissued shares of our common and preferred stock are available for future issuance without our stockholders' approval. These additional shares may be utilized for a variety of corporate purposes including, but not limited to, future public or direct offerings to raise additional capital, corporate acquisitions and employee incentive plans. The issuance of such shares may also be used to deter a potential takeover of Company that may otherwise be beneficial to stockholders by diluting the shares held by a potential suitor or issuing shares to a stockholder that will vote in accordance with Company's board of directors' desires. A takeover may be beneficial to stockholders because, among other reasons, a potential suitor may offer stockholders a premium for their shares of stock compared to the then-existing market price.

ITEM 6 THE NUMBER OF SHARES AUTHORIZED AND TOTAL AMOUNT OF THE SECURITIES OUTSTANDING FOR EACH CLASS OF SECURITIES AUTHORIZED (I) AS OF THE YEAR END OF THE COMPANY'S MOST RECENT FISCAL QUARTER AND (II) AS OF THE END OF THE ISSUER'S LAST TWO FISCAL YEARS:

As of our most recent fiscal quarter ended December 31, 2011 we had 950,000,000 Common Shares authorized, 517,195,451 Common Shares issued and outstanding and 20,000,000 Preferred Shares authorized, with none outstanding
As of December 31, 2010 we had 150,000,000 Common Shares authorized, 1,255,371 Common Shares issued and 20,000,000 Preferred Shares authorized, with none outstanding. As of December 31, 2009 we had 150,000,000 Common Shares authorized, 25,537,100 Common Shares issued and 20,000,000 Preferred Shares authorized with none outstanding.

ITEM 7 THE NAME AND ADDRESS OF THE TRANSFER AGENT:

Action Stock Transfer Corporation
2469 E. Fort Union Blvd., Suite 214
Salt Lake City, UT 84121

Telephone: (801) 274-1088
Fax: (801) 274-1099

Action Stock Transfer is registered under the Securities Exchange Act of 1934 and regulated by the SEC.

PART C
BUSINESS INFORMATION

ITEM 8 THE NATURE OF THE ISSUER'S BUSINESS:

A. BUSINESS DEVELOPMENT

Since our S-1 filing in 1993 until 2003, AER Energy was engaged in the development and commercialization of high energy density zinc-air batteries. AER Energy's strategy as a research and development ("R&D") company was to focus on primary (disposable), rather than rechargeable, zinc-air battery technology and licensing their extensive patent portfolio to large established battery and original equipment manufacturers ("OEMs") with plans to commercialize the technology.

The Company was formed in 1989 to develop and commercialize high energy density zinc-air batteries using the technology licensed from Dreisbach Electromotive, Inc. ("DEMI"). DEMI was formed in 1982 to conduct research and development on electric vehicles and battery systems utilizing, among others, zinc-air technology. DEMI's zinc-air development programs included applications for electric vehicles and portable products. The Company and DEMI entered into a license agreement (the "DEMI License") in July 1989 whereby DEMI granted to the Company exclusive worldwide rights to DEMI's zinc-air battery patents and technology (including trade secrets) for all applications other than motor vehicles for so long as the Company wished to use such licensed rights. DEMI retained the rights to zinc-air technology for motor vehicle applications and to its other technologies for motor vehicle applications and batteries producing over 500 watts of continuous power output.

In November 1997, the Company was issued a United States patent for its "Diffusion Air Manager" technology. The Diffusion Air Manager could extend zinc-air battery storage life by isolating the cells in zinc-air batteries from exposure to air during periods when the battery is in storage or not in use. The result was a primary battery that can operate an electronic device 3 to 5 times longer than alkaline batteries and can be stored for up to two years and deliver most of its energy. Due to the simplicity, small size and enhanced storage life capability provided by the Diffusion Air Manager, this patented air manager technology allowed the Company to capitalize on the opportunities in hand-held electronic products like camcorders, cellular telephones, cordless telephones, digital cameras, and hand-held computers. This breakthrough air manager technology was used to seek to attract more large established battery and consumer electronic OEMs into alliances for joint product development, licensing, and commercialization of the

Company's primary zinc-air battery technology.

In September 1998, the Company announced its TLAS Agreement with Duracell Inc., a subsidiary of The Gillette Company, making Duracell the first licensee of the Company's primary (disposable) zinc-air technology. Under the terms of the TLAS Agreement, the Company agreed to license certain of its primary zinc-air related battery technology and license the rights to its then existing patents to Duracell. In addition, Duracell agreed to fund certain joint product development projects with the Company during 1999.

In April 2001, the Company signed a License and Development Agreement with Rayovac Corporation. Under the agreement, the Company licensed its zinc-air battery technology to Rayovac and performing design and development work for Rayovac.

In September 2001, Rayovac Corporation received a new zinc-air development contract from the United States Army Communications and Electronics Command ("CECOM") in Fort Monmouth, New Jersey, and under the terms of the Rayovac License and Development Agreement with the Company, Rayovac subcontracted certain work from the development program to the Company.

In November 2003, the Company exited the battery development business while seeking other business opportunities.

In April 2010, the Company acquired FTPM Resources, Inc., a used oil recycling company as a wholly owned subsidiary and refocused its business operations in fuel trading and petroleum marketing with an emphasis in the recycling of used motor oil. This acquisition resulted in a change in control by means of the Share Exchange Agreement.

In June 2011, by means of a share exchange, the Company acquired Global Wealth Group, Inc., a Facilitator of Cash Flowing Assets in REO properties, Seller Distressed Commercial Properties, Turnkey Real Estate Investments, Non-Performing Notes and Alternative Energy since 2008.

On June 27, 2011, we re-domiciled from Georgia to Nevada by merging into a Nevada corporation we formed of the same name that was the surviving corporation.

There have been zero (0) name changes since 1991 and one stock split, a 100 to 1 reverse stock split of July 6, 2010.

