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SAVOY ENERGY CORP

FORM 10-Q
(Quarterly Report)

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

 Quarterly Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended June 30, 2012

 Transition R eport pursuant to 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period _________ to _________

Commission File Number: 333-151960

Savoy Energy Corporation
(Exact name of small business issuer as specified in its charter)

Nevada (State or other jurisdiction of incorporation or organization)	26-0429687 (IRS Employer Identification No.)

2100 West Loop South, Ste. 900
Houston, Texas 77027
(Address of principal executive offices)

(713) 243-8788
(Issuer's telephone number)

Check whether the issuer (1) 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 issuer was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
 Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 229.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
 Yes 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.

Large accelerated filer Accelerated filer	Accelerated filer
Non-accelerated filer	Smaller reporting com pany

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
 Yes No

State the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 202,248,586 common shares as of July 24, 2013.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

SAVOY ENERGY CORPORATION
CONSOLIDATED BALANCE SHEETS

	June 30, 2012 (Unaudited)	December 31, 2011 (Audited)
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 72	$ 8,151
Prepaid and other current assets	10,000	10,000
Total current assets	10,072	18,151
OIL AND GAS PROPERTIES, FULL COST METHOD		
Properties subject to amortization	677,678	677,678
Accumulated depletion, depreciation, amortization and impairment	(650,349)	(650,349)
Oil and Gas Properties, Net	27,329	27,329
TOTAL ASSETS	**$** 37,401	$ 45,480
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 87,423	$ 68,441
Accrued liabilities, related party	9,667	54,667
Advances from unrelated party	3,000	154,003
Advances from related party	19,340	18,430
Accrued interest payable	70,974	57,572
Notes payable (net of discount of $255,237 and $11,346, respectively)	439,265	547,886
Note payable, related party	76,499	76,499
Deferred revenue	7,000	7,000
Derivative liability	647,178	125,695
TOTAL CURRENT LIABILITIES AND TOTAL LIABILITIES	1,360,346	1,110,193
STOCKHOLDERS' DEFICIT		
Preferred stock, $.001 par value; 10,000,000 shares authorized, 1,000 shares issued	1	1
Common stock, $.001 par value; 300,000,000 shares authorized, 187,009,311 and 127,998,693 shares issued and outstanding, respectively	187,008	127,999
Additional paid-in capital	2,136,050	1,975,364
Accumulated deficit	(3,646,004)	(3,168,077)
Total stockholders' deficit	(1,322,945)	(1,064,713)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$ 37,401	$ 45,480

See notes to consolidated financial statements

SAVOY ENERGY CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

	For the Three Months Ended June 30, 2012	For the Three Months Ended June 30, 2011 Restated	For the Six Months Ended June 30, 2012	For the Six Months Ended June 30, 2011 Restated
REVENUE				
Oil and gas revenues	$ 1,161	$ 2,239	$ 6,435	$ 5,755
Total revenues	1,161	2,239	6,435	3,516
COSTS AND EXPENSES				
Lease operating expenses	-	1,803	1,070	4,838
General and administrative expense	144,470	106,023	210,559	212,545
Depletion, depreciation, amortization and impairment expense	-	-	-	65
Accretion expense	-	8	-	108
Gain on sale of working interest	-	(40,000)	-	(136,827)
Total costs and expenses	144,470	67,834	211,629	80,729
Operating loss	(143,309)	(65,595)	(205,194)	(74,974)
OTHER INCOME (EXPENSE)				
Interest expense	(367,411)	(46,524)	(2,086,252)	(129,037)
Loss on settlement of debt	-	(29,229)	-	(41,229)
Settlement of lawsuit	-	-	151,003	-
Change in fair value of derivative liability	1,901,272	11,766	1,662,516	(1,948)
Total other income (expenses)	1,533,861	(87,519)	(272,733)	(172,214)
Net income (loss)	$ (1,390,552)	(153,114)	$ (477,927)	$ (247,188)
Basic and diluted net income (loss) per common share	$ 0.01	$ (0.00)	$ (0.00)	$ (0.00)
Weighted average common shares outstanding-basic and diluted	172,777,100	77,429,981	158,601,927	71,908,664

See notes to consolidated financial statements

SAVOY ENERGY CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

	For the Six Months Ended June 30, 2012	2011 Restated
Cash flows from operating activities:		
Net loss	$ (477,927)	$ (247,188)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depletion, depreciation, amortization and impairment	-	65
Amortization of debt discount	260,609	112,278
Change in fair value of derivative liabilities	(1,662,516)	1,948
Interest expense associated with issuance of convertible debt	1,750,012	7,634
Accretion expense	-	(1,957)
Note payable issued for services	22,500	-
Beneficial conversion feature	59,708	-
Stock based compensation	42,722	1,500
Loss on settlement of debt	-	41,229
Gain on sale of oil and gas properties	-	(94,762)
Settlement of lawsuit	(151,003)	-
Changes in assets and liabilities		
Accounts payable and accrued liabilities	124,906	2,909
Net cash used in operating activities	(30,989)	(175,844)
Cash flows from investing activities:		
Proceeds from sale of oil and gas properties	-	142,100
Capital expenditures for development of oil and gas properties	-	(158)
Net cash provided by investment activities	-	141,942
Cash flows from financing activities:		
Proceeds from issuance of debt	22,000	31,500
Repayment of long-term debt	-	(20,000)
Advances from unrelated parties	-	3,000
Advances from related parties	910	10,900
Net cash provided by financing activities	22,910	25,400
Net decrease in cash and cash equivalents	(8,079)	(8,502)
Cash and cash equivalents, at beginning of period	8,151	9,170
Cash and cash equivalents, at end of period	$ 72	$ 668
Supplemental cash flow information:		
Cash paid for interest	$ -	$ -
Cash paid for income tax	$ -	$ -
Non cash investing and financing activities:		
Beneficial conversion feature	$ 59,708	$ 38,258
Common stock issued for debt	$ 44,230	$ 24,897
Debt discount for derivative liability	$ -	$ -

See notes to consolidated financial statements

SAVOY ENERGY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

NOTE 1 – RESTATEMENT

As disclosed in our Current Report on Form 8-K as filed with the Securities and Exchange Commission ("SEC") on September 4, 2012, the Board of Directors of Savoy Energy Corporation ("Savoy" or the "Company") determined that the consolidated financial statements for the three and six months ended June 30, 2011 included in our Quarterly Report on Form 10-Q for the period ended June 30, 2011 could no longer be relied upon as a result of errors in such reports.

The Company filed an Amendment on Form 10-Q/A ("Amendment") on October 24, 2012 to amend its Quarterly Report on Form 10-Q for the three and six months ended June 30, 2011 (the "Form 10-Q"), as filed with the SEC on August 19, 2011, The Amendment was filed solely for the purpose of restating the Consolidated Financial Statements to correct an error in accounting for certain convertible promissory notes as explained more fully in Notes 1 and 6 of the accompanying notes to consolidated financial statements as well as to expense $20,000 in fees as explained more fully in Note 5 of the accompanying notes to consolidated financial statements, which were originally recorded as a reduction in additional paid-in capital.

The Company has restated its financial statements as at June 30, 2011 and for the three and six months then ended to reflect:

1) an adjustment to record the initial derivative liability of $37,634 with the corresponding note discount of $30,000 and interest expense of $7,634 for the new convertible note issued on March 7, 2011(the 2011 Note),

2) an adjustment to record the fair value change of the derivative liability from the issuance date of the March 7, 2011 Note to June 30, 2011, and the fair value change from December 31, 2010 to June 30, 2011 on the 2010 Notes, resulting in an increase in the derivative liability, and a charge to other expenses of $11,766 and $1,948 for the three and six months ended June 30, 2011, respectively.

3) an adjustment to record the amortization of the note discounts of $39,833 and $74,222 for three and six months ended June 30, 2011, respectively.

4) a reclassification of $10,000 and $20,000 from reducing additional paid in capital to general and administrative expenses for the three and six months ended June 30, 2011, respectively. See Note 5.

5) reversing the original entries made where the Company recorded the beneficial conversion feature at a discount to the market value of the common stock. The discount related to the beneficial conversion feature was valued at $2,258 at inception. For the three and six months ended June 30, 2011, $753 and $1,004 was initially charged to interest expense (for the three and six months ended June 30, 2011, respectively) associated with the amortization of the debt discount. These entries have been reversed in the restated consolidated financial statements.