Historical stock registrations:

New Issue 7-93 2,500,000 shares at $7 by Prudential Securities, Inc.
Latest Additional Issue 11-94 2,500,000 shares at $5.25 by Prudential Securities, Inc.

1-2-3. The exact name of the issuer is AER Energy Resources, Inc. ("we," "us," "our" or the "Company"). We were incorporated in the State of Georgia on December 12, 1989 under the name of Aerobic Power Systems, Inc. in Georgia and merged with Aerobic Power Systems, Inc. of Ohio as the surviving Georgia corporation in 1990 and changed our name to AER Energy Resources, Inc. in 1991. On June 27, 2011, we re-domiciled from Georgia to Nevada by merging into a Nevada corporation of the same name that was the surviving corporation.

4. We have never been in bankruptcy, receivership or any similar proceeding.

5. In November 2003, the Company exited from the zinc-air battery business. On April 19, 2010, AER Energy Resources, Inc. acquired FTPM Resources, Inc., a Texas corporation, that had been operating since 2009 as a fuel trading and petroleum marketing company primarily focused in the purchase and sale of used motor oil for recycling and other commercial purposes. On July 6, 2010 we completed a 100 to 1 reverse stock split. In June 2011 the Company acquired Global Wealth Group, Inc., a Facilitator of Cash Flowing Assets in REO properties, Seller Distressed Commercial Properties, Turnkey Real Estate Investments, Non-Performing Notes and Alternative Energy since 2008.

6. None

7. see 5 above.

8. see 5 above.

9. see 5 above.

10. On September 4, 2002 we filed a Form 15-12G so as to no longer require the filing of periodic reports with the Securities and Exchange Commission and began trading on the "Pink Sheets" under the same AERN symbol as we previously had on the OTCBB.

11. To the best of our management's knowledge and belief, there are no current, past, pending or threatened legal proceedings or administrative actions either by or against us that could have a material effect on our business, financial condition, or operations.

B. BUSINESS OF ISSUER

AER Energy Resources, Inc., a Nevada corporation (hereinafter "AER" or the "Company") is primarily in the business of acquiring, managing and operating cash-flow producing oil and gas properties through its subsidiary, AER Petroleum, Inc. as well as operating a petroleum marketing subsidiary, FTPM Resources, Inc., which is focused on the purchase and sale of fuel and petroleum products with a special emphasis on the recycling of used motor oil. AER Energy also operates a Real Estate division that focuses on distressed and cash flowing RE nationwide.

The Company was redirected towards the oil and gas sector through the acquisition of FTPM Resources in April 2010. More recently the Company has chosen to evaluate the many cash-flow producing crude oil properties that are currently for sale and target those for acquisition which satisfy the criteria set by management which include stable production history, proven reserves and certified engineering reports attesting to values and longevity of production. Toward that end, the Company has identified specific assets for acquisition which suit the Company's requirements. We are a holding company that operates through our primary subsidiaries AER Petroleum, Inc., FTPM Resources, Inc. and Global Wealth Group, Inc. The company is a Nevada corporation with offices in Scottsdale, Arizona.

SIC CODES

1. Our SIC code is: 5172 – Wholesale Petroleum & Petroleum Products.

CONDUCTING BUSINESS

2. The Company is currently conducting business operations.

SHELL COMPANY STATUS

3. The Company has never been a shell company.

SUBSIDIARY

4. The Company subsidiaries are included in the financial statements attached to this disclosure statement. The subsidiaries are: AER Petroleum, Inc., which owns and operates our leases, drilling and production operations; FTPM Resources, Inc. which engages in fuel trading and petroleum marketing and the brokering of used motor oil and Global Wealth Group, Inc. which operates a real estate division that focuses on distressed and cash flowing RE nationwide

GOVERNMENT REGULATIONS

5. The company is subject to numerous environmental laws and regulations, compliance with which are handled through legal counsel, our existing staff and management.

RESEARCH AND DEVELOPMENT

6. The company has not spent any time in the past two years on research and development activities.

ENVIRONMENTAL MATTERS

7. The company is subject to numerous environmental laws and regulations, compliance with which are handled through legal counsel, our existing staff and management.

EMPLOYEES

8. As of the date hereof we have three (3) employees including our management. We anticipate that if we receive financing we will hire additional employees in the areas of trucking, labor, accounting, regulatory affairs, legal and administrative.

ITEM 9 THE NATURE OF PRODUCTS OR SERVICES OFFERED:

See Item 8, above and the following:

Industry Overview/Market Conditions

OIL AND GAS

Our business strategy is to enhance the Company's value primarily through the acquisition, development and production of proved undeveloped natural gas and oil reserves in areas that have:

A) substantial existing infrastructure of oil and natural gas pipelines and production/processing platforms;

B) geographic proximity to well-developed markets for natural gas and oil;

C) a large number of properties that major oil companies, exploration-oriented independents and others consider non-strategic; and

D) a relatively stable history of consistently applied governmental regulations for offshore natural gas and oil development and production.

We believe this strategy significantly reduces the risks associated with traditional natural gas and oil exploration. Unlike oil and gas companies that conduct exploration activities, our focus is to acquire properties that have been previously explored by others and found to contain current production as well as yet unexploited proven reserves. During the life span of these properties, they may become non-core or non-strategic to their original owners. Reasons that a property may become non-core or non-strategic are varied. For example, companies may elect to concentrate their efforts elsewhere, to reduce their capital spending for development, or to pursue exploration projects as opposed to development projects. Also, a lease expiration date may be approaching and the owner may be unwilling to complete a development program. The age of the owner may be a significant factor toward selling a given property.