6) reversing the original entry made of $10,667 for the three and six months ended June 30, 2011 related to recording a loss on debt settlements, that are now accounted for as a derivative liability. The cumulative effect of the restatements increased total liabilities by $96,305, increased additional paid- in - capital by $47,881 and increased the net loss for the three and six months ended June 30, 2011 by $52,735 and $94,689, respectively, and accumulated deficit by $144,187.

a) Balance sheet

	As of June 30, 2011			
	As Reported	Adjustments		As Restated
CURRENT LIABILITIES				
Notes payable, net of discount	$ 453,258	$ (31,098)	(1)(3)	$ 422,160
Derivative liability	-	127,403	(1)(2)	127,403
Total current liabilities	871,966	96,305		968,271
TOTAL LIABILITIES	871,966	96,305		968,271
STOCKHOLDERS' DEFICIT				
Additional paid-in-capital	1,919,402	47,882	(4)	1,967,284
Accumulated deficit	(2,851,914)	(144,187)	(1)(2)(3)	(2,996,101)
Total stockholders' deficit	(843,969)	(96,305)		(940,274)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$ 27,997	$ -		$ 27,997

b) Statement of operations

	For the three months ended June 30, 2011			
	As Reported	Adjustments		As Restated
General and administrative expense	$ 96,023	$ 10,000	(4)	$ 106,023
Total costs and expenses	57,834	10,000		67,834
Operating loss	(55,595)	(10,000)		(65,595)
OTHER EXPENSES				
Interest expense	(4,888)	(41,636)	(1,3,5)	(46,524)
Loss on settlement of debt	(39,896)	10,667	(6)	(29,229)
Change in fair value of derivative liability	-	(11,766)	(2)	(11,766)
Total other expenses	(44,784)	(42,735)		(87,519)
Net loss	$ (100,379)	$ (52,735)		$ (153,114)
Basic and diluted net loss per common share	$ (0.00)	$ (0.00)		$ (0.00)
Weighted average common shares outstanding - basic and diluted	77,429,981	-		77,429,981

	For the six months ended June 30, 2011			
	As Reported	Adjustments		As Restated
General and administrative expense	$ 192,545	$ 20,000	(4)	$ 212,545
Total costs and expenses	60,729	20,000		80,729
Operating loss	(54,974)	(20,000)		(74,974)
OTHER EXPENSES				
Interest expense	(45,629)	(83,408)	(1,3,5)	(129,037)
Loss on settlement of debt	(51,896)	10,667	(6)	(41,229)
Change in fair value of derivative liability	-	(1,948)	(2)	(1,948)
Total other expenses	(97,525)	(74,689)		(172,214)
Net loss	$ (152,499)	$ (94,689)		$ (247,188)
Basic and diluted net loss per common share	$ (0.00)	$ (0.00)		$ (0.00)
Weighted average common shares outstanding - basic and diluted	71,908,664	-		71,908,664

NOTE 2 - BASIS OF PRESENTATION

The accompanying unaudited interim consolidated financial statements of Savoy Energy Corporation ("the Company") have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules of the Securities and Exchange Commission, and should be read in conjunction with the audited financial statements and notes thereto contained in Savoy's annual report filed with the SEC on Form 10-K for the year ended December 31, 2011, on April 16, 2013. In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of financial position and the results of operations for the interim periods presented have been reflected herein. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year. Notes to the financial statements which would substantially duplicate the disclosures contained in the audited financial statements for the most recent year 2011 as reported in Form 10-K have been omitted.

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES

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 the reported amounts of assets and liabilities and 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.

The Company's consolidated financial statements are based on a number of significant estimates, including oil and gas reserve quantities which are the basis for the calculation of depreciation, depletion and impairment of oil and gas properties, and timing and costs associated with its retirement obligations.

Cash and Cash Equivalents

Cash and cash equivalents include cash in banks and financial instruments which mature within three months of the date of purchase.

Fair Value of Financial Instruments

As defined in FASB ASC Topic 820 – 10, "Fair Value Measurements and Disclosures," fair value is the price that would be received upon the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. FASB ASC Topic 820 – 10 requires disclosure that establishes a framework for measuring fair value and expands disclosure about fair value measurements.

As at June 30, 2012, the fair value of cash, accounts receivable, accounts payable and notes payable approximate carrying values because of the short-term maturity of these instruments.

Oil and Gas Properties

The Company follows the full cost method of accounting for its oil and natural gas properties, whereby all costs incurred in connection with the acquisition, exploration for and development of petroleum and natural gas reserves are capitalized. Such costs include lease acquisition, geological and geophysical activities, rentals on non-producing leases, drilling, completing and equipping of oil and gas wells and administrative costs directly attributable to those activities and asset retirement costs. Disposition of oil and gas properties are accounted for as a reduction of capitalized costs, with no gain or loss recognized unless such adjustment would significantly alter the relationship between capital costs and proved reserves of oil and gas, in which case the gain or loss is recognized to income.

Depletion and depreciation of proved oil and gas properties is calculated on the units-of-production method based upon estimates of proved reserves. Such calculations include the estimated future costs to developed proved reserves. Oil and gas reserves are converted to a common unit of measure based on the energy content of 6,000 cubic feet of gas to one barrel of oil. Costs of undeveloped properties are not included in the costs subject to depletion. These costs are assessed periodically for impairment.

The fair value of an asset retirement obligation is recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. The present value of the estimated asset retirement costs is capitalized as part of the carrying amount of the long-lived asset. For the Company, asset retirement obligations ("ARO") relate to the plugging and abandonment of drilled oil and gas properties. The amounts recognized are based upon numerous estimates including future retirement costs; future recoverable reserve quantities and reserve lives; and the credit-adjusted risk-free interest rate.

Ceiling test

In applying the full cost method, the Company performs an impairment test (ceiling test) at each reporting date, whereby the carrying value of property and equipment is compared to the value of its proved reserves discounted at a 10-percent interest rate of future net revenues, based on current economic and operating conditions, plus the cost of properties not being amortized, plus the lower of cost or fair market value of unproved properties included in costs being amortized, less the income tax effects related to book and tax basis differences of the properties.

Oil and gas properties, not subject to amortization

The amortization of the oil and gas properties not classified as proved begins when the oil and gas properties become proved, or their values become impaired. The Company assesses the realizability of its properties not characterized as proved on at least an annual basis or when there is or has been an indication that an impairment in value may have occurred. The impairment of properties not classified as proved is assessed based on management's intention with regard to future exploration and development of individually significant properties, and the Company's ability to secure capital funding to finance such exploration and development. If the result of an assessment indicates that a property is impaired, the amount of the impairment is added to the capitalized costs in its full cost pool and they are amortized over production from proved reserves

Revenue Recognition

Revenues from the sale of oil and natural gas are recognized when the product is delivered at a fixed or determinable price, title has transferred, and collectability is reasonably assured and evidenced by a contract. For oil sales, this occurs when the customer's truck takes delivery of oil from the operators' storage tanks.

The Company follows the "sales method" of accounting for oil and natural gas revenue, so it recognizes revenue on all natural gas or crude oil sold to purchasers, regardless of whether the sales are proportionate to its ownership in the property. A receivable or liability is recognized only to the extent that the Company has an imbalance on a specific property greater than its share of the expected remaining proved reserves.

Costs associated with production are expensed in the period incurred.

Stock-Based Compensation

Stock-based compensation expense includes the estimated fair value of equity awards vested during the reporting period. The expense for equity awards vested during the reporting period is determined based upon the grant date fair value of the award and is recognized as expense over the applicable vesting period of the stock award using the straight-line method.

Deferred Taxes

The Company provides for income taxes under Statement ASC 740 Accounting for Income Taxes. ASC 740 requires the use of an asset and liability approach in accounting for income taxes. Deferred tax assets and liabilities are recorded based on the differences between the financial statement and tax bases of assets and liabilities and the tax rates in effect when these differences are expected to reverse. The Company's predecessor operated as entity-exempt from Federal and State income taxes.

ASC 740 requires the reduction of deferred tax assets by a valuation allowance if, based on the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized.

Earnings per Share of Common Stock

Basic net income per share calculations are determined by dividing net income (loss) by the weighted average number of common shares outstanding during the reporting period. Diluted net income per share calculations are determined by dividing net income (loss) by the weighted average number of common shares and dilutive common share equivalents outstanding. During the reporting period when they are anti-dilutive, common share equivalents, if any, are not considered in the computation.