Companies pursuing exploration success may discover hydrocarbons which may not provide an acceptable economic return for their purposes, however, such a project may prove attractive to AER, because we are not engaging in capital-intensive exploration. If such a project were economically attractive, Management could complete an evaluation and make a determination whether to acquire the project. Each oil discovery by another company in our core area is a potential opportunity for the application of our approach.

AER focuses on developing projects in the shortest time possible between initial investment and first revenue generated in order to maximize our rate of return. The Company intends to operate the properties in which we acquire a majority working interest and begin a development program with proved reserves. The Company intends to initiate new development projects by simultaneously obtaining the various required components such as the pipeline as well as well completion equipment. This strategy, combined with our ability to rapidly evaluate and implement a project's requirements, allows us to complete the development project and commence production as quickly and efficiently as possible.

OUR STRENGTHS

•***Operating Control***. As the operator of a property, we are afforded greater control of the selection of completion and production equipment, the timing and amount of capital expenditures and the operating parameters and costs of the project.

•***Low Cost Structure***. We believe that our focus on a low cost structure with minimal cash investment for acquisitions allows us to pursue the acquisition, development and production of properties that may not be economically attractive to others.

MARKETING AND DELIVERY COMMITMENTS

AER, as with all crude oil producing companies, will sell its oil production under price sensitive or market price contracts. Expected revenues, profitability and future growth depend substantially on prevailing prices for natural gas and oil. The price received by the Company for non-hedged natural gas and oil production can be subject to substantial fluctuation. Changes in the prices of natural gas and oil will affect the financial valuation of the acquired proved reserves, as well as revenue, profitability and cash flow. Although AER does not expect to experience any significant involuntary curtailment of the oil production from the targeted acquisitions, market, economic and regulatory factors may in the future materially affect the Company's ability to sell its natural gas or oil production.

AER intends to sell the produced crude oil to end users through various gas marketing companies. The Company does not intend to be dependent upon, or confined to, any one purchaser or small group of purchasers. Because of the nature of natural gas and oil markets as well as the fact that natural gas and crude oil are commodities, there are numerous purchasers in the areas in which we expect to sell the production from acquired properties. Management does not believe the loss of a single purchaser, or a few purchasers, would materially affect the Company's ability to sell its production.

COMPETITION – OIL and GAS

AER competes with major and independent natural gas and oil companies for property acquisitions. The Company also competes for the equipment and labor required to operate and to develop these properties. Most of our competitors have substantially greater financial and other resources and therefore are better able to sustain wide fluctuations in the economics of the Oil & Gas Industry. Since AER is in a highly regulated industry, our competition may be better able to absorb the burden of any changes in federal, state and local laws and regulations. Our ability to acquire and develop additional properties in the future will depend upon our ability to acquire reasonably-priced acquisition capital, conduct operations, evaluate and select suitable properties, and to consummate transactions in this highly competitive environment.

THE USED OIL COLLECTION AND RECYCLING INDUSTRY

The used motor oil collection market is highly fragmented with more than an estimated 700 used oil collectors nationwide. Based on a U.S. Department of Energy study dated July 2006, the estimated volume of used motor oil recycled each year is 945 million gallons, of which it is estimated that 83% is burned and 17% is re-refined. We believe that there is a significant opportunity to increase the percentage of used motor oil that is re-refined rather than burned. We purchased and sold approximately 1,200,000 gallons of used motor oil in 2009 and 2,700,000 gallons in 2010. This used motor oil is collected from garages, vehicle dealerships, quick lube change installations, and other commercial and industrial businesses. Market participants include used motor oil collectors, transporters/brokers, processors, re-refiners and used motor oil burners. Collected used motor oil is often recycled and subsequently burned by various users such as asphalt companies, paper mills and industrial facilities as an alternative to their base load natural gas or other liquefied fuels, to offset operational costs. The market size of the refining business in the Gulf Coast Region of the US is estimated at 2.0 million barrels per year

COMPETITION

The industrial waste and brokerage of petroleum products industries are highly competitive. There are numerous small to mid-size firms that are engaged in the collection, transportation, treatment and brokerage of virgin and used petroleum products. Competitors include, but are not limited to: Safety-Kleen, Rio Energy, Inc., and FCC Environmental (formerly Siemens Hydrocarbon Recovery Services). These competitors actively seek to purchase feedstock from local, regional and industrial collectors, refineries, pipelines and other sources. Competition for these feedstocks may result in increasing prices to obtain used motor oil and transmix feedstocks critical to the success of our business model. In order to remain competitive, we must control costs and maintain strong relationships with its feedstock suppliers. A portion of the sales of the aggregated used motor oil product are based on supply contracts which include a range of prices which change based on feedstock quality specifications and volumes. This pricing structure helps to insulate us from inventory risk by ensuring a spread between costs to acquire used motor oil feedstock and the revenues received for delivery of the feedstock. We believe that price and service are the main competitive factors in the used motor oil collection industry. We are a relatively small company as compared to other publicly-traded used and fuel trading and marketing companies.

REO AND DISTRESSED PROPERTIES

Global Wealth Group, Inc. (GWG) was established in 2008 as a Facilitator of Cash Flowing Assets in REO properties, Seller Distressed Commercial Properties, Turnkey Real Estate Investments, Non-Performing Notes and Alternative Energy.

Our team has 60 years of combined experience in Real Estate, Mortgage Banking, and Investment Banking. At GWG we strive to deliver innovative solutions to meet investor client's needs. The number one goal at GWG is creating value for clients by establishing long term relationships. GWG has a straight forward honest approach to doing business that sets us apart in our industry. GWG is committed to a standard of excellence by offering the highest level of professionalism, working together as team players, and providing clear communications.

Teresa Jackson, President of GWG, has been in the Real Estate and Mortgage Banking industry for 20 years. Her commitment to excellence, strong work ethic, and effective communication skills have made her a respected industry professional. GWG was established to serve a niche in the market place by providing investors with a wide range of investment opportunities in Distressed Real Estate and Alternative Energy.

Utilizing our combined years of real estate expertise and banking experience GWG has developed a network of bank direct relationships. Through this network of relationships GWG is able to offer our investor clients a wide variety of profitable investment opportunities in REO's and commercial real estate. In addition to Real Estate, GWG has expanded its product offerings to include lucrative opportunities in Alternative Energy which offer investors a high ROI and substantial tax advantages.

TRADEMARKS – TRADE NAMES

None.

ITEM 10 THE NATURE AND EXTENT OF THE ISSUER'S FACILITIES:

Our headquarters are located at:

7135 East Camelback Road Suite 230
Scottsdale, Arizona 85251

http://www.aernenergy.com

- Phone: 310-461-3713
- Fax: 480-946-8463
- E-mail: info@aernenergy.com

This office is a virtual office under lease from EOS-Executive Office Suites, LLC.

PART D
MANAGEMENT STRUCTURE AND FINANCIAL INFORMATION

ITEM 11 THE NAMES OF THE EXECUTIVE OFFICERS AND MEMBERS OF THE BOARD OF DIRECTORS:

The following sets forth certain information concerning our directors and executive officers:

Name	Age	Position
Stanley F. Wilson	64	President, Treasurer, Director
Teresa Jackson	48	Chairman, Secretary

A. Officers and Directors.

CHAIRMAN OF THE BOARD

1. TERESA JACKSON: Ms. Jackson has been active in O&G secondary recovery with leases in Kansas and Texas, specializing in low-risk shallow well rework opportunities. Ms. Jackson has purchased several leases in Wilson County Kansas and has over 25 wells producing or in secondary recovery operations under development. Ms. Jackson and Marta Oil have developed a successful program for lease and well acquisition which includes an extensive on location personal review of all potential land lease purchases. Marta Oil has been successful in

developing a rock-solid method of working with industry partners and has aligned itself with Multiplex Resources, Inc. of Houston, TX. for all drilling, completion and production of both Oil and Gas operations. Ms. Jackson has been active in the Real Estate industry for nearly 20 years as both a successful Investor and a licensed Real Estate Broker. Ms. Jackson previously owned and operated a successful Mortgage Banking/Brokerage firm and Escrow company from 1992 – 2007. Ms. Jackson, President of Global Wealth Group, Inc., has been in the Real Estate and Mortgage Banking industry for 20 years. Her commitment to excellence, strong work ethic, and effective communication skills have made her a respected industry professional. GWG was established to serve a niche in the market place by providing investors with a wide range of investment opportunities in Distressed Real Estate and Alternative Energy.

2. 14 Monarch Bay Plaza Suite 335, Monarch Beach, CA 92629

3. Employment History (five years):

President/CEO Marta Oil & Gas Corp - December 2010 – Present (1 year 4 months)
COB AER Energy Resources, Inc. - May 2010 – Present (1 year 11 months)
President Global Wealth Partners, Inc. - January 2008 – Present (4 years 3 months)
International Real Estate Investments & Other Passive Investments - Director/COB EFC Realty - August 2004 – December 2007 (3 years 5 months)
Director/COB Easyfunding.com - November 1992 – December 2007 (15 years 2 months)
Mortgage Banker/Broker - President Easyfunding.com Escrow August 2004 – September 2007 (3 years 2 months)

4. Board memberships and other affiliations: See three above.

5. none

6. 184,225,000 shares of common

PRESIDENT, TREASURER, DIRECTOR

1. STANLEY F. WILSON: Mr. Wilson is corporate executive as well as an M&A securities attorney and former automobile industry executive whose legal and business career has placed primary emphasis in automobile related entities. Mr. Wilson's experience has also included collection and recycling of used motor oil, oil and gas, telecommunications, self-funded insurance plans and trade association management. This specialization has taken many forms including numerous going-public transactions, serving as President and General Counsel to multiple publicly traded holding companies trading on NASDAQ, OTCBB and the Pink Sheets, as well as legal counsel to new car dealerships, general counsel to statewide automotive dealer associations, automotive trade association executive, automotive industry lobbyist, CEO of sub-prime automotive finance companies both public and privately-held organizations. Mr. Wilson has been an active member of the Nebraska State Bar Association since 1974, was appointed by the Governor as an acting Lancaster County Court Judge and served as The Staff Judge Advocate of the 67th Infantry Brigade of the Nebraska Army National Guard with the rank of Captain.

2. 6711 East Camelback Road #17, Scottsdale, AZ 85251

3. Employment History (five years): Corporate attorney and mergers and acquisitions consultant 2006 to present; President of AER Energy Resources, Inc. 2010 to present; Chairman and President of FTPM Resources, Inc. 2009 to present; President of USA Recycling Industries, Inc. 2010 to present.

4. Board memberships and other affiliations: see three above.

5. One year employment contract at $120,000 annual salary paid monthly.

6. 164,225,000 shares of common.

B. Legal/Disciplinary History. Please identify whether any of the foregoing persons have, in the last five years, been the subject of:

1 A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses) NONE;

2 The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities NONE;

3 A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated NONE;

4 The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended or otherwise limited such person's involvement in any type of business or securities activities NONE.

C. Disclosure of Family Relationships. None

D. Disclosure of Related Party Transactions. None

E. Disclosure of Conflicts of Interest. None

ITEM 12 THE ISSUER'S MOST RECENT BALANCE SHEET AND PROFIT AND LOSS AND RETAINED EARNINGS STATEMENTS:

Our unaudited financial statements for the latest fiscal years ended December 31, 2010 and 2011 are attached hereto as Exhibit A and incorporated herein by this reference and can be found as having been filed through the OTC Disclosure and News Service.