Recent Accounting Pronouncements

The Company does not expect recent accounting standards or interpretations issued or recently adopted to have a material impact on the Company's consolidated financial position, operations or cash flows.

Dividends

Dividends declared on our common stock are reflected as adjustments to retained earnings to the extent a surplus of retained earnings will exist after giving effect to the dividends. To the extent retained earnings are insufficient to fund the distributions; such payments constitute a return of contributed capital rather than earnings and are accounted for as a reduction to paid-in capital.

NOTE 4 - GOING CONCERN

The Company's consolidated financial statements are prepared using generally accepted accounting principles applicable to a going concern which contemplates the realization of assets and liquidation of liabilities in the normal course of business. As of June 30, 2012, the Company has a working capital deficit of $1,350,275 has generated limited revenues and has an accumulated deficit of $3,646,004. These factors raise substantial doubt regarding the Company's ability to continue as a going concern.

In order to continue as a going concern and achieve a profitable level of operations, the Company will need, among other things, additional capital resources and to develop a consistent source of revenues sufficient to meet operating expenses. The continuation of the Company as a going concern is dependent upon the ability to raise equity or debt financing, and the attainment of profitable operations from the Company's operations.

The accompanying financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

NOTE 5 – OIL AND GAS PROPERTIES

During June 2010, the Company entered into an option agreement with a shareholder and working interest participant in certain oil and gas properties located in Gonzales County, Texas to allow the shareholder to put their interest in the properties to the Company. Pursuant to the option agreement, Savoy agreed to issue 2,640,000 shares of common stock to the shareholder, together with future monthly payments of $5,000 per month to the shareholder until the holding period lapses and the restrictive legend can be removed from the face of the share certificate. Upon the restriction removal, the monthly payment will cease and the shareholder has the option to assign their interest in the oil and gas properties to Savoy. The 2,640,000 shares of common stock have not been issued as of the date of this filing. During the three and six months ended June 30, 2011, the Company paid $10,000 and $20,000 respectively, to the shareholder under the agreement which is included in general and administrative expenses.

In February 2011, the Company sold its 52.5% working and revenue interest and the support equipment on the Zavadil No. 1 well in Gonzales County, Texas to Lucas Energy, Inc. for cash proceeds of $65,000 and forgiveness of payables in the amount of approximately $25,000. The proceeds associated with the support equipment and forgiveness of payable totaling approximately $79,000 was recorded as a gain on sale of assets. The proceeds associated with working and revenue interest totaling approximately $11,000 was accounted for as a reduction of capitalized costs, with no gain or loss recognized.

In March 2011, the Company sold a 25.75% working and revenue interest and the support equipment on the Rozella Kifer No. 1 well in Gonzales County, Texas to Lucas Energy, Inc. for cash proceeds of approximately $37,000. The proceeds associated with the support equipment totaling approximately $14,000 was recorded as a gain on sale of assets. The proceeds associated with working and revenue interest totaling approximately $23,000 was accounted for as a reduction of capitalized costs, with no gain or loss recognized.

In April 2011, the Company sold a 12.875% working and revenue interest and the support equipment on the Rozella Kifer No. 1 well in Gonzales County, Texas to Lucas Energy, Inc. for cash proceeds of $18,550. The proceeds associated with the support equipment totaling $6,905 and were recorded as a gain on sale of assets. The proceeds associated with working and revenue interest totaling $11,646 was accounted for as a reduction of capitalized costs, with no gain or loss recognized.

In May 2011, the Company sold its remaining 12.875% working and revenue interest and the support equipment on the Rozella Kifer No. 1 well in Gonzales County, Texas to Lucas Energy, Inc. for cash proceeds of $18,550. The proceeds associated with the support equipment totaling $6,905 and were recorded as a gain on sale of assets. The proceeds associated with working and revenue interest totaling $11,646 was accounted for as a reduction of capitalized costs, with no gain or loss recognized.

NOTE 6 – NOTES PAYABLE

On September 24, 2008, Plantation Exploration, Inc. entered into a financing agreement with Oil Investment Leases, Inc. (OIL) for cash advances totaling $290,000. On January 27, 2009 and May 4, 2009, the Company amended the September 24, 2008 agreement with OIL for advance cash payments under the demand loan and to assign the debt from Plantation Exploration to Savoy. On December 22, 2011, the outstanding balance of advances from OIL of $282,500 was sold, transferred and assigned by OIL to ASL Energy Corp. (ASL). On March 30, 2012 ASL assigned sold and transferred (the Assigned OIL Note) the OIL Note to Carebourn Partners, LLC (“Carebourn”).

On March 22, 2010 (the 1^{st} March 2010 Note) the Company borrowed $40,000 from non-related third parties bearing interest at 5% per annum. The loans are unsecured and the principal and accrued and unpaid interest was payable at maturity on November 30, 2010. The Company used the proceeds for working capital. On January 12, 2011, the Company amended this note to create a conversion feature. The convertible promissory note bears interest at 5% per annum and matured April 10, 2011, at which date the $40,000 and any accrued interest is payable or convertible at a price of $0.01 per share. The outstanding principal balance of the convertible promissory note at June 30, 2012 was $24,000, which is in default and classified as current debt. The Company evaluated the terms of the amendment to the note and concluded that the amended note did not result in a derivative; however, the Company concluded that there was a beneficial conversion feature since the amended note was convertible into shares of common stock at a discount to the market value of the common stock. The discount related to the beneficial conversion feature was valued at $12,000 based on the intrinsic value of the discount. The discount was fully amortized at March 31, 2011 due to the short-term nature of the Note. For the six months ended June 30, 2011, $12,000 was charged to interest expense associated with the amortization of the debt discount.

On March 22, 2010 (the 2^{nd} March 2010 Note) the Company borrowed $40,000 from non-related third parties bearing interest at 5% per annum. The loans are unsecured and the principal and accrued and unpaid interest was payable at maturity on November 30, 2010. The Company used the proceeds for working capital. On January 12, 2011, the Company amended this note to create a conversion feature and increased the face amount to $41,500. The convertible promissory note bears interest at 5% per annum and matured April 10, 2011, at which date the $41,500 and any accrued interest is payable or convertible at a price of $0.01 per share. The outstanding balance of the convertible promissory note at June 30, 2012 was $12,682, which is in default and classified as current debt. The Company evaluated the terms of the amendment to the note and concluded that the amended note did not result in a derivative; however, the Company concluded that there was a beneficial conversion feature since the amended note was convertible into shares of common stock at a discount to the market value of the common stock. The discount related to the beneficial conversion feature was valued at $12,000 based on the intrinsic value of the discount. The discount was fully amortized at March 31, 2011 due to the short-term nature of the Note. For the six months ended June 30, 2011, $12,000 was charged to interest expense associated with the amortization of the debt discount.

On April 21, 2010 (the April 2010 Note) the Company borrowed $40,000 from non-related third parties bearing interest at 5% per annum. The loans are unsecured and the principal and accrued and unpaid interest matured on December 31, 2010. The Company used the proceeds for working capital. On January 12, 2011, the Company amended this note to create a conversion feature. The convertible promissory note bears interest at 5% per annum and matured April 10, 2011, at which date the $40,000 and any accrued interest is payable or convertible at a price of $0.01 per share. The outstanding balance of the convertible promissory note at June 30, 2012 was $30,000, which is in default and classified as current debt. The Company evaluated the terms of the amendment to the note and concluded that the amended note did not result in a derivative; however, the Company concluded that there was a beneficial conversion feature since the amended note was convertible into shares of common stock at a discount to the market value of the common stock. The discount related to the beneficial conversion feature was valued at $12,000 at based on the intrinsic value of the discount. The discount was fully amortized at March 31, 2011 due to the short-term nature of the Note. For the six months ended June 30, 2011, $12,000 was charged to interest expense associated with the amortization of the debt discount.

On October 25, 2010, Asher Enterprises, Inc. ("Asher") advanced $63,000 to the Company under the terms of a convertible promissory note (the "October Note"). On December 21, 2010, Asher advanced $32,500 to the Company under the terms of a convertible promissory note (the "December Note"). The October Note and the December Note together are referred to as the 2010 Notes. The 2010 Notes bear interest at 10% per annum and matured on their nine month anniversary at which date the principal amounts and any accrued interest is payable. The 2010 Notes have a conversion price equal to the greater of either (i) a fixed conversion price of $0.00009 or (ii) 60% of the quoted market price for the Company's common stock using the average of the lowest three (3) trading prices for the Company's common stock during the ten (10) trading days prior to the conversion date. The Company is required at all times to have authorized and reserved three times the number of shares that are actually issuable upon full conversion of the 2010 Notes.