ITEM 13 SIMILAR FINANCIAL INFORMATION FOR SUCH PART OF THE TWO PRECEDING FISCAL YEARS AS THE ISSUER OR ITS PREDECESSOR HAS BEEN IN EXISTENCE:

See Item 12 above.

ITEM 14 BENEFICIAL OWNERS.

The following table sets forth certain information regarding the ownership of our Common Stock as of the date hereof, by (i) each person known to us to own more than 5% of our outstanding common stock, (ii) each of our directors, (iii) each of our executive officers, and (iv) all of our directors and executive officers as a group. Unless otherwise indicated, all shares are owned directly and the indicated person has sole voting and investment power.

Title of Class	Name and Address Of Beneficial Owner	Amount and Nature Of Beneficial Ownership	Percent Of Class
Common	Stanley F. Wilson 6711 East Camelback Road #17 Scottsdale, Arizona 85251	164,225,000	15.14%
Common	Global Wealth Partners, Inc. 14 Monarch Bay Plaza Suite 335 Monarch Beach, CA 92629	184,225,000	16.98%
Common	Global Partners, Inc. 112 North Curry Street Carson City, NV 89703	164,225,000	15.14%
Common	Better Bodies, Inc. 99 Fountainhead Circle Henderson, NV 89052	60,225,000	5.55%

ITEM 15 THE NAME, ADDRESS, TELEPHONE NUMBER AND EMAIL ADDRESS OF EACH OF THE FOLLOWING OUTSIDE PROVIDERS THAT ADVISE THE ISSUER ON MATTERS RELATING TO THE OPERATIONS, BUSINESS DEVELOPMENT AND DISCLOSURE.

Investment Banker: None
Promoters: None
Legal Counsel:

Stanley F. Wilson, General Counsel
6711 East Camelback Road #17
Scottsdale, Arizona 85251

Accountant or Auditor:

Wayne Bailey, CPA
99 Fountainhead Cir.
Henderson, NV 89052

Public Relations Consultants: None

Investor Relations Consultants: None

Any Other Advisors: None

ITEM 16 MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

This disclosure report contains a number of forward-looking statements, including statements about our financial conditions, results of operations, earnings outlook and prospects. Forward looking statements are typically identified by words such as "plan," "believe," "expect," "anticipate," "intend," "outlook," "estimate," "forecast," "project," "will," "seek" and other similar words and expressions. The forward-looking statements involve certain risks and uncertainties. Our ability to predict results or the actual effects of our plans and strategies is subject to inherent uncertainty. The execution of the company's business plans are predicated upon receipt of financing, which may never be obtained. Factors that may cause actual results or earnings to differ materially from such forward-looking statements include those set forth below in this disclosure statement under the heading "Risk Factors." Because these forward-looking statements are subject to assumptions and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements. You are cautioned not to place undue reliance on these statements, which speak only as of the date of this disclosure statement.

B. Management's Discussion and Analysis of Financial Condition and Results of Operations

AER Energy Resources, Inc., a Nevada corporation (hereinafter "AER" or the "Company") is primarily in the business of acquiring, managing and operating cash-flow producing oil and gas properties through its subsidiary, AER Petroleum, Inc. as well as operating a petroleum marketing subsidiary, FTPM Resources, Inc., which is focused on the purchase and sale of fuel and petroleum products with a special emphasis on the recycling of used motor oil. AER Energy also operates a Real Estate division that focuses on distressed and cash flowing RE nationwide.

The Company was redirected towards the oil and gas sector through the acquisition of FTPM Resources in April 2010. More recently the Company has chosen to evaluate the many cash-flow producing crude oil properties that are currently for sale and target those for acquisition which satisfy the criteria set by management which include stable production history, proven reserves and certified engineering reports attesting to values and longevity of production. Toward that end, the Company has identified specific assets for acquisition which suit the

Company's requirements. We are a holding company that operates through our primary subsidiaries AER Petroleum, Inc., FTPM Resources, Inc. and Global Wealth Group, Inc. The company is a Nevada corporation with offices in Scottsdale, Arizona.

Corporate Mission

The mission of AER is to grow steadily and become one of the premier independent junior oil and gas producers in the United States. Assuming the fulfillment of its projected working capital requirements, the Company's financial objective is to achieve on-going revenue per acquired asset after all costs have been recouped.

Our business strategy is to enhance the Company's value primarily through the acquisition, development and production of proved undeveloped natural gas and oil reserves in areas that have:

- a substantial existing infrastructure of oil and natural gas pipelines and production/processing platforms;
- geographic proximity to well-developed markets for natural gas and oil;
- a large number of properties that major oil companies, exploration-oriented independents and others consider non-strategic; and
- a relatively stable history of consistently applied governmental regulations for oil development and production.

We believe this strategy significantly reduces the risks associated with traditional natural gas and oil exploration. Unlike oil and gas companies that conduct exploration activities, our focus is to acquire properties that have been previously explored by others and found to contain current production as well as yet unexploited proven reserves. During the life span of these properties, they may become non-core or non-strategic to their original owners. Reasons that a property may become non-core or non-strategic are varied. For example, companies may elect to concentrate their efforts elsewhere, to reduce their capital spending for development, or to pursue exploration projects as opposed to development projects. Also, a lease expiration date may be approaching and the owner may be unwilling to complete a development program. The age of the owner may be a significant factor toward selling a given property.

Companies pursuing exploration success may discover hydrocarbons which may not provide an acceptable economic return for their purposes but, however, such a project may prove attractive to AER, because we are not engaging in capital-intensive exploration. If such a project were economically attractive, Management could complete an evaluation and make a determination whether to acquire the project. Each oil discovery by another company in our core area is a potential opportunity for the application of our approach.