The Company analyzed the conversion feature of the Asher Notes and the Carebourn Notes (see below) for derivative accounting consideration under ASC 815-15 " *Derivatives and Hedging* " and determined that the embedded conversion feature should be classified as a liability due to their being no explicit limit to the number of shares to be delivered upon settlement of the above conversion options. ASC 815-15 requires that the conversion features are bifurcated and separately accounted for as an embedded derivative contained in convertible debt. The embedded derivative is carried on the Company's balance sheet at fair value. Any unrealized change in fair value, as determined at each measurement period, is recorded as a component of the income statement and the associated carrying amount on the balance sheet is adjusted by the change. The Company values the embedded derivative using the Black-Scholes pricing model.

Upon issuance of the October Note, the fair value of $65,625 was recorded as a derivative liability. A discount to the convertible debt principal was recorded in the amount of $63,000 and the difference between the initial recording of the derivative liability and the debt discount in the amount of $2,625 was recorded as interest expense in October 2010. The debt discount was amortized over the life of the note, and $21,556 and $42,556 was included in interest expense for the three and six months ended June 30, 2011, respectively. As of December 31, 2011, the balance of the October Note was $12,300 and the fair value of the derivative related to the October Note was $14,022. During the six months ended June 30, 2012 Asher converted the remaining balance of $12,300 and $2,520 of accrued and unpaid interest into 29,612,891 shares of common stock.

Upon issuance of the December Note the fair value of $34,656 was recorded as a derivative liability. The debt discount is amortized over the life of the note, and $10,833 and $21,666 was included in interest expense for the three and six months ended June 30, 2011, respectively. As of December 31, 2011, the balance of the December Note was $32,500 and the fair value of the derivative related to the December Note was $37,050. During the six months ended June 30, 2012 Asher converted $5,000 of principal of the December Note into 7,462,687 shares of common stock. As of June 30, 2012 the balance of the December Note was $27,500 and the fair value was $24,673 which resulted in a recorded net gain on the fair value of derivative liability of $86,427 and $12,377 for the three and six months ended June 30, 2012, respectively, in the accompanying consolidated statements of operations.

The fair value of the derivative on the 2010 Notes on their date of their respective issuances and combined as of December 31, 2011 and June 30, 2012 was determined using the Black-Scholes option pricing model with the following assumptions:

	October 25, 2010	December 21, 2010	December 31, 2011	June 30, 2012
Estimated market value of common stock on measurement date	$ 0.008	$ 0.015	$ 0.0004	$ 0.0013
Exercise price	$ 0.0048	$ 0.00937	$ 0.0002	$ 0.000767
Risk free interest rate (1)	0.18 %	0.19 %	0.01%	0.05%
Term in years	0.75	0.75	0.083	.083
Expected volatility	165%	197%	302%	321%
Expected dividends (2)	0%	0%	0%	0%

On March 7, 2011 (the "March 2011 Note"), June 22, 2011 (the "June 2011 Note") and August 23, 2011 (the "August 2011 Note") the Company issued convertible promissory notes of $30,000, $11,000 and $14,500, respectively, to Asher, under the same terms and conditions as the 2010 Notes (as amended), other than the August 2011 Note defines the Variable Conversion Price as 45% of the average of the three (3) lowest trading prices for the Company's common stock during the ten (10) trading days prior to the conversion date. On July 1, 2011 Asher advanced the proceeds of the June 2011 Note directly to various creditors of the Company. In August 2011, Asher advanced $14,000 directly to creditors of the Company and $500 to the Company. The March 2011 Note, June 2011 Note and August 2011 Note are referred to as the 2011 Notes.

The outstanding principal balance at December 31, 2011 and June 30, 2012 of the March 2011 Note, the June 2011 Note and the August 2011 Note was $30,000, $11,000 and $14,500 respectively.

Upon issuance of the March 2011 Note the fair value of $37,634 was recorded as a derivative liability. A discount to the convertible debt principal was recorded in the amount of $30,000 and the difference between the initial recording of the derivative liability and the debt discount in the amount of $7,634 was recorded as interest expense in March 2011. The debt discount is amortized over the life of the note, and $2,556 was included in interest expense for the six months ended June 30, 2012. As of December 31, 2011 the fair value of the derivative related to the March 2011 Note was $34,200. On June 30, 2012 the fair value of the derivative related to the March 2011 Note was $21,098 which resulted in a recorded net gain on the fair value of derivative liability of $100,002 and $13,102 for the three and six months ended June 30, 2012, respectively, in the accompanying consolidated statements of operations.

Upon issuance of the June 2011 Note the fair value of $13,945 was recorded as a derivative liability. A discount to the convertible debt principal was recorded in the amount of $11,000 and the difference between the initial recording of the derivative liability and the debt discount in the amount of $2,945 was recorded as interest expense in June 2011. The debt discount is amortized over the life of the note, and $3,667 was included in interest expense for the six months ended June 30, 2012. As of December 31, 2011 the fair value of the derivative related to the June 2011 Note was $15,290. On June 30, 2012 the fair value of the derivative related to the June 2011 Note was $9,869 which resulted in a recorded net gain on the fair value of derivative liability of $34,571 and $5,421 for the three and six months ended June 30, 2012, respectively, in the accompanying consolidated statements of operations.

Upon issuance of the August 2011 Note the fair value of $40,278 was recorded as a derivative liability. A discount to the convertible debt principal was recorded in the amount of $14,500 and the difference between the initial recording of the derivative liability and the debt discount in the amount of $25,778 was recorded as interest expense in August 2011. The debt discount is amortized over the life of the note, and $2,847 and $7,680 was included in interest expense for the three and six months ended June 30, 2012, respectively. As of December 31, 2011 the fair value of the derivative related to the August 2011 Note was $25,133. On June 30, 2012 the fair value of the derivative related to the August 2011 Note was $15,384 which resulted in a recorded net gain on the fair value of derivative liability of $52,605 and $9,749for the three and six months ended June 30, 2012, respectively, in the accompanying consolidated statements of operations.

The fair value of the derivative of the 2011 Notes on their respective dates of issuance, on December 31, 2011 and June 30, 2012 was determined using the Black-Scholes option pricing model with the following assumptions:

	March 7, 2011	June 22, 2011	August 23, 2011	December 31, 2011	June 30, 2012
Estimated market value of common stock on measurement date (1)	$ 0.01	$ 0.0042	$ 0.0029	$ 0.0004	$ 0.0013
Conversion price (2)	$ 0.00558	$ 0.00237	$ 0.0007	$ 0.00018-0.0002	0.00069-.00089
Risk free interest rate (3)	0.11%	0.10%	0.06%	0.01-0.06 (3)	0.05%
Time to maturity (4)	0.75 years	0.75 years	0.75 years	Various (4)	Various
Expected volatility (5)	191%	242%	253%	302%	321%
Expected dividends (6)	0%	0%	0%	0%	0%

The Black-Scholes models were valued with the following inputs:

(1)
Stock Price - The Stock Price was based on the closing price of the Company's stock as of the Valuation Date.

(2)
Conversion Price - The conversion price was based on 50% (45% for the August 23, 2011 Note) of the average of the 3 lowest Stock Prices out of the last 10 trading days prior to the Valuation Date.

(3)
Risk Free Rate - The risk free rate was based on the Treasury Note rates as of the Valuation Dates with term commensurate with the remaining term of the debt.

(4)
Time to Maturity - The time to maturity was determined based on the length of time between the Valuation Date and the maturity of the debt.

(5)
Expected volatility - The expected volatility was based on the historical volatility of the Company.

(6)
Expected dividends - Management estimated the dividend yield at 0% based upon its expectation that there will not be earnings available to pay dividends in the near term.

On June 22, 2011, the Company agreed to amend the conversion price of the 2010 Notes, the March 2011 Note and the June 2011 Note to the greater of either (i) a fixed conversion price of $0.00009 or (ii) 50% of the quoted market price for the Company's common stock using the average of the lowest three (3) trading prices for the Company's common stock during the ten (10) trading days prior to the conversion date.

The Company evaluated the modification and concluded that the modification was not an extinguishment of the original debt; as a result, no gain or loss was recognized upon modification and there was not a significant difference between the carrying value of the debt prior to modification and the fair value of the debt after modification.

On September 9, 2011, the Company entered into a promissory note in the amount of $96,499 with its Chief Executive Officer and Director for amounts previously owed and accrued to Bertagnolli (the "Bertagnolli Note"). The note bears interest at the rate of 8% per annum and is payable on demand. Any amounts not paid when due bear interest at the rate of 15% per annum until paid in full. During the year ended December 31, 2011, the Company made repayments totaling $20,000. During the six months ended June 30, 2012 the Company agreed to increase the loan by $90,000 for services performed and also reclassified $90,000 from previously accrued amounts due Bertagnolli to the Bertagnolli Note. On March 30, 2012 $135,000 of the Bertagnolli Note was assigned (the Assigned Bertagnolli Note) sold and transferred to Carebourn pursuant to a Purchase and Assignment Agreement (the "PAA"). The outstanding remaining principal balance of the Bertagnolli Note at June 30, 2012 was $31,499. On June 28, 2012, the company entered into a new note with Bertagnolli for $45,000 for services performed for the three months ended June 30, 2012 ("Beragnolli Note 2").

Also on September 9, 2011, the Company entered into a convertible promissory note in favor of a third party (the ASL Note) in the amount of $105,000, which evidenced a $100,000 bonus and $5,000 of expenses incurred by the third party in contemplation of a management agreement. The convertible note is payable on demand, accrues interest at the rate of 8% per annum (15% in the event of a default) and is convertible, together with accrued and unpaid interest thereon, at the option of the third party, into shares of the Company's common stock at a conversion price of $0.002 per share. The Company also agreed that the third party would earn an additional $100,000 bonus in the event that (a) the Company adopted an asset purchase agreement, share exchange agreement, plan of merger or consolidation, pursuant to which the Company's shareholders held less than 50% of the voting stock of the resulting entity post transaction, (b) the Board of Directors' approved the sale of substantially all of the assets of the Company, or (c) voting control of the Company was acquired by any person other than the current control person of the Company ((a) through (c), a "Restructuring"); that the third party would be paid a bonus of $0.20 for every $1.00 of reduction of liabilities (including contingent liabilities) of the Company that the third party is able to affect during the term of a Management Agreement dated September 9, 2011, which has a term of 90 days and automatically renews for additional one-month periods thereafter; and to issue the third party 1% of the Company's fully-diluted shares of common stock following any Restructuring. The Company also agreed to indemnify the third party against any liability it may have in connection with the services rendered by the third party pursuant to the Management Agreement or the Company in general and to pay the third party liquidated damages of $50,000 in addition to such indemnification, in the event that the third party becomes party to any claim as a result of the services provided under the Management Agreement or the Company in general.

The Company evaluated the initial terms of the convertible promissory note and concluded that this convertible promissory note did not result in a derivative and that there was not a beneficial conversion feature.

In connection with the Company's entry into the convertible note, the Company entered into a security agreement with the third party and provided the third party a first priority security interest in all of the Company's assets to secure the repayment of the convertible note.

Effective November 28, 2011, the Company agreed to amend the aforementioned note to increase the principal amount to $109,750. On March 30, 2012 $65,000 of the ASL Note (the Assigned ASL Note) was assigned, sold and transferred to Carebourn. During the six months ended June 30, 2012 ASL converted $15,730 of principal into 7,864,865 shares of common stock. The outstanding principal balance of the ASL Note at June 30, 2012 was $29,020.

As of June 30, 2012 the Company owed Carebourn $471, 300; comprised of $282,500 of the Assigned OIL Note, $135,000 of the Assigned Bertagnolli Note and $65,000 of the Assigned ASL Note (together the Carebourn Notes). Upon transfer of the Carebourn Notes, the Company determined the fair value of the Carebourn Notes was $2,188,138 and was recorded as a derivative liability. A discount to the convertible debt principal was recorded in the amount of $482,500 and the difference between the initial recording of the derivative liability and the debt discount in the amount of $1,705,638 was recorded as interest expense in the three months ended March 31, 2012. The debt discount is amortized over the life of the note, and $241,250 and $243,931 was included in interest expense for the three and six months ended June 30, 2012. During the six months ended June 30, 2012, Carebourn converted $11,200 of their notes into 14,070,175 shares of common stock. As of June 30, 2012 there remains a discount on the Carebourn convertible Note of $238,569 that will be amortized over the remaining term of the Carebourn note.

2012 Notes

On April 2, 2012, the Company issued a convertible promissory note of $20,000 (the "MM Note") to MM Visionary Consultants, LLC ("MM"). On April 10, 2012 the Company issued a $2,000 note to Gulfstream Financial Partners, LLC ("GFP"). The GFP note and the MM note (together the "2012 Notes) carry an annual interest rate of 8%, matured on October 10, 2012 and April 2, 2013, respectively, and are convertible at a 50% discount to the average of the three lowest closing day prices for the ten days immediately preceding any conversion. MM also received a warrant to purchase 10,000,000 shares of common stock at an exercise price of $0.005 per share, expiring on April 2, 2015. The Company valued the warrants on the Black Scholes option pricing model and recorded stock compensation expense of $34,930 for the three and six months ended June 30, 2012.

The Company analyzed the conversion feature of the 2012 Notes for derivative accounting consideration under ASC 815-15 " *Derivatives and Hedging* " and determined that the embedded conversion feature should be classified as a liability due to their being no explicit limit to the number of shares to be delivered upon settlement of the above conversion options. ASC 815-15 requires that the conversion features are bifurcated and separately accounted for as an embedded derivative contained in convertible debt. The embedded derivative is carried on the Company's balance sheet at fair value. Any unrealized change in fair value, as determined at each measurement period, is recorded as a component of the income statement and the associated carrying amount on the balance sheet is adjusted by the change. The Company values the embedded derivative using the Black-Scholes pricing model.

Upon issuance of the 2012 Notes the fair value of $66,374 was recorded as a derivative liability. A discount to the convertible debt principal was recorded in the amount of $22,000 and the difference between the initial recording of the derivative liability and the debt discount in the amount of $44,374 was recorded as interest expense in April 2012. The debt discount is amortized over the life of the 2012 notes, and $5,333 was included in interest expense for the three and six months ended June 30, 2012. As of June 30, 2012 the fair value of the derivative related to the 2012 Notes was $29,650, which resulted in a recorded net gain on the fair value of derivative liability of $36,725 for the three and six months ended June 30, 2012, in the accompanying consolidated statements of operations.

On June 28, 2012, the Company issued a convertible note to ASL for $22,500 in exchange for consulting services from April 1, 2012 through June 30, 2012. The note is due on demand and carries an annual interest rate of 8%. The note is convertible at $0.0004 into shares of common stock of the Company. The Company evaluated the terms of the note and concluded that the note did not result in a derivative; however, the Company concluded that there was a beneficial conversion feature since the note was convertible into shares of common stock.

The Company also issued ASL a warrant to purchase 2,500,000 shares of common stock at an exercise price of $0.0004, expiring on June 28, 2015. The Company valued the warrants on the Black Scholes option pricing model and recorded stock compensation expense of $3,247 for the three and six months ended June 30, 2012.The discount related to the beneficial conversion feature was valued at $19,253 based on the intrinsic value of the discount. The discount was fully amortized at June 30, 2012 due to the short-term nature of the Note. For the three and six months ended June 30, 2012, $19,253 was charged to interest expense associated with the amortization of the debt discount.

Also on June 28, 2012, the Company agreed to issue in exchange for $45,000 of accrued and unpaid officer’s fees for the period from April 1 2012 to June 30, 2012, a convertible note to Bertagnolli for $45,000. The note is due on demand and carries an annual interest rate of 8%. The note is convertible at $0.0004 into shares of common stock of the Company. The Company evaluated the terms of the note and concluded that the note did not result in a derivative; however, the Company concluded that there was a beneficial conversion feature since the note was convertible into shares of common stock.

The Company also issued Bertagnolli a warrant to purchase 3,500,000 shares of common stock at an exercise price of $0.0004, expiring on June 28, 2015. The Company valued the warrants on the Black Scholes option pricing model and recorded stock compensation expense of $4,545 for the three and six months ended June 30, 2012.The discount related to the beneficial conversion feature was valued at $40,455 based on the intrinsic value of the discount. The discount was fully amortized at June 30, 2012 due to the short-term nature of the Note. For the three and six months ended June 30, 2012, $40,455 was charged to interest expense associated with the amortization of the debt discount.