AER focuses on developing projects in the shortest time possible between initial investment and first revenue generated in order to maximize our rate of return. The Company intends to operate the properties in which we acquire a majority working interest and begin a development program with proved reserves. The Company intends to initiate new development projects by simultaneously obtaining the various required components such as the pipeline as well as well completion equipment. This strategy, combined with our ability to rapidly evaluate and implement a project's requirements, allows us to complete the development project and commence production as quickly and efficiently as possible.

Managements Objectives

The objective of AER is to grow steadily and become one of the premier independent crude oil producers in the United States. Assuming the fulfillment of its projected working capital requirements, the Company's financial objective is to achieve on-going revenue per acquired asset after all costs have been recouped.

Acquisition Strategy

The Company believes that the domestic market for crude oil production will increase, especially in view of the on-going threat of international conflict in the middle-east. The Company intends to continue the acquisition of capital in order to acquire additional properties that have revenue generation promise. The Company intends to utilize strategies that have been successful in the industry in evaluation of potential properties for acquisition.

Our primary focus through our subsidiary AER Petroleum, Inc. is the acquisition, development and production of proved undeveloped natural gas and oil reserves and through our subsidiary FTPM is the purchase and sale of fuel and petroleum products with a special focus on the recycling of used motor oil.

1. Full fiscal Years. Since acquiring FTPM in April 2010, we have experienced improved financial condition through the acquisition of Global Wealth Group, Inc. and oil leases in Texas. We have also completed private placement offerings that have raised the Company operating equity capital. Our future financial condition is predicated on the ongoing revenue from producing oil wells on the leases we have acquired and potential fuel trading opportunities that are dependent on our ability to utilize a stand-by letter of credit that we have paid for to be arranged.

i. None.

ii. The Company recently completed a series of private placement investments as a means to improve and increase liquidity.

iii. The Company is committed to the formation of a joint venture with Riverton

Energy that is conditioned on a capital expenditure of $1,500,000.

The Company expects to fund the above capital expenditures from a Private Placement Memorandum and Subscription Agreement executed on October 31, 2011 and/or other investment from previous investors.

iv. None.

v. None

vi. None

vii. None

2. Interim Periods.

Since the end of our last fiscal year and comparable period, the Company has seen its assets and revenues increase through the acquisition of Global Wealth Group, Inc.; the subsequent sale of RE assets and through the acquisition of Texas oil leases purchased from Rehoboth Oil & Gas, LLC and the acquisition of oil and gas assets from Texas Energy, Inc. FTPM UMO revenue decreased due to contract cancellations under quarterly price re-negotiation clauses. Since May 2011, the Company has actively sought new business in both fuel trading and through the acquisition, development and production of proved undeveloped natural gas and oil reserves.

The Company completed the acquisition of the assets of Texas Energy, Inc. by means of a contribution agreement for the exchange of 60,000,000 shares of common stock for the assets and the funding of drilling expenses and well development that is pending closing.

The Company has secured numerous such oil and gas acquisition opportunities that have the potential to substantially increase revenues to the Company.

The company's business, financial condition, results of operations or prospects could be materially adversely affected by any of the risks and uncertainties described below. These risks may result in an adverse effect on your investments, including the loss of a material portion thereof.

As our contracts are entered into they may not be renewed and our existing relationships may not continue.

We operate in competitive markets, and there can be no certainty that we will maintain our current customers or attract new customers or that operating margins will not be impacted by competition.

Disruptions in the supply of feedstock could have an adverse effect on our business.

We are subject to numerous environmental and other laws and regulations and, to the extent we are found to be in violation of any such laws and regulations, our business could be materially and adversely affected.

Worsening economic conditions and trends and downturns in the business cycles of the industries we serves and which provide services to us would impact our business and operating results.

The company is subject to economic policy risks and uncertainties in the countries in which it operates. Any disruption of the economic environment and business climate in those countries may have a material adverse effect on the company's business, financial condition, results of operations or prospect.

The company is subject to the threat of future risk of litigation which could adversely affect its profitability.

The company's insurance coverage or lack thereof may prove inadequate to satisfy future claims against us.

C. Off-Balance Sheet Arrangements.

None

PART E
ISSUANCE HISTORY

ITEM 17 LIST OF SECURITIES OFFERINGS AND SHARES ISSUED FOR SERVICES IN THE PAST TWO YEARS

On April 19, 2010, we issued 100,000,000 shares of our common stock in exchange for 100% of the issued and outstanding shares of FTPM Resources, Inc.

In June 2011, the Company issued 260,000,000 shares of common stock in exchange for 100% of the shares of common stock of Global Wealth Group, Inc.

Since November 15, 2011, the Company has received $725,000 from a series of Reg D Securities Act Rule 504 subscriptions from Fairhills Capital Offshore, a Caymans corporation with offices in Delaware. November 15, 2011: 13,400,000 shares at a price of $100,000; November 25, 2011: 25,000,000 shares at a price of $100,000; December 15, 2011: 34,000,000 shares at a price of $100,000; January 12, 2012: 34,000,000 at a price of $75,000; January 26, 2012: 34,000,000 at a price of $75,000 and February 10, 2012: 37,300,000 at a price of $75,000; March 1, 2012: 40,000,000 at a price of $100,000 and March 14, 2012: 50,000,000 at $100,000. All shares were common stock issued without a restrictive legend.

PART F
EXHIBITS

ITEM 18 MATERIAL CONTRACTS

The Company has an Employment Contract with its President and the President of its subsidiary, AER Petroleum, Inc. On November 30, 2011, Company completed the purchase of three oil and gas leases with existing oil wells from Rehoboth Oil and Gas, LLC. On December 15, 2011, Company retained the services of Varicorp International LLC to arrange a $10,000,000 stand-by letter of credit for use by Company in its fuel trading business. On February 14, 2012, Company executed a Contribution Agreement for the purchase of the assets of Texas Energy, Inc. in exchange for the issuance of 60,000,000 shares of common stock

ITEM 19 ARTICLES OF INCORPORATION AND BYLAWS

See attached.