A summary of the derivative liability balance as of December 31, 2011 and June 30, 2012 is as follows:

Fair Value	**Derivative Liability Balance 12/31/11**	**Initial Derivative Liability**	**Fair value of convertible notes redeemed**	**Fair value change- three months ended 6/30/12**	**Derivative Liability Balance 6/30/12**
2010 Notes	$ 51,072	-	(19,722)	$ (6,677)	$ 24,673
2011 Notes	74,623	-	-	(28,272)	46,351
Carebourn Note		2,188,138	(50,792)	(1,590,842)	546,504
2012 Notes		66,374	-	(36,724)	29,650
Total	$ 125,695	2,254,512	(70,514)	$ (1,662,515)	$ 647,178

A reconciliation of the change in notes payable balances as of December 31, 2011 and June 30, 2012 follows:

Note		December 31, 2011	Additions	Sold/ Transferred /Discount	Principal Conversions	Discount on Notes		June 30, 2012
OIL (A)	$	282,500	-	(282,500)	-	-	$	-
1 st March 2010 Note		24,500	-	-	-	-		24,500
2 nd March 2010 Note		12,182	-	-	-	-		12,182
April 2010		30,000	-	-	-	-		30,000
Bertagnolli Note (B)		76,499	135,000	(135,000)	-	-		76,499
ASL Note (C)		109,750	22,500	(65,000)	(15,730)	-		51,520
2010 Notes		44,800	-	-	(17,300)	-		27,500
2011 Notes		55,500	-	-	-	-		55,500
Carebourn		-	-	482,500	(11,200)	-		471,300
2012 Notes		-	22,000	-	-	-		22,000
Sub-total	$	635,731	179,500	-	(17,300)	-	$	771,001
Discount on notes		(11,346)	-	-	-	(243,891)		(255,237)
Balances	$	624,385	$179,500	$0-	(44,230)	$(243,891)	$	515,764

(A)

Note sold and transferred to Carebourn on March 30, 2012.

(B)

$135,000 of note was sold and transferred to Carebourn on March 30, 2012. June 30, 2012 balance of $76,499 classified as Note payable, related party on the financial statements presented herein.

(C)

$65,000 of Note was sold and transferred to Carebourn on March 30, 2012.

NOTE 7 – RELATED PARTY TRANSACTIONS

From time to time, the Company receives cash advances from related parties, including stockholders and their affiliates, to cover operating expenses. The advances do not bear interest and are due upon demand. During the six months ended June 30, 2012, the Company received cash advances of $910.

NOTE 8 - COMMON STOCK

On January 30, 2012 the Company issued 5,263,158 shares of common stock in exchange for the conversion of $1,000 of the October 2010 Note.

On February 9, 2012 the Company issued 5,217,391 shares of common stock in exchange for the conversion of $1,200 of the October 2010 Note.

On February 28, 2012 the Company issued 5,400,000 shares of common stock in exchange for the conversion of $2,700 of the October 2010 Note.

On March 9, 2012 the Company issued 6,875,000 shares of common stock in exchange for the conversion of $4,600 of the October 2010 Note and $900 of accrued and unpaid interest on the October 2010 Note.

On March 22, 2012 the Company issued 6,857,342 shares of common stock in exchange for the conversion of $2,800 of the October 2010 Note and $1,620 of accrued and unpaid interest on the October 2010 Note.

On March 22, 2012 the Company issued 7,462,687 shares of common stock in exchange for the conversion of $5,000 of the December 2010 Note.

On May 10, 2012 the Company issued 8,070,175 shares of common stock in exchange for the conversion of $4,600 of the Assigned OIL Note.

On May 29, 2012 the Company issued 7,864,865 shares of common stock in exchange for the conversion of $15,730 of the ASL Note.

On June 25, 2012 the Company issued 6,000,000 shares of common stock in exchange for the conversion of $6,600 of the Assigned OIL Note.

PREFERRED STOCK

Effective December 5, 2011, the Board of Directors approved the filing of a Certificate of Designations establishing the designations, preferences, limitations and relative rights of the Company's Series A Preferred Stock (the " Designation "). The Designation allows the Board of Directors in its sole discretion to issue up to 1,000 shares of Series A Preferred Stock. On December 5, 2011 1,000 shares of Series A Preferred Stock Shares were issued Mr. Bertagnolli, for services valued at $1,000. The preferred shares have the right to vote in aggregate, on all shareholder matters equal to 51% of the total vote. The Series A Preferred Stock will be entitled to this 51% voting right no matter how many shares of common stock or other voting stock of the Company are issued or outstanding in the future (the " Super Majority Voting Rights "). Additionally, the Company cannot adopt any amendments to the Company's Bylaws, Articles of Incorporation, as amended, make any changes to the Designation, or effect any reclassification of the Series A Preferred Stock, without the affirmative vote of at least 66-2/3% of the outstanding shares of Series A Preferred Stock; however, the Company may, by any means authorized by law and without any vote of the holders of shares of Series A Preferred Stock, make technical, corrective, administrative or similar changes to such Certificate of Designations that do not, individually or in the aggregate, adversely affect the rights or preferences of the holders of shares of Series A Preferred Stock.

NOTE 9 – COMMITMENTS, CONTINGENCIES AND LITIGATION

On July 27, 2010, the Company entered into a new Employment Agreement with Mr. Bertagnolli to serve as the Company's President and Chief Executive Officer. The Agreement, which replaces and supersedes the prior Employment Agreement, is effective as of June 1, 2010 and has a term of two (2) years from the effective date. Unless terminated within one year of its expiration, the Agreement is automatically renewed for additional terms of one year each. It provides for a base salary of $15,000 per month together with certain prerequisites and annual grants of employee stock options at the discretion of the Company's board of directors.

The Company's Employment Agreement with Arthur Bertagnolli provides for certain compensation and benefits based on the Company's achievement of specified milestones. As of March 31, 2012, none of those milestones have been achieved. Under certain circumstances, Mr. Bertagnolli is also entitled to an additional payment upon sale of the Company.

NOTE 10- SETTLEMENT OF LAWSUIT

On March 19, 2010, a lawsuit was filed against the Company by Panos Industries, LLC seeking damages "…in excess of $50,000" based upon monies which the Plaintiff claims were advanced by Plaintiff on behalf of the Company. The Company filed an answer to the complaint denying the allegations stated therein and a Counterclaim against the Plaintiff. On January 19, 2012, the parties mutually agreed to dismiss the suit. The Company previously recorded a liability of $151,003 that was reversed in the quarter ended March 31, 2012, in the accompanying financial statements.

NOTE 11 – SUBSEQUENT EVENTS

In accordance with ASC 855, the Company evaluated subsequent events through the date these financial statements were available to be issued. With the exception of those matters discussed below, there were no material subsequent events that required recognition or additional disclosure in these financial statements.

On July 26, 2012 the Company issued a convertible promissory note of $10,000 to Asher, under the same terms and conditions as the 2011 Notes (as amended).

On November 6, 2012 the Company issued 5,639,275 shares of common stock in exchange for the conversion of $3,553 of the Assigned OIL Note.

On November 29, 2012, the Company's Board of Directors approved amending the articles of incorporation of the Company to increase the number of authorized shares of the Company from 300,000,000 to 3,500,000,000. As of the date of this report, the Company has not effectuated the increase with the Nevada Secretary of State.

On December 5, 2012 the Company issued 9,600,000 shares of common stock in exchange for the conversion of $5,120 of the Assigned OIL Note.

On December 19, 2012 the Company issued a convertible promissory note of $11,500 to Asher, under the same terms and conditions as the 2011 Notes (as amended).

On December 3, 2012 Bertagnolli sued Carebourn (the Bertagnolli Suit") for non-payment of amounts due pursuant to the Bertagnolli PAA. On January 22, 2013 Carebourn filed an Original Answer, Counterclaim and Third Party Petition against the Company ("Carebourn's Claim"). Carebourn's counterclaim, among other things, alleges fraud by both Bertagnolli and the Company. The Company filed an answer to the claim in February 2013 denying all of Carebourn's allegations and asserting various affirmative defenses. The Company intends to vigorously defend its position and counsel for the Company believes that it is too early in the matter to estimate damages, if any.