ITEM 20 PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

None

ITEM 21 ISSUER'S CERTIFICATIONS

I, Stanley F. Wilson, certify that:

1. I have reviewed this initial annual disclosure statement of AER Energy Resources, Inc.

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

3. Based on my knowledge, the financial statements and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects, the financial condition, results of operations and cash flows of the issuer as of and for, the periods presented in this disclosure statement.

Date: March 29, 2012.

AER ENERGY RESOURCES, INC.

By: ______________________

Stanley F. Wilson, President

EXHIBITS

of

AER ENERGY RESOURCES, INC.

EXHIBIT	DOCUMENT APPENDED
A	Articles of Incorporation
B.	
C.	
D.	

AER ENERGY RESOURCES, INC
BALANCE SHEET
AS OF DECEMBER 31, 2011

ASSETS		UNAUDITED
Current Assets:		
Cash And Cash Equivalents	$	192,056
Receivables		100,000
Total Current Assets		292,056
Fixed Assets		326,355
Other Assets		613,211
Total Assets	$	1,231,622
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current Liabilities:		
Accounts Payable	$	
Due To A Related Party		-
Notes payables - Current		133,368
Total Current Liabilities		133,368
Total Long-Term Liabilities		278,294
Total liabilities		411,662
Stockholders' Equity:		
Common stock: 500,000,000 shares authorized,		$0.001 par value
512,195,371		512,195
Additional paid-in-capital		277,508
Accumulated deficits		30,257
Total Stockholders' Equity		819,960
Total Liabilities And Stockh	$	1,231,622
		0

AER ENERGY RESOURCES, INC.
STATEMENTS OF OPERATIONS
FOR THE YEAR ENDING DECEMBER 31, 2011
UNAUDITED

Net revenue $	28,720
Cost of revenue	
Gross profit	28,720
Operating expenses	
Amortization and depreciation expenses	
General & administrative ex	421,865
Total operating expenses	421,865
Income (Loss) from operatic	(393,145)
Other income (expense):	
Other income	384,564
Other Expense	
Interest expense	
Total other income (expense	384,564
Income before income tax	(8,581)
Provision for income tax	-
Net profit (los $	(8,581)

AER ENERGY RESOURCES, INC
STATEMENTS OF CASH FLOWS
FOR THE YEAR TO DATE ENDED DECEMBER 31, 2011
UNAUDITED

Cash Flows From Operating Activities		
Net Income (l	**$**	(8,581)
Depreciation and amortization		
Stock issued for services		
(Increase) / decrease in assets:		
Accounts Receivable		(57,000)
Inventory		
Other Assets		(699,963)
Prepaid Expenses		-
Increase / (decrease) in liabilities:		
Commissions Payable		-
Accrued Expenses		-
Notes Payable		290,162
Accrued Interest		-
Accounts Payable		
Net cash used in operating		(475,382)
Cash Flows From Financing Activates		
Stock/additional capital		667,438
From acquisition of FTPM		
Additional Paid I Capital		
Net Cash Provided by Fina		667,438
Net Increase (Decrease) During		192,056
Cash and cash equivalents, Beg		5
Cash and cash (	**$**	192,061

AER ENERGY RESOURCES, INC
Statement of Stockholders' Equity
For The Quarter Ended DECEMBER 31, 2011

	UNAUDITED Common Stock Shares	Amount	Additional Paid-in Capital	Retained Earnings (Deficit)	UNAUDITED Stockholders' Equity (Deficit)
Balance, December 31, 2009	25,537,121	25,537		11,977	37,514
Acquired FTPM for stock	100,000,000	100,000			100,000
Balance May 31, 2010	125,537,121	125,537		11,977	137,514
Stock Reverse 100-1 6-8-10	1,255,371	1,255	124,282	11,977	137,514
Income or (loss) as of December 31 2010				(7,739)	(7,739)
Balance as of December 31, 20	1,255,371	1,255	124,282	4,238	129,775
Income as of March 31, 2011				(158)	(158)
Balance as of March 31, 2011	1,255,371	1,255	124,282	4,080	129,617
Sock Issurance June 2, 2011	260,000,000	260,000			260,000
Income as of June 30, 2011				3,272	3,272
Balance as of June 30, 2011	261,255,371	261,255	124,282	7,352	392,889
Debt Conversion July 2011	173,540,000	173,540	(74,374)		99,166
Debt Conversion July 2011	5,000,000	5,000			5,000
Income as of Sept 2011				-21,844	-21844
Balance as of Sept 2011	439,795,371	439,795	49,908	(14,492)	475,211
Stock Issuance 504 11-15-11	13,400,000	13,400	86,600		100,000
Stock Issuance 504 11-25-11	25,000,000	25,000	75,000		100,000
Stock Issuance 504 12-15-11	34,000,000	34,000	66,000		100,000
Income or (Loss) as of Dec 31				44,749	44,749
Balance as of Dec 31, 2011	512,195,371	512,195	277,508	30,257	819,960

AER ENERGY RESOURCES, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1989 (INCEPTION)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

ORGANIZATION:

AER Energy Resources, Inc. (the "Company" or "AER Energy") was incorporated in 1989 as Aerobic Power Systems, Inc. in Georgia and merged with Aerobic Power Systems, Inc. of Ohio as the surviving Georgia corporation in 1990 and changed its name to AER Energy Resources, Inc. in 1991. Since its S-1 filing in 1993 until 2003, AER Energy was engaged in the development and commercialization of high energy density zinc-air batteries. AER Energy's strategy as a research and development ("R&D") company was to focus on primary (disposable), rather than rechargeable, zinc-air battery technology and licensing their extensive patent portfolio to large established battery and original equipment manufacturers ("OEMs") with plans to commercialize the technology.