On December 31, 2012, the Company issued a convertible note to ASL for $45,000 in exchange for consulting services from July 1, 2012 through December 31, 2012. The note is due on demand and carries an annual interest rate of 8%. The note is convertible at $0.0004 into shares of common stock of the Company. The Company also issued ASL a warrant to purchase 25,000,000 shares of common stock at an exercise price of $0.0004, expiring on December 31, 2015.

Also on December 31, 2012, the Company agreed to issue in exchange for $45,000 of accrued and unpaid officer's fees for the period from July 1 2012 to December 31, 2012, a convertible secured note to Bertagnolli for $45,000. The note is due on demand and carries an annual interest rate of 8%. The note is convertible at $0.0004 into shares of common stock of the Company. The Company also issued Bertagnolli a warrant to purchase 25,000,000 shares of common stock at an exercise price of $0.0004, expiring on December 31, 2015.

On April 4, 2013, the Company issued two convertible promissory notes to Asher for $15,000 and $46,500, respectively, which were funded by Asher on April 18, 2013.

Management performed an evaluation of the Company's activity through the date these financials were issued to determine if they must be reported. The Management of the Company determined that there were no other reportable subsequent events to be disclosed.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

Certain statements, other than purely historical information, including estimates, projections, statements relating to our business plans, objectives, and expected operating results, and the assumptions upon which those statements are based, are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements generally are identified by the words “believes,” “project,” “expects,” “anticipates,” “estimates,” “intends,” “strategy,” “plan,” “may,” “will,” “would,” “will be,” “will continue,” “will likely result,” and similar expressions. We intend such forward-looking statements to be covered by the safe-harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, and are including this statement for purposes of complying with those safe-harbor provisions. Forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties which may cause actual results to differ materially from the forward-looking statements. Our ability to predict results or the actual effect of future plans or strategies is inherently uncertain. Factors which could have a material adverse affect on our operations and future prospects on a consolidated basis include, but are not limited to: changes in economic conditions, legislative/regulatory changes, availability of capital, interest rates, competition, and generally accepted accounting principles. These risks and uncertainties should also be considered in evaluating forward-looking statements and undue reliance should not be placed on such statements. We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise. Further information concerning our business, including additional factors that could materially affect our financial results, is included herein and in our other filings with the SEC.

Overview

We were incorporated as “Arthur Kaplan Cosmetics, Inc.” on June 25, 2007, in the State of Nevada. We subsequently changed our name to Savoy Energy Corporation.

On March 31, 2009, we entered into an Agreement and Plan of Merger (the “Merger Agreement”) with Plantation Exploration, Inc., a privately held Texas corporation (“Plantation Exploration”), and Plantation Exploration Acquisition, Inc. (“Acquisition Sub”), our newly formed wholly-owned Nevada subsidiary. In connection with the closing of this merger transaction, Acquisition Sub merged with and into Plantation Exploration (the “Merger”) on April 2, 2009, with the filing of articles of merger with the Texas secretary of state. As a result of the Merger, Plantation Acquisition no longer exists and Plantation Exploration became our wholly-owned subsidiary.

Subsequently, on April 3, 2009, we merged with another wholly-owned subsidiary of our company, known as Savoy Energy Corporation, in a short-form merger transaction under Nevada law and, in connection with this short form merger, changed our name to Savoy Energy Corporation.

Our Business

We are in the business of re-entering, re-completing, extracting oil, and selling oil from previously undeveloped and drilled wells in the United States. Our plan of operations is to economically extract a significant amount of the “left-behind” oil from previously drilled sites.

We currently hold leases on or are producing oil from the following unproven and proven developed and undeveloped wells: (a) a 49.25% undivided interest in certain lease acreage comprising 144 acres which was previously producing located in Gonzales County, Texas, (b) a 5.0% overriding royalty interest in W.L. Barnett ET AL #1 & #2 and (c) a 2.75% working interest in the Glass 59 #2 well. We will continue our workover efforts on these wells, and seek to duplicate our successful efforts with other wells.

Once we have determined which wells have the greatest production potential and are most likely to respond to our workover efforts, we will then pursue acquiring interests in those wells. We will then engage in workover operations as with our previous wells, primarily through horizontal drilling and acidization. We intend to extract and sell crude oil through a third party purchaser.

Our strategy is to concentrate on existing low maintenance production, exploit low risk sidetrack drilling opportunities as and when identified, and use the accumulated information and results to advance operations.

Large oil companies with high overhead costs require high production rates for wells to be economically viable. Our small size and lower overhead allows profitably extraction of oil at low production rates. Our goal is to turn wells rendered uneconomical and abandoned by large companies into profitable ones.

Developments in Expansion of Wells

In February 2011, the Company sold its 52.5% working and revenue interest and the support equipment on the Zavadil No. 1 well in Gonzales County, Texas to Lucas Energy, Inc. for cash proceeds of $65,000 and forgiveness of payables in the amount of $25,080. The proceeds associated with the support equipment and forgiveness of payable totaling $79,219 was recorded as a gain on sale of assets. The proceeds associated with working and revenue interest totaling $10,861 were accounted for as a reduction of capitalized costs, with no gain or loss recognized.

In March 2011, the Company sold a 25,75% working and revenue interest and the support equipment on the Rozella Kifer No. 1 well in Gonzales County, Texas to Lucas Energy, Inc. for cash proceeds of $37,100. The proceeds associated with the support equipment totaling $13,809 was recorded as a gain on sale of assets. The proceeds associated with working and revenue interest totaling $23,291 were accounted for as a reduction of capitalized costs, with no gain or loss recognized.

In April 2011, the Company sold a 12.875% working and revenue interest and the support equipment on the Rozella Kifer No. 1 well in Gonzales County, Texas to Lucas Energy, Inc. for cash proceeds of $18,550. The proceeds associated with the support equipment totaling $6,905 and will be recorded as a gain on sale of assets. The proceeds associated with working and revenue interest totaling $11,646 will be accounted for as a reduction of capitalized costs, with no gain or loss recognized.

In May 2011, the Company sold its remaining 12.875% working and revenue interest and the support equipment on the Rozella Kifer No. 1 well in Gonzales County, Texas to Lucas Energy, Inc. for cash proceeds of $18,550. The proceeds associated with the support equipment totaling $6,905 and will be recorded as a gain on sale of assets. The proceeds associated with working and revenue interest totaling $11,646 will be accounted for as a reduction of capitalized costs, with no gain or loss recognized.

Results of Operations for the Three and Six Months Ended June 30, 2012 and 2011

Revenues . Our total revenue reported for the three and six months ended June 30, 2012 was $1,161 and $6,435 compared to $2,239 and $5,755 in the comparable periods for the prior year. The decrease in revenues was the result of decreased production from the Glass 59 #2 well.

Lease Operating Expenses. The lease operating expenses for the three and six months ended June 30, 2012 were $0 and $1,070, compared to $1,803 and $4,838 in the comparable periods of the prior year. This decrease was also due to reduced production from the Glass 59 #2 well.

General and Administrative Expense. General and administrative expense for the three and six months ended June 30, 2012 were $144,470 and $210,559 compared to $106,023 and $212,545 for the comparable periods in the prior year. The increase in general and administrative expenses for the three months ended June 30, 2012 was largely attributable to the recognition of stock compensation expense of 42,722.

Gain on Sale of Assets. During the three and six months ended June 30, 2011, the sale by the Company of certain oil and gas properties netted the Company an aggregate of $40,000 and $96,827.

Other Income (Expenses) . We recorded interest expense of $367,411 and $2,086,252 for the three and six months ended June 30, 2012 compared to $46,524 and $129,037 in the comparable periods in the prior year. The increase was largely attributable to t he initial interest expense of $44,374 and $1,750,512 recorded for the fair value of the embedded derivative liability related to the Carebourn and the 2012 Notes, as well as amortization of debt discounts of $249,429 and $260,610 for the three and six months ended June 30, 2012. Included in other income and expenses for the three and six months ended June 30, 2012 is income for the fair value change in derivative liabilities of $1,901,272 and $1,662,516 compared to other income and expenses recognized of $11,766 and $1,948 for the three and six months ended June 30, 2011..

Liquidity and Capital Resources

As of June 30, 2012, we had total current assets of $10,072. Our total current liabilities as of June 30, 2012 were $1,360,347. Thus, we had a working capital deficit of $1,350,275 as of June 30, 2012.