The Company was formed in 1989 to develop and commercialize high energy density zinc-air batteries using the technology licensed from Dreisbach Electromotive, Inc. ("DEMI"). DEMI was formed in 1982 to conduct research and development on electric vehicles and battery systems utilizing, among others, zinc-air technology. DEMI's zinc-air development programs included applications for electric vehicles and portable products. The Company and DEMI entered into a license agreement (the "DEMI License") in July 1989 whereby DEMI granted to the Company exclusive worldwide rights to DEMI's zinc-air battery patents and technology (including trade secrets) for all applications other than motor vehicles for so long as the Company wished to use such licensed rights. DEMI retained the rights to zinc-air technology for motor vehicle applications and to its other technologies for motor vehicle applications and batteries producing over 500 watts of continuous power output.

In November 1997, the Company was issued a United States patent for its "Diffusion Air Manager" technology. The Diffusion Air Manager could extend zinc-air battery storage life by isolating the cells in zinc-air batteries from exposure to air during periods when the battery is in storage or not in use. The result was a primary battery that can operate an electronic device 3 to 5 times longer than alkaline batteries and can be stored for up to two years and deliver most of its energy. Due to the simplicity, small size and enhanced storage life capability provided by the Diffusion Air Manager, this patented air manager technology allowed the Company to capitalize on the opportunities in hand-held electronic products like camcorders, cellular telephones, cordless telephones, digital cameras, and hand-held computers. This breakthrough air manager technology was used to seek to attract more large established battery and consumer electronic OEMs into alliances for joint product development, licensing, and commercialization of the Company's primary zinc-air battery technology.

In September 1998, the Company announced its TLAS Agreement with Duracell Inc., a subsidiary of The Gillette Company, making Duracell the first licensee of the Company's primary (disposable) zinc-air technology. Under the terms of the TLAS Agreement, the Company agreed to license certain of its primary zinc-air related battery technology and license the rights to its then existing patents to Duracell. In addition, Duracell agreed to fund certain joint product development projects with the Company during 1999.

In April 2001, the Company signed a License and Development Agreement with Rayovac Corporation. Under the agreement, the Company licensed its zinc-air battery technology to Rayovac and performing design and development work for Rayovac.

In September 2001, Rayovac Corporation received a new zinc-air development contract from the United States Army Communications and Electronics Command ("CECOM") in Fort Monmouth, New Jersey, and under the terms of the Rayovac License and Development Agreement with the Company, Rayovac subcontracted certain work from the development program to the Company.

In November 2003, the Company sold all of its assets, paid all of its creditors and liabilities and exited the battery development business.

In April 2010, the company acquired FTPM Resources, Inc., a used oil recycling company, as a wholly owned subsidiary and refocused its business operations in fuel trading and petroleum marketing with an emphasis in the recycling of used motor oil. This acquisition resulted in a change in control by means of the Share Exchange Agreement. In May of 2011 the company acquired Global Wealth Partners, Inc. as a wholly owned subsidiary and in November 2011, the company formed as a wholly owned subsidiary, AER Petroleum, Inc. that has acquired various oil and gas leases. These financial statements reflect the consolidated accounting of the Company and its operating subsidiaries for the year end December 31, 2011.

There have been zero (0) name changes and one stock split effective July 6, 2010 reversing the number of issued shares of common stock in a ratio of 100 to 1. The historical stock registrations included New Issue 7-93 2,500,000 shares at $7 by Prudential Securities, Inc. And the Latest Additional Issue 11-94 2,500,000 shares at $5.25 by Prudential Securities, Inc.

BASIS OF PRESENTATION:

PROPERTY AND EQUIPMENT AND DEPRECIATION:

Property and equipment are recorded at cost and are depreciated using the straight-line method over their estimated useful life as follows:

Furniture and equipment 5 - 10 years

When properties are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts with any resulting gain or loss reflected in income. Maintenance and repairs are expensed in the year incurred.

INTANGIBLE ASSETS AND AMORTIZATON:

Any costs associated with the acquisition or maintaining of intangible assets if and when incurred will be amortized over 40 years on a straight-line basis.

INCOME TAXES:

Deferred income taxes are recognized for the tax consequences in future years of differences between the tax bases of assets and liabilities and their financial reporting amounts at each year end based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax benefit (expense) is the tax receivable (payable) for the period and the change during the period in deferred tax assets and liabilities.

ADVERTISING

The Company expenses advertising costs at the first time that advertising takes place.

ACCOUNTING ESTIMATES:

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

INCOME (LOSS) PER SHARE:

Basic and diluted earnings per share (EPS) are computed as net loss (gain) divided by the weighted average number of common shares outstanding for the period. The weighted average number of shares is the average daily number of shares outstanding for the period ended.

2. PROPERTY AND EQUIPMENT:

The components of property and equipment are as follows:

Equipment	$
Furniture and fixtures	

Less: accumulated depreciation	

$

3. OTHER ASSETS:

At December 31, 2010 other assets consist of the following:

Organizations Costs	$
Accumulated Amortization	

	$
	========

4. DUE TO RELATED PARTY:

None.

5. INCOME TAXES:

No benefit for federal or state income taxes has been recorded because the Company has incurred an operating loss for the combined periods.

6. COMMITMENTS:

Office lease:

The Company maintains a virtual office at 7135 East Camelback Road Suite 230, Scottsdale, Arizona under a lease from EOS-Executive Office Suites, LLC .

EMPLOYMENT AGREEMENTS:

The Company has entered into an employment agreement with one of its employees.

7. SHAREHOLDERS EQUITY:

On July 6, 2010 the Company completed a 100 to 1 reverse stock split that reduced the number of issued and outstanding shares of Company common stock to 1,255,371 shares.