Operating activities used $30,989 in cash for the six months ended June 30, 2012, compared to $175,844 for the six months ended June 30, 2011. There was no cash flow from investing activities for the six months ended June 30, 2012, compare to cash flows provided by investing activities of $141,942 during the six months of the prior year. Cash flows provided by financing activities during the six months ended June 30, 2012 was $22,910, compared to $25,400 for the six months ended June 30, 2011. The 2012 activity consisted of proceeds from the issuance of convertible notes payable of $22,000 and advances from related parties of $910. The 2011 activity consisted of proceeds from notes payable of $31,500, advances of $14,800 (including $10,900 from related parties) less repayments of $20,000.

Based upon our current financial condition, we do not have sufficient cash to operate our business at the current level for the next twelve months. We have negative working capital and rely on proceeds from equity and loans to fund our operations. We intend to fund operations through increased sales and debt and/or equity financing arrangements, which may be insufficient to fund expenditures or other cash requirements. We plan to seek additional financing in a private equity offering to secure funding for operations. There can be no assurance that we will be successful in raising additional funding. If we are not able to secure additional funding, the implementation of our business plan will be impaired. There can be no assurance that such additional financing will be available to us on acceptable terms or at all.

Going Concern

The Company’s consolidated financial statements are prepared using generally accepted accounting principles applicable to a going concern which contemplates the realization of assets and liquidation of liabilities in the normal course of business. As of June 30, 2012, the Company has a working capital deficit of $1,350,275 has generated limited revenues and has an accumulated deficit of $3,646,004. These factors raise substantial doubt regarding the Company’s ability to continue as a going concern.

In order to continue as a going concern and achieve a profitable level of operations, the Company will need, among other things, additional capital resources and to develop a consistent source of revenues sufficient to meet operating expenses. The continuation of the Company as a going concern is dependent upon the ability to raise equity or debt financing, and the attainment of profitable operations from the Company's operations.

The accompanying financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

Off Balance Sheet Arrangements

As of June 30, 2012, there were no off balance sheet arrangements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

A smaller reporting company is not required to provide the information required by this Item.

Item 4. Controls and Procedures

We carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of June 30, 2012. The Company's internal control over financial reporting is a process and procedures designed under the supervision of the Company's Principal Executive Officer and Principal Financial Officer to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements for external purposes in accordance with U.S. generally accepted accounting principles.

Based upon that evaluation, our Chief Executive Officer who is also our Principal Financial Officer concluded that, as of June 30, 2012, our disclosure controls and procedures over financing reporting were not effective. This conclusion was based on the existence of the material weaknesses in our internal control over financial reporting previously disclosed and discussed below. There have been no changes in our internal controls over financial reporting during the quarter ended June 30, 2012. To address the need for more effective internal controls, management has plans to improve the existing controls and implement new controls as our financial position and capital availability improves. Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act are recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed under the Exchange Act is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

We identified and continue to have the following material weakness in our internal controls over financial reporting:

There is a lack of segregation of duties and technical accounting expertise. Our financial reporting and all accounting functions are performed by an external consultant with no oversight by a professional with accounting expertise. Our management does not possess accounting expertise and hence our controls over the selection and application of accounting policies in accordance with generally accepted accounting principles were inadequate and constitute a material weakness in the design of internal control over financial reporting. This weakness is due to the Company's lack of working capital to hire additional staff.

Limitations on the Effectiveness of Internal Controls

Our management does not expect that our disclosure controls and procedures or our internal control over financial reporting will necessarily prevent all fraud and material error. Our disclosure controls and procedures are designed to provide reasonable assurance of achieving our objectives and our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective at that reasonable assurance level. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the internal control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, control may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate.

Changes in Internal Control Over Financial Reporting

There were no changes (including corrective actions with regard to significant deficiencies or material weaknesses) in our internal controls over financial reporting that occurred during the second quarter of fiscal 2012 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

The Company is a party to the following litigation: On December 3, 2012 Bertagnolli sued Carebourn (the Bertagnolli Suit") for non-payment of amounts due pursuant to the Bertagnolli PAA. On January 22, 2013 Carebourn filed an Original Answer, Counterclaim and Third Party Petition against the Company ("Carebourn's Claim"). Carebourn's counterclaim, among other things, alleges fraud by both Bertagnolli and the Company. The Company filed an answer to the claim in February 2013 denying all of Carebourn's allegations and asserting various affirmative defenses. The Company intends to vigorously defend its position and counsel for the Company believes that it is too early in the matter to estimate damages, if any.

Item 1A: Risk Factors

A smaller reporting company is not required to provide the information required by this Item.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

On January 30, 2012 the Company issued 5,263,158 shares of common stock in exchange for the conversion of $1,000 of the October 2010 Note.

On February 9, 2012 the Company issued 5,217,391 shares of common stock in exchange for the conversion of $1,200 of the October 2010 Note.

On February 28, 2012 the Company issued 5,400,000 shares of common stock in exchange for the conversion of $2,700 of the October 2010 Note.

On March 9, 2012 the Company issued 6,875,000 shares of common stock in exchange for the conversion of $4,600 of the October 2010 Note and $900 of accrued and unpaid interest on the October 2010 Note.

On March 22, 2012 the Company issued 6,857,342 shares of common stock in exchange for the conversion of $2,800 of the October 2010 Note and $1,620 of accrued and unpaid interest on the October 2010 Note.

On March 22, 2012 the Company issued 7,462,687 shares of common stock in exchange for the conversion of $5,000 of the December 2010 Note.

On May 10, 2012 the Company issued 8,010,175 shares of common stock in exchange for the conversion of $4,600 of the Assigned OIL Note.

On May 29, 2012 the Company issued 7,864,865 shares of common stock in exchange for the conversion of $15,730 of the ASL Note.

On June 25, 2012 the Company issued 6,000,000 shares of common stock in exchange for the conversion of $6,600 of the Assigned OIL Note.

None of the aforementioned transactions resulted in any cash proceeds to the Company.

Item 3. Defaults upon Senior Securities

The Company is in default of the 2010 and 2011 Asher Notes, as well as 1 st March 2010 Note, the 2 nd March 2010 Note, the April 2010 Note, the Bertagnolli Note, the ASL Note, the Carebourn Notes and 2012 Notes.

Item 4. (Removed and Reserved)

None

Item 5. Other Information

Item 6. Exhibits

Exhibit Number	**Description of Exhibit**
31.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

SIGNATURES

In accordance with the requirements of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SAVOY ENERGY CORPORATION

Date:	July 24, 2013	
	By:	*/s/ Arthur Bertagnolli*
		Arthur Bertagnolli
	Title:	**Chief Executive Officer and Chief Financial Officer**

EXHIBIT 31.1

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. SECTION 1350)

I, Arthur Bertagnolli, certify that:

1. I have reviewed this Form 10-Q for the period ended June 30, 2012 of Savoy Energy Corporation;

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 registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant 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 registrant, 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. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant'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

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant'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 registrant'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 registrant's internal control over financial reporting.

Date: July 24, 2013

/s/ Arthur Bertagnolli

Arthur Bertagnolli
Principal Executive Officer

EXHIBIT 31.2

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. SECTION 1350)

I, Arthur Bertagnolli, certify that:

1. I have reviewed this Form 10-Q for the period ended June 30, 2012 of Savoy Energy Corporation;

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 registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant 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 registrant, 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. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant'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

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant'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 registrant'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 registrant's internal control over financial reporting.

Date: July 24, 2013

/s/ Arthur Bertagnolli

Arthur Bertagnolli
Principal Financial Officer

EXHIBIT 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

The undersigned, Arthur Bertagnolli, the Chief Executive Officer, Chairman of the Board of Directors and Treasurer of SAVOY ENERGY CORPORATION (the “Company”), DOES HEREBY CERTIFY that:

1. The Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2012 (the “Report”), fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and

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

IN WITNESS WHEREOF, each of the undersigned has executed this statement this 10th day of May, 2013

/s/ Arthur Bertagnolli

Arthur Bertagnolli
Chief Executive Officer and Principal Financial Officer

A signed original of this written statement required by Section 906 has been provided to SAVOY ENERGY CORPORATION and will be retained by SAVOY ENERGY CORPORATION and furnished to the Securities and Exchange Commission or its staff upon request.